



WalkerLove

Sheriff Officers • Collections • Investigations

Keeping you informed

UNIVERSAL CREDIT OR DEVELOPING DEBT CRISIS ?

Welcome to

Caxton House



Department
for Work &
Pensions

Caxton House Pass Holders Only

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Transforming public sector performance with Robotic Process Automation

Crunch time for Barclay Review recommendations

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Welcome



The Macdonald Houstoun House Hotel is the venue of choice for our Local Authority Forum and it again played host to delegates for our most recent event.

In a landscape that is continually changing and never short of challenges, it was great to hear from a diverse range of speakers on some of the market's most pressing issues. Free-flowing input from the floor ensured the event was a real exchange of information and made for a very lively day of discussion.

GDPR bites

Walker Love has had to adapt to the changing operational environment and our recently completed annual partners' conference was a chance to take stock of the challenges we have met and to identify, evaluate and develop strategies for unfolding challenges on the horizon.



General Data Protection Regulation (GDPR) has come into force and as a business we are now feeling its effects. We have received our first official complaint from the Information Commissioner's Office (ICO) in relation to a diligence action we had undertaken.



David Walker
Managing Partner, Walker Love

We are currently reviewing this complaint and seeking clarity on exactly how sheriff officers can capture information and proceed on matters of diligence. We are also exploring the potential impact this has on our ability to enforce judicial rulings.

We consider the ICO's simplistic approach, so seriously wrong, that we have highlighted this issue with our professional body, The Society of Messengers at Arms and Sheriff Officers (SMASO), which has in turn, written to the Lord President's Office, Minister for Justice and other stakeholders, to gain their support. We will report accordingly on further developments.

The case is a stark reminder that GDPR has sharp teeth, and we are keen to make sure these serve to protect people rather than obstruct our ability to work fairly and effectively for all stakeholders.

Driving continual improvement

We continue to grow and have recruited David Speck as our new contact centre manager. He brings a wealth of experience to the role.

In addition to recruiting David, we have completed a market review of the available call centre technology and we are about to upgrade the platform we are using to improve inbound and outbound efficiency and performance.

We are also keen to use advancing technology to make our business



more resilient. One area where we have done a lot of work is server virtualisation. In lay terms, this means we now have real-time, offsite copies of our inhouse servers, creating a more robust disaster recovery capability and enabling us, if needed, to switch to these back-up servers without losing any data or functionality.

A personal ambition of mine has been our drive to attain the Gold Investors in People standard. Sheriff officers have to deal with customers, often in very difficult situations, and we need highly-trained personnel to deliver successful outcomes compassionately and effectively. I am delighted to say that since we started our Investors in People journey back in 2005 we have achieved, in turn, the bronze, silver and now gold standards. I believe this is a very public statement of our intent to work professionally and to the highest standards, as we continue to evolve.

Home and away

Away from internal considerations, Brexit continues to dominate the headlines as we get to the business end of the negotiations. As a company, we do not rely on significant volumes of migrant workers, although we do employ a number of different nationalities. Nor do we have a complex, cross-border supply chain and so

we hope Brexit, in whatever form it takes, will have minimal impact on our operations.

Additionally, we are a member of Connexx, a European debt collection and enforcement network. It comprises partners from 13 European countries giving us access to English-speaking expertise in each of these jurisdictions. Our membership enables us to offer an international service if needed.

Back in Scotland we have been keeping a close eye on the progress of the Accountant in Bankruptcy Diligence Consultation and the working group it has established to discuss the findings. Personal discussions with Alex Irvine, immediate past president of the Society of Messengers-at-Arms and Sheriff Officers suggest there is positivity around the ongoing negotiations.

However, it was worrying to discover that there was no representation in that working group from local authorities and so there is an opportunity and a need for them to get involved and make sure their voice is heard.

In conclusion, I'm pleased to report that we have already enjoyed a busy and positive start to 2019. We are now fully up and running, in our new premises at 17 Hart Street, Edinburgh, supporting further growth in respect of both our solicitor and Local Authority client base. We look forward to working with you throughout the rest of the year and catching up at our next forum event which is already in planning stage. Should there be any hot topics which you wish us to focus on, then do not hesitate to contact any our team.

