



Essex County Council

## Cabinet

<b>10:15</b>	<b>Tuesday, 21 March 2023</b>	<b>Council Chamber County Hall, Chelmsford, CM1 1QH</b>
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**For information about the meeting please ask for:**

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### **Essex County Council and Committees Information**

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## Pages

### \* Meeting Arrangements

In accordance with paragraph 14.7 of the Council's Constitution, the Leader has agreed that all members may take part in the meeting and vote if they are present via Zoom. The link to the Zoom meeting has been sent to members separately. Members of the public may watch on YouTube and there will of course be the normal public access to the meeting room in County Hall, from which any member of the public may observe the meeting and make representations.

1	<b>Membership, apologies, substitutions and declarations of interest</b>	6 - 6
2	<b>Minutes: 21 February 2023</b>	7 - 14

**3 Questions from the public**

A period of up to 15 minutes will be allowed for members of the public to ask questions or make representations on any item on the agenda for this meeting. No statement or question shall be longer than three minutes and speakers will be timed.

On arrival, and before the start of the meeting, please register with the Democratic Services Officer.

**4 Proposed Extension of Contract - Essex Child and Family Wellbeing Service (FP/555/11/22) 15 - 35**

The Equality Comprehensive Impact Assessment is available [online](#) - please scroll to bottom of page.

**5 Recommissioning of Short Breaks Provision for Children with Disabilities (FP/032/02/23) 36 - 96**

The Equality Comprehensive Impact Assessment is available [online](#) - please scroll to bottom of page.

**6 Essex Adult Social Care Market Sustainability Plan (FP/014/01/23) 97 - 147**

The Equality Comprehensive Impact Assessment is available [online](#) - please scroll to bottom of page.

**7 Working Age and Older Adults Care and Support Provision Uplifts (FP/024/01/23) 148 - 156**

The Equality Comprehensive Impact Assessment is available [online](#) - please scroll to bottom of page.

**8 Public Health Accelerator (PHAB) Grants Programme (FP/573/11/22) 157 - 181**

The Equality Comprehensive Impact Assessment is available [online](#) - please scroll to bottom of page.

**9 Update to the Social Value Policy - amendment to the ECC Themes and Outcomes (TOMS) (FP/040/02/23) 182 - 207**

The Equality Comprehensive Impact Assessment is available [online](#) - please scroll to bottom of page.

**10 Essex Housing Development LLP Annual Delivery Plan 2023/24 (FP/590/12/22) 208 - 215**

The Equality Comprehensive Impact Assessment is available [online](#) - please scroll to bottom of page.

**11 Decisions taken by or in consultation with Cabinet Members (FP/045/02/23) 216 - 217**

**12 Date of next meeting**

To note that the next meeting of the Cabinet will take place at 10.15am on Tuesday 18 April in the Council Chamber at County Hall, Chelmsford, CM1 1QH.

**13 Urgent Business**

To consider any matter which in the opinion of the Chairman should be considered in public by reason of special circumstances (to be specified) as a matter of urgency.

**Exempt Items**

(During consideration of these items the meeting is not likely to be open to the press and public)

The following items of business have not been published on the grounds that they involve the likely disclosure of exempt information falling within Part I of Schedule 12A of the Local Government Act 1972. Members are asked to consider whether or not the press and public should be excluded during the consideration of these items. If so it will be necessary for the meeting to pass a formal resolution:

**That the press and public are excluded from the meeting during the consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information falling within Schedule 12A to the Local Government Act 1972, the specific paragraph(s) of Schedule 12A engaged being set out in the report or appendix relating to that item of business.**

**14 Confidential Appendix - Essex Housing Annual Delivery Plan (FP/590/12/22)**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

**15 Urgent Exempt Business**

To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency.

**Committee:** Cabinet

**Enquiries to:** Emma Tombs, Democratic Services Manager  
[Emma.tombs@essex.gov.uk](mailto:Emma.tombs@essex.gov.uk)

**Membership, Apologies, Substitutions and Declarations of Interest**

**Recommendations:**

To note:

1. Membership as shown below
2. Apologies and substitutions
3. Declarations of interest to be made by Members in accordance with the Members' Code of Conduct

**Membership**

(Quorum: 3)

Cllr Kevin Bentley  
Cllr Louise McKinlay

Cllr Tony Ball

Cllr Malcolm Buckley  
Cllr Graham Butland  
Cllr Beverley Egan  
Cllr Lee Scott  
Cllr John Spence  
Cllr Lesley Wagland  
Cllr Chris Whitbread

**Portfolio**

Leader of the Council (Chairman)  
Deputy Leader and Community, Equality, Partnerships  
and Performance (Vice-Chairman)  
Education Excellence, Life Long Learning and  
Employability  
Waste Reduction and Recycling  
Devolution, the Arts, Heritage and Culture  
Children's Services and Early Years  
Highways Maintenance and Sustainable Transport  
Adult Social Care and Health  
Economic Renewal, Infrastructure and Planning  
Finance, Resources and Corporate Affairs

**Minutes of a meeting of the Cabinet that took place in the Council Chamber at County Hall at 10.15am on Tuesday 21 February 2023**

**Present:**

<b>Councillor</b>	<b>Cabinet Member Responsibility</b>
Cllr Kevin Bentley	Leader of the Council (Chairman)
Cllr Malcolm Buckley	Waste Reduction and Recycling
Cllr Graham Butland	Devolution, the Arts, Heritage and Culture
Cllr Beverley Egan	Children's Services and Early Years
Cllr Lee Scott	Highways Maintenance and Sustainable Transport
Cllr John Spence	Health and Adult Social Care
Cllr Lesley Wagland	Economic Renewal, Infrastructure and Planning
Cllr Chris Whitbread	Finance, Resources and Corporate Affairs

Cllrs Mark Durham, Ivan Henderson, Mark Platt, Peter Schwier, Laureen Shaw, Andrew Sheldon, Derrick Louis and Mike Mackrory were also present. Cllr Chris Pond attended remotely, via Zoom.

**1. Membership, Apologies, Substitutions and Declarations of Interest.**

The report of Membership, Apologies and Declarations was received and the following were noted:

1. There had been no changes of membership since the last meeting.
2. Apologies for absence had been received from Cllrs Tony Ball, Cabinet Member for Education Excellence, Lifelong Learning and Employability, Louise McKinlay, Deputy Leader and Cabinet Member for Community, Equality, Partnerships and Performance, and David King Deputy Leader of the Liberal Democrat Group.
3. There were no declarations of interest.

**2. Minutes: 17 January 2023**

The Minutes of the previous meeting, held on 17 January 2023, were approved as a correct record and signed by the Chairman.

**3. Questions from the public**

None.

#### **4. Greater Essex Devolution (FP/012/01/23)**

The Cabinet's approval was sought to endorse the submission of an expression of interest to Government to begin the process of negotiating a deal in support of the greater devolution of powers from central government. The Leader of the Council and the Cabinet Member for Devolution, the Arts, Heritage and Culture responded to questions from Councillors Mackrory, Henderson and Pond in respect of:

- The origins of the funding available and whether this represented new money being made available;
- The time period over which funding would be made available;
- The plans for Shire Hall in Chelmsford;
- The models for Mayoral precepting;
- Southend-on-Sea City Council's opposition to the directly elected mayoral form of governance and whether unanimous approval was needed from all three top tier authorities;
- The importance of maximising employment opportunities within our existing offshore infrastructure;
- The timing of the process and whether it was linked to a possible general election;
- The overall objectives of Devolution and what the perceived benefits would be;
- The impact of any possible local government reorganisation.

#### **Resolved:**

1. Agreed that the Council should submit an expression of interest to Government to begin the process of negotiating a devolution deal in the form set out in Appendix 1 to report FP/012/01/23.
2. Agreed that the Chief Executive may make amendments to the Expression of Interest attached as Appendix 2 to report FP/012/01/23 prior to its submission to Government after consulting the Leader of the Council.

#### **5. Approval to place 2023/24 contractual task orders with Ringway Jacobs for values of £2m and over (FP/568/11/22)**

The Cabinet considered a report seeking approval for the issue of task orders likely to exceed £2m to Ringway Jacobs for the 2023/24 financial year.

The Cabinet Member for Highways Maintenance and Sustainable Transport responded to questions from Councillors Mackrory and Henderson in respect of the reduction to capital investment in carriageways and which carriageways would not be resurfaced as a result. A written response would also be provided to Councillor Mackrory on the detail of proposals for cycling infrastructure within the Bunnywalks in Chelmsford.



**Resolved:**

1. Agreed that the Director Highways and Transportation may issue the task orders to Ringway Jacobs as outlined in Table 1 of Appendix 1 to report FP/568/11/22, after taking legal advice about the form and content of the task orders.
2. Agreed that the Cabinet Member for Highways Maintenance and Sustainable Transport may change the work to be undertaken under the task orders.

**6. Procurement of trainers, venues and a booking system for the delivery of the National Driver Offender Retraining Scheme (NDORS) (FP/588/12/22)**

The Cabinet considered a report seeking its approval to set up a Dynamic Purchasing System (DPS) for the creation of a catalogue of trainers to deliver National Driver Offender Retraining Scheme (NDORS) courses and to procure a four-year multi-supplier framework for NDORS training venues in Essex. Approval was also sought to call-off a two year contract for an online booking system following expiry of the existing agreement in April 2023.

The Cabinet Member for Highways Maintenance and Sustainable Transport responded to a question from Councillor Mackrory regarding the quality monitoring of the courses in operation.

**Resolved:**

1. Agreed to set up a Dynamic Purchasing System (“DPS”) for a period of 5 years and the possibility of extension for a further 5 years extension for the following education and training courses under the National Driver Offender Retraining Scheme (NDORS):
  - NDORS Theory Courses
  - NDORS Practical Courses
  - Non NDORS (All schemes of work outside of the judicial system, e.g., elder driver) Theory
  - Non NDORS – Practical
2. Agreed that the Director, Highways and Transport is authorised to agree the terms of the contract and appoint operators to the DPS following completion of the procurement process.
3. Agreed to procure a four year, multi supplier framework for NDORS training venues in Essex, Southend and Thurrock in the following lots:
  - Lot 1 – Uttlesford and Braintree
  - Lot 2 – Colchester and Tendring
  - Lot 3 – Harlow and Epping Forest

- Lot 4 – Chelmsford and Maldon
  - Lot 5 - Brentwood and Basildon
  - Lot 6 - Rochford, Castle Point and Southend
  - Lot 7 – Thurrock
4. Agreed that the above Framework will be procured using the open procedure with the high-level evaluation criteria evaluating 30% price and 70% quality.
  5. Agreed that the Director, Highways and Transport is authorised to agree the detailed evaluation criteria for the procurement of the DPS and the framework for NDORS training venues.
  6. Agreed that the Cabinet Member, Highways Maintenance and Sustainable Transport is authorised to award the contracts to the successful bidders following completion of the procurement process of the Framework for NDORS training venues
  7. Agreed to call off a two-year contract for an online bookings system (with the option to extend for up to 12 months on two occasions) using the mini-competition process through the G-Cloud 13 Framework Agreement at a total value of £172,800 including VAT.
  8. Agreed that the Director, Highways and Transport is authorised to award the contract for the online bookings service to the successful bidder following completion of the mini-competition process.
- 7. Procurement of accommodation-based support for people with mental health needs (FP/ 595/12/22)**

The Cabinet considered a report seeking its agreement to go out to the market to secure a provider for a new model of supported accommodation for people with mental health needs. The service would cover those parts of Mid and South Essex falling within the County Council's boundaries.

The Cabinet Member for Health and Social Care responded to a comment from Councillor Henderson in respect of the Council's aim to prevent people with mental health needs having to go outside Essex for treatment and care. A written answer would also be provided to Councillor Mackrory in respect of the type of accommodation to be provided and whether the Public Health grant had been advised and the possible impact on other initiatives given £600,000 of grant funding was required for accommodation-based support.

**Resolved:**

1. Agreed to undertake two competitive procurement processes using the open procedure to procure providers of Mental Health Supported Accommodation Services across Mid and South Essex as follows:

Procurement 1 – Intensive Assessment Beds and Complex Needs

- Intensive Assessment Beds (9 units in Mid and South Essex)
- Complex needs (18 units in Mid and South Essex)

Procurement 2 – High, Medium and Low Provision

- High, Medium and Low Mid Essex area (67 units total)
- High, Medium and Low South Essex area (101 units total)

2. Agreed that the high-level evaluation criteria for the procurements will be 40% price and 60% quality with 10% of the quality score assessing social value.
3. Agreed that the new contracts for High, Medium and Low Provision will commence in October 2023 with a duration of four years, with a budget envelope of £12.8m over the life of the contract split between the Council (£7.4m) and the Mid and South Essex Integrated Commissioning Board (£5.4m).
4. Agreed that the new contracts for Intensive Assessment Beds and Complex Needs will commence in April 2024 with a duration of three years and six months, with a budget envelope of £5.8m over the life of the contract split between the Council (£3.3m) and the Mid and South Essex Integrated Commissioning Board (£2.4m).
5. Agreed that the Cabinet Member for Health and Adult Social Care may award the contracts referred to in paragraphs 2.3 and 2.4 above following completion of the procurement process and once the relevant s256 agreements referred to in paragraph 2.6 below are in place.
6. Agreed to enter into two s256 Agreements with the Mid and South Essex Integrated Care Board (ICB) for the purposes of commissioning the Mental Health Supported Accommodation services referred to in this report.
7. Agreed that the Executive Director, Adult Social Care is authorised to agree the terms of the two s256 Agreements with the Mid and South Essex Integrated Care Board.

**8. Annual review of the Live at Home Framework 2023-24 (FP/597/12/22)**

The Cabinet received a report seeing approval to undertake the Annual Review Process of the Live at Home framework and proposing increases of up to 14.6% to the rates paid to domiciliary care providers on the framework.

The Cabinet Member for Adult Social Care and Health responded to a question from Councillor Henderson in respect of the Council's ability to monitor care workers' working conditions.

**Resolved:**

1. Agreed that the Live at Home Framework will not be opened to new providers for 2023 but that pricing will re-open to enable providers currently on the framework to submit new prices based on the matrices set out in Appendix A to report FP/597/12/22, which represent an 11.8%-14.6% increase in the rates.
2. Agreed to uplift existing packages of domiciliary care (excluding night sleep and 24 hour live-in care) with effect from 2 April 2023 so that:
  - (a) Packages provided under the framework are increased by £2.84 per hour (including consolidation of the £1.12 per hour temporary uplift approved in October 2022); and
  - (b) Packages not provided under the framework will be uplifted to £22.32 per hour if they are currently less than that.
3. Agreed to allow eligible providers on the older people, mental health and physical/sensory impairment live a home framework who are not currently classified as a 'tier 1 provider' to apply to become a tier 1 provider, enabling them to be considered a priority for new packages.
4. Agreed to make payments to backdate any increases to providers to 2 April 2023.
5. Agreed that the Executive Director of Adult Social Care will make the decisions on the new ranked lists resulting from the above changes.

**9. Residential and nursing placements annual fee uplift 2023-34 (FP/009/01/23)**

The Cabinet received a report seeking its approval to undertake the annual review process of the Integrated Residential and Nursing (IRN) Framework, and also for a proposed price uplift approach for existing and new residential and nursing placements for older people through the IRN Framework. The report proposed uplifts in rates of 8% to be paid to residential care home providers on the IRN Framework and significant uplifts of 20% to residential homes with nursing.

The Cabinet Member for Adult Social Care and Health responded to a question from Councillor Henderson regarding the impact of increased charges for care packages on those residents who paid for care in full and what would happen if this was unaffordable.

**Resolved:**

1. Agreed to reopen the Integrated Residential and Nursing (IRN) Framework to new homes and to allow providers of the current homes on the IRN Framework to vary their price point using the price matrix at Appendix A to report FP/09/01/23, which is an increase of each price by:
  - 8% for residential care, with new minimum rate of £647.57 per week.
  - 20% for residential care with nursing, with new minimum rate of £796.46 per week.
2. Noted that, alongside the above change there will also be an increase in the number of price bands available for:
  - Residential without nursing by two bands for Castle Point and Rochford ; and
  - Residential with nursing by four bands in Basildon, Brentwood, Castle Point, Rochford and Southend.
3. Agreed that IRN Framework placements made between 1 April 2023 and 31 May 2023 will be made at the Provider's current rate uplifted by 8% for residential and 20% for nursing, with the rate transitioning to the Provider's new rate on 1 June 2023.
4. Agreed that the new ranking and prices will apply to placements made after 1 June 2023.
5. Agreed to vary the exceptional needs payment for current and future approved placements via the IRN Framework from £80.01 to £140.00 per week with effect from 1 April 2023.
6. Agreed to increase the weekly rate of all existing care home placements in place on 31 March 2023 delivered via the IRN Framework Agreement by 8% for residential without nursing, and by 20% with nursing, capped at the new maximum framework rates of £746.27 per week for residential and £1,009.40 per week for nursing placements and increase placements on the IRN Framework which are currently below the new minimum rate of £647.57 for residential and £796.46 for nursing to the new minimum, with effect from 1 April 2023.

**10. Decisions taken by or in consultation with Cabinet Members (FP/006/01/23)**

The report was noted.

**11. Dates of future meetings**

Agreed to note:

1. That the next meeting of the Cabinet will take place at 10.15am on Tuesday 21 March 2023.
2. That the meeting of the Cabinet originally scheduled for Tuesday 17 October 2023 will now take place on Tuesday 10 October at 10.15am

(Both meetings to take place in the Council Chamber at County Hall, Chelmsford, CM1 1QH.)

**12. Urgent business**

There was no urgent business.

There being no further business, the meeting closed at 11.13am.

Forward Plan reference number: FP/555/11/22

<b>Report title: Proposed Extension of Contract: Essex Child and Family Wellbeing Service</b>	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Councillor Beverley Egan, Cabinet Member for Children’s Services and Early Years and Councillor John Spence, Cabinet Member for Adult Social Care and Health	
<b>Date:</b> 21 March 2023	<b>For:</b> Decision
<b>Enquiries to:</b> Christopher Martin - Director, Strategic Commissioning & Policy <a href="mailto:chris.martin2@essex.gov.uk">chris.martin2@essex.gov.uk</a> or Lucy Wightman – Director, Wellbeing, Public Health and Communities <a href="mailto:lucy.wightman@essex.gov.uk">lucy.wightman@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

## 1. Everyone’s Essex

- 1.1 Our ambition is that we will work to strengthen family resilience and stability, as part of thriving communities, by embedding an approach that tackles the drivers of family instability and provides support to low income, vulnerable and working families.
- 1.2 The Essex Child and Family Wellbeing Service (ECFWS) contract will ensure that Essex residents most at risk of not achieving good wellbeing and early learning outcomes continue to benefit from targeted tailored support
- 1.3 ECC has created a ‘service without walls’ which enables services to be taken out into the community as well to deliver local support either in family homes or local venues that parents were already accessing, rather than relying on parents to travel to buildings that were either not necessarily convenient for them to travel to or were a barrier in them accessing support.
- 1.4 Specific outcomes delivered via the ECFWS contract include increasing family resilience, reducing the number of children who are not school ready, helping children and families feel safe and improving children’s emotional wellbeing and supporting the levelling up outcomes for families by focusing on those demonstrating poorer wellbeing outcomes. All of which supports the strategic aim for making Essex a good place for children and their families to grow.
- 1.5 The existing contract is deemed by councillors and officers alike to have been highly successful. By extending the contract to the maximum 3 years allowed, we ensure continued working with a proven provider and this is deemed preferable to going out to market at this stage. But over the coming months, work will begin on identifying the nature of the contract we will require from 2027

## 2 Recommendations

- 2.1 Agree to extend the pre-birth to 19 contract with HCRG Care Limited by three years from 1 April 2024 to 31 April 2027.
- 2.2 Agree to implement a three-year extension and vary the contract to allow for an increased contract price of £95.943m over 3 years, effective from 1 April 2024 to 31 March 2027. This is a net increase of £5.256m, to provide additional capacity in the service to deal with unforeseeable impacts of demand created by the number of refugees in Essex and the impact of the pandemic upon some young children.
- 2.3 Note that although this increase does not affect the budget for 2023-24 it will exceed the indicative budget figures included in the Council's Medium Term Resource Strategy by £2.256m over this period, therefore increasing the overall budget gap and that the Children and Families Service will seek to find funding to address the budget pressure created by this decision to bring overall budgets back in line with the MTRS.

### **3 Background and Proposal**

- 3.1 The current Essex Child and Family Wellbeing Service contract was awarded on 1 April 2017 for seven years until 31 March 2024 and included an option to extend for an additional three years up to 31 March 2027.
- 3.2 This contract combines the previously separately ECC commissioned services of 0-19 years Public Health services and 0-5 years Children's Centres services. Also included as part of this contract are the West Essex children's therapy services. This means that Hertfordshire and West Essex ICB, as the successor to West Essex CCG, commissions this contract jointly with ECC.
- 3.3 This means that the ability of the Hertfordshire and West Essex ICB to continue to commission their children's therapy services in the current way is reliant on ECC agreeing to extend this contract for an additional 3 years.
  - 3.3.1 Bringing these services together into a pre-birth to 19 family hub model was a direct result of intensive research and deep dive into children and families' experiences of the support system across Essex, which highlighted a need for better join up between services, for families to tell their story only once, to reduce social isolation of families, and to have access to a consistent practitioner who could help them navigate a complex system of services. Following a collaboration of working with partners across the Essex early years system to create an outcomes-based specification, a robust procurement process was undertaken and the contract was awarded to Virgin Care (now known as HCRG Care Limited (HCRG) and commenced on 1 April 2017.
  - 3.3.2 The combining of multiple services into this one integrated service secured an initial saving of £2.5 million at the start of the contract, at a flat rate for the duration of the contract with no annual uplift to the contract price.



- 3.4 On 1 December 2021, Virgin Care Limited changed its name to HCRG Care Limited following a change of ownership.
- 3.5 During the duration of this contract, ECC has had contact and visits with over 30 Local Authorities, previous Childrens Ministers, Dept of Health Chief Childrens Nurse, Royal College of Paediatrics and Child Health and other national organisations to see this outcomes based integrated service in practice. The Department for Education commissioned ECORY to undertake an independent national review of five Local Authority commissioned children's community services and described Essex's service integration and outcomes focus as a 'mature model'.
- 3.6 As a result of the ECFWS contract, ECC is also starting to develop methodology with the Local Government Association to put children and family outcomes discussion on a national stage.
- 3.7 During discussions with the provider relating to the extension of this contract, the changes being proposed are focused on continuing to optimise the total resource available, to reflect the increased caseload complexity. These include:
- Changes to the skills mix and the requirement to have higher qualification and experience level practitioners, which increases the cost of the workforce.
  - Fast-tracking the investment into a digital platform front door, to offer virtual bespoke support to families.

These changes optimise the service delivery to be as efficient as possible to provide required services, whilst reflecting the increased case complexity

- 3.8 Since the HCRG contract was awarded on 1 April 2017, there have been significant unforeseen events which could not have been foreseen at the start of this contract, which have created significant additional need and significant additional caseload pressure. These are set out in more detail in the following paragraphs, but include the covid pandemic, post pandemic emotional wellbeing and family impact of post pandemic clinical implications, including long covid, cost of living crisis, refugees and asylum-seeking families, and high need out of area families housed in office blocks converted to accommodation since 2018. As well as the impact of covid on families themselves, covid has disrupted the availability of support services to children and families, reducing face to face contacts with professionals, as well as considerable disruption to social interaction with other children and families. This requires considerably more resource and a certain level of professional expertise well above and beyond the requirements of a typical caseload profile.

### **Increase in Number of Refugee Families, Children and Unaccompanied Minors**

- 3.9 Due to the numbers of refugees and asylum seekers arriving in the UK and a shortage of accommodation, the government have been housing them in hotels.

As a result, there has been a significant increase in the number of refugee families and unaccompanied minors being housed in Essex since 2019. This has continued to increase and more hotels across the County are being opened to provide accommodation for these families and young people. The demand further increased during 2022 following the Ukrainian conflict, where families were placed with 'host' families. We do not know how long families will remain. . Some of these families require a lot of intense support to enable them to access services as they are not used to the UK's health service.

- 3.10 It is not possible to accurately quantify total and cumulative effects of all these various unforeseen events, but by way of example intensive support is being provided to 352 refugee families in refugee hotels alone, not including Ukrainian families in private residences, and 155 high need families in former office block accommodation. To support these families, the provider has needed to redeploy staff to prioritise this work which is causing staffing pressures which at present the provider is absorbing. The table in paragraph 3.15 shows the cumulative impact of this for the contract extension period.

### **Out of area families being housed in converted office blocks**

- 3.11 In 2018 we saw the first group of office blocks being converted to house out of area families in West Essex. Since this time, there has been an increase in office blocks being converted across Essex to provide housing for mainly out of area families, further impacting the service HCRG are providing causing an unplanned population increase that could not have been calculated as part of the original bid offer or contract. Due to the location of the office blocks being away from local amenities, these families tend to be isolated and vulnerable, often with multiple complex needs. This has increased the number of child protection meetings attended and levels of intense support required to keep these families safe. The table in 3.16 shows the projected cumulative impact of this for the contract extension period.

### **Support for SEND Families**

- 3.12 During the Covid 19 pandemic, the provider workforce continued to provide a full service, within the guidelines dictated by NHS England. As requested by ECC, they did not redeploy any of their front line staff who were providing a service to children, families and young people.
- 3.13 However, all of the other health providers across Essex did redeploy their workforce, resulting in waiting lists for children's services being closed and an inability, therefore for the provider to refer any child/young person for services such as speech and language support, ADHD and ASD assessments, hearing and vision concerns or fine/gross motors issues. These services are now being re-instated, albeit slowly and with very long waiting lists. This has led to the provider being left holding many more families on the SEND pathway, who would otherwise be receiving a service elsewhere. These families require significant support to navigate the health system and benefits system resulting in more team around the family meetings being needed to support these families and ensure

they are getting the right support for all agencies involved. The table in 3.16 shows the projected cumulative impact of this for the contract extension period

### **Increased complexity in caseload, including schools readiness impact**

3.14 Population wide pandemic implications include the fact that babies born during the pandemic have missed out on the variety of social interaction and stimuli which babies born before the pandemic will have experienced. Academic research from a number of sources, and internal ECC reports on school readiness, have highlighted that this considerable disruption is likely to have had an impact on emotional and social development of young children, particularly delays in language and cognitive development which in turn is impacting upon reduced school readiness. The impact of parental stress and mental health problems also poses serious risks to children's later development, including increased risk of poor emotional wellbeing, depression and anxiety in later life. Essex service providers, including schools have also reported that impact of lockdowns and cessation of social interactions of older children and families is also manifested in a much increased caseload requiring support to address poor emotional wellbeing. Presentations to the service include:

- longer, more complex contacts, for extended periods of time for such programmes of support from ECFWS.
- increased referrals required by colleagues to other partners to get the most appropriate level of support needed for families
- increased expectation and requests from other services within the system, to support their own depleted workforce and increased pressures. For example, specialist services requesting repeat assessments due to length of time children and young people have been on waiting lists for higher intervention support
- more children, young people and families with increasing levels of anxiety and dysregulation post pandemic. Dysregulated parents make children feel unsafe and for some children/young people it can actually mean they are unsafe, leading to issues with domestic abuse, poor school attendance, increased demand for parental support, increased behaviour issues and neurodiversity presentation and family relationship breakdown

3.15 Because it is difficult to quantify the total impact of unforeseen caseload complexity, overall population growth has also been factored in to projected service demand, recognising that there are post pandemic service demands which have created service pressures at large population level, such as post pandemic poor mental health. This means that the increasing population is likely to have greater need than if Covid, or other world events, had not happened. Under these circumstances it would be expected that the provider would absorb basic population increase as part of usual contract provision. The table in 3.16 shows the cumulative impact of this for the contract extension period

3.16 The demand on which staffing pressures are calculated, are based on current known demand in February 2023 and represents a prudent estimate for 2024/25 to 2026/27. Demand is likely to increase, not just in terms of volume and is not one off, and will have a cumulative effect as per the table below:

	2024/25	2025/26	2026/27	Total
	£000	£000	£000	£000
Refugee Families, Children, unaccompanied Minors and Ukrainian Families	816	906	1,005	2,727
Out of area families housed in office blocks	604	670	744	2,018
Support for SEND families	437	485	539	1,462
Increased complexity in PB19 service	506	562	624	1,691
<b>Total Demand Increase</b>	<b>2,363</b>	<b>2,623</b>	<b>2,912</b>	<b>7,898</b>

It is expected that, following joint work with commissioners, HCRG will continue to contain the additional unforeseen demand pressures in the final year of the current contract period pre extension (2023/24).

- 3.17 Whilst every effort has been made by the provider to deploy resource based on relative need, the sheer scale and complexity of need, combined with the requirement for mandated universal support, has meant that the current contract financial envelope is insufficient to discharge the commissioned services and deliver the necessary wellbeing support, across the prebirth to 19 spectrum that the contract is designed to do.
- 3.18 The provider's workforce transformation to maximise the skills mix available to provide more effective and affordable staffing options has absorbed these challenges for the past few years, but the compound effect of these unforeseen pressures, including covid, post covid, holding many more families on a SEND pathway due to long waiting list for referrals, who would otherwise be receiving a service elsewhere. and refugee and asylum seeker workloads, along with the recent and ongoing cost of living crisis, mean that this is now unsustainable within the current resource.
- 3.19 Discussions with HCRG on how to manage this considerable and unforeseen increase in caseload complexity have increased the overall risk for the caseload, because of an increasing number of higher need children and families. This has resulted in a more complex and intensive support being required For example, a considerable increase in numbers presenting with poor emotional wellbeing need, and high need refugee families.
- 3.20 Providing additional funding, by increasing the contract value for the three year extension period, will ensure that the intense level of support needed for the families affected by the unforeseen circumstances set out above, will continue and also ensure that all of the original service specification support will continue to be offered, including the healthy child programme mandated checks and children's centre services. The additional funding is needed to increase overall capacity to support low level need and thereby further release of more specialist resource to focus on the increased in high end and intensive caseload. It is envisaged that this will be achieved in a number of ways:
- Increasing the qualification and experience level of the workforce to ensure that the right level of expertise is available within the contract to meet the

increased complexity of the caseloads. This in turn increases the cost of the delivery the service

- Supporting training and recruitment of additional staff, for example working with Essex Universities to grow overall capacity of the workforce with an envisaged 20% increase in support for low level need. This will enable greater focus by of higher qualified staff that have the skills and experience to support more complex need within the families and communities, including holding waiting lists of children who should be being transferred onto other specialist services. This work is being planned with other parts of the Essex wide children and young people system, and there are interdependencies with other agencies. For example, the work that the provider is doing with the emotional wellbeing board to grow low level emotional wellbeing support.
- Incentives to retain existing staff who are managing large and complex caseloads, who have only seen an increase in caseload since the covid pandemic and other pressures.
- Further development of enhanced digital support for relatively low level need to enable families to seek information, advice and guidance to support their needs and therefore freeing up staff time.
- Further development of a community asset based approach which maximises support available at hyper local level, in addition to professional support.

3.21 The additional funding is to maintain the levels of service required in the face of the increased demand and caseload complexity. Not having this increased funding would risk delivery of mandated service provision. The contract price not being increased to reflect the additional service pressures will lead to the provider having to re-prioritise services to the community groups referenced previously due to their vulnerabilities and lead to a significant reduction in support available to the wider community. This in turn will impair the ability to provide support to those who need it whilst fulfilling the Council's statutory duties for the mandated checks and associated children's centre service.

3.22 The Council has worked closely with the provider to maximise capacity and optimally deploy skill mix, but further investment is now required in order to provide the necessary support to children and families. Due diligence has been undertaken to get the best balance between the continued need for a universal service, changing demand profile and a finite resource envelope. The provider has undertaken a service review and as a result of this has identified they are able to contribute £881,000 per year to the increased demand pressures for the three year contract extension. This report proposes a further £1m annual funding will also be applied from the Public Health Grant which is awarded each year, thus reducing the financial impact on the Council. The detail of the funding is set out in section 6.

3.23 The service reviews undertaken by the provider seek to minimise the financial impact of the unforeseeable pressures they are facing but they do not change the service, present any risks to the delivery of any of the Local Authority statutory responsibilities discharged through this contract or trigger any requirement for consultation through change of use to Childrens Centres.

3.24 It is therefore proposed to agree a three-year contract extension with HCRG on a capped, increased contract price to reflect the increased caseload complexity set out above.

## **4 Links to our Strategic Ambitions**

4.1 This report links to the following aims in the Essex Vision:

- Provide an equal foundation for every child
- Strengthen communities through participation
- Connect us to each other and the world

4.2 This report links to the following ECC strategic priorities:

- Help keep vulnerable children safer and enable them to fulfil their potential
- Improve the health of people in Essex
- Help to secure stronger, safer and more neighbourly communities
- Health wellbeing and independence for all ages
- A good place for children and families to grow

4.3 Approving the recommendations in this report will have the following impact on the Council's ambition to be net carbon neutral by 2030:

4.4 By continuing to offer local services, this will ensure families will not be required to drive far to access support

## **5 Options**

**5.1 Option 1 - continue with the current provider for the three-year contract extension period at an increased contract price of £95.943m over 3 years (2024/25 – 2026/27) – recommended.**

5.1.1 Ensures service delivery continues for remaining 3 years of the contract at a set price for extension period. The contract is performing well in terms of satisfaction with the services

**5.2 Option 2 – continue with the current provider for the three-year contract extension period at the original contract price of £90.687m (2024/25 – 2026/27) not recommended**

5.2.1 This option would not adequately cover the resources pressures the provider is currently facing, due to the increased caseload complexity. Although we have the right to extend the contract, the provider can serve a counter notice terminating it. It is unknown whether or not they would do so but it represents a significant risk. This, in turn would lead to the need to run a full procurement to seek a new provider from April 2024. The advantage of this option is that the provider may not decide to terminate, and if they do terminate the 'no fault' termination payment would not apply.

**5.3 Option 3 - Not extend the contract with the current provider and re-procure the services – not recommended**

5.3.1 If no notice of extension is given by 31 March 2023 the contract will end on 31 March 2024 and we would have to undertake a new tender process to procure the services.

5.3.2 The services could be reprocured, however considering pressures such as inflation, demographic complexities of children, families and young people the service offer would be likely to need to be significantly reduced or the budget increased in order to secure bids.

5.3.3 This option would lead to additional costs and time pressures being incurred by ECC, as well as leaving ECC liable to pay the provider a no-fault termination cost.

5.3.4 The Hertfordshire and West Essex ICB West Essex element of the contract would be affected by this option.

**5.4 Option 3 – Exit the contract and not extend for the 3 years – not recommended**

5.4.1 Issue the required 12 month notice period to the current provider by 1 April 2023 for the contract to end on 31 March 2024

5.4.2 This option would mean a significant loss of service to children and families across Essex and would mean that ECC would not be compliant with fulfilling its statutory duties.

5.4.3 The Hertfordshire and West Essex ICB West Essex element of the contract would be affected by this option

**5.5 Option 4 – Exit the current contract and only re-procure agreed elements of the services – not recommended**

5.5.1 Issue the required 12 month notice period to the current provider by 1 April 2023 for the contract to end on 31 March 2024 and advertise individual services.

5.5.2 It would be difficult to effectively disaggregate the current integrated offer, including premise, staffing details, which has been built upon for the last 6 years of the contract to be able to tender as separate lots.

5.5.3 Delivering statutory services in isolation would result in a breakdown of the service offer framework, on which the contract was predicated.

5.5.4 Bidder would price to cover unknown costs, which would result in the procurement being too expensive.

5.5.5 The Hertfordshire and West Essex ICB West Essex element of the contract would be affected by this option.

## 5.6 Option 5 – bring the contract and associated workforce inhouse to the Council – not recommended

5.6.1 Due to the fact the majority of the workforce in this contract are on NHS terms and conditions, it is highly likely and desirable that any new employer would need to be registered with the Care Quality Commission (CQC). The Council are not CQC registered for this service, and achieving registration is a lengthy and complex process.

## 6 Financial implications

6.1 The current Essex Child and Family Wellbeing Service contract (contract number PB19 HWFS 0169) was awarded on 1 April 2017 for seven years until 31 March 2024 at a total cost to ECC of £210.845m. In addition, there is a Local Incentive Scheme whereby the achievement of key performance indicators and specific outcome measures trigger an additional payment over and above the £210.845m totalling £7.661m, which to date have been fully achieved. In addition to these there is also the West Essex ICB contribution of £31.472m.

6.2 The table below sets out the spend for years 1-7 and also includes, for completeness, the element of the contract with West Essex Clinical Commissioning Group (WECCG) now the Hertfordshire and West Essex ICB:

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Yrs 1-7
	£m	£m	£m	£m	£m	£m	£m	£m
<b>ECC</b>	31.479	30.063	30.218	29.810	29.655	29.810	29.810	<b>210.845</b>
<b>West Essex ICB</b>	4.202	4.354	4.479	4.621	4.604	4.606	4.606	<b>31.472</b>
	<b>35.681</b>	<b>34.417</b>	<b>34.697</b>	<b>34.431</b>	<b>34.259</b>	<b>34.416</b>	<b>34.416</b>	<b>242.317</b>
<b>ECC KPI</b>	0.000	1.421	1.100	1.246	1.402	1.246	1.246	<b>7.661</b>

6.3 In relation to the Services commissioned by West Essex ICB the expected annual contract is updated in accordance with the most recent published NHS inflator, deflator and efficiency savings as published each year by NHS

6.4 The contract is funded 80% Public Health Grant, from the Department of Health and Social Care, with the remaining balance and key performance indicators funded from ECC base budget (for 2022/23: £23.983m Public Health Grant and £7.073m ECC base budget).

6.5 Included in the contract is an option to extend for an additional three years up to 31 March 2027. This recommendation, as per option 1, is to agree to implement the three-year extension in line with the 'provision to extend clause', within the current Essex Child and Family Wellbeing Service contract, effective from 1 April 2024 to 31 March 2027.



6.6 Option 1 is also recommending an uplift to the original contract price by a cumulative net £5.256m to reflect the unprecedented demand that the contract is now experiencing from an increase in caseload complexity, population growth and refugee and asylum seekers. The updated contract price will total a cumulative £95.943m for ECC across 2024/25 to 2026/27, whilst the Council's Medium Term Resource Strategy (MTRS) anticipates a budget requirement of £90.687m.

6.7 The Hertfordshire and West Essex ICB values have again been included for completeness. The table summarises the proposed spend for years 8-10.

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>	<b>Yrs 8-10</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Original Contract cost	30.229	30.229	30.229	<b>90.687</b>
Demand Increase	2.363	2.623	2.912	<b>7.898</b>
HCRG Cost Review	(0.881)	(0.881)	(0.881)	<b>(2.642)</b>
<b>ECC Updated Contract cost</b>	<b>31.712</b>	<b>31.972</b>	<b>32.260</b>	<b>95.943</b>
West Essex ICB	4.606	4.606	4.606	13.818
	<b>36.318</b>	<b>36.578</b>	<b>36.866</b>	<b>109.761</b>
KPI	1.264	1.264	1.264	3.792

6.8 The incentivised key performance indicators and specific outcome measures will continue in this extension, which if achieved trigger an additional cumulative payment totalling £3.792m. This sum is budgeted for within the MTRS.

6.9 The demand increase of £7.898m will in part be mitigated through service reviews identified by HCRG of £881,000 per year, therefore reducing the total cost pressure by £2.642m. These reviews are not expected to have any impact on the statutory service delivery of the contract. A £1m annual funding contribution will also be applied from the Public Health Grant which the authority is awarded from the Department of Health and Social Care, further reducing the total cost pressure by £3m.

6.10 The cost and funding mitigations covered in 6.9 do not fully offset the financial impact of the demand pressure and there is a residual cumulative pressure of £2.256m that will need to be added to the authority's Medium Term Resource Strategy 2024/25 to 2026/27, effectively increasing the authority's funding gap. The distribution of the budget pressure is set out in the table below. This will have to be addressed as part of 2024/25 budget setting.

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>	<b>Yrs 8-10</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Original Contract cost	30.229	30.229	30.229	90.687
Demand Increase	2.363	2.623	2.912	7.898
HCRG cost review	(0.881)	(0.881)	(0.881)	(2.642)

Updated Contract cost	31.712	31.972	32.260	95.943
Net increase cost of contract	1.483	1.743	2.031	5.256
Funded:				
Public Health Grant	1.000	1.000	1.000	3.000
Pressure to be added to MTRS	0.483	0.743	1.031	2.256
Total	1.483	1.743	2.031	5.256

## 7 Legal implications

- 7.1 The contract was let for an initial seven year period which expires on 31 March 2024. There is a clear term which allows it to be extended for three further years, but at least one year's notice has to be given.
- 7.2 The legal risks with this report come not with the extension, but with the proposed changes to the contracts which are also proposed.
- 7.3 Regulation 72 of the Public Contracts Regulations 2015 provides that a contract may be varied, in this case to increase the contract price. The contract was awarded on a fixed price basis and we would expect the contractor to honour that price. However, the wholly unforeseeable increase in demand from refugees and in the impact of the pandemic on the lack of school readiness is putting a strain on those services meaning that an increased number of more expensive employees are needed.
- 7.4 The variation will not change the nature of the contract which will remain a fixed price contract with no additional funding due for any reason and the increase in contract price is very low compared to the overall value of the contract.
- 7.5 The interpretation of regulation 72 can be uncertain as there is limited case law and any variation to a contract involves some risk of challenge. That said if a court is satisfied of the unforeseeability of the pressures we should succeed.

## 8 Equality and Diversity Considerations

- 8.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- 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
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

- 8.2 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).
- 8.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. The request to increase the budget for this contract will address any negative impacts on service users caused by increased case load complexities by ensuring there is sufficient funding to continue to provide these services.

## **9 List of Appendices**

Appendix A – ECFWS Outcome Measures

Appendix B – Case for contract extension - How has the Essex Child and Family Wellbeing Service performed?

Appendix C – Equalities Comprehensive Impact Assessment

## **10 List of Background Papers**

None

# Achieving better outcomes for our families

## Essex County Council PB19 Outcome Measures

<p><b>Children &amp; young people (CYP) feel safe</b></p> <p><b>1</b></p> <p>Children or young people who require additional support in order to feel safer after support</p>	<p><b>Parents feel their CYP are safe</b></p> <p><b>2</b></p> <p>Parents/carers who require additional support in order to feel their children and young people are safer after support</p>	<p><b>Identified risks to children's safety are removed / mitigated</b></p> <p><b>3</b></p> <p>CYP identified following assessment including referrals by other agencies as having a risk to safety brought to safeguarding supervision where the risk is then removed or mitigated</p>	<p><b>All children are ready for school</b></p> <p><b>4</b></p> <p>Families with children under 5 years old who require evidence based parenting support to improve parenting behaviours post support/intervention</p> <p><b>5</b></p> <p>Children aged 2 – 3 years old who require additional support to help them achieve an age appropriate level of development in advance of starting school</p> <p><b>6</b></p> <p>FEED2 children who require additional support to help them achieve an age appropriate level of development in advance of starting school</p>		
<p><b>All mothers have good emotional well-being in the perinatal period</b></p> <p><b>7</b></p> <p>Mothers assessed and identified with an emotional wellbeing need who require additional support to improve emotional wellbeing in the perinatal period following support</p> <p><b>8</b></p> <p>Primary care givers with a child/ren on a Child Protection Plan require additional support to improve emotional wellbeing following support</p>		<p><b>Children and young people make positive lifestyle choices</b></p> <p><b>9</b></p> <p>Secondary school age children and young people who require additional support to make more positive lifestyle choices after support</p> <p><b>10</b></p> <p>Children in families in most deprived quintile overweight at Year R who return to healthy weight at Year 6 measurement</p> <p><b>11</b></p> <p>Teenage mothers (antenatal and/or teenage mothers) who require additional support to make more positive lifestyle choices following support</p> <p><b>12</b></p> <p>MONITORING KPI Number and % of schools with healthy schools enhanced status who have demonstrated improvement against baseline</p>			

# Achieving better outcomes for our families

## Essex County Council PB19 Outcome Measures

### All children are supported to be ready for the next stage of life by 19 years of age

**13**

Young people who require additional support to help them become more ready for the next stage of life in advance of turning 19

**14**

Young people identified as SEND (with or without an EHCP) aged 14+ years who require additional support to help them become more ready for the next stage of life in advance of turning 19

**15**

Young people who are looked after aged 14 - 18 in receipt of RHA who require additional support to help them become more ready for the next stage of life in advance of turning 19

### All CYP have good emotional wellbeing

**16**

School age children and young people identified by ECFWS who require support to improve their emotional well-being

**17**

School age children and young people identified by ECFWS as a young carer who require support to improve their emotional well-being after support

### Children, young people and parents feel connected and included in a community

**19**

School aged children and young people assessed and identified by ECFWS as feeling lonely who require support to help them feel less lonely after support

**18/20**

Primary carers identified by ECFWS who require support to help them become less lonely and/or isolated and more resilient after support

### All children and young people have strong attachment to at least one adult or other person in their life

**21**

Primary care givers assessed and identified who require additional support to improve a close and loving relationship with their baby

**22**

Primary care givers identified who require support to improve attachment with their under 2-year-old after support

**23**

School age children and young people who require additional support to improve relationships with their primary carer/s after support

# Achieving better outcomes for our families

West Essex CCG Outcome Measures

## Integrated Specialist Services for children and young people with additional needs

24

Children and young people avoid hospital for their urgent healthcare needs where safe to do so

25

Children and young people feel they are supported in reaching their personal goals

26

Parents and carers feel they are able to support their child to meet their personal goals

27

Families report they feel the service(s) are working well with other services as part of an MDT to help their child and/or meet their child's needs

28

Young people follow a care plan which enables smooth and well planned transition to adult services

## APPENDIX B – Case for contract extension : How has the Essex Child and Family Wellbeing Service performed?

This appendix draws on a number of data sources, both internal to Essex and externally observed, to summarise contract performance over the last 6 years of the contract.

There are two ways in which performance must be considered.

Firstly, transformation from the previous status quo to genuine team integration and from activity to outcome measures.

Secondly, benchmarking against the nationally mandated activity measures which all Local Authorities are required to undertake.

It is important to understand that Essex is at the forefront of national practice on developing more meaningful outcomes than the nationally mandated measures of activity in section 2 below, and is working with the national Office of Health Improvement and Disparities (OHID) team which mandates current activity measures, the Family Hub Network, and more recently the Local Government Association to drive improvement in how LAs are meaningfully measured on performance.

