

Cabinet Member for Adults and Health	Ref No: AH02 (20/21)
April 2020	Key Decision: Yes
Financial support to the care sector	Part I
Report by Interim Executive Director Adults and Health	Electoral Divisions: All
<p>Summary</p> <p>In response to Government guidance and to plan the use of additional funds made available to ensure care market resilience during the current public health emergency it is proposed that additional funds be made available to domiciliary and other care providers to enable them to meet additional costs and uncertainties for a limited period.</p> <p>It is proposed that a simple across the board approach is taken rather than one tailored to the needs of individual suppliers in order to achieve a timely response and to avoid administrative burdens. It is also proposed that the arrangements are limited to three months and subject to conditions. Any longer-term proposals would be subject to further decision.</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>The proposals are aimed at ensuring market resilience at a critical time for the sector which is central to the achievement of the Council's objectives for those in later life or with long term needs.</p>	
<p>Financial Impact</p> <p>The financial implications for the three months of the proposals total £5.8m. There are additional costs which will be borne by the CCG as part of joint commissioning of some affected services.</p>	
<p>Recommendation</p> <p>That approval is given for cross-market uplifts in payments to care providers for a period of three months from the 29th March to 20th June 2020 as detailed in paragraph 2 of the report.</p>	

Proposal

1. Background and Context

- 1.1 The adult social care market in West Sussex is facing a significant rise in costs due to Covid19. This is a pressure that a joint statement from the Local Government Association/Association of Directors' of Adult Social Services has suggested will equate nationally to an increase in the region of 10%.
- 1.2 The Government has recognised this pressure by announcing £3.2bn of additional funding for local authorities. As part of its action plan for social care, published on 15th April, it subsequently emphasised: "We expect local

authorities to get the funding they have received quickly to the front line (and) adjust fees to meet new costs”.

- 1.3 Although there is a very real possibility that the County Council’s share of this (which is still to be confirmed) will be inadequate when set in context of the impact that Covid-19 will have on the budget overall, it is clear that providers are in need of urgent support if they are to maintain their services. If additional financial support is not made available, the resilience of the care market in West Sussex will almost certainly be adversely affected. Avoiding or mitigating that impact will help the sector to remain able to reduce pressure on and support the work of the NHS during Covid-19. That is the objective of the proposals in this report. In addition the financial support should help minimise financial risks that would face the adult social care budget post the emergency period if the provider market were to contract in size.

2. Proposal Details

- 2.1 The market in West Sussex is a mix that ranges from small, locally based providers to large national companies, several of which are publicly quoted. Within older people’s care services, it is highly dependent on self-financing customers who buy around 50% of the available residential beds, whereas in the disability sector the County Council is the dominant buyer.
- 2.2 Whilst it follows that needs are unlikely to be uniform, there is an urgency for the need to intervene which militates against the allocation of effort and time required for tailored uplifts. The preferred approach is a proposal for across the board fee uplifts recognising the inherent differences between domiciliary care and other forms of provision.
- 2.3 There is an expectation that all care providers subject to the recommendations in this paper, where it is safe to do so, will:
- Work with the Council to support 8am to 8pm working, across the week, including weekends.
 - Accept admissions as a result of hospital discharge where it is safe to do so, irrespective of Covid-19 status
 - Be responsive to national guidance and willing to adopt a flexible approach with the County Council
 - Keep records of expenditure to inform future support proposals after this initial period (1st April to 30th June 2020).

The proposals are:

Domiciliary care

- 2.4 For domiciliary care providers with a contract with the County Council and customers in pay;
- 1) To move to weekly payments to providers to help support cash flow. Current practice is for payment every four weeks.
 - 2) To make payment of an additional 20% for the 12 week period from 29th March 2020 to 20th June 2020. This will be made by three separate

payments during that time, the first two of which will be combined as it covers a retrospective period.

2.5 These payments are designed to recognise the exceptional cost impacts of Covid-19 on domiciliary care providers, which include:

- customers cancelling calls at short notice,
- paying staff to recompense the loss of work,
- no payments to hold open a service when customers are admitted to hospital,
- additional travel as a result of redirecting rotas,
- staff absences,
- taking on additional customers at short notice,
- increased costs for additional cleaning,
- PPE requirements and associated training

2.6 Unlike most other parts of the market, where the County Council purchases fixed units of care, such as residential care, domiciliary care is paid for on the basis of actual hours delivered. This results in payments to providers which are variable. Typically, around 10% of planned hours are not delivered. The rationale for proposing 20% is to give providers greater certainty by paying for planned hours as well as recognising the pressures listed above. Another consideration is that the market predominantly consists of small, locally based providers.

