

<b>Subject:</b>	<b>Allocation of ASC funding for Covid-19 and Covid-19 Hospital Discharge Scheme</b>		
<b>Date of Meeting:</b>	<b>27 May 2020</b>		
<b>Report of:</b>	<b>Executive Director Health &amp; Adult Social Care</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Robert Persey</b>	<b>Tel: 01273 295130</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B (4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that information regarding the recently announced Care Home funding was awaited.

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 In response to the Covid-19 pandemic the government announced additional funding to local authorities to help them meet the increased demand for adult social care and other costs and losses related to the emergency, for example, accommodating rough sleepers and homeless people. The additional funding to date totals £16.205m . A further announcement was made last week concerning support for Care Homes which resulted in an allocation of £2.745m for Brighton & Hove City Council, specific guidance on how this can be allocated is still to be released.
- 1.2 This government funding is to help the authority respond to coronavirus pressures across all the services they deliver. This includes increasing support for the adult social care workforce and for services helping the most vulnerable, including homeless people.
- 1.3 This Emergency Response funding has been made available to stabilise the adult social care market during the crisis. The expectation is that the support will be provided through: temporary additional funding where this is necessary; advance payments and support 'in kind'. The Council has already acted to support the market in several practical ways; the introduction of payment to domiciliary care providers on planned hours rather than actuals delivered and the supply and distribution of Personal Protective Equipment (PPE) being just two.
- 1.4 However the Adult Social Care market, and care homes in particular, continue to face significant pressures on a daily basis. This report outlines the proposals for the financial support available to care providers in Brighton & Hove to make sure essential services continue and that the local adult care market is supported and financially resilient in the face of the current unprecedented challenge.

- 1.5 Additionally, the NHS have received additional Covid-19 related funding to support hospital discharge which includes funding of adult social care packages during the Covid pandemic. This additional funding for hospital discharge will be pooled and managed by way of a Deed of Variation to the existing Better Care Fund Section 75 Partnership Agreement between the Council and Brighton & Hove CCG. At the time of drafting this paper the additional funding for hospital discharges was in the sum of just in excess of £0.5m.

## **2. RECOMMENDATIONS:**

That Policy & Resources Committee: -

- 2.1 Notes the current projected Covid-19 related expenditure / loss of income exceeds the funding currently being made available by government. This is explained in more detail in the Covid-19 Financial Position update for Policy & Resources Committee.
- 2.2 Agrees to Option 1 as set out at paragraphs 4.3 – 4.7 of the report and the establishment of a consistent, claim-based approach across all adult social care providers to meet identified additional Covid-19 related costs on a case by case basis by an individual provider of adult social care services.
- 2.3 Authorises the Executive Director Health and Adult Social Care to take all steps necessary to agree and execute a Deed of Variation to the Better Care Fund Section 75 Partnership Agreement (the Agreement) between the Council and the Brighton & Hove CCG to extend the Agreement to March 2021 and to include the new NHS Covid-19 related hospital discharge funding as set out at paragraph 3.16-3.19 of the report. For assurance purposes, a full report on the 2020/2021 Better Care Fund, including details of these additional pooled funding arrangements for hospital discharge will be presented to the September 2020 meeting of the Health and Wellbeing Board.
- 2.4 Requests the Executive Director of HASC to provide an update report to July P&R Committee prior to bringing a full report to the Health and Wellbeing Board in September 2020.

## **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Since the outset of the Covid-19 Pandemic the Government has announced nationally £3.2 billion of additional funding to local authorities to cover additional costs across council services with an expectation this would focus upon supporting additional adult social care costs incurred. A further £600 million was announced last week more specifically targeted toward supporting care homes. For Brighton and Hove City Council this equates to £16.205m plus an additional £2.75 million last week for care home support.
- 3.2 The additional temporary adults social care funding announced by the Government to recognise the cost pressures caused by Covid-19 may cover issues such as higher dependency levels, higher staff sickness absence rates, higher costs due to greater volatility of support packages, and PPE costs. The support is initially for a 3 month period with effect from 1st April 2020 with the expectation that it will be extended further if significant issues persist. It is also

expected that this extra temporary funding will end when the Covid-19 emergency finishes or is scaled down significantly.