### 1. Transformation to integrated teams and outcomes

This was a transformational contract to respond to what families told us about their experiences of services, and the need for better join up, and transform from activity measures to meaningful outcome measures as a more sensitive marker of the impact of our services for Essex children and families. Measuring outcomes, and integrated multi-disciplinary services, is inherently better value for money and more effective than by measuring a contract through activity alone or delivering through uni-disciplinary teams. The following points describe only a few of many achievements in this transformation journey as well as how ECFWS dealt with “curve balls” along the way:

Year	Transformation
2017/18	Consolidation of estates footprint giving better value for money– not just co-location but integration Synergising previously separate Barnardo’s and Virgin Care (now HCRG Care Group) workforces and processes, developing multidisciplinary teams to give a more holistic, effective and efficient service Technical system integration across organisations to single shared record for new outcomes-based model recorded and reported across multidisciplinary teams with shared outcome accountability
2018/19	Considerable effort invested in building a culture of multidisciplinary team integration across previously separate teams – (ongoing effort for contract duration) Pilot test new outcome measures and benchmark results to establish targets. ECFWS has been performance-managed against these outcome measures since 1st April 2019.
2019/20	ECFWS rated ‘Good’ by the Care Quality Commission (CQC) in July 2019
2020/21	Flexible and dedicated response to COVID response. Exceeded KPI targets throughout the pandemic: eg. 98% (target 80%) of Universal antenatal checks conducted, 99% (target of 96%) of Universal new birth checks conducted. Staff availability remained stable between 89% and 94%, higher than comparable workforces in LAs
2021/22	Successfully tendered for Southend, Essex and Thurrock Child and Adolescent Mental Health (SET CAMHS) Getting Help Service, providing therapeutic goal-based tier two mental health support for children and young people up to 18yrs, enabling better system join up between tier 1 (lower level) services provided by ECFWS as current universal service provider, and tier 3 (higher level) mental health support offered by CAMHS.

### Independent comment on Essex’s unique outcomes approach

Commissioners and the provider have sought independent objective review of the outcomes journey. This is important given the unique nature of the journey and having no blueprint to follow.

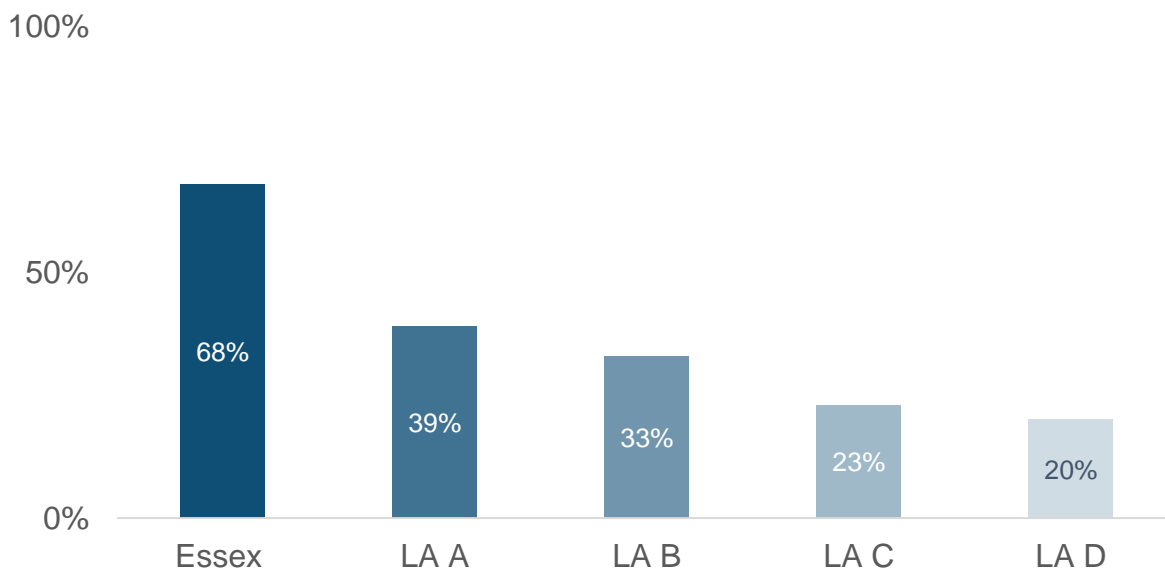
**From Ecorys Dept for Education Family Hubs Innovation Fund Evaluation**– interim research report July 2022.

The study was based on 5 Local Authority (LA) commissioned services that used a hub approach in various stages of maturity to assess the relative merits of each system and approach.

*“Hub workforces across LAs generally lacked the technical infrastructure and capabilities to then analyse and use that data to reflect on service provision and inform decisions. This suggests a clear a common area of support for LAs and hubs. The exception was one LA [Essex Child & Family Wellbeing Service] with a mature hub model, an embedded measurement outcomes framework, shared case management data system, and importantly a dedicated data team to process, analyse and report on data. This LA takes a data-driven approach to identifying needs and measuring outcomes at the individual, area and systems levels”.*

*“Essex is furthest along in their ability to track county-wide and geographic area level changes”*

Extent to which staff agree there is a common framework for measuring outcomes for family hub services, by LA Source: workforce survey as part of wider Ecorys interim research report 2022.



### **Anglia Ruskin qualitative study of Essex Child & Family Wellbeing Service outcomes, phase 1 commissioned report**

*“We were very disjointed in the Children’s Centre. Although we could liaise with the Health Visiting team, we couldn’t see the children’s records, we couldn’t see what was going on....So from the point of view of merging us together, our knowledge about the families as a whole is much better.”*  
ECFWS Healthy Family Support Worker

*“The Outcomes Framework is integral to the information sharing described in the previous section. For example, one Healthy Family Support Worker explained, “I tend to open those Care Plans because it gives me a clearer picture of where I’m going with this child (...) the Health Visitor who leads on that family can open that Care Plan, she can see where I’m up to with those parenting sessions, what I’ve done (...) and what we’ve achieved so far.” The Framework serves to make the work of the ECFWS professionals more visible both to themselves and to others.”*



“Overall, we recommend the Outcomes Measures Framework as an effective tool for guiding commissioning activity, and would encourage this approach to be shared with other commissioners. Sharing the findings from this evaluation would be beneficial to illustrate how the Framework works in practice, and the benefits for both professionals and clients of a Service”

## 2. Benchmarking against the nationally mandated activity measures

Mandated activity measures are defined in the indicator column of table 1 below. They are traditionally delivered by a Health Visitor although anyone competent to deliver the check can do so. The following tables indicate Essex’s performance compared against England and Eastern Region Local Authority averages, using national Public Health England datasets. In the graphs below Essex is in blue against an England average of black.

Table 1. Public Health England Metrics, Comparison to Region (East) and England.

Indicator	Period	Recent Trend	Essex		Region England			England	
			Count	Value	Value	Value	Worst	Range	
Proportion of New Birth Visits (NBVs) completed within 14 days	2020/21	–	13,555	93.8%	83.8%	88.0%*	27.9%		
Proportion of infants receiving a 6 to 8 week review	2020/21	–	13,518	92.3%	74.2%	80.2%*	6.1%		
Proportion of children receiving a 12-month review	2020/21	–	14,755	92.6%	80.2%	76.1%*	0.1%		
Proportion of children who received a 2-2½ year review	2020/21	–	14,610	97.1%	59.4%	71.5%*	5.0%		
Proportion of children aged 2-2½yrs receiving ASQ-3 as part of the Healthy Child Programme or integrated review	2020/21	➔	13,118	94.5%	83.7%	85.2%*	17.7%		

Table 2: Ante natal visits (from 28 weeks)

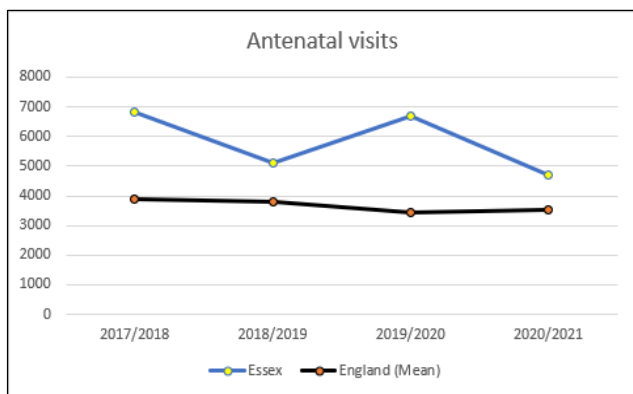


Table 3: New birth visit up to Day 14

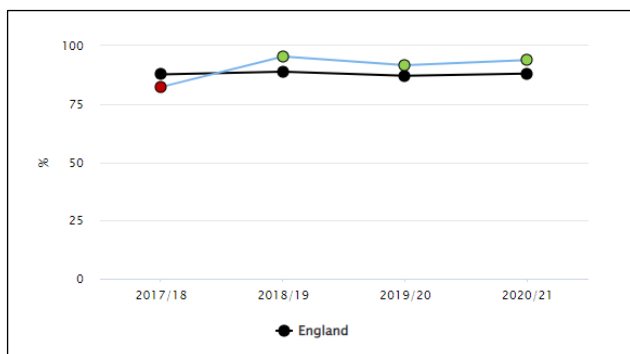


Table 4: Proportion of Infants receiving a 6-8 Week review

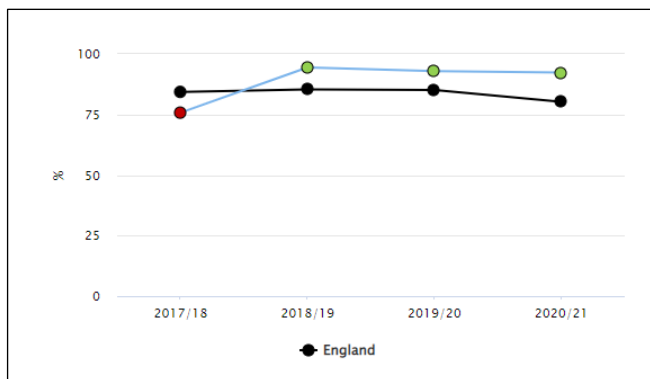


Table 5: Proportion of children receiving a 12 month review

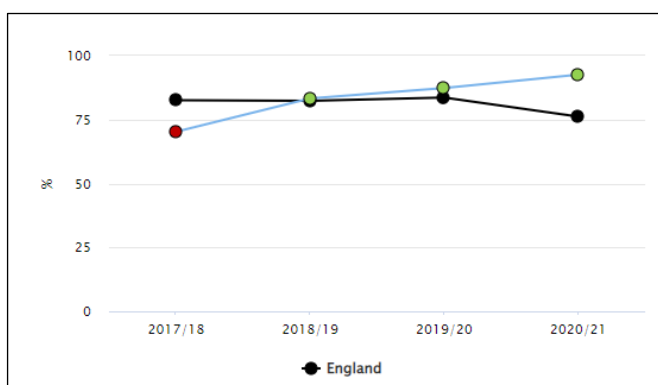
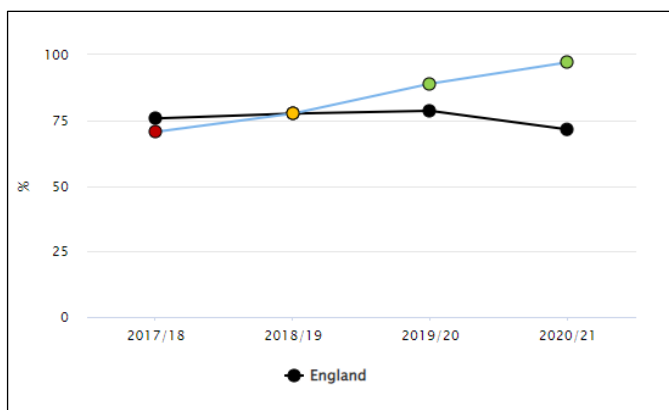


Table 6: Proportion of children who received a 2.5 year reviews



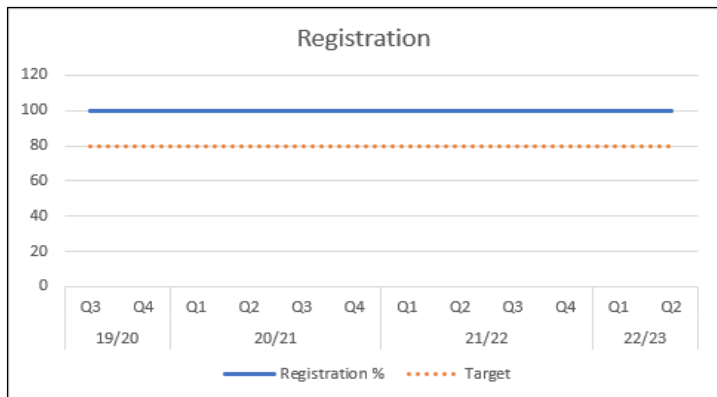
### Registration and reach of children

The Surestart Children’s Centre Statutory Guidance sets out the target for the percentage of children under the age of 5, to be both registered with the service and reached as part of the children’s centre offer. The registration target is 85% of the population and the reach target is for 65% of the children registered to be reached.

Prior to the start of the ECFWS contract, Children’s Centres would only know about and register children if and / or when they had been referred by the corresponding health services. As the health and children’s centre services have been integrated and recorded on the same caseload

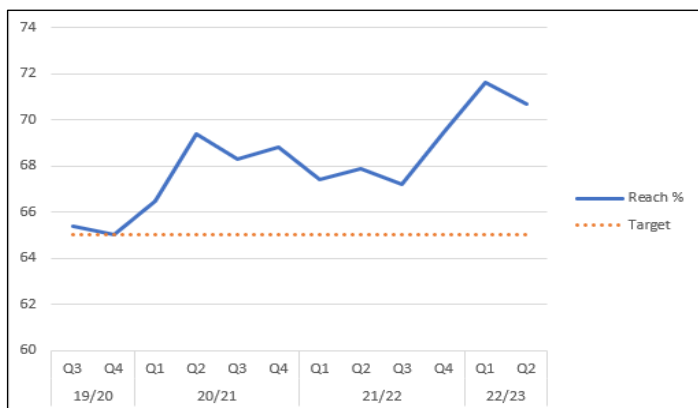
records system (SystemOne) **all** children are known to the service and therefore 100% of registration has been achieved for each Family Hub. Table 7 below

Table 7: Registration percentages benchmarked against target Q3 2019-20 to Q2 2022-23



Based on the monthly reporting data and an internal ECFWS longitudinal comparison, performance data shows consistent progress in reaching children, and currently stands at just over 70% of under 5 are being reached. Table 8 below

Table 8: Reach percentages benchmarked against target Q3 2019-20 to Q2 2022-23



**Forward Plan reference number: FP/032/02/23**

<b>Report title: Recommissioning of Short Breaks Provision for Children with Disabilities</b>	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Councillor Beverley Egan, Cabinet Member for Children's Services and Early Years	
<b>Date:</b> 21 March 2023	<b>For:</b> Decision
<b>Enquiries to:</b> Clare Burrell, Head of Strategic Commissioning and Policy, <a href="mailto:Clare.Burrell@essex.gov.uk">Clare.Burrell@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

## 1. Everyone's Essex

- 1.1. Everyone's Essex sets out four strategic aims and 20 commitments to residents with specific commitments specifically for children and young people with special educational needs and/or disabilities (SEND) and their parents/carers
- 1.2. Essex County Council wants to support residents' health, wellbeing, and independence by creating a good place for children and families to grow and to enjoy good health at all ages.
- 1.3. The Essex Short Breaks offer comprises a wide suite of provision available to over 5400 registered children and young people and their families. Overnight Short Breaks form one part of the wider offer and is available to children and young people with SEND when a need is identified through social care assessment.
- 1.4. Parents who are carers often spend a lot of their time caring for their children in comparison to other parents. Overnight Short Breaks contribute to supporting the health and wellbeing of all the family thereby contributing to their resilience and stability. Furthermore, by having the opportunity to attend Overnight Short Breaks, good outcomes are delivered for children and young people through delivery of high quality social and independence skills development opportunities.
- 1.5. The Overnight Short Breaks offer provides parents and carers of children and young people with SEND an overnight break from their additional caring responsibilities, by offering care for the child or young person at an Ofsted registered home or with foster carers.
- 1.6. Since 2019, when a review of Overnight Short Breaks was presented to the Overview and Scrutiny committee, the offer has been developed to improve access to trained foster carers and externally commissioned provision. The offer also now encompasses care provided in the family home by paid carers whilst the parent carers take a break away from the family home.

- 1.7. The Short Breaks Commissioning Strategy, published in 2021, set an objective to review the current Overnight Short Breaks offer with a view to improving and diversifying the support available for parents/carers. This paper sets out the learning from the review and provides recommendations to improve the offer.

## **2. Recommendations**

- 2.1. Agree to maintain a mixed economy of internal overnight provision, home based provision, family based (delivered by ECC trained foster carers) and external provision for overnight short breaks for parents and carers of children and young people with special educational needs and/or disability which shall include:
  - 2.1.1 ceasing to use Lavender House in Colchester for overnight short night breaks with effect from 30 June 2023; and
  - 2.1.2 the extension of provision at the Maples in Harlow so that it operates with a minimum capacity of five beds and a maximum capacity of eight beds (dependent on the behavioural and social needs of the children staying) for seven nights of the week with effect from 30 June 2023.
- 2.2. Note that the Cabinet Member for Children's Services and Early Years will take a decision on the future use of Lavender House.

## **3. Background and Proposal**

- 3.1. The Children Act 1989 requires local authorities to provide short breaks for eligible families with disabled children. Short breaks give carers a break from caring while enabling children and young people to meet friends, take part in activities, develop independence and have fun.
- 3.2. Under the Breaks for Carers of Disabled Children Regulations 2011, local authorities must provide, as appropriate, a range of services for disabled children and their families which includes overnight care in the homes of disabled children or elsewhere. This must be provided where a need is identified through social care assessment.
- 3.3. The Council's current short breaks offer comprises a wide suite of provision from preventative approaches including Overnight Short Breaks as well as other early help offers such as Short Breaks Community Clubs and Activities which do not require a social care assessment for children and young people with SEND to access them.
- 3.4. This paper is concerned with the Overnight Short Breaks element only of this offer.
- 3.5. The current range of Overnight Short Breaks available includes:

- **Internal Offer:** overnight short breaks at two sites run by ECC: The Maples in Harlow and Lavender House in Colchester.
  - **External Offer:** overnight short breaks commissioned provision through several providers and sites including Achieving Aspirations (with sites in Bury St Edmunds, Clacton and Sudbury), St Christophers Cottage (based in Southend) and Peartree (in Hertfordshire).
  - **Family based care:** Overnight short breaks provided by trained foster carers in the foster carers home.
  - **Home based care:** Overnight short breaks provided in the child or young person's home by a carer, affording the parent carers to take their short break away from the home. This is sometimes delivered through Direct Payment, and sometimes through Council-sourced provision.
- 3.6. Following a paper taken to the People and Families Policy and Scrutiny Committee in June 2019, and engagement with families, it was informally agreed that the wider short breaks offer would be reviewed in 2022 to ensure that parents, children and young people can access overnight short breaks provision which meets need and enables good outcomes within the available financial envelope.
- 3.7. The time enabled the development of a wider range of overnight short breaks and meant that some of the young people accessing provision would become adults, and no longer require provision, which would minimise the impact of any change.
- 3.8. In 2021, there was significant engagement with families using the service to develop the Short Breaks Commissioning Strategy 2021-2026 of which Overnight Short Breaks is one component. Over 400 families responded to this consultation and 20 families took part in interviews. The Short Breaks Commissioning Strategy was finalised in October 2021.
- 3.9. The Short Breaks Commissioning Strategy set out that the Council would review the range of Overnight Short Breaks provision and ensure existing provision is as efficient as possible and appropriately targeted to those most in need of support.
- 3.10. This review is now complete, and the proposals are set out in this report.

### **National Context and Local Authority Benchmarking**

- 3.11. As of 31 March 2020, there were 167 short-break-only homes in England.
- 3.12. A third of all local authorities had no short-break-only homes within their boundaries. Of the 100 local authorities that had short-break-only homes within their boundaries: 64 had one home, 21 had two homes and 15 had three or more.

3.13. Most short-break-only homes (64%) were local authority run, compared with around 15% of all children’s homes.

3.14. Short-break only homes have the best inspection profile of any of the four sub-groups of children’s homes. They had both proportionately more outstanding and proportionately more good outcome judgements (*Children’s homes providing short breaks, published 10 August 2021, Ofsted*).

3.15. The commissioning team met with ten local authorities who are ECC’s ‘statistical neighbours’ – having similar economic and demographic make up to Essex. Common experiences across local authorities included:

- A shortage of foster carers on the whole, alongside a lack of specialist foster carer availability due to complex long-term placements
- High demand related to behaviours that challenge
- Difficulty fulfilling support packages which leaves them reliant on the market
- Transitions to adult services could be improved
- Staff shortages across the board
- Some families do not like care within their home so refuse direct payments, although the need could be met for the child or young person in their own home/bed.

### Capacity and Demand

3.16. As at November 2022, there were 142 children and young people registered across all Essex Overnight Short Breaks, with a total number of 3,934 nights allocated between them. This is broken down below to reflect the quadrant and type of overnight short breaks.

Provision	Number CYP	Number of Nights	Quadrant information
Family Based Care	37	1079	Delivered across the County but minimally in South
External Provision	34	756	Heavily utilised in South with smaller numbers across the other quadrants
The Maples	23	702	Mainly used by children and young people in West
Lavender House	12	468	Mainly used by children and young people in Mid and North
Home Based Care	10	162	Mostly used in North and South
Combination of above	2	168	North and South
On Hold	5	160	This represents children and young people who are not currently able to take up Overnight Short Breaks, for example because they are in hospital.
To be confirmed	17	439	This includes children and young people who have had overnight short breaks agreed at panel, but those nights are being identified

			for them. For example, this may be time spent identifying and building a relationship with a foster carer.
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- 3.17. Analysis of registration data, alongside engagement with families and staff, also demonstrated that different provision meets differing needs. For example, the external market is well suited to responding to medical and healthcare needs and the internal provision is well suited to respond to complex behavioural challenges.
- 3.18. Over the previous three years the range of overnight short breaks has developed considerably, particularly the family-based care offer. The highest volume of overnight short breaks demand is now being met through specialist foster carers.
- 3.19. Family based care is well suited to children and young people for whom large groups can be overwhelming and home-based care is well suited to ensure that children and young people who require consistency or specific non-transportable equipment can remain in their own home, in their own bed.

### **Engagement with Families, foster carers and internal staff**

- 3.20. As part of a robust communications plan, parents have been engaged and kept informed throughout the review and then formally consulted. Efforts have been made to ensure engagement and consultation is accessible through one-to-one meetings, both face to face and online. The intention is that, should the recommended option be taken forwards, parents will continue to be engaged and supported through any transitions because of changes to provision.
- 3.21. In April 2022, the commissioning team asked families using the service how they would like to engage with the review. A survey and interviews were then undertaken to explore families' experiences of overnight short breaks. The engagements sought to understand what was working well and what could be improved.
- 3.22. To recognise and garner views of the highly skilled and experienced Overnight Short Breaks staff teams, several meetings and workshops were held, and they were kept updated on developments through regular communications. An open survey link was also shared to ensure staff could raise concerns or offer ideas anonymously if they preferred.
- 3.23. The insights from the parent carer interviews and survey are set out below:

Theme	
Referral Process	The referral process is straightforward. "All brilliant, no stress". However, there is a perception that families are offered Overnight Short Breaks as last resort.
Environment	There was consistent praise for the environmental set up of the internal and external overnight short breaks homes, particularly in relation to safety features, fixtures, and equipment. Several families accessing Lavender or



	Maples commented that family-based care was not appropriate for their child or young person as it was not robust enough and their children might damage the foster carers home.
Staff	There was also consistent good feedback relating to staff across the offer. <i>'There are trained LD professionals – we really value them in our team around the child meetings, they are really involved. They have helped him reach developmental goals – he can now go to the toilet himself – something we were not convinced he would ever be able to do' – parent carer accessing the Maples</i>
Support provided and outcomes	Support provided and outcomes: There was consistent praise for the offer but desire for more of it, and for more families to be able to access it. There were also comments relating to improved availability, particularly at weekends. Several positive outcomes for both the children, parents and siblings were captured – from life skills, to confidence, to impact on parent carer relationships. <i>'The benefits... well, it saved our marriage. I don't say that lightly.'</i> – parent carer accessing the Maples
Improvements	Families spoke of a lack of preparation for when a young person reaches adulthood, and anxieties from parent carers that when they reach 18, they will be mixing with older people in adult's provision. There were also comments made relating to support needed for parents from the wider social care system.

3.24. The insights from foster carer interviews are set out below:

Theme	
Foster carer motivation	Every foster carer interviewed had a background in social care, SEN education, care sector or residential homes. Several were nearing retirement, or their own children had become adults and they wanted to support their communities. <i>'It's not just a job. It's not just to pay the bills. You have to have some passion and understanding for these families and for the children. And you need to get something out of it too – it's got to be rewarding.'</i>
Referrals	There was good feedback for social workers, supervision and support offers. Foster carers favoured slow relationship development with family with introductions to be done in neutral venues or in their home. Many set out that they would have children to attend teas or dinners before staying overnight for example
Outcomes	Several foster carers mentioned the children they provide Overnight Short Breaks for require quieter environments, and that the stay is led by the child. Several spoke of their continuous professional development and desire to be able to take children with more complex needs but the

	environment (or need for specialist equipment) did not always make this possible
Improvements	One foster carer explained that she was often called last minute on a Friday afternoon for emergency placements, which led to many foster carers no longer taking emergencies as a result. There was also feedback related to unclear and burdensome processes to receive pay.

3.25. The insights from internal staff engagements are set out below:

Theme	
Perception of cost	There was a perception from staff that internal is easier to access, offers better outcomes and costs less than external provision.
Meeting need	Staff set out that as children aged, and physically grew their physical and behavioural needs were becoming more difficult to manage at home. Staff also set out that families with wider needs, such as financial deprivation, solo parenting, parental conflict, mental and emotional health needs were able to receive emotional support from the Overnight Short Breaks home.
Working together	There was feedback that the system works well together, across the social worker, Overnight Short Breaks home, education and family. <i>'We've known young people for long time so are able to pick up when they're feeling down and to support them as well as share our finding with families and other professionals' – Residential worker</i>
Mapping outcomes	Through an exercise to better understand outcomes for children and young people accessing internal provision it became apparent that recording of outcomes could be strengthened and that there was a wide range of social, developmental, and aspirational outcomes being delivered for children and young people with SEND
Ideas and aspirations:	Several staff were keen to develop the offer and gave suggestions such as developing skills workshops for young people or doing direct work with parent carers to understand the developmental needs of their young people
Staff welfare	Staff expressed their anxieties about any changes and that they would like to see definitive answers as to the future of the Overnight Short Breaks offer.

### Options considered and formal consultation

3.26. Following this informal consultation, four options were considered by the project team which included member representatives from Commissioning, Children's Social Care, Finance, and Procurement.

3.27. Three options were discounted as they were either not achievable within the financial envelope or were not able to meet demand.

- 3.28. The conclusion arrived at following the informal consultation is that there are advantages to a mixed economy of provision: an internal, external and family and home-based provision. This enables the offer to meet a range of needs and choice.
- 3.29. The two internal sites (Lavender and the Maples) run with small staff teams adequate to meet current demand. However, this means that they cannot run at maximum capacity as the staff to children ratio would not be appropriate or meet Ofsted requirements. From October 2022 through to March 2023, Lavender House was running with one child or young person in the provision for 86% of the time. This impacts the outcomes for the child, who is not staying alongside their peers, and is not best value for public money.
- 3.30. There is not the funding available to expand the teams at both internal sites and expanding two teams would mean excess capacity in the service, which is not required to meet current demand.
- 3.31. A single internal premises running at higher capacity with increased staffing levels can meet demand and offer improved availability of nights (both weeks and weekends), something families had identified as an improvement.
- 3.32. The Maples in Harlow is specifically built for these services and, although needs some general updating, it is structurally sound, meets Ofsted requirements and attracts consistently good feedback relating to its secure and robust environment. It is also fully up to date with tracking hoists and specialist equipment.
- 3.33. Lavender House in Colchester, however, would require more investment over time due to its age and likely future maintenance requirements. It is also not as attractive to Ofsted as it is on two levels which impacts who can stay, and how many. Lavender House would also require additional tracking hoists and equipment to meet likely future demand.
- 3.34. As a result, a proposal was developed to deliver the internal Overnight Short Breaks offer from one premises, the Maples in Harlow. Having one team at the Maples would allow for an increased capacity to deliver nights to more children at any one time. The proposal would mean a minimum capacity of five children and a maximum of eight dependent on scheduling requirements based on the individual needs of the children. It would also be open 7 nights a week instead of 5 nights per week in term time.
- 3.35. This proposal would enable ECC to meet current demand and future-proof the offer for potential future increases in demand for the internal provision. A higher ratio of staff to children will also enable improved opportunity to respond to a wider range of needs, which enables more capacity to focus on independence skills development.
- 3.36. A formal consultation was launched in November 2022 and closed on 31 January 2023. It was widely circulated on the Short Breaks Facebook page, emails to families and every family accessing Lavender House were offered a face-to-face direct consultation meeting. We received 44 responses.

3.37. The consultation received mixed responses which are summarised below:

- For most of the families who access Overnight Short Breaks, the proposal to condense the ECC internal provision at the Maples and Lavender House sites to The Maples will have minimal impact and many families feel that it is positive that there will be more availability and flexibility on when they are able to access overnight short breaks.
- For families that currently access overnight short breaks via direct payments or family-based care only, there will be no impact from the proposed change.
- Some families who are eligible for short breaks clubs and activities and who do not currently access overnight short breaks feel that they need to be more aware of what Children's Social Care services are available and how they may be able to access Overnight Short Breaks.
- Of the 14 families currently accessing Lavender House, seven are not in support of the proposal primarily because of the increase in travel times and the financial impacts of the cost of that travel together with worry about being further away from their child.
- The remaining seven families are either in support of the proposal because it would offer the opportunity to block book nights for longer than 5 nights or are unaffected as their young people reach 18 before April 2023 and therefore will no longer be using the overnight short breaks provision.
- It is recognised that the 7 families who access Lavender House that live in the Colchester and Tendring districts are the most impacted by the proposal through increased travel times and costs.
- These families who live in the north east of the county have told us they will feel anxious about their child/young person being so far from home during the duration of their short breaks if the only option is to travel to the Maples in Harlow. Two have indicated that they may have to cease using the internal provision if the proposal is approved.
- For most families living in the west, mid and south of the county, travel times and costs from home or school setting to access the Maples remains the same or improves.

3.38. Full details of the consultation response can be found in Appendix 2. A full breakdown of the impact on the directly impacted families can be found in Appendix 1: Equalities Comprehensive Impact Assessment.

3.39. This proposal enables ECC to repurpose Lavender House to service delivery needs across the children's social care system in Essex.

3.40. If this is agreed a consultation with employees will determine opportunities for the 18 staff based either at Lavender House or at the Maples in Harlow. There may be opportunities to redeploy people in other roles in the service.

3.41. ECC will explore how best to support families currently attending Lavender House through each child's individual care plan to ensure that all families are offered suitable alternative provision which meets the needs of those families as well as Lavender House. This might include:

- Working with the families to access alternative overnight short breaks provision at the Maples, with an externally commissioned provider or through family or home based care.
- Home to School Passenger Transport assistance to alternative overnight short breaks provision
- Arrangements with families who provide transport themselves to be awarded direct payments to assist with costs
- Assessing whether there are suitable alternative provisions in the wider short breaks offer.

3.42. The Maples does not require specific development to enable it to meet the additional demand, although improvements to some specialist equipment would enable children and young people to have access to equipment that supports their sensory, social and physical developmental needs..

#### **4. Links to our strategic ambitions**

4.1. This report links to the following aims in the Essex Vision:

- Provide an equal foundation for every child
- Connect us to each other and the world

4.2. This report links to the following strategic priorities in the emerging Organisational Plan:

- Health wellbeing and independence for all ages
- A good place for children and families to grow

4.3. Approving the recommendations in this report will have the following impact on the Council's ambition to be net carbon neutral by 2030:

- Improving access to provision in terms of geographic spread, families will not be required to drive as far to access the offer.

## 5. Options

### **Option 1: Maintain a mixed economy of internal, external, family based and home-based provision which includes delivery from one ECC-run site at The Maples and the closure of Lavender House. (Recommended)**

- 5.1. This option will enable demand to be met through internal provision at The Maples in Harlow, externally commissioned provision across and outside the County, family based and home-based care.
- 5.2. This is the option with the most amount of opportunity to deliver service improvements by delivering from a single premises, which is built for purpose, and can have a single staff team that will enable increased service capacity through more flexible scheduling. This will result in improved availability of placements at weekends and placements for 7 nights of the week.
- 5.3. This option will include increasing the staff capacity at The Maples and increasing the number of nights that The Maples is open. Dependent on scheduling around children and young people's needs, the capacity will be a minimum of 5 children and a maximum of 8 children visiting each night. This equates to 1,820 – 2,912 nights per year.
- 5.4. This is more than is currently delivered through the two internal premises (which are open 5 nights per week in term time) due to the two premises having limited staff capacity to have multiple children staying with high levels of need. For example, between October 2022 and March 2023, for 86% of the time, there was only one young person visiting Lavender House.
- 5.5. This will mean ECC no longer delivering Overnight Short Breaks from Lavender House in Colchester.
- 5.6. The benefits and risks to this option are set out in the table below:

Benefits	Risks
A mixed economy of provision enables the offer to meet demand, need and to offer choice in the provision available to families.	A staff consultation and restructure will take place to determine recruitment requirements. Recruitment is challenging across the care and residential sector and so there are likely to be vacancies whilst the team at the Maples expands.
One staff team at the Maples means an increased capacity to deliver nights, meeting current demand and future-proofing the offer for potential future increases in demand. This means a higher ratio of staff to	A small number of families are disadvantaged by an increase in travel time from home/school to alternative provision. This will also impact on Home to School Transport arrangements. The

children to enable improved outcomes.	Equality Comprehensive Impact Assessment sets out the impact on the 7 families affected in relation to journey time, fuel costs, and carbon emissions.
The Maples requires low levels of maintenance and refurbishment to ensure it meets ongoing need.	Transitions to alternative provision for families currently accessing Lavender House will need to be managed sensitively. In some cases, direct payments will need to be considered to ensure no additional full costs are passed to families. All transition support requirements will be considered and agreed through the child or young person's care plan.
The proposal would not require lengthy design phases to develop a new build/new premises, and there would be no cessation of the service.	
This option also has the potential to improve staff training and equipment so that children and young people with specific healthcare needs can access the provision, improving the capacity of the internal offer to meet a wider range of needs over time.	
Improved staff capacity supports independence skills development of young people to support the move to more independent living.	
An indicative budget of £471,000 would ensure the current level of externally commissioned nights is maintained	
This option would enable Lavender House to be repurposed to service delivery needs across the children's social care system. If the space was used to deliver services for CWD then it is possible that existing staff could be retained.	

5.7. The costs of this option are based on an internal staff team at the Maples made up of:

- 1 FTE Residential Home Manager
- 1 FTE Deputy Home Manager
- 6 FTE Advanced Skills Workers
- 20 FTE Residential Workers (Days)

- 8 FTE Residential Workers (Nights)
- 1 FTE Caretaker

- 5.8. The remaining savings will need to be identified from the wider Short Breaks and CWD budgets including External Overnight Short Breaks, the Light Touch Care Hours budget and Short Breaks Community Clubs and Activities budgets.
- 5.9. It is also anticipated than in year one staff consultation and recruitment will mean potential underspend due to staff vacancies as the new offer mobilises.
- 5.10. Families currently accessing Lavender House would be supported to transition to appropriate alternative provision by the end of June 2023.
- 5.11. The Premises Maintenance/Development Requirements are set out in Appendix 3. The Maples does not require specific development to enable it to meet the additional demand, although improvements to some specialist equipment would enable children and young people to have access to equipment that supports their sensory, social and physical developmental needs. This is marked as desirable rather than essential in the Appendix.

**Option 2: Reform the overnight short breaks offer, maintaining a mixed economy of internal, external, family based and home-based provision which includes delivery from one ECC site, Lavender House and not the Maples. (Not Recommended)**

- 5.12. This option is similar to option one, but the internal offer would be from Lavender House rather than from The Maples.
- 5.13. Lavender House requires considerable investment to ensure that it remains fit for purpose in the long term which is set out in detail in Appendix 3: Premises Maintenance/Development Requirements.
- 5.14. Lavender House was a former care home. The building is split over two levels, it is not permissible to place children and young people with mobility needs upstairs due to fire risks. This has an impact on scheduling and the level of capacity that Lavender House can offer. This impacts our ability to increase capacity to meet demand. The Maples is built for purpose and therefore there are not limitations on the rooms that can be used and thereby offers the opportunity to increase capacity for families to access.
- 5.15. There are currently fourteen young people accessing Lavender House. In March 2023, five of those will no longer require access to Lavender House due to turning 18 years old or due to changes in their care plans. A further four will turn 18 within a year of any change to service being implemented.
- 5.16. There is an external market provider presence in the north of the county which can increase the options available to families, but not in the west which could increase the number of families impacted by the change significantly. This means that Option 2 would increase risks of not being able to find appropriate provision for families.



5.17. As a result, this option is not recommended.

**Option 3: Commission the entire offer externally via a procurement exercise (not recommended)**

5.18. The cost per night is considerably lower when commissioning externally, even when considering the need for higher ratios of staff to children for some needs. This would enable significant savings to be met.

5.19. However, there is not the capacity in the market to deliver all allocated nights and therefore this option could mean ECC has limited mechanisms to meet its obligations under the Children Act 1989.

5.20. This option would not meet all types of need or offer choice to families, for example those with significant behavioural needs. As a result, it is not recommended.

**Option 4: No change (not recommended)**

5.21. This option would mean maintaining provision as it currently stands. This option represents missed opportunities to ensure demand is met whilst offering value for money and improved outcomes for children and young people.

5.22. It would mean risk in the longer term as, without significant investment, Lavender House may become not fit for purpose and may impact Ofsted outcomes.

5.23. The current staffing levels across each of the premises also means that for considerable amounts of time only one child is staying overnight. For that child they are missing out on social connection with peers, shared activities and therefore are not experiencing the full spectrum of potential outcomes that they would in a busier, fully staffed home.

5.24. The benefit of this option is that the increased travel times will not impact the 7 families currently accessing Lavender House.

## **6. Issues for consideration**

### **6.1. Financial implications**

6.1.1 The recommended option of delivery of the internal offer of overnight short breaks from The Maples only will require the two flats and eight beds being operational seven nights per week. This is a change from the current offer of one flat with four beds being available for Overnight Short Breaks for five nights per week. The forecast cost of the new service model for 2023/24 from July 2023 is set out below. Due to the new operating model commencing in July residual costs will be incurred at the Lavender site for the 3 months for the period of April to June.

	<b>The Maples</b> April 2023 to March 2024 <b>£000</b>	<b>Lavender House</b> April 2023 to June 2023 <b>£000</b>	<b>Total</b> <b>£000</b>
Staff	1,095	160	1,287
Non-staff Costs	78	22	100
<b>Total Cost</b>	<b>1,173</b>	<b>182</b>	<b>1,387</b>
Budget 2023/24 (before savings)	671	738	1,409
<b>Variance (under) / over</b>	503	(556)	(54)
<b>Savings 2023/24</b>			400
<b>Residual Savings to be delivered</b>			346

6.1.2 The Short Breaks service has a savings target in 2023/24 of £400,000 and delivery of Overnight Short Breaks from The Maples is forecast to make a small contribution of £54,000.

6.1.3 Delivery of the remaining Short Breaks savings in 2023/24 will be achieved through the rightsizing and re-shaping of the following budgets:

<b>Service</b>	<b>2023/24 Base £000</b>	<b>2023/24 Saving £000</b>	<b>2023/24 Original Budget £000</b>
External Overnight Short Breaks	687	(216)	471
Light Touch Care Hours	100	(55)	45
Short Breaks Community Clubs and Activities	1,492	(75)	1,417
<b>Total</b>	<b>2,279</b>	<b>346</b>	<b>1,933</b>

6.1.4 No additional capital investment is required to allow The Maples to operate the two flats for seven nights per week with ongoing maintenance costs and equipment purchases funded within the permanent revenue budget. Request for capital investment will only be made when necessary.

6.1.5 There is a financial risk to the delivery of the savings target in 2023/24 due to the following:

- a) The transition to The Maples is expected to be completed by the end of June 2023 at which point Lavender House will cease to be an overnight short breaks provision. However, the re-purpose of Lavender House to meet children' social care delivery needs is not expected to be completed before the Autumn 2024. The monthly cost of running Lavender House per month is £61,000 and will need to be absorbed into the overall cost of the Lavender House proposal.
- b) No redundancy costs are expected to be incurred in the change in Overnight Short Breaks provision as staff could transfer to The Maples, re-deployed within the Council or remain at Lavender House as the site is re-purposed. If, however redundancy costs are incurred these will need to be funded through the Children and Families budget.

- c) Families currently attending Lavender House may require additional support during the initial transition of young people to The Maples. This will be considered on a case-by-case basis determined by the needs of the young person.

6.1.6 Changes to home to school transport arrangements for the families currently attending Lavender House but who are to transition the Maples have been considered as part of this decision. Out of the 14 families, only 8 will be affected, however these currently do not receive support for home to school transport, therefore an additional cost to the Council is not expected.

## **6.2. Legal implications**

6.2.1 The Children Act 1989 requires local authorities to provide short breaks for families with disabled children. The Breaks for Carers of Disabled Children Regulations 2011 place a duty on local authorities to provide a range of services for disabled children and their families which includes “overnight care in the homes of disabled children or elsewhere.

6.2.2 The proposals are a way of meeting statutory need. Commissioners believe that the re-procured service will better meet the needs of service users.

6.2.3 Affected service users have been consulted on the proposal.

## **7. Equality and Diversity Considerations**

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.

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).

7.2. The equality comprehensive impact assessment (ECIA) indicates that, although the recommended proposal in this report will positively impact most families impacted by the change, it does have a disproportionately adverse impact on 7 children and young people with SEND currently accessing Lavender House.

- 7.3. A full understanding of the impacts is set out within the ECIA including the potential cost implications of increased travel times and/or distances.
- 7.4. ECC will explore ways to support families currently attending Lavender House through the child's individual care plans. This might include:
  - Home to School Passenger Transport assistance to alternative overnight short breaks provision
  - Arrangements with families who provide transport themselves to be awarded direct payments to assist with costs
  - Assessing whether there are suitable alternative provisions in the wider short breaks offer.

## **8. List of Appendices**

- 8.2 Appendix 1: Equality Comprehensive Impact Assessment
- 8.3 Appendix 2: Children with Disabilities (CWD) Consultation and Key Findings Report
- 8.4 Appendix 3: Premises Maintenance/Development Requirements

## **9. List of Background papers**

- 9.1. Short Breaks Commissioning Strategy 2021-2026
- 9.2. Children and Young Peoples Plan Refreshed September 2020
- 9.3. Essex Local Area SEND Strategy 2022-2027: My Life, my rights
- 9.4. Sufficiency Strategy 2023-2026

# Children with Disabilities

# Overnight Short Breaks Consultation

## Key findings

9<sup>th</sup> March 2023

# Agenda

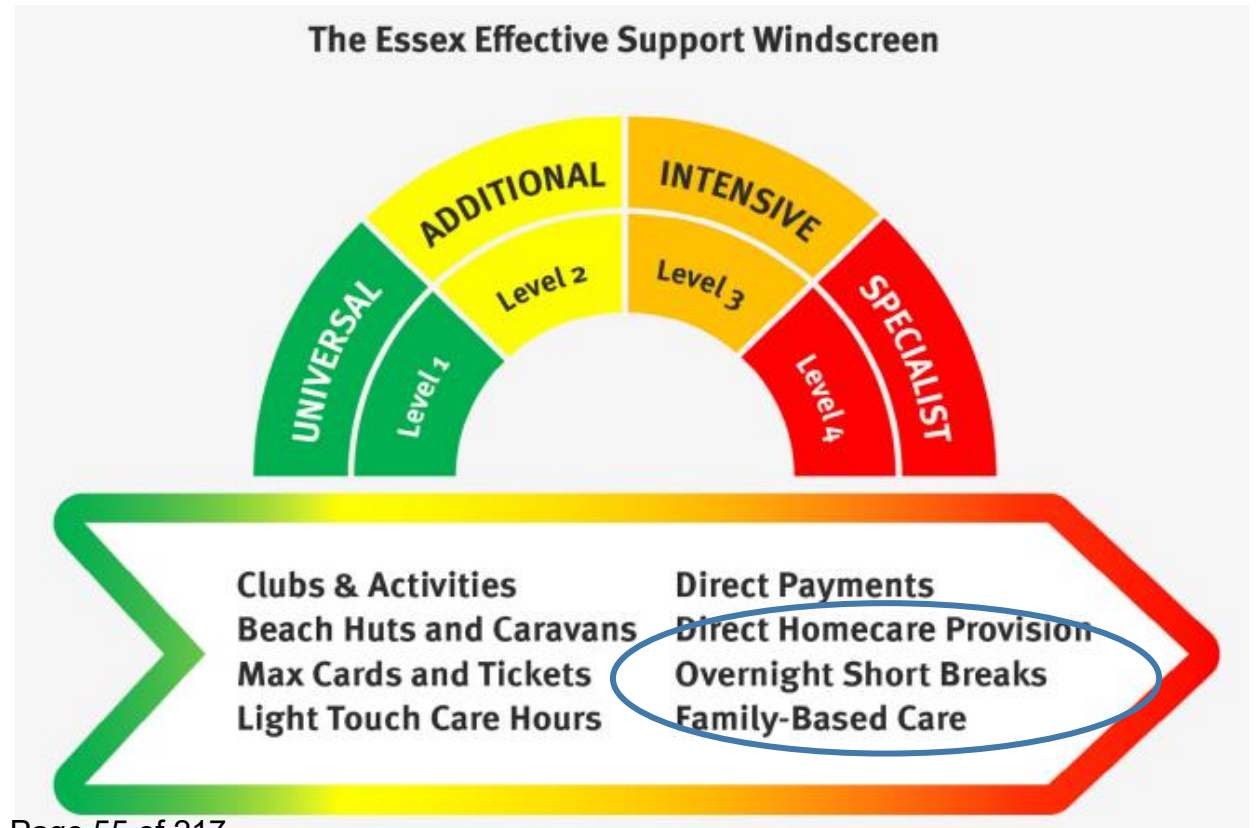
- 1 Councillor Egan to introduce the session**
- 2 Background and Context**
- 3 Current Demand**
- 4 Introduction to Consultation**
- 5 Consultation Findings**
- 6 Equality Comprehensive Impact Assessment**
- 7 Next Steps**

# What are Short Breaks?

Section 25 of the Children and Young Persons Act requires local authorities to provide short breaks for families with disabled children. Short breaks gives parent carers and siblings a break while enabling children and young people to meet friends, take part in activities, develop independence and have fun.

