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Debt and Arrears in Scotland

**Policy and Practice
Development: Good Practice
Framework**

This research was completed by Mandy Littlewood (Iota Social Research) and Anna Evans (Indigo House Group). It was conducted in the Spring and Summer 2023, and the report was published in October 2023

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Contents Page

| | |
|---|----|
| Introduction..... | 4 |
| Preventing debt and arrears..... | 4 |
| Early intervention..... | 5 |
| Engaging people in seeking help | 7 |
| Improving written communication..... | 9 |
| Effective and fair enforcement | 10 |
| Building relationships..... | 13 |
| Targeting funding..... | 16 |
| Challenging values and attitudes | 17 |
| Enabling changing policy and practice | 18 |

Debt and Arrears in Scotland: Good Practice Framework

Introduction

The Robertson Trust commissioned research to:

- Provide a better understanding of why and how practice in relation to debt recovery differs (and is evolving), exploring good practice and lesson learning.
- Consider the impact of public sector debt on organisations and individuals.
- Explore policy and practice solutions, looking at policy areas/over-arching strategies that can help alleviate public sector debt and arrears.
- Examine the roles and relationships between the Scottish Government, local government and the third sector.
- Identify opportunities and barriers for future policies and practice on public sector debt and arrears.

This good practice framework is based on an [evidence review](#) and [qualitative research](#) carried out with service providers and national stakeholders exploring policy and practice.

Preventing debt and arrears

While there is recognised to be a need in the longer-term to reform the social security system and council tax to prevent those on low incomes from falling into debt, in the interim, income maximisation, and benefit uptake in particular, are critical to prevention activity. The Scottish Child Payment and other Social Security Scotland provisions have been major achievements of the Scottish Government.

Work for the [Scottish Federation of Housing Associations \(SFHA\)](#) considered the impacts of welfare reforms on tenants, with recommendations on mitigating rent arrears.¹ It was noted that, even if rent payments were made directly to the landlord under Universal Credit, having **good quality information** from DWP about whose Housing Credit fell short of their rent would enable landlords to adopt proactive rent arrears actions. Landlords would be able to **identify the tenants at risk of arrears** and offer them greater support. The need for very good communication about Direct Payments to enable landlords to take prompt action with tenants on rent arrears was also highlighted. This would enable the landlord to identify any payment gaps promptly.

¹ [The impact of proposed Welfare Reform on HA/Co-op tenants \(SFHA\)](#)

Glasgow Housing Association (GHA) research on arrears (reported in the SFHA report) also suggested that the best outcome for tenants with rent arrears was when the arrears situation was addressed early. For many tenants, that involved **active monitoring and regular contact** with their housing officer. The GHA research involved a segmentation approach, identifying people with different needs in rent arrears.

The evidence review found that other landlords were taking more positive, proactive approaches to tenancy support, sometimes referred to as 'Housing Plus' models. These strategies showed housing management **as a much wider set of approaches** than merely rent collection and property maintenance. This included:

- Debt prevention support - including measures to tackle fuel poverty and to offer access to credit.
- Benefits advice.
- Employment and training advice.
- 'Floating support' to assist people in living independently - not necessarily linked to the tenancy.
- Incentivisation strategies - to reward prompt payment.
- Opportunities for flexible rent payment - to allow overpayment and non-payment in times of difficulty.
- More effective use of digital strategies, including predictive software systems to monitor payments, to identify potential problems at an early stage and to take effective, preventative action before arrears can accumulate.

Much of the research identified the issue of landlord/tenant communications as central - with **a move from enforcement to support**, offering flexibility and building trust. We also know from the Hard Edges Scotland² study, among others, that **those with complex needs require more intensive support**, for longer, which needs to inform policy and practice on arrears and debt.

Early intervention

Where budgets are constrained, being able to effectively target resources is important. This includes building the structures, information sharing and relationships to enable effective practice.