Other care providers

2.7 Providers elsewhere are reporting concerns in relation to: access to food supplies, increased use of agency and/or staff working longer hours, PPE costs and the challenges of supporting families of the cared-for, particularly when they are unwell or dying.

For these providers, which cover residential and nursing care, supported living, shared lives and extra care housing, the recommendation is an uplift of 10% to existing fees rates for 2020/21 for the three months from 1st April to the end of June.

2.8 Although a blanket approach has limitations, it should enable a provider to absorb the impact of expenditure specifically relating to Covid-19 without needing to seek further assistance from the County Council, unless it meets the definition that of 'a provider at risk'. It is not therefore proposed that restrictions be placed on how the money is spent nor will the County Council seek to recover any of the payments based on a return detailing actual expenditure. However, records of expenditure will be required to inform future support proposals after this initial period.

2.9 These payments will be made only for services supporting customers that are funded by the County Council, not the whole market. Whilst it follows that the increase in income for providers with few placements will be relatively small,

to do otherwise and support the whole market would be unaffordable given the resources available to the County Council.

- 2.10 No support will be paid for services that are closed, unless staff have been redeployed in ways that are beneficial to the County Council's service requirements. Also excluded from scope are direct payments. Those are covered by proposals being prepared separately.

Factors taken into account

3. Consultation

- 3.1 The recommendations take account of the statement made by LGA/ADASS and the direction that has been issued by the Government. They have also been influenced by provider representations and the approaches, either implemented or under consideration, of other local authorities in the South East.

4. Financial (revenue and capital) and Resource Implications

- 4.1 The estimated cost of the proposals are as follows:

	£m
Domiciliary care	1.1
Other providers	5.3
Total cost	6.4
of which	
County Council cost	5.8
CCG cost	0.6

- 4.2 The cost is proposed to be funded from the County Council's share of the £3.2bn that Government has made available to local authorities. When added to other commitments which have been made in respect of adult social care, such as the cost of seven day working from 8am to 8pm, the allocation is significant, especially if set in context of the wider risks that Covid-19 presents to the budget. Without additional Government support it would not be possible to sustain this over an extended period. For this reason the proposals are for a maximum of three months to the end of June. By that time there will also be a better understanding of the actual financial impact of Covid-19 on providers in West Sussex.
- 4.3 The cost to the West Sussex Clinical Commissioning Group relates to the impact of the recommendations on the pooled budgets for learning disabilities and working age mental health, to which the CCG has given its agreement.

5. Legal Implications

- 5.1 Contractual arrangements will not be affected and the Council's Standing Orders on Contracts will be complied with where contract variations are required to give effect to these temporary changes. The County Council does not have a duty to make these payments but would need to explain why it

failed to do so in response to Government guidance. The Council's statutory duty to support and safeguard the local care market is a critical factor in the decision to make the proposals.

6. Risk Implications and Mitigations

6.1 The proposals are intended to strike a balance between the reasonable needs of providers and an outcome that is affordable for the County Council. The blanket approach to the payments achieves maximum spend with minimum administration. They will be paid on a time-limited basis and any extension beyond June will be subject to further decision.

6.2 As well as taking into account the resources available to the County Council, a further consideration will be whether more flexible arrangements might be appropriate, which allow for the actual occurrence of additional Covid-19 related spending and the needs of individual suppliers. Providers will be asked to ensure that they maintain clear expenditure records to evidence this as part of the communication of this decision, which will also enable the County Council to indicate that any offer of continuing support may be conditional on the recipient agreeing to open-book accounting.

7. Other Options Considered (and reasons for not proposing)

7.1 The proposals are in line with national guidance and the approach of neighbour authorities. Whilst lower or higher uplifts could have been applied there is no basis for justifying them without work in assessing impact and actual cost changes. A tailored approach and one requiring providers to account for the use of the funds would also be feasible but would mean delay and thus place an unreasonable administrative burden upon providers.

8. Equality and Human Rights Assessment

8.1 Whilst the approach is blanket across the provider market it is not expected that there will be any disproportionate impact upon providers which meet the needs of persons in groups with protected characteristics. This will be considered in further detail should longer term support using a more tailored response be required.

9. Social Value and Sustainability Assessment

9.1 The proposals are in response to local market needs, local provider representations and are directly aimed at maintaining local provider resilience.

10. Crime and Disorder Reduction Assessment

10.1 None

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Appendices: None

Background papers: None