



THE ROYAL BOROUGH OF
KENSINGTON
AND CHELSEA

Enforcement agent team anti poverty policy

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INTRODUCTION

Our enforcement service is committed to collecting outstanding sums owed to the Council in fair, ethical ways that prevent people from falling into poverty whilst helping those already struggling. The service has been set up to undertake the actions historically undertaken by third party commercial agencies so that we have control of the end to end process and can deliver it in a fair, transparent, customer focused manner.

1.0 PURPOSE, SCOPE AND CONTEXT OF THIS GUIDANCE DOCUMENT

1.1 Purpose

This policy is designed to work in conjunction with our code of conduct and various other policies to affirm our commitment to ensuring we collect outstanding sums owed to the Council in fair, ethical ways that prevent our residents and businesses falling into poverty whilst supporting those already experiencing it.

1.2 Scope

- This guidance applies to all agents visiting resident's homes in their duties to enforce the collection of Council Tax or business premises to enforce collecting NNDR.
- It also applies to the back office support staff in the enforcement team who come into contact with customers via phone, email or letter.

1.3 Context

The Council aims to own and control the recovery of debt in an end to end process, moving away from using third party commercial enforcement agencies, leading to the formation of an internal enforcement team to undertake this function. This new team will aim to ensure the enforcement agent action taken is fair, transparent and tailored to support those currently experiencing poverty or could enter poverty if their current situation is not resolved.

Evidence shows low-income households are more likely to be in arrears on household bills, largely rent and Council Tax arrears, than in arrears on consumer credit. This can be attributed to increases in rent and Council Tax above inflation whilst wages have not increased in line with them. This has a large impact on the low-income households who may be earning a little too much to be eligible for benefit support, those on zero hour contracts or irregular work and those who are in work and getting additional benefit support due to weekly / monthly income. Whereas consumer credit companies may write off bad debt, local authorities have a duty to collect Council Tax arrears and rent evictions from Private or Council properties make households vulnerable, have impacts on families socially and create cycles of debt. Whilst there is no evidence that problem debt directly causes poverty, it can deepen it.

We recognise that almost anyone can experience poverty at any time in their life due to job loss, ill health, rises in costs of living, being over-committed on credit, a drop in earnings (including benefit changes), a bereavement, a lack of savings for emergencies and poor money management or low financial awareness and this could result in families or individuals moving into poverty. Causes and effects of poverty are often interrelated. For example, job loss can lead to rent or mortgage arrears which can lead to homelessness.

Poverty occurs when a person's resources (usually material resources) are not sufficient to meet their minimum needs (including social needs). Problem debt is a primary cause for poverty as individuals or households are unable to make payments on household bills or contractual payments on consumer credit (for example credit cards, loans, or mortgages). Whilst higher-income households can simply cut back on non-essential items, lower income

households are forced to confront cutting back on basic necessities such as food, clothes and domestic fuel. It can cause social exclusion for both adults and children as households reduce spending on social activities or become isolated due to shame or stigma associated with the situation.

The Council's Council Tax Support scheme remains one of the most generous in the country. Whilst most authorities have sought to reduce the levels of support to all but pension aged people since April 2013, as a result of the Welfare Reform Act 2012, the Council has kept our scheme at the same level as that set for its predecessor, Housing Benefit.

Whilst the Council attempts to engage with customers throughout the recovery process, some customers do not engage until the case is with enforcement agents for various reasons. Many customers that we might describe as 'living in poverty' do not consider themselves to be living in poverty, or simply do not associate themselves with words like poverty at all. There are also other less visible consequences of problem debt such as stress, depression and relationship issues.

1.4 Our guiding principles

As a council we are committed to improving the lives of individuals or families who may be experiencing poverty and deprivation for various reasons. It is recognised that we can only achieve this by working collectively both internally and with all stakeholders.

To achieve this, the enforcement team is governed by the Council's Values and Behaviours:

- **Putting Communities First.** We put local people at the heart of decision making in everything we do; We seek to include and involve: all voices matter; We provide quality services that are responsive, effective and efficient.