Early intervention activities take a proactive, preventative approach. This involves working across different local authority departments, including with housing, education,

² <https://www.therobertsontrust.org.uk/publications/hard-edges-scotland/>

community learning/employability and social work, and across different private and third sector organisations.

Highland Council undertake a pre-tenancy interview with each new tenant to ensure they know how much rent they have to pay, what payment methods they can use and to emphasise the importance of paying rent and establishing any entitlement to benefits. This interview takes place immediately prior to the lease being signed. Where appropriate, the first rent payment is also collected or Universal Credit advice will be given and a claim form will be completed for submission. All new tenants are given information on how to get further advice on benefits as well as information on debt counselling and money advice from appropriate agencies.

Wheatley Group run an annual rent campaign from October to January of each year with the aim of reducing the traditional Christmas spike in rent arrears. This has had the impact of levelling off rent arrears in previous years and led to a reduction in 2019.

Fife Council have employed 10 dedicated Universal Credit Officers whose sole role is to assist tenants who are starting or have recently started to receive Universal Credit. These officers will assist tenants to make claims, liaise with the DWP on their behalf and help them to understand their claim and online journals. They deal with complex Universal Credit claims and visit every new Universal Credit claimant to offer advice and identify any support needs.

Some local authorities were taking welfare rights advisers into schools to talk about work and benefits and the cost of living with young people at an early stage, before they had their own tenancy. This type of budgeting support work was viewed as very important for young people, new tenants etc. but it was challenging to deliver without additional resources. Inevitably, resources were focused on helping those already in debt.

One local authority wanted to 'join up all the dots' by working with teams delivering employability and community learning, linking in with the DWP to provide opportunities to people to move out of poverty and debt. They wanted to be able to train all their housing officers to provide debt advice, but resources limited the amount of training that could be done.

One way to deliver on early intervention is through adopting a 'no wrong door' approach. Another approach involves using data and local knowledge to target prevention activities.

The Cabinet Office's **Fairness Group** have developed a [Vulnerability Toolkit](#) which draws together existing tools used in the support of vulnerable customers. This toolkit is

intended to enable frontline staff to identify and help customers who may need additional support. It is designed to be easy-to-use while interacting with customers, and provides prompts and guidance.³

Engaging people in seeking help

Engaging customers is a challenge, with good practice including: using incentives to improve engagement, simplifying messaging and offering a wider range of communication methods. Using more assertive outreach approaches can also help to encourage vulnerable customers to engage.

One local authority had a system whereby anyone over 80 years of age was automatically flagged to welfare rights to see if they needed assistance. Another local authority also raised this issue of income maximisation and benefit uptake as important to prevent and reduce debts –

'We will continue to collaborate with Scottish Government, CoSLA, the Third Sector and others. We continue to examine how best to maximise the take-up of entitlements with the aim of legitimately reducing billed amounts. This is an integral element of our debt recovery approach'. (Local Authority, Finance)

The 'No Wrong Door' approach is being developed in some local authorities as a means of preventing people from getting into debt, through different ways of working, joining up services and improving referral processes. Approaches include outreach, hub-based models including various services and broad, initial conversations to explore the range of needs people have as well as 'warm introductions' to improve referral processes. The two child poverty pathfinders (Dundee and Glasgow) offer examples of the approach⁴.

Glasgow Housing Association undertook one of the most significant pieces of work identifying best practice approaches to rent arrears, commissioned before the 2012 welfare reforms took effect. That research found that significant progress had been made on reducing rent arrears since May 2008, with a reduction in arrears approaching £3m by November 2010.

The research included analysis of rents data and interviews with tenants and staff, which identified those most at risk. Working tenants and previously homeless tenants were most vulnerable to arrears, with different strategies identified as needed for

³ <https://www.gov.uk/government/publications/public-sector-toolkits/debt-management-vulnerability-toolkit-for-service-and-policy-managers-v2-html>

⁴ <https://www.gov.scot/publications/child-poverty-pathfinders-early-implementation-process-evaluation/>

different groups. The research involved a largescale qualitative study with tenants in rent arrears and found that customers tend to fit into one of a series of 'types':

Payers – it was noted that most tenants in arrears are contributing towards an arrangement.

