

## 1. Introduction

**‘The purpose of the market sustainability plan is for local authorities to assess and demonstrate how they will ensure local care markets are sustainable, as they move towards implementing reform.’**

**-Department of Health and Social Care**

This Market Sustainability Plan (MSP) sets out Suffolk County Council's approach to ensuring good quality care is available to meet a range of needs, and promote independence for adults in Suffolk, regardless of how their care is funded. This plan captures ongoing and planned initiatives and strategies to achieve this outcome.

The care market includes all the paid activities in Suffolk to support people with care and support needs. Care and support is purchased for people either privately from their own means or commissioned on their behalf from Local Authorities with Social Care responsibilities or NHS organisations. Individuals may organise their own care or as an outcome of a social care assessment. This assessment is undertaken by the Council who will determine support needs and eligibility to receive care and financial support. If the eligibility criteria are met, as defined in the Care Act 2014, people can choose to either receive care commissioned by the Council or take a Direct Payment and make their own care arrangements.

The care market in Suffolk is a component of the national care sector and the Council's interventions in the local market are strongly influenced by Government policy and funding decisions. In 2016 the Competition and Markets Authority (CMA) completed a review into fairness of the Care Home market for older people. They found that all individuals need support to access greater choice in placements and that additional public funding was required for these services. The CMA further identified that Local Authority placements may not be sustainable at current prices. In 2018, the Government largely accepted the recommendations of this review. Both exercises exclusively focused on Care Home placements for older people.

In March 2022 the Government announced widescale reforms that broadly incorporated the CMA report and Dilnott Commission recommendations. These reforms included a commitment to cap the lifetime spend on care for individuals and a commitment to achieve an equitable price for care. Whilst the consumer reforms have been delayed until October 2025, Local Authorities have been provided with interim funding for the 2022/23 financial year that has continued into 2023/24. Local Authorities were also required to produce a Market Sustainability Plan (MSP) for adult social care. In alignment with the MSP the Council was required to undertake a Cost of Care exercise to understand costs of delivering care in Suffolk for older people living in Care Homes and adults over 18 years receiving Home Care. [The outcome of this exercise was published in January 2023 on the Council's website.](#)

## Local Context

As a County with a significant geographic and population footprint, the care market in Suffolk is both large and diverse. The Council directly contracts with over 500 care agencies which represent almost all organisations delivering paid care in Suffolk. These organisations employ over 20,000 members of staff collectively. Suffolk spans rural to urban areas, as well as high income areas to areas of significant deprivation, therefore there is a significant range of demand for care as well as considerations for organising care. Suffolk has an ageing population. Currently, 24% of the population are aged 65 and over, higher than the national average of 18.4%, and this proportion is expected to grow significantly by 2050. With this ageing demographic comes growing health and care needs for the population. The number of people living with dementia in Suffolk is expected to double in the next 15 years.

The Council distinguishes between the following categories within the local care sector (service numbers provided are accurate for March 2023):

- Care Homes (186 homes)
- Home Care (130 providers)
- Extra Care, housing with care for older people (24 schemes)
- Supported Housing, for working age adults (218 schemes)
- Day Opportunities (111 services)

The Council delivers adult social care in two Integrated Care Systems, Suffolk and North East Essex and Norfolk and Waveney. This is further broken down into three areas:

- Ipswich and East Suffolk – Alliance model
- West Suffolk – Alliance model
- Waveney – Integrated approach

To co-ordinate the work with the care market across the County whilst ensuring local area diversity is reflected the Council maintains a Care and Support Market Sustainability Strategy. The Council also works closely with District and Borough partners through Suffolk Housing Board to identify and realise opportunities for co-ordination across housing and social care.

