

# ASC markets & the pandemic



National Audit Office

An NAO perspective

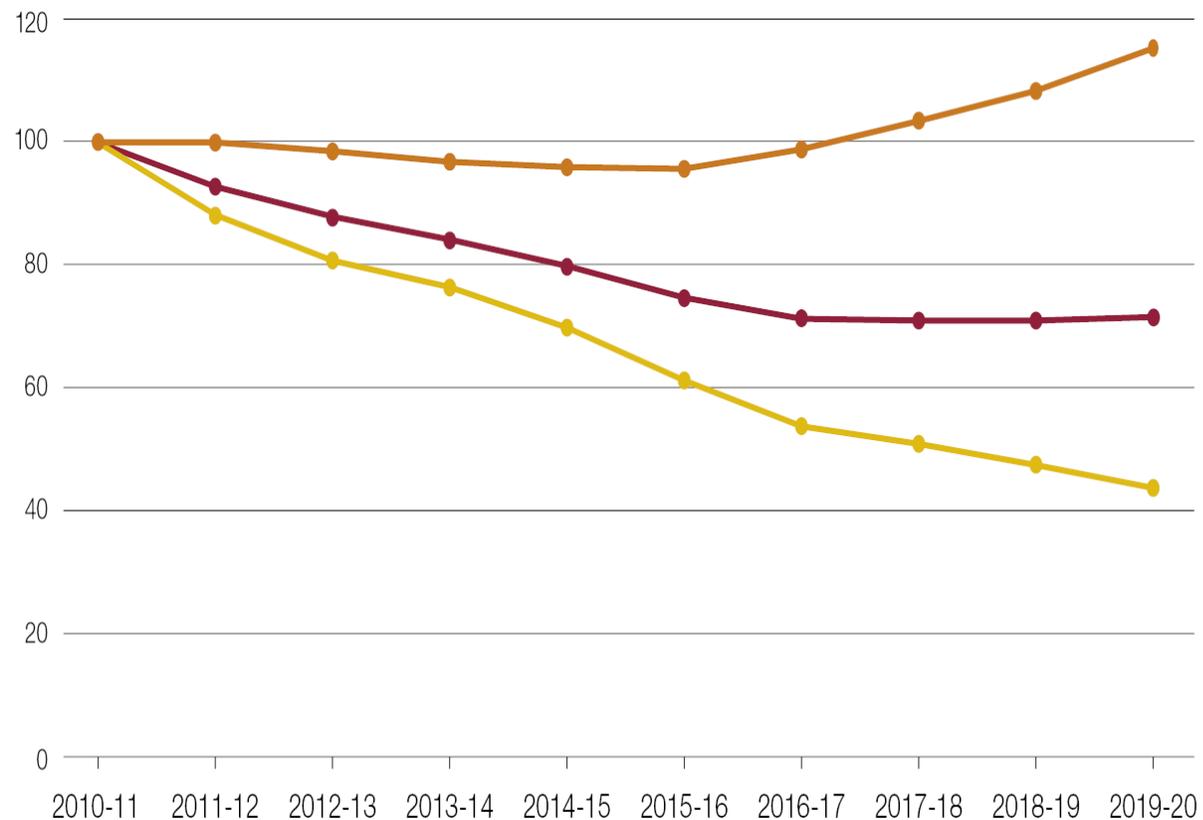
July 2020

# **The exam questions...**

- **What has Covid-19 told us about the state of the ASC market?**
- **How to ensure service continuity and quality?**
- **How do we re-shape markets to deliver high quality care and value the workforce?**

# What do we know (1): financial pressure

Spending power and its components (indexed: 2010-11=100) (real terms in 2018-19 prices)



- Sector has been financially stretched for a decade
- Underlying stability of the sector was at risk before the pandemic.
- Ageing population and growing demand has increased pressure

# Readying the NHS & ASC for the COVID 19 pandemic

- **Extra resources of £3.2 billion** were provided for local authorities for ASC and other service pressures , followed by **£600m** for infection control.
- NHS actions in increasing capacity, cutting elective work and discharging patients meant there were **enough beds and respiratory support nationally** at the peak of the outbreak in April.
- Patients discharged quickly from hospitals between mid-March and mid-April were sometimes **placed in care homes without being tested for COVID-19**. Not known how many people had the virus.
- **Testing for health and social care workers has been challenging** and testing for social care workers lagged behind NHS staff.
- As for **PPE**, central procurement met the modelled PPE requirement for some items to NHS, but **50% or less** of the requirement for gowns, eye protectors, or aprons.
- Central procurement only addressed a **small proportion** of the modelled requirement for PPE among social care providers.

