

From: @gov.wales

Sent: 12 May 2020 10:24

Subject: Additional Guidance - Funding for Adult Social Care to Meet the Additional Costs Arising from Covid-19

Importance: High

Dear Colleague

Further to the emails below, I have been asked to clarify the situation where local authorities intend to apply a supplement to the fees they pay for their commissioned adult social care in order to reflect additional costs arising from Covid-19.

This approach of providing funding to adult social care providers is consistent with Ministers' intention to enable additional financial resource to be issued to providers as quickly as possible. In line with the earlier guidance, it would be permissible so long as the supplement applied reflects the costs adult social care providers collectively are incurring as a result of Covid-19 in providing commissioned social care. Alongside this approach commissioners may develop arrangements for more targeted financial support for those adult providers who are incurring costs at a higher rate than a standard supplement would recognise.

In order to verify the appropriate level of any supplement applied during the pandemic we would expect local authorities to have engaged with a representative sample of their commissioned adult social care providers to estimate the increase in costs providers have encountered locally. For in-house services the increase in costs should be verified from internal financial reporting. In submitting a claim to the LG Hardship Fund on this basis, local authorities should attach a short note setting out the basis for any temporary Covid-19 related supplement applied and their bespoke arrangements to meet greater costs which some providers may be experiencing.

I have also been asked to confirm whether any of the £40 million being provided is to meet additional costs resulting from Covid-19 in relation to healthcare provision. This funding, which is being provided through the LG Hardship Fund, is intended to meet adult social care providers' additional cost pressures resulting from Covid-19. This means that only costs related to the delivery of local authority commissioned adult social care are eligible.

Where there has been jointly commissioned or funded health and social care packages, for example in the case of NHS Funded Nursing Care (FNC) placements, this funding should only be used to support the additional costs associated with the social care elements of that commissioned care. Any additional costs providers are experiencing in relation to continuing healthcare, or the health elements of FNC, are for health boards to consider within their allocated funding and if additional resources are required to meet additional costs above that allocated funding, to set out that evidence to Welsh Government. Welsh Government officials are currently in discussion with LHB representatives about this matter.

I hope this is helpful. Ministers are extremely keen that funding should reach the front line. Local authorities should act to support their adult provider base as quickly as possible prior to submitting a claim to the hardship fund. The £40 million being provided is set aside and ring-fenced within the fund in order to support local authorities to meet the increased costs of adult social care for the period of March to the end of May.

Regards,