

Report of: Director of Adult Social Care

Meeting of: Audit Committee

Date: 30<sup>th</sup> January 2023

Ward(s): All

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## Subject: Risk Deep-Dive: Health and Social Care Integration and Social Care Market Instability

### 1. Synopsis

- 1.1. In accordance with its Terms of Reference, the Audit Committee (the Committee) is required to consider the Council's arrangements for corporate governance and risk management.
- 1.2. The Committee agreed at its meeting in June 2022 to conduct regular deep-dives on individual Principal Risks. The purpose of the deep-dive is for the Committee to obtain a deeper understanding of the chosen risk area, develop insight into risk controls and the action plan, and to get the opportunity to discuss the risk directly with the risk lead.

### 2. Recommendation

- 2.1. To note the risk management strategy for these two Principal Risks.

### 3. Background

- 3.1 Health and Social Care Integration is a key priority for Islington and a national government priority. The publication of the Health and Care Act 2022, and its previous white paper set out significant change to the configuration of the health system and the local authorities role in that system, which poses a potential risk to the local authority.
- 3.2 At the heart of the changes brought about by the Act is the formalisation of integrated care systems (ICSs), replacing Clinical Commissioning Groups (CCG) at a Borough level and moving to a North Central London footprint covering Islington, Camden, Barnet, Enfield

and Haringey. ICSs are partnerships that bring providers and commissioners of NHS services across a geographical area together with local authorities and other local partners to collectively plan health and care services to meet the needs of their local population.

- 3.3 Each ICS is made up of two parts: an integrated care board (ICB) and an integrated care partnership (ICP). ICBs will be tasked with the commissioning and oversight of most NHS services and will be accountable to NHS England for NHS spending and performance. ICPs will bring together a wider range of partners, not just the NHS, to develop a plan to address the broader health, public health, and social care needs of the population. ICSs have the potential to reach beyond the NHS to work alongside local authorities and other partners to address the wider determinants of health.
- 3.4 As outlined the intentions are well founded in that they are partnerships that bring together NHS organisations, local authorities and others to take collective responsibility for planning services, improving health and reducing inequalities across geographical areas. There are 42 of them in England. They stem from a recognition that the traditional barriers between GPs, hospitals, and community services, between physical and mental health, and between health and social care need to be broken down to provide care that is much better integrated. So that people with multiple health conditions, not just single diseases, are better supported. Integral to the concept is that a much stronger emphasis needs to be placed on prevention, on population health and on tackling socio-economic inequalities and the health consequences that flow from them – things that neither local authorities, nor the NHS can achieve on their own, even when working with the voluntary, community and social enterprise (VCSE) sector.
- 3.5 In terms of the move to ICS there is a risk that this broader footprint for health authorities may lend itself to a system harmonisation, which could potentially result in expansion of services to some boroughs or conversely reduction of services which are not provided in all boroughs. To counter this within each ICS there are also ‘place based’ partnerships which in NCL are based on borough boundaries. In Islington we have a strong reputation for successful health and care integration. However, the broad risk is related to the change and implementation which will see new partnerships and arrangements put in place over a wider North Central London (NCL) footprint. Specifically, the risks associated with this include:
  - Islington ‘Place Based’ priorities for residents regarding health and care do not get subsumed and delayed within ICB system developments and are proactively managed and progressed.
  - Islington Place Based arrangements are able to leverage ICB system support and local delegation to enable maximum impact for residents.
  - Current & future NHS investment continues to deliver the best outcomes for residents.
- 3.6 Intersected with this is Social Care Market Instability. Local Authorities have a statutory responsibility to provide a viable and sustainable social care market to meet the needs of the local population who meet Care Act eligibility. This includes a range of services including residential care, home care, support with connecting to the local community and employment support, for people with a range of needs and disabilities such as learning disability, mental health and physical health conditions.

