

Operational Executive Decision-Making Form

Operational Decision Record

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| Publication Date 12/05/2022 | Decision Reference Number 4624 |
| Decision Title | |
| Market Sustainability and Fair Cost of Care Review 2022-23 | |
| Decision Value | |
| £70,000 | |
| Revenue or Capital Spend? | |
| Revenue | |
| Department | |
| People Directorate | |
| Contact Officer (Name, job title, and contact details) | |
| Karla Banfield, Commissioning and Market Services Manager | |
| Decision Taken | |
| <p>1) To approve the award of a contract to Care Analytics to undertake a cost of care exercise and develop a market sustainability plan for adult social care in Nottingham City in accordance with the requirements of the Department of Health and Social Care (DHSC) under the new Market Sustainability and Fair Cost of Care Fund in 2022-23</p> <p>2) To delegate authority to the Director of Commissioning and Procurement to award and sign the contract</p> <p>3) To approve the expenditure of up to £70,000 on the fair cost of care exercise using funding allocated to the Council by the DHSC from the Market Sustainability and Fair Cost of Care Fund</p> | |
| Reasons for Decision and Background Information | |
| <p>In December 2021 the DHSC published initial guidance on a new fund, the Market Sustainability and Fair Cost of Care Fund, available to local authorities to support them to begin preparing local care markets for reform and moving towards paying a fair rate for adult social care. Further detailed guidance was published on 24th March 2022. This fund aims to support a sustainable social care market in the context of the government's commitment to wide ranging reform of the adult social care system to protect citizens from unpredictable costs, offer more choice and control, ensure quality and that care is accessible to those that need it. The government white paper 'People at the Heart of Care', published in December 2021, outlines a 10 year vision for reform that puts personalised care and support</p> | |

at the heart of adult social care. A total of £1.4bn is to be made available nationally through this fund over the next 3 years, and in 2022-23 Nottingham City Council has received an allocation of £1.043m. To prepare markets using this funding in 2022-23, DHSC expects local authorities to carry out activities such as: conducting a cost of care exercise, engaging with local providers to improve data on operational costs and self funders, strengthen capacity for greater market oversight, and increasing fee rates as appropriate to local circumstances. The conditions of this grant funding require specified activities to be undertaken using this funding in 2023 and for specified outcomes to be delivered. These must be reported in returns to be submitted to DHSC, and the availability of further funding in 2023-24 and 2024-25 is dependent on these requirements being met. The DHSC conditions require submission of the following by 14 October 2022:

- 1) a report from a cost of care exercise for 65+ care homes and 18+ domiciliary care, accurately reflecting local costs
- 2) a provisional market sustainability plan based on the cost of care exercise
- 3) a spend return detailing how the funding for 2022-23 has been spent in line with the stated purpose

The regional Directors of Adult Social Care (East Midlands ADASS) have been working together to use this opportunity to obtain a coherent regional market picture. It has been identified that a regional approach will bring efficiencies by minimising the burden on providers that serve more than one authority, incentivising a better response rate and making the end produce more robust. Care Analytics were procured to undertake a cost of care exercise for 4 of the 10 LAs in the region, and as a result have knowledge of the region and a substantial proportion of the providers.

It is proposed to award a contract to Care Analytics to undertake the required cost of care exercise for Nottingham City and provide a report and market sustainability plan in accordance with the DHSC conditions. Using Care Analytics will secure the benefits arising from the regional work, providing efficiencies, alignment in the cost model for social care and access to regional benchmarking data.

Other Options Considered and why these were rejected

To do nothing: this option was rejected as the Market Sustainability and Fair Cost of Care is available to support work to review and develop the sustainability of local care markets and to prepare markets for the impact of the future reform of Adult Social care planned by the Government. This work is essential to support the care market in the City to prepare for these reforms and to enable the Council to move towards paying a fair and sustainable price for social care.

To use national tools released by the Local Government Association/CHIP: this was rejected as it would involve substantial NCC resource input which is currently not available, and to seek to recruit to new interim posts would risk this work not being completed in time to report to DHSC by the October deadline. The capacity and expertise of an external agency is needed to meet the requirements of the DHSC in the tight timescales set.

To procure an agency to undertake a cost of care exercise for Nottingham City alone. This option was rejected as it would not provide the benefits and efficiencies of a regional approach; the City would not have access to regional benchmarking data, resulting in a less robust exercise and outcome for the City.

Reasons why this decision is classified as operational

The decision is within agreed budgets and policies.

The proposed expenditure is within existing adult social care budgets, and the proposals are within existing policies and do not commit the Council to any new activities. The findings of the fair cost of care review will inform future decisions about the approach to funding for adult social care services

Additional Information

- Legal and procurement advice has been obtained and is attached at exempt Appendix 1. Exemption from the Contract Procedure Rules to make the proposed contract award has been sought in accordance with Article 18.79 of the Council's Constitution
- Advice has been obtained from finance colleagues. Finance advice states 'The expenditure is to be funded from the Market Sustainability and Fair Cost of Care fund allocation for NCC. This type of expenditure is in line with the objectives and overall plan of Market Sustainability and will help move towards a fair cost of care. Further work will be required to identify the appropriate way to utilise the remaining aspect of the fund with further approval sought'
- Councillor Williams, Portfolio Holder for Adult Care and Local Transport has been consulted and supports the recommendations
- An EIA is not required because this decision does not include proposals for a change to a service, policy or function. The cost of care exercise will inform the consideration of the future approach to market sustainability and funding for adult social care, and any impacts and risks will be considered at the time of any future decisions.

Decision Maker (Name and Job Title)

Catherine Underwood
Corporate Director for People
3/5/2022

**Scheme of Delegation Reference Number**

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Date Decision Taken