

Market Statement 31/03/2023

We announced our annual social care fee uplifts on 09/03/2023. Following this there was a significant market reaction. Many of you contacted us to express concern about sustaining and developing your business based on the 23/24 fee rates. We have collated and reviewed all your feedback and have spent time considering our response. We can announce today that we intend to increase the proposed uplifts to fees, in the sectors that are most vulnerable. This will be subject to formal cabinet approval on 17/04/2023. The table below is the new proposals for fee increases.

Sector	Uplift %	Hourly Rate
Domiciliary Care	11.39%	£18.00
Supported Living	9.47%	£17.00
Personal Assistants	10.15%	£12.44
Residential & Nursing Homes	2%	N/A

This has not been an easy decision as the council has a statutory duty to maintain a balanced budget. We have not had any significant grant increase to cover this, so we have had to find this money from our existing 23/24 financial envelope. We are also facing unprecedented demand for our services which will not change this year. This is why we have not been able to apply the same increase across all sectors.

In particular we have left a 2% increase for our care home market. There are two main reasons for this. Firstly, unlike our community services, there is a wide differential of fees across all our provision and a further increase would unfairly benefit those higher cost providers. Secondly the generally poor response to the Fair Cost of Care exercise in this sector has made a flat fee determination for sustainable care very difficult. However, we will shortly announce a process whereby providers from the sectors which have not seen increased uplifts will be invited to have a discussion with us about reasonable increases on lower rates. This will involve a transparent sharing of costs and service user needs and an honest discussion regarding rates. This will enable a fair assessment of how we can use our resources in this way and a rebalancing of the sector. Pricing strategy moving forward is also a key part of re-commissioning exercises for Bed-Based Care, Homecare and Supported Living as part of Re-Imagining Care Project.

We have made this decision as swiftly as possible. However because it is a later decision than usual we will not be able to update our systems in time for the first payment runs following 1/4/2023. We will though do this as soon as possible.

On 27th March 2023 we published our Market Sustainability Plan in compliance with government guidelines. This indicates how we plan to stabilise and develop a high quality social care market. The announcement today does go some way to doing this but there is much work for all of us. In this financial year we will continue our market engagement and seek to implement further plans to guarantee a rich and vibrant social care offer for our users. This does include the work we will continue to do on “Re-Imagining Care and we invite all of you again to join us and work to creating services that better deliver quality independence outcomes for all our residents. It is imperative that you are involved in these discussions as we need a comprehensive view from our providers. More information will follow.