3.7 The main risks associated with social care market instability are:

- Financial - Many years of austerity creating challenging environment for the council and ability to award contracts of sufficient value to sustain the market, compounded by recent inflation.
- Changes to the Integrated Care System as set out above and the interdependence in Islington with our joint commissioning arrangements which could impact on health funding available to Islington
- Workforce - inflation running at a high level and cost of living crisis affecting adult social care workforce, which is paid less favourably than comparative sectors.

3.8 These risks are being mitigated by several factors some related to ensuring a successful relationship with the ICB and development of the Integrated Care Partnership, and others specifically on ensuring sufficient viability of the care market.

3.9 There is very senior management presence at the Integrated Care Partnership at North Central London level to ensure that the voice of Islington is heard and respected. In addition, the Director of Adults Social Care co-chairs the local Place Based Partnership Board (Integrated Care Board) to steer the direction and influence the development of health and care integration on the Islington footprint. This is going very well with four key strategic workstreams driving collaboration and integration at place.

3.10 In addition, the S75 Commissioning Partnership and Better Care Fund remains in place which oversees a pooling of approximately £80m across the council and health for the delivery of integrated services, and commissioned support from the adult social care market. There has been no reduction in funds, and slightly increases in some areas. We continue to monitor and influence this position as there continues to be pressure from health to find efficiencies due to financial pressures in the system.

3.11 There remains no delegation of new funds or decision making to a Place level and as such we continue to exert influence on the ICP to introduce this, a road map to achieving this is in its infancy but there does appear to be commitment from the Chief Executive of the ICB.

3.12 The local social care market has therefore not as yet been negatively impacted by any changes to the integration agenda and we continue to stress the importance of jointly funding social care to improve resident well-being and reduce demand on NHS services.

3.13 In addition, the council takes the following steps to mitigate market failure and improve stability as follows:

- Robust Annual Uplifts Process to review payment terms, and requests for uplifts across the sector. This is working well with no providers having gone into failure. Benchmarking across London took place from home care and residential care, the two biggest spend areas, and Islington was found to be paying a fair rate in line with NCL boroughs and below other some other boroughs. These combined elements suggest Islington is getting the balance right with regard to rates of services.
- Since COVID we know that there has been attrition of workforce across the social care sector, brought on by a range of factors such as level of risk for staff with health conditions, compulsorily vaccinations (since repealed), the pressure of working with highly complex needs etc. In Islington we are fortunate not to be significantly impacted by this national trend, though the workforce is still fragile and needs

support. We believe that our joined up approach with health has supported this, providing detailed support regarding COVID infection control lead by clinicians, close partnership working and public health support, as well as Islington's commitment to paying fair rates of pay and improving workforce terms and conditions.

- The dramatic increase in inflation in 2022 posed a significant risk for adult social care market as the council had planned for a lower level of inflation. Recent new funding streams from central government have allowed the council to make pay awards closer to the level of inflation and provided mitigation against this.
- Islington chose to use some of its winter discharge grant funding to provide retention payments to home care workers to support them with the costs of living crisis and to thank them for their continued contribution to social care given the challenge of delivering care and the poorer rate of pay compared with NHS staff.

3.14 The Market can also fail due to quality concerns and poor delivery as such in Islington there is a significant programme of work to ensure adequate support, collaboration and monitoring of services to support their development and provide assurance that care is delivered safely. Broadly these comprise of:

- In person visits, provider forums and regular bulletins to enhance knowledge in the sector, and to provide opportunities for providers to raise concerns and issues including any staffing or financial difficulties.
- Contract monitoring and auditing of providers to assess care delivery and safety.
- An audit tool that prioritises providers where we have concerns to support and challenge issues early as well as mitigate potential risks.
- Multi-professional attendance at Provider Quality and Oversight Board to triangulate data about providers to spot risks early, provide support and put in place actions where quality may be compromised, including removing contracts from the provider where necessary.