- 3.3 The Council is in daily contact with adult social care providers, both domiciliary care and care homes. Through this frequent contact the Council will monitor the impact on provider costs and also take steps to consider the most efficient and effective way of making any additional support available. The national guidance indicates that any temporary increase in funding is conditional on providers continuing to accept new service users (where it is safe to do so and committing to work collaboratively locally).
- 3.4 Within the city we have a broad range of adult social care provision. We have 9 framework providers across three geographical areas in domiciliary care with a further 23 that can be called down from a Dynamic Purchasing System. With respect to care homes we have 58 older peoples' homes, both nursing and residential and a further 30 or so specialist homes for Learning Disability or Physical Disability and Sensory Impairment. Our market is characterised by a large proportion of smaller homes under 30 rooms occupancy and many in single home ownership. Additional to this we have a range of Shared Lives and Supported Living Schemes.

#### **Support offered by the Council to date**

- 3.5 The Council issued a supplier relief letter to all contractors on 24th March 2020 which outlined the Council's support offer where a contractor maybe facing specific challenges affecting their ongoing viability. The Council has been working with Government and is able to offer some supplier relief (support) on a case by case basis according to the nature of the services, goods or works being provided, the challenges being faced, the contracted terms and the constraints of any statutory requirements.
- 3.6 There is specific support for businesses contracted to provide adult social care that was put in place immediately, through use of the Covid19 Emergency Response funding, as per the national guidance. This is outlined below, with the financial commitment to date being stated later in the report under Financial Considerations, and includes:
- Paying in advance and for planned care, with no reconciliation, for the domiciliary care framework contractors;
  - Providing additional no-cost PPE to contracted providers in Brighton & Hove;
  - Agreeing spot purchased care and nursing home placements at fee levels above published rates to support hospital discharge and system flow;
  - Responding on a case by case basis to contracted service providers of day services and support services where business viability and financial stability concerns are raised.
- 3.7 There were steps taken in March 2020, at the onset of the pandemic, to ensure that domiciliary care providers on the Council's framework were supported to manage any potential staffing and financial volatility by moving to advanced payments and payment on planned hours. This offer has also been confirmed to include any new packages that are taken on during the pandemic. This action taken by the Council has provided financial assurance to the domiciliary care

market helping ensure that there has been continuity of service and the ability to arrange new packages of care for both hospital discharges and from the community. This financial support which in effect means that providers are being paid on their planned hours rather than actuals delivered for the domiciliary care market payable from April 1<sup>st</sup>, 2020 represents on average a 15% increase. For the 3-month period up to the end of June 2020 the additional estimated cost to the council equates to £0.273m which will be budgeted from the Covid-19 Emergency Response funds received.

- 3.8 In support of the need for effective hospital flow and discharge at this time, ensuring available capacity in hospitals to treat Covid19 patients, there has also been enhanced funding for ongoing residential care and nursing home placement activity. Since March 19<sup>th</sup> this has been through the agreement of spot purchased fee increases, in recognition of the additional cost pressures for providers at this time. Early analysis indicates these have been at around 19% above usual costs in nursing home placements and around 25% in residential care homes. Many homes continue not to take admissions, particularly where there is no negative Covid-19 test result for the individual. Working with system partners in the local health and care economy the Council is leading on the preparation of a Care Home Support Plan which will explore all the issues and the Council's current and planned response in more detail. This will be completed by 29<sup>th</sup> May 2020.
- 3.9 The Council took the decision to support the Adult Social Care provider market with additional PPE supplies to optimise the safety of service users and the workforce. This has been additional to the supply chains that many providers had in place previously which became unreliable and over and above what is being supplied through local resilience forums that are charged with providing the emergency supplies when other routes have failed. In the region of £600k this is a significant monthly cost to the Council but the need for providers to look after the safety of their workforce and the care needs of our most vulnerable residents is paramount. Most residential and nursing care homes and other providers are benefitting from this provision which has been provided to date on a no cost basis. A separate report details this activity and the financial benefit of this support for providers.
- 3.10 There are ongoing individual discussions with providers of day services and support services for people with a learning disability and / or physical disability who are facing urgent or uncertain financial pressures. On a case by case basis, support is being offered through open book and transparent review of related expenditure and costs. This has resulted, in some cases, with continuation of payments for planned services rather than actual. The exception is where staff may have been furloughed and the council is seeking recognition and reconciliation of this source of alternative income.
- 3.11 In addition to these specific investments to support providers, there has been a system-wide response to prevent, and respond to, crises in care homes which will be evidenced and documented in the forthcoming care home resilience plan. This includes several practical supportive measures for care homes and domiciliary care regarding Infection Prevention and Control.

