

EXECUTIVE DECISION NOTICE

SERVICE AREA:	Adult Services
SUBJECT MATTER:	ADULT SERVICES FINANCIAL SUPPORT RESPONSE TO THE PROVIDER MARKET DURING THE COVID-19 PANDEMIC
DECISION:	<p>That it be DETERMINED that:</p> <p>all providers be written to with a clear offer of financial support as follows and all proposals will be reflected in related contracts as necessary.</p> <p>Care Homes</p> <p>(i) To pay in borough care home providers a monthly gross sum at the start of the month the relevant care home bed fee rates based on 90% occupancy levels (less the places funded by other third parties). The Council therefore guarantees each care home will receive income for 90% of its available beds each month including private and out of borough placements.</p> <p>(ii) Fee rates for occupancy levels above 90% will be enhanced by a premium of 20% per bed. This enhancement is designed to incentivise homes to continue to take new residents in a difficult climate and recognises the additional cost pressures due to staff shortages and therefore agency staff use; increased number of staff due to social distancing measures; and the increased costs attributed to supplies including food, PPE equipment and equipment.</p> <p>(iii) These funding arrangements will be backdated to 19 March 2020.</p> <p>(iv) To take effect with immediate effect for 4 months with a review to be undertaken by 15 July 2020 when the arrangements will cease if not sooner.</p> <p>Support at Home</p> <p>(v) To pay the support at home providers a monthly sum at the start of each month which is the average actual hours based on the 3 month period 1 January 2020 to 31 March 2020. This will be a minimum guaranteed amount. If providers deliver in excess of these hours there will be an adjustment made in the following calendar month.</p> <p>(vi) To take effect with immediate effect for 4 months with a review to be undertaken by 15 July 2020 when the arrangements will cease if not sooner.</p> <p>Day Services</p> <p>(vii) To pay the day service providers a monthly sum which is average actual placements delivered based on the 3 month period 1 January 2020 to 31 March 2020.</p> <p>(viii) To take effect with immediate effect for 4 months with a review to be undertaken by 15 July 2020 when the arrangements will cease if not sooner.</p> <p>Supported Accommodation and other block contract</p>

	<p>arrangements</p> <p>(ix) Where we have a block contract arrangement in place with providers the Council will continue to pay the contracted rate even if numbers accessing the service reduces during this period.</p> <p>(x) To take effect with immediate effect for 4 months with a review to be undertaken by 15 July 2020 when the arrangements will cease if not sooner.</p> <p>Financially Assessing and Charging for Care and Support</p> <p>(xi) The report proposes that individuals who are discharged into home care or a care home placement under the enhanced discharge process are not charged until the government notifies this Covid-19 period has ended. Individuals will be financially assessed to determine their ability to contribute towards the costs of their care going forwards but it is not proposed that these charges will be applied retrospectively on the basis that the cost of the care will be funded by the NHS and is therefore not chargeable</p> <p>(xii) An individual in receipt of a home care package that is increased to ensure their needs can be met in their home environment is not financially reassessed at this time and their contribution remains the same until the end of this period is announced where this avoids a hospital admission.</p> <p>(xiii) Where an individual needs to move from a residential to a nursing placement the existing financial contribution is maintained until a revised contribution is calculated at the end of this period where this avoids a hospital admission.</p> <p>(xiv) When an individual is assessed as requiring a new care package or care home placement to be commissioned to meet their needs and this has not prevented a hospital admission then the current practice is maintained – the individual is financially assessed to determine their ability to contribute towards their care.</p> <p>Government Supplier Relief</p> <p>(xv) The Government have made available various supplier support reliefs during the Covid 19 period, some of which are financial. Suppliers should not be claiming contractual relief from a local authority and claiming separate relief from the Government to the effect that a supplier gains an undue advantage by claiming relief twice for the same hardship.</p> <p>(xvi) If it is found that any supplier is found to be taking undue fair advantage, or failing in their duty to act transparently and with integrity, then the Council has a right to take action to recover payments made.</p> <p>(xvii) Suppliers are also to declare if insurance provision in place for any loss of revenue.</p>
DECISION TAKER(S):	Councillor Eleanor Wills

