



REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 8 December 2020

BY: Chief Internal Auditor

SUBJECT: Internal Audit Report – Social Care Sustainability Payments

1 PURPOSE

- 1.1 To inform the Audit and Risk Committee of the recently issued audit report on Social Care Sustainability Payments.

2 RECOMMENDATION

- 2.1 That the Committee note the contents of the audit report.

3 BACKGROUND

- 3.1 An assurance review of Social Care Sustainability Payments has been undertaken as part of the Audit Plan for 2020/21.
- 3.2 The main objective of the audit was to review the adequacy and effectiveness of the arrangements in place for Social Care Sustainability Payments.
- 3.3 The main findings from our audit work are outlined in the attached report.

4 ENGAGEMENT

- 4.1 The findings from the review have been discussed with Management, but do not require wider engagement.

5 POLICY IMPLICATIONS

- 5.1 None

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

7 DIRECTIONS

- 7.1 The subject of this report does not require any amendment to or creation of Directions.

8 RESOURCE IMPLICATIONS

- 8.1 Financial - None
8.2 Personnel - None
8.3 Other - None

9 BACKGROUND PAPERS

- 9.1 None

AUTHOR'S NAME	Duncan Stainbank
DESIGNATION	Chief Internal Auditor
CONTACT INFO	dstainbank@eastlothian.gov.uk
DATE	30 November 2020



Internal Audit Assurance Report

From:	Duncan Stainbank, Chief Internal Auditor Stuart Allan, Senior Auditor
To:	Alison MacDonald, Director ELHSCP/Chief Officer East Lothian IJB Claire Flanagan, Chief Finance Officer East Lothian IJB Laura Kerr, Interim Business General Manager ELHSCP
Date:	30 November 2020

Social Care Sustainability Payments

1. Background

Since the beginning of lockdown the East Lothian Health and Social Care Partnership (ELHSCP) has been supporting local social care providers by ensuring that reasonable costs are met through the COSLA National Principles for Sustainability and Remobilisation Payments to Social Care Providers during Covid-19. The Scottish Government has provided funding to the ELHSCP to support the social care sector to help meet Covid-19 related costs:

- On 3 August 2020, the Scottish Government announced that the social care sector would receive up to £50 million further additional funding to help meet additional costs related to Covid-19. The funding was to be allocated to HSCPs across Scotland to ensure the sustainability of the social care sector and was in addition to the £50 million previously allocated in May 2020. The funding is to support social care providers with Covid-19 related costs such as reduction in occupancy due to the virus, additional staffing or sickness costs, infection prevention & control and PPE;
- The Social Care Staff Support Fund is a separate commitment, which seeks to ensure that social care workers do not experience financial hardship if they are ill or self-isolating due to Covid-19. Employers should pay eligible staff their expected income and reclaim any additional costs from Integration or Local Authorities.

The scope of the audit is to review the processes developed to; collect appropriate information, review and approve claims, and resolve appeals in making sustainability payments for Covid-19 related costs to social care providers within East Lothian. The audit work includes coverage of the following areas:

- Adherence to Guidance – we will review the approach being adopted and the payments made to ensure they are in line with the guidance issued by COSLA and the Scottish Government.
- Decision Making and Payment Process – for a sample of payments made, we will review the calculations and supporting evidence held to confirm that the payments are properly due and correctly made.
- Record Keeping and Audit Trail – we will seek to ensure that a clear audit trail is maintained of all communications with social care providers and that detailed records are maintained of all decisions made and payments approved.
- Appeals Process – we will review the processes in place for dealing with appeals where required.

2. Findings

2.1 Adherence to Guidance

Key findings are:

- The National Principles for Sustainability and Remobilisation Payments to Social Care Providers during Covid-19 is the key guidance in place for social care sustainability placements. The National Principles are issued by COSLA and have been agreed by the Scottish Government.
- In respect of reduced occupancy, the National Principles specify that:
 - care homes will be supported by the authority in the care home's boundary area;
 - where a care home is impacted by a reduction in occupancy because it is clinically unsafe to admit people or due to a reduction in admissions caused by Covid-19, then a sustainability payment will be made to the care home;
 - for care homes where the National Care Home Contract (NCHC) is in place, the payment will be made on the basis of 80% of the NCHC rate. The weekly payments from the end of March 2020 to the end of August 2020 are £508.63 for residential care and £592.00 for nursing care. No increased rate will be paid where a care home does not accept the NCHC rate or to account for care homes who charge higher self-funder fees;
 - transitional arrangements are in place for the following three months with 75% of claims paid for voids caused by Covid-19 for September 2020 and 50% of claims paid for October 2020 and November 2020.
- For care at home, the National Principles indicate that sustainability will be based on a planned care approach.
- Where social care providers incur additional costs in respect of personal protective equipment (PPE), infection prevention and control and staffing related costs, the National Principles state that providers should identify and submit these costs on a template provided by the authority and the provider must ensure that they can evidence the additionality of these payments. We note that the Social Care Staff Support Fund, which seeks to ensure that social care workers do not suffer financial hardship if they are ill or self-isolating due to Covid-19, has been extended until the end of March 2021.
- The ELHSCP has been pro-active in contacting social care providers. All East Lothian adult service providers were initially contacted in June 2020 to notify them of the availability of sustainability funding, with regular reminders being sent thereafter. Each provider was offered individual support to complete the claims process. In addition to providing support to care home providers on the NCHC, the ELHSCP has also been supporting non-framework homes in the East Lothian authority area on a like-by-like basis, in recognition of their role in local service provision and in accordance with the provisions of the National Principles.
- All providers submitting a claim are required to complete a Supplier Relief Confirmation Form, clearly indicating if their claim relates to reduced occupancy or additional costs. Providers are required to indicate if they have made a claim for any other Covid-19 related relief, grant, intervention or other measure, which results in them receiving more than one benefit/relief for the same underlying cash flow issue, and to confirm that:
 - any payments made will be used as intended to employ and pay staff, including sickness absence, to pay suppliers and to maintain the solvency and capacity of the business;
 - consideration will be given to reducing costs in the business, such as by redeployment of staff;
 - they will permit an open book basis for accounts and evidence monies have been spent as intended on request;
 - if money has not been spent as intended or there has been overcompensation it can be recovered by public bodies;
 - if other relief is made available it will be pursued and declared to the authority if duplication arises.

- We found that the ELHSCP has appropriate arrangements in place for administering social care sustainability payments and for ensuring compliance with the National Principles. All claims from providers are considered at weekly Sustainability Payment Panel meetings, which are chaired by the Director ELHSCP/Chief Officer East Lothian IJB, are co-ordinated by the Planning and Performance Officer and are attended by key members of staff from the ELHSCP, together with relevant members of staff from East Lothian Council and NHS Lothian. The weekly Sustainability Payment Panel meetings consider all claims for reduced occupancy and additional costs, including staff costs under the Social Care Staff Support Fund. We note that payments to care at home providers for non-delivery of services are paid via the commissioned services. These payments are not considered by the Panel and do not form part of this audit review.
- A Social Care Sustainability Payment Update Report prepared by the Planning and Performance Officer was presented to the East Lothian IJB meeting of 29 October 2020.
- We note that as of 24 November 2020, total claims of £988,017 had been approved by the Sustainability Payment Panel, comprising of £694,439 for reduced occupancy and £293,578 for additional costs.

2.2 Decision Making and Payment Process

Key findings are:

- As part of our assurance work we reviewed the documentation presented to the weekly Sustainability Payment Panel meetings and attended one meeting of the Panel in an observation capacity. We found that detailed papers are provided to Panel members in advance of the meeting, clearly outlining the agenda items to be considered and including a status update on applications that had previously been considered, a summary of Panel approved claims to date and supporting documentation relating to the claims to be considered at the meeting. There is evidence of all claims being considered appropriately and, where required, of further clarification or evidence being requested from the provider prior to a decision on the claim being made. Following each Panel meeting an updated Sustainability Panel Record is prepared detailing all claims that have been considered and the Panel decisions made.
- We sought to review the processes in place for reduced occupancy claims and note that reduced occupancy templates are in place for all care home providers. Baseline figures have been developed for each care home based on the average occupancy calculated over an 11 week period ending on 23 March 2020. From 30 March 2020 onwards, weekly occupancy statistics were then obtained (on the Monday of each week) for each care home and reduced occupancy claims are calculated on a weekly basis – where a care home’s weekly occupancy is less than the baseline figure then a reduced occupancy claim can be made for that week, based on the variation from the baseline figure multiplied by 80% of the NCHC rates (i.e. £508.63 for residential care and £592.00 for nursing care). For a sample of four care homes reviewed (three nursing homes and one residential home), we confirmed that in each case the reduced occupancy claim had been correctly calculated and that, in line with the transitional arrangements in place, for September 2020 claims had been restricted to 75% of the calculated amount and for October/November 2020 to 50% of the calculated amount.
- For all additional cost claims, including claims under the Social Care Staff Support Fund, providers are required to complete and submit an additional costs template, clearly detailing the costs they are claiming, split between staff costs, PPE and other costs, together with submitting relevant supporting documentation (e.g. extracts from management accounts and/or purchase invoices).
- Following the Sustainability Payment Panel approving a reduced occupancy or additional cost claim, an email is sent by the Planning and Performance Officer to the provider informing them of the Panel decision, confirming the amount approved for payment and advising them that they will receive an email from the Finance team asking for an invoice to be raised. We note that claims

remain on the Panel agenda (under Status Update on Applications) until an invoice has been received from the provider.

