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Adult Social Care debt

Overview of Residential & Non-Residential debts

There are two areas of service that we financially assess and charge for in Adult Social Care. They are;

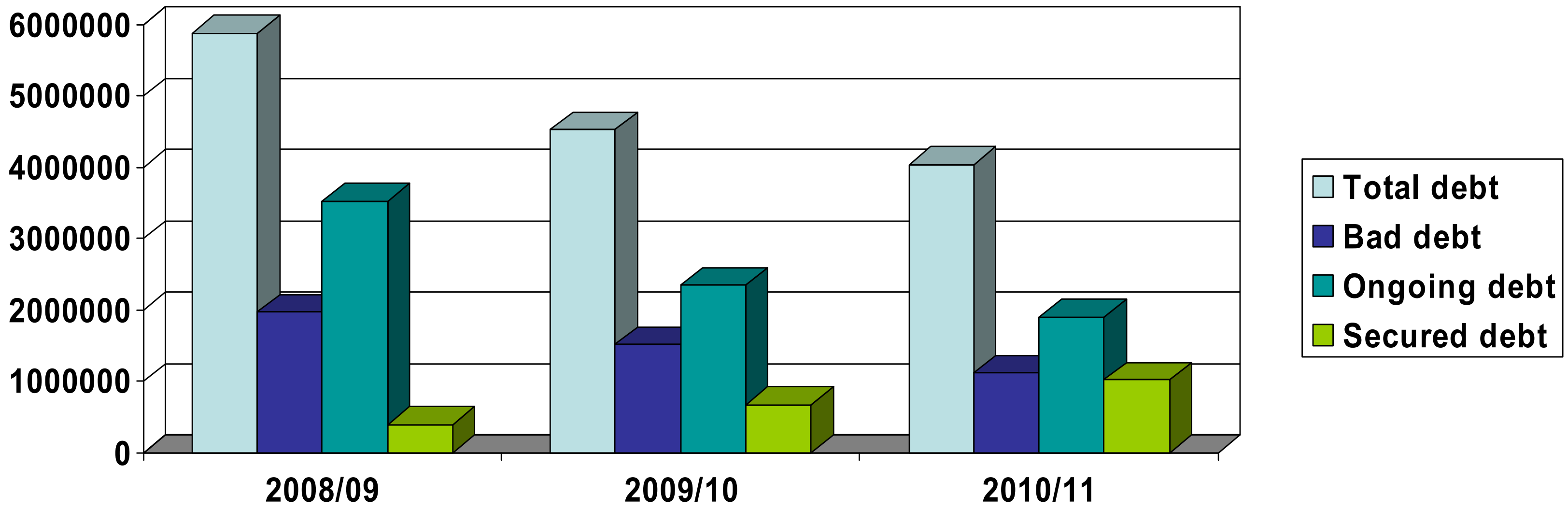
- Residential care – this is any care provided to an individual in a residential or nursing home, including long term and short term placements and respite care
- Non-Residential care – this relates to all types of home care services as well as day opportunities & travel to and from day centres

Types of debt

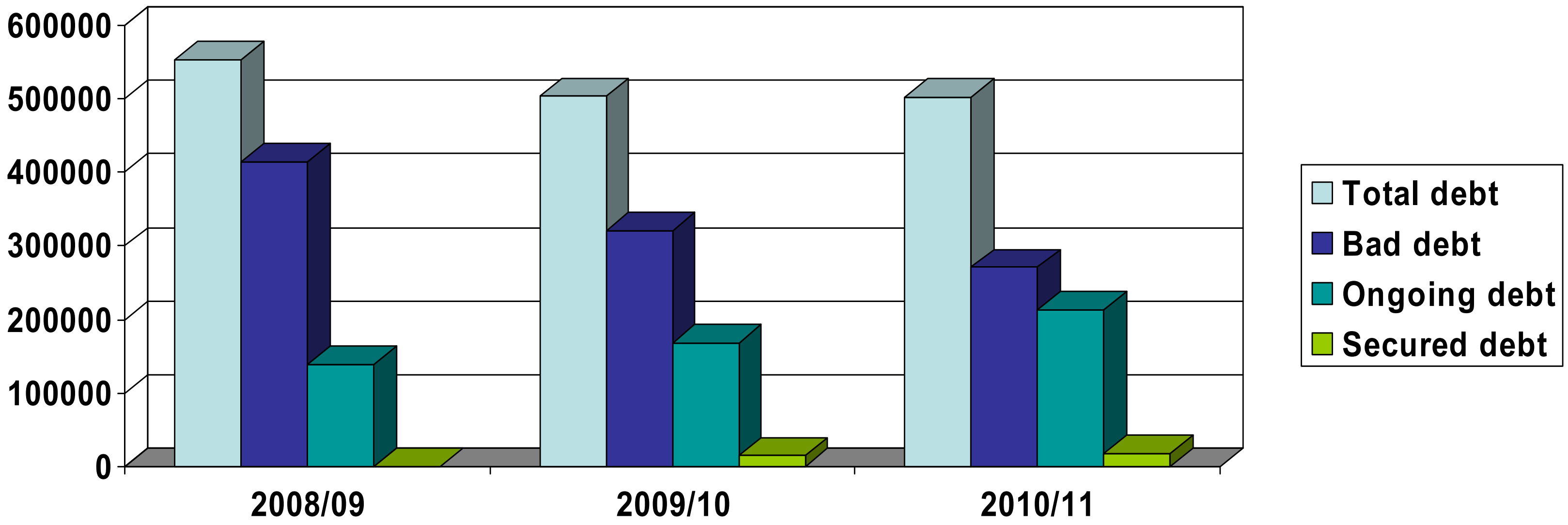
The debt relating to residential & non-residential care is classified into the following types of debt;

