From the Permanent Secretary
Sir Chris Wormald

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Rt Hon Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
London
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Sent via email to: pubaccom@parliament.uk

17 May 2021

Dear Chair

PAC HEARING – ADULT SOCIAL CARE MARKETS

Following the Public Accounts Committee Hearing on 19 April 2021 on adult social care markets, we committed to write to you on a few points raised during the proceedings.

1. **In response to the Chair, I agreed to consult with NHS England and write to the Committee on the issue of when a contractor is given an opportunity to run a GP Contract as an Alternative Provider of Medical Services (APMS), specifically covering:**
    a. **How an APMS company can be bought up and run by someone else without oversight by DHSC and the NHS;**
    b. **Whether there is any mechanism to vet the takeover of one company by another, especially if that company is based overseas.**

GP practices in England are commissioned by NHS England to provide primary medical services either under a General Medical Services (GMS) contract, a Personal Medical Services (PMS) agreement, or an Alternate Provider of Medical Services (APMS) contract. Delegated commissioning arrangements, however, provide CCGs with responsibility for the commissioning and contract management on behalf of NHS England. From 1 April 2021 all 106 CCGs have fully delegated responsibilities. Legislation sets out which individuals and companies are eligible to hold these contracts:

- Eligibility to hold a GMS contract is set out at: https://www.legislation.gov.uk/uksi/2015/1862/regulation/5/made.

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- Eligibility to hold a PMS agreement is set out at: https://www.legislation.gov.uk/uksi/2015/1879/regulation/5/made.

- Eligibility to hold an APMS contract is set out at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/923596/The-Alternative-Provider-Medical-Services-Directions-2020-1-Oct-2020.pdf.

Eligibility varies slightly between contract type but there is no distinction in the eligibility or mandatory exclusion criteria between companies registered in the UK and those registered overseas intending to provide services in England.

When it comes to changes in GP partnership the key points are as follows:

- For GMS contractors, changes from individual to partnership (or changes in an existing partnership) are approved subject to eligibility checks that the individual concerned is able to hold the contract.

- For PMS agreements and APMS contracts, commissioners must give their consent as admittance of a new contracting party could give rise to procurement obligations and they may also consider other influencing factors. APMS contracts could also include more restrictive terms on contractor changes.

- Additionally, contracts may be novated from an existing partnership to a limited company, subject to commissioner approval which includes assurance of benefits to patients; appropriate due diligences and agreement may include controls on future changes to the contract holder.

Policy and process for managing such changes are detailed in our policy guidance manual, available at: https://www.england.nhs.uk/publication/primary-medical-care-policy-and-guidance-manual-pgm/.

2. **In response to James Wild, MP and in relation to how prepared LAs are for potential provider failures and the Service Continuity and Care Market Review, Michelle Dyson agreed to write to the Committee on whether any tabletop exercises have been conducted to test contingency plans.**

To confirm, DHSC has not conducted a specific tabletop exercise to test local authority contingency plans. However, as part of the Service Continuity and Care Market Review (SCCMR), conducted in the autumn of 2020, all local authorities were asked what mitigation actions they had put in place to respond to the level of risk in their local care markets over the winter, up to end of March 2021.

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The review was delivered in partnership with the Local Government Association (LGA) and Association of Directors of Adult Social Care (ADASS) and had a 100% return rate from local authorities. Individual local authority responses were collated and reviewed at a regional level and an accompanying regional overview report was also submitted as part of the review, highlighting any regional risk factors. The outcome of the review was a detailed assessment of risks to continuity of care and mitigations in place or planned, across all aspects of the adult social care market over the winter up to end March 2021.

Following on from the review, targeted support was offered and delivered to small number of local authorities facing the greatest levels of risk to assist with strengthening of their mitigation measures and contingency plans. The follow-up found that the SCCMR had itself acted as a prompt to local authorities to assess and strengthen their contingency plans themselves.

In addition, at national level, the Department has a well-established, national contingency plan in place to help coordinate the local, regional and national response in the event of a major adult social care provider failure.

This has been developed with our national partners, including the Care Quality Commission (CQC), the LGA, ADASS and other government departments, over a number of years. It is regularly exercised and tested, most recently in September 2020, and updated to reflect lessons learned.

3. **James Wild MP commented that over a million people are entitled to Carer's Allowance, but 320,000 people do not claim it. He asked what analysis the department has done to understand that and to encourage a much higher uptake. Michelle Dyson agreed to write to the Committee with further detail on what the DWP is doing to monitor and improve the uptake of Carer's Allowance.**

The Department for Work and Pensions (DWP) hold the policy on Carer's Allowance (CA) as part of cross-government work on unpaid carers, led by DHSC. We have spoken with our colleagues in the DWP on the take-up of CA. They highlighted the challenges in accurately estimating the number of people who may be eligible to claim CA but do not do so, and that on that basis they do not estimate such a figure. However, they have ensured information on CA is widely available and that the allowance is easy to claim. They have also advised that they do not recognise the figure quoted by Mr Wild of 320,000 people being entitled to CA but not claiming it.

