

# South Gloucestershire Market Sustainability Plan

## The South Glos Social Care Market

### Headline Issues

- Large geographical area, with different areas in localities (clusters); urban fringe with pockets high deprivation, towns with varied population, number smaller market towns and villages and rural areas with hamlets.
- High levels employment, high cost living/ accommodation, some high cost self-funder market provision, especially in home care.
- 2021 census : ageing population, with the largest increases in the 55-59, 70-74, 85-89 and 90+ age bands.
- Market largely very stable, with good quality services, but a fairly traditional range of services.
- Mixed market, reflecting the area. Partner providers who deliver services largely, or even exclusively, for local authority funded people, particularly for domiciliary care. There is also a thriving self-funder market offering much more expensive services.
- Our strategic intent is for more older people to retain independence in their existing home or through a move to ECH. We know our CBS market including reablement, the use of technology, supply of ECH and social work practice all need to align for this to happen
- The LGA “Use of Resources” analysis shows not only that our current costs are high but that we are not spending our budget in a way that reflects this intent
- **Key Issue: Difficulties in recruitment and retention, esp but not exclusively in more rural areas**

## Workforce

From benchmarking regionally SGC already paying higher rates than most authorities in order to support recruitment, beyond “affordability” in terms of Council budgets.

- Skills For Care 21/22
- Worsening position from 2020/21 when retention of staff in South Gloucestershire was positive, but the vacancy rate higher than average.

2021/22	Nursing Homes	Residential Homes	Non Residential Services
Average Turnover South Glos	67%	28.6%	31.8%
Average Turnover South West	39.4%	28.2%	31.2%
Average Vacancy Rate South Glos	8.3%	9.6%	19.8%
Average Vacancy Rate South West	8.8%	7.7%	13 %

- Issues almost universal but impact home care more than residential, rural more than urban.
- For many lower paid workers easier to travel into Bristol than around South Glos. A number of large employers, eg Amazon able to offer higher rates of pay. Rural based care homes impacted by lack of public transport. Recruitment and retention key issue impacting supply issues, and informing commissioning work with providers.

## Increase in National Living Wage

- Many SGC providers already paying above that level, in order to recruit and retain.
- Some providers use the Real Living Wage which is due to increase by 10.1%.
- Not only impact in terms of front-line staff on minimum wages, but also the impact of increasing other wages to maintain the pay differentials between grades that people expect
- Working closely with our partner providers to try and support recruitment through Proud to Care and other initiatives, including retention payments

## Quality of Services

Overall quality of services tends to be good:

CQC Rating	Outstanding	Good	Requires Improvement	Not Yet Rated
Care Homes %	22	68	11	
Home Care	13	64	14	9

- COVID multiagency intelligence sharing and quality action embedded in business as usual. Our Organisational Safeguarding model is proactive and preventative
- Workforce recruitment issues, agency staffing levels and rates of turnover are considered to be significant factors where services require improvement.
- Quality improvements are required in a small number of residential and joint residential and nursing homes with lower fees, and in response to this we are proactively working with some providers on their fee rates.
- We work with providers to encourage continually improve quality and are developing our use of PAMMS tool to support continued improvement.

## Impact of inflationary pressures

Discussed at regular provider forums. Cost of care work: providers invited to sessions to focus on the cost of care data and to discuss the issues behind the data.

Apart from the recruitment challenges, providers report challenges as their costs increase,

- increasing energy and insurance prices: providers across the market have reported operational cost increases upwards of 10% in the last financial year alone
- enhancements needed to retain staff or to pay agency staff, cost of living increases and inflation
- a dramatic drop in the availability of workers from the EU and the cost of recruiting abroad through the visa system
- the long tail of the COVID pandemic and isolation policies

The growing cost pressures on providers recognised and addressed to the best of our ability in the uplift given to providers in 22/23. Rates were uplifted by 6% except where they were deemed to be already at the top end of affordability where rates were increased by 3%. Lead Home Care Providers given additional amounts linked to UKHCA.

## Impact of charging reform delays

Discussions with our strategic providers Generally committed to reforms that might deliver a fairer system. Concerned about the impact of the reform in dividing the market further.

