

Notice of NON KEY Executive Decision

Subject Heading:	Single payment to adult social care providers to alleviate COVID-19 related financial pressures
Cabinet Member:	Councillor Jason Frost, Cabinet Member for Health and Adult Care Services
SLT Lead:	Barbara Nicholls, Director for Adults Social Care and Health
Report Author and contact details:	Amy Reed, Senior Commissioner & Projects Manager Amy.Reed@haverling.gov.uk
Policy context:	The Council's commissioning duties under the Care Act 2014
Financial summary:	The payment to homecare, residential, nursing, supported living, extra care and live-in carers will cost a total of £499,496.15. Each in-borough provider will be paid on a banding based on their size and the number of service users they support, and each out of borough provider will be paid based on the number of Haverling clients they support.

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Relevant OSC:	Individuals
Is this decision exempt from being called-in?	Yes, it is a non-key decision by a member of staff

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The Senior Leadership Team Director with responsibility for Adult Social Care is asked to approve the following in line with the evidence presented in this report:

1. Make a single payment to the providers of homecare, residential care, nursing care, supported living, live-in care and personal assistants to recognise the additional financial pressures faced during the COVID-19 emergency response. Payments will be made proportionately depending on their size and the number of packages or placements held by the provider, a minimum payment will be set at £1,000. The total cost will be £499,496.15.

AUTHORITY UNDER WHICH DECISION IS MADE

Havering Council's Constitution:

Part 3: Responsibility for Functions, Article 3.3 Powers of Members of the Senior Leadership Team.

Members of the Senior Leadership Team (SLT) have delegated authority to act as follows within the assigned service service/portfolio of responsibilities, subject to the general provisions and limitations set out in section 3.1 above.

General powers

(a) To take any steps necessary for proper management and administration of allocated portfolios.

(b) To exercise all the powers delegated to them personally and those powers delegated to Second Tier Managers and other staff members in their directorate where circumstances require and so far as legally permissible. Exercise of such powers should be recorded where appropriate. Where possible, a SLT member should give notice to a relevant staff member that he or she intends to exercise a specified power that is delegated to that staff member.

(c) To make arrangements to secure continuous improvement in the way the Council's functions are exercised having regard to a combination of economy, efficiency and effectiveness etc as required by external regulatory agencies.

(e) To restructure within existing service budgets and/or if budgetary provision is already made in the budget.

(f) Each member of SLT shall ensure that the rules of procedure set out in Part 4 of this constitution are observed throughout their service.

Financial responsibilities

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(a) To incur expenditure within the revenue and capital budgets for their allocated portfolio as approved by the Council, or as otherwise approved, subject to any variation permitted by the Council's contract and financial procedure rules.

(b) To oversee the delivery of programmes agreed by Council and Cabinet.

At the Cabinet meeting of 12th February 2020, cabinet members delegated authority to the Directors of Children's and Adults authority to agree inflation rates with social care providers for the financial year 2020/21.

STATEMENT OF THE REASONS FOR THE DECISION

COVID-19

1. COVID-19 is the illness seen in people infected with a new strain of coronavirus not previously seen in humans. On 31st December 2019, Chinese authorities notified the World Health Organisation (WHO) of an outbreak of pneumonia in Wuhan City, which was later classified as a new disease: COVID-19
2. The illness has since spread across the world and has begun infecting people in the UK. Currently there is no specific treatment for coronavirus. The UK government have advised the general population to avoid unnecessary social contact and remain inside their own homes.
3. The UK government have advised of the following requirements regarding self-isolation:
 - if you have symptoms of coronavirus, you'll need to stay at home for 7 days
 - if you live with someone who has symptoms, you'll need to stay at home for 14 days from the day the first person in the home started having symptoms
 - If you live with someone who is 70 or over, has a long-term condition, is pregnant or has a weakened immune system, try to find somewhere else for them to stay for 14 days as they are of classed as high risk

The current situation

4. The Council commissions providers to deliver care and support to thousands of service users in Havering across provisions including homecare, residential care, nursing care, supported living, extra care and live-in care packages.
5. The government has advised the older population in Havering and across the UK to self-isolate to avoid the risk of being infected by the coronavirus. As a result of this advice, this has increased the critical importance of our commissioned providers to continue to deliver care and support to Havering's most vulnerable adults.

