


**Decision made under the Council's Urgency Procedure by  
the Leader of the Council on 8 April 2020**

**Supporting Warwickshire's Care Market with Additional  
Cost Pressures as a Result of COVID-19**

<b>Lead Member</b>	<b>Leader of the Council Councillor Izzi Seccombe</b>
<b>Date of decision</b>	<b>8 April 2020</b>
	<b>Signed</b>  

**Decision**

That the Leader of the Council approve the payment of costs to Warwickshire commissioned care providers in line with the guidelines developed by the council.

**Reasons for decisions**

An urgent decision is required of the Leader to support the payment of funds to commissioned community care providers in Warwickshire to support with additional cost pressures as a result of the Coronavirus emergency.

**1.0 & 2.0 Background information**

**1.0 Key Issues**

1.1 Local authorities in England have been provided with a COVID-19 Emergency Response Grant to support them in meeting the additional financial burden anticipated over the coming months, due to the consequences of the spread of the Coronavirus. This grant needs to fund support across the range of responsibilities the local authority has; not just social care. Warwickshire has been allocated approximately £14 million to date.

1.2 There is a national expectation from the LGA, NHSE and ADASS that local authorities will actively support the sustainability of the provider market through this grant.

1.3 On 20<sup>th</sup> March 2020 Warwickshire County Council sent a letter to commissioned care providers, including providers of care at home services and residential care homes, to outline the actions being taken to ensure that care providers can manage financially as we respond to the many issues presented by Covid-19.

1.4 The Council outlined actions to support the market relating to paying for planned care; agreeing reasonable variations to planned care; improving the timeliness of payments and compensating providers for the following pressures that arise due to Covid-19:

- Additional sick pay costs
- Additional staff costs, e.g., backfilling, the use of prolonged agency staff
- Additional infection control costs
- Additional cost of essential supplies
- Additional travel costs incurred by front line staff or office staff
- The use of any alternative building base that may be required if your usual venue has closed.

## **2.0 Options and Proposal**

2.1 The Council has developed guidelines for providers to outline what is considered to be appropriate and reasonable.

2.2 The Council has put in processes to ensure that payments can be made in a timely manner but that reconciliation can be undertaken at the point of payment and retrospectively as required.

2.3 The guidance produced is clear that the Council has taken this approach in good faith to support our providers with genuine and reasonable cost pressures. It is also clear that in accepting payments from the Council, providers are agreeing to open book costing and making available any data (such as information from ledgers, cash-flow forecasts, balance sheets, profit & loss accounts etc) as required to demonstrate that these payments have been used in the manner intended.

## **3.0 Financial implications**

3.1 To date Warwickshire has been allocated £14m as part of the COVID-19 Financial Pressures Grant. It is currently estimated that £3.250m will be required to support the management of provider cost pressures as a result of COVID-19. When we include estimates of changes in demand for residential and home care and associated services, for example, community equipment, the cost could be up to £7m. Corporate Board are receiving regular reports on the impact of COVID-19 across Council services.

3.2 This current estimate is based on assumptions relating to demand and costs which will be monitored over the period of the response, in order to capture and report on the actual financial impact.

3.3 The Council is asking providers to be robust with their evidence to support claims. In addition to this, the Council has introduced some further controls in order to ensure that claims are reasonable and appropriate.

3.4 Providers will not be eligible to claim where other routes for financial support are available.

3.5 The Council will review invoices and evidence submitted and recovery action will be taken if it later appears that a provider was not acting in the best interest of the response efforts.

#### 4.0 Environmental implications

4.1 None

#### 5.0 Timescales Associated with the Decision and Next Steps

5.1 It is appropriate that this report should be dealt with under the Urgent Decision procedure in the County Council Constitution to support with additional cost pressures as a result of the Coronavirus emergency and to safeguard social care provision

<b>Report Author</b>	Becky Hale
<b>Assistant Director</b>	Becky Hale
<b>Lead Director</b>	Nigel Minns
<b>Lead Member</b>	Leader of the Council

<b>Urgent matter?</b>	Yes
<b>Confidential or exempt?</b>	No
<b>Is the decision contrary to the budget and policy framework?</b>	No

#### Lists of reports considered

Not applicable

#### List of background papers

Appendix 1 – Letter to community care providers  
Appendix 2 – Letter to care home providers  
Appendix 3 – Final draft of guidance for providers

#### Members and officers consulted and informed

Portfolio Holder – Councillor Izzi Seccombe

Corporate Board – N/A

Legal – Sarah Duxbury

Finance – Andy Felton and Rob Powell

Equality – N/A

Democratic Services – Paul Williams

Councillors –

Councillor Wallace Redford (For consent to urgency)

Councillor Izzi Seccombe

Opposition Leaders

Written 19<sup>th</sup> March 2020  
Sent 20<sup>th</sup> March 2020

Dear Provider

## **Covid 19 – Payment Arrangements**

We are writing to confirm the actions Warwickshire County Council is taking to ensure that care providers can manage financially as we respond to the many issues presented by Covid-19.

