

12th September 2022**Agenda Item: 3****REPORT OF THE SERVICE DIRECTOR, INTEGRATED STRATEGIC
COMMISSIONING AND SERVICE IMPROVEMENT****ADULT SOCIAL CARE MARKET PRESSURES UPDATE****Purpose of the Report**

1. To ask Members of the Select Committee to consider and comment on the content of the report.
2. To provide an update report for Select Committee Members regarding the report to Cabinet on 14 July 2022 on Adult Social Care Market Pressures (attached as **Appendix 1**).
3. This report covers the specific areas of update that Cabinet Members asked for on 14 July, as follows:
 - Financial Support for Providers
 - Fair Cost of Care
 - Workforce.

Introduction and background

4. On 14 July Cabinet Members received a report on Adult Social Care Market Pressures which set out the proposals to address the current instability in the social care market and to consider mechanisms to support longer term sustainability to meet increased future demand. The report sought approval to increase fee rates to home care and care, support and enablement services, so to ensure a level of stability in these challenging high cost of living times.
5. Members were made aware that Social Care Reform involves multiple strands but that Fair Cost of Care Work commences in 2022 with work to engage providers to a Market Sustainability Strategy. In response to the requirement from government that a Fair Cost of Care exercise be carried out, the Council is using the government methodology and relevant tools and has engaged an independent organisation to undertake the work to ensure impartiality and fairness throughout the process. The objective is to undertake the requirements of government policy and to gain a thorough understanding of the issues impacting on social care providers, the level of risk we face as a Council in terms of sufficiency of supply of care and to understand how current Market rates compare to the Fair Cost of Care exercise.

Financial Support for Providers

Increased Rates for Home Based Care and Supported Living Providers

6. The Adult Social Care Market Pressures report presented to Cabinet highlighted the pressures and challenges the community social care market is experiencing which is impacting on the Council's ability to meet people's needs for care and support in a timely way. Recruitment and retention of staff is a key driver of provider capacity and stability of service which is impacting on the health and social care system being able to effectively meet an increasing demand for both home-based care and supported living. This impacts on support for people at home, in a more intensive care setting, and those waiting to return home from hospital.
7. The recommendation of an increase of £1 per hour for particular services in the market was agreed and is being implemented from 12 September 2022. The Department will be monitoring and supporting providers to measure the impact of this rate increase.
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. To mitigate this risk, the provider sustainability fund was implemented from May 2022, for three months or until the fund is spent. The £0.5 million fund was made available to social care providers to give financial support for increased additional costs that are impacting on their businesses and their workforce.
9. The fund is available for the wider care market/home care and Care, Support, and Enablement services to support as stated below:
 - 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 £1,500 per provider per month (until the funding is spent)
 - providers can claim monthly and retrospectively for the previous month for spend from 1 May 2022.
10. As of August 2022, social care providers have claimed £53,000 therefore there are still sufficient funds available to support providers and the Department will continue to support providers to access the funds. The take-up of these important funds has been slower than expected, however we are assured that as we move forward past this key holiday period, more providers will access the funds and we continue to engage positively with providers regarding this offer of support.

Social Care Reforms

Fair Cost of Care

11. Local authorities are required to complete a Fair Cost of Care exercise to arrive at a shared understanding with care providers of the local cost of providing care. This will inform work to publish a Market Sustainability Strategy detailing how progress will be made toward the Fair Cost of Care where this is not already being paid. Nationally £1.36 billion in total is

being made available to support councils in implementing and operating this policy to 2024/25.

