

Health Scrutiny Committee

14 April 2016

Current and future capacity in the residential and nursing care market in Suffolk

Summary

1. Recent publicity has highlighted the pressures that are increasingly being experienced by care providers. The National Care Association published a press release on the 9th December 2015 which highlighted concerns over a mounting crisis in the care of older and disabled people. It indicated that nationally there was a shortfall in funding, additional costs associated with the introduction of the living wage, and a predicted future growth in demand due to the aging population.
2. There are various factors that will affect the future demand for residential and nursing care in Suffolk, including forecast rises in the population of older people and the proportion of people with dementia, and the focus on supporting people to live independently at home (the Supporting Lives, Connecting Communities project). Suffolk County Council Adult and Community Services (ACS) no longer acts as a care home provider, but has a responsibility to work with providers to ensure that sufficient places are available now and in the future.
3. Care providers may experience operational problems for a variety of reasons including difficulties in balancing finances, quality concerns raised by CQC, or workforce issues resulting in an inability to recruit sufficient appropriately trained staff to provide safe care. A provider experiencing these problems may make a business decision to move out of an area of provision, or may fail so that it is no longer able to reliably and consistently provide care at the right level to the people for whom it is contracted to provide services.
4. Local Authorities have always had a responsibility to safeguard vulnerable people, but under the terms of the Care Act 2014, they now have a statutory responsibility to do so if a care provider suffers a business failure so that care can no longer continue and services cease. Providers may have a direct contract with the Council, or work for self-funding patients, or a mixture of both, and the Council's duties as defined in the Care Act apply equally to all registered providers.
5. This scrutiny will focus specifically on residential and nursing care provision, as a part of the wider care market.

Objective of the Scrutiny

6. The objective of this scrutiny is to provide the Committee with an opportunity to:
 - a. consider and comment upon the role of Suffolk County Council Adult and Community Services (ACS) in forecasting demand for residential and nursing care and working with providers to ensure that there is sufficient capacity in the market;
 - b. consider and comment upon ACS's procedures for supporting providers who are at risk;
 - c. consider and comment upon the provisions that ACS makes for residents in the event of provider failure and the support it provides for residents and their families.

