

## **BRIEFING REPORT**

### **Adults and Health Committee**

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<b>Date of Meeting:</b>	28 March 2022
<b>Report Title:</b>	Adult Social Care Short Term Funding Streams
<b>Report of:</b>	Helen Charlesworth-May, Executive Director of Adults, Health and Integration

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#### **1. Purpose of Report**

- 1.1. The purpose of this report is to inform the Adults and Health Committee of the various funding streams that have been provided to support the Adult Social Care market throughout the COVID-19 pandemic.
- 1.2. The report will focus on how the funding has been used in accordance with funding criteria and the decision making processes that have been adopted to ensure that funding can be spent within the required timescales.
- 1.3. The funding meets the strategic aims in the council's Corporate Plan 2021-2025 to ensure people live well for longer and that the council is a responsible, effective and efficient organisation.

#### **2. Executive Summary**

- 2.1. A summary of the various funding streams which have been provided to support care homes, domiciliary care providers and complex care providers with the challenges presented as a result of the COVID-19 pandemic is included within the appendix.
- 2.2. Most of the funding streams set out in the appendix have been introduced by the Department for Health and Social Care with strict criteria for their use. These include:
  - Adult Social Care Infection Control Fund (now incorporating rapid testing and vaccination funding)
  - Workforce Capacity Grant
  - Workforce Recruitment and Retention Grant
  - Adult Social Care Omicron Support Fund

- Market Sustainability and Fair Cost of Care Fund.
- 2.3.** In June 2020, Cabinet approved additional financial support for the sector in the form of a one-off payment of £400 per bed for Accommodation with Care providers and £200 per service user for Care at Home and Complex providers. This funding was met by the Adult Social Care budget.
- 2.4.** More recently £800,000 has been allocated to Cheshire East from the Cheshire and Merseyside Integrated Care Partnership to provide an incentive of up to £1,500 to commissioned Care at Home providers who pick up new packages of care. The rationale behind this is that it provides an incentive for providers to support council commissioned packages of care as and when they have capacity to do so.
- 2.5.** In December 2021 the government published a policy paper on the Market Sustainability and Fair Cost of Care fund. The aim of the fund is to prepare care markets for reform by encouraging local authorities to move toward a more sustainable fee rate for care. Cheshire East Council has been allocated £979,000 from this fund for 2022/23 which will be used to fund a 6% fee increase for commissioned Care at Home providers. The council must develop a Market Sustainability Plan underpinned by a cost of care exercise (which has recently been undertaken in Cheshire East) by September 2022 to attract funding in 2023/24 and 2024/25.

### **3. Background**

- 3.1.** On 13 March 2020 the Association of Directors of Adult Social Services (ADASS), the Local Government Association (LGA) and the Care Provider Alliance (CPA) issued joint guidance for local authority commissioners which summarised the pressures on social care providers arising from COVID-19.
- 3.2.** The guidance came from a shared ambition to ensure that providers are supported to maximise availability of care and support and to remain operationally and financially resilient during COVID-19. It recommends a number of measures that local authorities can take to mitigate pressures including increasing fee rates or offering a lump sum payment.
- 3.3.** The first round of the Infection Control Fund was announced by the government on 9 June 2020 and initially consisted of a total of £600 million. There have been five further rounds of the fund since that time with the latest round announced in October 2021. The main purpose of the fund is to reduce the rate of COVID-19 transmissions within and between care settings through effective infection prevention and control practices. Later funding iterations included a ring-fenced allocation to support providers with COVID-19 testing and encourage take up of the COVID-19 vaccination.
- 3.4.** On 14 September 2021 the government made a commitment in the COVID-19 Response: Autumn and Winter Plan 2021 to support local authorities and

social care providers to maintain safe staffing levels over the winter period and to continue working with the care sector to build sufficient workforce capacity across services.

- 3.5.** The Adult Social Care Winter Plan published on 3 November 2021 sets out the support the government will be providing to the adult social care sector to meet the challenges it faces over the winter. The plan includes a commitment to providing workforce recruitment and retention funding to support local authorities to recruit and retain sufficient staff over the winter and support growth and sustain the sector.