- Providers reported concern that CQC approach to quality assurance too focused on aspects only the luxury end of market can deliver, eg physical environment of high quality, and that reform may further emphasise this.
- Did not identify any specific impact on their own sustainability
- Growth of care homes in South Gloucestershire targeting the self-funder market presents a potential significant cost pressure to the Council if/when the individual's funds drop below the threshold for LA funding . Until social care reforms are confirmed, it is difficult to identify the impact for and of individuals in luxury end care homes in terms of expectations of reasonable fee rates for LA's to meet. Council needs to spend this time understanding more clearly impact on/ of self funders who currently select high end provision :

# Care Homes 65+

### Market Sufficiency: 65+ Care Homes

- 82 care homes in total.
- SGC framework contract for care home provision, includes
- 44 care homes supporting the 65+ market, in the area, run by 34 organisations, total of 1829 beds.
- 25 are care homes for 65+ and 19 are care homes for 65+ with nursing.
- Market reasonably stable: Since 2017 five residential homes (84 beds) and two nursing homes (79 beds) have closed, but there has been overall growth four residential homes (259 beds) and four new nursing homes (257 beds) have opened, one more is in the early stages of build and will add a further 75 beds. There is a lack of supply of placements with specialist support particularly complex dementia support

### Market Diversity

- Largely traditional, generic care home model. One purpose built reablement
- Range of ownership including national providers, local groups, independent, charities and local authority, with a range of sizes from 10 beds per home to 78.
- New provision is increasingly at the higher cost range, to target the self-funder market. Placement costs not affordable for the local authority. Cost of Care exercise indicated this partly due to a higher return on capital and operations.

### Supply

- 136 admittable vacancies reported on the capacity tracker as at 22 February 2023. Less capacity in nursing care homes.
- Occupancy levels in nursing homes average 90%, compared to residential homes that average 85-90%.
- Most homes in South Gloucestershire are in the urban areas and market towns but five are in more rural locations.
- Providers in the more rural areas experience more issues with recruitment (public transport is also poor).
- Lack of nursing home beds available to the Local Authority in the Thornbury area.

### **Additional Demand Factors**

Lack of capacity in domiciliary care market and impact on the discharge flow from hospital (and family carers): increased spot purchase or short-term contract pathway beds for discharge pathway exit.

Helpful in the short term for providers but altering how the market behaves, short-term contracts can end suddenly. It is clearly not the ideal solution for people who should be supported to live independently.

### **Current Fee Rates**

- Residential prices range from £636 to £2000,
- average £979 per week for standard residential, average of £988 for residential with dementia.
- Nursing care home prices range from £617 - £1648,
- Average of £1,069 per week for standard nursing average of £1,089 for nursing dementia.

Relatively expensive market due to local conditions, inc accommodation and recruitment.

- Significant % beds currently priced higher than authority can afford, LA funding some people in “self funder” market, due spend downs or Best Interests.
- Currently use “ proxy DPS” approach to new placements: negotiate on a placement-by-placement basis, purchasing the appropriate service to meet individual need.
- Some providers do charge differential rates with a lower local authority rate and a self-funder rate which is approximately 35% higher.
- These providers (according to their own feedback) have grown the self-funding proportion of business to 50/50% of business over recent years.

# Home Care Market 18+

## Market Sufficiency: Home Care 18+

- 50 Providers registered with the Care Quality Commission in South Glos. Includes some specialist provision, and some expensive end currently exclusive self funder market
- 34 providers deliver predominantly standard domiciliary care to the Council.
- SGC Contract approaches:
- Framework and 'framework-style' spot-purchased home care provision,
- Two locality-based 'cluster lead' providers, who have first refusal of packages in their areas and opportunities to pilot new ways of working. However, model impacted by recruitment challenges and large number providers
- Redesigned model in 2018 "cluster leads" but new model didn't implement fully due to loss one provider and inability new leads to recruit and offer sufficient provision: legacy of some high cost provision, and multiple providers in same area, with overlapping rounds etc.

## Market Diversity

- Diverse range business models: small local family-owned, some local franchises, some medium sized providers that operate in other neighbouring areas, and one that operates more widely, but no national organisations.
- Buoyant "self funder" market, providers not accredited with council or not taking packages, at higher fees.
- New provider led reablement service progressing at speed designed with and delivered by lead providers. Previous model was "maximising independence" built into all contracts but not successful.
- Providers report issue of economies of scale and the challenge of developing businesses effectively (including value for money) as recruitment issues make it harder to warrant additional management and other overheads. Particularly issue for smaller local businesses and VCSE. Considering this in our commissioning transformation programme.
- Council well-developed approach to use of TEC with individuals, based on personalised expert input. Developing more work providers linking with this, in particular building it into reablement, and from there ongoing packages. Some providers who looking at the use of technology to support use of capacity, and this will be key in our commissioning transformation programme. We recognise this has not been enough of a focus.

