



## Report to Healthier Communities and Adult Social Care Scrutiny & Policy Development Committee

**Report of:** John Macilwraith

**Subject:** Care Homes for Older People and Adult Social Care Strategic Review

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**Summary:**

This report describes the work being carried out now and over the next few months around the residential and nursing home sector in the city and how this sits within the context of a broader review. The report is divided into three sections.

Part I – This sets out our approach to reviewing the older people’s care home market in the context of immediate Covid19 pressures and the annual cost of care and fee rate exercise.

Part II– A description of how this sits in the context of a wide ranging strategic review of the Adult Social Care including the care home sector in the city

Part III – Describes briefly the effect of the pandemic on care homes in the city and explains the Council’s response and proposals for future engagement with the sector

**Type of item:** The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	✓
Other	

**The Scrutiny Committee is being asked to:**

- Note the contents of this report and provide views, comments and recommendations.
- Support and contribute to the adult social care review consultation using the links provided on page 8 of this report.

Background Papers: None  
Category of Report: OPEN

## Introduction/Context

This report is divided into three sections which outline the Council's actions and plans in relation to care homes for older people in the city

- 1.1 Care Home Market Review and Cost of Care
- 1.2 Strategic Review of Adult Social Care
- 1.3 Covid-19 and its effect on Care Homes

We are working in very challenging times and we are still unsure about when, if ever, we will return to pre-Covid-19 conditions and "normal" ways of working. A huge amount of time and energy is being spent across the city and within the Council dealing with the immediate issues that we face, not least the safe and effective operation of the care home sector including the stability and viability of individual homes.

We cannot, however, allow ourselves to lose sight of the longer term planning that is needed across the city. Throughout the pandemic, we have been learning a lot about care homes and working closer than ever with the sector. This should put us in a good position to study and analyse the strengths and gaps in the city and establish a clearer view of the current market and how we support it to respond to the current challenges and become fit for the future ambitions for the city.

### **PART I – Care Home Market Review and Cost of Care**

This section outlines the approach of commissioners over the next few months to reviewing the current care home market and fee rates in the context of the Covid19 pandemic and our best understanding of future demand for care. This work is part of our commitment to reviewing the market as set out in the Cabinet Report from March 2020: *"Maintaining a Stable Adult Social Care Market"*. Timescales for this review of the market have been shifted back because of the impact of the pandemic on the market and on the Council but the work is now progressing with input from providers via the Sheffield Care Association and the Care Home Owner Forum. Commissioners are also working with some third party experts in the care home market to look at how they can also add value to the review.

#### **Commissioning Principles: Quality, Diverse, and Sustainable Adult Social Care Market.**

The Care Act enshrines the duty of the local authority to ensure that there is a high quality, diverse and sustainable care home market, sufficient to provide choice to meet people's needs and promote and support their wellbeing.

According to the Act, the scope of care home provision should be diverse and reflect the needs of the population. The intention is that the review of the market and cost of care for older people's care homes will sit within the wider context of ASC Strategic Review (see Part II) and be aligned with the Council's business planning process.

#### **Practice Principles: Independent, Safe and Well**

The work of operational commissioning is in the context of the current social care practice values and principles. These values will be incorporated and reviewed as part of the wider Adult Social Care Strategic Review.

- People feel safe and supported to achieve their full potential
- People are at the centre of our practice

- We intervene at the earliest opportunity
- Our workforce is skilled and supported to do the work that they need to do
- People benefit from high performing, high quality support.

The work of operational commissioning is to ensure that these principles are demonstrated in care homes and that care and support provision in Sheffield (including for self-funders) supports people as far as possible to be independent, safe and well.

### **Challenges Facing the Market**

Last year's fee review (culminating in the Cabinet Report March 2020) highlighted particular challenges facing the care home market and the need for a more in depth review of the market that would include terms and conditions of staff and longer term investment needs of aging care homes. Issues such as fixed cost inflation and collection of service users' contributions were also high on the agenda for providers.

