

Report of:	<i>James Bromiley - Strategic Director of Finance Governance and Support Councillor Chris Hobson - Executive Member for Finance and Governance.</i>
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Submitted to:	<i>Executive - 16 June 2020</i>
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Subject:	<i>Stop the Knock</i>
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Summary

Proposed decision(s)
<p><i>That Executive approve the following:</i></p> <ul style="list-style-type: none"> <i>a) Sign up to the Money Advice Trust – Stop the Knock Initiative and sign the Council Tax Protocol</i> <i>b) The introduction of collectable debt vulnerability policy (Appendix A),</i> <p><i>That Executive note the following:-</i></p> <ul style="list-style-type: none"> <i>c) The additional steps introduced under each commitment and the links to other initiatives such as routes to work and Middlesbrough Council’s 50 Futures programme.</i>

Report for:	Key decision:	Confidential:	Is the report urgent?¹
<i>Approval</i>	<i>No</i>	<i>No</i>	<i>No</i>

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
<i>Protecting and supporting individuals where payment is a problem, in particular those customers in receipt of Council Tax Reduction and those who may be regarded as vulnerable.</i>	<i>NA</i>	<i>Working more closely with individuals and groups. Supporting residents in meeting their council tax obligations and to improve the financial performance of the service and the Council as a whole.</i>

Ward(s) affected

What is the purpose of this report?

1. To provide Executive with an overview of the fulfilled commitments that will make Middlesbrough Council a UK leader of a completely revolutionised approach to Council Tax collections.
2. The new policy will see the use of bailiffs to collect unpaid bills brought to an end for those in receipt of Council Tax support and significantly reduced generally.
3. Provide for the Council to sign up to the Money Advice Trust's innovative 'Stop the Knock' initiative, noting approval of the policy to help the most vulnerable.
 - The solution is designed as a 'helping hand' to support customers who are experiencing difficulties in meeting payment obligations and in receipt of Council Tax Reduction and/or may be considered vulnerable.
 - The report will also provide details of the additional support and assistance available to Middlesbrough residents.
 - Whilst addressing how the proposed changes in process will help those residents who take positive steps to access initiatives/opportunities or self-help.
4. The principles of Stop the Knock have been designed to extend beyond Revenues and Benefits Services and equally apply to other Council Services where applicable.

Why does this report require a Member decision?

5. The decision to sign up to the Money Advice Trust Stop the Knock initiative is of strategic importance and therefore a decision to be considered by Executive.

Report Background

6. Stop the Knock is a commitment which forms part of the Councils social regeneration plans. . The objective behind 'Stop the Knock' is to reduce the number of cases sent to the bailiff by improving debt collection practices. This report is intended to outline the significant changes made within the Service in support of this requirement.
7. The Council has a statutory duty to collect Council Tax and does so in accordance with the Local Government Finance Act 1992 and the Tribunals, Courts and Enforcement Act 2007.
8. Within the Council Tax collection process, the Council routinely sends accounts to external enforcement agents as a means to secure payment. Following a review of the current process, customers who are in receipt of Council Tax Reduction or who are considered vulnerable, who take positive steps to address payment issues, will no longer have their account sent to an external enforcement agent. This became effective from 1 November 2019. These cases are instead, managed by a dedicated team of caseworkers within Revenues Services.
9. Following a number of business process changes, aligned to the commitments linked to 'Stop the Knock' this now provides the Council with the opportunity to commit to and sign up to the Money Advice Trust Stop the Knock initiative.

Stop the Knock

10. Following a thorough and carefully constructed action plan, all the steps necessary to meet the criteria for 'Stop the Knock' have been introduced with the Revenues and Benefits Services.

Commitment	How we meet the criteria.
<p>Make a clear public commitment to reduce the use of bailiffs over time</p>	<p>This message has been clearly communicated by the Chief Executive. Revenue Services have already taken steps to reduce the use of external agents to the extent that those customers in receipt of Council Tax Reduction are no longer selected for external enforcement action. This has also been extended to include customers who are potentially OR are vulnerable where alternative methods are progressed to resolve payment issues provided the resident takes positive steps to engage with the Service.</p>
<p>Review signposting to free debt advice, including phone / online channels</p>	<p>A complete review of all Middlesbrough Councils signposting options has been undertaken. Following this, the Service have introduced a consolidated advice and support web page :-(https://www.middlesbrough.gov.uk/community-support-and-safety/advice-and-support)</p> <p>This solution provides a structured advice and support solution that signposts customers to a number of different organisations. This tool is used by all staff/customers on a daily basis. Revenue Services will also offer referrals to debt advice agencies on a case-by-case basis and now have a CAB officer supporting customers from Middlesbrough House on a surgery basis. Discussions with CAB as part of the Councils Financial Inclusion Group have confirmed their continued support to this programme of activity, noting CAB have already signed the Council Tax Protocol in anticipation of our sign up.</p> <p>Nb: a full and detailed targeted communication plan has been designed; this will run from Mid-June to the end of July 2020. The programme is designed to raise awareness through a number of channels around the support and advice available to Middlesbrough residents under this initiative.</p>
<p>Adopt the Standard Financial Statement (SFS) to objectively assess affordability</p>	<p>The Money Advice Service have confirmed our application (19.9.2019). The service have designed the Standard Financial Statement (Budget Sheet) which is to be used by all Council Services where it is necessary to gather financial information. This form replaces all other financial forms of this nature. The form is also available on Middlesbrough Councils website and issued with all letters, when applicable. Any requests for financial information from Revenue Services are done so using this form.</p> <p>Nb: Where 3rd parties make payment offers, the Council will reserve the right to 'push back' where the offer of payment is considered a low priority given weight to the payment distribution to others.</p>
<p>Put in place a</p>	<p>A formal policy, which Executive are asked to approve (appendix A), and a</p>

