Annex A: Methodology

This note outlines the methodological approach taken in Money and Mental Health's 2024 report *In the Public Interest?* by Toby Murray and Francesca Smith.

A.1 Research design

This research project consisted of the following:

- A review of the academic and grey literature and existing policy relating to local and national government debt collection.
- Analysis of two external datasets, Understanding Society Wave 13 and the Money and Pensions Service (MaPS) Debt Need Survey 2023;
- An online survey with members of Money and Mental Health's Research Community, a group of nearly 5,000 people with lived experience of mental health problems;
- An online focus group with members of the Research Community;
- Analysis of The Money Advice Trust's Stop The Knock 2019 research and the Ministry of Housing, Communities and Local Government in-year council tax collections data
- Interviews with a range of experts across local authorities, the government, academia, charities, trade bodies and regulators;
- A private summit of local authority heads of collections and revenues, and government policymakers.

Further details on each component of the research are provided below.

A mixed-methods approach was used to combine quantitative and qualitative insight on the experiences of people, and in particular those with mental health problems, who have fallen behind on key payments to local or national government bodies. This brings together nationally representative statistics and rich qualitative insight on the impact that local and national government debt collection practices can have on mental and financial health.

We are grateful to all those who supported this research, both in a professional capacity and those who shared their personal experience.

A.2 Literature review

Researchers completed a desk-based review of the current policy context of debt collection in the public sector. This included reviewing a range of academic and grey literature, as well as relevant legislation and policy - from the Local Government Finance Act 1992, to the Taking Control of Goods Regulations 2013 and the Council Tax (Administration and Enforcement)

Regulations 1992 - as well as data on the prevalence of some of these practices, and existing analysis on their impact on the mental and financial well being of the population.

A.3 Research Community Surveys

Our survey was undertaken with the Money and Mental Health Research Community, a group of around 5,000 people with lived experience of mental health problems or caring for someone who does. In total, 185 members responded to the survey between March 1 and 15, 2024.

The survey asked the Research Community about their experiences of falling behind on payments to local councils (such as council tax and parking fines) and national government (such as the TV licence fee, and benefit or tax credit overpayments) in the last five years. In this survey we also asked people about their experiences of falling behind on utility bills such as energy, telecoms and water - this data was not used in this report, but will inform our next research report in this workstream.

We asked people about the payments they'd fallen behind on and the action their creditor took as a result, like whether they felt their creditor was supportive or not, and whether they added extra charges or fees to their debt. Following this, we posed questions about people's experiences of some more forceful practices like court and bailiff action.

All questions were optional to avoid causing distress to participants, meaning the base size for questions vary. Where necessary, we also routed questions to avoid asking questions that were not relevant to a participant's experiences.

Where statistics from this survey are quoted in this report, we also provide sample size and a description of the base. This survey also contained qualitative questions, which were analysed thematically, and used to both enrich our understanding of trends identified in national dataset analysis and provide illustrative examples of people's experiences.

A.4 Research Community focus group

Using responses from the Research Community survey as a sampling tool, we held an online focus group on 27 March 2024 with eight participants. The participants all identified as having experience of both falling behind on payments to local or national government, and mental health problems.

All focus group participants were given a £35 shopping voucher as a thank-you gift for participating. Responses to qualitative questions from the Research Community survey were analysed thematically and used to develop the topic guide for the focus group.

The focus group considered:

- Communications from local and national government creditors, including communication channels used, clarity and ease of understand, and how notifications of the consequences of non-payment are communicated;
- Experiences of added costs and charges to debts, and negotiating repayment plans;
- The psychological harms (i.e. the impact to mental health and wellbeing) that occurred as a result of creditor action, through a collaborative mind mapping activity;
- Both pragmatic and ambitious potential policy solutions to the problems that were discussed, in particular by thinking about people's experiences that caused harm and how they could've been better.

A written transcript of the focus group was thematically coded. Emerging themes were used to understand people's experiences and inform policy recommendations, ensuring our recommendations were grounded in experience and practice.

A.5 Analysis of external datasets

No single dataset allows us to address all the aspects of the psychological impacts of public sector debt collection. As such, we used several different datasets. Below, we outline our approaches to each dataset, how we constructed a mental health indicator, and the other relevant questions used.