This means, we acknowledge that a one size fits all solution does not work. We will tailor our service to support the diverse characteristics and needs of our community. Ensuring our staff use positive, person focused language.

- **Respect.** We listen to others and value the personal experiences of people in our communities and each other; We adopt a fair and involving approach regardless of any way in which an individual is different to us.

This means we will treat everyone we engage with face to face, by phone or via letter or email with dignity and value opinions and feedback to continuously improve our services.

- **Integrity.** We act with openness, honesty, compassion, responsibility and humility; We let people know how we are doing and communicate why and how decisions have been made.

This means, we will work with customers to help remove barriers such as poverty which prevent them from taking part in life, socially and economically

- **Working Together.** We work together and in partnership with everyone that has an impact on the lives of our residents; We want to understand, learn from each other and continually adapt.

This means we will work with internal and external stakeholders to ensure we can work collectively in the short and long term for the betterment of our residents

2.0 RECOVERY PROCESS

2.1 Prior to referral for enforcement action

The Council is committed to try to engage with residents and businesses at the earliest point of the recovery process to prevent customers from incurring avoidable additional costs and, most importantly, to work with them to resolve any issues preventing payment which may include signposting to both internal departments (e.g. benefits, social services and housing) and third party agencies such as Citizens Advice (previously known as Citizens Advice Bureau).

To achieve these aims we regularly review all standard and non-standard recovery notices, letters and literature to ensure it is customer friendly and use the latest theories and techniques in debt collection to prompt customers to engage with us. Where we hold telephone or email contact details, we also use SMS and email campaigns to prompt action over and above the statutory recovery policy to try to prevent customers either entering the debt cycle, such as SMS payment reminders, or engaging with us at an early stage in the recovery process to prevent avoidable summons or enforcement costs being incurred.

The success of our communication methods are regularly reviewed in line with customer feedback, insight via common queries from customers contacting Customer Access as well as work groups involving non Council Tax staff and people residing in the borough.

Where customers are on a deductible benefit type and fail to engage with us up until the point a Liability Order has been granted, the Council Tax team will issue these cases to the Department of Work and Pensions (DWP) for Attachment of Benefits (AOB). Only one order at a time can be processed so this could result in multiple years' debts on hold or the level of Council Tax debt increasing for the customer year on year.

Where employment details are available, the Council Tax team will look at whether to issue an Attachments of Earnings (AOE) order to the resident's employer to deduct a percentage of the customer's wages directly. If a customer then contacts after the order has been issued stating the deduction amounts are too high or that it will result in poverty, they will be asked to complete a statement of means (with supporting evidence of income and expenditure) to agree a smaller deduction amount going forward. The Council Tax team will write to the employer to deduct the revised set amount monthly; this is set and it will not increase if their salary increases. The customer will be advised to contact us if their income falls.

2.2 Engaging customers during the 'compliance' period of enforcement

Once a case is passed over to the enforcement team for action the process will start with the issuing of a statutory compliance notice. Whilst the standard compliance period is seven days, we will not undertake enforcement agent visits on any cases until at least 14 days after the compliance notice has been issued.

This is to allow us adequate time for customers to contact us and for us to try other proactive means to try to contact those that don't; such as outbound calling, emailing, sending SMS to prompt contact. The proactive activity is subject to us having customer contact details provided to the enforcement team by the Council Tax and Business Rates teams.

We will only undertake outbound call, email, or SMS activity between 10am and 4pm Monday to Friday.

All literature issued during the enforcement process will provide details of free third sector debt advice agencies (local and national) for independent advice but we will try prompt customers to engage with us to help them resolve any issues.

If a customer appears to have financial issues, our back office support team will:

- Ask them to complete a statement of means (also known as the income and expenditure form) and supply supporting evidence – this is aligned to the Standard Financial Statement process adopted from Citizens Advice (CA) and used by a number of creditors to ensure our process aligns with them for a seamless transition for customers who contact us first or those who contact CA, etc. first;
- Advise them of the contact information for independent advice from third sector debt advice agencies; and
- Put the account on hold for 14 days to allow the return of the completed statement of means or evidence they have contacted a debt advice agency to assist them (at which point the account must be put on hold for 28 days initially, and extended if requested by the debt advice agency, to allow them to fully assist the resident).
- If the form is completed, or we are contacted via a third sector agency with a completed Standard Financial Statement, the account would be put on hold for 28 days initially to work with the customer to agree an affordable repayment plan or longer if other steps are required.

