

**Committee Name and Date of Committee Meeting**

Cabinet – 11 May 2020

**Report Title**

Financial Support for Older Peoples Residential Care Homes during the Covid-19 Pandemic

**Is this a Key Decision and has it been included on the Forward Plan?**

Yes

**Strategic Director Approving Submission of the Report**

Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health

**Report Author(s)**

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**Ward(s) Affected**

Borough-Wide

**Report Summary**

There are 34 Care Homes for Older People in Rotherham with a total capacity of 1,677 beds in the independent sector.

Care Home sustainability is a key driver in ensuring that the social care system supports the NHS hospitals in both Rotherham and Sheffield to discharge Rotherham residents within the 3 hour limit when they are fit for discharge safely back into the borough into a supportive environment, thereby freeing up the valuable hospital beds for other Covid-19 patients.

The Secretary of State for Health and Social Care, Matt Hancock wrote to all local authorities on the 19<sup>th</sup> March outlining the financial support available to support the response to Covid-19. The Council has been allocated two un-ringfenced grants totalling £16.2m to support the Council in meeting additional costs associated with its response to Covid-19. Within the grant letter were specific requirements to support Adult Social Care based on the guidance previously issued to local authority commissioners by the LGA, ADASS and the Care Provider Alliance to Adult Care commissioners.

This report covers the duties outlined in the Secretary of State for Health and Social Care's letter with a specific focus on the Adult Care Directorate's largest area of spend, Care Homes for Older People covering both residential and nursing provision.

## **Recommendations**

It is recommended that Cabinet support Option 1 Cash Grants and approve:

- i. Advance additional payments of £15k to each Older Peoples' Care Home in Rotherham (a total cost of £495k).
- ii. The provision of a £100k contingency fund for Adult Care to utilise should additional emergency funding be required.
- iii. That the costs are funded from the Government grant referred to within the report.
- iv. That the position be reviewed after the 12 week period (start date 1 April 2020) and any further requirements be brought back to Cabinet for decision.

## **List of Appendices Included**

Appendix 1 Initial Equality Screening Assessment Form

Appendix 2 Equality Analysis Form

## **Background Papers**

Delegated Officer Decision Record - [COVID-19 - LGA Guidance on Home Care Provider Payments](#) – 1 April 2020

## **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

Overview and Scrutiny Management Board – 7 May 2020

## **Council Approval Required**

No

## **Exempt from the Press and Public**

No

## Financial Support for Older Peoples Residential Care Homes during the Covid-19 Pandemic

### 1. Background

- 1.1 The Secretary of State for Health and Social Care, Matt Hancock wrote to all local authorities on the 19<sup>th</sup> March outlining the financial support available to support the response to Covid-19. The Council has since been allocated two un-ringfenced grants totalling £16.2m. Within the grant letter were specific requirements to support Adult Social Care based on the guidance previously issued to local authority commissioners by the LGA, ADASS and the Care Provider Alliance to Adult Care commissioners entitled: Social care provider resilience during COVID-19: guidance to commissioners.
- 1.2 The Secretary of State's letter specifically reminded local authorities of the need to support the Adult care provider market, though it did not specifically reference the Care Act, the inference was strong.
- 1.3 The Council continues to work to the requirements of the Care Act duty to promote:
  - "the efficient and effective operation of the market for adult care and support as a whole."
  - "a sustainable and diverse range of care and support providers, continuously improving quality and choice, and delivering better, innovative and *cost-effective outcomes that promote the wellbeing of people who need care and support.*"  
Care and Support Statutory Guidance, Section 4.2

The Council therefore continues to have a legal obligation to support the adult care and support market in Rotherham to enable it to thrive, remain financially viable and most crucially deliver vital services during the period of the Covid-19 threat.

- 1.4 The Secretary of State's letter specifically highlighted that the funding should be utilised to support the following activity:
  - a. Protecting [home care] providers' cashflow by accelerating payments and paying 'on plan' where appropriate. We recognise that where the support providers are able to provide is significantly below plan, commissioners may have needed to fund support elsewhere.  
  
This element has already been enacted through the appropriate officer delegated decision making and a decision record published
  - b. Helping providers deal with the costs of increased workforce pressures due to higher sickness absence caused by the outbreak, but also due to self-isolation and family caring responsibilities. Care providers will need to be able to deploy their staff flexibly. They may need to hire new staff quickly or increase use of agency staff, creating additional cost pressures. The funding could also help providers support workers on zero-hour contracts.