## 2. Assessment of the current sustainability of local care markets

The care market in Suffolk has a many strengths. Suffolk has consistently ranked amongst the highest overall quality of care in England as assessed by the Care Quality Commission through individual service inspections in the past five years. As of March 2023, 82.34% of adult care services in Suffolk regulated by the Care Quality Commission are rated good and outstanding. This compares to 72.59% in England. The County also has a significantly diverse range of care providers, from local small businesses to large national providers. Further, the Council and the care market have a considerable history of collaboration and shared vision for care with these providers. This is built on trusted relationships with not only these care providers but those with lived experiences using their services. The Council recognises the importance of the voice of people across Suffolk using the care market and through engagement processes work in collaboration to understand the changing needs and demand across Suffolk to consistently look at ways to improve the quality and care of service being delivered.

There are, however, considerable pressures on the sustainability of the care market in Suffolk. At a time when demand for services is increasing, the number of people working in care is declining as the care market is unable to attract the number of new staff providers need. Inflation, borrowing rates, energy, fuel, and other cost of living factors have been a significant pressure for care providers from early 2022 and are expected to continue well into 2023. This makes it harder for both buyers and sellers of care to find an affordable price for care.

In August 2022 the Council undertook a survey of all care providers to assess impact of cost of living pressures on the adult social care workforce. Overall, 82% expressed a high level of concern regarding the increase in cost of living, the effect on the viability of their business and ability to recruit new staff. 75% expressed high levels of concern on the impact of retaining existing staff. 86% conduct exit interviews for leavers and provided further information on the reasoning for leavers in recent months.

Using information collected by Skills for Care from Suffolk based providers, it is known that vacancy rates in the County increased by 52% between April 2021 and April 2022. There was a net loss of 500 individuals from the workforce in Suffolk in that time and total vacancies increased by 800 from 1600 to 2400 in the same period. This suggests a blend of retention issues for existing staff and an inability to fill new additional roles created by increasing customer demand.

Further, there are numerous other factors that are creating workforce pressures that in turn impact the sustainability of the care market. These include:

- Lack of pay parity with equivalent NHS roles
- Negative perceptions of care
- The costs and availability of transport, particularly in rural areas
- Fear of Covid-19 and other infectious diseases, particularly for individuals with underlying health conditions or living with people with those conditions
- The impact of the implemented, and then withdrawn, mandatory staff Covid-19 vaccination in early 2022
- Increasing fees from staffing agencies
- Complexity of care needs, particularly in the aging population
- Pressures from unaddressed Equalities, Diversity, and Inclusion (EDI) issues

For all care services the largest cost component is staffing costs. From the Cost of Care exercise undertaken in 2022, the Council understands this represents 50% to 80% of total costs. Wage inflation and competition within the sector and with other sectors, particularly retail and hospitality, to respond to these workforce challenges further reduces the financial sustainability of care for adults in Suffolk.

The Council has identified that there is not enough provision for housing-and-care models that allow individuals to maintain tenancies or equity in their accommodation. This supports individuals to plan for their care needs, maximise their independence and have more choices. In 2021 the Council estimated that there is currently demand for 1000 additional Extra Care housing-with-care flats for older people in the County. If these housing opportunities remain undeveloped this will continue to cause avoidable demand on the sector such as unnecessary Care Home admissions.

**To respond to these challenges in Suffolk, the Council must:**

- **Grow and develop the care workforce**
- **Respond to increasing costs to deliver care**
- **Prepare for an aging population with increasing care needs**
- **Ensure there is the right range of care opportunities available to people as they need them**

## Care Home Market Snapshot

### FACTSHEET



**186 Care Homes**



The largest Care Home in Suffolk has 153 Beds whilst the smallest has 4 Beds



**7300 Beds**



The Council arranges around 40% of Care Home placements in Suffolk



In March 2023 91% of beds were occupied



**11000+ Staff Employed**

Care Homes have experienced considerable strain on costs in 2022 as Covid-19 financial support from the Government ended in March 2022 but restrictions on staffing and working remained in place until the end of that year. The advertised end of free Personal Protective Equipment (PPE) for Care Homes by the Government at the end of March 2024 will present another significant cost pressure.