Since then of course, the Covid19 pandemic has impacted significantly on all sectors and raised the profile of the challenges facing local authorities and care home providers. Vacancies are at an all time high and this challenges the assumptions used in financial modelling done by providers and the Council during the fee setting process.

This is an evolving picture with increasing concerns about the likelihood of a second wave as infection rates rise and the intersection with winter pressures, longer term impact of reduced or adapted services on people living at home and their carers and changes in elective surgery and hospital activity in the city.

### **Commissioning Priorities**

Given the complexity of the pressures and challenges facing the care home market in the months since the Fees Cabinet Report in March 202 and commissioners' need to ensure quality of care in the face of huge financial pressures on the Council, the following areas will be the focus of the care home market review over the next 4 months:

- i. Dynamic evaluation of likely short, medium and longer term care home market demand and supply to inform funding through fee rates and the targeting of support to the sector to ensure it is fit for future demand.
- ii. Market analysis and proactive market management and shaping.
- iii. Support for any market exits/contraction that minimises negative impact for vulnerable residents, optimises any suitable opportunities for insourcing of residential care and avoids cumulative significant impact of multiple rapid closures.
- iv. Review of fees in the context of market analysis and Covid-19 driven changes, including options-modelling and an outline proposal of likely fee ranges to inform senior and political decision making on policy options relating to the care market.
- v. Further detailed analysis and consultation with the provider market will be required before fee rates are recommended to Cabinet for approval for 2021/22 by December 2020.
- vi. Continued administration of existing Covid-19 support measures including administration of the recently extended Infection Control Fund, additional costs if deemed necessary and occupancy payments as these continue to taper. Also a monitored inbox for care providers, regular updates and briefings, access to emergency staffing support, regular provider forums and the care home helpline.
- vii. Ongoing contract and performance management, brokerage and quality and risk monitoring and management (core business).

The following two sections set out the approach and timeline for the first two of these priorities:

### **Market Analysis and Proactive Market Management:**

Older people’s care homes (residential and nursing) are the highest area of risk currently in terms of the conditions in the market. A fortnightly dashboard is produced, with input from a range of sources and data, which presents an assessment of the potential risks to viability facing each home in the city. This has highlighted specific care homes that appear to be facing particular challenges across a range of criteria including vacancies, size of home, business model, ownership etc.

The Adult Social Care Strategic Review will address the potential for wider scale transformation across the Adult Social Care system however there is also an immediate need to ensure that the current market is managed and that opportunities for positive change and market shaping are not overlooked in the short term to medium term as described in the Cabinet Report of March 2020. The following approach for care homes is therefore as set out below:

### **Care Home Market and Risk Management**

<p style="text-align: center;"><b><u>Care Home Market Review</u></b></p> <ul style="list-style-type: none"> <li>• Care Home Dashboard</li> <li>• Reviews of Supply and Demand</li> <li>• Work with Public Health and CCG</li> <li>• Consultation with providers/owners</li> <li>• External resource and expertise</li> <li>• Assessment of likely volume and shape of demand</li> <li>• Fee review to inform 21/22 rates</li> </ul>	<p style="text-align: center;"><b><u>Care Home Review and Risk Management</u></b></p> <ul style="list-style-type: none"> <li>• Ongoing Covid19 support via monitored inbox and helpline</li> <li>• Weekly Sit Reps</li> <li>• Quality and risk monitoring with CCG</li> <li>• Regular care home manager meetings jointly with the CCG</li> </ul>
<p style="text-align: center;"><b><u>Focused Development Support for highest risk providers</u></b></p> <ul style="list-style-type: none"> <li>• Fortnightly Meetings with Provider/Owner to track recovery and development plans</li> <li>• Commissioning of independent advice for homes</li> <li>• Joint assessment of risk with Providers/Owners and mitigation options</li> <li>• Support for market exit, transfer or insourcing</li> </ul>	<p style="text-align: center;"><b><u>Development of SCC and CCG Care Home Exit Response</u></b></p> <ul style="list-style-type: none"> <li>• Development of current re-provision process to respond at scale</li> <li>• Impact assessment process</li> <li>• Alternative intervention options e.g. insourcing, take over, change of provision</li> </ul>

## **PART II - Adult Social Care Strategic Review**

### ***Background***

The Adult Social Care Strategic Review was established in June 2020 to look at all aspects of adult social care including the support which is both delivered and commissioned and the systems processes and ways of working which affect and define social care.

