



**Appendix 2
Coventry City Council**

Adult Social Care

Market and Provider Failure Approach

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|-----------------|------------------------------------|
| Version | 4.0 |
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Version Control Sheet

This sheet should provide a history of previous versions of the policy and changes made

| Version | Date | Author | Comments/changes |
|---------|----------|----------------|--|
| 2.0 | 25/05/21 | Jon Reading | Revised commissioning intentions/dates. Removal of references to CRCCG and replaced with CWCCG |
| 3.0 | 26/10/21 | Neil Byrne | Updated risk-based tool. |
| 3.0 | 27/10/21 | Chloe Phillips | Updated Coronavirus information. |
| 4.0 | 16/06/22 | Neil Byrne | Updated emergency provider failure approach. |
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1. Introduction

This document sets out the approach taken by Coventry City Council (the Council) to prevent, mitigate and respond to market and provider failure across the local social care market in Coventry.

The approach aims to ensure compliance with duties under the Care Act (2014) along with setting out definitions of provider and market failure and how the Council will work with all stakeholders, providers, and system partners, to manage the risk of failure and impact on adults receiving care and support should service be disrupted.

2. Scope

This document outlines the approach that the Council will take in respect of market/provider failures of social care provision. This includes services that may also cater for people supported solely through the NHS through, for example, using Continuing Health Care funding.

Services covered include provision regulated by the Care Quality Commission e.g., nursing, and residential homes, housing with care and home support agencies and non-regulated services such as day opportunities and community meals suppliers.

The approach is not intended to cover provision which is commissioned solely by the NHS such as hospitals and community health services.

3. Definition of Failure

Provider failure may occur for several reasons, including but not limited to:

- Business failure as defined in the Care Act (2014) as a financial failure of the care provider's business where regulated activity can no longer continue. Business failure is the type of provider failure that is specifically addressed by the Care Act (2014).
- Decisions by the provider (or any Corporate Insolvency Practitioner that has been appointed) to change the registered care status or exit the market and therefore alter or cease trading.
- Decisions taken by the Care Quality Commission (CQC) within scope of their enforcement powers (Health and Social Care Act 2008 and (Regulated Activities) Regulations 2014) to remove a care registration or require immediate closure to protect people who use regulated services from harm and the risk of harm.
- An emergency such as serious infection outbreak, flooding, significant lack of staffing, fire or loss of power which may be failure of a temporary nature and such that recovery is possible in order to return to business as usual.

This approach seeks to manage any provider and market failure across all types of regulated and non-regulated social care provision.

Coronavirus and other outbreaks

The approach to coronavirus will be managed across Commissioning, Public Health England and CWCCG (Coventry and Warwickshire Clinical Commissioning Group) or its successor body.

Public Health will lead on outbreak management, including notification to the Commissioning team of a positive result / outbreak once aware, and complete initial contact with the provider to undertake contact tracing and verify infection control measures. Where required, for example where there a widespread outbreak across the service, an Incident Management Meeting (IMT) will be arranged to determine next steps in outbreak management. Public Health will also organise additional testing for the service via local arrangements and make a recommendation for an infection control audit by the CWCCG Infection Control Nurse, if required. Public Health and CWCCG will include Commissioning into any updates in respect of positive tests, outbreaks, or infection control concerns. Data on positive cases / outbreaks will also be recorded by the Insight Team.

Upon notification of an outbreak, Commissioning will immediately contact the provider to understand the extent of the outbreak, potential risks to service delivery and ensure the provider is adequately stocked with Personal Protective Equipment (PPE). A communication will then be made to adult social care teams to issue a temporary placement stop, ensuring no new admissions through the duration of the outbreak and advise of restrictions to visiting professionals.

Commissioning will remain in regular contact with the provider throughout and provide support to the home and Public Health as necessary, including attendance at an Incident Management Team (IMT).

The provider will have ongoing responsibility to ensure rigorous PPE and Infection, Prevention and Control (IPC) standards are in place and undertake ongoing Lateral Flow Tests (LFT) and Polymerase Chain Reaction (PCR) testing as recommended by Public Health. The provider will update Public Health and Commissioning of any further cases or concerns.

Where there is concern that the provider will not have adequate staffing levels due to the outbreak, Commissioning will support the provider in activating their business continuity plan and sourcing external agency support if required. As a final contingency measure, Coventry City Council staff may be identified to support in the event the staffing levels remain unsafe, this will be a temporary measure and last resort only. It is the responsibility of the provider to ensure adequate and safe staffing levels and a robust contingency plan, of which will be monitored through the standard quality assurance process.

