
Finance and Mental Health

Report being considered by: Health and Wellbeing Board

On: 3 October 2023

Report Author: Adrian Barker

Report Sponsor: Cllr Janine Lewis

Item for: Decision



1. Purpose of the Report

The Mental Health Action Group (MHAG) presented its report on financial problems and mental health to the Health and Wellbeing Board (HWB) at its meeting on 23rd February. The Board asked the MHAG to refine its proposals, in conjunction with partner organisations, before bringing them back via the Steering Group, to the Board for final approval.

2. Recommendation(s)

The Board is asked to agree the proposals outlined below and note progress against achievement of the original proposals

3. Executive Summary

- 3.1 The Mental Health Action Group has reviewed the original proposals it put to the Board at its meeting in February 2023, in conjunction with partner organisations. The results of that further work are set out in the Appendix. The majority of the original proposals are either complete or in train and the Board is asked to note those. There are three areas where further consideration by the Board is requested, as set out in full in the Appendix. These are summarised below in section 6, Proposals.

4. Supporting Information

- 4.1 The work of contacting relevant bodies to refine the proposals has been taken forward principally by Adrian Barker, as chair of the Mental Health Action Group and Rachel Johnson, as the lead support to the MHAG. In the earlier phases, there was support from Cllr Jo Stewart as the Council's then mental health champion. An interim report was taken to the Board's Steering Group in June, as a result of which further help was offered to obtain responses from various stakeholders. At its most recent meeting the group initiated further action, being led by Cllr Janine Lewis and Cllr Jo Stewart.
- 4.2 This report does not attempt to revisit the original report, which is taken as given. The appendix provides a brief summary of the background to each proposal, before reporting on progress. Some additional information gleaned from further investigation is also provided where relevant in relation to some of the proposals (particularly around council tax and debt collection).

5. Options Considered

For each of the proposals, different ways in which the objectives could be achieved, within given resources, have been considered.

6. Proposal(s)

- 6.1 The Board is asked to agree the recommendations, as set in more detail in the appendix, on proposals as follows:
- 6.2 On Proposal 4, supporting and developing the Community Mental Health Transformation Programme, the original proposals were largely in line with the ICB Joint Forward Plan, so they have been revised to adhere even more closely to that wording. The Board is invited to agree the revised recommendation, supporting the roll out of the Community Mental Health Transformation Programme and further objectives as set out in the ICB's Joint Forward Plan and Service Delivery Plan, building GP-led integrated neighbourhood teams with the supporting estates strategies.
- 6.3 On Proposal 5.4, The Board is invited to request that the BHFT representative on the Board provides a response to the original proposal on front-line mental health support staff providing basic financial advice signposting.
- 6.4 On Proposal 10, the Board had previously suggested that consideration be given to the problem of people being in financial difficulties because they were victims of fraud or scams, noting the work of Thames Valley Police on this. This is acknowledged in the appendix which proposes that the Health and Wellbeing Board supports the work and that partner organisations help spread appropriate messages and make links to resources where possible.
- 6.5 The Board is asked to note progress on the remaining original proposals. No further action from the Board is needed on these at the present time.

7. Conclusion(s)

- 7.1 Mental health problems linked with people's personal financial problems are a significant problem. However, the causes of the problems are complex and multiple factors need to be addressed. Many of the things which could help with financial problems and mental health will also help address other objectives in the Health and Wellbeing Strategy. Ideally, a whole-systems approach would be undertaken due to the complex interplay of factors that influence not only people's mental health but also their physical health, social needs and health inequalities.
- 7.2 While quite ambitious, the original proposals put to the Board, as noted in the original report, in many ways just scratched the surface and had to be seen as a starting point. The Mental Health Action Group will therefore continue to do what it can to continue to address these issues, working with other sub-groups where appropriate and possible.

8. Consultation and Engagement

The individuals and organisations consulted in preparation of this report include:

- Revenues and Benefits Manager, WBC

- Health and Wellbeing in Schools Coordinator, WBC
- Environment Delivery Manager, WBC
- Lead for All Age Mental Health, LD, Autism and SEND, BOB ICB
- Digital Literacy Lead, BOB ICB
- Citizens Advice West Berkshire
- Volunteer Centre
- Sovereign: Senior Customer Accounts Manager and Customer Accounts Manager Reading and Newbury
- Superintendent, Area Commander – West Berkshire Local Police Area
- Health and Wellbeing Board Steering Group

9. Appendices

Appendix A – Commentary on Proposals

Background Papers:

A number of external reports and documents have been used in the preparation of this report and these are referenced.