If a debtor refuses to complete an income and expenditure form with us and makes no indication they are going to engage with a debt advice agency, we will advise of the next steps, any consequences of reaching that next step in the process and suggest they contact us before the date of that next step (i.e. date the case is likely to be allocated to an agent to visit).

All arrangements agreed during the compliance period will include the £75 compliance fee set in legislation per liability order.

2.3 Engaging with customers via enforcement agent attendance

If a customer fails to engage with us during the compliance period or engages but does not agree a repayment plan, after 14 days from the date the compliance letter was issued the case will be passed to an agent to visit the customers home (Council Tax) or business address (NNDR). This period would be longer if a 14-day hold is placed on the account due to the customer indicating they are contacting a third sector debt advice agency.

Upon attendance our enforcement agents will look to engage with the customer to ascertain any poverty related issues or early intervention to prevent them entering cycles of debt. This includes, but is not exclusive to:

- Evidence they cannot afford to pay for heating (cold property in winter, for example);
- A buildup of unopened mail (possible visual sign of avoidance of issues);
- Poorly appearance and hygiene (including children)
- Untreated injuries, medical and dental issues
- Signs of skin sores, rashes, flea bites and scabies
- Any children present having poor language, communication and social skills (though this is difficult to spot and agents will not engage with children directly when dealing with adults present)
- Overcrowding

Our enforcement agents are not trained social care practitioners; however they will have undergone training to spot signs and will be fully aware of internal and external parties to signpost customers too. Our agents will not force customers into unreasonable repayment plans or payment in full where it is obvious the person is experiencing poverty or that the payment terms of the arrangement would cause poverty issues.

If appropriate, such as in the instances a vulnerable adults or any children's welfare is or may be affected, they will not only signpost the customer to assistance but will contact the back office support team or Access and Advice team to report their findings to enable a trained professional to follow up.

Cases identified as vulnerable, such as individuals or families facing poverty, would be recalled from the enforcement agent to be dealt with by the back office support team alongside any internal departments (such as benefits, or social care teams) or with third party debt advice agencies (once the customer has signed documentation with the agency allowing them to act on the customer's behalf only). Where vulnerability is demonstrated we would remove the additional £235 enforcement visit fee incurred.

If the customer works with us or a debt advice agency to resolve the debt issue, no further action will happen. Should the customer fail to deal with the issue, the enforcement agent team will have no option but to reallocate the case to an agent to visit and the £235 fee would be added once the new visit took place. This is a requirement to evidence we have taken all appropriate steps to try to engage with the customer and resolve the issue before returning the case to Council Tax or NNDR to take further recovery action which could include actions such as bankruptcy (individuals), winding up (companies) or committal to prison action.

3.0 HELP AND SUPPORT

3.1 Internal assistance

Whilst our officers will attempt to get customers out of a cycle of debt with or without the need of assistance of third party debt advice agencies, we will also work closely with internal teams such as benefits, children's services and adult social care to assist customers who are considered to be in relative poverty already or are heading towards that due to debt issues. By engaging with us we may also be able to advise them of any appropriate exemptions they are entitled to that they can apply for to reduce their Council Tax liability.

Our benefits service can help with the following:

- Identify if a customer is entitled to any benefits they are not currently already claiming (income support, job seekers allowance, employment support allowance, disability living allowance, attendance allowance, incapacity benefit, personal independence payment, universal credit or pension credits) as well as advise if they would be able to claim Council Tax Support to assist with Council Tax;
- Apply for a Local Support Payment (LSP) for those claiming a qualifying benefit or about to claim one because they are leaving care, hospital or prison. This is not usually a cash payment and usually in the form of good quality second hand furniture or white goods or store vouchers for specific goods;
- Purple badge scheme for disabled residents wishing to park in the borough
- Where customers are not on Universal Credit, Housing Benefit can be applied for by those on low incomes needing help with rent payments.

