

Forward Plan reference number: Not applicable

Report title: Repurposing of funding for Adult Social Care: COVID 19	
Report to: Councillor John Spence, Cabinet Member for Health and Adult Social Care	
Report author: Nick Presmeg - Executive Director for Adult Social Care	
Date: 14 April 2020	For: Decision
Enquiries to: Laura Davis-Hughes, Head of Finance - Adult Social Care	
County Divisions affected: All Essex	

1. Purpose of Report

- 1.1 On 3 April 2020 the Leader took a decision (FP/674/04/20) to agree additional funding of £7.4m for adult social care for the purpose of securing 297 beds in two hotels for temporary use as community beds to support discharge from hospitals in Essex (the decision also agreed to use £3.2m from a previous decision (FP/658/03/20) to secure bed capacity giving a total envelope of £10.6m).
- 1.2 This report asks the Cabinet Member to agree that this money can be repurposed to purchase beds in disused care homes rather than in hotels.

2. Recommendation

- 2.1 That the £7.4m which was earmarked from general balances to secure 297 beds in two hotels in Basildon and Brentwood for up to six months be available to spend on purchasing up to 332 beds in care homes which are currently closed/mothballed alongside the £3.2m remaining from the previous bed capacity decision, to also consider live in care as an option alongside care homes.
- 2.2 To agree that the Director of Commissioning, Adult Social Care, may enter into contracts with appropriate providers and related services, to enable these care homes to be operational and receive admissions to meet the demands of discharges from hospitals in Essex.
- 2.3 Agree that the Executive Director, Adult Social Care may decide on extension of the contracts, within the existing funding envelope, so that they can be in place for a total of up to six months.
- 2.4 Agree that the Executive Director, Adult Social Care may make any necessary application to the Care Quality Commission.
- 2.5 Agree that the Executive Director, Adult Social Care will end the arrangements as quickly as possible should they no longer be required.

- 2.6 Agree that a further report be brought back to the Cabinet member should there be a desire to operate any of these homes beyond a period of six months.

3. Summary of Issue

Context

- 3.1 The Leader of the Council took a decision on 3 April (FP/674/04/20) to agree up to £7.4m could be used to fund the purchase of hotel rooms which were required in addition to residential care beds (which the council can purchase in the care market). The decision noted that £3.2m could be used from an earlier decision to purchase bed capacity meaning the total available was £10.6m.
- 3.2 Further work on the suitability of the hotels has taken place, including issues such as consideration of the fire regulations. This has shown that we would have restricted access to the upper floors for those people with mobility issues being discharged from hospital. As such, the number of rooms available for use is felt to be in the 50-70 number, a total of 100-140 for both hotels, rather than the originally anticipated 297 bed availability.
- 3.3 Due to the reduction in the bed availability at these sites, this makes the cost per bed significantly higher, as much of the costs associated with operating these hotels are fixed and therefore spread across a smaller number of available beds.
- 3.4 Based on most recent modelling the Council was advised that in Essex we will, at the peak, need to provide around 900 -1,000 additional beds. That number may well reduce because of the introduction of social distancing measures, but it is likely that we will need more beds than the care home market can provide and there is significant uncertainty about the size of the peak.
- 3.5 Over 560 beds have been secured through the care home market to date but further availability is limited and alternative, dedicated settings could be better suited to help manage the challenges over this time, the option of live in care would also be explored to consider the value for money of this when compared to the disused care homes.
- 3.6 Whilst the hotels were still considered an option, it is now considerably less favourable from a value for money view and will not address the numbers of beds required to meet peak demand. A further option is now being pursued which is to use a number care homes, that have recently been mothballed/closed. There are care homes which are still equipped and are easier to adapt for care home purposes to meet our requirements, as they have more specialist equipment and furnishings more suited to use as a setting to provide care.

