

**12 December 2022****Agenda Item: 6****REPORT OF THE CABINET MEMBER FOR ADULT SOCIAL CARE AND  
PUBLIC HEALTH  
RESPONSE TO THE COMMITTEE ON THE SUSTAINABILITY FUNDING FOR  
EXTERNAL ADULT SOCIAL CARE PROVIDERS****Purpose of the Report**

1. At the meeting of the Adult Social Care and Public Health Select Committee held on 6 October 2022 it was resolved:

*“That the Cabinet Member for Adult Social Care and Public Health, in consultation with officers, considers what activity could be implemented to increase the uptake of the funding that has been made available via the Provider Sustainability Fund”.*

2. This report provides a response to that resolution and advises the Adult Social Care and Public Health Select Committee on the current position on spend, usage and benefits of the £0.5m sustainability funding which has been made available for external social care providers.

**Information**

3. The Corporate Director approved the £0.5m funding by Delegated Decision in June 2022. This fund was created to support the social care market as there are considerable pressures within the care market impacting on the Council’s ability to meet its statutory duties to provide care and support and sustain the market, as well as provide people with choice and control over how best to meet their care needs.
4. There are significant difficulties around recruitment and retention of staff and inflationary pressures, which are affecting the financial sustainability of some services. This is further compounding market failure in terms of quality, sustainability or contractual compliance.
5. The national funds that supported providers in the previous two years came to an end in March 2022.
6. Measures to strengthen the market, such as the establishment of a Market Shaping Team, will take time to implement as will the national response to addressing the Fair Cost of Care work, which is part of Adult Social Care reform.

7. The fund was developed in response to feedback from providers that there would be significant financial concerns when the national funds ended and that they needed support with:
  - fuel costs
  - energy costs
  - insurance costs
  - staffing cover costs.
8. The risks and fragility within the care market compounded by the rising cost of living means that the care market could see a further escalation of provider failures.
9. To mitigate this risk, the sustainability fund of £0.5m was launched in July 2022, enabling providers to claim back additional costs that they have incurred from May 2022, for three months or until the fund is spent.
10. There are considerable pressures in all social care services with all experiencing increased financial costs and workforce issues and the offer of this fund is available for the wider care market.
11. With the implementation of the local fund the following criteria were agreed for the wider care market:
  - Funding for fuel and energy costs (over and above what providers normally pay)
  - Exceptional staffing costs associated with sickness cover (e.g. Covid-related absence meaning staff need to isolate with full pay)
  - Insurance costs (excess cost on top of previous year's policies).
12. To ensure that there was fair access the fund was limited by the following:
  - Provider claims are capped at £1,500 per provider registered service per month (until the funding is spent)
  - Providers can claim monthly and retrospectively for the previous month for costs incurred from 1 May 2022.

### **Providers accessing the funding**

13. Providers claim using an electronic process, which was established for claiming previous Government grants and has been re-purposed to support this process. To claim for the fund providers have to complete the online form application (previously care service sustainability fund process) and evidence the spend, otherwise the claim will not be authorised.
14. The Quality and Market Management Team (QMMT) works with the Finance team to support and manage the process in respect of spend and impacts and continues to support providers to claim for the fund.
15. Funding is allocated on a first come basis and providers will need to evidence their spend for funding to be agreed retrospectively.

## Provider Engagement

16. The QMMT has engaged with Home Care, Care Support and Enablement providers and all other external providers to promote the local sustainability fund. A weekly bulletin is produced to update and remind providers to access this funding.
17. There are regular forums/engagement events reminding providers to access this funding, and through regular contract monitoring providers are advised about the fund.
18. The QMMT oversees risks in the market and providers who are high risk, in particular due to financial pressures, are also advised to access this funding.
19. Further engagement is planned up to Christmas with further communications and QMMT staff contacting providers to ensure there is awareness of the fund's availability.

## Current Spend

20. The chart below sets out the current position of the fund, including actual spend, amounts awaiting approval and claims not processed as yet:

**Chart 1 – Overview of the Current Spend/Allocated Funds**

	<b>Spend to Date (if all evidence received)</b>
Amount allocated	£122,596
Waiting for evidence	£142,500
Waiting to be reviewed (new claims)	£6,000
Total possible spend (if all evidence received)	£271,096

21. As of 4 November 2022, the Council has processed claims from providers totalling £122,596 and there is £142,500 awaiting supporting evidence of spend. This means that once all the claims have been processed, if they have the required evidence, there will be a total spend of £271,096.
22. The figures in **Chart 1** are for the amounts paid or being paid to providers. The process requires providers to include all their costs, associated with what can be claimed, therefore with the cap of £1,500 the 'full costs' will not be met for some claims.
23. It was previously reported that spend against the fund was low; this was due to timing of the reporting as the fund had been recently launched and the requirement for providers to claim retrospectively. **Chart 1** shows that the fund is needed and providers are able to evidence increased financial pressures, with new claims still being routinely submitted, therefore being beneficial in enabling continued sustainability.
24. This fund was established with funding from the Market Reserve and therefore any unspent money will still be available next financial year.

## **Impact and outcomes**

25. This funding was agreed as a one-off proposal to try to stabilise the market in order to assist in the reduction of the risk of further provider failure.
26. There is a process in place to oversee that this process is fair and transparent, which is managed and overseen by the Finance team.
27. Providers are reporting that having access to this funding is supportive and assisting them to maintain their viability. There is initial evidence of stability in the market, with a reduction in the need to re-provision packages of care since September 2022.

## **Financial Implications**

28. There is a total of £0.5m available to support the market since July 2022 and this will be available until the fund has been spent. This funding was made available and agreed from the market reserve.

## **RECOMMENDATION**

- 1) That the Adult Social Care and Public Health Select Committee notes the response on the current and planned spend of the sustainability fund.

**Councillor Matt Barney**

**Cabinet Member for Adult Social Care and Public Health**

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## **Constitutional Comments (CEH 29/11/22)**

29. The report provides an update and information to Members of the Adult Social Care and Public Health Committee following an earlier review.

## **Finance Comments (KS 17/11/22)**

30. The maximum cost of £500,000 has been allocated from the Market Reserve. To date £122,596 has been paid out, with new claims regularly being processed and other claims waiting for evidence from providers to enable them to be paid.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None.

**Electoral Division(s) and Member(s) Affected**

All.