



## Policy and Resources Committee

8<sup>th</sup> June 2022

<b>Title</b>	<b>Cost of Living approach: Debt and Financial Vulnerabilities workstream</b>
<b>Report of</b>	Chair of the Policy and Resources Committee.
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	Yes
<b>Enclosures</b>	<p>Appendix A: Theory of Change and link between debt and wider vulnerabilities</p> <p>Appendix B: Findings from quantitative analyses</p> <p>Appendix C: Findings from qualitative analyses (Resident Research Report in Partnership with Policy in Practice)</p> <p>Appendix D: Barnet Making Every Contact Count Sheet: Money Support and Advice Sheet</p>
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### Summary

This paper sets out a draft proposal on a key aspect of the Council's response to the increasing cost-of-living for local residents, relating to targeted interventions to support Debt and Financial Vulnerabilities.

The report proposes that the wider cost of living draft offer is developed around 3 broad themes: (1) informing, (2) potential for increased provision for individuals, and (3) targeted interventions. This paper provides initial ideas on the two packages and an insight-led approach to the targeted interventions package development. This proposal covers additional actions comprehensive list of everything that the Council currently does.

This paper provides insight-led Case for Change to current approach on tackling debt and financial vulnerability in Barnet. Quantitative analyses and qualitative research with residents and community groups, alongside multi-service research, have highlighted the inequalities and gaps in the current provision of services and demonstrated how Barnet could benefit from a more proactive and holistic approach for residents struggling with debt which joins up the wide range of services currently on offer, tailoring them around users' needs to improve accessibility and equity in access and provide support early to prevent debt and financial vulnerabilities to deteriorate.

Given the evidence supporting the case for change, it is proposed to move to the next stage of a design phase to develop a joined-up approach across the Council and wider partnership.

## **Recommendations**

**That the Committee:**

- 1. note the findings of the insight and intelligence work on Debt and Financial Vulnerability workstream.**
- 2. approves development of a package of measures to respond to the cost of living crisis, using the proposed three-pronged approach drawing on the findings of the Debt and Financial Vulnerability workstream. Recommendations and findings of the design phase will be presented to the Committee in app. 6 months, for approval.**
- 3. notes the urgency of the cost of living challenges facing residents, and therefore authorises the Chief Executive in consultation with the Chair of the Committee to implement any early proposals actions in response to the cost of living to that can be delivered within existing budgets and financial authorisations.**

### **1. WHY THIS REPORT IS NEEDED**

#### **Context**

- 1.1** We have been using an intelligence and insight approach to understand the debt and financial vulnerability landscape in Barnet for the last 18 months. Given that financial vulnerability can often be a symptom of other vulnerabilities such as unemployment, mental ill health, homelessness etc. it was felt important to understand multiple risk factors to debt, to tackle root causes and take more holistic, preventative approach (more detail on the links between debt and vulnerabilities are included in Appendix A). This is in line with recently published Barnet [Prevention Framework](#).
- 1.2** The importance of this work has been further highlighted by the increasing cost of living and feedback from local residents, Voluntary, Community and Faith Sector (VCFS) and the Council frontline services, that there is increasing need to offer guidance, support and help for financial wellbeing in the borough. Early thoughts on the potential offer for a 'cost of living' package suggest a three-pronged approach:
  - information dissemination and awareness raising, to support income maximisation

and reduce escalation of debt;

- increased service support for individuals in crisis and supporting charities and community groups, and
- targeted approach for those in debt and experiencing financial vulnerabilities.

- 1.3** This paper provides a summary of the insight and intelligence research and findings on debt and financial vulnerability, as an important early step in considering the 'cost of living' package to be developed. Funding for the proposed design phase has been secured through the Prevention Fund (Public Health Grant Reserves). A key message of the work is that residents need a single, consistent, supportive voice to navigate the available help.
- 1.4** It will be crucial to ensure that the design phase builds on the existing debt work already underway in Adults Social Care, BOOST, Children and Family Services, Revenue and Benefits, to include all relevant services that maybe impacted by this service redesign, as well maximising opportunities of joining up with community engagement plans, Community Safety Hubs and wider partners such as the VCFS. The design phase could also inform development of the wider Council's debt recovery approach.

