

Support for Adult Social Care in the Context of Covid-19

Funding Scheme Guidance for Local Authorities

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Purpose of the funding

The Welsh Government provided £40 million, ring fenced for adult social care, during the initial response phase to Covid-19 to support local authorities to maintain their commissioned and in-house adult social care. Guidance for local authorities set out how to use the funding to address the reasonable, additional costs resulting directly from the pandemic that adult social care providers were experiencing. The first tranche of financial support was initially for April and May, and subsequently extended to cover cost pressures arising in June.

As the pandemic progresses, adult social care providers continue to experience Covid-19 related costs, with the nature of these costs and pressures evolving over time. The Welsh Government has agreed a second tranche of funding for the period July to September to continue the provision of support towards these costs.

The second tranche of funding (totalling £22.7 million) is also ring fenced for adult social care and has two components:

- continued support for in-house and commissioned adult social care provision across domiciliary care, residential care and supported living; and
- funding for local authorities to support providers to address market stability pressures, e.g. voids and other exceptional / unpredictable / emergency expenses across the adult social care sector

These components comprise distinct and time-limited financial support for adult social care as we navigate and respond to Covid-19; **it is not a permanent uplift in social care funding**. It is important therefore, that neither local authorities nor providers make assumptions on future funding, or commit expenditure after September 2020 to draw down against this fund. The future funding of social care remains a priority for Welsh Ministers and will be considered separately as we review our longer-term approach in due course.

Additional costs

It is anticipated that all providers across Wales will continue to encounter some level of additional costs during July to September as a consequence of Covid-19. This is not necessarily because they have Covid-19 in their environment, but rather because Covid-19 is present in our communities. So some increased staffing costs, higher insurance premiums, higher infection prevention and control costs, higher food costs, etc. will be encountered by providers (including local authority direct provision) regardless of geography. This increase in provider costs will place additional pressure on commissioning costs for local authorities.

In relation to voids and other unpredictable/ emergency expenses, the nature of this problem, and the extent of it, has changed since the first tranche of funding was announced. This second tranche of funding takes a broader approach to the provision of support for providers experiencing residential care voids and other expenses and is less prescriptive on the cause of these in terms of eligibility for funding.

Further guidance on funding and payment of these two elements are set out below. **This guidance supersedes the guidance previously issued for first tranche of funding.**

Support for in-house and commissioned adult social care costs

Eligibility

Local authority financial support for in-house and local authority commissioned adult social care provision for the reasonable additional costs arising from Covid-19. This is for domiciliary care, residential care and supported living provision between 1 July and 30 September 2020. This includes care commissioned out of county and out of country.

Temporary National Fee uplift for additional costs

In the first tranche of funding some local authorities used a locally determined temporary fee uplift approach as a means of meeting providers' additional Covid-19 costs. An uplift approach is an administratively simple and quick method of providing appropriate support, while at the same time giving providers an assurance of the level of financial support they can expect enabling them to plan accordingly.

The second tranche of funding provides for a standard temporary flat rate uplift for local authority commissioned adult social care and in-house provision. The temporary uplifts are based on current intelligence on local approaches to additional funding and costs in the sector advised by provider organisations and collated by the National Commissioning Board. The standard uplifts are:-

- A. £50 per week per resident temporary fee uplift for local authority commissioned residential care and in-house residential care provision;
- B. £1 per hour temporary fee uplift for local authority commissioned domiciliary care and in-house provision (other than supported living); and
- C. £37 per week per tenant temporary fee uplift for local authority commissioned supported living.

This standard approach to funding will help local authorities to support providers to meet their additional costs quickly, and reduces the administrative overhead for both local authority and commissioned providers alike. This streamlined process will help ensure a greater certainty of, and a swift and seamless transfer of, funding between local government and providers. It will also simplify the mechanism for local authorities to claim back expenditure incurred from the Local Government Hardship Fund.

The temporary standard uplift applies to in-house and local authority commissioned in and out of county adult social care placements. It does not apply to care commissioned by a local authority on behalf of a self-funder.

