

Written Question for Council:

The following written question was submitted by Councillor Kate Haigh:

I understand that with effect from 1 Oct 2010 the City Council has engaged a certified bailiff company as a debt collection company for recovery of Housing Benefit Overpayments. This is the same company that is currently used to enforce Council Tax Liability Orders. They will, however, have no powers in the case of these HB overpayments to act capacity as Bailiffs, and no goods can be requested or seized. I would be grateful for an answer to the following questions:

1. As the company has no powers to seize property is the use of bailiffs an intimidatory tactic?
2. At what stage will these services be called upon? Is there a Council policy?
3. Once the company has been engaged, will payments be made to the agent or the Council? Who will assess the affordability of such payments?
4. Have local advice agencies been advised that this strategy is about to be implemented so that they can prepare for any enquiries? Were they consulted?
5. What legal powers will the company have?
6. When costs are incurred by this service will they be charged to the debtor or borne by the City?

The following detailed response has been prepared by the Cabinet Member for Housing and Health:

1. As the company has no powers to seize property is the use of bailiffs an intimidatory tactic?

As outlined in the briefing note sent to all members, the service offered by the company is for the recovery of housing benefit overpayments, owed by customers who are no longer in receipt of benefits. The company will contact the debtor by letter and /or visit and attempt to recover the debt outstanding. The process is not intimidatory. The company offer similar additional services to many other organisations which is separate from their role as bailiffs.

2. At what stage will these services be called upon? Is there a Council policy?

There will be no "blanket" policy or process, as each individual case will be reviewed by the Benefits Officers before a decision is made to refer the debt. The processes adopted will mirror those which Recovery Officers within Benefits, Investigations and Welfare Rights Service have used for many years, and our customers will experience the same or improved levels of service. Allowing the company to part administrate our debts (they will be issuing reminders etc,) will enable cashable savings and will release officer time to carry out other duties which will ultimately assist those customers entering the benefit system, perhaps for the first time. It signifies our continued commitment to a quality customer service whilst representing a significant contribution to the financial savings required. A minimum of 21 days since raising an invoice will have passed before any follow-up or reminder is sent from the company. In practice given the individual case reviews, the gap is likely to be longer than this. We are also making sure that there are no new benefits claims before any referrals are made.

3. Once the company has been engaged, will payments be made to the agent or the Council? Who will assess the affordability of such payments?

To assist in continuity of customer service and avoid confusion for our customers we have asked that payments be made to the organisation with whom the customer agrees the repayment plan. Customers income/outgoings will be taken into account when repayment agreements are made and payments to the council from the company will be credited weekly.

4. Have local advice agencies been advised that this strategy is about to be implemented so that they can prepare for any enquiries? Were they consulted?

Advice agencies have been informed of this change by individual letter along with other partners and stakeholders. Meetings have also been held to explain the process.

5. What legal powers will the company have?

None. They will be acting as an agent for the City Council.

6. When costs are incurred by this service will they be charged to the debtor or borne by the City?

There are no additional costs arising from these arrangements - the service provided is a cost-free addition to the overall contract arrangements between the company and the City Council. The arrangements will enable annual budget savings within the service of some £25,000 per annum.

