

**SOCIAL AND HEALTH CARE OVERVIEW AND SCRUTINY
COMMITTEE MEETING**

Date of Meeting	Friday 22 nd April 2016
Report Subject	Care Sector Report
Cabinet Member	Cabinet Member for Social Services
Report Author	Chief Officer, (Social Services)
Type of Report	Strategic

EXECUTIVE SUMMARY

This report examines the changes taking place within the care sector in Wales and England, and the challenges we are facing in Flintshire.

The report explores the role Flintshire is playing in cultivating a collaborative approach to finding creative solutions to these challenges with Welsh Government and key partners such as the Health Board.

The report incorporates the recently completed Flintshire Residential Care Review and draws on the engagement work with local domiciliary and residential care providers.

This report is written with the intent of being a platform to develop solutions with providers, the Health Board, partners and the Welsh Government to maintain market stability.

RECOMMENDATIONS

1	The Committee accept the report and recognise the immediate and longer-term challenges faced in Flintshire.
2	The Committee supports the need for national reform in the funding of the social care sector in Wales, and endorses the position to engage with a new Welsh Government to develop solutions as a matter of urgency.
2	That the Committee accept the Residential Care Review and endorses the recommendations within the report.

REPORT DETAILS

1.00	AN ANALYSIS OF THE CARE SECTOR
1.01	<u>Fragility Of The Sector</u> The care sector across Wales and England is fragile. Both domiciliary and residential care are experiencing difficulties sustaining their business models and real concerns are being raised across the country about the ongoing viability of the sector.
1.02	As a local authority, Flintshire recognises as a priority the interface between Social Services and hospitals to ensure people can return home as quickly and safely as possible. This is becoming more challenging as we look to find the right care and support packages to allow people to leave hospital, whilst also working to keep others living independently in their own homes. Added to this are the pressures in unscheduled care which are creating an urgent need to transfer people from acute hospital settings to suitable care placements.
1.03	There is a growing concern about the ability of care homes and domiciliary care providers to recruit and retain competent workers. This includes a shortage of registered managers and qualified nurses. Residential and domiciliary providers often lose key staff to other employment sectors, such as retail and manufacturing, creating an over reliance on overseas and agency staff. There is a concerning pattern in recent movement of employees away from care into other sectors.
1.04	The current market model of commissioning independent providers, with councils retaining limited in-house provision is proving difficult to sustain. This is an opportunity to actively consider alternative models of delivery and explore capital investment models to support the sector.
1.05	There are significant pressures on local authority budgets. This is acute in Flintshire. The Council has been engaged in a six month dialogue with independent providers, during which time it has aimed to fully understand the implications of the challenges facing the sector. The Chief Executive, Leader and the Social Services Cabinet Member with senior officers have

	<p>been personally involved in these discussions and appreciate the severity of the situation. The Council had to agree to an additional investment to meet the increases in independent provider care fees as part of setting the annual budget. As a temporary solution the shortfall for 16/17 of £646k, has been funded from reserves for this financial year only. The budget pressure remains unresolved for 2017/18 onwards and has been built in to the MTFS as a recurring pressure.</p> <p>The pressures on the system are causing businesses to fail across the UK resulting in insufficient available bed and domiciliary care packages to meet the needs of residents. A recent report into the UK care home market by healthcare consultancy LaingBuisson (the Care Home Pay Survey) echoed "...these well versed fears, that those operators with large exposure to state funded residents, across the UK, face a dire future."</p>
1.06	<p><u>Recent Pressures within the Sector</u> The introduction of the National Living Wage (NLW) on the 1st April 2016 requires all employees over the age of 25 be paid a minimum of £7.20 per hour in the tax year 2016/17 a rise of £0.50 per hour from the National Minimum Wage of £6.70 per hour. This is particularly relevant for the care sector where the majority of carers are over 25 and 1 in 5 of the workforce are over 55.</p>
1.07	<p>The financial impact of compulsory employee pension schemes introduced in April 2016, is currently estimated to be costing business an additional 1% on top of staff costs. This is set to rise to 3% by 2018.</p>
1.08	<p>A European Court of Justice ruling in 2015 confirmed that time spent travelling to and from an employee's first and last job of the day is classed as work. This ruling relates to domiciliary care workers traveling between service users' homes, and the implementation of the ruling is being enforced by HMRC.</p>
1.09	<p>The removal of Welsh Government funding for over 24's undertaking an Apprenticeship Framework, has eliminated funded QCF qualifications through FEIs for those 25 and over. As noted above, the majority of care workers are over 25 and the registration of the workforce is usually accompanied with a requirement for minimum qualifications. The cost of these qualifications is approximately £1,500 per QCF Level 2 and is in the main, being borne by the employer, unless employees are fortunate enough to obtain a funded place through the SCWDP grant.</p>
1.10	<p>In Flintshire there is a growing inability to recruit and retain staff within the care sector (both in-house and independent providers). Flintshire has had economic success and this has brought a very welcome relatively low unemployment rate, (4.2 percent compared to Wales figure of 6.3 percent). This has meant that other sectors such as retail and manufacturing have attracted staff who may have worked in Health and Social Care.</p>
1.11	<p><u>Challenges To Be Faced By The Sector Over The Coming 5 Years</u> The Regulation and Inspection of Social Care (Wales) Act 2016 became law in January 2016 and is intended to improve the quality of care and support in Wales and strengthen protection for citizens. However, these legislative changes also have resource implications for providers such as</p>

