Ethical and Effective Collections
Liberata work in partnership with the London Borough of Hounslow to deliver effective and ethical collections of Council Tax. Liberata’s clear objective is to deliver “inspiring outcomes for the clients and customers we serve.”

**Personalised Services**
We endeavour to deliver a service that meets the needs of each customer. We focus on the customers who from time to time may fall behind with their payments. Irrespective of their circumstances all customers should expect to and indeed receive a service of high quality.

**Dependable**
**Effective and ethical**
Collections start with the efficient billing of the right person at the right time; the delivery of an accurate and timely bill. Liberata delivers this through its shared service centre and online via customer self-service.

Council Tax is paid in instalments due on the 1st of the month when paying by any method other than direct debit. With direct debit, customers can choose to pay on 1st, 10th, 18th and 25th. This enables customers to choose a date of their choice to pay at the time of the month that suits them.

In Hounslow 58% pay by Direct Debit as it provides the easiest and most cost-effective payment method for both the council and the customer. A customer will normally be allowed 15 days to pay from the reminder issue date.

Customers are also able to choose to pay over 12 instalments rather than the usual 10, thus reducing the monthly outlay. Although the Council will never refuse any Council Tax payments, payments less than the monthly instalment amount due may result in further recovery action.

Our customers who are struggling to pay can depend on helpful advice from our call centre, face to face at Hounslow House or if required from a home visit. We will help them set up a payment plan to suit their circumstances.
Accessible, Dependable, Expert

Can’t pay

Not all customers are able to pay and some others are unwilling to pay. Our aim is to identify those residents who are unable to pay from those who won’t pay. Those who can’t or are struggling to pay receive significant help and signposting to assist them in claiming support:

- Council’s Council Tax Reduction Scheme, this provides up to 100% support for customers of both working age and pensioners.
- Assistance may be provided through the Council’s Section 13A hardship scheme.
- For those less able to go online and those digitally excluded Liberata provide effective face to face support at Hounslow House, or via a home visit from a dedicated visiting team.
- Customers struggling to pay will be signposted to the CAB or Step Change.
- At each stage the customer is given the opportunity to contact the Council to discuss their account and be referred to a debt advice agency if applicable.

Recovery and Customer Experience team

For those struggling to pay there is a dedicated recovery and customer experience team that works very closely with customers and is able to quickly intervene to prevent issues faced by customers becoming unmanageable.

This team respond to escalated cases and work closely with the council colleagues dealing with cases. These often arrive as councillor case work or potential complaints.

The quick and early intervention by this team working in a coordinated way with council colleagues is effective in ensuring cases do not escalate to complaints, and most importantly help the customer manage their debt effectively.

Customers on low income, not deemed to be vulnerable, struggling to pay

Only a small minority consistently provide an issue in that they “won’t” pay although this group take considerable time and resource. Therefore those additional costs are paid for by those who are paying.

Government’s ongoing welfare reform agenda has had an impact on the lives of working people. Despite record numbers of customers in work, a large number continue to rely on Universal Credit to make ends meet irrespective of whether they are working or not.

The proportion of customers automatically passported to Council Tax Reduction of working and non-working age has fallen by 25% from October 2017 to March 2019 while the proportion of claims from working customers rose by 18%. This is caused by more customers in low paid and part time work, more customers on Universal Credit and the freeze on benefit levels over the last few years.

To assist and reduce barriers to customers Liberata have implemented:

- A process whereby notification of a Universal Credit claim automatically counts as a claim for Council Tax Reduction, avoiding the need for the customer to submit another application.
- The claim process is via an easy to use online form available through the Council’s website

Liberata also support this work with a specialist Customer Experience team and dedicated visiting team that can quickly and effectively engage with customers to help them understand the issues they face in paying their Council Tax.

Vulnerable customers

Liberata recognises that certain groups of customers may be vulnerable and require a bespoke approach in order to minimise hardship or distress. To help identify vulnerable customers we work with other organisations, colleagues and agencies such as Enforcement Agents, Social Services, Advice Agencies, Housing Benefit, Housing and DWP. In addition we use our computer systems to identify customers affected by the benefit cap and bedroom tax.

