

# Public Document Pack

# Blackpool Council

5 January 2018

To: Councillors Benson, Blackburn, Cain, Campbell, Cross, Jackson, Kirkland, Smith, I Taylor and Mrs Wright

The above members are requested to attend the:

## EXECUTIVE

Monday, 15 January 2018 at 6.00 pm  
in Committee Room A, Town Hall, Blackpool

## A G E N D A

### 1 DECLARATIONS OF INTEREST

Members are asked to declare any interests in the items under consideration and in doing so state:

(1) the type of interest concerned either a

- (a) personal interest
- (b) prejudicial interest
- (c) disclosable pecuniary interest (DPI)

and

(2) the nature of the interest concerned

If any member requires advice on declarations of interests, they are advised to contact the Head of Democratic Governance in advance of the meeting.

**2 EVALUATION OF SELECTIVE LICENSING IN THE SOUTH BEACH AREA** (Pages 1 - 14)

**3 INCOME AND DEBT RECOVERY STRATEGY 2018 - 2021** (Pages 15 - 42)

#### Venue information:

First floor meeting room (lift available), accessible toilets (ground floor), no-smoking building.

**Other information:**

For queries regarding this agenda please contact Lennox Beattie, Executive and Regulatory Manager, Tel: (01253) 477157, e-mail [lennox.beattie@blackpool.gov.uk](mailto:lennox.beattie@blackpool.gov.uk)

Copies of agendas and minutes of Council and committee meetings are available on the Council's website at [www.blackpool.gov.uk](http://www.blackpool.gov.uk).

<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Andrew Foot, Head of Housing
<b>Relevant Cabinet Member:</b>	Councillor Mrs Christine Wright, Cabinet Member for Housing
<b>Date of Meeting:</b>	15 January 2018

## EVALUATION OF SELECTIVE LICENSING IN THE SOUTH BEACH AREA

### 1.0 Purpose of the report:

1.1 This report updates the Executive on the Selective Licensing scheme in the South Beach area which ran from March 2012-March 2017. It sets out a review of the impact of selective licensing in South Beach, and looks at what the scheme has achieved for the area.

### 2.0 Recommendation(s):

2.1 To note the review of the operation of the South Beach Selective Licensing Scheme

### 3.0 Reasons for recommendation(s):

3.1 Selective Licensing is a key component of the Council's approach to address issues commonly occurring as a result of poor quality privately rented accommodation; it can improve management, reduce the impact of anti-social behaviour arising from privately rented homes and help improve the quality of life for local residents. An evaluation ensures that future policy is based on evidence and best practice.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

None, evaluation of the scheme is essential to ensure the Council's future actions are in line with best practice.

#### **4.0 Council Priority:**

4.1 The relevant Council Priority is:

“Communities: Creating stronger communities and increasing resilience”

#### **5.0 Background Information**

5.1 A Selective Licensing scheme ran in the South Beach area from March 2012 – March 2017. The scheme was adopted because in 2012 the area had high levels of anti-social behavior associated with private rented property in the area and it was believed that the introduction of a Selective Licensing scheme along with other measures would improve management of privately rented properties and thereby lead to an improvement in the social conditions in the area. Selective Licensing requires that private landlords obtain a licence and comply with licence conditions for each property that they let within the designated area.

5.2 Selective Licensing was intended to be one of part of a wider series of measures to promote improvements in the management of private rented properties, increasing standards across the sector. This approach included supporting existing residents and establishing a stronger community, and a better residential offer for the area.

5.3 Full findings from the South Beach scheme are detailed in this report at Appendix 2a.

#### **5.4 Key Findings**

5.5 Selective Licensing powers have enabled local authority enforcement officers to gain access to nearly all of the private rented properties in the area through a comprehensive inspection programme to check compliance with licensing conditions. Without licensing, local authorities can only require landlords to provide access to their properties where there is reason to believe that the property standards are in breach of Housing Health and Safety Rating System requirements, usually following complaints.

5.6 The inspection programme has led to thousands of property condition issues being identified and addressed. In South Beach 85 enforcement notices and 737 schedules of work were issued during the licensing programme period. The large majority of these would not have been picked up and addressed without licensing.

5.7 The statutory ground for introducing the scheme in South Beach was high levels of anti-social behaviour linked to privately rented properties. The dedicated Anti-Social

Behaviour Officer has worked with landlords and residents to help resolve complaints of anti-social behaviour in the licensing area. This officer has encouraged safe reporting of anti-social behaviour, encouraging tenants and landlords to acknowledge their responsibilities and make a real difference in improving the South Beach community. From the introduction of licensing in South Beach to the end of the programme, anti-social behaviour levels have fluctuated, but there has been an overall trend of a small rise in anti-social behaviour reports linked to private rented properties from the start of the programme in 2012/13 before a reduction by the end of the 5 year period.

5.8 As well as enabling compliance with licence conditions to be checked, support has been offered to vulnerable tenants through the Transience Programme, and the Police and Fire Service have also been able to identify and respond to issues that would not otherwise have been identified. Across the area nearly half of all the residents met through the multi-agency inspection programme have received some form of intervention, including access to a GP or a dentist, support for improved mental or physical health, social isolation, or employment or volunteering opportunities.

5.9 Next Steps

5.10 Additional funding from the Transience Programme has secured the Anti-Social Behaviour Officer to remain based in the South Beach area until September 2018, when that funding programme runs out. This resource continues to respond to residents and landlords in resolving incidents of anti-social behaviour.

5.11 The need for a further licensing scheme in South Beach has been kept under review in anticipation of an extension of the scope of HMO Mandatory Licensing by Central Government following consultation in December 2016. The Department for Communities and Local Government published their response to consultation in late December 2017, confirming a small extension to the scope of the scheme. Work will now be carried out to understand what this means for South Beach, and then ascertain what further action and resource is still required in this area to ensure that progress is maintained and that residents feel safe, secure and supported in their communities.

5.13 Is the Corporate Delivery Unit aware of this report? Yes

The Corporate Delivery Unit has been central in the evaluation of the Selective Licensing scheme. The Unit assisted in the delivery of the evaluation.

5.14 Does the information submitted include any exempt information? No

5.15 **List of Appendices:**

Appendix 2a: Selective Licensing Evaluation for South Beach

6.0 **Legal considerations:**

6.1 None.

7.0 **Human Resources considerations:**

7.1 There is a continued presence in South Beach of an Anti-Social Behaviour Officer and a dedicated Housing Enforcement Officer.

8.0 **Equalities considerations:**

8.1 An Equalities Impact Assessment was completed on the original proposal to meet the requirements of S.149 of the Equality Act 2010. The assessment found that the selective licensing proposal would not adversely affect people with any of the key protected characteristics.

9.0 **Financial considerations:**

9.1 Funding for the continuing dedicated roles in South Beach will end in September 2018.

10.0 **Risk management considerations:**

10.1 The principal risk is that progress made in South Beach will be lost over time if property conditions deteriorate or there is a resurgence in anti-social behaviour linked to poor property management. Conditions in the area will continue to be monitored and the need for further licensing reviewed.

