



City and County of Swansea

Notice of Meeting

You are invited to attend a Meeting of the

Poverty Reduction Policy Development Committee

At: Remotely via Microsoft Teams

On: Monday, 20 December 2021

Time: 3.30 pm

Chair: Councillor Philip Downing

Membership:

Councillors: C R Doyle, D W Helliwell, P K Jones, L R Jones, E T Kirchner, D Phillips, C Richards, K M Roberts and L V Walton

Watch Online: <https://bit.ly/3HMox5N>

	Agenda	Page No.
1	Apologies for Absence.	
2	Disclosures of Personal and Prejudicial Interests. www.swansea.gov.uk/disclosuresofinterests	
3	Minutes. To approve & sign the Minutes of the previous meeting(s) as a correct record.	1 - 2
4	Promoting Affordable Credit Policy.	3 - 14
5	Corporate Personal Debt Recovery Policy.	15 - 22
6	Work Plan 2021-2022.	23

Next Meeting: Monday, 24 January 2022 at 3.30 pm

A handwritten signature in black ink that reads 'Huw Evans'.

Huw Evans
Head of Democratic Services
Monday, 13 December 2021

Contact: Democratic Services: - 636923

Agenda Item 3



City and County of Swansea

Minutes of the **Poverty Reduction Policy Development Committee**

Remotely via Microsoft Teams

Monday, 22 November 2021 at 3.30 pm

Present: Councillor P Downing (Chair) Presided

Councillor(s)

C R Doyle
L R Jones

Councillor(s)

D W Helliwell
K M Roberts

Councillor(s)

P K Jones
L V Walton

Officer(s)

Gareth Borsden
Anthony Richards

Democratic Services Officer
Poverty and Prevention Strategy and Development
Manager

Apologies for Absence

Councillor(s): C Richards

23 Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct adopted by the City and County of Swansea, no interests were declared.

24 Minutes.

Resolved that the Minutes of the meeting of the Poverty Reduction Policy Development Committee held on 25 October 2021 were approved as correct record.

25 Community Food Growing Policy.

Anthony Richards gave a verbal update to the Committee on the current position relating to the progress of the Community Food Growing Policy.

He outlined that the policy is in draft form but needs further work and discussion with other departments and third sector partners before it can put out for public consultation. The consultation would be for a minimum of 4 weeks and would be advertised on the council's website, via its social media platforms and all Members would be encouraged to promote the draft policy to local groups and organisations within their wards and communities.

Following the consultation exercise and collation of any comments and feedback, an Integrated Impact Assessment would be completed and submitted to the Access to Services Team for approval.

Following this, the report would then be brought back to the PDC for discussion and approval, before being referred to the Cabinet Member.

26 Corporate Debt Policy.

Anthony Richards gave a verbal update to the Committee on the current position relating to the progress of the Corporate Debt Policy.

He outlined that the workshop held in October with Members and staff from Housing Rents and Council Tax had proved very useful. The draft policy will need further refining and input from other departments before it can put out for public consultation.

As per the discussion on the previous item, the consultation again would be for a minimum of 4 weeks and would be advertised on the council's website, via its social media platforms and all Members would again be encouraged to promote the consultation. Following the consultation period and collation of any comments and feedback, an Integrated Impact Assessment would be completed and submitted to the Access to Services Team for approval.

Again, the report would then be brought back to the PDC for discussion and approval, before being referred to the Cabinet Member.

27 Work Plan 2021-2022.

The Chair verbally presented an updated Work Plan 2021-2022.

He outlined that the two reports originally scheduled for the December meeting may now need to be rescheduled in the New Year, and indicated that a report on the Draft Promoting Affordable Credit Policy would now be brought forward to the next meeting instead for discussion.

Resolved that the amended contents of the report be noted.