- c. Facilitating arrangements for adjusting packages as required in a timely and non-bureaucratic way, especially where providers are having to operate beyond normal services in order to respond to need.
- d. Ensuring councils can adjust care packages in accordance with guidance on prioritisation and social work ethics.
- e. Helping providers to meet costs associated with enhanced infection control and the protection of staff.
- f. Ensuring there is clear and effective transfer of information between commissioners and providers on the general market picture, including the picture around self-funders.
- g. Finding supportive and creative ways to support providers in handling wider pressures caused by Covid-19.

1.5 This report covers the duties b.-g. with a specific focus on the Adult Care Directorate's largest area of spend, Care Homes for Older People covering both residential and nursing provision. This equates to c.£18.5m per annum.

## **2. Key Issues**

2.1 When fully operational, there are 34 Care Homes for Older People in Rotherham with a total capacity of 1,657 beds in the independent sector. There are also a further 120 beds across the two care homes operated by the Council - Lord Hardy and Davies Court. The complete capacity of bed stock for the borough is 1,777 beds.

2.2 The bed occupancy rate is circa 78% with 399 bed vacancies in the independent sector. However, the impacts of residents in Rotherham Care Homes contracting Covid-19 and restrictions that Public Health England (PHE) need to place on care homes with multiple cases, significantly reduces the availability of beds. Prior to a change in the national guidance on 6<sup>th</sup> April for care home admissions, Public Health England had placed an embargo on six care homes from taking new residents, significantly impacting on the Council's ability to support hospital discharge. This resulted in 23% of the total bed stock being out of commission, including key Discharge to Assess and Intermediate Care beds that specifically form part of the hospital discharge pathway. The revised PHE guidance mitigates such an occurrence unless there is a critical number of confirmed Covid-19 cases, though recent activity demonstrates the potential fragility of the sector. In addition to this, one care provider has pooled staffing resources, resulting in temporary closure of one care home, with the loss of a further 16 beds.

2.3 In response to the Covid-19 pandemic, the government has put in place, through NHS England, new guidelines regarding hospital discharge processes that now must be facilitated within 3 hours and operate from 8am until 8pm, seven days a week. This puts significant pressure on the Council's reablement service, independent sector home care and increasingly care homes to be receptive to taking on new residents at short notice or quickly re-admitting residents after a spell in hospital.

- 2.4 Care Home sustainability is a key driver in ensuring that the social care system supports the NHS hospitals in both Rotherham and Sheffield to discharge Rotherham residents within the 3 hour limit when they are fit for discharge safely back into the borough into a supportive environment, thereby freeing up the valuable hospital beds for other Covid-19 patients.
- 2.5 Admissions to care homes may be on a short-term basis to assesses patients future care and support needs (Discharge to Access) or to rehabilitate them (Intermediate Care) or on a permanent basis when this is the most suitable option for the individual.
- 2.6 The anticipated impacts of Covid-19 on the hospital system have identified the need for additional bed capacity of up to 60 care home beds to be commissioned. These are in effect required to supplement the hospital offer as a 'step down' facility for recovering patients including those with Covid-19 ('hot' sites) and without the symptoms of Covid-19 but still requiring care and support as a result of frailty or long-term conditions ('cold' sites). This work is being led and funded by the Rotherham CCG with support from the Council.
- 2.7 The care homes are, like all other areas of Adult Care, feeling the impacts of Covid-19. They are incurring additional costs within a low profit margin business model and the impact of any one of the following pressures could threaten the stability of the Council's supply of care home beds with a negative impact on the wider health and social care system. Challenges faced by the sector include:
- Increased PPE costs, hand gels and increased costs for routine supplies.
  - Accepting admissions at short notice to people discharged from hospital, or where regular informal support ceases to be available for example due to carer illness.
  - Higher sickness absence rates among their workforce, especially with staff self-isolating
  - Statutory Sick Pay will start at day one rather than day four, and requirements for workers to self-isolate will further increase financial pressures. Further, access to Government funding depends on the number of employees
  - Increased cost pressures from higher use of agency staff including supporting symptomatic residents in self-isolation to protect other residents within the home
- 2.8 Many of the Care Homes in Rotherham are part of a larger national organisation and therefore have interactions with other local authorities across England. The Care Home Sector for Older People has been actively lobbying the Council for financial support citing the LGA guidance referenced above. Working with local providers to understand their challenges and taking the learning from other Council's has been helpful in informing the proposed response in Rotherham and along with LGA Webinar hosted on 14<sup>th</sup> April which re-iterated the need for Council's to support care homes, but the mechanism for doing so was subject to local determination rather than any mandatory uplift or a national approach.