DESIGNATION OF DECISION TAKER (S):	Executive Member Adults Social Care and Population Health
DATE OF DECISION:	8 April 2020
REASON FOR DECISION:	<p>With the increasing pressure on commissioned services we are reliant on provider stability during the pandemic; we require services to be sustainable as we progress through the pandemic and to enable the providers to resume normal service delivery and fulfil their contractual obligations when the outbreak is over.</p> <p>To maximise the pace at which hospital discharges are completed cost of any new care package that is commissioned to support a timely hospital discharge, or to prevent a hospital admission, during this period, is funded via the NHS and an individual is not charged for care during this period of enhanced hospital discharges.</p>
ALTERNATIVE OPTIONS REJECTED (if any):	<p>Continue paying providers at the current rate.</p> <p>Continue paying for commissioned services as specified in the contract.</p> <p>Continue with the current payment terms of paying in arrears of services being delivered.</p> <p>Continuation of current financial assessments process.</p>
CONSULTEES:	Service Providers, Senior Management and Finance colleagues, Adult Finance Service Team
FINANCIAL IMPLICATIONS: (Authorised by Section 151 Officer)	<p>The report provides details of the proposed contractual payment arrangements to Adult Services providers as set out in section 3 of the report due to Covid 19.</p> <p>Members should note the significant value of the care home and home care revenue budgets within the Adult Services directorate relating to this decision. The 2020/21 Care Homes gross revenue expenditure budget is £ 30.7 million with a gross income budget (inclusive of client contributions towards care packages) of £12.8 million i.e. a net revenue budget of £17.9 million. The 2020/21 Home Care gross revenue expenditure budget is £ 8.3 million with a gross income budget (again inclusive of client contributions towards care packages) of £7.2 million i.e. a net revenue budget of £1.1 million.</p> <p>At this stage, it is clearly too early to calculate the overall estimated financial impact of the proposals stated within the report, particularly the impact of care packages associated with the urgent discharge or avoidance of admittance to NHS acute provision.</p> <p>However, as a guide it is estimated that the weekly cost of ten care home packages, five residential home packages and five nursing home packages at enhanced rates inclusive of the 20% premium will be £ 8,900 per week (at 2020/21 fee rates as stated in Appendix 1). Please note that these estimated</p>

	<p>additional weekly costs relate to packages that exceed the minimum 90% occupancy level guarantee.</p> <p>The estimated weekly cost of ten 25 hour home care packages will be £ 4,500 per week (at the 2020/21 hourly fee rate).</p> <p>The weekly costs are provided as a guide and to provide awareness of the potential weekly cost implications.</p> <p>The Strategic Commission has received notification of two non-recurrent funding sources from the Government as explained in section 4 of the report.</p> <p>All costs relating to the safe discharge or avoidance of admission to NHS acute provision from 19 March 2020 will be funded from the estimated NHS allocation of £ 6.2 million referenced in section 4.1 b of the report. This will mainly apply to packages within care homes and via support at home for both the Council and CCG.</p> <p>All other Covid 19 related costs from 19 March 2020 will be funded via the £ 7.675 million funding allocated to the Council as referenced in section 4.1 a of the report.</p> <p>The Government have made available various supplier support reliefs during the Covid 19 period, some of which are financial. Suppliers should not be claiming contractual relief from a local authority and claiming separate relief from the Government to the effect that a supplier gains an undue advantage by claiming relief twice for the same hardship.</p> <p>If it is found that any supplier is found to be taking undue fair advantage, or failing in their duty to act transparently and with integrity, then the Council has a right to take action to recover payments made.</p> <p>Suppliers are also to declare if insurance provision in place for any loss of revenue.</p> <p>It is essential that appropriate monitoring arrangements are implemented as a matter of urgency and that all recommendations within this decision are continually reviewed as Government guidance may change at short notice.</p>
<p>LEGAL IMPLICATIONS: (Authorised by Borough Solicitor)</p>	<p>Government have sought to stabilise the market by encouraging local authorities to support suppliers who may be at risk, especially in relation to cash flow as a result of the Covid Pandemic.</p> <p>The steps as set out in the guidance should not be applied in a blanket fashion. Rather the local authority is required to review its contract portfolio to identify those suppliers who are at risk and then consider a range of measures to assist those suppliers.</p> <p>Those measures include:</p> <ul style="list-style-type: none"> • Payment in advance • Interim payments • Payment on order

	<ul style="list-style-type: none"> • Immediate payment of invoices received <p>Payments should not be made in advance to suppliers with no contractual volume commitment and only exceptionally to suppliers who are under performing and/or subject to an improvement plan.</p> <p>Any measures which are agreed with suppliers should be embodied in a contract variation together with a clear review mechanism and a clear time limit.</p> <p>The Procurement Policy Note does not provide a measure to increase the level of fees paid, as being recommended in this report. This is something the service is offering over and above the government guidance.</p> <p>The Government Guidance is clear that suppliers should not be making any additional profit from this arrangement. Therefore Members need to be content that suppliers are facing a 20% increase in costs to justify the up lift – this is not set out in the report so before this decision is signed off the S!%! Officer needs to be satisfied that this additional expenditure justifiable and recoverable to avoid creating a significant deficit for the Council.</p> <p>Suppliers benefiting from any of these measures should agree to an open book accounting arrangement with the Council in order that the council can ensure that there is a transparent process. In addition it would be good practice for the variation of Contract to include a provision to recover any over payment or additional profit from the supplier as a result of the implementation of any of these measures.</p>
CONFLICT OF INTEREST:	There are no identified conflicts of interest
DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:	Not Applicable
ACCESS TO INFORMATION:	<p>Background papers relating to this report can be inspected by contacting:</p> <p>Name, Sue Hogan – Service Unit Manager - Adults Trevor Tench – Head of Adults Commissioning</p> <p> Telephone: 0161 342 2890</p> <p> E-mail: sue.hogan@tameside.gov.uk trevor.tench@tameside.gov.uk</p>

