

## Written evidence submitted by Leicestershire County Council [ACS 045]

### Introduction

Leicestershire County Council is responsible for adult social care in Leicestershire. The Council and the people they support are directly affected by the impacts of Covid and the long-term funding, sustainability and stability of adult social care in England.

Our Annual budget in 2021/22 for Adult Social Care in Leicestershire is £240M, which is a substantial investment into the social care economy of the County.

There are 171<sup>1</sup> residential care homes in Leicestershire, comprising 95 residential care homes for older adults, 31 nursing homes and 45 care homes for working age adults. Each year Leicestershire County Council Commissions a total 105,746 hours of Home Care to meet the needs of 2,347 individuals and 2,220 people receive Direct Payments totalling £39M per annum.

### ***1. How has Covid-19 changed the landscape for long-term funding reform of the adult social care sector?***

#### **Challenges**

- Funding providers to cover rapidly increasing costs and cashflow difficulties at the beginning of the pandemic.
- Managing the allocation of Infection Control Fund (ICF) monies to providers. Assigning staff to this additional task for the funding to be allocated in a robust and equitable manner.
- **Working** with providers to meet the additional infection control implications of COVID 19.
- Allocation of PPE to providers, carers and Personal Assistants has taken considerable staffing effort.
- Working with homes who had significant outbreaks to ensure the homes were adequately staffed and ensure further outbreaks did not occur
- Day opportunities were particularly impacted by COVID 19. Much of the in-house and private provision was paused during lockdown.
- Many carers and their cared for have 'isolated' during the pandemic and have been reluctant to access services even where available. Considerable work will need to be undertaken post lockdown to support carers.

#### **Good Practice**

- There has been a partnership approach to support timely hospital discharge with daily briefings to provide system-wide oversight on capacity and risks.
- Multi-agency working groups were established which met on a regular basis to discuss issues such as care home capacity, vaccination roll out and hospital discharge.
- The Volunteer programme in Leicestershire supported by the County Council, district councils, police and the third sector has been successful.

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<sup>1</sup> Care home data correct as of March 2021

- At the beginning of the pandemic the County Council took an innovative approach to supporting social care providers with recruitment. The Council supported providers by offering proactive, tailored and consultative recruitment support to the sector by establishing a fully funded recruitment agency to fast track the supply of quality staff into vacancies.
- A more proactive approach has been taken in communication with providers. Bi-weekly (previously weekly) conference calls take place with providers and 80 bulletins have been produced.
- The Winter Plan was extremely useful in helping pull together the key activities we would be undertaking in partnership to meet the challenges over the winter period and ensure we and our partners could focus resources where they were most required.
- We updated and strengthened our processes and practical offer to providers to help them remain stable or exit the market in a planned manner. The Council uses a variety of options to respond to provider failure depending on the size, vulnerability and risks of a home.

## **The legacy of COVID 19 and longer term funding**

### **Occupancy levels**

There will be issues regarding occupancy and viability of care homes following COVID 19. Vacancy levels have risen by around 10% since the start of the pandemic and are at around 20% currently. Some homes have higher vacancy levels, and this does present a risk to them remaining viable. There may also be a driving up of costs for places as providers try to recover lost income. The Council monitors these homes carefully for indicators of potential risk and offers support to the providers. Smaller providers may be more at risk as they often do not have the financial resources of larger organisations which may cushion against reduced occupancy. Local Authorities will require additional funding to help support providers whilst the sector evolves to meet changing service user requirements.

### **Capacity issues in the Home Care Sector**

In some respects the shift away from residential care has had a positive impact and will enable individuals to live in the community independently for longer. There is already increased demand for home care and some providers are becoming stretched to deliver services. There will need to be a targeted recruitment programme to attract staff into home care which will require the image of the sector to be raised to make it an attractive, flexible career. As individuals delay the need to move into residential care there will also be an increase in substantial and complex packages which will mean that more highly trained staff will be required, and providers will require support to roll out more training.

### **Staff wellbeing**

Providers will need support to cope with the additional pressures around staff wellbeing requirements. Staff in care homes have had to cope with increased mortality amongst residents and higher levels of distress due to lack of visitors, Home care staff have worked to meet the need for increased demand. Providers will need practical and financial support in ensuring they are fully staffed and to put in place enhanced wellbeing provision and incentives.

## **PPE and IPC Support beyond July 2021**

There will still be a need for enhanced infection control measures and increased use of PPE beyond July 2021. Clarity around how providers will be supported to fund this and a longer term approach to any associated grants would be welcomed.

