

Debt Recovery Policy
for Adult Social Care



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1. INTRODUCTION

The purpose of this policy is to set out fair, consistent and balanced processes for the collection, recovery and enforcement of Adult Social Care charges owed to Bolton Council.

In this policy when we say, 'us' or 'we', we mean Bolton Council. When we say 'you' we mean the person who has received the care and support or their representative

The Care Act 2014 provides a single legal framework for charging for care and support under sections 141 and 172. It also gives us the authority to recover debts for non-payment of care charges. This is covered in section 69 the Care Act 2014. The key points are:

- Taking Court action to recover a debt should be the last resort
- We should act reasonably
- Possible debts should be discussed with you
- Arrangements for debt repayments should be agreed, if possible, with you or your representative
- Repayments should be affordable for you

Section 70 of the Care Act (2014) also allows us to recover charges from a third party if you have transferred assets or capital to avoid paying charges for care and support.

We will use negotiation, arbitration, and mediation wherever possible to resolve any debts incurred, taking into account your circumstances.

2. WHO CAN BE YOUR REPRESENTATIVE

We will assume that you are able to manage your own finances, but there may be circumstances where someone else may need to do this for you. We will advise you or your representative who we are able to deal with depending on your circumstances. This could be your legally appointed deputy or attorney.

We will ensure that the correct person is sent any invoices or correspondence for the payment of care, and that the person is aware of any debts accruing.

3. CHARGING FOR SERVICES

Although certain types of service will be provided free of charge, we will charge for the following services where they are not determined to be eligible needs under a Care Act Assessment or included as part of your care and support plan:

- Care provided in residential or nursing homes including:
 - 24-hour care in a registered care/nursing home
 - First and third-party top-up fees for the above services

- Care provided in a non-residential care setting including (but not limited to):
 - Home care services
 - Day Care
 - Supported Living
 - Respite care
 - Adult Shared Lives Placements
 - Transport
 - Direct Payments

We will charge up to the full cost of the service provided and will not charge more than the cost we incur. You will only be asked to pay what you can afford towards your care cost, subject to financial assessment. You can read more about charges and financial assessment on our [Funding adult social care webpage](#).

4. FINANCIAL ASSESSMENTS

Care and Support is a chargeable service. Once it has been identified that you need care and support services, we will discuss this with you or your representative and undertake a financial assessment. This process is carried out in accordance with the [Care and Support Statutory Guidance](#).

The financial assessment will determine how much you need to pay towards the cost of your care services. If you do not pay the contribution, we will seek to recover this from you. You can read more about charges and financial assessment on our [Funding adult social care webpage](#)

If you have failed to participate in financial assessments, we will charge you the full cost of your care. You can read more about charges and financial assessment in our [Funding adult social care webpage](#).

If you provide false or incomplete information within your financial assessment, we will review your contributions as appropriate and seek to recover any amounts owed to us.

If you lack capacity to engage with a financial assessment, we will engage with your legally appointed deputy or attorney, to complete the assessment. In the event that you do not have an attorney in place, the Finance, Income and Assessment Team will speak to family members and seek advice from legal services.

- **Care and Deferred Payments Agreement (DPA)**

If you are assessed as needing care, you may be able to enter a deferred payment agreement. This is a loan from us using your property or other assets as security and must be repaid. We pay some of your care costs, which are the deferred payments. The deferred payments accrue but are then repaid when your property or assets are sold.

Further information about [Deferred Payment Agreements](#) can be viewed on our website.

- **Residential Care and Top Up fees**

If you require residential or nursing care following an assessment, we will try to offer you a choice of accommodation to meet your needs. If you choose more expensive residential or nursing care than we are offering as part of your assessed eligible needs, you may need to pay a top up. Top-up payments must be made by agreement.

If you, or a third party fail to pay the top-up payments as per the agreement, we will seek to recover any amounts due.

- **Third-party top-up fees**

If you choose care provision that is more expensive than the rate set by us, a third-party (such as family or charity) can pay the difference in the amount. If the third party accrues any arrears, we will seek to recover these.

If there are arrears on a third-party account, we may choose to terminate the third-party agreement and reassess the accommodation with a view to moving you to less expensive accommodation, if suitable. Third-party agreements will be reviewed every year as part of the annual care review process.

- **First-Party top-up fees**

Where you choose care provision that is more expensive than the rate set by us, and you have entered a deferred payment agreement, you can enter into a first-party top-up agreement from the 13th week of residential care.

This allows you to defer the top-up from the 13th week of care and the amounts are included in the deferred payment agreement. There is a 12-week disregard from the day you first become a permanent care home resident. This allows you time to decide how your property asset will help you fund your care costs in the future deferment can only continue until the time that your equity limit is reached.

If you have care provided under section 117 of the Mental Health Act 1983, only care and support services directly related to the reason for the section 117 aftercare will be provided free of charge. Where you choose to pay for more residential or nursing care, you can enter into a first-party top-up agreement from the first day of residential care.

If you don't keep up with the agreement, we will seek to recover any amounts due.

For further information about top-up payments, you can read our [Top-Up Policy](#).

