

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Corporate Services

Tendering Committee - 17 December 2008

Subject : Debt Management Services

1. Purpose

- 1.1 The purpose of this report is to recommend the appointment of debt management partners and Sheriff Officers to assist with the Council's debt recovery processes.

2. Background

- 2.1 The Council operates an in-house debt recovery service. The strategy to implement this policy was agreed by Council in December 2002.
- 2.2 The practice of the Council is to seek to recover as much as possible using in-house staff. However, if measures taken internally have been unsuccessful and the debtor is not in receipt of benefit, Council staff may refer the debt to an external debt management partner or the Sheriff Officer to execute diligence on the Council's behalf. The Council requires the services of Sheriff Officers for the instruction and execution of certain diligences under summary procedures.

3. Main Issues

- 3.1 The tender invitation was structured into three distinct sections, namely primary debt collection, secondary debt collection and Sheriff Officer services. The provision of a secondary debt collection partner is to enable the Council to utilise areas of expertise in specific sectors. The flexibility of the tender will also enable the Council to consider proposals for assistance with the recovery of former tenant arrears and housing benefit overpayments should it choose to do so in the future.
- 3.2 Tenders for the provision of debt management partners were received from eight firms, namely:-

JB Debt Recovery Ltd
Past Due Credit Solutions Ltd
BCW Group plc
Lewis Group Ltd
Rossendales Ltd
Stirling Park Ltd
Walker Love Ltd
Scott & Co

3.3 Tenders for the provision of Sheriff Officer services were received from four firms, namely:-

Stirling Park Ltd
Scott & Co
Walker Love Ltd
Gordon Noble & Partners

3.4 The tenderers submitted methodology statements and were asked to quote costs for service delivery. In terms of primary and secondary debt collection, the costs quoted were as a percentage commission on collections. In respect of Sheriff Officer fees, these are determined by Act of Sederunt and, as such, are not subject to competitive tender. The Sheriff Officer proposals were evaluated on the basis of the methodology proposed and the presentation to Council staff.

3.5 The tenders were assessed for their costs, their compatibility with the Council's debt recovery processes and conformity with the Council's Anti-Poverty Strategy and emerging Corporate Debt Policy.

3.6 Tenderers were asked to complete a questionnaire regarding their organisation and provide suitable references. They were also issued with a copy of the Council's standard conditions of contract. The contract period specified is three years.

3.7 Upon receipt of the tenders, Finance & ICT staff performed a desk-top evaluation of the proposals based upon the costs quoted by tenderers and the information provided in respect of proposed service delivery. In addition, an evaluation of the company's financial position was obtained from a market referencing agency. As a result of this initial evaluation, three tenderers, namely Gordon Noble, JB Debt Recovery and Past Due Credit Solutions did not meet our minimum standard and as such were eliminated from further examination.

3.8 The remaining tenderers were invited to attend the Council premises to present an overview to staff regarding their proposals and were also subjected to questions raised by staff. The presentations and response to questioning was assessed by staff and formed part of the overall evaluation criteria.

3.9 Appendix 1 to this report details the scores assessed for the tenderers. On the basis of the scoring detailed in the appendix, the following tenders have been recommended:

Primary Debt Partner	Walker Love Ltd
Secondary Debt Partner	Stirling Park & Co.
Sheriff Officer	Walker Love Ltd

3.10 Walker Love is currently the Council's Sheriff Officer.

3.11 The budgetary provision for these services is contained within a number of budget headings, namely:

Cost of collection of council tax	£213,100
Cost of collection of rates	£28,150

3.12 The cost of the service covered by the tender is dependent upon the volume of work passed to tenderer for collection. In order to evaluate the prices submitted by each tenderer, an assumed level of work was used. The actual volume of work passed to the successful tenderer will be contained within the budgetary limits.

4. Personnel Issues

4.1 There are no personnel issues.

5. Financial Implications

5.1 The Council's ability to deliver services which meet the needs of its citizens depends heavily on its success in collecting revenues. The tender exercise is designed so as to complement the Council's arrears management processes.

5.2 The cost of the debt management and Sheriff Officer services can be contained within the budgetary provision for these services.

6. Risk Analysis

6.1 The Council has a fiduciary duty to collect all sums due to it. The provision of debt management and Sheriff Officer services will provide the Council with the resources to take reasonable steps to recover sums due.

7. Conclusions

7.1 The practice of the Council is to seek to recover as much as possible using in-house staff. The Council requires the services of Sheriff Officers for the instruction and execution of certain diligences under summary procedures. The volume of work passed to the successful tenderer will be contained within the budgetary limits.

8. Recommendations

8.1 **Members are asked to approve that, subject to satisfactory terms and conditions being agreed, Walker Love is appointed as the Council's primary debt partners and Sheriff Officers and Stirling Park be appointed as secondary debt management partners.**

Joyce White
Executive Director of Corporate Services
Date: 4 December 2008

Wards Affected: N/A

Appendix Details of scores assessed for the tenderers.

Background Papers: None

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