## **Proposals for support to independent providers going forward**

3.12 The Council does have to have regard to the range of calls on the Covid-19 funding which has been made available by Government alongside the need to carefully monitor the additional costs being incurred to support adult social care providers.

3.13 The Council wants to be transparent about the commitments to date on the Covid-19 funding received in relation to Adult Social Care. The position statement below shows the areas of related expenditure and commitments, including those mentioned above:

- Approximately £3m costs to accommodate rough sleepers from April to June which includes accommodation, food and security
- Estimated £10m projected ongoing costs in 2020/21 from additional demand predominately from hospital discharges, after cessation of NHS England funding
- £0.273m for domiciliary providers as paying on planned hours from April to June
- Estimated £1m loss of fee payer income

3.14 These need to be viewed alongside other impacts and budget pressures of the Covid-19 pandemic for the council which include significant reductions in other council income streams. The details of the wider financial impact are set out in the Covid-19 Financial Position Update reports to Policy & Resources Committee.

## **Variation and Extension of existing Section 75 Better Care Fund Agreement**

3.15 The existing Better Care Fund Section 75 Partnership Agreement between the Council and Brighton & Hove CCG currently covers the following programme areas: -

- Increasing System Capacity
- Integrated Discharge Planning
- Protecting Social Care
- Supporting Recovery and Independence
- Person Centred Integrated Care
- Dementia Planning

3.16 The Agreement sets out the pooled fund contributions from each area in respect of each of the programmes and a governance framework for the commissioning and delivery of the Better Care Fund and the management of budget and expenditure.

3.17 An additional scheme relating to Covid-19 hospital discharge is proposed to be added to the Agreement with the following aims:

- To facilitate the prompt discharge of those patients clinically suitable for discharge thereby maintaining capacity in acute and community hospitals for the care of patients with Covid-19 who require hospitalisation;
- To facilitate the rapid mobilisation of care and support packages;

- To implement the revised funding model for care and support packages.

3.18 A Deed of Variation to the Section 75 Agreement is proposed, setting out the detailed arrangements for the Covid-19 Hospital Discharge Scheme. This will reflect the Government's discharge requirements guidance to reduce pressure on those hospitals providing acute services. The Council will be the Lead Commissioner for this service and a pooled budget will be established into which the funding for this Service will be paid. The Deed of Variation is also proposed to extend the Section 75 Agreement to 31 March 2021.

#### **4. ANALYSIS & CONSIDERATION OF OPTIONS TO SUPPORT THE ADULT SOCIAL CARE MARKET**

4.1 The councils across England have taken a very mixed approach to supporting their local markets ranging from no specific additional funding up to blanket percentage increases. The nature of the market is different from area to area and equally the emergency financial impacts on unitary authorities are very different from those of a county council. Whilst we have presented a blanket uplift below as a costed option it is not the recommended option.

4.2 There is an immediate wish to ensure that the Council responds across care groups and according to the costs incurred, especially in relation to staffing turnover and replacement due to absence where providers have been adversely and significantly affected. As the market is made up of a variety of organisations of different sizes with different financial opportunities and risks, we consider that in the short term, until the 30<sup>th</sup> June 2020, the following Option 1 is preferred:

##### **Option 1.**

4.3 A consistent, claim-based approach across all adult social care providers to meet identified additional Covid-19 related costs on a case by case basis by for an individual provider. This proposal does not apply to domiciliary care providers who through action taken already with respect to paying against planned hours are demonstrating a sustainable position at the current time.

4.4 Indicatively, the anticipated cost would be almost £0.400m up to the end of June 2020 assuming a payment equivalent of £30 per client per week per local authority placement in a care home (residential and nursing provision). This scenario is based on some soft market intelligence undertaken. This takes account of the higher fees paid for placement activity since 19<sup>th</sup> March and therefore these placements are excluded as Covid-19 related costs are assumed within the higher fee included.

4.5 This will allow for the actual expenditure review of additional Covid-19 related spending alongside the needs of individual suppliers. Providers will be asked to ensure that they maintain clear expenditure records to evidence this as part of the communication of this decision, which will also enable the Council to indicate that any offer of continuing support may be conditional on the recipient agreeing to open-book accounting.