The Council has had a long-term objective to reduce the number of people placed in Care Homes and this accelerated during the Covid-19 pandemic. Increasingly people are choosing to remain at home to receive care and delaying a move into a Care Home. The average number of care home placements per month made by the Council has fallen by 20% between 2020 and 2023. The growth in retirement living, where individuals hold equity in the accommodation, has been significant in recent years. Demand for Care Home placements has increased for more intensive support and includes nursing care and support for advanced dementia conditions and behaviour that challenges.

Whilst not necessarily providing health services, Care Homes are increasingly close to clinical settings such as hospitals by virtue of these shifting population needs. The Council has identified a lack of supply of Care Home placements to support individuals with emerging health trends, such as early onset dementia, other neurological conditions, and bariatric care. Providers also report the challenges of complexity in care needs, seeing a rise in those with comorbidities as well as behaviours that challenge particularly those with dementia which staff are not trained adequately to support.

Care Homes market sustainability is also challenged by the unavailability of public transport. Providers have reported significant difficulties in recruitment and staffing linked to an inability to use staff unable to drive. This is particularly challenging for rural homes managing staffing outside normal office hours.

The Cost of Care exercise showed that a large proportion of costs, around 50%, are driven by staff costs and subject to workforce pressures experienced by the wider sector. Care Homes are more exposed to property, accommodation, and hotel costs, such as food and energy costs. These factors represent between 10% and 20% of costs within the information collected in this exercise.

The Council uses a blend of negotiated prices and fixed prices known as the Published Rates. For the past few years, the Council has used two Published Rates, standard for general needs in a Care Home setting and an enhanced rate for people requiring more intensive care and support. Recent discussions with the care market and our own data has shown that very few people were placed using the standard rate in 2022/23. As the Council purchases around 40% of care home placements in Suffolk, significant reforms are needed to the way that the Council purchases these to reflect these changes to support long-term sustainability and has committed to introducing a new higher rate by April 2024. The Council will work jointly with NHS partners to provide clearer views on long-term demand for higher needs and how best to meet these and with the care market. This will be a key part of our planning for a long-term sustainable future.

The Council has identified a significant lack of transparency in relation to Care Home costs where prices are paid outside of standard or contracted rates. Scarcity of support in particular areas has driven monopolistic behaviour where provision is priced with significant profit or surplus margins. These do not provide people with prices that can be directly related to costs, such as staffing, goods and overheads. Further work is needed to differentiate placements where the price is driven by delivery costs and those prices driven by market factors.

The Council pays for a number of reserved beds, known as block contracts, within care homes. The largest of these is the partnership with Care UK for 377 across 10 homes that commenced in December 2012 in a 25 year agreement. The Council also contracts for a further 46 beds with a number of other providers in more short term contracts. These beds create opportunities for care in areas where demand fluctuates more significantly by guaranteeing supply. The Council does not otherwise contract for Care Home placements outside of individual placements. This limits the Council's ability to shape demand and supply beyond these block contracts and individual placements.

## Home Care Market Snapshot

### FACTSHEET



**130 Providers**



The waiting list for Home Care has decreased by 80% between June 2022 and January 2023



