



## **Scrutiny Committee**

**16:30 to 18:35**

**17 November 2022**

Present: Councillors Wright (chair), Brociek-Coulton (vice chair), Carlo, Champion (substitute for Osborn), Driver, Fulton-McAlister (M), Haynes (substitute for Galvin), Padda, Stutely, Thomas (Va), Thomas (Vi) and Young

Apologies: Councillors Galvin, Huntley and Osborn

(Also present Councillor Waters, leader of the council and Councillor Harris, deputy leader of the council and cabinet member for social housing).

### **1. Declarations of interest**

Councillor Thomas (Va) declared an other interest in relation to item 5 (below) in that he was employed by Norfolk Community Law Service.

### **2. Update from the NHOSC representative**

The chair referred to the update of the NHOSC meeting held on 8 November 2022 which had been circulated to members and asked if this could be included in the next agenda.

#### **RESOLVED to:**

- 1) note the update of the NHOSC meeting held on 8 September 2022; and
- 2) to ask the committee officer to include the update from the NHOSC meeting held on 8 November in the agenda for the next meeting of the scrutiny committee.

### **3. Resignation of the council's representative and substitute on NCCSPSSP**

The chair noted that this item had been amended in that it was only the current substitute for the committee Councillor Stutely who was resigning and sought nominations for the position.

**RESOLVED** to appoint Councillor Fulton-McAlister (M) as the council's substitute representative for the Norfolk Countywide Community Safety Partnership Scrutiny Sub Panel.

#### **4. Resignation of the substitute NHOSC representative**

The chair noted that Councillor Stutely was resigning and sought nominations for the position.

**RESOLVED** to appoint Councillor Fulton-McAlister (M) as the council's substitute representative for the Norfolk Health and Overview and Scrutiny Committee.

#### **5. Update on debt advice and support services**

(This item was taken first)

Councillor Waters, the leader of the council introduced the item. He noted that the focus of the report was on the actions the council took to prevent and alleviate debts for households. The report highlighted the circumstances of individuals in debt and the increasing complexity of the debt landscape. The report detailed how the council, working in conjunction with partner agencies, was responding to the situation.

Members received a presentation on debt and support services from the head of strategy, engagement and culture (appended to these minutes).

(Councillor Fulton-McAlister (M) joined the meeting at this point).

The head of revenues and benefits emphasised the importance of joint working across teams within the council. She noted that more people were falling into debt due to the increase in the cost of living. She had observed a change whereby individuals were increasingly open and honest and shared their difficulties such as mental health issues which meant they could be referred for appropriate support. She referred to the council's non-commercial debt policy and how it operated in practice. Complex case strategy meetings were called where internal council teams and external partners working with a household met to discuss how to progress a case. Ownership of actions were agreed and this prevented duplicate working and provided a more integrated approach for households.

The head of revenues and benefits provided two case studies. First, a case where an individual owed £6,000 in Council Tax arrears and £7,000 in rent arrears. A complex case strategy meeting was held with colleagues from council tax and housing and an interpreter. Housing were assisting the individual with gaining settled status. The customer's first language wasn't English which helped to explain why there had been a lack of contact with services. A council tax reduction form was completed and applied for with the individual referred to the council's money advice team for further support. An attachment to earning in relation to the debt could be secured if needed in future.

The second case study detailed a case whereby a person had fallen into debt due to an overpayment of £7,000 council tax reduction and £20,000 housing benefit. The individual had not declared their income which was over the capital threshold for these benefits. The service maintained regular contact with the individual and advised once his capital was below £16,000 he could reclaim benefits.

The head of revenues and benefits highlighted that the council worked closely with the Financial Inclusion Consortium (FIC). The FIC incorporated a number of social welfare agencies which provided advice on debt and other issues. This work had increased the understanding of council officers on the impact of debt on individuals especially the elderly and children. The council worked closely with the Department for Work and Pensions to share issues and ideas. She noted that the benefits and revenues department had provided support to many businesses as well as individuals.

She referred to the introduction of legislation which allowed those in debt to apply for a breathing space period of 60 days when no action to recover debt was taken. This had been successful but was sometimes not long enough for individuals to get the appropriate advice and support they needed. She highlighted that the revenues and benefits service were looking to go out to community settings such as foodbanks and cafes in the new year to conduct surgeries to offer support, maximise income and signpost to services.