Ostrich customers – those who avoided contact and ignored letters. Tenants usually started their arrears journey at this point but some took far longer than others to engage. Landlords needed to be proactive about identifying those whose Housing Credit would not pay their full rent. It was noted that this would depend on robust, timely information being provided to landlords from the DWP.

Vulnerable tenants – these tenants often showed ostrich behaviour initially. Their arrears were often due to the failure to deal with Housing Benefit. When tenants failed to fill in forms or provide evidence, they would end up in arrears. If these tenants were also required to arrange the rent payment, there was scope for further arrears.

Family crisis – unemployment, the death of a household member or relationship breakdown led to erratic payments in previously good payers. After the initial crisis, the tenant may become an ongoing erratic payer, due to the decrease in income.

Erratic payers – these tenants sometimes paid all their rent, sometimes paid late and sometimes paid some or no rent, depending on their circumstances. They had difficulty budgeting. The proposed Direct Payment of Housing Benefit to tenants was noted to inevitably increase the volume of erratic payers by including non-working households alongside the low-income working households who struggled to pay rent. Erratic payers often lost their way at Christmas or Summer holidays and took time to recover.

Can pay, won't pay – some tenants would not pay, although evidence suggested they should be able to. Paying Housing Credit directly to tenants was noted to inevitably produce some more tenants who fitted this category.

Late payers – these tenants paid at the last minute, in arrears. Occasionally, they became more erratic payers. Although always tending to pay, staff time was still required to encourage or chase payments.

Deal breakers – these were tenants who had arrangements which they were not meeting. They may have been erratic payers in the past but had progressed to more entrenched, persistent, non-payment behaviour. These were the tenants who may eventually be evicted for non-payment. Sometimes a court appearance or Notification of Proceedings was sobering and encouraged a step towards becoming a payer, albeit an erratic one.

The research recognised that customers moved between types and that was why early, **proactive intervention** by staff might coax a 'vulnerable ostrich' towards being a 'payer'. Ongoing contact and intervention might also prevent erratic payers or late payers from sliding towards deal breaking or 'can pay, won't pay' behaviour.

People-centred approaches used by GHA staff involved using income and expenditure assessments, tailoring **realistic and affordable repayment plans** and developing **advance payment** plans to 'cushion' against the future. These approaches were noted to be more difficult to sustain with monthly payments under Universal Credit, since they often involve 'micro' managing money with weekly rent payments and arrears payments.

Improving written communication

Effective communication is important to encouraging early engagement, to avoid debts becoming unwieldy. It is important to note that there are examples of letters that prompt a response or outcome but that are not supportive or positive in their focus:

In 2015, the LGA Behavioural Insights Team (BIT) worked with Medway Council to increase council tax collection rates⁵. The project tested the effectiveness of altering the first reminder letter sent to households who failed to pay their council tax bill; comparing two new, behaviourally-informed letters to the existing letter. A randomised controlled trial tested the approach and both new letters significantly increased repayment.

The two new letters were:

- **Social norm letter** – This was a simplified, action focused letter which included the social norm line *'96% of Medway Council Tax is paid on time. You are currently in the very small minority of people who have not paid us yet.'*
- **Diagram letter** – This was a simplified, action focused letter which included a flow-diagram summarizing the collection process. The diagram also highlighted where the household currently was in the process, and the subsequent costs they would face if they did not pay (if households do not pay at this stage in the process, they lose their right to pay by instalments and have to immediately pay their full bill for the year).