1. Secured debt – where a charge is placed on the debtors property which ensures it can't be sold without the Council being reimbursed in full first
2. Bad debt – monies we do not anticipate recovering
3. Ongoing debt – unsecured arrears where collection is anticipated

Residential Debt – Apr 08 to Mar 11 (position at year end)

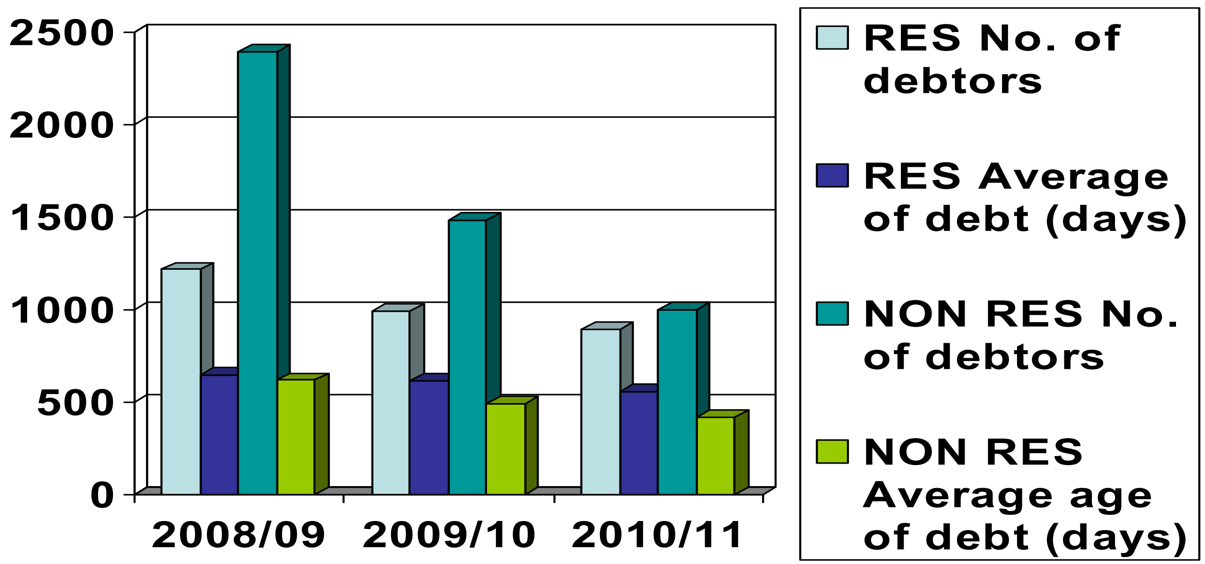


Non-Residential Debt – Apr 08 to Mar 11 (position at year end)



Other areas of improvement

As well as total debt and bad debt falling over the last 3 years the Council has also seen a reduction in the number of debtors and the average age of debts.



Other areas of improvement

In addition to reducing bad debt and the total number of debtors, the last 3 years have seen steady improvement in the collection of invoiced care fees.

Financial Year	Residential	Non-Residential
2008/09	86%	84%
2009/10	88%	86%
2010/11	89%	88%

Changes in approach

The improvements in the collection rates and the reductions in bad debt have been as a result of more efficient approach to income collection and debt recovery. Specifically, the following have been introduced in the last 2 years;

- a pro-active/preventative approach to debt collection – rather than waiting for debts to reach a certain size before taking action we now contact all new debtors who have 3 invoices outstanding with a robust interventionary letter to prevent large debts accruing

Changes in approach cont.

- closer working relationship with the Legal Department – a member of the legal department is based full time within the Financial Assessment & Benefits Team dealing with debts still outstanding after standard recovery processes have failed
- applying Deferred Payment Agreements as standard in all property cases – instead of offering Deferred Payments as an option we now insist that any Residential care user with a property enters into one, which means a greater sum of debt is now secured with a charge on a property
- pushing direct debit take up for Residential care users – this was not possible until October 2010 due to limitations with the billing system but now it is it is being offered to all new users as part of the financial assessment process. Take up is growing and is hoped to be at 50% within the next 24 months.

Conclusion

In the past 2 years the Financial Assessment & Benefits Team have revised how the resources allocated to debt recovery are used in order to make them more efficient. Processes have also been changed with a view to reducing the number of bad debtors and to maximising potential income collection. These changes have had a notable impact on performance in the last 2 financial years and the expectation is that income collection will continue to rise while debt, and especially bad debt, will continue to fall.