We also check our systems to see if the customer has applied for free school meals, clothing grants, discretionary local crisis payments. This helps us to identify vulnerable customers.

Whilst not all customers in such groups are vulnerable, we consider a customer’s individual circumstances where a potential vulnerability is identified. The groups more likely to be vulnerable may include, but are not restricted to:

- Recent care leavers, for whom the Council have a specific policy to support them
- Pregnant women or recent parents within a month of giving birth
- Those with a serious long-term medical condition, illness or are frail and those with specific mental or physical health issues
- Those with a low literacy or numeracy capability skills
- People experiencing recent bereavement
- Those experiencing severe financial difficulties and/or
- Having recently experienced a change in their financial circumstances

Taking appropriate action

When dealing with vulnerable customers Liberata adopt the following key principles that its officers adhere to:

- Seek to identify vulnerable customers at every stage of debt recovery process. If identified at a later stage, recovery action will be reviewed.
- Encourage customers to contact us if they are experiencing financial hardship, e.g. in the first quarter of 2018/19 Liberata started sending an SMS reminder before issuing a paper reminder. The subsequent payments received meant reminders issued fell by 10,000 (22%) from 2017/18 to 2018/19.
- Should a vulnerable customer be identified as in receipt of a welfare benefit, we may consider for the debt to be paid by deductions from their benefit rather than the use of Enforcement Agents (EAs)

- Customers for whom their first language is not English
- Customers with communication difficulties
- Customers with issues affecting their ability to pay due to a history of alcohol or drug misuse
- Victims of domestic violence
- Non-digital customers
- Armed forces veterans.
• Direct our customers to Citizens Advice Bureau or Step Change for debt advice. We will also refer customers to other agencies such as; Hounslow Asian Community Advice Service, Hounslow Housing Rights and Money Advise (Hounslow Housing Residents), and Hounslow Somali Community. We send the case to the advice agency with the resident’s consent who will telephone the person to offer independent advice.

• If the resident agrees to engage with the debt advice service, we may hold recovery action for a period of 30–60 days. This will give the resident the opportunity to resolve any debt concerns that they may have. Identifying vulnerability will lead to a pause in recovery action even at this stage.

• The council will accept any repayment plan received from the advice agency and monitor.

Won’t Pay
A small minority simply refuse to pay and won’t pay. We seek to identify those who “won’t” from those simply can’t or are struggling to pay – “won’t” pay debtors with means:

• Will receive swift enforcement action, possible bankruptcy and ultimately prison.

Following court action – Liability Order
Summons costs are incurred once the summons is issued and will be included in any arrangement. An Arrangement will usually only be made to the end of a financial year. The costs are £110.50. A summons may be cancelled for the following reasons:

1. The customer is not liable
2. A sufficient payment has crossed in the post that would have avoided a Summons being issued
3. We had received or were waiting for information that would result in the arrears being cleared once acted upon
4. A small balance is owed, and this is paid (an amount less than 1 instalment or less than the court costs)
5. If the customer pays the full balance due, court costs can be cancelled if direct debit details are set up on the system, so they are in place for the following years bill

With a Liability order obtained the next steps are reviewed to see if recovery could be made by deduction from benefit, wages or to see if there is unidentified vulnerability. Identifying vulnerability at this stage will lead to a pause in recovery action.

Using Enforcement Agents
The work of the EA is provided free to Liberata and the Council. Fees are charged to the customer. The first step taken by the EAs is to issue the “14 Day warning letter” on behalf of the council; this is not an enforcement action, it is issued with a Schedule of their fees and an income and expenditure form. The customer has 14 days to pay the EA or contact them to make suitable arrangements. Any arrangement to pay is made with the EA and not Liberata. The customer should be advised to contact the EA to make arrangements as they are now collecting the debt as Agents of the Council. The only exceptions are where an AOE (Attachment of Earnings), possibly AOB (Attachment of Benefits) if necessary can be enforced. In such cases the customer must pay all outstanding EAs costs direct to the EAs before the Attachment is enforced. Enforcement action will be placed “On Hold” with the EAs in exceptional cases, e.g. recent bereavement in family. 1.5% of debtors choose to pay at this 14-day letter stage without incurring any additional costs.

