



Northumberland
County Council

Local Taxation Recovery and Enforcement Agents

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Legislation

The Council Tax (Administration and Enforcement) Regulations 1992

The Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989

The Taking Control of Goods Regulations 2013

The Taking Control of Goods (Fees) Regulations 2014

Council Tax and Business Rates

- **154,989 Domestic dwellings with a net collectable Council Tax debit of £204.7 million for 2019/20**
- **13,298 Business Rates properties with a net collectable debit of £85.2 million for 2019/20**

Billing and Payment

- **Bill and instalments**
- **Reminder Notices / Final Notice**
- **Magistrates' Court Summons**
- **Liability Order made by the Magistrates' Court**
- **Warning of Enforcement Action, including Enforcement Agents and Costs**
- **Enforcement**

	Council Tax	Council Tax Support	Business Rates
Reminder/Final Notices 1.4.18 to 31.1.19 1.4.19 to 31.1.20	26,539 Accounts 27,984 Accounts	N/A 16,211 Accounts	2,678 Accounts 2,738 Accounts
Summonses 1.4.18 to 31.1.19 1.4.19 to 31.1.20	7,770 Accounts 8,521 Accounts	N/A 5,414 Accounts	425 Accounts 693 Accounts
Liability Orders made by the Magistrates' Court 1.4.18 to 31.1.19 1.4.19 to 31.1.20	6,857 Accounts 6,668 Accounts	N/A 3,728 Accounts	303 Accounts 339 Accounts



Warning of Council Tax Recovery Action and Request for Financial Information

- **Name and address of the debtor's employer**
- **Details of earnings**
- **Other income and benefits**
- **Opportunity to make a payment arrangement with NCC**
- **Warning of possible enforcement agent action and fees.**

Enforcement Options

<u>Council Tax</u>	<u>Business Rates</u>
<ul style="list-style-type: none">•Attachment of Earnings Orders•Attachment of Benefits•Enforcement Agents•Bankruptcy / Liquidation•Charging Orders•Commitment to Prison•Attachment of Elected Members Allowances	<ul style="list-style-type: none">•Enforcement Agents•Bankruptcy / Liquidation•Commitment to Prison

Enforcement Agents

Tribunals, Courts and Enforcement Act 2007

MoJ Consultation 2012 – *Transforming Bailiff Action*

Legislation changed on 6.4.14

Enforcement agents replaced bailiffs

- Greater all-round clarity**
- Set fee structure**
- Exempt goods**
- Protection for vulnerable debtors**

General

- **MoJ – *Taking Control of Goods: National Standards***
- **Online computer system – real time updates**
- **Citizens Advice Liaison**
- **LGO Focus Report – November 2012**
 - **Good Practice, vulnerable debtors, complaint handling**
 - **No major issues in Northumberland**
- **3-Year Government Review in 2019 – no major issues**

Referrals to Enforcement Agents

	<u>1.4.18 to 31.1.19</u>	<u>1.4.19 to 31.1.20</u>
Number of Council Tax liability orders referred to enforcement agents	3,609	4,094
Number of Council Tax liability orders referred to enforcement agents (Council Tax Support)	Included above	34
Council Tax Recovered	£882,536	£854,289
Number of Business Rates liability orders referred to enforcement agents	184	223
Business Rates Recovered	£148,084	£163,023

Objectives of New Legislation from April 2014

Single Piece of Legislation

To cover **All** debt types

Fees which are:

- Transparent & simple
- Align fees to the costs of activities
- The “Customer” pays

Structure - 3 Stages

- **Stage 1 - COMPLIANCE STAGE**

- From receipt of case to visit



- **Stage 2 - ENFORCEMENT STAGE**

- From doorstep visit to removal

- **Stage 3 - SALE STAGE**

- From removal visit to completion

Each stage has a Fixed Fee

The Fees

<u>Fees for Enforcement</u>			
		<u>Percentage Fees</u>	
<u>Fee Stage</u>	<u>Fixed Fee</u>	<u>£0 - £1,500</u>	<u>> £1,500</u>
Compliance	£75.00	0%	0%
Enforcement	£235.00	0%	7.5%
Sale	£110.00	0%	7.5%

Trigger Points – Fee Application

Fee Structure Features

<u>Stage Triggers</u>	
Compliance	Instruction received by Enforcement Agent Company
Enforcement	First attendance by Enforcement Agents to debtors premises “door step”
Sale	First attendance at the property for the purpose of transporting goods to place of sale
Creditor Guaranteed Fee	None

Disbursements - Regulation

- EA may recover disbursement provided they are reasonable and actually incurred
 - Costs of Storing goods which have been removed
 - Costs of hiring a locksmith to gain access when reasonable force is allowable
- Court Fees in relation to applications under Enforcement Powers
- Otherwise - Exceptional Costs Only
- No Transaction Fees