- 3.7 There are a number of care homes which have closed recently, and which would be able to be reopened relatively easily. If the recommendations in this report are approved we would, on a phased basis, only purchase these beds in care homes, which are of a reasonable standard and fully equipped or can be equipped more cheaply than hotel accommodation. The Council will be working with CCGs on identifying and securing appropriate sites that could be brought online quickly. It may be that through this joint working, in some cases, CCGs are the ones who secure the premises and the lease and ECC only arranges the care staff. This will be considered case by case, but if CCGs do enter arrangements instead of or with us that will reduce the over all draw required against the funding in this decision. Ultimately both parties would plan to recoup this spend from the same central government funding stream.
- 3.8 Essex Cares Limited (ECL) remain able to mobilise to manage at least one of the care homes. The Council would then look for ECL or another provider to be able to operate the other care homes, in the coming weeks, as the demand and modelling become clearer. It is anticipated with the work required to mobilise the care homes, the first facility will be open within 3 weeks if the Council or the CCG is able to secure a site that is ready to mobilise. Other sites may take longer if there is more work required to make them ready to mobilise i.e. if any fixtures and fittings need repair. Indicative costs have been set out within the financial implications but will not be known with precision until we source and agree prices for all the elements required to make these sites operational. The Council is committed to staying within this funding envelope and so if costs are higher than suggested within the financial implications it will mean that less beds can be secured.
- 3.9 Staffing of these sites will be a challenge and will be based on making maximum use of staff redeployed from other contracts i.e. Day Centres and maximum use of the Essex Welfare Scheme, other recruitment opportunities, as well as the Council's own volunteer and redeployment scheme. The sites may well require some Occupational Therapists and Community Nurses and the Project Manager will work with our Community Health Providers on this matter.
- 3.10 It is proposed that the contracts will be for a short term, however, negotiations with these homes has not yet started and so we do not know currently what terms will be accepted by those owners. We will only commit to using a site once it becomes clear that its capacity will be needed. The demand for this capacity will need to be frequently reviewed so that the contract can be ended if it is not required for the full six months.

4 Reason for Using Urgency Powers

- 4.1 The Department Health and Social Care (DHSC) wrote to councils on 19 March and set out a £1.3bn fund to support discharge from hospital, suggesting the fund be held by CCGs and commissioned by Local Authorities. It is expected that Central Government will therefore support costs outlined in this report. ECC and CCG colleagues are working through guidance to make

arrangements to claim back costs incurred due to hospital discharge during this time, these facilities will be used to support hospital discharge and so the cost of them should be claimed against that fund. This claim will be monthly and retrospective. Given the urgency of the need to support social care providers and the NHS, in the interim, the Council, will cover costs by use of the Council's General Balance.

- 4.2 The specific need for urgency here is driven by the need to have time to get the site operational before hospitals reach their predicted peak leading to a peak in community beds of between end of April and mid-May. At this stage, therefore, sanction is required to enter into contract for the premises both to secure the accommodation as stated, and to give preparation time so that the accommodation can start being used as soon as possible.
- 4.3 The preparation time is needed to put in place arrangements for catering, equipment, PPE, cleaning, care technology, staff rotas/ratios and then sourcing of staff, potential training of volunteers and more that may arise during this time of preparation. There are a number of scenarios to consider in relation to cost and to what extent costs can be mitigated through use of community volunteering and redeployed staff from other parts of the Council and other Council contracts.
- 4.4 Everything will be done to make best use of this staffing and volunteer base to reduce the additional cost. This detail needs to be developed through the project resource but there are risks that will continue to be worked through and mitigated after the decision is taken which include; ability to access supplies, ability to access staffing and transport.

5. Financial Implications

- 5.1 This decision is being proposed within the existing agreed financial envelope from prior decisions and therefore there would be no new cost implications from this decision.
- 5.2 The costs that will be incurred in the preparation of these homes will be similar to those that were set out in the previous hotels decision (FP/674/04/20) i.e. the Council will still need to source PPE, Equipment and care technology as well as agree arrangements for catering, cleaning and staffing.
- 5.3 The total cost of securing and setting up the two hotels was expected to be £10.6m for the maximum six-month level, and the costs of setting up and running these care homes will be contained within that envelope. This would be funded by £3.2m of funding from the initial decision relating to residential accommodation and £7.4m agreed for hotel use.
- 5.4 Given the Council has so far spent our efforts in developing the case for hotels the financial implications of reinstating closed care homes are less known. The start up and running costs will be similar but a rate per room for each home still needs to be negotiated with homeowners. At this stage the Council is unable to

confirm how many beds it can secure for this value. Early indications are however, that it will be a similar amount to that set out in the previous decision relating to hotels. Costs will be tracked carefully to ensure that committed expenditure does not exceed the agreed funding, and if it is determined that additional financial resource is required, a further decision paper will be written.