### Supply doesn't meet Demand

Despite normal annual increase supply 10-12% , lead provider arrangement and relatively large number of providers, supply consistently fails to meet demand .  
Position improving recent months, with introduction of reablement Service, and providers beginning to recruit.

Waiting List	Total on list for home care	Waiting 91 days plus	Total hours per week 1:1	Total Hours per week 2:1
Oct 22	99	27	879	444
Feb 23	42	6	518	162

- Challenges sourcing home care in rural areas and near the Gloucestershire border. Service users living in more rural areas waiting significantly longer on average than those in areas defined as urban. Working with lead providers to develop approaches to address that, eg paying shift basis.
- Lack of supply of services that can meet the physical care needs of people with more complex needs, in particular people with dementia
- In some areas, to ensure care needs met have needed to turn to high cost self-funder providers, including via direct payments,

### Impact of Supply Issues

- South Glos did not experience large numbers hand backs of packages 22/23 seen in some areas, but providers been unable to attract staff to meet increased demand. Lack of supply has increased pressure on family carers, and led to additional placements, with poorer outcomes for people who could be independent .
- Geographical challenges : reliance on several higher-cost providers, beyond acceptable budget for council, Typically able recruit and retain staff more easily due to charging high rates to self-funders a higher rate/ different terms of business. Differences sometimes allow for more favourable staff terms and conditions than those who rely predominantly on LA funded placements. New placements with these providers declining now, as other providers have increased supply.
- In most rural area council currently pay for full shifts: arrangement supports improved terms and conditions for workers, but local market at risk from staff attrition, need to better support all providers.
- Strategy to support our partner providers through improved rates and commissioning approaches to enable them to also recruit, and to move to a generalised commissioning strategy based on a those approaches.

### **Impact of Living Wage Increases**

- Increases for 23/24 will take account of this increase. We will be using the UKHCA rate as a guide figure for those increases
- Have offered to the market the ability to offer wage increases in advance of April to support recruitment and retention.
- Due to recruitment and retention issues, many of our providers will already be paying above that rate.
- Some providers have a commitment to the Real Living Wage. Providers tell us impact of increases is not only on lowest paid staff but also on other pay rates in order to maintain required differentials.

### **Impact of delays to charging reforms**

- Dom care providers are not currently identifying concerns about delay.
- Given issues re recruitment impacting supply, will continue to work with providers to move to a balanced approach to fees and contracting approaches through market transformation, that supports supply, reflects costs but is affordable.

### **Current Fee Rates**

For the providers in scope, South Gloucestershire currently pays an average of £24.05 by volume of hours.

This is a higher rate than the 2022/23 BCF figure of £22.81 in Cost of Care Annex A due to data coding issues whereby some shared support and 24-hour care are included in the latter.

£24.05 rate has been validated as reflecting solely standard home care.

22/23 increases began movement towards use of UKHCA rates in setting fees, as basis for lead provider rates.

# Changes in Market until Oct 25

## Current Market Provision Statement, Needs Analysis and Commissioning Transformation

- Current Market Position Statement (MPS) published 2018 . Since April 21 emphasis has been on working with providers to address urgent issues, rather than updating published MPS.
- 2022 launched Commissioning Transformation Programme (See final section), outcomes from which will update MPS in incremental and real time approach, rather than republishing one statement.
- Carrying out an Ageing Well Needs Assessment in South Glos to model and quantify the impact of aging population. Providers report an increasing level of acuity in needs.
- ONS data, based on current trend assumes that between 2020-2040 the South Glos population aged 65 and over living in a care home with or without nursing will grow from 1,687 to 2,594. Whilst our aim is to reduce, relatively, the use of residential, we expect the current increasing demand for complex nursing care, end of life care, and specialist residential care such as dementia to continue.