Signed



Dated: 8 April 2020

Councillor Eleanor Wills, Executive Member (Adult Social Care and Health)

EXECUTIVE DECISION REPORT

SERVICE AREA:	Adult Services
SUBJECT MATTER:	ADULT SERVICES FINANCIAL SUPPORT RESPONSE TO THE PROVIDER MARKET DURING THE COVID 19 PANDEMIC
DATE OF DECISION:	8 April 2020
DECISION TAKER(S):	Councillor Eleanor Wills
DESIGNATION OF DECISION TAKER (S):	Executive Member Adults Social Care and Population Health
REPORTING OFFICER:	Stephanie Butterworth - Director of Adult Services
REPORT SUMMARY:	<p>The report outlines the response to Procurement Policy Note 02/20 (PPN 02/20): Supplier relief due to Covid-19 in relation to providers of care in Tameside. The PPN 02/20 note sets out that contracting authorities should support providers at risk so they are better able to cope with the current crisis and to resume normal service delivery and fulfil their contractual obligations when the outbreak is over.</p> <p>Adult Services have reviewed all its contracts and payment terms in order to support providers and are recommending that amendments to existing terms are put in place for the duration of the outbreak covering all contracted services including, care homes, support at home, day services and supported accommodation.</p> <p>It is essential that we support our providers of social care support through these unprecedented times, and that providers are in a strong position to take new referrals on quickly to move people out of hospital care or avoid admissions to an already stretched hospital system. The measures proposed have been devised to support providers financially through improved cash flow and incentivise taking on new referrals in recognition of the two hour discharge guidance and to enable particularly where there are clear cost pressures developing in areas including:</p> <ul style="list-style-type: none">• Increased usage of agency staff (consistently at an increased) where staff are self-isolating.• Increased staffing required to support in particular residents self-isolating in their rooms at meal times or in supporting the mental well-being challenges created through feelings of isolation.• In line with Government guidance the increased use of PPE equipment and subsequent cost attributed to this.• Increased cost of supplies such as food, PPE and equipment – it is widely reported that all such supplies have increased in price (PPE supplies have at least doubled in cost, and that is when supplies are actually

	<p>available) in the early days of the pandemic.</p> <p>It is essential that we are able to support the sustainability of our providers through the pandemic but also ensure that we have a market solidly in place beyond the current and developing crisis.</p> <p>These amended terms, subject to approval, will initially be agreed until 30 June 2020 and reviewed thereafter on a monthly basis.</p> <p>The report seeks authorisation for the Director of Adult Services in conjunction with the Director of Finance, subject to review as outlined, approve the extensions going forward.</p> <p>The report also outlines the Council's response to COVID-19 Hospital Discharge Service Requirement guidance. This guidance sets out the requirements for the health and social care economy to maximise the pace at which hospital discharges are completed.</p> <p>The guidance requires that the cost of any new care package that is commissioned to support a timely hospital discharge, or to prevent a hospital admission, during this period, is funded via the NHS and an individual is not charged for care during this period of enhanced hospital discharges.</p> <p>The report proposes that individuals who are discharged into home care or a care home placement are not charged until the government notifies this Covid-19 period has ended. Individuals will be financially assessed to determine their ability to contribute towards the costs of their care going forwards but it is not proposed that these charges will be applied retrospectively on the basis that the cost of the care will be funded by the NHS and is therefore not chargeable.</p>
<p>RECOMMENDATION:</p>	<p>That all providers be written to with a clear offer of financial support as follows and all proposals will be reflected in related contracts as necessary.</p> <p>Care Homes</p> <p>(i) To pay in borough care home providers a monthly gross sum at the start of the month the relevant care home bed fee rates based on 90% occupancy levels (less the places funded by other third parties). The Council therefore guarantees each care home will receive income for 90% of its available beds each month including private and out of borough placements.</p> <p>(ii) Fee rates for occupancy levels above 90% will be enhanced by a premium of 20% per bed. This enhancement is designed to incentivise homes to continue to take new residents in a difficult climate and recognises the additional cost pressures due to staff shortages and therefore agency staff use; increased number of staff due to social distancing measures; and the increased costs attributed to supplies including food, PPE equipment and equipment.</p> <p>(iii) These funding arrangements will be backdated to 19</p>

March 2020.

- (iv) To take effect with immediate effect for 4 months with a review to be undertaken by 15 July 2020 when the arrangements will cease if not sooner.

Support at Home

- (v) To pay the support at home providers a monthly sum at the start of each month which is the average actual hours based on the 3 month period 1 January 2020 to 31 March 2020. This will be a minimum guaranteed amount. If providers deliver in excess of these hours there will be an adjustment made in the following calendar month.
- (vi) To take effect with immediate effect for 4 months with a review to be undertaken by 15 July 2020 when the arrangements will cease if not sooner.

