

CABINET

DATE	5 th August 2020
REPORT OF	Councillor Margaret Cracknell Portfolio Holder for Health, Wellbeing and Adult Social Care
RESPONSIBLE OFFICER	Beverley Compton Director of Adult Services
SUBJECT	COVID 19 response – adult social care provider sustainability proposals phase 2
STATUS	Open
FORWARD PLAN REF NO.	GENERAL EXCEPTION Not included on the Forward Plan - to be considered under the General Exception rules of the Constitution.

CONTRIBUTION TO OUR AIMS

This report has been written in the context of the on-going impact of COVID 19 in relation to adult social care provision, recognising that providers' costs have increased in response to the need to protect social care clients from infection and the spread of infection. In addition, there is a need to ensure continuity of quality care for the most vulnerable members of the adult community in NEL by ensuring provided services can maintain their businesses beyond the immediate response phase. This is part of the council's overall emergency response and fulfils in part the council's duties to ensure the health and wellbeing of its communities

EXECUTIVE SUMMARY

In responding to the COVID 19 pandemic, the government was keen to ensure that health and care providers were able to continue to maintain services and patient flow through the health and care system by providing non-ring fenced funding to support both the health and care sectors. The council is responsible for ensuring that adult social care providers can continue to meet the cost of care provided to those with eligible social care needs, as care costs escalated to meet PPE and staffing requirements. An initial round of funding was allocated to adult social care providers under the emergency ODR provisions. This report provides an update on the use of the phase 1 funding and proposes new support arrangements which are recommended to be reviewed monthly by the DASS in conjunction with the director of finance.

RECOMMENDATIONS

It is recommended that Cabinet:

- 1) Adopts the proposals in relation to phase 2 of provider sustainability for the second quarter of 2020/21 (to 13th September 2020), to be implemented by the director of adult services on a payment period by payment period basis and commencing from payment period 4 (22nd June 2020).

- 2) Delegates authority to the DASS and director of finance to review and adjust such arrangements on a monthly basis subject to a financial limit of £600,000 to the end of payment period 6 (13th September 2020)
- 3) Makes a formal recommendation to the North East Lincolnshire Clinical Commissioning Group to adopt an equivalent approach in respect of NHS funded residential, nursing, continuing health care (CHC) and supported living placements

REASONS FOR DECISION

At the height of the COVID epidemic, councils were urged by the government to ensure that social care businesses were supported to continue to operate safely throughout the pandemic. This was to ensure safe and effective care to residents within the care system as well as to ensure that availability of services did not adversely impact on the health system. Efficient flow through the hospital enabled treatment beds to remain available for COVID patients. Financial assistance was provided to sustain social care providers, enabling them to meet the additional costs of COVID and associated business risks. Following an initial offer of support during quarter 1 2020/21, a further decision is now required to consider future and on going financial support to the social care sector.

1. BACKGROUND AND ISSUES

Phase 2 of financial support to care providers

- 1.1 On 19 March 2020, the government announced £1.6 billion of additional funding for local government to help them respond to coronavirus (COVID-19) pressures across all the services they deliver. An additional £1.6 billion was announced on 18 April 2020. This extra £1.6 billion takes the total given to councils to help their communities through this crisis to over £3.2 billion. The government further announced on the 14th May 2020 a further £600 million was available through the Infection Control Fund (ICF) which has been ring fenced for adult social care, and is given to local authorities to ensure care homes can cover costs and any measures to reduce outbreaks and transmission.
- 1.2 In response to the Covid-19 pandemic, this funding is available to councils to support adult services' local care markets. This was in part to ensure the sustainability of care providers, to enable the continuance of care and support to vulnerable people as well as assist the health service in meeting health demand at the peak of the outbreak. North East Lincolnshire council agreed a package of support across residential, nursing and care at home provision. This support was available to providers up to the end of payment period 3 (June 2020). It did not include a contribution from NHS commissioning towards NHS funded placements.
- 1.3 Guidance from NHS England & NHS Improvement (NHSE/I) has identified that there are inflationary pressures across the NHS and social care stating "NHS England & NHS Improvement recommends that CCG commissioners should locally, and in conjunction with local authority partners consider the sustainability of the local social care market, the challenges faced by providers

and the level of financial support required. This should also take account of other support packages announced by Department of Health and Social Care in recent weeks”.

