

# Chichester District Council

Corporate Governance and Audit Committee

09/01/2023

## Corporate Enforcement Agent Contracts - Update

### 1. Contacts

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### 2. Recommendation

2.1 That the committee notes the contents of this report.

### 3. Background

- 3.1 The Council uses Enforcement Agents to collect unpaid debts in relation to Penalty Charge Notices, Council Tax, Non-Domestic Rates and BID Levy debts. Whereas most customers pay, a small number of debtors do not and therefore it is important to have Enforcement Agents in place.
- 3.2 The Council carries out debt collection in line with the Council's Corporate Debt Recovery policy. Enforcement Agents are only utilised where all other collection options have been exhausted.
- 3.3 Enforcement Agents work in line with The Taking Control of Goods Regulations 2013. There is no cost to the Council for the use of their services. Warrants are obtained through the Traffic Enforcement Centre for debts which remain unpaid; Enforcement Agents collect debts and where possible, return monies in full to the Council. Additional fees collected by the Enforcement Agents are strictly in line with the scale of charges as stipulated in regulations.
- 3.4 The use of Enforcement Agents ensures that the Council maintains a fair, consistent, and thorough approach to debt collection which demonstrates that it is not acceptable to avoid payment, while also identifying debtors who are unable to, or need help to, clear a debt.
- 3.5 Two Enforcement Agents were appointed in September 2020 and contracts are in place for the period from November 2020 – October 2023, with the option to extend by two years.
- 3.6 The Council has an in-depth specification to ensure the companies meet a high standard of service. The contracts are robust and managed by Officers to monitor activities and performance, this includes through regular contract monitoring meetings and review of any complaints received.

## 4. Update

- 4.1 The Enforcement Agents are continuing to provide a good level of service, successfully collecting unpaid debts.
- 4.2 In April 2020, due to the Covid 19 pandemic temporary regulations were introduced which prevented Enforcement Agents carrying out visits to customer properties. Regulations were lifted in August 2020 and measures were subsequently agreed with the Enforcement Agent to make contact with all debtors to address any new vulnerability issues and to assist them with making payment arrangements where possible.
- 4.3 The Council continue to closely monitor the performance of Enforcement Agents and work with them to promote the best performance.
- 4.4 Collection rates vary between different locations across the UK. CIVEA (the Civil Enforcement Association) who represent Civil Enforcement Agencies reported in 2019 that the national average collection rates for PCNs was 23% and Council Tax was 28.7%. The Chichester District is considered to be a more affluent area and as such, collection across all debt types is considered to be good. Taking into account the current financial climate and recent disruption to the Enforcement Agent activities during Covid 19, collection rates are higher than expected. These collection rates represent a 'snap-shot in time' and they will increase across all debt types as further work is carried out by the Enforcement Agents.

## 4.5 Collection Rates

April 2020 - March 2021

Debt Type	No. of Debts	No. Debts Successfully Collected	Amount Collected £	% Collection Rate
Road Traffic (PCNs)	995	375	£37,530.00	38%
Council Tax	901	333	£433,344.17	39.66%
Non -Domestic Rates*	71	36	£142,912.58	30.60%

\* Non-Domestic Rates include BID cases

April 2021 - March 2022

Debt Type	No. of Debts	No. Debts Successfully Collected	Amount Collected £	% Collection Rate
Road Traffic (PCNs)	639	233	£23,021.00	36%
Council Tax	1866	496	£733,735.55	25.90%
Non-Domestic Rates*	192	62	£166,942.82	21.88%

\* Non-Domestic Rates include BID cases

## 5 Corporate Enforcement Agent Contract

- 5.1 The Council has a responsibility to ensure that those who can pay, do and to identify those who cannot pay.

5.2 Without Enforcement Agents, the Council's income across different service areas will be affected.

## 6 Alternatives Considered

6.1 Not having Enforcement Agents was considered, however, this would mean that debts were uncollectable which would affect income. The use of Enforcement Agents when all other options have been exhausted also encourages debtors to pay earlier to avoid further action which improves collection at earlier stages of the statutory processes. The Council's Agency Agreement with West Sussex County Council for the provision of a Parking Civil Enforcement service requires the authority to have contracts in place with a minimum of two Enforcement Agents for debt recovery.

## 7 Resource and Legal Implications

7.1 There are no costs to the Council for the use of Enforcement Agents, costs are covered through the debt collection process.

7.2 Enforcement agents work in line with The Taking Control of Goods Regulations 2013 and associated regulations. Legislation was updated in light of Covid 19 where there was a period of time where attendance or entry to properties was suspended.

## 8 Consultation

8.1 This update does not require consultation; however, a full procurement process was undertaken.

## 9 Community Impact and Corporate Risks

9.1 Enforcement Agents have comprehensive policies to identify and assist vulnerable debtors, in line with the regulations, and information is shared between the Council and debt collection staff.

9.2 The contracts are monitored, and measures put in place should an Enforcement Agent underperform. The Council purposely appoints two Enforcement Agents in order that performance can be benchmarked which encourages higher collection rates. Cases can also be allocated based on performance if deemed necessary.

9.3 It is ensured that customers are aware of the action the Council can take if debts are not paid and the Council signpost to support services and offer advice, within the statutory processes undertaken.

## 10 Other Implications

Are there any implications for the following?	Yes	No
<b>Crime and Disorder</b>		✓
<b>Biodiversity and Climate Change Mitigation</b>		✓
<b>Human Rights and Equality Impact</b>		✓
<b>Safeguarding and Early Help</b>		✓
<b>General Data Protection Regulations (GDPR)</b>		✓
<b>Health and Wellbeing</b>		✓

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## **11 Appendices**

11.1 None

## **12 Background Papers**

12.1 Corporate Debt Recovery Policy.