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Local Authority Forum Newsletters

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can be downloaded at
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Richard Boddington,
Senior Client Manager
at Thoughtonomy



Robotic process automation (RPA) offers local authorities a huge opportunity to improve productivity and free-up significant resource within their organisations. But what exactly is it and how can they use it to deliver the benefits they need?

RPA is not, as some imagine, a technological Armageddon that spells the end for the human race. It is simply using software to complete repetitive tasks, quickly and accurately.

If a human being can login to a system to complete a rules-based task, then RPA can also complete the same task. It is software that operates as a virtual worker and moves data between systems.

The result is that employees spend less time on repetitive tasks that require no cognitive input, and more time on those where they can apply empathy, ingenuity, creativity, and critical thinking to solve problems.

RPA delivers positive change

The World Economic Forum has forecast that RPA will create more jobs than it replaces. These jobs will include data analysts, software developers and social media specialists, as well as jobs based on distinctly human traits such as customer service workers and teachers.

Another report from the Institute for Public Policy Research claimed the NHS could save £12.5bn a year worth of staff time using technology-driven automation. Freeing up so much staff time would

have a major impact on their ability to provide more personal care to patients.

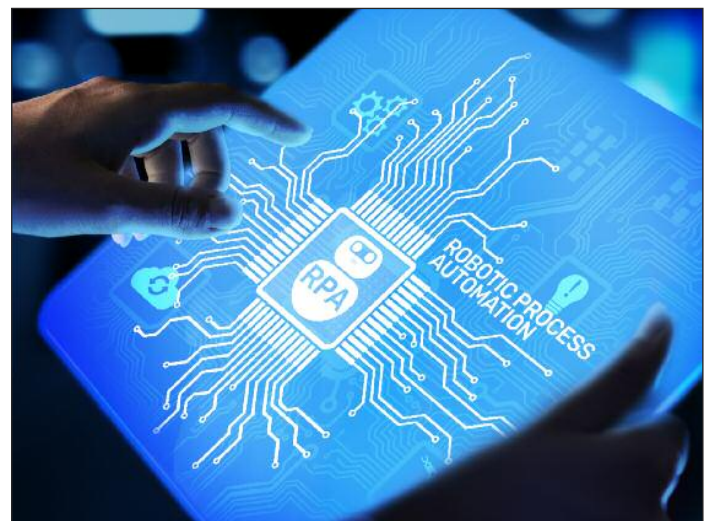
So just how can RPA deliver such meaningful benefits for local authorities? The bottom line is that humans are not good at mundane, repetitive tasks. On average, a human moving data from a spreadsheet with three columns and 40 rows – 120 pieces of data – will make three errors.

The siloed nature of many local authorities means everyday operations require staff to move thousands of pieces of data between systems daily, inadvertently introducing errors as they do.

RPA could complete much of this work, eradicating errors, improving productivity and enabling organisations to mi-

grate legacy data onto more flexible platforms. As exciting as this sounds, the challenge is to ensure that RPA is used in a very tightly defined and controlled way to carry out exactly the task required and to deliver the specific benefit desired. It is also important to start with the right processes. The less complex, higher frequency tasks to build up expertise in the technology before expanding.

“RPA is a sexy solution to a not very sexy problem – how to move data around efficiently.”