Day Services

- (vii) To pay the day service providers a monthly sum which is average actual placements delivered based on the 3 month period 1 January 2020 to 31 March 2020.
- (viii) To take effect with immediate effect for 4 months with a review to be undertaken by 15 July 2020 when the arrangements will cease if not sooner.

Supported Accommodation and other block contract arrangements

- (ix) Where we have a block contract arrangement in place with providers the Council will continue to pay the contracted rate even if numbers accessing the service reduces during this period.
- (x) To take effect with immediate effect for 4 months with a review to be undertaken by 15 July 2020 when the arrangements will cease if not sooner.

Financially Assessing and Charging for Care and Support

- (xi) The report proposes that individuals who are discharged into home care or a care home placement under the enhanced discharge process are not charged until the government notifies this Covid-19 period has ended. Individuals will be financially assessed to determine their ability to contribute towards the costs of their care going forwards but it is not proposed that these charges will be applied retrospectively on the basis that the cost of the care will be funded by the NHS and is therefore not chargeable
- (xii) An individual in receipt of a home care package that is increased to ensure their needs can be met in their home environment is not financially reassessed at this time and their contribution remains the same until the end of this period is announced where this avoids a hospital admission.
- (xiii) Where an individual needs to move from a residential to a nursing placement the existing financial contribution is maintained until a revised contribution is calculated at the end of this period where this avoids a hospital

	<p>admission.</p> <p>(xiv) When an individual is assessed as requiring a new care package or care home placement to be commissioned to meet their needs and this has not prevented a hospital admission then the current practice is maintained – the individual is financially assessed to determine their ability to contribute towards their care.</p> <p>Government Supplier Relief</p> <p>(xv) The Government have made available various supplier support reliefs during the Covid 19 period, some of which are financial. Suppliers should not be claiming contractual relief from a local authority and claiming separate relief from the Government to the effect that a supplier gains an undue advantage by claiming relief twice for the same hardship.</p> <p>(xvi) If it is found that any supplier is found to be taking undue fair advantage, or failing in their duty to act transparently and with integrity, then the Council has a right to take action to recover payments made.</p> <p>(xvii) Suppliers are also to declare if insurance provision in place for any loss of revenue.</p>
<p>JUSTIFICATION FOR THE DECISION:</p>	<p>With the increasing pressure on commissioned services we are reliant on provider stability during the pandemic and require services to be sustainable as we progress through the pandemic and to enable the providers to resume normal service delivery and fulfil their contractual obligations when the outbreak is over.</p> <p>To maximise the pace at which hospital discharges are completed cost of any new care package that is commissioned to support a timely hospital discharge, or to prevent a hospital admission, during this period, is funded via the NHS and an individual is not charged for care during this period of enhanced hospital discharges.</p>
<p>ALTERNATIVE OPTIONS REJECTED (if any):</p>	<p>Continue paying providers at the current rate.</p> <p>Continue paying for commissioned services as specified in the contract.</p> <p>Continue with the current payment terms of paying in arrears of services being delivered.</p> <p>Continuation of current financial assessments process.</p>
<p>CONSULTEES:</p>	<p>Service Providers, Senior Management and Finance colleagues, Adult Finance Service Team</p>
<p>FINANCIAL IMPLICATIONS: (Authorised by Section 151 Officer)</p>	<p>The report provides details of the proposed contractual payment arrangements to Adult Services providers as set out in section 3 of the report due to Covid 19.</p> <p>Members should note the significant value of the care home and home care revenue budgets within the Adult Services directorate relating to this decision. The 2020/21 Care Homes gross revenue expenditure budget is £ 30.7 million with a gross income budget (inclusive of client contributions</p>

towards care packages) of £ 12.8 million i.e. a net revenue budget of £ 17.9 million. The 2020/21 Home Care gross revenue expenditure budget is £ 8.3 million with a gross income budget (again inclusive of client contributions towards care packages) of £ 7.2 million i.e. a net revenue budget of £ 1.1 million.

At this stage, it is clearly too early to calculate the overall estimated financial impact of the proposals stated within the report, particularly the impact of care packages associated with the urgent discharge or avoidance of admittance to NHS acute provision.

However, as a guide it is estimated that the weekly cost of ten care home packages, five residential home packages and five nursing home packages at enhanced rates inclusive of the 20% premium will be £ 8,900 per week (at 2020/21 fee rates as stated in **Appendix 1**). Please note that these estimated additional weekly costs relate to packages that exceed the minimum 90% occupancy level guarantee.

The estimated weekly cost of ten 25 hour home care packages will be £ 4,500 per week (at the 2020/21 hourly fee rate).

The weekly costs are provided as a guide and to provide awareness of the potential weekly cost implications.

The Strategic Commission has received notification of two non-recurrent funding sources from the Government as explained in section 4 of the report.