Children and young people can access ECC short break services if they are:

- aged between 0-18, or 19-25 and have a personal budget
- have a diagnosis of special educational needs and/or a disability
- living within the administrative borders of Essex County Council



# Strategy Objective

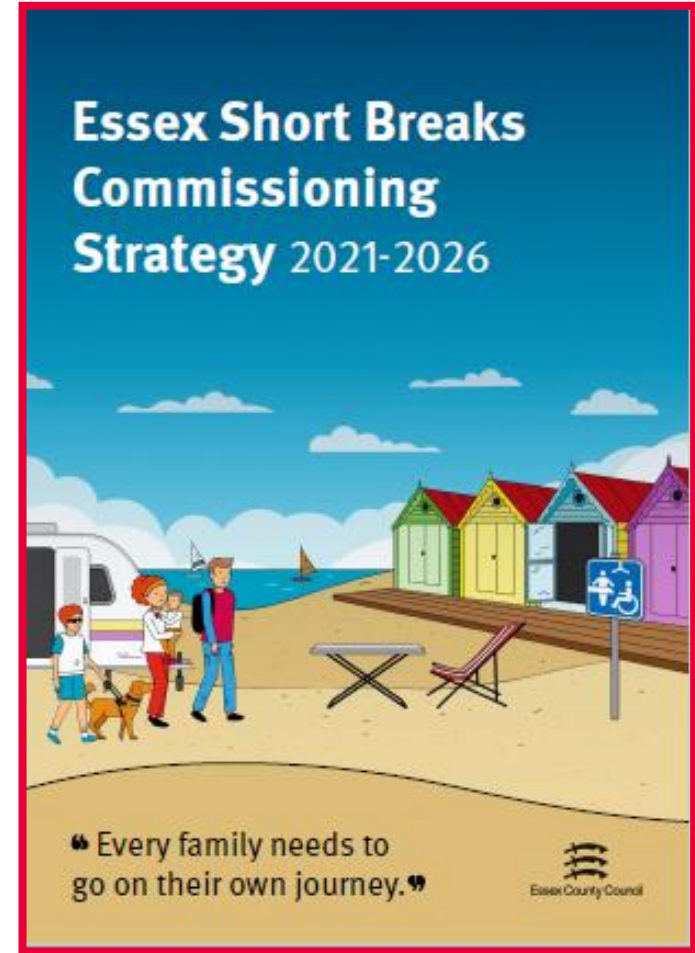
**Objective 5: Parents, children and young people can access overnight short breaks provision which meets need and enables good outcomes**

## What will we do:

We will review our offer for overnight short breaks to ensure it is sustainable and meeting need.

We will expand the range of options that are available as an alternative to overnight residential care, including our foster care offer, considering improvements that could be made through developing improved commissioning frameworks for short break foster care.

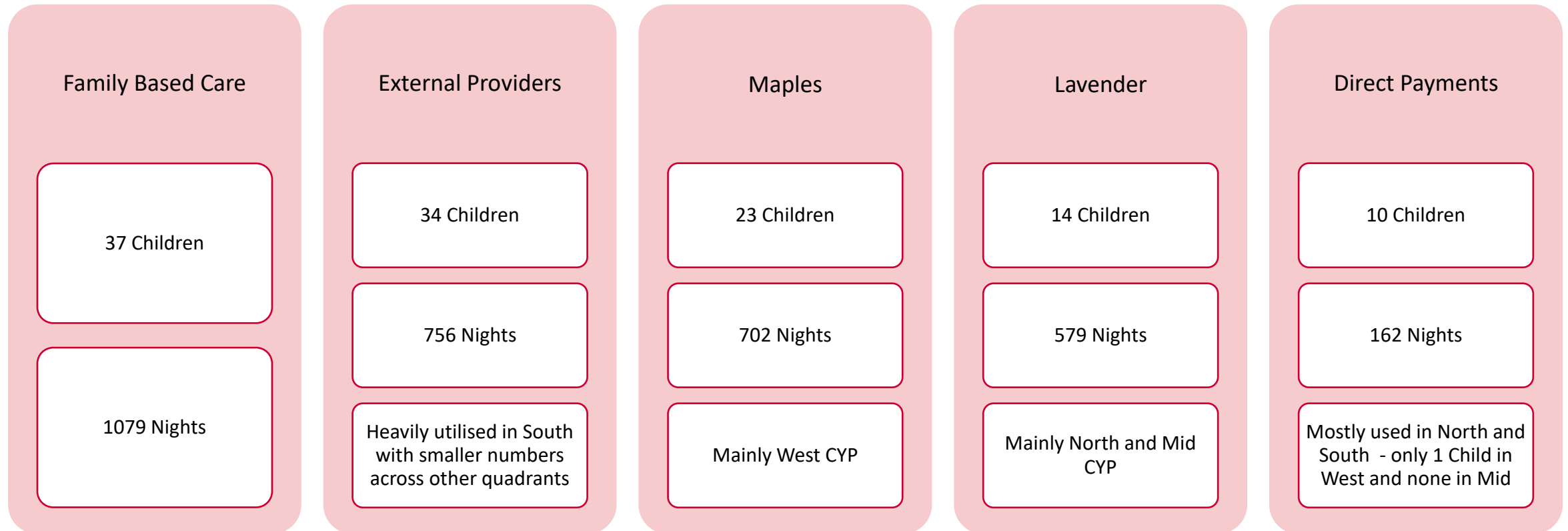
We will ensure our existing provision is as efficient as possible and appropriately targeted to those most in need of support.





# Current Demand

This table shows the current demand of the 5 main elements of the overnight short breaks offer.



**142** children and young people currently have agreed OSB packages of **4128** nights between them.

# Admission to EEC-run Overnight Short Breaks

Year	Lavender House Admissions		The Maples Admissions	
	Number of young people	Number of nights per annum	Number of young people	Number of nights per annum
2016	2	36	4	72
2017	7	270	1 3 emergencies	24 300
2018	4	140	11	240
2019	1	36	2	24
2020	5	156	4	124
2021	4	171	1	24
2022	4	168	4	73
2023	-	-	3	30

# Introduction:

The Overnight Short Breaks offer includes internal provision (The Maples in Harlow and Lavender House in Colchester), Family-based care (foster carers that enable families to have short breaks), Direct Payments (where a professional carer attends a family home overnight) and Externally commissioned provision such as Achieving Aspirations and St Christophers Cottage

Following a review of the Overnight Short Break provision, the Council is proposing to make changes to the overnight short breaks offer which would mean that the Lavender House site in Colchester will no longer provide Overnight Short Breaks and therefore families may need to use alternative provision. A consultation was undertaken to gather the views of parent carers and their families who are currently accessing overnights short breaks, or may need to access them in the future. The consultation findings will help ECC understand the impacts the changes will have on families across the County.

An online consultation ran for a period of 8 weeks from the 7<sup>th</sup> December until the 31<sup>st</sup> January (extra weeks were included due to the Christmas Period).

Prior to the consultation going live and throughout it being live, families who currently access Lavender House were given the opportunity to meet with officers from the Overnight Short Breaks Project Team to understand the proposed changes and to have an initial discussion about how this may impact them.

The consultation was circulated to all families currently receiving Overnight Short Breaks, CWD Social Care Professionals and staff at both the Lavender and Maples sites.

The Consultation was also promoted via social media via the ECC Short Breaks Facebook page and shared by Essex Family Forum.

# Understanding families who use Overnight Short Breaks

The proposed changes will mean that there will be increased availability at one site, The Maples in Harlow. It will be staffed at full capacity, 7 nights per week, and have a maximum of 8 beds capacity per night – a maximum of 2,912 available per year.

The proposed change means that families currently accessing Lavender House will no longer have access to Overnight Short Breaks at this site, and this will may mean that alternative provision will need to be sought, which will include The Maples in Harlow.

ECC understands that the impact of the changes will be most felt by families who currently access Lavender House and live in the Colchester and Tendring areas, through possible increased travel times to access alternative provision for overnight short breaks.

Therefore, ECC understand that families who live in the North East of the County may have different views to families who live outside of these areas so the consultation findings seek to reflect the difference in the views provided by respondents.

# Key conclusions from the consultation process

- For a majority of the families who access Overnight Short Breaks, the proposal to condense the ECC internal provision at The Maples and Lavender House sites to the Maples only will have minimal impact and many families feel that it is positive that there will be more availability and flexibility on when they are able to access overnight short breaks
- For families that currently access overnight short breaks via direct payments or family based care only, there will be no impact from the proposed change.
- Some families who are eligible for short breaks clubs and activities and who do not currently access overnight short breaks feel that they need to be aware of what social care services are available and how they may be able to access overnight short breaks. Some feel at crisis point around needing additional support.
- It is recognised that families who access Lavender House that live in the Colchester and Tendring areas are the most impacted by the proposal through increased travel times and costs
- Families who live in the north east of the county have told us they will feel anxious about their child/young person being far from home during the duration of their short breaks if the only option is to travel to The Maples in Harlow. Some have indicated that they may have to cease using the provision if the proposal is approved.
- For most families living in the west, mid and south of the county, travel times and costs from home or school setting to access the Maples remains the same or improves.
- When asked if they thought families would be impacted by the proposal, 41% said they would be affected, 18% felt they would not be affected and 41% were not sure.

# Face to Face Meetings with Families

November 2022 – January 2023

# Face-to-Face Meetings with Families accessing Lavender House

- 14 Families who access Lavender House were contacted by letter in November 2022 to advise them that ECC was about to open a consultation regarding a proposed change to the way Overnight Short Breaks is delivered.
- Each Family were offered a face-to-face meeting with ECC to hear about the proposal in more detail and to have an initial discussion about any possible impact.
- 14 families are currently accessing Lavender House. 3 families are not impacted as their young people will become 18 and not be using the service from April 2023.
- 6 Face-to Face meetings with families took place during December 2022 and were attended by the ECC Commissioning Team and Operational CWD colleagues.

# Key Themes from Face-to-Face Meetings

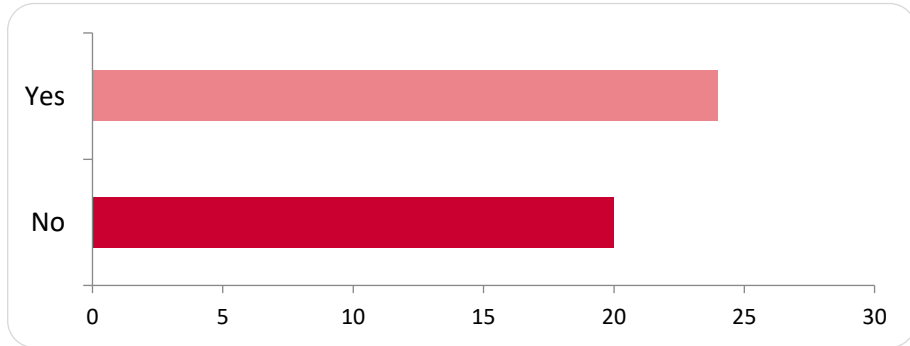
- Initial reservations by all families were shared about the possible additional distance and travel time to access The Maples in Harlow
- Some families started to share initial thoughts about options for travelling from home to The Maples, but most felt they would need support to look at any suitable solution.
- Some families shared that they felt that any alternative provision locally, e.g. Externally commissioned provision, Family Based Care or Direct Payments was not an option for their child.
- Some families were concerned about the transition to a new provision and that relationships will be lost with the current staff at Lavender House and there could be a lengthy process to build new relationships.
- Some families were concerned that the additional travel would mean very long days for their child which they may not tolerate and the distance may make it difficult to get to School on time.
- One family supported the proposal due to the potential ability to block book nights for longer than 5 days, affording them a longer short break still within their allocated provision.



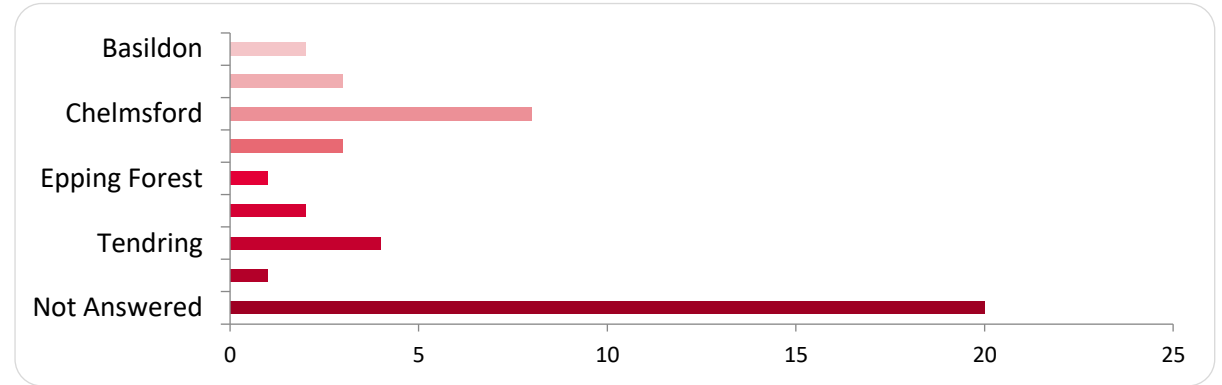
# On-line consultation - Who gave their views

7th December 2022 – 31st January 2023

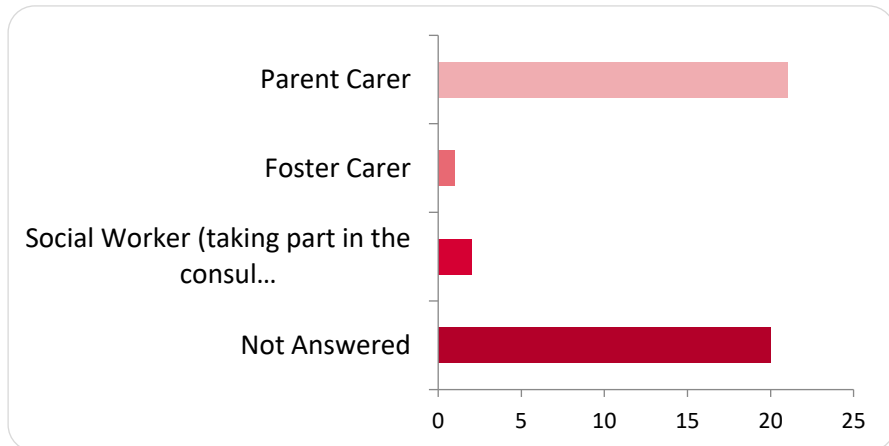
### Do you currently access Overnight Short Breaks?



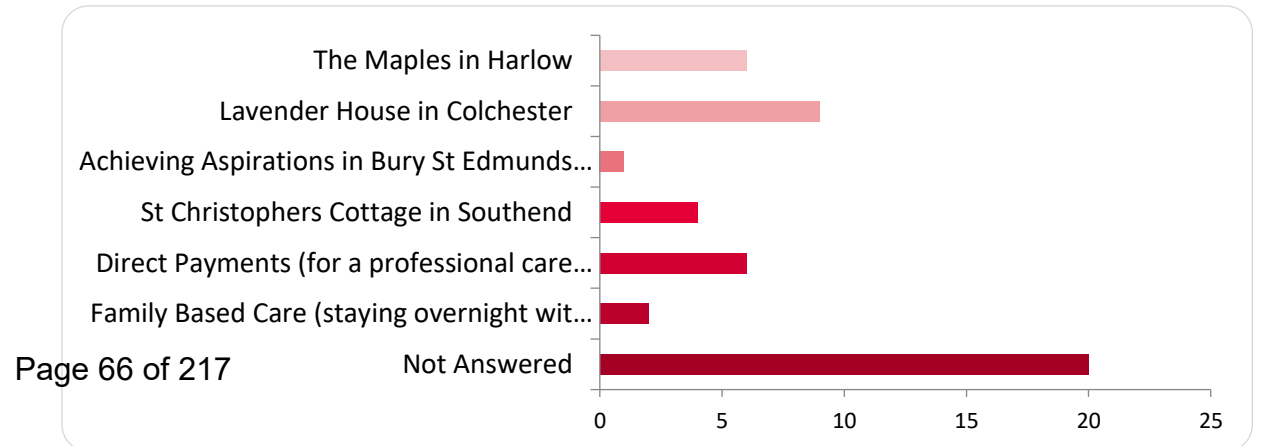
### What district do you live in?



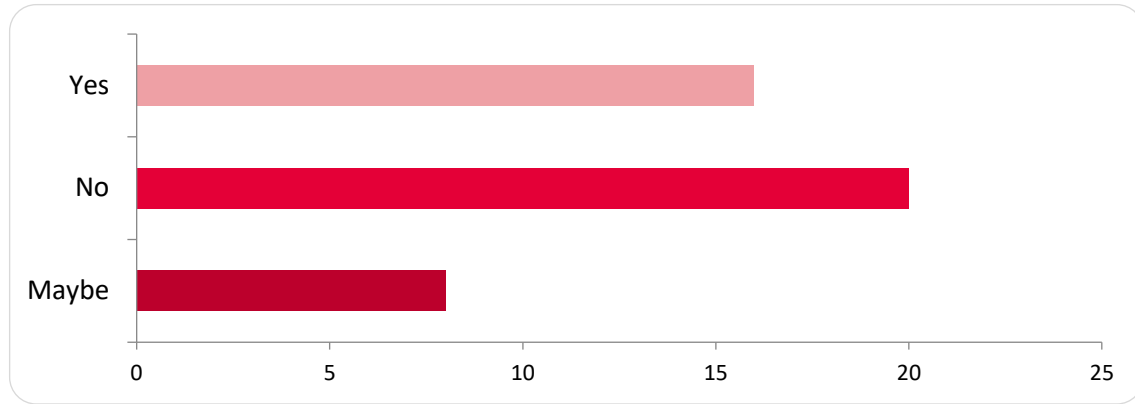
### What relationship do you have with the child or young person(s) who is receiving Overnight Short Breaks?



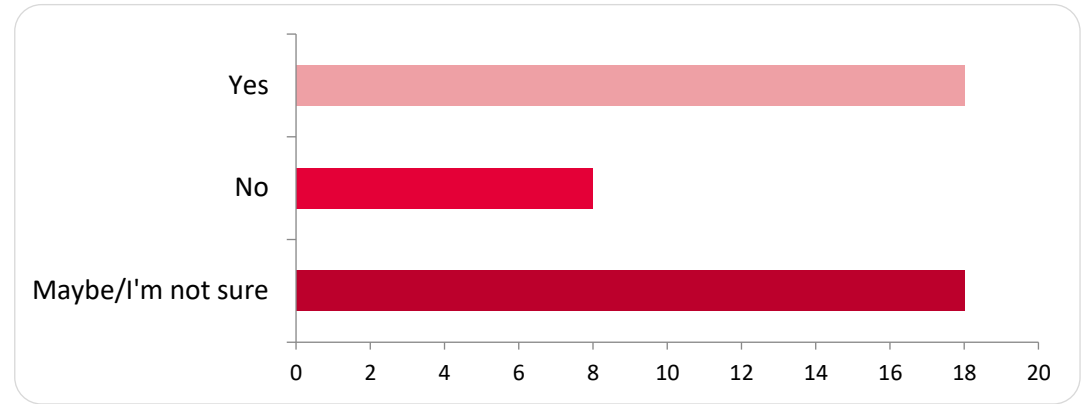
### What types of Overnight Short Breaks does your child/young person(s) currently receive?



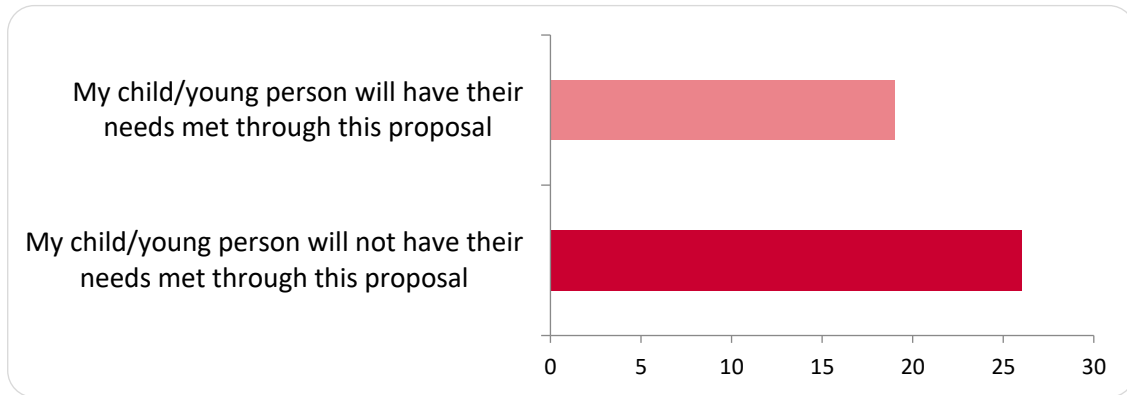
## Do you understand the reason why the Council is proposing this change?



## Do you think that your family will be directly affected by this proposal?



## Thinking about the increase in the number of overnights available do you think that your child or young person(s) needs will be met?

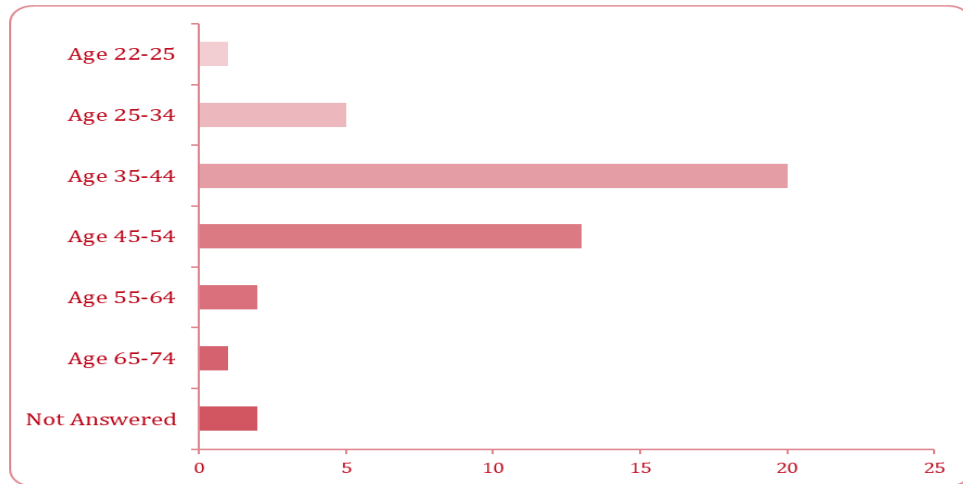


## Number of children/young people by condition

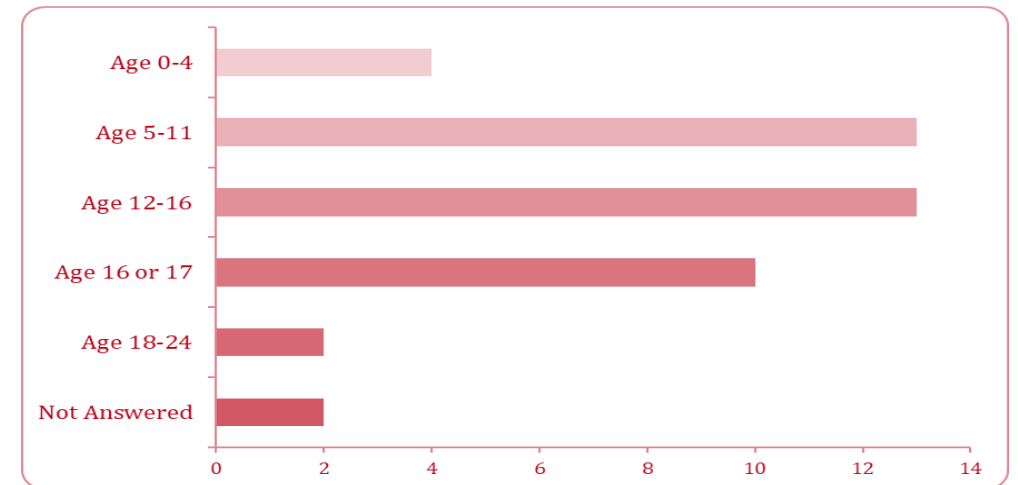
Hearing Impairment / Deaf	0
Visual Impairment / Blind	3
Deaf-Blind	0
Behaviour that challenges	23
Physical Impairment	9
Learning Disability/Difficulties	26
Autism Spectrum Condition	23
Complex Medical Conditions	7
Other	11

## Demographic Information of Respondents

Please tell us what age bracket you fall into

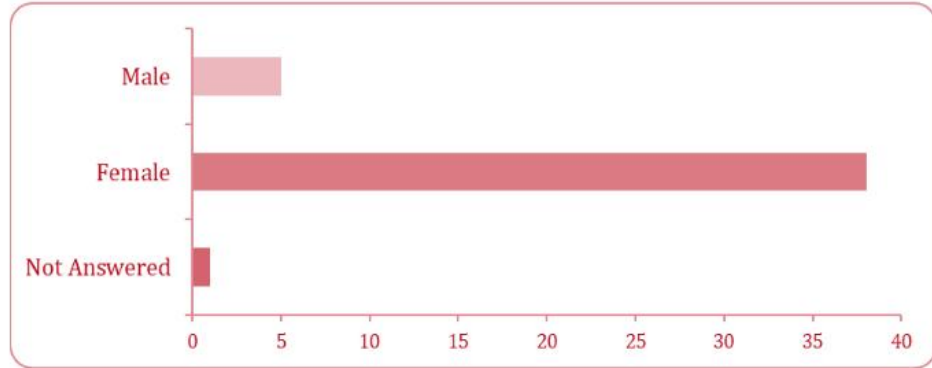


Age bracket of your child or young person(s) you care for

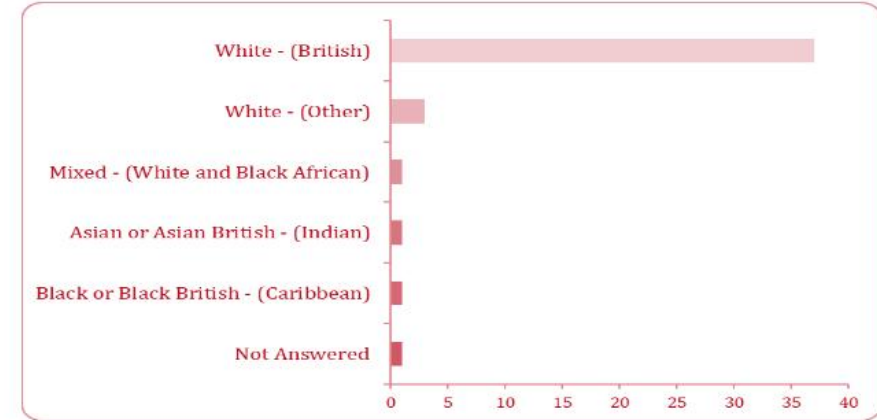


# Demographic Information of Respondents

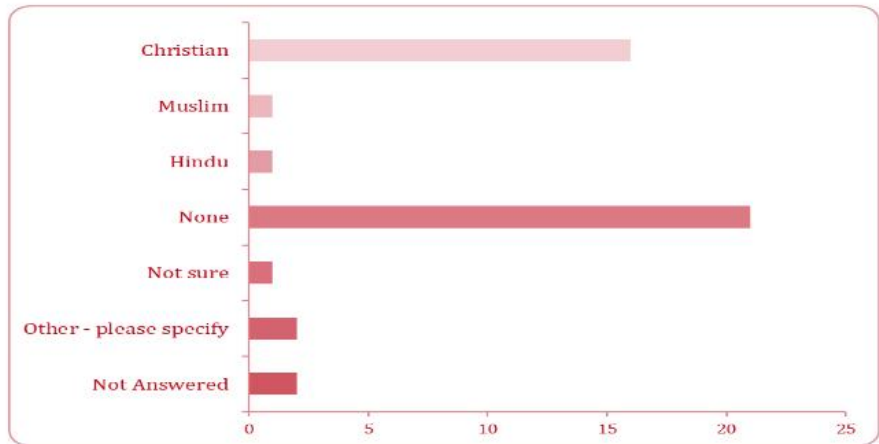
## What is your gender ?



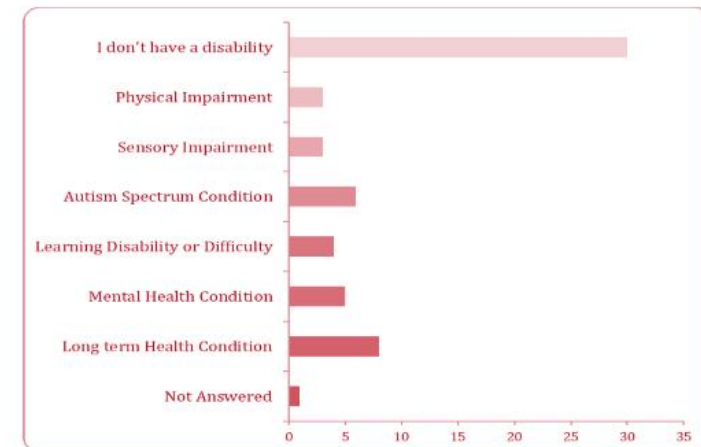
## What is your Ethnicity?



## What is your religion/Faith

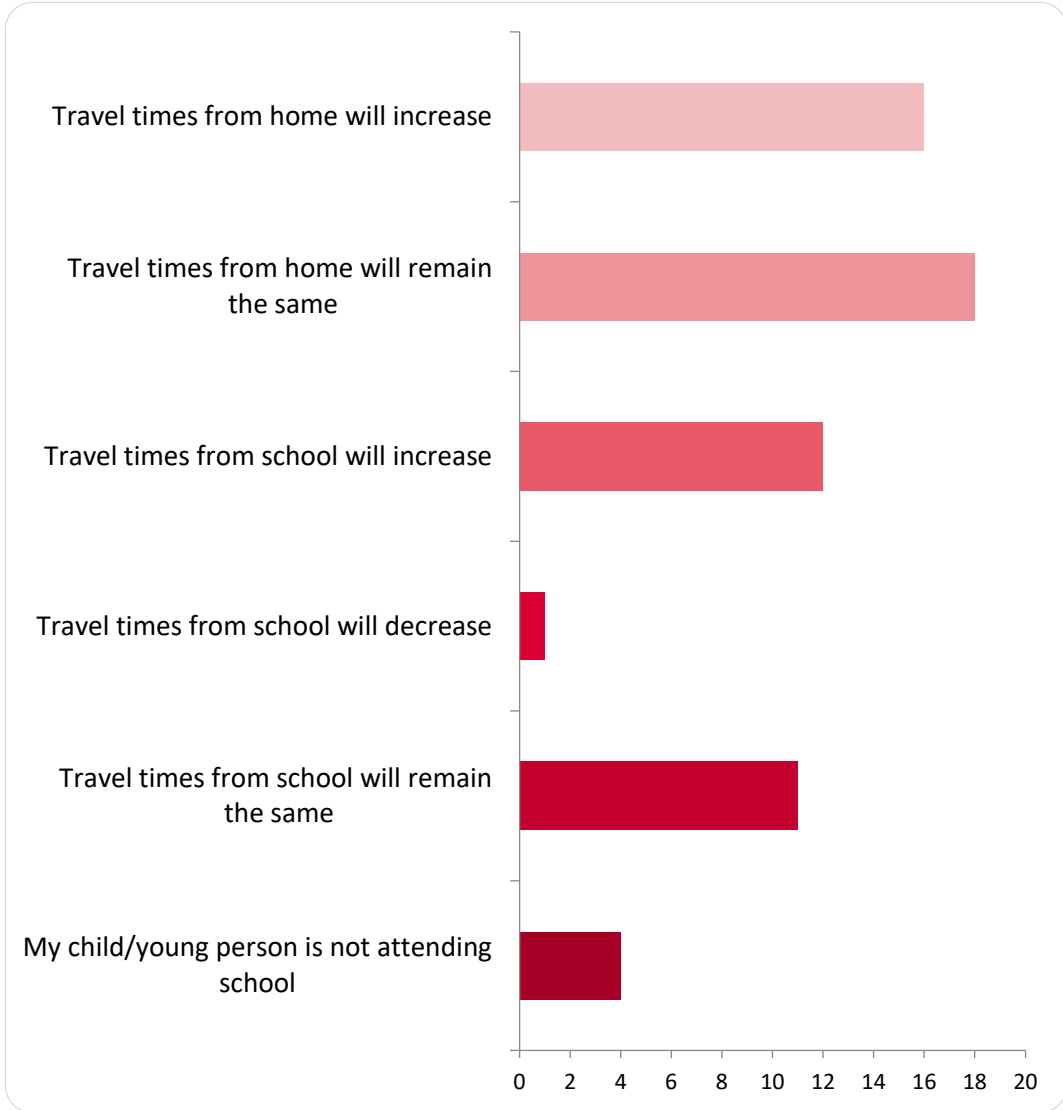


## Disability - Do you consider yourself to have a special educational need and/or disability



# THEME 1: Travel Times & Costs

# Thinking about travel times to access overnight short breaks:



# How will families be affected – what families told us

Travel times will increase for families who live in Colchester and Tendring areas who currently access Lavender House, if they were to access the Maples as alternative provision.

Any traffic problems may make the journey too difficult for some children who have complex behaviour/medical needs -they may not tolerate the journey.

There is a clear theme that respondents feel the increased travel times shown on route planners may not accurately reflect the actual journey time.

Families in the north of the county are concerned about their child being so far away in the event of an emergency.

The increased journey times for those affected from Overnight Short Break provision to school will cause them to be late for school and this will be reflected in school absence procedures.

Quotes from the On-line Consultation regarding additional travel

**Parent Carer Lavender Family (Tendring)** "Moving to Harlow is too far from where we live. Our son doesn't like being stuck in traffic and can present behaviours to show this. Our son doesn't like change. Getting to him in a emergency would take far to long."

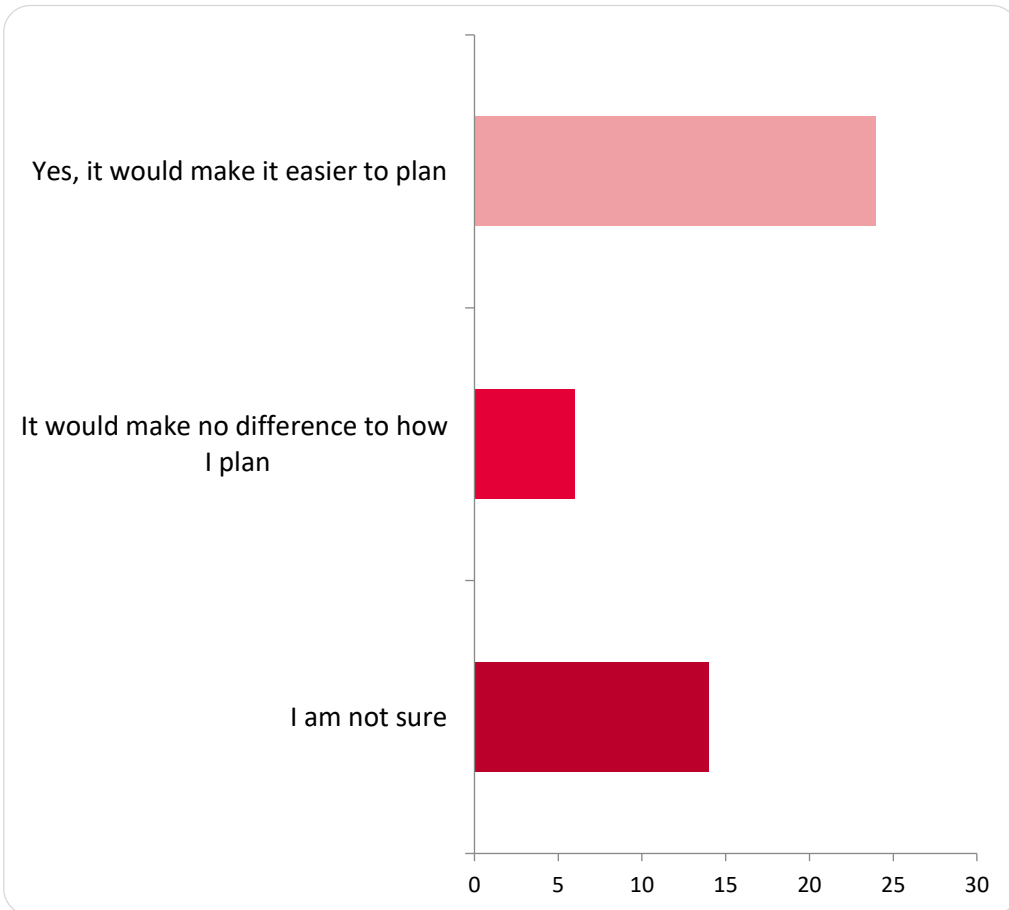
**Lavender Family (Tendring):** "Google maps say 1hr 15 travel time but the reality is very different, more like 2 hours. My child has complex needs including epilepsy. The thought of having to get to Harlow in an emergency terrifies me. My child travels with equipment & has meds at specific times"

**Lavender Family (Braintree)** "We travel a lot and so the extra few miles from home won't be a problem. The college to maple journey will decrease and this will be rather beneficial in the mornings and after school"



# **THEME 2: Increased Availability of Overnight Short Breaks**

## Would an increase in the availability of overnight short breaks make it easier for you to plan when you access overnight short breaks?



## How will families be affected – what families told us:

There was a perception that lots of families would try and access weekend breaks which would mean they would be difficult to access.

Families acknowledged that it may be easier to plan, but felt that the challenges of accessing the service would outweigh this for some.

There was a perception that new families may try to access any increased availability and therefore it would not have an impact due to increased demand.

Consistency in travel arrangements is important to families

Families told us they are concerned that valuable relationships and trust with staff at Lavender may be lost and transition to a new provision would be difficult and take time.

## Quotes from the On-line Consultation regarding availability of nights

### **Family currently accessing the Maples:**

"We recently requested an additional night per month - although this didn't get submitted to panel through fear of losing what we already have. Just a reminder that respite isn't about us having a jolly - more about us surviving. We don't ask for it lightly. It's a huge deal to build trust in a service that looks after your vulnerable child overnight. Will the new proposed system allow more desperate people onto the list? I'm sure that list in itself will swamp the increase in availability."

### **Family accessing The Maples**

"I fundamentally disagree with the idea that there is a ""low capacity"" need for overnight respite in Essex. This situation has been created rather than being actual. There are several factors at play, but the most significant is ECC setting higher bars for families of disabled children and young people to obtain a Social Worker in the first instance. As a result, a reduced number of families can access funding for overnight respite so the ""need"" goes down. The children and families are still there, their needs however are just not being counted."

### **Family accessing Lavender House: "I**

have concerns with my child being sent so far from home. Whether I'm taking him or transport. My son's social worker already turned down his initial place which was somewhere in Hertfordshire due to distance. If we lose lavender it's another much needed service lost. It's the only respite I have & we waited over 2 years for a suitable placement. Sadly Harlow is not an hour up the road & the A12 is a nightmare."

# **THEME 3: Eligibility of Overnight Short Breaks**

## What families told us who are not currently accessing Overnight Short Breaks

13 families (45%) who responded to the online consultation do not currently access Overnight Short Breaks.

Overnight Short Breaks eligibility is identified through social care assessment and agreed at a multi-agency panel. It is not clear from the responses if the families are in receipt of social care.

Many families with children with disabilities told us they wanted more information about how to access Overnight Short Breaks.

Families told us that the referral process can take too long, and they feel they have to fight to be heard despite feeling in crisis.

Some families felt the reason they do not get approved for overnight short breaks is because of where they live.

Some families feel that the proposal to condense the internal provision to one site will restrict the chances of overnight short breaks even further

Quotes from the On-line Consultation from families not accessing overnight short breaks

“I’m being refused despite meeting criteria and having a Tribunal ruling stating overnight respite is required so doubt any increase will have any impact.”

"There is a need for respite care which at the moment is not being met. Many younger children do not have social workers and therefore do not get access to these facilities. If special schools parents/carers were surveyed you would find that both Maples and Lavender House would be full seven days a week.

“Respite has never been offered to our several disabled daughter of 8 years old, I'd imagine this is due to us not being local as we are castle point area”

# Equality Comprehensive Impact Assessment

Reference: ECIA480755208

# Executive Summary

## Overview of Decision

Overnight Short Breaks (OSB) provision currently consists of 3 key elements, internal ECC provision (The Maples and Lavender House in Harlow & Colchester), Family Based Care, which is delivered through Short Breaks Foster Carers, and Externally commissioned provision at overnight short breaks homes and through direct payments.

Currently, 142 children and young people have agreed OSB packages of 4128 nights. Of those 142 children and young people, 14 children/young people access Lavender House in Colchester which will reduce to 11 during the period January 23 to April 23 as young people transition to adult services.

Following a planned review of the overnight short breaks offer, the recommended decision is to condense the current internal offer as demand for internal provision can be met at a single location and offer more capacity in terms of the number of weekday and weekend nights available. The single location would be The Maples, in Harlow.

The Maples is a purpose-built facility that is better set up to meet the demand for the overall internal provision for OSB.

Lavender House in Colchester would no longer be used to deliver OSB but will be repurposed to enable ECC to meet other service delivery demands in children's social care.

The condensed offer will be more cost effective and meet Overnight Short Breaks budget pressures through having one staff team and will enable increased capacity of OSB nights, including improved availability at weekends, which families are asking for.



# Outcomes and Measurements

Outcome: The condensed offer will meet demand and be more cost effective, meeting Overnight Short Breaks budget pressures through having one staff team and will enable an overall increased capacity for OSB by expanding the offer across 7 nights a week with a maximum capacity of 8 nights delivered at any one time.

## **How will the impact of the policy / decision be monitored and evaluated?:**

An ongoing ECC Project Team consisting of Children & Families Commissioners, Operational CWD Teams, Finance Reps, Legal Rep and Citizen Insight will oversee the decision-making process and will also oversee the implementation of any changes should the proposal be approved. The decision is expected to go to Cabinet in March, following a full consultation with families, social care professionals and staff teams at Lavender House and The Maples. The reference for the paper is: FP/032/02/23 Recommissioning of CWD Overnight Short Breaks Provision 2023.

**What strategic priorities will this policy / decision support?:** Health, Independence and Wellbeing for All Ages, A good place for Children and Families to Grow

**Which strategic priorities does this support? - Health:** Healthy lifestyles, Carers, Levelling up health

**Which strategic priorities does this support? - Families:** Family resilience and stability, Outcomes for vulnerable children, Levelling up outcomes for families

**What geographical areas of Essex will the policy / decision affect?:** All Essex, Tendring

# Equalities Groups

Characteristic	Nature of Impact	Extent of Impact
Age	Positive	Low
Disability (LD)	Positive	Medium
Disability (MH)	Positive	Medium
Disability (PI)	Positive	Medium
Disability (SI)	Positive	Medium
Sex	None	
Gender Reassignment	None	
Marriage/Civil Partnership	None	
Pregnancy/ Maternity	None	
Race	None	
Religion/Belief	None	
Sexual Orientation	None	

## Rationale for assessment, including data used to assess the impact:

Full consultation with families has taken place which included:

- Initial pre engagement contact
- Interviews
- Survey
- Formal Consultation
- Meeting with families accessing Lavender House

Although the proposal positively impacts most of Essex by way of delivering a single internal offer staffed at full capacity, and therefore an improved internal offer, there is a risk to a small number of families who live in the north of the county who access OSB.

7 families currently will be subject to increased transport/travel times which may be a challenge around complex medical/behaviour needs of the children/young people being supported.

This will also impact future families who live in Tendring who may have a need identified through social care assessment

# Levelling Up

Characteristic	Nature of Impact	Extent of Impact
Children and adults with SEND	Positive	Medium
Jaywick and Clacton	Negative	Medium
Harwich	Negative	Medium
Basildon	Positive	Medium
Canvey Island	Positive	Medium
Colchester (Town) -	Positive	Medium
Rural North of the Braintree District	Positive	Medium
Children on Free School Meals	None	NA
Young Adults	Positive	High

## Rationale for Assessment – including data to assess impact

Overall Positive, but recognise that this will impact 7 families that live in the north of the county will be negatively impacted due to increased travel times and costs.

Additional costs for families who live in the Jaywick, Clacton and Harwich areas may range from £158 to £1,331 per annum, dependent on where their young people go to school and travel routes.

ECC will explore ways to support these families through the child's individual care plans. This might include:

- Home to School Passenger Transport or bespoke travel arrangements
- Arrangements with families who provide transport themselves to be awarded direct payments to assist with costs
- Assessing whether there are suitable alternative provisions in the wider short breaks offer.
- Working with the family to mitigate risks relating to forgotten medications and planning for emergencies.

# Health Groups and Other Priority Groups

Characteristic	Nature of Impact	Extent of Impact
Refugees/Asylum Seekers	None	
Homeless / Rough Sleepers	None	
Offenders / Ex-Offenders	None	
Carers	Positive	High
Looked After Children	Positive	High
Veterans	None	
People who are unemployed / economically inactive	Positive	Medium
People on low income	Positive	Medium
Working families	Positive	Medium

## Rationale for assessment, including data used to assess the impact:

Full consultation with families has taken place alongside data analysis and research.

Overnight Short Breaks offer parent carers a break from their additional caring responsibilities, so that they can rest, recover and spend time on their own interests or other relationships. A quote from a parent carer at the Maples provides insight into the impact of a quality short break: *“This service has saved my marriage - I don’t say that lightly. I am on a range of medications myself – anti-depressants and beta blockers’*

Looked after children with disabilities benefit from the overnight short breaks offer as the short break offers carers the break from additional caring responsibility whilst ensuring the child has access to quality care and social connection.

One parent carer accessing Lavender House told us that their benefits had reduced since taking up work and they were on low income, but that the overnight short breaks enabled them to work overnight at a care home themselves.

Ultimately, delivering overnight short breaks to children and young people with SEND supports the stability, safety and wellbeing of the family or placement environment .

# Geographical Groups

Characteristic	Nature of Impact	Extent of Impact
People living in areas of high deprivation	Positive	High
People living in rural or isolated areas	Positive	Low
People living in coastal areas	Positive	Low
People living in urban or over-populated areas	Positive	Low

## Rationale for assessment, including data used to assess the impact:

Overall positive due to the overall impact of the service However, a small population in the North of Essex is negatively impacted in terms of travel times.

In relation to levels of deprivation, at the time of the proposed change, there will be 4 families who may live in the coastal towns of Harwich, Jaywick & Clacton that may need to transition to another alternative overnight short breaks provision.

There is a high negative impact on families who live these areas due to the increased travel time needed to access the Maples in Harlow.

Overnight Short Breaks provision for those living in South of the County will not change as their needs are predominantly provided through external provision and a similar situation for those living in the Rural North of the County.

ECC will explore ways to support these families through the child's individual care plans. This might include:

- Home to School Passenger Transport or bespoke travel arrangements
- Arrangements with families who provide transport themselves to be awarded direct payments to assist with costs
- Assessing whether there are suitable alternative provisions in the wider short breaks offer
- Working with the family to mitigate risks relating to forgotten medications and planning for emergencies.

# Families

Characteristic	Nature of Impact	Extent of Impact
Family formation (e.g. to become or live as a couple, the ability to live with or apart from children)	Positive	High
Families going through key transitions e.g. becoming parents, getting married, fostering or adopting, bereavement, redundancy, new caring responsibilities, onset of a long-term health condition	Positive	High
Family members' ability to play a full role in family life, including with respect to parenting and other caring responsibilities	Positive	High
Families before, during and after couple separation	Positive	High
Families most at risk of deterioration of relationship quality and breakdown	Positive	High

Rationale for assessment, including data used to assess the impact: Parents who are carers spend a lot of their time caring for their children in comparison to other parents. Overnight short breaks contribute to supporting the health and wellbeing of all the family including other children, thereby contributing to their resilience and stability. Furthermore, by having the opportunity to attend overnight short breaks good developmental outcomes are delivered for children and young people with SEND.

Some families expressed how accessing overnight short breaks had supported their marital relationships, and for others that the overnight short breaks staff had been a lifeline when going through separation.

It is important to recognise the extent of the positive impacts of receiving overnight short breaks on families of children with SEND needs. The consultation makes clear that a range of overnight short breaks enable positive outcomes for children and young people with SEND and their parent carers.

# Climate

**Does the policy or decision indicate there could be a medium or high adverse impact on one or more of the groups / areas identified?: Yes - Sustainable Transport / Travel**

## **Rationale for Assessment – including data to assess impact:**

The decision will impact 7 families that live in the north of the county will be negatively impacted due to increased travel times and costs.

The decision will mean increased transport needs and travel times for families to access one condensed provision in the West of the County. This means increases in carbon footprint.