### Paying for planned care

The council recognises that during this time planned care may be disrupted for a variety of reasons. Please be assured that whilst the council expects planned care to continue to be provided where possible, where it is not possible for reasons linked to the Covid-19 outbreak the council will continue to pay for care accepting that in all cases this may not be provided as planned. The council requests that you alert us in the usual way if you are unable to provide planned care and are concerned about customer safety.

Providers are asked to invoice for care using the usual process.

### Variations to planned care

The council recognises that during this time providers may need to vary care delivery to respond to presenting need and circumstances. The council has agreed to pay reasonable variations as invoiced with reconciliation taking place as necessary at a later date, to ensure cash flow is not affected. To support this, providers should keep records of such variations.

### Timeliness of payments

The council recognises the importance of cash flow in responding to the challenges presented by Covid-19. Regardless of the individual contractual arrangements in place, the council has agreed to temporarily change current arrangements for invoiced care and we will aim for these to be paid by BACs within 5 days of the date of receipt of the invoice, to clear in your account 2 days later. This is not an amendment to the existing contractual obligations on the council but a measure the council will do its best to take in these exceptional circumstances.

### Financial pressures as a result of Covid-19

The council is committed to supporting care providers as we manage the impact of Covid-19 on our population. To support providers with additional financial pressures resulting from Covid-19 the council has developed a process for receiving and paying invoices specific to this situation.

The council will compensate providers for the following pressures that arise due to Covid-19:

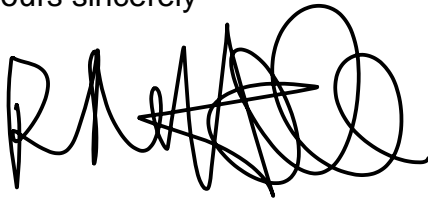
- Additional sick pay costs
- Additional staff costs, e.g., backfilling, the use of prolonged agency staff
- Additional infection control costs
- Additional cost of essential supplies
- Additional travel costs incurred by front line staff or office staff
- The use of any alternative building base that may be required if your usual venue has closed.

Providers should send separate detailed invoices, relating to expenditure in the month incurred, to [adultcontracting@warwickshire.gov.uk](mailto:adultcontracting@warwickshire.gov.uk) and the council will take action to pay these by BACs within 5 days of the date of receipt of the invoice, to clear in your account 2 days later. Reconciliation will be undertaken but this will not impact on timeliness of payment.

These changes are not formal variations to your contracts with the council but temporary measures that the council is putting in place to recognise the impact that the Covid-19 outbreak is having on care providers. We will regularly review arrangements over the course of the coming months.

If you have any queries in relation to the content of this letter please direct them to [cv19supplierfaq@warwickshire.gov.uk](mailto:cv19supplierfaq@warwickshire.gov.uk).

Yours sincerely

A handwritten signature in black ink, appearing to be 'Becky Hale', with a stylized, cursive script.

Becky Hale

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Written 19<sup>th</sup> March 2020  
Sent 20<sup>th</sup> March 2020

Dear Provider

### **Covid 19 – Payment Arrangements**

We are writing to confirm the actions Warwickshire County Council is taking to ensure that commissioned care home providers can manage financially as we respond to the many issues presented by Covid-19.

#### Timeliness of payments

The council recognises the importance of cash flow in responding to the challenges presented by Covid-19. Regardless of the individual contractual arrangements in place, the council has agreed to temporarily change current arrangements for scheduled payments to Care Homes.

The payment planned for 4<sup>th</sup> May 2020 will be brought forward to approximately 3<sup>rd</sup> April 2020.

Subsequent payments will similarly be brought forward so that providers are paid approximately 3 days after the end of the service delivery period. We will review this arrangement as a part of our Covid-19 recovery response in discussion with providers.

#### Financial pressures as a result of Covid-19

The council is committed to supporting care homes as we manage the impact of Covid-19 on our population.