### **The current offer for Barnet residents**

- 1.5** The council has an existing offer to residents capturing financial vulnerability already in operation from multiple sources. Adult Services offer support through their locality hubs; Family Services provide debt advice through co-location in Children's Centres and as part of the Supporting Families programme; the BOOST programme provides advice and support on employment and skills and is moving to embed itself in more of the council's libraries; supporting the Barnet Together Alliance (BTA) and the Food Hub; and the Revenues and Benefits service offers income maximisation advice and support to residents referred in from local taxation and other services, including the Customer Service centre.
- 1.6** The council's Making Every Contact Count (MECC) approach supports the provision of advice, guidance and support to residents irrespective of the front door to the council's services they take.
- 1.7** Not all residents in debt, either from long-term or short-term impacts, are considered as being vulnerable or have multiple needs across the council's services. Nor is it the case that all vulnerable people are in debt or financial vulnerability.
- 1.8** The VCFS are also highly active in supporting residents around debt and financial vulnerability. There are opportunities to mobilise additional support from the VCFS rapidly around benefits and income maximisation support to complement what is already offered by both the council and the VCFS already.

### **Emerging findings from insight and intelligence to inform a targeted approach**

- 1.9** In 2020, initial insight highlighted a varied debt profile across many different resident groups who faced increasing risk due to the lasting impact of COVID-19 and now exacerbated with the rising cost of living. Analysis has shown that approximately 24% of households with council debt have multiple other debts exceeding £1000 and that residents fall into three main groups (those identified as being financially stable, those

paying non-priority debts and those experiencing financial hardship). In a deep-dive of 300 residents, approximately 66% of debt cases were deemed as 'likely' to be able to collect payments (falling into the first two categories above) and the remainder (c.33%) were identified as requiring additional hardship support based on their needs and vulnerable circumstances. The insight analysis also demonstrated that certain areas of the borough are disproportionately impacted by the Council's current operating model, leaving many residents unable to reach services. A summary of detailed analyses are enclosed in Appendix B.

- 1.10** To supplement quantitative insight and data analysis, qualitative research involving 20 in-depth interviews with residents identified by data as belonging to a 'facing financial hardship' group was undertaken (full report enclosed in Appendix C).
- 1.11** The insights from the qualitative research highlighted multiple issues that residents face including threatening first contact, challenges in communicating with staff, lack of signposting and easily accessible routes out of hardship. Given 77% of interviewees cited sudden income shock and the majority cited the rising cost of living as the main drivers towards their current hardship, the need for a different solution was deemed pressing.
- 1.12** Feedback was also received from frontline staff across services and VCFS partners (e.g. Christians Against Poverty who work directly with many Barnet residents in a financial crisis); they provided insightful case studies that strengthened our evidence-base. In summary, all case studies described individuals with multiple vulnerabilities such as mental ill health, substance misuse, experience of domestic violence and all were in some form of financial debt. They were reaching for support due to inability to concentrate on reading letters sent by the Council and other authorities, having difficulties to complete relevant forms due to either lack of access to digital tools or inability to concentrate on prolonged reading or even understand questions in the forms. Case studies also described a nature of local service fragmentation across the wider system (including the NHS, Council etc.) and how multiple contacts with different services can be draining and confusing, at times.