1.4 In summary the councils initial support offer included:

- Signposting to advice and support regarding government grants and loans to businesses
- Improving the pace and efficiency of invoice payments through the implementation of an electronic invoicing system
- The payment of a 5 per cent lump sum (in 2 instalments) to enable providers flexibility to meet additional costs
- The provision of an income guarantee based on known activity levels in the months prior to the epidemic
- Enhanced budget available to the “just checking” fund to enable providers to flex support upwards should additional care at home be required

1.5 The application of these measures has resulted in estimated £954k of additional expenditure as at the end of payment period 3 (June 2020), against an approval limit of £1.0m referenced against ODR ASC021. The government made provision for adult social care sustainability measures in its subsequent funding allocations to support the COVID emergency response. Provider sustainability measures represent a significant additional pressure on the adult social care budget from that anticipated at the commencement of the year.

1.6 The ASC budget position is highly complex at the current time due to the impact of fee changes, significant demand fluctuations and greater uncertainty in relation to future impacts of COVID. Further details of the budget implications will be provided as part of routine budget monitoring and review of budget planning over the coming weeks and months.

1.7 Provider engagement has continued throughout the emergency response and a short survey conducted to ascertain how provider sustainability funding has been used. Against a context of relatively low levels of community infection to date in NEL, the most significant additional area of cost appears to be the increased use of personal protective equipment to comply with government requirements. This is exacerbated by rising prices due to high demand. Provider vacancies appear to have been less of an issue locally suggesting that the minimum income guarantee is not required for the next phase of support.

1.8 It is clear from recent government guidance and policy initiatives that there remains an imperative to sustain the adult social care market and to support the sector in protecting older, vulnerable care home residents from the spread of COVID infection. Accordingly, the council has now submitted its infection prevention and control plan and has distributed the infection control fund (round 1) to providers during June 2020 to help with specific infection control measures. Of the £2.2m allocation for ICF, 75% of this is being used to support care homes. Vulnerable adults supported at home are also at risk from the spread of infection. It is likely that further government advice and guidance will follow with recommendations linked to all community-based settings in an effort to prevent and reduce the infection risk from COVID. For this reason, the 25% residual amount from the ICF funding is being allocated for infection control

measures to care at home providers and to supplement personal protective equipment (PPE) reserves.

Phase two proposals (payment period 4 onwards, 2020/21)

1.9 In the first phase of funding, providers received a lump sum payment designed to be used flexibly to meet the following costs:

- increased costs due to use of temporary or backfill staff e.g. agency costs.
- increased costs due to staff recruitment and DBS checks
- Increased overtime pay costs due to higher staff sickness absences.
- Increased travel time due to disruption to planned care delivery
- Increased costs associated with enhanced infection control e.g. cleaning or additional equipment or PPE costs.
- Other related costs e.g. administration / management.

In addition to this, providers received a minimum income guarantee for payment periods 1 to 3.

1.10 Residential care providers will now receive a share of the ICF monies to help with the following areas of support:

- Ensuring that staff who are isolating in line with government guidance receive their normal wages while doing so. At the time of issuing this grant determination this included staff with suspected symptoms of Covid 19 awaiting a test, or any staff member for a period following a positive test.
- Ensuring, so far as possible, that members of staff work in only one care home. This includes staff who work for one provider across several homes or staff that work on a part time basis for multiple employers and includes agency staff (the principle being that the fewer locations that members of staff work the better;
- Limiting or cohorting staff to individual groups of residents or floors/wings, including segregation of COVID-19 positive residents;
- Supporting active recruitment of additional staff if they are needed to enable staff to work in only one care home or to work only with an assigned group of residents or only in specified areas of a care home, including by using and paying for staff who have chosen to temporarily return to practice, including those returning through the NHS returners programme. These staff can provide vital additional support to homes and underpin effective infection control while permanent staff are isolating or recovering from Covid-19.
- Limiting the use of public transport by members of staff. Where they do not have their own private vehicles this could include encouraging walking and cycling to and from work and supporting this with the provision of changing facilities and rooms and secure bike storage or use of local taxi firms.
- Providing accommodation for staff who proactively choose to stay separately from their families, in order to limit social interaction outside work. This may be provision on site or in partnership with local hotels.

1.11 All local residential care providers, irrespective of whether being commissioned by the council/CCG or not, will have access to this funding. ICF funds are paid

in two instalments and there are grant conditions, which must be complied with. The council must disperse these funds in June and July 2020, and providers must spend their allocations by the end of September 2020. The council is required to make formal returns to verify that the money is used as intended by the government.

