

REVENUES AND BENEFITS ENFORCEMENT AGENT PROCUREMENT

REPORT OF: DIRECTOR OF PEOPLE AND COMMERCIAL SERVICES
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Wards Affected: All
Key Decision: Yes
Report to: Cabinet
13 November 2023

Purpose of Report

1. The purpose of this report is to seek authority to procure new contracts for two enforcement agents for Revenues and Benefits and award the contract through a framework.

Summary

2. The current enforcement agent contracts for Revenues and Benefits are due to expire at the end of this fiscal year. Approval is sought to procure a new contract. There is no direct cost to the Council for this contract. The enforcement agents obtain their income from fees added to debts. These fees are set in legislation to standardise the amounts throughout the industry. Further details are available in the exempt annexe.

Recommendations

3. **Cabinet is recommended to agree to:**
 - (i) **Approve the procurement of two enforcement agent contracts for the Revenues and Benefits department, and;**
 - (ii) **Note that the award of the contract is delegated to the Director of People and Commercial Services.**

Background

4. In 2023/24 the total collectable amount of Council Tax and Business Rates combined exceeds £195 million. This contributes to up a significant income for County, District and Parish Councils.
5. While most residents and businesses make payments in accordance with their bills, there is a proportion of residents who cannot or will not pay. Where payment is not received, we work proactively with residents (especially those experiencing hardship) to assist them. In some cases where residents are unwilling to engage with our team, or in situations where we cannot find a current address for a debtor; we, like all councils, will pass the debt to an enforcement agent.
6. Mid Sussex currently has 69,149 dwellings liable for Council Tax and 4593 hereditaments liable for Business Rates.
7. Further background details are available in the exempt annexe.

Procurement

8. Agents will be procured through a mini competition via an approved framework. An element of the specification will include awarding to suppliers that have a proven welfare team, focused on assisting those who are struggling financially to get out of and stay out of debt while maximising their income through benefits and support.
9. This is important as it reflects the support already provided by the revenues and benefits service, and it supports the Council's approach to hardship support and intervention across all services and ensures that whilst the Council focuses on maximising income, this is done in sympathy to residents and business needs within the context of a challenging financial climate.
10. In addition to this we will also be looking to award to those who deliver relevant elements of the council's sustainable economic strategy. This may include promoting the benefits of sustainability practices, reduction in carbon emissions and action to support the achievement of Carbon Net Zero, combat climate change, sustain and increase biodiversity and promote health and well-being through a range of mechanisms including service level agreements.
11. It should be noted that the actual removal of goods is always considered a poor way to recover debt and that we look to our enforcement agents to work with debtors to make sensible and sustainable arrangements to pay, whilst also supporting vulnerable people and doing their best to account for residents' other needs. It should be remembered that Council Tax is a priority debt, and that successful collection has significant implications for the provision of critical services affecting all residents across the whole county.

Policy Context

12. These recovery processes are governed by and supported by national legislation and contribute to the Council's strategic aims of financial independence.

Other Options Considered

13. The current contracts are due to end in March 2024 with no option to extend. The alternative to procuring a new contract is that we bring the service in-house. It is not considered financially viable to recruit, train, certify and manage agents. An in-house service also introduces some liability risk considerations that have further financial implications. It would also be difficult for an internally recruited and managed team to match the flexibility of an external enforcement agent when it comes to physically covering the entire district.

Financial Implications

14. There is no cost to the Council for this contract. The enforcement agents obtain their income from fees added to debts. These fees are set in legislation to standardise the amounts throughout the industry.

Stage of process	Fixed fee	Percentage extra charged for debts over £1,500
Writing to resident or business about their debt	£75	None
Visiting the home or business address	£235	7.5%
Taking control of goods for sale	£110	7.5%

Equality and Customer Service Implications

15. As part of our specification, we will be seeking to award the contracts to agents that show the greatest commitment to social inclusion, ethical collection, and a compassionate attitude towards educating residents in debt, in the solutions available to get out and stay out of debt. Equalities and customer service considerations are already reviewed continually within the context of service provision.
16. An EIA may be required prior to awarding if the previous EIA is out of date in no longer applicable.

Other Material Implications

17. None.

Risk Management Implications

18. Enforcement agents carry out risk assessments before visiting properties to ensure their safety and as far as possible to ensure that vulnerable residents are protected, they are all equipped with body-worn cameras to ensure accountability, and to protect themselves and the reputation of Mid Sussex.
19. Should we not engage the use of Enforcement agents there is a significant risk to the Council finances firstly in the amount of revenue they collect on our behalf, but additionally by the perceived implications of residents or businesses that if there is no consequence to withholding payment, debtors may be less inclined to make payments or engage with the teams to repay their debts or get any additional assistance that they may require following engagement with either the Council directly or the welfare teams of the Enforcement agents.

Sustainability Implications

20. As part of our specification will be looking to award the contract to a supplier that holds the same values as Mid Sussex District Council as outlined in our sustainable economic strategy, by promoting the benefits of sustainability practices, reduction in carbon emissions and action to support achievement of Carbon Net Zero, combat climate change, sustain and increase biodiversity and promote health and well-being through a range of mechanisms including service level agreements.

Background Papers

- None.