### **Need to look at new ways of delivering in community**

Day Opportunities will look very different post the COVID 19 pandemic. Financial support to help providers diversify to meet changing customer aspirations is required and to increase the supply of Personal Assistants and niche micro-providers to meet the demand for more flexible, personalised services.

### **Support for Carers**

There will be a need for enhanced support for carers who are increasingly feeling the strain of lockdown and restrictions.

## ***2. How should additional funds for the adult social care sector be raised?***

Given the substantial gap between current expenditure and the required level of funding, it seems clear that some form of national investment through general taxation and / or insurance will be required.

General taxation through income tax contributions would appear to provide the most equitable source of revenue, and could be implemented in such a way to as to make it affordable according to ability to pay such as through differential rates to higher earners or through an age-related premium (accounting for existing family costs associated with young families, mortgages and student loans etc)

Additional national insurance may be the most acceptable form of general contribution as it has shown to 'make sense' to the public and is able to be taken at source, as opposed to individual insurance which is likely to be differential and benefit those most able to pay, whilst those who may require the most support may be less able to fund it.

If the above were to be supported by a consideration of floor and ceiling costs (for example a cap on care) then the current policy of state and individual contributions could be maintained, whilst protecting individuals from catastrophic care bills.

Given the body of research and analysis undertaken by the various commissions, royal commissions and reports on the subject (e.g. Dillnot, Barker et al) there is sufficient intelligence and information upon which to make a determination. The question is not how should funding be raised but whether there is a will to do so

The way in which social care is funded makes long term planning difficult. Temporary grants now make up 56% of all Social Care Funding. This makes the Governments strategic intent of "Integration and Innovation" difficult to realise. Much innovative practice being funded as 'pilots' which even if they are found to make a difference can be difficult to roll out or continue due to the time limited funding used to establish them.

A lack of Capital funding specifically for social care also means that Local Authorities have limited resources to play an active role in the social care market by developing or stimulating infrastructure to support alternative care models such as Extra Care facilities or develop new forms of care through digitalisation. The previous removal of the social care capital allocation in favour of additional Disabled facilities grant effectively resulted in dealing with the symptoms rather than the cure and does not provide a strategic approach to social care reform.

Local Authorities have also become increasingly dependent on the Council Tax precept for balancing the social care budget. This again has added to short term funding being used to support services and has led to a post-code lottery with individual council's having to balance need with how much they feel they could add to the council tax bill for local residents alongside the inequity of differential council tax bases.

The recent white paper proposal for BCF funding to be disconnected from the NHS mandate is to be welcomed to address the differential planning cycles within local government and the NHS, however more welcome would be to bring the BCF into the Local Authority base budget so that it could be used as a flexible, longer term fund to support local integration and innovation whilst reducing bureaucracy and increasing local government accountability.

### ***3. How can the adult social care market be stabilised?***

#### **Integration**

Integration across Health and Social care, both locally around place-based initiatives and via integrated care systems (ICSs), bringing together commissioners and providers of NHS services with local authorities and other partners. ICC's will enable partners to plan and manage services that benefit from being considered at a greater scale than can be undertaken at place level will help promote holistic joined up services which will help stabilise the social care market.

#### **Digital innovation**

The pandemic has bought into relief the value and impact that Digital innovation can have on both systems and customer facing interventions. Strategic interventions can avoid cost, increase efficiency, and streamline the relationship between care and health.

Digital maturity assessments of both internal and external care markets should continue, with funding available to develop innovation. Such as:

- Managing demand & the 'front door'.
- Self-service.
- Digitalisation.
- Interoperability with the health sector.
- Help for providers to share information.
- Assistive technology.

### **Recruitment support**

The recruitment and retention of care workers plays a key role in the delivery of quality support. Therefore, care workers need to be viewed as professionals, and their level of pay should reflect the skills needed to undertake this role.

### **Increased Local Authority resource to support providers to diversify/exit market /adapt to new service models**

There will be a period of change once the immediate pressures of the pandemic eases. As previously mentioned there will be higher vacancy rates in our care home market and day opportunities will also need to change to reflect the changing aspirations of their client groups.

Work is underway in Leicestershire to consider the future shape of the care home market. There will always be a need for residential care, although the level of provision may change as homes cannot sustain their present vacancy levels indefinitely.

In case of provider failure specifically within Leicestershire there is a mutual aid agreement where all partners become involved to ensure people are cared for safely. This includes health partners where clinical support may be needed, the CQC and internal direct services in case of additional hands on support being required.

### **Asset based approaches**

Initiatives aimed at developing community resilience and social capital, promoting and supporting wellbeing and independence is not only best for individuals – it is also a cost-effective way of meeting the needs of the population, as more independent individuals typically require less care.