The council will compensate providers for the following pressures that arise due to Covid-19:

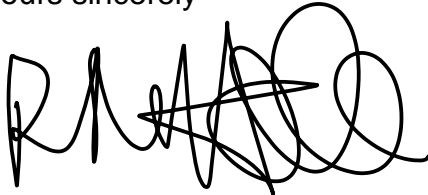
- Additional sick pay costs
- Additional staff costs, e.g., backfilling, the use of prolonged agency staff
- Additional infection control costs
- Additional cost of essential supplies
- Additional travel costs incurred by front line staff or office staff

Providers should send a detailed invoice, relating to expenditure in the month incurred, to [adultcontracting@warwickshire.gov.uk](mailto:adultcontracting@warwickshire.gov.uk) and the council will take action to pay these by BACs within 5 days of the date of receipt of the invoice, to clear in your account 2 days later. Reconciliation will be undertaken but this will not impact on timeliness of payment.

These changes are not formal variations to your contract with the council but temporary measures that the council is putting in place to recognise the impact that the Covid-19 outbreak is having on care providers. We will regularly review arrangements over the course of the coming months.

If you have any queries in relation to the content of this letter please direct them to [cv19supplierfaq@warwickshire.gov.uk](mailto:cv19supplierfaq@warwickshire.gov.uk).

Yours sincerely

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Becky Hale

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### **COVID-19 financial pressures guidance for commissioned providers**

Local authorities in England are being provided with a COVID-19 Financial Pressures Grant to support them in meeting the additional financial burden anticipated over the coming months, due to the consequences of the spread of the Coronavirus. This grant will need to fund support across the range of responsibilities the local authority has; not just social care.

The grant is a finite resource and as such we need to utilise it carefully to support many areas. This includes financial assistance to care providers where necessary so they can respond to the challenges presented by COVID-19 and we can ensure financial viability of our local market. Where there are other routes for financial support, e.g., through Central Government, these should be explored fully prior to invoices being sent to Warwickshire County Council (the council).

Below is the guidance that care providers must adhere to when preparing to invoice the council for additional funds that have been incurred as a direct result of the COVID-19 pandemic from 20<sup>th</sup> March 2020.

### **Changes to care at home packages of care as a result of COVID-19**

The arrangements below relate to individuals whose care and support is commissioned and funded by the council.

#### **Planned Care and Variations**

Temporary arrangements to pay for planned levels of service and to accept reasonable variations was outlined in the letter dated 19<sup>th</sup> March 2020 and distributed 20<sup>th</sup> March 2020 from Becky Hale, Assistant Director for People.

The approval of temporary variations will be a decision that providers can determine without seeking prior approval from the council, within reason and using their judgement, to ensure service continuity. If providers have agreed directly with customers and their families temporary “suspension” to service packages they do not need to inform the customer to call 01926 410410 of this. If they have agreed a 2-week suspension, they should not invoice for this time period, they should pick the calls back up as agreed and if they do not invoice for it, we will vary the service package and the customer will be charged adequately.

If you feel there is a significant temporary change to an individual’s package of care, you should follow the usual route to seek prior approval from the council.

For permanent changes to care packages up or down we would ask that you use the same approach as for temporary variations but inform us of this via the Customer Service Centre. By using this route the teams will change the Mosaic System and Service Package and therefore, the permanent changes to packages up or down will be accurately reflected and the customer will pay the correct charges.

The expectation is that decreases and increases in care in line with the above will be netted off monthly and the council will only fund providers for the difference. Providers are asked to summarise this in their invoices which should relate to no more than a month of activity. Providers are asked to keep a detailed record of the above in respect of each customer for retrospective reconciliation as required.

### **Additional Costs as a result of COVID-19 for council-commissioned care providers**

Where care providers are operating in Warwickshire and providing support to Warwickshire residents, the council will fund reasonable cost arising as a direct result of COVID-19. This relates to community-based care [and support] services and residential care services. Additional costs for nursing provision will be supported by Clinical Commissioning Groups (CCGs) and further information on this will be shared in due course.

The expectation is that care providers submitting invoices to the council will be largely supporting council-funded customers or customers who are funded via a CCG. We recognise and accept that providers may also be providing services for a small proportion of Warwickshire self-funders. We also recognise and accept that providers may also be supporting a small number of out of county individuals who are funded by another local authority or CCG.

For providers of Supported Living services where there is a service/s operating within Warwickshire (but also in other local authority areas) the council will only fund a proportion of any additional costs relating to Warwickshire residents.

