



Report to Policy Committee

Author/Lead Officer of Report:
Catherine Bunten – Assistant Director Adult Commissioning and Partnerships

Report of:	Strategic Director Adult Care and Wellbeing
Report to:	Adult Health and Social Care Committee
Date of Decision:	20 th March 2024
Subject:	Adult Care & Wellbeing: Market Sustainability & Commissioning Update

Has an Equality Impact Assessment (EIA) been undertaken? Yes No

If YES, what EIA reference number has it been given? **2632**

Has appropriate consultation taken place? Yes No

Has a Climate Impact Assessment (CIA) been undertaken? Yes No

Does the report contain confidential or exempt information? Yes No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

*“The (**report/appendix**) is not for publication because it contains exempt information under Paragraph (**insert relevant paragraph number**) of Schedule 12A of the Local Government Act 1972 (as amended).”*

Purpose of Report:

The purpose of this report is to provide Committee with an update on Adult Care and Wellbeing Commissioning programmes in 2023/24, and priorities in 2024/25.

The report seeks to provide assurance on how we are delivering our market sufficiency responsibilities as set out in the Care Act 2014, covering achievements and planned activity to improve sufficiency, stability, and quality assurance.

Recommendations:

It is recommended that the Adult Health and Social Care Policy Committee:

1. Note the trajectory towards the Fair Cost of Care, and proposals for future work.
2. Note progress with commissioning programme and priorities for 2024/25.
3. Note the Market Oversight and Assurance position at year end, and the establishment of the Monitoring Advisory Board
4. Note the approach to engagement and partnership working with Providers, and Voluntary, Community and Faith sector.
5. Note that the next Commissioning update will focus on Adult Care and Wellbeing Quality Assurance.
6. Requests that the Strategic Director Adult Care and Wellbeing continue to bring regular updates to the Adult Health and Social Care Policy Committee.

Background Papers:

- [Adult Care & Wellbeing Market Sustainability and Commissioning Update and Approval of 24/25 Care Fees](#), 13th December 2023
- [Adults with a Learning Disability Strategy and Adult Future Options Transformation Plan](#), 20th September 2023
- [AHSC Policy Committee Report: Market Sustainability: Adult Social Care Fee Rates 2023/24](#), 16th March 2023
- [Home Care: Care and Wellbeing Service Contract & Discharge Provision](#), 20th September 2023
- [Adult Care and Wellbeing Governance, Assurance, and Performance Framework](#), 14th June 2023
- [Adult Care Providing Support, Market Sustainability Commissioning Plan 2023-2025](#), 14th June 2023
- [ASHC Policy Committee Report: Transforming Care Homes for Citizens of Sheffield](#), 8th February 2023
- [Market Oversight and Sustainability: Adult Social Care](#), 8th February 2023

Appendices:

Appendix 1: Care and Wellbeing Service

Appendix 2: Adult Care and Wellbeing Commissioning Priorities 2024/25

Appendix 3: Market Sustainability Delivery Plan

Appendix 4: EIA

Lead Officer to complete: -		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Kerry Darlow</i>
		Legal: <i>Patrick Chisholm</i>
		Equalities & Consultation: <i>Ed Sexton</i>
		Climate: <i>Catherine Bunten</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	SLB member who approved submission:	<i>Alexis Chappell</i>
3	Committee Chair consulted:	<i>Councillor Angela Argenzio</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Catherine Bunten</i>	Job Title: <i>Assistant Director Commissioning and Partnerships</i>
	Date: <i>11/03/24</i>	

1. PROPOSAL

- 1.1 Our Adult Health and Social Care vision, set out in Sheffield's [Adult Health and Social Care Strategy](#), is that everyone in Sheffield lives in a place they can call home, in communities that care, doing things that matter to them, celebrated for who they are - and when they need it, they receive care and support that prioritises independence, choice, and recovery.
- 1.2 The proposals in this report align with our vision and primarily support the delivery of Commitment 6: 'We will make sure there is a good choice of affordable care and support available, with a focus on people's experiences and improving quality' and priority 3: Quality and Continuity of Care.
- 1.3 Securing sufficient care and support provision that meets the needs of our population is a statutory requirement for all Local Authorities. This duty, as set out in Section 5 of the Care Act 2014, recognises that "*high quality, personalised care and support can only be achieved where there is a vibrant, responsive market of services available*".
- 1.4 Specifically, the Care Act 2014 sets out that a local authority must promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market:
 - a. has a variety of providers to choose from who (taken together) provide a variety of services.
 - b. has a variety of high-quality services to choose from.
 - c. has sufficient information to make an informed decision about how to meet the needs in question.

