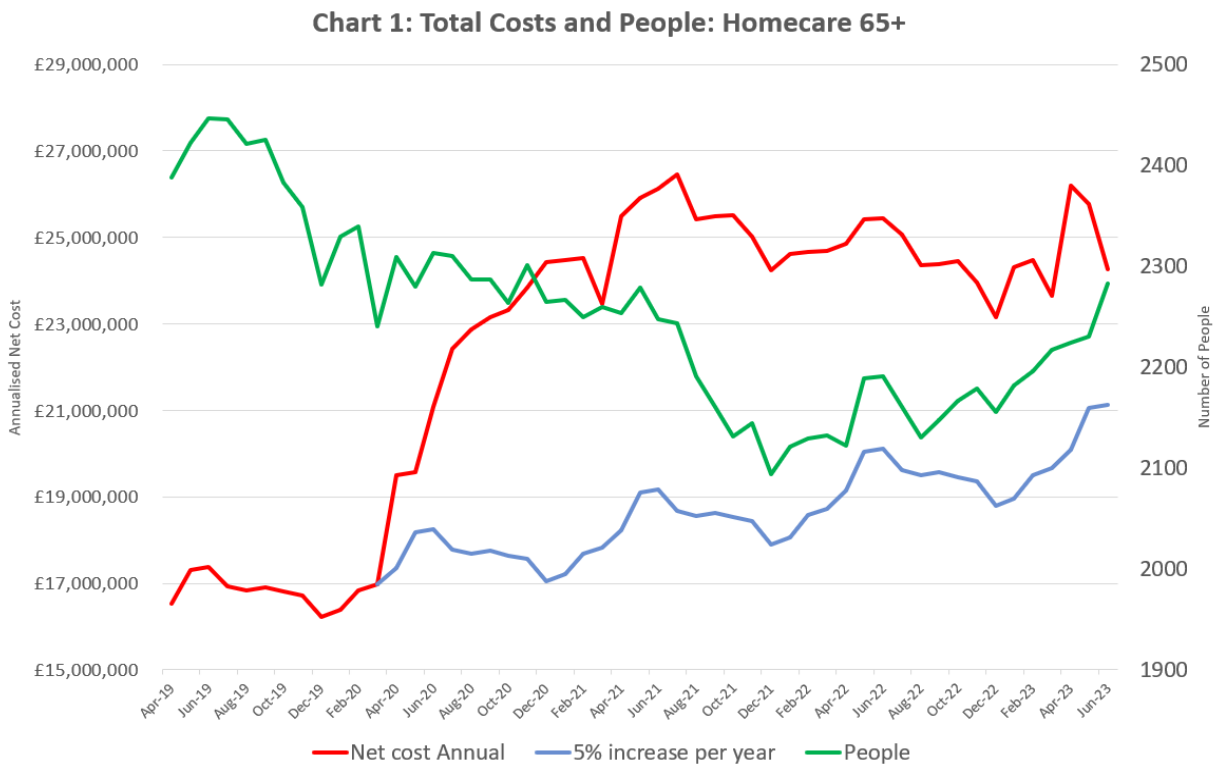


Appendix 1: Adult Care Changes in Demand

Part 1: Homecare and Residential/Nursing Care for People 65+

1. Homecare

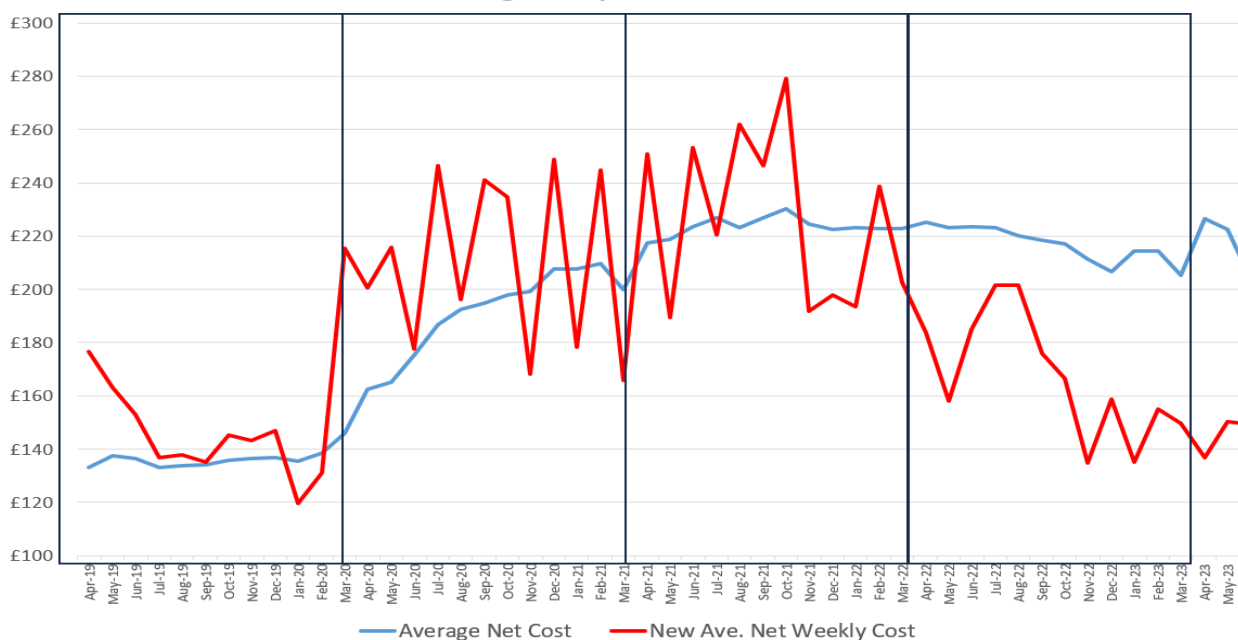
- The green line in chart 1 shows that the number of people receiving homecare dropped as a general trend over three years, but has increased steadily since December 2022. This is likely due to the increased funding provided for homecare through the Better Care Fund in order to support more effective and timely discharges.
- Despite the increase in numbers and the sharp increase in inflation in 2022 that necessitated a 9.74% uplift to provider fees, total costs have remained steady. This indicates that the average number of hours per person has reduced, both through reviews and lower cost starting packages.
- The blue line is a model of 5% cost increases each year if demographic growth and inflation had risen as anticipated before covid (when we would have expected a steady annual increase in costs and people). This shows that costs are still higher following the covid driven increases in 2020/21, but the gap is closing.



Appendix 1: Adult Care Changes in Demand

- Chart 2 (next page) shows the average costs per person for the same period. This shows how the cost of new starters (red line) drove up the average cost of all homecare (blue line).
- Since October 2022 the average cost of new starters has reduced as we have seen improvements to hospital waiting times and reablement, reduced times to put support in place, the implementation of the new operating model and improved access to occupational therapy and equipment and adaptations. This reduction has been reflected in a plateau of average costs, despite high annual fee rate increases being applied since then which are impacting on the cost.

