

**Forward Plan reference number:** Not applicable

<b>Report title:</b> Additional Temporary Staff – Transactional Services – Income Team	
<b>Report to:</b> Councillor Christopher Whitbread - Cabinet Member for Finance	
<b>Report author:</b> Stephanie Mitchener – Director of Finance John Delgado – Head of Finance – Transactional Services	
<b>Date:</b> 7 August 2020	<b>For:</b> Decision
<b>Enquiries to:</b> Stephanie Mitchener – Director of Finance John Delgado – Head of Finance – Transactional Services	
<b>County Divisions affected:</b> All Essex	

## 1. Purpose of Report

- 1.1 It is proposed to recruit four temporary Finance Assistants for a period of six months to the Essex County Council (the Council) Income Team to help reduce the level of Adult Social Care (ASC) debt currently seen due to the impact of Covid-19 due to a significant high level of deaths in users of domiciliary care and care home accommodation, by increasing recovery.

## 2. Recommendations

- 2.1 To agree the drawdown of £55,000 from the Essex County Council Recovery reserve to fund the cost of four temporary Finance Assistants.

## 3. Summary of issue

- 3.1 In recent years the Council has been focused on reducing the levels of outstanding debts, particularly for Adult Social Care (ASC) service users. The Council is keen to minimise the impact that accumulation of outstanding debt could have on service users.
- 3.2 Total debt related to ASC service users in February 2020 stood at £38m which was one of the lowest outstanding debt points recorded at the Council. Until February 2020 there were positive trends with outstanding debts lower than in the previous month and lower than the same month in the previous year. Since February 2020 ASC total debt has increased month on month as follows:

	March	April	May
<b>Total Debt £m</b>	39	41	42
<b>Increase on Prior Month £m</b>	1	2	1
<b>Increase on Prior Month %</b>	3%	5%	2%

- 3.3 The level of debt is monitored on a monthly basis and a financial provision is made for bad debt that is not recoverable. The ASC bad debt provision has recently increased by over £1m.
- 3.4 There has been a significant increase in the number of deaths amongst our service users during April and May, with an 164% associated increase in debt levels during this period when compared to the same period last year.
- 3.5 In response to government instructions, Council income collection services moved from a County Hall based service to staff working from home until further notice from mid-March 2020. This change created some initial service disruption to the issue of invoices, production of reminder letters and collection of payments.
- 3.6 Since March 2020, some debtors have been, for various reasons, either reluctant to pay their bills or unable to pay their bills. Some are not used to electronic payment methods and post cheques, walk to their bank or call the Contact Centre to make their payment over the phone. During the lockdown many were unable to leave their homes and in addition, were unable to receive visits from relatives or representatives who would have otherwise supported them to make the payment.
- 3.7 The focus of the four temporary members of staff will be to support recovery of debts from existing service users. This will release more experienced permanent staff to support families in the recovery of debts from deceased persons' estates. The recruitment of these temporary staff members requires a drawdown from the Recovery reserve of £55,000.

## 4. Options

### 4.1 Option 1 - **DO NOTHING (not recommended)**

- 4.1.1 If no action is taken, the Income Team will not have the capacity to provide focused support to service users and debts may continue to increase making the situation more challenging for all involved. This would also lead to accumulated income losses to the Council.

### 4.2 Option 2 - **INVEST IN ADDITIONAL TEMPORARY RESOURCES (recommended)**

- 4.2.1 The recruitment of temporary staff will alleviate the current increased workload within the team and provide dedicated resources to contact service users in

arrears, manage the closure of accounts for deceased debtors, take phone calls, process payments and help promote electronic methods of payment which would ease the ability to pay for many in future. It is estimated that there will be a period of 4-6 weeks required to recruit and train new members of staff and therefore the positive impact will not be evident immediately.

- 4.2.2 The costs incurred from employing the additional staff is estimated to be £55,000. With the increase of total ASC debt by £4m in 3 months, the bad debt provision should be reduced as a consequence of making this investment in additional resources.

## 5. Issues for consideration

### 5.1 Financial implications

- 5.1.1 Should the recommendation of this report be agreed, the cost of recruiting 4 temporary staff in the Council's Income Team for a period of 6 months will be funded from the Recovery reserve.

- 5.1.2 The total costs of employment for the temporary members of staff for 6 months are estimated at £50,000. This is based on an individual cost of £25,000 per annum which includes; salary, Agency Worker Regulations day 1 rights and week 12 rights (eg holiday entitlement). An additional £5,000 has been budgeted to cover associated recruitment fees and home working set up costs. The breakdown of costs for the temporary members of staff for 6 months are shown in table 1;

Table 1

6 months x 1 FTE (costs include salary, Agency Worker Regulations day 1 rights and week 12 rights)	£12,500
Number of temporary staff	4
6 months employment of 4 temporary staff (costs as set out above)	<b>£50,000</b>
Advertising, recruitment agency fees & home working set up costs	<b>£5,000</b>
<b>Total 6-month assignment costs of 4 Temporary Income Team staff</b>	<b>£55,000</b>

- 5.1.3 The recruitment of 4 temporary members of staff to the Income Team to focus on recovering newer outstanding debt, which has increased over recent weeks, will help to prevent the current debt situation worsening and historic debt increasing further.

### 5.2 Legal implications

5.2.1 The Council's financial regulations state that all drawdowns from reserves must be approved by the Cabinet Member for Finance.

5.2.2 Drawing down of money from reserves does not authorise any expenditure that is a key decision or any significant changes to ECC services or funding which must be authorised by the relevant Cabinet Member.

5.2.3 The implementation of the proposal set out in this report will be undertaken in accordance with the Council's recruitment procedures.

## **6. Equality and Diversity implications**

6.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

6.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **7. List of Appendices**

None

## **8. List of Background papers**

None

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b> 17.08.20
<b>Councillor Christopher Whitbread - Cabinet Member for Finance</b>	

**In consultation with:**

<b>Role</b>	<b>Date</b>
<b>Executive Director for Finance and Technology (S151 Officer)</b> <b>Nicole Wood</b>	17.08.20
<b>Director, Legal and Assurance (Monitoring Officer)</b>  Susan Moussa on behalf of <b>Paul Turner</b>	14.08.2020