In performing that duty, a local authority must have regard to the following:

- a. the need to ensure that the authority has, and makes available, information about the providers of services for meeting care and support needs and the types of services they provide.
 - b. the need to ensure that it is aware of current and likely future demand for such services and to consider how providers might meet that demand.
 - c. the importance of enabling adults with needs for care and support, and carers with needs for support, who wish to do so to participate in work, education or training.
 - d. the importance of ensuring the sustainability of the market.
 - e. the importance of fostering continuous improvement in the quality of services and the efficiency and effectiveness with which services are provided and of encouraging innovation in their provision.
 - f. the importance of fostering a workforce whose members are able to ensure the delivery of high-quality services.
- 1.5 In addition, the [Health and Care Act 2022](#) gave the Care Quality Commission (CQC) new powers to allow an assessment of care at local authority and integrated care system level. The CQC will use a new [assessment framework](#) to assess how well local authorities meet their duties under the Care Act 2014. Theme 2: Providing Support, which covers market shaping, commissioning, workforce capacity and capability, integration and partnership working is particularly relevant for commissioning.

- 1.6 In fulfilling this duty and our regulatory requirements, local authorities must therefore ensure good oversight and understanding of the local care market. This covers both commissioned and non-commissioned services – including those used by self-funders.
- 1.7 This report provides Committee with assurances on our progress across three pillars of a sustainable and quality market and with that our trajectory to ensuring that not only are we meeting our statutory duties, but we are also focused on the delivery of positive experiences and outcomes for citizens, carers, providers, and our workforce:
1. *Sufficiency and stability*: an update on Commissioning activity to secure sufficient, diverse, and effective provision to meet the needs of people in Sheffield.
 2. *Quality*: noting developments in our Quality Assurance approach, including strengthened Quality Assurance governance and oversight arrangements and clear escalation processes for providers.
 3. *Value for Money*: A consideration of the Fair Cost of Care exercise and current position.
- 1.8 Our update on delivering upon our workforce strategy was provided to Committee in January 2024 through our [Workforce Strategy Update](#) as an assurance of how we are fostering a workforce who can deal with high quality services.
- 1.9 An update regards our intentions for the Market were set out in the [Commissioning and Market Sustainability Delivery Update in December 2023](#). The [Market Sustainability Delivery Plan \(Jan 23\)](#) presented to Committee in February 2023 sets out Sheffield’s approach to meeting its sufficiency and stability duties. It describes our approach to commissioning and how Sheffield will fulfil its role to facilitate and shape a diverse, sustainable, and quality market, as well as identifying the key challenges and risks to achieving this and our approach to overcoming them to ensure that our local care market is sustainable.
- 1.10 The Market Sustainability Delivery Plan has been updated at March 2024 to reflect progress made to date, intentions for 24/25 and the delivery portfolios of Living and Aging Well, Adult Future Options and Mental Health & Wellbeing and is included for noting at Appendix 1.

2 Sufficiency and Stability - Commissioning Updates and Priorities Q4

- 2.1 In 2023/24, we continue to make considerable progress in improving our local offer and delivering upon these ambitions. Together with our partners, we have supported and delivered several key activities in 23/24 to continue to secure and improve the provision of care and support.
- 2.2 Our achievements in 23/24 and priorities for 24/25 are set out in Appendix 2. The achievements in 23/24 set the foundations for long term transformation of adult care provision particularly relating to our delivery of:
- Direct Payments and Personalisation
 - Long term stability and quality of our accommodation with care provision

- Long term stability and quality of our care at home, including care at night provision.
- Long term stability and quality of our day activities, supported living, and extra care provision.
- Mental Health services, including support and prevention delivery.
- Advocacy, Healthwatch, and involvement of citizens
- All age autism, learning disability and mental health strategies.

2.3 In 2023/24 the Commissioning service has continued to strengthen existing partnerships, and mechanisms by which we engage with providers, including consult on specifications. We have also sought to develop new opportunities to work collectively to improve outcomes for people in Sheffield. This work includes:

- Ongoing work with the Sheffield Care Association, with monthly meetings that focus on support and development of the Care Home sector. The ambition is to broaden this representative approach in 2024/25 to strengthen and widen scope, becoming a vehicle for best practice, workforce support, “Fair Cost of Care” development and market shaping.
- Grant funding for Disability Sheffield to deliver our ‘We Speak, You Listen’, with events and spaces for people with a learning disability and/or autism can come together to share issues that affect their lives.
- Establishment of the Adult Partnerships, Innovation and Development Board Working Group, which is to co-produce through our partnership approach and ways of working together to deliver our vision for people in Sheffield as set out in our Strategy.
- The commissioning team oversee the delivery of regular forums with providers in the City. These provide opportunities to share information, raise and discuss issues relating to all our contracts, and to look to future market needs and developments.
- The Care & Wellbeing Service Contract, providing home care in the City, goes live in 2024/25. A central part of this redesign is the community and neighbourhood delivery model – which seeks to strengthen local networks – of providers, and Care partners, and communities. The new model prioritises collaboration over competition, and the new contract will also include quarterly forums with providers to share good practice and with an ambition to move our provision towards “Outstanding”.

2.4 Transforming Care Homes

2.4.1 Transforming Care Homes is a key priority aligned to approval to undertake a programme in February 2023. There remains a risk regards quality of provision across the City and this programme alongside our development of our quality assurance processes, model and systems will aim to ensure that citizens of Sheffield who need residential or nursing care and their families have positive experiences and outcomes.

2.4.2 To this end, A new contract for Older People’s Standard Care homes (residential and nursing care) started on Monday 5th February 2024 with 25 Providers, and 45 care homes on the framework. The framework is for 5 years (until 2029) and we will support and encourage all relevant homes in the City to submit a tender, as the process will remain open.

- 2.4.2 Our new contract sets an improved contractual arrangement with providers of older people's residential and nursing care with updated Terms and Conditions and a Core Service Specification detailing the standards of quality all care home providers are expected to achieve based on the 8 core principles of what makes a good care home, and in line with Care Quality Commission (CQC).
- 2.4.3 Future work will include further specifications which will describe the care and / or health requirements that should be delivered in addition to this, depending on the service type or service user groups. It is anticipated that this 'non-standard care' will attract a higher price than the standard care fee.
- 2.4.4 The development of the standard specification included:
- information sessions to providers and relevant stakeholders to ensure the commissioning plan and approach to deliver the changes were fully understood and to share specification structure/content and procurement timeline.
 - work with Adult Future Options commissioning team to develop the approach to non-standard contract.
 - development of specification requirements and contract terms and conditions with ICB commissioners. The contract is substantially based on the NHS standard contract to increase clarity and integration of health and social care.
 - development of reporting and monitoring schedule of requirements with contract teams from ICB & SCC.
 - development of a payment schedule
- 2.4.5 It is our intention that we will seek providers on this framework first when procuring placements. This is to ensure that current and any future placements funded by the Council and Health (funded nursing care, FNC) continue to deliver the standards of care as set out in the required contract and service specification. Being on the framework does not guarantee business or place a requirement on providers on the framework to agree any specific package(s) of care.
- 2.4.6 The Quality & Performance Team have reviewed and updated the monitoring toolkit for the Care Homes to align with the new specification (including "good care home" principles) and the outcomes from Healthwatch's report: [What matters to us: Older people's experiences of living in a care home](#).
- 2.4.7 To deliver excellent quality care homes which are experienced positively by individuals, families, and our workforce, it is important to build the foundations which mean individuals, families, care home providers, partner agencies, commissioners and social work teams are working towards the same aim and understand each other's drivers for change. To do this we aim to develop a partnership working approach with forums/groups who will explore and deliver support (non-financial) options to both sustain the market and build relationships.
- 2.4.8 We have pursued this through:
- Engagement with a group of interested organisations across care homes and similar interest groups.
 - Created a skeleton website for providers to get information shared. Work is still being carried out to develop the site and to enable SCC to hand over its responsibilities for the website management to the Sheffield Care Association.
 - Webinars held on: Energy saving in the care sector, Digital Innovation, Recruitment and Retention, Bid Writing, Banking, Financial Assessments

- All webinar information has been shared in the Provider Bulletin, including links to the recording and the slides, ensuring everyone can access this information.
- Using our purchasing powers elsewhere, started to explore the energy grants through solar panelling, carbon neutral projects, energy tariffs – Site visit to one home who has invested in solar. This visit was to seek out costs and resources and to assess grant availability for other homes.
- Provider Information sessions sharing the Commissioning Plan and the approach to delivery.
- Meeting with Workforce development workstream to link this area of work. For example: meeting with Sheffield College to assess viability of introducing students to the care profession as a career, opening up volunteering opportunities for students and care homes, meeting with Department for Work and Pensions to discuss volunteering opportunities within the sector for work ready citizens.
- Exploration of electric vehicle charging option for care homes. Barriers identified around land ownership, maintenance etc. Actions are to; create a summary of care home car parking capacity, talk to organisations who have experience.
- BSL training options appraisal and use in care homes regarding appropriateness of offering training.
- Met with the Local Area Partnership lead officer for the north of Sheffield to assess care homes integrating with community activities in their local area.
- Development of information available to people explaining access to care homes. standards and the SCC values. This is part of the Healthwatch recommendations.

