



Financial Shield Joint Debt Recovery Protocol

As part of the Financial Shield project, we are testing out how creditors can better support people with, or at risk of, both long-term health conditions and who are experiencing financial difficulties.

A new cross Borough Joint Creditor Forum has been established to oversee this element of the work, comprising:

- Lambeth Council
- Southwark Council
- Hyde Housing Association
- Optivo Housing Association
- Southern Housing Group, and
- Metropolitan Thames Valley Housing Association.

Over the lifetime of the project, we expect to bring in both more, and different types of, creditors into the forum.

The Forum has now agreed to operate a **Joint Debt Recovery Protocol** ('the protocol') in recognition of:

- Increased rent, Council Tax, and other household bill arrears and debt problems as a result of the Covid pandemic.
- The need to provide more holistic support to people who are living with, or are at risk of developing, long-term health conditions, and who are also experiencing financial difficulties.
- The need for creditor agencies to provide more time and space for these residents to address their financial and health problems and to get 'Back on Track' with payments and the management of their health conditions.
- The need for creditor agencies to co-operate to support residents rather than compete for repayments towards any arrears.

The protocol has the following objectives:

- To enable the Financial Support Link Workers being funded by the project, and who are embedded within local social prescribing teams, to accurately assess the financial position of residents coming into the healthcare pathway.
- To provide residents accessing the project, and who have debts owing to participating creditors to obtain the time and space they need to receive support and get 'back on track' with their finances and the management of their health conditions.

- To enable Financial Support Link Workers to quickly assist residents with applications for any appropriate and available emergency and discretionary support.
- To co-ordinate subsequent recovery action to ensure repayment agreements are sustainable.
- To enable the effective evaluation of the processes followed and the outcomes achieved for residents and participating creditors, and
- To enable participating creditors to better understand the health situation of debtors – and that their health conditions may impinge on their ability to manage debts effectively or impact the level of debt repayment that they may reasonably be expected to offer.

This document now sets out the commitments made and processes to be established by participating creditors and the project's Financial Support Link Workers to achieve these objectives.

A flow chart of the processes to be followed is available in the appendix to this document.

Enabling accurate financial assessment and providing sufficient time and space

Financial Support Link Workers will explain the offer of support available from the pilot to residents, and obtain the necessary consents from these to:

- Provide Financial Support Link Workers with permission to contact participating creditors and seek information from them concerning any outstanding debts, Housing Benefit and Council Tax Support or other Reduction entitlements applicable to the resident.
- Permit participating creditors to share this information with the Financial Support Link Workers and the Project's Evaluation Team.
- Participating creditors will provide a mechanism for receipt of these consents; the logging of resident involvement in the pilot, and for the communication of requested information within three working days of receipt to the Financial Support Link Workers.
- A designated e-mail address will be established by participating creditors for all liaison with the Financial Support Link Workers. When responding, creditors will provide full details of debts owed, and all support/ grants or other funding that is being provided to the resident.
- Where the information indicates a debt to a participating creditor is outstanding, the participating creditor will immediately place a hold on recovery activity for a typical period of up to 60-days¹. The participating creditors will contact the resident's Financial Support Link Worker to confirm that this has been done.
- Upon receipt of the information from participating creditors, the Financial Support Link Worker will assess:

¹ This may be extended at the discretion of the creditor, for example to take account of the needs of residents whose health conditions are severe.

- Whether the resident is eligible for the Joint Debt Recovery Protocol to be initiated, and
- What further support is needed for the resident, including in respect of help to apply for emergency or discretionary support, income maximisation and debt advice services and support to meet health or wider needs.
- If the resident is eligible for further support, then they will be assisted to obtain this by the Financial Support Link Worker.
- Following the delivery of any additional financial and health support as identified above, the Financial Support Link Worker will complete the Standard Financial Statement with the resident and send this to relevant participating creditors together with any offer of repayment.

Assisting residents with applications for emergency or discretionary support

To ensure that all available financial support is being provided to residents accessing the project:

- Participating creditors will share information regarding the eligibility criteria for possible emergency or discretionary support with the Financial Support Link Workers.
- Participating creditors will accept applications for this assistance to be made on behalf of residents if submitted by the Financial Support Link Workers and the appropriate consent has been received.
- Financial Support Link Workers will assess whether residents are eligible for any emergency or discretionary support against the criteria provided to them and will submit applications for this as appropriate.
- Participating creditors will provide the Financial Support Link Workers with relevant training and information to enable them to better understand the eligibility criteria and application processes for emergency and discretionary support during their induction periods.
- Participating creditors will keep the Financial Support Link Workers up to date with any relevant changes in eligibility criteria or application processes.

Co-ordinating Recovery Action – the Joint Debt Recovery Protocol

In the event that the resident is a tenant of a participating Housing Association, and has outstanding rent arrears, and has one or more debts outstanding to their local authority then the Housing Association and relevant local authority agree to operate this Joint Debt Recovery Protocol.

- The relevant Housing Association and local authority agree to share information concerning their accounts with each other, and jointly assess (with the involvement of the Financial Support Link Worker) how much the resident can afford to pay (in total) to their outstanding debts.

- The relevant Housing Association and local authority agree to ensure that this total amount is split equitably between them. This will be apportioned according to the outstanding balance amounts, unless otherwise agreed.
- The outcomes from this assessment will be co-ordinated and communicated to the resident by both the participating creditors and the Financial Support Link Worker.
- Both parties will monitor payments and will keep each other, and the Financial Support Link Worker, informed of any problems.
- In the event of a subsequent default with one of the creditors, that creditor will contact the other to check on the status of payments with them. The original creditor will then compile a response on behalf of all creditors to the Financial Support Link Worker, who will pick up liaison with the resident. A subsequent pause in recovery action can again be agreed at this point whilst further support is provided, depending on the response of the resident.

Monitoring and evaluation commitment

Participating creditors commit to working with the Project Evaluation Team and to put in place appropriate monitoring and reporting processes for these to report on the effectiveness or otherwise of the processes followed and the outcomes achieved for residents and creditors alike.

Participating creditors will also report any problems with the operation of the Joint Debt Recovery Protocol to the Joint Creditor Forum.

