



ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
2 NOVEMBER 2020

CARE HOME SUSTAINABILITY

REPORT OF DIRECTOR OF ADULTS AND COMMUNITIES

Purpose of Report

1. The purpose of the report is to provide the Committee with an overview of the current position in care homes across Leicestershire and the support being offered to them by the County Council to provide safe and effective care, in the context of the ongoing pandemic.
2. The report provides a more in-depth description of the challenges outlined in the report which was considered by the Cabinet on 20 October 2020 about the Adult Social Care Winter Plan 2020-2021. It summarises the pressures that providers are currently facing and how this may impact on the future supply of care and support available to the County Council and the citizens of the County in general, and potential mitigations. It also identifies how the Council will use its market shaping responsibilities to ensure that there is a vibrant care market.

Policy Framework and Previous Decisions

3. The activities described within this report are underpinned by the Council's Strategic Plan and the new Adults and Communities Department Strategy 2020-24, the latter of which was approved by the Cabinet at its meeting of 18 September 2020. The Strategy sets out the aim to ensure that the services delivered meet the eligible needs of the citizens of Leicestershire to maximise their opportunities and wellbeing.
4. The Medium-Term Financial Strategy (MTFS) is also key to ensuring that the support provided to adult social care providers is affordable and minimises any additional financial risk to the Council.

Background

National Position

5. The Office for National Statistics data released in early summer highlighted the high death rates sustained during the pandemic. Since the beginning of the pandemic (between 2 March to 12 June 2020, registered up to 20 June 2020), there were 66,112 deaths of care home residents (wherever the death occurred); of these, 19,394 were Covid-19 related, which is 29.3% of all deaths of care home residents.

6. England had a statistically significantly higher age-standardised mortality rate for deaths involving Covid-19 (1,182.9 deaths per 100,000 care home residents) compared with Wales (822.3 deaths per 100,000 care home residents).
7. Of deaths involving Covid-19 among care home residents, 74.9% (14,519 deaths) occurred within a care home and 24.8% (4,810 deaths) occurred within a hospital. Of all deaths in hospital involving Covid-19, 15.5% could be accounted for by care home residents.
8. During the same period, Covid-19 was the leading cause of death in male care home residents, accounting for 33.5% of all deaths, and the second leading cause of death in female care home residents, after Dementia and Alzheimer's disease, accounting for 26.6% of all deaths.
9. Dementia and Alzheimer's disease was the most common main pre-existing condition found among deaths involving Covid-19 and was involved in 49.5% of all deaths of care home residents with Covid-19.
10. When adjusted for age and sex, social care workers have twice the rate of death due to Covid-19 compared to the general population.
11. In May 2020, the Government announced a package of £600m available for infection control in care homes. Local authorities ensured that this reached front line providers and that any challenges of personal and protective equipment (PPE) and testing logistics were resolved.
12. On 17 September 2020, the Government announced that care home providers in England would benefit from over half a billion pounds extra funding to reduce Covid-19 transmission and help protect residents and staff throughout the winter period. The Infection Control Fund (ICF), set up in May, has now been extended until March 2021, with an extra £546m being made available to support the care home sector in implementing restrictions on the movement of staff between homes to reduce the risk of spreading the virus. The fund will also help care home providers to pay their staff full wages when it is necessary for them to self-isolate. This brings the total funding for infection control measures in care homes to over £1.1 billion nationally.

Leicestershire Position

13. At the time of writing, there has been a total of 89 confirmed outbreaks of Covid-19 in care homes within Leicestershire (i.e. two or more confirmed cases). The Local Government Association reported that from the beginning of the calendar year until the end of August 2020, Leicestershire had 166 Covid-19 related deaths in care homes.
14. All providers of adult social care and support have faced significant challenges during the Covid-19 emergency and the sector has shown resilience and dedication in keeping Leicestershire people safe at a time of great change and uncertainty.
15. The Authority's commissioning function includes market oversight, and currently this includes understanding financial and other issues arising from the circumstances which may impact on providers. At the present time concerns nationally, regionally

and locally relate to the sustainability of the care home sector and individual businesses operating within it.