- **Direct Payments**

This is where you receive a payment from us and organise your own care and support in your own home. If you are expected to make a contribution, your contribution is usually deducted from the direct payment amount before any payment from us is made into your dedicated account.

You are then expected to pay your contribution into the same account to complete the amount due, to avoid a shortfall. You or your representative are required to keep records of how your direct payment has been used, and if there are any unspent monies identified, these will need to be repaid to us. We have the power to revoke a direct payments agreement if it is noted that the terms of the agreement are not being complied with by you or your representative.

For further information about direct payments, you can read our [Direct Payment Policy and Guidance](#).

5. DIMINISHING OR LACK OF MENTAL CAPACITY

Under the Mental Capacity Act (2005), people are assumed to have capacity and able to make relevant decisions for themselves unless it has been established by an assessment that they lack capacity.

A debt may have accrued because of diminishing or a lack of mental capacity. Where a person has a legally appointed deputy or attorney, they will make financial decisions on behalf of the person. We will discuss all the debt recovery options with the attorney or deputy.

If we are concerned that a legally appointed deputy or attorney, or any other person is not managing your finances in your best interest, we may follow safeguarding procedures or await legal authority if we have been advised that a deputyship application is in progress.

6. SUPPORT FOR PEOPLE AND THEIR REPRESENTATIVES

We will try to achieve a long-term solution, rather than just recovering money that is owed now, so that you or your representative are better able to manage your finances in the future and meet your future liabilities.

We recognise that you may experience genuine hardship because of financial problems, and will try to help and support you or your representative in the following ways:

- Good initial communication with you or your representative around chargeable services.
- Offering a range of payment dates and payment methods to enable you or your representative to maintain payments.
- Effective and efficient collection of all money due, whilst ensuring that your financial circumstances and mental capacity are considered.
- Prevention of arrears by prompt billing and collection of money due, affordable repayment plans and early intervention.
- Discussing debts with you or your representative and act reasonably.
- Considering how different approaches could impact on you or your representative's wellbeing.
- Agreeing affordable repayment plans with you or your representative.
- Signposting you or your representative towards relevant assistance, including advice agencies.
- Having proper consideration for your circumstances and financial situation, including other priority debts, when taking recovery action and planning for payment.
- Respecting and protecting you or your representative's rights at every stage of the recovery debt recovery process

7. COLLECTION AND RECOVERY

1. If, after 14 days of creating an invoice payment still has not been received, you or your representative are sent a first reminder notice.
2. If, after 28 days of creating a first reminder notice, payment still has not been received, a second reminder notice will be sent.
3. If, after 14 days of creating a second reminder notice, payment still has not been received, you or your representative will be contacted by us via telephone.
4. Two attempts will be made to contact you or your representative by any means before a final notice is issued, and a pre-legal letter is sent. Failure to respond to this letter within 30 days, will result in court action.

- **Debt repayment arrangements**

Even if you owe us money, you or your representative will still need to keep paying your ongoing charge for your care and support. We will also seek to make a separate arrangement with you or your representative for the repayment of any other debts owed to us. This will prevent the debt from increasing further.

We will always take into account your circumstances when making an arrangement with you or your representative.

- **Methods of payment**

Invoices can be paid via Direct Debit, online or over the phone. Further details are found on [our website](#).

If an invoice remains unpaid following reminder letters, our debt recovery procedures will be instigated in accordance with the requirements set out in the [Care and Support Statutory Guidance](#).

8. LEGAL PROCEEDINGS THROUGH THE COUNTY COURT

As a last resort, we may decide to proceed to the County Court to recover the money from you or your representative. A County Court Judgement gives us various powers of recovery. The decision to refer a case for an application for a CCJ and further action will be made by the Finance and Legal Protection Panel.

We will choose the appropriate recovery option based on what we know about your circumstances, for example, your ability to pay, your past payment history, your capacity to litigate, any physical health or age related limitations and the requirement to recover outstanding monies in a timely and efficient manner.

For further information on County Court Judgements, please visit <https://www.gov.uk/county-court-judgments-ccj-for-debt>

Where a Court Order or Judgement is then made for payment and you, or your representative does not comply, we can choose to enforce the order. Methods of enforcement are as follows:

- A warrant or writ of control
- An attachment of earnings order
- A third party debt order
- A charging order

9. WRITE OFFS

We will consider writing off a debt when it is deemed unrecoverable. Reasons may include:

- The person has absconded and cannot be traced
- The person has died and there are no funds available in the estate.
- The debt is too old to recover
- The balance is small, and the recovery costs would make the debt uneconomical to collect.
- It is not cost effective to continue recovery action
- The person is experiencing severe financial hardship
- The person (or their companies) has become insolvent

Write offs will be authorised by an appropriate officer and align with agreed limits set by the Council's constitution.

10. RETENTION POLICY

All documentation that supports your contribution will be retained for at least 6 years in case you or your representative defends any legal recovery action, unless it relates to a legal charge against a property.