**4000+ People supported**



The Council arranges 60% more Home Care hours in 2023 than it did in 2016



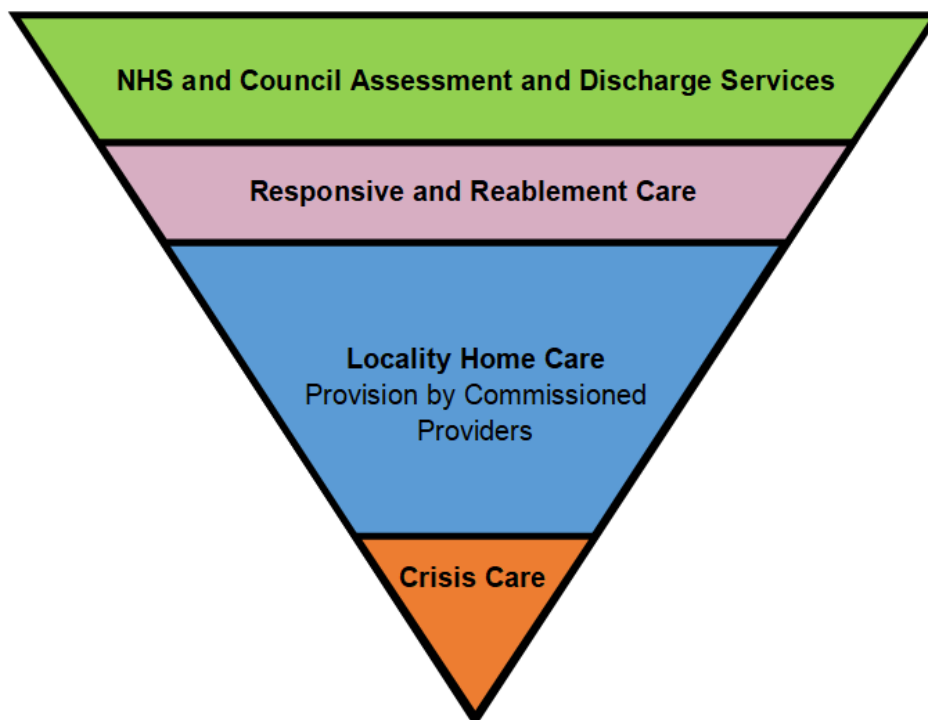
**70,000+ Hours Delivered Weekly**



**8000+ Staff Employed**

Home Care is an area of significant growth in demand. The hours commissioned by the Council have grown by 60% since 2015 and 28% in the last 12 months. To ensure the Council had a Home Care service able to adapt to changing need following extensive consultation a new Home Care Operating model was developed and approved in 2018. This model recognised that home care is not one service but is influenced by a range of factors and whilst the care market plays a key role it also needs greater integration between health and care to manage demand and keep the focus on independent living.

As part of the development of this service, the Council introduced a Home Care operating model that is portrayed in the following diagram. This illustrates the role of Home Care provision as an outcome of interactions with NHS and Council services. It also demonstrates, broadly, the relative scale of provision by number of hours delivered.



A key component of the Home Care operating model is the provision of long-term care and in September 2019 the Locality Framework contract was awarded. The Framework commissions Home Care for people based on factors such as a track-record of responsiveness and assessed quality of provision. The Council uses fixed prices to ensure competition is not influenced by cost-saving measures within the provider that may negatively impact quality.

The Council observes that a careful approach to market competition between home care providers is beneficial. As a market, the use of multiple providers in concentrated areas can result in inefficiencies. For example, multiple care providers may be delivering care on the same street around the same time. In this example, costs and prices would be lower, by virtue of economies of scale, where fewer providers are operating in that area. Conversely, a lack of competition can lead to 'too big to fail' providers and lack of choice for consumers.

The Council pays differential prices based on factors such as rurality, travel, availability of people, and levels of deprivation which are implemented at parish level. The Council has traditionally found it more difficult to find care in more rural areas even where the Council offers the highest pricing level. The barrier to entry is very high for new providers due to the sparsity of work and the time needed to build a viable business.



Due to the rurality of the County, the time and distance that staff must travel between supporting individuals is a significant constraint on capacity and pressure on the workforce. Additionally, the predominant remuneration model for Home Care staff in England is mileage payments rather than salaried time. This means staff in Suffolk are highly exposed to transport costs, such as fuel and vehicle expenses. These are costs that have increased significantly since the start of 2022. The lack of availability of driving tests and cost of driving lessons are also cited as a major constraint for creating the necessary mobile workforce, either from overseas recruitment or from school leavers, able to deliver Home Care.

In specific areas, the Care Market is subject to transport network risks. This includes Orwell Bridge closures and their impact on travel times in Ipswich and Bascule Bridge openings resulting in disconnection of areas of central Lowestoft. When these scenarios occur, they significantly increase travel times and reduce the overall mobility and capacity of, as well as compensation to, home care workers in those areas.