Health and Wellbeing Priorities Supported:

The proposals will support the following Health and Wellbeing Strategy priorities:

- Reduce the differences in health between different groups of people
- Support individuals at high risk of bad health outcomes to live healthy lives
- Help families and young children in early years
- Promote good mental health and wellbeing for all children and young people
- Promote good mental health and wellbeing for all adults

The proposals contained in this report will support the above Health and Wellbeing Strategy priorities by seeking to reduce some of the factors impacting on mental health, particularly those already suffering from health inequalities such as those living in poverty, many of whom will be at high risk of bad health outcomes.

This appendix provides the commentary on the progress against each of the original proposals and explains the reasons for the recommendations in this report.

10. Proposal 1 – Work with schools

Original proposal:

P1.1. Primary and secondary schools to develop students' financial management skills in appropriate ways, building this into the curriculum where possible. The Schools Health and Wellbeing Officer to be asked to oversee the implementation of this proposal, delegating to others as appropriate. They should be asked to report back on progress to the Health and Wellbeing Board by February 2024.

As the original report noted, developing children and young people's financial management skills can have considerable beneficial effects well into the future. Improving financial education in schools is already a national objective, being pursued by the arm's-length government body, the Money and Pensions Service. There are already some requirements within the national curriculum to cover relevant issues. In primary school, children should be able to recognise the symbols for pounds and pence and be able to add and subtract money values and work out what change to give. In secondary school, it is covered as part of citizenship and maths. "Pupils should be taught about the functions and uses of money, budgeting, managing risk, credit and debt, insurance, savings and pensions, financial services and applying maths to financial contexts (such as calculating interest)."¹

The Health and Wellbeing in Schools Coordinator was already active in pursuing this objective and has welcomed further suggestions as part of this work. For instance, he produced, with the help of Citizens Advice, a video that was sent to West Berkshire schools at the end of April 2023, talking about financial issues relevant to children and young people.

There was limited response by schools to a request from the Health and Wellbeing in Schools Co-ordinator as to current provision of financial management education. Only three of the ten secondaries replied, but it is thought likely that their responses were representative of the others. They offered approximately six lessons around money and financial decisions at Key Stage 3 (years 7-9, ages around 11-14). One school had an external speaker on the risks of gambling. All 3 schools then followed up with lessons around personal finances in sixth form. It is thought that most of the secondary schools would be doing something similar.

A survey that was developed by officers from West Berkshire Council in partnership with Berkshire Youth was conducted in January and February 2023 (again, already underway, not as a result of this work). In total 6,353 responses were received for the questionnaire which equates to half (49.7%) of all students at West Berkshire maintained and academy secondary education settings. One of the questions asked was, "What do you think are the most important concerns facing you and other young people at the moment?" with 20 options, out of which they could pick five. The second highest, at 54.6% was 'Mental health and wellbeing'. The seventh highest was 'Money' at 23.2%.

¹ <https://www.moneyandpensionsservice.org.uk/financial-education-in-schools/>

Elsewhere, (question 9), the survey asked “Which issues, if any, would you like more information or support with” and 22.4% responded “Money”, the fourth most popular, and higher than bullying and relationships. The second highest was “Mental health and wellbeing”.

In discussion with the Schools Health and Wellbeing in Schools Coordinator, it is felt that the most helpful approach will be to signpost to teachers the many existing (and mostly free) resources that will support the teaching of financial understanding and skills. We are therefore helping with identifying the relevant resources that the Health and Wellbeing in Schools Coordinator will raise awareness of. It is also worth noting that there is a ‘Talk Money Week’, from 6-10 November 2023 and it may be possible for some activities to be organised on the back of that.

It is proposed that the Board note this ongoing work. Given that the Health and Wellbeing in Schools Coordinator is already progressing this work, it is not felt that a report on progress in February 2024 will be necessary.

11. Proposal 2 – Information and Advice

Original proposals:

P2.1 As part of delivery action 2.9.5 and 2.9.6 it is proposed that a brief task and finish group, including relevant voluntary organisations and individuals, be set up to review the content of the West Berkshire Directory and Cost of Living hub, and make sure all relevant sources (including those described above) are linked to.