The distance from the 11 families' homes to Lavender ranges from 0.7 to 36 miles. This equates from 2 to 57 minutes based on google maps, and from 0.4 to 4.12 CO<sub>2</sub>/kg. The estimated fuel cost ranges from £0.35 per journey through to £7.87 per journey.

The distance from the 11 families' homes to the Maples ranges from 18 to 63 miles. This equates from 31 to 81 minutes (1 hours 21 minutes) based on google maps, and from 2.4 to 7.24 CO<sub>2</sub>/kg. The estimated fuel cost ranges from £3.90 to £18.84 per journey.

Due to routing an increase in mileage does not always reflect increased travel times, and it should also be noted that estimated times are based on travel at peak times but do not account for traffic caused by individual incidents that can increase travel time significantly. For two families both mileage and travel time decrease.

# Action plan to address and monitor adverse impacts

**Does your ECIA indicate that the policy or decision would have a medium or high adverse impact on one or more of the groups / areas identified?: Yes**

**What are the mitigating actions?:**

The preferred option does present a risk to a small number of families who live in the north of the county who access Overnight Short Breaks. 7 of the 142 families will be subject to increased transport/travel times which may be a challenge around complex medical/behaviour needs of the children/young people being supported.

ECC will explore ways to support these families through the child's individual care plans. This might include:

- Home to School Passenger Transport or bespoke travel arrangements
- Arrangements with families who provide transport themselves to be awarded direct payments to assist with costs
- Assessing whether there are suitable alternative provisions in the wider short breaks offer.
- Working with the family to mitigate risks relating to forgotten medications and planning for emergencies.

Where it is agreed that the increased travel times are not safe or appropriate for the child/young person, ECC will work with the families to explore other options around overnight short breaks, including Home Based Care, Externally commissioned provision, and Foster Carer provision.



# Meeting with Families accessing Lavender House

On 9<sup>th</sup> March 2023, the Cabinet Member for Children's Services and Early Years hosted a meeting with families accessing Lavender House. Officers reflected the learning from the consultation and review. The feedback from the families in attendance are shown below:

Parents expressed anger as Lavender House has been a lifeline for them.

Parents expressed concern that they may forget to pack the child's medication, and it would take longer to bring it to them.

Parents raised that sometimes taxis are cancelled

Parents said that CAMHS were not aware of the consultation

Two parents set out that they did not want their child to go to someone else's house (family based care). "I want this – I don't want anything else"

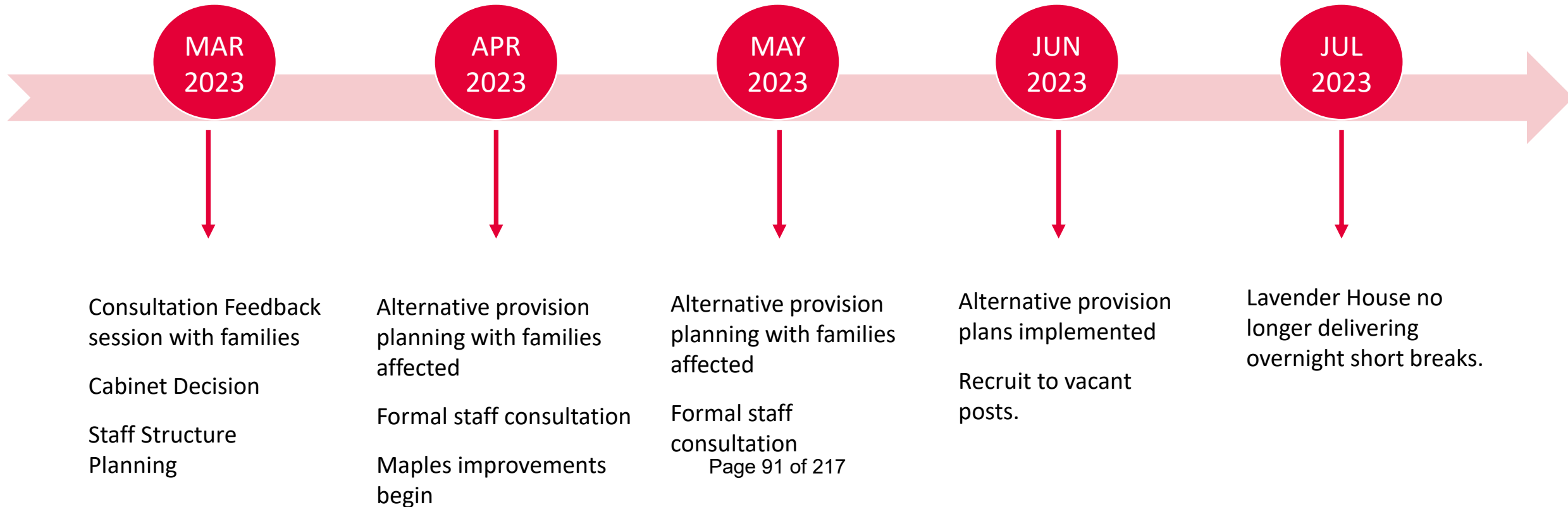
Parents expressed personal experiences of being on waiting lists or waiting a long time to be offered overnight short breaks at Lavender House

Parents expressed a desire to speak at Cabinet – this has been explored and will be facilitated in line with Cabinet procedures.

# Next Steps

# Next Steps

The recommended option to provide overnight short breaks from one internal premises, The Maples, alongside externally commissioned provision, family based care and home based care will be discussed at March Cabinet. Should the decision be made the following next steps will be undertaken.



This information is issued by:  
Essex County Council

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The information contained in this document  
can be translated, and/or made available in  
alternative formats, on request.

### Appendix 3: Premises Maintenance/Development Requirements

The following table sets out the essential and desirable changes to the Maples which would be required if it was to be used as the single premises to deliver the internal overnight short breaks offer.

Activity/Requirement	Estimated Cost
<p><b>Desirable:</b> Replace two specialist beds. Manufacture guidelines around bed provision have changed and manufacturers are now required to implement some additional anti-entrapment measures for smaller users (less than 146cm, 40kg and/or with a BMI less than 17). The additional demand means that some children visiting will meet this criterion and would therefore benefit from a specialist bed. Essex Occupational Therapists recommend an Accora Community bed with junior kit and an Accora floorbed2 with junior kit. The additional benefit of the floorbed, is that it goes right down to the floor, so children who perhaps cannot perform standing transfers but can crawl to/from the bed, can complete crawling transfers without needing to be hoisted, increasing their independence.</p> <p>Accora community bed: <a href="https://accora.care/gb-en/product/accora-care-beds-communitybed/">https://accora.care/gb-en/product/accora-care-beds-communitybed/</a>            Accora floorbed: <a href="https://accora.care/gb-en/wp-content/uploads/2020/04/FloorBed-1-Junior-brochure.pdf">https://accora.care/gb-en/wp-content/uploads/2020/04/FloorBed-1-Junior-brochure.pdf</a></p>	<p><b>£3,000</b></p>
<p><b>Desirable:</b> Replace current freestanding high/low bath option for those requiring hoisted transfers/care assistance for a permanent, fixed option. It has a high/low function so carers can wash a child at an appropriate height. It can also have a cushioned bath support to help support with postural needs to bathe and a stretcher for changing that sits on top of the bath and folds when not in use. It can also have sensory features including underwater lights, sound and a spa feature, enabling children to benefit from improved comfort and enjoyment during bath time, and taking part in their own bath time care, increasing independence. Predicted cost set out below but subject to formal quote:</p> <p>Bath unit £7,346            Taps &amp; Hardware: £590            Music Therapy £1,694            Bluetooth music connection £1210            Light Therapy £1210            Hydrotherapy £3000            Delivery and Installation £776            Additional 20% contingency for potential price increases £2130</p>	<p><b>£15,776</b></p>
<p><b>Desirable:</b> 2 Shower Chairs for different needs. Children tend to either be washed whilst laying down on a bench or independently mobile and capable of standing. This leaves a cohort of children who rely on a hoist for transfers, but who are capable of sitting up and engaging in washing themselves (e.g children with certain muscular dystrophies, cerebral palsy presentations etc). Laying isn't always ideal for these children as they are not enabled to engage, and washing is just completed by carers. Having two shower chairs that can meet a range of needs would improve the offer considerably at the Maples</p>	<p><b>£2,782</b></p>

<b>Desirable:</b> New gates and fencing to the front of the premises to extend the safe outdoors space available to children and young people visiting.	<b>Quote Requested from Mitie</b>
<b>Desirable:</b> OSB are delivered to children and young people who are cognitively very able, but some are not able to clean themselves after using the toilet. This may include children and young people whose condition means that they cannot grip toilet paper, cannot reach behind them or cannot co-ordinate such movements. Many of these children/young people are in wheelchairs. Installing a toilet that has an arm that washes the user as well as dries them and can be cycled by touching a remote or infra-red sensor input those cycles through the features by waving an arm in front of it. The outcomes of this kit for the right user can be significant. It means that they can use the toilet without a carer having to clean them afterwards, with all of the independence, dignity and hygiene benefits that brings. Having access to such a toilet in The Maples would offer benefits to children and young people in terms of their own developmental outcomes and independence, and will enable the Maples to respond to a wider range of needs.	<b>£5,000</b>
<b>Desirable:</b> Mobile changing/shower bench in place is generally working well but can be a little small (approx. 1700mm length – generally enough for the majority of users but not for taller users). OT recommends a wall-mounted stretcher, but as there is enough room for a bench and storage where access can be gained for 2 carers, a mobile bench may be a better option.	<b>£2379 + VAT</b> <b>£80 delivery</b>
<b>Desirable:</b> Exercise Bike. Some of the children present with lots of energy to burn and discussions with parents have revealed that an exercise bike has been a helpful intervention at home.	
<b>Desirable:</b> Technological improvements such as IPADs for children and young people to contact family and friends (as appropriate and in line with their care plan)	<b>£5,000</b>
<b>Desirable:</b> Community planting/growing project. Vegetable and plant beds for the children to tend to, learn about where our food comes from and benefit from being outside and growing and caring for produce. This could include raised beds or a worktop where children using wheelchairs could access to plant seeds and in pots and a mini greenhouse. This has been trialled before, but it was challenging as whilst some children enjoyed it, others would pull plants out etc which was deflating for the children who enjoyed it. This will be revisited to explore links to community garden environments outside of the overnight short breaks provision, or ways to ensure those who enjoy it are not impacted by those who do not.	<b>Estimated £5,000-10,000</b>
<b>Desirable:</b> Sensory integration. There is a sensory room with some features such as different textures on the walls and lights, but there is room to develop this further. The sensory room is not large and there could be room to expand this, with an extension to the side of the building. There is room for some more diverse sensory activities, not just visual and touch, but also vestibular (sensation of movement) and proprioceptive (awareness of and use of limbs) as well as more interactive activities. This might include mini trampolines, a swing, balance ball, bean bag chill-out area, music etc. This would require specialist assessment from an OT trained in Sensory Integration and staff training for select members of staff on sensory integration and play as appropriate.	<b>Not costed but to be considered in future planning of the Maples</b>

The following table sets out the essential and desirable changes to Lavender House which would be required if it was to be used as the single premises to deliver the internal overnight short breaks offer.

Activity/Requirement	Estimated Cost
<p><b>ESSENTIAL:</b> Master key system requires replacing as the locks/keys are no longer reliable which creates health and safety risks.</p> <p>The locks were originally sourced from overseas and there is not a UK equivalent. New locks need to be the same size as the current ones are required, or all new doors would be required. It is difficult to estimate the costs reliably.</p>	<p><b>Cost unknown</b></p>
<p><b>ESSENTIAL:</b> Currently use manual hoists which is not best practice, although permissible from an Ofsted perspective. Overhead hoists needed in two bedrooms</p>	<p><b>£6,000</b></p>
<p><b>ESSENTIAL:</b> Rise and fall beds are very old and need replacing. 8 in total.</p>	<p><b>£16,000</b></p>
<p><b>ESSENTIAL:</b> The changing bed attached to the wall in Ash bathroom needs replacing.</p>	<p><b>£4,440</b></p>
<p><b>ESSENTIAL:</b> Telephone and communications. An old telephone system is in place with 3 external lines and the ability to make internal calls. Handsets have broken over time so not all telephone points have a working phone. Replacements are not able to be sourced as it is not a system that is operational anymore.</p>	<p><b>Cost unknown</b></p>
<p><b>ESSENTIAL:</b> All bathrooms in the 3 Flats (6 in total) have not been replaced/re-tiled for 22 years. On average, the total cost of installing a new home bathroom in the UK is about £6500-7000. To meet the requirements of a children's overnight short breaks home additional equipment will need to be considered, alongside ensuring children have the choice of a bath. Baths are not just a facility for personal hygiene but can be therapeutic for children and young people with SEND, providing relaxation and enjoyment, easing of pain and a precursor to treatments for skin conditions.</p> <p>Like bedrooms, bathrooms and ensuite areas must be designed to allow staff access in case of an emergency and promote the safety and wellbeing of the people living there. Flooring should be seamless, impermeable, and slip-resistant, but be easily cleaned. There should be the potential to incorporate low level lighting, to support access to the toilet through the night</p>	<p><b>£60,000</b></p>
<p><b>ESSENTIAL:</b> The Hollies kitchen is 22 years old. A mid-range kitchen is estimated to cost between £10,000 and £20,000 dependent on requirements. To meet the requirements of a children's overnight short breaks home additional equipment may need to be considered such as wheelchair accessible worktops.</p>	<p><b>£20,000</b></p>
<p><b>ESSENTIAL:</b> The doors in The Hollies have been replaced however other external doors need replacing as if they would not currently withstand much in the way of challenging behaviour. Doors and windows may be</p>	<p><b>Cost unknown</b></p>

replaced as part of the installation of an heat source air pump heating that is due to start imminently to meet carbon/environmental standards.	
<b>ESSENTIAL:</b> Overgrown trees present climbing risks, bird excrement, damage to guttering and attract neighbour complaints. They need to all be topped or removed and maintained annually	<b>£3,000 plus annual maintenance costs</b>
<b>DESIRABLE:</b> Showers were installed but otherwise they are 22 years old.	
<b>DESIRABLE:</b> There is a very old bedroom monitor system that is not fit for purpose. This needs to be decommissioned and consideration given to an alternative.	
<b>DESIRABLE:</b> Tap Isolators for when young people are causing flooding in bathrooms.	
<b>DESIRABLE:</b> Sleep in bathrooms had showers installed many years ago but are otherwise 22 years old and in need of modernising.	<b>£10,000</b>
<b>DESIRABLE:</b> Air conditioning. There is an air conditioning unit in Flat Beech that cools the lounge however the bedrooms and Flats can be very hot as windows are not able to be fully opened.	<b>£3,000 per room as wall units or £500 per mobile unit.</b>
<b>DESIRABLE:</b> Improved digital ways of working (both recording and in communication with young people) would bring Lavender more in line with other homes. New system requirements would need to be fully costed but based on recent builds of another short break system set up a conservative estimate is £20,000 (three month build)	<b>£20,000</b>



**Forward Plan Reference Number:** FP/014/01/23

<b>Report title: Essex Adult Social Care Market Sustainability Plan</b>	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Councillor John Spence – Cabinet Member for Adult Social Care and Health	
<b>Date:</b> 21 March 2023	<b>For:</b> Decision
<b>Enquiries to:</b> Moira McGrath, Director of Commissioning Adult Social Care ( <a href="mailto:moira.mcgrath@essex.gov.uk">moira.mcgrath@essex.gov.uk</a> ); Peter Fairley, Director of Strategy Policy & Integration ( <a href="mailto:peter.fairley@essex.gov.uk">peter.fairley@essex.gov.uk</a> )	
<b>County Divisions affected:</b> All Essex	

## 1. Everyone's Essex

- 1.1 Everyone's Essex sets out the strategic aim of health, wellbeing and independence for all ages. Having a strong and sustainable care market, providing quality and choice for residents across the county is central to our health and wellbeing ambitions in Essex.
- 1.2 As such it is critical that we work with providers to ensure the capacity in the various different geographical and functional markets; that we continue to explore all options for how the market can operate; and that we are focused on the medium and long-term needs that will be associated with an ageing population. All of these elements come together as our Market Shaping Strategy.
- 1.3 The Council recognises the critical and valued work that care providers and care workers across Essex perform, supporting the most vulnerable people in our society. The Council also recognises the exceptionally challenging economic climate for the care market, in the light of high inflation, increasing interest rates, and high and rising energy costs. The Council is committed to doing what we can to increase funding in the care market and ensure that the sector as a whole is sustainable.
- 1.4 At the same time, we are required by the government to set out, and for Cabinet to approve, a Market Sustainability Plan. These set out the detail on market trends and capacity and the plans for ensuring market sustainability through which all the aspects of market shaping will be addressed, that fair cost of care is achieved, and that we ensure market readiness for the social care reforms scheduled for 2025. The market sustainability plan has to cover all the markets in which we operate including domiciliary, residential, and adults with disabilities.
- 1.5 The purpose of this paper is therefore to seek Cabinet approval for the strategic priorities for the future of the Essex care market in the Essex Care Market Strategy and the Market Sustainability Plan (MSP).

- 1.6 The proposals in this paper do not create any additional climate impacts, which is consistent with our net zero climate commitments set out in Everyone's Essex.

## **2 Recommendations**

- 2.1 Approve the Essex Market Shaping Strategy 2023-30 in the form appended to this report.
- 2.2 Approve the Market Sustainability Plan for submission to Government by 27 March 2023 in the form appended to his report.

## **3 Background and Proposal**

- 3.1 Local authorities have a duty under Section 5 of the Care Act 2014 to promote the efficient and effective operation of a market in services for meeting care and support needs, with a view to ensuring services are diverse, sustainable, and high quality for the local population, including those who pay for their own care.
- 3.2 Essex has a large and relatively stable care market of over 700 registered providers, including 340 domiciliary (homecare) providers and 384 residential and nursing care providers. There are also a wide range of voluntary and community organisations that support and provide care to frail older people, adults with learning disabilities or autism, those with mental health support needs, and those living with physical and sensory impairments.
- 3.3 The care sector performs some of the most vital services in our society and is one of the largest employers in Essex, but it also faces significant challenges.
- 3.4 Essex is committed to valuing the care market and the care workforce. It provides a vital role supporting people with care and support needs to live with dignity, respect, and wellbeing. The two documents help set out our strategic intentions over the next 7 years.

### **Market Shaping Strategy**

- 3.5 Over the last 18 months the Council has refreshed its Market Position Statement for Adult Social Care, which provides insight into our existing adult population demography, benchmarking insight, market insight and existing commissioning intentions on our social care markets. The Market Position Statement is directed at providers that support Essex residents and shares information and analysis of the markets that deliver services to or support adults in Essex.
- 3.6 In 2022 the Council completed an engagement exercise with care providers and with adults with lived experience, carers, and the NHS to develop a new Essex Market Shaping Strategy. Engagement took place via online

questionnaires, provider forums, one to one discussions and webinars. From our engagement the key feedback points were:

- The need for continued collaboration of existing services and addressing future challenges through commissioning and procurement activities. Providers want to work with ECC to innovate and improve their service offer.
- Improve cultural practice between providers, adults with lived experience and operational teams to ensure services are delivered effectively and the adults needs are met.
- Support providers to recruit, retain and upskills their workforce to meet existing and future demand whilst delivering services effectively.
- Improve relationships and services delivered across health and social system, providing consistent and safe outcomes for adults.
- To support providers to be financial sustainable, providing clear financial intentions to allow our market to shape their businesses.

Key findings are set out in the draft strategy which is appended to this report.

- 3.7 The proposed Market Shaping Strategy sets out our vision on the direction of our Social Care market, covering the period 2023 until 2030:

*Enabling people to live their lives to the fullest through a vibrant and sustainable care market, supporting Essex residents to develop their strengths and personal independence*

- 3.8 The Market Shaping Strategy sets out our intention to shape the market over the next seven years so that we can help develop and grow market solutions and capacity where it is needed and to support people to be as independent as possible and to remain in their own homes. In summary the Council will:

- Increase and evolve community-led services such as domiciliary care, and other services that supports the Adult and the Carers in the community. This includes supporting living services, personal assistants, micro-enterprises and the utilisation of technology.
- Seek to reduce the over-supply of residential beds and continue to reduce permanent admissions into residential care
- Slightly increase availability nursing provision and placements for an Adult with complex needs or behaviours.
- Improve our short term and early help offer and promote local community networks and provision for Adults and Carers that incorporates our voluntary sector.

- 3.9 The Essex Market Shaping Strategy identifies key challenges and priority themes that need to be tackled:

- a) **Addressing care market workforce recruitment and retention challenges:** pay in the care sector is low, about 12% of jobs are vacant, and 28% of the care workforce are already over 55 years old and possibly due to retire in the next 10 years. We need to make the sector attractive and valued to work in and develop a sustainable future workforce pipeline.

- b) **Ensuring effective management of capacity and demand, both now and for the future:** there are some supply issues in parts of the county, especially for domiciliary care in more rural parts of the county and also for complex nursing care, while intermediate care services are fragmented and cannot fully meet demand. There is, however, an over-supply of residential care beds, and this is likely to widen as we aim to reduce avoidable admissions into residential care.
- c) **Putting lived experience of the person at the centre of what we do:** there is a need to improve Information, Advice and Guidance (IAG) and promote choice and control, work to support the development of the personal assistant market and develop more systematic ways for capturing lived experience of care across Essex.
- d) **Ensuring delivery of good quality services:** 80% providers are good or outstanding, but this is slightly down from 83-84% pre-pandemic.
- e) **Digital & Technology that maximises independence and workforce efficiency:** care technology is under-utilised in the sector and can support independence and quality of life. There are opportunities for technology to support workforce efficiency and workload, which will be critical as demand continues to grow from an ageing population.
- f) **Promoting the financial sustainability of the sector as a whole:** there is a need to prepare for the forthcoming national reforms to social care charging (see section on Health and Care Act 2022).

3.10 The Market Shaping Strategy also sets out some enabling themes:

- To continue to improve Health and Social Care Integration across the sector and enhance our approach to working in local places with the NHS, district/borough/city councils and the voluntary and community sector through joint place-based plans and integrated neighbourhood teams.
- To ensure diversity, equality and inclusion is incorporated into Adult Social Care, adopting a zero-tolerance approach to protected characteristics, promote levelling up within place-based plans and promote employment opportunities through the supply chain.
- To continue to implement Social Value and Climate & Environment across our supply chain, creating baselines, managing performance, and educating suppliers to incorporate this into their businesses.

### **Health and Care Act 2022**

3.11 The implementation of the Health and Care Act 2022 is expected to have a significant impact on adult social care, our social care market, and our Essex residents, as set out to Cabinet in July 2022.

- 3.12 The Health and Care Act implements changes to existing social care legislation and is planned to take effect from October 2025. The key changes link to the charging regime for individuals receiving care and support by introducing:
- i. a 'care cap' on eligible lifetime costs for all individuals of £86,000;
  - ii. a more generous means test for financial support, which will mean that more adults will qualify for funding support from local authorities; and,
  - iii. the reform will also implement the commencement of Section 18(3) of the Care Act 2014 in October 2025, which will mean privately paying care home residents will be able to require their council to arrange care for them by directly contracting with the provider on behalf of the individual at the usual council rate.
- 3.13 These reforms have implications for care provider income and financial sustainability, as well as to the Council. National statistics show that individuals who fund and commission their own care pay on average 41% more than people who receive local authority commissioned services. In the East of England, it is estimated that 45% of adults receiving care are self-funded. This means that where a setting or care agency provides care to self-funders and to local authority commissioned care, self-funders are likely to be indirectly subsidising local authority funded care, although the extent to which this happens is the choice of the provider.
- 3.14 There is also a national requirement for local authorities to move towards paying sustainable rates to care providers. Local authorities were required in 2022 to undertake a fair cost of care exercise to understand the costs of care for domiciliary care services for people over the age of 18 and for residential and nursing care providers for older people (over 65).
- 3.15 Local authorities are required to start preparing for these reforms and to publish a Market Sustainability Plan by 27 March 2023 in response to this, setting out how councils will make progress towards paying sustainable rates and ensure a sustainable market.
- 3.16 The Government's Autumn Statement of November 2022 and subsequent local government financial settlement confirmed allocations to the Council of funding set aside for implementation of the reforms (though this has now been re-purposed by the Government and can be used for wider purposes for adult social care and children's social care). The Autumn Statement also announced additional monies for adult social care that were not anticipated by the Council.
- 3.17 The new monies announced for 2023/24 include the Social Care Grant (re-purposed funding for the delayed care charging reforms) of £31.5m, and the ASC Market Sustainability and Improvement Funding Grant (MSIF Grant) of £13.9m, which includes the £4m allocated to ECC in 2022/23 for the Fair Cost of Care. Detailed terms and conditions on these grant monies are yet to be published but the Government published a policy paper on 6<sup>th</sup> February 2023 stating that local authorities will have flexibility to use the Market Sustainability and Improvement Funding Grant to drive improvements across a range of

priority areas, to best address local sustainability and improvement needs. These are:

- a) Increasing adult social care capacity
- b) Reducing waiting times
- c) Increasing workforce capacity and retention
- d) Increasing fee rates to close the cost of care gap in an area.

3.18 The Council's Market Sustainability Plan sets out how those funds are being used to support and shape the care market and to move towards cost of care and address capacity gaps. Local authorities must submit a further update to their Market Sustainability Plans ahead of winter 2023. This will include an additional section in relation to adult social care capacity planning.

### **Fair Cost of Care**

3.19 In 2022 the Government required local authorities to complete a 'Fair Cost of Care' exercise to understand the costs that operators say they incur in providing care. From this information the mathematical median is calculated from the providers submissions. The median rates are used by the Council to triangulate financial and commercial insight to inform decisions on setting 2023/24 framework rates. The Cost of Care rate is used as part of the evidence base when considering annual uplifts and refreshes on existing contracts. The information gathered through this exercise has been used on the Integrated Residential and Nursing and Live at Home Contracts for 2023/24.

3.20 The cost of care exercise gives local authorities an important insight into provider costs to inform fees that local authorities should be paying. It is important to note, however, that it is a median rate, rather than the rate that every provider will be paid at. There will inevitably be differences between costs of care for different types of providers serving different markets and different geographies. The exercise was also not mandatory for care providers and so response rates can and do vary. In Essex, 32% of older people's residential providers responded and 16% of domiciliary care providers responded.

3.21 Supported Living and Extra Care Housing was not included in the national Government Fair Cost of Care exercise; however, the Council has taken the opportunity to complete a light touch exercise to ensure cost of care rates are identified for both services. The outcome of this exercise will support the uplift of packages in these services from April 2023.

3.22 In April 2022 the Government allocated £4m to Essex County Council for 2022/23 to support the implementation of the Fair Cost of Care exercise and increase fee rates paid to providers in scope of the terms and conditions of the grant for 2022/23. Out of the £4m, the Council allocated £3.9m to the domiciliary care market to uplift hourly rates by £1.12 in 2022/23 and start to move towards the Cost of Care rate. This recognised the Council's priority to grow and develop capacity in the domiciliary care market.

3.23 On 1 February 2023, the Council was required to publish the outcomes of the Fair Cost of Care exercise for residential and domiciliary care (known as the

Annex B Cost of Care Report within the required documents to Government) and to raise awareness of it with care providers. The Annex B documents provide details of the methodology, approach and outcomes of the Fair Cost of Care exercise completed by the Council and was shared with the Government on 14 October 2022.

### **Essex Market Sustainability Plan**

- 3.24 To meet the conditions of our allocated grant funds, the Council are required to submit a Market Sustainability Plan to Government and publish the content on our Provider Hub by 27 March 2023. This will then need to be updated and re-submitted in winter 2023.
- 3.25 The Market Sustainability Plan is required to reflect our current market position with our residential and nursing provision for Adults over the age of 65 and our domiciliary market for all Adults over the age of 18. The Market Sustainability Plan incorporates the following areas:
- i. A reflection of our current domiciliary, residential, and nursing market, assessing our existing market and the impact of current inflationary pressures.
  - ii. Information on the potential impact of future market changes between now and October 2025, understanding of our anticipated market changes and activities to support the implementation of the Social Care Reform.
  - iii. Plans for our domiciliary, residential, and nursing markets to address sustainability issues.
- 3.26 Following publication of the final local government finance settlement for 2023/24, the Council's Market Sustainability Plan confirms the Council's use of monies to uplift rates for care providers in 2023/24, in line with our market shaping strategy ambitions.
- 3.27 These uplifts - which are or will be the subject of separate decisions – mean that in 2023/24:
- i. An uplift in price points on the Council's Live at Home (LaH) framework for domiciliary care providers by £2.84, including the continuation of the temporary £1.12 uplift awarded in 2022/23. In addition, we are amending the Target Support Areas (TSA's) and increasing payments from £1.40 and £2.80 to £2 and £4 (see decision FP/597/12/22).
  - ii. An uplift in rates on the Council's integrated residential and nursing framework (IRN) that result in increases of 20% for nursing providers and increases of 8% for residential care without nursing. These increases move the framework rates to £647.57-£746.27 for residential care and £796.46-£1,009.40 for nursing, the highest nursing rate now being above the inflated FCoC result of £995.32. In addition to this we are also increasing exceptional needs payments from £80.01 to £140 (see decision FP/009/01/23).

- iii. Cabinet is also asked to approve at the meeting in March (see decision FP/024/01/23):
  - a. An uplift in rates for Supported Living by 11.1% to £19.16 per hour for non-complex placements, and £21.04 per hour for complex needs. This will bring rates in line with the median result of the Council's Cost of Care exercise (adjusted for inflation), which mirrored the approach of the national FCoC exercise for domiciliary care.
  - b. An uplift for existing personal care packages within Older People (OP) extra care schemes by an average of 11.1%, to between £16.72 and £21.04.
  - c. An uplift in rates of 8% for residential services for adults with disabilities and mental health support needs
  - d. An uplift in rates for Mental Health accommodation services by up to 7.7%, capped at £19.16 and £21.04 per hour for non-complex and complex needs respectively.
- 3.28 As part of the Market Sustainability Plan, we are also required to provide an assessment of the impact of the implementation of the Social Care Reform on our Adult Social Care market in October 2025. This includes the financial impact of meeting the results from our Fair Cost of Care exercise, which would be approximately £41m in 2023/24 on our residential, nursing and domiciliary markets. However, this does not factor in our wider markets such as supported living, extra care housing, direct payments, personal assistants, and micro-enterprises.
- 3.29 It is not affordable for the Council to move immediately to 'fair cost of care' rates. Our Market Sustainability Plan has largely bridged the gap for domiciliary care providers. Uplifts to supported living and extra care also move us closer to cost of care rates. The gap for residential care will be bridged over the next two years as we prepare for reforms. This also recognises that care homes continue to benefit from higher rates from private funders and that Essex currently has an over-supply of residential care beds.
- 3.30 The impact of the social care reforms (which will make more people eligible for council-funded support and also require private funders to approach the Council for an assessment in order to access their Care Account to protect themselves against unlimited lifetime costs) may result in an additional 8,000-10,000 adults that would be eligible for assessments from October 2025. This is a 40-50% increase in volume in assessments, with an expectation that the Council will source care for private funders on our agreed terms, conditions, and rates with our Social Care Markets. In July 2022, Cabinet noted the possible scale of operational and financial impact on the Council and the importance of the reform being fully funded by Government.
- 3.31 The Autumn Statement announced a delay of the care charging reforms from October 2023 to October 2025. It also announced that grant funding for the reforms would be re-purposed to allow councils to invest in both adult social care and children's social care. The Council therefore has an opportunity, but also a responsibility, to balance the ability to invest monies in the care market



while also ensuring that we prepare for the implementation of, and impact of, the care charging reforms in 2025.

- 3.32 The Market Sustainability Plan specifies our strategic objectives for our residential, nursing, and domiciliary markets and provides a two-year plan on the Council's plans to shape our markets, funding permitting, to ensure where possible the market is financially sustainable.

### **Provider Engagement**

- 3.33 Throughout 2022 the Council have completed a number of engagement and collaboration sessions with providers and with adults with lived experience to develop the Market Shaping Strategy. During this time questionnaires, webinars, 1-2-1 interviews, collaborative workshops we held alongside our engagement sessions on the Fair Cost of Care exercise. The views of our providers have been factored into our Market Shaping Strategy and Market Sustainability Plan.
- 3.34 In December 2022 initial engagement with the Essex Care Association took place on the outcome of the Fair Cost of Care exercise and the awareness of the implementation of the Social Care Reform.
- 3.35 An engagement plan has been developed to inform and collaborate with our wider social care market on the outcome of the Fair Cost of Care, the key messages within the Market Sustainability Plan and our Market Shaping Strategy.
- 3.36 In preparation of the implementation of the Social Care Reform collaborative workshops will take place until October 2025 with providers to ensure our market are prepared for changes.

## **4 Links to our Strategic Ambitions**

- 4.1 This report links to the following aims in the Essex Vision:
- Enjoy life into old age
  - Develop our County sustainably
  - Share prosperity with everyone
- 4.2 The implementation of our initiatives supports the Council's objectives to reduce our carbon emissions across Essex while improving the quality of services received by adults. The expectation is that the provision of additional training will allow adults to remain at home and within their community, whilst enabling our most vulnerable adults to remain at home. The use of our existing services will reduce the need for additional carers or skills to provide support to the same adult and, by encouraging employment in this sector, we are supporting our Social Value agenda to recruit locally and reduce carbon emissions caused by our workforce travelling further afield.

- 4.3 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':
- A strong, inclusive, and sustainable economy
  - Health wellbeing and independence for all ages

## 5 Options

### 5.1 Option 1. Do not submit our Market Sustainability Plan and do not approve our Market Shaping Strategy (not recommended)

This option is not recommended. The Council is required to submit the final Market Sustainability Plan to Government as part of the conditions of receiving Central Government funding.

The Market Sustainability Plan has been developed alongside our Market Shaping Strategy, and therefore aligns to our strategic intentions to shape our social care market alongside the implementations of the Health and Care Act from October 2025.

### 5.2 Option 2. Agree to submit the Market Sustainability Plan and approve the Essex Market Shaping Strategy 2023-30 (Recommended)

Agreeing to the Market Sustainability Plan will secure funding from central government. Strategically allocating funding that works alongside our Market Shaping Strategy will indicate our future commissioning intentions to our social care market between 2023-2030. The approach for this will be to apply inflationary uplifts in line with the 2023/24 budget from April 2023 and then apply additional funding in proportion to commissioning intentions for the following services (which are subject to separate decisions):

- Domiciliary Care through LAH framework,
- Residential Care and Nursing Care through IRN framework,
- Supported Living,
- Extra Care Housing, and
- Mental Health accommodation services.

## 6 Issues for Consideration

### 6.1 Financial implications

- 6.1.1 The Council's 2023/24 budget and Medium-Term Resource Strategy (MTRS) allows for inflation in-line with NLW, CPI and RPI as per the tables below:

	2023/24	2024/25	2025/26	2026/27
NLW	9.7%	6.1%	2.0%	2.0%
CPI	6.6%	1.8%	2.0%	2.0%
RPI	7.6%	2.8%	2.0%	3.0%

This results in the following framework/contract rate uplifts

CoC	2023/24	2024/25	2025/26	2026/27
OP Residential	7.9%	4.5%	2.0%	2.0%
OP Nursing	7.9%	4.6%	2.0%	2.0%
LAH	8.5%	5.6%	1.9%	1.9%
Supported Living	7.7%	5.2%	1.9%	1.6%
AWD Residential (inc MH)	6.6%	4.6%	2.0%	2.0%

- 6.1.2 The new grant monies announced for 2023/24 include the ASC Market Sustainability and Improvement Funding Grant (MSIF Grant) with £13.9m allocated to ECC. The final terms and conditions for this grant have not yet been published, however, an explanatory note from DLUHC has set out a high-level view of the expected grant conditions which align to the proposals recommended in this report.
- 6.1.3 The IRN increases of 8% in Residential and 20% in Nursing, in addition to an increase in exceptional needs payments from £80.01 to £140 is estimated based on October 2022 data to cost £9.2m in 2023/24, £2.4m of which will be funded through the new MSIF Grant (see Cabinet decision FP/009/01/23 for detailed financial implications).
- 6.1.4 The LAH increases of £2.84 (including the continuation of £1.12 FCoC uplift) and amendment to TSA's price and areas is estimated to cost, based on October 2022 data £13.9m in 2023/24, £5.4m of which will be funded through the new MSIF Grant (see Cabinet decision FP/597/12/22 for detailed financial implications).
- 6.1.5 The increases for Supported Living, Extra Care, applicable Mental Health Accommodation services and Adults with Disabilities and Mental Health residential services are estimated to have a maximum cost of £17.8m in 2023/24 and will require additional funding through the new MSIF Grant of up to £4.1m (see Cabinet decision FP/024/01/23 for detailed financial implications).
- 6.1.6 The uplifts in the aforementioned decisions will increase the rates paid in those markets by a total of £39.4m in 2023/24, of which £12m is only possible by using new grant funding. We are committed to further reviewing the markets during 2023/24 to ensure we prioritise those areas highlighted in our market shaping strategy, with a view to further uplifts if they are felt required to meet market shaping needs.
- 6.1.7 The MSIF Grant has been announced for 2023/24 and 2024/25 only, and there is a risk that the funding ceases after this time as it is expected that funded from 2025/26 onwards is used for social care reform including the impact on Councils

of changes to charging thresholds. If that happened assumptions would need to be updated in the MTRS where expenditure in the decisions referenced above is permanent and funding is only announced for two years.

## 6.2 Legal implications

6.2.1 These documents set out what the Council is doing or plans to do. It is important to note that the Council cannot itself directly increase or reduce capacity in the market; it can only change its commissioning behaviours in a way which seeks to drive change. In doing so it must be mindful of its duties to ensure a strong care market but also of its duties under the Competition Act 1998 to not enter into agreements restricting competition and not abuse our position in the market. Healthy competition is important to the Council and to providers alike.

## 7 Equality and Diversity Considerations

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 equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## 8 List of Appendices

8.1 Appendix A - Equality Impact Assessment

8.2 Appendix B – Market Shaping Strategy

8.3 Appendix C – Market Sustainability Plan (Annex C)

## **9 List of Background Papers**

- 9.1 IRN Cabinet Paper – February 23
- 9.2 LAH Cabinet Paper – February 23
- 9.3 Working Age and Older Adults Care and Support Provision Uplifts Cabinet Paper– March 23
- 9.4 Market Engagement Findings
- 9.5 Annex B – Care Home Fair Cost of Care exercise
- 9.6 Annex B – Home Care Fair Cost of Care exercise



# Essex Adult Social Care Market Shaping Strategy 2023-30

*Making a difference every day*

January 2023



# About this strategy

This is the Essex care market strategy for adult social care, covering the period 2023-30.

It has been developed over the past 12 months and reflects workshops and input from providers, Adults with Lived Experience, the NHS, Adult Social Care Operations and Commissioning, Procurement, Data & Insight and Finance.

In this strategy we cover:

- 1 Why we need a strategy
- 2 Overview of the Essex care market and how it is already changing
- 3 Future vision for social care in Essex, and what this means for how the market needs to change
- 4 Key strategic challenges and market gaps, and the associated actions to address them

# Why have a market shaping strategy

We want to make a positive difference every day to people living with care and support needs, enabling them to live their lives to the fullest.

Essex County Council (ECC) has a market shaping duty to:

- Understand the local market of care provision.
- Stimulate a diverse range of care and support services to meet needs and ensure that people, and their carers are able to achieve things that matter to them.
- Ensure that the care market as a whole is sustainable and fostering continuous improvement.
- Prepare for any provider failure to ensure that people continue to receive the care and support they need in the event that a care provider ceases to be able to provide services.

In Essex there is a wide range of care providers and voluntary & community organisations that supports and provides care to frail older people, adults with learning disabilities or autism, those with mental health support needs, and those living with physical and sensory impairments.

The care sector performs some of the most vital services in our society and is one of the largest employers in Essex, but it also faces significant challenges.

This strategy sets out ECC's approach to shaping and supporting the care market in meeting the needs of our residents.

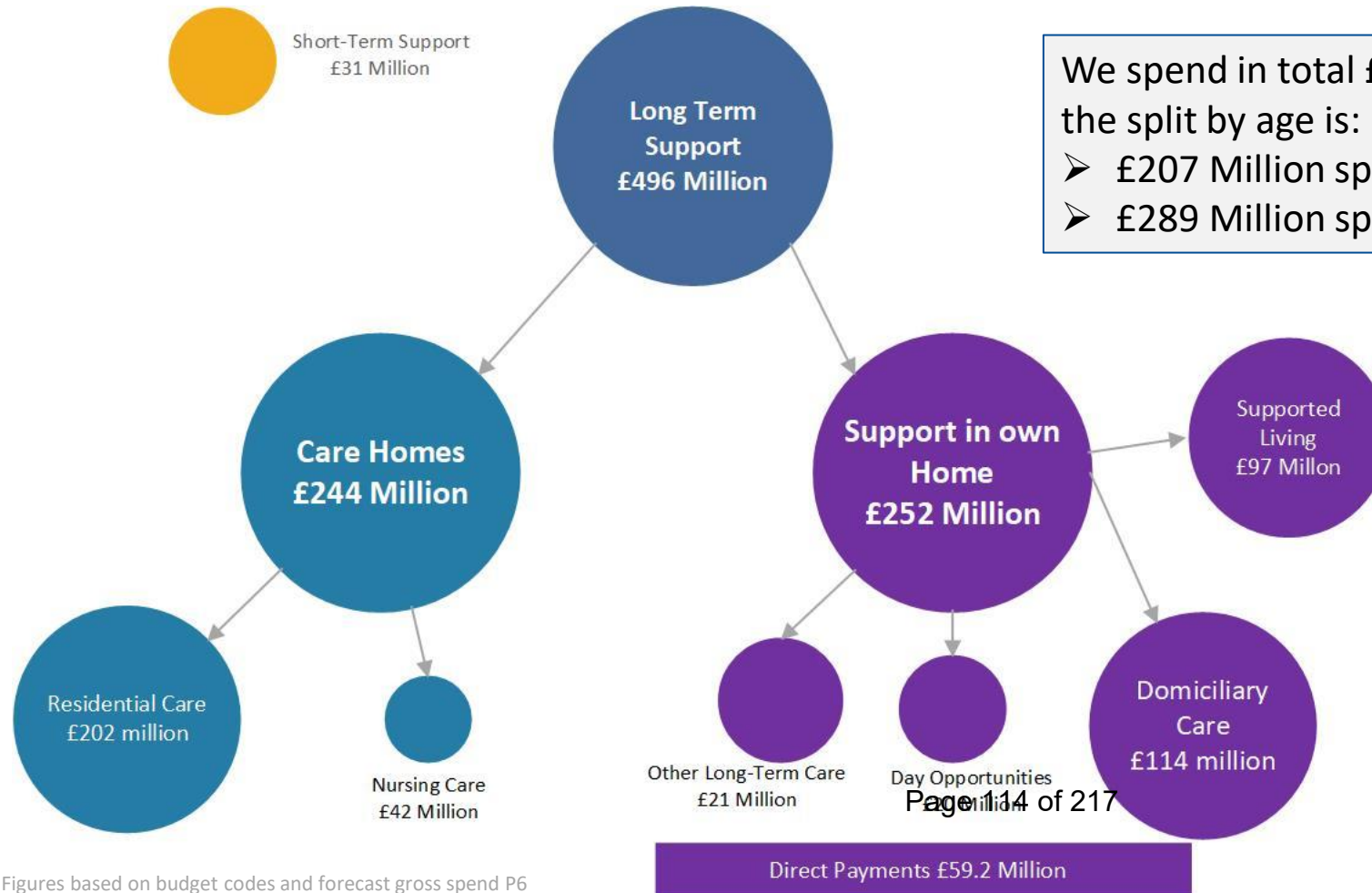


# Overview of the Essex care market



# Where ECC spend its money

Essex County Council spends almost £600m each year on adult social care, supporting almost 17,000 people over the age of 18 at any one time. The vast majority of spend is currently on long-term support, rather than short-term support. Spending on residential care and on support to people in their own home is pretty equally matched at present.



We spend in total £496 Million on long term support, and the split by age is:

- £207 Million spend on people over 65 years old (41.7%)
- £289 Million spend on working age adults 18-64 (58.3%)

# Essex care market trends

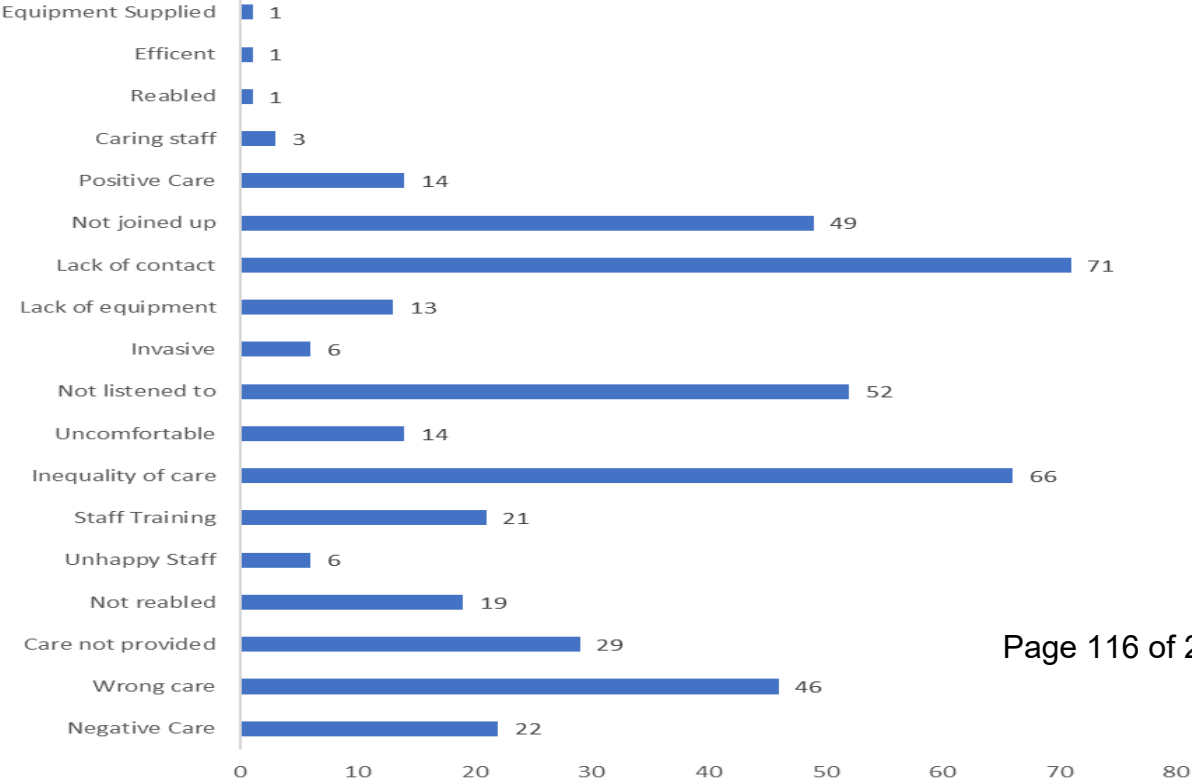
<b>1 in 5 adults are over 65 years</b>	Essex's population is 1.5 million and is growing by 10,000 every year, making it one of the largest county in UK. 21% of the population is over 65 years, and by 2040 is predicted to increase to 25%. Nearly 3% of the population is over 85, and this will increase by 24% in the next 10 years.
<b>80% of Essex provider Good or Outstanding</b>	Essex has a large and diverse care market of over 700 providers, as well as a range of unregulated services. This number has largely been stable for a number of years. Around 80% of regulated providers are rated Good or Outstanding, this is down from around 83-84% pre-covid.
<b>Home First approach</b>	There is an over-supply of residential care beds in Essex, and this over-supply is likely to grow as national and local trends continue to support more people to live at home. This has consequences for the number of, and business models of, care home operators. There is a need to grow domiciliary care capacity in some parts of the county.
<b>Growing demand for complex care</b>	There is growing demand for complex care, particularly in nursing and dementia care – yet there are already challenges in meeting current levels of demand.
<b>Care technology supports more life independence</b>	Care tech can help reduce the amount of direct care, but care technology is under-utilised across the care sector – unlocking this could help free-up direct care capacity for the benefit of more people.
<b>Short term support after hospital reduces overall demand</b>	Short term recovery services from hospital can help reduce ongoing demand but current service provision is fragmented and we are not able meet the demand. This further erodes scarce domiciliary care capacity in an attempt to fill the gaps, and this calls for urgent attention.
<b>1 out of 6 people in Essex have long term health issue or a disability</b>	The number of people with sensory impairment is 240,000 and this is set to grow by nearly 30% by 2030. The number of people with learning disabilities who need help from social care will likely go up by 8% by 2030. There needs to be a wider range of accommodation options that can provide a better community-based alternative to residential care and reduce dependency on out-of-county placements.
<b>Unpaid carers plays a critical role</b>	In Essex we estimate there are over 150,000 unpaid carers, of which only 8,960 are known to ECC. The value of this unpaid care has been estimated at £2.5bn a year (University of Leeds, 2015).
<b>Care workforce reduces by 2%</b>	The care workforce has reduced by 2% this equates to almost a loss of 1,000 care workers in the last 12 months, in the face of competition from other sectors. Making the sector an attractive and valued place to work is a key challenge in Essex, as it is across the country.

