

## **CABINET**

**7 JULY 2015**

### **REVENUES & BENEFITS - VULNERABLE PERSONS RECOVERY POLICY**

Portfolio Holder: Councillor Rupert Turpin, Business Management

Report from: Phil Watts, Chief Finance Officer

Author: Jon Poulson, Revenues & Benefits Manager

#### **Summary**

This report considers proposals for a newly created Vulnerable Persons Recovery Policy which formalises many existing work practices that ensure customers are in receipt of appropriate support in their dealings with the Council.

#### **1. Budget and Policy Framework**

- 1.1 The collection of council tax, non-domestic rates and overpaid housing benefit has a direct impact on the Council's budget.
- 1.2 The aim of this policy is to act as a guide to the Council's administration of council tax, NNDR, HB overpayment and sundry debt recovery and to ensure that the individual needs of vulnerable customers are taken into account when dealing with their cases. The policy therefore will not have a direct impact on the Council's budget and is a matter for Cabinet.

#### **2. Background**

- 2.1 The Council Tax (Administration and Enforcement) Regulations 1992 and the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 provide a clear set of rules for the Council to follow in the recovery of local taxation.
- 2.2 The Tribunals Courts and Enforcement Act 2007 provides a clear set of rules for Enforcement Agents to follow when levying distress.
- 2.3 Neither of the above acts explain how to treat people who are vulnerable through, for example, physical or mental health problems.
- 2.4 There are other forms of legislative protection for vulnerable individuals outside the recovery and enforcement of local taxation:

- Equality Act 2010
- European Convention on Human Rights
- National Standards for Enforcement Agents
- Taking Control of Goods Act 2007

### **3. Advice and Analysis**

- 3.1 As a result of the Government's Welfare Reform policy, more people are becoming liable for council tax for the first time as they either come off benefits and enter employment for the first time or become subject to the minimum amount payable under the council tax reduction scheme.
- 3.2 The current council tax reduction scheme requires council taxpayers to pay a minimum of 25% of their full council tax liability. Under the previous council tax benefit scheme some taxpayers were entitled to 100% benefit. This would have included a number of council taxpayers who could be considered vulnerable.
- 3.3 Whilst council employees are aware of the issues surrounding vulnerability there has been no official policy put in place.
- 3.4 If the Council were to adopt a policy it would show a commitment to advancing equality within Medway and protecting its more vulnerable residents.
- 3.5 Services providing support to vulnerable residents would be able to better understand the Council's position relating to the collection of local taxation, and have a yard stick by which to assess the performance of the Council, were a policy in place.
- 3.6 Recent cases published by the Local Government Ombudsman have suggested that local authorities should have a vulnerable persons recovery policy in place.
- 3.7 A Diversity Impact Assessment is attached at Appendix 2 to the report.

#### 4. Risk Management

<b>Risk</b>	<b>Description</b>	<b>Action to avoid or mitigate risk</b>	<b>Risk Rating</b>
Reputational	Adoption of policy may highlight the fact that vulnerable persons more likely to be asked to pay council tax	Policy to be shown as ensuring the vulnerable person suffers no detriment as a result of their vulnerability.	C3
	The Local Government Ombudsman (LGO) expects local authorities to have a vulnerable persons recovery policy. Possible declaration of maladministration	Provide LGO with copy of adopted policy	B2

#### 5. Financial and legal implications

5.1 There are no financial implications to this report.

5.2 There are no legal implications other than those set out in the report.

#### 6. Recommendation

6.1 The Cabinet is recommended to adopt the Revenues & Benefits Vulnerable Persons Policy, as set out at Appendix 1.

#### 7. Suggested Reasons for Decisions

7.1 The introduction of the Revenues & Benefits Vulnerable Persons Policy, as recommended by the Local Government Ombudsman, promotes equality for vulnerable persons subject to recovery action.

#### Lead officer contact

Jon Poulson  
Revenues & Benefits Manager  
Finance – MRBS  
Business Support Department  
01634 333700  
[jon.poulson@medway.gov.uk](mailto:jon.poulson@medway.gov.uk)

#### Background papers

None

#### Appendices

Appendix 1 - Revenues & Benefits Vulnerable Persons Policy

Appendix 2 – Diversity Impact Assessment



# **MEDWAY COUNCIL**

## **Revenues & Benefits - Vulnerable Persons Recovery Policy**

## **1. INTRODUCTION**

### **1.1 Why we need a policy**

It is essential for Medway Council to demonstrate that it carries out the administration and recovery of Council Tax & NNDR in an efficient and effective yet fair manner.