All costs relating to the safe discharge or avoidance of admission to NHS acute provision from 19 March 2020 will be funded from the estimated NHS allocation of £ 6.2 million referenced in section 4.1 b of the report. This will mainly apply to packages within care homes and via support at home for both the Council and CCG.

All other Covid 19 related costs from 19 March 2020 will be funded via the £ 7.675 million funding allocated to the Council as referenced in section 4.1 a of the report.

The Government have made available various supplier support reliefs during the Covid 19 period, some of which are financial. Suppliers should not be claiming contractual relief from a local authority and claiming separate relief from the Government to the effect that a supplier gains an undue advantage by claiming relief twice for the same hardship.

If it is found that any supplier is found to be taking undue fair advantage, or failing in their duty to act transparently and with integrity, then the Council has a right to take action to recover payments made.

Suppliers are also to declare if insurance provision in place for any loss of revenue.

It is essential that appropriate monitoring arrangements are implemented as a matter of urgency and that all recommendations within this decision are continually reviewed as Government guidance may change at short

	notice.
LEGAL IMPLICATIONS: (Authorised by Borough Solicitor)	<p>Government have sought to stabilise the market by encouraging local authorities to support suppliers who may be at risk, especially in relation to cash flow as a result of the Covid Pandemic.</p> <p>The steps as set out in the guidance should not be applied in a blanket fashion. Rather the local authority is required to review its contract portfolio to identify those suppliers who are at risk and then consider a range of measures to assist those suppliers.</p> <p>Those measures include:</p> <ul style="list-style-type: none"> • Payment in advance • Interim payments • Payment on order • Immediate payment of invoices received <p>Payments should not be made in advance to suppliers with no contractual volume commitment and only exceptionally to suppliers who are under performing and/or subject to an improvement plan.</p> <p>Any measures which are agreed with suppliers should be embodied in a contract variation together with a clear review mechanism and a clear time limit.</p> <p>The Procurement Policy Note does not provide a measure to increase the level of fees paid, as being recommended in this report. This is something the service is offering over and above the government guidance.</p> <p>The Government Guidance is clear that suppliers should not be making any additional profit from this arrangement. Therefore Members need to be content that suppliers are facing a 20% increase in costs to justify the up lift – this is not set out in the report so before this decision is signed off the S!%! Officer needs to be satisfied that this additional expenditure justifiable and recoverable to avoid creating a significant deficit for the Council.</p> <p>Suppliers benefiting from any of these measures should agree to an open book accounting arrangement with the Council in order that the council can ensure that there is a transparent process. In addition it would be good practice for the variation of Contract to include a provision to recover any over payment or additional profit from the supplier as a result of the implementation of any of these measures.</p>
RISK MANAGEMENT:	Appropriate monitoring arrangements will be implemented as a matter of urgency and all recommendations within this decision will be continually reviewed as Government guidance may change at short notice.
ACCESS TO INFORMATION:	The background papers relating to this report can be inspected by contacting the report writer by:



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1. INTRODUCTION

1.1. The current outbreak of Covid-19 is unprecedented and will have a significant impact on businesses of all sizes including adult social care providers. There will be a number of our providers that may not be able to meet their contractual obligations and this will put their financial viability, ability to retain staff and their support to vulnerable people at risk which may result in provider failure and no services available once the pandemic is over. This would result in many of the most vulnerable people living in the borough being put at risk as there may not be capacity to meet their essential needs.

1.2. On 20 March 2020 the Cabinet Office issued Procurement Policy Note 02/20 - Supplier Relief Due to Covid-19. This sets out information and guidance for public bodies on payment of their suppliers to ensure service continuity during and after the current Covid-19, outbreak. The note stipulates that contracting authorities must act to ensure suppliers at risk are in a position to resume normal contract delivery once the outbreak is over.

1.3. The note states that all contracting authorities should:

- Urgently review their contract portfolio and inform suppliers who they believe are at risk that they will continue to be paid as normal (even if service delivery is disrupted or temporarily suspended) until at least the end of June.
- Put in place the most appropriate payment measures to support supplier cash flow; this might include a range of approaches such as forward ordering, payment in advance/prepayment, interim payments and payment on order (not receipt).
- If the contract involves payment by results then payment should be on the basis of previous invoices, for example the average monthly payment over the previous three months.
- To qualify, suppliers should agree to act on an open book basis and make cost data available to the contracting authority during this period. They should continue to pay employees and flow down funding to their subcontractors.
- Ensure invoices submitted by suppliers are paid immediately on receipt (reconciliation can take place in slower time) in order to maintain cash flow in the supply chain and protect jobs.

To take effect with immediate effect for 4 months with a review to be undertaken by 15 July 2020 when the arrangements will cease if not sooner.

1.4. The policy also sets out that:

- It is vital that contracting authorities pay all suppliers as quickly as possible to maintain cash flow and protect jobs.
- Contracting authorities should also take action to continue to pay suppliers at risk due to Covid-19 on a continuity and retention basis.
- Contracting authorities can consider making advance payments to suppliers if necessary.

