

Cabinet – 4 April 2012

Procurement of a combined Bailiff Services contract

Portfolio: Councillor C Towe - Finance & Personnel
Councillor T Ansell - Transport & Environment

Service: Revenues Service

Wards: All

Key decision: No

Forward plan: No

1. Summary

- 1.1 To advise members that the existing Bailiff Agency contract for local taxation collection will expire on 31 May 2012 and the procurement of a new contract commenced on 29 February 2012. The new contract will combine local taxation and civil traffic enforcement into one contract for the Council. The closing date for submissions is currently 13 April 2012 and the new contract is anticipated to take effect from 1 June 2012.
- 1.2 Cabinet approval is sought to delegate the authority to award the new contract

2. Recommendation

That authority to award the Bailiff services contract and enter into any contract and ancillary related documents is delegated to the Executive Director for Resources in consultation with the Finance & Personnel Portfolio Holder and the Transport & Environment Portfolio holder.

3. Report detail

- 3.1 The tender is for the provision of bailiff and debt collection services to aid collection of unpaid debts to the Council, including unpaid council tax, business rates, parking/traffic charges, housing benefit overpayments and sundry debts.

Revenues & civil traffic enforcement through a Bailiff Agency and the collection of debts through a Debt Collection Agency forms the first part of the tender as lot one, the second part, lot two of the tender is specifically targeted at local taxation collection for recycled referrals, having already been to a Bailiff Agency without success.

- 3.2 Tender for lot one - The Council invites tenders for the provision of bailiff services for the collection of council tax, non- domestic rates, business improvement district schemes (BIDS), and debt arising from non-payment of penalty charge notices issued under the Road Traffic Act 1991, the Transport Act 2000 or the Traffic

Management Act 2004. In addition, the recovery of sundry debts and housing benefit overpayment. The successful Tenderer for lot one will be expected to recover debts for all categories listed above and therefore submit returns for the whole package including any second referrals for all categories mentioned.

Indicative Annual Volumes for lot one :

Council Tax liability orders	8500 first referral cases
Business Rates liability orders and BIDS	1000 first referral cases
Housing Benefit Overpayment	2000 cases
Sundry Debts	3000 cases
Civil Traffic warrants	3000 cases

These are an indication only and the actual volumes may vary over the life of the contract, there is no guarantee of the volumes each Tenderer will receive during the life of the contract.

The Council is looking to appoint up to three Tenderers for lot one of the tender and to

allocate an equal share of the first referral work load during the life of the contract subject to an annual review of satisfactory performance of each of the successful Tenderers.

- 3.3 Tender for lot two - The Council invites tenders for the provision of a second referral bailiff services for the collection of council tax, non-domestic rates, business improvement district schemes (BIDS).

Indicative Annual Volumes for lot two

Council Tax	4000 2 nd referral cases
Business Rates and BIDS	400 2 nd referral cases

These are an indication only and the actual volumes may vary over the life of the contract, there is no guarantee of the volumes each Tenderer will receive during the life of the contract.

For lot two; The Council is seeking to appoint up to a further three Tenderers to deal with 2nd referral bailiff work. This will be allocated on an equal percentage basis during the first year of the contract and subject an annual review of satisfactory performance, that percentage share will continue during the life of the contract.

4. Council priorities

- 4.1 Understanding why residents fail to pay outstanding debts to the council and making arrangements to help resolve those issues is a key priority within the income collection work carried out in both revenues and traffic management services.
- 4.2 The collection of outstanding monies to the Council is a key contribution to the cash flow of the organisation and prompt efficient collection processes contribute to this priority.

5. Risk management

- 5.1 The contract with a Bailiff Agency has to be subject to a code of practice, written by the Council, thereby ensuring a professional and equitable approach to debt recovery. This document allows the management of risks associated with collection.
- 5.2 Various methods of enforcing payment of debts to the Council are utilised within both local taxation and civil traffic enforcement. One option is to use the services of a bailiff agency to secure payment or remove goods for sale to the value of the debt. Without a contract in place the Council would not be able to utilise this enforcement option.

6. Financial implications

The tender process will be funded from existing resources. There is no consideration in relation to this contract, the bailiff “fees” are recovered directly from the debtor. The reconfigured contract has been identified as potentially delivering savings through the reduced costs to collect sundry debts and possible added value. Optimising collection of local taxation demonstrates good value for money.

7. Legal implications

- 7.1 The successful contractor will be entitled to retain a percentage of commission in relation to any debts recovered, rather than the Council making a direct payment for services. Even though the total value of the contract over its life-time is therefore not quantifiable as it is effectively a commission, based on previous debt collection rates, it is anticipated that the value will be greater than the current EU threshold and the Council has advertised this contract opportunity in accordance with the European requirements set out in the Public Contract Regulations 2006.
- 7.2 Legal Services have also drafted the contract terms and will continue to be involved in the process of awarding the contract to the successful tenderer.

8. Property implications

None

9. Staffing implications

None

10. Equality implications

Contracts will address equality issues in line with corporate equality standards. The code of practice is written to ensure bailiff agencies comply with all existing equality requirement.

11. Consultation

With neighbouring councils to identify best practice

Background papers

None

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5 March 2012



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5 March 2012



Signed

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5 March 2012