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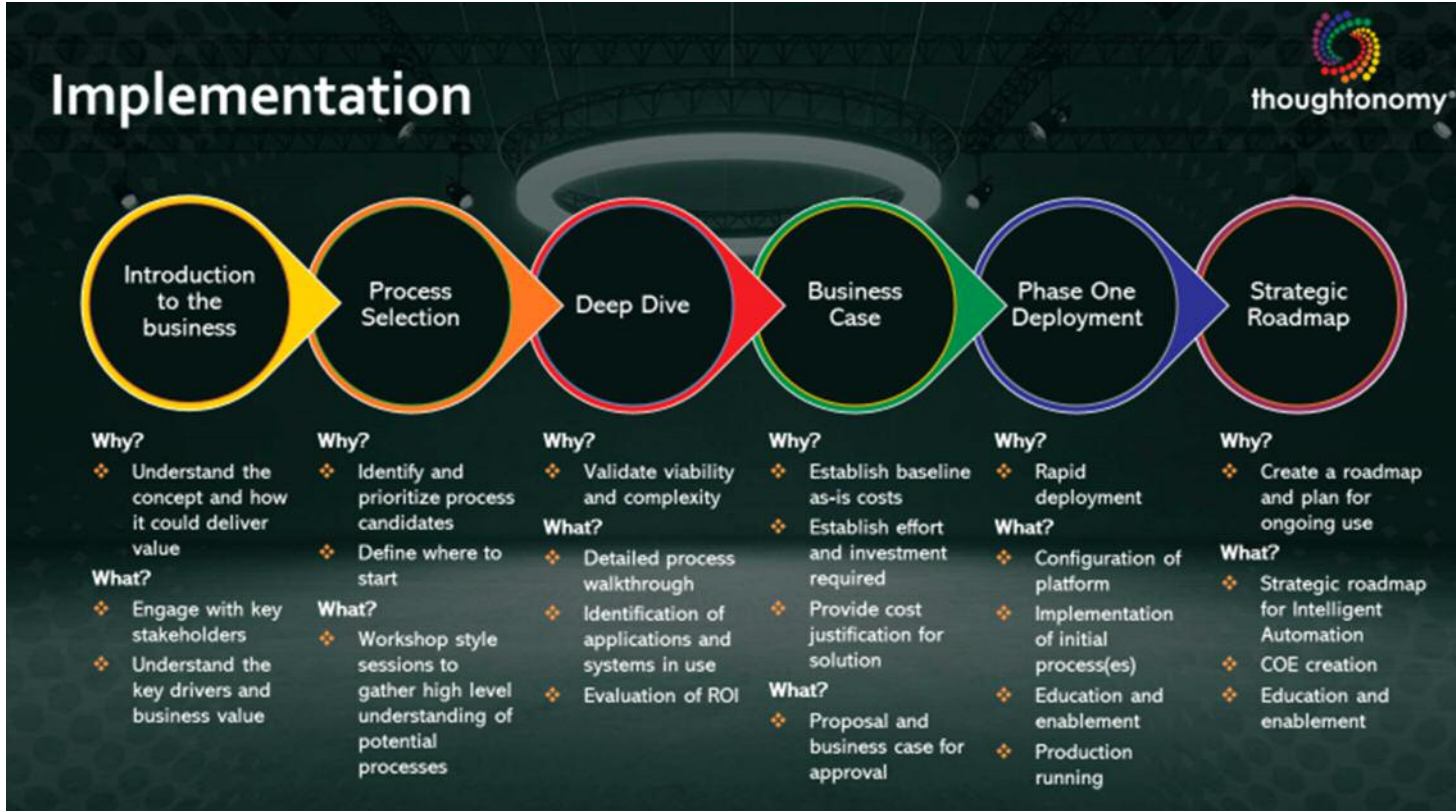
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Investing time and effort in getting this right before scaling up is essential to ensure the desired outcomes. So too is defining these outcomes and making the business case for implementing an RPA project. Is the goal improved service, increased efficiency or lower costs? How is performance measured?

Between 30% and 50% of RPA projects fail because

they are ill-conceived, poorly defined and loosely managed. The problem is not the technology, but the preparation and implementation of the project.

If local authorities can be very focused on their needs, specific in setting project goals, and detailed in measuring performance, RPA has a lot to offer. The graphic below details the steps required to implement a project successfully.



RPA in practice

Imagine a customer talking to a chatbot, explaining they would like to register a change of address. In many cases the chatbot will confirm the request, but a human employee will then have to carry out the update across multiple systems used by the local authority.

But it is possible, using RPA, for the chatbot to confirm the request, validate the old and new addresses and then login to and update all the necessary systems. Rules prescribe how to deal with irregularities and where necessary to request human intervention.

Working 24 hours a day and at computer speed, RPA processes can get through a mountain of work

without ever making a mistake. The technology does not make any conscious decisions.