- 5.5 This option reduces, if not removes, the risk of cost involved in the requirement to return the site to its original condition and the inability to know what that would cost at the end of this period, given the sites are ones that originated as care facilities and will be used as care facilities.
- 5.6 These sites are likely to already be set up with the correct beds and equipment, given their previous use, and this will reduce the cost of and need to purchase such items ahead of opening the sites.
- 5.7 It is recognised that there may be additional costs, including capital, that are required to ensure some homes are fully operational. This may be incurred through a one-off charge or recouped by the owners as part of the price per room over the contract period.
- 5.8 If other plans that are currently being explored under the first residential accommodation decision are not secured this will mean further funding is released from that decision reducing the requirement on this funding.
- 5.9 There is a risk that early commitment to these plans results in the purchase of beds that are not all needed straight away. However, the predicted peak requirement is three to six weeks away and there is a lead-in time between securing sites and getting them ready for use with resources needing to be sourced prior to this; protective wear, catering and staffing to be a few. Based on current knowledge the Council may find sourcing all elements a challenge during this time.
- 5.10 It is not known exactly how many people will be discharged from hospital over the period and for how long they will need to stay in beds but based on current information and working with Essex CCGs to look at demand, the modelling has estimated the 900 – 1,000 bed requirement. This will be constantly reviewed over the coming weeks and months and if social distancing is successful to the point where demand reduces or delays, then the Council will give notice on these arrangements within the contractual period.
- 5.11 The Government has made it clear that it will provide emergency funding for social care. Some of this funding has already been allocated, some of this funding will be held within the NHS and arrangements for the Council to access this fund are being worked through with our CCG colleagues. This decision is being made to support discharge from hospital and so it is expected that the costs incurred within this decision will be funded through the DHSC funds via CCGs. This decision sets out the total expected cost, but some of the provision may be delivered and paid for jointly with CCGs, both parties will be claiming costs be funded against the same pool of money and will work together on this best way to carry out this claim process.

- 5.12 It is essential that ECC makes emergency funds available in the interim and hereby the call on General Balance is recommended. The expectation is that the General Balance will be replenished from the emergency funds made available by Government in the short term to ensure resilience for other areas.
- 5.13 The short-term nature of the proposed arrangements means there is a risk that when these homes need to be vacated at the end of the tenancy that adults needing to be moved may have on-going care needs or require a new intermediate care package be put in place, which could be at a premium cost due to urgency and availability.
- 5.12 There is a significant risk to ASC budgets, longer term, that a number of people placed in this intermediate care provision will go on to need long-term care in a residential setting. To minimise the impact on future budgets, discussions will be required with CCGs regarding any ongoing commitment for these residents, possibly under a dowry-type arrangement.

Table 1

Item	Description	Budget Requirement	Comments
Contracts for the exclusive use of care homes	There are several mothballed care homes and extra care living sites within Essex that are being explored.	£3.2m - £3.7m	Negotiations with owners regarding use of these sites and cost needs to be undertaken once this decision is made. However, indications from early conversations and knowledge of the market provide an indicative requirement.
PPE required	Based on 7,700 items of various PPE per day, 54,000 items per week. For all staff within settings. Includes delivery costs & import tax Assumes all patients are symptomatic and PPE is needed. This may not be the case which will reduce the cost requirement.	£440k - £500k	Based on initial 2 weeks of higher cost sourcing, and assumption that national supply will catch up and become available after that point. The Council still needs to confirm with partners and CQC what type of hospital discharge this setting will be used for, this assumes it will include COVID positive people, if it doesn't then this cost will be reduced/not needed.
Staffing of sites	Assumes ECL can staff some of this provision and where other providers are used that their costs will be similar to those put forward to us by ECL. Staff would mainly come from redeployment from day opportunities, ECLs clinical team, bank staff and new recruits.	£5.5m - £6.4m	Do not foresee that this is fully additional cost as some of these staff will already be being paid for through other contracts. Others are new to us as they were previously working in the self-funders market and will incur cost. We may need to allow for some expenses for volunteers, people relocated and new agency staff/recruits but believe we can reduce this cost once project work starts. The upper range assumes a core rota of up to 130 staff on each day across multiple sites with a total of 200 staff working to cover the weekly rota. These assumptions are based on 4 care home sites of varying size.
Equipment	Assumes a level of equipment per room with delivery costs	£119k - £135k	Delivery costs, hoists, slings, slide sheets and patient turners