All analysis of external datasets received quality assurance checks by a member of the Money and Mental Health research team, in line with the charity's protocols.

A.5.1 Understanding Society: the UK Household Longitudinal Study. Wave 13.

Understanding Society is the largest longitudinal household panel study, following participants over a long period of time and interviewing participants every year. The data can provide a long-term perspective on people's lives or a snap-shot understanding of people's circumstances. We analysed data from Wave 13, covering responses during a period from January 2021 to May 2023.

Understanding Society offers useful detail on the experiences of people with mental health problems, and the psychological harms experienced by people who have fallen behind on council tax payments. However, it lacks data on those who are behind on a wider range of payments to public sector bodies, and on debt collection practices specifically.

Council tax arrears: Throughout this paper, responses to the question "In the last twelve months, have you ever found yourself behind with paying your Council Tax?" are used to determine whether someone is behind on council tax. This data is collected at a household level, while all data on psychological harms is collected at an individual level. Therefore, responses to being behind on council tax are disaggregated to all individual members of that household.

Given council tax is a 'jointly and severally liable' debt, we believe it's fair to apply council tax responses to the individual level. As our analysis uses the Indresp file, this only includes responses from adults. There will undoubtedly be cases where those who are not liable for council tax are captured in this analysis, but we expect these to be a minority, and would be difficult to exclude, given data constraints.

Mental health problems: Wave 13 of Understanding Society includes a question which asks about the diagnosis of an emotional, nervous or psychiatric condition (m_mhcond2). However, this would not include all those who have experienced a mental health problem and not received a formal diagnosis - estimated to be over one-third of people experiencing a mental health problem. Our analysis therefore may be missing the experience of many without a diagnosed condition. However, as we used some of the components of the SF12 to understand psychological harm, it was important to use a diagnostic approach to mental health.

A.5.2 The Money and Pensions Service's (MaPS) Debt Need Survey 2023

The Money and Pensions Service's (MaPS) Debt Need Survey is an annual panel-based survey. A total of 22,000 respondents completed the 2023 survey, including booster samples from minority communities and Northern Ireland.

Broadly, it provides data on how people feel about their money and household finances, arrears on credit commitments and bills, and adverse financial and personal events and their consequences. It was particularly useful for this research because of its data on a wider range of debts to the public sector, and experiences of debt collection practices. However, it has limited information on people's experience of psychological harm.

All respondents were asked "Have you ever experienced any of the following conditions?". The base for this question was 8819. This includes those who have experience of long-term conditions - personality disorder, bipolar disorder and schizophrenia - that can constitute more severe mental illness (SMI), and those who have experience of 'Common Mental Disorders' (CMDs) - in this case depression, obsessive compulsive disorder, anxiety, panic attacks or phobias.

The analysis, interpretation and recommendations that originate from our use of the Debt Need Need Survey 2023 are those of the Money and Mental Health Policy Institute, and are not the responsibility and do not necessarily represent the Money and Pensions Service.

A.5.3 The Money Advice Trust's Stop The Knock 2019 research and the Department for Levelling Up, Housing and Communities' in-year council tax collections data

The [Money Advice Trust's Stop the Knock 2019](#) campaign holds data from 367 Local Authorities (98% of all LAs). 17 authorities responded only partially, in that they did not provide bailiff use figures for all of the debt types requested. 19 declined to respond. 340 of the councils that responded to the request were lower-tier authorities (District, Borough and Unitary councils which are responsible for council tax collection), while 27 were upper-tier (County Councils in England) that primarily collect parking-related debts. Analysis was undertaken before the release of the Money Advice Trust's 2024 Stop the Knock data.

This data was then adapted using population level data for each of the local authorities using [2019 Mid Year Estimates](#), to derive a bailiff use per capita figure, so we could better understand the rate of bailiff use.

The Ministry of Housing, Communities and Local Government data used for this analysis comes from a [Rural Services Network collation of collections data](#) for the year 2019.

In total, data for 276 councils was collected. Analysis is done by Pearson's Correlation Coefficient. One council was excluded from analysis for having anomalous results: The City of London Corporation, which had a rate of bailiff use of over 1 case per resident. We believe it is fair to discount this from analysis due to the unique nature of the City of London Corporation. Analysis therefore was conducted on 275 councils.