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6. The coronavirus has increased the financial strain on providers in Havering as they battle with staff sickness, staff isolation, cash flow and increased need and costs for Personal Protective Equipment (PPE) to enable them to continue to deliver care and support to adults in Havering. PPE includes equipment such as face masks, medical gloves, hand sanitiser, aprons, coveralls, goggles, face shields and cleaning products.
7. There is a risk that if we do not provide financial support to our commissioned providers, then they will not be financially stable to continue to deliver care and support to Havering's vulnerable adults.
8. At the start of the pandemic, providers signalled they were facing COVID-19 related price increases and financial pressures. A one off payment was made at the end of Mar-20 to providers whom the Council has packages with, which provided a payment based on the current commissioned cost rather than the number of clients number of adult social care clients the provider had. This cost the Council up to £500,000, with a minimum payment of £1,000 provided.
9. Through ongoing communication with providers, it has been signalled that cost pressures continue to be faced, particularly in light of new Public Health England guidance which requires additional PPE to be worn in all circumstances, not during COVID and shielding cases as before.

Ongoing financial support for providers

10. The Council recognises that COVID-19 is an unprecedented emergency that requires a continued response.
11. The Council is proposing to make a second manual one off payment to providers who provide homecare, residential care, nursing care, supported living, extra care and live-in care packages. Where known, payment will be based on the total number of residents supported by care homes not just those placements funded by the Council. The payments will generally be proportionate to the size of the provider and number of packages or placements they deliver for the Council, which have been separated into bandings to recognise the different challenges faced by different provider types.
12. Here is the breakdown of cost for each area:

Service type	No of service users (bed size/occupancy)	No of providers	Total one off payment cost
Residential & Nursing	1728	182	£264,591.75
Supported Living	200	66	£105,154.40
Homecare	982	31	£116,000
Extra Care Housing	84	3	£7,250
Live-in Care (Agency commissioned only)	7	6	£6,500

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Total	1474	163	£499,496.15
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Identifying providers at risk

13. The Council will be writing to every provider when making the payment. Providers will be encouraged to make contact with the Council if they are experiencing significant financial impacts linked to COVID-19, putting ongoing sustainability at risk. The Council will require providers to be open and transparent on the issues they are facing so the best form of support can be determined. The aim is to ensure the sustainability of the market balanced against the resources available. There will be potential differences of opinion from providers on how the money is allocated and any queries along these lines will be dealt with through a consistent line that whatever model is adopted will produce potential differences but that the approach taken has been designed to be as equitable as possible. There is recognition that this model has taken into account the wider market so will generate differentials from the first distribution of funding.

Audit

14. We want to ensure all money given to providers through this process is used specifically to support COVID-19 related activity. Providers may be required to complete a light touch audit of how the money has been used and return this to the Council. The audit, when conducted, will be made available to the Lead Member for approval.

Recommendation

15. It is recommended that the Council pay each identified provider a one-off payment to provide financial support during the COVID-19 outbreak to ensure they are able to continue to support Havering's most vulnerable adults.

16. The one-off monthly payment to homecare, residential, nursing, supported living and live-in carers will cost a total of £499,496.15. Each provider will be paid either:

- in proportion to the number of Havering service users they support
- in proportion to their bed size
- in proportion to the number of occupants they have

17. However, it is important that there is flexibility to deal with cases on particular circumstances faced where necessary. This may mean non-financial support but it is recognised that the funding identified here is fully allocated so any extra financial demands as a result of a significant risk to a provider would have to be separately approved.

18. The proposals set out in this report will support providers financially who are under significant pressure due to COVID-19.

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19. This should not be taken as the final and complete payment to be made to the market for this purpose. There may be further payments to those covered by this decision but also other parts of the market, for example other parts of the voluntary sector, providers who only provide services to self-funders or out of borough providers where we have placed Havering residents out of borough.