- 4.6 A simple and straightforward process will be developed for claiming and award with a consistent approach across HASC and FCL established. This most likely will entail establishing a cross directorate panel.
- 4.7 The proposals are in line with national guidance and are aimed at ensuring market resilience at a critical time for the sector which is central to the achievement of the Council's objectives for those in later life or with long term needs. They are developed following review of market activity and response to date to the Covid-19 pandemic.

## Option 2:

- 4.8 Apply an uplift of 5% or 10% payable to all care home providers offered for the 3 months April, May and June 2020, the cost would be **£0.564m and £1.128m** respectively for these scenarios based on current activity.
- 4.9 The table below shows the range of scenarios and options for blanket approaches to uplifts in the care and nursing home market, split by Directorates with HASC expenditure covering people who are older, with mental health needs and those with physical disabilities, and FCL expenditure relating to adults with a learning disability. It should be noted this only covers care homes and not other care types such as supported living, direct payments and shared lives.

<b>HASC (£'000)</b>	3 months	6 months	9 months	12 months
£30 per week	316	632	948	1,264
5% uplift	431	862	1,293	1,724
10% uplift	862	1,724	2,586	3,448

<b>FCL (£'000)</b>	3 months	6 months	9 months	12 months
£30 per week	57	114	171	228
5% uplift	133	266	399	532
10% uplift	266	532	798	1,064

<b>Overall (£'000)</b>	3 months	6 months	9 months	12 months
£30 per week	373	746	1,119	1,492
5% uplift	564	1,128	1,692	2,256
10% uplift	1,128	2,256	3,384	4,512

## 5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The recommendations take account of the statement made by LGA/ADASS and the Direction that has been issued by the Government. They have also been influenced by provider representations and the approaches, either implemented or under consideration, of other local authorities in the South East.

## 6. CONCLUSION

- 6.1 A claim-based approach to any Covid related additional, evidenced, costs by the independent providers of adult social care, who may be particularly affected

during this pandemic, will support the council to monitor the impact and support the ongoing viability and stability of the market.

- 6.2 The incorporation of the Covid-19 Hospital Discharge Scheme into the existing Better Care Fund s75 Partnership Agreement for the period 2020-2021 will provide the appropriate framework to deliver the scheme in accordance with national guidance.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The overall projected financial implications of Covid-19 to the council are set out in a separate report to Policy & Resources Committee.
- 7.2 With regard to adult social care a range of costings for care homes have been provided in the body of this report and range from £0.373m to £1.128m for a 3-month period, April to June. The report also identifies prior agreement for domiciliary care providers to be paid on planned hours which equates to an additional cost of £0.273m. The cost figures in this paragraph do not include any additional payments for supported living, direct payments, shared lives and community support. Any arrangements for these care types would need to be subject to separate consideration.
- 7.3 It should also be noted that the most recent government announcement of additional funding totalling £2.745m for Brighton gives a requirement to directly pass 75% of this funding to care home providers. This will result in a payment of just over £2m to this sector.

*Finance Officer Consulted: Sophie Warburton / Steve Williams Date 19/05/20*

### Legal Implications:

- 7.4 The recommendations set out in the report are consistent with the Council's powers and duties under the Coronavirus Act, relevant Regulations and national Guidance.
- 7.5 The power to pool budgets between the Council and the CCG is set out in the NHS Act 2006 and requires a formal Section 75 Agreement. The Deed of Variation will reflect the new funding and arrangements for the Covid-19 Hospital Discharge Scheme and will extend the Agreement to March 2021.

*Lawyer Consulted: Liz Culbert Date: 15 May 2020*

### Equalities Implications:

- 7.6 By definition care homes provide support to particular groups of people, and it is these groups (elderly people, people living with Learning Disabilities, and people with complex health conditions) who will be impacted by any issues with care provided in care home settings. The proposals in the report are intended to ensure that support is fairly distributed and targeted where need is greatest. Information on Learning Disability placements is included below:

**Learning Disabilities:**

Number of in-city Providers we commission by service area:

Supported Living Providers	Residential Care Providers	Day Provision Providers	Shared Lives Providers	Community Support Providers
20	11	5	2	7

Number of actual in-city Homes we commission placements from:

Supported Living Homes	Residential Care Homes
48	19

Sustainability Implications:

7.7 There are no adverse sustainability implications arising from this report.

Brexit Implications:

7.8 None

**SUPPORTING DOCUMENTS**

Appendices - None

