

FREEDOM OF INFORMATION ACT 2000

Your request for information has now been considered and the Council's response to your questions is shown below.

You asked:

1. Does the council pursue council tax arrears (i.e. enforcement action against non-payment, over and above initial warning letters) via in-house staff, or is it outsourced to an external provider/contractor (e.g. debt collection agency)?

ANSWER:

Recovery of council tax arrears is in-house other than bailiff action, which is covered by external companies.

If the council has outsourced this function, please only complete Part A of this request. If the council has kept this function in-house, please only complete Part B of this request.

Part A:

2. Please provide the name of the contractor(s)

This only applies to recovery of council tax through bailiff action: Bristow & Sutor, Rossendales and Equita (Equita not used currently)

3. Please provide the start and end date of the contract(s)

The contract runs for 4 years from 1st November 2011, with an option to extend for a further two years.

4. Please outline whether each contract is specifically and solely for pursuit and collection of council tax arrears

It is also for the recovery of Business Rates, Penalty Charge Notice debts and Sundry Debts through bailiff action.

5. The payments made to each contractor, each financial year since 2010/11, for pursuit and collection of council tax arrears. If the council does not hold this information, it is asked to seek this information from the contractor(s) under the terms of the FOI Act

There is no cost to the Council in relation to this or the previous similar contract.

6. Please provide details of the contractual payment mechanism for pursuit and collection of council tax arrears under each contract – essentially, does the council pay the contractor a guaranteed/fixed lump sum, or is the contractor paid per case pursued, or paid per case pursued

resulting in payment or prosecution, or another model/hybrid? What are the standard payment amounts under the payment mechanism?

N/A – see above

7. Does each contractor pay its debt collection staff and/or bailiffs a commission based on successful pursuit and collection of council tax arrears? If the council does not hold this information, it is asked to seek this information from the contractor(s) under the terms of the FOI Act

Salary and commission based.

8. Is the council currently either (a) tendering or planning to tender for a new provider to pursue council tax arrears; or (b) discussing variations to the existing contracts in advance of financial year 2013/14 (if so, what variations are under consideration)?

No to (a) and (b)

9. Please list any performance targets relating to pursuit and collection of council tax arrears, contained within each contract

This is deemed as commercially sensitive information. This therefore acts as the statutory refusal notice required by section 17.1 of the Freedom of Information Act 2000 because of the reasons contained in FOIA S43.2 – the disclosure of this information would, or would be likely to, prejudice the commercial interests of any person (including the authority holding it).

10. Whether each contractor sub-contracts part of its work to pursue and collect council tax arrears (including 'selling on' the debt), and if so, the names of those sub-contractors (or agencies to whom the debt is sold to). If the council does not hold this information, it is asked to seek this information from the contractor(s) under the terms of the FOI Act

There is no subcontracting

11. How many households in council tax arrears did the council refer to each contractor in each financial year since 2010/11? If possible, please provide the number of referrals, thereby including where the same household was referred more than once in a year

2010/11 Bristow & Sutor 4,558; Rossendales 5,270

2011/12 Bristow & Sutor 4,544; Rossendales 4,747

2012/12 Bristow & Sutor 3,545; Rossendales 3,102

12. Either through its own records and monitoring, or via arrangements in place with contractors, does the council have figures (estimated or average figures will suffice) for the cost of pursuing a council tax arrears case to (a) a liability order; (b) repossession; and (c) prosecution? If the council cannot access such specific figures, more general figures will

suffice. If possible, please provide gross cost figures, disregarding the value of any arrears pursued.

Only figure available is for summons cost which £65.50 (includes £3.00 courts fees) – there is no separate liability order cost.

Part B:

13. The total cost to the council, each financial year since 2010/11, for the pursuit and collection of council tax arrears. Please provide confirmed part-year (please give a date the figure is correct to) and forecast full-year figures for 2012/13

Not available – we have a joint budget (gross and net) for Revenues & Benefits Service, which is not split just for the pursuit of council tax arrears.

14. Does the council pay debt collectors and/or bailiffs a guaranteed fixed sum for pursuit and collection of council tax arrears, or are they paid commission per case pursued, or paid per case pursued resulting in payment or prosecution, or another model/hybrid? What are the payment amounts under the payment mechanism?

Council staff are salaried and for bailiffs see 7 above.

15. Please list any performance targets for in-house debt collectors and/or bailiffs

Overriding performance target is of 97.5% in-year collection rate. Also see 9 above.

16. Is the council currently discussing variations to the existing payment arrangements with in-house debt collectors and/or bailiffs in advance of financial year 2013/14 (if so, what variations are under consideration)?

No

17. How many households in council tax arrears did the council pursue enforcement action (defined, at minimum, as obtaining a liability order) in each financial year since 2010/11? If possible, please provide the number of liability orders, thereby including where the same household was subject to more than one such order in a year.

Liability Orders:

2010/11 13,679

2011/12 15,949

2012/13 9,378

18. Does the council have figures (estimated or average figures will suffice) for the cost of pursuing a council tax arrears case to (a) a liability

order; (b) repossession; and (c) prosecution? If the council cannot access such specific figures, more general figures will suffice. If possible, please provide gross cost figures, disregarding the value of any arrears pursued.

Only figure available is for summons cost which is £65.50 (includes £3.00 courts fees) – there is no separate liability order cost.

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If you are dissatisfied with the handling of your request please write to:

**Information Governance Manager
Information and Customer Access
Leicester City Council
FREEPOST (LE985/33)
New Walk Centre
LEICESTER LE1 6ZG**

e-mail: info.requests@leicester.gov.uk

Your request for internal review should be submitted to the above address within 40 (forty) working days of receipt by you of this response. Any such request received after this time will only be considered at the Council's absolute discretion.

You can also complain to the Information Commissioner at:

**Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow SK9 5AF
Telephone: 01625 545 700**

www.informationcommissioner.gov.uk

Please be aware that the Information Commissioner does not normally consider appeals or complaints until the internal appeals and complaints processes of the public authority which is answering the request have been exhausted. You are therefore advised to complain or appeal to the Information Governance Manager before contacting the Commissioner.