# What people tell us

Adults and their families tell us that understanding and finding their way around the care market can be difficult. They want to be listened to and given the opportunity to express their desired support, as part of a team effort. People tell us there is a lack of awareness around people with specialist needs and those living with disabilities. Most importantly people did not say they want the traditional care services that we so often focus on but want to be as independent as possible and have opportunities to enjoy a meaningful and full life.

68% of the responders agreed that they have resources to sustain or improve on their current level of independence, and 18% disagreed.

**What were the less positive things that could be improved about the service you received from social care?**



*“People just don't understand that some people don't know what is available. They think you are just going to know. I am someone who has never been to social care, so I did not know what was available.”*

*“More information, perhaps a key worker to co-ordinate things. There are too many people involved and so many people are telling you different things.”*

*“It was basically like this is what you have got, take it or leave it.”*

*“I am scared to ask for any changes, because the social worker will reduce my care package and I will struggle.”*

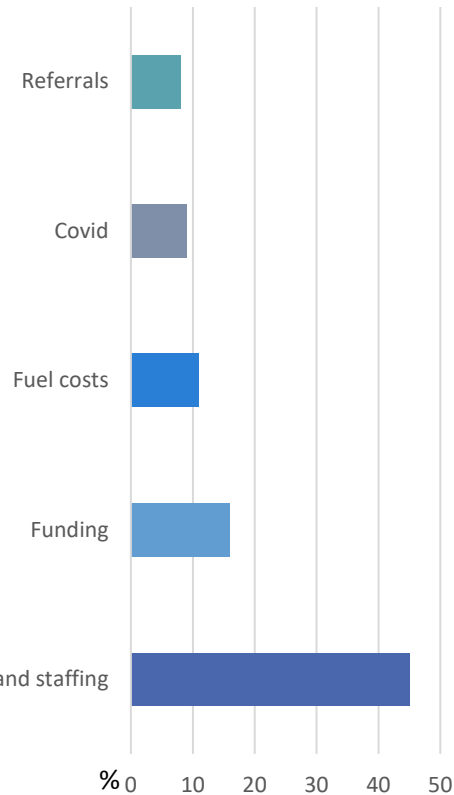
# What providers tell us

The biggest challenge for providers has been recruitment and retention of care workforce. There is a national shortage of care professionals. The economic situation is very difficult. Providers seek increased funding to enable them to recruit and retain workers, and to address challenges around high inflation and energy costs.

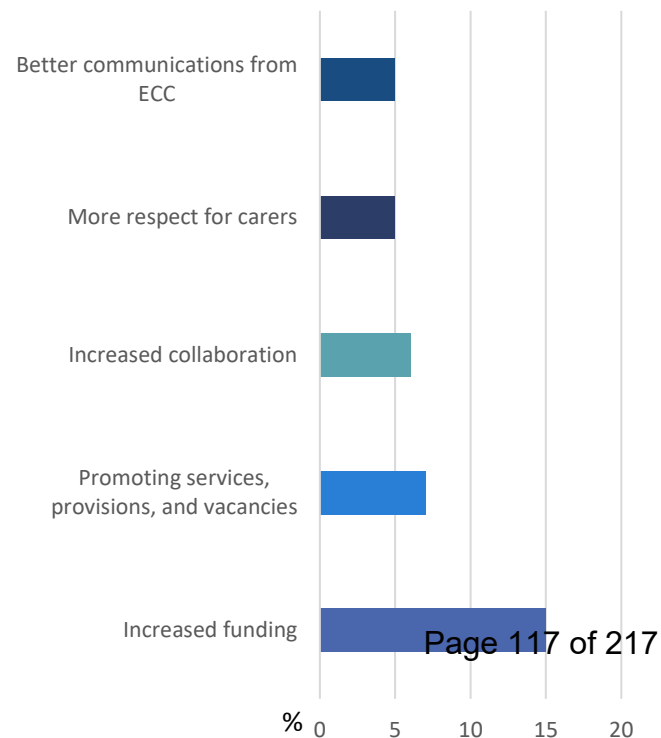
Supported Living providers have felt left out and feel they have not been prioritised as much as other parts of the market.

Relationships and working arrangements with the NHS need to be improved.

Key challenges



Support to improve business



*“We feel we are left out of any key decisions”*

*“NHS partners don’t treat us as equal partners”*

*“I need more clear information, less jargon”*

*“Carers used to overlook the money because they do the job out of love, but love doesn't put food on the table”*

# What does this mean for the care market



## Care Act 2014 responsibilities

The main priorities:

- Promote wellbeing & quality of life
- Promote independence
- Prevent, reduce or delay the onset of care needs
- Safeguard people from harm

The market needs to offer greater choice and personalisation.



## More care & support in the community

We want to see fewer people admitted into long-term residential care. This has implications for a market sector, where there is already over-supply of care home beds. It also has implications for supported accommodation and domiciliary care, where we want to see greater choice and capacity.



## Complex residential and nursing care need

There will always be some people whose care needs are so complex that they require greater levels of support, often in a residential care setting. It is important that we can meet such complex needs in Essex, rather than people have to seek support out-of-county.



## Working as a whole system with integrated care systems

We want to work in close partnership with integrated care systems to transform the way we deliver services. There needs to be a strong alignment between social care and health to advocate prevention and health inequalities, which will drive a sustainable delivery system.



# Care market role

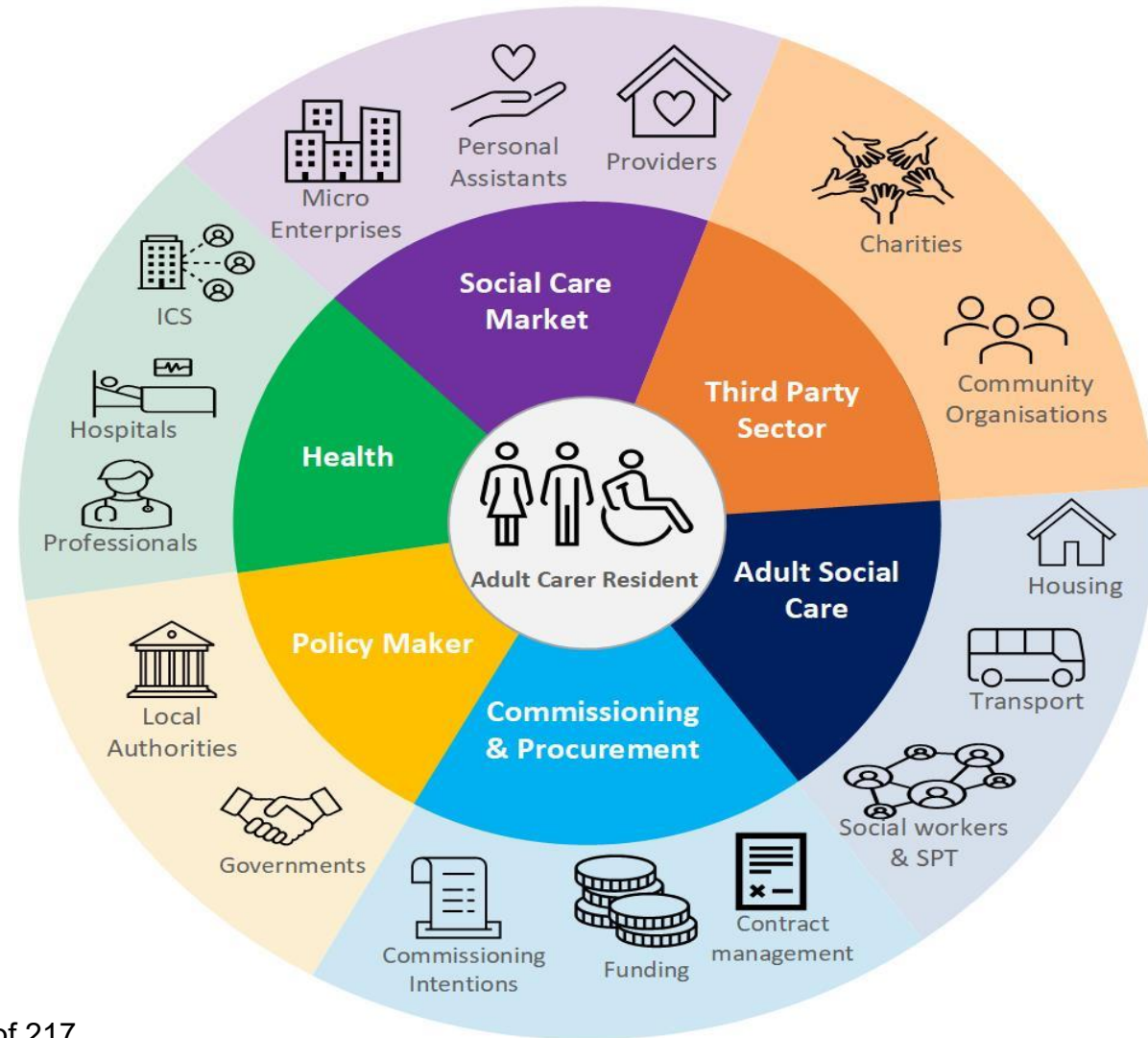
Essex County Council aspires to working in partnership with the market collectively. The Council see the care market as a collaborative partner that works across our network of systems to provide, transform and shape care services and outcomes for people.

Strong relationships between ECC and the care market are vital moving forward. Coproduction, sharing of strategic goals, strategic thinking and an agile approach to learning, and shaping services is vital.

This diagram shows the different influences and drivers on adult social care

Technology, a strong workforce, greater sharing of feedback, shared problem solving and joined up approaches are all key.

A healthy ecosystem requires multiple organisations in our community to benefit each other on their actions, such as adults, digital products and services, providers and partners. Moving forward the Council are keen to be a key player influencing change.



# The 'shape' of the market will change

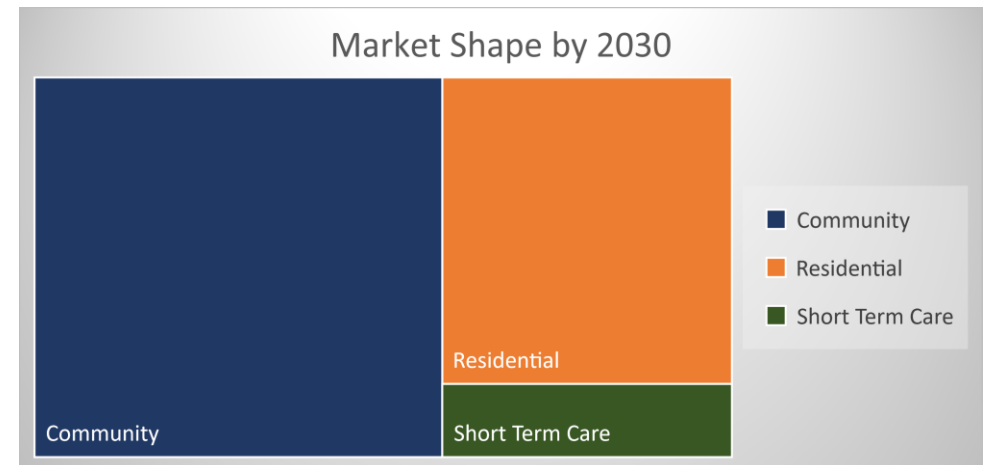
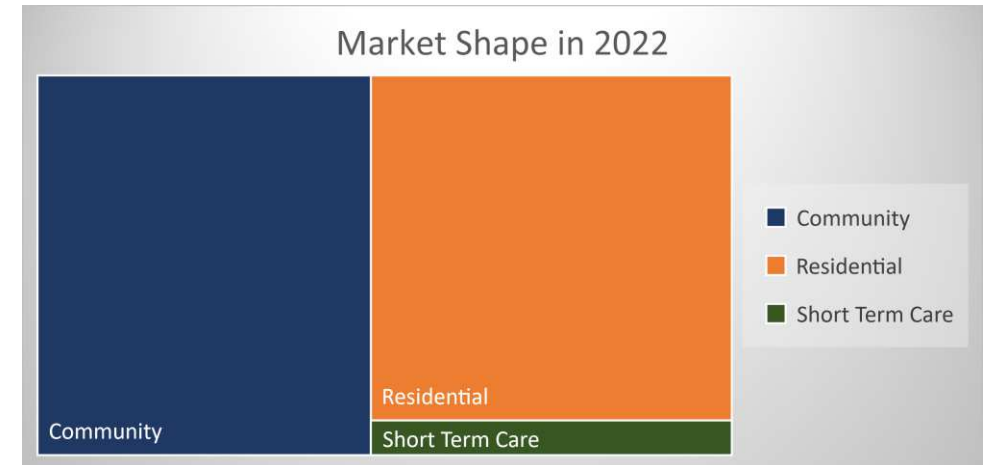
Essex County Council are looking to shape the market to provide more community-based services, and more short-term and early help. This will see residential care become a smaller, but still critical, part of the Essex care market by 2030.

Essex County Council would like to:

- Reduce over-supply of residential beds and ensure adults are able to stay at home with their family and community network for as long as possible.
- Slightly increase nursing provision or placements for Adults with complex needs or behaviours.
- Increase and evolve our community-led services like Domiciliary Care and other services, as well as supporting carers, and utilising technology and equipment that support the adult to remain independent at home.
- Increase Supported Living services to keep adults in the community, providing support and keeping adults safe.
- Increase the use of Personal Assistants, Micro-enterprises, Individual service funds and direct payments to optimise the Adults' opportunity for choice and control.
- Improve our short term and early help service offer to prevent and avoid hospital admissions, and reduce Adults requiring long term provision whilst reducing their needs for longer term services.
- Promote local community networks and provision for Adults and Carers that incorporates our voluntary sector, community provision and local services for Adults requiring services.

## Different markets will change over time

These charts provide an *indication* of the market size, and how we aim to see the relative market sectors change over time as we aim to see more people to be supported to live in their own homes.







# Our Market Vision

Enabling people to live their lives to the fullest through a vibrant and sustainable care market, supporting Essex residents to develop their strengths and personal independence

# Our Mission

*Making a difference every day*

# Our shared market values

Through conversations and engagements with our market and stakeholders, we have agreed on these values whilst working with our market and partners to deliver a diverse care market:

- To ensure lived experiences of people in Essex truly influence and are embedded in all our approaches
- To promote trust, transparency and honesty
- To communicate, engage and collaborate towards shared goals
- To show respect, objectivity and openness when collaborating
- To promote learning, change and excellence of social care provision

## **ECC will:**

- Publish clear commissioning intentions and provide access to a dynamic market position statement
- Commit to engage and work with ECA and other market forums to provide insight, information and intelligence on existing and up and coming procurements
- Share information & opportunities on our care provider hub
- Commit to collaborative events /workshops to ensure the Adult with Lived Experience shape future commissioning intentions alongside our providers/markets
- Support our providers to meet their social care skills training, and support with business skills that can encourage growth and innovation
- Promote the sector as a whole and celebrate success
- Encourage a zero-tolerance mandate around discrimination and abuse with the care providers

## **Provider & Partners will:**

- Invest their time to share insight to collaborate on existing or future markets
- Support good relationships across with health and social care, and other providers in the market
- Think Local, working with other providers in their area to support an effective localised model

# Our market principles

Through conversations and engagements with our market and stakeholders, we have agreed on a set of principles that will be utilised as part of our existing service delivery and support our future commissioning of services across Essex

Principles	I Statement	We Statement
<b>Person Centred &amp; Inclusive</b>	I feel treated with respect and dignity	We have a 'can do' approach which focuses on what matters to people and we think and act creatively to make things happen for them.
<b>Community-based</b>	I feel welcome and safe in my local community and can join in community life and activities that are important to me	We work in partnership with others to make our local area welcoming, supportive and inclusive for everyone
<b>Transparency</b>	I know what my rights are and can get information and advice on all the options for my health, care and housing.	We make sure we share information about what we do and how people can access our service with other relevant organisations so we can all work more effectively.
<b>Wellbeing &amp; Independence</b>	I live in a home which is accessible and designed so that I can be as independent as possible.	We make sure people feel safe and comfortable in their own home, which is accessible, with appropriate aids, adaptations, technology and medical equipment.
<b>Collaboration &amp; Integration</b>	I know how much money is available to meet my care and support needs. I can decide how it's used – whether it's my own money, a health or social care personal budget, or a budget managed on my behalf.	We work with people as equal partners and combine our respective knowledge and experience to support joint decision-making.
<b>Evidenced based &amp; Service Quality</b>	I can get skilled advice and support to understand how my care and support budgets work and enable me to make the best use of the money available.	We don't make assumptions about what people can or cannot do and don't limit or restrict people's options.

# Strategic priorities

What we want to achieve and what we need to focus on to get there?



# Our Shared Objectives

**For the adults and carers that need care and support, we want to:**

- improve and maintain their quality of life, and ensure they have a positive experience of care and support
- ensure they have a personalised approach to their care and support, and have choice and control over the services they receive
- support the use of our community-based offer, offering adults, carers and families to use services in their community
- improve service delivery models for pathways and integration which focuses on prevention and hospital avoidance
- ensure they are supported to be as independent as possible, and to remain in a safe place within their community for as long as possible
- support positive risk taking, whilst ensuring they are kept safe from harm, neglect or abuse
- promote support to carers by ensuring included in all pathways, and offer digital solution towards an overall family wellbeing



# Our Shared Objectives

## For the Essex care market, we want to:

- ensure Essex has a sustainable and vibrant market that is affordable and delivers good quality care for the residents of Essex
- ensure quality and choice in each part of the county
- ensure the care market has access to a skilled and valued workforce and is a sector that people want to choose to work in
- attain equality of market capacity with anticipated demand across the segments of the market
- ensure there is appropriate supply to meet existing and future demand for social care
- incentivise flexible approaches in delivering an outcome focused service that promotes independence, prevention and early intervention.
- ensure we can secure continuity of provision in the event of provider failure or breakdown of services
- improve collaborative working between care providers, and with Health and Housing partners, to identify opportunities to improve the delivery of services
- improve our localised community offer that incorporates our 3<sup>rd</sup> sectors, to optimise local services and networks for adults

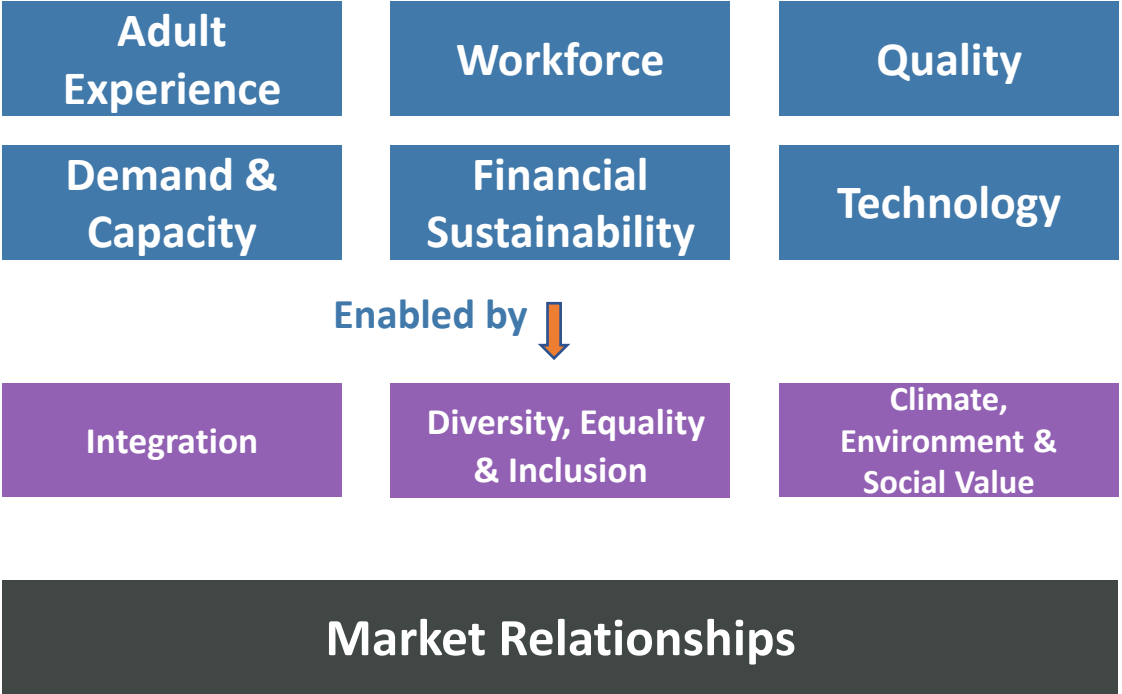


# Focus of this strategy

This strategy is primarily focused on addressing 6 critical themes that emerge from our market context and data and from the workshops and engagement we have held:

1. Addressing care market workforce recruitment and retention challenges
2. Ensuring effective management of capacity and demand, both now and for the future
3. Putting lived experience of the person at the centre of what we do
4. Ensuring delivery of good quality services
5. Digital & Technology that maximises independence and workforce efficiency
6. Promoting the financial sustainability of the sector as a whole

These are the foundational buildings blocks for success identified through our market engagements



# Why these 6 critical themes?

- 1. Addressing care market workforce recruitment and retention challenges**
  - About 12% jobs are vacant and the number of vacancies grew 33% in 21/22 (Skills for Care)
  - Lack of pipeline of new entrants to care sector among younger age groups, and 28% workforce already over 55
  - Lack of career progression opportunities
- 2. Ensuring effective management of capacity and demand, both now and for the future**
  - There are some supply issues in parts of the county, especially for domiciliary care and complex care
  - There is an over-supply of residential care beds, and this is likely to widen
  - Intermediate care services are fragmented and cannot fully meet demand
- 3. Putting lived experience of the person at the centre of what we do**
  - Lack of co-ordinated mechanism for capturing lived experience across the system
  - Personal Assistant market is under-developed and lacks support
  - Information, Advice and Guidance is fragmented and sub-optimal
- 4. Ensuring delivery of good quality services**
  - 80% providers are good or outstanding, but this means 1 in 5 require improvement or are inadequate
- 5. Digital & Technology that maximises independence and workforce efficiency**
  - Care technology is under-utilised in the sector and can support independence and quality of life
  - Opportunities to support workforce efficiency and workload
- 6. Promoting the financial sustainability of the sector as a whole**
  - Financial challenges facing council and care providers and major national care charging reforms due October 2025



# Our priority themes and strategic actions

Theme	Strategic actions
<b>Workforce recruitment &amp; retention</b>	<ol style="list-style-type: none"><li>1. Improve access to pipeline of new workers incl. links with school/colleges and international recruitment</li><li>2. Improve access to training and development opportunities for care workers</li><li>3. Improve access to better pay terms and conditions and access to other benefits (e.g. rewards, discounts)</li><li>4. Improve support offer for our voluntary and unpaid carers and PAs</li><li>5. Develop joint workforce plans with health</li></ol>
<b>Capacity &amp; demand management</b>	<ol style="list-style-type: none"><li>1. Commission new integrated intermediate care services, alongside the NHS, that promote recovery and reduce avoidable ongoing care needs</li><li>2. Develop support and investment to increase Supported Living, Extra Care and domiciliary care capacity</li><li>3. Work with ASC sector and NHS to facilitate and incentivise 7-day approach to discharge</li><li>4. Improve ECC systems to capture market data to enable better matching of supply and demand.</li><li>5. Develop improved Early Help offer, working with NHS, district councils and voluntary and community sector</li></ol>
<b>Putting lived experience at the centre</b>	<ol style="list-style-type: none"><li>1. Improve Information, Advice and Guidance and use a simple language that people understand</li><li>2. Improve process for capturing lived experience on a systematic basis – via ECC and via providers</li><li>3. Embed Co-Production and co-design with adults to inform commissioning of services</li><li>4. Develop and grow the PA market and community micro-enterprises</li><li>5. Improve ability for people to self-serve and to control their care and records</li></ol>
<b>Delivering good quality service</b>	<ol style="list-style-type: none"><li>1. Promote collaboration between providers to support quality and resilience (multi-academy trust model)</li><li>2. Use our commissioning frameworks to incentivise and reward quality and the delivery of outcomes</li><li>3. Local commissioning plans and joint working with voluntary and community sector</li><li>4. Focus ECC traded company on supporting critical statutory duties, innovation or risk of failure</li></ol>
<b>Technology capability</b>	<ol style="list-style-type: none"><li>1. Expand and grow care technology service, especially to support working age adults and Older People</li><li>2. Roll-out digital care records across care sector, with ability for adults to access and own their own record</li><li>3. Enhance ECC digital offer to enable people to self-serve and source their own care</li><li>4. Improve ECC data capture and processes for sourcing care</li></ol>
<b>Promoting financial sustainability</b>	<ol style="list-style-type: none"><li>1. Move towards paying Fair Cost of Care rates over next 2 years subject to available funding</li><li>2. Fee uplifts to be directed at framework and strategic suppliers</li><li>3. Develop ECC support offer to providers to support with their procurement, training and energy costs</li></ol>

# Enabling Themes

Further areas for development



# Enabling themes and strategic actions

Theme	Strategic actions
<b>Health &amp; Social Care Integration</b>	<ol style="list-style-type: none"><li>1. Review and re-shape the Better Care Fund to promote shared outcomes and joint working</li><li>2. Develop joint place-based plans with each Alliance</li><li>3. Enhanced approach to addressing and reducing health inequalities</li><li>4. Enhance and develop integrated neighbourhood teams</li></ol>
<b>Diversity, Equality &amp; Inclusion</b>	<ol style="list-style-type: none"><li>1. Increase uptake of disability training in the market such as sensory &amp; autism</li><li>2. To promote inclusive employment opportunities through the supply chain</li><li>3. Ensure the levelling-up agenda is embedded within place-based plans</li><li>4. Adopt a Zero Tolerance policy to abuse across all protected characteristics</li></ol>
<b>Climate, Environment &amp; Social value</b>	<ol style="list-style-type: none"><li>1. Establish baseline position of care market against Carbon Net Zero ambition</li><li>2. Raise awareness, train and educate our social care market on the value of climate, environment &amp; social value</li><li>3. Support and incentivise providers to embrace climate, environment and social value</li><li>4. Ensure all services in Adult Social Care incorporate Climate, Environment and Social Value</li></ol>

# Enhancing Market Relationships

Working with the market to deliver the change we want to see



# Enhancing Market Relationship

## Theme

## Strategic actions

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### Market Relationship

1. Support the enhancement of Essex Care Association to increase offer to social care market
2. Drive towards Fair Cost of Care using government funding
3. ECC to publish clear commissioning and funding intentions for care market
4. Ensure ECC actively collaborate with providers on operational issues
5. Ensure engagement of care providers in Integrated Care Systems and local place-based alliances

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### Working with the market to deliver the change we want to see:

- Services to be person centred, inclusive and outcomes focused
- More focus on early intervention and prevention to reduce avoidable health inequalities
- Essex Care Association offer to the market is expanded to deliver training and has a proactive role within the market
- Greater collaboration between providers, encouraging providers to share mutual aid, share staff or services
- Social care and health integration have more collaboration towards commissioning models and more joint up around the recruitment
- Providers are valued and listened too, and to increase trust, productivity and a whole system service delivery
- Providers are supported and have built up relations within our localities which aligns to future alliance work
- Increase our market relationships with the smaller providers within our voluntary sector, or markets such as PA's and micro enterprises
- Care market providers are delivering towards their carbon reduction plan, and care workforce is fully carbon literacy trained by 2030



# Measuring success



# How we will measure success

This strategy sets out our ambitions and intentions for the care market. We need to develop a range of quantitative and qualitative measures to assess its success, and these will include:

- ✓ A reduction in permanent admissions to residential care
- ✓ A reduction in the supply of care home beds
- ✓ An increase in the use of short-term Services
- ✓ An increase in the % of people supported to live in their own home/community
- ✓ An increase in care market recruitment and retention rates
- ✓ An increase in the % of care providers rated Good or Outstanding
- ✓ An increase in satisfaction with services for care users and for unpaid carers
- ✓ An increase in the number of people supported via care technology to live as independently as possible
- ✓ An increase in adults with learning disabilities accessing paid employment
- ✓ Continued high levels of satisfaction on quality of care, value for money and choice
- ✓ Readiness for the Social Care Reforms and the reforms land well across Essex

This information is issued by:  
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The information contained in this document  
can be translated, and/or made available in  
alternative formats, on request.

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Further Appendices to be included



## Annex C: final market sustainability plan template

### Section 1: Revised assessment of the current sustainability of local care markets

#### a) Assessment of current sustainability of the 65+ care home market

According to the 2021 census, Essex has a population of 1,503,300 residents with 20.6% of the population over the age of 65 and 2.8% over the age of 85. In Essex there are 154 Providers with 206 CQC registered Care Homes for Older People which equates to 10,136 of beds/placements within Essex. Out of these beds/placements, there is an approximate 15% vacancy rate of the total bed availability.

As of February 2023, there were 3,458 Adults funded by Essex County Council with managed services, with the remaining 6678 beds which is 66% of the total bed capacity occupied by adults that are either private funders, other local authorities, or health funded. In total, Essex County Council placed 1,706 people into long term residential or nursing placements throughout 2022 with the average length of stay being 2 years.

Essex has a strategic ambition to reduce permanent admissions into residential care, in line with the continuing trend in demand, the national ambition set out in the Better Care Fund planning guidance and in line with our ambition to support people to live as independently as possible in their own homes for as long as possible. In 2021/22, Essex outperformed the national average rate of admissions into permanent residential care for adults over 65 with just 368 adults per 100K admitted versus a national average of 538 and by the end of Q2 2022/23 we have further improved on this measure reducing the rate to 315 adults per 100K of population.

In March 2022 Essex had 228 short term residential placements this has now decreased by 22% to 176 short term placements in December 2022.

- Of those that are entered into a short-term residential placement 53% converted into a long-term placement within Adult Social Care.
- As a result of the pandemic, Essex has seen an overall decline in permanent occupancy levels within residential care settings impacting on their viability and sustainability.
- We have also seen an increase in residential placements from health's CHC pathway 3. It is calculated that 85% of adults entering into residential placements from the CHC pathway 3 are changed to a social care funded residential or nursing placement. This places considerable financial pressure on Adult Social Care on average, it is estimated the cost to the local authority could be an additional £342 per week per placement as CHC residential and nursing placements are commissioned outside of our social care frameworks.

Essex has 2 providers that have a large number of care homes across Essex. The majority of providers have fewer than 3 care homes. The average residential home in Essex has 49 beds. A number of providers will not take local authority placements in Essex and will only work with us if it is due to a capital fund drop.

Essex County Council has an Integrated Residential and Nursing (IRN) Framework jointly commissioned with Health. The current spend is £129.9 million per year on managed services. There are 77 residential providers with 138 care homes and 25 nursing providers with 35 care homes on the framework. Each year an annual refresh allows providers to update their pricing matrixes to reflect inflationary pressures based on a local cost of care methodology (prior to the recent national exercise).

The 2022/23 pricing matrix range for our providers is between £563.08 and £690.90 for residential care and £609.07 and £841.26 for nursing care (which excludes FNC). Most of our providers submit their prices at the top end of the pricing matrix. Essex also allows for 3rd party top ups for adults or families choosing to pay funding for additional services and an exceptional needs payment of £80.01 for adults that have been identified as complex needs. Work is underway to uplift our exceptional needs payment to £140 from April 2023.

77% of sourced residential packages are picked up through the IRN contract, and 23% of packages are picked up through our spot contracts. This is largely in line with our ambition for 80% of placements to be via our framework. The current average contract rate for Essex County Council, taken from February 2023 is £619.35. The average spot contract rate is £813.43 which is 31.3% higher than our standard contracted rate.

35% of sourced nursing packages are picked up on the framework, and 65% of packages are picked up through our spot contracts. This represents a significant shift away from our framework contracts and an increased dependency on spot. The current average nursing contracted rate for Essex County Council, taken from February 2023 is £686.16. The average spot contract rate is £957.65 which is 39.5% higher than our standard contracted rate. Work is underway to uplift our nursing framework rates by 20% from April 2023.

In the Eastern Region, 45% of adults receiving short or long-term care are self-funding, of these around 25% of these adults will at some point require social care intervention due to their capital dropping below the threshold. Providers prefer to secure rates with the adult or family direct at higher rates. ECC has approximately 720 adults on an ECC Contract who are self-funding, their average rate is £623.43 per week for residential care and £841.00 per week for nursing care.

As of 1 February 2023, 98.5% of the 206 Care Homes Registered to support Older People in Essex had been inspected and rated by the CQC. Of the 203 Care Homes inspected, 3.45% (7) have been rated as 'Outstanding', 73.4% (149) have been rated as 'Good', 22.17% (45) have been rated as 'Requires Improvement', and 0.99% (2) have been rated as 'Inadequate'. This means that nearly 4 out of 5 Older People Care Homes in Essex are rated as 'Good' or 'Outstanding', which is comparable to the Regional (76.5%) and National (78.6%) data.

Essex County Council does not have specific supply issues in residential care, we do not have a waiting list of Adults requiring a placement. We have an oversupply of residential care in North Essex, however outside of north Essex the Adult is likely to be placed outside their residing district. There is supply issues for nursing placements across Essex, particularly when an Adult has complex needs or dementia care.

Essex is aware that there are approximately 3,600 vacancies in the carer workforce across Essex for both residential and community-based services. 10,000 people provide direct care in a residential setting and 600 are nurses. Providers are expressing concerns on the recruitment and retention of carers and are having to invest in international recruitment campaigns to increase capacity within their organisations. As part of our workforce strategy the Council have a new recruitment campaign and are collaborating with providers on international recruitment.

Evidence from our provider submissions from the Fair Cost of Care exercise indicated that on average carers are paid between £10.56 - £10.79 per hour and nurses £19.35-£19.61 per hour.

The outcome of the Fair Cost of Care exercise provided a blended median rate for residential care of £851.60 per week and for nursing care £922.45 per week (excluding FNC). On average this is a 23.2% increase on residential and 6.6% increase on nursing care from existing rates.

The Council have reviewed the inflationary pressures for 2023/24, using our internal cost of care modelling, taking into account NLW increases and Bank of England CPI & RPI predictions at the time of budget setting resulting in a blended rate of 7.9%, which we have proposed to round up to an increase of 8% on our framework rates from April 2023. The continued national pressures such as the energy increases and cost of living crisis for the workforce are impacting our care homes and their capacity. An increase in demand in bed provision to support short term placements from hospitals is an additional administrative task expected from our care homes with an increasing need for nursing, occupational therapy or services to ensure adults return home.

Out of our total care homes across Essex, there are 17 homes considered to be at risk of closure or provider failure, these care homes are being monitored. The Council are taking an active approach through market shaping to managing market risk.

The delay in the social care reform allows the Council to work with providers to actively shape our care home market and ensure providers are prepared for October 2025.

## **b) Assessment of current sustainability of the 18+ domiciliary care market**

Our strategic aspiration is that people should be supported to be as independent as possible for as long as possible and enabled to live in their own homes. The domiciliary care market, along with other types of community support and the provision of care technology, are critical for helping us to achieve that ambition.

According to the 2021 census Essex has a population of 1,503,300 residents. 56.6% of the population are over the age of 20, 20.6% are over the age of 65 and 2.8% are over the age of 85.

Over the last 3 years the number of adults in receipt of domiciliary care funded by the Council has increased by 6.6% and the number of hours being commissioned by the Council has increased by 8.2% over the same period. It is estimated that 12,878 adults received domiciliary care in Essex and as of February 2023, 6,372 adults are managed by Essex County Council. Approximately 50-55% of adults receiving domiciliary care are self-funding.

As of February 2023, Essex commissions 116,000 hours of Domiciliary care per week for Essex funded adults. The average package size for an adult has increased from 10 hours to 14 hours per week which indicates that packages of care are more complex, and adults are staying at home longer in the community.

On average an adult receiving long term services may have a package variation every 12-18 months.

Each month Essex will source 550 domiciliary packages, make 600 changes to existing packages of care and make 500 suspensions, restarts and terminations.

As of February 2023, there were 325 CQC domiciliary locations registered in Essex. Of the 325 locations, 284 have been inspected by the CQC, of which 89.9.% (254) have been rated as either 'Good' or 'Outstanding'. Since April 2022 8 Providers have exited in the last 12 months.

The Council currently spends approximately £126m per year on domiciliary care. Essex commissions domiciliary care from 282 providers of which 123 providers are on our Live at Home framework. Typically, there are around 6,372 adults receiving long-term services at home at any given time, with an average hourly rate of £21.32. The current utilisation of our framework contract is 58% representing a decrease from previous levels, however due to an increase in demand in services and lack of workforce, Essex County Council have had to use our spot market to source packages.

Recent engagement with our domiciliary providers has identified their expressed concern in recruiting and retaining carers. Providers are particularly concerned with the recent increase in the cost of living and fuel inflation, as Essex is geographically large and diverse and has many areas that are extremely rural. Since August 2022 the Council have been working with providers to decrease our levels of unsourced packages of care. As of February 2023, the volume of unsourced care has fallen to 28 people amounting to 281 hours per week.

Essex in total has 12 districts and has a varied demography of urban and rural mix. Essex has supply issues in the in the Uttlesford, Maldon and Braintree districts of the Essex County Council area, this is mainly due to rurality and the demography of residents in that area. We are noticing that, where packages of care are in extremely rural spots, providers are resistant to picking up the package unless the package length is larger or they are paid additional money for travel expenses.

There are also pricing issues in Epping Forest and Brentwood districts which have a series of towns and rural areas bordering London. This impacts our carer workforce and capacity due to the higher London Living Wage and therefore these parts of Essex are required to pay higher rates for capacity.

There is also increase in demand for care within the community; the domiciliary care market is being requested to pick up additional care packages for short term reablement either through spot contracts or specific contracts supporting hospital discharges or reablement services.

Out of the 23,500 direct care roles 12,500 are domiciliary care workers. 90% of all jobs are permanent with 57% full time and 43% part time. As of April 2022, Government have set the National Living Wage for adults over 23 at £9.50, for those aged 21 and 22 at £9.18 and for those between 18 and 20 at £6.83 per hour. The rural nature and size and scale of Essex means that for most areas it is essential that carers can drive and have access to a car. The recent increases on cost of living and fuel costs have been challenging for existing carers and make the profession less attractive at current pay and mileage rates Evidence from the Fair Cost of Care exercise indicates that domiciliary providers are paying their workforce on average £11.20 per hour. Carers on average have 11.5 minutes per contact hour used as travel and on average mileage per payment mile is £0.33p.

Essex currently has over 3,600 care sector vacancies across the County. It is estimated that Essex will require an additional 11,000 jobs in the social care sector to meet expected workforce demand by 2040. This is a 27% increase on the existing workforce. Essex providers are suggesting that they need to pay their carer workforce a minimum of between £12.00 and £14.00 per hour if they wish to recruit and retain carers in the market.

As a result of completing the Fair Cost of Care exercise for our domiciliary care market the median rate for Essex in 2022/23 is deemed to be £23.42 per hour which is a 11.7% increase on the existing rates.

The Council have reviewed the inflationary pressures for 2023/24, using our internal cost of care modelling, taking into account NLW increases and Bank of England CPI & RPI predictions at the time of budget setting resulting in a blended increase at a rate of 8.5% to meet 2023/24 prices.

The delay in the charging reform allows the Council to work strategically to uplift rates and review aspects of our domiciliary service model prior to recommissioning our domiciliary framework in 2025. The Council is keen to ensure our carer workforce financially benefit from additional funding applied into the market and ensure we work towards our new marking shaping strategy. Continued work with our domiciliary providers is necessary to ensure we have a sustainable market and providers are aware of the impact of the Social Care Reform on their business. It is expected that increasing rates over the next 2 years will provide financial sustainability to the market.

## **Section 2: Assessment of the impact of future market changes between now and October 2025, for each of the service markets**

Essex County Council have a Market Position Statement that provides key information on our resident's demography, benchmarking insight, existing market pressures and current commissioning intentions across our adult social care market. [www.essexproviderhub.org/the-essex-market/market-position-statement/](http://www.essexproviderhub.org/the-essex-market/market-position-statement/)

Throughout 2022, the Council engaged and collaborated with Providers, Adults with Lived Experience, Social Care Teams and our NHS partners to understand existing market pressures and to develop a Market Shaping Strategy whilst completing the Fair Cost of Care exercise. During this time Questionnaires, webinars, 1-2-1 Interviews, collaborative workshops and engagement sessions were held alongside our engagement on the Fair Cost of Care exercise to form the key themes

and priorities set within our Market Shaping Strategy. Collaborative engagement with all parties continues to shape and influence our decision making within our markets.

The Council has developed a new Market Shaping Strategy which sets out our key priorities and themes required to shape our social care market over the next 7 years and sets the expectation of how we plan to shape our market. Our priority key themes are:

- Addressing care market workforce and recruitment and retention challenges
- Ensuring effective management of capacity and demand, both now and for the future
- Putting lived experience of the person at the centre of what we do
- Ensuring delivery of good quality services
- Utilisation of technology that maximises independence and workforce efficiency
- Promoting the financial sustainability of the service as a whole.

Our market shaping strategy focuses on providing more community-based services, which includes increasing short-term care, and the early help offer, and we would like to:

- Reduce reliance on residential care, where there is currently an over-supply of beds, in favour of supporting people in their own homes and communities.
- Increase provision for complex care, where there is growing demand, especially nursing and placements for Adults with complex needs or behaviours.
- Increase and evolve community-based services such as domiciliary care and other services that support the adult to remain independent at home.
- Develop a wider range of accommodation options that can provide community-based alternatives to residential care, such as Supported Living services.
- Increase the use of Personal Assistants, Micro-enterprises, Individual Service Funds and Direct Payments to optimise adults' ability to exercise choice and control
- Improve our short term and early help service offer to reduce demand for long term care services.

A workforce strategy has been developed alongside an action plan that works to address recruitment, training, and upskilling of the workforce whilst we work on improving access to the pipeline of new workers, better terms and conditions for works, our support offer to our voluntary and unpaid carers and PA's and develop opportunities to have a joint workforce with health.

Supported Living services were not included in the formal Fair Cost of Care exercise that was undertaken across the wider domiciliary care market. As such, the Council utilised some of the detail and learning from the exercise undertaken for domiciliary care to carry out its own abridged version by requiring detail from the provider market on the rates currently being paid to their staff.

This demonstrated a need to increase rates from the current levels to £19.16 based on the information that had been provided by our market. It is intended to review the cost of care modelling around complex needs services to ensure the differential is inclusive of all expected costs required to deliver these enhanced services. Work is underway to increase the framework rate to thus median cost of care rate, some of the MSIF grant will be used to enable this to happen.

In the period to 2025 the intention is to continue to review the demand we have in Essex for supported living services and to refine and shape the market to ensure we are meeting these with new development and disposal of services that do not meet required standards. Our existing framework continues until March 2025, but discussions are underway to consider the future options and commercial approach to maximise sustainability within this market.

Extra Care Housing followed a similar approach to Supported Living and the median of those results was £18.36 based on the information provided by our market. This remains within our matrix of rates for care provision in an Extra Care scheme. We intend to develop a cost of care model to use for future extra care rate monitoring.

The Adults with Disabilities Residential market is substantial within Essex and the strategic approach to this market links closely with the approach being taken in AWD Supported Living services.

The intention in the coming years is to continue to reduce the usage of residential care services in favour of supported living which represents a better value to the Council but also provides more independence and security to the adults being supported. This requires the two strategies to work together to increase availability of supported living in order to decrease the number of adults in residential care. In future, residential care is intended to be utilised only for adults falling into two categories:

- Adults with complex needs
- Adults who fit into the 'Ageing Well' cohort (showing signs of ageing and unable to live independently)

Work is underway to shape the market in Essex and the procurement of the Complex Residential Framework signals the intention that we place only adults with complex needs into services. The remainder of the market will be shaped to meet ongoing needs through adaptation to supported living, ageing well specialisms, or closure of services in some cases.

The Council currently uses Care Cubed as a national benchmark to assess whether best value is being achieved in the services, we commission.

A review of the personal budget process and a plan to implement an IPB is in progress. It is expected that adults eligible for services will want a care account but may choose to continue to use friends, family or local support services that are not CQC registered to receive their care. Essex will need develop this offer to mitigate the potential demand/volume on our domiciliary services.

Essex works with 3 different ICBs, all of which also include part or all of the areas of other local authorities. Work is currently underway to shape our intermediate care services in collaboration with NHS partners. The forecast expenditure as at period 6 of the 2022/23 financial year for intermediate care services that are managed by the Council is £33m, of which £19m is within the Better Care Fund and IBCF in-year allocations, £7m is in ECC base budget and the remainder is funded from non-recurrent sources.

The aim is to increase flow and effectiveness of intermediate care, other short-term care and support and short-term residential placements for recovery or reablement. Flows of short-term, non-recurrent monies from partners to support social care can be challenging to deploy in ways which support longer term market shaping objectives (for example that of growing workforce and supply of good or outstanding provision). Sustainable, long-term investment is required to ensure that our health and social care pathways, infrastructure and commissioned services support the need across Essex.

Essex County Council has also been working to develop a new and enhanced direct payment support service. Within the new service it will include:

- Assistance around the recruitment and retention of Personal Assistants and how to make it easier for adults to recruit and manage personal assistants,
- Assistance on training, supervision and managing Personal Assistants.
- Develop a match making tool to support people to find Personal Assistants.
- To explore the use of digital and technology solutions that may support adults and Personal Assistants in their roles.

Essex are in their second year of a 4 year project to boost the use of community enterprises, our first year has to set the foundations for success and to build, and promote community microenterprises with people who may wish to buy their services. Essex is working on increasing community microenterprises across the county and to work with Tribe, a digital platform to promote the service.