### The type of support needed:

- Increasing acuity of need, in particular post discharge, and moving towards integrated intermediate care systems, will require enhanced skills and different responses than traditional care.
- Use of Technology Enabled Care will increase, allowing for more efficient use of resources but requiring different types of contracts and workforce.
- More flexible use of Extra Care that can respond to both increased levels of need, and place-based local solutions will be needed so that this becomes the preferred option before care homes (South Gloucestershire currently has 7 ECH schemes).
- The same approaches will be needed for specialist LD and MH care markets.
- Current trends of workers exiting the sector are likely to continue unless there is a very different approach to workforce terms and conditions, career progression options, and perception of status and recognition

## Additional Specific Issues

### Care Homes

- Sustainability of several care homes currently supported by number of beds purchased for hospital pathways and for interim beds purchased in place of available home care.
- BNSSG system working together to reassert a strong home first approach, aiming to develop increased capacity in community-based provision, and planning reduced use of discharge pathway beds’.
- While in this context there is a risk of over-supply of residential care, it will improve outcomes for people by developing and making use of appropriate provision.

### Home care,

- Despite some increase in supply, current recruitment issues will not change drastically at current terms and conditions levels: developing models will need to address terms and conditions and recruitment/ retention.
- One lead provider is having some success in international recruitment, predominantly male carers, challenging in home care market due to accommodation etc.
- The population of South Glos is likely to continue to become more diverse. We are seeing more circumstances where same sex carers are required for cultural reasons, which is challenging.

### Workforce:

- Current trends of workers exiting the sector are likely to continue unless there is a very different approach to workforce terms and conditions, career progression options, and perception of status and recognition. Commissioners will continue to work with the market on these issues.
- Buildings based services such as ECH and Care Homes tend to recruit better than organisations delivering care around the community, will be considering that in developing new models.

# Market Sustainability Plan

## **Cost of Care work and Provider Engagement**

- Sustainability Plan based on regular engagement with providers
- Cost of Care exercise: throughout data collection period provided regular communications about the process, held information sessions, offered 1:1 support to providers and engaged with providers through our regular provider and strategic forums.
- Care and Support West, our local care association, in the project management group and in provider engagement.
- Specific provider forums to discuss sustainability issues with providers, discussed the cost of care exercise results at forums during January, and set up specific meetings during February to seek input on our draft plan.
- Ability to recruit and retain staff is core to sustainability in the South Glos area. Continue to work sub regionally on the Proud to Care Campaign using market research and the insights work completed in 2022 to support the sector to recruit and retain staff.
- Over the past 12 months we have worked hard with providers, in particular home care to explore with the market different approaches to commissioning that may support improved terms and conditions.

## **What Providers have told us about their concerns**

- Additional costs to recruit and retain staff endeavouring to maintain hourly rates and pay conditions e.g. NHS healthcare assistants provision increased pay rates increasing the challenges. Leading to Rising agency costs to maintain services, and staff joining agencies for higher rates of pay. To some extent it is staffing agencies who are cornering the market and driving up costs. Constant training of new staff to support increased levels of churn. Increasing energy and food costs since the fair cost of care submission: In one example, a lead provider saw a fivefold increase in their energy costs between April and October 2022.
- Providers (Home care) confirmed that South Glos seen to be paying more reasonable rates than some authorities (we have to pay more in order for providers to recruit and for us to manage risk for individuals)
- Issue re high ROO and ROC in Cost of Care work. Providers talked about issues in accessing finance and investment in area where other industries higher return. Cost of land and buildings. ROC and ROC not all profit.

- Local care associations have produced their annual report on the local care markets setting out the key pressures for their members. This is based on a relatively small number of respondents, and only a small number are South Glos, but reflect the trends (we are already paying higher fees than other councils)
- The Council has received sustainability funding requests from care homes and uses the iESE Care Cubed tool to identify where the cost pressures are in order to negotiate fees. Sustainability issues impacting specialist provision. Number very high % requests from out of area residential provision for learning disability. Use of Care Cube shows very high ROO/ ROC expected.
- Same challenges of recruitment and retention impacting local specialist providers, in particular supported living, specialist community based support. Commissioners will begin to focus on this market.