A similar process will be followed for other types of outbreaks to manage the situation.

4. Legislative Duties

Market Shaping

Section 5 of the Care Act (2014) established a statutory duty for local authorities to facilitate a diverse, sustainable and high-quality market for their whole local population, including those who pay for their own care, and to promote efficient and effective operation of the adult care market.

Care Act 2014 Statutory Guidance states:

Market shaping means the local authority collaborating closely with other relevant partners, including people with care and support needs, carers and families, to encourage and facilitate the whole market in its area for care, support and related services. This includes services arranged and paid for by the state through the authority itself, those services paid by the state through direct payments, and those services arranged and paid for by individuals from whatever sources (sometimes called 'self-funders'), and services paid for by a combination of these sources. Market shaping activity should stimulate a diverse range of appropriate high-quality services (both in terms of the types of services and the types of provider organisation) and ensure the market remains vibrant and sustainable.

The core activities of market shaping are to engage with stakeholders to develop understanding of supply and demand and articulate likely trends that reflect people's evolving needs and aspirations, and based on evidence, to signal to the market the types of services needed now and in the future to meet them, encourage innovation, investment and continuous improvement. It also includes working to ensure that those who purchase their own services are empowered to be effective consumers, for example by helping people who want to take direct payments make informed decisions about employing personal assistants. A local authority's own commissioning practices are likely to have a significant influence on the market to achieve the desired outcomes, but other interventions may be needed, for example, incentivising innovation by user-led or third sector providers, possibly through grant funding.

Market Oversight

The Care Act (2014) places a general duty on local authorities to oversee the care market; ensuring that services are sustainable and can continue to meet the care and support needs of adults and their carers when a registered care provider becomes unable to carry on a regulated activity, establishment or agency as a result of business failure.

Care Act 2014 Statutory Guidance states:

The Care Act places new duties on local authorities to facilitate and shape their market for adult care and support as a whole, so that it meets the needs of all people in their area who need care and support, whether arranged or funded by the state, by the individual

themselves, or in other ways. The ambition is for local authorities to influence and drive the pace of change for their whole market, leading to a sustainable and diverse range of care and support providers, continuously improving quality and choice, and delivering better, innovative and cost-effective outcomes that promote the wellbeing of people who need care and support.

Importantly, local authorities need to have a good knowledge of their social care market in order to:

- Shape the quality, diversity and sufficiency of care
- Understand which providers may be experiencing challenges and are at risk of business failure
- Know which providers would be able to take the place of exiting providers in meeting local needs if any care providers fail.
- Be prepared to deal with the consequences of providers failing, exiting the market or being temporarily unable to provide services because of natural disasters or other emergencies.

The Care Act (2014) also introduced a market oversight scheme, started in April 2015, requiring the Care Quality Commission (CQC) to protect people using care services, their families and carers from the anxiety and distress that may be caused by the failure of a major care provider. This is done by monitoring the performance and finances of large-scale social care providers and providing local authorities with an early warning of where a provider is at risk of failure that is likely to result in a registered care service ending.

The scheme is intended to identify potential failure so that timely action can be taken to prevent large-scale failure. The duty on CQC to mitigate the risk of provider failure is present throughout sections 48-55 of the Care Act and is focussed on supporting providers through sustainability plans and business reviews as opposed to stepping in to prevent failure. In addition, the Act allows CQC to request financial information from providers whilst ensuring that information sharing across all stakeholders is in place.

Temporary Duty

Section 48 of the Care Act 2014 places a temporary duty on local authorities in the event that a regulated care provider becomes unable to provide a service or regulated activity to an individual due to a financial business failure. This duty applies regardless of whether an individual's care is funded by the local authority or not and whether another local authority originally made the arrangements to provide care services.

It is important to recognise that there may be instances where the local authority can charge individuals or other local authorities for arranging 'emergency care' under this duty.

This temporary duty is engaged when all the following criteria are met:

- The provider is a registered care provider

- The provider is unable to carry out the activity
- The activity is a regulated activity.

5. Role and Responsibilities

The Council will have responsibility for managing the instances of provider and market failure along with ensuring continuity of care for all part-funded and fully adult social care funded placements commissioned by the Council.

