

TUESDAY, 21 JANUARY 2020

REPORT OF THE ASSISTANT DIRECTOR PARTNERSHIPS

DEBT MANAGEMENT AND SUPPORT

EXEMPT INFORMATION

None

PURPOSE

To update the Health and Wellbeing Scrutiny Committee on the corporate approach to managing and supporting residents with problem debt

RECOMMENDATIONS

It is recommended that:

1. Members support the ongoing actions of the Council and Community Safety Partners in supporting residents with problem debt and wider vulnerability

EXECUTIVE SUMMARY

Benefits Team

The Benefits team aim to process new claims and change of circumstances promptly to reduce any possible anxiety to the claimant and delay. Currently new claims are assessed on average within 15 days and change in circumstances in an average of 6 days. Additionally once a new claim has been decided, an urgent Housing Benefit (HB) payment is issued within 7days to prevent undue financial hardship.

Financial Inclusion is an area that is currently being considered as part of a Corporate Approach to debt management and this is something in which the Benefits Team will be able to provide help to vulnerable persons due to our previous experience carrying out Personal Budgeting Support and Assisted Digital Support for Universal Credit (UC) claimants.

With referrals from the Tamworth Job Centre, Council Tax, Housing and claimants themselves, this proved very successful which saw customers receiving help within an average of 7 days. However DWP withdrew funding for this from April 2019 for all Local Authorities and Citizens Advice has been commissioned to provide a service 'Help to Claim' which includes support from application through to first payment only.

Discretionary Housing Payments are also used to assist most vulnerable. The Benefit Team administer this funding to help those claimants in receipt of HB or UC who need additional financial help towards their rent. This is used to help those struggling to pay their rent due to limitations on their HB or UC such as the Benefit Cap, Under Occupancy charge, restrictions due to Local Housing Allowance (LHA) etc. From these applications any families that are dealing with debt are also referred to the CAB's 'Families in Debt' referral service where they meet the criteria for additional financial assistance or advice.

Recovery of overpaid housing benefit is dealt with sensitively and to each person's individual circumstances as we recognise that customers who may have serious debts owing to other creditors are likely to be under stress. Our Overpayments Policy also states that we will give special consideration to establish the appropriate avenues of recovery and if it is felt that further action would not be appropriate the debt can be written off.

Housing

As part of the Councils response to welfare reform, in particular UC, a corporate project group has been re-set to collaborate, understand and take actions to mitigate the impact. This group is due to refresh its scope and objectives and will assess the business risks – using intelligence and data to promote agile and flexible solutions. The corporate project group includes staff and partners from across the organisation. There remains organisational commitment to:

- Delivering quality services through enhanced digitisation and customer access to DWP and UC as well as wider welfare benefits;
- Developing neighbourhood resilience through tackling illegal and high cost lending and fuel poverty;
- Supporting economic and job prospects through tackling worklessness;
- Preventing homelessness through early help aimed at avoiding eviction across all tenures;
- Supporting the development of a Corporate Debt Strategy.

Key principles of robust income collection include:

- Independent assessment by Rent Income Excellence Network (part of HQN a national benchmarking group for landlord rent collection) endorsing the approach to prevention, education and enforcement around income collection;
- Introduction of Rent Income Analytics tool within orchard to prioritise non-payment and highlight bad debtors;
- Investment in third and voluntary sector of up to £30k. Including the Tamworth Advice Centre for debt advise and income maximisation support and Brighter futures to support tenants with complex and mental health needs;
- Close working with the DWP (as a trusted partner accessing portal) and job centre to collaborate on information sharing – ongoing work with regional lead;
- Supporting 'rent first' campaigns and educational material via a range of tenant groups;
- Officers closely monitoring rent collection levels as well as comparing historic patterns and trends to assess unusual spikes in debt. Whilst arrears are higher, the payment pattern is in fact following the same trend as in previous years.

Council Tax Teams

In terms of Council Tax collection Tamworth is an area with high deprivation which affects the people of Tamworth to a much greater degree when compared to the Berkshire (the case study outlined in the Reducing Death by Suicide By Supporting Those with Problem Debt paper).