The meeting ended at 3.51 pm

Chair

Agenda Item 4



Report of the Chair

Poverty Reduction Policy Development Committee – 20 December 2021

Promoting Affordable Credit Policy

Purpose:	To adopt a policy which embeds the promotion of affordable credit.
Policy Framework:	Swansea Council's Tackling Poverty Strategy Welsh Government's Financial Inclusion Strategy Wellbeing of Future Generations (Wales) Act 2015 Socio-Economic Duty 2021
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that: 1) The policy be agreed and forwarded to the Cabinet Member / Cabinet for approval.
Report Author:	Anthony Richards
Finance Officer:	Chris Davies
Legal Officer:	Aled Gruffydd
Access to Services Officer:	Catherine Window

1. Introduction and Background

- 1.1 The Poverty Reduction Policy Development Committee (PDC) examined the issue of High Cost Lending during the Municipal Year 2018-19 and agreed to develop a Promoting Affordable Credit Policy which aims to end the targeting of High Cost Credit, prevent High Cost Lending and promote access to equitable and Affordable Credit for all residents of Swansea. The development of a Promoting Affordable Credit Policy will help to ensure that the approach is embedded in the Council's policy framework.

- 1.2 Borrowing is a necessity for many people on low incomes, simply to 'make ends meet' or as a result of 'pinch points' such as Christmas, or 'life shocks' such as bereavement. The Covid-19 pandemic has also impacted low-income households disproportionately resulting in an increase in the number of people and households using credit to pay for everyday essentials such as food, clothing and utilities. Prior to the Covid-19 pandemic, the Step Change Debt Charity estimated that 8.8 million people use high cost credit for every day household expenses. High cost credit companies often target those who might have poor credit and low financial resilience. This can lead to debt, default and insolvency, as residents might take on too much High Cost Credit. A number of residents targeted by high-cost credit providers are also sometimes vulnerable and we have a duty to ensure they are supported to make well-informed borrowing choices.
- 1.3 A draft of the Promoting Affordable Credit Policy (Appendix A) was presented to Corporate Management Team on the 4th November 2020 where it was agreed that the development of the policy could progress to public consultation prior to progressing to Cabinet and being adopted as policy.
- 1.4 The Draft Promoting Affordable Credit Policy Public Consultation launched on the 26th April 2021 and ran for a period of four weeks, closing on the 23rd May 2021. The consultation responses were considered and further action taken to engage with the Credit Union in Swansea.

2. Next Steps

- 2.1 An Integrated Impact Assessment Screening (Appendix B) has subsequently been completed and approved by Access to Services.

3. Recommendations

- 3.1 The policy be agreed and forwarded to the Cabinet Member / Cabinet for approval.

4. Integrated Assessment Implications

- 4.1 The Council is subject to the public sector duties relating to equality and socio-economic inequalities as prescribed by the Equality Act 2010, the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure 2011, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.

- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

4.2 The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

4.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

4.4 An IIA Screening has been completed and approved by Access to Services. A full IIA is not required in this instance.

5. Financial Implications

5.1 Whilst there are no direct financial implications arising from this report, it may lead to decisions being taken at a later date that may have costs attached. Any such costs will need to be managed within departmental resources at that time with due regard to the Council's medium term financial plan.

6. Legal Implications

6.1 The Council must have due regard to the Public Sector Equality Duty under s149 of the Equality Act 2010 as well as its duties under the Equality Act (Statutory Duties) (Wales) Regulations 2011 .

Appendices:

- Appendix A Draft Promoting Affordable Credit Policy
- Appendix B Integrated Impact Assessment Screening Form



Promoting Affordable Credit Policy

Contents

1. Introduction
2. Definition
3. Policy Statement
4. Action Plan and Monitoring

1. Introduction

Borrowing is a necessity for many residents. High cost credit companies target those who may have poor credit and low financial resilience. This can lead to over-indebtedness, default and insolvency, as residents may take on too much high cost credit. A number of residents targeted by high-cost credit providers may also be vulnerable and we have a particular duty to ensure they are supported to make well-informed borrowing choices.

The Swansea Tackling Poverty Strategy states our vision of a Swansea in which:

- Income poverty is not a barrier to doing well at school, having a healthy and vibrant life, developing skills and qualifications and having a fulfilling occupation.
- Residents maximise their income and get the most out of their money.
- Residents avoid paying the 'Poverty Premium', the extra costs people on low incomes must pay for essentials such as fuel and transport.

The Welsh Government's Financial Inclusion Strategy (2016) promotes financial inclusion for all residents in Wales. The overall aim is to provide information and advice and to ensure residents have access to appropriate and affordable financial services.