Waiting lists for new Home Care referrals has seen significant variance in recent years, between 250 and 45 in the previous 12 months. The significant decrease from June 2022 to March 2023 demonstrates the success of targeted interventions such as financial incentives and recruitment support provided to the market. However, this significant shift also demonstrates significant uncertainty in demand making it challenging to plan for both the Council and the care market. The Council must continue to work with the provider market to explore ways to better prepare capacity in line with the variables of seasonal demand and hospital discharge activities. Along with working with providers, the council also has a new All Age Carers' Strategy 2022-2027 that was co-produced and highlights the need to support those family/unpaid carers who may be working alongside providers.

The 2022 Cost of Care exercise identified that 72.8%, £18.03 out of £24.75, of the median cost of care for Home Care relates to direct staffing costs. This indicates the particular vulnerability of Home Care to current workforce cost pressures.



### 3. Assessment of the impact of future market changes between now and October 2025, for each of the service markets

#### Demographic Changes

The table below sets out the forecast demographic changes for the next three years:

Demographic Changes	2023/24	2024/25	2025/26
18 – 64	-0.2%	-0.2%	-0.3%
65+	1.9%	3.7%	5.5%

This sets out by age rather than by service type, and in September 2022 there were 3196 people supported at home with home care over 18 years, 510 people over 65 years supported in care homes with nursing and 1682 people 65 years supported in care homes without nursing provision. However, the forecast does not take account of potential increasing needs, and there has been an increase in the average number of home care hours people require; before the pandemic the average was 14 hours per week, and this has increased to 16 hours per week in 2022. Care home providers are also indicating that the level of needs of their residents continue to increase.

## Potential impact of self-funders and take up of Section 18 (3) of the Care Act 2014

The table below sets out the potential self-funder demand because of demographic changes. The current number of self-funders has been forecast based on ONS 2020/21 data. This has been applied to the figures Newton Europe and the County Council Network analysis recommend which defines 2% of self-funders are aged between 18-64 years and 98% are over 65 years.

	Self-funded residents ONS (%)	Proportion of 18 – 64 Self-Funding Residents	Proportion of 65+ Self-Funding Residents
Care Homes	46.9%	0.9%	46.0%
Community Care	34.0%	0.7%	33.3%

**NB:** community care is broader than home care in this scenario as it includes all community-based services.

Based on the above Suffolk has a substantial self-funder population that it will be required to undertake social work and financial assessments for, as well as put in place the care metering arrangement and commission services on their behalf from October 2025.

## 4. Plans for each market to address sustainability issues identified, including fee rate issues, where identified.

### Plans which will have a positive impact on the sustainability of both markets (including workforce initiatives)

The Council has established a co-ordinated programme of work, to support a transformational approach ahead of social care reforms due in 2025. In consultation with the Care Market, the Council have identified the following development priorities to support market sustainability, not in any order of priority. These are:

- A refreshed Care Market Strategy in 2023 with demand projections
- A revised Home Care operating model to better respond to seasonal demand and increase responsiveness to hospital discharges. This includes transforming Home First, the Council's reablement service as part of the "Responsive" element.
- A more personalised approach to commissioning with new offers in the care market that allow individuals greater control over how they spend their personal budget
- Development of a new pricing model for people needing more intensive support in Care Homes
- Further embedding digital technology in care
- A workforce development strategy to improve recruitment, retention, and skills development
- A revised Supported Housing offer for people with increased emphasis on building independence
- Work with District and Boroughs, Landlords and Housing Developers to develop new housing-with-care services
- Delivering a better interface between family carers and paid carers
- Continuing to build on the good relationships with the care market and work more inclusively with them
- Establishing more service offers for individuals with dual Learning Disability and Mental Health support needs (known as Transforming Care)

# Market Sustainability Plan

Suffolk Adult Social Care - March 2023



The Council recognises the importance of the care workforce and has delivered initiatives to support and develop it. This includes the delivery of £6.3m of workforce recruitment and retention grants, from funding provided by the Government, to care providers in 2021 and 2022. These grants enabled the recruitment of an additional 2315 workers into the sector in that time. The Council has evolved this work into an ongoing 'Kickstart for Care' payment of £750 for new staff entering the care sector in Suffolk. This has supported an additional 118 individuals to join the sector since it launched in June 2022.