The following section of this document outlines COVID-19 cost pressures that the council considers to be reasonable and will consider reimbursement:

### **Additional Sick Pay Costs**

Central Government has legislated for Statutory Sick Pay (SSP) to be paid from day 1, rather than day 4 if an employee is isolating in line with Public Health England advice. This legislation will apply retrospectively from 13 March 2020.

PHE guidance currently states that individuals should self-isolate either because they have symptoms of COVID-19 infection or they live with someone who has the symptoms. This also includes individuals who are caring for people in the same household and therefore have been advised to do a household quarantine.

At present, the requirement to pay SSP does not appear to extend to those who are away from the workplace for 12 weeks because they need to be 'shielded'. This may be an oversight in the drafting of legislation and the situation should certainly be kept under review. If you have an employee who falls into this category, it would be sensible to take legal advice on their specific situation due to employer obligations in relation to both health and safety and discrimination law. Clearly it is very important not to disincentivise vulnerable people from remaining at home. Where additional agency costs are being met by WCC (as below) due to a vulnerable people remaining 'shielded' at home, WCC would expect employers to continue to pay that vulnerable person their usual salary.

Affected employees will need to provide proof of sickness by obtaining an 'isolation note' by visiting NHS 111 online, rather than visiting a doctor.

Employers with fewer than 250 employees should reclaim the SSP cost connected with COVID19 (for up to 14 days of sickness) from Central Government, and we expect this option to be pursued.

Guidance can be found here:

<https://www.gov.uk/government/publications/support-for-those-affected-by-covid-19/support-for-those-affected-by-covid-19>

### **Additional staff costs:**

This relates to any costs you have incurred for the use of additional agency staff or bank staff to ensure business continuity due to COVID-19 related absence. If you currently use agency as part of your business as usual operation, the council will not pay for this and will only reimburse you for additional costs you have incurred as a result of having to use additional agency staff because of COVID-19.

For every invoice you raise during the COVID-19 pandemic, please provide the following so that the council can verify your records:

1. Your usual ongoing staffing establishment in full-time equivalent (FTE) relating to the invoice period.
2. If agency staff are covering for a % of your establishment, due to staff absence, please record the number of FTE that agency is being used to cover absent establishment for the invoice period.
3. Supernumerary FTE that you are invoicing for during the invoice period and why.

Please use format below:

Week Commencing:	Business As Usual Full Time Equivalent staff (including Agency/Bank where used as part of business as usual)	Additional COVID-19 Related Agency/Bank Staff Full Time Equivalent used to back fill for staff absence	Supernumerary Full Time Equivalent Staff	Reason for Supernumerary Staff	Invoiced Full Time Equivalent Staff:
A	B	C	D	E	F = C + D
30.03.20	25.0	3.0	1.0	2 staff performed deep clean which took 2.5 days to complete	3+1=4
06.04.20					

### **Additional infection control and essential supply costs:**

This relates to any costs that you have incurred for an increase in infection control measures to keep your customers and staff safe during the COVID-19 pandemic. The council will not pay for the standard infection control or essential supplies that you use, as this is classed as business as usual.

For every invoice you raise during the COVID-19 pandemic, please provide the following so that the council can verify your records:

1. For each category of additional infection control or essential supplies purchasing you make; please include the standard volume of stock you purchase and the additional volume of stock you purchase due to the pandemic. An example of this is outlined below:  
*Monthly purchase of bleach related products: 10x spray refills*  
*March purchase of bleach related products (due to increased pandemic IC measures): 16x spray refills*  
*Invoice amount: 6 spray refills.*

**Additional cost of essential supplies:**

This relates to any additional costs that you have incurred in securing usual supplies such as foodstuffs etc to ensure customers have their usual sustenance. The council will not pay for standard costs of these items but only the additional costs incurred due to the COVID-19 pandemic which may relate to price rises at this time or the additional cost of switching to different providers because of supply chain challenges.

For every invoice you raise during the COVID-19 pandemic, please provide the following so that the council can verify your records:

1. Invoices for each additional cost incurred and invoices that relate to the supply of services to the council for an equivalent period before difficulties were encountered to demonstrate additional costs.

Please note that if additional essential supplies are funded by the council, the provider may be requested to share this with other care providers as part of mutual aid arrangements for the benefit of Warwickshire residents, e.g., PPE. The council will support coordination of this.

In relation to PPE specifically the council are looking to secure supply for deployment into the market as required. As a result, the council may take the decision to cease funding provider requests to ensure no duplication of supply and costs. The council will keep providers updated in relation to this specific issue.