<p>formal policy covering residents in vulnerable² circumstances</p>	<p>process flow have been designed to respond to customers who are considered vulnerable. Cases where payment is considered a problem will be allocated to a Case Worker and through a structured point of interaction designed to support customers who are faced with vulnerabilities.</p> <p>Each Caseworker will:</p> <ul style="list-style-type: none"> • Have their own caseload thus creating specific points of contact with the services. • Maintain the same customer base supporting a greater in-depth view of each customer. • Support customers with payment solutions, such as assessing if Council Tax Reduction is available and liaising directly with the Welfare Rights Team in securing other benefits for the customers. • Work closely with Access to Learning, Routes to Work, and 50 Futures, all of which are positive initiatives to help customers back to into work. • Approach/interact with customers promoting a strong ethos around assistance and support.
<p>Exempt Council Tax Reduction recipients from bailiff action</p>	<p>Customers who are in receipt of Council Tax Reduction, effective from 1 November 2019, no longer have their cases forwarded to the bailiffs. All cases are now dealt with by a dedicated team of Case Workers. The Service have made significant changes to customer engagement and have designed the solution focusing on the customer relationship and Case Worker ownership.</p> <p>Nb: The service initiated 4 pilots, all pilots demonstrating that single points of contact with the service for residents showed a 95% success rate. Whilst the service encourage the use of digital solutions, direct contact with a caseworker has by far had the most impact in terms of resolving payment concerns. This contact has led to an increase in benefit take up, increase in discounts and exemptions, allows a full review of the account, opportunity to signpost to other organisations and support customers back into work. The Service actively encourages contact as it provides an opportunity to resolve payment issues at the earliest opportunity.</p>
<p>Sign the Council Tax Protocol and examine the Money Advice Service toolkit for working with debt advice agencies</p>	<p>Revenue Services have undertaken a full review of the Money Advice Service Toolkit and updated procedures and letters in line with this. The interaction with other Services forms part of the process flow now used by Case Workers. Heavy links with the Financial Inclusion Group to ensure this remains in place are a key factor.</p> <p>The key requirements of the protocol have been fulfilled, in anticipation of the Councils consent to sign up to the initiative, CAB have already committed and signed the protocol.</p>

11. A number of steps to support this initiative have been introduced. In summary these are as follows:

² Vulnerability will be applied in line with national guidelines and Middlesbrough Councils vulnerability policy

- The introduction of a vulnerability policy.
- Benefit entitlement review, to maximise take up, supporting those customers to claim where they are not able to do so.
- Provide support to help with shortfalls in rent through the Discretionary Housing Payment scheme.
- Emergency assistance through the Community Support scheme.

Examples of financial assistance that caseworkers will consider;

- Personal Independence Payments ranging between £23.60 and £151.40 per week.
 - Entitlement to Universal Credit
 - Entitlement to Single Person Discounts resulting in 25% reduction or £341.58 less to pay if Band A property.
 - Changes in income, where the council may be able to help with rent and or council tax e.g increase in benefit of £8.50 per week for every £10 reduction in income.
- Multiple debts – signpost to debt advice services and consider consolidated debt solution, supported by Welfare Rights.
 - Link in with other Council services/other organisations through data sharing agreements to access difficult to reach client groups.
 - Signposting to a consolidated Middlesbrough Council advice and support web page, which has been designed by Revenue and Benefits Services. This page holds valuable information of where to go for help with:-
 - Debt Advice
 - Help with Gas and Electric
 - Rent and Council Tax Support
 - Free School Meals and Foodbanks
 - Housing Support and Money Advice.
 - Health and Wellbeing.
 - Reduce the level of costs charged for those customers that take steps to self-help.
 - In exceptional cases, if financial circumstances mean there is an inability to pay and if residents are accessing self-help options (i.e. routes to work, access to learning etc.), options to reduce the debt using the Council’s hardship provision may be considered.
 - Close working with the Tees Valley Routes to Work team to help residents identify any barriers to finding employment. Nb. following the Services recent recruitment campaign, the service have successfully recruited a member of staff who has extensive knowledge in successfully delivering a routes to work solution. This added level of knowledge strengthens the Revenues and Benefits Service and demonstrates the Services commitment to supporting people back into work.