Chart 2: Average cost per week for Homecare 65+

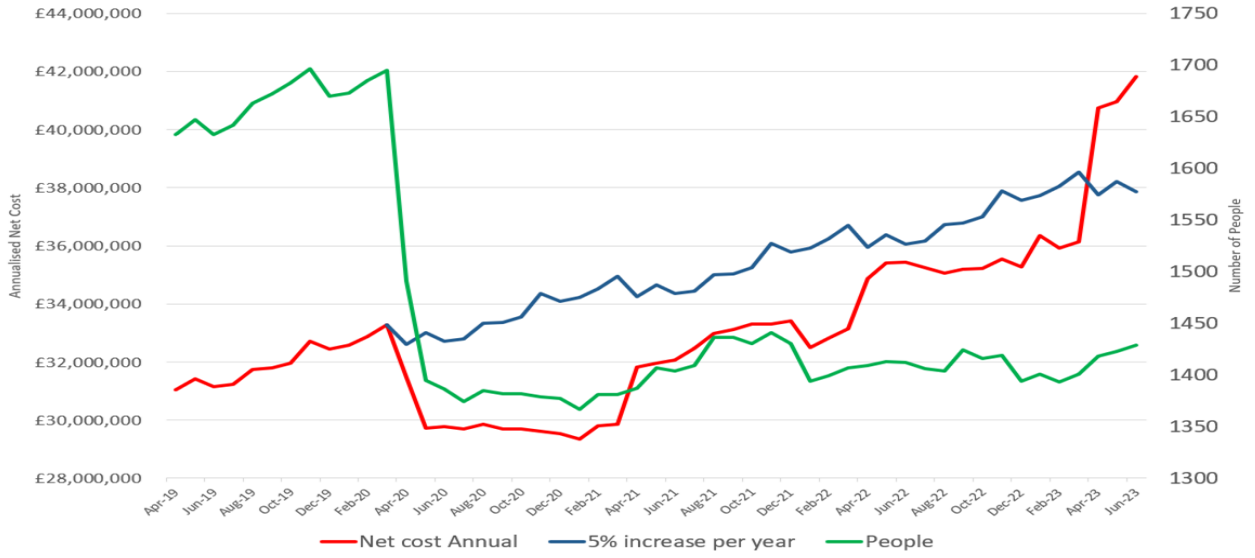


2. Residential and Nursing Care

- Chart 3 shows the sudden decrease in the use of residential care as an immediate consequence of, and response to, the covid pandemic.
- The green line shows the number of people in residential and nursing homes. This fell sharply in 2020 and has remained at the lower level ever since.
- Despite this, the cost of residential care – shown by the red line - did not fall in proportion and has increased ever since.
- The blue line shows a model of 5% increases year on year to simulate what might have happened without the disruption of covid19. Despite fewer people in residential care than would have been expected, costs are now in excess of that model, driven by high rates of inflation and additional fee increases to support the market.

Appendix 1: Adult Care Changes in Demand

Chart 3: Total Costs and People: Residential and Nursing Care 65+



Appendix 1: Adult Care Changes in Demand

Part 2: 18-24 Year Olds

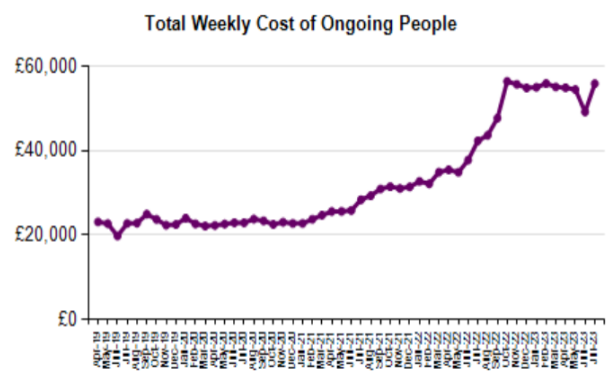
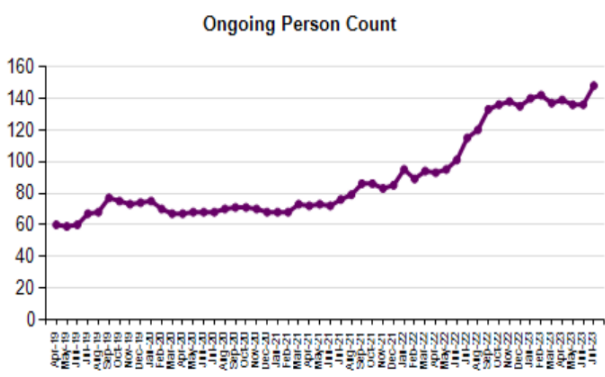
Improving the way young adults are supported through the transitions process has resulted in increases in costs to the AC&W budget. This is because young adults now transfer from Children’s Services to Adults in a planned way at age 18 rather than when their education ends. Whilst this change allows for a smoother transition for the young person with more opportunities for independent living the move to the new arrangement in 2022 has impacted costs.

The trend data below shows the impact of this change with the number of people supported increasing across the majority of services. The increase in costs from May 22 captures the impact of the transfer of young adults as the change was implemented.

The line on the left side charts is the total number of people accessing the service that month. The line on the right side charts is the total cost per week of that service for those people.

