

## **Guidance Issued on Initial £40 Million for Adult Social Care Providers' Covid-19 Costs**

### Sent to:

Representatives of adult social care providers, the Welsh Local Government Association and the National Commissioning Board;

Treasurers, Directors of Social Services and Heads of Adult Services of local authorities.

(Sent 12.05.20)

Dear Colleague

Further to the emails below, I have been asked to clarify the situation where local authorities intend to apply a supplement to the fees they pay for their commissioned adult social care in order to reflect additional costs arising from Covid-19.

This approach of providing funding to adult social care providers is consistent with Ministers' intention to enable additional financial resource to be issued to providers as quickly as possible. In line with the earlier guidance, it would be permissible so long as the supplement applied reflects the costs adult social care providers collectively are incurring as a result of Covid-19 in providing commissioned social care. Alongside this approach commissioners may develop arrangements for more targeted financial support for those adult providers who are incurring costs at a higher rate than a standard supplement would recognise.

In order to verify the appropriate level of any supplement applied during the pandemic we would expect local authorities to have engaged with a representative sample of their commissioned adult social care providers to estimate the increase in costs providers have encountered locally. For in-house services the increase in costs should be verified from internal financial reporting. In submitting a claim to the LG Hardship Fund on this basis, local authorities should attach a short note setting out the basis for any temporary Covid-19 related supplement applied and their bespoke arrangements to meet greater costs which some providers may be experiencing.

I have also been asked to confirm whether any of the £40 million being provided is to meet additional costs resulting from Covid-19 in relation to healthcare provision. This funding, which is being provided through the LG Hardship Fund, is intended to meet adult social care providers' additional cost pressures resulting from Covid-19. This means that only costs related to the delivery of local authority commissioned adult social care are eligible.

Where there has been jointly commissioned or funded health and social care packages, for example in the case of NHS Funded Nursing Care (FNC) placements, this funding should only be used to support the additional costs associated with the social care elements of that commissioned care. Any additional costs providers are experiencing in relation to continuing healthcare, or the health elements of FNC, are

for health boards to consider within their allocated funding and if additional resources are required to meet additional costs above that allocated funding, to set out that evidence to Welsh Government. Welsh Government officials are currently in discussion with LHB representatives about this matter.

I hope this is helpful. Ministers are extremely keen that funding should reach the front line. Local authorities should act to support their adult provider base as quickly as possible prior to submitting a claim to the hardship fund. The £40 million being provided is set aside and ring-fenced within the fund in order to support local authorities to meet the increased costs of adult social care for the period of March to the end of May.

Regards,  
Matt Jenkins

Sent to:

Representatives of adult social care providers, the Welsh Local Government Association and the National Commissioning Board;

Treasurers, Directors of Social Services and Heads of Adult Services of local authorities.

(Sent 28.04.20)

Dear Colleague

Further to my email below I have been asked to clarify what is meant by the last example quoted in this of where this funding for adult social care providers could be used. This is in relation to the last bullet point example under the heading "Examples where it can be used".

That example is the situation where additional costs, including double commissioning costs, arise because a care home has experienced a death or deaths as a result of Covid-19 thereby creating a vacancy or void. Therefore funding could be used in this instance to cover that void, or to commission a placement elsewhere were it was not possible to do so with that home. This would be for the period until that provider is able to return to its normal level of operation.

I hope this clarifies this example.

Regards,  
Matt Jenkins

Sent to:

Representatives of adult social care providers, the Welsh Local Government Association and the National Commissioning Board;

Treasurers, Directors of Social Services and Heads of Adult Services of local authorities.

(Sent 27.04.20)

Dear Colleague

#### Purpose

This email is to confirm the details of the funding Ministers are making available help meet the additional costs adult social care providers are incurring as a result of Covid-19. It is being sent to the Adult Social Care providers, Treasurers, Directors of Social Services and Heads of Adult Services of local authorities, and to representatives of the WLGA and National Commissioning Board.

#### Funding being provided

Ministers are providing an initial £40 million to support local authorities in meeting the additional costs resulting from Covid-19 that adult social care providers are experiencing. This is to enable local authorities to maintain their commissioned and in-house adult care so as to be in a position to respond to any future demand for that care that may arise as the position on Covid-19 unfolds. This funding is ring-fenced for this purpose and its utilisation will be monitored as Ministers appreciate that they may need to make further allocations depending on the path the Covid-19 outbreak takes.

