

Press Release

New approach transforms debt collection for Thurrock Council

3rd June 2013

A major crackdown on non-payment of Council Tax, Business Rates and Sundry invoices for other Council services has resulted in a dramatic improvement in collection rates and debt recovery processes for Thurrock Council. In addition a Fair Debt Policy was published to ensure its consistency in its approach; this document was created with input from the Council's Councillors and the Citizens Advice Bureau.

The authority has seen historical Council Tax debt fall from £5.5m to less than £1m in just three years. Over the last 12 months, collection rates of Council Tax have reached 98.9% and - excluding the distortion caused by the insolvency of one major employer in the area - the collection of Business Rates has risen to a staggering 99.3%. There has also been a huge reduction in debt write-offs which are now at the lowest level since 2007.

"It may only be a relatively small minority of people who try to avoid paying Council bills, but the cost to the Council is very real and has a direct and substantial impact on the authority's ability to deliver key services," says Serco's Kevin Tuttle, who heads up the Council's Debt Collection teams.

"The Council's new approach to debt collection has broken a behavioural cycle of payment evasion, provided support for those in need of help and demonstrated to persistent offenders who were manipulating 'the system' in order to defer or withhold payment that there are no excuses and no hiding places. As we work with the Council to improve efficiencies and maximise performance in a wide range of customer services, it's only right that we should also address the problems caused by those people who try to abuse the system for their own gain. I'm absolutely delighted with the results we've achieved in such a short time."

Detailed analysis of payment histories and behaviours for every unpaid account and different types of debtor underpins the new debt collection programme introduced by Serco. This has enabled the team to introduce a much more proactive and personalised approach to debt

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recovery and resolution and reduced the number of cases proceeding to court action. This has included calling debtors outside of normal office hours, tailored correspondence and text messages, the introduction of special debt management surgeries to help those people who owe payments and, where required, direct interaction with bailiffs. The new partnership approach with bailiffs has seen collections increase by 57% in this area over the last 12 months.

New training courses have also been introduced for all members of the Debt Collection team, including negotiation skills, managing confrontation and legislation updates. And new reporting and constant performance monitoring procedures have also been introduced.

"Because of the shared partnership with Serco, the improvements and new procedures to address bad debts have not had a direct cost to the Council and the achievements in terms of payment recovery speak for themselves," adds Cllr Phil Smith, Thurrock Council's portfolio holder for central services. "Historical debt is a serious financial thorn in the side for the vast majority of local authorities around the country and it requires a concerted and sustained effort to overcome the problem."

"The team deserve a great deal of credit for the results they've delivered, not least because the huge improvement in payment recovery and the substantial reduction of historical debt has been achieved at the same time as seeing justified complaints about revenue collection falling to the lowest ever level - 0.03%. What's more, the team has also helped the more vulnerable and less fortunate members of the community who were struggling to pay their bills to get the help and support funding they are entitled to. It truly has been a success story and has really helped the Council to protect its budgets for front-line services."

Martin Hone, Director of Finance & Corporate Governance at the Council added, "The improvements in debt recovery over the past three years have been remarkable. This tends to be a 'Cinderella' service but the efficient collection of sums due is an essential element of overall financial management. Where the Council has to write-off debts owed, we are forced to find savings in essential services. The good work of Serco has been a significant contributory factor in helping the Council to balance its books without having to cut frontline services."

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Thurrock Council has taken a lead role in the Essex Recoveries Group, where 14 Councils in the county share best practices and new ideas and use a benchmarking template to show comparative performances of Council Tax and Business Rate collection. In terms of Council Tax collection, Thurrock Council has moved from 11th out of 14 in 2010 up to 2nd in the latest performance league table as a result of the steps it has taken to improve collection rates and debt resolution.

Serco provides a wide range of customer management services for Thurrock Council including Revenues collection and Benefits administration. It also delivers other services ranging from procurement, HR and payroll to adult community solutions.

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About Serco

Serco is a FTSE 100 international service company, which combines commercial know-how with a deep public service ethos. Around the world, we improve essential services by managing people, processes, technology and assets more effectively. We advise policy makers, design innovative solutions, integrate systems and - most of all - deliver to the public.

Our global BPO business has over 60,000 employees across 100 locations, with a presence in 12 countries providing the complete spectrum of business services to customers in the public and private sector around the world. As a dynamic global service organisation, our people have the expertise and intimate knowledge of our customers' markets as well as best practice processes and technologies to exceed expectations. We have the vision, agility and determination to deliver cutting-edge business process solutions and set ever-higher standards in the markets we serve.

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