2. Definitions

High Cost Lending includes:

- High-cost short-term credit
- High-cost unsecured loans aimed at poor credit customers
- Guarantor Loans
- Door step loans / home collected cash loans
- Pay-day loans
- Logbook loans / V5 Car loan
- Pawn broking
- Rent-to-own

It can also include:

- Unregulated lenders e.g. Loan Sharks

Affordable Credit features include:

- Credit products with affordable repayments
- Clear cost of credit stated
- Affordability checks undertaken
- Responsible lending
- Build the financial capacity of the borrower
- Ethical, affordable and accessible credit products

3. Policy Statement

Swansea Council aims to:

- 1) End the targeting of high cost credit,
- 2) Prevent high cost borrowing
- 3) Promote access to more equitable and affordable credit.

Therefore, we:

- Promote, encourage and support the take up of free and impartial debt advice, through:
 - a) general campaigns, and
 - b) a proactive offer whenever a resident discloses that they are in financial difficulty
- Commit to work with Swansea Credit Union/s.
- Promote and establish Credit Union collection points where possible.
- Promote and encourage membership of the Credit Union to new and existing council tenants
- Promote and encourage membership of the Credit Union to new and existing staff.
- Block payday loan sites on council computers and public access computers and signpost to Swansea Credit Union/s, Citizen's Advice and Money Advice Service.
- Promote the Financial Conduct Authority register of regulated lenders on the Council website (<https://register.fca.org.uk/>).
- Promote reporting of any loan shark activities to the Wales Illegal Money Lending Unit and Swansea Trading Standards.
- Provide Loan Shark Awareness training to staff and County Councillors.

4. Action Plan: Governance and Monitoring

This policy will be implemented through a three year Action Plan, reviewed annually in January and monitored quarterly.

The Action Plan will set out how officers and members will ensure delivery against the commitments listed in the above policy statement. It may also include additional actions which are considered timely and relevant to this policy.

The Action Plan will be monitored quarterly via the Swansea Council Poverty Forum.

Appendix A

Finance and Performance Monitoring will be monitored quarterly via the Tackling Poverty Service Performance Report and copied to the Cabinet Member / presented to Scrutiny by request.

The policy will be monitored annually through the Corporate Policy Monitoring Document.

Issues will be escalated via Cabinet Member briefing sessions.

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Tackling Poverty Service

Directorate: Social Services

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services

(b) Please name and fully describe initiative here:

Adoption of a Promoting Affordable Credit Policy

Borrowing is a necessity for many people on low incomes, simply to 'make ends meet' or as a result of 'pinch points' such as Christmas, or 'life shocks' such as bereavement. The Step Change Debt Charity estimated that 8.8 million people use high cost credit for every day household expenses. High cost credit companies often target those who might have poor credit and low financial resilience. This can lead to debt, default and insolvency, as residents might take on too much High Cost Credit. A number of residents targeted by high-cost credit providers are also sometimes vulnerable and we have a duty to ensure they are supported to make well-informed borrowing choices.

High Cost Lending includes; unsecured loans aimed at poor credit customers, Guarantor loans, Door step loans / home collected cash loans Pay-day loans, Logbook loans / V5 Car loan, Pawn broking and Rent-to-own. It can also include unregulated lenders such as Loan Sharks.

There are a number of reasons why residents take on High Cost Credit. Sometimes, residents perceive that this is the only option and there is a lack of awareness of other options. High Cost Credit is often easy to access online, or at home, or in the local community and can sometimes be recommended by friends and family. The cost of the High Cost Credit products are often packaged as affordable weekly payments and sales techniques are often pressurised. People who take on High Cost Lending may lack financial capability or financial resilience.

High Cost Credit is often associated with spiralling debt, repeated borrowing, multiple loans and intimidating collection practices by lenders. High Cost Credit can have a negative impact on mental and physical health, social well-being and relationships and financial security. The impact of High Cost Credit can result in Homelessness, relationship breakdowns and other complex problems, increasing the demand for Council services.

The features of Affordable Credit are ethical, affordable and accessible credit products which clearly state the cost of credit. Lenders should undertake affordability checks and lend responsibly and build the financial capacity of the borrower. Credit Unions are examples of organisations which offer a range of affordable credit products.

Although the Council have limited powers to prevent High Cost Credit and unethical lending within the confines of current legislation, the Council does have a key role in promoting the awareness of Affordable Credit and has a number of policy levers at its disposal. These include the way in which Council respond to people when they disclose that they are in financial difficulty, promoting Affordable Credit options, signposting to debt advice and preventing the promotion and facilitation of High Cost Credit in the delivery of services e.g. banning pay day loan adverts on Council owned computers at libraries for example.