11.0 **Ethical considerations:**

11.1 None.

12.0 **Internal/ External Consultation undertaken:**

12.1 None.

13.0 **Background papers:**

13.1 None.

**14.0 Key decision information:**

- 14.1 Is this a key decision? Yes
- 14.2 If so, Forward Plan reference number: 3/2017
- 14.3 If a key decision, is the decision required in less than five days? No
- 14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

- 15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No
- 15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: 5 January 2018 Date approved:

**17.0 Declarations of interest (if applicable):**

17.1

**18.0 Executive decision:**

18.1

**18.2 Date of Decision:**

**19.0 Reason(s) for decision:**

**19.1 Date Decision published:**

**20.0 Executive Members in attendance:**

20.1

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1

## Appendix 2a: The South Beach Selective Licensing Scheme – Key Findings and Lessons Learned

### 1.0 Introduction

Blackpool Council's first Selective Licensing programme was introduced in the South Beach area in March 2012 for a period of five years. The scheme was adopted due to high levels of anti-social behaviour associated with private rented property in the area and it was believed that the introduction of a selective licensing scheme along with other measures would improve management of privately rented properties and thereby lead to an improvement in the social conditions in the area.

1.1 The objectives for the Licensing Scheme in South Beach were to:

- Improve property standards within the private rented sector;
- Reduce transience and churn by attracting a good calibre of residents, encouraging them to settle in the area on a long term basis, helping to create stable communities;
- Help raise perceptions of the area amongst residents and the wider community;
- Reduce the levels of anti-social behaviour and crime.

1.2 Selective Licensing was intended to be one of part of a wider series of measures to promote improvements in the management of private rented properties, increasing standards across the sector. Blackpool Council looked to also provide:

(a) A better residential offer

Actions have been taken to address the underlying imbalance in the housing offer in South Beach and ensure that the on-going transition from guest house to residential use leads to a mix of better quality homes. Investment at Crystal Road and Rawcliffe Street did help establish better residential character and home ownership but were limited in extent and came to an end early into the life of the selective licensing scheme. The Foxhall Village development has also added to the mixed residential offer, with a higher standard of property and levels of home ownership, leading to a more sustainable community. At the end of the programme, My Blackpool Home has been able to acquire properties in this area, reduce their density, and bring them up to a more desirable standard.

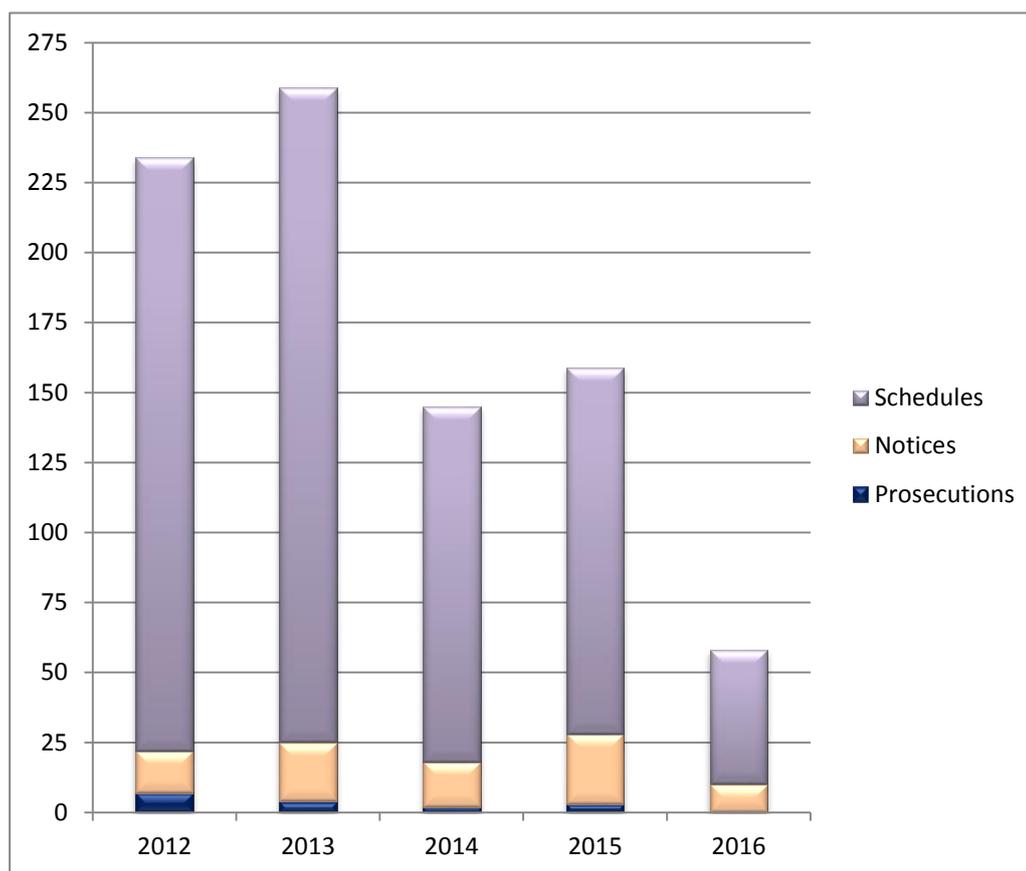
(b) Supporting existing residents and establishing a stronger community

While Selective Licensing addressed property management in the private rented sector, other measures also sought to help tackle anti-social behaviour and enable residents to become more settled. In particular, investment by Public Health in a small team to reach out to residents and get them plugged into support and community activities has run alongside the licensing programme. This formed an important part of the comprehensive property inspection programme that ran across the area for 12-15 months from late 2012. A community drop-in to provide mutual support for isolated individuals has continued at St Peter's Church throughout the programme.

- 1.3 The inspection programme ensured compliance with the licensing conditions, and was also used to identify any other property condition issues. The inspections were undertaken in partnership with the Police and Fire Service. The Police were available to deal with any illicit activity and offer reassurance to residents and the Fire service carried out fire safety checks; gave advice and fitted free smoke detectors.
- 1.4 An Anti-Social Behaviour Officer was based in the area and dealt with enquiries and complaints of anti-social behaviour from landlords and tenants. The dedicated Anti-Social Behaviour Officer encouraged higher levels of reporting through an increased capacity to resolve complaints.

## 2.0 A review of the impact of licensing on poor property condition

2.1 The licensing scheme has led to significant work to address poor property conditions; 752 schedules of work were issued to landlords for breaching the basic Housing Health and Safety Rating System standards, with 87 notices served, and 16 prosecutions for failure to take the required action.



This is in an area of 875 licensed properties. The reducing number of schedules and notices over time reflects both a less intensive approach after the initial inspection programme, but also improving conditions in the area.

2.2 Licensing schemes of this nature have allowed officers to get behind the doors of some of the most vulnerable people in our town. The multi-agency approach has allowed the Council to address poor property conditions whilst at the same time actively working with landlords and tenants to address these vulnerabilities, and educate landlords on providing better standards of management for their tenants.

