



City of Doncaster Council

Report

Date: 1st March 2023

To: The Mayor and Members of Cabinet

Adult Social Care Market Sustainability Plan and Provider Fee Rates 2023/2024

Relevant Member(s)	Cabinet	Wards Affected	Key Decision
Cllr Andrea Robinson		All	Yes

EXECUTIVE SUMMARY

1. This report proposes fee rates for Doncaster's providers of adult social care for the period from April 2023 to March 2024. Recommendations draw on local cost of care exercises, understanding of inflationary pressures and consultation with providers themselves.
2. Proposed fee rate increases are considerable, ranging between 14.74% (for Extra Care Housing provision) and 25.9% (for homecare). Proposed increases for care homes range from 22.80% to 23.36% dependent upon the type of provision. These increases are justified by the huge pressure on the sector. It is of paramount importance to ensure both that Doncaster people receive adult social care support when they need it and Doncaster's care workforce are valued for the skilled and committed job that they do.
3. A significant proportion of funding to achieve these fee rates has come from central government as part of national ring-fenced grants to support Adult Social Care market sustainability and fair cost of care. However £5.5 million of the total £12.8 million cost has come from other funding, primarily the Social Care Grant. Whilst only ring-fenced to either Adults or Children's Social Care Doncaster Council has chosen to prioritise the funding on Adult Social Care provider fees. A further part of the cost will come from an additional social care precept on 2023-24 Council Tax.
4. Even with these increases Adult Social Care faces significant pressures within a very competitive labour market during a period of high inflation. Local needs will also be exacerbated by the continuing impact of the cost of living crisis.

EXEMPT REPORT

5. Where necessary commercially sensitive details have been redacted from appendices to this report by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

RECOMMENDATIONS


6. To approve the 2023-24 fee rate increases in Appendix One. In addition, approve the fees used in the calculation of the financially assessed client contributions as detailed in paragraph 49.
7. To approve Doncaster's Market Sustainability Plan in Appendix Two.
8. To note consultation feedback from Doncaster's care providers set out in Appendices Three and Four.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

9. Doncaster Council's vision for adult social care is set out below. Sustainable good quality care provision (from home care to direct payments to supported living to extra care housing to care homes) will support the delivery of this vision for all Doncaster people.



10. Doncaster's Practice Framework for adult social care is set out overleaf. Sustainable, good quality care provision delivered in accordance with the framework will ensure better satisfaction and better lives for Doncaster people, improved morale and satisfaction for Doncaster's workforce and more sustainable use of resources through a preventative approach focused on well-being and self-determination.

Adults, Health and Wellbeing practice framework 	WHY?	We want every person in Doncaster to live in the place they call home with the people and things that they love, in communities where they look out for one another, doing things that matter to them.					
	WHO?	Everybody	People with urgent needs for support		People with longer-term needs for support		
		We listen to people to understand what matters to them. We make connections and build relationships to improve people's wellbeing and independence.	We don't make long term plans in a crisis. We work with people until we're sure there is no immediate risk to their safety, health or wellbeing, and they have regained stability and control in their life.		If people need longer-term care and support, we work with them to understand what a good life looks like for them. We make sure they have resources and support to live the life they choose and do the things that matter to them as independently as possible.		
	HOW?	Hope	Connection	Relationships	Inclusion	Flexibility	Rights
		We focus on possibilities, dreams and aspirations. We don't limit people's choices.	We explore ways to involve people in their communities. We make and maintain meaningful connections.	We support people to keep existing relationships and make sure they have opportunities to build new ones.	We don't judge people or make assumptions. We involve people as equal partners in conversations and decisions about them, their families and their communities.	We are willing and able to adapt. Our approach is responsive and proportionate.	We make sure people know their rights. We promote autonomy, choice and self-determination.
		We're kind	We behave	We're trusting	We're transparent	We're present	We're honest
		We respect and understand people as individuals. We don't make snap judgements.	We know and follow the law, ethics and best practice. We are always open to improvement.	We know people tend to be honest and know what's right for them. We listen and we keep an open mind.	We're open about our rules, making them clear so people know what they can and cannot expect.	We connect and engage well with people. We respond in a timely manner.	We are honest about what we are going to do. When we say we are going to do something, we do it.
We know the language we use matters. We use plain, respectful and kind language.							
WHAT?	Wellbeing and independence	Information and advice	Active and supportive communities	Flexible and integrated care and support	When things need to change	Workforce	
SO?	Better experiences and better lives for Doncaster people		Improved morale and satisfaction for Doncaster's workforce		More sustainable use of resources		
	Living the life I want, keeping safe and well	Having the information I need, when I need it	Keeping family, friends and connections	My support, my own way	Staying in control	The people who support me	

BACKGROUND

11. Each Council had to engage with care home providers (only those supporting people aged 65 or over) and domiciliary providers (supporting anybody aged 18 or over) to engage in a Fair Cost of Care review and submit this to the Department of Health and Social Care in October 2022.
12. National government also asked for reports that explained how the results in the cost of care data table were arrived at, specifying that these should be separate for care homes and domiciliary care due to their very different cost bases. The link to these reports is here: [Fair Cost of Care - City of Doncaster Council](#). There was a requirement to publish these reports by 1st February 2023 and this has been actioned.
13. National government asked for this review to feed into local fee setting processes and as a result funding was allocated and attached to the process. For Doncaster this equates to an additional £1m in 2022/23, £2.52m in 2023/24 and a further £1.76m in 2024/25.
14. The guidance was clear that the Fair Cost of Care Review would not over-ride usual fee setting process in Councils as part of their own budget setting. The cost of care exercise is concerned with base costs of care providers in 2022-23. Council budget setting also needs to incorporate inflationary pressures that are likely to influence 2023-24 costs. The proposed 2023-24 fee rates for Doncaster are appended as Appendix One.
15. Each Council will also need to publish a Market Sustainability Plan by 27th March 2023 detailing how they will work over time towards ensuring a fair cost of care. The proposed plan for Doncaster is appended as Appendix Two.