3.15 The next 12 months is likely to continue with the same level of risk exposure as now, as the development of Integration continues to shape, and the market continues to struggle with rising levels of inflation and staffing challenges a situation that is not unique to Islington.

3.16 Islington senior leaders will continue to strive for greater delegation of decisions at a place level to mitigate the risk of health funds being diverted to other areas of NCL, we have the support of other LA Directors of Adult Social Care in this which is very much welcomed.

3.17 The funding settlement for Islington from government in tandem with the increase on the social care precept provides some cover for rising costs of delivering services, however this is compromised with rising demand and complexity of need of our residents. As such a prudent approach is needed to manage costs across social care and provide sufficient compensation to ensure that market failure is averted.

## 4. Implications

### 4.1. Financial Implications

- 4.1.1. There are no financial implications arising from this report. The programme of work has been met from within the existing risk management budget. The financial implications of individual risks will be met by local budgets.

### 4.2. Legal Implications

- 4.2.1. There are no legal implications arising from this report. Legal advice and support will be provided, where necessary, in relation to individual risks as risks are identified. Under the Health and Care Act (2022) 42 ICSs become legal entities on 1 July 2022, with the creation of two related entities for each ICS – **an integrated care board (ICB)** and **integrated care partnership (ICP)**. These two bodies will lead an ICS and have responsibilities within the ICS, as follows:

**Integrated Care Board (ICB):** a statutory NHS organisation responsible for developing a plan for meeting the health needs of the population, managing the NHS budget and arranging for the provision of health services in the ICS area. ICBs will take over the commissioning responsibilities of clinical commissioning groups (CCGs) and these will be abolished. CCG staff are expected to transfer to the ICB.

**Integrated Care Partnership (ICP):** this organisation will be responsible for bringing together a wider set of organisations to promote partnership arrangements and develop a plan to address the broader health, public health and social care needs of the population. Membership of the Partnership Board will include representatives from the ICB, and others to be determined locally, such as local government, NHS organisations, social care providers, housing providers, independent sector providers, and local Healthwatch organisations. They will be responsible for developing an integrated care strategy, which sets out how the wider health needs of the local population will be met.

### 4.3. Environmental implications and contribution to achieving a net zero carbon Islington by 2030

- 4.3.1. There are no environmental implications arising from the recommendations in this report.

### 4.4. Equalities Impact Assessment

- 4.4.1. The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of

disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

- 4.4.2. An Equalities Impact Assessment is not required in relation to this report, because the recommendation being sought does not have direct impacts on residents.

## 5. Conclusion and reasons for recommendations

- 5.1. The Committee is asked to note the risk management strategy for this Principal Risk.

### Appendices:

- Appendix 1 – Risk on a Page: Health and Social Care Integration
- Appendix 1 – Risk on a Page: Social Care Market Instability

### Final report clearance:

Signed by:

**Director of Adult Social Care**

Date: 4<sup>th</sup> January 2023

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## Appendix 1: 'Risk on a page' – Health and Social Care Integration (Extract from Principal Report June 2022)