2.3 Thanks to the multi-agency approach taken to the inspection programme, by the end of the scheme over 48% of South Beach residents had received some level of

engagement, from registration with basic health services, to support into employment.

- 2.4 Lancashire Fire and Rescue Service were able to offer free fire safety advice, whilst also assisting landlords in risk management within their properties, in some cases significantly decreasing the chance of a fire related incident.
- 2.5 Blackpool Council commissioned research to explore stakeholders' perceptions of the South Beach licensing scheme. The majority of stakeholders were generally positive about selective licensing and both its role in improving standards across the private rented sector and the wider approach to improving people's lives within the area.
- 2.6 Overall the multi-agency approach was well received by stakeholders, reflecting positively on the impact on staff morale and adopting new working models; interventions and support have been successfully offered to individuals who were 'under the radar' and would not have been identified by other methods. Stakeholders felt that more planning before the scheme started would have strengthened the understanding of all partners of expected outcomes, roles and responsibilities and information sharing requirements.
- 2.7 However, some other stakeholders were unclear of the impact that the scheme has had on the area, with landlords in particular critical of some of the approaches and communication. More work is needed to build the relationship between public sector agencies and landlords, particularly around communication and enabling better landlords to play a greater role in delivering positive outcomes in the area.

### **3.0 A review of the impact of licensing on Anti-Social Behaviour and Crime reporting <sup>1</sup>**

- 3.1 Provided below is an overview of anti-social behaviour and crime data for the South Beach area. For both anti-social behaviour and crime, the first graph details average anti-social behaviour /crime data for privately rented properties in the area, which has been mapped for us by the Police analyst using northings and eastings information. The second graph provides average anti-social behaviour /crime data for the whole of the licensed area, regardless of tenure. The curved line across each graph represents the mean average over the data period.
- 3.2 anti-social behaviour in both the privately-rented sector properties and full area graphs highlights the increased reporting of anti-social behaviour during the summer months, due to increased levels particularly around youth nuisance during this period. This peak can be seen for each year consistently. The mean average over the

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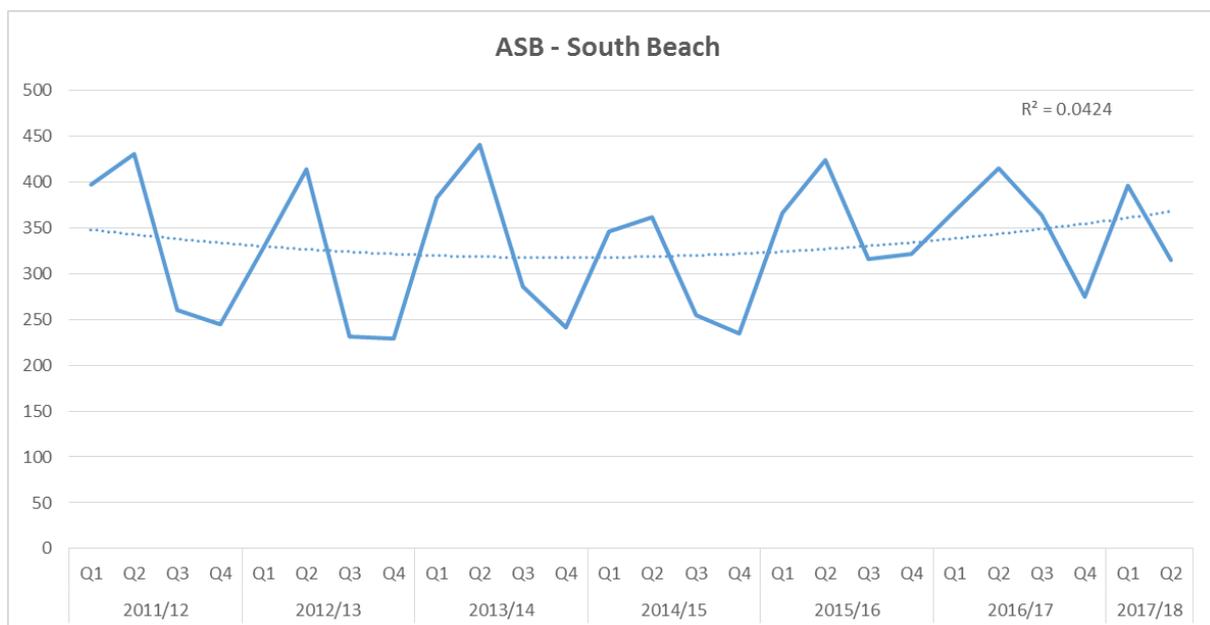
<sup>1</sup> ASB and Crime figures provided by Lancashire Constabulary

data period shows that levels of anti-social behaviour have remained fairly static, seeing a reduction at the end of the scheme compared to the beginning.

- 3.3 There are many factors affecting reported levels of anti-social behaviour. For example, increased resources in an area may in fact result in an increase in reporting – residents feeling empowered and confident to report without fear of reprisals. The presence of an Anti-Social Behaviour Officer in the area should encourage this increased level of reporting.
- 3.4 The Anti-Social Behaviour Officer in the area has been working to resolve incidents in South Beach. A local residents group has lobbied to retain this role because they can report matters in confidence and know that action will be taken. Detailed below are some case studies where the role has seen positive results:
- The Police were in receipt of low level intelligence regarding street level drug dealing. Intelligence was not sufficiently verified to obtain a warrant in respect of the address. Working with the Anti-Social Behaviour Officer and local Neighbourhood Policing Officers they visited neighbouring properties and obtained statements under anti-social behaviour legislation (anonymised). Following on from this they created a “Cone Cam”; a motion activated camera concealed within a traffic cone, to monitor the rear of the premises. Over several weeks they were able to demonstrate sufficient suspicious activity and obtain relevant intelligence to justify a drugs warrant. Following the execution of the warrant, drugs activity ceased and local businesses and residents expressed their thanks;
  - A tenant with drug and alcohol issues causing annoyance to local residents. The Anti-Social Behaviour Officer began by speaking with the landlord who stated he had done all he could and was now pursuing an eviction. The Anti-Social Behaviour Officer assisted him by issuing a Community Protection Warning and arranging for the support team to engage with the tenant. Over a period of several months the Anti-Social Behaviour Officer paid regular visits to tenant and ultimately issued a Community Protection Notice. The Anti-Social Behaviour Officer then supported the landlord further by supplying an evidential statement regarding interventions with the tenant in order to assist him in obtaining a possession order;
  - A vulnerable couple were being victimised by local youths over a period of several months resulting in a large number of Police logs and call outs. The Anti-Social Behaviour Officer sourced funding for target hardening measures at the couples’ address. He then developed action plan with local Police to ensure a number of disruption tactics including the overt installation of two cameras. As result of these measures the ASB Officer succeeded in identifying two local youths who were

subsequently interviewed and cautioned by Police colleagues. As a result the number of incidents dropped to zero.

