

People & Health Overview Committee

31 January 2023

Adult Social Care Market Sustainability Plan 2023-25

For Review and Consultation

Portfolio Holder: Cllr P Wharf, Adult Social Care and Health

Local Councillor(s): All

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Brief Summary:

In its white paper on social care reform, Putting People at the Heart of Care, the government set out new proposals for strengthening the focus on the sustainability of local care markets. This included the provision of dedicated grant funding for this purpose. Whilst some of the reforms have been delayed, the proposals on sustainability of care are set to continue. This includes the requirement to submit to Government a Market Sustainability Plan to cover the years 2023/24 and 2024/25. This must be submitted before the end of this financial year. An interim submission was made, based on previous discussions at the Overview Committee and as authorised by Cabinet. This report updates the submission and confirms the next steps, inviting Overview Committee contributions to shaping the final plan.

Recommendation:

People & Health Overview Committee are recommended to review the plans, to comment and to recommend amendments, particularly with reference to:

- (1) the process undertaken to date to develop the Market Sustainability Plan, including previous presentation to the Overview Committee;
- (2) the initial positive impact of the actions described in the plan; and
- (3) the financial position in relation to grant funding received from Government in light of the deferral of parts of the national adult social care reform programme.

Reason for Recommendation:

As set out in section 5 of the Care Act 2014, local authorities have a duty to promote the efficient and effective operation of a market in services for meeting care and support needs, with a view to ensuring services are diverse, sustainable and high quality for the local population, including those who pay for their own care.

The renewed emphasis on market sustainability was originally supported by specific grant funding allocated to market reform, which has now been replaced with a revised set of grant allocations that have a wider remit to support the stabilisation of the national adult and children's social care sectors.

The Market Sustainability Plan is still a grant requirement and is expected to be submitted to the Department for Health & Social Care at the end of March.

1. Background

- 1.1 At its meeting of 8 September 2022, the People & Health Overview Committee received a report on the development of a Market Sustainability Plan for the adult social care sector in Dorset.
- 1.2 Following that meeting, as planned, the Market Sustainability Plan was put before Cabinet on 4 October and approved for submission to the Department of Health & Social Care, as required by 14 October. Cabinet delegated to the Executive Director of People (Adults & Housing) to approve and submit the final plan in February 2023, in consultation with the Portfolio Holder for Adult Social Care & Health and the Executive Director of Corporate Development. This was subject to a further opportunity for the Overview Committee to review the plan, comment and recommend amendments. That is the purpose of this report and discussion.

- 1.3 In December 2021, the Government published a White Paper, People at the Heart of Care, that outlined a 10-year vision to put personalised care and support at the heart of adult social care. This built upon previous policy and legislation, including the Care Act 2014. In particular, the White Paper and its subsequent regulations takes the existing duty on local authorities to promote market sustainability contained in Section 5 of the Care Act and builds a stronger framework for ensuring that local authority purchasing practices are supportive of an effective, sustainable and sufficient local market in social care.
- 1.4 This was part of the wider reform agenda in adult social care, which included changes to the ways in which people pay for their care. Members received a presentation on the Council's wider approach to implementing the reform agenda at the Overview Committee meeting on 28 June.

Changes to the national reform programme

- 1.5 Since then, the Government has announced a delay to some elements of the reform programme, specifically those that relate to changing how people pay for their care. This includes the plans to revise the means test based on higher capital limits, the cap on lifetime care costs, and the right of self-funders to ask the council to arrange their residential care at local authority rates. The work on the fair cost of care and market sustainability continues, however, in recognition of its central importance in stabilising the market in social care and therefore assisting in hospital discharge.
- 1.6 It was originally intended that work on market sustainability was supported by a national fund of £162m in 2022/23, rising to £600m for each of 2023/24 and 2024/25. In the Autumn Statement, the Chancellor announced changes to grant funding for adult social care that removed some of the funding specifically targeted at market sustainability. The £162m is to be sustained through each year, rather than rising to £600m, alongside a range of other funds more broadly targeted at the overall support for adults' and children's social care, rather than explicitly for market sustainability.

2. The Market Sustainability Plan

- 2.1 The Plan submitted to the Department of Health & Social Care is in line with the measures proposed in the Overview report in September. There have been no highly significant changes to the actions that were set out.

Some straightforward narrative changes have been made to the first submission draft to reflect the changed national context.

- 2.2 The plan is attached at Appendix 1. It follows the format requested by the Department.
- 2.3 It is now understood that the Department of Health & Social Care will not be providing specific feedback on the market sustainability plans that have been submitted. Resubmission is now required by the end of March rather than the original February.

Commissioning Strategies

- 2.4 The actions set out in the Market Sustainability Plan are all incorporated in the wider commissioning strategies that were the subject of recent reports to Overview Committee, as well as the recent process of engagement with the public, providers and professionals. Therefore, whilst we have drawn up this plan as requested by the Department, it should be seen in that broader context.

