

## CABINET

<b>Date of Meeting</b>	Tuesday, 18 <sup>th</sup> June 2024
<b>Report Subject</b>	Deferred Charges Audit Report
<b>Cabinet Member</b>	Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing
<b>Report Author</b>	Chief Officer (Social Services)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

As part of the Internal Audit programme of work for 2022/23 an audit of deferred charges and the management of residential care liabilities in Social Services was undertaken.

A Deferred Payment is only available for individuals who are receiving care and support in a residential or nursing care home setting. It is an agreement between the individual in receipt of care and the Council which allows for a deferment or a delay in paying for care costs until a later date. The costs deferred are repaid at a future date.

During the Internal Audit of the existing Deferred Payment process eight actions were identified which as needing action, five of which were red and three amber.

Since the completion of the audit report the Financial Assessment and Charging Team have established a Task and Finish Group to address the agreed actions, this work is taking place alongside the implementation of a new finance software system which will support the additional monitoring and control measures identified in the audit report.

### **RECOMMENDATIONS**

1	To provide Members with information on the actions undertaken since the completion of the Internal Audit report.
2	To provide Members with assurance that the remaining actions are being undertaken within the timescales laid out in the audit report and that progress is being monitored effectively.

## **REPORT DETAILS**

<b>1.00</b>	<b>BACKGROUND</b>
1.01	Each local authority is required to have in place a deferred payment scheme which supports eligible individuals to cover the cost of their residential or nursing care. The scheme allows individuals to use the value of their assets (normally their home) to defer these care costs until a later date.
1.02	The audit considered the adequacy of and adherence to policy and process and evaluated controls in place to ensure any monies owned to Flintshire incurred through provision of long-term residential care are recovered in line with current policy. Management also requested the audit review a sample of historic cases where challenges have been identified.
1.03	The audit identified that clear information is provided to individuals which sets out the eligibility criteria of the scheme and the conditions under which a deferred payment is provided – Appendix 1.
1.04	The audit also identified eight areas for action, five of which are a high priority and three are a medium priority.
<b>1.05</b>	<b>Actions Taken to Date</b>
1.06	A working group has been established consisting of the Financial Assessments Team Leader, a Financial Assessment Officer and a Planning and Development Officer. An Action Plan is in place and is working through the risks identified through the Internal Audit but has also identified additional areas of work to further improve processes. This group report progress to the Senior Manager Safeguarding and Commissioning on a six-weekly basis. Progress reports are also prepared and presented to the Social Services Senior Management Team.
1.07	The Social Services client information system, PARIS, has been amended to create a specific section in the system which will allow for the detailed recording of deferred payment applications. Functionality has been built into the system to allow reporting functionality to support ongoing monitoring.
1.08	Once this new section in PARIS has been fully tested, all steps in the process, financial information and management information will be recorded in one central location and will ensure consistency in information recording. The reporting functionality will allow for clearer management oversight and greater control measures and will remove the need for separate spreadsheets which are currently being maintained.
1.09	A report of all deferred payment cases will be produced from PARIS every six weeks, this will be used as source data for the six weekly Debt Review Meetings which will continue to be held between senior managers in Social Services and senior officers from the Collection and Enforcement Team. At these meetings data from PARIS will be reconciled with Collection and Enforcement data and actions agreed.

1.10	Case File Audits are being introduced and these will take place every six weeks, initially based on the discussions held at the Debt Review Meetings. The Case File Audits will be scheduled to follow on from the Debt Review Meetings and will review adherence to practice as well as identify areas of best practice and learning.
1.11	The new section in PARIS also creates an additional functionality where cases can be immediately escalated to Senior Management. An example of escalation would be where the Council is unable to register a charge on a property. An escalation report will be produced every six weeks detailing all Deferred Payment activity and including early notification of potential areas of risk and appropriate decisions. This report alongside the information from the Debt Review Meeting and the Cast File Audits will be presented to the Senior Manager Safeguarding and Commissioning for review, risk assessment and decision. Based on the three sources of information detailed above, each case will be awarded a RAG Status and appropriate actions identified. All cases identified as having a red RAG status will be reviewed six weekly, all cases identified as having an amber RAG status will be reviewed every 18 weeks and all cases identified as having a green RAG status will be reviewed every six months.
1.12	The working group will be reviewing all existing property and deferred payment cases on the 17 April 2024 and inputting the information into the new section in PARIS. Once this is complete the six weekly reporting and oversight activity will commence.
1.13	Monthly Legal Surgeries with Blake Morgan Solicitors are taking place and the Financial Assessments and Charging Team Leader is liaising between Debt Recovery and Flintshire Legal Services to resolve any issues identified with specific cases.
<b>1.14</b>	<b>Ongoing Actions</b>
1.15	Further Legal Surgeries have been arranged to review every legal charge and Deferred Payment Agreement. These Legal Surgeries will include colleagues from the Collection and Enforcement Team. We have also requested detailed guidance from Blake Morgan on the detail of various forms of legal charge and their appropriate use. This information will be shared with the Financial Assessment and Charging Team, the Collection and Enforcement Team and Legal Services.
1.16	Training will be provided to all relevant Financial Assessment Officers regarding Deferred Payment Agreement and the types of legal charges available, the differences between them and in what circumstances they apply.
1.17	Further improvements to the processes have been identified which will be undertaken during the next six months. These include reviewing and creating new template letters and reviewing associated processes linked to the new finance software system.
1.18	A review of historic cases will be undertaken and feed into a wider policy review.

1.19	The wider policy review will be undertaken once the initial monitoring and management oversight processes are in place. The review will take into account learning from the Legal Surgeries to ensure the effectiveness of all legal charges.
1.20	A quarterly report on progress will be presented to the Social Services Senior Management Team for review and challenge.
<b>1.21</b>	<b>Next Steps</b>
1.22	A full report on progress will be provided to Informal Cabinet, Health and Social Care Overview and Scrutiny Committee and full Cabinet.
1.23	An update report be brought to this Governance and Audit Committee in six months to provide an update on progress against the Audit Recommendations as well as sharing progress on additional actions taken outside the original finding of the Audit.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Resources necessary to implement improvements have been identified from existing experienced staff in the service and are currently working on the action plan and improvements.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	The risk relates to the recovery of outstanding debt under the existing deferred payment agreement, the risk to the Council is currently moderate as the existing measures in place are ensuring debt recovery. However, the improvements and actions identified from the audit will give greater management oversight and create an actively managed risk register which gives a RAG rating to all deferred payment property debts. These actions once complete, will reduce the risk to low.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
4.01	None at this time.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Paying for Residential Care leaflet
5.02	Appendix 2 – Internal Audit Report
5.03	Appendix 3 – Action Plan

<b>6.00</b>	<b>CONTACT OFFICER DETAILS</b>
6.01	Contact Officer: Jane Davies Telephone: 01352 702503 E-mail: <a href="mailto:jane.m.davies@flintshire.gov.uk">jane.m.davies@flintshire.gov.uk</a>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>PARIS:</b> Is the Social Services Client Information System where the case notes and details of all individuals who access services through Social Services are recorded.</p> <p><b>RAG:</b> A Red, Amber and Green rating system taking into account likelihood and impact.</p>