She noted that during the Covid-19 pandemic the courts were closed and an extra 'soft' reminder had been introduced to the council's debt recovery process which gave longer for households to pay.

She highlighted that her team had been responsible for making energy rebate payments to customers and that the outcome of the detail of the autumn budget might include payments to those not on traditional forms of energy.

Internally a debt panel had been introduced which heads of service attended to share good practice and it was hoped that the commercial debt policy would be introduced in the New Year. The council were signed up to the Citizens Advice Protocol and were working to look at the layout and fonts of letters. They were seeking to amend bills so it was clearly shown what stage of debt process an individual was at and what would happen if no payment was made.

Finally, the department were looking to develop systems to enable residents to go online and make their own payment arrangements, this would be a useful mechanism for those who did not want to contact the council directly.

The interim tenancy services and income manager addressed committee, he advised he had two key roles, to ensure people were living in council stock well and were able to manage their tenancy and secondly maintaining rent income collection. He was mindful with housing debt of the circumstances of the individual and he noted that many were new to debt as a result of the current economic situation.

It was important to consider the council's approach to the individual but more widely, to contact as many people as possible, considerately and respectfully offering advice. He was keen to introduce new ways of engaging with people via technology, in that those who were able to could self-serve. He referred to the council's specialist team of budgeting and money advisors, budgeting advisors provided advice on how to manage income, reducing outgoings and how to prioritise debts. Money advisors could provide information on how to increase income through grants or benefit applications.

These teams had seen an increase of 20% in referrals this year and had increased the average weekly income of residents by £24 whilst decreasing their expenditure by £11 per week. In terms of the impact on individuals with rent arrears approximately £400 reduction per case had been achieved. This protected against the risk of potential eviction and reduced overall debt.

The income and rents manager referred to the impact of Covid-19 upon income collection rates, legislation to pause evictions due to rent arrears came into place. Income officers temporary became support workers, they quickly learned the detail of new support funds in place, kept up to date with the changing benefit situation and created a digital library resource. This resulted in the provision of useful advice to tenants. Many customers contacted in this period that were new to debt, they had been furloughed and had limited or no income.

The learning meant that when income officers returned to rent collection work they took the new skills with them and worked in a more holistic way. The team worked closely with other teams, holding complex case strategy meetings. The lessons learnt during Covid-19 would be helpful with the current cost of living crisis. There was a balance to achieve between helping customers and collecting rent.

The service had worked with the Department of Works and Pensions to create partnership support provision sessions similar to the idea of a jobs fair. This had proved a useful learning exercise for all partners on what is available and where customers could be signposted to. One question being looked at was more empowerment for customers to self serve using appropriate technology.

The income team were seeking to speak to more people and caseloads had doubled in the last year. A large part of this increase was from those new to debt and this cohort were keen to self serve but were unsure where to go. Income officers were having quicker conversations with these customers agreeing repayment plans which were then reviewed after three months.

She referred to two case studies, the first where an income officer was working with a tenant who had recently changed over to Universal Credit and was struggling to budget. The income officer helped them to access a Discretionary Housing Payment (DHP) and provided education about budgeting. Working with the income officer the customer reduced their rent arrears from £1,800 to £295. The tenant was confident that their budget was now under control and that they could manage going forward.

The team had adopted an early intervention approach, contacting those in debts earlier. The second case study detailed how a customer in £300 rent arrears was contacted by an income officer. It transpired during the conversation that the tenant was paying water rates directly to the council and to Anglia Water as well. This resulted in a £1,500 refund to the customer.

The chair shared members desire to thank the senior financial inclusion officer for the report and her work in the field.

In response to a member question the income and rents manager said she was working closely with the new DWP partnership manager and could raise the issue of

the 60 day breathing space not providing enough time for customers to engage with support.

In response to a member question the head of revenues and benefits confirmed that the non commercial debt policy was followed and there were a number of stages which had to occur before enforcement agents were used and other options could be considered such as attachments to earning or benefits. She emphasised that the number of cases passed to enforcement agents was minimal. However, it might be the first time a household engaged in any form of contact regarding their debt. If the enforcement agent discovered a household had a particular vulnerability the case was referred back to the council.

