

Approval of Contract Award to Adult Social Care Providers
Councillor Wayne Fitzgerald, Cabinet Member for Adult Social Care, Health & Public Health
April 2020
Deadline date: N/A

Cabinet portfolio holder: Responsible Director:	Cllr Wayne Fitzgerald, Cabinet Member for Integrated Adult Social Care, Health and Public Health Wendi Ogle-Welbourn, Corporate Director for People and Communities
Is this a Key Decision?	YES Has this Item been Included on the Forward Plan? NO – Urgency Procedures Invoked
Is this decision eligible for call-in?	NO – Waiver of Call-in Procedures Invoked
Does this Public report have any annex that contains exempt information?	NO

RECOMMENDATIONS

The Cabinet Member for Adult Social Care, Health & Public Health is recommended to authorise the Council to award a 10% uplift to adult social care providers to contribute to the significant increase in costs which have been born out of the COVID-19.

This uplift is to be effective as of 20th April 2020 and applied until the end of June. The cost will be up to £1.5m until the end of June 2020.

1. SUMMARY OF MAIN ISSUES

1.1 This Cabinet Member Decision Notice is for the Cabinet Member for Adult Social Care to approve the award of a 10% uplift to adult social care providers to contribute to the significant increase in costs as a result of COVID-19.

2. PURPOSE OF THIS REPORT

2.1 This report is for the Cabinet Member for Integrated Adult Social Care, Health and Public Health to consider exercising delegated authority under paragraph 3.4.3 and 3.4.8 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (b).

2.2 With the approval of the Chairman of Adults and Communities Scrutiny Committee, the urgency procedure, special urgency procedure, and waiver of call-in procedure have been invoked to suspend the requirement to publish notice of the decision for 28 days, to suspend the requirement to publish the decision for five days, and to subject the decision to a three day call-in period. These procedures have been invoked as it is imperative the recommendations are carried

urgently. Failing to do so will result in services not being provided and members of the public being at risk of serious harm. These issues will manifest in the form of providers no longer providing their services to vulnerable people as a result of not being able to continue to sustain the significant increase in costs which have been a result of COVID-19.

2.3 The implications of providers no longer providing services as a result of an unsustainable costs base is the Council not being able to discharge its statutory duties as set out in the Care Act 2015. At its worst this could result in vulnerable people not having any care in place and requiring admission into hospital or passing away.

2.4 The pandemic has had a huge impact on the health and social care system, including independent sector providers. Whilst social distancing protocols are starting to have a positive impact on the overall population, independent sector providers are working with health and social care to support the cohort most at risk during the period of the pandemic. This has not only resulted in an increase in the number of people requiring care and support both in the community and discharge from hospital, but also a significant increase in cost.

2.5 Throughout this period, both Councils have taken a proactive approach to engaging with the market to both understand their pressures and how we are able to support them through this difficult time, with the ultimate aim being to ensure continuity of care for service users. Recognising this, Commissioning and Contracts have supported the market in the following ways:

- **Single Point of Contact:** A single point of contact within the Council's Contracts Team has been established and is monitored regularly. We have also set up a dedicated phone line which can be used by providers to seek advice, guidance and communicate any concerns/key risks. In addition to this, Operational Social Care staff are in regular contact with providers and service users.
- **Provider Newsletter:** Daily updates are sent to all providers. These updates include advice on access to PPE, summaries of the latest guidance and links to advice, evidence of good practice and key contacts for escalation of risks and issues.
- **Provider Forums:** The Councils are running virtual forums on a weekly basis to give providers the opportunity to discuss local issues, key themes and share good practice. The team are proactively inviting key experts to attend to give advice and presentations on key topics relevant to the outbreak including PPE and infection control.
- **Redeployment of staff:** We have established a robust process whereby staff not currently working to support day services provided by the Councils can be re-deployed to local providers who have seen a reduction in staff numbers as a result of the pandemic to ensure continuity of service to existing service users and support staff within these services to manage risk. We are also in the process of extending this offer out to include the redeployment of staff from external day services to other settings where appropriate to do so.
- **Emergency PPE Supplies:** Reducing levels of PPE equipment has presented as an issue nationally. Through the newsletter we are sharing details of local PPE suppliers with providers. Should the provider highlight to the Council they are seriously low on PPE Equipment, we are able to provide emergency provision for a period of 7 days per application.