It completes tasks in exactly the way it is instructed and so the effectiveness of any RPA project is completely dependent on the completeness of the programming that sits behind it.

Local authorities are under pressure to increase productivity, reduce costs and improve service. It is an almost impossible task, made more difficult by siloed organisational structures and legacy IT systems that do not communicate with one another.

RPA is a powerful tool that can help local authorities deal successfully with these challenges and deploy their staff more effectively in the future.



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Takeaways

- RPA software acts as a virtual member of staff completing any rules-based task that a human can complete. Essentially it moves data from one system to another according to predetermined rules.
- The technology is tried and tested – when RPA projects fail it is because they are poorly scoped, planned and managed.
- RPA can help local authorities meet the challenge of increasing productivity, reducing costs and improving service

Case Study

Company:	East Sussex and North Essex NHS Foundation Trust
Industry:	Public sector/health care
Solution:	RPA with Artificial Intelligence capabilities, Virtual Workforce, OCR
Key themes:	<ul style="list-style-type: none">• Back office Automation• HR Automation
Who:	East Sussex and North Essex NHS Foundation Trust – Previously Colchester and Ipswich merged on 1 July 2018. Now the largest hospital in the South East.
Why:	<ul style="list-style-type: none">• In an effort to reduce paper wastage, as from October 2018, all GP referrals to acute trusts will need to be made and processed via eRS (electronic Referral Service).• Previously, East Sussex and North Essex NHS Foundation Trust's referral process required staff to work between various legacy systems, printing up to 15 documents, rescanning all and condensing into single page and then uploading into clinical system: with 2,000 referrals coming through every week, employees were struggling to meet their 14-day processing deadline.• Additionally, this process was costing circa £220,000 a year (£65,000 in direct costs and £155,000 in staff time).
What:	<ul style="list-style-type: none">• Virtual Workers have been deployed to actively monitor incoming eRS referrals from GP patient appointments.• On receipt of a referral, the Virtual Worker extracts the reason for referral, referral data and supporting clinical information and merges the information into a single PDF document.• Once the data has been combined into a singular format the Virtual Worker is able to update all hospital systems instantaneously and extract critical information, which it passes on to the lead consultant for review and grading.
Outcomes:	<ul style="list-style-type: none">• 24/7 monitoring of referrals, actionable immediately• Referral times reduced by an average of two days• In the first three weeks of launch across five clinical specialities East Sussex and North Essex NHS Foundation Trust released 120+ hours of time, reduced spend on agency staff, cut paper usage and more importantly increased job satisfaction for hardworking admin staff.



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Jim McCafferty,
Independent Consultant and Chair of Education
and Membership at the Institute of Revenues
Rating and Valuation.

Following the publication of the Barclay Review in August 2017, the Scottish Government continues to consult on implementing its recommendations and we are now getting to the sharp end of those discussions.

The review had the following aim:

"To make recommendations that seek to enhance and reform the non-domestic rates (also sometimes referred to as business rates) system in Scotland to better support business growth and long-term investment and reflect changing marketplaces, whilst still retaining the same level of income to deliver local services upon which businesses rely."

The goal, therefore, is not to increase or decrease the amount of income that business rates generate, but to redistribute the tax's burden across the business sector.

Acting on recommendations

The review made 30 recommendations. Many were administrative changes and have been accepted. These include: the need for local authorities to make refund payments more quickly, penalties for not providing information to local authorities, and a move to standardised billing templates across Scotland.

Details on how some of these recommendations

will be implemented still need to be finalised. For example, there are questions as to whether standardised billing templates could be enforced without legislation, due to the cost such a switch would create.

Other recommendations were accepted and implemented with secondary legislation in April 2018. These include: new relief for day nurseries, fresh start relief to benefit town centres, and the Business Growth Accelerator, which offers relief to ratepayers of new build property and to those expanding or making improvements to an existing property.

"I think things will kick off in earnest in 2019. I think the legislation will address issues including rates avoidance and the move to more frequent revaluations, but I do not think the business community will get some of the reliefs it is hoping for."

The recommended reduction in the large business supplement was also accepted and requires secondary legislation, but the Scottish Government says it will only be implemented when affordable. This may be some time, given ongoing financial constraints.