	the requirement for all domiciliary care workers in Wales to be registered from 2020, and for adult residential care workers to follow in 2022.
1.12	QCF Qualifications will be withdrawn by 2019 and whilst the introduction of the Regulated Qualification Framework (RQF) may replace the QCF the uncertainty could have an impact on the required registration of domiciliary care workers by 2020.
1.13	Continued increases to the National Living Wage over the next 4 years will bring the overall increase in pay to more than £9 per hour by 2020.
1.14	<p><u>Flintshire's Residential Care Review</u></p> <p>The recently completed review of the residential care market in Flintshire has illustrated the continued fragility of the market. The report assesses the current residential market against:</p> <ul style="list-style-type: none"> • Demand and Supply • Cost • Quality
1.15	The report assesses the current market and forecasted challenges and risks that cause real concern for the sector.
1.16	<p>To mitigate these risks the report recommends the following options for the in-house provision of residential care (evidence of benefits, challenges and risks are included in the appending document):</p> <ol style="list-style-type: none"> a. Keep in-house facilities, maintaining current model of provision. b. Keep in-house facilities but consider refocusing the delivered provision to fit with the changing demand and supply i.e. creating an intermediate care facility that focuses on early intervention and prevention and delayed transfer of care from acute settings. c. Reduce capacity of in-house provision. d. Transfer one or more Local Authority homes to another provider e.g. independent sector provider or social enterprise. e. Expand our current network of homes in Flintshire f. Expand our current stock, through a joint investment with another partner e.g. Health Board, Registered Social Landlord.
1.17	<p>Any reduction in in-house provision (Option 3) is no longer an option due to demand for services, nor is the transfer of services to another provider (Option 4) at this stage. The remaining viable options are:</p> <ol style="list-style-type: none"> a. Maintain the status quo b. Retain our in-house provision refocussing delivery to fit with demand c. Expand our current provision d. Expand our current provision in partnership with others.
1.18	Some initial work to further investigate Option 2 has been undertaken and the possibility of utilising Intermediate Care Fund monies to support short term care through 'step up, step down' beds is being explored with Betsi Cadwalader University Health Board (BCUHB).
1.19	<p><u>Extra Care</u></p> <p>Flintshire recognises the responsible action to plan to have the best possible availability of care for this generation and the next. Extra Care has</p>

	an important part to play in solutions.
1.20	Work has commenced on the Flint Extra Care site which will provide 72 additional apartments for older people with care needs and work continues to identify a suitable site at Holywell.
1.21	<u>Conclusions</u> Flintshire's older population (+80) is predicted to rise by 23% in the next 4 years with the number of older people with significant health and social care needs predicted to rise by 22% during the same period (Source: Flintshire Residential Care Review). During this period there is a clear and ever present risk that the care sector will be unable to sustain itself if no action is taken.
1.22	Flintshire recognises the need to adopt a comprehensive strategy to address this significant threat. Within the strategy we are aiming to: <ul style="list-style-type: none"> a. Ensure that all partners share the need to prioritise this issue and the recognition that this is one of the most difficult issues facing the public sector at this time; b. Explore a range of delivery models including co-operative models of care and the increase of our in-house provision; c. Recognise that in-house residential homes are assets which are needed within the local care economy to sustain the market; and d. Recognise that Extra Care continues to improve the provision of care in Flintshire
1.23	There is a need for national reform to the funding of the social care sector in Wales through open urgent discussion with Welsh Government. By expressing our real concerns for the sector and offer workable solutions, such as the removal of the £60 weekly maximum charge for non-residential services, we would hope to create some spare resource capacity. These are 'live' issues within the Council's Medium Term Financial Strategy.
1.24	Flintshire is seeking to ensure Health colleagues appreciate the importance of the role they play in sustaining the care sector and we would hope to work collaboratively with BCUHB to bridge the 'gap' through shared resources.

2.00	RESOURCE IMPLICATIONS
2.01	To create and implement innovative and sustainable solutions for the care sector, the resource of a short-term project manager is needed.
2.02	This role would be to work with key stakeholders to develop ideas, research existing initiatives and plan the implementation of solutions. This could potentially attract 'save to invest' funding.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The Residential Care Review has sought and received input and feedback from a variety of sources including staff, management and professionals from independent and in-house care homes, BCUHB, Care Forum Wales, CSSIW and Welsh Government.
3.02	A series of open meetings have been held with both residential and domiciliary providers from the independent sector to discuss the pressures highlighted in this report.
3.03	A continuation of this mature debate is required to create sustainable solutions for the sector.

4.00	RISK MANAGEMENT
4.01	The risks of inaction for the care sector in Wales and England is potential critical. By acting responsibly, Flintshire is seeking to gain BCUHB's appreciation that the implications of failures in the sector are jointly owned and that their involvement in the solution is critical.
4.02	Whilst our adoption of an early intervention approach to our care pathways, in line with the Social Services and Well-being (Wales) Act 2014, is envisaged to elevate some pressures, this alone goes only a short way to sustaining the sector.

5.00	APPENDICES
5.01	Flintshire Residential Care Review.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None. Contact Officer: Jane Davies – Senior Manager Safeguarding and Commissioning Telephone: 01352 702503 E-mail: jane.m.davies@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
	<u>FEIs</u> Further Education Institutions, colleges providing qualifications and courses to further education. These qualifications relate in the main to vocational qualifications below degree level.

QCF

The Qualification and Credit Framework previously known as NVQ (National Vocational Qualifications). The QCF was introduced in Wales in 2011 and replaced the well-known NVQ.

SCWDP Grant

Social Care Workforce Development Programme Grant, Welsh Government monies made available to local authorities to supplement the costs of training and qualifying the social care workforce in their area.