16. The Council presently has 171 commissioned care homes, comprising:
- 86 older adults' residential care homes;
 - 27 older adults residential nursing care homes;
 - 57 working age adults care homes;
 - 1 residential care home providing a service for both working age and older adults.

Older Adults Residential Care Homes

17. The Covid-19 period has been very challenging for care home providers nationally and locally, including cost pressures arising from Covid-19. The main cost pressures relate to sourcing PPE equipment, testing, vacancies, staff retention, and increased levels of home insurance.

Personal Protective Equipment

18. The local authorities in the region have worked through the Local Resilience Forums (LRFs). LRFs are multi-agency partnerships made up of representatives from local public services, including the emergency services, local authorities, the NHS, the Environment Agency and others, to provide emergency stocks of PPE to care providers. Supplies of PPE were made available to LRFs to supplement gaps in the care homes' established supply chains, particularly to address urgent local spikes in the health and adult social care system and other front-line services. On 17 September 2020, the Government announced free PPE to care homes until March 2021 for Covid-19 related activities.

Vacancies

19. Care homes in Leicestershire have seen a high than normal number of vacancies during the pandemic. Overall, vacancy rates for older adults and working age adults amongst residential and nursing homes during 2019 did not exceed 8%. The level of vacancies has risen through 2020 since the outbreak of Covid-19 and peaked in June at 20%. It has since reduced slightly and was at 16.7% in early September. It should be noted that vacancies within the residential care sector may relate to private demand rather than local authority demand.

Temporary Admissions

20. Conversely, during the same period, the total number of temporary admissions has increased. Usually a temporary placement is made as an interim placement following a hospital discharge. As from 1 September 2020, individuals will be discharged from hospital on a 'discharge to assess' pathway. This means that health will fund the placement up to six weeks in which time, the Council will complete an assessment to identify the needs of the individual. As part of this assessment, the right funding pathway will be agreed, for example, if they are self-funding or require Council funding support.

21. Three temporary admissions from within the community were made in the week commencing 20 April 2020, but now the average number per week is 20. Temporary admissions following hospital discharge increased from around five per week prior to Covid-19 to a peak of 40 in mid-June. Numbers have since reduced slightly and are now, on average, 19 per week. Health funded placements have had a considerable effect on temporary placements since the outbreak of Covid-19.

Permanent Admissions

22. Since April 2020, there have been 218 Council funded permanent admissions of people aged 65 or over. Based on this rate of admissions, the estimated number for the full year of 2020/21 is considerably lower than the previous year (there were 890 admissions in 2019/20).

Temporary Admissions

23. For older people, temporary admissions from within the community dropped slightly during the early outbreak (average of eight admissions per week in mid-April compared to 10-11 pre Covid-19). For admissions post-hospital discharge however, the weekly number has seen a marked increase – up from an average of around 7-8 admissions per week pre-outbreak to an average of over 30 in June. This is a short-term trend in response to the pandemic and these additional admissions will be reviewed and people supported to return home or to more suitable accommodation wherever possible.
24. Over the last 18 months there has been significant growth to the number of older people in temporary placements (74 people in a temporary placement on 1 April 2019 to 478 on 1 September 2020). Of these older people in placements on 1 September 2020, 388 (81%) are health funded.

Permanent Placements

25. The number of older people in permanent Council funded care placements has fallen during the past 18 months by 14% from 1,745 on 1 April 2019 to 1,500 on 1 September 2020. It is worth noting that the reduction in the population is somewhat tempered by an increase of those in health funded permanent care placements which have risen by 56% since the outbreak of Covid-19 from 134 on 1 February to 209 on 1 September 2020.

Working Age Adult Care Homes

26. Whilst older adult care homes are generally made up of over 30 beds and increasingly have over 50 beds, care homes for working age adults are significantly smaller in scale with the majority being 16 and below. It is estimated that 75-80% of the beds pay for the costs of running a home of this size, and the remaining 20-25% is where surplus and profits can be achieved. Homes operating with a reduced vacancy rate will become increasingly concerned.