2022-23 COST OF CARE EXERCISE – CARE HOMES

16. The cost of care exercise undertaken with care homes supporting adults aged 65 and over is set out in the detailed report [here](#) . The report sets out the extensive engagement that was carried out in the care home sector, both from collectively and individually, to maximise the response rate.
17. Of the 44 eligible care homes within Doncaster, completed submissions were received from 21 – an overall 47.72% response rate. A range of providers submitted responses including national, regional, small and single homeowners. Nine of the returns were submitted by two organisations who operate a number of care homes each.

Service Area	Number of Eligible Care Homes	Number of Responses	% response rate
Residential	44	20	45.45
Residential Dementia	32	11	34.37
Nursing	15	3	20.00
Nursing Dementia	11	3	27.27
Total	44	21	47.72

18. The report shows lower quartile, median and upper quartile indicative costs in relation to each cost heading, with rows of cost headings adding up to a total. This format was required by the national exercise, with Councils being asked to focus on the median to account for outliers. There are four categories in line with the table above (residential, residential dementia, nursing, nursing dementia).
19. Three adjustments have been made by the Council to the information provided by care homes.
- For nursing homes only, the Free Nursing Care (FNC) amount was subtracted. It is not lawful for Councils to directly fund nursing costs and these monies are paid separately to nursing homes by the NHS.
 - For all care homes, the return on operations and the return on capital was moderated from 28% to 11% of the total cost. This is line with national Laing and Buisson analysis and also previous open book accounting carried out by the Council.
 - The median occupancy rate was moderated from 83% to 93%. This exercise was undertaken as part of the annual fee setting process and did not form part of the Fair Cost of Care submission. Currently 50% of Doncaster homes have an occupancy of 90% or above and this is continuing to increase. The Council's cost model before the pandemic was based on 93% occupancy. The Council does not wish to subsidise care homes that are operating sub optimally, particularly with regard to the over-supply of care home places in the Borough overall (see subsequent section on Market Sustainability Plan).

2022-23 COST OF CARE EXERCISE – DOMICILIARY CARE PROVIDERS

20. The cost of care exercise undertaken with domiciliary care providers supporting adults aged 18 and over is set out in the detailed report [here](#) . Again, there was significant engagement with the sector which is set out in the report.
21. Of the 38 eligible Domiciliary Care providers in Doncaster, a total of 10 submissions were received within the required timescale. Two providers submitted incomplete information so therefore eight submissions were able to be used, a 21.05% response rate.
22. One adjustment was made by the Council to the information provided by domiciliary care agencies. Five out of the eight providers who submitted a return did not include a rate of return. This would have resulted in a highly unrealistic median of £0. Therefore a rate of return of 4% of total costs was adopted, in line with the national Home Care Association costing tool.
23. Both care home and domiciliary care returns were validated via commissioning and finance networks established by Councils across Yorkshire and Humber to examine variation in returns between different Councils. Doncaster median costs did not present as an outlier.

2023-24 INFLATIONARY PRESSURES

24. For 2023/2024, the key inflationary factors effecting care provider costs are –
 - The National Living Wage (for adults 25 or over) increasing by 9.68% from £9.50 to £10.42 per hour with effect from April 2023.
 - The Consumer Price Index (CPI) 12-month rate was 10.1% in September 2022.
25. These two indices were applied to applicable cost headings in existing fee rates for each sector of the care home market:
 - Care Homes
 - Domiciliary Care
 - Supported Living
 - Extra Care

MARKET SUSTAINABILITY PLAN

26. Doncaster's Market Sustainability Plan can be viewed in Appendix Two. The key findings for care homes supporting adults aged 65 and over are:
 - Quality of provision as inspected by the Care Quality Commission is generally good.
 - There is a wide variation in occupancy between Doncaster care homes but overall levels have recovered to be comparable with the period before the Covid pandemic. There are more people in Doncaster care homes now than there were in May 2019.
 - There is an overall oversupply of care home places in Doncaster although this is not evenly distributed. In the North locality there is markedly less care home

provision of all types and in the Central locality there is very little nursing home capacity.

- There is a marked undersupply of nursing home capacity to support Doncaster people with advanced dementia

27. This means that there are some parts of the Borough where levels of care home capacity are more than adequate and it would be inappropriate to disproportionately subsidise those homes with lower occupancy. But there are other parts where close attention needs to be paid to maintaining sufficient care home places for people to move to if they need them, assuming that many Doncaster people will not want to move away from familiar localities where they have existing social bonds.

28. It also means that the Council and Doncaster's NHS Integrated Care Board need to work very closely together to ensure adequate capacity for people with advanced dementia. Many people with advanced dementia will not need to move into a care home but there needs to be sufficient availability for those that do. The NHS are responsible for nursing care availability and therefore close working is essential.

29. The key findings for domiciliary care agencies supporting adults aged 18 and over are:

- Quality of provision as inspected by the Care Quality Commission is generally good.
- The amount of homecare availability has fallen through the Covid pandemic and has not recovered sufficiently since. This has correlated with some increased use of care home capacity. Assuming the majority of people would rather stay in their own homes if appropriate support was available than move into a care home, this is a priority that needs to be addressed.
- Waits for homecare are lower in the Central locality where there is a more urban geography. More areas of Doncaster where the population is more dispersed require greater travel time and costs so are less attractive.