### South Beach anti-social behaviour Figures 2011/12 – 2017/18

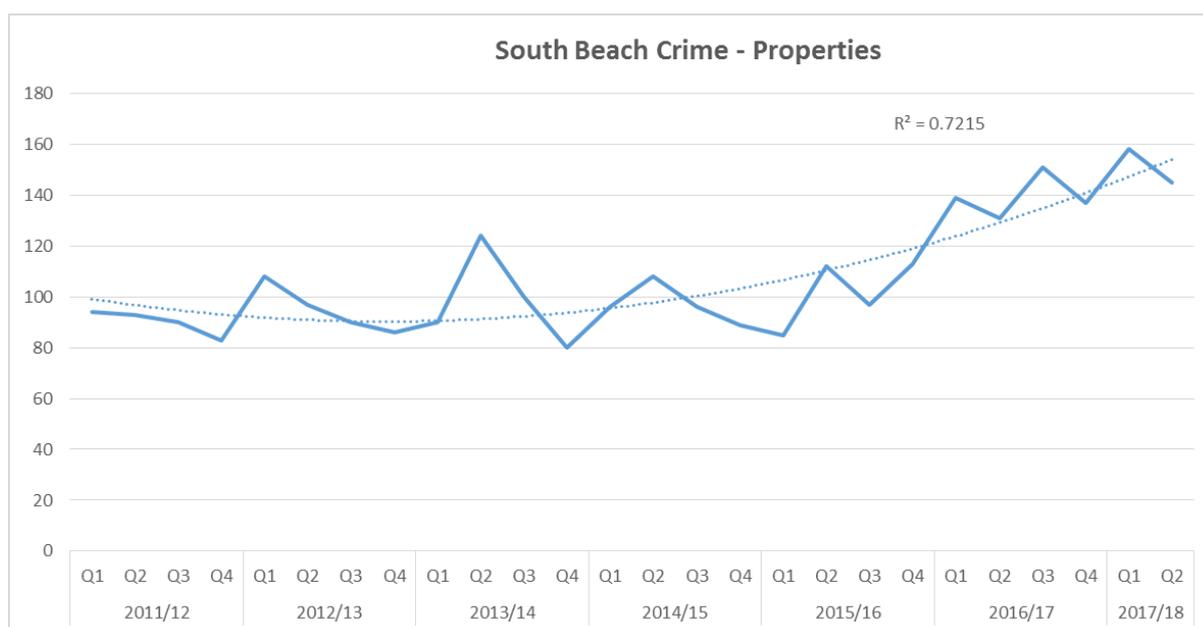


3.5 Crime figures in the area have shown an increase. We are working with Lancashire Constabulary to break this down and understand why this is the case. However what we are able to determine at this point is that according to the most recent published

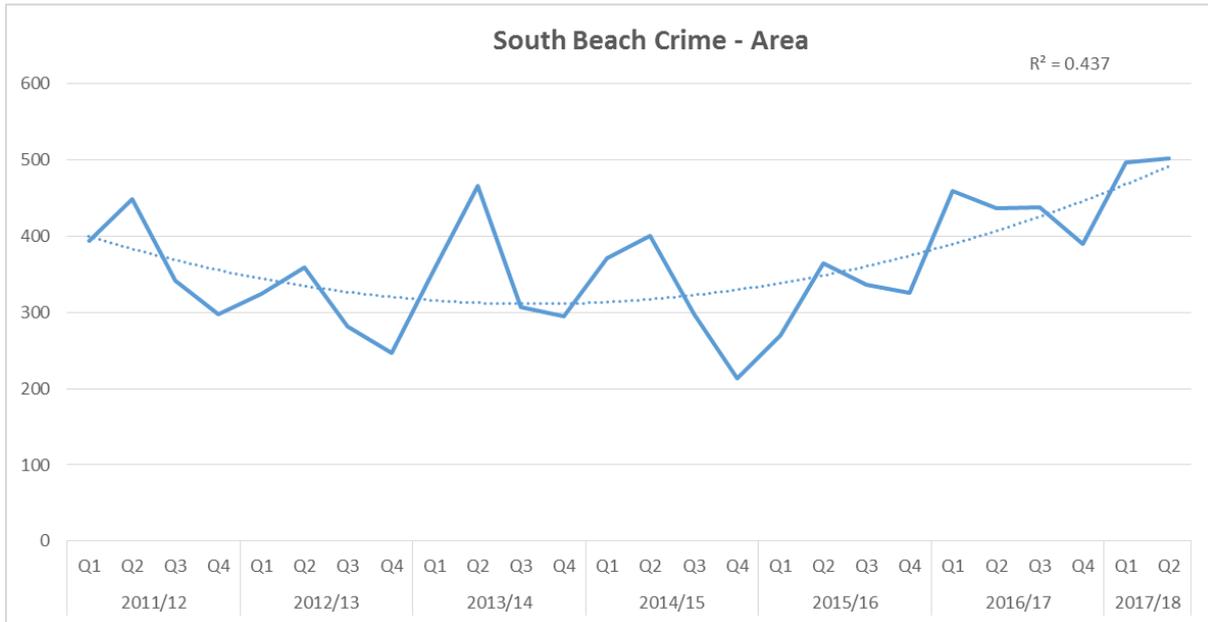
ONS Crime data,<sup>2</sup> crime across England and Wales has gone up consistently. Some of the suggested reasons for this include continuing improvements made to recording systems within Police forces across the country and also of course, genuine increases in some categories of crime.

- 3.6 Data obtained from Lancashire Constabulary – which at the time of writing this report is provisional and has not yet been finalised nor published by ONS – shows that **bar one** Police Force across England and Wales, **all** have seen significant increases in crime.
- 3.7 The provisional data comparison from April - August 2017 compared with the same period in 2016, shows an approximate increase in crime of 16% across Lancashire. The provisional figures show an estimated average increase of around 24%, with some other Police Forces in the North West seeing increases of over 50%.

### South Beach Crime Figures 2011/12 – 2017/18



<sup>2</sup> Crime in England and Wales: year ending June 2017. Obtained from [www.ons.gov.uk](http://www.ons.gov.uk)



#### 4.0 Conclusion

- 4.1 Deprivation levels across the inner areas of Blackpool are the highest in the country. Selective Licensing in South Beach has enabled the comprehensive inspection programme to access and support the most vulnerable individuals and families, and get behind the front doors of the properties in which they live. Poor property condition has been identified across the area; and housing enforcement officers have had to step in and issue many hundred schedules of work to bring these properties up to the minimum standard as detailed in the Housing, Health and Safety Rating System.
- 4.2 Multi-agency working has assisted in tackling the most prolific offenders in the area and encouraged heightened reporting of anti-social behaviour from residents, tenants and landlords alike. Officers have supported the South Beach community and provided extra resources to tackle the issues of most importance to those who live there.

<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources
<b>Relevant Cabinet Member:</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Meeting:</b>	15 January 2018

## INCOME AND DEBT RECOVERY STRATEGY 2018 - 2021

### 1.0 Purpose of the report:

- 1.1 The purpose of this report is to update the Executive on a new Income and Debt Recovery Strategy covering the period from 2018 until 2021.