EA fees are payable by customers but can clearly be avoided by the customer making contact as soon as they experience difficulty in paying. The EAs follow a 3-stage process and charge fixed fees that are set by legislation:

If the debt is over £1,500 EAs will charge an extra fee. The fee is only charged on the amount of debt over £1,500 rather than your full debt.

EAs may also charge customers the costs they have incurred for the following but may only charge what these services would normally cost:

• Storing your belongings after they’re removed.
• A locksmith if the bailiffs were allowed to use force to enter your home
• Court fees if the bailiffs had to apply to court to deal with your case
• Selling your belongings - including advertising the sale and auctioneer’s fees
• An online auction for selling your belongings - you can be charged up to 7.5% of any money made through the sale.

The EAs engaged by Liberata are required to ensure appropriate action is taken in all cases:

• EAs are obliged to advise Liberata of any customers they identify as possibly being vulnerable. EAs are not used against vulnerable customers.
• EAs are made aware of the Council’s customer care policy and the standard of care Hounslow expects.
• EAs are trained in customer care skills and also have a customer care team. This team deals with all complaints and conducts a thorough investigation into the reason for the complaint and whether it is justified or not.
• EAs provide the customer with the Customer Services contact number and email should they wish to speak to Liberata.
• EAs wear body cameras for the benefit of the customer and the EAs. This has helped to reduce the number of complaints from customers regarding the EAs behaviour.
• Liberata’s contract with our EAs insists that they maintain a vulnerable persons and safe guarding policy.
• Upon agreed conditions, and in exceptional circumstances, EAs will offer six weeks’ hold enforcement action for vulnerable customers when they first seek debt advice from an accredited advice provider.
• Customers unhappy with the conduct of EAs if the matter hasn’t been resolved directly by them are able to complain straight to Liberata and or the Council.
• Liberata monitor its EAs and meet regularly with them to review their practices and any complaints received.
• Liberata work with the individual and advice agencies to agree repayment schedules that are affordable but at the same time meet the council’s position.

If known, we will consider a customer’s total indebtedness to the Council when considering repayment arrangements.

• Liberata promote the council’s Council Tax Reduction Scheme and Discretionary Local crisis payment alongside other available exemptions and discounts.
• Liberata may ask customers experiencing financial hardship to complete personal budget sheets, to enable us to agree fully informed repayment schedules that are affordable to the customer, and in the best interest of the council.
• Liberata hold regular meetings with the EAs to discuss practical and policy issues. Along with collection rates and complaints received during the month.
• Liberata review any enforcement legislation changes and meet with the EAs to ensure they work in line with the changes.

Collections achieved by EAs in 2018/19:

<table>
<thead>
<tr>
<th>Collection Type</th>
<th>2018/19</th>
<th>2017/18</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>LO’s Issued</td>
<td>7979</td>
<td>8552</td>
<td>8801</td>
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<tr>
<td>Lst or 2nd Placement Value of LO’s Issued</td>
<td>£7,270,624.52</td>
<td>£17,266,468.80</td>
<td>£13,079,028.54</td>
</tr>
<tr>
<td>% of In-Year Allocation Collected</td>
<td>31.2%</td>
<td>52.1%</td>
<td>54.2%</td>
</tr>
<tr>
<td>Total Collected - All Years</td>
<td>£3,079,028.54</td>
<td>£6,079,028.54</td>
<td>£13,079,028.54</td>
</tr>
</tbody>
</table>

Complaints
The EAs receive very few formal complaints. In 2018/19 there were three, but none were upheld. The EAs will look to resolve issues raised by customers at the earliest opportunity before it becomes a complaint.

Council Tax Collection
Liberata year on year is delivering high levels of collection:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>97.77%</td>
</tr>
<tr>
<td>2016/17</td>
<td>96.79%</td>
</tr>
<tr>
<td>2017/18</td>
<td>97.70%</td>
</tr>
<tr>
<td>2018/19</td>
<td>98.03%</td>
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