30. This means that homecare needs to be a priority sector. Investment in homecare is paramount to increase capacity and help a larger number of Doncaster people stay safely at home. It also means attention is required to homecare contracting arrangements so they support minimising travel time for workers, with manageable local runs that are more cost effective, better for people and better for the environment.

31. Overall workforce analysis shows a lower turnover rate (i.e. people leaving care jobs) in Doncaster than in either the region or the country on average, but that a very high proportion of new entrants already have an adult social care background. This suggests a need to stabilise competition within the sector and also to focus on attracting new entrants.

32. The Market Sustainability Plan also emphasises key adult social care provision (Supported Living, Extra Care Housing, the Direct Payments market) that appear to have been outside the scope of national government concerns but which are no less critical to the Doncaster people who need and use them. Therefore these provisions have also been incorporated in Adult Social Care funding proposals rather than allowing a significant funding gap to appear which would have destabilised them and led to poor outcomes for people and potentially even higher costs for the Council from the establishment of emergency arrangements.

CONSULTATION WITH CARE PROVIDERS ON 2023-24 FEES

33. Consultation documents were sent out to all providers on 23rd December 2023 outlining current provision, quality, market information, current fee levels and proposed increases in relation to inflation. Further contact was made with all providers on 13th January 2023 with proposals about base fees that incorporated analysis from the cost of care exercises in light of understanding of the monies made available by central government for this exercise. These monies were only announced on 19th December hence the need for extra time for officers to incorporate in local considerations.
34. A summary of consultation feedback from care providers is attached in Appendix Three (domiciliary care providers) and Appendix Four (care home providers). This is confidential because of commercially sensitive information that providers have included. Providers that have responded will receive individual replies addressing their questions.

SPECIALIST RESIDENTIAL FEES

35. Specialist care home placements are subject to individually negotiated arrangements dependent on the typically very intensive needs of the individuals supported. However the high costs of many specialist arrangements also require scrutiny when fee increases are requested.
36. Many specialist provisions also contract with the NHS Integrated Care Board (ICB). Therefore a joint approach with the ICB has been agreed to requests for inflationary uplifts incorporating the principles of “open book” accounting to ensure high cost arrangements operate efficiently and deliver value for money as well as quality.

OPTIONS CONSIDERED

37. Option 1 – Do nothing.
38. Option 2 – Do not incorporate the cost of care exercise and only apply inflation to current 2022-23 fee rates.
39. Option 3 – Accept the median returns of care providers to each cost of care exercise at face value, and apply inflation to this.




40. Option 4 – Moderate the median returns of care providers to each cost of care exercise using the rationales provided in paragraphs 19 and 22 above, and apply inflation to this – RECOMMENDED OPTION.






REASONS FOR RECOMMENDED OPTION

41. Doing nothing would create a significant risk of poor and / or unsustainable care for Doncaster residents. It is the expectation of government through the Market Sustainability and Fair Cost of Care Fund that local authorities work towards paying providers a fair cost of care for both domiciliary care and care homes. Option Three would miss the opportunity to apply market intelligence to the returns from the cost of care exercise, and support sustainable care services while ensuring value for money to the public purse. This is achieved by Option Four.

IMPACT ON THE COUNCIL’S KEY OUTCOMES

42.

Great 8 Priority	Positive Overall	Mix of Positive & Negative	Trade-offs to consider – Negative overall	Neutral or No implications
 Tackling Climate Change				✓
Comments:				
 Developing the skills to thrive in life and in work	✓			
<p>By providing additional investment into the care market this will ensure an ongoing need for a thriving labour market. This will provide employment opportunities within the City. In addition this investment will enable providers to continue to provide quality care services to those who most need it.</p>				
 Making Doncaster the best place to do business and create good jobs	✓			
<p>Sustainable care fees will encourage and provide new investment and there will be an increased emphasis and focus on attracting new businesses and providing a higher level quality of employment.</p> <p>There is hope that increasing provider fee levels will support local Doncaster businesses to recover, safeguard existing jobs, grow and create new jobs, increase local recruitment.</p>				

 Building opportunities for healthier, happier and longer lives for all	✓			
<p>Through the provision of good quality consistent support people in Doncaster will be able to meet their needs, engage with their communities and continue a good quality of life. This will also support the wider Health and Care market ensuring access to support in a timely way across the system.</p>				
 Creating safer, stronger, greener and cleaner communities where everyone belongs				✓
 Nurturing a child and family-friendly borough				✓
 Building Transport and digital connections fit for the future				✓
 Promoting the borough and its cultural, sporting, and heritage opportunities				✓
Fair & Inclusive	✓			
<p>Through the provision of additional investment and ensuring a sustainable care market in the City this will provide opportunities for people across the City to be an active member of their communities for longer.</p>				

43. Legal Implications [Officer Initials: SF | Date: 02.02.2023]

44. Section 5 of the Care Act 2014, provides that local authorities have a duty to promote the efficient and effective operation of a market in services for meeting care and support needs, with a view to ensuring services are diverse, sustainable

and high quality for the local population, including those who pay for their own care.

45. The Government required Local Authorities to carry out a Fair Cost of Care exercise and provided guidance as to how the exercise was to be carried out, including the requirement to publish the outcomes. The attached report is the result of that exercise.