The uplift should be used by providers (commissioned care and local authority in-house provision alike) to offset against the additional financial costs experienced as a result of Covid-19. The standard pan-Wales uplift should be applied to the local authority base rate only, with previous locally determined uplifts from the first tranche

and payment on actuals discontinued. As a result there is no provision under this revised approach to claim any other additional costs over and above the standardised rate mechanism for either local authorities or providers; nor is it the Welsh Government's expectation that local authorities will pay a locally agreed uplift beyond the standard national rates, nor would we support any claims for a higher amount.

Consequently, any costs incurred over and above the standardised rate (other than voids and other market stability pressures as set out below) will need to be met by providers (for both local authority in house provision and commissioned care alike).

Payment and Funding

Local authorities will continue to use the Local Government Hardship Fund to access second tranche funding. Welsh Government has made advances on Revenue Support Grant payments and the expectation, which has been discussed with local authority leaders, is that payments to providers will not be held back pending Welsh Government approval of claims.

Reimbursement from the Welsh Government's Hardship Fund will be claimed monthly in arrears, in line with extant broader Hardship Fund protocols and timing/claims arrangements. Claims should set out the total hours or total placements claimed for under sections A, B and C above with the total number of providers supported under each section (separated out into in-house provision and commissioned care, clearly identified against each category).

The funding provided will cover the period for 1 July to end September. Following discussion with local authorities over a number of weeks prior to the publication of this guidance, it is provided in the expectation that the flat rate uplifts will, in so far as is practicable, be applied from July and any claims for actuals or previously locally agreed approaches applied in the first tranche will have ceased on the 30 June 2020.

However, the Welsh Government recognises flexibility will be required at a local level to facilitate this transition for costs arising in July. Any variation from the national fee uplift approach (and the reasons for the variation) should be clearly identified on the claim form submitted to the Hardship Fund in August in line with Hardship Fund guidance. Where local authorities utilise transitional flexibility for July claims any claims submitted will need to be evidenced in line with the guidance in place for the first tranche of funding.

Any necessary transitional arrangements should apply to the month of July only.

Monitoring

Expenditure against the Hardship Fund will be monitored in accordance with the arrangements for the fund.

However, when submitting a claim to the Hardship Fund for the preceding month's expenditure in line with the Payment and Funding section above, local authorities should also provide a forecast of their expenditure on commissioned and in-house care hours / places or placements (sections A,B, and C above) for the current month. These purely indicative estimates will help budgetary assumptions to be tested against

anticipated draw-down from the Hardship Fund for that month and will not be constraining or prescriptive.

Where local authorities use transitional flexibility for their July claims, all claims will need to be evidenced in line with the guidance in place for the first tranche. In addition, for budgetary planning and monitoring purposes only – it would be helpful if any authority using the transitional flexibility in July could also provide an indication of the hours / places and placements it would otherwise have claimed for under sections A, B, and C above if a second tranche approach had been used. This is not intended to be used in the analysis of claims received but will help monitoring of Welsh Government expenditure against budgetary assumptions across the tranche as a whole.

Estimated forecasts for August hours, places or placements (A, B and C above) should be provided by all local authorities as soon as possible after this guidance is published. A suggested template is provided at Annex A for ease of reporting, collation and monitoring.

Market Stability

Local authorities are responsible for the market stability of the social care sector within their geographic boundaries. Consequently a geographic / administrative approach will be taken to voids and market stability matters within the geographic boundaries of local authorities, irrespective of commissioning routes. In administering support in relation to voids and other unpredictable market stability costs which may arise, local authorities should act to support key provision in their local market in a manner which is consistent with their strategy for market development and managing adjustments to the pattern of care needed to reflect changing population need.

Commissioning guidance jointly produced by ADSS Cymru, WLGA and others, notes that “cash flow can also affect care homes, and commissioners can offer support by paying on the planned support for people in given care homes (e.g. extending payment terms during periods in hospital / NHS facilities, paying additional time after death to accommodate guidance on enhanced cleaning / waste disposal) and the reconciling for any adjustments due to deaths or other factors.”

This, alongside income / earnings certainty, “is even more important as occupancy levels may become more volatile, with potentially more voids due to discharge guidance and infection prevention and control measures. Commissioners can agree with local care homes what level of certainty in terms of planned payments will help them through this volatility and make decisions in the context of the market strategy for the area.”

