



ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
6 NOVEMBER 2023

CARE HOME MARKET SUSTAINABILITY AND QUALITY REPORT

REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES

Purpose of report

- 1 The purpose of the report is to provide an update on market sustainability, with a focus on the older adult residential care market and the nursing care market.
- 2 The report also provides an update on quality in the residential and nursing care markets.

Policy Framework and Previous Decisions

- 3 On 7 September 2021, the Government announced £5.4 billion over three years solely for the reform of adult social care in England. At its spending review in October 2021, the Government announced that the investment would be used in two main areas - £3.6 billion of the total to pay for the Charging Reform, and £1.7 billion to improve access to social care, including a £500 million investment in the workforce.
- 4 The 'People at the Heart of Care' White Paper, published in December 2021, sets out the Government's 10-year vision of how it proposes to transform support and care in England. The vision revolves around three objectives:
 - People have choice, control, and support to live independent lives;
 - People can access outstanding quality and tailored care and support;
 - People can find social care in a fair and accessible way.
- 5 In November 2022, the Government's Autumn Budget Statement delayed for two years the implementation of the 'care cap', which will place a limit on the costs that people will need to spend to meet their eligible care and support needs, and other charging reforms, including changes to the social care means test, and a proposal to enable self-funders to access the same social care fees as those negotiated with providers by local authorities.
- 6 In recent meetings the Committee has reviewed the Fair Cost of Care (FCOC) analyses and funding together with the Market Sustainability Plans (MSPs) published and submitted to the Department of Health and Social Care.
- 7 At its meeting on 5 June 2023, the Committee received a report in relation to the most recent policy development in this area, the allocation of the Market

Sustainability and Improvement Fund (MSIF).

Residential and Nursing Care Market Capacity and Sustainability

- 8 Following the issue of the main MSIF grant of £5.6m, the allocation of which was explained to this Committee on 5 June 2023, a second grant was issued in July 2023, the MSIF Workforce grant of £3.6m.
- 9 The grant conditions for the new MSIF Workforce grant are essentially the same as for the original MSIF grant element. Specifically, these are that:
 - The recipient authority must allocate its full funding allocation from the grant on adult social care, as part of a substantial increase in planned adult social care spending;
 - The grant must be used to make improvements in at least one of the three following target areas:
 - Increasing fee rates paid to adult social care providers in local areas;
 - Increasing adult social care workforce capacity and retention;
 - Reducing adult social care waiting times.
- 10 The Council has allocated this second funding grant to provide further support to the residential and nursing care market. The allocation is in line with the Council's MSP, which identifies this market, nursing care homes in particular, as the area with more significant risks. This has allowed for the implementation from 2 October 2023 of a separate and distinct fee rate for nursing care placements of £900 per week, together with a further uplift to the Council's normal fee rate for residential care from £715 to £750 per week.
- 11 However, the costs of commissioning residential and nursing care continue to escalate, in part due to inflationary pressures and also due to the complex needs of individuals, resulting in a £7.7m pressure on the Council's in year budget.
- 12 Initiatives to mitigate this expenditure and improve capacity include the possible use of block funding to stimulate market capacity in current nursing and care homes. Such contracts have been used in the short term to mitigate discharge pressures during recent winters, but the aim would be to develop and offer providers a long-term block contract option. This will give providers greater certainty over cashflow and potentially mitigate rapidly increasing fee levels.
- 13 Leicestershire is working alongside the Integrated Care Board (ICB) and local authority partners to improve alignment in the commissioning of nursing placements across Leicester, Leicestershire, and Rutland (LLR). This work includes reviewing contract specification, quality improvement and contract management processes.
- 14 In a similar vein, the Council is reviewing its Residential and Nursing Care contract alongside the City Council and is working to align key contractual terms and conditions with those used by the ICB within the NHS standard contract. However, there will necessarily be variations in the contract terms and conditions as each agency ensures its contract requires providers to act in accordance with statutory requirements that are particular to that agency.

- 15 Alongside this work the Council is continuing to challenge the ICB on the implementation of the Continuing Health Care (CHC) policy and framework, and the Funded Nursing Care (FNC) framework. The Council agreed to the ICB undertaking an internal review of how the national frameworks were being implemented in Leicestershire. Arising from this review the Council, together with partners in Leicester City Council and Rutland Council, are having ongoing dialogue with the ICB and are considering its position in relation to the implementation of CHC, FNC and the wider implications for future shared funding and joint funding arrangements.
- 16 Some care home providers have reported not being financially viable, in part due to increased costs. The Council implemented annual uplifts for its care home placements in April 2023 reflecting financial pressures, such as inflation and staff costs, and asks providers experiencing financial difficulty to speak to its commissioning service for exceptional support to be considered.

