



SCRUTINY COMMITTEE

16:30 to 18:55

22 March 2018

Present: Councillors Wright (chair), Brociek-Coulton (vice chair) Bogelein, Bradford, Bremner, Coleshill, Grahame, Haynes, Jones (B), Manning, Peek (substitute for Malik) Ryan and Thomas (Va)

Apologies: Councillor Malik

1. Declarations of interest

There were no declarations of interest.

2. Minutes

RESOLVED to approve the accuracy of the minutes of the meeting held on 22 February 2018.

3. Norwich City Council debt collection policy

The director of business services introduced the report. He said that the council had a legal obligation to collect debts owed and a duty to do so in a timely manner. If a customer was unable to make payments on a debt, officers would talk to the customer to try and come to an agreeable resolution. This could be through benefits or debt management advice.

The first step would be to notify the customer of the debt either by telephone, letter or a home visit which was an initial opportunity to engage with the council, discuss the issue and implement any support needed. If the initial notification was ignored, further engagement would take place which would identify any action that may be taken against the customer if they did not contact the council and legal action may begin. The final action taken would depend on the debt but could include eviction, prison or a winding up order for a business. These were not the preferred outcomes as the council would aim to work through support at a much earlier stage.

If a debt was deemed irrecoverable, it could be written off; however, if this changed, the debt could be written back on.

In response to a member's question, the Anglia Revenues Partnership strategic manager explained the role of the enforcement agents. She said that if no payment had been made against a debt and the reminder stage had been completed, an

application was made for a liability order which allowed the use of enforcement agents and attachments to income or benefits. Once a case was sent to an enforcement agent, a further three letters, emails or calls were made over a minimum of thirty days. The enforcement agents would then visit the debtor and had the power to remove goods but this did not happen often. The enforcement agents had to be certified by the court following a comprehensive training programme. It was important to ensure that the right people were recruited for these roles. In response to a supplementary question, the director of business services confirmed that debts were not sold to other companies.

A member questioned the reason for the increase in evictions on page 15, paragraph 29 of the report. The tenancy services and income manager said that each case was looked at individually which led to fluctuation in the numbers of cases each year. Budgetary and debt advice was offered to those affected and if the customer had engaged with the council during the process, officers would try to offer housing advice through the home options team. Issues around vulnerability would be taken into account with regards to housing advice which meant that in some circumstances, the customer was placed in housing again with the council.

In response to a member's question regarding repeated parking tickets on vehicles, the director of business services said that the council had no authority to clamp or remove vehicles but the council did have a duty to remove abandoned vehicles. He agreed to find out further information around the council's powers to seize vehicles and circulate this to the committee.

Members discussed the impact of Universal Credit on the debt collection process. The tenancy services and income manager said that there were four teams in the housing income section and one of these was dealing solely with Universal Credit. The strategy manager said that the Financial Inclusion Consortium was able to deal with such issues in relation to Universal Credit. The 'Better Off Norwich' platform included an online journal to complete so that Universal Credit claimants could get used to using the online journal element of the process.

In response to a member's question, the director of business services said that the need for co-ordination between council departments when collecting debts had been identified. Currently this was a manual process but solutions to this were being investigated.

The director of communications and culture said that the council was aware that some letters sent by the council could be difficult for customers to understand and this was a priority area of work for the communications team. There would need to be a balance between letters meeting legal obligations but still being understandable. The financial inclusion manager said that with large document packs, a summary covering letter was being included so that the customer understood the different documents being sent.

A member questioned whether the council asked for information from customers regarding any vulnerabilities they may have. The director of business services said that customers would offer information, councillors would bring information to the council and these were often also picked up by staff during interactions with the customer. Diversity monitoring also took place to identify these issues.

In response to a member's question, the financial inclusion manager said that the council was working with the Department of Work and Pensions to address the problem of those claiming Universal Credit needing a bank account to do so. The next area of work around this would be the management of the account once it was set up so basic training on this was being considered in conjunction with banks.

The director of business services confirmed that council tax liabilities did not affect a person's credit rating and details of housing arrears were not passed to credit reference agencies.

RESOLVED to ask cabinet to:

- (1) Explore how to make council debt-related letters more accessible by:
 - a) developing easy read letters, potentially in conjunction with a service-user led organisation (such as Opening Doors) to offer staff training
 - b) testing the reading age of our letters
 - c) extending the use of a summary or key facts covering letter
 - d) learning from 'nudge' techniques
- (2) Appoint a member of the communications team to lead on improving our correspondence and to report progress to scrutiny committee in six months
- (3) Ensure that comprehensive information about the full range of an individual's debts to the council is available to all council staff and can be reflected in any correspondence, no matter which debt the customer has initial contact with the council regarding
- (4) Consider increasing the PCN fine and reducing the discount amount with consideration to current legislation
- (5) Develop initial screening to ensure all information about a customer is available and proactively identify any vulnerability or existing debts

4. Scrutiny committee annual review

RESOLVED to recommend the annual scrutiny review for approval at the next available meeting of full council.

CHAIR

