Analysing Data...[68%]

Using data to increase collection

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How we can better utilise the data held in our systems

Earlier this year I, along with several other Revenues and Benefits Officers, was invited by the company Voicescape to provide information regarding the collection of Council Tax and other local authority (LA) revenues. During the conversation with Voicescape, I became intrigued with the services they were offering, especially around the use of data and I thought it would make an interesting article for later in the year. Voicescape kindly provided me with further information on which to base my article.

The majority of authorities up and down the country are now looking at sizeable arrears of LA revenues, which we have never seen before.

I'm sure that by now Members, Chief Officers and auditors are cognisant of the effect of the pandemic on the collection rates and are sympathetic to the issues raised by officers when reporting lower collection rates post 2019/20. However, my experience has taught me that members etc., have short memories and the effect of COVID on collection will be forgotten within a few years and if the collection levels continue to remain low, questions may be raised especially when it comes to any deficit in the Collection Fund.

Therefore, as Revenues and Benefits officers we must use every tool available to us when collecting local taxes. This is where the Voicescape product could be useful.

Voicescape identified the following as key areas to assist in improving collection: -

Behavioural Insights
How building trusted relationships depends on a reliable understanding of the resident experience, especially in relation to an emotive issue such as debt.

Data Science
Voicescape has identified ways in which data science can be used to target and tailor intervention and focus time where it can have the greatest impact.

Intelligent Automation
The use of intelligent automation and how it can be leveraged to free up officer time and provide a powerful complement to human interaction.

Behavioural insights are an important part in any collection strategy. We will always need to understand the reason why people won't pay, can't pay or simply forget to pay. In 2015, Voicescape undertook one of the first large-scale studies into the use of nudges in revenue collection and some of the key insights were: -

- **social norms:** Telling residents that most people in their area paid on time, increasing payment rates by up to 9%
- **the power of gratitude:** Residents who received a text messaging thanking them for keeping to their payment arrangement were 19% more likely to overpay on their agreed instalments
- **personalisation:** Customers who received a personalised message paid an average £30 more in additional payments.

But all this takes time and resources that busy revenues sections just don't have. This is where the technology comes in and allows these revenues sections to target and tailor resources to where they will have the biggest impact.

Its about using data to group residents together where intervention can be tailored to meet their needs. Examples of the cohorts of residents are those that:
1. never miss a payment
2. often miss a payment but catch up before the reminder goes out
3. rarely miss a payment but end up with a summons when they do
4. end up with court proceedings every year.

Using data science to group these residents may mean not sending a stern **'red'** reminder but rather a **'is everything OK'** text message.

In a recent study by the Oxford Internet Institute at the University of Oxford, 16% of participating councils were in the process of experimenting with predictive analytics. These predictive analytics can form the basis of a prediction that can then help officers improve their decision-making.

It's not being said that we can do away with normal recovery. Using data science to sit alongside the day-to-day recovery helps target intervention to where it is most effective.

Using data can also provide officers with an easy visualisation to deliver more efficient decision-making as they don't have to trawl through pages and pages of data. A dashboard provided by Voicescape can provide officers with the information they need to understand a case at a glance.

Technology is also used to provide for intelligent automation (IA). Intelligent automation becomes possible when the principles of data science and behavioural insights outlined are integrated and automated using digital technology.

Revenues and Benefits services are no strangers to IA, using it to verify benefit claims or direct debit exceptions.

Authorities are looking to use IA to create automated messages via text or calls using the voices of real team members tailored and targeted towards the individual residents. Apart from face-to-face contact, voice calls tend to be the most effective method of gaining contact, building trust and improving relationships.

Messages can used to prompt behaviour but can also be used for incoming calls from residents who want to speak to officers to make a payment or resolve their case.

We hold significant data in our systems which can improve collection. It's clear to me that there is a need to harness this data together with behavioural insights, data science and intelligent automation to lead to increased collection levels.

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