Additional Funding to Support Market Stability

Covid-19 has had a significant impact across all aspects of residential care provision. In particular, infection prevention and control requirements, and the requirements of guidance issued by Public Health Wales, may have resulted in a higher than normal level of voids. This is a concern for both commissioners and providers when this creates a pressure on capacity to accept new residents for a period of time; and

alternate sources of provision need to be commissioned. This in turn places financial pressure on providers to run at a lower than normal capacity. In some cases commissioners are supporting homes by making planned or additional payments to maintain the financial stability of a home. This applies equally to commissioned care and in-house provision.

As a result the Welsh Government is providing in this second tranche of funding an amount to support local authorities in meeting providers' reasonable additional costs where an eligible void and/or other unpredictable costs has arisen as a result of Covid-19.

This will need to be considered by administering local authorities in the context of their existing contract payment terms/commitments to pay for previously commissioned beds and the opportunity to use this funding in a way which is consistent with local/regional strategies for market shaping. It is important that this second tranche is not perceived as a disincentive for providers to accept residents where it is appropriate to do so in line with current guidance. It is a matter for local determination to ensure this resource is managed effectively to these ends.

The funding accessible under this section is for support for voids in residential care homes and exceptional, unexpected and additional costs arising during the months of July to September only, no expectation or reliance on funding beyond that period, or commitment or provision should be made. There is a ceiling to the resources available. Local authorities will also need to look to their own resources, and critically to their own strategies for market shaping, when allocating resources in relation to voids and other unpredictable costs in line with this guidance.

Support for unfunded voids in residential care

Eligibility

Support will be provided towards the costs of unfunded voids in residential care during the period 1 July to 30 September 2020. Voids will be eligible for support subject to the following parameters:-

- Eligible voids will be those vacancies in excess of "normal" pre-Covid-19 occupancy [defined as the average occupancy during the financial year 2019-20 per home];
- Support will be provided to help meet the costs of voids up to the average occupancy level of a home during the financial year 2019-20, capped at a maximum of 90% occupancy;
- Eligible voids will have arisen, or need to be held open, as a result of Covid-19 where they are currently considered inappropriate to fill in the context of current guidance; and
- Eligible voids will not be in receipt of any form of funding other than through this second tranche of funding (i.e. they cannot be concurrently funded via the second tranche and any other partner or individual at the same time).

Payment and Funding for Residential Care Voids

As local authorities are responsible for the market stability of the social care sector within their geographic boundaries, and in the context of the parameters above, support under the second tranche will be delivered through a holistic whole “place” approach based on the geographic location of the care home. In order to facilitate a less bureaucratic, simpler and quicker mechanism by which providers’ additional void cost pressures from Covid-19 are mitigated, this approach does not differentiate how places within that setting might previously have been commissioned or filled. All eligible voids will, therefore, be supported at the administering local authority’s standard residential rate.

The administrative body will be the relevant local authority within which the care home is located. The level of support able to be claimed through the Hardship Fund for any eligible void across the local authority area will be set at that local authority’s standard residential care rate. Administering local authorities will need to work closely with providers to determine the level of voids within each residential care home which are eligible under the criteria set out above. In doing so each local authority should also look to its own budgetary provision and commitments and ensure that it is only claiming from the Hardship Fund for eligible voids over and above those which it would normally anticipate supporting in line with its own budget planning and market stability provisions.

Example

Example 1		Example 2	
Number of places	100	Number of places	100
Average occupancy for 2019-20	85	Average occupancy for 2019-20	95
Current occupancy	75	Current occupancy	85
Number of unoccupied placements for which funding is still being received	0	Number of unoccupied placements for which funding is still being received	2 (temporary absence – hospital payment) 2 (notice payment after death) 1 local authority planned payment
Balance of excess voids eligible for consideration for second tranche support	$85 - 75 = 10$	Balance of excess voids eligible for consideration for second tranche support	$90 \text{ (Cap)} - 85 - 2 - 2 - 1 = 0$

Claims for reimbursement of support provided for voids should be made via the Hardship Fund, in accordance with the timescales and audit mechanisms for the Fund set out separately. In doing so authorities need to specify the number of providers they have supported, the standard base residential care rate applied, the number of voids

which have received support and the period of time for which support has been provided. Accounting may be required on a 24-hour (day to day) basis where voids have not been eligible for a full week.