Whilst this allocation relates to adult social care, the situation in children's care is being monitored.

#### Use of this funding

Representatives of the sector and local authorities have provided evidence to show that adult providers' operational costs, for both the independent sector, the third sector and local authority in-house provision, have increased in a number of areas through the initial phase of the Covid-19 outbreak. As local authorities commission the majority of social care services, this allocation of funding is being made to local authorities to respond to these additional operational costs through their commissioning of adult social care on behalf of the local population. This includes all forms of adult social care, including residential care, domiciliary care and sheltered accommodation.

#### Examples where it can be used

It is difficult to predict every area where such additional operational costs may arise as a consequence of Covid-19, and this may vary between different types of adult care providers and local circumstances. It is not possible, therefore, to provide a definite list of the areas where local authorities can utilise this funding to meet providers' additional costs they are experiencing. However, the principle of its provision is to enable local authorities to help meet the reasonable increased operational costs adult social care providers are incurring as a result of Covid-19 only i.e. those costs in excess of their usual costs of delivering commissioned care and support.

To guide local authorities and adult care providers in determining this, examples of the areas where additional costs may be arising which representatives of providers and local authorities have given are below:

- increased staffing costs - arising for example from increased cost / use of agency staff, or changes to staff working patterns, more use of overtime payments (this might typically be to cover vacancies where staff have Covid-19 or are having to self-isolate) and / or increased cost of staffing due to changes in need and / or delivery (supporting more people who are isolated rather than in communal spaces);
- increased costs arising from enhanced infection control – arising for example from additional expenditure on cleaning products and staff time, aprons, gloves, hand sanitisers, etc;
- increased costs in residential care from food price increases;
- additional ICT provision – arising for example where additional ICT may be provided in residential care to keep relatives in contact with residents and to enable non frontline staff remote working;
- loss of income and double running costs that arise because a care home has experienced a death or deaths as a result of Covid-19, for a period until that provider is able to return to its normal level of operation.

This funding is available to support local authorities in responding to commissioning guidance issued by ADSS (Cymru), the WLGA, Care Inspectorate Wales and Social Care Wales advising local authorities to continue to commission care “on plan” so as to maintain cash flow for providers. This recommended action is in effort to ensure ongoing sustainability of social care through and beyond the Covid-19 emergency period.

#### Provision and monitoring of funding

This funding is being provided through the local government hardship fund established to meet associated costs of Covid-19. This is on the basis that this is the agreed mechanism for providing funding to local authorities to deal with financial consequences they are handling arising from the pandemic. This initial allocation is for the period from where the fund was established in March through to the end of May, by which point a further decision on the level of this funding will be made. The fund will not be administered in a first-come-first-served basis.

Local authorities will not receive an individual allocation of funding. Instead, within the parameters set out above local authorities should work with providers to make proposals to meet reasonable additional costs resulting from Covid-19. They should then apply to draw down (in the same way as the other funding in the hardship fund is being provided i.e. a monthly claim with the provision of basic information through a common spreadsheet) from the overall allocation within the hardship fund.

This does not mean that providers can only be paid on a monthly basis which matches that claim period. Local authorities should consider providers' Covid-19 costs during the period of the hardship fund (i.e. from March to May), and provide funding where appropriate, in a timely manner as and when they are aware of them and not delay dealing with these due to the timing of claims to the hardship fund.

Equally adult social care providers should qualify and quantify additional costs they are incurring as a result of Covid-19 with their commissioning local authorities at the earliest opportunity, making authorities aware of any additional funding they may also be receiving from other Wales authorities who may also commission their care. For their part local authorities should be discussing at an early stage with the commissioned providers the financial issue they are experiencing as a consequence of Covid-19.

#### Monitoring

Use of this funding will be monitored through the local government hardship fund as Ministers appreciate they may need to make further allocations depending upon how the pandemic evolves and its financial effect on providers. Local authorities will receive a revised claim spreadsheet for this funding which will include this.

#### Ministers' expectations

Given the financial pressures adult social care providers are experiencing as a result of Covid-19, Ministers have a strong expectation that now the details of this funding have been confirmed local authorities will be providing appropriate financial support for the costs described above to providers at the frontline without delay.

Regards,  
Matt Jenkins