An analysis on the draft benchmarking information from the ADASS regional group indicates that the FCoC rates for Essex are slightly under the average rates across the region. An analysis from existing average rates and FCoC median rates are:

- For domiciliary care the average FCoC median rate is £24.68 per hour, this on average is a 21% increase on existing rates across the region.
- For Residential Care the average FCoC median rate is £915.84 per week this indicates on average a 33.4% increase across the region.
- For Nursing Care, the average FCoC median rate is £1,097.77 per week this indicates on average a 37% increase across the region.

It is estimated that an additional £41m per year (over and above budgeted inflation in 2023/24 of £31.2m) would be required to pay our residential, nursing, and domiciliary markets at these median rates. A triangulation from information from the Fair Cost of Care exercise with existing financial and commercial lenses was undertaken. It has been concluded that the median rates from the exercise are comparable to our existing modelling for our residential, nursing and domiciliary markets and therefore has been used as part of the modelling for the next financial year.

Our current MTRS plan, based on a blend of NLW, CPI and RPI includes an additional investment of £31.2m across ALL care markets not just these three, with the increase in the ASC precept funding under half of this.

This additional financial pressure also does not incorporate the expected additional 40-50% increase in volumes as a result of the social care reforms, through new requirements towards self-funders; include future annual inflationary uplifts; or account for unknown provider behaviours within the market.

Out of the predicted 8,000 new adults entering local authority social care as a result of the social care reforms, it is estimated around 6,300 will be assessed and have assets between £23,000 - £100,000 and 1,400 will have a threshold over £100,000. Our modelling indicates that 4,600 adults will require support in the community and 3,100 will require residential or nursing care.

The reforms to adult social care charging are significant and the implications include the following:

- More people will be eligible for their needs to be met under the Care Act, and for part or full funding from ECC as a result of the new means-test criteria. National modelling would suggest a financial impact to ECC of £10m for this element, when introduced rising to £32m in the first full year and increasing significantly year on year thereafter. These estimates will need to be reviewed in light of the delay alongside any future funding.
- The Council's existing fees and charges policies will need to be reviewed and updated as necessary.
- Impact to the wider care market due to self-funders accessing local authority rates for residential care.
- ECC will need to undertake many more Care Act needs assessments and more financial assessments as private funders approach the Council to set up their care accounts, to provide them with an independent personal budget. Existing workforce capacity will not be able to meet this demand. Previous analysis within ECC suggested the need for an additional 54 people capable of carrying out Care Act needs assessments on an ongoing basis alongside additional capacity to carry out financial assessments etc. These estimates will need to be reviewed in light of the delay alongside any future funding.
- ECC will need to implement upgrades to key financial and case management systems to enable the Council to operate a 'care account' from October 2025.

These reforms require a considerable amount of work to be undertaken across the Council in preparation to meet this additional demand. Relevant policies and documents need updating; the workforce needs training on the new policies; key systems need upgrading; and the Council needs to ensure that residents, the workforce and care providers understand the new rules. The Council has currently invested £2.5m of new resource to support the preparations to October 2025.

This increase will place a significant pressure on our social care workers, financial assessors and our service placement team who will be required to source packages of care to all adults at our contracted rates within our adult social care market. Essex is required to address the following areas:

- Prevention and our digital Advice and Guidance offer; ensure that through good web based accessible information adults are enabled to make good life decisions for themselves
- Process & system optimisation.
  - Reviewing and improving current internal processes to maximise every opportunity for efficiency.
  - Investigation into Self-Serve technology that could support our operating model in the future such as online needs assessment, online financial assessment and care sourcing tools.
  - Operational changes better manage the new burden of adults that will flow through the system as a result of the charging reforms.
- Improving our Information, Advice and Guidance (IAG) Offer: The Council is planning to improve our public facing website for Essex providers.
- Procurement of our Social Care Case Management System: The Council are currently in the process of reprocurring our social care system for Adults and Children's Social Care. This procurement has provided an opportunity to implement requirements gathered to deliver the social care reform in October 2025.
- Our sourcing/brokerage offer: A project is underway to review our sourcing pathways and brokerage offer; with an expected increase in demand the Council is investigating technical solutions to automate processes and streamline practice within social care and with providers when sourcing packages of care.
- Implementation of technical innovations; we have a series of technical projects underway to improve market oversight and manage market demand. This includes (but is not limited to):
  - A data exchange tool to collate Electronic Homecare Monitoring Data across our domiciliary and intermediate care providers.
  - Providing grants for providers to improve their digital social care records across Essex alongside our NHS partners.
  - Investigating technology solutions to manage demand and capacity across our health, social care and providers. Ensuring adults are placed on the most appropriate pathways into short term services.
  - Developing our Essex Care Search System to provide clarity on bed provision and improve our sourcing pathways for health and social care.
  - To increase the use of Care Technology for adults requiring short or long- term services in the community.
  - Improving our existing market management tools, PAMM's, market risk, market management and data collection, this includes improving reports and dashboards across social care, health and with providers.
- Review of existing resources; activity is underway to understand the additional resources required to support an increase in additional social care assessments, financial assessments, sourcing of packages of care, market oversight and management.
- Review existing policies and practice to mitigate any additional cost pressures.
- Contractual models, terms, and conditions with providers alongside our market shaping of commissioned services. In particular a review of our existing commissioned service models to align to October 2025, this includes the procurement of our domiciliary framework, integrated residential and nursing framework and intermediate care contract to support our market shaping strategy.
- Develop new policy and practice for adults with a care account, including 1<sup>st</sup> party top ups, management of provider and adult behaviours, and risk of debt.
- Clear communication with all adults and their families to manage expectations on placements, costs and accrual towards their care account/cap.



For the foreseeable future it is expected that the Council will need to finely balance financial pressures, inflation, market expectation of the implementation of the social care reform across our social care markets. Our Market Shaping Strategy sets the tone of the council's commissioning intentions for Adult Social Care. There is a risk that if we do not effectively manage our markets the council will be required to source at higher rates to meet our statutory obligations to meet eligible needs. This impacts our key objective to drive efficiencies through our contracts to manage quality, price and provision, and to strengthen key strategic relationships with framework providers.

### **Section 3: Plans for each market to address sustainability issues, including fee rate issues, where identified.**

#### **(a) 65+ care homes market**

In September 2022, the council made a decision to prioritise our initial grant funding for Market Sustainability and Improvement into domiciliary services. This is due to our strategic ambition to support more people to stay in their own home and due to an increase in demand for community led services and workforce challenges in the sector that had led to increased challenges in sourcing domiciliary care in some parts of Essex. As referenced above, Essex has seen a reduced occupancy within our residential market.

The outcome of the Fair Cost of Care exercise provided a blended median rate for residential care of £851.60 per week and for nursing care £922.45 per week (excluding FNC). To increase all existing packages of care to the FCoC rate, the Council will require £26.8m for Residential care and £2.6m for Nursing Care in 2023/24. The median rates from the Fair Cost of Care are comparable to existing financial and commercial insight.

From April 2023 the council intends to invest £9.2m into our existing framework, the framework will be open to new and existing providers within Essex. Providers will be able to select a new pricing point, the new minimum rates provide an:

- 8% uplift for residential care, with new minimum rate of £647.57 per week
- 20% uplift for residential care with nursing, with new minimum rate of £796.46 per week.

The Council will also increase the weekly rate of all existing care home placements in place on 31 March 2023 delivered via the IRN Framework Agreement by 8% for residential without nursing, and by 20% for residential with nursing, capped at the new maximum framework rates of £746.27 per week for residential and £1,009.40 per week for nursing placements and increase placements on the IRN Framework which are currently below the new minimum of £647.57 for residential and £796.46 for nursing to the new minimum, with effect from 1 April 2023.

As part of our market shaping strategy our key strategy for Residential and Nursing Care continue to be:

- To support Adults to remain at home within their community, with their maximum level of independence sustained for as long as possible.
- Ensure there is the appropriate level of capacity to support adults that require complex support.
- Increased collaborative discharges for adults entering short term residential or nursing placements from hospital, ensuring we support people to return to their long-term homes as soon as they are able.
- Improved collaborative approach with Health for adults entering into a residential or nursing placement on the Continuing Health Care Pathway.
- Management of increased council placed volumes in residential and nursing care as a result of the implementation of Social Care Reform.
- To ensure our most valued care homes remains sustainable.
- To upskill our carer workforce to manage demand for complex care or nursing care and to work to increase carer levels across Essex. (ECC has a Workforce Strategy across Adult Social Care that aims to upskill, retain and support recruitment of direct care workers in Essex.)

- To improve market oversight through the utilisation of technology
- To ensure that there is a robust enhancement tool for providers for complex adults.
- To review the rates for packages of care that are out of county. (Essex has between 300-400 adults placed out of county.)
- To improve the use of digital care records for providers.

The council will look to follow these principles within our residential and nursing contracts:

- Our preference is to commission packages with outstanding and good providers.
- To commission services through our contracted providers, investing in strategic providers.
- To consolidate our residential market to manage demand.
- To increase capacity through existing provision for complex needs/support and nursing care provision.

The Council is committed to doing what we can to increase funding in the care market and ensure that the sector is sustainable. We want to make our framework contracts more attractive for care providers to work with us on, to enable us to grow capacity in some market sectors and enable providers to address cost of living challenges for their workforce.

During 2023/24 the Council will work with system stakeholders to develop a longer-term strategy and drive further service improvements whilst continuing to address existing pressures. As part of the shaping of community services the council will:

- Implement the exceptional needs tool and payment within Adult operations to ensure providers supporting complex adults receive an additional £140 per week.
- Continue to actively manage our residential market to oversee market risk through existing reporting tools, localised multi-disciplinary meetings with operational and quality teams, and strategic risk forums.
- Consolidating our residential market through the use of our framework and strategic providers to reduce the use of spot providers.
- Increasing nursing and complex needs capacity, by increasing fees by 20% on existing packages and investigation options to increase capacity with our framework providers Longer term commissioning opportunities will be reviewed to ascertain whether there is sufficient demand to procure a separate very complex needs nursing service (possibly in partnership with other Local Authorities or with the NHS).
- To work with providers to ensure our care home market are prepared for the social care reform.

### **(b) 18+ domiciliary care market**

In September 2022 ECC decided to invest £3.9m of our £4m Grant into our Domiciliary Market. Our Contracted Providers were given a £1.12 per hour uplift on packages that provide personal care and all packages of personal care that are under £20.60 was uplifted to this new minimum rate from April 2022 The intention of this investment was to provide our providers, particularly our strategic providers, additional funding to retain and incentivise their workforce to manage existing and new capacity.

For domiciliary care, the Fair Cost of Care exercise for 2022/23 has indicated a median rate of £23.42 per hour, which is an increase of 11.7% per hour to our existing average rate. To implement this would have an additional cost pressure of £11.8m on the Council. The median rate is comparable to our strategic pricing approach for 2022/23 and 2023/24.

Our agreed inflation rates for 2023/24 are 8.5% plus the continuation of the temporary £1.12 (paid for by the Fair Cost of Care Grant, now included within the MSIF Grant), our annual refresh within our domiciliary framework will allow providers on our framework to select an increase between 11.8% and 14.6% on our next pricing matrix. From April 2023 existing framework providers will be able to select rates for:

- Personal care from £22.32 to £25.72 per hour (with additional of up to £4 per hour for hard to source hours, known as Target Supply Areas (TSA's))
- Night sleeping from £12.68 to £15.20 per hour
- 24 hour living care is £12.68 per hour

The Council have budgeted to invest an additional £13.9m in this market in 2023/24 using the MSIF grant. Additional funding will be applied to this market in 2023/24 that supports our commitment to increase rates towards the fair cost of care. The Council are keen to ensure additional funding applied supports our strategic agenda to increase our workforce and maximise service provision opportunities with our framework providers.

As part of our Market Shaping Strategy the Council will be reviewing our domiciliary commissioned service delivery models to ensure they are fit for purpose. Our key strategy for domiciliary care continues to be:

- To increase supply to meet demand across Essex and within known hard to source areas.
- Increase supply with our strategic tier 1 providers to increase the number of commissioned packages through our framework and rationalise our domiciliary market.
- To work with our tier 1 providers to deepen strategic relationships, improve sustainability and test innovative, outcomes focussed solutions in order to meet need.
- Use framework providers to shape our market, reducing the use of spot provision.
- To improve collaborative working with providers, health and Adults with Lived Experienced to identify opportunities and improve the delivery of service.
- To support the shaping of community hubs and locality-based commissioning across our community-based providers.
- Utilise the use of enabling technology and initiatives/pilots to shape demand and flow of Adult between services moving forward.
- To improve market oversight through the utilisation of technology.
- To improve the use of digital care records for providers.

The council will look to follow these principles within our long-term domiciliary contracts:

- Our preference is to commission packages with outstanding and good contracted providers.
- To commission services through our higher tier 1 providers on our frameworks, encouraging them to increase capacity and reducing spot provision.

Essex County Council are committed to move towards the Fair Cost of Care for our contracted domiciliary care providers. The council remains committed to increasing funding within our care market to keep the market sustainable and to grow capacity to enable providers to improve the terms and conditions of their workforce.

During 2023/24 the Council will work with system stakeholders to develop a longer-term strategy and drive further service improvements whilst continuing to address existing pressures. As part of the shaping of community services the council will:

- Increase capacity within intermediate care and domiciliary services; current demand issues within intermediate care results in utilising our domiciliary supply.
- Commission specific provision for hard to source locations.
- Developing or piloting different service models to maximise the use of existing capacity and increasing the use of technology. This includes locality-based commissioning, outcome-based commissioning, a domiciliary reablement ethos for packages of care and integrated health and social care services.
- Investigate commissioning models that support the change in volumes of care required as of a result of the social care reform.

**Forward Plan reference number: FP/024/01/23**

<b>Report title:</b> Working Age and Older Adults Care and Support Provision Uplifts	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Councillor John Spence, Cabinet Member for Adult Social Care and Health	
<b>Date:</b> 21 March 2023	<b>For:</b> Decision
<b>Enquiries to:</b> Nick Presmeg, Executive Director for Adult Social Care	
<b>County Divisions affected:</b> All Essex	

## 1. Everyone's Essex

- 1.1 Everyone's Essex sets out the strategic aim of health, wellbeing, and independence for all ages. Our ambition is that we help people with care needs to live as independently and safely in their own homes as they can, and to ensure they have the support they need to promote their wellbeing and quality of life.
- 1.2 One way to support this aim is through ensuring we have a sustainable care market in Essex, with a diverse range of high-quality accommodation services that residents can access to meet their care needs.
- 1.3 The Council recognises the critical and valued work that care workers across Essex perform, supporting the most vulnerable people in our society. The Council also recognises the exceptionally challenging economic climate for the care market, in the light of high inflation, increasing interest rates, and high and rising energy costs.
- 1.4 The Council is committed to doing what it can to increase funding in the care market to ensure that the sector as a whole is sustainable. On 6 February 2023, the Government published a policy paper on social care alongside the final local government settlement, making clear that additional funding provided to councils should help address discharge delays, social care waiting times, low fee rates, and workforce pressures. Detailed grant conditions are still awaited.
- 1.5 The proposals in this paper set out uplifts for care providers that operate supported living and extra care settings, and for those that work with working age adults with disabilities and mental health support needs. This paper addresses parts of the care market that were not covered by the February 2023 Cabinet decision on the Council's Live at Home (LAH) framework or Integrated Residential and Nursing (IRN) Framework. As well as being fully aligned with the commitment in Everyone's Essex around independence, this proposal will support levelling up for many people with care needs in our county.
- 1.6 A further report will come to a future Cabinet outlining further proposals about how the Council will invest in the care market to address key market challenges and support improved terms and conditions for care workers. As part of these

proposals we will be negotiating with providers to enable transparency and ensure that further investment into the market is passed on to the care staff.

- 1.7 The proposals in this paper do not create any additional climate impacts, which is consistent with our net zero climate commitments set out in Everyone's Essex.

## **2 Recommendations**

### **Adults with Disabilities Supported Living Services:**

- 2.1 Agree to uplift fees by 11.1% from 1 April 2023 for all existing and new packages of care and support for Adults with Disabilities (AWD) residing in Supported Living accommodation, for providers within the administrative county of Essex, to £19.16 per hour for non-complex placements and £21.04 per hour for complex needs placements.

### **Adults with Disabilities Residential Services:**

- 2.2 Agree to uplift fees by 8% from 1 April 2023 for providers who have completed the Care Cubed assessment tool and provided the results to the Council; no uplift will be applied to a provider until they have engaged in this assessment process.
- 2.3 Agree to uplift of core and 1:1 rate for new and existing placements on the Complex Residential Framework by a maximum of 8% from April 2023.

### **Mental Health Accommodation Services:**

- 2.4 Agree to uplift of fees by a maximum of 7.7% for all existing and new packages from April 2023 for services delivered under the new Mental Health Accommodation Pathway, and Supported to Independence, Intensive Enablement, and Intensive Enablement Plus services, with a capped rate of £19.16 per hour for non-complex packages and a capped rate of £21.04 per hour for complex needs packages.

### **Mental Health Residential Services:**

- 2.5 Agree to uplift of fees by 8% for existing and new providers from April 2023.

### **Extra Care Services:**

- 2.6 Agree to uplift fees by up to 11.1% on average for all existing care and support plans for those older adults living within extra care accommodation, which equates to a fixed rate increase of £2.12 per hour from April 2023.
- 2.7 Agree to give a new maximum rate of £21.04 per hour and minimum rate of £16.72 per hour, used for the placement of adults into Extra Care Schemes with effect from 2 April 2023.

### **Out of County Placements:**

- 2.8 Agree to increase by an individually agreed amount not exceeding the 'host' authority uplift across all services if (a) the provider requests this and provides supporting evidence and (b) in the case of residential care, only where the Council is satisfied that the provider has completed the Care Cubed toolkit and the results demonstrate appropriate value for money.

### **3 Background and Proposal**

- 3.1 The Council's strategic ambition is to enable more people to be able to be supported for as long as possible in their own homes, where that is the most appropriate and desired place for them. Investing in and growing a range of accommodation options is an important way the Council can support people to live their lives to the fullest.
- 3.2 The Council currently secures a range of care options for adults of working age (18-64) and for older people (aged over 65). These include:
- a) Domiciliary care services at home
  - b) Residential and nursing care for older people
  - c) Supported Living in specific accommodation
  - d) Extra Care Housing
  - e) Residential care for adults with disabilities and mental health support needs
- 3.3 The Essex Market Shaping Strategy (to be considered elsewhere on this agenda) sets out our intention to shape the market over the next seven years so that we can help develop and grow market solutions and capacity where it is needed and to support people to be as independent as possible and to remain in their own homes. This requires access to a range of accommodation options.
- 3.4 The strategic direction for accommodation services within Essex is to maximise the use of more independent options such as Supported Living and Extra Care housing. Ensuring sustainable fees within these services will encourage and increase development to meet our strategic aims. Less independent options such as residential care are still required but their use is targeted towards adults with more complex needs and those that are unable to live independently.
- 3.5 The Council commissions a range of Supported Living Services for Adults With Disabilities (AWD), Mental Health (MH), along with specialist Supported to Independence services, Intensive Enablement and Older People Extra Care services.
- 3.6 The Council also commissions both residential Services for AWD and MH support, which are not covered by the Integrated Residential and Nursing Framework (IRN).
- 3.7 The Council is committed to doing what we can to increase funding in the care market and ensure that the sector as a whole is sustainable. We want to make

our contracts more attractive for providers, investing in care and support services, so that we can help grow capacity and enable providers to attract, recruit and retain, through improved terms and conditions for their workforce.

- 3.8 The Council recognises the critical and valued work that care workers across Essex perform, supporting the most vulnerable people in our society. The Council also recognises the exceptionally challenging economic climate for the care market, in the light of high inflation, labour market constraints, increasing interest rates, and high and rising energy costs.
- 3.9 The key drivers that define the uplift awarded by the Council are increases to the National Living Wage and increases to general inflation which is represented within the Consumer Price Index (CPI). The majority of cost to providers in delivering services comes from staffing and wages.

### **AWD Supported Living**

- 3.10 The AWD Supported Living cost of care model was developed with the market in 2018 and continues to be used to help understand the cost drivers and establish the hourly rates that should be paid as a minimum.
- 3.11 This model is driven primarily through increases made to the National Living Wage, with an additional allowance to reflect the rates care staff are usually paid. The results of the cost of care exercise carried out this year also considered aspects of the Fair Cost of Care (mandated by Government for Residential for older adults and Domiciliary care for all adults, but not for Supported Living). Following this, it is proposed that rates are increased to £19.16 per hour for non-complex and £21.04 per hour for complex care and support plans. This is an 11.1% increase on current rates and is based on the median average of the analysed returns received following the application of the cost of care exercise.

### **AWD Residential**

- 3.12 AWD Residential packages are placed on an individual basis, with each fee being agreed and based on the specific care and support needs of the adult, including core costs of the homes. Currently, all placements made into AWD and MH residential services are benchmarked through "Care Cubed", which is an independently developed tool which seeks to assist local authorities and providers to understand the costs within a residential package. The benchmarks built into Care Cubed are taken from national placement data.
- 3.13 The Council intends to use residential care for adults with disabilities only where that need is complex and can be best met in a residential setting. There is surplus capacity and wage levels are typically higher in this sector of the market. Our market shaping strategy is to ensure we have a range of alternative accommodation options that provide a means to support adults with disabilities to be as independent as possible. The Council will target its investments that enable this market shift.

- 3.14 The Council is proposing an increase of 8% for AWD Residential fees. The model used to calculate the proposed increase to AWD residential services was based on applying the full effect of the National Living Wage to support workers, but slightly lower increases to senior support workers and management staff on the basis they are likely to be paid more than the National Living Wage and are not likely to see wage increases to the same degree as support workers.
- 3.15 The Council proposes to automatically award the full 8% increase where providers have been through the Care Cubed process. Packages that have not been through this process or where further information is requested, will be subject to further scrutiny by the Council before agreement to increase fees up to the maximum of 8%.

### **Mental Health Accommodation Services**

- 3.16 There are a range of different services provided to adults with mental health needs and the Council are in the process of rolling out a new model of accommodation services, with parts of Essex already being covered by these new contracts as of January 2023. Existing contracts for services remain in operation in Mid and South Essex, along with other spot placements across Essex.
- 3.17 Due to the similarity to AWD Supported Living care and support fees contained in this paper, it is proposed to increase fees to the same capped rates of £19.16 per hour for non-complex care and support plans and £21.04 per hour for complex care and support plans. This would be a 7.7% uplift for these packages. Packages that are paid above these rates would not be subject to any increases, and where the application of an uplift would exceed these capped rates, then a lower percentage increase would be applied, to retain them within the capped limits.

### **Mental Health Residential Services**

- 3.18 The placements for MH residential services are made on a 'spot' basis, with any annual uplifts being awarded at the discretion of the Council. Placements into MH residential services are also made and benchmarked through Care Cubed.
- 3.19 It is proposed to uplift all Mental Health residential packages by 8% in line with the amount proposed for AWD residential providers. Due to the smaller scale of placements and lower rates paid to these services when compared to AWD placements, it is proposed to award the increase to all packages.

### **Extra Care Services**

- 3.20 Care and support packages within Extra Care schemes are placed using a matrix of rates currently ranging from £14.60 to £19.08 selected by the provider and then applied to all personal care and support, delivered by them within that scheme.



3.21 The proposal is to increase the existing personal care and support rate by an average of up to 11.1% via a fixed increase of £2.12 per hour, capped at the revised highest matrix rate of £21.04 per hour for all existing packages of care from 2 April 2023. Any rates currently paid above the £21.04 will not receive an uplift.

### **Out of county placements**

3.22 Care placements can sometimes be made out of county. This could be for a variety of reasons, such as proximity to family or because the complexity of need cannot be met by provision within Essex.

3.23 Placements that are outside of the county will not receive an automatic increase and consideration of any uplifts will be by individual application. Where an uplift request is received, providers will be asked for additional information to support and justify their request for an increase which will then be applied to the Care Cubed assessment process to evaluate and individual increases may be agreed, up to a maximum of the uplift % awarded by the host authority.

## **4 Links to our Strategic Ambitions**

4.1 This report links to the following aims in the Essex Vision:

- Enjoy life into old age
- Strengthen communities through participation
- Develop our County sustainably
- Share prosperity with everyone

4.2 Approving the recommendations in this report will have a neutral impact on the Council's ambition to be net carbon neutral by 2030.

4.3 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

- A strong, inclusive and sustainable economy
- Health wellbeing and independence for all ages
- A good place for children and families to grow

## **5 Options**

### **5.1 Do nothing**

This option would see no increase awarded to the market. The advantage of this approach is that it would not increase costs to the Council. The disadvantages are that not uplifting packages will increase the financial pressure on providers and could result in a higher number of hand backs of packages which require re-sourcing in a challenging market. The quality of care could decrease as providers

cut costs further to ensure they can pay the legally required minimum wages. It would also not align with the national policy expectations.

## **5.2 Award an uplift below the recommended amount**

This option would provide an increase to the market on current packages, but below the amount that has been calculated and recommended within this paper. The advantages of this approach are that it would result in a smaller cost to the Council, and any increase will assist the market with financial pressures. The disadvantages of this approach are that failing to uplift to the calculated amount will increase financial pressure on providers, leading to a higher number of hand-backs of packages which require re-sourcing in a challenging market. This could also mean that the quality of care could decrease as providers cut costs further to ensure they can pay the legally required minimum wages.

## **5.3 Award an uplift in line with the recommended amounts (recommended)**

This option would provide an increase to the market and current packages, which have been calculated as the minimum required to enable providers to keep pace with financial pressures from inflation and wage increases. The advantages of this option are that it will support the Council's market shaping objectives and would significantly reduce the likelihood of package hand-backs from providers for reasons of financial viability and should allow providers to continue to deliver high quality services. The disadvantage is that it is a more costly option for the Council.

# **6 Issues for Consideration**

## **6.1 Financial implications**

6.1.1 The estimated total maximum cost of the recommended options is £17.5m: £9m for Supported Living, £6.6m-£7.8m for Residential Care (the actual total value of the uplift will be determined by the number of providers who currently have not been through the care-cubed process and now choose to engage with the assessment), £358,000 for Mental Health Accommodation Services, and £307,000 for Extra Care.

6.1.2 The recommendations will be funded through the Adult Social Care budget, including up to £4.5m through the Market Sustainability and Improvement Funding (MSIF) Grant, (£2.8m for Supported Living, £823,000-£1.2m for Residential Services, £358,000 for Mental Health Accommodation Services and £88,000 for Extra Care). The final terms and conditions for this grant have not yet been published, however an explanatory note from DLUHC has set out a high-level overview of the expected grant conditions which align to those of the proposals recommended in this report that are drawing on that grant. Taking the decision ahead of confirmed terms and conditions ensures the annual refresh takes place within the contractual timescales. Should the detailed conditions of the grant (when published) not allow for the total funding requirement outlined

here, the shortfall could be managed through the increase in the Social Care Grant, held within the Adults Transformation Reserve.

6.1.3 The MSIF Grant has been announced for 2023/24 and 2024/25 only, and there is a risk that the funding ceases after this time. If that happened assumptions would need to be updated in the Medium-Term Resource Strategy (MTRS) where expenditure in this decision is permanent and funding is only announced for two years

6.1.4 The actual cost of the uplifts will be continually monitored as part of the monthly budgetary control processes.

## **6.2 Legal implications**

6.2.1 The contracts contain provision for ECC to give discretionary increases to providers at its discretion. These price uplifts for these contracts would be lawful. The Council needs to assure itself that these payments represent good value for public money in accordance with its best value duty under part I of the Local Government Act 1972.

## **7 Equality and Diversity Considerations**

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 equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8 List of Appendices**

Equality Comprehensive Impact Assessment (ECIA)

**9 List of Background Documents**

None

Forward Plan reference number: FP/573/11/22

<b>Report title: Public Health Accelerator Bids (PHAB) Grants Programme</b>	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Councillor John Spence, Cabinet Member for Adult Social Care and Health	
<b>Date:</b> 21 March 2023	<b>For:</b> Decision
<b>Enquiries to:</b> Jason Fergus, Head of Active Essex email <a href="mailto:jason.fergus@essex.gov.uk">jason.fergus@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

## 1 Everyone's Essex

- 1.1 This report outlines the recommendation for a new public health grant programme to implement the themes and priorities in *Everyone's Essex*, specifically outlined in the new business plan for Wellbeing, Public Health and Communities (2022-25), and undertake missed interventions due to the pandemic. The new Public Health Accelerator Bid Programme (PHAB Programme) will fund health improvement and healthcare public health projects in new and innovative ways over a three-year period.
- 1.2 The benefit of approving the recommendations in this report will be twofold: 1) catching up on key public health interventions that were delayed or missed due to COVID-19; and 2) the achievement of a step change in making public health everyone's business by addressing key lifestyle risk factors that contribute to disability, disease and premature death in Essex.
- 1.3 The new fund will focus on people and communities in Essex with the worst health outcomes.
- 1.4 The PHAB programme will fund new public health projects that focus on the four pillars of Everyone's Essex (health, families, environment, economy). The four pillars overlap directly with the wider determinants of good health outlined in 3.8, especially social and economic factors (40% of good health), physical environment (10% of good health), and health behaviours (30% of good health).
- 1.5 PHAB will accelerate the delivery of the new ECC Public Health Business Plan by bringing together productive and purposeful partnerships to address local public health issues at a local level and ensure that the widest view of the causes of ill-health are considered and addressed. The organisations and partnerships that will be targeted for PHAB can be found at 3.14.
- 1.6 In summary, this report makes the case for a new public health programme for Essex to accelerate the implementation of the four themes of Everyone's Essex and the priorities outlined in the new Essex County Council Wellbeing, Public Health and Communities business plan (2022-25).

## **2 Recommendations**

- 2.1 Agree to the use of up to £8m of the existing Public Health Reserve balance, within the Grant Equalisation Reserve to fund a new Essex Public Health Accelerator Bids (PHAB) Programme for three years (2023/24, 2024/25, and 2025/26).
- 2.2 Agree that the rules for the operation of the scheme are as set out in this report, subject to modification for each funding round by the Director, Public Health and Well-being
- 2.3 Agree that no grants are to be made other than on terms and conditions approved by the Monitoring Officer or his nominee.
- 2.4 Note that any draw down from reserves will need to be approved in accordance with the Council's Financial Regulations and that the decisions requested in this report do not agree to the draw down of any funding.

## **3 Background and Proposal**

### **Background Context**

- 3.1 In October 2022, the Public Health service endorsed a new business plan for Wellbeing, Public Health and Communities. The plan, which can be found at Appendix 1, proposed new ways of working to make public health everyone's business, focusing on wider public services, the voluntary and community sector, and local businesses. The plan outlines a focus on prevention work through new levels of engagement with local communities, families, and individuals to ensure sustainable improvements in health. The plan also highlights key risk factors that contribute to a high proportion of disease, disability, and premature death in Essex. The plan covers a three-year period (2022-25) and aims to lay the foundations for the achievement of longer-term health outcomes to allow everyone in Essex to live a healthy life and achieve their full potential.
- 3.2 Each year, the Department for Health and Social Care publishes the public health grant allocation that each local authority invests in programmes that seek to prevent ill health, promote healthier lives and address health disparities alongside wider investments in health and social care. There are conditions on how the grant may be allocated and spent through prescribed and non-prescribed functions which are monitored by the Office of Health Inequalities and Disparities (OHID). At each year end, any in-year underspend from the annual Public Health grant allocation is transferred to the reserve.
- 3.3 In recent years there has been an underspend in the grant, partly because delivery was prevented by the pandemic. In order to accelerate the delivery of the business plan and to catch up and redress this, it is proposed that Essex

County Council create a new Essex Public Health Accelerator Bids Programme (PHAB Programme).

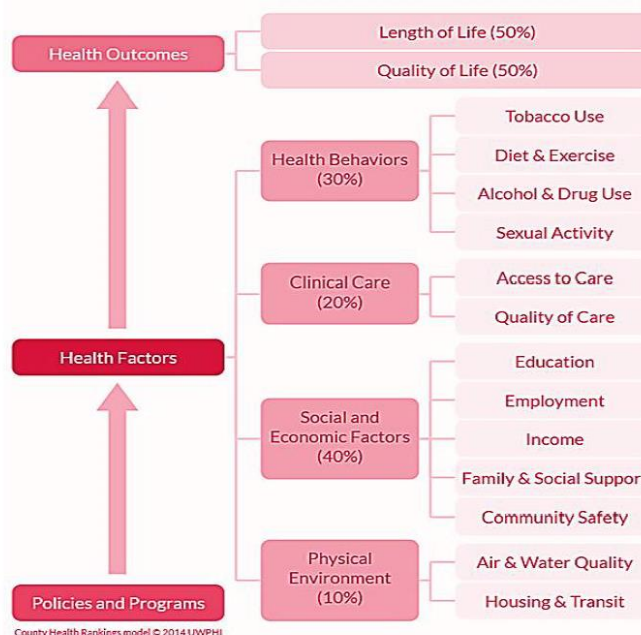
### **Background Strategic Context**

- 3.4 The intention of the Public Health grant is that it is fully committed each year to the delivery of prescribed and non-prescribed public health functions. There is a mechanism whereby any unspent grant at year end may be transferred into a ringfenced reserve which may be utilised in future years for expenditure on public health outcomes, compliant with the original grant conditions. The current level of funding in the Public Health Reserve is higher than usual due to under-delivery of key statutory and discretionary services during the pandemic. Recent guidance shared at the last two meetings with the OHID requires Directors of Public Health to develop plans to utilise the reserve to catch up on un-delivered programmes and address wider public health issues and inequalities in the local population. It is expected that formal guidance on this will be issued by the OHID.
- 3.5 The recommendation in this report is for up to £8 million of the current ECC Public Health Reserve to be used over a period of up to three years to fund the PHAB Programme while maintaining a minimum contingency balance of £1m in the reserve to cover unexpected costs or other events that could impact on the delivery of key statutory services for public health. In the event of a significant new public health crisis (nationally or locally) or other, unfunded government directed public health requirement, the Director of Public Health may need to suspend new grants under the PHAB Programme until a thorough risk assessment and financial due diligence on the sufficiency of the reserve has been carried out. ECC will reserve the right to suspend the allocation of funding PHAB programme at any time in order to manage the risk of potential other priority calls on the reserve.
- 3.6 Subject to paragraph 3.5, it is proposed to spend the remaining reserve on a grants programme as set out in this report. The grants programme is likely to operate by seeking competing bids for grants. Funding opportunities will be based on funding rounds. It is likely to take a number of rounds to spend the money wisely. Each round will be subject to its own rules.

### **Proposed Design of the Programme**

- 3.7 The new business plan for Wellbeing, Public Health, and Communities (2022-25) sets out new ways of working to make public health everyone's business by addressing the wider determinants of health outlined in the diagram below. The PHAB Programme will mainly focus on tackling social and economic factors which impact 40% of our health, and health behaviours which influence 30% of our health.





3.8 The PHAB Programme will prioritise the outcomes outlined in the ‘four Ps’ to deliver good public health:

**Productive Partnerships** – ECC Public Health will work alongside local businesses, public sector organisations, local academic institutions, the voluntary sector as well as communities and individuals to invest in the right areas and create the right culture for people to live healthier, longer lives.

**Place Based Public Health** – ECC Public Health will look to fund through local channels to support civic assets, community connectedness and active and engaged communities. Effective place-based working provides communities with opportunities to empower, educate and energise using asset-based community development (ABCD) principles, and make maximise all opportunities available to them to live healthier and more fulfilling lives, no matter their age, background or current circumstances.

**Prevention** – ECC Public Health will utilise population health management (PHM) approaches to identify groups of people at risk of developing disease or disability, reducing lifestyle risk factors to drive up good health outcomes and increase independent living.

**Public Health Priorities** – ECC Public Health will redouble efforts to address the six most common risk factors that cause poor health which are smoking, high systolic blood pressure, high fasting blood glucose, high body mass index, high LDL cholesterol, and alcohol use.

3.9 The PHAB Programme will also prioritise good mental health which significantly affects quality of life and life expectancy. Promoting good mental health outcomes will be the golden thread that runs through the PHAB Programme as



it has an impact on happiness, relationships, aspirations, education, and employment. We are seeing significant increases in poor mental health in Essex which means we must refocus our efforts to ensure people have good mental health outcomes to live a fulfilling life.

- 3.10 The proposal is to allocate up to £8m of the current public health reserve balance to fund the PHAB Programme across the financial years 2023/24, 2024/25 and 2025/26. The PHAB Programme will be split into a large grants programme for external and ECC internal bids (i.e., grants over £15,000), and a small grants programme (i.e., grants under £15,000). There is no specifically determined value attributed to each programme size as grant award success will be dependent on the quality of bid in relation to the assessment criteria applied and availability of overall funding across the programme. It is likely that there will need to be a number of funding rounds to spend the money.
- 3.11 The PHAB Programme will require additional resourcing to enable it to operate effectively. Additional staffing on a fixed term basis is proposed for the 3 year duration of the programme to include specific project management capability. The estimated total cost of the additional headcount is £500,000 over 3 years (c.£165,000 per annum) which will be funded from within the overall envelope of £8m available for the PHAB programme. Any additional resource requirement over and above this would be sourced from existing capacity.
- 3.12 Grants will be invited at any time from ECC services and from other public bodies or charitable or voluntary sector organisations but the panel will only meet to approve approximately every four months. All applications will be assessed by a multidisciplinary panel established by the Director of Public Health. The panel will make recommendations against published scoring criteria, with final sign off and approval by the Director of Public Health. Funding will be awarded to constituted organisations only (not individuals) from internal ECC bids to organisations from the wider public sector, voluntary and community sector, and local businesses. There will be no Councillor representation on the panel and the decisions of the Director of Public Health will be formally published on the Council's Committee Management Information System. The Director of Public Health will arrange for any grants which amount to a subsidy being notified to the relevant government department.
- 3.13 The PHAB programme will encourage place-based delivery but Essex-wide proposals will also be considered. The programme will prioritise bids from productive and purposeful partnerships that are addressing local public health issues and anticipate bids from (please note this list is not exhaustive):
- Community and voluntary organisations
  - Social enterprises and charities
  - Locally trusted organisations
  - Early years providers, schools and colleges
  - District local authorities and parish and town councils
  - Health organisations including ICBs, ICPs, and health alliances
  - Essex-based businesses and companies
  - Faith organisations
  - Housing Associations and tenants and residents' groups

- Umbrella organisations, including applications from consortiums
- Essex County Council services especially public health, adult social care, children and families, schools and learning, libraries, transport and planning, business, and leisure, culture and heritage.

3.14 The headline criteria for the PHAB programme are:

**Essential – proposals will normally be rejected if they do not meet all these criteria:**

- Clear fit with the ECC Public Health Business Plan and Everyone’s Essex
- Project activities must be additive and not substitute the funding of current work streams and activities
- Projects will not be funded that already are financed and/or are more suitable to other existing grants (information on the most appropriate funding source will be provided to such bidders where available)
- Cannot be used to fund services and activities that are the explicit statutory duty of another organisation
- Maximum of two years funding per project
- Funding will only be awarded to properly constituted organisations and cannot fund individuals
- There must be a clear exit plan for sustainability at the end of the funding
- Demonstrate value for money
- Funding will not be provided if it amounts to a subsidy which cannot be justified
- The bidder has agreed a clear evaluation plan with measurable outcomes and deliverables
- Directly seeks to reduce health inequalities
- Robust equal opportunities policy and safeguarding policy

**Proposals which meet these criteria are more likely to be supported:**

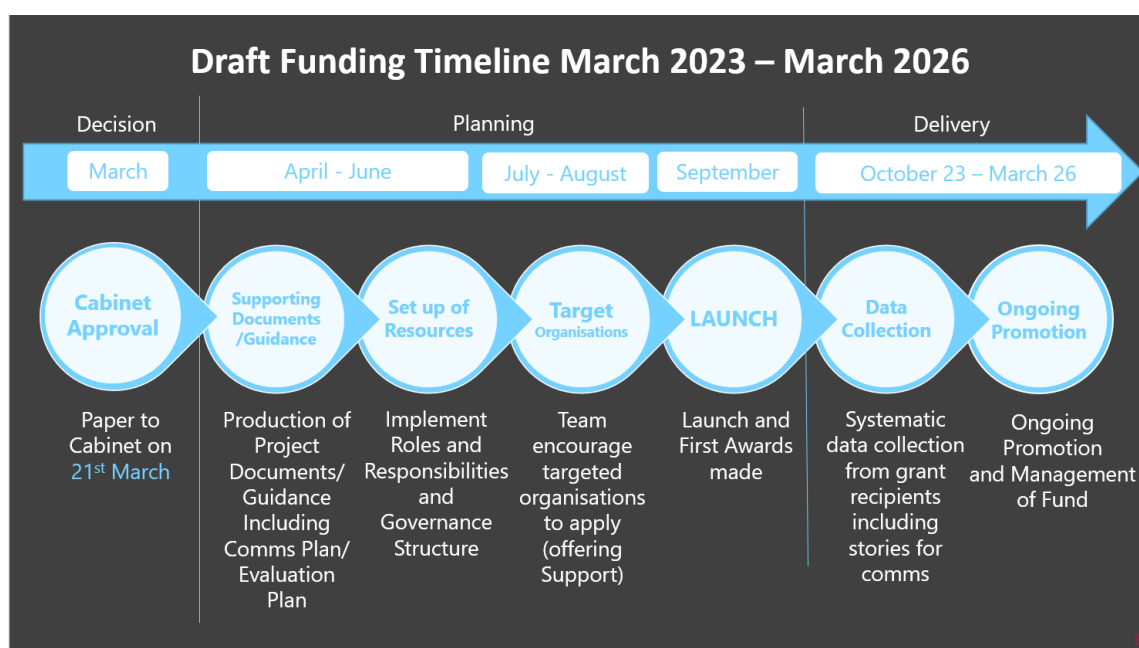
- Proposals which include match funding or which unlock investment from other sources
- Proposal which we consider will demonstrably lead to a reduced demand for health and care services
- Proposals which specifically target groups experiencing the worst health outcomes
- Proposals which are innovative and offer new ways of improving health  
Proposals supported by evidence of need
- The bid supports the development of strong and sustainable partnerships and alliances

3.15 Lessons have been learnt from previous grant programmes and we will seek to ensure that the money is well spent. Therefore the core principles of the PHAB programme are:

- Place based approach, responding to local need and circumstances underpinned by local data and local key performance indicators
- Fund a broad range of opportunities, from internal ECC bids to organisations from the wider public sector, voluntary and community sector, and local businesses

- The programme will have a clear emphasis towards of ‘those most in need’, therefore a phased funding round approach will be implemented to target audiences
- This programme will seek to move away from previous transactional relationships and move to create trusting relationships and collaborative partnerships (relationship based grant giving),
- Evaluation to be proportionate to the size of application.
- There are likely to be a range of size of grants, including larger grants to fund partnerships and attract additional match funding from partners
- We encourage applicants to co-design with the people the funding is designed to help
- We will seek to help successful recipients with capacity building if required
- Funding must not be used as a substitute for savings or existing services. It must be additive to be new services or expansion of existing services

3.16 The timeline for delivering the PHAB Programme is outlined below:



3.17 The headline risks for creating the PHAB Programme are:

Risk	Mitigation
New pandemic or public health crisis or additional public health requirement.	PHAB Programme may be suspended awaiting a full risk assessment and financial due diligence on the sufficiency of the reserve.
Failure to robustly design and launch the new PHAB Programme and therefore there is potential for the Public Health Reserve Fund monies to not be spent or to be spent inappropriately.	The risk of non-delivery and need for return of the funding to OHID will be mitigated by a robust PHAB management plan, led by the ECC Public Health team with OHID input, detailing criteria, application and

Risk	Mitigation
	assessment/scoring process, communication, technology, and evaluation.  Grants to external organisations will be paid on terms and conditions agreed by the Monitoring Officer.

## 4 Links to our Strategic Ambitions

4.1 This report links to the following aims in the Essex Vision:

- Enjoy life into old age
- Provide an equal foundation for every child
- Strengthen communities through participation
- Connect us to each other and the world

4.2 Approving the recommendations in this report is anticipated to have the following impact on the Council’s ambition to be net carbon neutral by 2030:

- Improving sustainable transport and active travel improves health and directly contributes to reducing our carbon footprint.
- Increasing sustainable housing and neighbourhoods has a positive impact on health and achieving net zero.
- Increasing the use of our parks, green and blue spaces will reduce car usage and increase health.

4.3 This report links to the following strategic priorities in the Organisational Strategy ‘Everyone’s Essex’:

- Health wellbeing and independence for all ages
- A good place for children and families to grow

## 5 Options

### **Option 1 – To approve the use of the ECC Public Health Reserve to fund a new ECC Public Health Accelerator Bid Programme (recommended)**

5.1 This option will enable the use of ringfenced public health reserve funding to enable the delivery of the new ECC Business Plan for Wellbeing, Public Health, and Communities to be accelerated.

5.2 The rationale for the funding to run up to and including the financial year 2025/26 is to make a significant public health impact through the allocation of a large number of grants of different sizes across Essex and across our broad spectrum of target audiences.

- 5.3 OHID requires Directors of Public Health to develop plans to use the reserve to catch up on un-delivered programmes and address wider public health issues and inequalities in the local population. In the event of failure to robustly design and launch the new PHAB Programme, there is potential for the Public Health Reserve Fund monies to not be spent. The risk of non-delivery and need for return of the funding to (OHID) will be mitigated by a robust PHAB Programme management plan led by the ECC Public Health team with OHID input, detailing criteria, application and assessment/scoring process, communication, technology, and evaluation.

### **Option 2 – Do nothing (not recommended)**

- 5.4 If the 'do nothing' option is selected the PHAB Programme will not commence and existing, significant public health reserve funds will remain unspent unless an alternative, appropriate use for them is defined. Doing nothing would be detrimental to the delivery of the ECC Wellbeing, Public Health, and Communities business plan and reduce the impact on the delivery of Everyone's Essex strategy. It would also not be consistent with the OHID requirement to utilise the reserve to catch up on undelivered programmes and address wider health issues and inequalities in the population. Maintaining ECC's significant balance within the public health reserve is open to the risk that OHID will potentially look to claw back unspent funds in the future and the opportunity to use them to support the health of our residents and wider ECC public health strategy will be lost.

## **6 Issues for consideration**

### **6.1 Financial implications**

6.1.1 The Public Health grant is a ringfenced grant awarded and allocated annually by the Department of Health and Social Care to enable Essex County Council to meet its statutory public health functions within the county. Annually, any underspend of the grant at year end is transferred to the Grant Equalisation reserve which remains ringfenced for expenditure in line with the same criteria as set out within the grant conditions. The current level of funding in the Grant Equalisation Reserve has increased over the past few years due significantly to under-delivery of key statutory and discretionary services during the pandemic.

6.1.2 The Public Health grant awarded to Essex County Council in 2022/23 equated to £65.6m. The latest Spending Review confirmed that the grant will be maintained in real terms, however, no announcement has yet been made for funding levels in 2023/24.

6.1.3 The current level of the Grant Equalisation reserve relating to Public Health is set out in the table below. Drawdowns on the reserve refer to existing decisions that have been agreed as appropriate use of funds. There has been no assumption in respect of future years additions to the reserve from any future underspend of the annual public health grant awarded:

	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
Reserve B/F	8,165	9,934	9,130	9,130	9,130
Less: Agreed drawdowns from reserve	(231)	(804)	0	0	0
Estimated addition to reserve from remainder of in year funding	2,000	0	0	0	0
Reserve C/F	9,934	9,130	9,130	9,130	9,130

6.1.4 The PHAB Programme will award funding based on 2 levels. Small grants (defined as up to £15,000) and large grants in excess of £15,000 with no upper limit. Grants are to be awarded within the restraint of affordability up to the maximum £8m initially allocated to the programme. An application assessment process will enable fair assessment against the criteria, within which, financial affordability will form a key element.