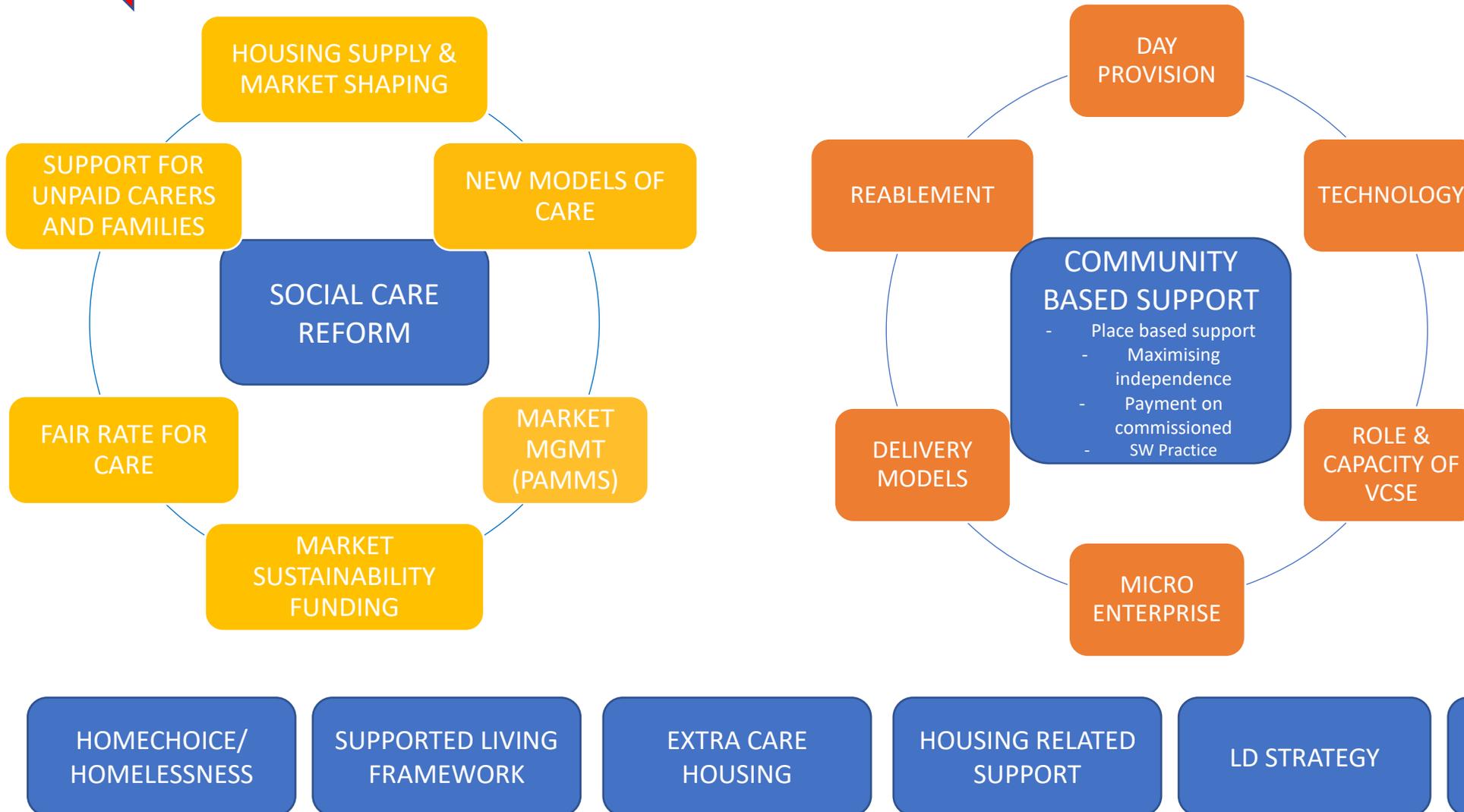
### **Commissioning Transformation Programme**

- Formal, corporately supported commissioning transformation programme: pivotal to the changes needed to address sustainability within the South Glos market and will support the whole market.
- Actively overseen by a Programme Board includes representation from Social Care Providers and the VCSE as well as senior South Glos Officers (inc the Director of Finance) and health colleagues.
- Programme includes specific projects as well as developing the skills and practise of commissioners reflecting a relationship commissioning approach.
  - Transforming our approach to Community Based Support (home care and associated provision) is core, delivery and contractual models, ability to recruit and retain key issue (new home care model to be in place April 25).
  - Review and delivery of a new Extra Care Housing model linked to home care work.
  - Work on fair pricing and developing a clearer approach to pricing, based on tools such as Care Cubed.
  - Development new approaches including enabling services to maximise independence, more micro provision and VCSE support including village agents
- Aim is to commission in a way that supports recruitment and retention with the budget pressure offset by managing demand and improving outcomes through more preventative approaches.