## **Evidence of best practice**

- 1.13** There is a good body of evidence demonstrating the success of various models that have been trialled in other councils and services in the UK and wider. For example, Barking and Dagenham (LBBD) recently launched a 'Community Solutions' scheme which uses a blended approach with both a physical hub and improvements to the way support is offered virtually. Similarly, Hackney has put in place a 'Link Worker' model inspired by the Butzorg Model used in the Netherlands. This model is much more agile and focuses predominately on virtual contact with residents using a small link worker team who navigate the complex structure on behalf of residents. Greenwich Council has focussed their development of support predominately through introducing physical hubs across their most deprived areas to combat digital exclusion. The key theme across all models is that the individual's needs are identified from a holistic perspective which ensures that services are more resident focussed, more easily accessible and in turn are better placed to tackle root cause issues sooner. This is a concept that is being modelled in other Councils across the country.
- 1.14** Measures of success emerging from implemented joined-up models elsewhere, depending on the model design, are:

- Residents feel empowered and able to be more self-sufficient
- Holistic approach to care
- Feedback from residents is that they felt heard and supported by their Council
- Fewer people placed in temporary housing (15% decrease)
- Reduction in complex, late-stage intervention
- Fewer social care referrals
- £2.5m savings released in year 1 with a further £2m in reductions identified
- 60% -> 0% use of agency social workers
- Signposting & support becoming more accessible
- Resident focussed – reducing requirement for multi-point contact

**1.15** Using an integrated data-sharing platform, LBBB in their Community Solutions model, have created a single view of data across multiple service lines, enabling them to target support earlier on and implement a preventative lens on their approach to supporting residents. A similar approach has been taken in Hackney's Link Worker model, to create one single port of call for service user needs to ensure that support is provided effectively and those most vulnerable are protected and prevented from falling into further difficulty. The impact of this has been a reduction in those placed in temporary housing, which in turn has reduced the number of costly late-stage interventions by, for example, limiting the referrals to social care for crisis intervention. The evidence also points to the fact that this type of model supports staff to feel empowered to think more innovatively about preventative methods/early intervention. As well as demonstrating cost savings, these models show that similar models could be extended across further services. Any information sharing in Barnet should be in accordance with data protection legislation and the Council's information management policies and privacy notices.

## **Recommended Approach**

- 1.16** Our recommendation has both short-term and long-term focal points, putting the resident at the heart of our service delivery. Work has already commenced in developing an internal system to join up datasets which will enable us to identify residents in need of support earlier.
- 1.17** From an operational perspective, we have identified quick win areas, which are:
- To explore further how we can develop and join up models of delivery already happening across the Council. An example of the successful application of this is the Troubled Families model and how it works with families with multiple needs. Adopting a similar framework which has a holistic view of each resident's needs is a primary focus for our pilot and we will work closely with other services to explore how we can manage this successfully.
  - To dedicate more time to further develop our understanding on the internal barriers to more effective joint-up way of working across services to provide more seamless

support to our residents.

- To explore a potential for setting up evidence-based, co-ordinated network of welfare practitioners across the council and wider partnership (e.g. NHS settings and linked with a current social prescribing local model) who can share stories, best practice and support the council to deliver its longer-term priorities around debt and financial vulnerability.

**1.18** Our long-term proposed work to tackling the cost-of-living crisis for residents has a three-pronged approach:

**1.19 Informing-** There is evidence to suggest that general awareness of benefit entitlement amongst local residents (e.g. pension credit) and its take up is low (feedback from VCFS). The Making Every Contact Count (MECC) initiative recently launched provide some specific information (see sheet on Money Help in Appendix D) however further work with employment services such as BOOST and VCFS could increase the offer on raising awareness of benefits entitlement(s) and how to make applications for claiming these. This could be supplemented by a proactive approach in supporting residents in identifying appropriate benefits and support in making claims (e.g. through advice surgeries) either delivered by the council directly or through partners and exploring potential practical actions like installing smart meters or moving to 12 months instalments for Council Tax as a default rather than 10 which could be beneficial for spreading the costs. Further work will be required to see if what (resource depending) we might consider taking forward.

