

	<b>Adults and Safeguarding Committee</b> <b>12 June 2017</b>
<b>Title</b>	<b>Market stability and the use of social care funding announced in Spring Budget 2017</b>
<b>Report of</b>	Commissioning Director, Adults and Health
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	N/A
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## Summary

The Spring Budget announced £2bn additional funding for adult social care. This report sets out proposals for the use of Barnet's 2017/18 allocation of this funding, for Committee approval. In line with national criteria that have been jointly set by the Departments of Health and Communities and Local Government, the proposal is to use the funding to:

- Stabilise the social care provider sector – ensuring continued high quality provision through updating rates to reflect the pressures felt by providers in the market.
- Stabilise residential and nursing care by adopting new minimum sustainable pricing levels for homes in Barnet.
- Increase capacity in social care: supporting the purchasing of increased enablement and home care hours, and making available additional nursing and residential beds.
- Improve recruitment, retention and quality of the care workforce to improve care for Barnet residents and through this, increase stability and availability of care.
- Reduce delays in securing care following discharge for hospital patients who are the council's responsibility.

## Recommendations

1. That the Adults and Safeguarding Committee approve the plans for use of the social care funding announced in the Spring Budget 2017 as set out in this report, prior to its inclusion in the Barnet Better Care Fund plan 2017-19.
2. That the Adults and Safeguarding Committee agree to the commissioning approach and minimum sustainable pricing levels for residential and nursing care purchased by the council for older adults with eligible social care needs, as set out in this report.

### 1. WHY THIS REPORT IS NEEDED

- 1.1 As part of the 2017-18 Spring Budget a total of £2.021 billion funding for adult social care nationally was announced, as supplementary funding to the improved Better Care Fund (iBCF). This is to be distributed as £1.01 billion in 2017-18, £674 million in 2018-19 and £337 million in 2019-20. For Barnet, this represents funding as follows:

Local authority	2017-18 Additional funding for adult social care	2018-19 Additional funding for adult social care	2019-20 Additional funding for adult social care
Barnet	£5,372,890	£4,092,872	£2,039,280

- 1.2 The published grant conditions set out the following requirements. The grant conditions were issued directly to local authorities, in draft form:

“Grant paid to a local authority under this determination may be used only for: the purposes of meeting adult social care needs; reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready; and ensuring that the local social care provider market is supported. A recipient local authority must:

- a. Pool the grant funding into the local Better Care Fund
- b. Work with the relevant clinical commissioning group and providers to meet National Condition 4 (Managing Transfers of Care) in the Integration and Better Care Fund Policy Framework and Planning Requirements 2017-19;
- c. Provide quarterly reports as required by the Secretary of State

The government has made clear that part of this funding is intended to enable local authorities to quickly provide stability and extra capacity in local care systems. Local authorities are therefore able to spend the grant, including to commission care, subject to the conditions set out in the grant determination,

as soon as plans for spending the grant have been locally agreed with clinical commissioning groups involved in agreeing the Better Care Fund plan.”

- 1.3 This paper sets out proposals as to how the 2017/18 grant allocation is planned to be spent for Committee approval.

## 2. REASONS FOR RECOMMENDATIONS

- 2.1 It is proposed that the 2017/18 grant allocation is spent as follows:

<b>Spend type</b>	<b>Description</b>	<b>Amount</b>
Social care provider stabilisation	Increasing the minimum price paid for residential and nursing placements in borough; providing inflationary uplifts to providers	£2,889,190
Care spend to support faster hospital discharge	Commissioning and purchasing of additional packages of home care, telecare and enablement. Capacity to work with the market to ensure demand can be met.	£1,058,700
Social care market development	Developing the care workforce, rapid improvement work with providers, identifying opportunities to create more placements for adults with dementia and complex needs.	£580,000
Social care capacity to support faster hospital discharge	Additional social workers, occupational therapists and care brokers	£515,000
Meeting adult social care needs	Increasing capacity for responding to initial contacts, including urgent response and through Care Space hubs.	£330,000
<b>Total</b>		<b>£5,372,890</b>

- 2.2 By utilising the grant in this way, the spend should ensure the following:
- Faster provision of services for residents.
  - Greater ability to secure appropriate care in a timely manner.