Unexpected and unpredictable market stability costs

Exceptionally local authorities may identify market stability action required to support providers who have experienced significant unexpected or unpredictable additional short term costs directly attributable to Covid-19. These short term costs would be those which could not reasonably be expected to be met from the temporary flat rate uplift arrangements, or the provider's own or local authority's' budgets.

Eligibility

For the purposes of this guidance this may apply equally to domiciliary care, residential care, or supported living provision.

The exceptional and unpredictable nature of these short term costs mean it is challenging to give specific examples which may apply. Local authorities are asked to work with providers to explore the Covid-19 impact and additional nature of any costs in this category when considering for payment. Any claim a local authority may wish to make for a payment it determines as exceptional, reasonable, evidenced and eligible for support in this second tranche under this category, should be processed on "actuals" via the Hardship Fund and noted as such on the claim form so it can be recorded and monitored centrally. This will help build our collective understanding of what unpredictable market stability costs might arise.

However, there are some areas which would not necessarily be considered unpredictable or exceptional and thus would not be considered eligible - for example, the costs associated with continuing to pay on plan for domiciliary care in line with commissioning guidance, or claims providing an additional uplift to providers over and above the agreed standard rates.

Payment

Claims for reimbursement of support provided for unexpected and unpredictable market stability costs should be made via the Hardship Fund, in accordance with the timescales and audit mechanisms for the Fund. Claims for reimbursement should only be presented for costs that cannot be met from within existing local authority resources.

In making a claim authorities will need to provide clear evidence which specifies:

- the sector of social care the support has been provided to (e.g. residential care, domiciliary care, supported living);
- rationale for the support given in the context of market stability;
- the overall support provided;
- the level of funding claimed under the Hardship Fund; and
- the period of time for which support has been/will be provided and is/will be claimed.

Agreement to support a claim for a specified purpose in any one month should not be seen as confirmation that a similar claim will be agreed in a future period. However, where it is clear that the unexpected costs will extend beyond the current month this should be set out as soon as this becomes evident with an indication of the likely length of that continuation.

This funding is for exceptional, unexpected and additional costs arising during the months of July to September, no expectation, reliance, provision or commitment should be made that extends beyond that period.

Reviewing and Monitoring Arrangements

Expenditure against the Hardship fund will be monitored in accordance with the arrangements for the Fund. Clear evidence related measures will be built into the Hardship Fund process to capture additionally and ensure that due diligence has been undertaken in tracking public resources.

Covid-19 Care Provider Funding Reference Group

A Reference Group representing the broad range of adult care stakeholders has been set up to support the Welsh Government in the intended delivery of the funding and to advise on any matters of interpretation of the scheme to ensure as consistent an approach as possible across Wales.

The Reference Group will also review the monitoring processes to ensure funding is being used appropriately and provide advice on how the sector can transition out of these temporary funding arrangements.

The Reference Group has been engaged with the development of this guidance.

The Group will meet as required at key points in the claim and payments process and will be chaired by a Welsh Government civil servant with representation from the following organisations:

Reference Group Membership

Welsh Government Social Services and Integration

Welsh Government Local Government Finance

National Commissioning Board

Welsh Local Government Association

LA Treasurer

Association of Directors of Social Services Cymru

Care Forum Wales

National Provider Forum

Community Housing Cymru

Cymorth Cymru

NHS Complex Care representative

NHS Finance

Template for local authorities to report for monitoring purpose their planned temporary national flat rate uplift expenditure - Annex A

Local Authority name	ACTUALS FOR (MONTH)			INDICATIVE FORECASTS FOR (MONTH)		
	Residential Care (standard uplift £50 pw)	Domiciliary Care (standard uplift £1 pw)	Supported Living (standard uplift £37 pw)	Residential Care (standard uplift £50 pw)	Domiciliary Care (standard uplift £1 pw)	Supported Living (standard uplift £37 pw)
Number of commissioned providers supported						
Number of commissioned hours or places / placements supported						
Total £						
Number of in-house providers supported						
Number of in-house hours / places / placements supported						
Total £						
Overall Total £						