OTHER OPTIONS CONSIDERED AND REJECTED

Do nothing and offer no financial support to providers

This option was considered and rejected because:

- The providers are at risk of failure due to financial instability
- If the providers are unable to continue to deliver care and support for Havering's vulnerable adults the Council would be in breach of our statutory duties under The Care Act
- Havering's vulnerable adults in the community will not receive any care and support

PRE-DECISION CONSULTATION

Providers in Havering have been in contact with the Joint Commissioning Unit following the outbreak of COVID-19 to express their concerns regarding their financial stability during this time.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: John Green

Designation: Head of Commissioning



Signature:

Date: 05/05/2020

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. This report seeks the approval of the Director for Adults Social Care and Health an uplift to make a one-off payment to providers of Adult Social Care, in particular Homecare, Residential Care, Nursing Care and Supported Living. The relevant background is as set out within the body of this report, at an additional estimated cost of **£499,496.15**, as set out above.
2. The Care Act 2014 places a duty on the Council to assess and support frail and disabled adults with their eligible care needs. The Act also introduced duties on local authorities to facilitate a vibrant, diverse and sustainable market for high quality care and support in their area, for the benefit of their whole local population, regardless of how the services are funded.
3. The Care Act 2014 also identifies the right for individuals to exercise choice in the care that they receive, which clearly extends to a nursing care establishment given that this will be the person's home. The implementation of a cost rate increase supports local providers to meet the requirements of the National Living Wage and cost of living increases falls within the remit of the Care Act 2014.
4. The Council's Contract Procedure Rule 19 (**VARIATIONS, EXTENSIONS AND MODIFICATIONS OF CONTRACTS**) at 19.1 states that "subject to the authority given under the Council's Scheme of Delegation and CPRs 3 and 4, an officer who has responsibility for the day to day management and performance of an awarded contract may (subject to having the authority to do so) approve a variation or modification by way of additional works, services or supplies by the original contractor that have become necessary and were not included in the original procurement provided that one of the following applies:
 5. The modifications have been provided for in the initial procurement documentation;
 6. A change in contractor cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or, would cause significant inconvenience or substantial duplication of costs for the Council provided that an increase in price **does not exceed 50%** of the value of the original contract;
 7. Where the need for modification has been brought about by circumstances which the Council could not have foreseen, the modification does not alter the overall nature of the contract, any increase does not exceed 50% of the value of the original contract or framework agreement;
 8. Where a new contractor replaces the one to which the Council had initially awarded the contract as a consequence of universal or partial succession into the position of the initial contractor."

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9. 5. The body of the report sets out the particulars of the proposed contract **modification** and its compliance with CPR 19.1 and Regulation 72 of the Public Contracts Regulations 2015 as it relays to the estimated value of the proposed contract modification/variations not exceeding the 50% threshold levels, and being in compliance with the terms and conditions of the contract (in particular clauses 8 and 19 as well as Schedule S7 of the contract.

FINANCIAL IMPLICATIONS AND RISKS

The current Public Health crisis is putting financial pressure on providers, and as such, it is recommended that a further lump-sum payment be provided to alleviate this burden. With the new PPE requirements for Care Home Staff, this is adding an additional financial pressure at this time.

In March 2020, an initial lump sum payment was made to 163 providers totalling £500k.

The additional amount payable to each provider has been calculated proportionately to the amount of service users supported for the council, but there also needs to be flexibility allowing for individual circumstances of providers to be taken into account. In total, an amount of £499,496.15 will be paid to these providers, but set as a minimum payment of £1k per provider. This payment will be made as an additional one-off payment to providers to cover any additional costs they may incur during this emergency.

Any increases in client needs arising as a result of Covid-19, will be assessed formally and increased costs in care packages will be paid as part of the normal payment processes. However, any additional costs as a result of Covid-19 will be identified using a special service category which has been set up in Liquid Logic.

All Covid-19 associated costs will be charged to a separate cost centre set up for Adult Social Care, A32605.

The costs will be met from the £1m further funding set aside for Adult Social Care demand pressures from the government grant. The total anticipated pressures and losses of income from the pandemic exceed the current level of government support. However, the Council is lobbying hard on Central Government to close this gap in funding.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

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- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

If the recommendation to set out in this report is agreed, it should have a positive impact on all equality groups in response to COVID-19. Services will continue to meet the needs of all eligible service users, including those from minority community groups and those 'protected' under Equality Act 2010 legislation.

BACKGROUND PAPERS

None

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed



Name: Barbara Nicholls

CMT Member title: Director of Adult Social Care and Health

Date: 19th May 2020

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____