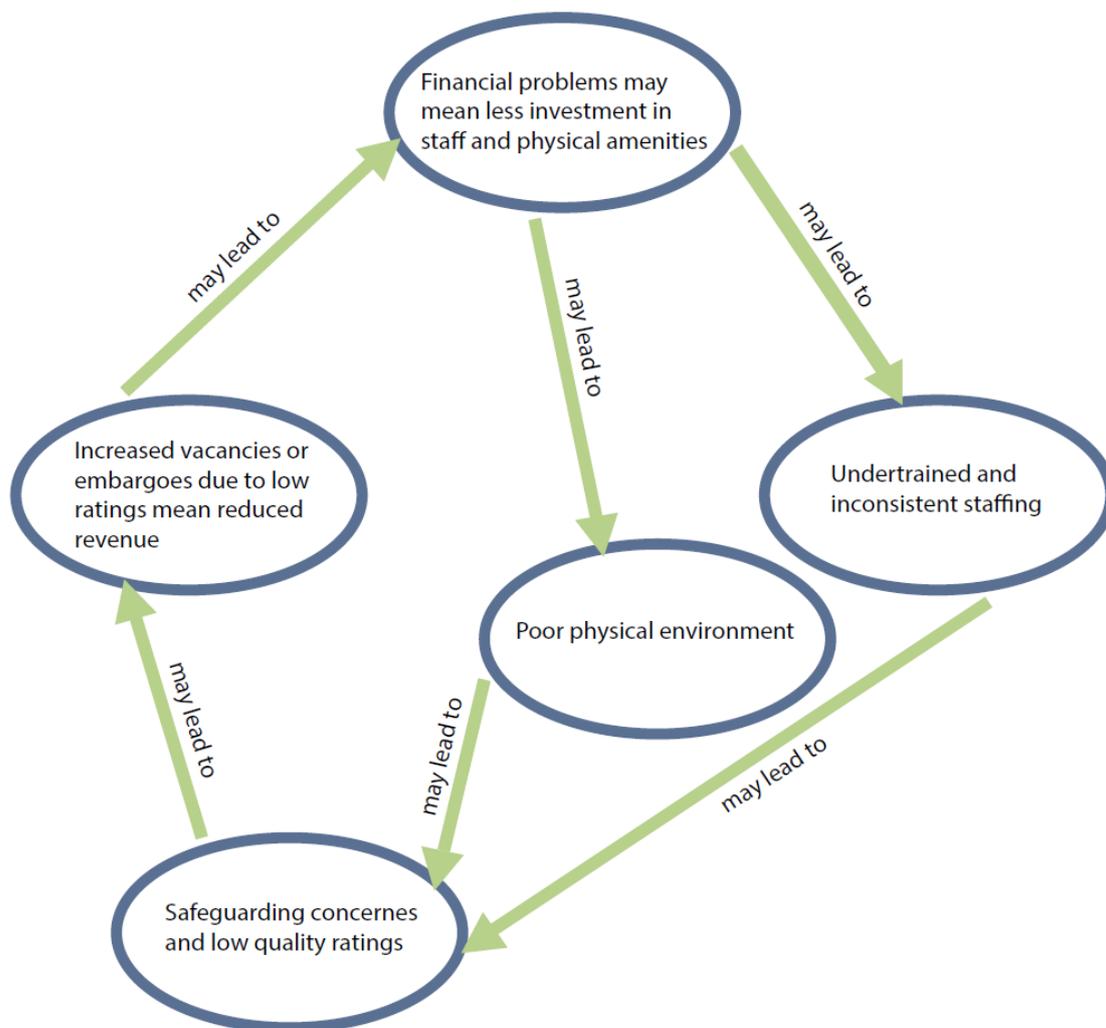
Scrutiny Focus

7. The scope of this scrutiny focuses on the residential and nursing care market and provides information to enable the Committee to come to a view on the following:
 - a. How many residential and nursing care beds are available in Suffolk now, how many will be needed over the next 10 years and what are these projections based on?
 - b. How is ACS working with CCGs to review provision from 2017, what is the timetable and will an action plan be published?
 - c. How will ACS work with providers to ensure that the future demand is met and managed?
 - d. What are the strengths, weaknesses, opportunities and threats to the residential and nursing care market in Suffolk?
 - e. How does ACS support residential and nursing homes at risk of closure?
 - f. How does ACS support residents and their families to develop plans for ensuring that continuity of care can be maintained in the event of a residential or nursing home closure?
 - g. How would ACS cope with the failure of a large provider?
8. Having considered the information, the Committee may wish to:
 - a. consider and comment upon the information provided;
 - b. respond to the public consultation on SCC Adult and Community Services "Provider Business Failure Procedures";
 - c. make recommendations to the Cabinet Member for Adult Care;
 - d. make recommendations to the Corporate Director for Children and Adults;
 - e. make recommendations to other members of Cabinet or the Corporate Management Team where appropriate;
 - f. make recommendations to NHS bodies;
 - g. seek to influence partner organisations.

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Background

9. The Care Act (2014) represented the most significant reform to the care and support system for a generation. The new duties for local authorities to facilitate and shape a diverse, sustainable and quality care market had implications for everyone involved: patients, carers, providers and commissioners. The Act made it clear that the local authority needed to move from being an influence on the care market solely through its own commissioning, to one where it worked with providers, to shape, facilitate and support the care market.
10. In response to this, the County Council's Adult and Community Services published its "Market Position Statement 2015-16" in order to provide market intelligence to enable commissioners and providers to plan their businesses with confidence and meet customer expectations. A copy of the document can be found at:
<https://www.suffolk.gov.uk/assets/suffolk.gov.uk/Care%20and%20Support/Adult/ACS%20Market%20Position%20Statement%20HR.pdf>.
11. The Market Position Statement sets out the Council's vision and commissioning intentions for the care and support of people living in Suffolk. It provides statistical data about the population of Suffolk, ACS funded customers and the social care workforce, and information on the likely future service and support requirements of people living in the County. The document includes the priorities of ACS in commissioning and providing services, and the ACS budget breakdown for 2015-16, with information about the funding split between different types of services. Current or predicted gaps in provision, or areas where the Council would like to see an increase in provision, are highlighted as market opportunities throughout, as are links to resources to support providers.
12. At its meetings on 20 January 2015 and 14 October 2015 the Committee considered the arrangements for improving patient discharge from Suffolk hospitals. Members heard that unavailability of care packages could sometimes cause a delay in discharging patients from hospital, and were informed of ACS' role in assessing patients and identifying suitable care packages to enable hospital discharge. The Committee heard that the Council has a role in shaping market provision by liaising with providers and signposting current and future gaps in the market, and agreed that it wished to scrutinise this strategy at a future meeting.
13. The Council also has a responsibility to monitor and support providers that are experiencing difficulties, and to support residents in the event of a provider closure. Care providers may experience difficulties due to failure to meet the CQC quality requirements, problems with staff retention and recruitment or financial problems. These issues are often related and problems in one area can lead to a downward spiral, as the following diagram shows. Providers experiencing these issues may close or make a business decision to move out of an area of provision. Under the terms of the Care Act, the local authority has a duty to ensure that in the case of provider business failure, continuity of care is maintained for people that use care and support services, regardless of who pays for their care.