The Council has implemented an overseas recruitment grant to providers to allow small local care providers to explore such opportunities. This has resulted in 85 new care workers. The Council is working with local NHS Integrated Care Systems, the Suffolk Association of Independent Care Providers, and Care Development East to co-ordinate, develop, and draw in funding for new initiatives. The Council will also be working with regional partners to develop a regional overseas recruitment plan looking at the development of overseas skills pipelines, support to individuals with the visa process, and pastoral support once individuals arrive in England.

The Council, in partnership with Norfolk County Council and the European Union, in the form of legacy European Social Fund funding, has delivered the Developing Skills in Health and Social Care Project since 2020. This project provides academically accredited and fully funded training opportunities to individuals working in care in Suffolk and Norfolk. This project, running until September 2023, has been successful in supporting over 1500 individuals to access training. These training offers are provided at various stages of professional development. These include, literacy and numeracy skills, best practice care, and leadership skills. The role of peer mentoring has been identified as a key factor in learning success. The Council will be working with partners to consider opportunities to build on this project.

In 2023 the Council established a revised Third Party Harassment Policy for individuals with commissioned care from the Council. Within and outside this policy, the Council takes a zero tolerance position towards abuse to individuals working in care. The Council will act in solidarity with workers experiencing abuse and will not allow individuals to select carers on the basis on protected characteristics (except Gender where this is appropriate to the task). As part of the wider overseas recruitment offer, the Council is prioritising the development of pastoral support to workers coming to Suffolk to ensure they feel welcomed and comfortable working in the County.

The Council has led the way for Local Authorities in England by establishing a dedicated promotional campaign for social care. The 'I-Care' campaign, including dedicated branding, is being used proactively by the Council, providers, and its partners to promote the role of care in social media and other publications. This campaign emphasises the positive experiences working in care and displays the career opportunities working in the local sector.

To respond to inflation the Council has agreed an overall 8.41% increase to payments for existing care from April 2023 in recognition of the exceptional cost pressures currently faced by the local care sector.

# Market Sustainability Plan

Suffolk Adult Social Care - March 2023



The Council is working closely with District and Borough partners to explore the long term development of housing-with-care opportunities. The Council has access to up to a £2.8m capital budget to develop such new services and is focusing on opportunities in Lowestoft and Ipswich. The Council has also recommissioned its Housing Related Support service to more directly mitigate future care needs by providing housing opportunities to prevent short-term and long-term escalations into direct care needs. Work will also continue towards the development of the Independent Living Service in Suffolk, utilising Disabled Facilities Grants, with District and Borough partners. This will enable individuals to receive adaptations to their homes to allow them to remain there for longer and with lower care and support needs.

To embed new digital technology into the care system in Suffolk, The Council is investing £15m over the next seven years into the Cassius Partnership. This partnership, involving public and commercial partners, provides technology to individuals in response to care and support needs. This technology includes smart home sensors, tablets, and response alarms. This offer can supplement the activities of the care market and provides an important mechanism to allow care to be delivered more responsively and proportionately to achieve better support for individuals. This also ensures that Suffolk is able to maximise the capacity and quality of care provision.

To support the delivery of quality assurance, contract management, and care market development, the Council operates a Service Development and Contracts function. This is delivered through dedicated teams in each of the alliance areas as well as a countywide team. These teams matrix work to manage risks and opportunities ranging from individual services to market-wide. The Council maintains direct relationships with all care providers through allocated contract managers for all services. The intensity of work with individual providers, or whole areas or markets, is determined by the risks and opportunities in relation to the provision of care needed in Suffolk.

The Council will be developing a revised Care Market Strategy during 2023 that will consolidate workforce and care market initiatives as well as respond to the learning from the 2022 Cost of Care exercise.

The Council continues to listen to care market providers and those with lived experiences across Suffolk who use these services to ensure that any future decision making is coproduced with those with lived experiences and includes the voice of the care and cared for. The Council collaborates closely with co-production partners, including Healthwatch Suffolk, ACE Anglia, and Suffolk User Forum, and will be placing co-production at the centre of the Care Market Strategy refresh in 2023.