- More sustainable care provision in the borough.
- Improvements in provider quality and stability.
- Market shaping and development of local services to better address current and future needs.
- More people helped to become independent through enablement and telecare.
- Reduction in delayed transfers of care attributable to adult social care.

2.3 This spend will be in addition to base budget spending by the Council and the CCG and previously published BCF allocations for Barnet.

### Market stabilisation

2.4 The grant will be used to fund inflationary pressure for existing capacity. Providers of supported living, residential and nursing care have submitted business cases to evidence the inflationary pressure they have experienced and these have been evaluated by the Council with the assistance of independent market experts Care Analytics. There is a particular need to increase rates at the lower priced end of the market to ensure providers can remain sustainable given increases in wage levels from factors including the national living wage.

2.5 The work commissioned from Care Analytics determined models designed to represent the minimum sustainable price to operate a care home populated entirely with local authority residents – i.e. there is no assumed subsidy from self-funders to local authority placed clients. Costs are based on an efficient care home, but with sufficient slack built into the assumptions to ensure viability, as there is recognition that a business cannot be fully efficient in all areas at all times. The model includes a 3.5% surplus, and rent / capital costs. The rates proposed are shown in the table below. The table at paragraph 2.8 below shows how the proposed new rates compare with rates paid by the council in 2016/17 for the same services.

	Residential	Residential (dementia)	Nursing	Nursing + FNC	Nursing (dementia)	Nursing (dementia) + FNC
<b>Proposed minimum sustainable price</b>	£520	£565	£545	£700	£600	£755

2.6 The grant will be used in part to fund increases to the prices paid to providers in Barnet who currently contract with the Council for a weekly rate below the above prices.

2.7 Previously, the Council has set a maximum usual price for each category – defined as the price at which registered care placements are normally secured at. A switch to a minimum sustainable price has been proposed to focus on market sustainability. In determining the most appropriate provider for an individual, the Council will always consider the needs of the individual.

Those with more complex needs are most likely to require a placement above the relevant minimum sustainable price. The Council will continue to exercise discretion in the application of a cultural premium of up to 5% for providers that can evidence additional costs incurred to meet specific religious or cultural needs.

- 2.8 The West London Alliance (WLA) has a framework for residential and nursing placements across the sub-region. The price bandings for WLA authorities placing clients in Barnet are shown below alongside the Council's 16/17 maximum usual price and the proposed new rates.

	Residential	Residential (dementia)	Nursing	Nursing + FNC	Nursing (dementia)	Nursing (dementia) + FNC
<b>Proposed 17/18 minimum sustainable price</b>	£520	£565	£545	£700	£600	£755
<b>16/17 maximum usual price</b>	£507.94	£552.95	£541.42	£696.42	£599.64	£754.64
<b>West London Alliance Barnet price band</b>	£466.00 - £557.00	£525.00 - £593.00	£513.00 - £600.95	£668.05 - £756.00	£528.00 - £638.95	£683.05 - £794.00

- 2.9 In addition, there will be significant pressures faced by the Council from the marginal difference of new residential and nursing placements being at a higher cost than those current placements that end during the year. This funding pressure will also be met from the grant.
- 2.10 A new contract for home care commenced in August 2016 and part of the grant will be used to fund the inflationary price increases that providers built into their bids for the second year of the contract commencing August 2017. There have been no significant changes in legislation or market conditions since the procurement that should not have been anticipated at the time and so there is no need to conduct an additional inflation review process with these providers.