P2.2. The Public Health and Wellbeing team at West Berkshire Council, and others providing such material, should be asked to review the leaflets, z-cards and other hard copy information they provide to make sure the full range of information on financial management is available.

P2.3. The Health and Wellbeing Board is asked to consider whether any other communications such as videos or an information campaign would be worthwhile and if so to delegate action to the appropriate communications teams

Some progress has already been made against these proposals, including updating some of the Council’s hard copy leaflets, such as the mental health ‘z-card’.

Council officers and voluntary sector organisations have expressed their willingness in principle to be involved in further reviews of hard copy and online information, so the Mental Health Action Group is now exploring ways in which this might be taken forward, perhaps in conjunction with Proposal 8.

Given all the other work that has been done, arising out of the cost of living crisis, including setting up the hub and links to sources of help on the Council’s website, it is not felt that a broader information campaign would be helpful at this time.

The Board is asked to note ongoing progress in implementing this proposal.

12. Proposal 3 – Digital Inclusion

Original proposal:

P3.1. It is proposed that a task and finish group be set up to consider how this work could best be co-ordinated and report back to the Health and Wellbeing Board by September 2023. Invitations to attend should include representatives of the ICB (e.g. the Digital Programme Manager / Digital Literacy Lead), the Berkshire Digital Infrastructure Group, NHSE South East Region and the Patient Panel West Berkshire.

Contact was made with the various bodies thought to have a role. The Berkshire Digital Infrastructure Group felt that as their role was purely about infrastructure, it was not appropriate for them to get involved. The Digital Literacy Lead in the Primary Care Digital Team at the BOB ICS kindly organised two meetings of relevant parties, which was very helpful in allowing each to understand what the others were doing, and to aid co-ordination. The Digital Literacy Lead also provided further valuable information about her work.

A task of developing digital inclusion champions has been allocated to the Mental Health Action Group in the revised Health and Wellbeing Strategy delivery plan. Options for how this could be delivered are currently being considered by the Mental Health Action Group and any implementation will be taken forward through the appropriate processes.

In addition, there is scope for bringing together some of the existing work across health, the local authority, voluntary and private sectors. Digital inclusion is only one of many wider issues impacting on mental health and it is also relevant to a number of other Health and Wellbeing objectives. It is therefore often a small part of the job of many different organisations and individuals. A worthwhile objective, to move this agenda forward, would be to co-ordinate existing activity with a view to expanding its effectiveness through information sharing and mutual support. This would relate to the objectives of a number of other HWB sub-groups, but particularly the Health Inequalities Task Force, who could also be involved, subject to other demands on them. This might be done by, for instance, running occasional liaison events to bring the various parties together and encourage sharing of information between the events.

The Board is asked to note the progress on developing digital inclusion champions and promoting the digital inclusion agenda by bringing together those already working on this issue to share information and provide mutual support.

13. Proposal 4 – Support and Develop the Community Mental Health Transformation Programme

Original proposals:

P4.1. The Health and Wellbeing Board should commit to supporting this initiative and making it a success. That should include leading by example in supporting the programme, encouraging its partner members to engage productively with it and receiving regular progress reports on the implementation.

P4.2. The second element of this proposal is, in time, to expand the programme to support a wider range of people.

P4.3. The third element of this proposal is to build into the estates strategies or other policies (such as land use planning) of the HWB constituent bodies the identification of suitable premises to form physical wellbeing hubs.

MHAG has received a number of updates from BHFT on the progress of the Mental Health Transformation Programme, including the Mental Health Integration Community Service (which is the local model for implementing the Community Mental Health Framework).