The responsible agency for fully health funded individuals receiving care from providers at risk of failure is with CWCCG. This also includes responsibility for coordinating arrangements on behalf of individuals whose care is fully funded and commissioned by other health bodies, i.e. “Out of Area” CCGs. In any such circumstances the Council will work jointly to find alternative provision, ensure that any move is well managed, and enable risks and costs to be shared accordingly.

It is important to recognise that all individuals receiving a social care service (funded or not, fully or in part, by the Council) will have broader health needs that are supported by GP involvement. Therefore, all health needs should be a consideration regardless of whether health / Continuing Health Care (CHC) funding is in place.

In addition, the Council will have responsibility for co-ordinating care continuity and ensuring the immediate welfare of all self-funders and other individuals funded or commissioned by local authorities ‘Out of Area’; ensuring that any move to alternative provision is well managed. However, funding responsibility and the detailed longer-term care planning responsibility for affected individuals will remain with the placing authorities.

6. Priorities and Principles

The priorities and principles are mainly the same regardless of the scale of the failure.

Whilst each case of market failure will be different the three key priorities in all cases will be to:

- Ensure continuity of care and support for people using the services delivered in the local authority’s area and ensure the safeguarding of individuals
- Support the failing provider to retain its workforce during this time
- Ensure communication with service users and their relatives to provide reassurance that continuity of care is the priority.

Whatever the nature of market failure or emergency incidents a number of key principles apply:

- Person-centred care – individuals’ needs are paramount, and any process/practice should maintain dignity and respect.
- Safeguard – while providers may fail, service continuity should not. The local authority’s duty to safeguard and ensure continuity of care comes first.
- Communicate – service users, carers, their families and care workers themselves must never be left out of the loop.
- Managing information – holding good, accessible data on people receiving care.
- Management of personal data will be crucial in fulfilling the duties defined in the Care Act and ensuring continuity of care for all individuals in a locality, including self-funders.
- Be prepared – preparing, testing and regularly reviewing contingency plans

7. Market management and sustainability

Market analysis

The Council and CWCCG are aware of and have up to date information regarding market capacity across all sectors within Coventry.

Market engagement to support major events

The following section details the commissioning and procurement activities being taken to try and ensure that Coventry has a sustainable market that has the capacity to respond in potential provider and market failure situations.

| Area / Issue | Key Project to initiate | Timescale |
|--|---------------------------------------|--|
| Long Term Home Care Contingency | To initiate tender | 2023/24 |
| Pathway 2 Residential Beds (discharge from Hospital) | To initiate tender | 2022/23 |
| Housing with care recommissioning | HWC review and re-commissioning | 2023/24 |
| Provision with CQC ratings less than “Good” | Key focus in quality assurance regime | Part of current Quality Assurance arrangements |

8. Scenarios / scope of market failure

The table below details those stakeholders with a regulatory and/or quality assurance responsibility/interest in each service type, who will need to be involved should market failure materialise and what type of resource is required.

| Service / Provider Type | CCC | CWCCG | CQC |
|--------------------------------|-------------------------|-------------------------|------------|
| Residential (national) | Financial / Operational | Operational | Oversight |
| Residential (local) | Financial / Operational | Operational | Oversight |
| Nursing (National) | Financial / Operational | Financial / Operational | Oversight |
| Nursing (Local) | Financial / Operational | Financial / Operational | Oversight |
| Housing with Care (national) | Financial / Operational | Operational | Oversight |
| Home Support (National) | Financial / Operational | Operational | Oversight |
| Home Support (local) | Financial / Operational | Operational | Oversight |
| Day Service (National) | Financial / Operational | Operational | None |
| Day Service (Local) | Financial / Operational | Operational | None |
| Sheltered (non-social care) | Information | None | None |
| Third Sector (Large) | Information | Information | None |
| Third Sector (small and local) | Information | Information | None |

Scope of risk mitigation by organisation

The following section aims to outline the pro-active process of managing a provider where significant risks are presented which may impact on their ability to continue providing services.

