



Committee and Date

Cabinet
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Item

Public

Adult Social Care Debt Recovery Policy

**Responsible
Officer**

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1. Synopsis

This report details Shropshire Council's Adult Social Care Debt Recovery Policy. This is a new policy being publicised to ensure clarity and that a fair and consistent view is taken to debt enforcement, assisting more vulnerable groups in society to manage repayments for care.

2. Executive Summary

2.1. The Council has a duty to recover outstanding debts and in doing so ensure that its processes are fair and consistent to everyone. This policy covers the collection of Adult Social Care Debts due to Shropshire Council.

2.2. The principles that underpin the Council's approach to Adult Social Care Debt are underpinned by the requirements of the Care Act 2014 and are set out in the draft Policy and are as follows:

- Possible debts are discussed with the person or their representative
- Arrangements for debt repayments are agreed between the relevant parties
- Repayments must be affordable, within a reasonable repayment period and by Direct Debit
- Court action will only be considered after all other reasonable avenues have been exhausted.

3. Recommendations

- 3.1. Members are asked to approve the new policy for Debt Collection of Adult Social Care Debts set out in Appendix A.

REPORT

4. Risk Assessment and Opportunities Appraisal

- 4.1. Failure to have a clearly defined policy for debt collection will leave the Council vulnerable to complaints about process and debt outcomes. It is important to have clearly defined actions to protect both staff and debtors.
- 4.2. An Equality, Social Inclusion and Health Impact Assessment (Appendix B) has been carried out, in order to assess the likely impacts of the revised policy for Protected Characteristic groupings as set out in the Equality Act 2010, and for people in our tenth category in Shropshire, of Social Inclusion. This is of particular pertinence given the implications of this policy for vulnerable individuals and households. The screening indicates that the overall impacts should be neutral or positive across groupings.
- 4.3. Actions to increase the positive impacts in equality terms need to include ensuring that a range of communication channels are used to encourage people to have the confidence to approach the Council if they are in debt or fear that they may find themselves in such circumstances. This will usefully include working with local elected Shropshire Council councillors as community leaders, for example through councillor surgeries, and setting out the recourse that people may have to impartial advice and guidance as well. Details of the Adult Social Care debt recovery policy and Councillors' role in supporting constituents will be provided in the Members Gateway. The Council will also seek to factor in the negative mental health impacts for people falling into debt, which this policy sets out to recognise and address through encouraging people to make contact at the earliest opportunity.

5. Financial Implications

- 5.1. Failure to have a clearly outlined, transparent and fair approach to debt collection can lead to uncertainty and challenge which can have a detrimental effect on collection rates. The policy will help to enhance the Council's income collection, reduce the level of debt owed to the Council and minimise the level of unrecoverable debt. During 2021/22 the Council wrote off Adult Social Care debts to the value of £0.146m.

Any write off of debt creates a revenue pressure on the Council's budget and so by applying this policy, this will ensure that all teams involved in the process of recovering outstanding debt are clear on their respective responsibilities to maximise income collection.

6. Climate Change Appraisal

6.1. While there are no direct climate change impacts arising from this report the Finance team are committed to encouraging all service users to sign up for paperless direct debts and to receive invoices and debt recovery document through digital channels.

7. Background

7.1. It is good practice for Shropshire Council to detail its approach to collection of all debt owed to the Council. This will ensure clarity to taxpayers, businesses, members, other residents, and advice agencies about the Council's approach to debt collection. It also ensures a fair and consistent view is taken to debt enforcement, and that the Council is committed to identifying and assisting more vulnerable groups in society to manage their payments

7.2. The Council raises a number of different charges under the Care Act 2014 to service users in relation to care or services they have received from Adult Social Care including:

- Respite care
- 24 hour care in a registered care or nursing home
- Third party top ups for the above services
- Home care support
- Day care
- Transport costs

7.3. Charges to service users are only implemented following a financial assessment process, and all service users receive an initial contribution letter detailing the weekly contribution to care that they will be charged.

7.4. The Adult Social Care Debt policy attached at Appendix A outlines the process that the Council will follow when raising invoices for charges, and the debt recovery process that will be followed should the invoice not get paid in line with agreed payment terms. This specifically outlines the following circumstances:

- Invoices in query or dispute
- Assistance available to customers
- Instalment plans
- Referral of debt to recovery agents
- Referral of debt for legal action
- Recovery of debt following notification of death of a service user

- Deferred payment agreements
- Recovery action where the service user can pay but won't pay
- Recovery action where Power of Attorney or Deputy in place.

8. Conclusions

8.1 The introduction of an Adult Social Care debt recovery policy will ensure that the Council remains focussed on collecting outstanding debt in a positive and ethical way.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Council Debt Collection Policy

Cabinet Member (Portfolio Holder)

Gwilym Butler – Portfolio Holder – Finance and Corporate Resources

Simon Jones – Portfolio Holder – Adult Social Care and Public Health

Local Member

Appendices

Appendix A – Adult Social Care Debt Recovery Policy

Appendix B – Equality, Social Inclusion and Health Impact Assessment