The Building Blocks of Compliance

- A fusion of debt collection and enforcement processes.
- Begins with data cleansing and information gathering
 - Telephone numbers
 - Email addresses
 - Tracing process
- A clear difference to collections: no longer based solely on the “knock at the door”
- MI that demonstrates and proves transformation

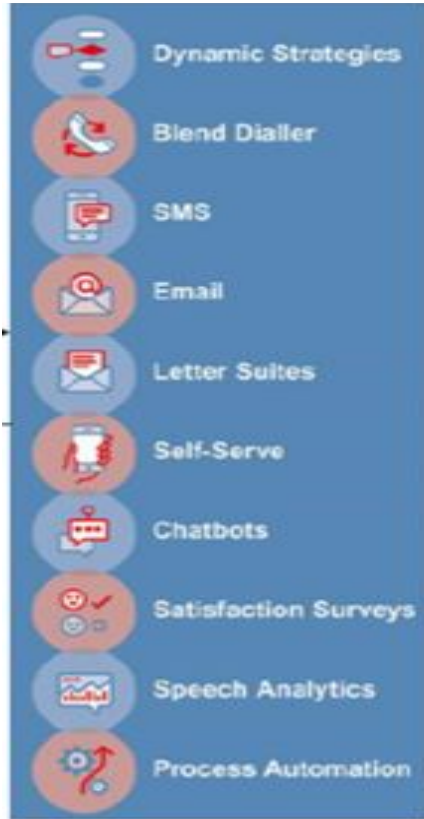
HMRC

Compliance Stage

The statutory requirement for the 'compliance stage' is 7 clear days, however for Northumberland CC we apply a 20 day solution for Council Tax (30 days for Council Tax Reduction Scheme cases) and 14 days for Business Rates.

- Provides time to engage with a customer whilst fees are at the initial low stage
- there is no simple “one size fits all” approach
- Serial non-payers can use a long compliance period as a delaying tactic
- CTRS cases enjoy a longer compliance stage with 2 extra reminders and non engagement cases we refer back to NCC for advice on next steps (to visit or not).
- NNDR referrals receive a 14 day period prior to door step visits as Businesses should be paying their debts on time and more time can mean businesses closing or initiating insolvency action and avoiding the visit and recovery of debt

Ethical Collections



E.A. Compliance Strategy

Dynamic Strategies – bespoke compliance schemes utilising outbound telephony, sms, voice and email

Blended dialler technology, 7 days a week

SMS and multi-media contact strategies

Email contact strategies

Multiple 'plain English' bespoke letters strategy

Self Serve – Complaints software, Online help centres, FAQ's, Web chat.

Development of BOT technology

Regular customer/client satisfaction surveys

Speech analytics program

Dialler software, bespoke scheme connections, auto tracing, allocations software, BWV and call recording, secure data sharing protocols.

Enforcement services delivered ethically

- ✓ We guarantee transparent service delivery
 - on-line system access for Northumberland staff
 - 100% contact centre call recording
 - 100% EA body worn video recording moderating behaviours and reducing complaints
- ✓ Train our contact centre office staff to FCA standard, qualified to Treat Customers Fairly (TCF)
- ✓ Provide training on TCoG processes and our vulnerability approach to CitAdvice and other Third Sector groups
- ✓ Are committed to support those in chronic financial hardship through our specially trained Welfare Support Unit.
- ✓ Train our staff to identify and deal with customer vulnerability

Dealing with Vulnerability

- ✓ Identify, signpost, safeguard and support vulnerable customers:
- ✓ Train EAs to identify and report on vulnerability
- ✓ Vulnerability cases identified at enforcement are returned to the compliance stage and visit fee removed, working with them on an affordable arrangement
- ✓ Development of MI reporting tool MPower interacting with our systems to record & report on vulnerability, collections and outcomes.
- ✓ Welfare teams trained in TCF & Vulnerability, managing caseload from the back office, special arrangements with Blyth CitAdvice
- ✓ 60 days breathing space for U.C Claimants
- ✓ Delivering to staff / EA's and L.A. clients, training in Vulnerability & Suicidal Disclosures in a Revenues Environment
- ✓ Vulnerability is better identified on the doorstep in the customers home environment; 'stopping the knock' reduces opportunities to identify and assist



Complying with Compliance - Northumberland

In the last 20 months 421 customers paid in full with no fee applied (0.73%)

6,512 paid at compliance (£461,769) with the £75 fee applied (40.53%)

11,932 paid at enforcement stage (£1,139,443) with the £235 fee applied (58.74%)