### 2.0 Recommendation(s):

- 2.1 To approve the Income and Debt Recovery Strategy 2018 – 2021, as attached at Appendix 3a.

### 3.0 Reasons for recommendation(s):

- 3.1 Since 2004 the Council has produced successive three-year Income and Debt Recovery Strategies. The Council collects approximately £200 million each year from residents, businesses and service users. The economic downturn over the last decade and the Government's Welfare Reform agenda has significantly increased the challenges of income collection and recovery.

The primary objective is to establish a framework under which collection of income due to the Council is maximised and at the same time embrace the Council's priorities.

- 3.3a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No
- 3.3b Is the recommendation in accordance with the Council's approved budget? Yes

**4.0 Council Priority:**

4.1 The relevant Council Priority is

“The economy: Maximising growth and opportunity across Blackpool”

**5.0 Background Information**

5.1 The new strategy builds on the successes of previous strategies and the objectives and priorities have been grouped into three key themes. The key themes remain in place from the previous strategy. Theme 1 covers income generation and collection. Theme 2 is customer access and convenience. Theme 3 is management, governance and compliance.

5.2 Current challenges facing the Council in terms of income collection have been identified in the strategy. These include the continued impact of Welfare Reform and the extended period of public spending constraint.

5.3 Each theme has a comprehensive list of priorities which describe the work to be undertaken over the next 3 years. Progress will be monitored at regular meetings of the Income and Debt Group which will include monitoring of the action plan and key performance indicators.

5.4 Is the Corporate Delivery Unit aware of this report? Yes

The Corporate Delivery Unit has been consulted on the new strategy and has no comments to make. It is supportive of the three themes and that their implementation would ensure the Council meets its budgetary requirements.

5.5 Does the information submitted include any exempt information? No

**5.6 List of Appendices:**

Appendix 3a - Income and Debt Recovery Strategy 2018 - 2021

**6.0 Legal considerations:**

6.1 None.

**7.0 Human Resources considerations:**

7.1 Existing staffing resources will be used to implement the strategy.

**8.0 Equalities considerations:**

8.1 All groups are treated equally and customer access and convenience are addressed at theme 2.

**9.0 Financial considerations:**

9.1 The strategy, through income generation and collection, supports the future financing of quality services for the community of Blackpool.

**10.0 Risk management considerations:**

10.1 Having such a strategy in place allows the Council to deploy its resources to generate and collect income to optimum effect and continuously review and enable accessibility within a robust and formal governance framework.

**11.0 Ethical considerations:**

11.1 The implementation of the Income and Debt Recovery Strategy is in line with the Council's ethical framework.

**12.0 Internal/ External Consultation undertaken:**

12.1 None.

**13.0 Background papers:**

13.1 None.

**14.0 Key decision information:**

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? N/A

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process?

No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: 5 January 2018 Date approved:

**17.0 Declarations of interest (if applicable):**

17.1

**18.0 Executive decision:**

18.1

18.2 **Date of Decision:**

**19.0 Reason(s) for decision:**

19.1 **Date Decision published:**

**20.0 Executive Members in attendance:**

20.1

**21.0 Call-in:**

21.1

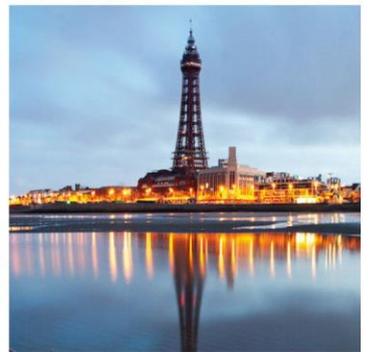
**22.0 Notes:**

22.1

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# Resources Directorate Income and Debt Recovery Strategy 2018-2021

Blackpool Council



# Income and Debt Recovery Strategy 2018-2021

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# Income and Debt Recovery Strategy 2018-2021

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## 1. Summary

The Council collects approximately £200m of income during each year and securing these resources efficiently is a challenging business goal.

Meeting this challenge through a continued period of public sector spending constraint and the impacts of the Welfare Reform Act will hold even greater significance. Income collection makes a vital contribution to the health of the Council's finances and plays a vital role in assisting the future financing of quality services for the community of Blackpool.

This document relates to income and debt recovery for the period 2018 to 2021 and focuses on the following three themes:

- **Income Generation and Collection**
- **Customer Access and Convenience**
- **Management, Governance and Compliance**

***“The Vision is to maximise the Council’s income generation and collection and in doing so support the future financing of quality services for the community of Blackpool”***

# Income and Debt Recovery Strategy 2018-2021

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## 2. Context

The effects of the last decade's economic downturn have set the context for this document.

Whilst estimates vary, analysts expect a period of public spending constraints which will last well beyond the current Parliament and the Council faces the prospect of diminishing grant income from central government. This will place even greater importance on the ability of the Council to optimise the generation and collection of income efficiently and effectively.

The effect of the economic climate on residents will also reduce the ability to pay for some and make others generally more cautious in terms of personal spending. The overall effect will be to make collection of income due to the Council more difficult and potentially reduce the level of income generated from such services as planning, car parking, leisure and school meals.

The Council faced a significant challenge to maintain levels of Council Tax income following the introduction of the Welfare Reform Act and the impact of Universal Credit, etc. A reduction in collection levels was therefore anticipated.

In addition, a further number of schools have secured Academy status. This provides an opportunity for increased income generation but also represents an increased risk of delays in managing and administering income collection.

Current challenges facing the Council include:

- The continued impact of Welfare Reform upon residents' ability to pay.
- A reduction in advice specialists available to support residents to claim benefits, lodge appeals and provide debt advice.
- An increase in the number of lending agencies, e.g. Cash Converter, Bright House, Wonga, QuickQuid, Amigo Loans.
- The extended period of public spending constraint.
- Payment system developments, e.g. continuous card payments.
- The first interest rate increase for 10 years which will reduce disposable income for some households.
- The introduction of legal pre-action protocols which delays recovery action through the courts for individuals.

# Income and Debt Recovery Strategy 2018-2021

The Council collects approximately £200 million during the year from residents and service users in the form of:

### 2017/18 In Year Budgeted Income / Debt collectable from external customers

	£000
Council Tax	59,081
Business Rates	47,197
Housing Rents (HRA)	18,844
<b>Total</b>	<b>125,122</b>

### 2017/18 In Year Budgeted Income / Debt collectable from external customers - Service Revenue

	£000
Adults	23,169
Community & Environmental	13,643
Budgets Outside Cash Limits	12,323
Places	9,185
Children's Services	7,633
Resources	4,848
Governance & Partnerships	2,967
Chief Executive	937
Public Health	4
<b>Total</b>	<b>74,709</b>

Since 2004 the Council has produced successive three-year Income and Debt strategies.