Coventry City Council

Initial scope

- Identify and record provider delivery issues and risk of failure

- Engage with provider through senior level meetings including Care Quality Commission (CQC) where applicable
- Identify all people in receipt of services including service users and Out of Area placements
- Strategy meeting to review information, evaluate risk, co-ordinate urgent action and lead development of an action plan
- Action plan developed, implemented and monitored on a weekly basis
- Instigate enhanced monitoring at Provider Escalation Panel (PEP) if not already in place
- Instigate Large Scale Investigation if required
- Identify social care resource to undertake reviews of all people affected, to ensure up to date understanding of individual needs and requirements and invoke safeguarding processes where appropriate
- Development of a communication plan including letters to people in receipt of services / carers,
- Development of press and media statements/response as appropriate
- Produce and provide Cabinet Member briefings
- Appropriate liaison with Out of City placing local authorities
- Market Identification of checks for alternative capacity

Continuous scope should provider continue to be on the verge of failure

- Liaison with CQC at a greater level to jointly work on provider failure
- Communication (face to face meetings) with individuals receiving care and their families and carers where applicable
- Reviews of all individuals receiving care including mobilisation of Independent Mental Capacity Advocates (IMCA) / DOLS (or successor Liberty Protection Safeguards) assessments (and Best Interest processes where applicable)
- Ensure Information and Communications technology (ICT) / Council systems are set up to react to potential changes
- Liaison with providers regarding their own ICT systems and use of Electronic Systems
- Engagement of wider provider market to ascertain definitive capacity and the ability to: -
 - a) Accept care placements of current individuals receiving care
 - b) Explore the market appetite/options to transition care delivery to an alternative provider
 - c) Assess and gather information in relation to potential Transfer of Undertakings / Protection of Employment (TUPE) undertakings
- Ensure measures are in place for continuity of care for current service users through staff levels and competencies
- For building based services - explore the potential of using the existing building to avoid unnecessary disruption to individuals' care and support
- Arrange transport for service users where applicable

Coventry and Warwickshire Clinical Commissioning Group (CWCCG)

Initial scope

- Joint meetings with City Council
- Joint communication plan where necessary
- Identification of review resource for health funded service users
- GP engagement
- Identification of nursing team to provide specialist assessment and support with health-related needs (e.g. tissue viability concerns / falls / nutrition and hydration / medication needs / health checks etc)
- Identify risk to University Hospital Coventry & Warwickshire (UHCW) re: capacity and discharges for both current and future intended placements
- Ensure continuity of medication supplies as appropriate

Continuous scope should provider continue to be on the verge of failure

- Mobilisation of nursing team to work jointly with Coventry City Council (CCC) social work teams

CQC

Initial scope

- Joint meetings with CCC
- Establish and communicate enforcement action including any action to restrict or remove registration
- Ensure compliance notices are in place and implemented
- Share inspection reports as appropriate

Large Scale Market Failure

For large scale market failure affecting more than one local authority in the West Midlands/nationally action would be as per approach 1 but should be co-ordinated by West Midlands regional Association of Directors of Adult Social Care (ADASS).

This would not replicate detailed local authority plans but would identify steps to be taken regionally. This would include ADASS regional chair or vice chair identifying a DASS lead who would coordinate the response including ensuring identification of key contacts holding initial meeting, deciding governance arrangements, clarifying roles and responsibilities, developing a regional action plan, managing communications and ensuring lessons learned are captured and shared.

9. Responses to managing market failure risk

The following section details the high-level actions and decisions that will need to be taken should market failure occur. Example scenarios are detailed as: -

| Provider Type | Key Factors | Risk Management Process |
|-------------------|----------------------------------|-------------------------|
| Care Homes | e.g. Building(s) closed | Approach 1 |
| Housing with care | e.g. Building(s) still available | Approach 1 |
| Home Support | e.g. Branch closed immediately | Approach 2 |
| Day Centre | e.g. Building (s) closed | Approach 1 |

Under differing scenarios, although a provider may exit the market buildings may or may not remain available for use in the short/long term

Approach 1

| Issues | Options | Key Involvement / Factors |
|---------------|----------------------------------|---|
| Accommodation | Source alternative accommodation | <ul style="list-style-type: none"> • Building availability within CCC and private market • Cost of building (rent / charges etc.) • Suitability of building and adaptations needed • Where no capacity exists an option to use cross border accommodation • Hotels |
| | Use existing building (s) | <ul style="list-style-type: none"> • Suitability of building and adaptations needed • Arrangements with current landlord (this may be a creditor) • Risk assessments to be undertaken (CCC Health and Safety to be mobilised) |