Payment of council tax, NNDR, HB overpayments and sundry debts is governed by legislation that impacts the whole spectrum of the population and it is therefore the Council's responsibility to ensure that the needs of any specific groups are met in its implementation.

### **1.2 Aim of the policy**

The aim of this policy is to act as a guide to the Council's Administration of Council Tax, NNDR, HB overpayment and sundry debt recovery and to ensure that the individual needs of vulnerable customers are taken into account when dealing with their cases.

While we realise that not all customers in these categories may be vulnerable, the Council will consider each individual case where a potentially vulnerable person is identified.

## **2. The vulnerable customer**

### **2.1 Types of vulnerability**

Vulnerability can be assessed in three categories

- Personal circumstances, eg
  - Bereavement
  - Financial hardship
  - Job loss
  - Pregnancy
  - Domestic violence
  - Separation
  - Addiction
  - Illness
  
- Personal characteristics, eg
  - Age
  - Mental health
  - Language
  - Mental capacity
  - Learning disability
  - Physical disability
  - Power of Attorney

- External influences
  - Debt collection agents
  - Inadequate housing
  - High crime neighbourhood
  - Third party / support services

In broad terms personal circumstances and external influences are likely to be temporary (though not necessarily short term) in nature whilst personal characteristics with the exception of age are more likely to be fixed.

## **2.2 Dealing with Vulnerability**

When dealing with debtors staff will

- Remain aware that not everyone who is vulnerable will present themselves as such
- Be aware that most people are cooperative and want to resolve their situation
- Be aware that some people will behave in a challenging way
- Be prepared to make clear boundaries, explaining what is deemed inappropriate or unacceptable behavior clearly and calmly
- Always refer to the debtor by name
- Remain respectful
- Use appropriate language
- Give reassurance about privacy and confidentiality
- Ask if there is anyone that they would like to include in the decisions they need to make
- Offer assistance, but try to maintain a person's independence
- Always use positive language in relation to disability, age and mental health
- Ask individual vulnerable customers about their specific needs
- Determine if and why the vulnerability effects the ability to pay

## **2.3 Our Principles**

When dealing with vulnerable customers we will adopt key principles that our Officers will adhere to:

- We will maintain an up to date record of our customer identified as being vulnerable.
- We will review the personal circumstances of our identified vulnerable customers before taking any debt recovery action.
- We will seek information concerning the personal circumstances of each customer before passing a debt to the Council's enforcement agents for collection and tailor enforcement action according to the individual circumstances

- Should a customer be identified as in receipt of Income Support, Job Seekers Allowance Employment Support Allowance or Pension Credit, we will arrange for their debt to be paid by deductions from their benefit providing it will result in a reduction in the size of the debt.
- Prior to taking bankruptcy action against a customer we will take pro-active action to contact Social Services to identify whether the customer may be vulnerable.
- We will direct our customers to other sources of debt advice, such as Stepchange, Citizens Advice Bureau and Money Advice Service.
- We will monitor our complaints procedure to identify any trends.
- Our enforcement agents will be obliged under contract to advise the Council of any customers they identify as possibly being vulnerable.
- The Council's contract with our enforcement agents will insist that they maintain a vulnerable persons' policy compliant to BS18477:2010 Inclusive service provision. Requirements for identifying and responding to consumer ability.
- Our enforcement agents will be instructed to notify the Council for any customers identified as in receipt of a deductible benefit.
- Where a vulnerable customer is identified, if necessary, we will visit the customer at their home to discuss their debts.
- Should there be a communication issue, and no other support is available, we will use an interpretation service for persons whose first language is not English, including British Sign Language.
- We will maintain a specific complaint procedure for customers unhappy with the conduct of enforcement agents.
- We will monitor our enforcement agents, and meet regularly with them to review their practices.
- We will work with advice agencies to agree repayment schedules that are affordable, and recognise a customer's priority debts.
- We will publicise debt advice contact details with our literature.
- We will work with other areas of the council (e.g. Housing) to identify possible vulnerable customers and develop a joint strategy for repayment of any debts.
- Where allowed in law we will share data regarding vulnerable customers with other interested parties.