The MHAG has taken on as an objective:

“5.4.5: Monitor and support the implementation and development of the new Mental Health Integrated Community Service in West Berkshire”

The original proposals are largely in line with the way the ICB is moving forward. For instance, the service delivery plan of the Joint Forward Plan includes in its objectives and actions:

- ‘Continue to mobilise the community mental health framework for Adults and Older People’ (p.42)

The five year ambition for primary care includes:

“We will transform how primary care is delivered in each community / neighbourhood, enabling integrated primary care provision which **improves the access, experience and outcomes for communities aligned to their needs**. Through the mobilisation of integrated neighbourhood health and care teams, primary care services will become more sustainable, and patients will get the support they need when they need it.” (p.83)

The ‘delivery focus’ associated with that ambition includes:

“Create the infrastructure across BOB to implement the change (Estates, Workforce & digital).” (p.83)

Estates strategies are to support the broader goals, e.g.:

- “Develop BOB primary care strategies for estates and workforce linked to system, place and neighbourhood.
- Complete roll out of the PCN Estates toolkit.” (p.101)

It therefore suggested that the proposal be revised accordingly, to read:

The Health and Wellbeing Board should commit to supporting the Community Mental Health Transformation Programme to help make it a success. That should include leading by example in supporting the programme, encouraging its partner members to engage productively with it and receiving progress reports on the implementation as appropriate.

The Board supports the BOB ICB’s objectives in the Joint Forward Plan and its service delivery plan to continue developing the community mental health framework, build GP led integrated neighbourhood teams and develop the estates strategies, including ‘participation in work public estate initiatives’, to achieve the objectives.

14. Proposal 5 – Financial management

14.1 Voluntary sector training

Original proposal:

P5.1. The Volunteer Centre should be asked to co-ordinate training offered on a voluntary basis, whether to public or voluntary sector organisations. This should also include basic mental health training.

We approached the Volunteer Centre and then put them in touch with the individuals we had come across offering free training on financial management. The course was then advertised to voluntary organisations.

It is also worth noting that the Volunteer Centre already runs courses on suicide prevention. They also held a voluntary sector forum examining issues on mental health.

It is therefore felt that the original aims of this proposal have been met. The Mental Health Action Group will continue to liaise with the Volunteer Centre to consider any other opportunities that may arise.

The Board is asked to note the progress made.

14.2 The Commissioning of Financial Management Training

Original Proposal:

P5.2. The Locality Integration Board should be asked to consider whether training of this sort could be commissioned in future as part of the Better Care Fund.

The Chair of the Mental Health Action Group has been invited to speak to the Locality Integration Board, when this can be considered (see also Proposal 6, below).

The Board is asked to note progress.

14.3 Benefit calculators on the Council website

Original proposal:

P5.3 The relevant Council departments should be asked to review the benefit calculators they use to ensure that comprehensive advice is being given.

This issue was raised with us by stakeholders because the benefit calculator on the Council Tax area of West Berkshire Council's website provides an assessment of benefit that may be available only for Council Tax Reduction and Housing Benefit. It was therefore thought that this may be misleading for people who may not be aware of other benefits for which they are eligible.

There are links to a number of other comprehensive benefit calculators, from the cost of living area of the Council's website. We also heard how the cost of living hub takes a holistic approach, directing people to those calculators, other general sources of help or more specific local support, as appropriate.

The benefit calculator on the council tax area is only designed to apply to that particular area of benefits, and it would not be feasible for the council to make it more

comprehensive. However, it should be possible to make clear to anyone using it, that it is just for that purpose and to provide links to the other, more comprehensive calculators.

The Mental Health Action Group will continue to progress this with the council tax department as part of Proposal 8.2.

The Board is asked to note progress.

14.4 Provision of basic financial advice signposting by front-line mental health support staff

Original proposal

P5.4. The Berkshire Healthcare Foundation Trust, through its representative on this Board, be asked to review the extent to which its front-line staff are able to offer basic financial advice and signpost to sources of help and how this could be improved, and to report back to this Board by September 2023.

The BHFT representative on this Board has been asked to address this proposal. No response has been received at the time of writing.

The Board is invited to request that the BHFT representative on the Board provides a response to this proposal.

15. Proposal 6 - Develop voluntary sector and peer support

Original proposal:

P6.1. It is proposed that under the auspices of the Locality Integration Board, the commissioners of voluntary sector services, from the ICB and Council, together with the Volunteer Centre, be invited to review arrangements for commissioning services which could impact, directly or indirectly, on financial problems and mental health. They should also consider ways of improving the take-up of funding opportunities on offer. Where it is estimated to be cost-effective in the longer term, taking account of the full range of social costs and benefits, to consider inviting bids for services that would prevent such problems developing. This might be done through a joint commissioning arrangement or the Better Care Fund.