### **Additional care spend**

- 2.11 In recent years, the council has seen a steady increase in referrals for enablement and home care from acute hospitals. NHS referrals now account for 76% of all enablement use and over half of all adult social care referrals now come from the NHS. There will be budget made available for the increased provision of enablement to individuals entering the social care system following discharge from hospital. To ensure best value is obtained from the capacity the Council is working with NHS partners to embed the

service purpose and criteria; and support further development of the hospital discharge model and pathways.

- 2.12 The Council's new telecare service launched in April 2017 following contract award to Argenti. Funding from the grant will be allocated for increasing the use of telecare by hospital teams to facilitate hospital discharges. This will include the provision of short term mobile phones, with emergency buttons giving a direct link to the telecare call monitoring centre. These can be provided to the user in hospitals at the point of discharge before a longer term installation can be made.

### **Market development**

- 2.13 A joint NHS and social care residential and nursing home rapid improvement team will be created as part of the Care Quality service in Adults and Communities. This will be a multi-disciplinary team including health practitioners, which will support struggling providers to quickly raise standards, thereby enabling new admissions to take place. This would create more residential and nursing home capacity. The council's existing Care Quality team will work alongside the rapid improvement team and continue to focus on proactive development with residential and home care providers to prevent problems developing and embed good practice. An additional quality advisor will also be employed to support home care providers with a particular focus on improving utilisation rates of staff to increase local capacity.
- 2.14 Funding has been allocated for a Barnet-wide care workforce growth programme. This would seek ways to support the employment market in front line social care, focused on increased recruitment, training and retention, and so increase capacity of homecare, residential care and nursing care in Barnet. Increased numbers, retention and quality in the front line care workforce will also improve hospital transfers of care. In doing this work, officers in social care will work with the council's Regeneration and Growth team, so that the work is linked to initiatives to help residents to find jobs (such as BOOST) develop apprenticeships and support local businesses.
- 2.15 Council officers will also explore, jointly with NHS Barnet CCG, the potential to work with residential care homes to identify opportunities to convert existing residential care to nursing care for individuals with dementia and more complex needs. Although Barnet has a high number of residential care beds in homes in the borough, there is a lack of sufficient nursing and high dependency residential care services to meet demand.

### **Social care capacity**

- 2.16 There will be additional social workers and occupational therapists recruited to a number of teams. Increased reviewing capacity will be utilised to quickly review enablement and hospital discharge cases to ensure needs are being effectively met and support is proportionate and personalised. Additional hospital practitioners will ensure that even with increased demands for assessment, quality of practice and performance does not deteriorate.

- 2.17 Additional capacity in the adult social care brokerage team will be deployed to focus on managing the increasing demand for urgent homecare placements, supporting residential and nursing placements from hospital discharge; improving communications and liaison with hospital teams; increasing market capacity insight; and home care market development activity.
- 2.18 The Council, working with CSG, has recently reviewed how best to deliver the front door into adult social care to deliver strength based practice at the first point of contact including in CareSpace Hubs. The model now being implemented will deliver as cost effectively as possible, be flexible enough to evolve as the health and social care delivery approach changes and develops and will apply the learning from best practice in the sector. Investing resource at the front-end of the system will ensure that the right skillset is available to undertake a strength based conversation early in the customer journey. Urgent need will be responded to more quickly and situations stabilised early to avoid the escalation of need and cost.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The options presented in this paper are the result of detailed ideas development conducted alongside health partners and have been formally reviewed by NHS Barnet CCG and other health colleagues through the local urgent care programme.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 The proposals will be developed further for implementation. They will also form part of the Better Care Fund plan for 2017-19 and as such will be reviewed at the Health and Wellbeing Board as part of the formal Better Care Fund approval process. The timescale for Better Care Fund submission for 2017-19 is yet to be announced by NHS England.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Corporate Plan priorities that the proposed use of the grant will support include:
- Helping the NHS manage the cost of A&E and hospital admissions through greater provision of primary and community care and improving the experience of service users, promoting independence and enabling self-care.
  - Working with older people to design and manage services that help them to be more independent and self-care through access to information, resources and community networks.
  - By 2020 social care services for adults will be remodelled to focus on promoting independence, with a greater emphasis on early intervention. This approach, working with housing and health services, will enable more people to live for longer in their own homes.