#### **4. Briefing Information**

- 4.1.** The COVID-19 pandemic has presented significant financial, logistical and workforce challenges for care providers including the need for enhanced infection control measures, increased costs of personal protective equipment (PPE), rising insurance premiums, reduced income due to COVID-19 care home outbreaks, residents unwilling to go into a care home, and increased use of agency staff. Increasingly the workforce reports feeling undervalued and exhausted and staff numbers have been depleted due to staff taking up positions in retail and hospitality sectors which are able to offer higher wages and a less demanding workload.
- 4.2.** With the exception of the Market Sustainability Fund which is designed to support local authorities to move towards a more sustainable cost of care, a key feature of the DHSC grant funding is the short timescale in which funds must be spent by care providers or by local authorities (for any funds that are not passported directly to care providers).
- 4.3.** Typically, all funds must be fully spent, not just accounted for, within three months of receipt by the local authority. Any unspent funds must be returned to the department.
- 4.4.** Some funding streams have placed a requirement on the council to passport funds directly to care providers within twenty days of receipt.
- 4.5.** This has created a time pressure to obtain the necessary authority to accept the funds as a Supplementary Revenue Estimate and obtain delegated authority for how the funds will be spent, develop supporting documentation including terms and conditions and financial pro-formas and process payments.
- 4.6.** With the exception of Round 1 of the Workforce Recruitment and Retention Fund which was signed off at full Council in December 2021, the timings for Council meetings would not have given sufficient time to obtain Council approval to accept the funding and so an urgent decision has had to be made to ensure that the care market could benefit from the funding.
- 4.7.** The urgent decision forms are signed off by the Chief Executive in consultation with the s.151 Officer and Monitoring Officer, the Mayor of the

Council and Group Leaders. They allow the council to formally approve any supplementary revenue or capital estimate which is necessary in order to accept, administer and distribute any funding from government, or bodies acting on behalf of government, relating to the COVID-19 emergency.

- 4.8. A suite of documents has been produced in consultation with Legal, Finance and Audit teams to support the passporting of funds to care providers. This includes terms and conditions which align with the funding guidance, a State Aid declaration which must be completed by care providers, and a financial pro-forma which providers must complete and return to show how the funding has been spent which is used to inform funding returns to DHSC.
- 4.9. Care providers are required to return any unspent funds to the council and the council reserves the right to reclaim any funding which has not been spent in accordance with the terms or conditions of the grant.
- 4.10. Administration of the funding streams is extremely resource intensive, not only for the council, but also for care providers some of whom have to complete financial pro-formas for several local authorities. As a result a handful of providers have refused some of the funding streams. Where this is the case the allocated funding for the provider is either distributed to other providers or returned to DHSC, depending on when the funds are refused.

## **5. Implications**

### **5.1. Legal**

- 5.1.1. The council has a statutory duty under the Care Act to ensure that there is an effective and sustainable care market in the local area. The funding streams described in this report support this duty.
- 5.1.2. The use of urgent decisions to accept the funding streams is justified given the short timescales to distribute the funding to care providers imposed by funding guidance.

### **5.2. Finance**

- 5.2.1. Since the COVID-19 pandemic began the total government funding allocated to Cheshire East to support the entire Adult Social Care market is £19.14 million. This consists of £15.62 million for infection control, testing, vaccinations and Omicron support and £3.52 million to support workforce capacity, recruitment and retention.
- 5.2.2. An additional £2.82 million has been provided to the local care market from Adult Social Care and Cheshire Clinical Commissioning Group and £979,000 will be made available from the Market Sustainability Fund for 2022/23.
- 5.2.3. As these are additional specific one-off grants there are no financial implications or changes required to the council's MTFS.

### 5.3. Human Resources

- 5.3.1. There are no direct HR implications for the council as the grants have been administered within existing staffing resources. However, the Workforce Capacity and Workforce Recruitment and Retention Grants are to be used by care providers to support recruitment and retention of staff.

<b>Access to Information</b>	
Contact Officer:	Joanne Sutton, Acting Head of Commissioning <a href="mailto:Joanne.sutton@cheshireeast.gov.uk">Joanne.sutton@cheshireeast.gov.uk</a>
Appendices:	Appendix – Adult Social Care Short Term Funding Streams
Background Papers:	<a href="#">Social care provider resilience during COVID-19: guidance to commissioners</a> <a href="#">Adult Social Care Infection Control Fund Guidance</a> <a href="#">Workforce Capacity Fund for Adult Social Care Guidance</a> <a href="#">Workforce Recruitment and Retention Fund for adult social care, round 2 Guidance</a> <a href="#">Market Sustainability and Fair Cost of Care Fund: purpose and conditions 2022 to 2023</a>