Access and Advice (a gateway for children's services and adult social care), can help with the following:

- Safeguarding referrals where there are physical or financial abuse issues;

- ❑ Assist with housing related queries for those needing support;
- ❑ Single point of access for mental health referrals to social services.

3.2 External signposting and assistance

Whilst we will always endeavour to assist customers ourselves to break free of relative poverty we can only assist them partially if the issue is due to money owed to other creditors as we cannot act on their behalf to agree repayment plans with organisations such as banks or payday lenders.

Benefits available from DWP, HMRC or NHS that can help with financial issues include:

- ❑ Bereavement benefits – including bereavement allowance, bereavement payment and widowed parent's allowance;
- ❑ Carer's allowance – people on low income who spend at least 35 hours a week caring for someone in receipt of qualifying benefits such as Personal Independence Payment (daily living component), Disability Living Allowance (middle or highest care rate), Attendance Allowance, Constant Attendance Allowance (subject to additional benefits or pensions) and Armed Forces Independence Payments can claim this;
- ❑ Child benefit – paid to parents for children up to aged 16 which can be extended to 20 where they are in full-time education or training or working for an approved body;
- ❑ Personal Independence Payment (PIP) / Disability Living Allowance (DLA) / Attendance Allowance – for children with disabilities who need help getting around or personal care. Income and savings do not affect this benefit;
- ❑ Employment and Support Allowance (ESA) – for people unable to work due to illness or disability, or who don't receive statutory sick pay. This benefit depends on national insurance contributions or level of income received;
- ❑ Help with health costs – available to those entitled to free or discounted dental or eye care, free prescriptions, free travel costs and free wigs and fabric supports. Details of the scheme can be found on the NHS website (<https://www.nhs.uk/using-the-nhs/help-with-health-costs/>);
- ❑ Income Support – for people with no or low incomes. There are a number of qualifying criteria but can be claimed by those between 16 and pension credit qualifying age (currently 62 years old);
- ❑ Jobseeker's Allowance (JSA) – There are two forms of this benefit. Contribution based JSA is payable for working age people in the first six months of unemployment and is dependent on their national insurance contributions. Income-based JSA, however, does not depend on these contributions and instead are based on income and savings. Someone receiving JSA can also get help with mortgage payments;
- ❑ Maternity allowance – for people who can't get Statutory Maternity Pay (paid by employers) – usually those who are self-employed or recently changed jobs;
- ❑ Pension Credit – guarantees every person of pension age a weekly income of at least £151.20 (£230.85 for a couple);
- ❑ Tax Credit – is means tested for people with children (Child Tax Credit) or who are on low income (Working Tax Credit). Child tax credit can rise with the number of children in the household.

We will advise customers of the following independent organisations to help them with various issues from debt advice and advocacy to personal wellbeing:

- ❑ Citizens Advice – Kensington (Acklam Road) or Chelsea (Old Town Hall, Kings Road). National organization offering free, confidential impartial advice on debt, benefit, housing or employment issues;
- ❑ Kensington and Chelsea Social Council – bringing many smaller independent community third sector groups together to offer a multitude of different services for our residents;
- ❑ National Debtline – national telephone helpline for people with debt problems;
- ❑ StepChange – national online or telephone helpline for people with debt problems;
- ❑ Shelter – national online or telephone helpline for housing, debt or welfare benefits;
- ❑ Money Advice Service – Independent Government online or telephone advice service providing budgeting, debt and savings advice;
- ❑ Foodbanks – a number of foodbanks established in and around the borough to assist residents in need
- ❑ Business Debtline – a charity giving free debt advice to small businesses and self employed people.
- ❑ debtfree.london.com – Free, expert and independent face to face debt advice across London.

3.3 Doorstep lenders or high interest short term credit

We are committed to educating our customers to avoid harmful doorstep lenders and companies charging high interest for short term loans who prey on those residents with poor credit ratings.

For customers who have already taken out loans from doorstep lenders, we will actively try to get them to seek assistance from third sector advice agencies to try to prevent penalties and stop interest.

