

# Service Provider Issues

Shropshire Council Information Sheet  
2016



## Summary

This information sheet reflects some of the issues and concerns that have been reported by the range of independent, private and voluntary sector care services in Shropshire (including preventative services). Shropshire Council encourages feedback from providers. It aims to understand issues and challenges and hopes to work in partnership to overcome obstacles where possible. There is a growing recognition that Shropshire Council, like all local authorities, has its own challenges and many of those are listed below (common across all sectors). This assessment of issues and concerns can assist in the design of commissioning opportunities, services and local policies and procedures. This paper focuses on the challenges faced by providers, there are many positive developments and achievements locally that have not been included.

## Background

The Care Act requires local authorities to help develop a market that delivers a wide range of sustainable high-quality care and support services that will be available to their communities. In order to develop the market Shropshire Council's Adult Services department engages with local service providers in a wide range of ways. Some relationships are built around commissioned services, whilst others develop through joint interests and projects. Particular relationships exist with representative bodies such as Shropshire Providers in Care (SPIC) and Shropshire VCS Assembly (VCSA): representing the private and voluntary sectors, these bodies offer the mechanism to raise issues and concerns in a collective and collaborative way.

## Provider Issues 2016

The information presented below is not based on formal research. The issues highlighted have been reported informally and, although they appear common concerns, they should be considered alongside other types of feedback in order to obtain a more comprehensive understanding of local issues and the provider market. The Adult Services Market Position Statement works to combine a wide range of sources to offer a more balanced overview of market issues – those facing providers, commissioners and individuals and family members benefiting from local services. Common themes highlighted within provider feedback cover: finance and sustainability, workforce, changes in care, volunteering and infrastructure and demand for services.

## Finance and Sustainability

- The Public Sector has not been able to offer providers the same level of financial support it used to offer in the past. This has impacted on:
  - A lack of investment in service development and innovations.
  - A shift away from grant funding towards investment through larger, longer term contracts.
  - Reductions in some contract values, minimising resources available for back office costs and organisational infrastructure.
  - Contracts paid in arrears can present cash flow problems for voluntary sector organisations with low levels of reserves or restricted reserves.
- Many national funding programmes have ended. At the same time many charitable trusts have less available income to award to applicants due to ongoing low interest rates. This has impacted upon public and voluntary providers more than private sector providers but it also has consequences for the wider economy.
- At the national scale small businesses and voluntary sector providers have been encouraged to explore social investment and finance models including short term loans.
- The costs of service provision are reported to have increased due to inflation and increases in the costs of living.
- Many services have explored the feasibility of charging for services, if they do not already do so (e.g. voluntary sector services) or increasing charges. However the impact on those

vulnerable people using services can mean this is not a viable option.

- Many local organisations report that they have had to make difficult decisions to reduce the level or range of the services they offer in order to retain a sustainable business model.
- All employers have faced additional cost pressures such as pension contributions, increases in the national minimum wage and increased travel costs.
- Many providers report reductions in expenditure on business costs (marketing etc.)

### **Workforce**

- The economic pressures above have an impact on the workforce. Low prices paid for services carry a number of risks, including:
  - poor terms and conditions for the workforce
  - an inability to fund increases in workers' pay
  - insufficient resources to organise and develop services
  - insufficient training for complex with an ageing population and people with complex care and support needs.
  - lack of resources to pay enhanced rates for unsocial hours, weekends or public holidays.
  - concerns paying reasonable travel rates for business mileage
- Shropshire's low wage economy plus the economic factors described above mean it can become increasingly difficult to recruit and retain care workers with the right training and qualifications.
- Some organisations report increasing workloads having a detrimental impact on staff. As pressures on organisations grow, low-wage workers and volunteers are sometimes asked to deal with more complex cases and this has implications for recruitment and retention.
- Providers are finding that managers are spending more time balancing budgets and less time supporting staff or delivering front line support and care.
- There are concerns that the care market will become commercially unsustainable.