There are a further 14 recommendations, which have been accepted, but require primary legislation to be enacted. As a result, there is little clarity to what that final legislation will look like and the outcomes it will generate in practice.

These recommendations include a move to:

- Three yearly revaluations
- The creation of a general anti-avoidance rule
- Reform the valuation appeals system
- Close the empty property relief loophole
- Close the Small Business Bonus Scheme 2nd homes loophole
- Reform the empty property relief
- Provide relief for affordable community facilities



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A consultation on the proposed legislation closed on 24 September 2018, received 150 returns including several from various representative bodies.

Responses were broadly in favour of a shorter revaluation period (three years instead of five) and changes to the valuation appeal system, but time pressures are building to enact the legislation required.



Devil in the detail

The problem is in defining exactly what each recommendation will entail, how it will be implemented, and the scope of additional powers that will affect stakeholders.

Under current legislation, for example, the next revaluation is due to take effect in 2022. Prior to this, all properties must be re-valued by the Assessors. When assessing the rateable value of a property for the prospective 2022 valuation roll, an antecedent valuation date two years prior to the start of the valuation roll coming in to force is used to set the "tone" of the roll.

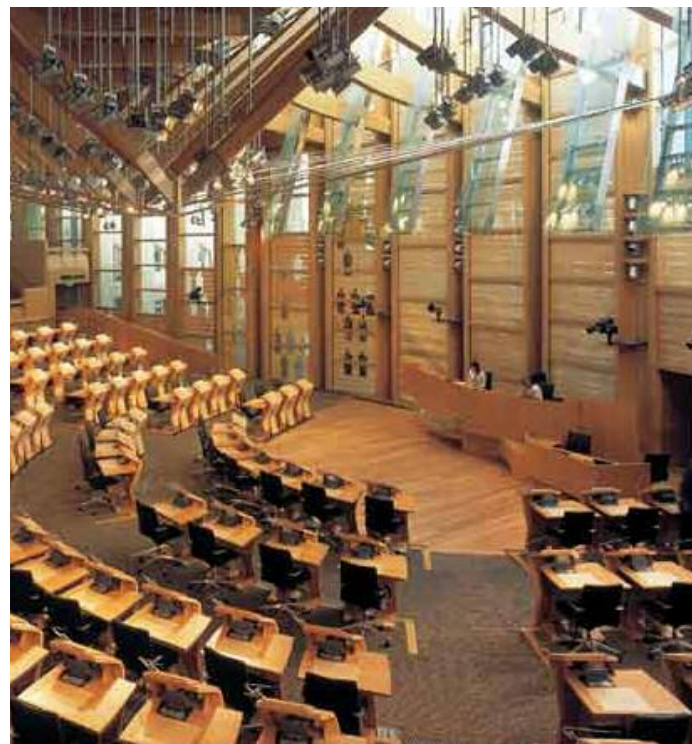
This is done to allow the Assessors to collect and review rental information that they have gathered. Properties that subsequently come into being within the life span of the valuation roll will also be assessed on the basis as if they had existed at the "tone date".

For the revaluation in 2022, the "tone date" will be in April 2020. To enact primary legislation in time for the April 2020 tone date, it must be introduced to the Scottish Parliament in early 2019. This schedule already looks tight, if not unworkable.

Local authorities need clarity on these issues as their outcome will have a major impact on the administrative and collection demands they have to shoulder going forward. Unfortunately, that clarity will not be immediately forthcoming.

Takeaways

- 18 months after the Barclay Review was published there remains a lot of uncertainty over how the recommendations will be implemented.
- The next three months are critical if legislation is to be enacted to make the switch to three-yearly revaluations in 2022.
- The agreed reduction in the large business supplement may not be implemented in the near future, given financial constraints.