In response to a member question in relation to who got benefits in a particular household, the head of revenues and benefits confirmed it was the claimant. She referred to fraud cases where it transpired a claimant was funding their alcohol dependency and not paying bills. The head of strategy, engagement and culture noted that teams across the council spoke regularly, to share knowledge and issues were identified earlier.

In response to a member question the head of revenues and benefits noted that customers were not always willing to engage in face to face appointments but if possible they often proved more beneficial. In terms of people moving from debt advice to recovery it could be because of how a person viewed their debts and which debts they were prioritising. Council teams and partners more widely had adopted a no wrong door approach to strengthen the council's early intervention work and engage with debtors sooner. If debts were allowed to increase this was not ultimately helpful and there had to be equitable treatment of those who paid.

The chair noted that the energy rebate scheme was a challenge given to local authorities by central government. He was concerned about information he had received indicating that non direct debit Council Taxpayers had not been able to access these rebates. The head of revenues and benefits advised that if the council did not hold the bank details for the council tax holder the resident had to apply directly for the rebate.

The council had undertaken social media campaigns encouraging customers to apply but it was noted that some people were concerned about sharing their bank details. As the scheme was closing for those council tax account holders the team could not contact the rebate was placed on their council tax account. If a person was receiving full council tax support they could ask for a refund.

In response to a member question on the root causes of debt, the interim tenancy services and income manager noted there was a lag of impact on household finances from Covid-19, tied in with the removal of £20 uplift in benefits which had been paid out during the pandemic. The head of revenues and benefits suggested the Financial Inclusion Consortium had greater insight on why households fell into debt and anecdotally she suggested that those who were just about managing had been pushed into debt due to the increase in the cost of living.

Councillor Waters referred to the work of the resolution foundation and the assessment that if benefits had been maintained at 2010 levels then 2m less people would have been pushed into poverty or become highly vulnerable.

The income and rents manager advised that the team had begun to collect data in June on the reasons people were not paying their rent and the two biggest reasons given were higher electric bills and inappropriate budget. The latter was a term used when it was considered that there was an incorrect prioritisation of household income such as funding a car that was not needed to access work or education. Part of this work also revealed that whilst lump sums paid off debt for example from DHP were beneficial in reducing headline debt it did not change behaviour. A process of working with an advisor to create and maintain a budget often had better long-term impacts because the householder was educated on how to manage their finances.

In response to a member question the interim tenancy services and income manager noted there had been a 20% increase in debt cases. In order to be able to advise larger numbers of households self-serve options were being considered.

In response to a member question the income and rents manager said the income team's knowledge and skills were growing because of joint working through complex case strategy meetings. Coordinating work across teams in the council prevented more cases of evictions. The head of revenues and benefits emphasised the cross team working which was taking place. At a wider level the head of strategy, engagement and culture referred to work with the FIC sharing information which had resulted in improved processes.

In relation to a question on flags which were used on customers records to indicate a vulnerability the head of strategy, engagement and culture advised that flags were attached to the individual and not the debt to enable conversations across council teams.

In response to a member question the income and rents manager advised communication styles were varied as standard with customers, at the sign up for the tenancy a householder would be asked their preferred means of communication. She noted that the council were looking at smarter ways of communicating by example sending out bulk texts to phones. There was a caveat in that certain legal processes called for letters to be used but if the service were aware a customer struggled to read then attempts to hand deliver the letter would be made.

The head of revenues and benefits emphasised that her service area was constrained by legalisation, reminders had a specified letter format. However, as she had earlier alluded work to look at the accessibility of the letters was being explored.

In response to a member question the head of revenues and benefits suggested a 120 day breathing space period would be advantageous but it depended still on the ability of households to be access advice and the numbers that were in need.

In response to a member question the income and rents manager advised that since June 2022 income officers had been trialling a new way of working, this had resulted

in an increase to income recovery, more customers being spoken to and referrals to support services increasing.

In response to a member question the head of revenues and benefits emphasised that the team were looking to improve the accessibility of the letters it sent out. The head of strategy, engagement and culture noted that the council had a digital inclusion strategy and the use of digital technology could provide an innovative part of the solution.

**RESOLVED** to postpone considering recommendations in relation to an update on debt advice and support services to the next meeting of scrutiny committee.

#### **6. Scrutiny Committee work programme 2022-23**

**RESOLVED** to postpone consideration of the work programme to the next meeting of scrutiny committee.

CHAIR