

**THIS ITEM IS FOR INFORMATION ONLY**

(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)

**Title of meeting:** Health, Wellbeing & Social Care Portfolio meeting

**Subject:** Risks and Challenges to Adult Social Care 2021/22 & 2022/23

**Date of meeting:** 13<sup>th</sup> January 2022

**Report by:** Andy Biddle, Director of Adult Social Care

**Wards affected:** All

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**1. Requested by**

Councillor Fazackarley, Cabinet Member for Health, Wellbeing & Social Care

**2. Purpose**

An update on the risks to adult social care provision in 2021 and 2022

**3. Information Requested**

Following a discussion at Employment Committee regarding the prospect of implementing the Foundation Living Wage, a paper was requested highlighting some of the risks to the continued delivery of adult social care. This was in the context of staffing shortages and other sectors of the economy recruiting staff following the end of the national furlough scheme, the Spending Review of October 2021 and the changes to the national living wage rates from April 2022.

**4. Context****4.1 National situation**

Financial - Nationally, Local Authority adult social care has had to make savings of £7.7bn between 2010 & 2020.

Need & Demand - From 2015/16 to 2019/20 the proportion of people aged 65 and over accessing long-term support during the year to 31st March fell by 7% from 587,490 to 548,455, impacting on the stated aim of preventative care and support<sup>1</sup>.

Collectively, Local Authorities are seeing need increasing, with an increasing proportion of people, (from 2014/15- 2019/20) who have difficulty / are unable to;

- feed themselves, 23.1% to 24.4%;
- dress/undress, 58.9% to 60%;
- use the toilet 40.5% to 42.3%.

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<sup>1</sup> ADASS Spring Survey, Association of Directors of Adult Social Services, July 2021

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Recruitment and retention - Pre Covid19 the sector had a high vacancy rate of 122,000 Full Time Equivalent (FTE) posts, with the highest turnover of any sector at 30.8%<sup>2</sup>. Post the first two waves of the pandemic, (during which there was a drop in vacant posts) the vacancy rate has increased to 8.2%, with indications that this is an upward trend.

Workforce capacity - a recent survey of 843 care providers showed 78% were struggling to recruit, 30% had 'handed back' contracts, 95% were unable to fulfil all the requests for new support. From November 2020 > April 2021 53% of local authorities reported that care providers in their area had closed, ceased trading or handed back local authority contracts, impacting upon 2,487 people in total<sup>3</sup>

Local Authority capacity - the number of people waiting for assessment, care or review increased by 26% over Q2 of 2021/22 and 13% of people are being offered care and support, such as residential care, that they would not have chosen due to recruitment and retention issues.

Unpaid care - Over-reliance upon unpaid carers is having detrimental impact on their wellbeing - It is estimated that 600 people give up work every day to care for an older or disabled family member, that 72% of carers have suffered mental ill health because of caring and 61% said they had suffered physical ill health as a result of caring<sup>4</sup>.

### **4.2 Local situation**

ASC in Portsmouth has required £10.7m increased funding by the Council between 2018/19 and 2020/21 for inflation and placement costs.

The increase in the number of people coming through the hospital discharge system and impact of the national Hospital Discharge Fund has increased the purchase of domiciliary care from the market. The change from Medically Fit For Discharge, (MFFD) to Medically Optimised For Discharge, (MOFD) and the application of [criteria to reside](#), means that people have a greater acuity of need coming out of Hospital and more domiciliary care is therefore purchased to enable safe transition home. The cumulative effect of these factors has required an additional 2,100 hours per week being commissioned at a cost of circa £2million per year in Portsmouth.

From mid-summer 2021 there has been a reduction in the availability of domiciliary care in Portsmouth. The domiciliary care availability in Portsmouth has been stable since 2017/18, with the usual expectation of fulfilling the need for a support package on the same day. As

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<sup>3</sup> ADASS Home Care and Workforce Snap Survey, Association of Directors of Adult Social Services, September 2021

<sup>4</sup> Facts & figures, Carers UK, 2019

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at November 2021 the average was between 5 and 9 days to source a package of support. There is also an established higher rate of people needing support going forward, as of August 2021, 17% more people in receipt of domiciliary care than August 2019 and 4% more than August 2020.

ASC has regular contact with care providers and their messages include:

- Care is paid at National Living Wage, (NLW) providers are now seeing local supermarkets offering £9.50 per hour for 17–18-year-olds, (NMW £6.56) and £10.50 - £11.00 for over 23-year-olds, (NLW £8.91) combined with a 10% (and upwards) employee discount. Some local employers offer all staff £12.50 per hour and after 6 months a £3,000 bonus.
- Providers are informing that some of their workers are seeking NHS careers, linked to better pay/T&C/career development.

### **5. Risks 2021/22**

- ASC has been unable to recruit domiciliary care locally, or from outside the area which will impact on care and support in the community and discharge from hospital.
- 'Handing Back' of existing domiciliary care packages - prior to November 2021, this had not occurred in Portsmouth. During November there were 3 incidences of providers unable to provide packages of support and alternative provision had to be sourced. One of these was caused by staff moving from one provider to another for a higher rate.
- Instability in the market - ASC has offered the sector a short term changed rate in light of the government recruitment and retention fund, however this has not resulted in increased capacity.
- The current pressures on the NHS have created discussion around NHS recruitment with better terms and conditions that social care, however if this causes staff to move this will further destabilise existing provision.
- Where domiciliary care is not available for hospital discharge, the alternative is a placement in a care home. For reference, the average costs for older persons Domiciliary Care and Residential Care placements as at December 2021 were £235 and £677 respectively. It should be noted that some of the Domiciliary Care placements following discharge from Hospital have been more expensive than the average placement cost and in limited cases have amounted to c.£800 per week due to complexity of need.

### **6. Spending Review October 2021**

- National Living Wage rise of 6.6% (from £8.91 to £9.50), combined with the new Health & Social Care Levy (1.25%) from April 2022, is likely to place a minimum £3m additional cost pressure on the Council.
- If Adult Social Care was to increase its provider rates to support them to pay the hourly Foundation Living Wage rate of £9.90 from April 2022, further funding of c.£1.6m would be required.

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- The government's [Build Back Better Plan](#) for health & social care stated that social care demographic and unit cost pressures will be met through Council Tax, social care precept, and long-term efficiencies. The spending review 2021 limited the social care precept to 1%, this is circa £870k for Portsmouth.
- The government plan has described an intention that those paying for their own care will be able to access the rates that Councils pay social care providers. It is often the case that providers charge higher rates to people who 'self-fund' and this is therefore likely to see a higher cost to the Local Authority for care to make up for this loss.
- The Social Care Reform Funding described in the government plan is £5.6bn over three years, with only £3.6bn to be passported to Local Authorities. It is unknown whether the central funding allocations will align with the local cost pressures arising from these changes for Local Authorities.
- Whilst the Health & Care Levy cost for Council employees is expected to be reimbursed by Central Government, the cost for providers will not, with the likelihood that providers will seek to recoup the 1.25% increase for both workers and organisations from the Local Authority.

Whilst the NHS faces a difficult winter in 2021/22, the issues highlighted in this information paper outline a similarly challenging position for adult social care. The Local Government Association, Association of Directors of Adult Social Services, NHS Confederation, County Council's Network, Institute for Fiscal Studies, Local Government Information Unit and the Kings Fund have concluded that the Build Back Better plan and the 2021 Spending Review are insufficient to mitigate the systemic pressures in adult social care and enable the sector to meet the needs of people with care and support needs.

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Signed by (Director)

### **Appendices:**

#### **Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>