- We will promote how council tax bills can be reduced through council tax reduction scheme, exemptions, and discounts on our literature and on our website.
- We will encourage customers to contact us if they are experiencing financial hardship.
- We may ask customers experiencing financial hardship to complete personal budget sheets, to enable us to agree fully informed repayment schedules that are affordable to the customer, and in the best interest of the Council.
- If we do not accept a repayment arrangement, we will fully explain why.



# Diversity impact assessment

Appendix 2

<b>TITLE</b> <i>Name/description of the issue being assessed</i>	<b>REVENUES &amp; BENEFITS - VULNERABLE PERSONS RECOVERY POLICY</b>
<b>DATE</b> <i>Date the DIA is completed</i>	5 June 2015
<b>LEAD OFFICER</b> <i>Name and title of person responsible for carrying out the DIA.</i>	Jon Poulson Revenues & Benefits Manager

## 1 Summary description of the proposed change

Introduction of new policy to reinforce need to take into account vulnerable persons when recovering council tax, non-domestic rates and overpaid housing benefit. Where we are aware that a person may be vulnerable we will adapt our debt recovery and collection procedure accordingly to minimise any hardship or distress.

## 2 Summary of evidence used to support this assessment

Currently there is no policy to take account the needs of vulnerable people when taking recovery action. The introduction of such a policy, as recommended by the Local Government Ombudsman, therefore promotes equality since it will enable a consistent approach to identifying vulnerable persons.

## 3 What is the likely impact of the proposed change?

Protected characteristic groups	Adverse impact	Advance equality	Foster good relations
Age		✓	
Disabilty		✓	
Gender reassignment		✓	
Marriage/civil partnership			
Pregnancy/maternity		✓	

# Diversity impact assessment

Race		✓	
Religion/belief		✓	
Sex			
Sexual orientation		✓	
Other (eg low income groups)		✓	

## 4 Summary of the likely impacts

Groups considered vulnerable whether through personal circumstances, personal characteristics or external influences will receive a consistent level of service which will ensure that they are not discriminated against as a result of that vulnerability. Such groups include but are not limited to:

Personal circumstances, eg

- Bereavement
- Financial hardship
- Job loss
- Pregnancy
- Domestic violence
- Separation
- Addiction
- Illness

Personal characteristics, eg

- Age
- Mental health
- Language
- Mental capacity
- Learning disability
- Physical disability
- Power of Attorney

External influences

- Debt collection agents
- Inadequate housing
- High crime neighbourhood
- Third party / support services

# Diversity impact assessment

**5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?**

No adverse impacts identified

**6 Action plan**  
 • *Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence*

Action	Lead	Deadline or review date
Policy to be rolled out to all R&B staff	JP	8 July 2015

**7 Recommendation**

That the policy be adopted to promote equality for vulnerable persons subject to recovery action

**8 Authorisation**  
*The authorising officer is consenting that:*

- the recommendation can be implemented*
- sufficient evidence has been obtained and appropriate mitigation is planned*
- the Action Plan will be incorporated into service plan and monitored*

**Assistant Director**

**Date**

Contact your Performance and Intelligence hub for advice on completing this assessment  
 RCC: phone 2443 email: [annamarie.lawrence@medway.gov.uk](mailto:annamarie.lawrence@medway.gov.uk)  
 C&A: (Children’s Social Care) contact your normal P&I contact  
 C&A (all other areas): phone 1481 email: [paddy.cahill@medway.gov.uk](mailto:paddy.cahill@medway.gov.uk)  
 BSD: phone 2472/1490 email: [corppi@medway.gov.uk](mailto:corppi@medway.gov.uk)  
 PH: phone 2636 email: [david.whiting@medway.gov.uk](mailto:david.whiting@medway.gov.uk)  
 Send completed assessment to the Corporate Performance & Intelligence Hub (CPI) for web publication ([corppi@medway.gov.uk](mailto:corppi@medway.gov.uk))