### 3. Options considered and recommended proposal

- 3.1 In line with commitments from the LGA guidance, an officer delegated decision has already been taken to increase frequency of payments to a weekly basis over a 12-week initial period, back dated to 1 April 2020. This will support their cashflow and ensure the finances are in place to maintain their workforce. This is in line with LGA best practice. The Council has also provided mutual aid to the care sector including the provision of Personal Protective Equipment (PPE), training and regular support.
- 3.2 The Council is also working on a fast track recruitment and training offer that can support the independent/voluntary sector to recruit ready-made applicants to supplement staff shortages as an alternative to agency staffing, to be known as the Rotherham Skills Academy.
- 3.3 It is proposed that the Council also provides direct financial support to the 33 Independent Sector Care Homes for Older People currently operating in the Borough.

Options to be considered:

1. **Cash Grants** - Awarding each Care Home a fixed upfront cash payment. £15k is proposed to support their additional expenditure as a result of Covid-19 over a 12 week period backdated from 1<sup>st</sup> April 2020. Additional costs of just over £1k per week have been estimated by one of Rotherham's Independent Sector Care Homes. This would support all Older People's Care Homes in Rotherham and consequently the wider Health and Social Care system. Exceptional costs experienced by the care homes directly attributable to Covid-19 above and beyond this lump sum would also be considered on a case by case basis if supported by suitable evidence. This would have a total cost of £495k plus a contingency fund of £100k for any evidenced exceptional costs.(recommended option)

Note: All care homes would receive the same level of funding, regardless of size, bed availability, bed occupancy rates and number of self-funders in care homes.

2. **Percentage uplift in fees** – the most common approach reported by one of the largest care home providers (HC-One) is for the Council to pay a temporary 5% increase on the base fee rate back-dated from 1<sup>st</sup> April, 2020 until 31<sup>st</sup> July, 2020 for Council funded placements. This would have a total cost of £310k. This option would not provide financial support to care homes for self-funders. (not recommended).
3. **Fixed payment per Council placement** – one-off payment of £200 per Council funded placement for older people. This would have a total cost of £130k. However, this option would not provide financial support to care homes for self-funders. (not recommended).
4. **Continue with existing contractual/payment arrangements only** – this would increase the risk of care home failure due to the additional costs being incurred. (not recommended).

### 3.4 It is recommended that Cabinet support Option 1 **Cash Grants**

It is proposed that the following decision is made:

- i. Advance additional payments of £15k to each Older Peoples' Care Home in Rotherham (a total cost of £495k).
- ii. The provision of a £100k contingency fund for Adult Care to utilise should additional emergency funding be required.
- iii. That the costs are funded from the Government grant referred to within the report.
- iv. That the position be reviewed after the 12 week period and any further requirements be brought back to Cabinet for decision.

3.5 It is proposed that the Council send out a cost workbook to the 33 independent sector residential and nursing care providers for Older People currently operating to record any additional costs incurred as a result of Covid-19 from 1<sup>st</sup> April 2020. The cost workbook will illustrate the additional extraordinary costs incurred due to sick pay, agency staff, PPE, other costs and a total summary of costs. Any advance payments to providers should be reconciled against actual expenditure at a later date and any over provision be reimbursed to the Council.

## 4. **Consultation on proposal**

4.1 The report has been produced in response to the Covid-19 pandemic and the need for the Council to ensure the financial stability of the Adult Care market, of which Care Homes for Older People make up a key part. Consequently, there has been no opportunity to consult externally on the proposals.

4.2 The Council has however considered written representations received from a range of providers from the Care Home for Older People's market operating in the Borough and the LGA guidance to inform the approach and recommended option.

## 5. **Timetable and Accountability for Implementing this Decision**

5.1 It is proposed that should the recommendations be taken forward, that any payments made to the 33 Independent Sector Care Homes for Older People currently operating in the Borough are backdated to the 1 April 2020.

5.2 The proposed financial support would be for an initial period of 12 weeks, effective from 1 April 2020 and subject to regular review considering the impact of the Covid-19 pandemic on the 33 Independent Sector Care Homes for Older People currently operating the Borough.

## 6. **Financial and Procurement Advice and Implications**

6.1 The payment of Cash Grants including the use of the contingency fund would be an additional cost of up to £595k over and above the existing budget.