The Draft Promoting Affordable Credit Policy sets out the following aims:

Swansea Council aims to:

- 1) End the targeting of high cost credit,
- 2) Prevent high cost borrowing
- 3) Promote access to more equitable and affordable credit.

Therefore, we will:

- Promote, encourage and support the take up of free and impartial debt advice, through:
 - a) general campaigns, and
 - b) a proactive offer whenever a resident discloses that they are in financial difficulty
- Commit to work with Swansea Credit Union/s.
- Promote and establish Credit Union collection points where possible.
- Promote and encourage membership of the Credit Union to new and existing council tenants
- Promote and encourage membership of the Credit Union to new and existing staff.
- Block payday loan sites on council computers and public access computers and signpost to Swansea Credit Union/s, Citizen’s Advice and Money Advice Service.
- Promote the Financial Conduct Authority register of regulated lenders on the Council website (<https://register.fca.org.uk/>).
- Promote reporting of any loan shark activities to the Wales Illegal Money Lending Unit and Swansea Trading Standards.
- Provide Loan Shark Awareness training to staff and County Councillors.

This policy makes a commitment to promoting affordable credit as an alternative to high cost borrowing. The freedom of choice remains with the individual when considering options for financial borrowing.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

	High Impact		Medium Impact		Low Impact		Needs further investigation
	+	-	+	-	+	-	
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches? Please provide details below – either of your activities or your reasons for not undertaking involvement

The Draft Promoting Affordable Credit Policy went to public consultation for a period of four weeks. The consultation was promoted via Tackling Poverty Networks and Forums including the Swansea Poverty Partnership Forum, Financial Inclusion Steering Group and Swansea Council Poverty Forum.

The consultation raised queries around the impact of the policy on Celtic Credit Union. Further discussions were held with Celtic Credit Union as a result and they felt very positively about the development and implementation of this policy, seeing it as good practice that other Local Authorities could replicate.

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan’s Well-being Objectives when considered together?
 Yes No
- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
 Yes No
- c) Does the initiative apply each of the five ways of working?
 Yes No
- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
 Yes No

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

High risk

Medium risk
 Page 11

Low risk

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes

No

If yes, please provide details below

The implementation of the policy will provide services across Swansea Council with information to be able to raise awareness of access to affordable credit with people that they support and in the circumstance of disclosed financial difficulty. This will be met from within existing resources and will enhance the ability of holistic support for residents across Swansea.

Q7 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

(You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.)

This policy makes a commitment to promoting affordable credit as an alternative to high cost borrowing. The freedom of choice remains with the individual when considering options for financial borrowing.

This policy will have a positive impact particularly for those that are socio-economically disadvantaged. High interest lenders tend to target areas of deprivation.

This policy will have a positive impact on Human Rights particularly by supporting residents of Swansea to be able to make choices that can improve their financial security.

Community Cohesion will be positively impacted indirectly by this policy by promoting improved financial resilience.

This policy will have a neutral impact on all other protected characteristic groups.

Outcome of Screening

Q8 Please describe the outcome of your screening below:

- **Summary of impacts identified and mitigation needed (Q2)**
- **Summary of involvement (Q3)**
- **WFG considerations (Q4)**
- **Any risks identified (Q5)**
- **Cumulative impact (Q7)**

Impacts Identified

The impact across all groups have been identified as positive, particularly for those that are socio-economically disadvantaged. We also recognise that members from all groups can experience socio-economic disadvantage. The introduction of this policy supports the promotion of ethical and affordable borrowing as an alternative to high cost borrowing. Decisions about personal borrowing sits entirely with the individual. No mitigations have been identified at this stage. Any need for mitigation in the future would be addressed at the time.

Summary of Involvement

A summary of the consultation findings are listed below:

- 80% agreed that it was easy to read with 20% strongly agreeing. 80% either agree or strongly agree that the policy is easy to understand with 20% tending to disagree. 100% agree or strongly agree that the policy is well laid out and is an appropriate length. 80% agreeing or strongly agreeing that the policy was informative with 20% tending to disagree.
- 80% tend to agree or strongly agree that the aims of the policy are appropriate, achievable and going to make a difference to the people of Swansea. 20% tending to disagree or strongly disagree with these statements.
- 80% tend to agree or strongly agree that actions outlined in the policy will achieve our aims, they are appropriate, achievable and going to make a difference to the people of Swansea. 20% tending to disagree or strongly disagree with these statements.
- 80% feel that the policy is a good idea with 20% feeling it is not.
- 100% of respondents had not spoken with a representative of Swansea Council about themselves, or someone they support, having financial difficulties.

