

CABINET

DATE	19 th July 2023
REPORT OF	Councillor Stephen Harness, Portfolio Holder for Finance, Resources and Assets
RESPONSIBLE OFFICER	Sharon Wroot, Executive Director, Place and Resources
SUBJECT	Procurement of Enforcement and Debt Collection Services
STATUS	Open
FORWARD PLAN REF NO.	CB 07/23/01

CONTRIBUTION TO OUR AIMS

Effective collection of debt ensures that the Council is able to deliver its strategic objectives and deliver its services.

EXECUTIVE SUMMARY

The Council's current enforcement and debt collection services contract expires on 21 August 2023. In order to ensure a continuity of service and the Council's continued enforcement and debt collection services, a replacement contract needs to be procured.

The replacement arrangements will comply with the Public Contracts Regulations 2015, the Councils Contract Procedure Rules, and ensure that the Council achieves its duty of best value.

As the Council is part of a Local Taxation and Benefits Shared Service arrangement with North Lincolnshire Council, the intention is that this will be a joint procurement with North Lincolnshire Council.

The Council pays Enforcement Agents VAT and any statutory fees. On average £1,400,000 of debt is collected annually and the Council pays £115,000 in VAT which is recoverable by HMRC.

RECOMMENDATIONS

It is recommended that the Cabinet:

1. Approves the commencement of a procurement exercise for enforcement and debt collection services.
2. Delegates authority to the Executive Director, Place and Resources in consultation with the Portfolio Holder for Finance, Resources and Assets to commence a procurement exercise for the enforcement and debt collection services, to award and implement and to take all reasonable ancillary actions arising.
3. Authorises the Assistant Director Law and Governance (Monitoring Officer) to

complete and execute all legal documentation arising.

REASONS FOR DECISION

The decision allows the Council to commence the procurement exercise for the replacement enforcement and debt collection services contract and allows the Council to award the contract.

1. BACKGROUND AND ISSUES

- 1.1 The Service provided means that the Council are able to collect Council Tax and National Non-Domestic Rates in accordance with the Local Government finance Act 1992, The Local Government Finance Act 1998 (as amended) and the Taking Control of Goods Regulations 2013.
- 1.2 The replacement contract will ensure the Council maximises the collection of income due by ensuring enforcement agents are used when all other avenues for the collection of debt have been exhausted.
- 1.3 The Council's contract for enforcement and debt collection services expires on 21 August 2023. To ensure continuity of collections to fund essential public services, a replacement contract needs to be procured.
- 1.4 The replacement contract will allow the Council to compliantly purchase enforcement and debt collections services across business rates, council tax and housing benefits overpayments.
- 1.5 A formal Invitation to Tender and award criteria will be developed, and the procurement will be undertaken in line with the requirements of the Public Contracts Regulations 2015, and the Councils Contract Procedure Rules, and ensure that the replacement contract represents value for money for the Council.
- 1.6 A project team has been established in readiness to undertake the procurement which consists of Local Taxation and Benefits Shared Service and the Procurement Team. Advice will be sought from Legal Services in relation to development of the terms and conditions and formation of the contract.

2. RISKS AND OPPORTUNITIES

- 2.1 The replacement arrangements will look to address the following risk:
 - A) The Council will be unable to collect Council Tax and National Non-Domestic Rates in adherence to the legislation.
 - B) Collection rates will reduce which will impact on the Councils financial position.
- 2.2 The replacement arrangements will look to take advantage of the following opportunities:
 - A) Continued efficiency in through ongoing use of Enforcement Agents.
 - B) Maximise value for money by working with external suppliers to take advantage of geographic reach.

C) Advances in technology offered by major enforcement agents.

3. OTHER OPTIONS CONSIDERED

Nothing – The current contract is due to expire, so there is a need to procure a replacement contract in order that the Council are compliant with its Contract Procedure Rules and Public Contracts Regulations 2015.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

There are not considered to be any reputational risks associated with the procurement or award of a replacement contract. Citizens should not see a change in either the quality or quantity of actions from Enforcement Agents arising from a replacement contract.

5. FINANCIAL CONSIDERATIONS

5.1. In line with the Council's financial strategy by going out to the commercial marketplace, we should obtain the best value for money for the Council. It will also deliver an efficient service to ensure income generation from Enforcement work remains high and take advantage of improved technology in the marketplace.

5.2. The contract will be funded through existing revenue budgets and is expected to deliver value for money as the charging mechanism used by enforcement agents requires them to collect their own fees from the citizens. There will be no requirement for Council reserves or capital funding as a result of the award.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

There are no children and young people implications as a direct result of this report.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The replacement arrangements will look to minimise the impact and postage on the environment through the extensive use of direct phone calls and SMS Text messaging wherever possible.

8. CONSULTATION WITH SCRUTINY

There is no consultation planned.

9. FINANCIAL IMPLICATIONS

9.1. The proposal is consistent with the Council's Debt Management strategy and will help to ensure efficient collection of debt. Once tenders are received a comparison can be made to ensure maximum value for money is obtained.

9.2. The cost of the activity will be met from within the existing service budget envelope.

10. LEGAL IMPLICATIONS

- 10.1. The procurement of a Enforcement and Debt Collection Services is supportive of the Council's core business and consistent with the stated aims and objectives of the Council underpinning its strategic objectives of Stronger Economy, Stronger Communities.
- 10.2. The procurement exercise will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 and supported by relevant officers.
- 10.3. The procurement exercise will be conducted jointly with North Lincolnshire Council thereby achieving savings, efficiencies, and value for money.
- 10.4. The delegations sought are consistent with an exercise of this nature.

11. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications arising from the contents of this report.

12. WARD IMPLICATIONS

This will have an impact on all wards.

13. BACKGROUND PAPERS

North East Lincolnshire Council Corporate Debt Management Strategy - <https://intranet.nelincs.gov.uk/wp-content/uploads/2018/07/Debt-Management-Strategy.pdf>

14. CONTACT OFFICER(S)

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