46. Financial Implications [Officer Initials: PW | Date: 01.02.23]

The proposed option as described in the main body of the report is summarised below:

	Current rate 2022/23	Proposed rate 2023/24	Proposed increase %	Total included in initial inflation £'m	Total additional cost £'m	Total cost £'m
Home care	£19.54/hr	£24.60/hr	25.9%	£1.2m	£2.2m	£3.4m
Supported Living (waking hours)	£16.83- £20.44/hr	£19.31- 23.46/hr	14.7%	£1.9m	£1.3m	£3.2m
Supported Living (sleep-in hours)	£12.51- £15.44/hr	£14.35- £17.72/hr	14.7%			
Extra Care	£16.96/hr	£19.46/hr	14.7%	£0.2m	£0.1m	£0.3m
Residential & Residential EMI	£582.78/week	£715.64/week	22.8%	£2.7m	£3.2m	£5.9m
Nursing	£582.78/week	£717.97/week	23.2%			
Nursing EMI	£640.87/week	£790.58/week	23.4%			
Negotiated Residential placements	Various	Various	10.1%			
				£6.0m	£6.8m	£12.8m

47. The Council's budget for 2022/2023 includes an allocation of £6.0m towards price inflation for Adults, Health and Wellbeing directorate. This includes funding for fee increases relating to National Living Wage and CPI at 10.1%.

48. The further £6.8m will be funded via a combination of the additional ring-fenced Market Sustainability and Fair Cost of Care funding, People at the Heart of Care funds and Social Care precept funding and will be finalised as part of the formal 2023/2024 Budget Setting report formally approved by full Council.

49. The fees included above will be used in the calculation of invoices to clients for their financially assessed client contributions i.e. to determine how much each individual will contribute to the cost of their care, in line with the Adults, health and Wellbeing charging policy. Due to there being a range of provider rates for the supported living service only the lowest provider hourly rate will be used for client billing calculations i.e. £19.31 per hour for waking hours and £14.35 per hour for sleep-in hours. To coincide with payment system run dates the effective date of the increases will be 10/04/2023.

50. Human Resources Implications [Officer Initials: AT | Date: 02.02.2023]

51. There are no HR implications arising from this report.

52. Technology Implications [Officer Initials: PW | Date: 01.02.2023]

53. Details of changes to Mosaic in relation to the proposed 2023/24 provider fee rates and when they are to be actioned from would need to be raised by the relevant business area for these to be applied to the system.

RISKS AND ASSUMPTIONS

54. These fee increases will need to proportionately impact the terms and conditions and other arrangements to improve the wellbeing of front-line care staff. Without this and the associated increase in both recruitment and retention there will not be the required increase in care capacity. Close working with Doncaster's care providers will be required to ensure this comes about.

55. Recent governments have made claims about saving social care but this should not be assumed in Doncaster, even with local decision-making doubling the ring-fenced national government investment in adult social care fee rates for 2023-24. The wider economy will continue to create a very challenging environment. The cost of living crisis will continue to increase needs within Doncaster communities. The lack of long-term national investment will continue to inhibit provider confidence within the adult social care sector.

CONSULTATION

56. Consultation was undertaken with care providers through December 2022 and January 2023 and a summary of the consultation responses is attached in Appendices Three and Four.

BACKGROUND PAPERS

None

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Appendix One

Proposed 2023/24 Provider fee rates

Service	Type of Care	2022/23 Rate £	Proposed 2023/24 Rate £	% Increase (22/23 original to 23/24 FCOC)
Homecare	Framework Day (FD)	19.54	24.6	25.90%
Homecare	Framework day premium (FDP)	20.54	25.6	24.63%
Homecare	Hard to reach (HTR/HTRZ)	21.54	26.6	23.49%
Extra care	Extra care	16.96	19.46	14.74%
Supported living		16.86	19.35	14.77%
Supported living		12.51	14.35	14.71%
Supported living		16.83	19.31	14.74%
Supported living		12.51	14.35	14.71%
Supported living		18.3	21.00	14.75%
Supported living		12.51	14.35	14.71%
Supported living		17.06	19.58	14.77%
Supported living		12.51	14.35	14.71%
Supported living		20.44	23.46	14.77%
Supported living		15.44	17.72	14.77%
Residential Care	Resi & Resi EMI	582.78	715.64	22.80%
Residential Care	Nursing	582.78	717.97	23.20%
Residential Care	Nursing EMI	640.87	790.58	23.36%

Appendix Two

Market Sustainability Plan - Doncaster

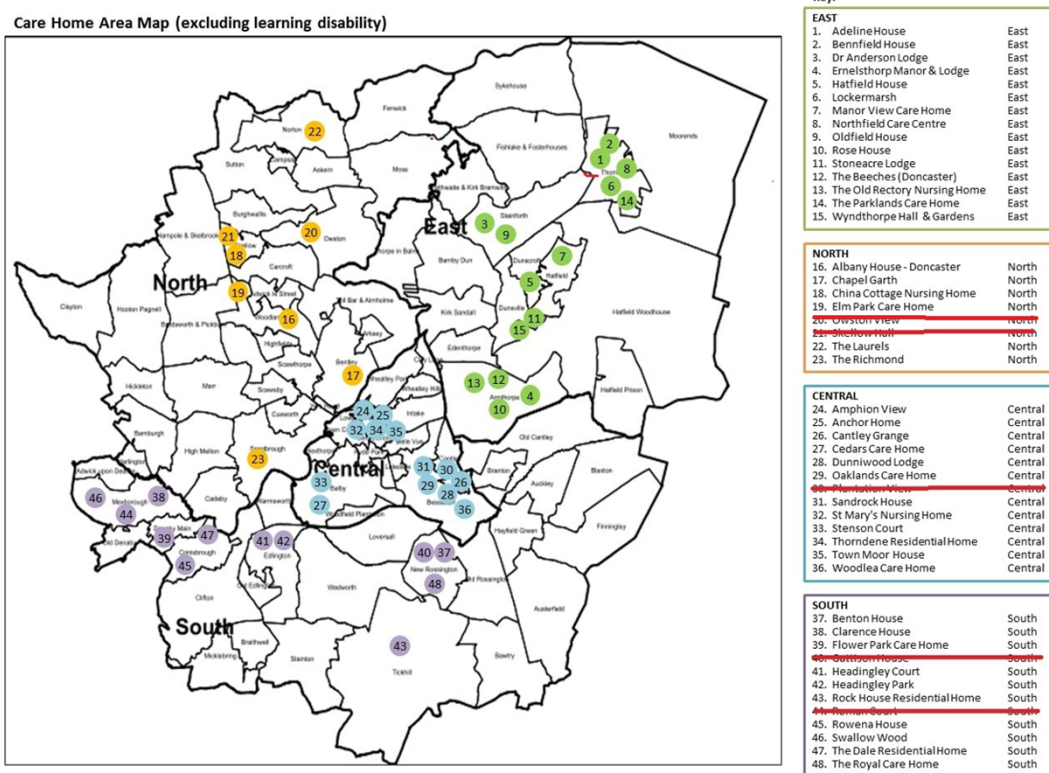
Section 1: Revised Assessment of the current sustainability of local care markets