The Chair of the Mental Health Action Group has been invited to speak to the Locality Integration Board, when this can be considered. It has to be recognised that this is a potentially far-reaching proposal, with resource implications that may limit the options available. If any changes were deemed feasible and worthwhile as a result of this discussion, there might therefore need to be further decisions made by the partner bodies, including by elected members of the council.

The Board is asked to note the ongoing discussions on this issue.

16. Proposal 7 – Employers’ Charter

Original proposal:

P7.1. It is proposed that under the auspices of the Skills and Enterprise Partnership (a sub-group of this board), the key business related partners such as the Thames Valley Local Enterprise Partnership, the Thames Valley Chamber of Commerce and

the Newbury Business Improvement District, be invited to consider the value of employer charters and commitments to employers as well as employees, and if thought appropriate, to progress the introduction of one or more schemes into the area.

The Skills and Enterprise Partnership have agreed to receive and consider a paper considering the possible benefits of employer charters and commitments. No further action is therefore needed by the Health and Wellbeing Board.

The Board is asked to note progress on this proposal.

17. Proposal 8 - Improve service providers' processes

17.1 Feedback to service providers

Original proposal

P8.1. It is proposed that the Volunteer Centre and Citizens Advice be invited to take account of the issues raised in this report when providing feedback to service providers and consider whether it would be worthwhile holding a themed series of co-production events.

Having made a substantial input into this work, Citizens Advice are well aware of the issues the original report raised and will be using that experience in their contacts with providers. The Volunteer Centre, too, has done much work in this area and continues to do much valuable work, particularly on suicide prevention.

The Mental Health Action Group has not had the resources to pursue the idea of holding a themed series of co-production events, at this stage, but will continue to work with a range of stakeholders on this issue.

The Board is asked to note progress.

17.2 Council Tax

Original proposal

P8.2. It is proposed that West Berkshire Council, in consultation with relevant voluntary organisations, such as Citizens Advice, investigate ways of reducing the council tax burden on the most vulnerable families.

In our initial work, we heard how for some people, council tax liability constituted a significant financial burden, which contributed to stress and mental health problems. This was especially so when their total income was insufficient to meet their total outgoings.

In re-assessing the original proposal, we have done some further research on the problem and the issues that would be involved in undertaking the sort of review originally proposed.

There are clearly changes that could be made to local council tax arrangements to reduce the burden on the most vulnerable people (which are discussed further below). However, there would be a resource implication of such a review and it would take some time to be conducted and implemented. Once a review had been conducted and changes agreed, there would need to be a 12 week consultation period, with changes made from the following April (so in practice not until April 2025).

The review would have to consider the costs and benefits of any changes. There would be a benefit to the individuals whose council tax burden was reduced. However, this would have to be offset against the cost to the council² of the changes which would likely mean cuts to other services, with potential harm to the same or other groups. In theory, the reduced burden and mental health implications of changes to council tax could lead to savings in other public sector costs, particularly mental health and social care treatment, but this could be hard to demonstrate. There could also be implications of changes in council tax discounts for collection rates. It is also worth noting that the policy landscape has changed since the Council Tax Reduction Scheme was last amended in 2017 (e.g. the introduction of the Household Support Fund, in place of previous support).

If the Health and Wellbeing Board were minded to propose a review, it would still, of course, be up to West Berkshire Council, as the responsible body, on whether to undertake it. This would need to take a wider range of policy factors into account, beyond the impact on mental health.

As noted in the original report, we received a good deal of feedback, which is supported by research evidence, of the impact of financial problems on people's mental health. It is also worth noting that the council tax system is complicated and hard to understand, potentially making it difficult to negotiate, particularly for those under stress or who are time-poor.

If a review of the council tax burden were to be undertaken, there are a number of possibilities that could be considered. It is worth remembering that there are also a number of statutory discounts available (such as for students, hospital patients, residents of homeless hostels or people with permanent, severe, mental impairment) but we are here only concerned with those available to local discretion, principally through the Council Tax Reduction Scheme.

Councils have considerable discretion in how they set up their Council Tax Reduction Schemes. The main criteria are that it should specify reductions for people, or classes of people, who the authority considers to be in financial need. Reductions must also be made for certain classes of pensioners.

