

Debt Management

Neighbourhoods

Citizen Services, Local Taxation

Slide 1



Where we are: Actual

Debt Type	Annual Debit 2016/7	ArRs 30 to 59 Days	ArRs <1 Yr / 2016 only	ArRs 1 to 2 Yrs / 2015 only	ArRs 2 to 4 ½ Yrs / 2014 to 2012	ArRs > 4 ½ Years / 2011 and earlier
Council Tax	£212m	Not Available	£5.97m (current year summonsed)	£3.41m (summonsed only)	£3.28m (summonsed only)	£534k (summonsed only)
Non-Domestic Rate	£221m	Not Available	£2.25m (current year summonsed)	£1.03m (summonsed only)	£632k (summonsed only)	£85k (summonsed only)
Overpaid HB – Benefits (deducted from ongoing HB entitlement)	N/A	Not Available	£3.57m	£1.40m	£2.12m	£986k
Overpaid HB – Debtors (invoiced to claimants)	N/A	Not Available	£2.97m	£2.10m	£3.23m	£1.05m
Sundry Debtors	£122m	£2.16m	£26.56m	£4.40m	£4.07m	£1.9m

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Slide 2



Where we could be: Potential

- 1 Joined up approach to enforcement
- 1 Efficiency savings through co-location and increased recovery activity
- 1 Increased income through increased recovery activity
- 1 Holistic approach to debt collection; think of the citizen
- 1 Single view of the customer resulting in improved citizen experience
- 1 Fair Debt Policy across all Council services

Centralised Approach to Debt

Stage 1

- 1 Transfer of 1.6 fte (0.6 fte in post) Legal Officers to Revenues to progress adult social care debt in the first instance
- 1 Transfer of £40k collection agent commission budget to Revenues to progress data cleansing exercise and facilitate commission based contracts for collection agents

Centralised Approach to Debt

Stage 2

- 1 Move Accounts Receivable to Revenues to co-locate the invoicing process with those billing and invoicing processes already in place for Revenues
- 1 Investigate further possibilities corporately

Software

- 1 Single view of the customer (SVOC) solution – est £30k (with enterprise architect)
- 1 Propensity to pay solution would allow for targeted recovery activity – est £20k (with enterprise architect) – e.g. Experian / Equifax
- 1 Re-enable and extend use of DIP system for document storage, workflow and performance management – TBA
- 1 Introduce recovery module for ABW to create efficiencies – TBA

Additional Benefit if In House Enforcement Implemented

- 1 Opportunity to create an income stream
- 1 Citizen centric approach to debt management
- 1 Ability to encourage engagement with partners for budgeting support or additional welfare benefits e.g. Debt Awareness Course
- 1 More control over the enforcement process, especially for vulnerable citizens
- 1 Ability to take a pragmatic view on fees

In House Enforcement

- 1 Hot house workshop arranged for 29 Nov to 01 Dec to further investigate costings
- 1 Potential to run a smaller team initially with overflow work being passed to one or more strategic partner(s)
- 1 Creation of Fair Debt Policy across relevant Council services

Fair Debt Policy

- 1 A policy to determine the way in which debts to the Council are collected and the way in which those payments are allocated
- 1 Would need service manager agreement across service areas
- 1 Opportunity for members to help formulate the policy via the scrutiny function