1.5. The policy identifies where goods and services are either reduced or paused temporarily, authorities should continue to pay at risk suppliers to ensure cash flow and supplier survival. This could include, for example situations where:

- Services are cut short / reduced at short notice due to the impact of Covid-19 and non-payment could result in supply chains collapsing and/or significant financial implications for the supplier.
- It would be value for money and important to business continuity to continue to pay suppliers in the short term (regardless of whether you are able to reconcile at a later stage). This would ensure continuity of services when services can resume.

- 1.6. The current outbreak of Covid-19 is unprecedented and will have a significant impact on businesses of all sizes. Many suppliers to public bodies will struggle to meet their contractual obligations and this will put their financial viability, ability to retain staff and their supply chains at risk.
- 1.7. On 18 March 2020 the government also issued the COVID-19 Hospital Discharge Service Requirement guidance. This guidance sets out the requirements for the health and social care economy to maximise the pace at which hospital discharges are completed. There is an expectation that an individual will be discharged from hospital within 2 hours of them being declared ready to leave.
- 1.8. The guidance advises that additional funding will be made available to support timely discharges from hospital, and that all home care and care home packages commissioned to support this enhanced discharge model will be funded by the NHS.
- 1.9. Paragraph 10.1 states *'The Government has agreed to fully fund the cost of new or extended out-of-hospital health and social care support packages, referred to in this guidance, for people being discharged from hospital or who would otherwise be admitted into it for a limited time, to enable quick and safe discharge and more generally reduce pressure on acute services.'*
- 1.10. The guidance requires that the cost of any new care package that is commissioned to support a timely hospital discharge, or to prevent a hospital admission, during this period, is funded via the NHS and an individual is not charged for care during this period of enhanced hospital discharges. The government will advise when this period ends.
- 1.11. Paragraph 10.14 of the guidance requires that *'Commissioners should plan throughout the period that the enhanced discharge support process is running to ensure appropriate processes are in place for the period following cessation of the enhanced discharge support process. As part of this, planning conversations should be taking place with patients and their families about the possibility that they will need to pay for their care later, as appropriate.'*
- 1.12. For people with an existing home care package or a care home placement the guidance (paragraph 10.11) states *'Where a patient has been admitted to secondary care and had previously been in receipt of a funded care package (either in a care-home or in their own home) this guidance and additional funding is intended to support the restart of such a package also. I.e. restarted care following discharge will be counted as covered by this additional funding.'*

2. CURRENT POSITION

- 2.1. Discussion with the providers has indicated that they are dealing with significant increases in costs due to:
 - Staff self-isolating and an increased usage of agency staff at an increased rate.
 - Residents self-isolating in rooms resulting in additional staffing pressure at meal times, covering general observations and managing specific risks identified, this is specifically around care homes, extra care and supported accommodation.
 - Increased usage of PPE equipment and subsequent cost attributed to this.
 - Increased cost of supplies such as food, PPE and equipment
- 2.2. Payment to each provider is made in different ways dependant on the contract terms and conditions.

Financially Assessing and Charging for Care and Support

- 2.3. Adult Services arrange care packages for individuals who require care and support to ensure they are safe and are able to live independently at home. In some instances this will mean a move to a residential or nursing home to ensure the individual is safe. Ordinarily the individual would complete a financial assessment to determine their ability to make a financial contribution to the cost of their care.
- 2.4. The *Care Act easements: guidance for local authorities*, published 31 March 2020, does allow for local authorities to undertake financial assessments at a later date and to retrospectively charge for meeting needs subject to those financial assessments, so long as people are informed that there may be a charge at the time when the service is carried out, or before the service is carried out. It is proposed that where it becomes necessary to use the Care Act easements changes will set out and the appropriate record of the reason for the change in practice. At this time it is not necessary to defer the financial assessment process, except in cases where an enhanced discharge from hospital must be facilitated.

3. PROPOSAL

- 3.1. All providers will be written to with a clear offer of financial support during the coming months to protect their cash flow and to allow them to respond as flexibly as possible to the crisis.
- 3.2. The Council will ensure invoices submitted by suppliers are paid immediately on receipt in order to maintain cash flow in the supply chain and protect jobs.
- 3.3. It is important that we support our communities by ensuring so far as possible we have a resilient economy both in terms of the companies who deliver services and the people they employ.
- 3.4. Providers are to declare if insurance provision in place for loss of revenue.
- 3.5. Providers are to agree to act on an open book basis and make cost data available to the Council during this period. The new arrangements will state that they will continue to pay employees at their usual rate.
- 3.6. The Government have made available various supplier support reliefs during the Covid 19 period, some of which are financial. Suppliers should not be claiming contractual relief from a local authority and claiming separate relief from the Government to the effect that a supplier gains an undue advantage by claiming relief twice for the same hardship.
- 3.7. If it is found that any supplier is found to be taking undue fair advantage, or failing in their duty to act transparently and with integrity, then the Council has a right to take action to recover payments made.