There were many reasons for deciding the review was needed and deciding whether it was the right time to do it. The pandemic has meant rapidly responding to many emerging and unknown issues but it has also offered an opportunity to really look at the way we work, review, challenge and take stock and decide if some things are still the right thing to do and sustainable in the longer term.

More specifically however people have told us:-

- The quality of support and their experience and outcomes can vary
- They want more personalised support which helps them live the life they want to live
- They want to be co-creators of the type and design of support
- Providers want to be part of this long term vision and help to shape the sector.

We also know that

- Too many people are still admitted to care homes who could be cared for in the community if the right support was in place.
- The acuity of people in social care is increasing and we need to be able to respond to this
- The care market has been disrupted and we need to stabilise this by setting out our strategic direction
- Our current commissioning strategy is not strategic, creative or bold enough to deliver new solutions for the future

The Covid-19 situation has also brought some opportunities

- Increased innovation, with providers developing different ways of working to meet people's needs
- Some people reporting they have felt liberated by these new ways of working and so we want to look at how we can continue this
- The market has been disrupted so we need to set out what our ambitions are for the future so the market can engage, respond and we can create some sustainability
- We already have a challenge to reduce the number of people going into care homes who don't need them

We need to make the move towards prevention and recent events have highlighted the need to do this swiftly but with consideration.

The overall ambition is to have a city for all ages with equitable access to the right support to help people live the kind of life they want to live. It means being bold and ambitious and sometimes doing very different things (and learning from this) but it may also mean

continuing some of the things that have always been done because it's the right thing to do, they work and people value them.

The strategic intention is to support a shift into prevention and well-being. This means moving away from a crisis intervention model and instead increasing the focus on access to universal services, early help and preventative support.

There are also some opportunities and barriers, we know that recovering from the Covid-19 situation will mean we need to help people affected to regain the confidence to make decisions about their lives and to lead their own recovery but this time has also presented an opportunity to look at things very differently and people have already embraced this.

These proposals have been shared with health colleagues and they are both supportive and committed to assisting with and supporting the review, strategy and its delivery.

### ***Where we are now – The Adult Social Care Strategy***

We are not starting from a zero base. The city already has a wealth of strategies; there is legislation (e.g. the Care Act) and national and international good practice guidance which can be drawn upon to help design the strategy.

From our previous consultations we know people are really interested in what we deliver as a result, the “so what” and therefore the intention is that the strategy will be simple and concise acting as a frame work for the delivery and that the delivery of any change will be co-produced and co-designed.

The format of the strategy will be as follows.

#### a) Vision

We currently have a vision that was co-produced with partners and has been well received. However, the Social Care Institute for Excellence (SCIE) recently released a vision statement for adult social care, this was co-produced with individuals and extensively consulted on, and therefore it is proposed that this becomes the new vision statement which Sheffield should adopt and consult locally on.

***“We all want to live in the place we call home, with the people and things that we love, in communities where we look out for one another doing the things that matter to us”***

#### b) Key principles

Within the current city strategies<sup>1</sup> there are statements about what will be achieved for the people of Sheffield. These have already been consulted on. Many are areas which adult social care could drive and develop and therefore we have developed a set of principles and commitments based on these where we believe Adult Social Care can make a real

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<sup>1</sup> Based on  
Joint Health and Wellbeing Strategy 2019 – 2024  
Shaping Sheffield Place Based Plan 2019 – 2024  
ACP Ageing Well Board priorities 19/20  
South Yorkshire and Bassetlaw – Sustainability and Transformation Plan  
Strategy for Adult Social Care 2019/20  
Adult Social Care change report to Scrutiny March 2019

difference. We intend, as part of the consultation, to ask if we have missed anything really important.