### **Changes in Care**

- The introduction of the Care Act in 2015 has resulted in a time of significant change for all providers within the system of social care. Steps have been taken to promote equality and consistency; support service reform; and promote choice, control, independence and participation.
- Changes in care are highlighting greater differences in the service provided to self-funders and those who don't fund their own care. Many providers are keen to avoid increasing the costs of self-funders to unreasonable levels in order to achieve business sustainability.
- Equality appears to be an increasing issue considered by care and support providers as economic, social and demographic changes impact in different ways within local communities.
- Providers are concerned about national trends that appear to suggest increasing time restrictions placed on care. Time restrictions can:
  - prevent appropriate levels of care and support.
  - impact on relationships, reducing time for conversation.
- There are some reports that more providers are considering geographical changes in operation and scope as a means of securing business viability.
- Safety and safeguarding are increasing issues and concerns as economic and workforce pressures can increase risk.

### **Volunteering and Infrastructure**

- For all types of organisations, finding trustees and obtaining external support can be challenging. Voluntary sector services are reporting particular concerns greater responsibilities are being placed on trustees/ board members.
- Whilst demand for volunteering is growing, funding for volunteer recruitment and brokerage in Shropshire has been lost due to national changes in funding support. It has been recognised by the VCSA as a growing problem, and has raised concerns over the availability of infrastructure support to facilitate community activism and promote community resilience.
- Volunteer management comes at a cost but is needed to support volunteers and provide

training and expenses. Income sources to cover these costs are very limited and increasingly difficult to access.

- More people are staying in work longer and/or caring for others rather than retiring early and becoming volunteers. The economic pressures at the national level are resulting in the profile of our local volunteer workforce changing.
- Government policy requires those on benefits to volunteer. Often those individuals will volunteer for much shorter periods of time and need increased levels of support and management to develop the skills and confidence needed to volunteer effectively.

### **Demand for Services**

- Ageing population forecasts are a concern (see information sheet on this topic).
- Providers report seeing more people with multiple and complex needs. Social issues such as social isolation, lack of transport, digital exclusion, availability of appropriate housing support and the impact of welfare reform and debt are all issues raised locally as concerns.
- There are concerns within some sections of the market that waiting times for services (particularly within some preventative services) present a greater risk to those in need or near crisis.
- Changes in local services (particularly public sector changes) can have a knock on some types of voluntary independent or private sector provider, changes in referral numbers can result in difficulties meeting demand.
- Changes in welfare benefits have led to an increased demand for advice and support.

### **Market Oversight and the Care Quality Commission**

Market Oversight is a national scheme run by the Care Quality Commission (CQC). It aims to identify early warning signs that a care provider may be at risk of closure. Local Authorities are warned about likely problems, so that difficult-to-replace care provider's do not close suddenly and place people and their families and carers in vulnerable and challenging circumstances. To find out more see: <http://www.cqc.org.uk/content/care-homes>

### **How do I find out more?**

Shropshire Council's service provider engagement is achieved through a range of different mechanisms but key contacts include:

#### **Shropshire Partners in Care (SPIC)**

Shropshire partners in Care is working with Shropshire Council and Telford & Wrekin Council to undertake research on the different elements of delivering care including staffing, training, and other overheads. It is hoped the work will support work to achieve fair costs of care in Shropshire.  
Telephone: 01743 860011

Website: <http://www.spic.co.uk/>

#### **Shropshire Voluntary Sector Assembly (VCSA)**

Shropshire VCS Assembly forms a network of voluntary sector organisations in Shropshire, its research work (such as the VCSA State of the Sector Survey) can offer a valuable insight into provider concerns and market changes.

Telephone: 01743 258519 Email: [vcasassembly@shropshire.gov.uk](mailto:vcasassembly@shropshire.gov.uk)

Website: <http://vcsvoice.org/>

To find out more please contact Shropshire Council's Adult Services, Development Team:

Telephone: 01743 255808 Email: [adultservices@shropshire.gov.uk](mailto:adultservices@shropshire.gov.uk)

Alternatively visit the Council's website: <http://new.shropshire.gov.uk/adult-social-care>

---

### **Contact Us**

For more information please contact Shropshire Council's Commissioning Support Unit.

🌐 **Website:** <http://www.shropshire.gov.uk>

✉ **Email:** [commissioning.support@shropshire.gov.uk](mailto:commissioning.support@shropshire.gov.uk) ☎ **Telephone:** 01743 258524