		Pre-Compliance			Compliance			Enforcement			Total	
		Total Paid	No of	%	Total Paid	No of	%	Total Paid	No of	%	Total Paid	No of
Jul 2018	Total	£1,407.83	32	0.12%	£18,241.93	419	1.60%	£29,984.24	692	2.63%	£49,634.00	1,143
Aug 2018	Total	£986.60	17	0.09%	£24,631.32	419	2.16%	£32,090.88	604	2.82%	£57,708.80	1,040
Sep 2018	Total	£207.25	13	0.02%	£23,054.80	410	2.02%	£41,212.82	603	3.62%	£64,474.87	1,026
Oct 2018	Total	£241.44	32	0.02%	£36,619.47	514	3.21%	£39,537.70	713	3.47%	£76,398.61	1,259
Nov 2018	Total	£239.39	17	0.02%	£30,898.81	450	2.71%	£43,029.21	656	3.78%	£74,167.41	1,123
Dec 2018	Total	£893.86	16	0.08%	£21,849.12	393	1.92%	£28,889.96	548	2.54%	£51,632.94	957
Jan 2019	Total	£268.31	32	0.02%	£31,577.97	469	2.77%	£39,945.75	708	3.51%	£71,792.03	1,209
Feb 2019	Total	£169.21	11	0.01%	£28,684.85	355	2.52%	£38,910.69	628	3.41%	£67,764.75	994
Mar 2019	Total	£258.76	26	0.02%	£24,881.03	368	2.18%	£39,016.14	692	3.42%	£64,155.93	1,086
Apr 2019	Total	£1,540.99	27	0.14%	£23,235.45	366	2.04%	£35,446.86	697	3.11%	£60,223.30	1,090
May 2019	Total	£258.87	28	0.02%	£22,359.44	312	1.96%	£42,144.95	689	3.70%	£64,763.26	1,029
Jun 2019	Total	£202.15	12	0.02%	£15,219.00	257	1.34%	£26,598.30	611	2.33%	£42,019.45	880
Jul 2019	Total	£370.50	35	0.03%	£24,386.42	282	2.14%	£30,969.19	664	2.72%	£55,726.11	981
Aug 2019	Total	£235.52	18	0.02%	£18,203.01	270	1.60%	£31,573.99	567	2.77%	£50,012.52	855
Sep 2019	Total	£263.79	22	0.02%	£29,276.46	274	2.57%	£39,629.74	590	3.48%	£69,169.99	886
Oct 2019	Total	£236.05	30	0.02%	£24,581.87	301	2.16%	£43,912.69	641	3.85%	£68,730.61	972
Nov 2019	Total	£193.89	12	0.02%	£29,150.91	254	2.56%	£34,136.95	597	3.00%	£63,481.75	863
Dec 2019	Total	£188.29	30	0.02%	£21,094.49	240	1.85%	£26,313.44	549	2.31%	£47,596.22	819
Jan 2020	Total	£180.93	11	0.02%	£13,823.20	159	1.21%	£25,986.42	483	2.28%	£39,990.55	653
Total		£8,343.63	421	0.73%	£461,769.55	6,512	40.53%	£669,329.92	11,932	58.74%	£1,139,443.10	18,865

Impact of vulnerability in Northumberland

Since 2014, we have successfully engaged with 11,246 Council Tax customers of which 1,232 were identified as potentially vulnerable (11%), where we have recovered £379, 915 (42.64%) with minimal fees

		Total				Other				Vulnerable			
		No of cases	Debt Total	Debt Repaid	%	No of cases	Debt Total	Debt Repaid	%	No of cases	Debt Total	Debt Repaid	%
2011		6	£3,858.24	£941.86	24.41%	5	£3,541.22	£815.09	23.02%	1	£317.02	£126.77	39.99%
2012		2	£1,541.59	£692.52	44.92%			£0.00	NaN	2	£1,541.59	£692.52	44.92%
2013		3	£1,919.42	£799.22	41.64%	2	£1,028.70	£218.72	21.26%	1	£890.72	£580.50	65.17%
2014		23	£21,509.07	£9,861.32	45.85%	13	£10,469.89	£5,072.27	48.45%	10	£11,039.18	£4,789.05	43.38%
2015		15	£10,693.75	£5,616.95	52.53%	12	£8,759.80	£4,494.93	51.31%	3	£1,933.95	£1,122.02	58.02%
2016		3,129	£1,960,767.82	£767,013.04	39.12%	2,677	£1,665,718.65	£621,979.38	37.34%	452	£295,049.17	£145,033.66	49.16%
2017		3,558	£2,245,854.03	£898,192.55	39.99%	3,084	£1,907,751.60	£749,416.09	39.28%	474	£338,102.43	£148,776.46	44.00%
2018		2,648	£1,863,918.15	£584,583.00	31.36%	2,448	£1,708,257.95	£521,697.07	30.54%	200	£155,660.20	£62,885.93	40.40%
2019		1,862	£1,394,081.56	£247,205.82	17.73%	1,773	£1,307,614.07	£231,297.07	17.69%	89	£86,467.49	£15,908.75	18.40%
Overall Total		11,246	£7,504,143.63	£2,514,906.28	33.51%	10,014	£6,613,141.88	£2,134,990.62	32.28%	1,232	£891,001.75	£379,915.66	42.64%

Collection Rates by Year and Debtor Type