Four out of the six Berkshire Authorities have significantly lower deprivation levels than Tamworth. Our collection performance is significantly higher than the two Authorities that are comparable in terms of deprivation levels by approx. 1.5%.

Our current year Council Tax collection is excellent considering the current economic climate. It currently stands at 98% in year collection.

Gross arrears information is attached as Appendix 1 for information - arrears are actively reviewed and the position as per the graph has remained relatively steady over the last 5 years at around £1.7million.

However following implementation of a Local Council Tax Reduction scheme in 2013 (with a reduced pot of money), people who were never charged before are due to contribute towards their council tax bills (i.e. 25% liability for those of a working age).

Tamworth has not signed up to, but complies with most of the principles outlined in the Council Tax Arrears Good Practice Protocol.

Our current income and expenditure forms are broadly similar regarding LCTR & housing benefit discretionary award applications. However our assessment of income and expenditure is more robust.

We have guidelines which our staff will use and also that which our Enforcement Agents will adhere to if we deem a resident to be vulnerable.

Vulnerability can be difficult to define. Many people contact us and claim to be vulnerable quite simply because they owe us a debt.

To exempt Council Tax Support recipients from bailiff action altogether would reduce collection levels for ourselves and our preceptors.

The Council Tax team will always look at someone's circumstances sympathetically. If they engage with us we can try to come to a suitable arrangement where recovery does not progress.

Activity Undertaken

We work with our customers as much as we can to help where there are exceptional circumstances, for example:

- extended arrangements,
- entitlement to Local Council Tax Reduction,
- Discretionary Housing Payments and Discretionary relief,
- other discounts,
- referral for debt advice to both local and other organisations etc.

We also work with Brighter Futures in respect of people with complex needs and mental health issues and also Safeguarding where appropriate.

We try as much as we can to engage with our customers and get them to contact us so we can help them within reasonable limits.

At Tamworth we have put additional steps in the process of the recovery of unpaid debt. Whilst we are no longer required to issue a 14 day letter to the debtor prior to passing the case to the Enforcement Agents we continue to do this. Therefore ensuring there is additional communication. This gives a further opportunity for the debt to be paid, the debtor to communicate with us or suitable arrangements to be made.

We adopt income and expenditure statements which we use at recovery stage when engaging with our customers and officers are well trained in assessing affordability. We also send reminders when enforcement arrangements are not paid instead of cases being sent automatically to the Enforcement Agents.

We do consider our actions before a case is sent to the Enforcement Agent, however we have a statutory duty to collect the debt in the most economic and effective manner.

We work with charge payers as far as we are able to assist them in paying their debts and have an active working relationship with the CAB and other long standing organisations within the Borough e.g. Bromford Housing Group, Christians Against Poverty, Tamcan. Providing we have authorisation from the taxpayer we are happy to deal with any representative they should choose to use.

As a result of discussions with Rossendales details are below as to how these cases are dealt with.

“From case receipt to case return, our back office, call centre and EA teams are trained to assess and identify vulnerability utilising the TEXAS and IDEA models. Staff are also trained in handling suicidal disclosures and incorporate the BLAKE model in their handling of such cases. Training has been developed in partnership with the Money Advice Trust and Royal College of Psychiatrists, while our specialist Welfare Support Unit (WSU) is also Samaritan trained and support, signpost and sensitively case manage all customers. Rossendales’ managing director is the IRRV’s subject lead on vulnerability and training in suicidal disclosures and we deliver training to councils nationwide on the most appropriate methods to identify and respond to suicidal disclosures and other vulnerable conditions as part of our safeguarding responsibilities and duty of care”.

Equita our other Enforcement Agents offer a similar service as well.

Partnerships

A specialist financial wellbeing debt and general advice centre – Tamworth Advice Centre – was commissioned in 2017 by the Council to offer specialist and general advice to residents at Marmion House in conjunction with Homelessness teams, Benefits, Council Tax and Partnerships.