Temporary Placements

27. The number of temporary admissions of working age adults from the community reduced considerably during the early outbreak of the pandemic and recovery has

been slow until September (18 placements week commencing 7 September 2020 compared to a pre-Covid average of 22). There was little change in the number of placements from hospital, with an average of 2-3 per week.

Permanent Placements

28. Avoiding permanent placements in residential or nursing care homes is a good indication of delaying dependency. Research suggests that where possible, people prefer to stay in their own home rather than move into permanent care. Given the Council's strategic intentions toward reducing working age adults' residential admissions, it is likely that care homes will gradually see their vacancies increase. This may lead to rationalisation of provision, with unviable homes closing. This will require careful planning and engagement with providers to avoid significant disruption for residents.
29. As at 1 September 2020, the number of working age adults in permanent care placements was 327, a 17% reduction over the past 18 months. During the same period those in supported living has increased by 11% from 296 to 329. This will reflect actions relating to the Authority's strategy to move people into a more independent settling where appropriate for the person.
30. Since April 2020, there have been six permanent admissions of people aged 18-64 (working age adults). Based on this rate of admissions, the estimated number for the full year of 2020/21 is considerably lower than the previous year (potentially as few as 13, compared to 24 in 2019/20).

Council Support Provided During the Covid-19 Pandemic

31. Since April 2020, the Council have held weekly (more recently fortnightly) care home provider meetings to provide support and guidance to ensure care homes remain stable during the pandemic period. The content of the meetings usually covers matters such as financial support including the ICF, PPE, testing, visiting guidance, training and any other pressures or concerns providers wish to discuss. These have been well received by providers and could be utilised to deliver improvement projects moving forward.
32. In April 2020, the Council launched a recruitment initiative led by its Inspired to Care team. The aim was to support all social care providers, including older people and working age adult provisions in their recruitment processes. This initiative aided the organisations to save time on their lengthy recruitment activity, so they were free to carry on providing vital services to the vulnerable and those in isolation. The team supported all social care providers, including older people and working age adult providers. During the period from April– July 2020, the team received over 2,000 candidate enquiries (some of which have been shared with the City Council where appropriate). In three months of operation, the team placed over 60 candidates, averaging 20 new recruits a month. The Inspired to Care team continues to support the offer by a continued attraction campaign and supplementing provider efforts by sending candidate CVs and leads for them to process independently. This work has received very positive feedback from the private, voluntary and independent sectors.

33. In July 2020, the team moved away from direct recruitment and towards a supporting model, providing the external market with candidate leads generated through continued efforts in attraction.
34. Throughout September and October 2020, officers have been consulting providers of working age adult care homes to understand their current pressures and identify any potential support. A survey was sent out to all 54 registered working age adults' homes which will also look at how Covid-19 has impacted the way they deliver services and identify if they are considering a new way of working. The Council will use this feedback to consider how best to support the working age adult care home market moving forward.
35. Public Health also provides support to care homes around infection prevention and control, strengthening systems, processes, training, audits, policies and procedures.

Financial Support for Providers

36. The Government announced the ICF grant in spring 2020 which aimed to fund measures that improved infection prevention and control. The Government funding was principally for care homes, with at least 75% of the allocation mandated to be spent in this way, and local authorities given discretion in allocating the remaining 25%. The County Council had to submit its own Infection Prevention and Control Plan to the Government for approval to receive the funds and was then required to monitor delivery of the Plan by the County's care homes and other social care providers.
37. In order to be able to access the funding, care homes and other social care providers had to report regularly on infections, occupancy and PPE supplies via national trackers and have also been required to produce expenditure returns to the County Council. The Council received £6.7m in total in two tranches, of which 75%, (£5m) went to residential care homes as per the Government's instructions. The balance was mainly allocated to home care, extra care and supported living, providers, and a small contingency was held to support additional or exceptional expenditure. The funding was primarily aimed at measures to reduce infection with spending as follows:
 - 36% on measures to isolate residents within their own care homes;
 - 23% on actions to restrict staff movement within care homes;
 - 7% paying staff full wages while isolating following a positive test;
 - 34% on additional staffing, onsite accommodation and travel for residential providers; and on measures to isolate service users, actions to restrict staff movement, travel, training and cleaning for all other providers.
38. The majority of the ICF funding allocated to care homes could not be used for purchasing PPE, but there was flexibility with the 25% discretionary element. The original ICF programme ended in September and funds had to be used and spend reported by providers to the County Council. The information was collated and reported to Government by 30 September 2020.
39. To understand the financial challenges faced by providers, the Council commissioned work to review the impact of the pandemic on residential providers' costs to inform the level of its additional payments. PPE was found to be the largest