**1.20 Increased provision for individuals** - The council already helps individuals in crisis through the Mayor's Benevolent fund, corporate grants and the Barnet Local Welfare Assistance Fund. It is recommended to review the reach and effectiveness of these grants and establish what, if any, changes could be made, for example, either to the eligibility criteria or amount available. We would also want to explore if our current work on fuel poverty could be expanded and what to focus on. This would also link into the work of services – particularly mental health – and BOOST.

**1.21 Supporting residents, communities and VCFS** - The large and active VCFS sector is a real asset in Barnet, and we do a lot of joint work with organisations to deliver services and support. A strong sector offer is a key part of our support for residents. In the last 12 months we have substantially increased our financial support to the VCFS through the Barnet Together Alliance covering capacity building to support organisations within the borough: the Food Hub and foodbanks, delivery of the Household Support Grant, Community Innovation Fund (a joint fund with NHS partners) where we have allocated over £1m to grassroot organisations to develop resilience and community capacity on topics ranging from cooking, mental health and wellbeing, to digital inclusion. The recently approved Community Participation Strategy provides a helpful framework for consistent ongoing support.

**1.22 Targeted interventions** - When considering the council's options for tackling the issues with debt and financial vulnerability, we have identified an opportunity to design and pilot a targeted intervention model for those most financially vulnerable and/or most at risk. The proposed design phase would test a model of delivery with frontline services and VCFS partners to assess feasibility before a final model is approved and piloted.

- 1.23** It is proposed to fund the design phase through the Prevention Fund. This phase will develop any recommendations in more detail, based on the evidence of best practice, good work that is already taking place locally, and will be informed by local insight as well as value for money and cost-benefit assessment. Progress of the work will be provided, via an Action Group, to the Committee on a regular basis.
- 1.24** In addition, the council is currently developing a pilot to test the effectiveness of a data lake, which will be a centralised repository design to store, process and secure large amounts of the council's data, at scale. It is intended that it will be used to support the piloting of an agreed joined-up approach – in particular, the proactive outreach to residents using the financial vulnerability dataset.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1** The intended outcome of this work is to create an evidence-based, residents informed, joined up, targeted and accessible offer, tailored to complex needs of those most vulnerable, whilst improving efficiency and streamlining access to the existing services.
- 2.2** The design of the offer will initially focus on addressing debt and wider vulnerabilities with an intention to review the ongoing pilot regularly, keeping it agile to suit the needs of Barnet residents in a changing landscape. It is expected to adapt and develop the offer to incorporate other services such as Community Safety Hub, as it progresses. If physical hub is deemed the most appropriate model of delivery for Barnet, consideration will be given on how the model can be incorporated into an existing premises such as libraries, community spaces etc.
- 2.3** Lessons learnt through the design phase and a pilot will be fed back to the overall Council's approach on debt recovery. It will also support the improvement of internal communications across the Council as well as promoting better integration with wider partners to provide more holistic care packages for our most vulnerable residents.
- 2.4** 2.4 The overall objective of this work is to improve residents outcomes such as financial wellbeing and mental health and an overall impact on the quality of life, with a specific focus on developing a bespoke approach to those most vulnerable in the borough. The data and research we have so far, suggests that some residents are being disproportionately excluded from services through poor signposting, inability to engage with the complex system due to wider vulnerabilities, including digital exclusion. Continuing with the existing offer e.g. a virtual model and varied approaches across the borough may pose a further risk of excluding the most vulnerable residents.
- 2.5** The intended outcomes for this work are that it would primarily support not only those currently in financial hardship but also prevent those most at risk of financial vulnerability from escalating into hardship. The work would also support better debt collection from those who can pay, allowing savings to be made and reinvested into transformation of services.
- 2.6** We aim to achieve this by:
- Supporting collaborative council working, identifying opportunities for joined up approaches across the council, partners and VCFS, and building confidence in sharing data in a way that is secure, controlled, and compliant.