The main areas for discretion previously considered in relation to West Berkshire's scheme are:

- Change the minimum amount of Council Tax that working age adults have to pay, even if they are receiving a discount. This is currently 30%.
- Change the amount of capital that working age people can hold, above which they are not entitled to a discount. This was reduced from £16k to £6k from 2017.
- Change the Council Tax band to which support is provided. This was changed from band D to band C in 2017. In other words, for anyone in a band D or above property, the amount of discount is the level it would be if they were paying a band C rate.
- Change the minimum weekly amount of support. This was changed from £3 to £10 in 2017. In other words, if the amount of discount someone would be entitled to is £9.99

² Councils receive a grant from central Government to "contribute to the costs of administering local council tax support (LCTS) schemes. Allocations are calculated based on the latest LCTS caseload data and the latest [Area Cost Adjustment](https://www.gov.uk/government/publications/localised-council-tax-support-administration-subsidy-grant-2022-to-2023)." <https://www.gov.uk/government/publications/localised-council-tax-support-administration-subsidy-grant-2022-to-2023>. The amount allocated to West Berkshire for 2022-23 was £97,987. The amount could alter as a result of changes to the Council Tax Scheme.

a week or less, they receive nothing, meaning they could lose up to £500 over the full year.

- Change the taper used in the means-test calculation, currently 30%.
- Change the definition of 'vulnerable persons'. This is currently defined as those receiving various disability benefits, Employment and Support Allowance, a war pension or 'limited capability for work' within universal credit.

There are other ways of devising a Council Tax Reduction scheme. One approach which has been increasingly used by councils in recent years is escalating discounts based on income, organised into bands (this reduces the number of changes needed when income changes by a small amount). Under these, the discount rate depends on the range within which a person's income falls. For instance, there might be a 75% reduction for incomes below £115 a week, a 60% reduction for incomes between £115 and £184, 40% for incomes between £184 and £254 and so on. The bands can be different according to circumstances, e.g. whether or not there are children in the household, according to disability or caring responsibilities and so on.

It is also worth noting that Councils have a general power to reduce any council tax bill, including to zero, if they see fit, under S13a of the Local Government Finance Act 1992. This is generally only used in exceptional situations (such as if a house has been made uninhabitable because of flooding) but some organisations have suggested it could be used more broadly, such as if someone's income isn't enough to meet their outgoings, even after having tried to reduce expenditure and boost income. The Council also has an Exceptional Hardship Scheme which allows for discretionary payments to assist in customers reducing their Council Tax burden.

If the Council Tax Reduction scheme were to be reviewed, it would have to consider how different groups (with varying needs and vulnerabilities) would be affected by different permutations, as well as the impact on the total tax take. However, it would be difficult to model the cost of any revised scheme since much of the data would be unavailable, e.g. of those who wouldn't qualify under the current scheme but would under a new scheme.

As well as any review of the Council Tax Reduction scheme, it may be worth considering ways of making the scheme more understandable and easier to access. This could be done by reviewing and possibly expanding both generally available and targeted information. The current scheme is quite hard to explain and it may be worth reviewing how it is described on the website and in leaflets.

There may also be scope for an information campaign, targeting individuals or geographical areas where eligibility for discounts is likely, to let them know that they may be able to get reductions on their council tax bills and how to apply.

This could also be done in conjunction with efforts to encourage people to address any problems with arrears as soon as possible (see more on this below).

As noted above, the benefit calculator is an important tool for assessing how much benefit someone may be entitled to. However, it should be clearer that this does not calculate eligibility for all benefits and links should be provided on the council tax pages, to other, more comprehensive benefit calculators.

In conclusion, while there is some merit in the original proposal put to the Board, because of the nature of the work required and the range of factors requiring political decision, it is

not felt appropriate to make a specific recommendation, on whether or not there should be a review of the Council Tax Reduction scheme. However, this may be something given further consideration in the workshop to consider debt collection arrangements, proposed below.

The Board may wish to encourage further work to simplify explanations relating to council tax and the reduction scheme. Given the implications for a wider range of health and wellbeing strategy objectives beyond just mental health, this might be best done in conjunction with various other sub-groups.

The Board is asked to note ongoing work (together with action under Proposal 2) to revise hard copy and online information to make it more accessible and comprehensible and the possibility of considering revisions to the Council Tax Reduction scheme as part of the workshop on debt collection proposed below.