Note: The Tees Valley Routes to Work initiative is intended to help and support unemployed residents become work ready or find employment. For Tees Valley, residents aged **30+** with the aim of identifying and addressing the barriers residents face when trying to access work. One to one support is available through a dedicated key worker to develop an action plan to help move them closer, or into work. The resident must be aged 30+, long-term unemployed or have been out of work for a minimum of 13 weeks and have significant barriers to work.

Further support is available through the Choosing Pathways initiative, which assists residents who are aged **16 – 29 years old**. Residents are able to access cash incentives for equipment, travel, clothing or relevant training / qualifications to help gain employment.

The 50 Futures initiative helps residents who are not in education or training and aged **16+**. Over 50 opportunities of work placements will be made available by the Council and each resident would be assigned a Key Worker from either the Routes to Work or Choosing Pathways teams.

- All these intended routes are designed to support customers to gain employment with the potential to move away from claiming benefits.

Revenues & Benefits 4 week Pilot with the Tees Valley Routes to Work team.

- Customers where no payment/no interaction with the service, were selected over 10 days and following the intervention of Revenue Services:-
 - 6 Council Tax Reduction claimants accessed 'Routes to Work'
- Of those that didn't meet the criteria to access 'Routes to Work' (mainly due to health reasons):
 - 61 Customers have received Discretionary Housing Payments freeing up income to meet Council Tax payment obligations.
 - 35 arrangements made, most of which were by Direct Debit. Of these, 95% of the customers are paying as agreed, noting some of these customers have not made payment in over two years.
 - Other funding opportunities identified to support customers in meeting their financial obligations.

What decision(s) are being asked for?

12. That Executive approve the following:

- a) Sign up to the Money Advice Trust – Stop the Knock Initiative and sign the Council Tax Protocol
- b) The introduction of collectable debt vulnerability policy (Appendix A),

That Executive note the following:-

- c) The additional steps introduced under each commitment and the links to other initiatives such as routes to work and Middlesbrough Council's 50 Futures programme.

Why is this being recommended?

13. This policy will allow Middlesbrough Council's Revenue and Benefits team to completely revolutionise the approach to Council Tax collections and set new national standards in helping the most vulnerable in society to meet their obligations.

14. By signing up to this protocol, this formally acknowledges the Council's commitment to 'Stop the Knock' and supports the overarching approach to residents in receipt of Council Tax Reduction and also those residents who may be considered or are vulnerable. It also means that Middlesbrough will be one of the first Council's to have signed up to all the commitments for 'Stop the Knock'.

Other potential decisions and why these have not been recommended

15. The Council does have the option of not signing up to this initiative, however the solution outlined above is aligned to the strategic direction of the Council and clearly provides a far greater support programme for customers experiencing financial difficulties. It is a tried and tested solution that has added significant value/benefits to the residents of Middlesbrough.

Impact(s) of recommended decision(s)

16. An impact assessment was undertaken, the findings were that this proposal would have a positive impact; in particular, those customers who are experiencing financial difficulties and who are in receipt of Council Tax Reduction. A copy of the impact assessment is appended to this report. **(Appendix B)**.

Legal

17. There are no legal implications around this proposal.

Financial

18. The proposal is cost neutral; the costs associated with the internal recovery of the debt will be funded through retaining enforcement fees, which are currently paid to the external agents. There will be no additional cost to the Council.

19. For those customers that take positive steps to 'self-help', costs currently charged of £75 will be more than halved with the flexibility to remove all costs if appropriate steps are taken to access initiatives such as 'routes to work'.

Policy Framework

20. There is no impact to the policy framework.

Equality and Diversity

21. The vulnerability policy should be read in conjunction with any equality and diversity policies.

Risk³

22. The proposal is designed to reduce the risk around the non-collection of Council Tax, however there is a small possibility that collection may not improve. This risk is no greater than at present. Using the basis of the pilots referenced earlier in this report it is anticipated that the current level of risk will be reduced.

Actions to be taken to implement the decision(s)

23. That Executive agree to sign up the Money Advice Trusts Stop the Knock Initiative and approve the vulnerability policy.

³ Risk Reference 08-054 & 08-075

Appendices

- 24. Vulnerability Policy Appendix A
- 25. Impact Assessment Appendix B

Background papers

Body	Report title	Date
Executive	Vulnerability Policy	TBC

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