6.1.5 Resourcing the programme effectively will require additional staffing on a fixed term basis for the programme's 3-year duration from 2023/24 onwards. The estimated total cost of the additional headcount is £500,000 over 3 years (c.£165,000 per annum) which will be funded from within the overall envelope of £8m available for the PHAB programme. Any additional resource requirement over and above this would be sourced from existing capacity.

6.1.6 A minimum balance of £1m will be retained in the Grant Equalisation reserve to mitigate the risk arising from unexpected costs of public health programme pressures. In the event of a significant new public health crisis (nationally or locally) or other, unfunded government directed public health requirement, the PHAB Programme will be suspended until a thorough risk assessment and financial due diligence on the sufficiency of the reserve has been carried out. ECC will reserve the right to suspend the PHAB programme at any time in order to manage the risk of potential other priority calls on the reserve.

6.1.7 Should the risk materialise that the public health grant decreases in 2023/24 or in future years, prioritisation of commitments against the grant will need to be reviewed to ensure that existing public health contractual commitments are still affordable. If there are resulting ongoing pressures, drawdowns from the Public Health reserve may be required to mitigate them which would limit the funding available for the PHAB programme. A financial risk assessment would be required to reassess the maximum availability of funding for the programme in this instance.

## 6.2 Legal implications

6.2.1 All applications for grants under the PHAB Programme will be agreed by the Director of Public Health.

6.2.2 Written grant agreements will need to be in place to ensure the grants are spent in accordance with the relevant bids for funding and these need to be on terms and conditions approved by the Monitoring Officer.

6.2.3 When making grants, the Council must consider whether such grants and the grant recipient comply with the subsidy control rules, particularly if 'for profit' organisations bid for funding.

6.2.4 It is important that a clear and fair process is used to invite bids and decide between competing priorities.

## **7 Equality and Diversity Considerations**

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, sex, 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 Equalities Comprehensive Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8 List of Appendices**

8.1 Appendix 1 - Public Health and Communities Business Plan (2022-25)

8.2 Appendix 2 - Equalities Comprehensive Impact Assessment

## **9 List of Background papers**

None



# WELLBEING, PUBLIC HEALTH & COMMUNITIES BUSINESS PLAN 2022 - 2025



Essex County Council



## INTRODUCTION

Good physical and mental health is important at both an individual level with regards to improved quality and length of life, and at a community level as health is a vital component of local community cohesion, social mobility and prosperity. The complex link between health and wealth has long been known within public health circles but has recently been made more prominent by the COVID-19 pandemic, which laid bare the difference between those with the best and the worst health in the UK.<sup>1</sup> The recent Levelling Up Essex White Paper<sup>2</sup> explicitly outlined the inequalities experienced in Essex and referenced a moral imperative to address the causes of these differences, stating that *'no one should be disadvantaged as a result of circumstances over which they have no control'*. However there is no getting away from the fact that this is a big and complex task – the things that influence our health and wellbeing outcomes (also known as 'determinants of health') are many and varied. Improving health therefore requires action to be taken by a range of organisations and businesses - as well as by individuals and communities themselves - at different geographic levels and using a variety of interventions.

This new Wellbeing, Public Health and Communities Business Plan outlines a new way of working for the local public health team to meet these challenges and calls on wider public services, the voluntary and community sector and local businesses to contribute. We want to make public health *everyone's business*. The plan outlines specific areas of focus for prevention work, as well as asks for a new level of engagement from communities and individuals to ensure the solutions we collectively develop are 'owned' and sustainable. Many of the areas of focus and ways of working outlined are grounded in public health first principles, but we will seek to deliver support and services in new and innovative ways - working with local academics, regional and national subject matter experts and those affected most by local inequalities to shape the offer. This strategy covers a three years period and aims to lay the foundations for the achievement of longer term outcomes, many of which will take years to come to fruition; however we must remain focussed and committed to providing the right environment, alongside high quality support and services, if we are to allow everyone in Essex to live a healthy life and achieve their full potential.

This business plan will be underpinned by a 'live' workplan that will be agile enough to address underperformance and/or emergent areas of need but will remain focused on delivering the new ways of working and public health outcomes outlined in the following pages – for further information on the detail of this work please contact: [lucy.wightman@essex.gov.uk](mailto:lucy.wightman@essex.gov.uk).

## WHAT IS PUBLIC HEALTH & WHAT DOES IT INCLUDE?

Traditionally, public health is defined as ‘the science and art of preventing disease, prolonging life and promoting health and wellbeing through the organised efforts of society’.<sup>3</sup> There are three main disciplines or ‘pillars’ of public health, each of which requires a range of specialist skills and experience to effectively deliver. Every local authority is required to have a Director of Public Health (DPH) to oversee the delivery of a set of statutory and mandated functions, as defined in the Health and Social Care Act 2012.<sup>4</sup> Many services are universal however local data and insight must be used to ensure the specific needs of a population are met. Discretionary services can also be commissioned and/or directly delivered to meet any need not included in the mandated functions below.

### THE PILLARS OF PUBLIC HEALTH



#### Health Protection

The control of infectious diseases, managing health emergency responses and environmental health hazards



#### Health Promotion / Health Improvement

Improving health behaviours over the life course as well as improving the wider determinants of health



#### Healthcare Public Health

Ensuring services are high quality, evidence-informed and value-based. Addressing issues of effectiveness, efficiency and equity

#### STATUTORY FUNCTIONS OF THE DPH

- Statutory Chief Officer and the principal adviser on all health matters to elected members and officers
- Leadership role spanning all three pillars of public health
- Improve the health of the local population and reduce health inequalities
- Plan for, and respond to, emergencies that present a risk to public health
- Advise the NHS and other partners on population need and evidence based interventions

#### MANDATED FUNCTIONS OF PUBLIC HEALTH

- Weighing and measuring of children (NCMP programme)
- NHS Health Checks
- Sexual health service
- Public health advice service
- Protecting the health of the local population

#### NON- MANDATED FUNCTIONS BUT CONDITIONS OF GRANT

- 0-19 services (Health Visiting and School Nursing service)
- Drug and alcohol service

At Essex County Council the Wellbeing, Public Health and Communities function brings together a range of services that contribute to the delivery of the Council’s statutory and wider responsibilities regarding improving public health outcomes, protecting our most vulnerable and reducing health inequalities. As outlined below, alongside the core specialist public health staff we also have responsibility for Trading Standards, the Gypsy and Traveller Service, Active Essex and the Strengthening Communities team. We also work across directorates within ECC, with a range of external partners including public sector, voluntary sector, and private businesses, to commission and directly deliver services to meet the needs of the local population.

## WELLBEING, PUBLIC HEALTH & COMMUNITIES



### Specialist Public Health Service

- Drug & alcohol interventions
- Health & justice services
- Housing-related support
- Sexual health services
- NHS Health Checks
- Smoking cessation support
- 0-19 nursing services
- Healthcare public health advice



### Trading Standards

- Animal health & welfare
- Disease control prevention
- Food safety & standards
- Ports & Borders
- Product & consumer safety
- Age restricted products
- Doorstep crime and fraud
- Safety at sports grounds
- Business advice



### Gypsy & Traveller Service

- Co-ordination of outreach programme with other agencies to improve Gypsy, Roma & Traveller outcomes
- Management of unauthorised encampments
- Management of 12 ECC owned traveller sites



### Active Essex

- Designated Active Partnership for Greater Essex by Sport England
- Lead on delivery of 10 year strategy Fit for the Future (2021-22)
- Deliver multiple programmes incl. Find Your Active, HAF, PEM, LDP, CYP, etc
- Place-based delivery model made up of 5 hubs



### Strengthening Communities Service

- Create conditions to enable communities to respond to societal challenges
- Commission community infrastructure development
- Digital Community Campaign model
- Communities consultancy & support for ECC services

## WHAT WILL WE FOCUS ON?

Essex County Council published its strategy, [Everyone's Essex](#), in 2021. It focuses on four areas where outcomes really matter for the quality of life for all people in Essex and these overlap heavily with the key responsibilities and priority areas of public health. We will therefore focus our work on the key areas outlined in Everyone's Essex, which are:



### ECONOMY

#### Areas of focus:

- Good jobs
- Infrastructure
- Future growth & investment
- Green growth
- Levelling up the economy

#### Why is this important?

Health and wealth are inextricably linked. Those who live in more deprived areas, with poorer access to education, employment and healthcare tend to die younger and experience more ill-health while alive. Providing everyone with equal opportunity to good education and employment are key outcomes for health.



### ENVIRONMENT

#### Areas of focus:

- Net zero
- Transport & built environment
- Minimise waste
- Green communities
- Levelling up the environment

#### Why is this important?

Communities with good transport links to local amenities and opportunities for work, socialising and leisure have better health outcomes. Access to green open space and clear air are key to mental and physical health. Reducing waste and our carbon footprint is key to creating an environment for all to thrive.



### HEALTH

#### Areas of focus:

- Healthy lifestyles
- Promoting independence
- Place-based working
- Carers
- Levelling up health

#### Why is this important?

Eating well, exercising often, accessing prevention services and having a sense of belonging through a social/local network are vital to maintaining a healthy body and mind, especially when caring for others. Understanding different peoples needs and providing tailored services to achieve this is key to healthy living.



### FAMILY

#### Areas of focus:

- Education outcomes
- Family resilience & stability
- Safety
- Outcomes for vulnerable children
- Levelling up outcomes for families

#### Why is this important?

Being raised in a safe, stable and loving environment impacts positively on a child's physical and mental health and ability to learn and engage with peers. These factors set a course for future quality and length of life. Providing families with the tools to ensure each child in Essex has the best start in life is essential.

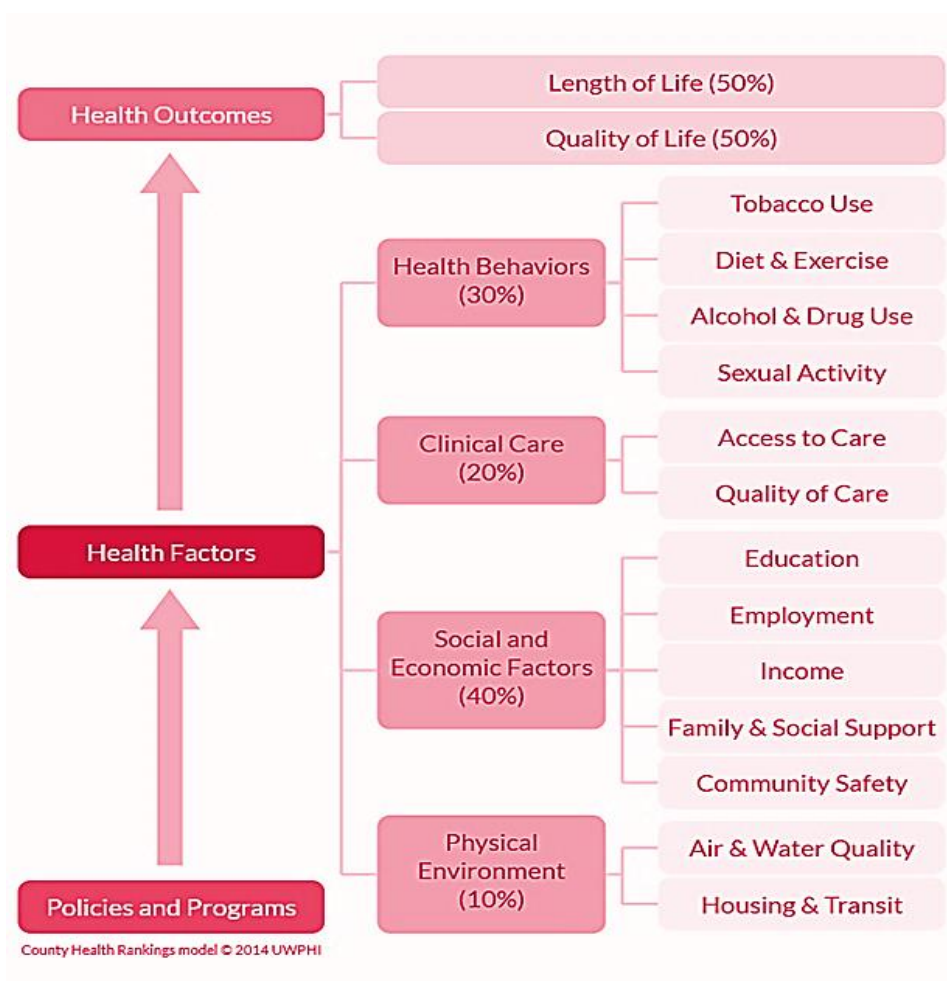
## WHAT ARE OUR KEY THEMES? THE FOUR 'P'S PLUS...

### PRODUCTIVE PARTNERSHIPS

Research confirms that our health outcomes are not only shaped by the clinical care we receive but also by the environment we live in, the habits we develop, our level of education, income and employment status, social connections and community safety.<sup>5</sup> Despite this evidence, the health and care system does not allocate investment or design interventions to reflect this. If we are to improve peoples health and wellbeing, this must change.

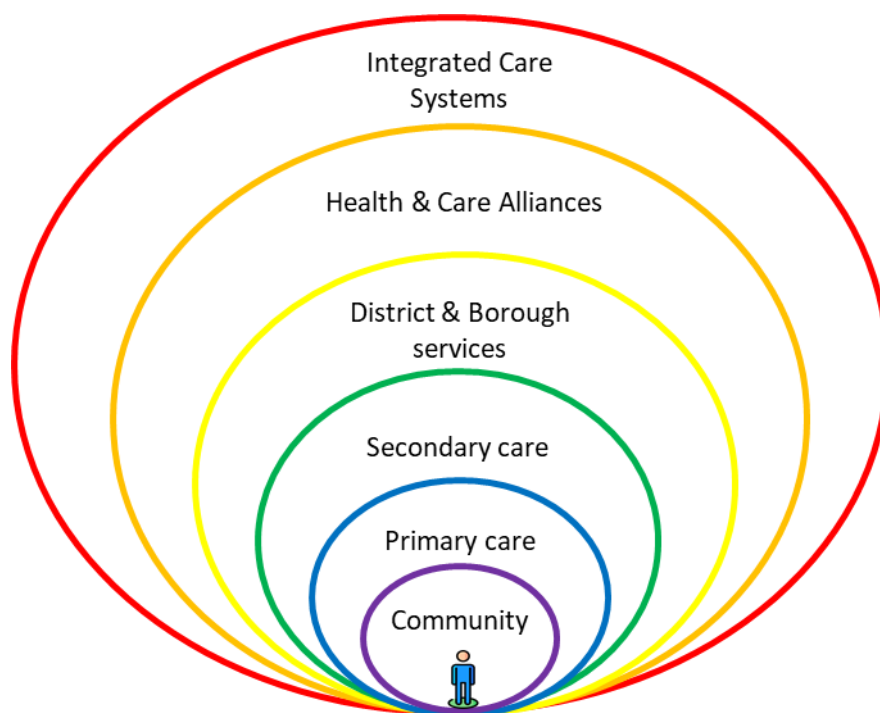
Because the range of influences on peoples health outcomes are wide and varied, no single team or organisation can improve outcomes alone. We need to bring together the support of local businesses, public sector organisations, local academic institutions, the voluntary sector as well as communities and individuals themselves to create the right policies, invest in the right areas and create the right culture for people to live healthier, longer lives. Productive and purposeful partnerships are therefore key.

We will bring together the right people, from the right organisations and places, at the right time, to address local public health issues. We will influence and advise policy development and funding allocations to ensure the widest view of the causes of ill-health are considered and addressed. We will listen to the people of Essex and proactively respond to their needs proactively wherever possible, engaging on an ongoing basis.



## PLACE-BASED PUBLIC HEALTH

The varied and complex nature of the causes of poor health outcomes clearly require us not only to work with a range of partners, but also to work with individuals and communities themselves. By empowering, educating and energising the people of Essex using ABCD principles, they will be better equipped to make healthier choices and maximise all opportunities available to them to live healthier and more fulfilling lives, no matter their age, background or current circumstances.



Public health principles therefore need to be embedded at two different levels of ‘place-based’ working; firstly at a strategic level we will shape the county offer regarding:

- Civic assets (i.e. the development of community, service, educational and cultural facilities and decarbonisation to improve overall health)
- Community connectedness (i.e. ensuring people can access the services, facilities and jobs they need and/or aspire to have.
- Active and engaged communities (i.e. encouraging people to maximise the facilities and services locally and contribute to their sustainability)

Secondly at an operational or ‘local’ level and building on the active and engaged communities work, we will engage directly with the people of Essex to better understand their needs and support them to identify solutions and play an active part in delivery. Taking this approach will enable us to positively influence the wider determinants of health (see page 4) and create the best possible environment and opportunities for the people of Essex to flourish. There will be a particular focus on the ECC Levelling Up priority places and cohorts<sup>2</sup> to ensure equity is achieved as soon as possible.

## PREVENTION

By utilising population health management (PHM) approaches to identify groups of people at risk of developing disease or disability, we will work with partners to reduce lifestyle risk factors to drive down poor health outcomes and loss of independence and support programmes of work to delay deterioration where



people are already unwell. Taking a PHM approach will not only provide people with better quality of life but will also save money by reducing demand for services. Ensuring support to maximise outcomes for all is imperative at all four levels of prevention. We will refocus our efforts on prevention the big six lifestyle risk factors and ensure all levels of preventative activity have appropriate resource and response.

Aimed at those with diagnosed conditions who would benefit from interventions to support them to be as healthy as they can be (e.g. pulmonary or stroke rehabilitation). Tertiary prevention is the current mainstay of NHS services.



An approach used to help treat, delay or reduce any disease symptoms or care needs. An underlying disease or need exists, but is amenable to intervention to avoid escalating treatment/care (e.g. basis of screening).



A programme of work to identify disease risk factors to inform preventative action before a disease is present (e.g. smoking cessation/weight management services).



An approach to better understand and address what makes communities or individuals susceptible to poor health. This helps strengthen population health opportunities and capitalise on community assets.



**PUBLIC HEALTH PRIORITIES** \* Further information in Appendix 1

Six common risk factors are responsible for 60% of deaths and a high number of years lived with disease/disability in Essex.<sup>6</sup> We will therefore focus our efforts on reducing the prevalence of the following key public health issues:



Smoking



High body mass index



High systolic blood pressure



High LDL cholesterol



High fasting blood glucose



Alcohol use

**MENTAL HEALTH**

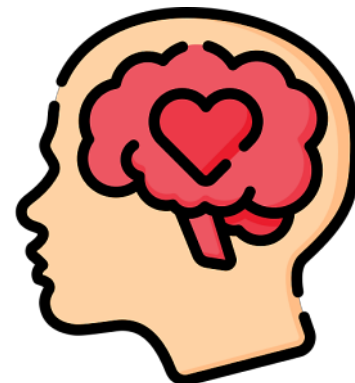
It is well evidenced that mental wellbeing significantly affects both our quality of life and life expectancy. Maintaining positive mental health is also important if we are to maintain functional relationships with family, friends and the wider community. It is also a major influence on our aspirations and ability to maximise our educational opportunities and maintain fruitful employment. Promoting and maintaining

positive mental wellbeing will therefore be a golden thread that runs through our strategic and operational work going forwards.

Mental health disorders sit on a spectrum from common conditions such as low level depression or anxiety, to severe and enduring diagnoses such as schizophrenia or bipolar disorder. Around 15% of people aged 16-64 living in Essex have a common mental health disorder, while approximately 9.5% of over 65s are affected; however both rates are likely to be higher post-pandemic and due to current cost of living pressures. Concerningly, we are also seeing increased prevalence in children, with around 13.3% of school aged children in Essex having identified social emotional and mental health needs. Essex also has a higher than England average suicide rate, with some Boroughs having the highest rates in the country, while men are three times more likely to die by suicide than women.<sup>7</sup>

All of this means we need to redouble our efforts to ensure people are mentally better equipped to deal with the varied and often unexpected challenges life brings. We will therefore:

- Work to break down the stigma surrounding talking about and seeking help for mental health issues
- Develop a range of services that promote positive mental wellbeing and that provide tools for people to use in their everyday lives to cope with pressure and change
- Increase the number of Mental Health First Aiders in the community to support people with low level mental health concerns and signpost them to support services
- Develop a suicide prevention strategy to develop services that better identify those at risk and provide support that is easy to access as and when its needed
- Work with partners to ensure that those at risk of poorer mental health are encouraged to be physically active and those who have confirmed mental health conditions are able to maintain their physical health



## HOW WILL WE DELIVER OUR PRIORITIES?

Delivering this strategy will require a range of skills and expertise from within the team as well as from wider ECC directorates and system partners. Key to ensuring we deliver on our promises we will draw on the following areas:



### INSIGHTS

We will use local data, both quantitative and qualitative, to better understand local need. We will work to improve the quality and completeness of our local data. We will use PHM approaches to target high risk groups and measure the impact of our services in a timely way. We will share our insights.



### INTERVENTIONS

We will design services and support with the people who need them. We will create a range of services that are focused on keeping people well, are responsive to changing needs and that reflect the influence of the wider determinants of health to support people to reach their potential.



### INNOVATION

We will utilise the latest evidence to design our services. Where no evidence exists, will develop a local evidence-base by working with local people, academic institutions and businesses to generate ideas for services. We will be brave and try new ways of working. We will share our learning.



### TECHNOLOGY

We will build on current initiatives and embrace new technology to provide communication, support and incentives in Essex to generate positive behaviour change. We will provide training to increase digital and health literacy. We will work with local businesses and universities on new projects.



### WORKFORCE

We will develop a system-wide network of public health practitioners by upskilling the wider system workforce. We will grow the local specialist team and develop joint appointments to support wider public health working. We will continue to provide training to Registrars and other who wish to learn.

## HOW WILL WE MEASURE OUR IMPACT?

It is imperative we measure the impact of the work we undertake and the services we provide on improving health and wellbeing outcomes and achieving the ambitions outlined in *Everyone's Essex*; however due to the nature of the determinants of health, the impact of some interventions may not be felt for many years. We must therefore make sure progress can be accurately and appropriately monitored year on year, and that investment and commitment remains the course and is not diverted into short term reactive work. We will therefore use a range of service level activity measures, service user feedback and national outcome measures to monitor our progress over time and actively address any areas of underperformance. The literature suggests ideal population health outcome metrics reflect a population's dynamic state of physical, mental, and social well-being<sup>8</sup>, we will therefore measure\*:

A range of local, district & county level data; reporting range from monthly to 3 yearly/rolling average 3 year rate

#### 3 year measures

- Increased uptake of smoking cessation services
- Reduced smoking rates
- Increased levels of physical activity
- Improved diet (less red meat and salt, more fruit and veg)
- Reduced alcohol consumption
- Reduced levels of high cholesterol
- Increased uptake of mental wellbeing and community resilience support

#### 4 - 9 year measures

- Fewer exacerbations of conditions/admissions related to smoking
- Reduced levels of high blood pressure
- Reduced levels of obesity
- Improved blood glucose control
- Reduced prevalence of T2 diabetes
- Reduced alcohol-related admissions
- Improved self-reported wellbeing score

#### 10-15 year measures

- Reduced premature mortality from:
  - Six public health risk factors
- Increased quality of life as measured by:
  - Lower prevalence of low level mental health disorders
- Increased community activity & engagement as measured by:
  - Citizen participation
  - Strength of the third sector
- More active individuals, families & communities

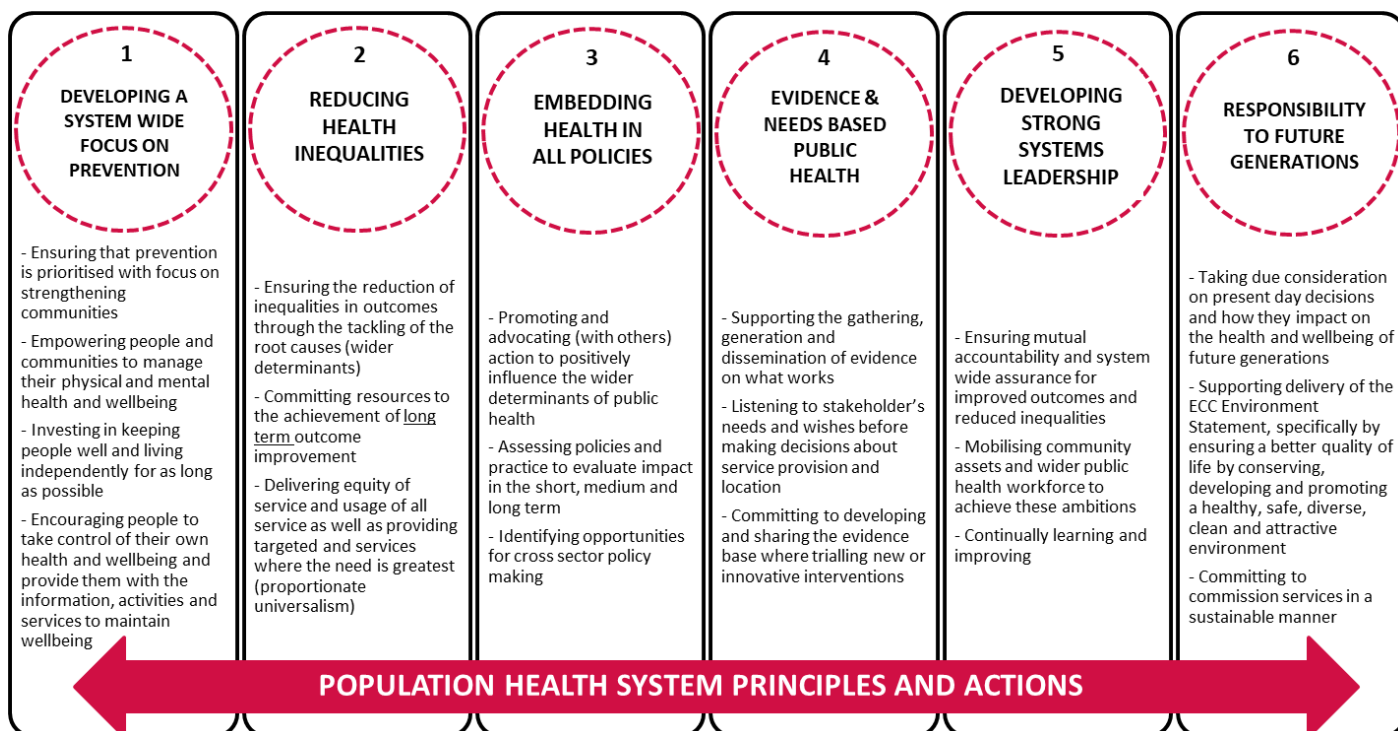
\*Further detail on outcome measures available on request

**Overarching Outcomes:** Increased disability-free life expectancy & Reduced premature mortality (preventable causes)



## WHAT DO WE NEED OTHERS TO DO?

The public health needs of Essex are multiple and varied and, if the Wellbeing, Public Health and Communities team is to achieve the ambitions set out in this strategy, it cannot work alone. Public health is everyone's business and this strategy requires partner commitment to the six Population Health System Principles and Actions, as outlined below.<sup>9</sup>



Adopting this approach will ensure the needs of the people of Essex are considered, now and in the future, and that services are of a high quality, allocated equitably and delivered in a way that is shaped by people who use them.

## HOW WILL THE TEAM WORK TOGETHER/WORK WITH OTHERS?

The Wellbeing, Public Health and Communities team will develop new ways of working to ensure we are able to deliver on the ambitions outlined in this strategy. The team will work in a matrix way but there will be clear leads for each area so internal ECC directorates and wider system partners will know who to ask if they want advice and/or support. We have identified a programme of development for the team in order they can fulfil their new responsibilities. The key new approaches to our work include having:

- A defined senior management team who provide an expert consultancy function, supported by the wider delivery team
- Named representatives aligned to each internal ECC directorate to improve internal collaboration
- Clear thematic leadership responsibility for the following key public health areas:
  - Health Improvement
  - Health Protection
  - Healthcare Public Health
  - Place-based Public Health
  - Marginalised Communities
  - Active Essex

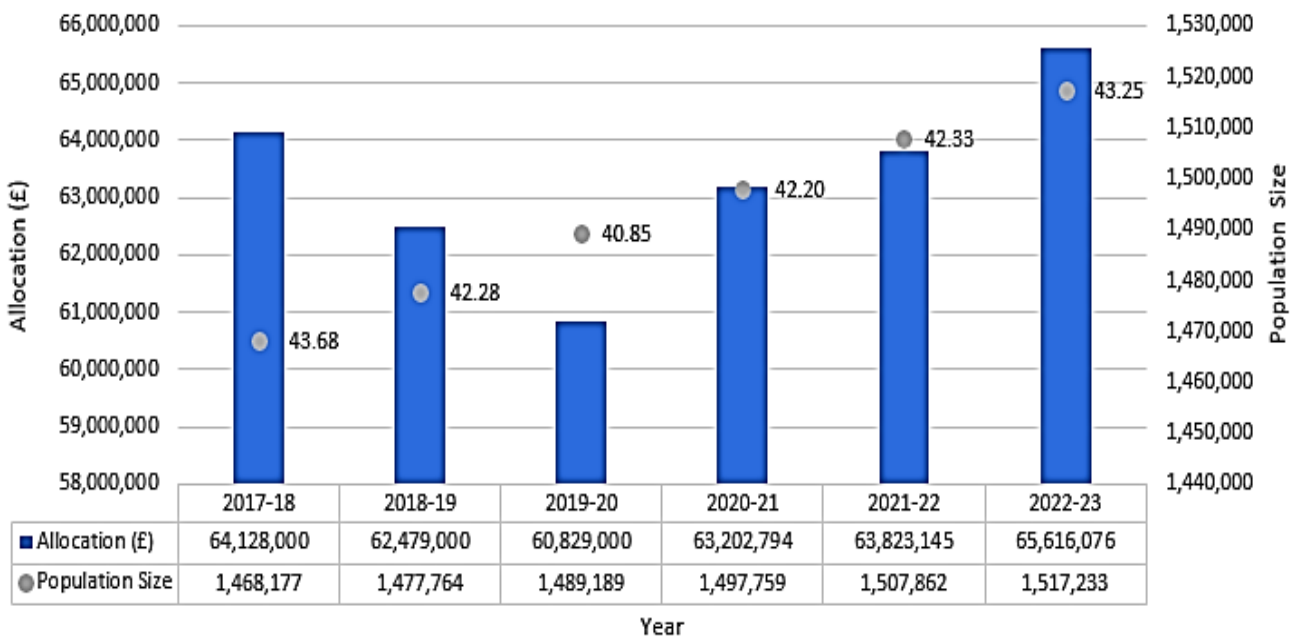
- Children/Young People & Mental Health
- Economic Growth & Levelling Up
- Strengthening Communities
- Identified geographic leads at the following levels:
  - ICS/ICP
  - Alliance
  - District & Borough Council
- Named relationship managers for each regional/national partner/regulator (e.g. UKHSA, Sport England, OHID, etc.)
- Increased links with District and Borough Public Health Practitioners
- A more open approach to the creation of joint posts with key system partners

## HOW WILL OUR WORK BE FUNDED?

Each upper tier local authority receives an annual grant that is ring-fenced for use on public health functions. Conditions for the use of the grant are outlined nationally and the DPH provides annual assurance to the Secretary of State on the appropriateness of its use. The grant can be used for both revenue and capital purposes but must, as a minimum, cover the statutory and mandated duties of the DPH and local authority. Over the last two years, further service responsibilities have been delegated to public health and the population of Essex has grown, resulting in a continued real terms cut in grant allocation. This has resulted in a reduction in proactive work and capacity not being adequate for demand in some services.

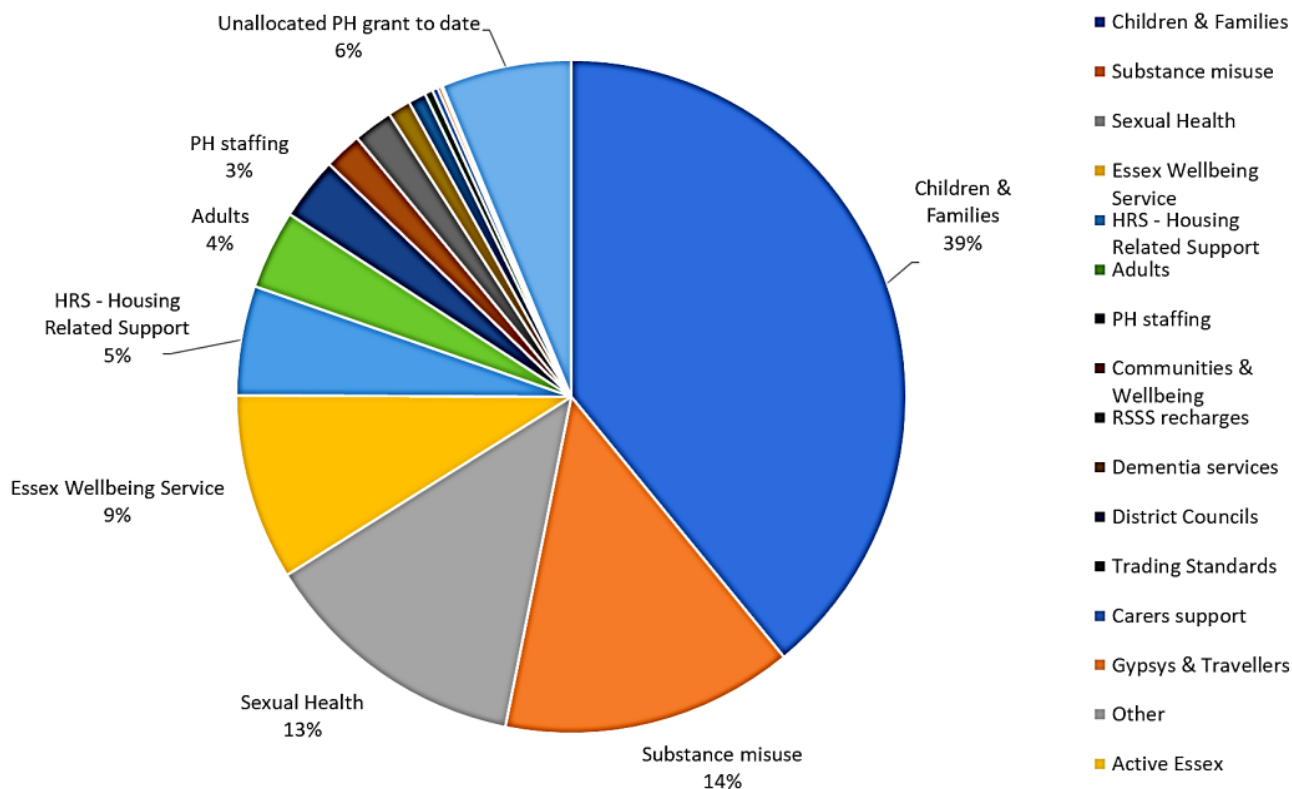
### Allocation (£)

Labels are allocation per head (£)



The 2022/23 Essex public health grant is allocated as illustrated in the pie chart below. Trading Standards, Communities and Wellbeing, Gypsy and Traveller Services and some of Active Essex are funded from ECC base budget. It is proposed that the current unallocated budget is utilised to grow the team, support PHM

work, increase the PH contribution to community physical activity services and invest in the priorities outlined in this strategy. We will also be seeking to influence wider system spend on the priorities outlined in this strategy and increase overall investment in public health and prevention.



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- <sup>1</sup> The Health Foundation (2021) *A whole-government approach to improving health* [online]. Available at: [A whole-government approach to improving health - The Health Foundation](#). Accessed on: 05/07/2022.
- <sup>2</sup> Essex County Council (2022) *Levelling Up Essex. An Essex White Paper* [online]. Available at: [Essex County Council Levelling-up strategy \(ctfassets.net\)](#). Accessed on: 10/08/2022.
- <sup>3</sup> The Faculty of Public Health (2021) *Functions and Standards of a Public Health System* [online]. Available at: [fph\\_systems\\_and\\_function-final-v2.pdf](#). Accessed on: 21/07/2022.
- <sup>4</sup> The National Archives (ND) *Health and Social Care Act 2012* [online]. Available at: [Health and Social Care Act 2012 \(legislation.gov.uk\)](#). Accessed on: 10/08/2022.
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- <sup>6</sup> Global Burden of Disease (2019) *GBD Compare* [online]. Available at: [GBD Compare | IHME Viz Hub \(healthdata.org\)](#). Accessed on: 19/07/2022.
- <sup>7</sup> Essex County Council (2022) *Mental Health. Essex Joint Strategic Needs Assessment 2021/22* [online]. Available at: [JSNA Health Outcomes – Essex Open Data](#). Accessed on: 17/08/2022.
- <sup>8</sup> Gibson Parrish, R. (2010) Measuring Population Health Outcomes [online]. *Prev Chronic Dis* 2010;7(4). Available at: [rwjf61265 PHM Measures 2010.pdf](#). Accessed on: 17/08/2022.
- <sup>9</sup> Public Health System Group (2019) *Quality in Public Health: A Shared Responsibility* [online]. Available at: [Quality in public health: a shared responsibility \(publishing.service.gov.uk\)](#). Accessed on: 10/08/2022.

## APPENDICES

### Appendix 1: Global Burden of Disease Risk Factor Summary- All Age (2019)

Years Lived With Disability	Deaths
1. High body-mass index	1. Smoking
2. High fasting plasma glucose	2. High systolic blood pressure
3. Smoking	3. High fasting blood glucose
4. Alcohol use	4. High body-mass index
5. Drug use	5. High LD cholesterol
6. High systolic blood pressure	6. Low temperature
7. Occupational ergonomic factors	7. Kidney dysfunction
8. Low bone mineral density	8. Alcohol use
9. Diet high in processed meat	9. Diet low in wholegrains
10. Ambient particulate matter pollution	10. Occupational exposure to asbestos

■ = Common risk factor of focus

**Forward Plan reference number: FP/040/02/23**

<b>Report title: Update to the Social Value Policy – Amendments to the ECC Themes and Outcomes (TOMs)</b>	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Councillor Christopher Whitbread, Cabinet Member for Finance, Resources and Corporate Affairs	
<b>Date:</b> 21 March 2023	<b>For:</b> Decision
<b>Enquiries to:</b> Melanie Evans, Director, Procurement, email: melanie.evans2@essex.gov.uk	
<b>County Divisions affected:</b> All Essex	

## 1. Everyone’s Essex

- 1.1. Essex County Council spends approximately £1.2 billion per annum via its suppliers. This report relates to the Social Value Policy which harnesses the power of this spend to help deliver the aims of Everyone’s Essex.
- 1.2. The delivery of the amended Social Value Policy and ECC TOMs will help achieve Everyone’s Essex outcomes by including social value in the quality assessment of a tender evaluation, thereby allowing ECC to take into account the way an organisation will deliver a contract to contribute to the outcomes and to residents.
- 1.3. In 2020 we changed our approach to including social value through tenders, introducing a quantitative and qualitative evaluation. Since then, £72m of social value has been committed by 117 suppliers across 34 contracts. This includes:
  - 4,886 hours dedicated to support young people and 7,583 hours to support people over 24 years old into work
  - 704 jobs for people who are not in long term employment, education or training and long-term unemployed people
  - 182 jobs for people with disabilities
  - 6,355 weeks of apprenticeships (based on an average level 2 apprentice of 52 weeks, this would be 122 apprenticeships)
  - 3,099 weeks of meaningful work placements or pre-employment courses
  - 11,860 tonnes of Co2 emissions saved including renewable energy measures
  - £2.1m equipment and resources donated to local VCSEs
- 1.4. Everyone’s Essex, our organisation strategy, sets out four strategic aims and 20 commitments. On 21 December 2021, the Cabinet approved a new set of social value themes and outcomes (TOMs), to better align the social value work with Everyone’s Essex (FP/183/10/21). Eighteen months after the implementation of this, we commenced a review of the results achieved, lessons learned and a review of changes to the TOMs. We undertook this review with input from services responsible for the delivery of the Everyone’s Essex commitments. As

a result of this work, changes to the Social Value Policy and the ECC TOMs are recommended.

## **2. Recommendations**

- 2.1. Agree to amend the Social Value Policy and ECC Themes and Outcomes (TOMs) to:
  - a. Remove the multipliers from the social value scoring process.
  - b. Include the new social value measures set out in Table A of Appendix 3 to this report.
  - c. Include the specific measures set out in Table B of Appendix 3 to this report for use in construction contracts.
  - d. Amend the existing social value measures and financial proxies set out in Table C of Appendix 3 to this report.

## **3. Background and Proposal**

- 3.1. The term 'Social Value' is defined in the Public Services (Social Value) Act 2012 which came into force in January 2013. It requires all public sector organisations and their suppliers to look beyond the financial cost of a contract and consider how the services they commission and procure might improve the economic, social, and environmental well-being of an area.
- 3.2. Public authorities should consider the wider financial and non-financial value created by the way an organisation delivers the contracts they let and express the contribution to its commercial outcomes in terms of the wellbeing generated for individuals, communities, the economy, and the environment. This must be achieved in accordance with the Public Contracts Regulations 2015 and the Local Government Act 1988.
- 3.3. Social Value through procurement is where an authority uses its purchasing power to achieve added value to the community. This can be achieved in the way that we specify what goods or services we are buying, but most commonly it is done by scoring tenders to give weight to added commercial value that a provider contributes to the authority and community through the way it performs the contract. Examples of social value include creating employment or training opportunities for our residents, providing careers advice and employment support for the long term unemployed, or reducing the use of single-use plastic.
- 3.4. The ECC procurement policy permits a flexible weighting of up to 20% of total scores available on a tender to be assigned to social value, with social value forming part of the quality assessment of bids received.
- 3.5. The National Social Value Measurement Framework 'Themes, Outcomes and Measures' (National TOMs) are a method of reporting and measuring social value to a consistent standard across the UK. This framework provides the golden thread between an organisation's overarching strategy and objectives, to

the delivery of specific social value outcomes achieved through procurement. The National TOMs are reviewed and endorsed by the National Social Value Taskforce ('NSVTF').

- 3.6. The NSVTF is a subgroup of the Local Government Association's national advisory group for procurement which was set up in 2016 to establish a best practice framework for the integration of the Public Services (Social Value) Act 2012 into commissioning and procurement. The NSVTF updates the National TOMs annually to ensure that data is up to date and that the National TOMs continue to reflect organisations' needs. This can include changes due to inflation, improvements to the definitions (based on feedback from local authorities across the country) and the inclusion of new measures, to harness opportunities in particular sectors. For example, in recent years, the NSVTF added measures for construction and facilities management procurements.
- 3.7. The National TOMs include a list of 'financial proxy values' to help organisations measure the social value delivered and quantify the wider value created for society. This is calculated using the Unit Cost Database (UCD) that was developed for Government and follows the principles laid out by HM Treasury for monetising economic, environmental, and social impact, with specific regard to potential savings for the public sector. Where the UCD does not provide a proxy value for a certain measure, then one has been developed on behalf of the NSVTF following relevant government guidance.
- 3.8. The Council has adapted the National TOMs to focus on ECC's objectives and policy outcomes set out in Everyone's Essex. These measures are called the ECC TOMs. The ECC TOMs Calculator is a list of all the ECC TOMs measures and their associated financial proxies. Suppliers enter the commitments they are willing to make in the ECC TOMs Calculator and this enables a total amount of social value to be calculated with respect to the tender which is then evaluated as part of the procurement process.
- 3.9. Any changes to the ECC TOMs must be agreed as per the delegations in the Social Value Policy. This report sets out the reasons for, and proposed changes, to the ECC TOMs.

### **Remove multipliers from the social value scoring process**

- 3.10. Early adopters of the National TOMs were presented with the multiplier methodology as an option for authorities to apply to their priority measures, including to correct any imbalances caused by low proxy values for those measures. Currently, ECC applies a multiplier (of 3) to 19 of its ECC TOMs, to boost the proxy value in the four ECC priority areas: Employment, Skills, Young People, Environment. The multiplier is not used during contract management or in the reporting of results but during the procurement process itself.
- 3.11. Social value practices have matured across central and local government in recent years and the NSVTF has advised that the use of multipliers is not the dominant approach or widespread across Local Authorities and as such, it has not developed any prescriptive guidance on including multipliers. Also, the



measures related to a common priority theme – employment - already have high proxy values.

3.12. For example, NT1 (ECC1 in the ECC TOMs Calculator) for local employment has a proxy value of £32,240, already significantly higher than the value for other measures. With its multiplier of 3, each employee bid is then elevated to £96,720 (for evaluation purposes only). Furthermore, some proxy values issued as part of the regular update of the National TOMs Framework in June 2022 have increased significantly, meaning that some imbalances that might otherwise have been addressed with a multiplier, have been rectified with the altered proxy value (please see the List of ECC TOMs 2022 in Appendix 3 for details).

3.13. As part of the ‘2 Years On’ review process designed to identify opportunities to simplify and improve processes (for both bidders and officers), we reviewed the option to remove multipliers from the evaluation process. Based on this analysis (set out in Appendix 2), and to simplify the buying and bidding processes, we recommend that ECC removes multipliers from the ECC TOMs from its tender evaluation process.

**Include new social value measures as set out in Table A of Appendix 3 to this report**

3.14. The ECC TOMs Calculator has been widely reviewed considering four main sources of inputs: (i) National TOMs 2021 and 2022 sets of measures; (ii) teams across several ECC’s Service Areas who are experts on economic growth, environmental/climate, and social issues; (iii) ECC procurement practitioners; (iv) Procurement’s Sustainability and Social Value teams. Based on this review we identified measures from the 2022 National TOMs set that were significant to ECC’s Everyone’s Essex strategic outcomes that hadn’t been available previously. There were also new measures which offered a better approach to increase efforts towards suppliers’ practices that ECC would like to promote.

3.15. Based on this analysis we recommend the inclusion of new social value measures covering the following topics as set out in more detail in Table A of Appendix 3:

- ECC41 – ethnic minority groups;
- ECC45 – environmental protection and improvement;
- ECC46 – circular economy;
- ECC47 – hard to recycle waste;
- ECC48 – modern slavery;
- ECC49 – reuse of materials to reduce waste;
- ECC50 - climate change and climate reduction training;
- ECC51 – fleet emissions.

**Include the specific measures set out in Table B of Appendix 3 to this report for use in construction contracts**

3.16. Our review as the opportunity to add social value measures from the National TOMs Real State (RE) and Facility Management (FM) Plug-Ins since the

Construction market presents enough maturity to offer bespoke social value commitments. In line with ECC's Social Value priorities, we propose measures which are relevant to the nature of ECC's contracts. We recommend the inclusion of new social value measures covering the following topics for construction contracts – please note that 'local' is typically defined as those residing within the administrative area of the Council:

- ECC1c – local employment as procurement requirement through the supply chain;
- ECC42 – site visits for school children or local residents;
- ECC43 – employers fairs to encourage local employment;
- ECC44 – mental health support for employees;
- ECC52 – carbon emission reductions through reduced energy use and energy efficiency measures;
- ECC53 – diversion of waste;
- ECC54 – local supply chain opportunities.