2.4.9 Three events were held in Summer 2023 for residents, relatives, friends, and neighbours to talk about what makes a good care home. We ran two daytime workshops in local care homes and an evening zoom session. These events were part of the Sheffield Adult Social Care Festival of Involvement. These sessions aimed to bring to life the eight key principles of a good care home that were developed last year with local people, care home staff and other workers.

2.4.10 We explored what the principles mean to residents and their loved ones and identify some examples. The examples gathered will:

- help us all to better support residents to keep their sense of identity - something we know is a big worry for people moving into care homes.
- help to make our quality assurance processes more meaningful.

2.5 Adult Future Options: Transformation Programme

2.5.1 On 16th November 2023, AHSC Committee approved the [Adult Future Options transformation plan and LD strategy delivery plan: "Hear our voice"](#), the successful delivery of which will lead to improved outcomes for adults with a disability in Sheffield, and also support the Adult Care and Wellbeing recovery programme.

2.5.2 The priorities in our co-produced Learning Disability Strategy include:

- Overnight Short Breaks - developing capacity for overnight short breaks, including improving the quality and variety of provision in the market.
- Disability awareness in public and when using services – supporting the promotion and development of Safe Places, helping everybody feel able to access them.

- Skills and technology to support being active and independent – increasing the awareness of, and confidence to use technology enabled care for people, families, carers and staff.
- Specialist accommodation with care - developing an accommodation growth plan to promote independent living (supported living), reduce dependence on out-of-area placements and specialist residential accommodation and to review specialist care commissioning. We will also continue our focus on Individual Support Funds.
- A variety of exciting day opportunities – we continue to promote our Framework, encouraging more and different providers to join, with a clear message that later evening and weekend activities are wanted, with many opportunities for people to socialise. We will work with our QA teams and partners to that people with lived experience are part of our quality assurance processes.
- Travel – people have told us that they can find it difficult to travel. We have shared information about accessible facilities but will work with providers to remove barriers and develop our transport options.
- Transitions – we have encouraged our providers to apply to our framework offering transition support for young people, and are working closely with Children’s Services to improve transition planning for young people in Sheffield. Young people have told us that peer support is important, and we have launched a befriending tender and will work with young people to develop ‘buddy’ offers and to develop good transitions arrangements between Child and Adolescent Mental Health Services.
- Meaningful work – we will engage with a wide variety of businesses and education providers to create volunteering and paid work opportunities, and to promote the benefits to employers of employing staff members with a learning disability. At the same time, we will make sure people have the information they need about support to job search and apply for jobs.

2.5.3 Alongside our Learning Disability strategy and delivery plan, we are focused on securing value for money in the provision of care and support services in the City.

2.5.4 We have purchased [CareCubed](#), a cost of care tool that will support us in creating a baseline for care costs and create open and transparent negotiations for care packages. We have done this in partnership with Children’s services so that our packages, including those at the point of transition, are sustainable, high quality and value for money.

2.5.5 This will be supported by a shift in the commissioning and brokerage approach, with a new and enhanced brokerage service - making brokerage personal and adding further support and oversight of the market.

2.5.6 This is the foundation for further market shaping. With a clear understanding of costs of delivery together with the understanding of what young people in the City want and need collated within our Strategy, we can work with existing and new providers to develop new and specific service offers within the city, improving outcomes and reducing the need for out of city placements.

