


Internal Enforcement – A Council Perspective One Year On

Clive Jones
Revenues and Benefits Manager
Luton Council

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The Current Operating Context

- Reducing Residual Support Grant.
- Welfare reforms:
 - Universal Credit roll out impacting on council tax collection rates through direct payments to claimants
 - Council Tax Reduction
- Business Rate Retention.
 - Appeals and reducing valuations.
 - Business Improvement District.
 - Enterprise Zone

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How does Luton increase revenue to protect services?

- Increase council tax and business rate collection rates: 4 years of improvement. 92.5% to 97%
- Collect arrears: Team of 6 collecting £6.5m per year.
- Complete VOA billing authority requests to increase business rate values: Over £1m per year increased.
- Traded Services: Revenues Solutions – Enforcement and aged debt
- Make changes to the Council Tax Reduction scheme.
- Collect own enforcement fees that would otherwise be collected by external enforcement agencies.

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Enforcement Business Drivers

- Business growth crucial to financial sustainability:
 - additional income
 - increased employment
 - Increasing income through commercialisation
- The need to ensure you only enforce once if there are multiple debts
- Recognising vulnerability
- Fee calculation of 7.5% over £1,500

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Making the Business Case

- Confirms costs and income
- Sets financial expectations over five years
- Identifies risks
- Assists political buy-in

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Political buy in helped by:

- Sound financial case.
- National set regulations and fees.
- Examples of local authorities who are already enforcing successfully.
- Reviewing and strengthening policy to provide assurance.
- Getting support of voluntary community sector.
- Have backup of external partnership with private sector enforcement.

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Cost considerations:

- Enforcement training
- Pre-compliance calling
- Enforcement software
- Protective equipment
- Video cameras and hand held devices
- Certification and training
- The bond
- Enforcement staff travel and expenses
- Taking control of goods and auction costs

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Key risks:

- Reputational – It only takes one poor enforcement action.
- Financial – Meeting income targets.
- Political – Members support .
- Operational –Staff safety.
- Operational – Enforcement staff retention.
- Operational – Creating capacity for change.


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Implementation considerations:


- Revise debt polices
- Consider staff structure, conditions of service and training.
- Recruit staff.
- Develop performance monitoring framework.
- Develop enforcement processes.
- Software procurement
- Enforcement content on website
- Payment systems
- Change or develop any interfaces between systems


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One Year On - Lessons learnt

- Recruitment of qualified enforcement agents may be difficult. There is not a large pool of people.
- Training of enforcement agents takes time: Typically 3 months.
- Software procurement takes time: 3 months from requirements identification to configuration.
- Council tax and business rates are not the only debts. Parking penalty charge notices.

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One Year On – Lessons learnt

- It takes management capacity to implement and manage on an ongoing basis.
- You need an external partner for out of area enforcement.
- Productivity is not as high as external enforcement agents.
- You will cover your costs and have additional income for service provision

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Facts and figures

- Resources: 4 enforcement agents and a team leader.
- Collect sundry debt, council tax and business rate debt.
- 4000 cases per agent per year.
- Enforcing for another council. No charge to them.
- 10,000 council tax summonses.
- Pre-compliance calling collects 14%.
- Significant collection success occurs at compliance stage – 49%
- Enforcement stage success of 15%.

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Facts and figures

- We have not taken anyone to Sale of Goods stage.
- Zero complaints one bouquet!
- Council tax collection rate in 15/16 was 97% (+0.2%)
- Business rate collection rate in 15/16 was 98.1% (+0.5%)
- £6m in council tax and business rates aged debt was collected in 15/16

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Future uncertainty

- Review of enforcement fees?
- Review of business rates?
- Review of courts and enforcement?
- EU referendum result and the economy?
- Universal credit roll out?
- Council Tax Reduction changes?

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Luton direction

- Continue internal enforcement: Provides local employment.
- Traded Services enforcement: Looking for other nearby councils.
- Keep a watching brief on developing legislative framework.
- Continue to deliver an income for the Council.

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