Comments raised highlighted the need to further explore any issues that the policy might create for Celtic Credit Union.

A focus session was subsequently held with Celtic Credit Union to discuss any impact on the Credit Union. Feedback was that the policy would support the objectives of the Credit Union and the provision of affordable credit in Swansea. The development and introduction of this policy was seen as very positive and as good practice that other local authorities could consider.

WFG Considerations

Long Term - The long-term impact of promoting affordable credit will ensure future generations and those yet to be born are not caught in the cycle of poverty and debt. Reducing the number of high cost credit lenders and promoting affordable options will enable many families to become debt free sooner.

Prevention - The reduction of high cost lenders and promotion of affordable credit will work to break the cycle of lending and debt within families, with families becoming debt free sooner and reducing the dependency on credit. Promoting affordable options will enable responsible lending. This will include advertising affordable options at key pinch points for families (such as Christmas) to avoid crisis points for families.

Integration – The Policy will help low-income households and links with Council’s overall objectives of Safeguarding People from Harm and Tackling Poverty.

Collaboration - Working across all Council Services and working with Celtic Credit Union

Involvement - This policy is about promoting ethical, accessible and affordable alternatives to high cost borrowing. Service users are not obliged or required to act on any information that is provided. They entirely hold the freedom to make their own decisions in relation to borrowing.

Risks

No risks have been identified. The roll out of the policy will be met from within existing resources.

Cumulative

The cumulative impact is positive across all groups and communities in particular, those experiencing socio-economic disadvantage.

(NB: This summary paragraph should be used in the relevant section of corporate report)

- Full IIA to be completed
- Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Anthony Richards
Job title: Poverty and Prevention Strategy Development Manager
Date: 09/12/21
Approval by Head of Service:
Name: Amy Hawkins
Position: Head of Adult Social Services
Date: 09/12/21

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 5



Report of the Head of Adult Social Services

Poverty Reduction Policy Development Committee – 20 December 2021

Draft Corporate Personal Debt Recovery Policy

Purpose:	To adopt a policy which embeds a corporate approach to the collection of personal debt.
Policy Framework:	Swansea Council's Tackling Poverty Strategy Welsh Government's Financial Inclusion Strategy Wellbeing of Future Generations (Wales) Act 2015 Socio-Economic Duty 2021 LGA 1972 / Financial Regulations / Council Constitution
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that: 1) It is recommended that the remaining services that collect personal debt are invited to draft further sections to the draft policy that reflect how the principles of the policy will be applied in their service areas.
Report Author:	Anthony Richards
Finance Officer:	Chris Davies
Legal Officer:	Aled Gruffydd
Access to Services Officer:	Catherine Window

1. Introduction

- 1.1 The draft Corporate Personal Debt Recovery Policy (Appendix A) sets out how Swansea Council will work with its customers and partners to collect personal debt and what it would do to help those who are in debt.
- 1.2 Debt is defined as 'any amount owed that has not been paid by the due date.'
- 1.3 The policy covers all personal debts owed to the Council, which includes, but is not limited to:

- Housing Rents
- Council Tax
- Parking Penalty Charge notices
- Social Care fees
- Housing Benefit Overpayments
- Overpaid Council salaries and wages (current and former employees)
- Parking season tickets
- Housing recharges
- Berthing charges
- Fines for littering and dog fouling
- Other debts owed to the authority