Both behaviourally-informed first reminders increased payment rates compared to the existing letter (the 'control'). The social norm letter increased payments by 19% and the

⁵ <https://www.local.gov.uk/case-studies/using-behavioural-insights-collect-council-tax-collection-medway-council>

diagram letter increased payments by 13%. Households receiving the revised letters also paid more of their arrears (£70-90) than those receiving the standard letter. The letter did not increase the proportion of households paying by Direct Debit. If rolled out, it was estimated that the 'social norm' letter would bring forward about £2.7m per year to Medway council.

Although both approaches had a positive impact on payments, the impact of receiving the letter emphasising the 'difference' of the non-paying customers is inherently stigmatising. There is emphasis on the costs and sanctions rather than what support is available. A more positive example is given below:

Salford Council⁶ has adapted the tone of their messaging and chosen to use letters as an opportunity to explain in plain English what services council tax is used to fund. The council's website allows residents to quickly check whether they are entitled to benefits or council tax reductions and will automatically complete parts of the relevant form to support a resident's claim. For those who are not online, in all relevant communications the council offers suggestions about the range of steps that could be taken by residents who might be struggling to pay council tax. Residents are informed that they can change their payment plan dates, and frequency, to suit their budget.

In Salford, there is emphasis on the importance of council tax – to fund services – but more of a focus on what help is available – in terms of flexible payment options. This is a far more positive way of encouraging engagement.

Effective and fair enforcement

Good practice in enforcement is evidenced with some local authorities having different approaches for more vulnerable customers and using data and intelligence to identify those at greater risk, who need a different approach and more support.

Best practice is observed where local authority debt is considered alongside other debts in a more holistic way. Those local authorities with a coherent approach to debt recovery have a corporate debt policy involving one person co-ordinating across all debts to the local authority.

Good practice also includes pre-enforcement engagement and outreach, with extra efforts made to engage customers who are not engaging. The local authorities with a flexible approach to enforcement use their existing powers to write off debt in cases of

⁶ <https://www.gov.uk/government/publications/council-tax-collection-best-practice-guidance-for-local-authorities/council-tax-collection-best-practice-guidance-for-local-authorities>

vulnerable groups where there is no realistic chance of recovery (due to ill-health, extreme financial hardship etc.) and where sequestration is not an option.

There are some examples of local authorities that have developed different strategies for households that are vulnerable, to divert them from enforcement.

A pilot project in **Gateshead** used council tax arrears to identify residents in need of help⁷. The objective was to address underlying issues affecting people with council tax arrears to help them thrive. The 'Prototype' lasted six months and the wider project rollout is ongoing. The cost to the local authority was £66k in existing and seconded staffing and £12k in case-work expenditure. Four caseworkers worked on the project, with support from leadership, legal, HR, IT and admin when required. The outcome was that 75% of the people in the pilot project said they were living better lives as a result.

Initial consultations with those in debt found that more than 90% of people were 'can't pay' but we were treating them as 'won't pay'. This was driving them into more debt and poor mental health, and towards the threshold for already stretched statutory services. This was uncomfortable to some, particularly those who took a view that the 'can't pay/won't pay' distinction was irrelevant because of the duty to collect the money. Rather than argue, the Council ran a prototype whereby a small team would work differently.

The team started with people who were due a bailiff visit. The first step was to call the bailiffs off. They had their own budget for six months and unfettered access to it. They started by telling people they were not chasing them for the money, but wanted to know how they were and if they could help. The initial conversations mostly evolved into stronger relationships. The caseworkers visited and understood people, built trust and helped them with many aspects of their lives.

The prototype helped 40 people (more when considering their families):

- 30 said they were living better lives as a result
- Six were either no better off or worse. Five had issues with their mental health that blocked progress in other aspects of their lives. The team were not skilled to help there.
- Two were essentially choosing not to pay, so they went back into the collection system and two wouldn't engage.

