Report to the Chief Executive

Income and Debt Management Action Plan Update

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30th November 2026

Reason for Decision

To seek approval to appoint Liberata to provide assistance in recovering aged debt and to undertake a review of our Council Tax Single Person Discounts.

Executive Summary

Approval was given for the Revenues and benefits service to look at appointing a 3rd party company to provide assistance with reviewing and recovery of aged debt. We have worked with colleagues in our procurement team and have identified Liberata as a suitable partner to undertake this work.

Recommendations

That the Chief Executive approves with appointment of Liberata to review our aged debt and Council Tax Single Person Discounts with the aim of increasing our Council Tax base and reducing the amount of aged debt held by the council.

Pre-Decision Scrutiny **19th November 2026**
Leaders' Consultative Session **30th November 2026**

Income and Debt Management Action Plan Update

1 Background

1.1 The resources available for Income and Debt Management were severely restricted during the period when the service was delivered by Unity Partnership Ltd. As a result, the focus was placed on in-year debt recovery, aiming to maximise income to the council within the constraints of the available resource.

1.2 The Council's Income & Debt Management Plan identified a range of improvement actions to strengthen debt recovery, promote consistency, and reduce arrears across all income streams.

Key actions include:

- Reviewing end-to-end recovery processes for Council Tax, Business Rates, Sundry Debt and Housing Benefit Overpayments.
- Cleansing historic debt and separating collectible from irrecoverable balances.
- Benchmarking recovery performance and adopting consistent write-off and escalation policies.
- Exploring third-party analytical and recovery support to increase collection efficiency.
- Building staff capability and reviewing resource requirements post-restructure.

2 Current Position

2.1 The abolition of Council Tax Benefit, in 2013/14, and its replacement with Local Council Tax Support, coupled with reduced funding from central government has resulted in debt levels increasing across most Local Authorities.

2.2 The Revenues and Benefits service was outsourced and performance metrics led to an emphasis on maximising income by focusing on current year's collection and the amounts identified for write off reduced significantly.

2.3 Council Tax arrears prior to 2026/27 currently total £54.75m, with £36m under 6 years old and £18.75m over 6 years old.

2.4 Oldham Council was one of the last local authorities to have in house bailiffs, and the service was only outsourced in 2024, which meant that collection rates were significantly lower than what we are now achieving.

2.5 Our policy not to refer Local Council Tax Support cases to bailiff's/enforcement agents has also contributed to our arrears being greater than similar GM authorities.

2.6 The Revenues and Benefits Service Restructure has now completed the consultation period and will be implemented shortly.

2.7 We have worked with procurement colleagues and identified a partner to provide assistance reviewing and recovering aged debts enabling Revenues staff to concentrate on collecting current year debt.

2.8 Liberata do this work on a results basis, with no upfront costs i.e., a fee of 20% applies to any income collected, payable on invoice after the funds have been cleared.

2.9 They engage with debtors and try to identify benefits that they may be entitled to and will recommend write off if there is no prospect of recovery.

2.10 We have also identified an opportunity to increase the Council Tax base, resulting in more income for the Council by using a 3rd party company to review our current Council Tax Single Person Discounts.

2.11 All the work is completed by Liberata, with minimal impact on Council staffing resources, meaning collection in year will not be impacted.

3 Options/Alternatives

3.1 Option 1 – Appoint Liberata, via a direct award using GCloud 15, to assist with reviewing our aged debt and Council tax Single Person Discount caseload, increasing income to the council.

3.2 Option 2 – Increase staffing capacity to enable us to carry out this work ourselves. NB this would not be the best use of those resources.

4 Preferred Option

4.1 Option 1 – Appoint Liberata, via a direct award using GCloud 15, to assist with reviewing our aged debt and Council tax Single Person Discount caseload, increasing income to the council.

5 Consultation

5.1 Not applicable.

6 Financial Implications

6.1 The proposal supports delivery of the Council's Income and Debt Management Action Plan through the appointment of Liberata to recover aged debt and undertake a review of Council Tax Single Person Discounts (SPD).

6.2 The aged debt recovery work will be delivered on a payment-by-results basis, with no upfront cost to the Council. Liberata will receive 20% of any debt successfully recovered, with the Council retaining the remaining 80%. This approach minimises financial risk, as costs will only be incurred where additional income is generated.

6.3 Liberata's initial assessment indicates that reducing Single Person Discounts from 35% to 31% could potentially generate additional Council Tax income of approximately £650,000 per annum. The review is estimated to cost £28,000, based on a charge of £19.95 per incorrect SPD removed. This represents a strong potential return on investment for the Council. The projected income benefit is indicative at this stage and will be validated once Liberata commences and completes the review.

6.4 Overall, the proposal is expected to increase income collection, deliver a positive net financial benefit, and support the Council's income maximisation objectives.
(Matthew Kearns – Finance Manager)

7 Legal Implications

7.1 It will be necessary to ensure that there is sufficient evidence to support the removal of any Single Person Discounts. (A Evans)

8. **Procurement Implications**

8.1 Commercial Procurement Unit recommends the use of the Central Government Agency (CGA) Framework (RM.1557.15) Lot 3, Cloud Support Services, an Open Framework established under the procurement Act 2023.

8.2 A search of the G-Cloud 15 framework was undertaken using criteria aligned to the Councils requirements, including the scope of services. The search exercise identified a single supplier capable of meeting the Councils specified requirements.

8.3 In accordance with the framework provisions, where a compliant search and selection process has been completed and only one supplier is identified as meeting the requirement, a direct award may be made. The procurement route therefore provides a complaint mechanism for the Council to award the Contract without further competition.

8.4 On this basis, approval is sought to award the Contract to Liberata UK Ltd, as the sole supplier identified through the framework search capable of meeting the Council's requirements. (Senga Henstock, ICT Senior Buyer)

9 **Equality Impact, including implications for Children and Young People**

9.1 Yes.

10 **Key Decision**

10.1 Yes.

11 **Key Decision Reference**

11.1 KDD-26-51.

12 **Appendices & Background Papers**

12.1 EIA Appendix 1.

Approved by the Chief Executive following consultation with the political group leaders who were in attendance as follows:- Councillors: Decision made under the authorisation contained in Section 9C (5) Delegations of Specific Officers of Part 3 (Responsibility for Functions) and Section 3.6 of Part 4 (Executive Procedure Rules) of the Council Constitution for the Chief Executive to take emergency decisions in respect of the Council's executive functions.
Signed: Shelley Kipling, Chief Executive Dated:
Date of Leaders' Consultative meeting:
Summary of feedback from the political group leaders