The Principles we are proposing are:-

- Increase our focus on **prevention** - helping people to help themselves and providing support when they need it to maintain or regain skills – a strengths based approach
- Ensure people can **stay at home** for as long as they are able – Care and support shaped around the person, personalised and responsive
- Commissioning for **Outcomes and Quality** – ensuring everyone has a consistent experience and standard of care
- Improve Mental Health and Wellbeing – promoting positive **mental health and wellbeing** and recognising the importance of meaningful social contact
- Sustainable health and care – working together to use the money we have as effectively as possible and valuing the **social care workforce** and the pivotal role they play in helping deliver our vision

#### c) Commitments

The 10 commitments are again drawn from previous strategies and consultations and show the key areas we will focus on, we anticipate delivery of the strategy will sit under these key commitments

1. We will support people to remain as independent as possible without the need for care and support.
2. We will offer regular meaningful support so people can continue to live in their own home for as long as possible
3. We will provide temporary assistance to help people regain some stability and control in their life following a period of ill health or crisis
4. We will provide care and care with accommodation when this is really needed and in a safe and supportive environment that can be called home
5. We will understand what matters to each of the people we work with and enable them to live a meaningful life
6. We will recognise and value the social care workforce and the contribution they make to our city
7. We will help support and maintain a sustainable care market
8. We will ensure the services we buy are of a high quality and as a result improve people's experience of care
9. We will work to improve people's mental wellbeing as well as physical wellbeing
10. We will monitor the strategy and the implementation plan supporting it.

#### d) Key outcome measures

We are starting to develop the key outcomes and indicators to help measure success, this will mean ensuring they are measurable and we have a baseline to measure against; we are also asking people as part of the consultation, to say what they think a good measure would be.

## What next for the Adult Social Care strategy?

The vision, principles and commitments will form stage one of the consultation. We will be asking people to confirm that this is what they have already told us and check that there are no gaps.

Alongside this we will use the consultation to identify people who are interested in working with us on the delivery so that we can engage people from the start.

The consultation will run between 28<sup>th</sup> Sept and 29<sup>th</sup> Nov 2020 and will be available via Citizenspace and other accessible formats where needed, including an audio file and braille

The link to the consultation information is here:-

- public [information leaflet](#),
- or [easy read leaflet](#),
- or on listen or download an [audio reading](#).
- Or visit the Council's Citizen Space [consultation page](#)

The plan is to develop the strategy and gain sign off at Cabinet in April 2021

### Next Steps – the delivery

Alongside the development of the strategy, we are looking at **how** the strategy could be delivered.

Whilst the strategy itself will be “all age”, the delivery will initially focus on the older frailer population.

Commitments 1-4 (above) are linked to the commissioning of care and support but it is expected these will be considered on a much broader and larger scale than has previously been the case. The proposal is to look creatively at new models of support rather than only focussing on the current contracts, so for example rather than looking at home care there will be a commissioning plan looking at care at home and everything a person needs to live safe and well at home.

Other themed areas for the delivery of commissioning plans (subject to consultation) include:-

- universal services – what is and should be available and accessible to all
- resilient communities – how can we encourage, build and support these
- targeted help – what are the interventions and support we can target to keep people independent and well
- crisis and re-ablement – how do we plan and avert crisis and when it does occur how can we respond effectively
- care at home – what do people really need to live safe and well at home
- care with accommodation – when people can no longer stay at home what should be available to support them and what should this look like – current care home provision will be an integral but not exclusive part of this development. This will build on the review of care homes that is described in Part 1 and will be ongoing during the autumn and winter of 2020/21.