Using council tax as a signal of wider need meant that the impact of this work must not be measured purely within the council tax setting. Although, while some staff were

⁷ <https://www.lgcplus.com/idea-exchange/our-council-tax-arrears-pilot-helped-75-of-people-live-better-lives-07-04-2020/>

spending longer on calls and with people, the collection rates were broadly the same. This meant the broader benefits have come at little cost, operationally. The service had absorbed the extra duties and had been supported by other services and partners to work more expansively on cases and essentially repurposed activities from processing and collecting to supporting people.

The UK Guidance⁸ on council tax collection noted that many authorities require the enforcement agencies they work with to refer cases back to the authority whenever vulnerability is discovered. In **Liverpool**, if an agent identifies factors which could indicate vulnerability, such as older age or pregnancy, the case must be closed and returned to the council due to the higher likelihood that it involves a vulnerable individual. The council will then profile the account to determine what steps to take and follow up to ensure that the resident is aware of the debt advice that is available. The council will also check whether its own Breathing Space scheme would be appropriate to support the resident as they discuss a repayment plan.

The example of school meal debt shows how policy can respond to encourage fairer enforcement. Guidance on School Meal debts⁹ was issued by COSLA in early 2023 in response to the Aberlour research highlighted earlier. That guidance encouraged local authorities to develop approaches to school meal debt management, including all aspects of policy and practice, that are compassionate, proportionate and seek to minimise as far as possible the stigmatisation of children, young people, and their families.

Other key aspects of the COSLA guidance included:

- clear communication,
- a co-ordinated approach across departments/partners,
- early intervention to avoid large debts,
- promoting the uptake of school meals (including automated approaches based on benefit receipt) and
- sign-posting families to support services.

The guidance also encouraged consideration of the use of discretionary free school meals provision and local discretion on assisting in the clearing of debt – through hardship funds or other means.

⁸ <https://www.gov.uk/government/publications/council-tax-collection-best-practice-guidance-for-local-authorities/council-tax-collection-best-practice-guidance-for-local-authorities>

⁹ https://www.cosla.gov.uk/_data/assets/pdf_file/0029/41798/Good-Practice-Principles-for-School-Meal-Debt-Management.pdf

A total of 15 local authorities have announced the cancelling £618,000 worth of school meal debt (possibly higher as data is incomplete). Aberlour estimate that this has benefited 16,000 children and families.

Guidance on council tax arrears was developed in May 2022 by StepChange (Scotland), the Improvement Service, IRRV Scotland, Citizens' Advice Rights Fife, Citizens Advice Scotland, Money and Pensions Service, and Money Advice Scotland¹⁰. This set out an agreed approach to working together on council tax collection. This was voluntary guidance, taking the form of a set of standards that could be adopted in each council area. It was similar in focus to UK Government Guidance¹¹.

The guidance above highlighted the benefits of ensuring that people were supported to access and choose free advice in terms of:

- Reduced collection costs
- Less need for enforcement action
- Enabling people to agree reasonable and sustainable payments
- Perceived as being a 'fair' council
- Supporting and engaging people who are vulnerable

Building relationships

The voluntary guidance on collaborative council tax collection highlights the positive impact of strong relationships, which our research has also shown. **Effective policy and practice is supported by good relationships** - between the local authority and the third sector, within local authorities and between local and national government and other actors.

Collaboration between Citizens Advice & Rights Fife (CARF) Money Advice team and Fife Council Revenues

Both organisations have frequent meetings between lead/management staff. Staff in each organisation know who the designated points of contact are and the protocol for raising any concerns/issues/ideas.

Practitioner staff members had a coffee morning meeting to allow all staff to meet each other face-to-face, speak about their own roles and ask any questions. Further meetings and training sessions followed on an ad hoc basis as required, for example, the Accountant in Bankruptcy provided training on a new system and also regulatory

¹⁰ https://www.improvementservice.org.uk/_data/assets/pdf_file/0011/11801/collaborative-council-tax-collection-May-22.pdf

¹¹ <https://www.gov.uk/government/publications/council-tax-collection-best-practice-guidance-for-local-authorities/council-tax-collection-best-practice-guidance-for-local-authorities>

updates in CARF's head office, and staff from Fife Council were invited to attend the training.

