

8 July 2024**REPORT OF THE SERVICE DIRECTOR, STRATEGIC COMMISSIONING AND
INTEGRATION****DISTRIBUTION OF THE MARKET SUSTAINABILITY FUND FOR 2023/2024****Purpose of the Report**

1. This report seeks endorsement for the distribution of £5,364,086 which is the Market Sustainability and Improvement Fund: Workforce fund amount released in September 2023.
2. A report was taken to Cabinet in March 2023 to agree the allocation of the Market Sustainability and Improvement Fund, however this additional element was not fully covered at that time, therefore there is a requirement for this decision to be taken to ensure that there is an audit trail for use of this Fund.
3. The report sets out that this fund was allocated to support the following proposals that supported Adult Social Care to meet the conditions of the fund with the continued support of the external social care market, taking forward the implementation of the following programme of works:
 - Fee Strategy (Fair Cost of Care)
 - Workforce Recruitment
 - Market Innovation
 - On-going reviews of fee rate increases.

Information

4. 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, and inflationary pressures affecting the financial sustainability of some services which are compounding into market failure in terms of quality, sustainability or contractual compliance.
5. The Market Sustainability and Improvement Fund (the Fund) was announced in November 2022 with the primary purpose of supporting local authorities to make tangible improvements to adult social care services, to build capacity and improve market sustainability.

6. There are three vital targets for areas of improvement that the Government considers will underpin the overarching objective of building capacity and improving market sustainability. These are:
 - a) increasing fee rates paid to adult social care providers
 - b) increasing adult social care workforce capacity and retention
 - c) reducing adult social care waiting times.
7. The Market Sustainability and Improvement Fund: Workforce fund amount was released in September 2023. The proposal in this report sets out how the additional funding supported the target for the following areas:
 - a) increasing fee rates paid to adult social care providers
 - b) reducing adult social care waiting time
8. This report sets out how £5,364,086 of the Fund was used to build on and support the delivery of existing plans, including the implementation of the Market Sustainability Plan, which was approved at Cabinet on 9 March 2023.
9. The Council's intention is to move toward a local Cost of Care that covers costs in line with inflation, which support local conditions, improves market sustainability and supports the social care market in Nottinghamshire.
10. The Council currently audits and classifies care homes annually into one of the five different bands based on five key areas of delivery. The Cost of Care exercise noted the Council's relatively tight care home inflationary uplifts but also recognises the commissioning model is generous at the higher quality bands. In March 2023, Cabinet approved £350,000 to remove the lower band 1 for financial year 2023/24 to further support the care home market.
11. Home based care, Housing with Care and Supported Living services are subject to market testing through competitive tender processes on a regular basis, usually every 3 - 5 years, with the current contract having been extended for up to 5 years. Tendering processes provides the Council with the opportunity to test the market through an open and transparent competitive process in order to seek best value from providers. These contracts do not require the Council to apply an annual inflationary increase.
12. The Council aims to assess and support people in a timely manner, which achieves the best outcome for the individual whilst also relieving pressure on the system by reducing hospital admission. £2.364m of this fund is being used to support the sustainability of the market with in-year rate increases, increased costs that result in top-ups above the agreed banded rate and improve equal access to services where and when people need them.
13. £3million is being used to support the internal workforce by increasing resources and capacity to focus on reducing the time people spend waiting for an assessment and expedite care and support where required, reducing pressures on the system, supporting timely reablement and people receiving support where and when they require it.

Other Options Considered

14. The other option of not utilising this Fund to support the market has not been considered as this would be a risk to the Council and would mean that the grant conditions are not met, therefore a further risk that this 'fund' would be returned.

Reason/s for Recommendation/s

15. The Council met the requirements of the 2022/23 Fair Cost and Care and Market Sustainability process, with that the allocation of the Market Sustainability and Improvement Fund of £5,364,086 for 2023/24 was made. The spending of this funding required the Council to meet vital targets as set out in **paragraph 7** and for audit purposes it is recommended that the distribution of the funding detailed in the report be endorsed.
16. This report includes a number of proposals that linked to the target areas for the use of the Market Sustainability Improvement Fund. The Council worked in partnership with social care providers on these proposals which supported in meeting the objectives of the department's Market Sustainability Plan, which includes working towards a Fair Cost of Care. This fund is linked in and complements the other programmes of work related to the same risks.

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. £5.364million of the Market Sustainability and Improvement Fund: Workforce Fund is being utilised to fund the proposals as set out in this report.

Public Sector Equality Duty Implications

19. The Council must have due regard to the Public Sector Equality Duty implications when making a decision. As reported to Cabinet in March 2023, an Equality Impact Assessment has been completed. The outcomes are expected to be broadly positive for those with protected characteristics. By supporting the market as set out in the report the likelihood of providers serving notice on those citizens they support is reduced. The Equality Impact Assessment will be reviewed/updated in line with the recommendations of this paper, as appropriate.

Implications for Residents

20. The Council has a statutory duty to ensure there is sufficient provision of a diverse range of services to meet people's social care and support needs. An increase in fees paid by

the Council to independent sector care and support providers and the investment in developing transformation with the social care market will help to ensure that there are sufficient and viable services within the local market to meet current and future needs.

HR Implications

21. There will be some of the funding used to increase workforce capacity and therefore any proposals will be shared with the trade unions with comments received.
22. Consideration will be given to utilising secondment opportunities for internal candidates, bearing in mind the operational impact on existing teams of internal staffing movements.
23. Where there are recruitment issues the Council's managed service contract for agency staff provision will be utilised.
24. Where temporary posts are to be extended for a further year postholders may accrue certain employment rights that will be managed in line with relevant Council procedures.

RECOMMENDATION/S

- 1) That the distribution of the remaining £5.364m of the Market Sustainability and Improvement Fund: Workforce Fund for 2023-2024, to support the target for the following areas, be endorsed:
 - a) Increasing fee rates paid to adult social care providers £2,364,000
 - b) Reducing adult social care waiting time £3,000,000

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Constitutional Comments (CM 01/07/2024)

25. The recommendations fall within the remit of the Cabinet Member – Adult Social Care through that cabinet member's terms of reference.

Finance Comments (CMER 26/06/24)

26. This report is retrospective. £5,364,086 of the Market Sustainability and Improvement Fund: Workforce fund amount was released in September 2023. It was spent fully in the 2023/24 financial year.

HR Comments (WI 26/06/24)

27. The HR implications are set out in **paragraphs 21-24** and where posts are established this will be undertaken in accordance with the Council's Constitution and relevant agreed procedures.

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.

[Nottinghamshire's Cost of Care reports, Adult Social Care Market Sustainability Plan, Market Position Statement and Fee Uplifts - report to Cabinet on 9 March 2023](#)

Electoral Division(s) and Member(s) Affected

All.

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