| | | |
|---------------|---|--|
| | Re-provide service in another building (e.g. Housing with Care or another vacant care home) | <ul style="list-style-type: none"> • Building availability within CCC and private market • Source increased staffing levels • Health input mobilised • Suitability of building and adaptations needed • Change of tenure / tenancy arrangements – cost implications and arrangements to be formalised |
| Staff | CCC / CWCCG TUPE staff | <ul style="list-style-type: none"> • Consider CCC staff to support and use of agency staff • Policies and processes to be implemented swiftly • CCC / CWCCG terms and conditions – do they become permanent statutory services employees with same conditions? |
| | A new provider takes over the staffing | <ul style="list-style-type: none"> • Agreement of which provider takes over and agreed mobilisation period • Which terms and conditions and policies and procedures are used? Existing or new providers? • Longer term the need to line up providers within procurement processes for this type of scenario |
| Service Users | Reviews | <ul style="list-style-type: none"> • Social Care reviews on all service users including private clients where needed • Options appraisal / risk assessments • Advocates / IMCA arrangements in place |
| | Health and well-being checks | <ul style="list-style-type: none"> • Health and well-being checks on all service users |

Approach 2

| Issues | Options | Key Involvement / Factors |
|--------|------------------------|---|
| Staff | CCC / CWCCG TUPE staff | <ul style="list-style-type: none"> • Consider CCC staff to support and use of agency staff • Policies and processes to be implemented swiftly |

| | | |
|---------------|--|---|
| | | <ul style="list-style-type: none"> • CCC / CWCCG terms and conditions – do they become permanent statutory services employees with same conditions? |
| | A new provider takes over the staffing | <ul style="list-style-type: none"> • Agreement of which provider takes over and agreed mobilisation period • Which terms and conditions and policies and procedures are used? Existing or new providers? • Integrate calls within new providers existing staff group • Longer term the need to line up providers within procurement processes for this type of scenario |
| | | |
| Service Users | Reviews | <ul style="list-style-type: none"> • Social Care reviews on all service users including private clients where needed • Options appraisal / risk assessments • Advocates / IMCA arrangements in place |
| | Health and well-being checks | <ul style="list-style-type: none"> • Health and well-being checks on all service users |

Holistic actions across all approaches

Clear communications strategy – consistent across stakeholders, service users and families. To involve: -

- Letters to service users and families (From provider if possible, content approved by local authority)
- Meetings with service users and families (Led by provider if possible, otherwise local authority and CWCCG)
- Cabinet Member briefing
- Local media press release / plan for press release
- Provider engagement throughout
- Shared information across neighbouring authorities

Business continuity plans (BCP's)

BCP's are a pre-requisite of every organisation contracted to the City Council (across all sectors). These plans vary in detail, but all will have a focus on provider assurances to facilitate a range of actions should an incident (small or large) require so.

BCP's are checked as part of the regular quality assurance monitoring. Plans for the Council's internal provision are refreshed on an annual basis.

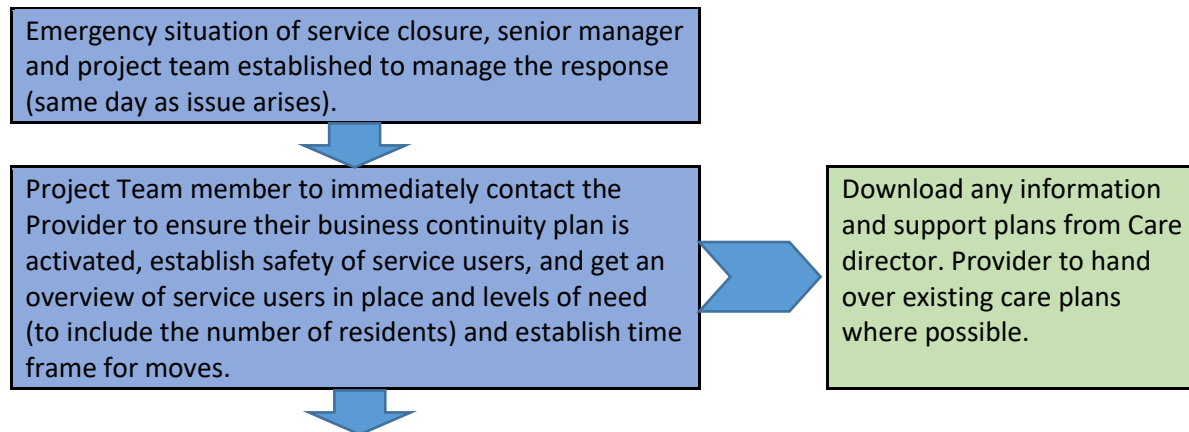
In line with provider BCP's, there will be scenarios, as identified within this document, where the Council will need to mobilise actions and support swiftly. The market and provider failure approach will be used, through market engagement and planning, as a mechanism to react to such scenarios.