The designated points of contact in each organisation share updates in personnel and team changes ensuring contact and role/area information is kept up to date.

In **Falkirk Council**, the in-house debt advice team have been an integral element of the Revenues and Benefits service since 1 April 2018. The relationship between the two teams was already good but has since strengthened and developed. Each team has a very good understanding of how the other functions and the guidelines each is working within.

Communication has been the key to achieving successful outcomes for both clients and council. Both teams have been allowed to maintain their own identity and impartiality whilst working successfully together within the same office.

Face-to-face communication is encouraged and all information that is discussed and agreed is evidenced by email between debt adviser and debt management assistant.

Sharing of information has led to a better understanding of a client's situation and this has resulted in a more empathetic approach being adopted. This in turn has helped improve client engagement.

Collaborative working has allowed for earlier intervention from the debt advice section. There is earlier notification when clients are at the point of having their accounts passed to the sheriff officers. This has allowed the debt advisers an opportunity to engage with the clients before further action is taken. Access to systems has allowed advisers to see information that previously was not available and which may have led to inaccuracies within the case recording system. By having both the debt management and debt advice teams working together, information can be explained and shared more easily and this has made processes more efficient and contributed to cost savings. Feedback from the debt management team is that they feel there is a more 'personal touch' when advising customers of the possibility of being referred to the debt advice team. Closer working relationships have given the collections team a better understanding of the benefits of being referred for debt advice.

This collaborative approach has also benefited clients/customers. It has led to an increase in the number seeking advice, who may not previously have engaged for a variety of reasons and resulted in more customers arranging repayments. This has assisted in achieving a reduction in the level of council tax arrears in the Falkirk Council area.

At an operational level, there is also a need to build trust. Where relationships work well, these have developed over the long-term. Relationships need to be nurtured and need support from more senior staff, with structures and networks for operational staff.

Some of the best progress has been made in local authorities where there has been a strong strategic focus on poverty reduction, with senior management support and political support. Transformation depends on converting strategic objectives into operational change – for example, co-locating services that need to work better together, opportunities to network across the local authority and third sector to share practice, sharing data and building strong referral routes.

Other examples in the UK-wide guidance¹² highlighted collaborative approaches.

Revenue managers of billing authorities across **Lancashire** meet every 3 months in order to explore and better understand the latest trends in council tax collection. These meetings allow authorities to discuss solutions to emerging challenges, such as ensuring that residents are informed about council tax support. They also provide a forum where pilots being trailed in different areas can be showcased, such as a project to identify a targeted cohort of residents that are invited in to speak to the welfare and benefits team.

North Lincolnshire and North East Lincolnshire Councils, who have a shared service agreement, are two of the many councils enhancing their working relationships with local debt advice providers. The councils have taken steps to enable advisors to shadow the revenue and benefits team. This created a mutual understanding of how the councils and advisors approached council tax collection. It also led to an increase in dialogue between the councils and advisors. Having developed these relationships, the councils work to consider all debts when engaging with residents and will also offer advice on debt management, where appropriate.

North Warwickshire Council uses its Financial Inclusion Partnership to help residents access the right information and services according to their needs. Financial Inclusion Support Officers work with local debt advice charities and community food projects to engage hard-to-reach people. This work includes offering money management advice and referrals to debt advice, in order to find the solutions that best support residents. Specialist advice is also offered during drop-in sessions across the region on income maximisation, universal credit and council tax support. In this way, the council has significantly increased levels of engagement with local communities.