- 6.2 In addition to the estimated cost for each option (as stated above), increasing the regularity of payments to Care Homes from fortnightly to every week would have a short-term impact on the Council's cashflow, but this would be within any one month. It would require paying c. £700k per week as opposed to c. £1.4m every 2 weeks. This will need to be managed alongside other changes to payments and receipts as a result of impacts and decisions linked to Covid-19.
- 6.3 This report sets out recommendations, which are consistent with Cabinet Office Guidance (PPN 02/20) and the Briefing Note agreed at the Gold Emergency Planning Group surrounding supplier relief. Changes to the payment terms and reconciliation of the cash grant should be confirmed in writing with the Providers through a contractual variation to the contract terms which can be enforced.
- 6.4 The costs associated with this decision would be an appropriate use and allocation of some of the Government Grant provided to manage the costs associated with the Covid-19 pandemic.

## **7. Legal Advice and Implications**

- 7.1 Under the Care Act 2014 there is a requirement that the local authority supports the provision of services in its area and ensures, so far as it is possible, that those services are able to meet the needs of individuals in its area. The Covid-19 crisis has placed significant strain upon providers and the proposed financial support by the Council will ensure that they can continue to operate in an environment where costs have increased, amongst other things, due illness amongst staff, higher demand for PPE and the requirement for carers to meet the needs of individuals who may have Covid-19.

## **8. Human Resources Advice and Implications**

- 8.1 There are no Human Resources implications for the Council as a result of the recommendations being taken forward by Cabinet as the financial support proposed is solely for the Independent Sector.
- 8.2 The proposed recommendation of Option 1 should have a positive impact for the independent sector in providing additional financial support with a direct aim of sustaining the businesses during the Covid-19 Pandemic and ensuring that they can retain key staff delivering care and support to Older People.

## **9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 There are no implications for Children and Young People or Vulnerable Adults as a result of the proposed recommendations as they apply to Care Homes for Older People aged over 65 years old.

## **10. Equalities and Human Rights Advice and Implications**

- 10.1 An Equality Analysis has been produced following the completion of the Initial Equality Screening Assessment Form. Both documents are attached at Appendix 1 and 2 to this report



10.2 The implications of the recommended proposal (Option 1) are positive in terms of financially supporting Independent Sector Care Homes to continue to discharge their care and support duties to Older People throughout the Covid-19 pandemic.

## 11. Implications for Ward Priorities

11.1 The 33 Independent Sector Care Homes for Older People currently in operation are situated across the whole of the Borough.

11.2 The Council Plan has a specific vision that *Every adult is secure, responsible and empowered*. The Council want to help all adults enjoy good health and live independently for as long as possible and to support people to make choices about how best to do this. The Council want a Rotherham where vulnerable adults, such as those with disabilities and older people and their carers have the necessary support within their community. Supporting Older People to reside in Care Homes within the community contributes to this aim at a local level.

## 12. Implications for Partners

12.1 In addition to older people directly funded by the Council permanently residing in Care Homes for Older People, the homes also play a key role in the hospital discharge pathway. Bed spaces are purchased by the Rotherham Clinical Commissioning Group (CCG) and the Rotherham NHS Foundation Trust (TRFT) to enable medically fit people to be discharged and rehabilitated prior to going home or being admitted into a Care Home of their choice.

12.2 Usually these spot purchase arrangements for Care Home beds are made throughout the winter period, but this has been extended by health partners as a result of the surge planning in response to the Covid-19 Pandemic. The Rotherham Health and Social Care system therefore has a vested interest in the stability and financial sustainability of Care Homes. The recommended Option 1 specifically supports this aim.

## 13. Risks and Mitigation

13.1. The primary risk of not providing additional financial support, in addition to any mutual aid (e.g. free access to PPE), to Care Homes for Older People is that they become financially unsustainable and unable to effectively discharge care and support to their residents. The Covid-19 pandemic has led to increased staff absences and an upward trajectory in ancillary costs which can further exacerbate financial risk for Care Homes for Older People.

13.2 The recommended Option 1, if accepted by Cabinet should alleviate immediate financial pressures on Independent Sector Care Homes through a backdated cash lump sum of £15k and access to a contingency fund if there is evidence of financial hardship as a result of exceptional costs being incurred in order to discharge care and support duties.

**14. Accountable Officers**

Nathan Atkinson, Assistant Director, Strategic Commissioning

Approvals obtained on behalf of Statutory Officers:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Sharon Kemp	30/04/20
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	30/04/20
Head of Legal Services (Monitoring Officer)	Bal Nahal	30/04/20

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