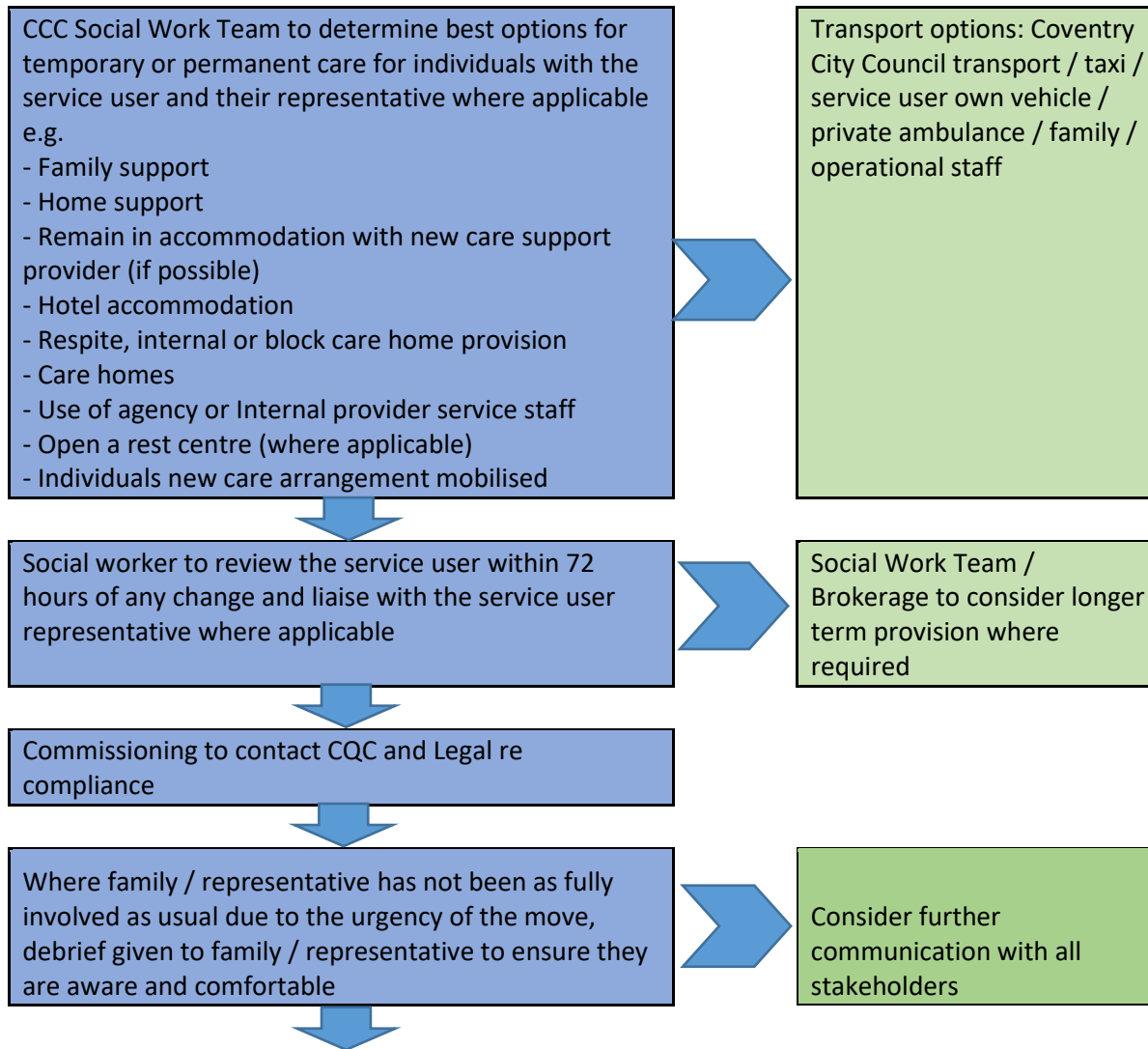
10. Emergency Closure (within 72 hours)

Where there is an emergency closure (accommodation based / home support), the Council will follow their emergency closure protocol as outlined below. A senior manager will establish a project team and co-ordinate an approach to ensure the safety and well-being of service users.

Flowchart detailing immediate actions to be followed

Emergency Closure





Review of events leading to closure i.e. were there warning signs / quality issues / financial pressures we could have assisted with? Review of the success of the closure and undertake a lessons learnt to prevent future issues



Social Work Team to undertake a review / wellbeing check of all people impacted (4 to 6 weeks).