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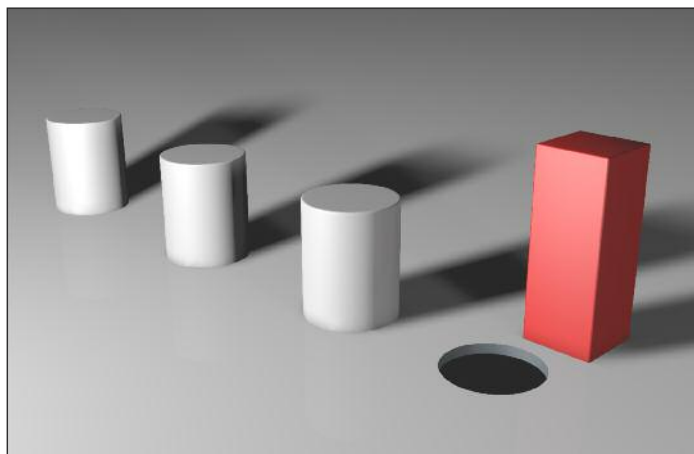
Damian Bray,
Collection Team Leader, Fife Council.

The ill-conceived implementation of Universal Credit is turning payers into non-payers. It is a resource-eating monster and it is making it nigh on impossible to get the correct payments to people in a timely fashion.

Speaking at the LA Forum, Damian Bray, collection team leader at Fife Council, was keen to put the rights and wrongs of Universal Credit to one side. But he said it was impossible to fit a square peg into a round hole.

Unfortunately, he believes this was exactly what the government is doing by forcing local authorities to adopt the policy without ensuring the correct infrastructure is in place to support the switch to a new way of working.

In addition, he said the Department of Work and Pensions (DWP) had compounded the complexity of moving to Universal Credit through its poor communications, inadequate administration support, and ineffective liaison with local authorities.



"The roll out of Universal Credit is very poor and at a local level the DWP staff know as much as we do, and they are just trying to shove the benefit in and get it to work. In my opinion they are firefighting."

Bray accepted the need to move to a simplified system but said the switch could only work if its implementation was supported with the appropriate planning and resource to make the change workable in practice.

Problems in practice

Discussing problems around rent collection, Bray said the council had set up a dedicated collection team to cope with the changes. But issues including moves to Alternative Payment Arrangements (APA) and Direct Payments demanded huge amounts of time and resource, while answers from the DWP on specific cases were not forthcoming.

The result is that 75% of people in Fife on Universal Credit have rent arrears and in the last 10 months alone rent arrears are up by £1.5m.

Another problematic issue is Local Council Tax Reduction and the changing liability that so many claimants have under Universal Credit.

In many cases individual liabilities are changing on a monthly basis, forcing the council to recalculate the appropriate council tax reduction, increasing the workload and changing debtors' status.

The unwanted outcome is that around three quarters of people who have previously paid their council tax and who have been moved on to Universal Credit are now in arrears. It is not that they do not want to pay – their past history shows they do. The problem is that Universal Credit is preventing money getting to the right place at the right time.



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Stepping back in time

Unless Universal Credit moves to a more automated way of working, every local authority will require significant additional resource to maintain effective council tax recovery. This is at a time when budgets are constrained, and cutbacks are ongoing. But in many areas things are actually moving in the opposite direction.

When it comes to overpayments, for example, The DWP has moved from automated ongoing payments to a manual, case-by-case system. Bray said the move to a manual process, almost 25 years after it had been automated, was disastrous.

This is a major problem and Fife Council has £8m outstanding, of which £3m is in jeopardy if it is not dealt with imminently.



Policymakers must focus on understanding problems

Bray said that issues around personal background, addiction and chaotic lifestyles had always created people who struggled to manage their personal finances. But he said the ill-conceived roll out of Universal Credit was squeezing many who had previously managed into situations that were simply not sustainable and forcing them into debt.

He said Fife Council knew its customers and that since Universal Credit had come into place a bigger percentage were now in debt. Irregular cashflow is forcing their hand and the worry is that government ministers are not properly informed on the extent of the issues.



By way of example, he said Accountant in Bankruptcy, which is a source of information to government on these issues, wanted feedback from local authorities about the practical outcomes that Universal Credit has generated.

Bray felt this lack of awareness underlined the poor planning behind Universal Credit's roll out and had led to the many problems that were now being experienced by all stakeholders.

