


REPORT TO CABINET

14 November 2018

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| Subject: | Award of contracts for use of Enforcement agents |
| Presenting Cabinet Member: | Councillor Steve Trow - Cabinet Member for Core Council Services |
| Director: | Executive Director – Resources – Darren Carter |
| Contribution towards Vision 2030: |  |
| Key Decision: | Yes |
| Forward Plan (28 day notice) Reference: | SMBC13/11/2018 |
| Cabinet Member Approval and Date: | 4 th October 2018 |
| Director Approval: | 25 th September 2018 |
| Reason for Urgency: | Urgency provisions do not apply |
| Exempt Information Ref: | Exemption provisions do not apply |
| Ward Councillor (s) Consulted (if applicable): | This is boroughwide |
| Scrutiny Consultation Considered? | Scrutiny have not been consulted |
| Contact Officer(s): | Ian Dunn, Revenues and Benefits Service Manager: ian_dunn@sandwell.gov.uk Carl Jones, Revenues and Benefits Senior Operations Manager: carl_jones@sandwell.gov.uk |

DECISION RECOMMENDATIONS

1. That Cabinet notes the Council has extensive in-house processes in place for the collection of debt and will only use enforcement agents as a last resort once all internal processes have been exhausted.
2. That Cabinet notes the joint procurement that has been undertaken to procure enforcement agent contracts with Dudley Metropolitan Borough Council, South Staffordshire District Council and City of Wolverhampton Council.
3. That Cabinet approve the award of contracts to support, where necessary, the collection of debts for the period 1 December 2018 to 30 November 2021 with the option to extend for a further two years to 30 November 2023 as follows:
 - Lot 1 – be awarded to the top two highest scoring bidders in the procurement exercise for the first referral enforcement agents detailed in this report.
 - Lot 3 – be awarded to the top two highest scoring bidders in the procurement exercise for the second referral enforcement agents detailed in this report.
 - That the names of the successful bidders be confirmed once all stakeholder councils have consented to the award of the contract and all requisite procurement procedures completed.

1 PURPOSE OF THE REPORT

- 1.1 The Council uses Enforcement Agents to support the recovery of unpaid Council Tax, Business rates, High Court and County Court judgements, Commercial rent arrears, Business Improvement District (BID) charges, and sundry debts.
- 1.2 The existing contract comes to an end on 30 November 2018.
- 1.3 City of Wolverhampton Council has procured the new contract on behalf of Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, South Staffordshire District Council and City of Wolverhampton Council.

- 1.4 Following the procurement process this report is seeking approval to award a contract to the top two highest scoring bidders in the procurement exercise for Lot 1 and Lot 3.

2 IMPLICATION FOR THE COUNCIL'S AMBITIONS

- 2.1 The majority of council services are funded through the income generated from Council Tax and Business Rates collection.
- 2.2 Sandwell is currently rated the best Metropolitan Borough Council for its Council Tax in-year collection. The award of this contract will help us to maintain high collection levels which will in turn support a number of the ambitions.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The Council uses enforcement agents as a last resort for recovery of debts once it has exhausted all options and has robust resources for the collection of debts
- 3.2 The Council currently uses two enforcement agents - Bristow & Sutor and Rundles & Co. Ltd. for the collection of unpaid Council Tax, Business Rates, Business Improvement District (BID) charges, County and High Court Judgements and sundry debts.
- 3.3 In 2017/18 the collection rate for Council Tax was 98.53% and for Business Rates was 98.88%.
- 3.4 The existing contract was procured by City of Wolverhampton Council on behalf of Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, South Staffordshire District Council, City of Wolverhampton Council and Walsall Council.
- 3.5 The current contract is due to end 30 November 2018.
- 3.6 City of Wolverhampton Council has procured the new contract on behalf of Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, South Staffordshire District Council and City of Wolverhampton Council.
- 3.7 The procurement was split into Lots as follows:

Lot 1 – First referral enforcement agents for the collection of unpaid Council Tax, Business rates, Commercial rent arrears, Business Improvement District (BID) charges, County and High Court Judgements and Commercial Rent arrears recovery and collection agent for sundry debts including housing benefit overpayments.

Lot 3 – Second referral enforcement agents for the collection service for unpaid Council Tax and Business Rates and collection agent service for sundry debts including housing benefit overpayments.

- 3.8 Where the Lot 1 provider is unsuccessful in collecting the debt and the debt relates to unpaid Council Tax, Business Rates, sundry debt or housing benefit overpayment, it will be referred to the second enforcement agent (Lot 3 provider).
- 3.9 The intention is to award contracts to two companies in each Lot.
- 3.10 The contracts are at no cost to the Council. The service providers will collect fees from the debtors, the fees are fixed in accordance with The Taking Control of Goods (Fees) Regulations 2014.

4 THE CURRENT POSITION

- 4.1 At present the Council works with Bristow & Sutor and Rundles & Co. Ltd enforcement agents to support the collection of unpaid Council Tax, Business rates, Business Improvement District (BID) charges, County and High Court Judgements and sundry debts.
- 4.2 The outstanding debts are passed onto the enforcement agents when the Council has exhausted all options in relation to the collection of the debts.
- 4.3 The contract will be for a period of three years from 1 December 2018 to 30 November 2021 with the option to extend for a further two years to 30 November 2023.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 None

6 ALTERNATIVE OPTIONS

- 6.1 If a contract is not in place to provide additional assistance with the recovery of unpaid Council Tax, Business Rates, High Court and County Court Judgements, commercial rent arrears, Business Improvement District (BID) charges, and sundry debts, including housing benefit overpayments the recovery actions available to the Council will be limited. Recovery rates would reduce affecting income available to the Council to provide services.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 The contract is at no cost to the Council. The service providers will collect fees from the debtors, such fees being fixed in accordance with The Taking Control of Goods (Fees) Regulations 2014.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The procurement process was an open above OJEU procedure in accordance with the Public Contract Regulations and Council's Contract Procedure Rules.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 None

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 Information regarding persons requiring enforcement agent action will be shared by the Council and Company A, B and C.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 Not required

12 SUSTAINABILITY OF PROPOSALS

- 12.1 The contract is at no cost to the Council. The service providers will collect fees from the debtors, such fees being fixed in accordance with The Taking Control of Goods (Fees) Regulations 2014.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

- 13.1 None

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

- 14.1 None

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 15.1 Sandwell is committed to ensuring effective collection of unpaid Council Tax, Business rates, High Court and County Court judgements, Commercial rent arrears, Business Improvement District (BID) charges, and sundry debts, including housing benefit overpayments. The use of enforcement agents is crucial in ensuring we maintain and improve current levels of performance and is always used as a last option.
- 15.2 The contract period of three years with the option of a further two years will provide Sandwell with the assistance it requires in collecting these debts.

16 BACKGROUND PAPERS

16.1 None

17 APPENDICES:

None