# Readying the NHS & ASC for the COVID 19 pandemic

- The capacity tracker showed occupancy at **86% to 90% in April and May**. CQC says a further increase in spare capacity could mean less income for providers short term.
- CQC detailed that **decrease in hours and rising costs for PPE and increased workforce costs** (agency and OT ) could adversely affect profitability of domiciliary care providers.
- Provider organisations warning of **significant and rising costs (especially PPE)** represent a real threat to the financial stability of many providers.
- Recovery could take 18 months says CQC
- CQC warning of **reduced resilience** to future shocks & increased risk of provider failure

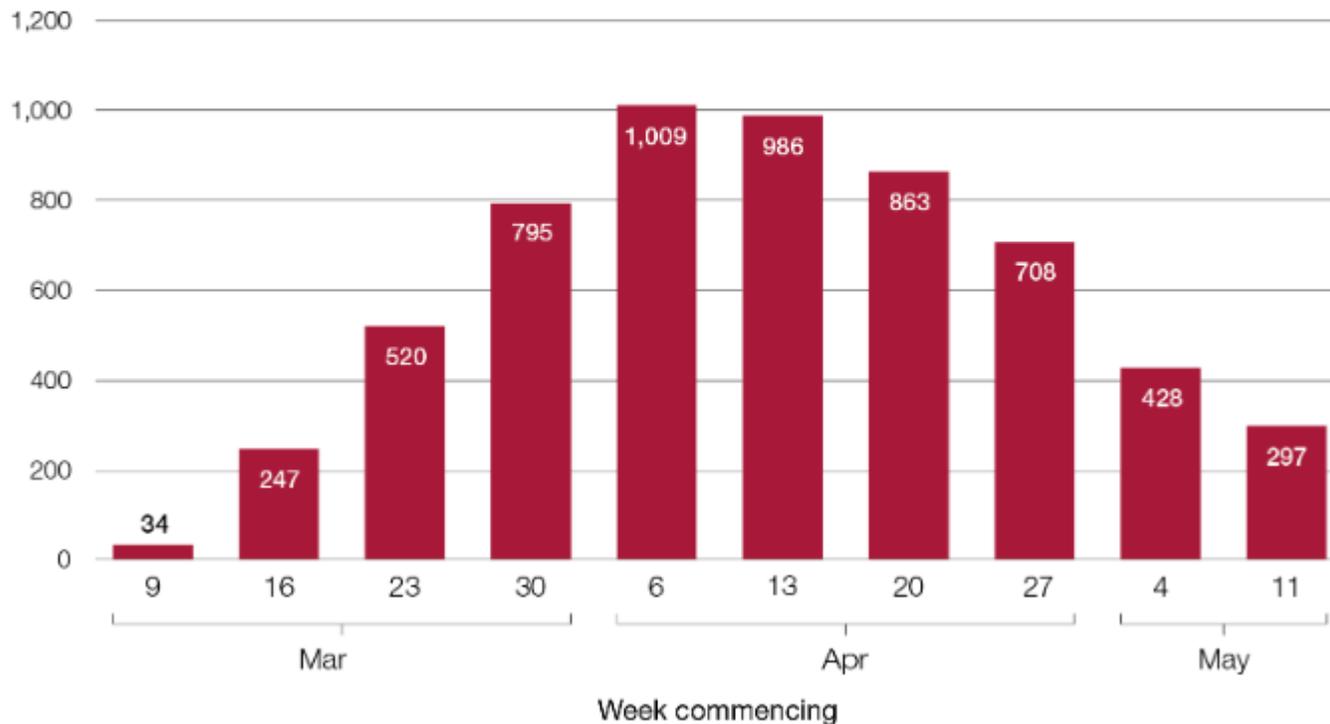
# Readying the NHS & ASC for the COVID 19 pandemic

Figure 10

Overall numbers of care homes in England reporting an outbreak of COVID-19, by week between 9 March and 17 May

Outbreaks in care homes peaked in the first week of April before steadily declining

