

Transforming Systems to Recover Debt Efficiently and Fairly

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Collections & Vulnerability – A Balancing Act

- CV-19
- Impact on residents
- Loss of Income to LA's
- 'Balancing the difficulties'
- Suspension of statutory recovery – payment holiday's, re-profiling instalments
- 'Kicking the can down the road'
- 'Sausage machine' approach to collection

A data led approach

- Data analytics
- Financial status profiling / segmentation
- Financially vulnerable, financially stable or paying non-priority debts?
- Highlighting customers who might be in need of assistance
- Inform strategy to engagement and collection
- Restart to proactive and positive engagement

What the data told us

- 7,000 Accounts segmented – both Council's
- Total value of Council Tax arrears - £1.6m

Segmented Debt Amount - Eastbourne & Lewes Council Tax Reminders June 2020



Collection strategy

- Specifically designed 3 letters to increase engagement (and payment)
- Set up a small 'contact' team of 5 staff
- The right mindset
- Communication skills – 'the right conversation'
- Inbound and outbound calling

Collection strategy

CUSTOMER FIRST

Name and Address here

my ref: Account Number
date: Type date here

Dear [NAME]

Council Tax Reminder Letter

We are writing to advise you that you are behind with your council tax payments. If you have made a payment within recently to bring your instalments up to date then please ignore this letter.

We understand that this is a difficult and uncertain time during the COVID-19 pandemic. Council Tax is used to fund a number of frontline services including the Adult Social Care, Police, Fire Brigade as well as refuse collectors and those council staff supporting the most vulnerable members of our community via the Community Hub. For this reason it is essential that resident continue to pay on time to ensure that services can continue to run now and in the future.

We have reviewed your personal credit file and it appears that you have available funds to make payments towards this priority debt. If you continue to not pay your council tax we will have no option but to commence formal recovery action. This could result in you losing the right to pay by instalments and statutory legal notices being sent.

In normal circumstances you would by now have received a statutory reminder or final notice. However, we want to give you every opportunity to bring your council tax instalments up to date.

To make a payment towards your council tax you can do this on our website at <https://www.lewes-eastbourne.gov.uk/payments/pay-your-council-tax/> or via our Freephone number 0800 2888097. You will need your account number which is [ACCOUNT NUMBER].



Lewes District Council

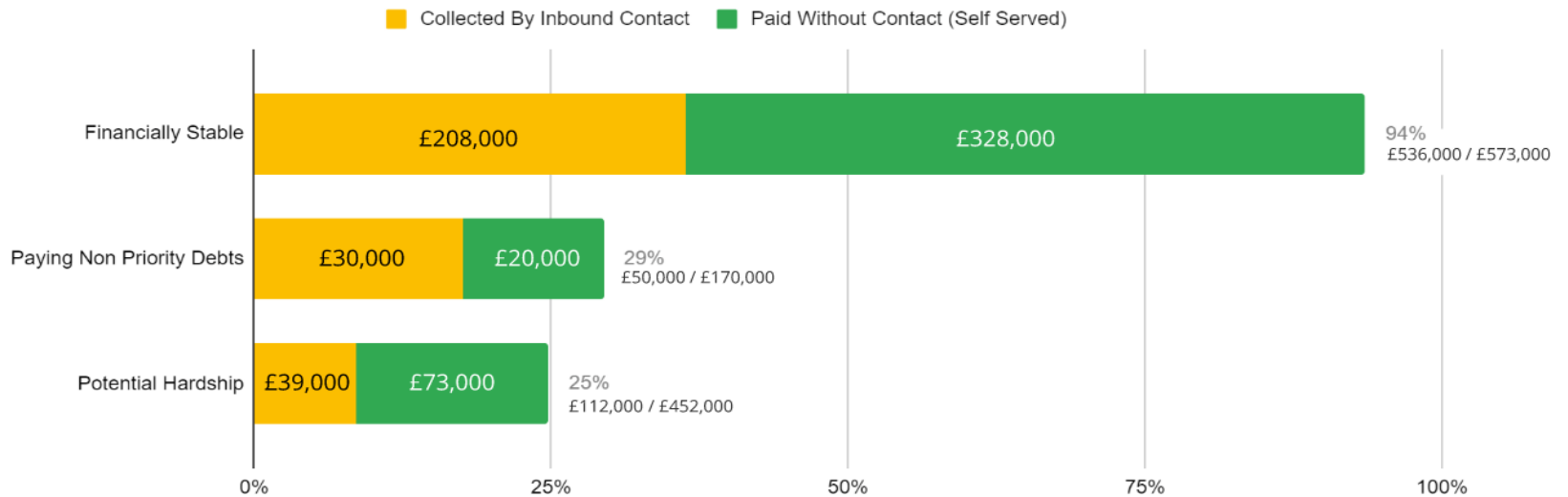


Working in partnership with Eastbourne Homes

Results

- Inbound contact – payment was taken on call / no ‘empty promises of payment’
- Dddddd

Eastbourne and Lewes - % Collected from each segment



Learning

- Identify “the can’t payers from the won’t payers”
- Additional interventions to the statutory recovery process help
- Softer approach to encourage those who could be in financial trouble to engage
- Increase in contact and engagement
- Increase in income
- The best skill sets – best outcomes for both the council and customers

What's next....

- EA costs peaked at £1m in 2019/20
- Developing a data led homeless prevention platform
- Prevent homelessness and reduce EA costs
- Analytics to identify private and social tenants most at risk of becoming homeless
- Financial vulnerability profiling
- Council Tax 'driven'
- Workflow - early interventions to support individual

Conclusion

- Blanket approach to collection is not always effective and doesn't provoke positive behaviours
- Data enables and supports effective collection strategies
- Data helps us understand our customers better
- Innovates and helps to shape solutions to problems