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Planning

## Debt Collection

London Borough of Hounslow

UK2: Preliminary market engagement notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-043739

Procurement identifier (OCID): ocids-h6vhtk-0567c3

Published 29 July 2025, 10:35am

## Scope

## Description

LBH is seeking to commission Sundry Debt Collection Services, including the collection of sundry debt, leasehold debt, major works debt, housing benefits overpayments, former tenant arrears (FTA) and Adult Social Care debt.

Vision:

To maximise income to the council through a proactive, seamless and efficient Sundry Debt Collection service that operates with clarity, control, and flexibility. We will maintain a commitment to timely billing arrangements, transparency, data-driven decisions, alignment with court protocols and the consistent application of the relevant debt policies in the delivery of the service. Service data will be of a good quality and used to build a single view of debt.?

The service will have measures in place to encourage the right behaviour from our debtors. We will have an effective recovery process in place which will provide debtors with a clear understanding of the consequences of non-payment, as well as ensuring that effective support is provided to people in debt, such as providing or signposting them to debt advice. ?

Departments will be able to navigate the processes in place easily, enabling them to respond to queries about charges or to confirm payment status and provide or withhold the service if applicable, however we will promote self-service options to reduce the need for queries.

#### Current performance

30,630 sundry debtor invoices were raised in 2024/25, with a total value of £85m

Currently collecting 97.8% of sundry debt within 60 days of the due date and their

The overall sundry debt, at the end of March 2025, is £9.17m

The overall Adult Social Care debt, at the end of March 2025, was £8.37m, 82.5%

Approximately 30% of Adult Social Care contributions are paid via Direct Debit. Approximately 10% of payments by clients who are not 'Appointee and Deputyship' clients are paid by Direct Debit whereas most 'Appointee and Deputyship' clients pay via Direct Debit

The overall leasehold and major works debt at the end of March 2025 was £5.34m, compared to £5.02m last year - £2.30m of the £5.34m debt related to major works

£6.06m of leasehold and major works debt was collected in 2024/25 compared to £6.53m collected the year before, collection in 2024/25 is 7.2% lower than collection in 2023/24

Issues with the NEC system resulted in no FTA collection activity in 2024/25 being undertaken prior to January 2025. In January, February and March 2025 £107.8k has been collected.

1,293 new debtor requests and 424 requests to change the address or name of a debtor were received in 2024/25

On average all sundry debtor invoices raised via Business World On are dispatched in under a day, meeting the 3 days SLA

#### Current contract cost

Annual core contract cost: £570k

#### Objectives

Lower contract cost by min 10%

Modernise the systems being used, introduce more automation and explore the use of AI and robotics

Develop better reporting and a better understanding of the data that should be requested for monitoring to improve the performance management of debt collection in all areas

### **Total value (estimated)**

- £3,420,000 including VAT

Above the relevant threshold

### **Contract dates (estimated)**

- 1 October 2027 to 30 September 2032
- 5 years

### **Main procurement category**

Services

### **CPV classifications**

- 75110000 - General public services
- 79940000 - Collection agency services

### **Contract locations**

- UKI75 - Hounslow and Richmond upon Thames
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## **Engagement**

### **Engagement deadline**

5 September 2025

### **Engagement process description**

The Council intends to hold a series of online interviews with interested providers during August/September 2025.

It should be noted that this engagement is not a formal tendering process.

The information we gain through our market engagement will help to inform our commissioning intentions and refine our specification for this service.

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## **Contracting authority**

### **London Borough of Hounslow**

- Public Procurement Organisation Number: PQYY-1684-DYLV

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Region: UKI75 - Hounslow and Richmond upon Thames

Organisation type: Public authority - sub-central government