

Corporate Arrears Recovery System

CORPORATE APPROACH

Arrears Recovery for :

- Council Tax
- Non Domestic Rates
- Sundry Debts
- Community Charge
- H.B. Overpayments
- Rent Arrears

BEST VALUE

CARS facilitates improved collection performance whilst simultaneously reducing the required resources. The system, when implemented, is guaranteed to provide substantially greater benefits than costs.

PROVEN EFFECTIVENESS

A major Scottish council currently using the system has recently been awarded an IRRV Award for 'Excellence in Debt Management'

Merchant Software Ltd
Woodside House
20/23 Woodside Place
Glasgow
G3 7QF

Tel: 0141 582 1240
Fax: 0141 582 1484
E-mail:
info@
merchantsoftware.co.
uk

C.A.R.S. is a unique solution, which enables public sector organisations to significantly improve the efficiency and effectiveness of their arrears recovery process.

The Key Features of this remarkable system are :

◆ Innovative

The CARS system's Corporate Approach to arrears management eliminates multiple debts spread across departments and provides a consolidated view of each debtor's arrears. CARS still enables arrears for all major revenue types to be handled separately, if required, to reflect the different recovery requirements of each.

◆ Appropriate Recovery

Cases are automatically assigned to Recovery Profiles that reflect their circumstances and ensures that the most suitable recovery approach is taken. Recovery strategies can be accurately monitored, reported and refined, over time, to improve effectiveness.

◆ Voluntary Arrangement Management

Voluntary client arrangements can be negotiated, recorded and then monitored automatically, substantially reducing the time manual monitoring would require.

◆ Direct Deductions Management

Automated direct deduction requests for both Income Support & Job Seeker Allowance maximises the level of direct deduction income being received.

◆ Workflow Management

Case officer allocation assigns recovery responsibility and the integrated Diary allows all planned activities to be easily managed.

◆ Corporate Matching

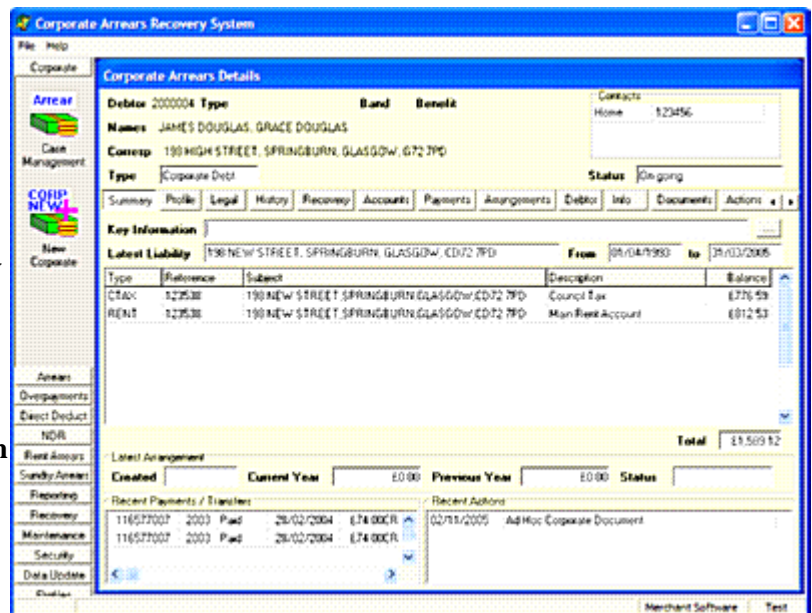
'Corporate Matching' automatically identifies cases with a high probability of being related to the same citizen, before allowing users to manually link them to the relevant corporate account. This tool facilitates case consolidation without the need for time consuming account tracing for debts stored on different systems.

◆ Shared Services

CARS provides an excellent platform for shared arrears recovery services, due to its capacity to extract data from various source systems, regardless of their supplier, in a common and consistent manner. This capability allows a 'shared team' to effectively manage the recovery of several organisations even though they have systems from different suppliers.

◆ Affordable

The system is available on either the traditional licence and support fee basis or the more easily budgeted fixed implementation cost and monthly rental option.