Particular successes in the last 3 years include:

- **Successfully negotiated a new Enforcement agent contract for collection of Council Tax and Business Rates.**
- **Developed a new system for payroll overpayments**
- **Produced a completely refreshed Sundry Debt collection good practice guide**
- **Launched the Credit Union to the public in its own high street premises**
- **Reduced high value debts**
- **Introduced domestic empty property inspections at no cost to the Council assisting with new homes bonus**
- **Ensured compliance under Payment Card industry rules**
- **Contributed to the successful implementation of a new banking contract**
- **Introduced commercial rent arrears recovery**
- **Upgraded the PARIS payment system to accept contactless payments**
- **Formed a partnership with a company to identify any missing or undervalued business rates properties**

The above context directs the content of this document.

Figures provided by Corporate Finance.

# Income and Debt Recovery Strategy 2018-2021

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## 3. Income and Debt Recovery 2018-2021

### 3.1 Vision

*“To maximise the Council’s income generation and collection and in doing so support the future financing of quality services for the community of Blackpool”*

**Objectives** for the themes are outlined over the following pages with Priorities for each Theme.

The **Action Plan** to deliver these Priorities is set out on pages 11 to 15.

### 3.2 Governing Principles

- A robust corporate income management policy
- Clear responsibility and accountability
- Active measurement and management of performance
- A “firm but fair” approach to income and debt recovery
- Support for customers to improve their ability to meet financial commitments
- Cross cutting links with related Council strategies

### 3.3 Framework

The Vision will (continue to) be delivered through the following three themes:

- Theme 1: Income Generation and Collection
- Theme 2: Customer Access and Convenience
- Theme 3: Management, Governance and Compliance

# Income and Debt Recovery Strategy 2018-2021

## 4. Objectives and Priorities

### 4.1 Theme 1: Income Generation and Collection

#### Objective

***“To optimise the Council’s income and debt recovery, increase its income generation and achieve the maximum contribution towards the health of the Council’s finances”***

The restrictions on Government funding for councils over the last 6 years and those expected over the following years and the overall effects of the economic climate make it crucial that the Council’s collection of income is as efficient and productive as possible.

The Priorities for this Theme are aimed at increasing the proportion of income and debt collected, reducing the level of debts written off, and increasing the total value of income to the Council by identifying new sources of income generation and ensuring that charges for services are set at the appropriate level.

Governance arrangements will be reviewed on a regular basis as a pre-requisite to prudent financial housekeeping. Exploring opportunities to develop the Council’s trading powers and generating increased income from such activities will help to offset public sector spending constraints.

Meeting these priorities will contribute to the Council’s financial strength and its ability to deliver services to the community through a difficult economic climate.

#### Theme 1 - Priorities

- Take a proactive approach to enforcement.
- Tackle all cases of fraud and corruption and use powers such as the Proceeds of Crime Act to recover income when appropriate to do so.
- Increase level of governance around:
  - High level debt
  - Level of write offs
  - Examination of fees and charges
  - Use of enforcement powers.
- Maximise trading powers.
- Review planning charges on properties and introduce a formal Deferred Payment Scheme.
- Keep abreast of legislative and system development changes.
- Ensure robust recovery procedures are in place for debts owed by all.
- Strengthen pursuit of debt recovery for low value debt and “hard to reach” debt.
- Deliver training to ensure consistent income collection practices.
- Introduce a more proactive approach to late payment of debt.
- Raising sundry debt invoices promptly

#### Theme 1 - Case Studies

Outstanding debts have been collected by using the Late Payment of Commercial Debt legislation.

Additional income has been recovered following the introduction of a new recovery method for commercial rent debts.

# Income and Debt Recovery Strategy 2018-2021

## 4.2 Theme 2: Customer Access and Convenience

### Objective

***“To increase customer payment options by removing barriers, maximising choice and blending self-service and modern systems with traditional payment methods”***

Methods of payment continue to change rapidly, but for many customers traditional methods still hold preference.

The customers’ ability to make payment through their preferred option is at the heart of this theme and of necessity embraces the need for flexibility in terms of systems, policies and procedures. The Priorities for this theme are to simplify and extend payment processes, remove barriers and blend new modern payment options with more traditional payment methods.

Many organisations have embraced new technology and developed options for self-service. This is an area where further opportunities for the Council exist

Actions in this theme will help to improve the speed with which sums due to the Council are collected, reduce the costs of collection and most importantly increase customer satisfaction.

For customers experiencing financial stress, access to in house qualified debt advisors can be the best way to help the customer to maximise income and prioritise debts thereby improving recovery of Council debts.

### Theme 2 - Priorities

- Maximise choice of payment options.
- Implement the continuous card payments module to allow customers to set up regular payment arrangements where direct debit facilities do not exist.
- Review income related contracts.
- Review methods for contacting customers.
- Increasing self-service options and other channel matching initiatives which are more convenient to the customer.

### Theme 2 - Case Studies

- In 2016/17 over £16m payments were taken by debit / credit card.
- A number of internet forms have been designed to allow customers to apply and pay for services such as Parking Permits and copies of Birth, Death and Marriage certificates. A total of £443K was taken this way in 2016/17.
- Former self-employed man aged 56 with numerous health issues. Multiple debts accrued since unable to work, including Council Tax, credit card and personal loans. Assisted to claim a Personal Independence Payment (PIP) and Severe Disability Premium, increasing income by £144.75 per week. Discretionary Housing Payment awarded to pay rent shortfall until PIP received. Discretionary Support award for fee to apply for Debt Relief Order (DRO). £10,870 debts written off following DRO.

Now able to pay Council Tax and other essential bills.

# Income and Debt Recovery Strategy 2018-2021

## 4.3 Theme 3: Management, Governance and Compliance

### Objective

*“To achieve consistent practice of income collection and recovery at service level and increase senior management accountability through setting, monitoring and achieving realistic income targets”*

The importance of income generation and collection to the health of the Council’s finances will increase as Government funding and the ability to raise levels of Council Tax is tightly controlled. The Council will need to address this challenge by strengthening the framework of its overall management, governance and compliance of income generation, collection and recovery activities.

Cascading ownership and responsibility for key processes and activities to appropriate levels within income generating services, along with strengthening accountability of relevant senior managers to set and meet realistic income targets are important aspects of this theme.

Establishing relevant measures of performance and implementing a rigorous monitoring and reporting regime will enable the Council to continuously check performance against target, providing early indication of increasing or decreasing collection levels.

The adoption of consistent corporate policies and procedures will support the Council’s corporate

income management, governance and compliance framework.

### Theme 3 - Priorities

- Improve staff awareness of policies and procedures.
- Undertake regular and targeted internal audit compliance checks on business rates, council tax and sundry debtors.
- Assess income management risks as part of the internal audit annual planning process and schedule risk-based audit reviews where appropriate.
- Undertake proactive anti-fraud work to reduce the risk of employee debtor fraud.
- Undertake proactive and reactive fraud work to identify potential issues relating to council tax fraud, including participation in the National fraud Initiative.
- Conduct challenge sessions to monitor performance with targeted services.
- Review roles of Income Management Group and Sundry Debtors Group and reconfirm memberships and Terms of Reference.
- Income & Debt Strategy Group to scrutinise high level debts > £10k.
- Ensure Payment Card Industry (PCI) compliance.
- Establish working group to develop innovative ways of working.
- Ensure robust bad debt management whilst considering the Fair Debt Policy.
- Annual review of collection and recovery policy, procedure and Codes of Practice.
- Implementation of the financial module of Mosaic.