- The Community Care Finance team email the provider requesting that they submit their invoice as soon as possible. On receipt of the invoice, it is checked to ensure that it agrees to the amount requested by the Planning and Performance Officer, passed for authorisation and then processed for payment through East Lothian Council's creditors system. Payments are allocated against Residential & Nursing Expenditure for Older People.
- We note that the ELHSCP, via NHS Lothian, have received funding directly from the Scottish Government to support their Local Mobilisation Plan (LMP) returns, which includes social care sustainability payments. We further note that East Lothian Council's Business Finance team monitor the expenditure and raise invoices to NHS Lothian to recover the sustainability payments made. We are advised that £268,000 has been invoiced by East Lothian Council to NHS Lothian to recover social care sustainability payments made up until the end of August 2020 and that a further invoice has been raised for £586,000 to cover payments made until the end of October 2020. We are further advised that regular financial returns are sent to the Scottish Government by NHS Lothian projecting Covid-19 related costs to support the funding being allocated.
- We note that a number of different teams are involved in the social care sustainability payments process. Appropriate control mechanisms are in place for the approval and authorisation of individual payments and we note that the monitoring carried out by the Business Finance team includes monitoring of reduced occupancy and additional cost payments. We are advised that at the end of period 8 (November 2020) a full reconciliation will be carried out between the claim amounts approved by the Sustainability Payment Panel, the amounts paid to providers by the Council and the amounts recovered by the Council from NHS Lothian.

2.3 Record Keeping and Audit Trail

Key findings are:

- We found that comprehensive and detailed records are maintained of the sustainability payments process, including Sustainability Payment Panel agendas and meeting records, a clear record of all correspondence with providers and details of supporting documentation submitted by providers, including extracts from management accounts and purchase invoices. In particular we note that a Sustainability Payment Log is maintained for each provider, which includes details of:
 - Provider type (e.g. NCHC care home, non-NCHC care home or care at home framework);
 - Date the initial email was sent to the provider;
 - Date the supplier relief confirmation form was received from the provider;
 - Date the funding application template was issued to the provider;
 - If reduced occupancy rates have been agreed (for the periods to 1 June 2020, 31 August 2020 and 1 November 2020 respectively);
 - Dates of any additional costs application received;
 - Panel dates when the claims were considered;
 - Summary of key points considered at the Panel meetings in respect of each claim submitted;
 - Comments, including queries and clarification sought from, and feedback provided to, providers;
 - Reduced occupancy rate response received from providers;
 - If the latest reduced occupancy claim received has been approved;
 - If the latest additional costs claim received has been approved; and
 - All Panel approved claims, including the amount approved, date approved and if the claim related to reduced occupancy or additional costs.

2.4 Appeals Process

Key findings are:

- We sought to review the arrangements in place in the event of providers disagreeing with the decision of the Sustainability Payment Panel. We are advised that the resolution process was discussed at the Panel meeting of 3 August 2020 and it was agreed that in the event of a disagreement or discrepancy then the first point of action is to request further evidence from the provider. If the Panel is not satisfied with the evidence provided this will be communicated to the service provider. If the service provider is unhappy with the outcome then they will need to raise the matter with the Scottish Government.
- We are advised that to date all disagreements have been resolved following further discussions and correspondence with the provider and that no matters have been raised with the Scottish Government.

3. Conclusions

- 3.1 Based on our assurance work undertaken and the audit evidence reviewed, it is our view that the ELHSCP has appropriate processes in place to ensure that social care sustainability payments are made in accordance with the National Principles for Sustainability and Remobilisation Payments to Social Care Providers during Covid-19. Sustainability Payment Panel meetings are being held on a weekly basis, there is evidence of all claims from providers being properly considered and detailed records are maintained of all Panel decisions made and of correspondence with, and supporting evidence submitted by, social care providers.
- 3.2 We note that on 6 November 2020 the Scottish Government/COSLA wrote to all authorities to advise them that following the end of the transitional arrangements at the end of November 2020, further but more targeted support may be necessary to ensure that the sector remains sustainable, and that it may also be necessary to consider how the process of claiming and administering payments can be streamlined to improve the experience and outcomes of all involved. In particular it was highlighted that the transitional arrangements for reduced occupancy payments will not continue beyond November 2020 and that authorities should prepare for alternative arrangements to be in place from December 2020. Internal Audit may review these new arrangements at a later date and may also review payments to care at home providers for non-delivery of services, which has not formed part of this current review.