Modular Approach

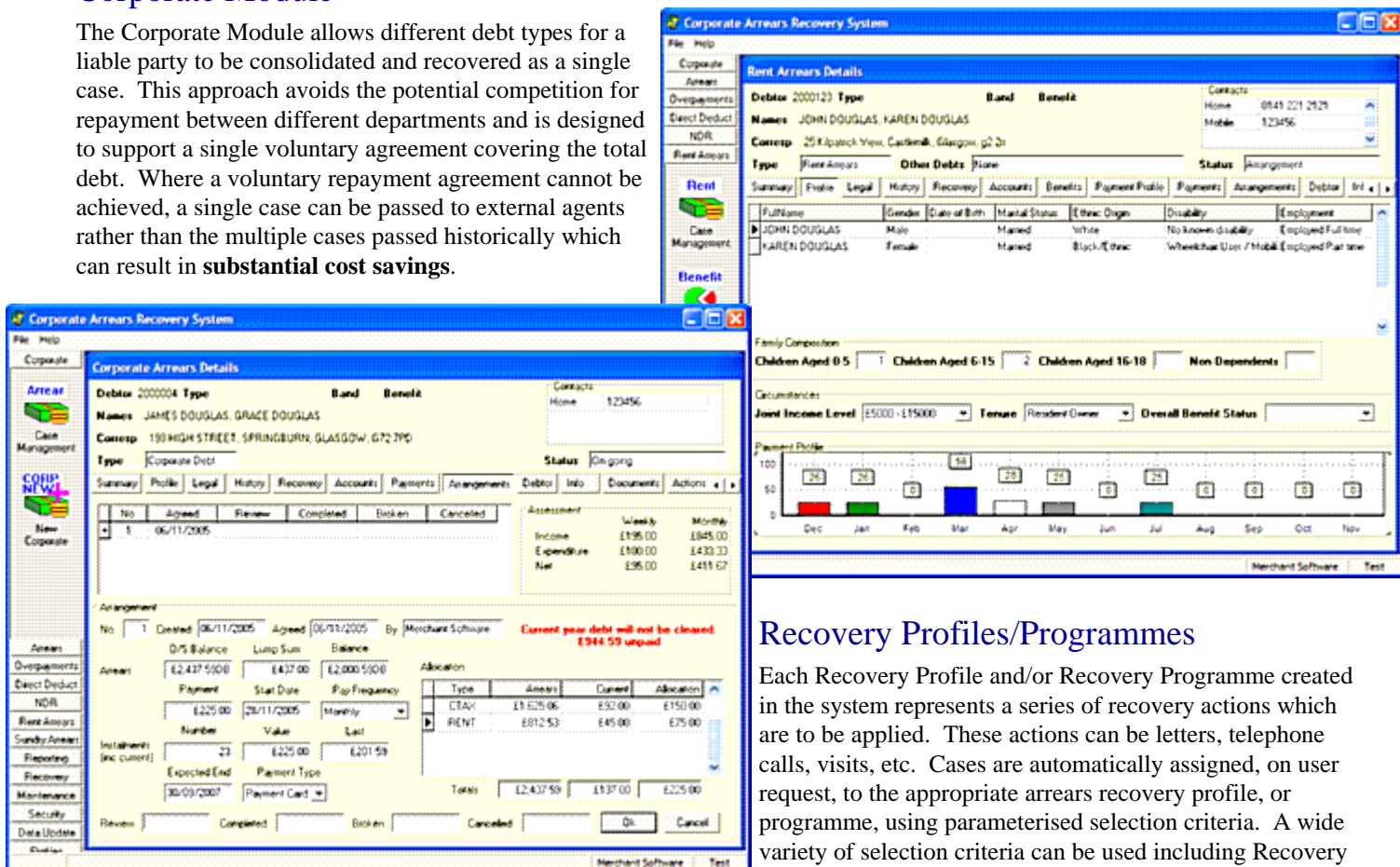
The CARS system has independent modules for each debt type, e.g. Council Tax, Rents, NNDR, Sundry Debts and Housing Benefit Overpayments. Each module reflects the different legislative recovery requirements for its specific debt type allowing each to be handled appropriately. This approach also enables different recovery strategies to be defined within CARS for each debt type. N.B. **Previous years debts are automatically taken into consideration as part of the balance to be recovered.**

Corporate Module

The Corporate Module allows different debt types for a liable party to be consolidated and recovered as a single case. This approach avoids the potential competition for repayment between different departments and is designed to support a single voluntary agreement covering the total debt. Where a voluntary repayment agreement cannot be achieved, a single case can be passed to external agents rather than the multiple cases passed historically which can result in **substantial cost savings.**

Assessing the Impact of Strategies

Obtaining accurate information on how effective a particular recovery strategy has been can be difficult. The CARS system records details of each debt and the recovery achieved by each Recovery Stage. Using this information CARS can provide accurate reports on how effective each stage of the recovery process has been. This allows the recovery strategy to be refined and updated which is essential in today's environment when debtors have become far more sophisticated.



