

7 June 2022**REPORT OF THE SERVICE DIRECTOR, INTEGRATED STRATEGIC
COMMISSIONING AND SERVICE IMPROVEMENT****ESTABLISHING A PROVIDER SUSTAINABILITY FUND FOR THE EXTERNAL
SOCIAL CARE MARKET****Purpose of the Report**

1. The aim of this paper is to request approval by the Corporate Director for funding to support the market, with one of the main priorities being to try and stabilise the home care market. There are considerable pressures within the care market which are impacting on the Council's ability to meet its statutory duties to meet care and support needs and sustain the market, as well as provide people with choice and control over how best to meet their care needs. These primarily relate to the difficulties around recruitment and retention of staff, inflationary pressures which are affecting the financial sustainability of some services which are compounding into market failure in terms of quality, sustainability, or contractual compliance.
2. The paper puts forward a proposal to develop an immediate interim provider sustainability fund of £500,000 to support the external market.

Information

3. The national funds that have supported providers over the last two years have now come to an end. Measures to strengthen the market such as the establishment of a Market Development 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.
4. 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. To mitigate this risk, the proposal is to launch and implement a provider sustainability fund from May 2022, for 3 months or until the fund is spent. This will help to stabilise the care market in the short to medium term and potentially the fund could be extended as and when national monies are made available by central government. As part of Adult Social Care reform, the Fair Cost of Care exercise will be concluded at the end of September which will inform future provider rates.
5. It is proposed that with the implementation of the local fund the following criteria is agreed:

- for the wider care market/home care and Care, Support and Enablement services -
 - 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)
 - funding is capped at £1500 per provider per month (until the funding is spent)
 - providers can claim monthly and retrospectively for the previous month for spend from the 1st of May 2022.
6. Home care provider engagement has already commenced and will continue as per the engagement plan that will be developed. Further engagement is required for supported living providers. Care home collaborative meetings are planned monthly.

Provider access to the funding

7. The already established sustainability funding process will be re-purposed to support this. The proposal is that:
- providers will need to complete the online form application (previously care service sustainability fund process).
 - there will be a requirement on providers to provide receipts or evidence of spend (otherwise it will not be authorised)
 - the Quality and Market Management Team (QMMT) will work with the Finance team to support and manage the process in respect of spend and impacts
 - QMMT will continue in their discussions with providers to ensure they access this funding.
8. Funding will be allocated on a first come basis and providers will need to evidence their spend for funding to be agreed retrospectively.

Impact and outcomes

9. This is a one-off proposal for funding to stabilise the market to assist in the reduction of the risk of further provider failure.
10. The establishment of the provider sustainability fund will require robust oversight to ensure that the process is fair and transparent.
11. There is a requirement for robust measurement of impact and the difference this funding has made to individual providers, with the outcomes used to shape any possible future funding.

Financial implications

12. The one-off costs are as follows:
- £500,000 for the provider sustainability fund (3 months or until spent).
13. This will be funded from the new market reserve fund.

Other Options Considered

14. There are several options being considered in response to supporting external social care providers. This fund is linked in and complements the other programmes of work related to the same risks.

Reason/s for Recommendation/s

15. The risk of the adult social care market continues to remain high, and the Council needs to consider a range of mechanisms to stabilise the market and to develop longer term solutions to create a more robust long-term offer.
16. Feedback from the providers, the current capacity and financial concerns within the market evidence the need to offer additional financial support to try and sustain the market now.

Statutory and Policy Implications

17. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

18. A one-off fund of £500,000 is made available to the market for 3 months (or for as long as the fund lasts).

RECOMMENDATION/S

- 1). To establish a provider sustainability fund to support the market in response to the increased financial burdens associated with the cost of living and other exceptional impacts on their workforce.

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Constitutional Comments (CEH 07/06/22)

19. The decision falls within the remit of the Corporate Director Adult Social Care and Health.

Finance Comments (KS 24/05/22)

20. The maximum cost of £500,000 can be funded from the Market Reserve.

HR Comments (WI 20/05/22)

21. As the proposals relate to the external market, and not internal Council staffing matters, there are no HR implications to be considered.

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.

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