

**OVERVIEW & SCRUTINY COMMITTEE  
21 JANUARY 2020**

**PUBLIC DOCUMENT**

**TITLE OF REPORT: FAIR COLLECTION POLICY & PRESENTATION BY PENHAM EXCEL LTD**

**REPORT OF: THE SERVICE DIRECTOR - CUSTOMERS**

**EXECUTIVE MEMBER: COUNCILLOR IAN ALBERT**

**CURRENT COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT**

**NEW COUNCIL PRIORITY: BUILD THRIVING AND RESILIENT COMMUNITIES**

**1. EXECUTIVE SUMMARY**

1.1 To allow the Committee to review the Draft Fair Collection Policy before it is considered by Cabinet on 28 January 2020 and to receive a presentation by the Council's Collection Agents. A representative from the local Citizens Advice will also be in attendance

**2. RECOMMENDATIONS**

2.1. That the Committee receives the presentation by Penham Excel Ltd

2.2. That the Committee considers the Draft Fair Collection Policy and considers any recommendations it wishes to make to Cabinet.

**3. REASONS FOR RECOMMENDATIONS**

3.1. To better inform the Committee on the role of Collection Agents in North Hertfordshire.

3.2 To allow the Committee to comment on the Draft Fair Collection Policy before it is considered by Cabinet

**4. ALTERNATIVE OPTIONS CONSIDERED**

4.1. The Council has operated a Fair Collection regime for many years but never incorporated this into a formal policy. Throughout the process, additions to existing practices have been adopted to enhance the final policy.

## **5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

5.1 This Committee considered an early draft of the Policy at its meeting on 16 July 2019.

5.2 Since that meeting, there has been further consultation with both the local and national Citizens Advice and the Money Advice Trust, which has led to further enhancements of the policy

5.3 The Executive and Deputy Executive Members have also been consulted and are in agreement with the policy.

## **6. FORWARD PLAN**

6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 13 June 2019.

## **7. BACKGROUND**

7.1. The background to this is covered in the draft Cabinet Report, which is available at Appendix A. The Appendices to that report are available as Appendices 1 to 8.

7.2 At the meeting of this Committee on 16 July 2019, the following recommendations were made:

(1) *That the Revenues and Benefits Manager be asked to undertake further work on the definitions within the Policy;*

(2) *That the Revenues and Benefits Manager be requested to collect data available from Councils undertaking ethical debt collection and provide this detail to Members of this Committee and Cabinet;*

(3) *That the Revenues and Benefits Manager be requested undertake some feedback checks on those customers that have been visited by collection agents*

## **8. RELEVANT CONSIDERATIONS**

8.1. Recommendation (1) at 7.2 has been completed and amendments made following advice from the Money Advice Trust.

8.2 Recommendation (2) has proved to be problematical as it is difficult to find any Councils who claim to operate an Ethical or Fair Collection Policy who are prepared to discuss progress.

8.3 Only one Council has been identified that claims not to use Collection Agents and that Council will not divulge what action it takes when customers refuse to cooperate or refuse outright to pay.

- 8.4 Recommendation (3) has been approached in a slightly different way. Rather than try and contact customers direct, where the response could not be relied on, Officers have randomly viewed the footage from the Body Worn Cameras worn by the Collection Agents and have not found any examples where the Collection Agents have been anything other than polite and helpful.
- 8.5 Discussions with the Money Advice Trust has directed the Council to its document "Stop the Knock", which identifies six steps to "improve local government debt collection". This in turn has led to the Council now using the Standard Financial Statement and recommending to Cabinet that the Council Tax Protocol be adopted.
- 8.6 Both the Council's Collection Agents and the local Citizens Advice have indicated that they are happy and willing to adopt the Protocol with the Council.
- 8.7 Penham Excel Ltd is the Council's principal Collection Agent in that first referral work is passed to them for collection. When all avenues have been exhausted without success, the Council can re-refer a debt to its second Collection Agent, Whyte & Co for that company to have a second chance of collecting the debt using a "fresh pair of eyes". Both companies follow the same Service Level Agreement with the Council and adopt the same attitude towards collection.
- 8.8 Penham Excel Ltd will be present at this meeting to give a presentation to Members and a representative from the local Citizens Advice will also be present.
- 8.9 The Council has taken a fair approach to collection for many years and the work done to set this down in a policy has enabled the Council to show that it does take a fair and balanced approach to its debt collection. This ensures that the interests of vulnerable customers are protected as are those of Tax Payers generally in that those who can pay but choose not to are pursued for payment.
- 8.10 Officers are grateful for the input from Citizens Advice and the Money Advice Trust, whose help and guidance has enhanced the policy.

## **9. LEGAL IMPLICATIONS**

- 9.1. Section 6.2.7 (c) of the Council's constitution defines a function of the Overview & Scrutiny Committee as:
- (c) To make reports or recommendations to the authority or the Executive with respect to the discharge of any functions which are the responsibility of the Executive
- 9.2 The legal implications relating to the Cabinet Report (Appendix A) are included in that.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 These are included in the Cabinet Report (Appendix A)

## **11. RISK IMPLICATIONS**

11.1. These are included in the Cabinet Report (Appendix A)

## **12. EQUALITIES IMPLICATIONS**

12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2. Further Equalities implications are included in the Cabinet Report (Appendix A)

## **13. SOCIAL VALUE IMPLICATIONS**

13.1. The Social Value Act and “go local” requirements do not apply to this report.

## **14. HUMAN RESOURCE IMPLICATIONS**

14.1. There are no Human Resources implications to this report.

## **15. APPENDICES**

15.1. Appendix A – Cabinet Report dated 28 January 2020

15.2. Appendix 1 – Fair Collection Policy

15.3. Appendix 2 – Stop the Knock

15.4. Appendix 3 – Penham Excel Ltd Information Leaflet

15.5. Appendix 4 – Penham Excel Ltd Vulnerability Policy

15.6. Appendix 5 – Penham Excel Ltd Information Note for Councils

15.7. Appendix 6 – Council Tax Protocol

15.8. Appendix 7 - Equalities Impact Assessment

15.9. Appendix 8 – Standard Financial Statement

## **16. CONTACT OFFICERS**

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## **17. BACKGROUND PAPERS**

- 17.1. None.