Arrears Recovery Letters

It is widely recognised, given the resource constraints of 'door to door' visits and call centres, that **the use of appropriate, effectively worded, arrears letters, recovers far more revenue overall than any other method.**

For this reason the CARS system incorporates a Bulk Mailing module which automatically generates each of the letters defined as part of the recovery process. Within each Recovery Profile, different stages can be associated with different letters and the system will at all times identify which cases are due to receive a particular letter. The recovery letters are generated automatically when requested and copies filed within the database as a permanent record.

Debtor Profiling & Equality Legislation

Details of Household Type, Gender, Age, Disability, Ethnicity and personal circumstances can be recorded so that the arrears caseload can be analysed as required.

Recovery Profiles/Programmes

Each Recovery Profile and/or Recovery Programme created in the system represents a series of recovery actions which are to be applied. These actions can be letters, telephone calls, visits, etc. Cases are automatically assigned, on user request, to the appropriate arrears recovery profile, or programme, using parameterised selection criteria. A wide variety of selection criteria can be used including Recovery Stage, Benefit Status, Tenure, Level of Debt, Property Band etc. This allows cases to be categorised and targeted with a recovery approach appropriate to their circumstances.

Recovery Management

Once each case has been assigned to a profile the outstanding "follow up" actions are clearly identified and progressed automatically by the system. The level of recovery activity can be planned and scheduled to meet the arrears recovery staff resources available. The Diary facility allows the individual actions assigned to each day to be quickly and easily followed up

Income / Expenditure Assessment

The system provides an Income / Expenditure assessment feature which is based on user defined templates of expected income and expenditure for different debtor types. This ensures that voluntary debtor arrangements are as realistic as possible, increasing the likelihood of cooperation and improved collection rates.

Advice and Support

The provision of Welfare Benefits advice, Debt Counselling and Money Advice can be incorporated into the Recovery Profiles to ensure that debtors receive the right support.

Arrangement Recording and Monitoring

Voluntary arrangements can be negotiated, recorded and then monitored automatically. This is often a manual process which requires substantial resources to keep up to date. Broken arrangements are identified daily and Broken Arrangement letters can be issued on request.

The creation of a new arrangement puts the recovery of the case on 'Hold' automatically.

Document Production

Case management provides the facility for standard and ad-hoc letters to be generated for individual cases.

This allows standard documents to be issued quickly and efficiently using Word to either the debtors or any third party acting on their behalf. Each document generated is logged in the document history and stored in the database for easy retrieval and review.

Date: 16/06/2003

Debtors Solicitors
100 High Street
Glasgow
G1 1DB

PO Box No. 9999
Glasgow
G3 7SF
Tel: 0800 999 999

Ref: 123456
(Please quote at all times)

Dear Sir/Madam
Mr & Mrs C Douglas

TOTAL OUTSTANDING BALANCE - £ 7,614.48

Further to our recent correspondence with the above, and the arrears stated not being cleared, we have to advise you that court action will now proceed.

Yours faithfully
Debt Recovery Team

Case Recovery Management

Within the case management screen the recovery tab shows the current recovery stage and also provides a full history of all recovery stages that the case has been through.

The users are able to manually put a "Hold" on recovery which will either be released or require review at a set time. The users can also manually move the case to another recovery stage or profile. This allows the users to bypass any recovery action which may not be suitable and fast track cases for more serious recovery action.

Direct Deductions Manager

The Direct Deductions module of the system automates the request of direct deductions for both Income Support and Job Seeker cases. The system checks for eligible cases on a daily basis, cross referencing cases against the Benefits system to identify eligibility as soon as possible. This maximises the level of direct deductions which are being received and has already demonstrated significant increases in the revenue collected. **The additional revenue from this approach can normally more than cover the costs of the system.**

Standard and Ad-Hoc Reporting

The system provides a number of standard reports for which selection criteria can be specified.

In addition the underlying database can be interrogated by a number of standard windows reporting tools to enable ad-hoc enquiries and reports to be produced by internal staff.