Risk Information Risk Title – Health and Social Care Integration	Risk Scores	Existing Controls			
<p><b>Risk</b> - Insufficient capacity, resource and integration within the local health and care system to meet resident's needs.</p> <p><b>Cause</b> - National and local funding constraints Differing priorities of key partners, including the move to an Integrated Care System and new governance arrangements for the NHS and role of the Local Authority</p> <p><b>Consequence</b> - Poor health and care outcomes for residents</p> <p><b>Risk Update</b> - The Health &amp; Social Care Integration White Paper was updated and published on 9 February 2022. It provides a promising base on which to build a more collaborative culture. Subject to on-going discussions, it will be important to acknowledge that local government place is where real changes happen, and appropriate funding is maintained to ensure delegated functions at place level can effectively be delivered.</p>	<p><b>Current Score:</b> L:3 I:4</p> <p><b>Target Score:</b> L:2 I:2</p> <p><b>Gap to target:</b> L:1 I:2</p>	<ol style="list-style-type: none"> <li>1. Health &amp; Wellbeing Board, via the Leader of the Council is required to sign off our annual BCF plans with the NHS</li> <li>2. Quarterly Section 75 meetings at Service Director level provide joint governance oversight of our pooled budgets</li> <li>3. Annual Section 75 reports to the Health &amp; Wellbeing Board provide strategic governance over our pooled budgets</li> <li>4. The Fairer Together Partnership, and its sub-boards will provide a clear and more effective governance framework for integration locally including more shared and local decision making around our local resource. The Fairer Together Borough Board, and its sub-boards is proving to be an effective forum for establishing vision, working principles and a plan of action across the Islington footprint.</li> </ol>			
Action	Expected impact	Resources required	Owner	Due Date	Status
<p>In response to the White Paper, effective Islington place level joint arrangements in place reporting into the Fairer Together Board and H&amp;WB to strengthen Health &amp; Social Care cross system working and on-going integration.</p>	<p>Reduce overall risk score</p>	<p>Capacity to effectively coordinate agreed ICS arrangements</p>	<p>J. Everson</p>	<p>Sept 2022</p>	<p>In progress</p>

## Appendix 2 'Risk on a page' – Social Care Market Instability (Extract from Principal Report June 2022)

Risk Information	Risk Scores	Existing Controls			
Risk Title – Social Care Market Instability					
<p><b>Risk</b> – Significant provider failure/ withdrawal of providers</p> <p><b>Cause</b> – Financial strains causing providers to withdraw from the market</p> <p><b>Consequence</b> – Safeguarding risks to individuals, Financial.</p> <p><b>Risk Update</b> –</p> <p>During surges of the COVID-19 pandemic, regular weekly reporting to both ASC Silver and LBI GOLD meetings have taken place to update on the position with regards in particular to the care home and domiciliary care providers.</p> <p>Regular Communication arrangements have been in place to keep in touch with providers and identify any potential issues that may arise.</p> <p>Contract monitoring has been taking place despite access issues, virtual visits have enabled visual contact and review where appropriate to be maintained. Face to face visits have recommenced.</p> <p>Increase cost of energy, LLW and inflation may increase provider instability and costs to the Council.</p>	<p><b>Current Score:</b></p> <p>L:3</p> <p>I:4</p> <p><b>Target Score:</b></p> <p>L:2</p> <p>I:3</p> <p><b>Gap to target:</b></p> <p>L:1</p> <p>I:1</p>	<ol style="list-style-type: none"> <li>1. We are working with the provider market to ensure as wide a range of providers as possible to reduce the risk of adverse impact if providers withdraw from the market, this has seen a significant increase in spot providers, particularly in the domiciliary care market. Providers have been supported financially through recruitment and retention grants which has supported their sustainability and ability to flex to meet additional responses that COVID has required.</li> <li>2. We have worked across NCL to secure additional care home capacity at times of increasing pressure (winter and surges).</li> <li>3. We have regular provider forums and have increased opportunity to have 1:1 discussions with providers during the Covid-19 pandemic so concerns and risks can be addressed quickly.</li> <li>4. Impact of increases in energy costs, LLW and inflation will be partially offset by Fair Cost of Care Grant</li> <li>5. We have contingency plans in place to manage either provider failure or provider withdrawal from the market.</li> <li>6. We are currently reviewing our existing model of homecare with a view to developing a new, more sustainable local offer that could improve quality for both recipients of care and paid carers.</li> <li>7. There are a number of workforce initiatives underway across Islington and North Central London to promote social care careers and workforce development.</li> </ol>			
Action	Expected impact	Resources required	Owner	Due Date	Status

Monitoring of the local and national provider market	Reduce Likelihood	Staff	J. Everson	Ongoing	In progress
Collaboration across North Central London with local authority and NHS colleagues to support the social care market and workforce.	Reduce Impact	Staff	J. Everson	Ongoing	In progress