¹² <https://www.gov.uk/government/publications/council-tax-collection-best-practice-guidance-for-local-authorities/council-tax-collection-best-practice-guidance-for-local-authorities>

Southwark Council has referred over 500 customers to the Money Advice Network, mainly for rent or council tax arrears. Nearly 50% of those have reduced their debt by an average of over £500. The council regards this as a great achievement, given that many of these customers were in a cycle of building up debt year on year and were previously making no payment. Partnering with the MAN enables the council to support its customers to access immediate advice, while helping to build a picture of who in the borough is in particular need and- to plan support for the future¹³

The guidance¹⁴ on collaborative council tax collection highlighted the importance of supporting people through effective communication, realistic repayment planning, early intervention and supportive staff. This includes steps that should be taken before enforcement action to consider vulnerabilities and offer income maximisation and debt advice referrals, and explore whether enforcement is a proportionate response.

Targeting funding

Good quality debt advice is person-centred and offered in a range of formats to suit people's needs, including telephone support and face-to-face provision for more vulnerable people with more complex needs.

Developing systems and processes to identify vulnerable customers will ensure that what makes financial sense to local authorities does not lead to undue financial hardship.

Fife Council purchased Rent Sense from Moby soft, which went live in November 2019. Rent Sense is a data analytical tool. It takes all of your accounts whether in arrears or not, analyses these on a weekly basis and returns the cases it feels are a priority for you to contact. This recommendation is based on the tenant's payment methods and payment history. Through its analytics, it may remove cases in arrears for you where tenants are making irregular payments, but still meeting their rent commitments. It then provides simple contact recommendation for each arrears office, as designated by their own patch, and will produce a list of contacts for each officer that week. Since November 2019, Fife Council have saved 11.5 FTE staff and have an average of 3,000 fewer cases to review each week. They also have 4,000 fewer cases in debt and had a £1.6 million reduction in rent arrears.¹⁵

¹³ <https://www.local.gov.uk/case-studies/london-borough-southwark-partnering-money-adviser-network-reduce-debts>

¹⁴ https://www.improvementservice.org.uk/_data/assets/pdf_file/0011/11801/collaborative-council-tax-collection-May-22.pdf

¹⁵ <https://www.linkedin.com/pulse/managing-rent-arrears-improving-tenancy-sustainment-trudi-tokarczyk/>

The UK Guidance¹⁶ on council tax collection includes examples of how data has been used to target interventions and support.

South Holland and East Lindsey councils work together to handle council tax administration in their two areas. They use their shared council tax payment system to determine whether a resident's non-payment is out of character, or part of a regular pattern. For instance, staff will be alerted if they have never had to issue a reminder for a given property before. Staff are able to then adapt their subsequent correspondence accordingly in order to tailor their contact to the circumstances suggested by the resident's behaviour.

Rutland Council make use of the extensive data that they have available in their council tax administration system to assist them in making targeted choices about engagement, repayment plans and further enforcement actions. For instance, the council use records of past interactions or conversations with the resident and check for evidence of moving home or other changes of circumstances. If appropriate, the council will perform a credit reference check to look for indications of propensity to pay.

The **London Borough of Barking and Dagenham** has worked with Policy in Practice to combine household-level datasets to assess residents' financial capability. This has allowed the council to take a broader holistic view of a residents' debts and identify struggling households in order to offer tailored support. In depth analysis of household-level data also helps the council to track outcomes and determine what would be the most effective course of action to take for similar scenarios. When this holistic approach to debt was brought in, the council saw a 10% reduction in the use of temporary accommodation over the year.

Challenging values and attitudes

Debt is still very stigmatising and awareness raising is important, to ensure that people in debt seek help at an early stage and to encourage those working with people in debt to have an understanding of vulnerability. Strong corporate leadership is important in challenging negative values and attitudes.

