

**EXECUTIVE MEMBER:** Councillor Clements  
**LEAD OFFICER:** Fergus Mc Morrow  
**REPORT AUTHOR:** Alan Davis

**Summary and Recommendation:**

**This report details a Service Level Agreement signed with the Citizens Advice Bureau to help people from the private rented and owner occupier sector facing eviction or repossession.**

The Panel are asked to note the agreement made which is an additional part of our strategy in preventing homelessness.

**1. INTRODUCTION**

- 1.1 In March 2009 the Government nationally made available £3.7 million to local authorities to support the development of actions to tackle the threat of repossessions across all tenures.
- 1.2 Locally Copeland Borough Council has been given £28,500 to implement local strategies to help it prevent repossessions and evictions of private tenants through their landlords having their properties repossessed.

**2. BACKGROUND INFORMATION**

- 2.1 During 2008 mortgage repossession claims issued rose by 4% to 142,626 across the country. This is the highest levels since 1992. Actual repossession orders went up to 114, 296 which is an increase of 19%.

**3. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)**

- 3.1 No additional cost implications directly relating from this action plan, but the tasks contained in it are covered by existing budgets. Information released by the Council of Mortgage Lenders properties taken in to repossession went up by approximately 42,000 during 2008, which is the highest level since 1996.

- 3.2 In addition to this the number of repossession claims and orders issued from all landlords for rent arrears increased to their highest level since 1999.
- 3.3 In terms of local authorities we have yet to see these figures translated in to acceptances of homelessness duty cases; (there was a national increase of homeless acceptances for mortgage arrears in 2008 from 3.1% to 4.2%).
- 3.4 With unemployment levels increasing rapidly and more people experiencing a reduction in wages, hours worked or even redundancy, more households will struggle to pay their rent or mortgage.
- 3.5 This service level agreement fits into context as part of a wider preventing repossessions strategy (see item on preventing repossessions) and is in response to the climate set out above.

#### **4. SERVICE LEVEL AGREEMENT**

- 4.1 The attached document sets out an agreement signed with the Citizens Advice Bureau to provide specialist debt advice for people experiencing multiple debt problems with the aim of preventing repossessions and evictions for those either with private sector landlords or who are owner occupiers.
- 4.2 Landlords of housing associations have been excluded because they already have other agreements with the Citizens Advice Bureau or with other specialist agencies.
- 4.3 The agreement not only provides a specialist money advice service with performance management information agreed to monitor its effectiveness, but also two other additional items to help us deliver on aims set out in the Homelessness Strategy 2008 - 2013.
- 4.4 We have agreed with the CAB that we will be included in joint training with other partners to help us not only increase the skills of the Housing Options Team and Customer Service Staff, but also to help us network with others.
- 4.5 Secondly we have reached agreement to use the CAB offices at Millom for a weekly surgery. This will enable customers who struggle to access our services in Whitehaven to have an opportunity to see an Options Advisor locally.
- 4.6 This is seen as the start of a process of taking services out to other parts of the borough.

4.7 Members are asked to note this agreement which will take effect from September.

### **CHECKLIST FOR DEALING WITH KEY ISSUES**

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	Will help to reduce crime & disorder
Impact on Sustainability	Will promote sustainable neighbourhoods
Impact on Rural Proofing	The scheme would be extended to rural communities
Health and safety Implications	None
Impact on Equality and Diversity Issues	Advertising of the scheme will be accessible to disadvantaged and minority groups
Children and Young Person's Implications	None
Human Rights Act Implications	None
Monitoring Officer comments	None
s.151 Officer comments	None

