

ROSC – Scrutiny sub-committee

27 July 2016

In Attendance:

A Chesterman
G Michaelides
N Pace
S Roberts

S Hulks

C Jones – Luton Borough Council

Members were introduced to Clive Jones, the Revenues and Benefits Manager at Luton Borough Council.

Councillor Roberts provided some background into the reason for the review and the work of the sub-committee to date.

Clive then showed a presentation which provided information on the decision by Luton Borough Council to take enforcement in-house.

The presentation showed the operating context, business drivers, cost considerations, risks and other considerations. It also provided some detail on the situation one year after implementing the new process.

Members were informed that a team of six people at Luton cost £250,000 but brought in £6m. This had been done whilst adding a further level of pre-enforcement.

The collection rate had increased from 92.5% pre implementation to 97% post implementation and this was in an area of high deprivation.

Luton had also been able to increase business rates by £1m per annum as part of the team's work.

Clive stated that, since bringing in the new procedure, there had been no complaints about enforcement. There had been one compliment on the system.

The team had the ability to identify when residents were vulnerable and they could give advice to people.

When using external Enforcement Agents, there was less control over the methods used to collect debts, whereas if any of the team were unethical or used bad tactics, they could be disciplined.

Luton had become the Enforcement Agents for two other authorities.

The team undertook parking enforcement for the authority. Members noted that, should a resident have outstanding debts for both parking and council tax, only one enforcement case was undertaken.

Luton had a Fair Debt Collection Policy and it was recognised that debtors should pay debts in the order:

1. Housing
2. Utilities
3. Council Tax
4. Other

There was the option, when debt collection was run in-house, to waive the fee of £75. This would not be waived for serial offenders.

The process for debt collection was:

Bill sent
30 days later a reminder sent
7 days later another reminder
7 days later a final reminder
Summons issued

When the summons is issued, £75 is added to the debtor's debt.

A court date is set with the option to attend. Recovery officers are available at the court to speak to customers if requested.

If the customer agrees to pay in full, the fee is waived.

If an arrangement to pay is reached, the fee is included in the debt and the full amount must be paid within the financial year.

If an arrangement is broken, a further summons will be issued and a further fee charged.

Once the summons is issued, the collection team makes three pre-compliance calls.

Currently there were 40 local authorities that had begun in-house enforcement.

Clive provided information on the service that could be provided to Welwyn Hatfield, should it be decided that the contract should be moved from external Enforcement Agents.

Members thanked Clive for his time and for providing such useful information.

It was agreed that Clive would provide a business model for Welwyn Hatfield based on the number of cases that they had. Details to be provided to him.

The next meeting to be held on 16 August 2016.