## Specific plans for Care Home sustainability

In April 2024 the Council will be removing the lowest payment band, at £644 per week, offered to providers for Care Home placements. It will be moving all existing individually contracted care home packages on both standard and enhanced rates to £806 per week. Including changes made in April 2022, the Council will have increased the lowest price paid for Care Home placements by 39% in two years. The Council will be prioritising inflationary increases to prices for Care Home placements beneath £1000 per week prices, close to the median cost of care figure, to further develop sustainability of this market.

The Council will be undertaking development of a new pricing model for Care Homes to reflect the need for a more transparent and flexible approach to placement costs. This model will provide a more advanced breakdown of costs beyond a weekly placement cost. Therefore, it will incorporate information gathered through the cost of care exercise in 2022 to understand cost factors such as hourly staff pay. It is expected this will better incorporate more intensive support models, such as nursing and more advanced dementia, and achieve a more sustainable market. This new model will be embedded into purchasing by April 2024. This work is expected to lead into a wider review of how the Council contracts for all Care Home placements.

The Council will also be developing a trusted assessor model in time for Winter 2023/2024. This will provide individuals that act as a dedicated interface between care homes and hospital settings. This will lead to an improved experience for individuals returning to care homes and will allow homes to better plan for the flow of customers from hospitals in a way that better mitigates costs and disruption.

## Specific Plans for Home Care Sustainability

The Council will continue to develop its Home Care operating model in early 2023. A new supplementary service, the Bridging Service, will be put out to tender in Summer 2023. This is following a successful pilot in Winter 2022/2023 that provides interim care for individuals waiting for long term care so they do not need to wait in hospital or at home for support. This service will be required to start in time for Winter 2023/2024 and will provide a mechanism to more steadily flow customers into long-term Home Care provision. This ensures that incoming demand can be more sustainably absorbed by the care market.

The Council continues to invest in the delivery and development of its Home First service. This service operates as a direct care provider for the County's re-ablement service. This provides individuals with support as they return home from Hospital and re-build their independence following that period of illness. This service plays a key role in maximising ongoing health and wellbeing for people as well as reducing the need for ongoing care. During the winter of 2022/2023 the Council has invested heavily in the recruitment of reablement support workers into this service.

In November 2022 the Council introduced a new approach to the placement of individuals into Home Care by using online mapping tools. This process allows providers to determine the location of individuals waiting for care near to existing customers to then further assess their suitability for services. This allows providers to identify opportunities to maximise the efficiencies of staffing routes to deliver care, known as rounds, and mitigate the geographic challenges in both urban and rural areas. The Council has also used targeted price enhancements for highly rural areas during 2022 and 2023.

The Council will be embedding further innovation into Home Care services with the following initiatives in 2023:

- Developing an external re-ablement offer to enable the care sector to deliver support for individuals to rebuild independence, with an objective to minimise or eliminate, ongoing care needs. This will reduce demand and support sustainability. This pilot is expected to commence by April 2023.
- Undertaking an Electric Vehicle pilot from Spring 2023 that allows providers to access grant funding towards the purchase of such vehicles. This includes a £53k funding pot that will be made accessible to providers to support them to test these vehicles out as a long-term cost reduction opportunity.
- Developing micro-enterprise care provision in a partnership project with Community Catalysts. Micro-enterprises are defined as organisations with less than ten employees. These represent self-starting small business that are well placed to work in small geographic pockets. This is particularly expected to create additional sustainable home care support offers in more rural areas. This work commenced Countywide in Summer 2022 and will run for two years.



## Provider engagement to date

The Council has cultivated strong partnerships with the Suffolk Association of Independent Care Providers and Care Development East to pursue an approach of sector-led development. Joint working during the Covid-19 pandemic led the Council, these organisations, and local NHS partners, to establish a Care Market Cell. This group has subsequently pivoted into a wider forward planning group for care sector initiatives and risks. This group acts as the primary reference point to establish, develop and realise opportunities for improving sustainability of the local care sector.

