

Managing the additional support process – October 2020 to March 2021

Southampton City Council is working with care providers in the city to ensure the delivery of high quality services continues in the future. We are currently undertaking an exercise to consider the long term responses required to meet the challenges of COVID-19 and to ensure the care market in the city is robust to face future challenges. This work will help care providers to develop their plans to work in the city and to place their service within the broader context of need within the city.

For the immediate future however, we recognise that care providers may be facing financial difficulties. The council has to strike an appropriate balance between its own needs for financial security and its support for the market.

To this end we have put in place a process to help to support providers at this time of uncertainty and of greater financial costs. This support will be subject to criteria ensuring it is targeted only at those in greatest need and to prevent service failure where there is no other mitigation. The council will place each provider and service in its strategic context and consider a range of approaches that may support the provider, and not just a financial response.

There will be a range of requests from providers. Some will be relatively straight forward, but others will require more work to determine the outcomes and recommendations.

Simple requests include support requested by a provider where evidence of additional costs is supplied and straight forward to analyse. In these cases the role of the Commissioner will be to act as an analyst of costs, verifier of the information, including requesting more details where required. This should result in a formal recommendation that the request be supported.

More detailed process for some providers

In other cases however, the request may be more complicated due to:

- few council clients being funded within the service (fewer than 30% of capacity)
- high vacancy levels in the service
- reduced capacity of the provider
- high cost of provision in relation to similar providers
- a question of excessive profits (over 5% of total income)
- other factors requiring more details analysis.

In this case, a full review of the provider and the service provided locally will be undertaken. This will provide in-depth analysis of the provider, their place in the city, options for working with the provider in the future, and alternatives to any financial support requested. Much of the information regarding this review will already be available to the Commissioner, but other information may require more analysis of data.

Criteria

Who can apply?

Care and support agencies providing a service to vulnerable people in the city of Southampton.

These will need to be:

- Either in receipt of funding from the city council through a grant, contract or framework
- Or
- Providing care services to individuals who are in need of care services but not funded by the city council.

Conditions

The provider is in financial hardship as a result of additional cost pressures due to the COVID-19 pandemic and subsequent regulatory and guidance frameworks. By financial hardship, the provider can evidence sustained financial pressure as a direct result of the COVID-19 outbreaks, and this pressure shows no sign of reducing

And

Failure to provide financial or other support will place the provider at risk of failing, or place the service at risk of closing, where this will place Southampton at risk of losing critical services.

Care providers can request support only for reasonable additional costs incurred as a result of the COVID-19 crisis, which could not have ordinarily been anticipated as part of normal business continuity planning. It is likely these will fall into two main categories - PPE (personal protective equipment) and staffing. If a provider has incurred other additional costs it should submit its case for these alongside the claim.

Requests for support can be made according to the following conditions:

General conditions:

1. These should only be made for additional costs, over and above what could normally have been anticipated as part of business continuity planning, or what might be classed as standard expenditure in order to operate the service.
2. This process does not cover requests for additional care and support that may be required to meet the unmet eligible care and support needs of service users e.g. where the number of hours of care and support have increased for a service user.
3. Requests should include details of other income received to support costs e.g. a Central Government Department scheme, another Local Government scheme, or an NHS or Clinical Commissioning Group scheme.
4. Any request made must be reasonable and evidence based. The Council will carry out financial checks, including through open book account procedures, and reserves the right to undertake retrospective audits. The provider will need to make financial information available to enable this to take place.
5. In any instance where the eventual use of any resource provided cannot be evidenced through expenditure accounts, invoices and receipts, the Council may claw back any payments made as well as considering any further action, as appropriate. Providers must therefore retain all receipts and be able to evidence these in a timely manner when requested.
6. Resources will be prioritised for council clients. Where providers have non-council clients the resource offered may be reduced to account for the greater capacity of non-council clients to fund their own care.
7. The council will consider alternative approaches to supporting providers that do not require direct financial resources. These may include arrangements to secure access to council clients at agreed rates.
8. Any support provided will be time limited.
9. The council will not pay for profit or surplus that a provider may have planned for or be expecting.

Application process

Application received.

An initial screening process will provide basic information on the provider and the request.