Case Consolidation

CARS allows separate arrears cases to be consolidated into a single case for recovery. This is particularly useful where the links between accounts, e.g. Council Tax for different properties, have not been maintained. The outcome is that the arrears become part of a current case and not a closed account for which tracing is required. This can **significantly improve the recovery of previous years arrears.**

External Agencies

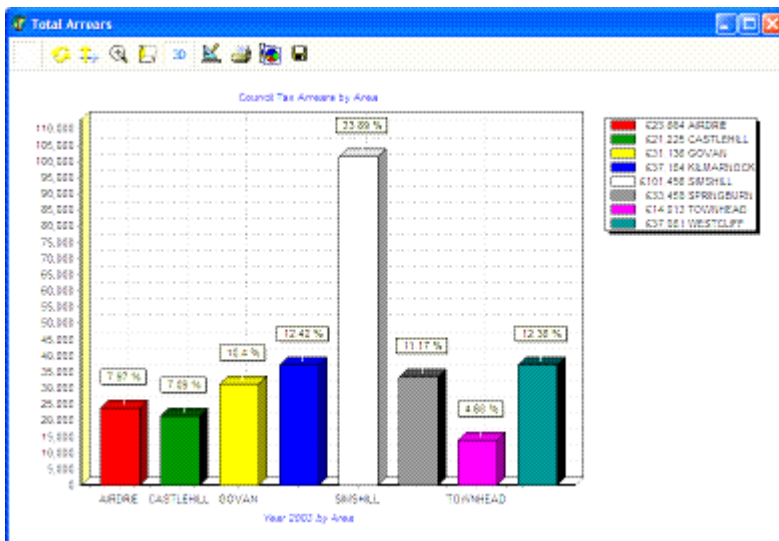
Recovery Profiles can be set up for external agencies, as well as In-House departments, and the criteria for passing cases to those agencies defined. This allows cases to be passed to external collection agents in a controlled manner.

External Agency Monitoring

Cases passed to External Agents within a CARS Profile can continue to be monitored in respect of recovery achieved. This allows the effectiveness of External Agents to be monitored independently, and allows a more detailed analysis, on a case by case basis if necessary, of their performance.

External Agency Access to CARS

External Agents can be allowed controlled access to the CARS system so that they have access to up to date information for the cases they are responsible for. They are able to update the system with the results of their activities, e.g. proactive phone calls, up to date contact details, agreed arrangements etc. They are also able to enter recommendations as to the proposed legal recovery action to be taken, fees incurred etc. This removes the need for problematic interfaces and greatly improves the efficiency of the overall process..



Management Information & Statistics

The information held within the system allows very comprehensive management reporting to be provided.

This is a key feature of the system as the quality and accuracy of management information about the arrears caseload allows the management decisions necessary to improve the collection rate to be taken.

Platform / System Environment

Corporate Arrears Recovery is a thin client application which runs on a wide range of hardware platforms. The client application can be installed on PC's operating under Windows 95/98/Me/NT and Windows XP. The application server and update process both run as services on a Windows NT/2000/2003 server.

The underlying database server is SQL Server.

System Integration

The full details of all cases which satisfy the agreed "arrears criteria" are automatically extracted from the core Revenues/Housing/Financial/Benefits system for management. Thereafter, the details of these cases are updated automatically so that the case details are always up to date.

Interfaces to Other Systems

Where interfaces are required to other systems within the organisation these can be provided as an add-on facility.

Merchant Software Limited

Merchant Software Limited is an independent software company which has extensive experience of working with local authorities in the area of revenues systems and arrears recovery.

The approach which the company has adopted is to work in partnership with clients in order to build a long term relationship which will mutually benefit each organisation.

The company's experienced staff will be happy to ensure that all aspects of the installation, commissioning and after sales support are handled to the clients satisfaction.

Merchant Software Limited is TickIT accredited.

Future Developments

It is the intention of Merchant Software Limited that the functionality of the system will continue to be enhanced by the development of additional facilities. We are currently looking to develop web-based functionality into CARS.

Merchant Software Limited would welcome any input and suggestions from interested users.

Product Information

Details of the Corporate Arrears Recovery System, and our other products, can be found on our web site www.merchantsoftware.co.uk

Contact Details

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Glasgow
G3 7QF

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Fax: 0141 582 1484

Email: info@merchantsoftware.co.uk

Whilst Merchant Software Limited have gone to considerable lengths to ensure the information presented in this brochure is accurate, constant development of the product will mean that the specification and format are liable to change. If you require specific information regarding the Corporate Arrears Recovery system then please contact us for the latest information.

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