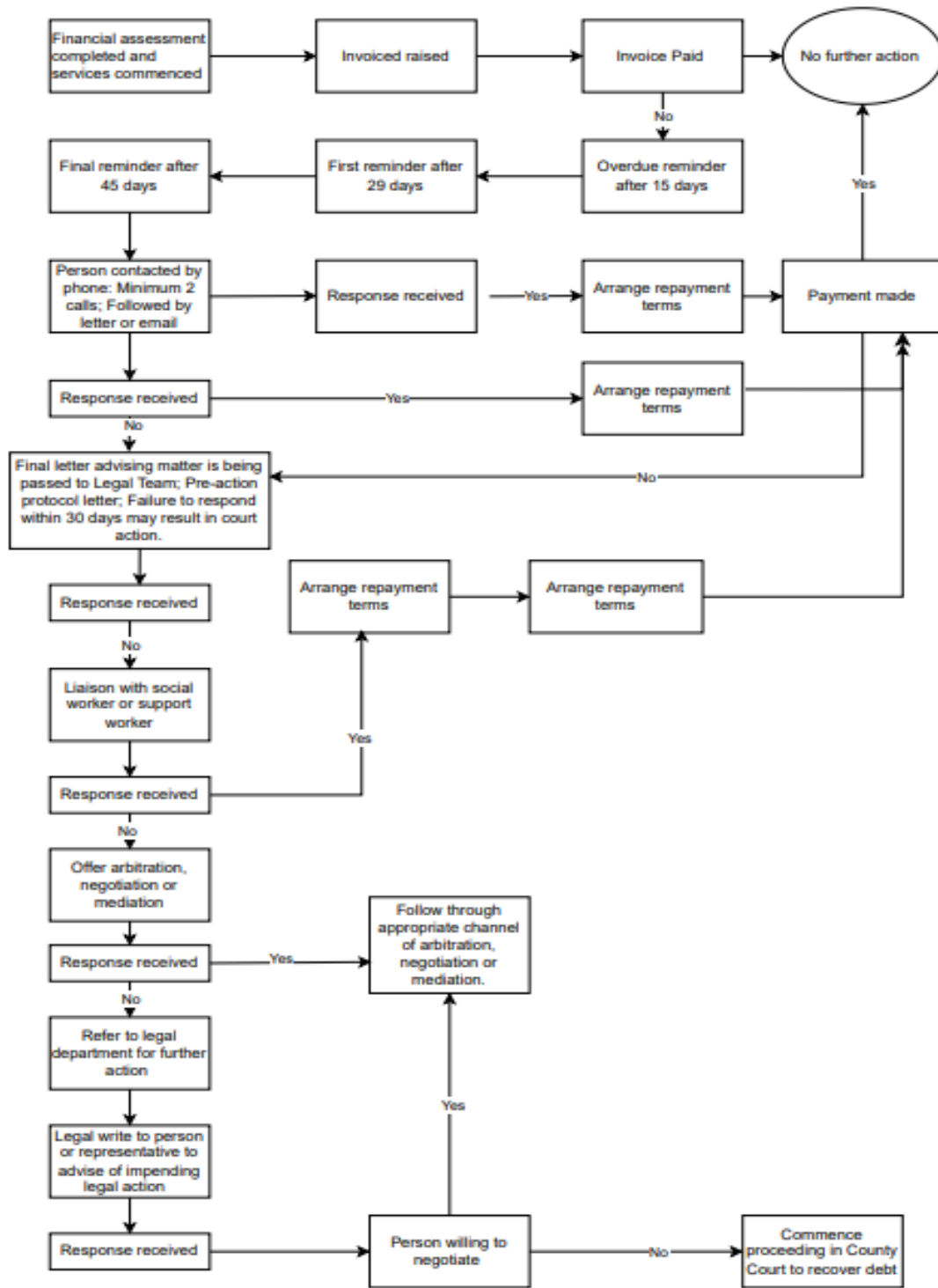
11. COMPLAINTS

Information about making a complaint can be found on our website - [Make a complaint – Bolton Council](#)

12. LEGAL ADVICE

We recommend that you or your representative seek independent legal advice. You can find more information about finding a legal advisor on our website - [Community legal advice – Bolton Council](#)

APPENDIX 1 DEBT RECOVERY PROCESS DIAGRAM



KEY INFORMATION AND REVISION HISTORY

| | |
|---------------------|--|
| Title | Debt Recovery Policy for Adult Social Care |
| Prepared by | Head of Finance - People |
| Approved by | Legal Service / Adults Leadership Team |
| Date effective from | September 2025 |
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Revision History

| Version | Date | Summary of changes | Initials/Name |
|---------|-------------|---|------------------------------|
| 1.0 | July 2022 | Policy approved for publication. | Lisa Butcher |
| 2.0 | August 2024 | Policy review, minor changes to wording, grammar and formatting. | Lisa Butcher |
| 3.0 | August 2025 | Full Policy Review. Changes to formatting and heading. Addition of Complaints section, hyperlinks to other policies and references. ECM write off amount updated to reflect agreed limits set out in constitution. Addition of paragraphs about debts as a result of direct payments, deferred payment agreements. | Katie Harris David Bailey |

Approval

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|------------------------|---------------|
| Approving Groups/ Body | Approval Date |
| Legal Services | May 2025 |
| Adults Leadership Team | August 2025 |

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