



To: Finance and Corporate Services Scrutiny Board (1) Date: 15 December 2014

Subject: Council Appointed Enforcement Agents and Vulnerable People

1 Purpose of the Note

- 1.1 To provide an update to Scrutiny Board 1 (SB1) on the Council's guidelines for Council appointed enforcement agents when dealing with vulnerable people.

2 Recommendations

- 2.1 Members of the Board are recommended to:
- a) Note the content of the briefing note.
 - b) Identify any recommendations for the relevant Cabinet Member.

3 Information/Background

- 3.1 The Council collects more than £140 million in Council Tax and £125 million in business rates each year. The vast majority of people and businesses pay these taxes without the need for the Council to take additional measures to recover the debts.
- 3.2 In some cases it is necessary for the Council to make use of enforcement powers to maximise the recovery of monies owed and ensure that the Council secures revenues which pay for essential services to our local communities.
- 3.3 In council tax and business rates cases where payment is not forthcoming the Council applies to the Magistrate's Court to obtain a liability order against the debtor. The liability order gives the Council a range of options to pursue the debt further. One of the options available to the Council in enforcing council tax and business rate debts is the use of Enforcement Agents (formerly known as bailiffs).

4 Enforcement agents

- 4.1 Enforcement Agents (EAs) have powers to take possession of debtor's goods and sell those goods to recover the balance of the debt.
- 4.2 In April 2014 new regulations came into force which prescribe the stages of enforcement that EAs should follow and the fees that they can apply at each stage. These are detailed in the table below.

Enforcement Agent Fee Structure - Ministry of Justice				
FEE STRUCTURE	FIXED FEE	PERCENTAGE FEES		HOW IT WORKS
		£0 - £1,500	>£1,500	
Administration Compliance	£75.00	0%	0%	Instruction received by Enforcement Agent - issue of the notice of enforcement
Enforcement (Taking Control of Goods)	£235.00	0%	7.50%	First and subsequent attendance by Enforcement Agent to debtor's premises/"doorstep". Taking Control of Goods/Controlled Goods Agreement
Sale	£110.00	0%	7.50%	Goods removed to place of sale

- 4.3 Where potential vulnerability is identified at enforcement stage the EA will revert the case to compliance stage and withdraw associated costs.
- 4.4 In June 2011 the Council appointed Newlyn and Equita as Enforcement Agents (EAs) following a procurement exercise. The companies collect debts owing to the Council for Council Tax, Business Rates, Housing Benefit Overpayments, Parking Fines, Corporate Income and Commercial Rent.

5 Vulnerability

- 5.1 Upon appointing the EAs the Council agreed with the companies to use the existing policy for dealing with vulnerable clients. This policy was reviewed in April 2014 and is attached below for reference. The policy embodies the Council's commitment to ensure that a robust approach to the collection of monies due is partnered with a safety net which protects the interests of our most vulnerable residents.
- 5.2 A potentially 'vulnerable' customer is defined in the National Standards for Enforcement Agents and may include:
- The elderly
 - People with a disability
 - The seriously ill
 - The recently bereaved
 - Single parent families
 - Pregnant women
 - Unemployed people,
 - Those with long term/prolonged incapacity and,
 - Those who have obvious difficulty in understanding, speaking or reading English
- 5.3 Approximately 70 per cent of people fall within one of these groups – not everyone that does fall within one of these groups is vulnerable and vulnerability does not mean that a person is unable to pay their debt.

6 Identifying vulnerable cases

- 6.1 The Council will not refer a case to an EA when it is clear that the person is vulnerable. However, in the vast majority of cases the Council will be un-aware, at the point when a case is passed to an EA, that the tax payer is vulnerable.
- 6.2 The Council relies on information from a range of sources, including the tax payer, EAs and advice organisations, to help to identify vulnerable people.
- 6.3 EAs have specialist teams which deal with potentially vulnerable people and undertake financial assessments in order to establish affordable repayment plans.
- 6.4 Acknowledging the important role that our advice agency partners play in identifying vulnerable people the Council has worked with Coventry CAB and our Enforcement Agents to forge a close working relationship. This relationship provides CAB with direct access to Council recovery officers and Enforcement Agents so that we can liaise over vulnerable clients. CAB dealt with 458 Council Tax enquiries in the period April to November of this year and details of these enquiries are shown in the table below.

Liability for debt	42
Dealing with debt repayments	291
Liability order summons/hearing	17
Right of LA to enforce debt by bailiff/enforcement officer	5
Bailiff enforcement - fees and charges	14
Bailiff enforcement - vulnerable debtors	10
Bailiff enforcement - offers of payment	29
Bailiff enforcement - complaints and redress	2
Bailiff enforcement - taking control of goods	6
Bailiff enforcement - rights of entry	1
Bailiff enforcement – other	10
Enforcement - deductions from earnings	1
Enforcement - means enquiry & prison	4
Complaints and redress	1
Direct deductions from benefits	4
Not recorded/not applicable	51
Total	488

- 6.5 Feedback from CAB on these working arrangements includes:
- The escalation contacts set up at Equita and Newlyn are working well and both companies are pleasant and helpful to CAB advisers.
 - Generally both enforcement agencies accept reasonable payment arrangements and are easy to deal with.

“We can evidence that unreasonable collections behaviour has decreased and sustainable payment arrangements are being made. A close relationship with Council Tax recoveries and enforcement agents has also been maintained. Our partnership work produced measurable successes and pioneering guidelines for other departments and councils to adopt.” (Coventry CAB, October 2014)

6.6 There remain outstanding issues. In particular CAB find it difficult dealing with individual Enforcement Agents and maintain a concern that some potentially vulnerable people are not being identified. The Council continues to hold regular liaison meetings with CAB and EAs.

7 Monitoring

7.1 There are approximately 10,500 Council Tax accounts with EAs with a total debt of £4.4 million. The amount of debt being sent to Enforcement Agents (previously bailiffs) is up by 28% with a total of 9,545 cases being sent with a total value of £5.7 million.

- 66 affordable arrangements in place
- 63 are active
- 16 returned to client to consider affordable arrangement or write off
- 15 are on hold pending review
- 16 affordable arrangements

7.2 As part of our regular monitoring arrangements:

- The Council receive monthly reports which include details of any complaints made to or about EAs.
- EAs acknowledge complaints within 3 days and respond within 10 days.
- The Council hold quarterly meetings with Enforcement Agents which includes a review of complaints received.
- Close working arrangements between the Council and CAB and ensure that Coventry CAB have regular contact with both EAs so that vulnerable cases can be identified at the earliest opportunity.
- The Council holds quarterly meetings with CAB and other stakeholders and EAs attend these meetings every six months.

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Guidelines for
Potentially Vulnerable