17.3 Debt Collection

Original proposal

P8.3 it is proposed that the Health and Wellbeing Board asks the departments involved in debt collection in the council, relevant health bodies and other local organisations who are willing to participate, to review their arrangements through co-designed groups involving voluntary organisations and people with relevant lived experience.

As noted in the original report to this Board, there is a link between debt and mental health and this is frequently exacerbated when bailiffs (or enforcement agents, as they are properly called) are involved.

While people in debt may owe money to a wide range of organisations, including energy, telecoms, other utilities and private organisations, in attempting to address the problem locally, there are too many of them, often operating regionally or nationally, to be able to invite them all to come together to review their debt collection arrangements. We have held discussions with the Council and Sovereign, as the main such bodies with local discretion. In any event, it appears that councils are the main users, nationally, of bailiffs.

According to a 2020 report, councils were then the biggest users of bailiffs in the country³. Council tax arrears nationally have increased from £3.2bn in 2018-19 to £5.5bn as at March 2023⁴. The number of people claiming Council Tax Reduction in West Berkshire was 5,234 at March 2023 according to Government figures.

A number of problems with debt collection emanate from national rules, which mean that debts can quickly escalate. For instance, seven days after a reminder for a missed instalment payment, the council can demand payment of the whole of the rest of that year's council tax, within seven days. If bailiffs are instructed, there are set charges that the debtor (not the council) has to pay, in addition to what they already owe, including a £75 instruction fee, (for the case being sent to the bailiff), £235 for a bailiff visit and £110

³ 'Collecting Dust', Centre for Social Justice, 2020, <https://www.centreforsocialjustice.org.uk/library/collecting-dust-a-path-forward-for-government-debt-collection>

⁴ <https://www.gov.uk/government/statistics/collection-rates-for-council-tax-and-non-domestic-rates-in-england-2022-to-2023>

for removing and selling goods from the property. If someone does not take immediate action (for instance, if they are scared to open reminder letters) a relatively small debt could soon quickly escalate.

A report by the Centre for Social Justice⁵, says:

“Councils widely use measures in the Council Tax (Administration and Enforcement) Regulations 1992, which entitle them to rapidly escalate one missed council tax payment into an annual bill.(23) Within nine weeks, households struggling to meet the average Band D payment of £175 can therefore become liable for a £1,750 payment, before being subject to a range of additional and punitive charges which serve to exacerbate the initial debt issue.(24)” (p.10)

The report goes on:

“Councils’ growing reliance on bailiffs to enforce debts has made them the largest user of bailiffs in the country today (referring on 2.6m debts in 2018–19) (25). Yet this remains an ineffective and costly approach. For every £1 of debt referred only 27p is returned (26). Meanwhile, this activity puts downward fiscal pressure on a wide range of support services due to the proven negative effects of enforcement, not least the stress and anxiety it causes those already in vulnerable or financially difficult circumstances.(27)”

Government advice to councils on council tax collection reports the various ways councils deal with the issue to increase collection rates and reduce the stress on people owing money⁶.

There have been campaigns and attempts nationally over recent years to improve standards in the bailiff (enforcement agents) industry. For instance, earlier this year, the Enforcement Conduct Board was set up to try and improve standards, on a voluntary basis⁷. They are due to be setting up a registration scheme for enforcement agents, imminently.

Sovereign, like other housing associations⁸ takes a supportive approach to managing tenant arrears. This long-standing approach was enhanced last year by the establishment of an internal debt advice team which works with the tenancy support team. There is also a customer income adviser team to help people with benefits and an employment and training section, to help get people into training or paid work. Their processes are built on the principle of helping tenants manage their finances. At an early stage, they will make contact with tenants to identify relevant issues and either provide help directly or refer them to other sources of support. Mental health, as well as other disabilities, is one of a range of factors taken into account when dealing with tenants’ issues. For instance, teams will tailor their communications with tenants based on particular circumstances.