Quality of Residential and Nursing Care

- 17 The Care Quality Commission (CQC) is the regulator for adult social care provision across the country. On 4 October 2023, the CQC listed 159 care homes in Leicestershire, of which 26 are nursing care homes.
- 18 In Leicestershire, 79.6% of care homes are rated as Outstanding or good compared to a national median average of 82.7%. This puts Leicestershire into the third quartile when ranked against all other local authorities in England. Within the East Midlands, Leicestershire's figure of 79.6% is in line with the regional median average of 79.2% whilst compared to similar county councils Leicestershire's performance is slightly lower than the median average (81.3%).
- 19 The CQC is undertaking fewer inspections and is targeting its activities on either providers where there are significant risks, or those that have not been inspected for many years.
- 20 Detailed analysis of the providers rated as Requires Improvement or Inadequate in 2023 have identified the main areas where concerns were found. The top five areas were:
- Medication;
 - Leadership and oversight;
 - Mental Capacity Assessment and Deprivation of Liberty Safeguards;
 - Assessment, care planning, monitoring, and review;
 - Health and safety, maintenance, and the environment.
- 21 The analysis has been shared with providers, and the Council will work with them and Leicester City Council to set up workshops to be more proactive on priority areas of support based on the CQC's findings. This will include support from the medication optimisation team to improve practice around medication management and administration, workshops on care planning, assessment, monitoring, and review sharing resources and best practice for audits, which are part of the leadership and management concerns.
- 22 Providers are already offered places on a free 'Lead to Succeed' course to develop management and leadership skills. The Council is also working with Skills for Care to

promote the training and resources they have, and the registered managers' network offering peer support. Other training will be developed in conjunction with providers to ensure that they are involved in how the Council supports them to drive improvements.

- 23 The Council's Commissioning and Quality Service has introduced a new monitoring tool format for all services. This has been used for new visits to residential homes since 1 June 2023, and all other services since 1 August 2023.
- 24 Of the 33 visits undertaken using the tool, 13 (39%) were scored as Compliant and 20 (61%) were scored as Not Compliant. Providers are supported to develop an action plan to meet any areas of non-compliance and are subsequently supported to meet those actions. The Council will also check progress as part of the contract monitoring process.
- 25 Themes are developing based on the scores in each of the three broad areas; care and support, health and safety, and management and governance. These do mirror the concerns found by the CQC and the lowest scored areas are medication, control over daily life which includes care planning, assessment, monitoring and review, health and safety, and people receiving a positive experience, which includes areas such as the leadership and governance in the service, and checks taking place to make sure people are receiving good quality support. The Council is working to develop resources, training, and support with providers to improve their performance in these areas.
- 26 Development of a quality assessment framework for services working with people who are living with dementia has been reviewed and plans are in progress to launch the framework.

Provider Engagement

- 27 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.
- 28 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 in 2020, continued through the FCOC work during 2022/23 and is ongoing this year in relation to the deployment of the MSIF.
- 29 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

- 30 The Council's budget in 2023/24 for residential and nursing care is £112m.
- 31 Allocation and use of MSIF falls within the agreed budget for 2023/24 and the Medium Term Financial Strategy (MTFS). There are no additional resources required from the Council in that respect.

- 32 This funding allocated to the County Council will form part of the 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.
- 33 In October 2023, the County Council received a letter from the Minister for Social Care confirming that the County Council's budgeted expenditure for adult social care, including grant funding, and additional income (including precept) is in line with government expectations and meets all government requirements. The letter also confirms that from a government perspective, there are no identified capacity gaps or market sustainability issues which need to be addressed in Leicestershire.
- 34 The Director of Corporate Resources and Director of Law and Governance have been consulted on the content of this report.

Conclusions

- 35 This report provides the Committee with information on the sustainability and quality of the residential and nursing home market in Leicestershire and actions taken to mitigate risks through the provision of funding and quality improvement activity.
- 36 The Committee is invited to comment on the contents of this report.

Background papers

Market Sustainability and Improvement Fund - Workforce Fund

https://www.gov.uk/government/publications/market-sustainability-and-improvement-fund-workforce-fund?utm_medium=email&utm_campaign=govuk-notifications-topic&utm_source=ade9aa0b-b957-4336-90c5-68c34a4adac6&utm_content=daily

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>

Next Steps to put People at the Heart of Care

<https://www.gov.uk/government/publications/adult-social-care-system-reform-next-steps-to-put-people-at-the-heart-of-care/next-steps-to-put-people-at-the-heart-of-care#digital-transformation-in-adult-social-care>

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>

Report to Adults and Communities Overview and Scrutiny Committee: 5 June 2023 –
 Market Sustainability Plan
http://cexmodgov01/documents/s176551/Final_MSIF.pdf

Circulation under the Local Issues Alert Procedure

37 None.

Equality Implications

38 An Equality Impact Assessment was undertaken in relation to the FCOC work and MSP in February 2023 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

39 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.

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