Commitments 5-10 are linked to cross cutting areas of work and include all the change processes, systems, training and culture changes that maybe needed.

The timescales for this work are currently being developed.

Governance arrangements are proposed through a programme management approach; this will include external partners in the governance arrangements although the decision making will be via the Adults Improvement Board.

Work is also continuing to look at how the strategy and its delivery links into the budget planning process to aid any changes and shift in investment.

### **What does this mean for the people of Sheffield?**

For the Adult Social Care Strategic Review the likely outcomes for people are:-

- Sheffield is a friendly and inclusive city that enables self-help, supports carers and has a positive impact on people's well-being;
- More people will feel able to access the means to live in their own home with confidence;
- More people are able to regain their independence following a crisis, returning to their own home and the life they want to live;
- More people who need long term support say they are able to access it and people feel safe and supported in their home environment;
- Carers and individuals receiving care and support are actively engaged in how their support improves their quality of life, they are listened to and have a positive experience of the service;
- Staff feel valued, value the impact they have on people's lives and have a defined career pathway;
- Providers will know what services people want and can adapt their business to meet those needs;
- Individuals receive a consistently positive experience of care and support; they feel listened to and in control;
- More people feel their community has a positive impact on their mental health and mental health becomes part of everything we do.

### **PART III – Covid-19 – Impact on care homes and SCC response**

The Covid-19 pandemic has taken a heavy toll on older people's care homes in Sheffield. 349 care home residents have lost their lives to the disease since the pandemic began (almost 1 in 10 of all residents). 44 of the 75 homes for older people have experienced at least one death and the worst affected home lost 27 of its residents.

Alongside the human cost has been the financial effect of the pandemic. The reduction in occupancy caused by the deaths of residents has been exacerbated by a much reduced rate of admissions into care. Despite some recovery, the admission rate of older people is still only half pre-Covid-19 levels. Average occupancy in care homes which is normally around 90-95% fell to 80% at one point and has only recovered to 83% at the time of writing. The worst affected care homes are running with 50% of their beds empty.

The Council has a legal duty under the Care Act to:

*“promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market has a variety of providers to choose from...[and] a variety of high quality services to choose from. “The Local Authority must ...have regard to...the importance of ensuring the sustainability of the market (in circumstances where it is operating effectively as well as in circumstances where it is not)”*

It has therefore been a priority to ensure that the care home market has remained as stable as possible throughout the pandemic. SCC does not have the ultimate say on whether a care home continues to operate, but the uncertainty created by the high level of vacancies led to concerns that one or more homes may decide to close at short notice. Unmanaged or multiple closures would pose risks to those residents needing to move to a new care home in terms of the impact on their wellbeing, location near to family and friends, familiarity of carers and environment but also potentially in exposure to or transmission of Covid-19 as a result of moving homes. There would also be significant impact on Council resources to support short notice closures which require intensive support from social workers, commissioners and advocacy services.

To this end, the Council implemented a range of measures shortly after the pandemic started to support the care home market:

- Infection Control Fund (ICF) – central government asked local authorities to administer a fund to support care providers with infection control measures. 75% of this was ring fenced to care homes which in Sheffield amounted to £4.25m.
- Personal Protective Equipment – there was a national shortage of PPE at the start of the pandemic. The Council implemented a system for provision of free equipment to providers who were struggling sourcing their own. This is still operating.
- Staffing support – in cases where care homes could not provide enough staff to cover essential duties due to illness or self isolation, SCC staff provided cover.

Additional financial support to care homes took three forms:

- A 5% increase to care home fees (March to end of June)
- Payment for SCC funded vacancies arising since the start of the pandemic. This has now tapered to 80% (will be 60% by October Scrutiny) and is anticipated to reduce further in coming months subject to ongoing review. A contingency fund

has been set aside to deal with particularly serious financial issues. This is still operating.