# Income and Debt Recovery Strategy 2018-2021

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## Theme 3 - Case Studies

- Over the course of previous strategies the Income & Debt Recovery Strategy Group scrutinised current high level debts to determine the best approach to secure debt / recovery. This initiative started by examining debts with a value over £50k and due to its success now examines debts over £10k. This proactive approach has helped to reduce the value of high level debts by £4m and improve collection rates by approximately 3%.
- The Assets, Estates and Business Management section of Property Services has implemented a number of improvements to the debt recovery process, both to prevent the occurrence of debts in the first instance wherever possible, and identify late payments promptly so that appropriate recovery action can be taken.

Through closer liaison with Corporate Debt colleagues, monthly reports are now received to identify cases where recurring billing arrangements are due to end so that they can be extended or systems updated to reflect changes in tenancy status as appropriate.

The team proactively monitors systems to ensure rents are being invoiced, and chase late payments by contacting debtors via telephone, e-mail and letter and highlighting penalties such as interest accrual on late payments where this is stated in the lease.

The team can now process PARIS payments to

secure payment over the phone more promptly and encourage the use of Direct Debits to ensure regular payments.

Commercial Rent Arrears Recovery (CRAR) has been implemented where appropriate to collect outstanding rent, and regularly late or missed payments are escalated. Corporate debt liaison meetings are now being held on a monthly basis to ensure that potential aged debts are identified and remedial action taken without delay.

# Income and Debt Recovery Strategy 2018-2021



## 5. Action Plan Monitoring and Review

### Income & Debt Recovery Strategy – Action Plan for Delivery of Theme Priorities 2018 – 2021

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No.	Action	Success Measures / Targets	Date to be achieved	Lead Officer	Commentary
1	Improve collection and recovery performance	<ul style="list-style-type: none"> <li>• Meet annual targets set to increase collection levels</li> <li>• Reduce debt and write off levels %</li> <li>• Increase payment up-front or at the point of service delivery</li> <li>• Keep under review representation at Corporate Income Management Group</li> <li>• Strengthen reporting framework</li> <li>• Use debt collection agencies for low value debt (under £1k)</li> <li>• Pursue debts in Scotland</li> <li>• Introduce Formal Deferred Payment scheme</li> <li>• Implement procedures to mitigate staff salary overpayments and recover staff car loan payments</li> <li>• Develop an interface between Mosaic and the</li> </ul>	Ongoing	CLT supported by monitoring by Income & Debt Strategy Group	

## Income and Debt Recovery Strategy 2018-2021

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No.	Action	Success Measures / Targets	Date to be achieved	Lead Officer	Commentary
Page 32		<p>Cedar Debtors system to raise invoices regularly for care charges relating to home care and day care, ensuring prompt billing and reporting</p> <ul style="list-style-type: none"> <li>• Ensure procedures are written in relation to prompt billing for client contributions where service providers are paid gross</li> </ul>			
	2	<p>Monitor the impact of Council Tax support and local discounts / exemptions on collection and recovery rates</p>	<ul style="list-style-type: none"> <li>• Reduction in collection rates mitigated and managed effectively</li> <li>• Amendments to process introduced with minimum disruption</li> </ul>	Ongoing – monthly	Head of Revenues and Exchequer Services
	3	<p>Monitor the impact of localisation of Business Rates on collection and recovery rates</p>	<ul style="list-style-type: none"> <li>• Reduction in collection rates mitigated and managed effectively</li> <li>• Amendments to process introduced with minimum disruption</li> </ul>	Ongoing – monthly	Head of Revenues and Exchequer Services
	4	<p>Optimise income generation through exploring opportunities to develop products, services and activities on a commercial basis</p>	<ul style="list-style-type: none"> <li>• Maximise trading powers and secure new business</li> <li>• Generate income from Council goods via Bristol HWRC and the corporate eBay account and other innovative ideas</li> </ul>	Ongoing	CLT

## Income and Debt Recovery Strategy 2018-2021

No.	Action	Success Measures / Targets	Date to be achieved	Lead Officer	Commentary
		<ul style="list-style-type: none"> <li>Generate income from providing services to other public sector organisations</li> </ul>			
5	Deliver the targets set in P.I. Performance Suite in Appendix 1	<ul style="list-style-type: none"> <li>See Appendix 1.</li> <li>Set and confirm targets with services annually</li> <li>Review and strengthen PIs annually</li> <li>Quarterly reports from Corporate Income Management Group considered at Income &amp; Debt Strategy Group</li> <li>Annual report to Resources Scrutiny Committee</li> <li>Scrutinise high level debts at Income &amp; Debt Strategy Group</li> <li>Review income related contracts</li> <li>Review roles of Income Management Group and Sundry Debtors Group and reconfirm membership and Terms of Reference</li> <li>Ensure robust bad debt management whilst considering the Fair Debt Policy</li> </ul>	Ongoing – monitored quarterly	CLT/Income & Debt Strategy Group	
6	Ensure consistent and effective practice of collection and recovery policy and procedures	<ul style="list-style-type: none"> <li>Undertake quarterly audit compliance checks and report findings to ensure appropriate remedial action is taken.</li> <li>Tackle all cases of fraud and corruption using</li> </ul>	Ongoing	Head of Audit and Risk	

## Income and Debt Recovery Strategy 2018-2021

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No.	Action	Success Measures / Targets	Date to be achieved	Lead Officer	Commentary
Page 34		<p>appropriate powers e.g. Proceeds of Crime Act to recover income where appropriate</p> <ul style="list-style-type: none"> <li>• Extensive roll out of an I-Pool training course on robust income collection procedures</li> <li>• Establish a working group to develop innovative ways of working</li> <li>• Ensure Council fees and charges consider Social Value implications</li> <li>• Undertake an annual review of collection and recovery policy, procedures and Codes of Practice</li> </ul>		<p>Transactional Services Manager</p> <p>Income &amp; Debt Strategy Group</p>	
	7	Extend and implement use of electronic methods of payment	<ul style="list-style-type: none"> <li>• Increase use of electronic forms with services and promote accordingly</li> <li>• Relaunch payment by Chip &amp; Pin</li> <li>• Review methods for contacting customers e.g. via e-billing, SMS text messages and other channel shift initiatives</li> <li>• Ensure PCI compliance</li> <li>• Implement the continuous card payments module to allow customers to set up regular payment arrangements where direct debit facilities do not exist</li> <li>• Implement mobile forms to allow customers to see payment pages on a mobile phone in the correct format.</li> </ul>	Ongoing – monitored by Income & Debt Strategy Group	Transactional Services Manager

