



OVERVIEW AND SCRUTINY COMMITTEE

Subject Heading:

Care provider market resilience

SLT Lead:

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Policy context:

Under the Care Act 2014 the Council has a duty to support a sustainable care market

SUMMARY

Overview and Scrutiny Committee have requested an item on the position in the event of a major supplier failure or the collapse of the local social care provider market. This report provides a summary of the intelligence we have about the market, available capacity and mitigations to reduce the impact of provider failure.

RECOMMENDATIONS

There are no immediate actions arising from this report, Members are asked to note the contents of the report.

REPORT DETAIL

Intelligence

There are a range of sources of intelligence about provider sustainability. The Care Quality Commission (CQC) have a statutory duty to provide a Market Oversight role. This means having oversight of providers that have a large local or

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regional presence where, if they were to fail, could disrupt continuity of care in a local authority area.

This means CQC assess the financial sustainability of adult social care providers that could be difficult to replace if they were to fail. CQC will give advance notice to local authorities so they can put plans in place to ensure that people who are affected continue to receive care.

The means by which providers are monitored by the Council is through the Quality Outcomes team, based within the Joint Commissioning Unit (JCU). This is a team of officers whose job is to liaise with and visit care providers on a regular basis to ensure the quality of services. Through the development of a trusted relationship with care providers and regular contact this team are often first to be notified if a provider is struggling or are in a difficult position. This means the Council can be proactive and step in to provide support where it is appropriate to do so to prevent a failure. In addition, it means the Council can start planning ahead and looking at business continuity options.

Information about providers in trouble in neighbouring authorities is often shared through the Association for Directors of Adult Social Services (ADASS) network. Care providers can work across borough boundaries or may have offices and teams in more than one location.

In regard to financial sustainability a recent government initiative, the *Fair Cost of Care* exercise, will enable more insight into local care markets for care homes supporting older people and homecare for adults. The Council are currently surveying a range of these providers to improve our understanding of the actual costs of delivering care. This will potentially alert the Council to any provider with financial issues. A second element of this is the development of a provisional market sustainability plan to assess and demonstrate how the Council will ensure the local care market is sustainable. The plan will assess the impact the Council's current fee rates are having on the market, potential future risks and mitigating actions.

Care providers have regular communication with the Council and they are feeding back on the financial pressures they are under and the struggle they experience with recruiting and retain staff. The cost of inflation in the care sector has been far higher than in previous years. This is as a result of a combination of factors, including: (i) 6.6% increase in the statutory National Living Wage, (ii) the introduction of a new Health and Social Care Levy (via national insurance for 2022-23), and (iii) high levels of inflation. Care workers are usually paid close to or just above the National Minimum Wage and National Living Wage, therefore these increases have a big impact on pay for front line care staff. Providers also have the added pressure of additional employer on-costs. The cost of food supplies, gas, electricity and fuel are of great concern for providers. Insurance costs have increased by over 30% for some. Care workers are struggling with the cost of living which in turn means they may look for alternative employment. The Council's input is only one part of this, self-funders contribute significantly. However, that part of the market might also be facing pressures so the Council need to continue monitoring and understand these pressures as they develop. The

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market in Havering has many providers and there has been no sign of collapse so far.

The Council hold regular provider forums with care providers. This allows providers to raise any issues or concerns and provides forewarning to the Council of any overarching problems impacting the market. For example, previously providers have raised issues in recruiting staff and attracting people to work in the care sector. In response Havering's Social Care Academy has developed a range of initiatives to develop the care provider workforce.

The Council has supported the development of Havering Care Association (HCA) a network that connects care providers in Havering and allows providers to be collaborative and have a strong voice. HCA will raise, with the Council, any concerns or issues providers are facing in the care market.

Capacity in the market

From July 2022 Government issued a mandate for all adult social care (ASC) providers to complete a 'capacity tracker' every month. This is an online portal for tracking the capacity of care services. As a minimum the following information is required:

For residential and nursing care homes as a minimum the following information is required:

- bed vacancies
- maximum occupation
- are they accepting admissions
- number of staff
- number of staff absent
- COVID-19 vaccination status of staff and residents
- information on flu vaccine take-up.

For homecare (also known as domiciliary care) as a minimum the following information is required:

- number of people using the service
- number of staff that have face-to-face contact with the people being supported
- number of staff delivering care that are absent
- COVID-19 vaccination status of staff
- information on flu vaccine take-up.

Other data items in capacity tracker which are key for operational support are PPE availability and the number of confirmed/suspected cases of COVID-19 amongst staff and residents.

In addition to capacity tracker the Council's Joint Commissioning Unit have developed an electronic system for placing new care packages, known as Atlas. Atlas provides intelligence on which care providers are accepting and not accepting care packages to give an understanding of capacity in the market.

These data sets mean, in the event of a provider failure, the Council will have an up to date picture of which care providers have capacity to pick up care packages or placements from a provider who can no longer continue doing so.

Mitigation

Havering has a large and diverse social care market. There are 56 residential and nursing care homes, over 70 supported living services and more than 35 homecare providers. Therefore, the risk of the collapse of the whole local social care provider market is low. The risk of a single care provider failure is greater but the Council has contingency plans and processes in place to reduce the impact on residents should this happen.

The pandemic provided an opportunity for providers to test their business continuity plans and for the Council to develop its response to providers in trouble. The Council and providers explored how mutual aid between providers could work and looked at what resources could be brought in to provide short term relief. For example personal assistants who provide care directly to a single employer could be deployed into a care home to cover large scale staff absence. Providers were able to get through the pandemic without the need for mutual aid. It served as a stress test for the market and indicated that there was resilience within the Havering care market.

If a large national provider was to fail, the Council would work together at a regional or national level to ensure the necessary actions are taken to ensure a safe transition for those receiving care into a new provision. For example, when Allied Healthcare, a large national homecare provider, left the market the Council worked through the London ADASS network to share the workload and approach. For example, one Council's Legal team looked at the contractual requirements whilst another could focus on the detail of staff and service users. Smaller providers are equally at risk of failure but the impact is less significant as should this occur there are fewer residents to find alternative provision for.

The Council has developed the Havering Provider Establishment Concerns and Failure Procedure and Guidance. This document sets out the process we follow when a provider leaves the market. Steps include bringing the required stakeholders together for regular meetings, reviewing the care needs of those receiving care and identifying alternative provision and a date of transfer. The Council has recently used this procedure to safely manage the transfer of residents from a closing care home.

HCA, mentioned earlier in the report, have developed to become Care Providers Voice representing providers across North East London. This provider peer support network can provide support to providers leaving the market and can also help identify providers who may be interested in taking over a failing business.

To summarise. There is a medium risk of provider failure in Havering, particularly linked to the cost of living and inflationary issues. We have methods to obtain an early indication that a provider is in trouble and should they leave we have a large

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market to offer alternative options and clear procedures for managing the transition.

IMPLICATIONS AND RISKS

Financial implications and risks:

Legal implications and risks:

Human Resources implications and risks:

Equalities implications and risks:

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

BACKGROUND PAPERS

None