Care Homes

- 3.8. The proposal is to pay in borough care home providers a monthly gross sum at the start of the calendar month at the appropriate financial year care home bed fee rates which will be calculated on 90% occupancy levels (less the places funded by other third parties). Therefore the Council guarantees that each in borough care home will receive income for 90% of its available beds including private and out of borough placements.
- 3.9. Fee rates for occupancy levels above 90% will be enhanced by a premium of 20% per bed. The rationale for the increase would be to offset the increased costs the sector is incurring identified in 2.1 above.

- 3.10. These arrangements will be backdated to 19 March 2020 and are in recognition of the accelerated hospital discharge arrangements in place from this date and the additional costs arising in care homes due to Covid-19.
- 3.11. Payments for the period 19 March 2020 to 31 March 2020 will be paid at 2019/20 care home bed fee rates, with 2020/21 rates applicable from 1 April 2020. The respective rates are provided in **Appendix 1**. The 2020/21 Nursing rates include Funded Nursing Care (FNC) at the 2019/20 rate of £ 165.56. The rates will be adjusted once the 2020/21 FNC rate has been announced.
- 3.12. It should be recognised that the 20% premium payment for occupancy levels above 90% will only be paid for beds occupied and commissioned by the Council and CCG and does not secure any additional vacant beds within the home.
- 3.13. This proposal will be subject to review on 30 June 2020 and renewed monthly thereafter.

Support at Home

- 3.14. The proposal is to pay the support at home providers a monthly sum at the start of each calendar month which is the average actual hours delivered based on the 3 month period 1 January 2020 to 31 March 2020. This will be a minimum guaranteed amount. If providers deliver in excess of these hours there will be an adjustment made in the following calendar month.
- 3.15. Payments for the period 19 March 2020 to 31 March 2020 will be paid at 2019/20 support at home rate. Payments from 1 April 2020 will be paid at the 2020/21 support at home rate.
- 3.16. This will ensure stability with providers and support the accelerated hospital discharge process that requires providers to be agile enough to commence care packages within 2 hours of notification of an individual being ready to be discharged.
- 3.17. This proposal will be subject to review on 30 June 2020 and renewed monthly thereafter.

Day Services

- 3.18. The proposal is to pay the day service providers a monthly sum which is the average actual placements delivered based on the 3 month period 1 January 2020 to 31 March 2020.
- 3.19. Payments for the period 19 March 2020 to 31 March 2020 will be paid at 2019/20 day services rate. Payments from 1 April 2020 will be paid at the 2020/21 day services rate.
- 3.20. This will ensure stability with providers. Many of the day service providers are voluntary sector and community groups so do not have the capital to sustain their operations without financial support. For many of them families have made the decision to withdraw their family member to reduce their risks of contracting covid-19 so it has not been viable to retain services in their usual format.
- 3.21. The providers have been consulted and although day services provision is not being delivered within the agreed contracted service specification, different ways of delivery has been established e.g. via telephone calls, group sessions via electronic media.
- 3.22. Providers have also indicated they are able to release staff to support key adult service provision within the Council.
- 3.23. This proposal will be subject to review on 30 June 2020 and renewed monthly thereafter.

Supported Accommodation and other block contract arrangements

- 3.24. Where the Council has a block contract arrangement in place with providers the Council will continue to pay the contracted rate even if numbers accessing the service reduces during this period.
- 3.25. The payment arrangement will stay as defined in the existing contract terms.
- 3.26. The provider will be expected to have continued dialogue with the Council regarding service delivery and where they are delivering services in different ways or are able to release staff to support key adult service provision within the Council.
- 3.27. This proposal will be subject to review on 30 June 2020 and renewed monthly thereafter.

Financially Assessing and Charging for Care and Support

- 3.28. It is intended that people who are being discharged under the enhanced discharge arrangement in the guidance will not be charged for any contributions towards the costs of their during this period of time. When the position changes these individuals will be eligible for any contributions towards their care costs from that point. Individuals and their families or representatives will be made aware at the point of planning the discharge that there will be a financial assessment undertaken for longer term care arrangements. It is not proposed that retrospective assessments will be undertaken.
- 3.29. It is proposed that an individual in receipt of a home care package that is increased to ensure their needs can be met in their home environment, and this will prevent a hospital admission, is not financially reassessed at this time and their contribution remains the same until the end of this period is announced. Where an individual needs to move from a residential to a nursing placement, and this prevents a hospital admission or supports a discharge, it is proposed that the existing financial contribution is maintained until a revised contribution is calculated at the end of this period. This is in line with the guidance at paragraph 10.11.
- 3.30. Where an individual is assessed as requiring a new care package or care home placement to be commissioned to meet their needs and this has not prevented a hospital admission then it is proposed that the current practice is maintained – the individual is financially assessed to determine their ability to contribute towards their care.
- 3.31. Individuals in receipt of a care package that commenced prior to 19 March 2020 will be expected to be funded through the usual pre-existing mechanisms and sources of funding. These individuals will already be making a contribution towards their care costs where assessed as being able to do so.
- 3.32. Work is currently being undertaken to develop the communications that will be shared with individuals, their families and representatives at the time of discharge to ensure they are very clear that at the end of this period there may be a charge i.e. financial contribution for their care going forwards.
- 3.33. In summary, it is proposed that individuals who are discharged into home care or a care home placement are not financially assessed until the government notifies this period has ended. Individuals will be financially assessed to determine their ability to contribute towards the costs of their care going forwards. It is not proposed that these charges will be applied retrospectively.