			It is thought that some of these homes should already be set up with equipment and therefore will reduce the need to incur costs. The Council is assuming that profiling beds will no longer be needed as settings should already be suitably furnished.
Care technology	This includes kit such as falls detection, chair occupancy alarms and enuresis sensors for 25% of the rooms.	£53k - £70k	The needs mix of people in these beds will need to be known to determine a more precise figure for this.
Catering	Assumption made that caterers need to be sourced, sites should come with catering facilities, but staff and supplies will be needed.	£390k - £450k	Assumes £8 per bed per day in line with cost of care model. This still needs sourcing to secure it at this price and the volume is as yet unknown. As these are hoped to be phased costs (i.e. not all sites go live at the same time) that should reduce this element of spend.
Contracted out services	i.e. Linen, cleaning, clinical waste, project management, site inspection surveys	£320k - £370k	Some of these costs may be mitigated by inclusion within the room rate however we need to confirm i.e. that linen and cleaning are to infection control standards. If not these will also need to be contracted out. We will also consider staff and contractor redeployment for these services before engaging in new contracts as volunteers could reduce the costs here.
CQC registration	Fee for up to 4 sites of mixed bed number	£38k - £44k	
		£10.1M - £11.7M	Range due to uncertainty but based on equivalent number of beds as original hotel decision.
Remaining funds from decision FP-658-03-20		(£3.2M)	
Additional requirement		TOTAL £6.9M - £8.5M	Total cost cannot exceed decision value of £7.4m – total bed numbers would need to be reduced accordingly and/or costs phased where possible, or else additional funding requested to cover the shortfall.

6 Legal Implications

- 6.1 The proposals in this report may involve entering into new contracts above the threshold of £615,278 applying to such contracts. These will not be able to be tendered given the urgency of the situation. This is allowed by regulation 32(2)(c) of the Public Contracts Regulations 2015 which allows the direct award of contracts when it is not possible to meet the time limits involved in a competitive tender because there is extreme urgency as a result of events unforeseeable by the contracting authority; words which suit the current situation. The Crown Commercial Service, part of central government which advises on these matters, considers that regulation 32 applies to urgent procurement necessitated by the emergency.
- 6.2 The procurement of care services and management and cleaning and catering services will be needed as well and given the speed at which this all needs to be done, regulation 32 is likely to apply to those procurements too.
- 6.3 Contracts with Essex Cares Limited are out of scope of the Public Contracts Regulations 2015 since ECL is owned by the Council and is otherwise within the scope of regulation 12.
- 6.3 The provision of care is regulated by the Care Quality Commission. A care home is defined as a place where care is provided together with accommodation. A residential care home must be registered as such before it can operate, and there must be a registered manager. Where care is provided other than in a residential care setting, the provider of care is required to be registered. It will be important that any necessary consents are in place before the accommodation operates.

7 Equality and Diversity Implications

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief,

gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

- 7.3 The recommendations in this report are designed to ensure that the Council meets the need of social care users, most of whom are disabled. In view of the urgency of this decision a full equality impact assessment has not been undertaken but we do not believe that there will be a significant adverse impact on any people with a protected characteristic.

8. List of Appendices

None

9. List of Background Papers

None

I approve the recommendations set out above for the reasons set out in the report.	Date
Councillor John Spence - Cabinet Member Health and Adult Social Care	16.04.19

In consultation with:

Role	Date
Executive Director for Adult Social Care	
Nick Presmeg	16.04.20
Executive Director for Finance and Technology (S151 Officer)	
Nicole Wood	15.04.20
Director, Legal and Assurance (Monitoring Officer)	
Paul Turner	15 April 20

Exemption from call in

I agree that it is in the best interests of the Council for this decision to be implemented urgently and therefore this decision is not subject to call in (paragraph 20.15(xix) of the constitution applies).

Councillor Mike Mackrory – Chairman of the Corporate Policy and Scrutiny Committee
Dated: 16 April 2020