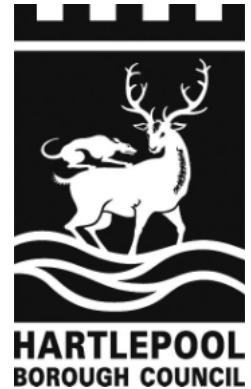


# PERFORMANCE PORTFOLIO DECISION SCHEDULE



Tuesday 21 December 2010

At 3.00 pm

in Committee Room D, Civic Centre, Hartlepool

Councillor J Brash, Cabinet Member responsible for Performance will consider the following items.

1. **KEY DECISIONS**  
No items.
2. **OTHER ITEMS REQUIRING DECISION**
  - 2.1 Internal Bailiff Services – *Chief Customer and Workforce Services Officer*
3. **ITEMS FOR INFORMATION**  
No items
4. **REPORTS FROM OVERVIEW OF SCRUTINY FORUMS**  
No items
5. **LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006**

## EXEMPT ITEMS

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006

6. **EXEMPT KEY DECISIONS**  
No items
7. **OTHER EXEMPT ITEMS REQUIRING DECISION**
  - 7.1 Approval for Compulsory Redundancy (Para 4) – *Chief Customer and Workforce Services Officer*



## **PERFORMANCE PORTFOLIO**

Report to Portfolio Holder

21 December 2010



**Report of:** Chief Customer and Workforce Services Officer

**Subject:** Internal Bailiff Services

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### **SUMMARY**

#### **1.0 PURPOSE OF REPORT**

1.1 To inform the Portfolio Holder of planned future changes to the remit of the council's Internal Bailiff Services and other potential work opportunities.

#### **2.0 SUMMARY OF CONTENTS**

2.1 The report outlines the existing services provided by the council's internal bailiffs and the scope to generate income for the authority by in-sourcing work that is currently undertaken by external bailiffs. The report also makes reference to future changes to an existing shared service agreement.

#### **3.0 RELEVANCE TO PORTFOLIO MEMBER**

3.1 The portfolio holder has responsibility for Revenues Administration issues.

#### **4.0 TYPE OF DECISION**

4.1 The decision is considered to be a non-key decision.

#### **5.0 DECISION MAKING ROUTE**

5.1 The Performance Portfolio Holder only.

**6.0 DECISION(S) REQUIRED**

- 6.1 That the Portfolio Holder notes the internal commercial opportunities and approves the proposed future operating model for the council's internal bailiff function.
  
- 6.2 That the Portfolio Holder notes the likely changes to the existing bailiff shared services arrangement and endorses the active consideration of any emerging proposals/ bidding opportunities.

**Report of:** Chief Customer and Workforce Services Officer

**Subject:** Internal Bailiff Services

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## **1. PURPOSE OF REPORT**

- 1.1 To inform the Portfolio Holder of planned future changes to the remit of the council's Internal Bailiff Services and other potential work opportunities

## **2. BACKGROUND**

- 2.1 The Council Tax (Administration & Enforcement) Regulations 1992 include provisions to allow councils to enforce council tax and business rate debts once a Magistrates' Court liability order has been obtained by the use of bailiff action. Charges for bailiff actions are added to the outstanding debt and are collectable from the debtor, thereby being on a nil cost to the council basis.
- 2.2 The Tribunals Courts and Enforcement Act 2007 includes provisions to more stringently regulate the bailiff enforcement industry. However the more detailed secondary legislation has not yet been finalised. The Ministry of Justice are committed to publicly consulting on draft regulations with a view to their being implemented in 2012. These proposals will include a provision to introduce an "upfront" fee payable by the bailiff commissioning organization ie. the Council to the enforcement agent, rather than the current system whereby fees and costs are payable by the debtor to the enforcement agent. Whilst the Council could subsequently recharge such costs to the debtor, there remains a risk that they would be unpaid and as such would fall on the Council. The operation of an Internal Bailiff function mitigates this type of risk and was a factor considered in evaluating whether to establish an in house service.
- 2.3 Following a successful pilot in 2006, the council's internal bailiff function was established and the function has developed and currently employs three bailiffs supported by a back office Recovery Officer. The internal bailiff activity has established its credibility as an integral part of the recovery process and a number of benefits have been recognized:
- Faster turn around of cases
  - Payment arrangements made are more realistic and therefore more are adhered to and not broken

- More effective and appropriate methods of recovery are often identified during a visit to a property such as attachment to earnings / benefit
- Hardship and other vulnerable cases are identified and immediately referred to the appropriate support network
- Won't pay cases where goods can not be removed are identified and referred for committal action more quickly

2.4 As the internal bailiffs operate under the direct control of the council this arrangement permits the council to take a holistic view of the debtor's position and provide advice and support without compromising the core collection focus of the work. The "non core" actions of the internal bailiffs add significant value and contribute to addressing the council's commitment to minimise poverty and hardship.

