



ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
5 JUNE 2023

MARKET SUSTAINABILITY AND IMPROVEMENT FUND

REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES

Purpose of the report

- 1 The purpose of this report is to provide information to the Committee retrospectively on the proposed expenditure of the Market Sustainability and Improvement Fund (MSIF).
- 2 The MSIF grant determination letter was published on 4 April 2023 and required all authorities to submit a return to the Department of Health and Social Care (DHSC) by the 24 May 2023.

Policy Framework and Previous Decisions

- 3 The MSIF was announced in the Government's Autumn Statement in November 2022. The purpose of the fund is to support local authorities to make improvements to adult social care services, build capacity and improve market sustainability.
- 4 This funding follows on from the Fair Cost of Care (FCoC) work undertaken in 2022/23, which is documented in the cost of care reports and Market Sustainability Plan (MSP), previously presented to this Committee on 6 March 2023, 5 September 2022 and 6 June 2022.

Background

- 5 Local authorities have a duty to promote the efficient and effective operation of the provider market for adult care. The ambition of the Care Act 2014 is for local authorities to influence and drive the pace of change for their whole market, leading to a sustainable and diverse range of care and support providers, continuously improving quality and choice, and delivering better, innovative and cost-effective outcomes that promote the wellbeing of people who draw on care and support.
- 6 The Government has identified three target areas of improvement which underpin the overarching objective of building capacity and improving market sustainability:
 - Increasing fee rates paid to adult social care providers;
 - Increasing adult social care workforce capacity and retention;
 - Reducing adult social care waiting times.

- 7 The Council will receive £5.6m for the financial year 2023/24 to support this activity: £1.6m continuation funding from the previous year and £4.0m additional funding for 2023/24.
- 8 The continuation funding has been allocated to support increasing fee rates to providers, as it was in 2022/23. The additional £4.0m funding will also be used to support increasing fee rates to providers, to reducing waiting times, and to increase social care workforce capacity.
- 9 In part, the FCoC work, and the MSP, will guide the allocation of the MSIF.
- 10 Increasing nursing care fees was identified as the key priority against a background of reducing provision in recent years, and challenges in making placements in nursing homes at council band rates. The Council faces similar challenges with residential care placements so increasing those fees was also identified as a priority in the MSP and funds will be allocated from the MSIF accordingly.

Options

- 11 Early information provided about the MSIF indicated that the DHSC expected the whole allocation to be used to support provider fee rates. However, the published guidance also added the options to allocate funding to support workforce and to reduce waiting times.
- 12 The MSP identified workforce pressures as a high risk with a specific priority relating to increasing the Direct Payment and Personal Assistant (PA) workforce. £0.6m has been allocated to support the PA rates in Leicestershire.
- 13 The Committee received a report on 7 November 2022 highlighting the numbers of people in Leicestershire awaiting assessment and/or review of their care needs. As of 1 January 2023, there were 1,575 people awaiting allocation for a Care Act assessment and as of 1 May 2023, 1,164 who have an outstanding review. £0.8m has been allocated to invest in reducing wait times but also to increase review activity which has the potential to mitigate ongoing care costs.
- 14 However, the majority of the £4.0m new money will be used to increase nursing care fees (£0.7m), and residential care fees (£1.9m) within Older People services. This will move the Council's fee rates closer to the levels outlined in the FCoC report.
- 15 The Council is working closely with the Integrated Care Board (ICB) and Leicester City Council to develop a joint approach to commissioning nursing care places at rates which will enable each organisation to commission the placements needed and mitigate the decline in provision to ensure a sustainable market.
- 16 Allied to that, benchmarking data relating to the ICB's expenditure on Funded Nursing Care (FNC) and Continuing Health Care (CHC) indicates it is low across Leicestershire, Leicester and Rutland (LLR). A full review has been scoped and is due to start shortly to examine the use of those funds, whether lower spend is undermining sustainability and if so, what action should be taken.

Provider Engagement

- 17 Decisions in relation to the use of the MSIF do not require a formal consultation process and none has been undertaken specifically on the use of the fund.
- 18 However, provider engagement is important and has been undertaken, mainly via monthly online meetings and forums, and fortnightly publications of provider newsletters. This engagement commenced during the pandemic and continued into the FCoC work during 2022/23 and is ongoing this year in relation to the deployment of the MSIF.
- 19 This ongoing communication is an opportunity to engage not only on the MSIF and other funding related subjects, but in a wide range of areas including recruitment and retention, training and best practice, and public health issues such as vaccination.

Resource Implications

- 20 Allocation and use of the fund will be limited to the fund parameters and falls within the agreed budget for 2023/24 and the MTFS. There are no additional resources required from the Council in that respect.
- 21 However, implementation of the agreed fee increases will require Finance and Systems support, adding workload to those areas. A sum of £12k from the fund total (0.3%) can be allocated to support this implementation.
- 22 This funding allocated to the County Council will form part of the Adults and Community Services directorate budget overseen by the Director of Adults and Communities. Decisions in relation to the allocation of this fund will therefore be made by the Director in line with the Council's general scheme of delegation, following consultation with the Director of Corporate Resources.
- 23 The Director of Corporate Resources and Director of Law and Governance have been consulted on the content of this report.

Timetable for Decisions

- 24 The Council has to demonstrate that the conditions and expectations have been met. The initial report was submitted to the DHSC on 24 May 2023 and a final report is required by 22 May 2024.
- 25 A Capacity Plan as part of the MSP is also required to be submitted to the DHSC by 30 June 2023. This will be circulated to Committee Members for information upon completion.
- 26 The Committee will receive further progress reports on the expenditure of the MSIF prior to the final report being submitted on 22 May 2024.

Conclusions

- 27 This report is provided to the Committee for information as it relates to the allocation of funding which follows on from the FCoC work, a key element of the social care reforms.

Recommendation

28 The Committee is asked to comment on the approach to the MSIF.

Background papers

Market Sustainability and improvement Fund -

<https://www.gov.uk/government/publications/market-sustainability-and-improvement-fund-2023-to-2024/market-sustainability-and-improvement-fund-2023-to-2024#reporting>

Market Sustainability and Fair Cost of Care Fund 2022 to 2023: guidance -

<https://www.gov.uk/government/publications/market-sustainability-and-fair-cost-of-care-fund-2022-to-2023-guidance>

Leicestershire Cost of Care Reports and Market Sustainability Plan -

<https://resources.leicestershire.gov.uk/adult-social-care-and-health/communication-and-engagement/fair-cost-of-care-and-market-sustainability-plan>

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>

Report to Adults and Communities Overview and Scrutiny Committee: 7 November 2022

<https://politics.leics.gov.uk/ieListDocuments.aspx?MIId=6842>

Report to Adults and Communities Overview and Scrutiny Committee: 6 March 2023 – Market Sustainability Plan

<https://politics.leics.gov.uk/ieListDocuments.aspx?MIId=7107>

Circulation under the Local Issues Alert Procedure

29 None.

Equality Implications

30 An Equality Impact Assessment was undertaken in relation to the FCoC work and MSP in February this year and subsequently reviewed by the Departmental Equalities Group. It found there were no significant risks or concerns. As additional funding is being deployed to support market sustainability and improve wait times, there are no new significant risks or concerns.

Human Rights Implications

31 There are no Human Rights implications arising from this report as it relates to the allocation of funding in the context of agreed policy, not a change in policy.

Other Relevant Impact Assessments

32 None.

Officers to Contact

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