

ITEM No ...8.....

REPORT TO: POLICY AND RESOURCES COMMITTEE – 27 JUNE 2022

REPORT ON: PROVISION OF DEBT RECOVERY SERVICES

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 165-2022

1.0 PURPOSE OF REPORT

1.1 To recommend the award of contract to Scott & Co (Scotland) LLP via direct award off the Scotland Excel Framework Agreement 06-19: Provision of Debt Recovery and Sheriff Officers Services to assist in the recovery process for Council Tax, Housing Benefit Overpayments, Former Tenant Arrears, Non-Domestic Rates, Sales Ledger and Penalty Charge Notice debts.

2.0 RECOMMENDATIONS

2.1 The Committee is asked to approve the following:-

- a) Agree the award of contract to Scott & Co (Scotland) LLP via direct award off the Scotland Excel Framework to deliver Debt Recovery Services for a period of up to 3 years from 1 August 2022 with the option to extend for a further period of 2 years subject to satisfactory performance.

3.0 FINANCIAL IMPLICATIONS

The annual cost of serving statutory documents is estimated to be £240,000 which is recoverable from the debtor. The additional cost arising from collection management will vary according to the level of debt collected but will be offset by additional income being recovered.

4.0 MAIN TEXT

4.1 Debt Collection services for Dundee City Council are currently provided for by Scott & Co who following a tender exercise in 2017 were appointed to provide these services from 1 August 2017 for an initial period of three years with the option to extend for a further period of two years, subject to satisfactory performance. The contract was duly extended but will expire on 31 July 2022.

4.2 The provision of high-quality debt collection is an essential requirement for the management of the Council's income and in meeting the requirements and indicators for Council Tax and Non-Domestic Rates. The services the current contract includes are:

- Council Tax (Including Water & Waste Water Charges)
- Housing Benefit Overpayments
- Former Tenant Rent Arrears
- Penalty Charge Notice

4.3 The recovery of Council Tax is the largest component of the contract.

4.4 Scott & Co currently have an office situated in the city centre and are actively looking for larger premises. They employ around 18 members of staff with a view that this will increase to 25-28 and are a living wage employer.

4.5 Over the past 5 years of the initial contract using Scott & Co Collection, levels of Council Tax collection have increased year on year except 20/21 when recovery was suspended from April 20 until August 20 when recovery was suspended as a result of Covid-19 pandemic.

In year Council Tax percentage rates

2017/18	2018/19	2019/20	2020/21	2021/22
93.9%	94.1%	94.2%	93.7%	94.69%

Scott & Co make no charge for incoming calls, offering free phone numbers which generate no income from their inbound calls. By offering a range of contact numbers they attempt to ensure maximum engagement.

All cases passed to Scott & Co for collection are non-benefit cases and where the council has tried and failed to get any engagement from the debtor.

Scott & Co recognise that first and foremost their service is community based and they are acting as agents of Dundee City Council in all aspects of service delivery. Their policies reflect that of the Council. They adopt a person-centred approach and understand customers must be treated fairly at all times along with being provided with appropriate assistance as dictated by their individual circumstances.

5.0 POLICY IMPLICATIONS

5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6.0 CONSULTATIONS

The Council Leadership Team were consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None.

Robert Emmott
Executive Director of Corporate Services

Date 31 May 2022