5.1.2 The proposals will support achievement of good performance against the following Corporate Plan indicators:

- AC/C12 - Number of delayed transfers of care from hospital per 100,000 population (aged 18+) which are attributable to both NHS and Adult Social Care
- AC/C13 - Number of delayed transfers of care from hospital, and those which are attributable to adult social care, per 100,000 population
- AC/C17 - Percentage of contacts that result in a care package

5.1.3 Barnet's Joint Health and Wellbeing Strategy includes the aim to "work to integrate health and social care services". The proposals in this paper support that and have been developed in consultation with Barnet CCG.

## 5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 Adult Social Care experienced significant challenges in relation to its budget in 2016/17, due to the impact of demand pressures and increased complexity of need. The position for 2016/17 reflected the full year budget impact for a number of individuals placed part way through 2015/16 and continuing through into 2016/17, as well as new pressures from new placements in year and increases to existing packages reflecting increases in need. The Deprivation of Liberty Safeguards (DOLs) service continued to have a significant pressure in 2016/17 (£0.5m), as a result of the Supreme Court judgements in 2014/15 and a loss of grant funding since 2015/16.

5.2.2 The Council is continuing to take positive measures to mitigate the impact of this wherever possible. Additional funding went into the adult social care budget for 2016/17. The areas of spend that were directly controllable (staffing, non-care third party spend) have underspent. Significant work has been done to alleviate the above pressures on the care budgets in year. The 2016/7 year-end final outturn showed spend of £92.026m against a full year budget of £86.806m, resulting in a reported overspend of £5.325m (6%).

5.2.3 The monies from the grant, when formally agreed, will be allocated to the appropriate budgets and monitored through the Council's normal budget management procedures. The spending proposed should help stabilise the social care market – helping to avoid future pressures, support a sustainable social care budget and also support the local NHS system.

5.2.4 The proposals can be sustainably funded for at least the next three years from different elements of the Better Care Fund and the funding from the spring budget announcement. The 2017-19 Integration and Better Care Fund [Policy Framework](#) sets out four national conditions for spend including that "*NHS contribution to adult social care is maintained in line with inflation*".

## 5.3 Social Value

5.3.1 N/A

## 5.4 Legal and Constitutional References



5.4.1 All proposals must be considered in terms of the council's legal powers and obligations, including its overarching statutory duties such as the Public Sector Equality Duty.

5.4.2 The Council's Constitution, in Part 15 Annex A, Responsibility for Functions, states the functions of the Adults and Safeguarding Committee, including:

- To receive reports on relevant performance information on Delivery Units providing services under the remit of the Committee.
- To be responsible for those powers duties and functions of the Council in relation to Adults and the Communities
- Promoting the best possible Adult Social Care services.
- To ensure that the Council's safeguarding responsibilities are taken into account.
- To consider for approval any non-statutory plan or strategy within the remit of the Committee that is not reserved to Full Council or Policy and Resources.
- Authorise procurement activity within the remit of the Committee and any acceptance of variations or extensions if within budget in accordance with the responsibilities and thresholds set out in Contract Procedure Rules.

## **5.5 Risk Management**

5.5.1 The Council has an established approach to risk management. Key corporate risks are assessed regularly and reported to Performance and Contract Management Committee on a quarterly basis.

## **5.6 Equalities and Diversity**

5.6.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- advance equality of opportunity between people from different groups
- foster good relations between people from different groups

## **5.7 Consultation and Engagement**

5.7.1 N/A

## **5.8 Insight**

5.8.1 N/A

## **6. BACKGROUND PAPERS**

6.1 N/A