

METROPOLITAN BOROUGH OF WIRRAL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

26 SEPTEMBER 2006

REPORT OF THE DIRECTOR OF FINANCE

RECOVERY OF ADULT SOCIAL SERVICES INCOME

1. EXECUTIVE SUMMARY

- 1.1. This report provides information on the current position of collecting Adult Social Services income with specific emphasis on the billing and collection of Primary Care Trust debts. The report was requested by this Committee at the meeting on 21 June 2006

2. BACKGROUND

- 2.1. The financial relationship between the Authority and the Trusts comprises, in the main, of three elements, free nursing care, continuing health care and joint finance schemes.
- 2.2. The majority of charges raised relate to the free nursing care - this is the fee paid to providers as part of the set contract price and recovered from the Trusts at regular intervals depending on actual placements.
- 2.3. The next largest element is the continuing health care - this funding generally relates to people reaching the end of their life and/or with very complex nursing or care needs.
- 2.4. The third element relates to shared services and joint finance schemes which the Authority has entered into in conjunction with the Trusts.

3. CURRENT POSITION

- 3.1. The billing and collection of miscellaneous income invoices over the last two years to date are represented in Appendix A.
- 3.2. As can be seen within the table in Appendix A, the volume and value of transactions between the Authority and Primary Care Trusts have risen markedly over recent years.
- 3.3. Some of the charges raised are, by their very nature, complex and time consuming to reconcile and it has been reported that the delay in payment can often relate to these issues.
- 3.4. However, it has also been noted that payment of most PCT invoices tends to be outside the thirty day settlement period.

- 3.5. The Authority is currently implementing a new Accounts Receivable system to replace the old mainframe system and, consequently, resources which previously would have been directed at collection and enforcement have been heavily involved in implementation.
- 3.6. Internal Audit has recently completed a review of the Adult Social Services Department Income System which will be presented to the Audit and Risk Management Committee on 28 September 2006.

4. FUTURE ACTION

- 4.1 The Director of Adult Social Services has advised that attempts are being made to rationalise the joint funded care packages and service level agreements into fewer invoices.
- 4.2 Although the Authority has to be mindful of its relationship with the Trusts, steps need to be taken to ensure that invoices are paid in a timely manner. Far too many invoices are paid outside the settlement period, and where there are disputes over elements of an invoice, this should not prevent payment of those elements that are not in dispute.
- 4.3. Particular emphasis needs to be put on older debts and a more aggressive approach taken with regard to non Wirral Trust debts.
- 4.4 The Director of Adult Social Services could also ensure that uncollectable debts are written off in a timely manner.

5. STAFFING IMPLICATIONS

- 5.1. There are no direct staffing implications arising out of this report.

6. EQUAL OPPORTUNITY IMPLICATIONS

- 6.1. There are none arising directly from this report.

7. HUMAN RIGHTS IMPLICATIONS

- 7.1. There are none arising directly from this report.

8. LOCAL AGENDA 21 IMPLICATIONS

- 8.1. There are none arising directly from this report.

9. COMMUNITY SAFETY IMPLICATIONS

- 9.1. There are none arising directly from this report.

10. PLANNING IMPLICATIONS

10.1. There are none arising directly from this report.

11. LOCAL MEMBER SUPPORT IMPLICATIONS

11.1. There are no particular implications for any Members or wards arising out of this report.

12. BACKGROUND PAPERS

12.1. There were no background papers used in the preparation of this report.

13. RECOMMENDATION

13.1. That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/247.06

	Period	Total	Social Services				Other Depts
		£	Wirral PCTs £	Non Wirral PCTs £	Residential charges £	Miscellaneous £	
Balance outstanding	01 April 2004	6,120,661.94	129,476.46	0.00	2,057,377.00	638,928.05	3,294,880.43
Invoices raised	2004-05	38,749,561.01	6,538,908.59	126,825.50	8,268,983.22	6,784,924.50	17,029,919.20
Total		44,870,222.95	6,668,385.05	126,825.50	10,326,360.22	7,423,852.55	20,324,799.63
Balance outstanding	01 April 2005	11,024,356.52	3,318,291.23	123,716.80	2,396,181.61	1,321,756.41	3,864,410.47
Balance outstanding	01 April 2005	11,024,356.52	3,318,291.23	123,716.80	2,396,181.61	1,321,756.41	3,864,410.47
Invoices raised	2005-06	48,994,005.77	13,116,148.26	2,927,286.05	8,928,223.45	4,616,828.44	19,405,519.57
Total		60,018,362.29	16,434,439.49	3,051,002.85	11,324,405.06	5,938,584.85	23,269,930.04
Balance outstanding	01 April 2006	14,670,942.46	1,533,447.82	1,869,749.83	2,952,989.73	3,666,107.47	4,648,647.61
Balance outstanding	01 April 2006	14,670,942.46	1,533,447.82	1,869,749.83	2,952,989.73	3,666,107.47	4,648,647.61
Invoices raised	2006-07	13,286,484.18	4,488,610.48	100,772.42	2,588,065.91	670,264.37	5,438,771.00
Current Arrears outstanding	01 September 2006	12,358,020.94	3,524,520.95	1,865,696.03	2,799,291.55	1,686,701.78	2,481,810.63