1.12 Locally we have decided to allocate the residual 25% of ICF funding across the following areas:

- 1) Replenishment of PPE contingency supplies for distribution to providers in extremis. It is likely that these costs will be recharged to those providers requiring additional, emergency supplies to ensure equity in the system and to ensure that contingent stocks can be replenished.
- 2) Care at home provision
- 3) Supported living.

1.13 As the pandemic has progressed, North East Lincolnshire has seen one of the lowest rates of community infection and therefore changes in demand have not been as significant as anticipated. This has not been the case in other areas, and the council does have a number of adult service users placed out of area. If all areas have supported their local markets in their entirety, then our out of area contractors may have already received provider sustainability funding from their host local authority. In any event, all out of area residential providers will receive IPC funding from their host local authority. We will not therefore offer a lump sum payment to out of area providers.

1.14 **Further proposals:**

1) **In area contracted and commissioned support:**

- a. **Residential care** in addition to the ICF funding outlined above we will offer a monthly payment up to an equivalent of a 5% fee uplift on delivered activity for commissioned placements reflecting the additional costs to support through the next phase of the pandemic.
- b. **Support at home** - each lead provider will receive a share of the discretionary element of the ICF money based on activity levels as outlined earlier. In addition, we may offer a monthly payment up to an equivalent of 5% uplift on the hourly rate for delivered activity on contracted and commissioned provision
- c. **Supported living** - each provider will receive a share of the discretionary element of the ICF money based on the number of clients supported and we may offer a monthly payment up to an equivalent of 5% uplift on the hourly rate for delivered commissioned activity.
- d. **Commissioned services (other)** -each provider may receive a monthly supplementary payment up to an equivalent of 5% uplift on the hourly rate for delivered commissioned activity

2) **In area, non-contracted, non-commissioned residential care** – Providers will receive advice and guidance as well as the ICF support. All providers have access to emergency supplies of PPE and can access additional advice and guidance if they run into difficulties.

3) **In area, non-contracted but commissioned residential care providers** will receive advice and guidance, ICF funding and we may offer a monthly payment

up to an equivalent of a 5% fee uplift on delivered activity on commissioned placements

4) Out of area placements

These providers will receive a share of the ICF allocation from their host local authority. As these fee levels are generally either based on the prevailing local rate or are bespoke packages of care any fee uplift will be considered on a case by case basis. (This will be a maximum payment up to an equivalent of a 5% fee uplift on delivered activity on commissioned placements any further increase by exception)

5) In area, non-contracted, non-commissioned, community providers including direct payment support

These providers do not have a direct relationship with the council/CCG, as they receive funding through individual direct payment arrangements. Typically, these are micro-businesses or voluntary and community organisations. Not all are registered care businesses.

a) Personal assistants have access to free PPE

b) A tiered support arrangement will be offered comprising:

a. Signposting and advice regarding business grants and loans via sector support or usual business advice offered by e-factor

b. The opportunity to provide alternative, chargeable services which must meet the same users' needs defined in their care plan

c. Access to emergency PPE

6) Block contract arrangements to continue on current terms.

7) Contingency funding of £100k to be held for targeted support to critical service providers experiencing significant financial difficulty.

Publication of Local Offer

1.15 In line with the latest guidance published on the 14th May 2020 North East Lincolnshire has published the offer being made to residential care homes.

1.16 To date, all sustainability funding for the independent care market in NEL has been provided by social care funds. This has created a disjointed approach in respect of those providers who receive commissions for NHS and local authority funded clients and services. It will be recommended to the CCG's care contracting committee that the same approach be adopted to all NHS funded residential, nursing, CHC and supported living placements.

Considerations in relation to clients paying towards their cost of care

1.17 Adult social care services are means tested and some clients receiving care will be charged the full cost of their care. It is not proposed to charge clients for these supplementary costs as government funding has been allocated to the council to meet the additional costs of COVID.

