

LATE PAPER IDENTIFIED ON AGENDA

**CWOP/41/10**

**Policy & Scrutiny Committee** Community Wellbeing and Older People

**Date** 11 November 2010

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**Interface between Finance and Social Care on Debtor Control**

Attached is the original scrutiny report (July 2009) and the update received at the November 2009 Committee. The Committee is to receive an update from the Income Manager, Ron Hiller reviewing the impact in the last year of the changes made to the internal debt process.

**CWOP/27/09**

**Policy & Scrutiny Committees** Community Wellbeing & Older People

**Date of meeting** 12 November 2009

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**Interface between Finance and Social Care on Debtors Control – Response to Recommendations**

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**Recommendation Reviews (due November 2009 brought forward)  
24<sup>th</sup> August 2009**

**Recommendation 1**

*That the procedures now in place to manage social care debt should be maintained and the management should continue to have access to appropriate resources*

**Review**

Since the initial review the recovery team has been restructured to enable team members to become multi skilled in all aspects of social care debt recovery rather than dedicated sectors. This is an ongoing training requirement but will ensure we are able to address any future business continuity issues with minimum impact on recovery activity if so required. An additional member of the team has been successfully recruited to an existing vacancy bring the team to full force. All staff are 'targeted' in their roles and external modular training of all collections staff is being conducted in conjunction with the Institute of Credit Management (ICM) to improve further collections performance.

**Recommendation 2**

*The management of the Income Section to determine if an increase in staff numbers would provide a cost benefit to the Authority, and if such a business case could be made, sufficient resource be identified to provide an increase in the level of staffing and resources.*

**Review**

Following the restructuring of the recovery team we have increased the recovery personnel by 10% while containing costs. This reorganisation is at too early stage to determine what impact this will have on collections performance. The number of clients

serviced by the authority in increasing and thus the value of outstanding debt however our recovery rate is showing a steady increase over the same period last year. This may be attributed to system developments that have enabled the automatic despatch of reminder letters and the improved functionality to offer payment by direct debit, the latter being promoted constantly. Accordingly, it is not believed at this stage an increase in staff numbers would significantly justify a cost benefit realisation. This situation will be continually reviewed as will any impact on the global economy re the effectiveness of income recovery.

### **Recommendation 3**

*That the write off policy be reviewed and the procedures streamlined.*

### **Review**

Following discussions with Liz Chidgey Deputy Executive Director, Adults Health & Community Wellbeing, the process for the authorisation of debt write off has been streamlined significantly with her personally authorising all write off requests.

This action in addition to a streamlined process provides Senior Management visibility on a case by case basis why the non recovery of a debt has occurred and possible identification areas in need of corrective action.



# Interface between Finance and Social Care on Debtor Control

a review by the Community Wellbeing & Older People  
Policy & Scrutiny Committee

April 2009





## Background

As part of its work programme for 2009 the Committee had identified a concern about the time taken to retrieve social care debts.

A scoping document had been prepared and it had been agreed at Committee that a Task and Finish Group should convene to call as a witness Mr. Ron Hiller, Income Manager, Essex County Council to explain the relevant issues and help identify improvements.

Volunteers from the Committee and attending the Task and Finish Group were, Councillor Dick, Councillor Morris and Councillor Pearson.



**Making sure of the facts**

## Issues and Evidence

Members were concerned about the time taken to retrieve social care debts and acknowledged that historically this process hadn't been managed as tightly as it could have been and debts had not been followed up promptly. They accepted that new processes were now in place and a policy had also been implemented for reduced contributions.

### Finding 1

That outstanding social care debts had been exacerbated by inadequate management and that new management and procedures for dealing with debt were in now place.

### Recommendation 1

That the procedures now in place to manage social care debt should be maintained and management should continue to have access to appropriate resources.

**Owner: Ron Hiller, Income Manager**

**Implementation Review Date: November 2009**

**Impact Review Date: May 2010**

Members also were informed that financial assessments were carried out by Financial Assessor and Benefits Advisors (FABAs) and currently 60% of service users were visited in their homes to complete the relevant forms. They also provided advice on benefits.

The Members concurred with the view of Mr Hillier, the Income Manager that it would be desirable that 100% of people should be visited for an assessment and that improved IT that provided FABAs with a laptop which would enable the forms to be completed on-line and signed electronically would exponentially increase efficiency.

## Finding 2

That an increase in staffing levels targeted at debtor control, using the available and appropriate IT, would be of benefit to Essex County Council

## Recommendation 2

The management of the Income Section to determine if an increase in staff numbers would provide a cost benefit to the Authority, and if such a business case could be made, sufficient resources be identified to provide an increase in the level of staffing and resources.

**Owner: Ron Hiller, Income Manager**

**Implementation Review Date: November 2009**

**Impact Review Date: May 2010**

Concerning the matter of carers looking after service user's money, the members were concerned to discover that this could lead to a safeguarding issue and were advised that it was also an administrative burden. The Service Area had proposed to the service providers that they could take over the debtorship in a 'semi-pilot' scheme and become the 'parent' in the truest sense.

Members questioned the opportunities to recover debt on old files and the write-off procedures. In response it was explained that debt could not be written off without a thorough investigation. The write-off system was explained to the Members and it was considered to be a long drawn out process involving various approval stages. This process could take up to 3 months to complete. The debt write-off level for the Income Manager was lower at the County Council than at other neighbouring authorities. There was potential for various delays in the process. Members were concerned about the complexity of the process and potential for delays.



**Income Collection Team**

Direct debit payments were being introduced for domiciliary care in addition to residential care which was already in place. The new computer system will allow the FABAs to give a quote whilst in the home of the service user so that mandates for a direct debit could be signed. The service user also signed a debt declaration form and soon.

Historically, financial assessments of service users had not been re-visited and it was recognised that in future they would need to be reviewed on a regular basis. There was also discussion over the different scenarios under which charges had been off-set against assets.

**Finding 3**  
That the procedure for write-offs of outstanding social care debt was unnecessarily complex.

**Recommendation 3**  
That the write-off policy be reviewed and the procedure streamlined.  
**Owner: Councillor David Finch, Cabinet Member for Adults, Health and Community Wellbeing.**  
**Implementation Review Date: November 2009**  
**Impact Review Date: May 2010**

A copy of this report will be forwarded to Councillor David Finch in his capacity as Cabinet Member for Adults, Health and Community Wellbeing and Ron Hiller in his capacity as the Income Manager and the Committee looks forward to receiving responses to its recommendations.



**This report is issued by**

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