a) Assessment of current sustainability of the 65+ care home market

Supply and Capacity

Doncaster has 45 care homes for 65+ residents based over the four geographic areas.

Provision of care home beds is available in all four localities. There is a surplus of supply in the East locality and a cluster of homes in areas within the South. However, there is a reduced capacity within the North area of the borough and both North and Central locality only have one home in each area providing Nursing care. The availability of nursing care, particularly to support people with dementia, is a concern across the Borough. A map of the current provision is below:



Current occupancy rates have been calculated based on the information provided by all care homes through the NHS Capacity Tracker.

40.9% of Doncaster homes have an occupancy of 91% or above as at December 2022 and 27.3% of homes have an occupancy of 80% or under.

When occupancy rates are compared to May 2019 the overall market occupancy is at a higher level. There are currently 1628 beds occupied in comparison to 1586 beds occupied in May 2019.

In December 2022, 57% of the care home market within Doncaster have higher or equal occupancy to that of May 2019 in comparison to only 48% in January 2022.

Quality of Provision

The current ratings published in January 2023 for Older People Care Homes within Doncaster, demonstrate a largely positive picture with Doncaster comparing well to national and regional comparators with no care home in Doncaster assessed as Inadequate by CQC. 78% of all registered care homes in Doncaster are rated Good or Outstanding, 20% are rated Requires Improvement with 2% awaiting inspection and rating.

Over the last 3 years, there have been 2 home closures within Doncaster, one was due to quality concerns and one was due to financial viability. There have been two other home closures but these were in direct relation to new builds by this provider. The map above indicates 5 home closures, however, 1 of these was prior to the time period stated.

Three care homes have stopped providing nursing care; however, they have retained their nursing registration at the current time.

Workforce

The Skills for Care summary of the Adult Social Care Workforce Report for 2021/2022 highlights that in Doncaster there were an estimated 8,500 jobs in adult social care, split between local authorities (8%), independent sector providers (84%) and jobs working for direct payment recipients (8%). Skills for Care estimates that the staff turnover rate in Doncaster was 22.8%, which was lower than the region average of 28.7% and lower than England, at 29.5%. Not all turnover results in workers leaving the sector, over three quarters (81%) of starters were recruited from within the adult social care sector, therefore although employers need to recruit to these posts, the sector retains their skills and experience.

Adult social care has an experienced 'core' of workers. Workers in Doncaster had on average 9.3 years of experience in the sector and 83% of the workforce had been working in the sector for at least three years.

Doncaster have invested in a range of initiatives to support recruitment and retention across the sector. This includes a Proud to Care utilising social media and video advertising to increase recruitment. Also additional measures offered of (for example additional payments to domiciliary care providers to support with additional fuel cost pressures) to support retention. Doncaster have also invested in:

- The Social Care Academy to support recruitment across the sector
- Investment across the ICB to implement the National Living Wage in January 2022 prior to the national implementation deadline of April 2022.

b) Assessment of current sustainability of the 18+ domiciliary care market

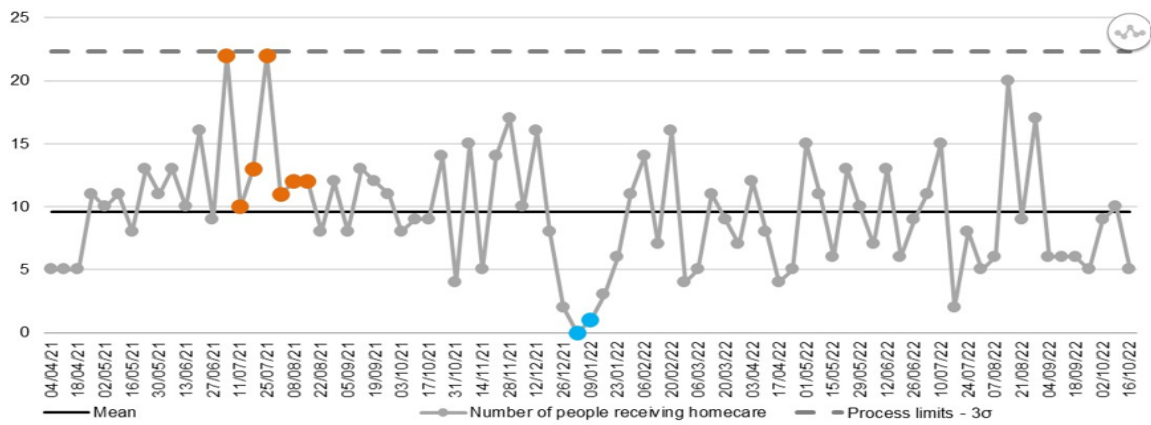
Supply and Capacity

Doncaster Council has two contracts for Domiciliary Care in operation, the CCaSH contract which was tendered in 2016/2017 and the legacy framework which has been in operation for over 10 years. The contracted provision is currently zone based with the borough divided into six zones with a Strategic Lead provider (SLP) in each zone. In addition there are Additional Support providers (ASP) within these areas who provide service when the SLP is unable to offer a package of support. Across the contracts there are currently 19 providers under contract in the City.