additional expense faced by registered providers. Following this, the Council was able to provide additional funding totalling £3.5m to support additional costs being incurred.

40. At the start of the crisis in April, in addition to the extra funding provided by the Government, the County Council made funding available to all care providers through a repayable forward payment to help them with, or prevent, cashflow issues. To minimise the impact of paying back the advance payment the provider has the option of paying it back over three monthly instalments.
41. Unfortunately, the Council's financial position, already extremely serious and challenging, has worsened as a result of the pandemic. The latest estimate of net additional costs due to Covid-19 for the current financial year (2020/21), as presented to the Cabinet on 18 September 2020, is £18 million after Government grant support. The Authority has therefore requested repayment of the cash advance payments made to providers in April 2020.
42. It is anticipated that the new national free PPE scheme and the new round of ICF payments will reduce the need for additional funding by the Council for providers over the coming months. Further analysis will be undertaken to determine whether additional monthly payments to providers are required, balancing this carefully against the financial pressures likely to be faced by the County Council for some years to come.
43. For consideration of exceptional provider costs from Covid-19, a Supplier Relief Team has been set up with representatives from Strategic Finance, Commissioning Support and Legal Services which has been established in line with Government guidance issued through the Cabinet Office. The purpose of this team is to review all requests from providers for additional financial support due to exceptional Covid-19 related costs.

Other Support to Maintain the Care Home Market

44. Care homes have seen a significant increase in costs due to the purchasing of PPE, cleaning products, rise in their business insurance and substantial vacancy rates. Providers have mainly highlighted the need for financial support in relation to high insurance rates, increased fees and digital technology investment (for example, Wi-Fi, electronic temperature instruments and facial recognition technology).
45. The Council has put in place support measures that will explore ways to support the care home sector to be sustainable. This includes working with the market to identify innovative ways of utilising their vacant beds, supporting recruitment and continuing to engage in two-way communication. These meetings will be used to explore pressures and support required and addressed in partnership with providers.

Consultation

46. To inform Leicestershire's state of the market report, care homes were contacted via email and telephone to identify the key pressure areas and how the Council might consider support where appropriate moving forwards. The Council successfully engaged with 23 care homes. The information provided was invaluable in understanding the state of the care home market and in identifying key pressures.

47. The key pressures highlighted from this consultation were are follows:

- Reduction in permanent admissions and resulting in high vacancies (older adults);
- Increase in temporary admissions (older adults);
- Access to and speed of results of testing;
- Understanding, keeping up to date with and applying Government guidance;
- Cost pressures relate to sourcing PPE equipment, testing, vacancies, staff recruitment, a second wave, retention and absences, and increased home insurance premiums;
- Workforce issues including sickness, self-isolation, shielding, and overall capacity.