Implementation of the plan to date

- 2.5 With that in mind, the activities set out in the Market Sustainability Plan are already shaping commissioning activity, without the Council having to wait for “approval” before implementing its intentions. A summary is provided here of some of the early impact and successes of implementation of the Plan.
- 2.6 A grant agreement is at the point of being finalised and agreed, with investment attached, to reinvigorate the Provider Association. This includes a clear plan of priority areas. The Association is currently recruiting Board Members. The appointment of lead members from the Provider Association to actively support priority projects will be a major improvement in how the Council works with the market, together with more active support for the Provider Forums on shaping the strategy.
- 2.7 The Council has signed up to system called “Care Cubed”, which is widely used by local authorities across England and will enable greater transparency of trends in market and placement costs
- 2.8 This system will also support the planned repeat of the Fair Cost of Care exercise in the first quarter of 2023/24.

- 2.9 The work to more clearly specify different types of care home provision is underway, with analysis of the data held by operational teams and NHS partners. This will also allow for a clearer picture of gaps in provision for long-term care.
- 2.10 Implementation of the “Provider Assessment and Market Management System” (PAMMS) is being piloted with key providers, aiming to allow a more transparent and up-to-the-minute view of provider capacity and quality. The providers in the pilot represent a good sample of market in terms of types of provision and organisational set-up and size.
- 2.11 A number of retendering and contract review processes have taken place which all support our ambitions to provide career development for the workforce, and confidence in the flow of work for providers, which in turn allows them to offer longer-term employment contracts. These include:
- For the Dorset Care Framework 2, the Home Care “lot” is now out to tender, with the first round of providers expecting to be onboarded imminently.
 - In some initial active partnership with the Provider Association we are strengthening the “Trusted Assessor” offer for hospital pathways, which allows provider staff to undertake parts of the assessment process and flex the care being offered to respond to changing needs without the added delaying step of a Council re-assessment. The funding for this has been secured, and employment contracts have been extended, with further Trusted Assessors being recruited. It is expected that the pilot organisations will offer 7-day cover for this service from January.
 - Similarly, Trusted Practice within Home Care, where a similar delegation of decision-making is brought to long-term care arrangements is being expanded. We have reissued contracts so that Trusted Practice is incorporated, and expect to train providers in January. This will further support some hospital discharge pathways and provide opportunities for providers to offer enhanced terms and conditions to staff aligned to their greater responsibilities. This will include greater access to technology and equipment to support care delivery.
 - Alongside that we have also retendered some of our contracts for support for hospital discharge to make homecare more recovery-focused and strengthen the joint work with the voluntary, community and social enterprise sector. This improves the focus on

independence and speeds up movement through services, which in turn means more people can benefit from the short-term intervention schemes.

3. Fair Cost of Care

- 3.1 In setting fee uplifts for 2022/23, the Council had regard to the information in the fair cost of care analyses.
- 3.2 Homecare remains a priority given how critical it is not only to avoiding premature admission to residential care but also for supporting hospital discharge and the wider system. We were able to implement the fair cost of care fee rates in 2022/23. This implied a rise to all rates paid, with the exception of the 30 minute 'standard' (i.e. not 'rural') rate. Providers fed back concern about this, and in response we confirmed our intention to re-run the fair cost assessment process for homecare alongside the residential care exercise in the first quarter of 2023/24. The fair cost assessment included an assumed standard wage for care workers of £10.50/hr, however the cost of living crisis over the course of this year has raised wages in other sectors (retail in particular) to significantly above this level, which will be part of the reassessment.
- 3.3 In terms of residential care, the lowest fees were raised to a minimum of 50% of the assessed fair cost of care, with inflation increases to other fees set below the fair cost. Providers charging more than fair cost for their services were not offered an uplift, and where this was problematic for the provider they were invited to engage in discussion with the local authority about the needs of the individuals they were caring for.
- 3.4 Of the £162m national allocation for 2022/23 to support implementation of Market Sustainability and Fair Cost of Care, the Council received £1.2m. All of this funding was passed on to providers in the form of higher fees, supplemented by a one-off allocation of £3m from health partners.

4. Conclusion

- 4.1 The Market Sustainability Plan is a key part of the wider strategies being developed by adult social care to improve the care system and people's experience of it. Implementation has already begun. At this stage we are considering next steps on implementation of the plan and setting of fee

rates, on the basis of the information received about the changes to the national reform programme, its priorities and funding arrangements.

5. Financial Implications

- 5.1 This paper makes no new proposals that are not already anticipated in the Council's existing budgets.
- 5.2 This year's investment into raising fee rates for providers was supported by the £1.2m grant funding from Government, all of which was passed through to providers, together with a one-off allocation from the NHS of £3m. This will therefore need to be allocated again in 2023/24 to sustain the rates that were set in 2022/23, before consideration of any further uplifts. With the removal of the dedicated sustainability grant, careful assessment needs to be made of the requirements placed on the alternative grant funding sources to ensure that any decisions made on provider rates are sustainable for the Council.
- 5.3 The boost to adult social care funding through Fair Cost of Care and Market Sustainability is welcomed. A ringfenced fund of £400 million in 2023/24, rising to £680m in 2024/25 will support local authorities. Dorset Council's allocation of this funding in 2023/24 is £3.997m.