4 GOVERNMENT FUNDING

- 4.1 The Government was quick to announce direct support to Local Government in the form of a £2.9bn announcement to be paid in the new financial year. This is split into two parts:

- a) **£1.6bn – unringfenced grant** (Tameside to receive £7.675m) to cover costs such as:
- i. Increased demand and costs of adult social care
 - ii. Increased demand and costs of providing children’s social care
 - iii. Additional support for homeless and rough sleepers
 - iv. Support those at higher risk of illness from COVID 19
 - v. Meeting pressures across other services including reduction in income
- b) **£1.3bn – to the NHS via CCGs to support enhanced discharge arrangements.**
This will include providing free out-of-hospital care and support to people discharged from hospital or who would otherwise be admitted into it, for a limited time. This will remove barriers to discharge and transfer between health and social care, and get people out of hospital quicker and back into their homes, community settings or care settings.

4.2 There have been no direct allocations announced yet, but if allocated in a similar way to the £1.6bn, Tameside and Glossop CCG would expect to receive around £6.2m. The guidance at this stage suggests that this will be for community services and not for acute providers, who will be supported separately. The method of receiving this funding is equally unclear at this stage and clarity is being sought.

4.3 This initial funding support, whilst welcomed is insufficient to cover the costs and loss of income that is already known from the Covid 9 closedown

5 COVID 19 – ESTIMATED FINANCIAL IMPLICATIONS

5.1 Members should note the significant value of the care home and home care revenue budgets within the Adult Services directorate relating to this decision.

5.2 The 2020/21 Care Homes gross revenue expenditure budget is £ 30.7 million with a gross income budget (inclusive of client contributions towards care packages) of £ 12.8 million i.e. a net revenue budget of £ 17.9 million.

5.3 The 2020/21 Home Care gross revenue expenditure budget is £ 8.3 million with a gross income budget (again inclusive of client contributions towards care packages) of £ 7.2 million i.e. a net revenue budget of £ 1.1 million.

5.4 At this stage, it is clearly too early to calculate the overall estimated financial impact of the proposals stated within the report, particularly the impact of care packages associated with the urgent discharge or avoidance of admittance to NHS acute provision.

5.5 However, as a guide it is estimated that the weekly cost of ten care home packages, five residential home packages and five nursing home packages at enhanced rates inclusive of the 20% premium will be £ 8,900 per week (at 2020/21 fee rates as stated in **Appendix 1**). Please note that these estimated additional weekly costs relate to packages that exceed the minimum 90% occupancy level guarantee.

5.6 The estimated weekly cost of ten 25 hour home care packages will be £ 4,500 per week (at the 2020/21 hourly fee rate).

5.7 The weekly costs are provided as a guide and to provide awareness of the potential weekly cost implications. It is proposed that all related costs associated with the urgent discharge or avoidance of admittance to NHS acute provision will be funded via the NHS covid 19 allocation estimated at £ 6.2 million as referenced in section 4.2 of the report.

6 RECOMMENDATIONS

6.1 As set out on the front of the report

APPENDIX 1

In-Borough Care Home Rates

2019/2020 Effective From 19 March 2020	Residential & Dementia £	Specialist Dementia £	Nursing only £	Nursing & Dementia £
Current Rates 2019/20				
Standard Rate	517.55	561.63	710.25	754.40
Shared Room Rate	463.15		623.30	
Enhanced	553.77	600.95	759.97	807.21
20% Enhanced Rates 2019/20				
Standard Rate	621.06	673.96	852.30	905.28
Shared Room Rate	555.78		747.96	
Enhanced	664.53	721.13	911.96	968.65

2020/2021 Effective From 1 April 2020	Residential & Dementia £	Specialist Dementia £	Nursing only £	Nursing & Dementia £
Current Rates 2020/21				
Standard Rate	539.02	587.75	735.42	796.68
Shared Room Rate	484.62		648.47	
Enhanced	576.75	628.89	786.90	852.45
20% Enhanced Rates 2020/21				
Standard Rate	646.82	705.30	882.50	956.02
Shared Room Rate	581.54		778.16	
Enhanced	692.10	754.67	944.27	1,022.94

N.B.

The 2020/21 Nursing rates include Funded Nursing Care (FNC) at the 2019/20 rate of £ 165.56 - the rates will be adjusted once the 2020/21 FNC rate has been announced.