2.5 The internal bailiffs do not undertake work on Hartlepool Borough council debts where the debtor has moved outside the borough's boundaries, such cases are passed to external bailiff companies. However a reciprocal agreement has been made in 2010 between Hartlepool BC and the City of Sunderland Council whereby each local authority will handle each others bailiff cases that fall within their respective boundaries.

2.6 The operation of an Internal Bailiff function acts as an important control and effectiveness benchmark challenge to external bailiffs. In addition Bailiff Services have been provided by the council to another Tees Valley authority for a number of years under a Partnership Agreement which generates about £18,000 pa.

### **3. EXTENSION OF INTERNAL BAILIFF WORK WITHIN THE COUNCIL**

3.1. The Council issues annually 7-8,000 penalty charge notices (PCN's) for various car parking offences within the borough. Discounts are available for prompt payment and the public also have the right to appeal against the issue of a PCN which may result in it being cancelled. However annually about 2,500 PCN's remain unpaid after the expiry of any appeal period which remains collectable.

3.2. For any unpaid PCN's the Council's Car Parking Section trace the owners of the vehicles involved and a warrant is obtained via court so that recovery can be enforced. Procedurally at this point the warrant would be referred to an external Bailiff Company.

- 3.3. All costs charged during enforcement are payable by the debtor and are retained by the enforcing Bailiff. The schedule of charges for enforcement activity is defined by regulations linked to the value of the PCN and these charges increase with each recovery action.
- 3.4. Broad modeling of the potential bailiff income at Hartlepool based on the experiences of other councils suggests that annually £55,000 could be generated as bailiff fees from this work. From a capacity perspective this additional recovery work should be capable of being integrated into the existing bailiff workload without any need to employ additional bailiffs. However, this new activity will significantly increase the back office recovery workload. It is estimated that one additional full time recovery officer at Band 7 in the Enforcement Team would be required to support this initiative at a cost of £24,000 pa. An operating surplus from bringing this work in house would be about £31,000 pa. The business case for insourcing this activity is very strong and could be introduced on a pilot basis to allow the business case to be fully proven in practice. Progressing the proposal will provide an opportunity to redeploy an officer at risk from the planned changes to the 2011/12 budget on a short fixed term pilot basis.
- 3.5. Officers have evaluated the necessary support IT arrangements and an in house solution linked to the council's financial system has been evaluated as fit for purpose at no development or licencing cost to the council. There is currently no formal contract with any external bailiff company and therefore legally it would be relatively straightforward to transfer the bailiff work in house.

#### **4. INTERNAL BAILIFF WORK FOR OTHER BODIES**

- 4.1 The Council currently delivers bailiff services to Darlington BC under a service agreement and code of operation. This arrangement has worked successfully for a number of years to the mutual benefit of both authorities. Darlington have recently been undertaking a number of internal reviews of services and are planning in 2011 to consolidate all bailiff recovery work within a single corporate contract. Hartlepool is currently one of a number of bailiff providers used by Darlington.
- 4.2 Given the credibility and reputation that Hartlepool has as a provider of bailiff services and the market opportunity that any new contract would provide, the Council intends to express an interest in delivering those services to be covered by the new arrangement.
- 4.3 Darlington are for the future committed to involving bailiffs in the recovery of unpaid car parking PCN's and such will be included within any future corporate bailiff contract. Although discussions are at the very formative stages indications are that Darlington may wish to test

the use of bailiffs in recovering unpaid PCN's. Hartlepool has provided Darlington with details of its proposed framework for internal bailiff PCN recovery work with a view to potentially providing a similar service on a pilot basis for Darlington. Such would enable Hartlepool to evaluate the financial and operational challenges and benefits of delivering such a service.

## 5. RECOMMENDATIONS

- 5.1. The Portfolio Holder notes the internal commercial bailiff opportunities and approves the proposed pilot of recovery of PCN's by the internal bailiff service including the appointment of a recovery officer on a short fixed term basis to support the development.
- 5.2. The Portfolio Holder notes the likely changes to the existing bailiff shared services arrangement and endorses the active participation in any emerging proposals/ bidding opportunities.

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