There are, 19 non-commissioned providers operating within Doncaster and one further provider registered in Doncaster currently not delivering any packages within the borough.

Doncaster Council purchases in excess of 15,000 hours of domiciliary care. The chart below shows the number of new starters into domiciliary care from April 2021 to October 2022.

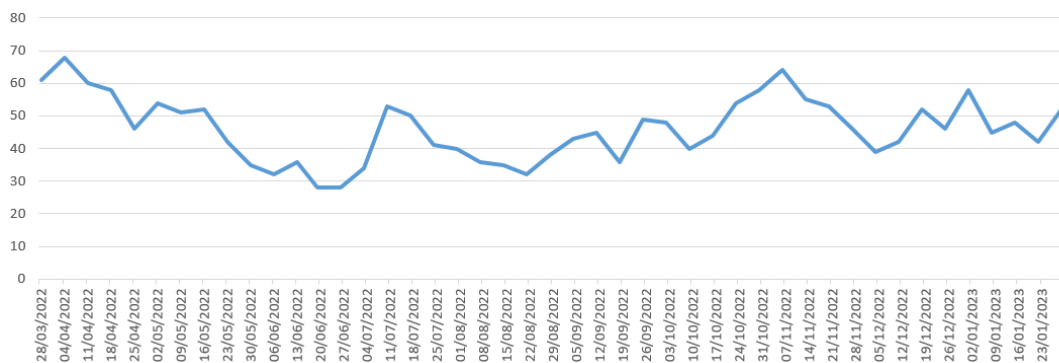
Homecare Admissions-Adult Social Care starting 04/04/21



The variation noted in the above chart corresponds with waves of Covid experienced in Doncaster, which resulted in a lack of capacity in the market. Demand has not reduced in line with capacity during the same periods resulting in increased admissions to short-term care and a potential reliance on alternative support e.g. family.

Up until October 2021, Doncaster Council did not have a waiting list for Domiciliary Care. Over the last year, providers have experienced much greater recruitment and retention issues, which have impacted the available capacity. Waits tend to be lower in the Central Locality of the Borough where there is a more urban geography. The graph below shows packages waiting pick up from March 2022 to date.

Number of Packages awaiting offer of care



Quality of Provision

The Care Quality Commission (CQC) has a statutory responsibility to regulate and inspect domiciliary care providers in England. The current ratings published in January 2023 within Doncaster, demonstrate a largely positive picture with Doncaster comparing well to national and regional comparators with no contracted or non-commissioned domiciliary care providers in Doncaster assessed as Inadequate by CQC. 66% of all domiciliary care providers in Doncaster are rated good or outstanding, 14% are rated Requires Improvement with 20% awaiting inspection and rating. During 2021 and 2022 there have been no withdrawals from the domiciliary care.

Workforce

The outline of the workforce challenges identified for the 65+ care homes are also relevant for the domiciliary care market within Doncaster and the same challenges are present for recruitment and retention.

Section 2: Assessment of the impact of future market changes between now and October 2025 for each of the service markets

The Home First model will continue to be embedded within Doncaster over the next 1-3 years with an emphasis on supporting people to live at home for as long as possible. This is likely to impact on the number of care home beds required over this period of time with a likely decrease on the number of residential care home beds commissioned by the Council and the ICB. This will require additional capacity within the domiciliary care market which is already experiencing capacity issues at current demand levels.

There are currently 13 Older Peoples Nursing Homes with 2 homes de-registering nursing over the within the last year. The categories of care these homes offer are General Nursing, Dementia Nursing, Mental Health and Learning Disability Nursing which provides a total of 368 beds across Doncaster.

The below table provides that breakdown of categories and number of beds across each:

Vacancy Type	No of Homes with bed types	Occupancy & Vacancies as of 25th October 2022					
		Total Bed Capacity	Vacancies (Total)	Vacancies (Admittable)	Occupied	Vacancies (Admittable) %	Occupied %
General Nursing	10	158	28	28	130	17.72%	82.28%
Dementia Nursing	10	202	14	8	188	3.96%	93.07%
Mental Health Nursing	1	6	0	0	6	0.00%	100.00%
Learning Disability Nursing	1	2	0	0	2	0.00%	100.00%
Totals		368	42	36	326	9.78%	88.59%

Demand for nursing care home placements and particularly nursing care with dementia is likely to steadily grow due to the complexities of individuals needing care home placements.

Investment has been made into the care home and domiciliary care sector from the Council and ICB to support with financial impacts over the last 2 years (including early introduction of the National Living Wage increase, fuel cost support and Covid response funding), however without further investment the capacity and recruitment/retention challenges are likely to remain.

Wider impact of Fair Cost of Care

Doncaster recognises that whilst the Fair Cost of Care fund and this Market Sustainability Plan focusses on two of the largest areas of delivery in social care, there is also wider impact of moving towards a Fair Cost of Care in other social care markets, particularly working age adults, supported living and extra care. Doncaster recognises this impact and therefore the initial funding released was utilised to support an uplift in all the above areas outlined, We recognise that increasing fees in one area of the market will have a direct impact on other areas, particularly the impact on recruitment and retention.

