

THE WOLVES AT THE DOOR.

Wolverhampton City Council is finding innovative ways of managing sundry debt

Partnership is an oft over-used word, spoken freely by corporations to describe their relationships with their suppliers, as if they are all genuinely working together to achieve the same objective. Whereas in some examples the word has perhaps lost its meaning, in the case of Wolverhampton City Council, however, there is no better way of describing its approach to debt recovery.

Councillor Ian Brookfield, cabinet member for resources and support said: "The collaborative approach to managing and collecting so-called 'sundry' or miscellaneous debt, has proven results, and is fast becoming a benchmark to which other local authorities may aspire. We have a responsibility of protecting the public purse and that is why we make every effort to work with our partners in collecting every debt."

The responsibility for managing sundry debt – or as he sees it: 'protecting the public purse' - falls to Simon Lunn, Banking Services Manager. It was his decision to recommend the collaboration with Dancing Lion Training & Consultancy to work with his team to develop telephone techniques, and the results are proving effective.

Within Simon's remit is the management of £60 million of sundry debt. Nearly half of this (£28 million) is comprised of the Council's Pension Fund; the balance includes such items as overpaid housing benefit, repair and maintenance contracts, shop letting, business unit rentals, bin/refuse collection charges, business service charges, hire of games pitches etc.

The Council raises approximately 28,000 sundry debtor invoices each year. They range in value from £14.50 to £10,000,000.

"Historically, a contact by the Council may have been ignored, but through the partnerships with external debt collectors a letter, 'phone call or a visit from them shows that we are serious and seems to have much more weight of enforcement behind it." The success gained from these agencies prompted us to develop the telephone skills in our own staff to improve collection rates.

"The way it used to work was that an invoice was raised, the invoice came into a central system, and then it was either paid or it wasn't. If it wasn't, it was passed on to legal services with varying degrees of success. We needed to find a more effective way of doing things. What happens now is that we take ownership of the debt on behalf of the Council from the day an invoice is raised to the day it is paid.

"Our approach now is much more about debt 'management'," Simon continues. "We are fair, but firm."

Wolverhampton City Council entered into a working partnership with Dancing Lion in November 2004, in line with its own objectives to continually improve service delivery, and demonstrate value for money to the

public. Key competencies were identified and a tailored training programme designed to provide skills to perform external telephone debt recovery.

Steve Shellabear, Managing Director at dancing lion says” We were delighted to be chosen to work with Simon and his team at Wolverhampton City Council. This has been a partnership where from the beginning, it was clear Wolverhampton City Council wanted to make a difference to the collection figures through investing in and developing their people. Banking Services have been proactive in making outbound calls to collect the arrears and are reaping the benefits”

James Morgan, senior trainer at Dancing Lion, commenting on the arrears collection training programme adds: “the delivery style and content was important, as we had a real mix of abilities and confidence in the different groups. This was particularly so as the programme was rolled out to staff whose main job function hadn’t been in telephone collections. It was important that the more experienced people felt sufficiently stimulated and challenged, whilst those new to the role were given the right building blocks and their confidence boosted. Overall, I think we pitched it in a way that everyone found relevant and interesting.”

The Council is now much more in tune with the different types of debtors, for example those that can pay, those that cannot pay, and those that can but don’t for whatever reason. Simon adds “Our policies take all of this into account and we now have processes and procedures which more accurately ascertain an individual’s financial circumstances, and this gives us a much better idea about someone’s ability to pay.”

Within Simon’s department, Julie Gibson has been brought in to head a team of six tasked with debt recovery, albeit that they have other responsibilities. The team now use a ‘phone call to maintain arrangements with customers and to actively collect monies owed to the Council, this is reducing the commission charges from external partners.

Staffs who have demonstrated the required skill levels in both training and on-site coaching sessions are awarded a certificate of achievement. Whilst this recognises that they are able to do the work; it is not seen as an end point. With the complexity of the work involved, the team are required to understand, manage and own the debt to collection. To help develop this way of working, incorporated within the on-going training programme are managers and supervisors modules, refresher courses and coaching skills sessions

Of the £60 million of miscellaneous debt for which Simon is responsible, 97% recovery of the in-year debt and a reduction in cumulative debt is the target, and 99.6% is the level achieved. What this means ‘in the bigger picture’, is that the level of Council Tax does not have to increase.

“We have a responsibility of protecting the public purse,” Simon concludes. “And that is why we make every effort to ensure our customers are serviced by highly trained staff delivering high quality, cost effective services in collecting every debt.”

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