## Income and Debt Recovery Strategy 2018-2021

No.	Action	Success Measures / Targets	Date to be achieved	Lead Officer	Commentary
8	Contract management of banking contract	<ul style="list-style-type: none"> <li>Secure most competitive banking rates</li> <li>Delivery of social value commitments</li> <li>Implement the new electronic cheque system to allow cheques to be credited in 2 working days and reduce cheque processing costs</li> </ul>	Quarterly	Chief Accountant	

# Income and Debt Recovery Strategy 2018-2021



## Appendices

### Appendix 1: Performance Indicator Targets 2018-2019

	Service	PI Definition	Target 2018-19
Council Tax / NDR	Council Tax	% of Council Tax collected in year	92.5%
		% of Council Tax collected overall over a 4 year period	97.5%
	Business Rates	% of Business Rates collected in year	94.5%
Sundry Debt	Corporate Debt Team (CDT)	% of Sundry Debt collected in year by Directorate	93%
		% of Sundry Debt collected overall by Directorate	89%
		% of Sundry Debt collected overall following Notice of Legal Action	90%
		Average number of days taken to send a sundry debt final reminder	28 days
Benefits	Benefits Team	% of Benefit overpayment recovered during the period as a % of total Benefit overpayment identified	65%

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	Service	PI Definition	Target 2018-19
		during the period	
		% of Benefit overpayment recovered during the period as a % of total Benefit overpayment identified at the start plus during the period	23%
Parking	Parking	% of Penalty Charge Notice (PCN) debt paid of overall debt raised	75%
Fairer Charging	Benefits Team	% of Fairer Charging debt collected prior to issuing sundry debt invoice	90%
		% of overall collection rate of Fairer Charging debts	98%
Housing Rents	Blackpool Coastal Housing (BCH)	The current rent arrears as a % of collectable rent	1.15%
		% of rent collected excluding arrears brought forward	100%
		% of rent collected including arrears brought forward	98%
		% of Rent lost through voids	2.5%
Enforcement	CDT	% of debt secured where Legal / Enforcement action has taken place	40%
	CDT Recovery Team, Business Rates, BCH, Parking Services	% of debt recovered of the overall debt referred to Bailiffs / Collection Agencies by functional area (Sundry Debt, Council Tax, NNDR, Housing Rents, Benefits, Parking & Total)	12%

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	Service	PI Definition	Target 2018-19
Page 38	Transactional Services	% of income processed electronically via debt / credit card compared with the total conceivable income that can be processed electronically across the Council	14%
		% of income processed electronically via direct debt compared with the total overall income across the Council for services using direct debit functionality	55%
		% of debt written - off as not collectable as a proportion of overall debt by functional area (Sundry Debt, Council Tax, NNDR, Housing Rents, Benefits, Parking & Total)	2%

Targets are provisional and will be reviewed at 2017/18 outturn

# Income and Debt Recovery Strategy 2018-2021

## 6.2 Appendix 2: Risk Assessment

No.	Description of Risk	Impacts / Consequences	Opportunity	Gross Risk Score			Controls and Mitigation	Net Risk Score			Current Actions to Reduce Risk
				I	L	GS		I	L	NS	
1	Impact of economic downturn and Brexit on collection and recovery performance	1) Further reduced funding from any and all sources (Regional, National, European, Private)  2) Reduction and loss of services  3) Increase in benefits claimed  4) Potential rise in fraud cases  5) Services fail to operate within revised budgets  6) Erosion of reserves	1) Enhance reputation from positive media coverage of efficiencies  2) Reduce bureaucracy and duplication  3) Alignment of similar services  4) New forms of service delivery	5	5	25	1) Monthly Financial Management monitoring including savings  2) Reserves to some extent  3) Medium Term Financial Planning and Medium Term Financial Sustainability Strategy  4) Restructures  5) Income Generation  6) Promotion of Credit Union	4	5	20	1) Framework for Priority led Budgeting will at least enable the Executive's priority services to be resourced first through thematic savings planning.  2) Vigorous examination of additional recovery options / initiatives
2	Loss of significant funding streams.	1) Inability to deliver critical services	1) Income generation from external sources  2) Promotion of services	4	5	20	1) Downsizing  2) Alternative service delivery options  3) Use of discretionary funds	4	5	20	1) Financial modelling to assess the impact  2) Increase financial support / advice available for customers

## Income and Debt Recovery Strategy 2018-2021

No.	Description of Risk	Impacts / Consequences	Opportunity	Gross Risk Score			Controls and Mitigation	Net Risk Score			Current Actions to Reduce Risk
				I	L	GS		I	L	NS	
3	Non-collection of social care payments	1) Loss of income 2) Inability to pursue debts 3) Bills not being raised	1) Maximise income due to the Council 2) Provide an efficient service to customers	4	4	16	1) Joint working between Adult Social Care, the Social Care Benefit Team and the Client Finances Team	4	4	16	1) Successful implementation of the financial module of Mosaic
4	Non-compliance with Payment Card Industry Standards	1) Inability to take credit and debit / card payments 2) Financial penalties/fines	1) Introduction of robust and compliant systems	4	5	20	1) Use of a bureau service to help ensure compliance	4	2	8	1) ICT policies and procedures need to be updated to ensure compliance
5	Lack of funding to develop hardware / software/channel shift initiatives	1) Income collection channels become outdated / inefficient 2) Reduction in the amount of income collection	1) Keep up to date with modern technology 2) Provide customers with a wide range of options to promote prompt payment	4	4	16	1) Significant system development work already undertaken 2) Amendment to Customer First telephone lines to enable only appropriate calls to be recorded 3) Directorate and Corporate reserves	4	2	8	1) Explore alternative methods of payments such as via Apps 2) Ensure that how to pay is clear on the new Council website 3) Adequately budget plan for any significant developments required over full lifecycle

## Income and Debt Recovery Strategy 2018-2021

6	Selection of inappropriate enforcement activity	1) Debt is not collected	1) Robust debt collection processes  2) Deterrent message to customers who do not pay	4	3	12	1) Corporate Debt Team in place	4	2	8	1) Services to take ownership of debt and ensure that effective recovery procedures are used.
7	Failure of services to accept ownership of responsibilities for income collection and recovery	1) Income is not collected  2) Budget targets not achieved due to lack of income	1) Re-emphasise the need for effective income collection process across the Council  2) Improve transparency and accountability of debt owed to the Council	4	3	12	1) Income and Debt Strategy Group  2) Income Management Group  3) Reporting on performance 4) Member oversight	3	2	6	1) Work with poorly performing services  2) Continued audit compliance checking  3) Introduction of challenge sessions

### Key to scoring

I = Impact (5=Catastrophic, 4=Major, 3=Moderate, 2=Minor, 1=Insignificant)

L = Likelihood (5=Almost certain, 4=Likely, 3=More than even, 2=Less than even, 1=Improbable)

GS/NS = Gross/Net Risk Score R=High Risk, A=Medium Risk, G=Low Risk BCM = Business Continuity Management Risk

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