# COMMISSIONING TRANSFORMATION PROGRAMME

TRANSFORMATION OF COMMISSIONING SERVICE & PRACTICE (Technology, Equalities, Workforce Development, relationship based approaches)

SUPPLY & DEMAND ISSUES (Covid, Brexit, Market Mgmt & Sustainability, Recruitment, pay increases)



## Cost of Care and 65 +Care Home Market

- Response rate from cost of care exercise : submissions from 19 providers a total of 43 homes, equating to 54% of beds in scope, a reasonable submission rate. Organisations that engaged reflect a moderately representative section of the market, but weighted towards the higher end of the market and without any very small care homes represented.
- Council agreed not to see the individual submissions, but aware of the ranges of Return On Operations (ROO) and Return On Capital (ROC) submitted.
- In taking account of the results of the exercise, the Council must ensure that public funds are used appropriately, and because of this the Council is reviewing the rate of ROO and ROC that it feels is appropriate. Providers who work to our fee levels report the importance of attracting investment, and loans, but also of opportunity cost. Having also consulted Economic Policy colleagues in terms of opportunities in other markets our initial assumption is of 5 to 7% ROO and 5 to 10% ROC. To balance pressure on our budgets, and sustainability. Will continue to work with the market on to find a solution that will work in the South Glos context

## What next for Care Homes?

- Charging reform delayed to October 2025: a longer transition period for Council and for Homes
- This delays any impact on the self funder only luxury end market, Council will work to identify further their perspective, the self funder market and our approach to acceptable cost matrix..
- Because of existing local context Council already paying high fees : we will use this time to consider cost of care exercise outcomes further, making use of Care Cubed and other tools.
- Developing benchmarking approaches to move away from pure DPS towards guide prices linked with Cost of Care
- SGC Future strategy emphasises:
  - increase in supply/ quality long term specialist residential provision for people with complex needs. Working with providers and system/ Locality partners to develop model to enable support providers working with higher acuity, in particular dementia.
  - Different model for more general residential and nursing provision, with homes offering more of a mix of permanent and short term placements with the latter linked to respite and step up/ down provision, working in partnership with domiciliary re providers and family carers.

### Cost of Care and 18+ Dom Care Market

- Low response rate from the cost of care exercise: 6 providers, equating to 30% of the relevant market share.
- Despite attempts to improve engagement including funding our Care and Support West to support engagement, offers of additional support and delaying of submission dates.
- Given low rate of return, Council considered the range of prices of organisations that had responded compared to the range of prices across the market and the level of stability within the local market.
- Liaised with some providers where the vast majority of their business is LA funded, and the difference in pricing between private and LA clients is negligible to establish how close this is to their own individual results: able to represent sustainable businesses operating on a single price basis.
- ROO issues same as those for care homes.
- Anticipated some organisations will require price adjustment, some will not, and some organisations and their service models will be outside the affordability for the Council altogether. Some fees are already beyond the affordable price point for the Council.
- Commissioners respected care providers' requests to access only amalgamated data from the exercise. During individual fee setting negotiations, a greater understanding of providers' individual costs is likely to be necessary to ensure that fees are sustainable for both parties.

### What's next for Home Care?

- Commissioners continue to work with organisations at the middle and bottom end of the market to increase capacity to accommodate the increase in people asking the council to arrange services. Key emphasis in Commissioning Transformation.
- This will require more innovation in service provision, including the use of TEC, and the workforce recruitment issues will need to be addressed through different commissioning arrangements, but also through funding that can support better T&C's - funding which is not currently available. Providers report that our work on hourly rates, through close working, are reflective of costs, and have asked us to do further work on our half hourly rates, especially in rural areas.
- We believe there is a sector of the market that will always aim to provide services to those who self-fund their care. However, we recognise that this has an impact on our broader market because of recruitment and retention issues, and therefore has an impact on the fees we need to pay. We will undertake more direct work with this sector.

## Transforming Home Care

Work to make the domiciliary care market sustainable has already started through our Commissioning Transformation Plan.