Key reasons for requesting support:

- What is the additional support request for:
 - Staff
 - PPE
 - Other equipment
 - Other (to be specified).
- What is the rationale for this request?
- What has changed to prompt a request?
- What steps have been taken to limit these costs?
- How has the additional support from the council to date been utilised?
- What other financial support has been received and how has this been used to date?
- What is the total number of council clients and self-funding clients?

At this stage simple requests for support can result in a recommendation being made, focusing on support for council clients, but ensuring a provider's sustainability is also managed.

Detailed financial work

For providers with below 30% occupancy by SCC clients (care homes) or with high vacancy levels (care homes), or where capacity has reduced significantly recently (home care), or where there is high cost involved with the provision of services a more detailed review is required.

- Using open-book arrangements, determine the provider's current in-year financial position from management accounts and latest balance sheets
 - Consider the position of the specific service and its impact on the wider provider organisation.
- Identify income and expenditure trends over the past 12 months and how those have impacted on the overall financial position.
- Consider actions already taken to reduce any deficit.
- Consider any new actions that may be deployed to help improve the financial situation, this could include if the provider has raised prices to individuals, including the council, to cover increased costs faced.
- Model activity during the next 12 months and the financial position at end of this period.

Commissioning considerations

These considerations will enable a full analysis of the options and approaches available.

Status of provider in the market

- Vacancy levels – current and historical (care homes)
- Access and capacity levels (home care)
- Cost base – charges made for care
- Split of public/private clients

Analysis of market

- Client group served
- Other similar provision available.
- Accessibility of other provision.
- Past demand for services.
- Future expected demand for services.

Potential alternatives to additional payments being made

- Is this mainly a cash-flow problem? What support can be provided to overcome this? If not, then consider:
 - Specific targeting of new clients, if vacancy levels are an issue.
 - Assurance that infection control guidance is being followed appropriately – engage with IPC colleagues.
 - Consider if PPE costs could be lowered by use of alternative supply routes. E.G. could the council purchase and recharge.
 - Consider if staffing costs via use of agencies could be reduced.

If these alternatives still leave the provider in financial difficulty, consider:

- The likelihood the provider will close the service in the city.
- Availability of other providers to meet the needs of clients.
- Issues faced in moving clients if other options are available.
- Long term effect on the market of the loss of the service.

If there is no alternative to financial support

- Consider the most appropriate level of funding required and for how long this may be required.
 - Total cost of support required

Decision and Risk Tool

In order to determine priority for support, and the risks associated with this, the commissioning elements will be measured **no-to very limited benefit** (1) to **key strategic benefit** (4)

The criteria in the tool will be scored to determine the approach to the provider, and what resource - financial, contractual – is required to support the provider.

The risks of not providing support will be built into the model.