Section 3: Plans for each market to address sustainability issues identified, including fee rate issues, where identified

Doncaster Council in partnership with South Yorkshire ICB are committed to ensuring a diverse and sustainable Social Care market able to deliver personalised services to the citizens of Doncaster. Our practice framework and vision clearly sets out how we want to work alongside people, partners, and each other as part of our 'business as usual'.

 Adults, Health and Wellbeing practice framework	WHY?	We want every person in Doncaster to live in the place they call home with the people and things that they love, in communities where they look out for one another, doing things that matter to them.						
	WHO?	Everybody	People with urgent needs for support		People with longer-term needs for support			
		We listen to people to understand what matters to them. We make connections and build relationships to improve people's wellbeing and independence.	We don't make long term plans in a crisis. We work with people until we're sure there is no immediate risk to their safety, health or wellbeing, and they have regained stability and control in their life.		If people need longer-term care and support, we work with them to understand what a good life looks like for them. We make sure they have resources and support to live the life they choose and do the things that matter to them as independently as possible.			
	HOW?	Hope	Connection	Relationships	Inclusion	Flexibility	Rights	
		We focus on possibilities, dreams and aspirations. We don't limit people's choices.	We explore ways to involve people in their communities. We make and maintain meaningful connections.	We support people to keep existing relationships and make sure they have opportunities to build new ones.	We don't judge people or make assumptions. We involve people as equal partners in conversations and decisions about them, their families and their communities.	We are willing and able to adapt. Our approach is responsive and proportionate.	We make sure people know their rights. We promote autonomy, choice and self-determination.	
		We're kind	We behave	We're trusting	We're transparent	We're present	We're honest	
		We respect and understand people as individuals. We don't make snap judgements.	We know and follow the law, ethics and best practice. We are always open to improvement.	We know people tend to be honest and know what's right for them. We listen and we keep an open mind.	We're open about our rules, making them clear so people know what they can and cannot expect.	We connect and engage well with people. We respond in a timely manner.	We are honest about what we are going to do. When we say we are going to do something, we do it.	
		We know the language we use matters. We use plain, respectful and kind language.						
		WHAT?	Wellbeing and independence	Information and advice	Active and supportive communities	Flexible and integrated care and support	When things need to change	Workforce
	Living the life I want, keeping safe and well	Having the information I need, when I need it	Keeping family, friends and connections	My support, my own way	Staying in control	The people who support me		
SO?	Better experiences and better lives for Doncaster people		Improved morale and satisfaction for Doncaster's workforce		More sustainable use of resources			

In order to fulfil our vision, the national and local approach is to support a greater number of people at home and this will prevent, reduce or delay their need to move to residential or nursing care. This will be supported by a drive to increase homecare capacity and will be sustained further by improved partnership working, for example helping people leave hospital more quickly and greater use of assistive technology.

An additional 1.13% uplift has been applied to fee rates for 22/23 made available through the Market Sustainability and Fair Cost of Care Fund. It is proposed that any future funding received through this fund is allocated to the following areas: 65+ Care Homes, Domiciliary Care, Supported Living and Extra Care.

Proposed Fee Rates 23/24

Provider fees are reviewed annually as part of the budget setting process (and in accordance with service specific contractual obligations as appropriate) to reflect inflationary pressures in line with the Care Act 2014 'Support Statutory Guidance' which specifically requires Local Authorities to:

- Reflect a fair cost of care in fee setting, and not to set arbitrary or unsustainable fees.
- Enable providers to pay at least the national minimum/living wage.
- Understand the business environment and risks faced by providers.

For 2023/2024, the key inflationary factors effecting care provider costs are –

- The National Living Wage (for adults 25 or over) increasing by 9.68% from £9.50 to £10.42 hour with effect from April 2023.
- The Consumer Price Index (CPI) 12-month rate was 10.1% in September 2022.

Workforce Challenges

It is acknowledged that a key challenge for all areas of the social care market at the current time and within the next 1-3 years is the availability of workforce. The market has seen a significant challenge to recruitment and retention emerge from the Covid pandemic and continue into recovery.

Doncaster Council have invested in supporting the market through the 'Proud to Care' campaign, the Social Care Academy and the Care Certificate Induction. Doncaster Council will continue to work with the market to ensure that the workforce support provided is timely and effective.

(a) 65+ care homes market

Primary Care

It is anticipated that as the work continues to embed the Home First approach across Doncaster the primary care needs of residents within care homes will increase. To Support this the Enhanced Health Care in Care Homes (EHCH) Framework is currently being rolled out to ensure stronger links between primary care networks with all care homes.

Cost Pressures and outcome of the Fair Cost of Care

It is recognised that there have been a number of significant cost pressures within the care home market, not least recruitment and retention, cost of living increases including energy price rises and the continued Covid pandemic and recovery including the impact on occupancy. Doncaster will continue to assess the viability of provision across the city and work with providers who are experiencing difficulties.

The outcome of the Fair cost of care exercise shows median values of £729.28 for care home placements without nursing and £963.90 for placements with nursing (including Funded Nursing Care). These rates reflect the revisions of Return on Capital and Return on Operations discussed in Annex B.

Structure of Fee Rates

Doncaster currently have two rates for care home placements, a single rate that covers residential, residential dementia and nursing (excluding FNC) with an additional rate for nursing dementia (excluding FNC). This has been considered further in light of the outcomes of the FCOC and feedback from providers as part of the consultation and is further discussed below.

Proposed Fee Rates 23/24

It is acknowledged that the Council should not be expected to subsidise care homes where their occupancy is not able to deliver a financially sustainable service and therefore an adjustment to base fees has previously been made.