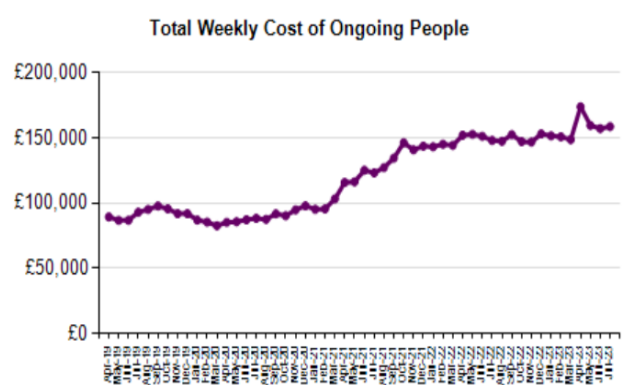
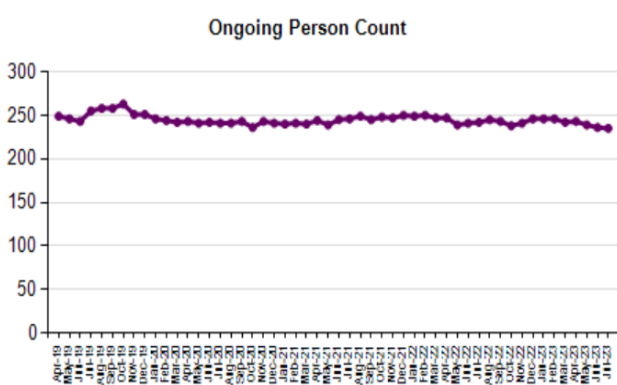
Day Services:

- 18-24 year olds using day services has increased by over 100%, from 60 to 140.
- Costs have increased from £23,000 per week to £56,000 per week during the same period.
- Costs have stabilised since September 2022, suggesting the impact of the transfer of case management has now settled.



Direct Payments:

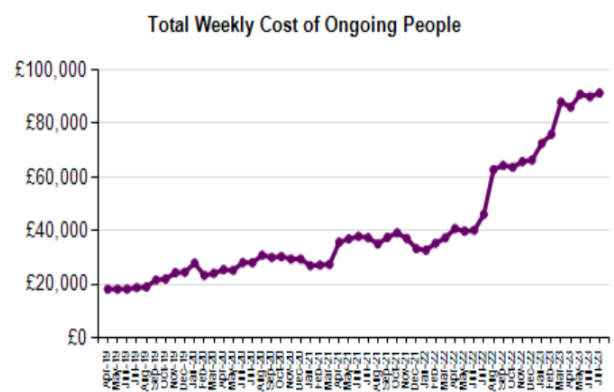
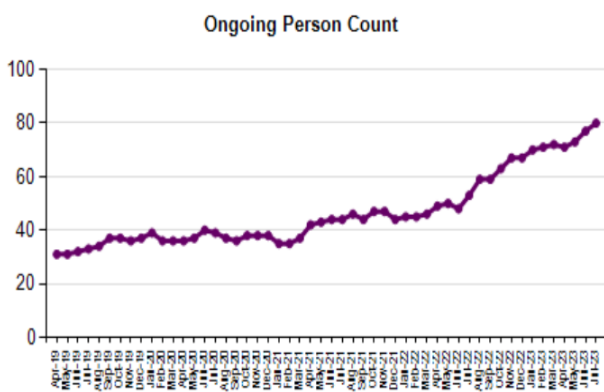
- Use of Direct Payments by 18-24 year olds has decreased slightly.
- Costs have increased 77% over the same period, treble the increase from fee uplifts, mainly during the 2021/22 financial year.
- Given the other increased demand for services, a similar increase in Direct Payments might have been expected.