If the provider is unable to secure PPE directly they should email  
[CV19PPE@warwickshire.gov.uk](mailto:CV19PPE@warwickshire.gov.uk)

**Additional travel costs incurred by front line staff or office staff:**

The council will not pay for standard travel that is incurred by providers that relates to planned care or usual business operation. However, in respect of any additional costs incurred for staff travel during the COVID-19 pandemic, please provide the following so that the council can verify your records:

1. For provider services that use Electronic Visit Recording (EVR)/Call Monitoring Systems, please ensure you maintain records of these during the pandemic so the council can reconcile any additional calls/support that are undertaken against planned support.

2. For services that do not use any call logging systems please record the additional mileage accrued and the reason for the additional mileage for the invoice period.
3. Please invoice the council at your standard mileage/travel costs.

**Costs incurred due to services not operating from the usual building base (community support providers):**

The council welcomes providers to be innovative and creative at this time and many of you have already contacted us to make us aware of additional/alternative services and support that you are mobilising during the COVID-19 pandemic. The council will not pay for alternative support or service provision during this time unless as an organisation you are having to top-up your standard outgoings and costs.

For example, if you are undertaking an outreach service to customers, rather than providing your service as a building base activity, the council will pay for any additional charges you accrue for outreach staff mileage costs as set out above. The council will not pay for staff salaries, as these costs are already included in your contract price.

**Additional Costs as a result of COVID-19 for Warwickshire non-commissioned care providers**

Where all or the majority of customers are self-funders and the provider wishes to request financial support as a direct result of COVID-19 we expect the provider to contact the council directly on [cv19supplierfaq@warwickshire.gov.uk](mailto:cv19supplierfaq@warwickshire.gov.uk) and this will be considered. The council will consider requests and providers will be expected to take an open book approach to this so the council can validate potential reimbursement of reasonable costs.

**Invoice requirements and payment arrangements for council commissioned care service as a result of COVID-19**

A separate invoice will be required for each element of support request and should relate to no more than a month's activity.

The council intends to reimburse providers for reasonable additional costs as quickly as possible. This may result in supporting evidence for invoices being fully reconciled at a later date. The council will be checking all invoices prior to payment and will take action against providers if it has concerns that any provider is overstating costs or requesting payment for costs that are not considered proportionate or reasonable. Such action might include deducting amounts from future payments due under any contracts we have with you or recovering the amount as a debt.

These invoices only should be sent to the following email mailbox:

[adultcontracting@warwickshire.gov.uk](mailto:adultcontracting@warwickshire.gov.uk) complying with the following requirements:

- Payments will be made to the current account that normal invoice payments for service are processed by the council(*it is not practicable to set up additional payment points at this time*)
- Please use your company normal letter head invoice stationery
- Please include the date of the period that the expenditure is covering
- Please include a short description of what the invoice is covering (*as per example above*)
- Please include the value of the invoice

Invoices must clearly identify the COVID-19 expenditure elements and in submitting invoices you are agreeing to an open book approach as required (and potentially retrospectively) to demonstrate that these payments have been used in the manner intended.

We are aware that other local authorities and CCGs will have mechanisms in place to provide financial assistance. Providers must assure themselves they are not duplicating the reimbursement of these costs by billing different commissioners for the same costs. This does not prevent providers, where applicable, from billing different commissioners for a proportion of costs for a specific pressure.

The council has taken this approach in good faith to support our providers with genuine and reasonable cost pressures. The council's decision is final in relation to any decision in relation to reimbursement of costs. We will regularly review arrangements over the course of the coming months to ensure compliance with evolving guidance and that we are utilising the COVID-19 resources provided to the council in the most appropriate way. Whilst we will try to give providers prior notice of any changes where possible, we may change the approach in light of this and withdraw arrangements without notice.

In accepting these payments from the council, you are agreeing to open book costing and making available any data (such as information from ledgers, cash-flow forecasts, balance sheets, profit & loss accounts etc) as required to demonstrate that these payments have been used in the manner intended. If any provider is subsequently found to be taking advantage or failing in their duty to act transparently and with integrity, we will take action to recover these amounts.

Please note that these changes are not formal variations to our contracts with you and are exceptional measures being taken at this time to support our care providers.

If you have any queries in relation to the content of this briefing please direct them to [cv19supplierfaq@warwickshire.gov.uk](mailto:cv19supplierfaq@warwickshire.gov.uk).