



Presentation to Overview and Scrutiny Committee 12 August 2021



MALDON DISTRICT
COUNCIL

Legislative Background



Primary Legislation –

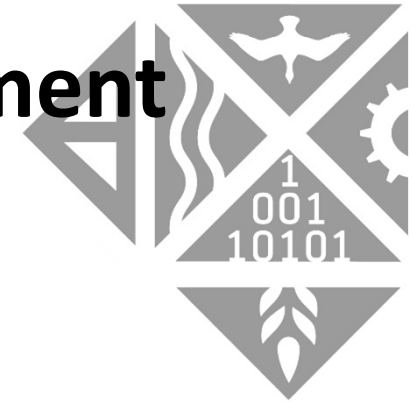
Local Government Finance Act 1992



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Legislative Process 1 – Pre Enforcement

- **Bill (Demand Notice)**
- **Reminder**
- **Final Notice**
- **Summons**
- **Liability Order**



Legislative Process 2- Post liability Order

- Request information about Debtors income
- Attachment of Earnings Order
- Attachment of Benefit Order
- Attachment of Members Allowance
- Taking Control of Goods (Enforcement Agent)
- Charging Order
- Bankruptcy/ Winding Up order
- Committal to Prison



Corporate Debt Strategy

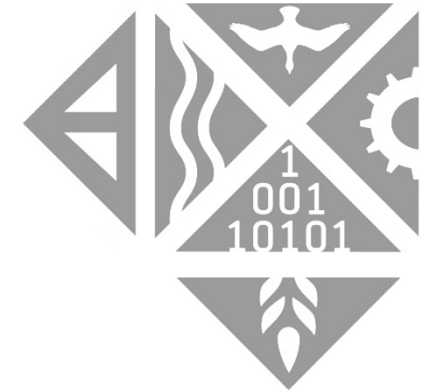


- **Focus on early intervention**
- **Make arrangements rather than enforcement**
- **Identification of Vulnerable Customers**
- **Supporting customer**
- **Holistic approach where there are multiple debts**
- **Controls in place for use of most severe enforcement action**



Additional Support

- Arrangements
- Identification of vulnerable
- Advice and support
- Referral to support agencies
- Working proactively with support services
- Provision of independent advice service
- Suspension of recovery action
- Review of costs – exceptional hardship



Identification of Vulnerable Customers

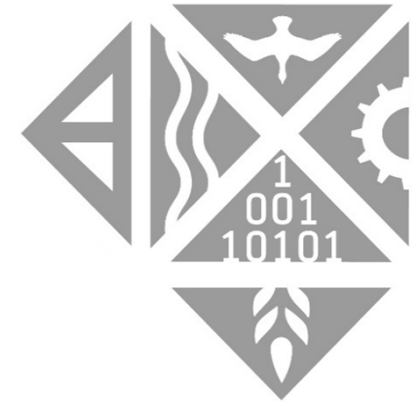


- **Identify at every stage**
- **No single definition**
- **Suspension of action (Breathing Space)**
- **Appropriate arrangements**
- **Referral to additional support**
- **Holistic approach**
- **Exceptional Hardship**



Independent Advice Service

- **Advice Service Procured by MDC (currently Maldon CA)**
- **Independent**
- **Debt advice**
- **Budgeting advice**
- **Income Maximisation**
- **Support with benefit appeals**
- **We work proactively with Maldon Citizens Advice - regular liaison meetings**



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Use of Enforcement powers

- **Only used by experienced and trained specialist staff**
- **Only used where customer has not engaged, or other methods have failed**
- **Most severe including Charging Orders, Bankruptcy, Removal of Goods and Committal have to be approved by Senior Staff.**

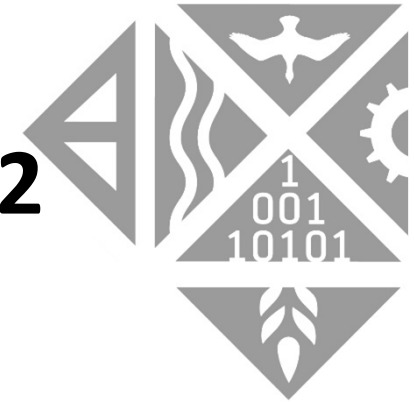


Enforcement Agents (Bailiffs) 1

- Only used where customer has failed to engage with us or all other alternatives have been exhausted
- Customer always given opportunity to reach a payment arrangement before EA instructed
- EA will always write to customer before visiting (Compliance stage)
- Our authorisation required before goods removed
- EA and their actions are monitored via SLA and review meetings
- EA and their actions are regulated