Takeaways

- Universal Credit is a resource-eating monster.
- The big bang approach to rolling out the new system is turning longstanding payers into non-payers and forcing people into debt.
- The Department for Work and Pensions does not currently have the necessary resource, practical information or IT capability to roll out the system effectively.

Impact of Universal Credit on council tax arrears – Fife Council

Currently 75% of Universal Credit claimants have some form of council tax arrears. It is hard to establish which arrears are a direct result of Universal Credit, but there has been a steady increase in accounts that remain outstanding for Universal Credit clients.

Fife went live with Universal Credit on 11 April 2016 with full service following on 6 December 2017. Since then the number of Universal Credit accounts with arrears has increased substantially.

The table below illustrates that increase.

Date	Universal Credit accounts with arrears
2015/16	2,360
2016/17	2,985 (26% increase on 2015/16)
2017/18	4,177 (77% increase on 2015/16)

Reduced prescription period still up for debate



The Prescription (Scotland) Bill and its potential to reduce the current 20-year prescription for Council Tax to five years is still under consideration, despite many thinking it had been kicked into the long grass.

Debt advice charities and consumer groups have lobbied hard for the reduced prescription period although there is significant opposition from local authorities given the impact it would have on their finances.

In October, the Civil Justice Committee delegated powers to the Law Reform Committee to progress the Bill through stage two of the consultation process, and the outcome was a four-to-one vote against the move to five years for certain debts including council tax.

At the time of writing, it looked like the version of the Bill that would be submitted for Royal Assent would exclude a move to five-year prescription for

statutory obligations to pay taxes, duties, rates or child maintenance and obligations to make repayments in relation to benefits, income support and tax credits.



While it seems unlikely this legislation will now enact the change to five years for these debts, the strength of support from charities, consumer groups and some quarters of the Scottish Parliament suggest the debate is not finished and may form part of future legislative negotiations. It's certainly one to watch.



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LA Forum: Workshop Discussion



David Walker



Chris Bell



James Walker



Dorothy Lowe



Angela Lowe



Julie Swan

The workshop discussion session hosted by Walker Love team, David Walker, Dorothy Lowe, Chris Bell, James Walker, Angela Lowe and Julie Swan.

Putting robotic process automation (RPA) to work

In a bustling workshop, attendees discussed the following two questions:

- **Looking to the future, where are the potential practical applications for RPA for local authorities and/or sheriff officers within the collection process?**
- **Are there any other areas where local authorities and/or sheriff officers can apply technology to more effectively share and/or process information within the collection process?**

The conversation was wide ranging and generated many ideas from the floor. Some of the suggestions are listed below.

- RPA-powered chatbots could be implemented relatively quickly, providing customers with better access to information and freeing up resource within local authorities.
- Language analysis software could be used within RPA-powered chatbots. This could assess if customers were angry or vulnerable, for example, and enable local authorities to prioritise customers and respond more appropriately.
- RPA technology could assist in capturing data accurately and prevent having to change decisions or withdraw benefits at a later date, minimising the overall workload and improving the customer experience.
- Edinburgh Council is exploring using data from third parties such as the Edinburgh Solicitors Property Centre, to help assess an individual's assets and to contact them at a time when they can pay outstanding debts.
- RPA could support a 'tell us once' strategy. Within local authorities there are too many silos and information is not shared to create accurate and up-to-date records across the organisation.
- Local authorities are getting bogged down with creating end-of-month statistics. RPA could be used to record and report on specific metrics automatically, freeing up a lot of staff time. This would allow them to spend more time serving customers.
- Data imaging in the field could be more widely adopted to increase the speed at which data is shared and to minimise the time it takes to make the information available.
- Payment apps could enable doorstep payment collection, where appropriate.
- Tablets and laptops in the field could be used to update information on things like served charges or earnings arrestment orders. This could update systems in real-time ensuring local authorities cannot be played off against sheriff officers and vice-versa.
- A central database that sheriff officers and local authorities had access to would minimise the need to request and send information and ensure everyone had the latest information available.
- Local authorities employ hundreds of thousands of people in Scotland. RPA technology could be used to identify employees carrying arrears and to enact faster solutions to settling their debt.

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34 Sheriff Officers and offices in 8 cities and towns across Scotland
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