2. Developing a Corporate Personal Debt Recovery Policy

- 2.1 The Council recognises that a significant proportion of Council services are funded through taxes and service charges. If income is not collected effectively, then the authority will be unable to properly fund the vital services it provides for the citizens of Swansea or it will simply mean costs fall to others to pay more to make up the shortfall.
- 2.2 The Chief Finance Officer (Section 151 Officer) is required under The Local Government Act 1972 to ensure proper administration of the financial affairs of the Council. One such area of administration relates to the collection of income due to the Council. The Chief Finance Officer's responsibility, along with other officers, in the collection of income due to the Council is outlined in the Council's Constitution.
- 2.3 Swansea Council also recognises that early engagement from those at risk of debt or in debt, can prevent debts from escalating, reduce indebtedness and increase the ability of citizens to meet their financial responsibilities.
- 2.4 We know that anyone can experience financial difficulties at any time and that money problems do not just affect the person in debt. Families and communities thrive when people can afford healthy lives and avoid the stress of money worries.
- 2.5 We want Council policies to reflect this and our customers to know that we will help people with money worries to get free and impartial help if they want it.
- 2.6 Services across the Council that collect outstanding personal debts have provided initial feedback on the draft Corporate Personal Debt Recovery Policy including the guiding principles that have been developed.
- 2.7 A workshop was held with Officers from Housing Rents and Council Tax and subsequently, these services have been asked to provide respective draft content in relation to their services.

3. Recommendations

- 3.1 It is recommended that the remaining services that collect personal debt are invited to draft further sections to the draft policy that reflect how the principles of the policy will be applied in their service areas.

4. Integrated Assessment Implications

- 4.1 The Council is subject to the public sector duties relating to equality and socio-economic inequalities as prescribed by the Equality Act 2010, the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure 2011, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

- 4.2 The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

- 4.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

- 4.4 An IIA screening has been opened and will be completed prior to corporate briefing. A full IIA may be required dependant on the outcome of the screening.

5. Financial Implications

- 5.1 Whilst there are no direct financial implications arising from this report, it may lead to decisions being taken at a later date that may have costs attached. Should that be the case, additional consideration will need to

be given to how the additional costs / resources will be provided at that time.

6. Legal Implications

- 6.1 The Council must have due regard to the Public Sector Equality Duty under s149 of the Equality Act 2010 as well as its duties under the Equality Act (Statutory Duties) (Wales) Regulations 2011.

Appendices:

Appendix A Draft Corporate Personal Debt Recovery Policy



Draft Corporate Personal Debt Recovery Policy

Contents

1. Introduction
2. Definitions
3. Policy Statement
4. Action Plan and Monitoring

1. Introduction

This Policy sets out how Swansea Council will work with its customers and partners to collect personal debt and what it will do to help those who owe money to the Council.

(This policy does not apply to commercial debtors).

Swansea Council recognises that early help can prevent debts from escalating, reduce indebtedness and increase the ability of residents to meet their financial responsibilities.

Swansea Council also recognises that a significant part of Council services are funded through taxes and service charges. If income is not collected effectively, then the Council will be unable to properly fund the vital services it provides for the residents of Swansea.

We know that anyone can experience financial difficulties at any time and that money problems don't just affect the person in debt. Families and communities thrive when people can afford healthy lives and avoid the stress of money worries.

We want Council policies to reflect this and our customers to know we will help people with money worries to get free and impartial help if they want it.

A consistent approach to the collection of debt and supporting those who are in debt will help reduce outstanding debts to the Council and provide the revenue to deliver services.

The Swansea Tackling Poverty Strategy states our vision of a Swansea in which:

- Income poverty is not a barrier to doing well at school, having a healthy and vibrant life, developing skills and qualifications and having a fulfilling occupation.
- Residents maximise their income and get the most out of their money.

- Residents avoid paying the 'Poverty Premium', the extra costs people on low incomes must pay for essentials such as fuel and transport.

The Welsh Government's Financial Inclusion Strategy (2016) promotes financial inclusion for all residents in Wales. The overall aim is to provide information and advice and to ensure residents have access to appropriate and affordable financial services.

2. Definitions

This Policy defines debt as 'any amount owed that has not been paid by the due date'.

This Policy covers all personal debts owed to the Council, which includes, but is not limited to:

- Housing Rents
- Council Tax
- Parking Penalty Charge notices
- Social Care fees
- Housing Benefit Overpayments
- Overpaid Council salaries and wages (current and former employees)
- Parking season tickets
- Housing recharges
- Berthing charges
- Fines for littering and dog fouling
- Other debts owed to the authority

3. Policy Statement

Swansea Council aims to:

1. Make it easy for you to pay bills and contact us early if you are struggling to pay or worried about money;
2. Offer you friendly help when you need it, including referral to free and impartial money advice;
3. Avoid further action while you receive help to sort out money problems;
4. Ensure fair and consistent practice to collecting money owed to the Council, offering flexibility to accommodate the changing circumstances of the individual.