Currently there are 17 homes out of 42 with a lower occupancy than May 2019 (40.47%) and 59.5% of home with occupancy equal or above May 2019. 2 homes were excluded from this calculation as they had recently opened or recently closed.

In 2019 the base fee revision was based on 50% or more homes having an occupancy of 93% or above. A similar exercise has been completed in 2022 and currently 50% of homes have an occupancy of 90% or above. On this basis given that pre-pandemic occupancy rate was agreed at 93% and given post pandemic recovery, it is proposed that the initial consultation with the market will make the offer of this rate of occupancy 93%. Currently 30% of the market sits with an occupancy rate of 93% and above. The market in care homes has shown an increase in occupied when compared to May 19 figures in January 2023. Should this occupancy adjustment be made to the base figures the revised fee rates (excluding inflation) would be:

- Residential & Residential EMI 2022/2023 - £651.64
- Nursing & Nursing EMI 2022/2023 (excluding FNC) - £653.81

The adjustment to occupancy would be made across all median cost headings from the Fair Cost of Care to reflect the changing levels of cost based on the occupancy levels within the service.

Taking into account the proposal to inflate the fee levels by CPI September 2022 and NLW the revised fee for 2023/2024 would be:

- **Residential & Residential EMI 2023/24 - £715.64**
- **Nursing 2023/2024 (excluding FNC) - £717.97**

The above fees are recommended to be implemented and the decision is to be confirmed at Council Cabinet in March 2023. The above fees require an additional investment of £2.8m (£2.3m to fund the 22/23 base increase and £0.5m further inflation (on top of corporately funded inflation already included within current MTFS).

Nursing and Nursing Dementia Provision

It is also evidenced that there is a decline in Nursing provision nationally and locally and concerns have been raised regarding financial sustainability by nursing homes within Doncaster. There is a concern that this will result in more out of area placements, and increased 1:1 requests and costs which may impact on both the ICB and the Council.

An additional payment to Nursing Dementia Care homes has been implemented from November 2022 of £90 per week based on the information available including the current pressures, demand and supply within the sector.

Implementation of the Fair Cost of Care with 93% occupancy and inflation would provide a lower uplift to the Nursing Dementia Care Homes than the other categories of care. Given the recognised pressures within this area and the commissioning information held the Nursing Dementia rate could be set at the current 22/23 level, uplifted by the current £90 per week for 2023/2024 and then inflated by CPI/NLW for 2023/2024. The revised fee for 2023/2024 would be:

- **Nursing EMI 2023/2024 (excluding FNC) - £790.58**

Implementation of this in addition to the fees for Residential/Nursing at 93% occupancy plus inflation requires an additional investment of £3.2m.

(b) 18+ domiciliary care market

Capacity

Following the response to the Covid pandemic there have been noted challenges to capacity within the domiciliary care market both locally and nationally linked to the recruitment and retention of the workforce. This has affected the number of people needing short term or long term residential care, particularly to support hospital discharge when pressures have been noted within the primary healthcare services. We want to increase our capacity to support people at home; local people want to remain in their own homes and communities for as long as they can.

Doncaster Council are anticipating significant capacity pressures over the winter of 22/23 and into years 2 and 3. In response to this additional capacity is being sought from the wider market through exploration of a block delivery of hours to support step up and step down and offering additional spot contracts to registered domiciliary care providers within Doncaster.

Commissioning of New Model

The current commissioned model of domiciliary care within Doncaster is being reviewed and there will be a change to the model of delivery within the next 2 years across the borough. Doncaster will be looking to provide support in a locality based model with providers supporting communities in new and innovative ways.

Doncaster is looking for a local approach to domiciliary care to maximise contact time and continuity and to minimise travel time and environmental impact. It is evidenced that current provision has geographical variation in the availability of support and there is acknowledgement that there may need to be different stimulation across the market in different geographies.

An innovation site is being planned for early 2023 to test out alternative ways of commissioning and providing care at home, co-produced by local people who require support, with the intention to roll out the successful innovations city wide. This work will be co-designed by people who use services, as well as in partnership with colleagues who provide the support services. This will form the shape of delivery in domiciliary care over the next 1-5 years.

Cost Pressures and outcome of the Fair Cost of Care

Domiciliary Care Rates are set at a flat rate of £19.54 per hour with the fair cost of care exercise identifying a median hourly cost value of £22.42. This includes the revision to include a Return on Operations as discussed in Annex B. This equates to a gap of 13% which would expect to cost c. £3.3m to fund up to such a value across domiciliary care.

Doncaster has utilised the outcome of the Fair Cost of Care as an area of intelligence for its fee setting for 23/24 taking into account other known areas of information such as capacity and supply, demand and innovations within commissioning and the wider market.

Proposed Fee Rates 23/24

The consultation proposals are to inflate the non-staffing base costs by the nationally recognised metric CPI for September 2022 confirmed at 10.1%.

The Council have already implemented the increase to National Living Wage to all staffing costs as from December 2022. This increase to the base fee ensures providers are able to continue to retain appropriate differentials between staff groups that reflect their seniority.

A review was undertaken in January 2023 in line with the results of the Fair Cost of Care exercise, current fee levels and affordability.

The median outcome of the Fair Cost of Care (taking into account the adjustment on Return on Operations) for Domiciliary Care was £22.42 per hour not including inflationary increases for 2023/2024.

Taking into account the proposal to inflate the fee levels by CPI September 2022 and NLW the revised fee for 2023/2024 would be £24.60 per hour.

The above fees are recommended to be implemented and the decision is to be confirmed at Council Cabinet in March 2023. The above fees an additional investment of £2.2m (£2.0m to fund the 22/23 base increase and £0.2m further inflation (on top of corporately funded inflation already included within current MTFs).