The aims of the service are:

- The delivery of an inclusive Financial Well-being, Debt and General Advice Service that is accessible to all through flexible methods of service delivery to accommodate individual client needs.
- An improvement in the health and wellbeing of local people through effective and relevant advice with more clients accessing the service at an earlier stage.
- Maximising joint working with partner agencies to enable a more seamless debt, benefit and generalist advice service to Tamworth residents.
- An increase in the sustainability of all housing tenures in the borough of Tamworth.
- The prevention of homelessness in the borough of Tamworth.
- A reduction in tenancy failure for tenants of the Council due to rent arrears.
- To reduce demand on Tamworth Borough Council Services

The contract was novated to Citizens Advice Mid Mercia in February 2019 and extended until April 2021, during which time the contract services will be reviewed for re-tender.

The service receives targeted referrals from

- Tamworth Borough Council – Appropriate Housing Payments Applicants
- Tamworth Borough Council – Council tax and Benefits Teams
- Tamworth Borough Council Homelessness – Budgeting, hardship funding and general debt advice

The commissioning is joint budget of £90,000 per annum

Families in debt is a priority for Staffordshire County Council who have funded £15,000 per year (until September 2020) through the Building Resilient Families Earned Autonomy programme to specifically assist families with debt management problems and the service receives direct referrals from:

- Malachi Family Support Service (Staffs CC)
- Building Resilient Families (Families Intervention Project (FIP)) team (Staffs CC)

Mr David Symcox from Citizens Advice Mid Mercia will update members on the service provided.

Quarter 2 2019-20 report is listed as Appendix 2 and referrals as Appendix 3

Samaritans

Tamworth Samaritans have been awarded an annual grant of £5,000 per year until April 2021 to contribute to core costs to sustain a Tamworth Branch which can then support local outreach activity to the people of Tamworth.

By continuing to have a local branch they are able to provide outreach work raising awareness of their services amongst the residents of Tamworth. They have been very active in the creation of the Tamworth Escalation Project and the need specifically for greater support, resources for the Town and alterations to be made to Tamworth Railway Station. Tamworth Railway Station has been officially listed as a 'hot spot' suicide risk and supporting the Staffordshire County Council Suicide Prevention Strategy, with the help and support from the Arts and Events Team project have been undertaken to involve local groups and change the nature and atmosphere with beneficial effects in people's wellbeing.

The grant has enables The Samaritans to sustain a Tamworth Branch which can then support local outreach activity and develop the local outreach programme by:

- Targeting publicity and awareness raising in TBC's priority wards
- Taking part in 'Safer Nights' events
- Holding a 'pop up' in St Editha's Square the 1st Monday of every month
- Being part of Network Rail National Campaign for Tamworth Railway Station and Network Rails Awareness Day.

Vulnerability concerns and the causal factors remain a priority for the Community Safety Partnership and all agencies also continue to be able to refer any person of concern that they feel would benefit from wider multi agency intervention to the weekly partnership meeting for and action planning.

Where possible the Partnership plans will focus on prevention and early intervention.

RESOURCE IMPLICATIONS

Cost of £90,000 per annum can be met from within existing TBC budgets as follows:
GS0406 35167 - Housing Solutions
HR2103 30409 – Tenancy
GS1002 57025 – Partnerships

LEGAL/RISK IMPLICATIONS BACKGROUND

None

EQUALITIES IMPLICATIONS

All actions are taken in accordance with the Council's policies for safeguarding and equality

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

Further to a recent paper Reducing death by suicide by supporting those with problem debt by Ann Dally & Richard Tredgett published in June 2019, the Scrutiny Committee requested an update on the approach of Tamworth Borough Council to support residents with problem debt around Council Tax , benefit payments and rent arrears.

This report seeks to outline actions being taken and has updates from Council Tax, Benefits, Neighbourhoods and Partnerships teams working together to support residents to reduce risk factors around problem debt and suicide.

REPORT AUTHOR

Jo Sands, Assistant Director Partnerships

LIST OF BACKGROUND PAPERS

Reducing death by suicide by supporting those with problem debt by Ann Dally & Richard Tredgett published in June 2019

APPENDICES

Appendix 1 – Council Tax Arrears
Appendix 2 – CAMS TAC Q2report
Appendix 3 – TAC Q2 referrals

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