- Refocusing our current approaches so that they are tailored to individuals, empathetic and proactive to supporting signposting.
- Creating an insight driven model better inform prevention strategies on the specific needs of residents as individuals.

**2.7** Scaling up initial findings across the Borough and solving the current debt profile of Barnet residents would impact over £30m (the total council tax arrears owed by residents pre-April 21), with the potential for savings of approx. £10m (additional council tax debt collected from those 'most able to pay') to be reinvested back into wider service offer.

**2.8** Data from an initial insight involving 300 households was used to estimate the impact on the whole borough. Approx. 9000 households (1/3rd of approx. 27,000 households with council tax arrears) are in need of support out of financial crisis (with the figure potentially rising as the cost-of-living rises). This is based on smaller sample-size analysis showing that approx. two thirds of 300 households analysed were deemed to have a high propensity to pay and the remainder households were deemed to be facing financial hardship (Detail is enclosed in Appendix B).

**2.9** Alongside the financial impact, there are much wider benefits in supporting those in debt and wider financial vulnerability, for example solving this challenge would ultimately spearhead a transformation of culture at Barnet; proactive collaboration across services and a preventive way of working, as we begin to develop a more holistic picture of resident vulnerability across council services.

**2.10** A Theory of Change model, (an evaluation framework enclosed in Appendix A) is currently being developed to support the measurement of the immediate and longer-term impacts expected from this work. We aim to use this model to measure our success throughout the pilot and support continuous improvement.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

**3.1** Do nothing – this option is not recommended as Debt and Financial Vulnerability work has identified a significant need for change the way the Council currently respond to this issue.

### **4. POST DECISION IMPLEMENTATION**

**4.1** Funding of £85, 000 from the Prevention Fund within Public Health Grant reserves already approved through internal governance will be used to secure resourcing for the capacity and capability needed for a design phase.

**4.2** Further updates on the findings emerging from a design phase and proposed model of delivery will be presented to the Committee for approval in near future. It is envisaged for the design phase to take six months.

### **5. IMPLICATIONS FOR DECISION**

#### **5.1 Corporate Priorities and Performance**



5.1.1 This pilot is aligned to the Corporate Barnet Plan priority of adopting preventative measures to help people remain healthy, happy and independent in all aspects of life. As part of Barnet Council's mission to tackle problems before they arise, we have focussed this pilot on preventative measures by enabling proactive outreach to residents before they reach crisis point using data and insight.

## **5.2 Resources** (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 Finance & Value for Money - The council will fund the design stage of the longer-term targeted interventions from the recently established Prevention Fund, drawn from the council's Public Health Grant Reserve. The £85,000 is within the financial envelope of the fund and will therefore not place pressure on General Fund resources, nor will it place pressure on the council's Public Health Grant allocation in 2022/23.

Any further expenditure relating to supporting financial vulnerability will be contained within existing resources, or through successful external funding bids.

The ongoing costs of any pilot scheme or approved targeted intervention programme will form part of the Medium-Term Financial Strategy (MTFS) and the council's annual budget setting process.

5.2.2 The Prevention Fund provides 'pump-prime funding' to innovative pilot schemes operating across council services that are dedicated to testing new ways of working and transforming services with a prevention lens.

5.2.3 Procurement – A procurement exercise will be undertaken to recruit a service design capability.

5.2.4 Staffing – A recruitment process will be undertaken to recruit a Financial Vulnerabilities Lead to run the pilot.

5.2.5 IT – We are currently engagement with Capita to secure IT procurement for this pilot.

5.2.6 Sustainability - This will support our decision to make a financially sustainable and resilient Barnet, ensuring no resident is left behind as we become more sustainable.

## **5.3 Legal and Constitutional References**

5.3.1 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Policy and Resources Committee:

To be responsible for:

- Strategic policy, Finance and corporate risk management including recommending: Capital and Revenue Budget; Medium Term Financial Strategy; and Corporate Plan to Full Council
- Finance including Corporate procurement, Effective use of resources, Procurement Forward Plan, Information Technology
- (2) To be responsible for those matters not specifically allocated to any other committee affecting the affairs of the Council.