- Payment for additional expenses caused by the pandemic and not covered by the ICF fund. This was only paid to care homes who specifically applied and who could demonstrate they had incurred the additional costs. This is still operating.

In total, the Council has spent over £10m on these financial measures so far, of which £4.2m came from central government for the ICF payments.

### Monitoring Market Conditions

In order to ensure as far as possible that early warning signs of potential provider failure are spotted and that support can be put in place to protect vulnerable residents, the Council has been monitoring the market in a number of ways.

Using data from a variety of courses, each home has been assigned a RAG rating based on factors such as the number of vacancies, the specialism of the home, the location of the home and its size and ownership. This is updated weekly and those with a high risk rating have been monitored more regularly and offered individual discussions with senior Council officers to ensure that all possible support is being accessed by the home.

In addition all homes have been advised that if they are concerned about viability, they should make contact with Council officers to alert them to the situation and to work together where possible to develop recovery plans or achieve safe and managed withdrawals from the market.

Commissioning staff have been talking regularly to owners and finance managers. These conversations have been about viability and how the Council's plans for tapering vacancy support for example might impact on the care home operators and ultimately on the continuity of care for vulnerable residents.

### What are the Providers saying?

Most providers we have spoken to have been satisfied with the Council's support for the sector and say that the support has been helpful. Furthermore, most acknowledge that these can only be temporary measures.

Some providers, when asked about financial stability, have expressed concern about the losses being incurred. At the time of writing, we are working closely with those homes to understand their position and how we can support them. Care homes are however independent providers and we acknowledge that not all operators may openly share commercial concerns about their viability. We continue to encourage providers to talk to us about how they are coping and any plans they have to remodel or make changes to their provision that would affect residents or the volume of care available.

### Future Support and Viability

The Infection Control Fund funding from central government was expected to end in September however the announcement last week of further funds suggests that this will be extended. The details are yet to be confirmed. The Council's local scheme to pay some additional expenses not covered by IPC was extended to September and will be reviewed ongoing.

Even though the vacancy rates are starting to improve very slowly, there are still 29 care homes with vacancy levels above 20%. This number has come down from 35 at the height of the pandemic.

Although the effect of the pandemic appears to have eased at the time of writing, it is likely that any further rise in cases will have some impact on care homes again although death rates may be lower because many frail and vulnerable residents have sadly died during the first wave.

The Covid-19 pandemic has so far caused the earlier than expected deaths of nearly 350 residents and increased vacancies as described above. This has resulted in a current over supply of care home beds. The health and social care system has redoubled its focus on 'home first' principles for people leaving hospital or whose needs have increased in the community. However, further work is required to fully understand how COVID-19 has effected the medium and long term demand. This will be considered as part of the review outlined elsewhere in this paper.

Public opinion and trust in the care home sector is likely to have an impact as well as furlough schemes (now ending) which may have enabled families to care for loved ones for longer at home and avoid a care home admission. However from a longer term demographic analysis of likely demand there is nothing to suggest that the underlying population level demand for residential and nursing care will have reduced permanently – we still have an aging population and the impact for survivors of Covid-19 longer term may yet drive a different demand for nursing and residential homes. In the short term however there is a significant drop in demand.

We may reasonably expect occupancy to gradually increase back to pre-Covid-19 levels based on long term demographic projections, but the current trajectory suggests an incremental pace and the impact of any further increase in cases is unknown. It follows therefore that while the city may expect some exits from the market and some remodelling of provision and 'right sizing' of homes, it would not be advisable to drive a mass or unmanaged contraction of the market in the city.

The emphasis in commissioning of, and support for, care homes is on balancing the risks for the existing vulnerable residents of care homes with the challenges facing the market at a macro level and individual providers and their employees. The responsibility of the local authority is to ensure there is a sustainable, quality and diverse market that meets the needs of people in the city now and in the future. The care home market review this autumn and the longer term Adult Social Care strategic review are the key factors to ensure the Council is able to fulfil this duty.