- Integrated reablement service: pilot phase delivering a consistent approach with clear pathways, reducing the levels of ongoing care packages. We opted for externally commissioned service so providers could diversify, offer career pathway (reablement workers more skilled and higher paid).
- Developing and investing in VCSE support non registered care and increase the options available from 2023 onwards. Help support the affordability of higher cost regulated provision by ensuring it is used only where that is what is needed.
- Personalisation and piloting of micro enterprises from 2023 onwards. In the context of the South Glos labour market some residents may be more likely to enter self-employment rather than be employed by an agency.
- Locality and place based offers particularly in the rural areas with the phased introduction of four village agents across rural during 2023. We have seen some evidence that these hyper local networks may help providers learn who how and when to recruit locally
- Expanding Extracare housing offer to support people with more complex needs, particularly dementia, considering outreach models as may be better able to recruit to a local base.
- Proposed changes in Discharge 2 Assess work (BNSSG currently overuses bedded provision in discharge), shift from beds to more emphasis on role of reablement, home care providers and VCSE, with opportunities to rethink aspects contract and workforce developments.

### Specialist Learning Disability Provision

- Ongoing and increasing need for supported housing, in particular for younger adults of working age with more complex learning difficulties, autism or mental health and who are developing independent living skills for the first time.
- Inadequate supply of specialist supported living accommodation to meet the current and future needs of the local population, so that we can reduce residential placements out of area.
- Inadequate supply of specialist home care provision and support for people living in generic housing.

	Nursing	Residential	Supported Living
Numbers of Placements	19	194	150

- This is largely due to the difficulties in recruiting and retaining suitably experienced and qualified care and support staff, able to meet the needs of people with challenging behaviour.
- To a lesser extent, due to difficulties in acquiring land or properties able to be used for supported living, so links to workforce issues in 65+ sector. .

Average number of people on the brokerage waiting list for specialist community-based support (CBS) over last 6 months (to end Feb 2023): 33 people on waiting list with an average waiting time of 165 days. There has been a steady increase of both numbers of people on the waiting list and waiting time for specialist CBS. This compares to a steady decline in the number of people and waiting times for general community based support. ,

Averages last 6 months Supported living	Totals
Average number of referrals received by the brokerage team per week	1.4
Number of people on supported living waiting list	30
Average days waiting time per individual to find suitable supported living accommodation	164

- **Fee Uplifts and Sustainability Investment**

- **Care Homes:**

- 62% 2022/23 cost of care funding used to support care home fee increases beyond budgeted core uplift amount. Of this 20% was spent on care homes without nursing, and 42% on care homes with nursing as a result of workforce and inflationary pressures.
- Council will use median rates reflected in Annex B, with adjusted ROO/ROC (7% and 10%), as a differentiation point when uplifting fees for 2023/24.
- Acknowledged that homes charging high rates would not consider the median rates to be sustainable. However, we feel unless there is a clear differential in provision to meet complexity, a fee in excess of the median outcome should not be required to recruit and retain staff
- Anticipated that the uplifted amounts will be sustained through the Cost of Care funding included within the 2023/24 Market Sustainability and Improvement Fund (MSIF) subject to receiving detailed information on grant conditions.
- Through our fair and sustainable price project will move away from individually negotiated prices for each placement and negotiate rates with each care home that will include a rate for hotel costs including a defined number of care and support hours with a defined rate for any additional 1:1 support hours required. We are making use of the outcomes of cost of care exercise, of Care Cubed and of engagement with providers to develop clearer guide rates to improve transparency.

- **Home Care:**

- 13% of the 2022/23 cost of care funding was used to support domiciliary care fee increases beyond the budgeted core uplift amount, as a result of workforce and inflationary pressures. It is anticipated that the uplifted amounts will be sustained through the Cost of Care funding included within the 2023/24 Market Sustainability and Improvement Fund (MSIF) subject to receiving detailed information on grant conditions.
- Given relatively low representation of lower fee providers in the Cost of Care exercise, we feel it currently neither affordable, nor evidence based to use the median rate as the reference point for 2023/24 uplifts for home care providers.
- We will instead be using the UKHCA rate as reference point to increase rates for lower fee providers, to enable them to develop their capacity and supply. Our premise is that unless we increase home care supply, there will be an artificially high demand for more expensive placements. This will mean higher % fee increases for those providers currently below UKHCA.

**End**