Appendix 1: Adult Care Changes in Demand

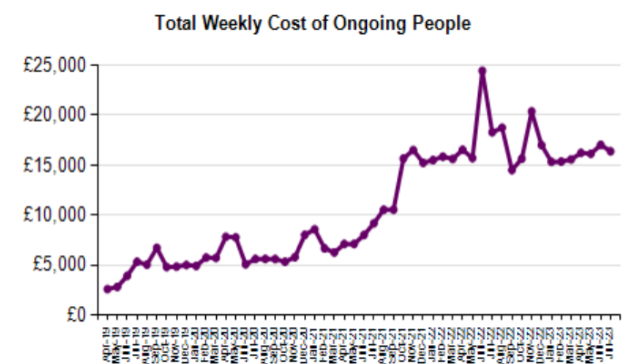
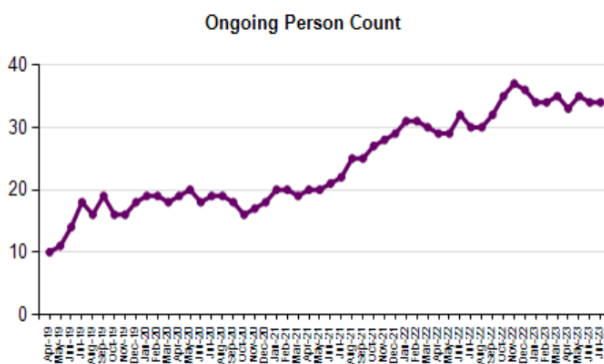
Supported Living:

- The number of young adults in community-based supported living has doubled since 2019, which is in line with our strategy to reduce out of area placements and the number of young adults living in residential care.
- The associated costs of supported living have increased almost 400% over the same period – an increase of £3.7m as young people with more complex needs are supported in the community instead of in residential care.
- Unlike other services, Supported Living has seen the greatest increase over 2022/23 (rather than 2021/22). This suggests a delayed impact to the change, with Supported Living placements requiring more time to establish than other services.



Respite:

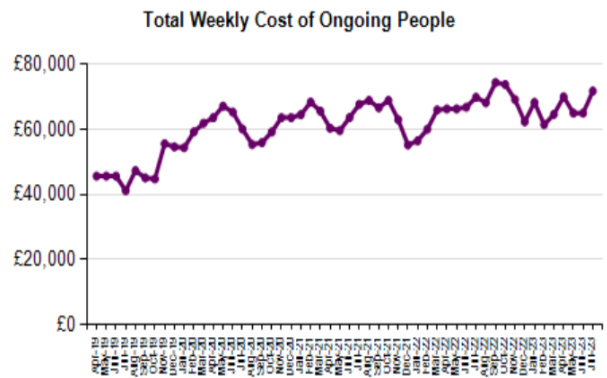
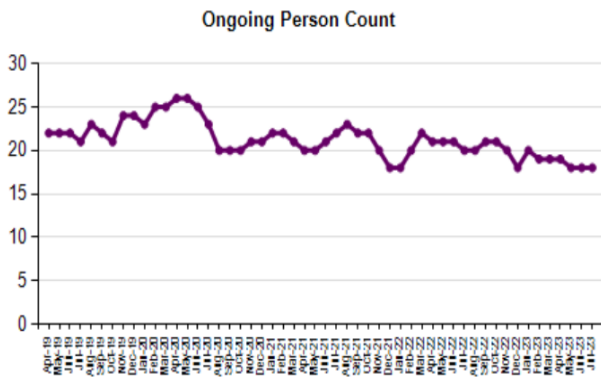
- The number of people using respite has seen a similar threefold increase although the numbers are lower. Costs have increased over 500% in the same period.
- While this is a relatively small spend it is an important investment in the support of carers and the long-term sustainability of the person's care.



Appendix 1: Adult Care Changes in Demand

Nursing and Residential:

- Continuing care (as opposed to respite) in residential placements has decreased slightly overall during the last four years – in line with our strategy for less restrictive support including community-based support such as supported living.
- Costs have increased 36% over the same period. Some increase is expected due to inflation, but the excess increase may be driven by lack of alternatives in the market.



Shared Lives:

- There has been a dramatic increase in the success of Shared Lives from less than 10 people in this age group to almost 40.
- Costs have risen in line with this increase and inflation.
- Costs have risen steadily as the programme strengthens, rather than the 2021/22 surge seen in the demand for other services.