Is this a key decision?      No

**List of appendices – Appendix 1: Service Level Agreement with the Citizens Advice Bureau.**

<b>Title</b>	<b>Service level agreement to deliver Money Advice</b>
<b>Parties to the agreement</b>	Copeland Citizens Advice Bureau Copeland Borough Council
<b>Authorised representative for local authority (Copeland Borough Council):</b>	<b>Alan Davis</b>
<b>Authorised representative for advice agency (designated Money Advice Agency – Copeland District Citizens Advice Bureau):</b>	<b>Carol Graham</b>
<b>Aims &amp; Objectives of this agreement.</b>	<ul style="list-style-type: none"> <li>• To ensure the delivery of Money Advice for people at risk of losing their homes through rent arrears or mortgage debt</li> <li>• To establish roles and responsibilities of each party to the agreement in the delivery of Money Advice</li> <li>• To establish effective processes around referrals and information sharing to achieve successful outcomes for clients</li> <li>• To work cooperatively within the context of the current legal framework to provide the highest quality Money Advice services</li> <li>• To achieve the best outcomes for people faced with losing their home through debt</li> <li>• To ensure that those who are homeless or threatened with homelessness as a result of debt are enabled to make informed decisions about their housing options</li> <li>• To liaise and consult effectively with each other in the delivery of services.</li> </ul>
<b>Description</b>	<p>The designated Money Advice Agency will provide the following:</p> <ul style="list-style-type: none"> <li>• Accommodation in the Millom offices of Copeland CAB for a Housing Options officer from CBC on a weekly basis (half day or full day dependant on client demand)</li> <li>• Provide appropriate training for staff of CBC Housing department 3 times per year</li> <li>• On referral from the local authority the Money Advice agency will contact the client within 5 working days of receipt of the referral to commence the Money Advice process</li> <li>• Referrals may be received via email, fax or paper in an agreed format</li> <li>• Establish a complete picture of the clients financial circumstances</li> <li>• Checking whether the client is legally liable to pay all their debts</li> <li>• Identifying ways in which the client could maximise their income, including claiming benefits and tax credits</li> <li>• Help the client draw up a realistic and sustainable financial statement</li> </ul>

