

INFORMATION REQUIRED FOR SCRUTINY PANEL (2)

Information on the strategies developed for the collection of Council tax and rents e.g. aligning pay dates to help residents budget their expenditure more easily and any noticeable trends.

1. Introduction

- 1.1. As a part of the exploration of a more corporate approach to debt collection Revenues has been exploring a number of changes to working practices via pilot projects
- 1.2. These are currently being run separately from work that Housing is undertaking in relation to rent collection
- 1.3. The pilots include:
 - 'Stop the Knock' – a programme in conjunction with Agilisys to attempt to make contact with Council Tax payers who have had a liability order granted against them and to arrange payment without the need to refer the case to Enforcement Agents
 - Referrals to Payplan and / or Citizen's Advice Bureau where customers identify being in financial difficulty
 - Taking account of other debts owed to services in Revenues control when collecting former tenant arrears from temporary accommodation cases (TA FTA)
 - Updating Council Tax recovery letters to take account of recommendations from the Money Advice Trust

2. Updates on Pilot projects

2.1. Stop the Knock

The purpose of the pilot was to refer cases to Agilisys where the Council had obtained a liability order but did not have an agreement in place for the customer to make payment.

- 2.2. The cases referred were Council Tax Reduction scheme cases, including those with children in the property.
- 2.3. The Stop the Knock process was to validate the address held, make contact with customers using a programme of letters, telephone calls and text messages – with the intention of making either a direct payment arrangement, an attachment to benefits or earnings or to set up a direct debit instruction. Where cases were identified as vulnerable Agilisys were to refer these cases for debt advice.
- 2.4. Whilst the case was with Agilisys the cases were put on hold in the Revenues system to prevent further recovery action.
- 2.5. 483 cases with a value of £362k were referred. Of those:
 - 28 cases paid (£29k) in full either to Agilisys or direct to the Council
 - 19 cases made arrangements to pay of which 11 cases still remain at arrangement
 - 17 cases were sent for tracing
 - 419 cases were returned at the end of the project period with no contact or payment having been made or payment plan in place

- 2.6. Before the project concluded Agilisys advised the Council that it was withdrawing from the Revenues market and would therefore not be interested in either further pilots or a more extensive project.
- 2.7. The results of the pilot were not better than the Revenues team would likely have achieved its self, subject to having sufficient resources to carry out the work in the timescales required.
- 2.8. Going forward consideration will be required as to whether
 - Further work is carried out, over and above what is already done as a part of the recovery process, to target these case types using staff directly within the Revenues service – this would also allow contact to be carried out before a summons is issued; or
 - An alternative commercial partner is sourced

3. Debt advice Referrals

Two pilot projects have been agreed with advice agencies. This is also in conjunction with Revenues adopting the new Standard Financial Statement (SFS). The SFS is promoted by the Money Advice Service (MAS) and is being rolled out to all advice agencies. MAS says that the SFS marks a single debt sector wide view on how to approach the challenge of bringing greater consistency to the way information on people's financial circumstances is gathered. Over 22 organisations have come together to agree this single format for recording income, expenditure and arrears as well as agreeing a set of spending guidelines. Importantly, the statement will include a savings category which will help encourage people to build financial resilience while they deal with their problem debt. Organisations who sign up to the SFS will agree to a code of conduct to ensure best practice usage, which will not only ensure that people's affordability assessments are more consistent, but will enable smoother transfer of information between the organisations working with them.

- 3.1. In addition to this the Council has also signed up to the CAB's new Council Tax protocol
- 3.2. The Revenues Service has agreed that, where it identifies customers whom it appears would benefit from debt advice, and subject to the customer consenting, it will refer those cases to either Payplan (using an online web form) for a phone call back from Payplan, or to the CAB for a face to face discussion. CAB are only at this stage able to offer 3 appointments per week.
- 3.3. To date 14 number of cases have been referred to Payplan and 7 number of cases referred to CAB. It is at present too soon to say whether those referrals will bring positive results. It is worth noting that one case referred to CAB has not attended appointments made on three occasions, and has still to do so. However, the referral does allow the customer a further breathing space.
- 3.4. Further cases will be referred to increase the numbers on which to make a judgement of success
- 3.5. Training sessions for Revenues staff are being developed to embed the revised approach, procedures and referral process to increase the chances of success.

4. TA FTA debts

- 4.1. Revenues has recently taken over the collection of TA FTA debts. This is also being used as an opportunity to look at whether these customers also have other debts owing by way of Council Tax and / or Housing Benefit Overpayments
- 4.2. Data matching was carried out to identify those cases with debts in more than one stream, and where the non TA FTA debt was not already subject to a current form of recovery.
- 4.3. This identified 1655 cases with a TA FTA debt and either a Council Tax or HB Overpayment debt.
- 4.4. To date 470 cases with Council Tax outstanding and 368 cases with an HB OP outstanding have been reviewed. This has only generated payments of £3k Council Tax and £0.4k HBOP so far.

5. Changes to Council Tax recovery letters

- 5.1. As a part of the work carried out with MAS Revenues also arranged for all its recovery letters and supporting documents to be reviewed by the Money Advice Trust (MAT).
- 5.2. MAT made suggestions to simplify the language and change some of the fonts and colours used. MAT believes that this will make the letters and documents more accessible to all customers and so those changes have been made.
- 5.3. Revenues will monitor the number of letters issued and the progression of cases through the recovery process to see if there is an impact on action taken.

6. Housing Rents

- 6.1. The housing rents team are currently undertaking a review of their working practices. As well as modernising the service, there is a need to review activity to support the wide-scale rollout of full Universal Credit service from the autumn, and also to support our corporate debt plans. There is support of the project to align debt recovery activity across the Council, although it is recognised that this is challenging due to differing debit cycles and recovery and enforcement paths. Some core principles will be reviewed by the Housing Services Management Team, which will help form the new recovery procedure and support this work. This will include alignment of the internal support services (statutory and non-statutory) and externally funded advice to the principles of the corporate debt strategy. The Advice Services review is due to conclude in April 2019.
- 6.2. An IT project is underway to build a modern platform to sit above Universal Housing which will provide greater efficiency in the recovery process through an improved staff interface, some automation and prioritisation of cases. Currently in the pilot build phase, results are being shared across the council and it is hoped that the key principles can be rolled out to support wider debt collection activity beyond housing rents.

7. Adult Social Care

- 7.1. The Adult Social care collection team contacted the Collection Project Manager to ask for advice on collection.
- 7.2. Information has been shared with ASC on the suggestions made by MAT and in the proposed approach to future debt collection.

8. Conclusion

- 8.1. It is too early to draw conclusions as yet on whether extending / continuing the pilots will bring results which are better than continuing to use existing methods.
- 8.2. Revenues collection does require contact and engagement from customers, particularly those that have reached the later stages of recovery and would benefit most from the additional support that can be provided.