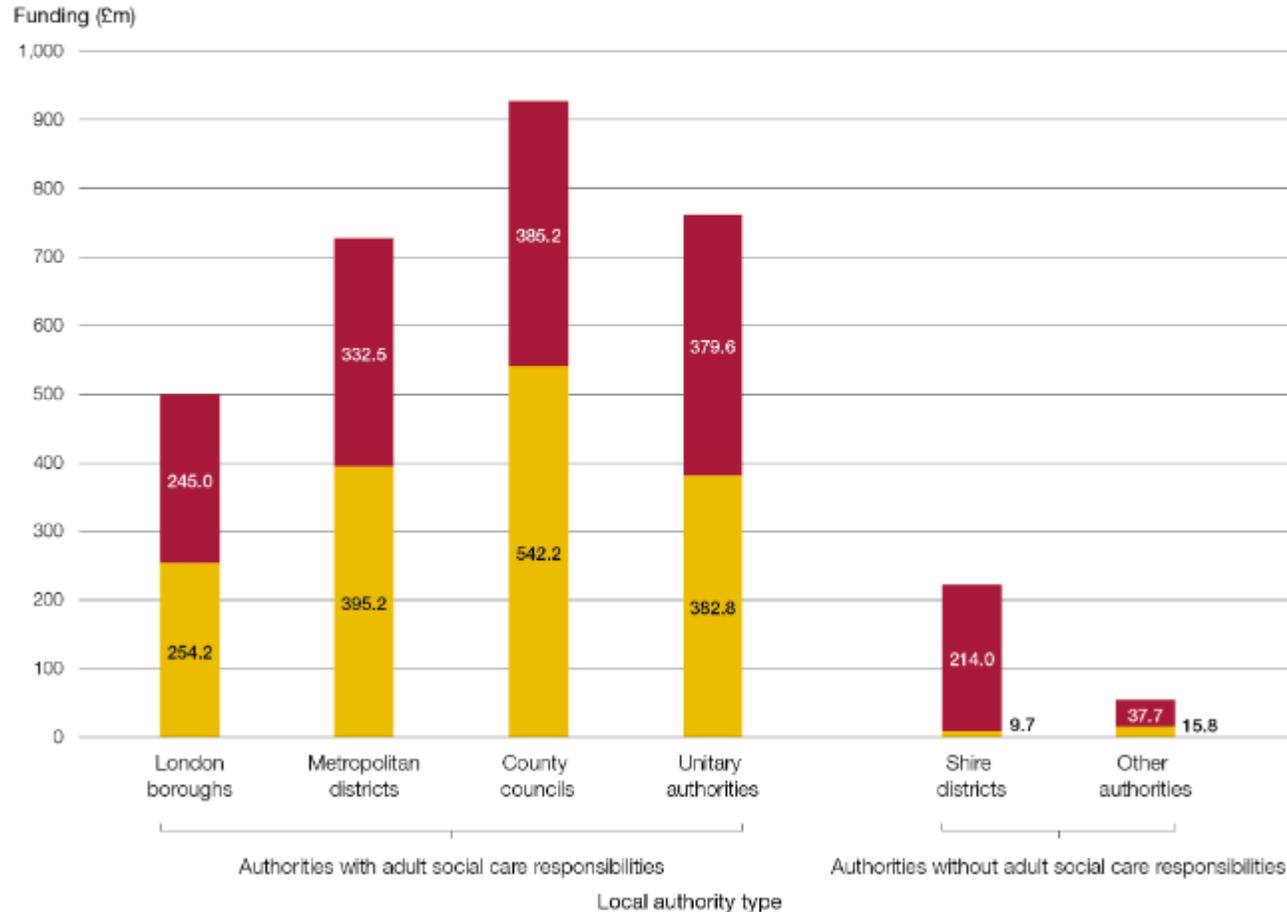
Number of care homes with a COVID-19 outbreak



# Readying the NHS & ASC for the COVID 19 pandemic

Distribution of £3.2 billion funding for COVID-19 to local government in England, by local authority type

Councils with adult social care responsibilities received a higher proportion of the first tranche of additional funding than the second tranche



- More money - both NHS & ASC
- ...but not baselined and spread across all service pressures
- Mixed picture on how much has reached providers

# What the pandemic highlighted

- The onset of an emergency does not mean that **long-standing problems** suddenly vanish or can be instantly solved
- The speed at which an effective crisis response can be mounted is significantly affected by matters **beyond government control** such as international supply chains & just in time logistics
- Since 2010-11 both the NHS and local government have been under **financial pressure**.
- The pace and intensity with which government has had to respond to the pandemic mean that **much important information about cost and performance is yet to emerge**.

# The future: what does the market need?

- DHSC to give ASC **parity of esteem**
- Clarity and certainty over **future funding** for local authorities
- A **long term, costed plan** for the future of social care, including integration and workforce development
- A strategy for **much better data**
- Resources for effective **market management**
- A proper understanding of **future demand**
- Differentiated solutions for **provider fragility**