The Council used a third party to conduct the Cost of Care exercise. This assured providers that all data shared with the Council would be anonymised and as such there has been a good level of engagement. Out of the 156 care homes that were in scope, 72 (46%) submitted returns although after verification only 60 (38%) could be used, although this covered 46% of the beds. For home care providers out of 116 providers in scope 85 (73%) engaged with the exercise initially although the returns were significantly less, 30 (26%) and once verified only 24 (21%) could be used.

## Allocation of the Cost of Care Fund to Support the Market in Financial Year 2022/2023

In November 2022, the Council used the interim funding for the Cost of Care (£2.2m) to increase prices paid for care for eligible providers; care homes for older people and home care. Home care prices were targeted at the lowest pricing bands paid by the Council, mostly in urban areas, for an increase of 7 to 8%. Rural pricing bands for home care were increased by between 3% to 6%. The Council also targeted lowest prices paid for Care Home placements. This led to price increases of 5% for lowest paid care home placements and between 2% and 2.5% for all other care home placements.

The Council, from its own resources, made these increases permanent from April 2023 without offsetting these increases from annual price inflation.

## Care Homes for people over 65 years

The following amendments were made to pricing in October 2022:

Bed Type	Current Weekly Rate	% Increase	New Weekly Rate
Standard Residential Rate	£613	5%	£644
Enhanced Residential Rate	£728	2.5%	£746
Standard Nursing Rate	£613	5%	£644
Enhanced Nursing Rate	£728	2.5%	£746
All Other Rates	N/A	2%	N/A

## Home care for adults over 18 years

The following amendments were made to pricing in October 2022:

Framework Level	Current Hourly Rate	% Increase	New Hourly Rate
Level 1	£19.84	8%	£21.43
Level 2	£20.55	7%	£21.99
Level 3	£21.71	3%	£22.36
Level 4	£23.42	3%	£24.12
Level 5	£26.78	6%	£28.39
All Other Rates under £27 per hour	Various	3%	N/A
All Other Rates over £27 per hour	Various	0%	N/A

## Approach to Pricing for the 2023/2024 Financial Year

The Council has agreed the following increases to prices paid for services in response to inflation and learning from the Cost of Care exercise in 2022.

Service Category	22/23	23/24
Locality Homecare Level 1 (Least Rural)	£21.43ph	£23.23ph
Locality Homecare Level 2	£21.99ph	£23.84ph
Locality Homecare Level 3	£22.36ph	£24.24ph
Locality Homecare Level 4	£24.12ph	£26.15ph
Locality Homecare Level 5 (Most Rural)	£28.39ph	£30.77ph
Standard Residential/Nursing*	£644pw	£806pw
Enhanced Residential/Nursing**	£746pw	£806pw
Residential and Nursing Prices under £1000 in Financial Year 2022/2023	Under £1000	8% Increase
Residential and Nursing Prices over £1000 in Financial Year 2022/2023 (Excluding Learning Disability & Mental Health Placements)	Over £1000	2.5% Increase
Residential and Nursing for Learning Disability & Mental Health Placements	Various	8.41% Increase
Extra Care (Hourly Support and Wellbeing)	Various	8.41% Increase
Supported Housing	Various	8.41% Increase
Day Services	Various	8.41% Increase
Live-in - Lower Dependency Weekly	£938.90	£1,017.86
Live-in - Higher Dependency Weekly	£983.26	£1,065.95
SPOT - Standard Home Care Hourly (Pro-rata)	£20.40	£22.12
SPOT - Enhanced Home Care Hourly (Pro-rata)	£22.84	£24.76
SPOT - Hard to Reach Home Care Hourly (Pro-rata)	£26.76	£29.01
SPOT - Waking Night Hourly (Pro-rata)	£19.81	£21.48
SPOT - Sleeping Night Hourly (Pro-rata)	£10.63	£11.52
*To be merged with Enhanced Residential and Nursing Levels in 23/24		
**To become the Councils Residential and Nursing Standard Rate in 23/24		