	<p>and advising on reducing expenditure</p> <ul style="list-style-type: none"> <li>• Obtain evidence of the client income, expenditure and total debts outstanding</li> <li>• Prioritise debts to enable all essential payments are paid or payments re scheduled or renegotiated to enable they can be made</li> <li>• Devise and negotiate fair and sustainable repayments to creditors – including direct contact with lenders where mortgage arrears</li> <li>• Where in rent arrears and the client is an RSL tenant check that the Rent Arrears Pre action Protocol has been applied correctly</li> <li>• Where there are mortgage debts check the Mortgage Arrears Pre Action Protocol has been applied correctly</li> <li>• In the case of mortgage debt – establish any Hardship Tools which have been applied by the lender</li> <li>• Advise the client on court procedures for debt recovery</li> <li>• Advise client on court procedures for repossession including any applications the client can make to the court</li> <li>• Representation at County Court where appropriate.</li> <li>• Where possible empower the client to manage their finances effectively</li> <li>• Confirm Money Advice provided to the client in writing</li> <li>• Where a client may be eligible for the Mortgage Rescue Scheme and all other options have been explored make a referral to the MR scheme via the agreed process – see agreed form – via email fax or paper</li> <li>• Advise the lender the client has been referred to MR assessment (via telephone call to relevant contact)</li> <li>• Inform lender of any outcome of MR assessment</li> <li>• Any referral for the MR scheme to be accompanied by the financial statement, any proof of income and expenditure, evidence of priority and non priority debts, client consent (Form of Authority) and a copy of the confirmation of advice provided to the client</li> <li>• Where required the Money Advice Agency to provide ongoing advice where a client has been accepted into the MR scheme</li> <li>• Money advice agency to make periodic contact with any client accepted into MR at 3 mth 6mth and 12mth intervals for the first year after the rescue – contact made via standard letter to client</li> </ul> <p>The local authority housing department will:</p> <ul style="list-style-type: none"> <li>• Local authority Housing Advice or options team will provide clients with basic advice and information on debt prior to making a referral to the Money Advice agency</li> <li>• Where a client is identified as having debt problems which may put their home at risk, provide sufficient referral information to the Money Advice agency to allow them to take the referral – see agreed form</li> <li>• Local authority to send the referral form to MA agency via email fax or paper and copy to client</li> <li>• MA agency to acknowledge receipt of the referral within 5 working days and if not acknowledged then the LA to contact the MA agency to ensure they have received the referral</li> <li>• Where the Money Advice Agency has made a referral to the Mortgage Rescue Scheme the local authority will provide acknowledgement of the referral to the client with a copy sent to the MA agency</li> <li>• Local authority to provide the MA agency with any update on assessment to the MR scheme via the client with copies to the MA agency if required</li> <li>• Local authority will ensure that MA agency is informed on of how the</li> </ul>
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	<p>client is being assisted by the LA and respond to any requests for information within agreed timescales – timescales to be agreed locally</p> <p>Both parties to conduct regular reviews of Money Advice provision in the area and any issues arising from this agreement.</p>
<b>Funding for Money Advice where applicable</b>	The Local Authority to remunerate the MA agency to the sum of £100 per client referred.
<b>Payment agreement</b>	Quarterly on receipt of invoice from the Money Advice Agency.
<b>Monitoring and review</b>	<p><b>Money Advice agency to provide quarterly:</b></p> <ul style="list-style-type: none"> <li>• Type &amp; category of debt dealt with</li> <li>• Source of referral</li> <li>• Number of new cases opened each quarter</li> <li>• Number of cases closed in the quarter</li> <li>• Number of cases referred to the local authority for Mortgage Rescue assessment</li> <li>• Outcomes of any advice provided (potential to relate to P1E outcomes of homelessness prevented outcomes 4,5,6,9,10,11)</li> <li>• Amount &amp; type of benefits raised on closed cases</li> </ul> <p>Regular review meetings to be held with all parties.</p>
<b>Status of Agreement</b>	It is not the intention of either party that this agreement shall be legally binding and therefore neither party shall have any liability to the other for any failure to observe the terms of this agreement.
<b>Client Care</b>	<p><b>Client care and involvement</b></p> <p>Every effort will be made to ensure the client's full understanding and involvement when accessing services from any party to this Agreement.</p> <p>Clients will be given advice and assistance that allows them to understand the impact of any option offered to them in connection with their debt, housing or homelessness issue.</p> <p>Client to be given a copy of the Debt Management Agreement – see attachment</p> <p>Any personal information about a client will only be shared between the parties to this Agreement with the full knowledge and consent of the client in accordance with data protection legislation.</p>
<b>Quality Assurance</b>	<p>Money Advice will be delivered in accordance with a recognised standard for example</p> <p>National Occupational Standards – Money and Debt Legal Advice and casework</p> <p>OFT – Debt Management Guidance</p> <p>Legal Services Commission – Specialist Help with casework in Debt and Welfare Benefits</p> <p>Citizens Advice Quality of Advice membership scheme requirements</p>
<b>Health And Safety</b>	The Money Advice agency shall have regard to the requirements of the Health and Safety at Work Act, 1974 and any other Acts, Regulations, Directives or Orders etc about health and safety.

<b>Insurances</b>	The Money Advice Agency will arrange adequate insurances to cover such liabilities as may arise in the course of the bureau's work.	
<b>Dispute Resolution</b>	<p>If either party considers the other to be in breach of their duties under this agreement or has a grievance about some aspect of the agreement's operation, the parties shall make every effort to resolve the issue through joint discussions. Where this fails:</p> <ul style="list-style-type: none"> <li>• The party wishing to make the complaint should provide the other with written details, including proposals for resolving it;</li> <li>• A written response should be sent to the initiating party within 14 days;</li> <li>• If the response is not considered to resolve the issue, the initiating party may request in writing to the contact officer a meeting of the authorised signatories (or their successor);</li> <li>• Where possible the meeting should be held within 14 days of the contact officer receiving the request;</li> <li>• Where the meeting does not resolve the complaint, the issue should be considered by the bureau's Trustee Board or the relevant council committee as a confidential item. Any submissions should be sent in advance to the other party and representation permitted;</li> </ul> <p>If either party is dissatisfied with the outcome as notified to it in writing within seven days of the meeting, arbitration can be requested and this will take place with a mutually acceptable external party.</p>	
<b>Signatures</b>	<b>Date:</b>	<b>Date:</b>