Enforcement Agents (Bailiff) 2



- EA can make payment arrangements
- Any Vulnerable customers are referred to separate team, and enforcement suspended.
- Customers incur minimum costs if they engage at compliance stage
- Fees are set in legislation
- Body worn cams are worn and goods are only removed as an absolute last resort
- Emphasis is on reaching arrangement to pay.
- EA has formal complaint process in place



Approach during Pandemic

- **Proportionate approach**
- **More time allowed to repay debts**
- **Less enforcement action**
- **Additional Council Tax Support (£150)**



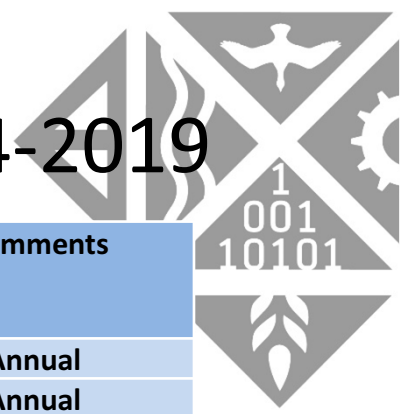
Approach during 2021/22



- **Proportionate approach**
- **More time allowed to repay debts**
- **Additional contacts with customers before enforcement**
- **More time before Court Action**



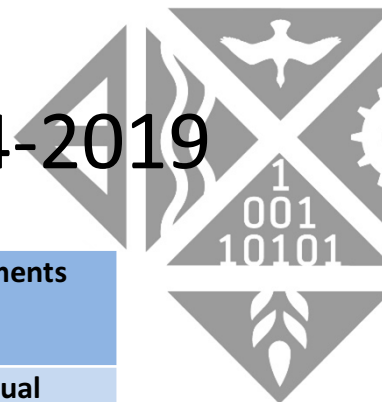
Key data/ Performance Information 2014-2019



Stage/ Description	Lower range	Upper range	Average	Comments
Total properties	27,000	28,000	27,500	Annual
Collectable Debt	£35,000,000	£42,200,000		Annual
Direct Debit Take up	68.70%	72.80%		Annual
Bills issued	51000	52500	51750	Annual
Reminders	12.9%	13.3%	13.8%	% of annual bills
Final Notices	4.9%	5.1%	4.7%	% of annual bills
Summonses	2.7%	3.4%	2.9%	% of annual bills
Liability Orders	2.1%	2.0%	2.0%	% of annual bills
Letter requesting details of income and expenditure prior to any further action being taken			2.0% minimum	% of annual bills
Attachment of Earnings Order	0.2%	0.4%	0.3%	% of annual bills
Attachment of Benefits Orders	0.2%	0.5%	0.3%	% of annual bills
Attachment to Members Allowances			.000008%	% of bills for 5 years
Enforcement Agents referrals	1.8%	3.3%	2.3%	% of annual bills
Overall collection rate by Enforcement agents	49.5 %	56.63%		annual
EA accounts paid at Compliance	34%	49 %	49%	National average 40%
EA accounts paid at enforcement	49%	66%	51%	
Goods removed at enforcement stage			.000008%	National average.1%



Key data/ Performance Information 2014-2019



Stage/ Description	Lower range	Upper range	Average	Comments
Total properties	27,000	28,000	27,500	annual
Collectable Debt	£35,000,000	£42,200,000		annual
Direct Debit Take up	68.70%	72.80%		annual
Bills issued	51000	52500	51750	annual
Reminders	6600	7000	7142	annual
Final Notices	2500	2700	2456	annual
Summonses	1400	1800	1506	annual
Liability Orders	576	1252	1054	annual
Letter requesting details of income and expenditure prior to any further action being taken			1054 minimum	annual
Attachment of Earnings Order	100	220	167	annual
Attachment of Members Allowance			2	Over 5 years
Attachment to Benefits Order	100	250	180	annual
Enforcement Agents referrals	903	1729	1165	annual
Overall collection rate by Enforcement agents	49.5 %	56.63%		annual
EA % accounts paid at Compliance	34%	49 %		annual
EA % accounts paid at enforcement	49 %	66 %		annual
Goods removed at enforcement stage			2	Over 5 Years