A.6 Expert engagement

Expert interviews - We undertook a series of in-depth interviews with experts to facilitate a well-rounded understanding of the existing challenges, and opportunities for change, around debt collection in the public sector, and in particular for people with mental health problems. We interviewed 17 experts from across the third sector, academia, debt advice, local authorities, national government departments, and the enforcement industry.

These discussions informed our policy recommendations, helping to ensure our ideas were grounded and practical. We are grateful for participants' generosity of spirit in sharing practice and ideas.

Summit - We held a private summit on 21 May 2024, attended by over 65 stakeholders including local authority heads of collections and revenues, and government policymakers.

The online summit explored how public sector debt collection could better meet the needs of both taxpayers and government, in response to the cost of living crisis. We shared preliminary findings from our research, heard a lived experience testimony and discussed the opportunities and challenges in improving public sector debt collection practices in small groups. These conversations informed the development of our policy recommendations.

A.7 Modelling changes to Mental Health Crisis Breathing Space

To determine our indicative costs for adjustments to the Mental Health Crisis Breathing Space, we conducted a simple modelling exercise. Using the latest available data from the Insolvency Service on the number of registrations for Mental Health Crisis Breathing Space, previous Money and Mental Health figures on the average time someone spends in crisis, and the daily cost of an average council tax bill, we were able to calculate an indicative cost.

Number of people a year who use breathing space	1,393
Average number of days someone spends in crisis plus the extra time they can spend in recovery under MHCBS 92 days in crisis + 30 days recovery	122
Average daily cost of council tax Average council tax bill of £1668 annually	£4.57
Estimated total cost of expansion of MHCBS	**£776,629**

This figure is likely to be an overestimate of the cost of the scheme, as we have not accounted for the following scenarios:

- Insolvency Service statistics do not provide detail on the nature of each registration's crisis. Some may receive community care, some may be hospitalised. However, these two groups receive different council tax treatment. Those hospitalised while in crisis are not liable for council tax, while those receiving community care are still liable. Therefore, the number of registrations used above is not an accurate representation of the number of people who would benefit under our adjusted scheme, and the actual additional cost will be much lower.
- For those hospitalised who share their home with another eligible adult (e.g. a partner or flatmate), who remains at home during their hospitalisation, that partner or flatmate remains liable for 75% of their council tax bill. We'd expect this to continue even under the expanded regime for those receiving community care, so it's likely that a number of households would continue to contribute significantly to council tax bills, meaning the actual additional cost would be lower still.

A.8 Analysis of local authorities collection practices

Using the same Mid Year Estimates as the previous Stop the Knock data analysis, the 100 largest council tax collecting local authorities were identified. Research was conducted before the release of updated Stop the Knock figures, so our population estimates relate to 2019 population levels.

Using this list, we searched through local authority websites, debt collection policies and other publicly available information on collections activities. We recorded any information found within public information on the following topics:

- How much time someone in arrears was allowed after a missed payment before they were asked to pay the remaining balance of that year's council tax bill.
- How much time after receiving a request for the remaining balance of the year's council tax bill until the council issued a summons for a liability order.
- The cost of issuing a liability order summons that would be added to the outstanding bill of the person in arrears.
- The cost of the liability order that would be added to the outstanding bill of the person in arrears.

A total cost for the liability order was calculated using available information on either stage of the process.

Of those local authorities, 14 had no publicly available information at all on their debt collection practices. Just 23 provided all the information we were searching for.

Our findings were as follows

Full CT Payment (days)	Issues Liability Orders? (days)	Cost of Summons	Cost of Court Order	Total Cost
Number of LAs providing information	Number of LAs providing information	Number of LAs providing information	Number of LAs providing information	Number of LAs providing information
71	58	55	37	60
Count 7 days	Count 7 days	Average	Average	Average
62	52	£80.00	£28.00	£94.00
87%	90%			
Count >7 days	Count >7 days	Minimum	Minimum	Minimum
9	6	£25.50	£5.00	£31.00
13%	10%			
Maximum	Maximum	Maximum	Maximum	Maximum
14	14	£128.50	£85.00	£152.50