(From Care and Continuity: Contingency Planning for provider failure)

14. There have recently been national concerns that funding of the care market is becoming unsustainable. In an open letter to the Chancellor on 3 December 2015, representatives of commissioners, providers and those in need of social care provision came together to express concerns that the funding settlement would not *“fill the current gap in funding, cover additional costs associated with the introduction of the national living wage, nor fully meet future growth in demand due to our aging population. There are also additional pressures that arise from the cost of regulation, cost of emerging policy, pensions and many others.”* Research by the Resolution Foundation predicts that nationally up to 60% of the total number of frontline care workers will benefit directly from wage increases associated with the national living wage, which will impact directly on the running costs of care homes.
15. The Committee has scrutinised issues relating to the quality of care homes in Suffolk and received updates at all its meetings between October 2014 and July 2015. At its meeting on 7 July 2015, the Committee agreed that it would continue to keep the quality of local residential and nursing care homes under review, through information bulletin updates.
16. This scrutiny will consider the role of ACS in forecasting demand for residential and nursing care and working with providers to ensure that there is sufficient capacity in the market. It will also consider the support that is available from ACS for providers that are experiencing difficulties and for residents and their families in the event of provider failure, and the implications for Suffolk in the event of a failure of a large provider.

17. The Provider Business Failure Procedure is currently subject to a public consultation, which closes on 30 April 2016. This scrutiny will provide Committee Members with an opportunity to engage with the consultation. A link to the Consultation documents is provided in the Supporting Information below and comments on the document can be emailed to ACS.WebPages@Suffolk.gov.uk with "Provider Business Failure Procedure" in the subject line of the email.

Main Body of Evidence

Evidence Set 1 has been provided by SCC Adult and Community Services in response to the key questions set out at paragraph 7 a) to g).

Evidence Sets 2 and 3 have been provided by the Care Quality Commission and set out an independent overview of the current position of the Suffolk residential and nursing care market.

Evidence Set 4 is a copy of the SCC Adult and Community Services "*Draft Business Failure Procedure*" which is currently the subject of public consultation.

Invitations to attend the meeting to provide evidence have been extended to the Cabinet Member and Officers from Suffolk County Council's Adult and Community Services; representatives of residential and nursing home providers and representatives from Clinical Commissioning Groups.

Glossary

ACS Adult and Community Services

ADASS Association of Directors of Adult Social Services

ASC Adult Social Care

CCGs Clinical Commissioning Groups

CHC Continuing Health Care

CQC Care Quality Commission

EA Environment Agency

GEM Going the extra mile

GYW Great Yarmouth and Waveney

HEE Health Education England

LEP Local Enterprise Partnership

MPS Market Position Statement

PVI Private, Voluntary and Independent

QIT Quality Improvement Team

QSG Quality Surveillance Group

SAICP Suffolk Association of Independent Care Providers

SLCC Supporting Lives, Connecting Communities

TUPE Transfer of Undertakings Protection of Employment

Supporting information

Market Position Statement 2015-16, Adult and Community Services, Suffolk County Council, May 2015:

<https://www.suffolk.gov.uk/assets/suffolk.gov.uk/Care%20and%20Support/Adult/ACS%20Market%20Position%20Statement%20HR.pdf>

National Care Association Press Release 9 December 2015:

<http://nationalcareassociation.org.uk/news-events/news/sector-calls-for-care-crisis-talks-with-treasury-and-other-whitehall-departments>

Care and Continuity: Contingency planning for provider failure A guide for local authorities, published by LGiU, ADASS and LGA, October 2015:

<http://www.lgiu.org.uk/wp-content/uploads/2015/10/Care-ContinuityFINAL.pdf>

Report of the NHS Workforce Planning in Norfolk Scrutiny Task & Finish Group July 2015:

http://www.cfps.org.uk/domains/cfps.org.uk/local/media/library/final_nhs_workforce_planning_in_norfolk_report_agreed_by_nhosc_16_jul_2015.pdf

Budgeting for the National Living Wage in the social care sector, Resolution Foundation,

July 2015, <http://www.resolutionfoundation.org/media/blog/budgeting-for-the-national-living-wage-in-the-social-care-sector/>

Public Consultation Documents on Provider Business Failure Procedure:

<https://www.suffolk.gov.uk/council-and-democracy/consultations-petitions-and-elections/consultations/provider-business-failure-policy/>