Social Security Scotland provides an example of a strongly stated emphasis on positive attitudes and values. Social Security Scotland was set up to deliver benefits in a more positive and supportive way, based on the fact that social security is a human right. This

¹⁶ <https://www.gov.uk/government/publications/council-tax-collection-best-practice-guidance-for-local-authorities/council-tax-collection-best-practice-guidance-for-local-authorities>

approach is more fully described by the eight principles in Section 1 of the [Social Security \(Scotland\) Act 2018](#) – the law that created the new system:

1. social security is an investment in the people of Scotland
2. social security is itself a human right and essential to the realisation of other human rights
3. the delivery of social security is a public service
4. respect for the dignity of individuals is to be at the heart of the Scottish social security system
5. the Scottish social security system is to contribute to reducing poverty in Scotland.
6. the Scottish social security system is to be designed with the people of Scotland on the basis of evidence
7. opportunities are to be sought to continuously improve the Scottish social security system in ways which — (i) put the needs of those who require assistance first, and (ii) advance equality and non-discrimination,
8. the Scottish social security system is to be efficient and deliver value for money

Enabling changing policy and practice

Changing practice has worked well where local authorities have **joined up services, with active referral** for early debt advice. Better practice local authorities tend to have more **robust approaches** to identifying and reaching out to more vulnerable clients, developing flexible and innovative approaches. **Re-structuring services** can reduce physical barriers and enable the development of closer relationships between departments or across sectors in shared spaces.

Glasgow City Council has an online debt policy¹⁷, which has the following aims to:

- Ensure that there is a consistent corporate approach to dealing with debt and the recovery of arrears
- Try to stop arrears from arising
- Break the cycle of debt
- Ensure that all debts owed to the council are covered
- Ensure that citizens with financial difficulties are provided with assistance
- Consider individual circumstances when taking recovery action

Delivery of the policy is outlined to include:

- Where an application for a reduction, relief or discount is made, that these are assessed promptly and efficiently
- All bills and reminders are issued promptly and accurately
- Where appropriate, citizens with debts are referred onto money advisors who may be able to assist in implementing a suitable repayment scheme

¹⁷ <https://www.glasgow.gov.uk/Debt>

- All reasonable payment proposals are considered such as allowing council tax to be repaid over 12 months of the year
- The cycle of debt is broken by prioritising payment towards the current year or most recent debts first. Flexible payment methods such as direct debit and online payments are available

Falkirk Council has a debt recovery policy outlining the following aims¹⁸:

- Bill, collect and recover charges and rents in an economic, effective and efficient manner that meets with legislation.
- Encourage people to pay regularly; using the most cost effective methods provided that method meets the needs of the person.
- Promote early personal contact across all debt streams, recognising the need to prevent debts escalating.
- Identify, where appropriate, support which may be required to those owing money to the Council, and ensure individual circumstances are taken into consideration promoting income maximisation.
- Facilitate a co-ordinated approach to managing multiple debts owed to the Council, including a single assessment of the ability to pay, where required.
- Standardise the approach to debt collection to ensure consistency of approach whilst complying with relevant legal frameworks applying to the different categories of debt.
- Seek satisfactory arrangements for payment of debts at all stages of recovery. Where this cannot be achieved; we will take recovery action using the appropriate legal remedies.
- Apply best practice to debt collection, to ensure all debtors are treated fairly and objectively.
- Have regard to the requirements of client services within the Council including the need to protect vulnerable people and sustain persons in their homes.

There is now **more openness to sharing best practice** and learning and looking to others for examples. There have been **innovative, person-centred approaches** and the third sector in particular would like to see more of this. At the national level, school meal debt is held up as an example of innovation in **cross-sector working** but there is perceived to be less appetite for developments on other public sector debt. The third sector has an important role to play in championing the outcomes that can be achieved through trauma informed approaches.

¹⁸ <https://www.falkirk.gov.uk/services/council-tax/docs/difficulties-paying/Debt%20recovery%20policy.docx?v=202206101406#:~:text=Falkirk%20Council%20may%20appoint%20Sheriff,legislation%20covering%20each%20debt%20stream.>



The Robertson Trust
Robertson House
152 Bath Street
Glasgow
G2 4TB