**Documentation to be attached:**

**Aims and objectives of designated Money Advice agency**  
**Relevant contact details for Housing Options staff and MA agency staff**  
**Debt Management agreement**  
**Referral form**  
**Client agreement with Money Advice**

## **APPENDIX 1**

### **2.0 CAB Aims, Values and Objectives**

#### **2.1 Aims.**

The CAB service has the following twin aims:

To ensure that individuals do not suffer through lack of knowledge of their rights and responsibilities or of services available, or through an inability to express their needs effectively

And equally

To exercise a responsible influence on the development of social policies and services both locally and nationally.

#### **2.2 Values.**

2.2.1 to encourage social inclusion by: -

- Responding to the needs of the whole district,
- Providing free advice which is impartial and confidential, regardless of race, gender, sexual orientation, age or disability
- Promoting individual autonomy by offering information and exploring choices.

2.2.2 Confidentiality, accessibility, approachability.

2.2.3 to be well informed, well trained and effective.

2.2.4 to be a good employer displaying consideration, offering training and seeking the development of workers whether paid or voluntary.

2.2.5 to seek to exercise responsible influence on government and others who impinge on the quality of life of our clients.

2.2.6 the service is:

- Free
- Confidential
- Independent
- Impartial
- Open to all, regardless of race, religion, gender, age or sexuality

Copeland Citizens Advice Bureau purpose is therefore to:

Provide a quality service that effectively meets the advice needs of the communities it serves;

promote awareness of social issues, seeking to effect changes in public policy;

achieve the quality standards required by the Legal Service Commission and the National Association of Citizens Advice Bureaux;

to work in partnership with other agencies to fight isolation and social exclusion.

#### **2.3 Objectives**

- To provide a consistently high quality accessible service to as many people as possible from all sectors of the community.
- To make the most efficient use of the limited resources



## **Appendix 2**

### **Example - Debt Management CAB/Client Agreement**

Based on the Debt Management Guidelines issued by the Office of Fair Trading

**1. Our debt management advice is Free, Independent, Confidential and Impartial.**

Resolving a debt problem takes time, energy and commitment both from yourself and the agency assisting you and the success of the debt advice process depends on your willingness to cooperate fully. There is a high demand for the service and we are only able to assist those clients who are willing to cooperate fully.

**2. What we will do:**

Assess your income and advise you how this may be increased (by claiming benefits to which you may be entitled)

We will prepare a financial statement based on the information you supply us.

We will discuss your options with you so that you can choose what is the best solution for you and follow a management strategy agreed with you.

We will deal appropriately with relevant correspondence we handle on behalf of you and send you copies of any correspondence sent to or received from a creditor.

We will keep you informed of progress with your case.

We will always act in what we believe to be your best interests.

We will assist you in preparing any relevant Court papers and, if required, we may be able to represent you at the local County Court.

**3. We advise you that:**

Creditors need not accept proposals to reduce payments or freeze interest.

Collection actions, default notices and litigation may still follow.

There may still be impact on your credit ratings.

It is important that you meet mortgage, rent, council tax and utility payments.

Correspondence from creditors or those acting on behalf of creditors should not be ignored.

Please send copies to us.

You are not prohibited from corresponding with or communicating with creditors, but if you do, please keep us informed. Do not enter into separate agreements with them.

We require full information if we are to act on your behalf.

- We need to know about **all** your debts – we cannot deal with some and not others.
- We expect you to attend arranged appointments or tell us in advance if you are unable to do so.
- You must not take on any more credit without reference to us.
- If you fail to keep these requirements we may not be able to continue to assist you