- 5.3.2 The procurement process will be conducted in a transparent, fair and proportionate and non-discriminatory way in compliance with the Public Contract Regulations (PCR) 2015 and the Council's Contract Procedure Rules and tenders will be subject to evaluation in accordance with the published tender evaluation model.
- 5.3.3 HB Public Law will be instructed to advise on the tendering process and completion of the contracts for the services to be undertaken under this report.

## **5.4 Insight**

- 5.4.1 The work to date has been led by the Insight and Intelligence Hub which has used data, research, and insight (both qualitative and quantitative) to develop the recommended approach and proposal in this paper. In addition, the proposed model of the pilot involves proactive outreach to residents most at risk using data and insight. Horizon scanning has taken place to understand how other a

## **5.5 Social Value**

- 5.5.1 Following the option of procurement for the external service design will include a social value component.

## **5.6 Risk Management**

- 5.6.1 There is a risk that if we are unable to deliver this piece of work, we will remain reactive as opposed to becoming proactive in the support that we offer our residents. We anticipate that the impact will result in an increased number of residents as the cost of living rises, resulting in many more of our residents being considered 'at risk' of financial hardship.
- 5.6.2 Another risk is that this work will not produce the intended impact to our residents. We aim to reduce this risk through several controls such as discussions, updates and reviews at the internal governance established to oversee this work thus far. This project has also engaged and been developed with other services, residents, VCFS, the Council Management Team, senior managers, and other relevant staff, since its inception to the current point to ensure that we keep how we can best support our residents at the centre of our pilot design.

## **5.7 Equalities and Diversity**

- 5.7.1 Piloting a joined-up approach which is insight driven will enable the Council to operate much more proactively in identifying and reaching those most vulnerable and at risk of developing vulnerabilities. It is expected that a more holistic approach earlier will enable identification of residents who are users of multiple services due to complex needs that could benefit from early intervention.
- 5.7.2 We are aware that our current 'one size fits all' way of working means that certain parts of the borough are disproportionately impacted. Our pilot model will change our approach, putting the resident at the heart of our delivery and ensuring no resident are left behind.

## **5.8 Corporate Parenting**

- 5.8.1 The purpose of this pilot is centred around providing a better quality of life our residents

most at risk of financial vulnerability. In creating a joined-up approach for our residents, we aim to identify earlier those at risk of falling into difficulties enabling early intervention whilst reducing the risk of further escalation. By doing this we hope to improve circumstances and provide better outcomes to households impacted by the rising cost of living and thus, the children and young people that are part of these households. From our research, we understand the stress from debt and financial vulnerabilities in a household can have a negative impact on children and young people, if not addressed.

## **5.9 Consultation and Engagement**

- 5.9.1 The pilot has been developed through consultation and engagement with members of the Prevention and Sustainability Think Tank (consisting of Directors and Assistant Director), the Corporate Management Team, operational services within the council, VCFS Partners (Christians Against Poverty) and external policy experts such as Policy in Practice. We've also liaised with the VCFS in our co design workshops to ensure multi-service perspectives are accounted for.
- 5.9.2 As part of the development of our proposal we have undertaken desktop research to understand how other local authorities are dealing with similar problems and challenges; learnings from these models will be used to develop our model.

## **5.10 Environmental Impact**

- 5.10.1 As part of our Sustainability Commitment, we are committed to achieving net zero by 2030 and therefore any proposal will take this commitment into consideration.

## **6. Background papers**

- 6.1 Hackney's Link Worker Model Show and Tell - [Show and Tell: Hackney's Link Worker Model for preventing residents from reaching crisis - YouTube](#)
- 6.2 LBBD's Community Solutions Model - [Employment Skills \(apse.org.uk\)](#)