2. RISKS AND OPPORTUNITIES

- 2.1 The proposal has been prepared in line with national guidance which has been developed to ensure that during the pandemic, local care providers can sustain their business operations during a period of uncertainty and change. Care businesses will face instability in terms of peaks and troughs in demand for services as a result of the epidemic and it can be anticipated that there will be staff shortages as a result of staff members self-isolating. The measures proposed in this report acknowledge that providers may face higher than usual staff costs due to the need to source additional capacity from agencies, or due to the need to fund overtime to ensure that safe care can continue to be delivered. Providers will also have other unforeseen business costs, for example additional food costs if usual supplies are interrupted, sourcing additional PPE etc. The proposed measures aim to mitigate the risk of business failures. Phase 2 proposals have been developed in the light of experience as the pandemic effects have developed over the past few months. The council has also since the previous response received and dispersed infection control monies to local providers which helps to supplement the overall offer to the sector and provide further support with staff costs, cohorting and other infection prevention measures for the next phase of the pandemic.
- 2.2 It continues to be important to maintain safe and effective adult social care services to enable the flow of patients into and out of the hospital system, so that those requiring critical and intensive care can access the treatment required should there be a resurgence of cases in the area. However, at current levels of infection, the impact on occupancy and activity levels has not been as marked as was predicted therefore this proposal removed the minimum income guarantee. Should any provider get into difficulty, commissioners still have the option to respond with a more targeted offer of support to prevent provider failure. It is recommended that ongoing dialogue with the care sector continues to ensure that changes within the local care market can be responded to quickly. The support offer should be reviewed monthly to ensure that it remains fit for purpose. There is a risk that post COVID there will be an expectation of higher levels of care activity than is currently the norm and that these will represent an on-going cost to ASC budgets. To reduce this risk, social workers will have to ensure that placements into adult social care as a result of the epidemic are managed as short term placements and moved on quickly to usual residence.

3. OTHER OPTIONS CONSIDERED

- 3.1 In developing these proposals, consideration has been given to national advice and to the practice which has been shared by other councils operating within the region.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1 The council need to demonstrably follow government guidelines in its consideration of measures needed to sustain local and out of area care provisions and must be seen to be acting reasonably and fairly in allocating resource to sustain the care market. In developing these proposals, providers' views have been taken into account as well as the approach taken by other local authorities. The consequence of a provider failure would be damaging to

the health and wellbeing of adult clients who need adult social services as well as being a significant cause for adverse media attention.

5. FINANCIAL CONSIDERATIONS

- 5.1 Adult Social Care financial implications for the introduction of these proposals is estimated to be £441k for payment periods 4 to 6, ending 13th September 20. In addition, £100k contingency funding for targeted support to providers in significant financial difficulty, making a total of £541k.
- 5.2 Estimated costs are based on current activity levels as at 31st May 20, the overall cost of the proposals may vary if changes in activity occur.

6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 6.1 These proposals have a neutral impact on climate change/environment.

7. CONSULTATION WITH SCRUTINY

- 7.1 N/A

8. FINANCIAL IMPLICATIONS

- 8.1 Since the last Emergency ODR the Council has received further funding in respect of the COVID pandemic as outlined in the report. One pot was a further S31 of £4.4m which added to the £5.2m received at the time of the last report brought the total to £9.6m. Whilst this amount was not solely for social care, and was to assist in meeting financial challenges across the financial spectrum, the government made explicit reference to the need to sustain social care provision. In addition to this an allocation of £1.1m was received in respect Infection Control Funding (ICF) which has been distributed as detailed above. At present it is our understanding that there will be no further funding given to Local Authorities and any costs over and above the funding received will need to be met from within the Council's resources.
- 8.2 As per the comments on the last ODR it is essential that during this period strict controls and principles are maintained and followed to prevent and mitigate significant financial pressures on the Council in future. Costs should be charged to the appropriate funding area. All recipients of this additional financial assistance from the Council must agree to an open book approach and there should be no situation where providers have profited from this pandemic.
- 8.3 As per the last report to avoid costs increasing and to ensure effective governance of decisions it is recommended that this report approves the additional costs capped at a £0.6m.

9. LEGAL IMPLICATIONS

- 9.1 All directors have the power to determine and exercise, having regard to prevailing Council policy, the operational requirements of their functions and to manage the human and material resources available for their functions. Cabinet is asked to support the Director for Adult Services' recommendations in the ongoing support of providers in the adult social care sector.

9.2 The Council is still in a state of declared emergency and the decision sought goes to the response to that emergency and is in line with the statutory enablement provisions (s138 Local Government Act 1972).

10. HUMAN RESOURCES IMPLICATIONS

10.1 There are no direct HR implications contained within this report.

11. WARD IMPLICATIONS

11.1 The report affects all wards within borough.

12. BACKGROUND PAPERS

12.1 None.

13. CONTACT OFFICER(S)

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