Turning to take-up first, there are several qualifying conditions that must be met in order for a claimant to receive CA. These include providing care for at least 35 hours a week to a disabled person in receipt of a qualifying benefit; earning less than £128 a week net; and not being in full-time education. There is no basis on which DWP could

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accurately make an assessment on take-up rates given that these and other conditions have to be satisfied to receive CA, and they can only be tested when an actual claim is made.

The evidence does, however, show significant increases in claims for CA. 1 million carers were entitled to CA in 2010/11. By 2025/26 DWP forecasts that this will have increased to just over 1.5 million. Information on CA is widely available, including online through Gov.uk. Organisations supporting carers, and other stakeholders and partners, also make information available on carers' benefits, including CA. CA can be applied for online, and since this option was made available in October 2013 over 1.5 million people have applied that way. Since April 2020, over 90% of CA applications have been made online and over 90% of those customers have said they are happy with the online service.

We remain committed to working together to support unpaid carers, for example, through the cross-government Carers Action Plan. This was an essential step towards realising our commitment to support unpaid carers to provide care as they would wish, and to do so in a way that supports their own health and well-being, employment and other life chances.

4. **Following a question from the Chair, I was asked to write to the Committee with the number of NHS staff who are not able to come to the United Kingdom to work because of COVID-19. The Chair indicated that this follow-up should include detail on:**
   - **Whether DHSC has done any work on this and what the risks are to the NHS as a result of both Brexit and COVID-19;**
   - **Whether the flow of useful groups to the NHS has been cut off as a result of leaving the EU and then further due to COVID-19; and**
   - **What the specific issues are for Spanish Nurses and whether those same issues apply to other countries.**

You asked about recruitment from countries that are on the "red list". This is particularly pertinent at the moment as the Philippines and India have recently been added to the red list, which is where a majority of our overseas nurse supply comes from. These overseas nurses play a critical role in the NHS to support its continued recovery. As a result, any nurse who is coming to England to take up employment in the NHS will be exempt from the requirement to quarantine in a hotel, known as the Managed Quarantine Service. Instead they will be able to quarantine within NHS facilities, arranged by their employer. This exemption came into force at 4am on Friday 23 April 2021, and further guidance is available online.

We have temporarily paused travel for nurses coming to the UK from India, owing to India's high rates of COVID-19 and will review this position at the end of May. This is a short-term issue and we do not anticipate it causing significant problems in the

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medium-to-longer term, as the pipeline of nurses from India, the Philippines, and other markets remains strong.

You also asked me about whether there had been a reduction in flow of staff from overseas due to Brexit or COVID-19. International recruitment levels vary over time depending on demand from the system, but I am pleased to say we have seen very strong inflows of nurses, in particular over the last year. This forms an important contribution to the 50,000 nurses programme and we will be publishing further data on this in the autumn.

As regards recruitment from the EU, figures from December 2020 show that there are over 69,200 Headcount EU nationals (EU27) employed in NHS trusts and CCGs, accounting for 5.2% of the workforce. This is a 13.2% increase of over 10,500 additional members of the workforce since the EU referendum in June 2016.

The issue you raise around Spanish nurses is specific to Spanish-qualified nurses working in the UK who wish to return to practice in Spain. There is an established formal route for UK-qualified nurses to be registered in Spain, and UK-qualified nurses seeking to work in Spain are not affected. In addition, as the UK has made provision for the continuation of automatic recognition routes for EU-qualified nurses, the UK Nursing and Midwifery Council (NMC) continues to register Spanish nurses in the UK without any problems.

During the EU Exit transition period a concern was raised by a small number of provincial Spanish regulators who were unsure whether they would, or could, recognise UK experience as part of their Continuing Professional Development requirements. The NMC has requested that the central oversight body in Spain, the Consejo General de Enfermeria, look into this issue in more detail. There is no indication at this point of similar issues in any other country.

The Government hugely values the EU and EEA nationals that work in the NHS and social care and international recruitment will remain a critical part of growing the workforce in the short to medium term alongside our ambitious plans to boost domestic recruitment.

In order to support routes of recognition for healthcare professionals with EU qualifications the Government has legislated for continuation of the automatic recognition of relevant EU qualifications (including nursing qualifications) for up to 24 months, following the end of the transition period on 31 December 2020. Following this continuation period, healthcare regulators will be able to use existing third country recognition routes to recognise EU qualifications.

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Conclusion

I hope this letter provides useful clarifications on the points raised at the PAC hearing. Thank you for your continued engagement on the important issue of social care, and for giving me and my colleagues the opportunity to present evidence to the Committee.

Yours sincerely,

Chris Wormald

SIR CHRIS WORMALD
PERMANENT SECRETARY