

Holistic Approach to Debt Recovery

In June 2024, Runnymede Borough Council implemented a Corporate Debt & Financial Inclusion pilot programme to improve debt collection efficiency and support vulnerable residents. Key milestones included developing a business case, reviewing the Enforcement Agent contract, securing budget approval, and implementing new software. The strategy used emphasises fair and respectful treatment of debtors, understanding their circumstances, and providing early intervention. By leveraging data-driven tools and a dedicated financial inclusion officer, Runnymede aims to achieve both increased revenue and improved support for vulnerable residents.

The challenge

Like many councils, Runnymede wanted to balance the need to continually improve income collection rates whilst supporting vulnerable residents in breaking the cycle of debt.

The solution

To enhance the effectiveness of the Corporate Debt & Financial Inclusion pilot programme, Runnymede is connecting services to ensure that multiple debts owed by single customers are managed by a single resource. This will prevent the same individuals from being pursued separately for multiple debts potentially overwhelming them and hindering their ability to repay their debts.

Additionally, expanding the Council's suite of intelligent software has enhanced data analysis capabilities, enabling the identification of trends, patterns, and root causes of debt. Access to the Vulnerable Persons Register will help identify residents who may require additional support and tailored interventions. A financial calculator is now being used to assess potential unclaimed income and benefits, unlocking additional resources for residents. By combining these tools with a dedicated resource to coordinate and deliver a more holistic approach to debt management and financial inclusion, Runnymede can improve income collection rates while providing targeted support to vulnerable residents, even with limited resources.

The impact

Having a specialist staff member resource enables customers to have a single point of contact and receive compassionate and professional advice to ensure that the Council's income is protected, whilst ensuring payment plans are affordable and realistic.

With better financial data from third party organisations, the Council is increasingly able to predict collection rates and will be able to write off irrecoverable debts in a more efficient manner. Independent credit reports will enable the Council to decide the best course of recovery and, by working with customers on the whole debt, will ensure their scarce disposable income is allocated fairly across the organisation.

There is also the potential to recover monies owed in a more organised and methodical way without increased legal costs which the customer may be unable to afford. Clear targets will be set as the Council can no longer afford to lose income through inefficient processes and

poor payment arrangements. Collection rates for Housing Benefit Overpayments will be set at 45 per cent to ensure the Council maximises this area of revenue.

The revenue growth of approximately. £50,000 for the 12-month pilot has been identified as 'an invest to save' initiative.

How is the new approach being sustained

It is anticipated that the increased income collected will cover the costs of the software and staffing resources moving forward. The pilot will be reviewed in March 2025 but early indications are that collection rates on Council Tax, parking, Housing Benefit Overpayments and sundry debt are increasing through income maximisation via the Benefit calculator, prompt billing and discount processing and more affordable arrangements that are then not being defaulted upon.

Lessons learned

- Thorough research: conducting in-depth research is essential for understanding the challenges and opportunities within the debt recovery landscape.
- Strategic planning: developing a well-thought-out plan is crucial for guiding the implementation of new strategies and ensuring their effectiveness.
- Continuous monitoring: regular monitoring and evaluation of progress are necessary to identify areas for improvement and make necessary adjustments.
- Iterative approach: embracing a continuous improvement mindset involves being open to feedback and adapting strategies as needed.

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