As with council tax arrears, there can be difficulties when people do not engage. One approach to this taken by Sovereign is to contract with Shelter, to whom they can refer

⁵ Collecting Dust, 2020, <https://www.centreforsocialjustice.org.uk/library/collecting-dust-a-path-forward-for-government-debt-collection>

⁶ <https://www.gov.uk/government/publications/council-tax-collection-best-practice-guidance-for-local-authorities/council-tax-collection-best-practice-guidance-for-local-authorities#next-steps-when-a-resident-misses-an-installment>

⁷ <https://enforcementconductboard.org/>

⁸ <https://www.housing.org.uk/resources/housing-associations-tenancy-sustainment-coronavirus/>

tenants in difficulties. They can be seen as more impartial and therefore hopefully more acceptable to tenants. This was piloted last year in Devon and has now been taken on across all of the areas in which Sovereign operates.

The bulk of those that the Association works with are current tenants, with slightly different processes, but the same general ethos, for former tenants and those with leaseholder or shared ownership. Bailiffs are not used for current tenants. Whilst a third-party collection service is used for former tenant debt, the costs of that are not passed on to the customer.

The ultimate action to deal with unpaid debt is repossession of the property but every effort would be made to avoid this, with a series of checks and actions at each stage of the process. Very few cases actually end up in court, but even then, further steps are taken to try to resolve the situation without an eviction.

Sovereign's approach is in many ways similar to that in Lambeth and Southwark as described in the original report to this Board in February, which provides "a holistic response to people's financial and health support needs."⁹. However, the Lambeth and Southwark scheme also brings together GP practices, Primary Care Networks, social prescribing teams, and local authority and housing association creditors together with advice and community-based support agencies and is supported by a Joint Debt Protocol.

Whilst there are important lessons to be learned from Sovereign's approach, it would be naïve to think it could be simply transplanted into other organisations locally. They have different regulatory frameworks, histories, resource constraints and other circumstances. On the other hand, it would be a mistake to think that no lessons could be learned or to miss the opportunities for more effective working across local organisations.

The Mental Health Action Group therefore plans to organise a half day workshop, bringing together a wide range of stakeholders across all sectors, to promote learning from good practice and start to look for ways of working more effectively together for the benefit of those hit by financial and mental health difficulties.

The Board is asked to note progress in addressing the intent of this proposal.

18. Proposal 9 – Other ways to increase income and reduce expenditure

P9.1. It is proposed that the council and local housing providers be asked to jointly investigate options for supporting the provision of low cost, sustainable energy and improved insulation in deprived areas and for vulnerable families.

A meeting has been held with the Environment Delivery Manager (WBC) to discuss what options might be available to address this issue. The council is already looking at options for ways of improving domestic insulation and energy efficiency in the district. This would be targeted at those unable to afford to do the work, or have it done, themselves. By definition, therefore, it would help those more likely to have financial problems and therefore mental health difficulties. The Mental Health Action Group will try to support this work as best it is able to do. It is more difficult to find ways to help those renting their properties. We will continue to work with others to look for ways in which support could be provided.

⁹ Ibid, p.59

The Board is asked to note progress.

19. Proposal10. Incorporate fraud prevention within the report's recommendations

The minutes of the February meeting record that “The Board noted that some people were in financial difficulties because they were victims of fraud / scams. Work was ongoing with Thames Valley Police on a joint initiative to tackle this. It was suggested that something could be built into the report's recommendations around fraud prevention.”

Contact was made with Superintendent Zahid Aziz, the then local Area Commander and police representative on the Health and Wellbeing Board. He was very helpful in clarifying the work being done by TVP. The following wording for a proposal to the Board was agreed.

““The Board noted that some people were in financial difficulties because they were victims of scams and fraud. Such fraud often involves loss of money which cannot be recouped. The financial loss as well, often, of trauma, will take an emotional toll on people's mental health. Preventing such fraud happening in the first place is therefore very important.

Thames Valley Police have a Central Fraud Unit with 36 staff, who are specially trained to identify fraud, assist with prevention and advise on online fraud including identity theft.

There is also a fraud protection toolkit, The Little Book of Big Scams, available from the Thames Valley Police website (<https://www.thamesvalley.police.uk/advice/advice-and-information/fa/fraud/personal-fraud/prevent-personal-fraud/>). This provides advice to members of the public on a number of areas of fraud, including online shopping, banking and card fraud and identity theft. It covers situations where people may be contacted by phone, messaging services, email, websites, post or on the doorstep. Partner agencies are invited to share this information where possible.

It is proposed that the Health and Wellbeing Board indicates its support for this work and that partner organisations spread appropriate messages and links to resources where possible.”