6. Environmental Implications

- 6.1 Part of the sustainability plan relies on the improved 'zoning' of homecare contracting, as set out in the Council's emerging commissioning strategies, and this should improve the transport planning of care workers and reduce the mileages covered across agencies' overall care package portfolios. Reduced mileages should, of course, lead to reductions in vehicle-related carbon emissions.
- 6.2 This is part of a broader strategic move to support more hyper-local delivery, including in the intentions to create stronger links between formal care commissioning and the local voluntary and community sector. This local approach, and the sourcing of more solutions to people's needs locally, should overall deliver better carbon outcomes.
- 6.3 Not directly referenced in the plan, but related through the developing commissioning strategies, are intentions to improve contracting practices such that it should be possible to include a greater focus on the climate

responsibilities of providers with whom the Council does business. This will be a longer-term aspiration, given the priority for immediate stabilisation of workforce and other issues in the sector.

7. Well-being and Health Implications

- 7.1 The provision of sustainable, stable social care services are of critical importance for the wellbeing of those who rely on them. Further, the Integrated Care System is absolutely dependent on access to social care and on its sustainable provision in order to support the effective operation of the out-of-hospital flow systems.

8. Other Implications

Property and Assets

- 8.1 There are no direct property or asset implications for the Council.

Voluntary organisations

- 8.2 There is a significant overlap between providers of social care services and the voluntary, community and social enterprise sector. The measures in this report seek to improve the sustainability across the whole market, and will provide benefit to the VCSE organisations that provide relevant regulated social care services. Additionally, the sustainability plans build on the intentions set out in our emerging commissioning strategies, to build greater interface and partnership between formal social care and informal community-based support, chiefly provided by VCSE organisations.

Safeguarding Adults

- 8.3 Sustainable services are likely to be safer services. The measures in this report are the first steps to addressing many of the challenges that have the potential to compromise the delivery of safe services. They will change the relationship between the Council and the provider markets, which is a key plank of the emerging commissioning strategies, and on which an improved dialogue about safeguarding practice and safety of services can be built.

9. Risk Assessment

9.1 The most significant risks relate to the financial impact of the commitments in this report, and the impact of not receiving sufficient grant funding to cover them. This means that we will not be able to move as far or as fast on implementing the fair cost of care, which risks further damage to the relationship with the market, and further deterioration in the delivery of care and support. We have a number of actions in place that are not directly related to the level of fee paid, but will support the stability of providers and their ability to reliably plan for their businesses. Nonetheless, the risk of provider failure remains.

9.2 **HAVING CONSIDERED:** the risks associated with this decision; the level of risk has been identified as:

- **Current Risk:** Without the action proposed in the Plan, and the investment that is available from Government grants, it is judged as **LIKELY** that there will be **MAJOR** impacts on the provision of care and support services to local residents as a result of provider failure.
- **Residual Risk:** The actions in the plan, including how those actions will guide future investments from Government grant sources, are judged to reduce both likelihood and impact of widespread provider failure, to **POSSIBLE** with **MODERATE** impact respectively. The scale of the impact (in terms of reputational impacts in particular) is in part shaped by the wider national context for the continued difficulty in provision of adult social care services.

10. Equalities Impact Assessment

10.1 An Equality Impact Assessment was undertaken to support the Cabinet decision on the submission of the first draft of the Plan, and it identified no negative impacts. Some of the most notable positive impacts include:

10.2 Age

The market sustainability planning process is heavily skewed towards services for older people. As such a significant proportion of the population of Dorset, this has a notable impact on many Dorset residents. However, although not covered in this report, Dorset Council has sought to ensure that a robust approach to setting 'Fair Cost of Care' has been taken across all care types for all ages.

10.3 **Disability**

Whether due to emerging frailty or lifelong (or acquired) disability, the proposals will stabilise the provision of homecare services for all ages. Further, they will improve the stability of provision of residential care for older, frail people and those with dementia.

10.4 **Rurality**

Homecare rates now include a rural payment distinct from an urban amount, reflecting the higher levels of travel time. This should improve care delivery in rural areas, and support the workforce that deliver it.

11. **Appendices**

- Appendix 1: Market Sustainability Plan

12. **Background Papers**

- Section 5, Care Act 2014
<https://www.legislation.gov.uk/ukpga/2014/23/section/5>
- People at the Heart of Care: Adult Social Care Reform White Paper
<https://www.gov.uk/government/publications/people-at-the-heart-of-care-adult-social-care-reform-white-paper>
- Presentation on Adult Social Care reform, People & Health Overview Committee, June 2022
<https://moderngov.dorsetcouncil.gov.uk/ieListDocuments.aspx?CId=652&MId=5303&Ver=4>
- People & Health Overview Committee report, Market Sustainability Plan, 8 September 2022
<https://moderngov.dorsetcouncil.gov.uk/ieListDocuments.aspx?CId=652&MId=5305&Ver=4>
- Cabinet report, Market Sustainability Plan, 4 October 2022
<https://moderngov.dorsetcouncil.gov.uk/ieListDocuments.aspx?CId=152&MId=5359&Ver=4>