

Aged Debt Solutions for Local Councils

Lambeth Council

 Capita | appian



Understanding Aged Debt

Definition of Aged Debt

Aged debt encompasses payments that remain uncollected after a specified period (typically 12 months), significantly affecting financial management.

Impact on Local Councils

Across English local authorities, there is aged debt totalling £5.475 billion in unpaid Council Tax charges and £2.456 billion in National Non-Domestic rates.

The arrears have doubled in less than 10 years, partly due to the suspension of recovery activities resulting from the Covid-19 pandemic

Consequences of Aged Debt

Aged debt can lead to diminished public services, creating challenges for local communities and overall governance.

Leveraging Data and AI

Advanced Data Analytics

→ There is a need to leverage advanced data analytics to examine aged debts, helping to uncover critical trends and patterns. We are enhancing our current capabilities with A.I where appropriate to enhance our human driven approach.

Prioritising Collections

→ Identifying trends allows councils to prioritise debt collections efficiently, ensuring resources are allocated effectively. This includes the history of the debt.

Targeted Strategies

→ By understanding debtor behaviour, councils can implement targeted strategies that enhance collection success rates – prioritising efforts that work in each individual scenario.

Benefits to Local Councils

Improved Cash Flow

The aged debt solution leads to better cash flow management for local councils, enabling them to meet financial obligations promptly.

Effective Resource Allocation

With improved cash flow, councils can allocate resources more effectively to critical services such as education, healthcare, and infrastructure.

Benefits to Residents

Improved cash flow ultimately benefits residents through enhanced services and community development.



Lambeth Council

The results

SAVINGS

£3m

in reduced aged debt

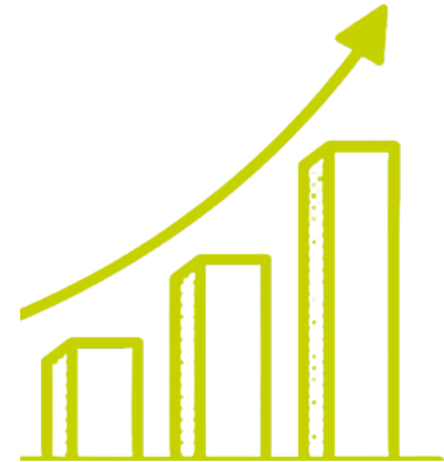
CASH FLOW

£500,000

additional revenue generated

COMMITTED PAYMENT ARRANGEMENTS

= £1.2m



Conclusion and Q&A



Find out more
about managing
aged debt