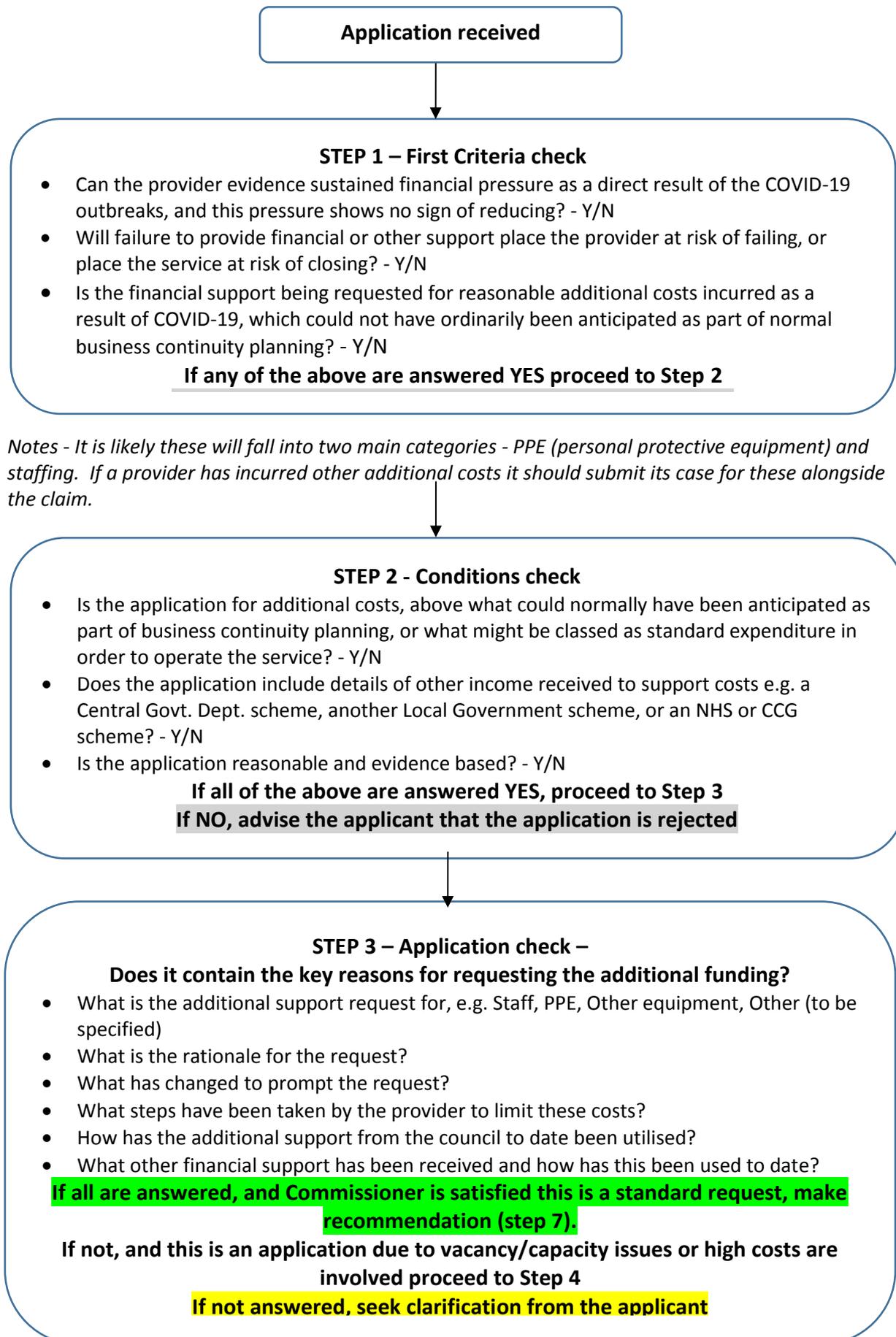
We are currently working with Finance colleagues to model the tool and to consider the outcomes from scores and how this feeds into any decisions to support a provider financially.

If financial support is not to be recommended, does this require the commencement of the Provider Failure Protocol?

Recommendations

Provide report on the above status for the Executive Director Wellbeing (Health and Adults) with the recommended course of action.

Additional Funding – Process Map





STEP 4 – Commissioners to undertake detailed analysis

- Financial checks
- Status of provider
- Analysis of market

If the analysis is complete and satisfactory, and all alternative options have been explored, then a recommendation for support can be made if deemed suitable

If analysis cannot be completed/results are unsatisfactory, proceed to Step 5



STEP 5 - Consider alternatives to additional payments being made

- Specific targeting of new clients, if vacancy levels are an issue.
- Assurance that infection control guidance is being followed appropriately – engage with IPC colleagues.
- Consider if PPE costs could be lowered by use of alternative supply routes. E.G. could the council purchase and recharge?
- Consider if staffing costs via use of agencies could be reduced.

If the alternatives in Step 5 still leave the provider in financial difficulty, proceed to Step 6

Notes - If there is no alternative to financial support

Consider the most appropriate level of funding required and for how long this may be required.

Total cost of support recommended



STEP 6 – Further analysis and consideration:

- The likelihood the provider will close the service in the city.
- Availability of other providers to meet the needs of clients.
- Issues faced in moving clients if other options are available.
- Long term effect on the market of the loss of the service.

Once Step 6 has been considered, proceed to Step 7



STEP 7 - Recommendation

Provide report on the provider's status for the Executive Director Wellbeing (Health and Adults) including recommendation of the best course of action