The benefits of community assets are also being recognised at integrated health and social care system level. This was highlighted during Covid with widespread health and social care use of volunteer support and is now coming through in business as usual initiatives for example in the Getting Help in Neighbourhoods pathfinder projects. This is developing community mental health support and services and looking at how to make best use of community assets, support and services alongside, and better integrated with, statutory and other public services.

### **Sustainable, longer term support for the role of the community & voluntary sector**

Closer working relationships with the Community and voluntary sector will open up resources to promote wellbeing and delay the need to access services. This needs to be underpinned by longer term funding mechanisms to allow the Community and voluntary sector to be able to invest and develop in the certainty that they will be funded beyond just one of two year funding agreements.

Support and the development of best practice examples for Local Authorities to develop more flexible and innovative commissioning models to promote partnership working with the Community and voluntary sector would be welcomed to support place based initiatives and an asset based approach to promoting wellbeing. The LGA estimated that for every £1 invested in prevention, more than £7 of benefits, of which £1.90 are financial savings, could be generated.

Community and voluntary sector services help promote wellbeing and social inclusion bringing together people with common interests, to undertake activity, education, and to reduce social isolation. These services also play a valuable role in supporting informal carers and help prevent some people needing social care, by building circles of friendship and support in their communities help those who require long-term care and proactively increasing the independence of individuals.

### **Funding pressures for providers**

There are a number of financial pressures which will require additional support in the medium term:

- Intervention or financial support for providers to meet any increased costs or lack of appropriate business insurance that have emerged as a result of the pandemic.
- Funding to diversify or change business model for residential homes with high vacancy levels.
- Support with staff recruitment.
- Infrastructure to meet increased demand particularly in Home Care, Extra Care and Supported Living as the move from residential care continues.

### **Impact of Self funders**

Areas such as Leicestershire have high levels of self funders, particularly in the residential care market. This has both a positive and negative impact on the sustainability of the social care market. Some providers subsidise Local Authorities fee rates by self-funders and whilst this is of financial advantage to the Local Authority it artificially inflates self-funder costs. If more self funders opt to stay at home longer using wrap around home care, Care Homes could become financially unviable if the Local Authority fees do not increase to meet the shortfall. It is therefore important that Local Authorities are funded sufficiently to pay the full market rate for placements. High numbers of self funders also weaken the role of Local Authorities in shaping the local market as there will be substantial aspects driven by the requirements of those self-funding.

## ***4. How can the adult social care market be incentivised to compete on quality and/or innovation?***

The County Council's engagement with providers suggests that financial incentives help but are not the whole picture. There is just as much need to encourage and share best practice, for example in Leicestershire we run events to showcase what people have done and hold annual Care Awards.

### **Share best practice**

Effective sharing of best practice in a clear and practical way, in particular developing toolkits which could be shaped and used to reflect the needs of local markets would be useful. Funding to allow activities such as work shadowing or study visits to other providers would also help the sharing of best practice.

Funding to continue to look at areas of key strategic interest across regions would also be welcomed as there have been benefits in economies of scale to commission research on areas such as carers or day services collaboratively.

### **Promotion of local pilots**

Funding to support the development of best practice would be useful. For example the County Council has worked with Loughborough University to look at how housing and interior design can be used to support an individual in their dementia journey. Innovation funding to support such initiatives would enable the cutting edge of work at academic institutions be used in provider settings and best practice rolled out.

### **Free / low cost webinars**

One of the key lessons learned from COVID 19 is that the provider sector finds webinars and conference calls much easier to access as they do not involve leaving the office and travel time.

### **Ensuring Local Authority quality teams are adequately resourced**

The role of Local Authorities in supporting quality locally cannot be under estimated. Leicestershire County Council has invested considerable effort in RAG rating our providers so that we can target our effort at the providers in most need. The free 1:1 and tailored support providers obtain from the local authority is invaluable to the long term sustainability of the sector.

Quality issues have a real impact on viability, homes rated inadequate by CQC are at risk due to people being less willing to move into these services.

### **Promoting effective and pro-active Provider relationships**

Information and areas of best practice can be quickly and effectively disseminated via conference calls and bulletins. We have made successful use of these methods to disseminate key messages to providers on issues such as visiting, PPE and vaccination rollout.

### **Help providers offer Social value and benefit from asset-based approaches.**

Support for how we could work with providers to deliver social value and how we could use local and community assets to enhance service delivery.

### **Developing micro – enterprises & business start up**

Support local authorities to help establish and promote new micro providers and business start-ups would enhance the diversity of the provider market place and provide increased choice for Direct Payment holders.

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