Workforce Issues

48. Providers identified issues with staff shortage which due to sickness, shielding and staff seeking 'safer' roles. Lack of acknowledgement for the work undertaken by care professionals in comparison with NHS colleagues during the pandemic has said to have contributed to retention and staff shortages. Carers also need to balance between protecting family and people that use services and risk to themselves.
49. The average hourly rate for care staff in the independent sector (March 2019 – National Minimum Dataset) was £8.66.
50. Providers have reported that staff sickness related to stress and anxiety has risen over the past several months, but no further detail was provided if this was related to Covid-19. The additional pressure and risks associated to Covid-19 is likely to have had an impact on the care industry, with carers seeking alternative employment.
51. The labour market has seen a rise in potential candidates as a result of increasing unemployment in other sectors throughout the pandemic. Providers can therefore take advantage of a wide pool of candidates, in particular those from the retail and hospitality sectors (who will have a range of transferable customer skills). Data for August 2020 however shows a 12% rise in recruitment activity across all sectors in Leicestershire from July 2020 and a decrease of 1% of active jobseekers. There has also been a reduction of 9% of care jobs being advertised in August in comparison from the previous month. It is predicted that the care sector will continue to recruit simultaneously to seeing a rise in recruitment from other sectors. Recruiting people from outside the sector in values-based processes is critical to taking advantage of the higher levels of jobseekers.
52. Approximately a quarter of providers resulted in using agency staff to provide cover during the pandemic.
53. The Council will continue to work with providers to offer support as described above.

Identifying and Responding to Provider Instability

54. The intelligence collected and interpreted above permits the Authority to work proactively with care home providers to identify and manage risk, with the aim to prevent instability or failure. The Adults and Communities Department's Quality and Contracts service works with care businesses on quality and to drive improvement.

However, given the level of challenges faced by care home providers, it is likely that some will face instability or potentially some service failure over the coming months and years. Nationally, it is predicted that there is a risk that some providers will fail as a direct result of impacts from Covid-19 on occupancy levels. The Authority will work with those businesses to ensure that people are kept safe, and that where a service is unviable their exit from the market is supported in a timely and managed way wherever possible.

55. The Council will be allocating one Quality Officer and one Contracts Officer to every service to review every provider to identify any potential issues with the aim to implement a proactive programme of support to prevent issues escalating into crisis. The officers will be reviewing the data and intelligence over the past six months to assist with developing these programmes of support.

Provider Sustainability Questionnaire

56. The Department of Health and Social Care (DHSC) has requested that all local councils review their preparedness for service continuity through the winter of 2020/21, including councils' assessment of risks, their contingency plans, and their support needs. A comprehensive online questionnaire has been developed which asks councils to review the risks during the period until the end of March 2021 to continuity of care across all social care providers in their local area, what support is required to help maintain market stability and to identify any examples of innovative practice used locally. The completed questionnaire was submitted as required by 21 October 2020, and a copy is attached at Appendix A.
57. The regional Association of Directors of Adult Social Services will collate the findings for the East Midlands to present a regional picture to DHSC. By the end of November, DHSC will produce a detailed report for councils, highlighting key national issues, innovative practice which councils could replicate and what support will be provided nationally to help councils protect their social care market.

Winter Plan

58. On 20 October 2020, the Cabinet was informed of the requirement to produce an Adult Social Care Winter Plan. The County Council is required to produce a Winter Plan by 31 October 2020 which sets out how the Council will support the adult social care providers in Leicestershire in the context of the ongoing pandemic. The Leicestershire Winter Plan will cover the period October 2020 to March 2021.
59. At the time of writing, the Winter Plan is in the process of being produced. The draft will be shared for comment with stakeholders including providers, Healthwatch and with the Chief Officers of the Clinical Commissioning Groups and University Hospital of Leicester Trust.
60. The Adults and Communities Overview and Scrutiny Committee will be given the opportunity to comment on the Winter Plan during 14-26 October 2020, prior to its approval.

Options for Responding to Provider Failure

61. The options for responding to provider failure in such circumstances are set out in Appendix B attached to this report. The range of options available cover direct intervention by the Council, or commissioning additional emergency support, or working with existing providers.
62. Different options may be appropriate for different circumstances, and therefore a tailored and proportionate approach will be needed which calls upon one or more of the options. For example, a large-scale provider failure which threatens to destabilise the entire market, or the failure of a significantly specialised segment of the market may necessitate either a high or medium level intervention, whereas a small, non-specialist care home closure may best fit the current, low-intervention offer.