2.6 However, feedback from local providers consistently suggests that there are key areas of cost pressure which are placing significant pressure on their cash flow and financial stability:

- Staff enhancements, overtime and agency fees to ensure continuity of care within the context of reducing capacity due to increased sickness and self-isolation. Emergency legislation passed also means that providers will need to fund statutory sick pay from day one rather than day four in addition to costs of backfilling staff.

- Additional travel expenses as staff can no longer be expected to rely on public transport to prevent the risk of the virus spreading. The domiciliary care market are also experiencing increased mileage costs as the usual areas of care delivery expand to assist in managing demand
- Infection control - Due to high demand the costs of PPE has increased dramatically. With central government supplies being limited, care providers have had to procure appropriate equipment through alternative routes wherever possible to protect their frontline care staff.
- Loss of income from people who self-fund their care and support and have chosen to cancel care due to risk of COVID transmission from care staff. For some providers this is a small proportion, for others this loss of income is significant.

2.7 Overall, feedback received has indicated that pandemic has resulted in significant increases for providers costs. If no action is taken to support the market, there is a risk a number of organisations could become unsustainable resulting in a decline in care available to support the most vulnerable.

2.8 This uplift is required and there is an imperative that it is done so urgently. Failing to do so will result in services not being provide and members of the public being at risk of serious harm. These issues will manifest in the form of providers no longer providing their services to vulnerable people as a result of not being able to continue to sustain the significant increase in costs which have been a result of COVID-19.

2.9 The implications of providers no longer providing services as a result of an unsustainable costs base is the Council not being able to discharge its statutory duties as set out in the Care Act 2015. At its worst this could result in vulnerable people not having any care in place and requiring admission into hospital or passing away.

2.10 The Local Government Association released guidance this week which outlined the key pressures faced by the market and provided guidance on how local authorities should aim to support management of these pressures. The guidance recommended Councils provide financial support to local providers across the following three areas:

1. The financial impact of a 6.2% increase in the National Living Wage should be acknowledged through provision of a 5% fee uplift on existing rates. For Work is already in place for impacts of the National Living Wage and therefore this element of the uplift is not applied.
2. Provision of a temporary fee up lift of 10% to recognise the cost pressures caused by Covid-19 as outlined above.
3. Review of payment mechanisms to support cash flow. E.g. payment on plan. Commissioners have been working with local providers to support with this where it will help and makes sense to do so. For instances, payments for day services will continue despite closure as staff will be redeployed to support service users in a different way or manage pressures in key service areas.

2.11 This builds upon guidance released at the end of March 2020 by NHS England which outlined the responsibility of the local authority in relation to hospital discharge. The guidance clearly stipulated that Local Authorities will be undertaking the lead on commissioning market capacity on behalf of the health and social care system to support accelerated hospital discharge and admission avoidance. However, it also clearly stated that the Clinical Commissioning Group would be responsible for funding all packages of care commissioning on discharge from hospital or to avoid an admission.

The resilience and ongoing sustainability of providers is key to ensuring people can be discharged safely into the community.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO
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4. CONSULTATION

5.1 Due to the urgent nature of this uplift this decision is pursuing the urgency, special urgency and as a result seeking to waive the call in procedure. This decision is taken following consultation with the Section 151 officer, Corporate Director of People and Communities.

6. ANTICIPATED OUTCOMES

6.1 That approval is given to award all adult social care providers which the council currently contracts with a 10% uplift from 20th April 2020 to 30th June 2020 to support the increase in cost base as a result of COVID-19.

8. Alternative options

8.1 Do nothing – Not an option. The risks of doing nothing present the potential of market failure, statutory non-compliance and unprecedented quality issues.

8. IMPLICATIONS

8.1 Financial

8.1.1 The cost associated to this for the council will be up to £1.5m for the period of the uplift.

8.2 Legal

8.2.1 The uplift is applied to existing contracts which the council has awarded in line with the Public Contract Regulations 2015 and the council's contract rules.

8.3 Carbon Impact Assessment

8.3.1 Carbon Impact Assessment complete with potentially negative impact due to possible increased travel to business premises in various parts of the county.

9. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

9.1 None.

10. BACKGROUND DOCUMENTS

10.1 None