12. The first tranche of money in 2022/23 amounts to £162 million, 25% of which can be used to fund implementation activities such as developing internal capacity and capability and planning across the care market. The remaining 75% (£121.5 million) is intended to be spent on paying higher fee rates. £600 million follows in each of 2023/24 and 2024/25.
13. The Fair Cost of Care national policy aims to equalise the rates that self-funders pay for their care with rates that councils pay from October 2023. There is a risk that this will destabilise providers and it is therefore intended that councils move towards paying providers a fair rate. It is nationally reported by the Association of Directors of Adult Social Services (ADASS) and County Councils Network that the funds from government are unlikely to address the full cost of the Fair Cost of Care exercise.
14. We are expecting further national guidance as the national trailblazers inform the Department of Health and Social Care on cost and process of the Fair Cost of Care.
15. The Department has undertaken engagement and survey work with Providers and reports the following return rates:
 - Ageing Well Care Homes – 66 (42%)
 - Home based care - 22 (50%)
16. These return rates are higher than neighbouring authorities and it is recognised nationally that return rates are a risk to the work. The Department has undertaken proactive communication throughout the process. Initial feedback is that the current returns represent a good cross section of the services in Nottinghamshire with representation from both large and small organisations and both nursing and residential care.
17. We have continued to take part in both local and national ADASS workshops including national provider forums to ensure we are keeping in pace with a national picture of change that supports excellent quality and national reforms work and have continued to engage with providers on a regular basis, ensuring all partners are informed and updated of any change as we progress.
18. The Department of Health & Social Care requirement is that Fair Cost of Care reports required to be sent to the DHSC are in a draft format in October and finalised by February 2023.
19. It remains important to note that care homes and domiciliary care providers do not make up the entire market and therefore work continues to develop a longer-term market sustainable strategy that is inclusive of the wider marketplace in which adult social care operates. This will involve collaborative working with both health, social care and community partners and most importantly people who draw upon care and support.

Market Shaping

20. Work has commenced to develop a robust market shaping programme based on Think Local and Act Personal (TLAP) national best practice framework, which will provide a clear

framework that will support the development of a programme of work setting out how health and social care partners can support and facilitate change across the marketplace.



21. Working to secure the market shaping team is progressing well and it is planned to be at full establishment by the end of the calendar year.

Workforce Recruitment and Retention

Workforce Context

22. The adult social care workforce within the Independent Sector in Nottinghamshire has 21,500 jobs (Skills for Care data 2020/21). We have 436 CQC (Care Quality Commission) registered providers and most of our provider organisations are small and medium sized enterprises. A significant percentage of the workforce works within care homes, home care and supported living providers, but also includes Personal Assistants, community workers, and those who work in day opportunities in diverse settings. Most jobs within Adult Social Care are within our independent sector (21,500 out of 24,500). Skills for Care quoted a turnover rate of 30% in 2020/21, due to the Covid pandemic this will have now increased.

23. Locally and nationally recruitment and retention in the social care market is an ongoing issue and therefore a risk in that there is reduced capacity. In response to this issue the Department is working with the sector on a number of key actions:

PRIORITY 1: To strengthen and enhance the attraction, recruitment, and retention for the external workforce

Local recruitment campaign – overview of feedback and next step actions

Our first initiative was the local recruitment campaign, which ran from January to March 2022; “Nottinghamshire we need YOU to care” was developed to support our external provider market to raise the profile of the care sector and support their workforce challenges. An evaluation survey has been undertaken to understand the impact and next steps. Main statistics are highlighted below:

- 1,637 hits to the “Nottinghamshire we need YOU to care” landing page
 - top referral sources for traffic (new users) to the landing page: Facebook 60%
 - 64% of those providers who answered our survey said they had heard about the campaign and visited the landing page
 - over 50% of providers had seen/heard the campaign material (outdoor/social media/radio).
24. The report also reflected that the sector was still having significant recruitment and retention challenges:
- over 40% stated enquiries, applications and interviews about job vacancies had either decreased or stayed about the same
 - feedback from providers highlighted that care is not seen as a first-choice career, and that the carer role does not appear professional to the public and stated pay, hours, contracts, and fuel etc. as barriers for attracting new people into social care.
25. Due to the size and scale of our external workforce it has been recognised that the above was a good start, but that further investment and work is needed to change the perception of the care sector both locally and nationally.
26. As a continuation of the local recruitment campaign and from provider feedback, we are trialling two local careers events for our social care providers:
- Retford – Thursday 8th September at The Well & Mansfield – Thursday 6th October at Mansfield Town Football Club
 - both events have been coproduced with local providers from each area
 - Nottinghamshire County Council has booked and paid for the venue, supported with promotional material (leaflets, posters, external banner), involved district councils, Councillors, local Department for Work and Pensions office and social media activity
 - the events are being held in a “local community hub” and will be promoted by each venue as well to support the local market
 - an evaluation of each event will take place to ascertain the impact of these and whether they are to be rolled out Countywide. Retford and Mansfield will allow us to compare and learn how the events work in terms of rurality and demographic of worker etc.

27. Due to the current challenges within our home care market, we have worked with our regional East Midlands Association of Directors of Adult Social Services colleagues on the 'Creating Capacity in Home Care' workstream. An output of this group was to support the organisation of a face-to-face regional conference, alongside Skills for Care, for our home care providers in April called 'Finding and keeping your workforce'. This event was well attended from providers across the region. The event was not just about hearing from presenters, it was important we heard our providers' feedback and any innovative ideas.
28. Work is continuing at a local level drawing on the outcomes from the above event via a virtual Home Care Forum that is held monthly with our contracted and non-contracted home care providers. We have continued to collaborate through key providers forums, which enables all partners to proactively keep abreast of any changing concerns and support better ways of working.

Provider Engagement

29. The last two years has had a significant impact on our care sector. Ongoing provider engagement is critical to enable us to work with our wider workforce colleagues, build relationships and deliver sector interventions in a real and meaningful way, delivering coproduced pieces of work that improve outcomes.
30. Working in collaboration with our Integrated Care Board NHS colleagues two face to face events in July for our care home population were organised and delivered:
 - to facilitate an environment for care home staff to network, reflect and share experiences through open conversations and feedback
 - to provide an update and overview of the current landscape and priorities for workforce, Enhanced Health in Care Homes, and relevant care home research
 - to share new and existing care home resources
 - to gather insight to what 'good looks like' and 'what next?' for future system outcomes.
31. The events were held in the north and south of the County and were attended by 38 care homes. Verbal feedback from the events was extremely positive, with providers being open and honest and stating that interactions were valuable and needed to rebuild relationships.

Financial Implications

32. It was agreed at Cabinet in July cabinet that there will be a full year effect investment of £5 million to mitigate the risk of further increasing instability of the market. This investment will support an uplift of £1 per hour to home care and Care Support and Enablement providers. This represents a medium-term financial commitment to the Council.

What next?

- Collation, analysis, and reflections of feedback to inform the appetite and value for future events
- Gathering intelligence to inform a wider system engagement plan
- Joint forums with system colleagues/local authority forums for each service area to be agreed and delivered.

RECOMMENDATION/S

That:

- 1) Members consider whether there are any actions they require in relation to the update contained within the report.
- 2) Members advise how the Committee wishes to monitor the actions /issues contained within the report.

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Constitutional Comments (GMG 30/08/22)

33. This report falls within the Select Committee's terms of reference at Section 6, Part 1, paragraph 3 of the Council's Constitution (see page 88).

Financial Comments (KAS 01/09/22)

34. The cost of the £1 hourly uplift in rates to Homecare and Care Support and Enablement providers is being funded by a combination of funds; £1.786 million from the Market Sustainability and Fair Cost of Care Grant 2022/23 and the remaining £2.306 million from the Market Reserve in 2022/23.
35. The Fair Cost of Care work is currently ongoing and the findings of the work will be reported on when they are available.

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.

[Market management position statement – report to Adult Social Care & Public Health Committee on 20th September 2021](#)

Electoral Division(s) and Member(s) Affected

All.