Therefore we will:

1. Communicate clearly so that customers know how and where they can pay their bills and who they can contact for information and advice if they are struggling;
2. Offer early and professional advice to customers in respect of money owed to the Council if we become aware that a problem exists;
3. Make sure that customers know that we can help them if they tell us that a problem exists;
4. Maximise reliefs, discounts or benefit entitlements to reduce outstanding debt;

5. Work with our partners (internal and external) to be able to offer the most appropriate free and impartial money advice;
6. Accept reasonable offers of payment where appropriate, when you have completed a Standard Financial Assessment (SFA) assisted by a debt advice professional;
7. Offer additional support to vulnerable customers;
8. Take into account your personal circumstances and agree realistic payment arrangements with you;
9. Use enforcement action as a last resort;
10. Continue to improve our debt recovery practices in line with national and local strategies and legislation.

4. Housing Rents

TBC

5. Council Tax

Council Tax is a tax collected on domestic properties. The tax goes towards approximately 28% of the services provided by Swansea Council. The process on recovering unpaid tax is set out in legislation and the Council has to follow this when carrying out their duties to recover unpaid tax.

There are many exemptions and discounts that can apply to individuals to reduce their Council Tax liability, including a means tested reduction for those on low income.

The Council Tax Department can offer advice applicable to an individual to find the best solution when someone may be struggling to pay their bill. If you are struggling to pay this bill you should make contact with the department as soon as possible so the most appropriate advice can be given to you at the earliest opportunity.

6. Housing Benefit overpayments

This is money that has been paid to an individual/landlord to help an individual with their rent, where at a later date it has been found to be paid at an incorrect amount. Usually this will be due to a change in their circumstances resulting in their entitlement to the benefit needing to be reduced.

If someone remains entitled to Housing benefit then amounts can be recovered from their ongoing entitlement, however the amount can be negotiated if you are struggling to afford this.

If you do have a Housing Benefit overpayment and you are struggling to meet the repayments you are encouraged to speak to the Debt recovery team about any alternative arrangement that can be considered.

7. Social Care contributions

Where someone receives a service from Social Services for day centre services, direct payments for care, care in their home, respite services or for care in a residential care home a financial assessment is carried out to determine how much they are required to pay towards this service. This is a means tested assessment and an individual will usually receive a bill every month if they continue to receive a service.

Where an individual is struggling to meet the costs of their care they are encouraged to speak to Social care income and finance department or their social worker as soon as possible so a solution can be looked into.

8. Action Plan and Monitoring

This policy will be implemented through a three year Action Plan, reviewed annually.

The Action Plan will set out how officers and members will ensure delivery against the commitments within this policy. It may also include additional actions which are considered timely and relevant to this policy.

Agenda Item 6



Report of the Chair

Poverty Reduction Policy Development Committee – 20 December 2021

Work Plan 2021-2022

Date of meeting	Agenda items and Format
28/06/21	<ul style="list-style-type: none"> • Promoting Affordable Credit Draft Policy. • Work Plan Discussion 2021-2022
26/07/21	<ul style="list-style-type: none"> • Tackling Poverty Strategy Revision. • Corporate Personal Debt Recovery Policy.
23/08/21	<ul style="list-style-type: none"> • Working Group
27/09/21	<ul style="list-style-type: none"> • Corporate Personal Debt Recovery Policy Development and Next Steps. • Benefits Take-up • Fairness in Green Health.
25/10/21	<ul style="list-style-type: none"> • Local Area Co-ordination
22/11/21	<ul style="list-style-type: none"> • Service area procedures surrounding all personal debt owed to the Authority • Implementation on the Socio-Economic duty & the Community Food Growing Policy
20/12/21	<ul style="list-style-type: none"> • Promoting Affordable Credit Draft Policy. • Corporate Personal Debt Recovery Policy
Topics	
	<ul style="list-style-type: none"> • Corporate Debt Recovery Policy • Benefits Take Up • Fairness in Green Health • Local Area Co-ordination • Implementation on the Socio-Economic duty & the Community Food Growing Policy • Garden sharing • Social Care Financial Guidance • Volunteering Policy • Passport to Leisure • Working to Prosperity: Tackling Poverty Strategy • Period Poverty • Swansea Poverty Truth Commission • Fairness in Green Health