**Amend existing social value measures and financial proxies as set out in Table C of Appendix 3 to this report**

3.17. As a result of our review, we identified existing ECC social value measures that required revision to reflect the National TOMs 2022 wording. Based on this analysis we recommend the amendment, replacement, or removal of specific social value measures. The revised ECC existing measures proposed are:

**Measures to be removed**

ECC2 –measure for local employment - covered by other measures

ECC35 –social value through procurement - covered by other measures

ECC36 – ethical procurement - covered by other measures

ECC37 – sustainable procurement - covered by other measures

**Updated Measures that now focus on those residing within the administrative area of the Council as per the National TOMs**

ECC5 –employment for rehabilitating young offenders;

ECC6 –employment for people with disability

ECC7 – employment for care leavers

**Updated Units of Measurement**

ECC9 – training opportunities – number of weeks

ECC10 – apprenticeships – number of weeks

ECC12 –local SMEs spend – inclusion of micro-enterprises and expansion of definition of SMEs

**Updated Measures as per the National TOMs**

ECC14 – health interventions

ECC15 – mental health

ECC17 – unpaid work placements and T-Levels

ECC19 – school/college visits

ECC21 – CO2 emissions savings: ECC22 – renewable energy

ECC23a – car miles saved

ECC24 – staff's vehicles emissions  
ECC25 – voluntary time  
ECC26a – plastic reduction  
ECC27a – wellbeing programmes  
ECC28 – diversity training;  
ECC31a – digital awareness;  
ECC32 – in-kind contributions;

#### **4. Links to our Strategic Ambitions**

4.1. This report links to the following aims in the Essex Vision:

- Enjoy life into old age
- Strengthen communities through participation
- Develop our County sustainably
- Connect us to each other and the world
- Share prosperity with everyone

4.2. A positive impact is anticipated on the Council's ambition to be net carbon neutral by 2030 because of the improvement in the climate measures resulting from tenders using the ECC TOMs.

4.3. This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex' (it proposes that the ECC TOMs are aligned to the 20 Commitments in Everyone's Essex): Social Value Measures are selected to encourage suppliers to contribute to the 20 Everyone's Essex Commitments covering:

- A strong, inclusive, and sustainable economy
- A high-quality environment
- Health wellbeing and independence for all ages
- A good place for children and families to grow

#### **5. Options**

##### **OPTION 1: Update the ECC TOMs and Social Value Policy as set out in this report**

5.1. Following the review of the 2022 edition of the National TOMs and Everyone's Essex Commitments with stakeholders and subject-matter experts across the Council, we have identified opportunities to improve the ECC TOMs.

5.2. We recommend the addition of new social value measures, amending some existing measures, the removal of some measures and the creation of a construction-specific list of ECC TOMs, comprising the standard set, with the addition of NSVTF measures that are suited to the construction market only.

- 5.3. The proposed recommended list of updated ECC TOMs is set out in Appendices 3 and 4.

### **OPTION 2: Do nothing – Not recommended**

- 5.4. If we do not update the ECC TOMs and the Social Value Policy, we will not benefit from:
- Additional measures to meet net zero objectives
  - Additional measures to meet Everyone's Essex that are achievable in the construction sector
  - Best practice updates to the definitions and financial proxies set out in the National TOMs.

## **6. Issues for consideration**

### **6.1. Financial implications**

6.1.1 The recommendations presented in this report do not request funding or additional budget allocation.

6.1.2 There are no direct cost implications to Essex County Council that can be quantified through amendments to the Social Value Policy and ECC TOMs recommended in this report.

6.1.3 There should not be a price escalation in tenders from the amendments to the Social Value Policy and ECC TOMs in this report, when demonstrating social value for the quality evaluation of a tender. However, this must be considered when reviewing the increase in cost of products and services to Essex County Council on a periodic basis, to monitor if any associated costs of meeting social value requirements for some suppliers is absorbed, by submitting higher bid values.

6.1.4 **Financial Proxies** – our recommendations take into account inflation in the financial proxies used to calculate the commercial value of social value commitments to ECC. Proxy values will reflect the inflationary considerations but there is no financial impact on the bottom line.

6.1.5 **Multiplier** – By removing the multipliers, we will be aligning the evaluation process to the values used when calculating the social value delivered to ECC.

6.1.6 **Social Value target** – Our recommended target is based on evidence of commitments made to date using the ECC TOMs method. If the target is too high there is an impact on motivation for vendors – we need a realistic target and we need to be able to make it accessible to all sizes and types of bidders.

### **6.2. Legal implications**

6.2.1 In September 2020, Central Government published a Procurement Policy Notice (PPN 06\_20) which launched a new model to deliver Social Value through

Central Government Contracts. The model became mandatory for Central Government departments from 1 January 2021. The Cabinet Office recommends this approach is taken by Sub-Central Authorities and Social Value is a key theme in the Procurement Bill relating to the transformation of public procurement.

6.2.2 Local Authorities are also required to consider Social Value implications pre-procurement by virtue of the Public Services (Social Value) 2012.

6.2.3 The proposed changes to the ECC TOMs comply with the recommendations by central government's Procurement Practice Notes 06/20 and 06/21 and the Procurement Bill which is currently before Parliament..

## 7. Equality and Diversity Considerations

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:

- 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
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- 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 equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## 8. Appendices

8.1. Appendix 1 - Equalities Comprehensive Impact Assessment

8.2. Appendix 2 - Analysis relating to multipliers in the ECC process

8.3. Updated Social Value Policy

8.4. Appendix 3 –List of proposed ECC TOMs 2022 and the rationale for each change (Tables A, B and C) - **published as a Meeting Document**

8.5. Appendix 4 – Proposed Construction ECC TOMs Social Value Calculator - **published as a Meeting Document**

8.6. Appendix 5 – Proposed Master ECCTOMs Social Value Calculator - **published as a Meeting Document**

**9. List of Background papers**

9.1. Social Value Policy Cabinet Decision FP/183/10/21

## **ANNEX B: Analysis relating to multipliers in the ECC process**

As part of the '2 Years On' review designed to identify opportunities to simplify and improve processes (for both bidders and staff), we reviewed the option to remove multipliers from the evaluation process. To assess this option, 3 questions were posed:

- 1. Are multipliers still needed to elevate the ECC priority measures above others?**
- 2. Is there an imbalance between the measures relating to ECC priorities to which the application of multipliers is required? E.g. are Jobs and Skills priority measures valued significantly higher than Environment or Young People priority measures?**
- 3. What would the impact be of removing multipliers from the ECC Social Value evaluation process?**

We reviewed 46 SV bid documents from 34 procurement projects for contracts awarded using an ECCTOMs Calculator since September 2021.

We found that:

- social value was not the deciding factor in the outcome of any of the procurements
- Multipliers did not change the result

### **1.1.1. Question 1: Are multipliers still needed to elevate the ECC priority measures above others?**

Of the 19 Priority Measures, 11 are employment-related. When we compare employment and skills-related measures to equivalent 'non-priority' measures, we see that typically (but not in 100% of cases), they already have higher values, thereby generally negating the need for a multiplier. For example, if we compare staff volunteering hours:

<b>Category</b>	<b>Measure</b>	<b>Units of Measure</b>	<b>Proxy Value</b>
Non-priority	ECC30: Number of voluntary hours donated to support VCSEs (excludes expert business advice)	No. staff volunteering hours	£16.83
Non-priority	ECC39: Provision of expert business advice to VCSEs and SMEs (e.g. financial advice / legal advice / HR advice / HSE)	No. staff expert hours	£101.00
Jobs (Priority)	ECC1: No. of local people (FTE) hired or retained on contract for one year or the whole duration of the contract, whichever is shorter.	No. people FTE	£32,240
Skills (Priority)	ECC9: No. of training opportunities on contract	No. weeks	£317.82

	(BTEC, City & Guilds, NVQ, HNC) that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+		
Young people (Priority)	ECC16: No. of hours dedicated to support young people into work (e.g. CV advice, mock interviews, careers guidance) - (under 24 y.o.)	No. hours * no. attendees	£105.58
Environment (Priority)	ECC22: Savings from renewable energy measures in CO2e emissions	Tonnes CO2e	£244.63

1.1.2. **Question 2: Are we valuing ECC Priorities equally?**

Although we were able to compare the proxy values between different types of volunteering hours to compare priority measures against non-priorities, it was not possible to compare measures within the priority list as effectively because:

- Units of measure across the range of the social value priorities are varied - for example, tonnes of CO2 versus weeks of apprenticeship training.
- The scale of values bid against each measure can vary significantly (for example number of staff compared to hours of training)
- Some markets conditions will be suited to offering jobs and skills, whereas others will suit environmental measures.

Therefore, we are unable at this point to conclude that removing multipliers would either positively or negatively impact the balance between the priority measures.

1.1.3. **Question 3: What would be the impact of removing the multiplier?**

We reviewed Social Value bid documents from procurement projects for contracts awarded using an ECCTOMs Calculator since September 2021 (**please see Appendix B for the report**).

Based on the 37 decision documents we reviewed, we found that:

- In all but one project, SV was NOT the deciding factor
- We found one project where SV did make a difference to the final score; the winning bid was 1.7% higher in price than the next bidder (i.e. quality and price scores were very close) and the value of the SV committed was £680k.
- We found no other evidence that SV increased costs
- Multipliers did not change the result



In addition, removing the multiplier from the Social Value evaluation methodology would have the following positive effects:

- Realignment of proxy values to the standard National Social Value Taskforce methodology, making it simpler for ECC in the future to maintain its social value processes, when the temporary social value team is scaled back as planned.
- Bidders would be more familiar with the process and potentially require less time to reconsider where they place the focus of their bids for ECC.
- ECC would not have to consider the impact of a multiplier on the bidding process each time the National Social Value Taskforce changes a proxy value significantly, as it did for tonnes of CO2.

#### Findings:

#### Distribution of Social Value Commitments across ECC measures

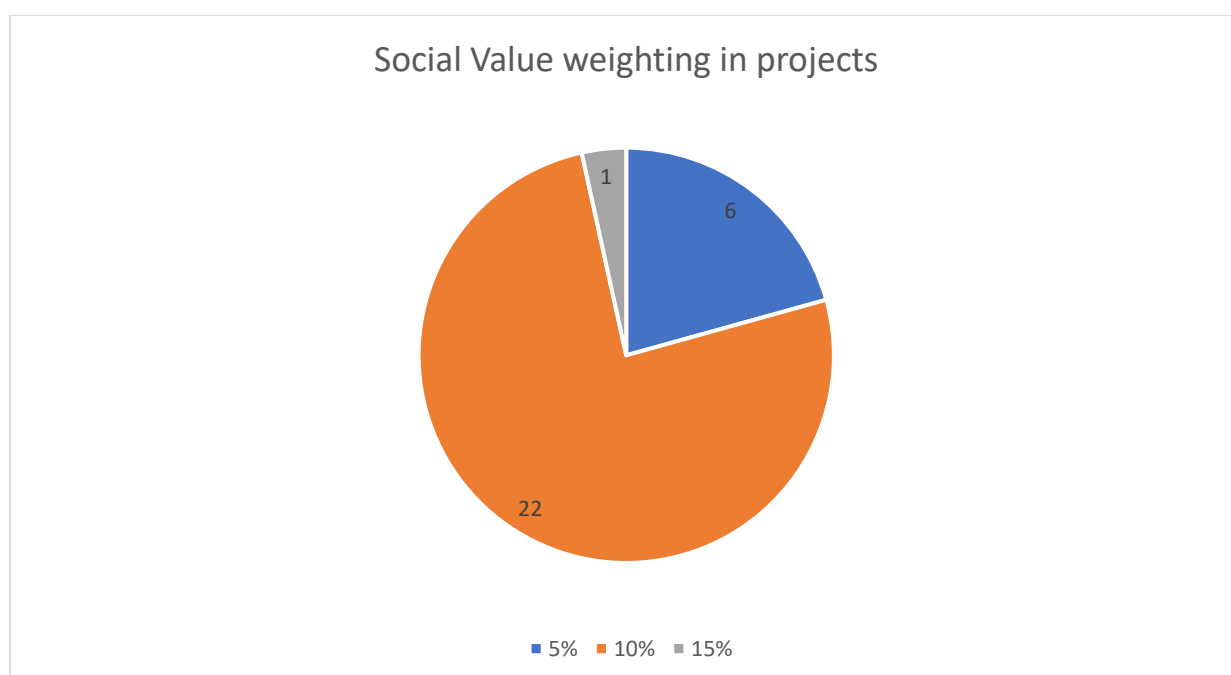
A review of the Social Value Commitments data from all ECC tenders, as reported in the Social Value Power Bi report (15.11.22), showed that, aside from commitments to local spend (ECC11 and ECC12), the most common measures for bidders to make commitments against were the Employment measures ECC1-ECC8 – these are the priority measures with the highest proxy value.

Out of all the Social Value commitments, ‘Enabling Inclusive Economic Growth’ is the area with the highest value of commitments, with Social Value Impacts relating to Employment and Skills making up over 88% of the total value of commitments.

Measures relating to local spend (ECC11 and ECC12) make up just under 50% of the total Social Value commitments.

#### Social Value Weighting in Projects

The Weighting given to Social Value in the procurement ranged from 5% to 15%, with most projects including a weighting of 10%.



## Social Value was not a factor in the outcome of tender outcome

The overall margin between the winning bidder and the bidder who came second was reviewed and compared to the weighting given to Social Value to understand how the Social Value weighting impacted the overall tender outcome. Of the projects reviewed (many of which were Framework awards / establishment) there was only 1 project where the overall winning margin was less than the Social Value weighting.

## Social Value Equivalent pence in £ - when multipliers included in Calculators

The ECC Social Value methodology includes the assignment of a Social Value Ratio based on the bidders tendered price and their Social Value commitment; based on a standardised target of £0.50 in every £1 of the tendered price.

For each procurement exercise with a value of £100K or more, consideration is given to the relevance of the ECC TOMs measures in relation to the subject matter of the procurement; where there are any adjustments to the measures included, a proportionate adjustment to the target is also made on a project-specific basis, thereby maintaining the efficacy of the scoring methodology.

In a review of 18 procurement projects, the Social Value committed could be compared to the overall tendered price to calculate the Social Value Ratio of pence in the pound (relative Social Value compared to tendered price). To understand the impact of the multiplier in these procurement projects, the Social Value TOMs Calculators were reviewed and the multiplier of 3 removed.

- When the multiplier was removed from the evaluation the average amount of social value was £0.41 in every £1 tendered price.

Based on the winner's margin in the overall score, taking the multiplier out of the evaluation for these projects the Social Value element of evaluation (with or without the multiplier) did not have an impact on the overall outcome of any of the tenders, even in one case where the winning margin was just 1%, because there was a similar reduction (through removing the multipliers) in the total Social Value offered for both the winning bidder and the bidder that came second.

**Table 1: Social Value Proxy Values – amendments by National Social Value Taskforce 2022 – comparison with ECCTOMs Proxy Values for Priority measures**

Outcomes	ECC Ref	Measures	Units	2022 Proxy Value	% Increase from Previous Proxy Value
Increase sustainable employment within Essex	ECC 1	No. of local people (FTE) hired or retained on contract for one year or the whole duration of the contract, whichever is shorter.	no. people FTE	£32,240.00	+13%
	ECC 3a	No. of armed forces veterans employees (FTE) hired on the contract as a result of a recruitment programme who are long term unemployed (unemployed for a year or longer) and are facing specific barriers to transitioning to civilian employment that do not qualify them as disabled (e.g. long term service).	no. people FTE	£20,429.00	+35%

	<b>ECC 3b</b>	Signature of the Armed Forces Covenant with written pledges.	text	£0.00	NA
	<b>ECC 4</b>	No. of employees (FTE) taken on who are not in employment, education, or training (NEETs)	no. people FTE	£15,382.90	+20%
	<b>ECC 6</b>	No. of jobs (FTE) created for people with disabilities (physical disability, learning disability and/or mental health issues)	no. people FTE	£16,605.00	+25%
	<b>ECC 7</b>	No. of employees taken on who are care leavers	no. people FTE	£15,382.90	+20%
	<b>ECC 8</b>	No. of hours dedicated to supporting unemployed people into work by providing career mentoring, including mock interviews, CV advice, and careers guidance - Aged Over 24	no. hrs*no. attendees	£105.58	+5%
Increase the skills of people within Essex	<b>ECC 9</b>	No. of training opportunities on contract (BTEC, City & Guilds, NVQ, HNC) that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+	no.weeks	£317.82	+29%
	<b>ECC 10</b>	No. of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+	no.weeks	£215.79	+22%
Improve opportunities for young people in Essex	<b>ECC 16</b>	No. of hours dedicated to support young people into work (e.g. CV advice, mock interviews, careers guidance) - (under 24 y.o.)	no. hrs*no. attendees	£105.58	+5%
	<b>ECC 17</b>	No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)	no.weeks	£194.50	+31%
	<b>ECC 18</b>	Meaningful work placements that pay Minimum or National Living wage according to eligibility - 6 weeks or more (internships)	no.weeks	£194.50	+31%
	<b>ECC 19</b>	Local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety talks (No. hours, includes preparation time)	no. staff hours	£16.93	+14%
Improve the environment in Essex	<b>ECC 21</b>	Savings in CO2e emissions on contract not from transport (specify how these are to be achieved).	tonnes CO2e	£244.63	+265%
	<b>ECC 22</b>	Savings from renewable energy measures in CO2e emissions	tonnes CO2e	£244.63	+265%

	ECC 23	Car miles saved on the project (e.g. cycle to work programmes, public transport or car pooling programmes, etc.)	miles saved	£0.06	+261%
	ECC 24	Number of low or no emission staff vehicles included on project (miles driven)	miles driven	£0.03	+297%
	ECC 25	Voluntary time dedicated to the creation or management of green infrastructure, to increase biodiversity, or to keep green spaces clean	no. staff volunteering hours	£16.93	+14%
	ECC 26	Initiatives undertaken to support the reduction of single use plastics	text	£0.00	NA

# Social Value Policy

## Essex County Council Social Value Policy

February 2023

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# Introduction

This Policy sets out how we will help deliver Everyone's Essex and help reduce carbon emissions by using Social Value. Social Value through procurement is the additional benefit to the community which we can derive, over and above the direct purchasing of goods, services and outcomes.

Public authorities consider the wider financial and non-financial value created by an organisation through the way it delivers their contract and express it in terms of the wellbeing generated for individuals, communities, the economy and the environment. Essex County Council (ECC) recognises the important role it can play in enabling Social Value through its commissioning and procurement activity.

In 2020/2021 we spent approximately £1.2 billion via our procurement activity. Through our approach to social value in procurement, we will harness this expenditure to influence the way suppliers deliver goods, services and works to provide social value to our residents.

This document describes ECC's policy for social value achieved through procurement ensuring that these quality criteria are relevant and proportionate to the subject matter of the contract and non-discriminatory.

## Background

The Public Services (Social Value) Act 2012 confirmed the social value responsibilities of authorities procuring service contracts subject to public procurement regulations.

The 2012 Act states: That when procuring contracts for the provision of services, or services together with purchase or hire of goods or the carrying out of works by

- entering into a public services contract that is not a contract based on a framework agreement, or
- concluding a framework agreement as regards which public services contracts are likely to constitute the greater part by value of the contracts based on the agreement

we must consider:

- how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area
- how, in conducting the process of procurement, it might act with a view to securing that improvement.
- whether to consult

Essex County Council intends to seek social value through all its tenders over £100,000 where it is relevant, proportionate and non-discriminatory to do so. To achieve this effectively and deliver value to residents, commissioners must consider the value of commercial outcomes delivered to the authority in accordance with the Local Government Act 1988 which prohibits local authorities from using non-commercial considerations when awarding contracts unless it is necessary to comply with the law or to achieve the principles of best value. This will include consideration of the wider impact that the activities have on the economic, environmental and societal objectives of the authority.

These points should be assessed during the development of the strategic business case, procurement category strategy, specification, tendering process and contract management activities.

## **Rationale for the policy**

Requiring our suppliers to set out the social, economic and environmental benefits they achieve when performing our contract means that the true commercial impact is taken into account when tendering. It will encourage suppliers to consider the way that they deliver goods, services or works, for example:

- promoting greater environmental sustainability: minimising waste and pollution, supporting carbon reduction initiatives, furthering energy efficiency and other sustainability activities;
- creating job opportunities for local residents, those not in education, employment or training, for care leavers or for people with disabilities
- providing support, advice or mentoring opportunities to the long term unemployed, schools or school leavers;
- providing sub-contracting opportunities for a diverse range of suppliers, including the participation of small and medium sized enterprises (SMEs) and 3rd sector organisations, and local suppliers in general;
- offering a range of apprenticeship, training and skills development opportunities as well as employment opportunities.

## **Policy context**

This Social Value Policy supports the delivery of 'Everyone's Essex: our plan for levelling up the county 2021 to 2025'. These are:

- A Strong, Inclusive and Sustainable Economy
- A High Quality Environment, Health, Wellbeing and Independence for all Ages
- A Good Place for Children and Families to Grow



# Inclusion of Social Value

Whilst Social Value can apply with any value of contract, there is an operational cost to preparing and scoring the evaluation model. Therefore, we will normally only require social value to be considered when we are procuring a contract with a value of over £100,000.

## How we score social value in our tenders

Like many Councils across the country, Essex County Council has adopted the Local Government Association's National Social Value Taskforce 'National Themes, Outcomes and Measures' method of classifying and scoring social value in our tender processes. This method is frequently referred to as the 'National TOMs'. We adapted them to focus on the delivery of the Council's commercial objectives and policy outcomes as set out in 'Everyone's Essex: our plan for levelling up the county 2021 to 2025' and focus on social value delivered locally. This resulted in the 'ECC TOMs'. The master list of ECC TOMs is called the 'ECC TOMs Calculator'.

The Social Value element of bids is scored in two parts: the value score (the commercial value of the social value bid expressed in monetary terms using the ECC TOMs Calculator) and the Supporting Statement score (which contributes to the evaluation of the commercial value to ECC by making an assessment of the robustness of the delivery plan to achieve the Social Value bid by the supplier).

The ECC TOMs Calculator comprises:

- A set of social value 'Themes and Outcomes':
  - This is a list of the different categories of social value that contribute to ECC's commercial objectives as set out in Everyone's Essex. Please see Annex A below for a list of the Themes and Outcomes.
- A set of Units of Measure for each of the Outcomes:
  - These Units of Measure are used to compare bids on a like for like basis. They are set out as a description of the specific type of social value (the Measure) and a metric (the Unit) Social value will normally only count if it takes place in the administrative county of Essex. If we are prepared to consider benefit arising elsewhere then this will be made clear in the tender documents.
  - They also enable us to collate the total benefits delivered by suppliers to Essex communities – and sometimes more widely - and provide a consistent method of performance management reporting.
  - With the exception of measures that represent additional social value, we will not take account of benefit under more than one heading, to avoid benefits being double counted.

- We will not allow a benefit to be counted at all unless we believe it is deliverable and measurable – such benefits will be assigned a zero score
- A set of Financial Proxies:
  - Each Unit of Measure is assigned a financial value based on our estimate of the commercial value of that unit. This represents the estimated value of social value in terms of things that we would like to deliver (such as jobs and environmental improvements), the value of things that we would otherwise have to pay for (such as social care and concessionary bus fares).
  - These all contribute to the continuous improvement of our services and thus help the Council to deliver its duty under section 3 of the Local Government Act 1999. This enables us to calculate the total economic value of contributions that bidders offer.

The full set of ECC Themes and Outcomes is set out in Annex A.

The ECC Social Value Priorities are jobs, skills, young people and climate. The ECC TOMs social value Themes, Outcomes and Priorities are selected to reflect 'Everyone's Essex: our plan for levelling up the county 2021 to 2025' and annual organisational plans. Any changes to the Themes, Outcomes or Priorities will be agreed by the Cabinet.

The TOMs Calculator will be periodically reviewed to incorporate emerging leading practice (such as that published by the Local Government Association National Social Value Taskforce), to take into account inflation and to ensure that they are effective, relevant and proportionate measures to contribute to ECC's objectives. Amendments to the Master ECCTOMs Calculator and Calculators for specific projects will be governed as set out in Table 1.

**Table 1: This table sets out the expectation as to which Officer or Member would usually take a decision to amend the ECC TOMs calculator subject to such decision being in accordance with the Scheme of Delegation**

Document	Approval required	Form
Amendments to the Social Value Themes and Outcomes and Priorities in the Master ECCTOMs Calculator	Cabinet	Cabinet Report
Amendments to the Units of Measure, Financial Proxies, in the Master ECCTOMs Calculator	Cabinet Member for Finance, Resources and Corporate Affairs	CMA
Amendments to the guidance provided within the Master ECCTOMs Calculator	Director of Procurement	Written confirmation
Amendments to the Social Value Procurement Procedures.	Director of Procurement	Written confirmation
Addition or amendment of Measures in the ECCTOMs Calculator for a specific project.	Director of Procurement	Social Value Assessment Form
Variation of Measures from the ECCTOMs Calculator for a specific project (e.g., to comply with Public Contracts Regulations)	Head of Procurement or Director of Procurement	Social Value Assessment Form
Decision to allow some or all benefits outside Essex to be counted for a specific project	Head of Procurement or Director of Procurement	Social Value Assessment Form

## Delivery

This Policy will be delivered as follows:

1. We will provide learning materials in the Social Value Catalogue for suppliers to explain how it can be included in bid.
2. We will educate our procurement and commissioning officers on social value and on the ECC TOMs.
3. All procurements over £100,000 will normally be required to include social value as a part of the scoring and evaluation process where it is relevant and proportionate to do so. To comply with the Public Contracts Regulations 2015, any evaluation criterion must be relevant and proportionate to the subject matter of the contract and non-discriminatory. If the council considers that it is not relevant and proportionate to include social value, a formal exemption will be requested; to be approved by a Head of Procurement.
4. The weighting for social value will form part of the quality evaluation in tenders and is flexible, up to a maximum of 20% of the total scores available in a tender. This means that the statement of social value can count to the 10% of the overall contract award.
5. The Social Value element of bids is scored as set out above (using the Value Score and the Supporting Statement). Once a contract is awarded, the Procurement Service will record and monitor the social value committed by successful bidders. The responsibility for ensuring the committed social value benefits are delivered will fall to the officers responsible for management of that individual contract.

## Review

Essex County Council will periodically review its Social Value Policy. In doing so, it will take account of any changes in legislation and changes to the council's priorities.

# Annex A: Proposed ECC Social Value Themes and Outcomes

The Social Value Themes and Outcomes are set out in the table below. Since the publication of Everyone’s Essex, we have reviewed and updated the Outcomes, to ensure that they continue to deliver value in line with this policy.

These themes and outcomes have been used to reorganise the benefits in the TOM to reflect the contribution Social Value is making towards achieving Everyone’s Essex. They are not directly used themselves in the evaluation process – to be awarded social value points in a tender the bidder will have to demonstrate they will achieve benefits in the TOM.

ECC Social Value Themes	ECC Social Value Outcomes	Commitments in Everyone's Essex to which this Outcome contributes
1. A Strong, Inclusive and Sustainable Economy	Business growth and the impact of public sector spend within the county maximised.	<b>Future Growth and Investment:</b> We will help grow existing businesses and the economic sectors of the future in Essex, including the arts, and secure high levels of new investment by working with partners to promote the county, by creating the conditions for growth and by maximising the impact of public sector spend within the county.
1. A Strong, Inclusive and Sustainable Economy	Essex residents in employment, skills gaps reduced and barriers to employment reduced for disadvantaged groups.	<b>Good Jobs:</b> We will work hard to address the impacts of the Covid pandemic on unemployment by supporting business recovery and building a stronger economy for the future, enabling people to build the skills they need to be part of it, and working alongside Essex businesses to help reduce barriers to employment for disadvantaged groups.
2. A high quality environment	Suppliers contribute to the delivery of net zero targets; reduced greenhouse gases; reduced waste; and strengthened climate resilience.	<b>Net Zero:</b> We will work across the council and the county to hit our net zero targets, by ensuring that the council significantly reduces its carbon footprint, whilst also supporting an acceleration in the progress towards sustainable housing and energy, and active and alternative forms of travel across the county. <b>Green Communities:</b> We will work with communities and businesses, providing advice and support to enable and empower local action to reduce greenhouse gas emissions and build climate resilience. <b>Minimise Waste:</b> We will minimise the impact on the environment by supporting residents and businesses to reduce waste and increase the amounts recycled, and by working with others to deliver a more circular economy whereby we better protect our natural

		resources though the efficient and ongoing reuse of materials.
3. Health, Wellbeing and Independence for all Ages	Partners and communities address the socio-economic drivers that underpin poor health outcomes, such as poor housing, poverty, economic insecurity, and low skills.	<b>Levelling Up Health:</b> We will seek to reduce health inequalities by bringing together partners and communities to address the socio-economic drivers that underpin poor health outcomes, such as poor housing, poverty, economic insecurity and low skills.
3. Health, Wellbeing and Independence for all Ages	Residents enabled to live independently and increased proportion of people able to live healthy lifestyles.	<b>Promoting Independence:</b> We will work with key partners and the adult safeguarding board to help individuals to live free from abuse and neglect and will enable residents to live independently by assisting them to access suitable accommodation, supporting access to employment and meaningful activities, and enabling independence at home through reablement, care technology, and market shaping to ensure strong domiciliary support, and investment in housing. <b>Healthy Lifestyles:</b> We will aim to increase the proportion of people able to live healthy lifestyles by embedding a community-first approach, by helping people to overcome social isolation, mental ill health and substance misuse, and by helping people to live fit and active lifestyles.
4. A Good Place for Children and Families to Grow	Businesses and communities support the achievement of education outcomes.	<b>Education Outcomes:</b> We will achieve educational excellence and high standards for all children and young people as we recover from the pandemic, by working in partnership with early years providers, schools, colleges and universities, by building greater coherence across the system and by engaging businesses, communities and the arts sector in supporting education outcomes.
4. A Good Place for Children and Families to Grow	Outcomes improved for the most vulnerable and disadvantaged groups.	<b>Outcomes for Vulnerable People:</b> We will work to improve outcomes for the most vulnerable and disadvantaged groups including Children in Care, Care Leavers, Children with SEND and children from BAME communities, by working with children, young people and partners across the system.
4. A Good Place for Children and Families to Grow	Our partners to help make our communities safer and address key issues such as violence and vulnerability, and safety for women and girls.	<b>Safety:</b> We will continue to improve the safety of Essex residents, including children and young people, by sustaining our nationally recognised approach to early intervention, safeguarding and neglect, addressing domestic abuse, child criminal and sexual exploitation, and peer on peer violence and abuse. We will continue close working with our partners to help make our communities safer and address key issues such as violence and vulnerability, and safety for women and girls.

This information is issued by:  
Essex County Council

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The information contained in this document  
can be translated, and/or made available in  
alternative formats, on request.

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**Forward Plan reference number:** FP/580/12/22

<b>Report title: Essex Housing Development LLP Annual Delivery Plan 2023/24</b>	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Councillor Lesley Wagland, Cabinet Member for Economic Renewal, Infrastructure and Planning	
<b>Date:</b> 21 March 2023	<b>For:</b> Decision
<b>Enquiries to:</b> Gwyn Owen, Managing Director, Essex Housing, telephone 03330 136120, email <a href="mailto:gwyn.owen@essex-housing.co.uk">gwyn.owen@essex-housing.co.uk</a>	
<b>County Divisions affected:</b> All Essex	

### Confidential Appendix

This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

## 1. Everyone's Essex

- 1.1 Essex Housing is Essex County Council's (ECC) in-house development arm which works with public sector partners across Essex. Essex Housing's purpose is to help address housing need throughout the county by building high quality specialist, private and affordable homes. Essex Housing delivers schemes through ECC as well as the Essex Housing Development LLP. This report seeks approval of Essex Housing's Annual Delivery Plan for 2023/24.
- 1.2 Essex Housing supports the strategic aims of Everyone's Essex by delivering more new homes and communities as part of ECC's ambition for 'a strong, inclusive and sustainable economy' and contributes to the commitment towards 'future growth and investment'. Essex Housing maximises the impact of public sector spend within the county by generating surpluses for reinvestment and creating new opportunities to achieve social value through development. Essex Housing:
- 1.2.1 supports **the economy** by creating new jobs and working with local contractors
  - 1.2.2 benefits **the environment** by developing in a sensitive way and including sustainable measures on sites such as electric vehicle charging, solar panels and heat pumps as well as a scheme of net zero homes.
  - 1.2.3 supports **children and families** by providing good quality housing in an appropriate mix of type and tenure, central to giving children the best start in life.
  - 1.2.4 promotes **health, care and wellbeing** for all residents by providing good quality homes and neighbourhoods. Essex Housing promotes the wellbeing of some of our most vulnerable residents by creating homes that enable them to live more independently.



## **2 Recommendations**

- 2.1 Agree the Essex Housing Annual Delivery Plan 2023/24 contained in the Confidential Appendix.
- 2.2 Note that further formal decisions will need to be taken for each site for development, financing and land disposal to Essex Housing Development LLP for 2023/24 as set out in paragraph 3.10.

## **3 Background and Proposal**

### **Background**

- 3.1 Essex County Council established Essex Housing in 2016 to work with public sector partners throughout Essex to identify and bring forward land and assets for development. It is now six years into that journey and has established a significant and exciting development programme that will deliver great quality, sustainable homes and create fantastic places to live, while reinvesting returns into important public services and improved outcomes for the residents of Essex.
- 3.2 Essex Housing works with public sector partners across the county to develop land for the benefit of Essex, in order to help address general, specialist and affordable housing need. By developing with a social conscience, Essex Housing enhances important assets, putting design, quality and sustainability at the forefront of what it does and shaping places that Essex can be truly proud of, all while improving outcomes for residents, reducing the burden on the taxpayer, generating capital receipts and delivering revenue benefits.

### **Essex Housing Social Value**

- 3.3 Taking a social-value-first approach to development allows Essex Housing to include measures that contribute to carbon reduction, such as electric car charging points, cycle storage, photovoltaic panels, high levels of insulation to improve efficiency and reduce utility costs and air source heat pumps. It also means that Essex Housing can play a role in ECC's equalities agenda by providing housing to meet the needs of some of our most vulnerable residents. For example, Essex Housing supports Adult Social Care in the delivery of ECC's Independent Living for Older People schemes, as well as developing schemes that include apartments for Independent Living for Adults with Disabilities.
- 3.4 Social Value will be evaluated in all construction tenders within the annual delivery plan. Examples of social value that can be committed to can include areas such as a percentage of local people employed on contract and total amount spent with local SMEs.

- 3.5 Essex Housing has completed a number of successful developments on behalf of ECC and also worked with a range of partners including local authorities, the NHS, Essex Police and Essex County Fire and Rescue Service. It has been recognised nationally for its innovative approach, most recently through two awards in 2022; 'Best Development Team – rural/suburban' at the Inside Housing Development Awards 2022 and 'Homebuilder of the Year - South' at the UK Housing Awards 2022. Essex Housing has also been cited in a number of best practice publications and was shortlisted for several other awards in the last year.

### **Essex Housing Development Limited Liability Partnership**

- 3.6 In July 2020, ECC Cabinet agreed to the establishment of a limited liability partnership, Essex Housing Development LLP to carry out development activity. ECC is a member and designated member with a 99% interest and Seax Trading Limited, a company 100% owned by ECC, is a member and designated member with a 1% interest. Surpluses generated from the Development LLP activities are to be returned to LLP members (ECC and Seax Trading Limited).
- 3.7 As part of the Essex Housing Optimisation Project Cabinet Report, a five-year Business Plan was approved by Cabinet to outline the LLP's long-term objectives. This set out the blueprint to deliver an ambitious development programme, by building upon the work to date of the existing Essex Housing model. The purpose of the LLP is to further ECC's strategic aims and to deliver new housing and economic growth for the benefit of the area or persons resident or present in its area. Essex Housing contributes to the following priorities set out in the Council's Organisation Strategy:
- Enable more vulnerable adults to live independent of social care
  - Help to secure stronger, safer and more neighbourly communities
  - Help secure sustainable development and protect the environment
  - Facilitate growing communities and new homes
  - Limit cost and drive growth in revenue
- 3.8 Each year, an Annual Delivery Plan is required to set out the development programme, including indicative capital expenditure for the LLP over the upcoming year. The Annual Delivery Plan does not authorise any land transfer or any scheme finance to be loaned to the LLP. The sites that are listed within the Annual Delivery Plan are existing LLP schemes and new schemes have not been added into the overall programme through this report.
- 3.9 It is also important to note that some schemes will be developed by the Council not the LLP, for example some schemes which involve developing a site where ECC will retain ownership, or provision of Independent Living for Older People schemes. The Annual Delivery Plan clearly lists these schemes and outlines where they remain with ECC. These ECC schemes are not included within the financial summary tables within the Annual Delivery Plan.

- 3.10 Where a scheme on ECC owned land is identified in the Annual Delivery Plan is to be progressed by the LLP, the following steps will be undertaken:
- 3.10.1 The LLP Board will consider each scheme based on a set of criteria established by ECC as set out in the Annual Delivery Plan;
- 3.10.2 Where schemes are approved for exploration, Essex Housing will undertake design, secure planning, undertake some site clearance activity and procure a building contractor (but not award the contract). If a scheme proves not to be viable then it can be abandoned at any time;
- 3.10.3 Once the preliminary work has been completed, the LLP Board will consider the scheme and whether or not to ask the Council for funding and for the land to be transferred (if in ECC's ownership) so that the scheme can proceed.
- 3.10.4 If the LLP Board agree to this, then ECC will decide whether or not to sell the land to the LLP (if in ECC ownership) and advance money. These are two separate decisions and will be taken by the relevant Cabinet Members for Finance and Property or by the Cabinet in accordance with the constitution. The land disposal price will be determined by ECC through a formal red book valuation.
- 3.10.5 ECC has a range of commissioning requirements including, but not limited to specialist housing to meet Social Care needs and enhanced build standards to meet ECC's objectives with regards to carbon reduction and energy efficiency as well as the Essex Design Guide. These requirements are often over and above what would normally be provided through general needs housing schemes and can increase costs as well as reduce sales values. When ECC requirements impact on scheme viability the LLP will ask ECC to dispose of land at below market value to ensure ECC's commissioning requirements are financially viable for the LLP to deliver.
- 3.10.6 Once the land has been transferred and finance is in place the LLP can sign the construction contract if approved by the LLP Board.

#### **4 Links to our Strategic Ambitions**

- 4.1 This report links to the following aims in the Essex Vision
- 4.1.1 Enjoy life into old age
  - 4.1.2 Provide an equal foundation for every child
  - 4.1.3 Strengthen communities through participation
  - 4.1.4 Develop our County sustainably
  - 4.1.5 Connect us to each other and the world
  - 4.1.6 Share prosperity with everyone
- 4.2 Approving the recommendations in this report will have a positive impact on the Council's ambition to be net carbon neutral by 2030. Essex Housing looks to exceed legal requirements for sustainability in all of its developments. All private sale schemes delivered to date include photovoltaic panels, insulation

above building regulation requirements, electric vehicle charging points and ample cycle storage to encourage sustainable travel. Essex Housing is continually looking to build on this further and is bringing forward schemes with air source heat pumps, as well as considering how we can best ensure biodiversity is unaffected, or even improved on schemes. The residential units at Essex Housing's schemes at Shenfield Library and Purford Green, both of which are now in construction, are designed to achieve an EPC 'A' rating and a carbon neutral pilot scheme is also currently being designed ready for planning submission. It is expected that the Future Home Standard will launch in 2025 and under this standard CO2 emissions will be at least 75% lower than homes built today. Essex Housing will continue to seek to exceed these standards wherever it can viably do so.

4.3 This report links to the following strategic priorities in ECC's Organisational Strategy 'Everyone's Essex': A strong, inclusive and sustainable economy:

4.3.1 Infrastructure: we will deliver and maintain high quality infrastructure to improve opportunities for people living in Essex as well as supporting a growing economy and the delivery of new homes and communities by investing in the region of £1bn by the end of this Council.

4.3.2 Future growth and investment: we will help grow existing businesses and the economic sectors of the future in Essex, including the arts, and secure high levels of new investment by working with partners to promote the County, by creating the conditions for growth and by maximising the impact of public sector spend within the county.

## 5 Options

### 5.1 Option One - agree the Annual Delivery Plan 2023/24

This option would provide Essex Housing Development LLP with the indicative capital requirements to deliver the development programme and continue the activity to get more sites into construction and planning as set out in the Annual Delivery Plan in the confidential appendix. This will also further ECC's objectives as set out in section 4 of this report.

### 5.2 Option 2 – do nothing

This option would not maximise the potential benefits to our communities of the Essex Housing model. Furthermore, MTRS revenue benefits would not be realised.

## 6 Issues for consideration

### 6.1 Financial implications

6.1.1 The Annual Delivery Plan is required to set out indicative capital expenditure and the development programme for the LLP over the upcoming year.

6.1.2 The LLP is funded via working capital and development loan facilities from ECC. Funding of any future capital expenditure for the LLP will increase the Council's Capital Financing Requirement from borrowing. Funding received from the council will be repaid by capital receipts generated by the LLP following the sale of properties

6.1.3 The detail of the capital and revenue budget profiling is contained in the confidential appendix to this document. The total revised LLP Annual Delivery Plan 2023/24 to 2027/28 compared to the current Annual Delivery Plan from 2022/23 to 2026/27 is set out below. Comparisons are from 2023/24 onwards only.

	Capital Programme Expenditure (£'m)					
	2023/24	2024/25	2025/26	2026/27	2027/28	5 Year Total
2023/24 ADP	20.6	34.3	39.8	31.5	11.2	137.4
2022/23 ADP	33.5	40.3	11.7	6.0		
Variance	12.9	6.0	(28.0)	(25.6)		

6.1.4 The figures included in the capital programme as presented in the Everyone's Essex Annual Plan and Budget 2023/24 differ to the 2023/24 ADP due to indexation, updated delivery timelines and additional risk being added to the figures since the budget figures were set. The capital programme will be aligned to the 2023/24 ADP as part of the provisional outturn process.

6.1.5 Through the activities driven by the LLP, the intention is to obtain planning permissions at the earliest opportunity, subject to development risks associated with any individual scheme.

6.1.6 In terms of project financing and associated risk to ECC:

6.1.7 ECC is expected to receive income as a result of providing loans to the LLP. ECC borrow at Public Works Loan Board rates which are lower than the rate at which ECC lends to the LLP. Any margin between the two rates is realised by ECC as an income stream.

6.1.8 In addition, the costs of any scheme that does not achieve planning consent will need to be borne by the LLP. This could place additional financial pressure on ECC in the longer term as other schemes will need to compensate and loan repayments may take longer.

## 6.2 Legal implications

6.2.1 This business plan covers the activities of Essex Housing LLP which is a separate legal entity from Essex County Council.

6.2.2 The members of the LLP are ECC (99%) and Seax Trading Limited (1%). Seax Trading is itself a subsidiary of ECC. The LLP board is made up of officers along with Cllr Ray Gooding as Chairman and an independent non-executive Board Member.

6.2.3 The LLP does not employ any staff. The people working for the LLP are employed by ECC.

6.2.4 Development projects are undertaken by the LLP if the site will be disposed of in its entirety. They are undertaken by ECC if the development involves an ECC building which will be retained, e.g. the redevelopment of a library site to include housing. The percentage of time that employees spent on LLP activity is charged to the LLP.

6.2.5 The LLP is funded through borrowing from ECC. ECC is exposed to risks by the LLP. These are:

- The LLP fails to repay money borrowed from ECC. ECC charges a premium interest rate as compensation for this risk
- The LLP becomes insolvent and has insufficient assets to pay off its debts. Whilst the LLP operates so as to try to ensure it has a net positive balance sheet, there are risks, because at any time it maintains an inventory of schemes and there are always unsold properties, although it is understood that the LLP has always managed to sell properties well. The LLP is therefore at risk of a major downturn in the housing market meaning that it would be unable to sell properties at all or for anything like as much as planned. The housing market in the UK is cyclical. The projections on page 24 of the business plan show that the LLP is projected to have a balance sheet deficit for 2023/24.
- Where ECC has commissioning requirements for a site, ECC typically transfers the LLP land at an undervalue. By doing this it enables the LLP to build to a higher standard and meet ECC's site specific requirements. By allowing the LLP to develop ECC indirectly receives developer profit and the interest on loans, but the LLP could also pay a higher value for the land if it built to the same standards as commercial developers or did not include any specialist housing within its development programme.

6.2.6 Transferring land at an undervalue is potentially a subsidy covered by the Subsidy Control Act 2022. However, Essex Housing LLP discharges a public task on behalf of the County Council by developing housing to meet a market shortage in Essex. On that basis it is considered unlikely to be a subsidy.

## **7 Equality and Diversity Considerations**

- 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, sex, 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 Equalities Comprehensive Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8 List of Appendices**

- 8.1 Confidential Appendix – Essex Housing Annual Delivery Plan 2023/24
- 8.2 Equalities Comprehensive Impact Assessment

## **9 List of Background papers**

- 9.1 Essex Housing Optimisation Project Cabinet Report
- 9.2 Essex Housing Five Year Business Plan 2020-2025



<b>Report title:</b> Decisions taken by or in consultation with Cabinet Members	
<b>Report author:</b> Secretary to the Cabinet	
<b>Date:</b> 21 March 2023	<b>For:</b> Information
<b>Enquiries to:</b> Emma Tombs, Democratic Services Manager, 03330 322709	
<b>County Divisions affected:</b> All Essex	

The following decisions have been taken by or in consultation with Cabinet Members since the last meeting of the Cabinet:

### **Cabinet Member for Education Excellence, Life Long Learning and Employability**

- \*FP/565/11/22** Adoption of co-ordinated admission schemes for Essex infant, junior, primary and secondary schools for 2024-2025
- \*FP/564/11/22** Determination of admission arrangements for community and voluntary controlled schools 2024-2025
- FP/053/02/23** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 415
- FP/059/03/23** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 416
- FP/060/03/23** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 417
- FP/067/03/23** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 420
- FP/068/03/23** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 421
- FP/069/03/23** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 418
- FP/070/03/23** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 419



## **Cabinet Member for Finance, Resources and Corporate Affairs**

- \*FP/059/04/21** North East Quadrant Office Strategy
- FP/055/02/23** Roof at 45 Clarendon Road, Watford
- FP/056/02/23** Drawdown from the Everyone's Essex Reserve for the continuation of the Essex Education Task Force and implementation of the Year of Numbers Project
- FP/057/02/23** Counter-Fraud Software: Grant Agreement
- FP/064/03/23** Drawdown from the Children's Transformation Reserve: Children's Transformation Programme funding
- FP/072/03/23** Inflation Pay Increase 2023/24 – Drawdown from Reserves
  - **In consultation with Cabinet Member for Education Excellence, Life Long Learning and Employability**
- FP/062/03/23** First Stage Funding for the Harlow Futures Project

## **Cabinet Member for Health and Adult Social Care**

- FP/046/02/23** Award of Integrated Community Equipment Service Contract for 2023 – 2028
- FP/058/03/23** Award of Framework for Residential Care for Adults with Complex Learning Disabilities

## **Cabinet Member for Highways Maintenance and Sustainable Transport**

- \*FP/373/04/22** Active Travel Fund 2 – Traffic Regulations Orders for a cycle lane on Station Way, Colchester
- \*FP/572/11/22** Concessionary Fares Reimbursement Final Settlement for 2023/24
- FP/065/03/23** Proposed implementation of 'No Waiting at Any Time' Restrictions Titania Close junction with Avon Way, in the City of Colchester.

## **\* Key Decisions 5**