Resource Implications

63. During the Covid-19 crisis response over the spring and summer of 2020, the Government provided some additional financial support to the adult social care sector through the ICF grant of £6.7million which the County Council distributed to care providers.
64. In addition to the ICF, the County Council has made available to providers substantial additional funding totalling £3.5 million to support them through the increased cost pressures caused by the pandemic. Payments were made monthly. To assist with this the Council commissioned work to review the impact of the pandemic on residential providers' costs to inform the level of its additional payments.
65. At the start of the crisis in April, in addition to the additional funding provided by the Government, the County Council made funding available to all care providers through a repayable forward payment to help them with, or prevent, cashflow issues. To minimise the impact of paying back the advance payment the provider has the option of paying it back over three monthly instalments.
66. Unfortunately, the Council's financial position, already extremely serious and challenging, has worsened as a result of the pandemic. The latest estimate of net additional costs due to Covid-19 for the current financial year (2020/21), as presented to the Cabinet on 18 September 2020, is £18 million after Government grant support. The Authority has therefore requested repayment of the cash advance payments made to providers in April 2020.
67. The County Council will continue to review the payments to made to providers throughout the pandemic to ensure appropriate financial support can be provided,

Timetable for Decisions

68. The Chief Executive and Director of Adults and Communities, following consultation with the Cabinet Lead Member, will approve the Winter Plan and confirm by letter the completion of the Winter Plan for Leicestershire to the Minister for Social Care by 31 October 2020.

Conclusions

69. The care homes market has been substantially impacted by the Covid-19 pandemic over the past several months. The Council has considered the feedback from the providers and have implemented measures to support the findings.
70. The Council has undertaken some research to identify options available to sustain the care homes market. This has included learning from other Local Authorities as to what models are effective in sustaining the market. The Council has used this intelligence to identify further options provided in this report that could potentially reduce the risk of provider failure.
71. The Committee is invited to note the analysis undertaken of the current position of the care home sector in Leicestershire and comment on the support being offered to providers by the Council to respond to the risk of provider failure.

Background papers

Report to the Cabinet: 18 September 2020: Adults and Communities Department Strategy 2020-24 – Delivering Wellbeing and Opportunity in Leicestershire

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5997&Ver=4>

Report to Cabinet: 20 October 2020 – Adult Social Care Winter Plan and Measures to Support Care Home Provider Sustainability –

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5998&Ver=4>

Medium Term Financial Strategy 2019/20-2022/23 <https://bit.ly/35dONUc>

Adult Social Care: coronavirus (COVID-19) winter plan 2020 to 2021 <https://bit.ly/2Ho8pNf>

Circulation under the Local Issues Alert Procedure

72. A copy of this report will be circulated to all members via the Members' Digest.

Equality and Human Rights Implications

73. The Government has completed an Equalities and Human Rights Impact Assessment (EHRIA) for the national Winter Plan and locally an EHRIA will be completed on Leicestershire's Winter Plan as it is developed. Previously, an EHRIA has been completed on the impact of Covid-19 on Council services and one is currently being completed for the impact of Covid-19 on the Adults and Communities Department's services.

Risk

74. There is a risk that care homes (both older people and working aged adults) will close in an unmanaged way which will have a significant impact on residents and families. There are also wellbeing risks for people in moving their home.
75. There is a risk of further waves of Covid-19 resulting in further restrictions to homes and their residents, and an increased risk of infection.

76. Lack of access to PPE and testing could result in poor outcomes and an increase of hospital admissions. The recent government announcement to support care homes with PPE until March 2021 means that the Council's involvement in PPE may be reduced.
77. Some care homes will have no alternative but to utilise agency staff to fill temporary vacancies in different homes. Not only is this a costly strategy, but there is a risk of spreading infection from care home to care home. Government guidance on using agency staff will need to be articulated to care home providers.

Appendices

Appendix A – Provider Sustainability Self- Assessment Questionnaire

Appendix B - Options for responding to provider failure

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