3 Excellent Quality Care Provision

- 3.1 As part of our approach to embedding Quality Improvement and implementing, a Care Quality Framework was agreed at Adult Health and Social Care Committee in February 2023 so that:
- people know the standards of the service which should be delivered no matter who the provider is.
 - people experience equality of access high quality services that deliver culturally appropriate care and support.
 - the adult social care workforce, including commissioned providers, share a clear vision of what high-quality care looks like and how they can contribute to delivery
 - the views and feedback from individual's and carers' views informs quality assurance activity and service development and improvement.
- 3.2 The framework sets out:
- our approach and standards for Care Quality
 - the quality assurance process and system support
- 3.3 It is intended that the Care Quality Framework is implemented throughout 2024 to 2025, as new models of care and support are mobilised in the City, so that all provision across the City is assessed by us and CQC as being good or outstanding.
- 3.4 The following improvements have been made to our Care Quality Framework in 2023/24:
- Investment in Adult Future Options Quality Assurance capacity to support the new Adults with a Disability Framework and Enhanced Supported Living Framework.
 - Investment in regulatory expertise to support Provider Services and Quality oversight of the independent sector.
 - Investment in a dedicated leadership relating to Care Quality and Improvement.
 - Reporting on our performance relating to Care Quality and Continuity of Care.
 - Strengthened governance arrangements, including the Joint Quality Assurance Committee (with the ICB), Provider Services Board and Monitoring Advisory Board.
 - Developed an accompanying escalation framework for providers to support communications and provide clear routes for providers to inform us of changes, including any fee rates requests (supported by the procurement of software to analyse the cost of care provision across Adult Care & Wellbeing markets)
- 3.5 The stronger governance arrangements ensure that the Council receives regular reporting and oversight of the quality and sustainability of provision, as a whole market approach (i.e. Sheffield City Council delivered services, and services procured from independent organisations).
- 3.6 As part of the focus on quality, the review and business case will be completed regards brokerage and payments model and the quality assurance model across all regulated provision in the City during 2024/2025. This is recognition of the priority and risks relating to quality of care across the city and need for sufficient capacity to ensure that monitoring visits can be undertaken across providers, in partnership with experts by experience, to prevent harm and ensure excellent quality care.

- 3.7 Reporting will include analysis of sufficiency, quality, and value for money – and the actions we will take to improve, informed by our learning from the voice of people with lived experience, quality visits and audits, complaints and feedback, staff and partner information, changes in the market (including provider exits and embargoes), and data and key performance indicators.
- 3.8 Committee is asked to note that the next Committee report will focus on Adult Care and Wellbeing Quality Assurance.

4 Value for Money & Fair Cost of Care

- 4.1 This report notes the progress made in understanding the cost of care and moving towards a Fair Cost of Care. Fee rates for Council contracted providers in the financial year 2024-25 were approved by Committee in December 2023. These rates take effect from 8th April 2024.
- 4.2 In fulfilling our Care Act 2014 duties, local authorities must ensure good oversight and understanding of the local care market, including setting rates that we believe, based on the evidence, will support a quality, flexible and sustainable market, providing choice to those who purchase care.
- 4.3 This duty is balanced with the budget planning requirement for Adult Care and Wellbeing/Sheffield City Council. Fee rates are set within a context of increasing costs for the Council's other essential services and a budget balanced through use of reserves and ambitious savings in 2022/23, 2023/24 and into 2024/25.
- 4.4 Following the completion of the Fair Cost of Care exercise in Autumn 2022, and ongoing engagement with the residential sector, the Council has taken several steps to close the gap between the weekly standard fee rate and the median Fair Cost of Care output for standard residential care.
- 4.5 The outputs from the Fair Cost of Care exercise (residential settings) in Autumn 2022 are provided in the table below, along with 23/24 and 24/25 rates with SCC inflation modelling applied:

Provision Type	FCOC output 22/23 (median rate)	FCOC output 23/24 (9.8% increase)	FCOC rate in 24/25 (8.89% increase)
Standard residential care homes	£787.54	£864.72	£941.59
Enhanced residential care homes	£806.06	£885.05	£963.73

- 4.6 The standard rate for 65+ residential care will increase to £700 per week from 8th April 2024. This is an 11.11% uplift to the 23/24 rate and equates to an additional £14 per week over an inflation only uplift. Further, this is applied to the in-year uplift given in 2022/23 of £18pw, and the above inflation uplift provided in 23/24 of £10pw. Over the last two years, we have reduced the gap between fee rates and the Fair Cost of Care, alongside responding to inflation, from 44% to 35%

4.7 Without these steps, the 24/25 standard rate would be £643pw, and so we have closed the gap between our 2022 rates and the Fair Cost of Care output by £57pw.

Provision Type	Gap b/n FCOC and SCC rate 22/23 (£547)	Gap b/n FCOC and SCC rate 23/24 (£630)	Gap b/n FCOC and SCC rate 24/25 (£700)	Gap b/n FCOC and SCC rate 24/25 without additional uplifts (£643)
Standard residential care homes	£240.54 / 44%	£234.72 / 37%	£241.59 / 35%	£298.59 / 46%
Enhanced residential care homes	£259.06 / 47.5%	£255.05 / 40%	£263.73 / 38%	£320.73 / 50%

4.8 It is our intention to work with residential providers to continue to move towards the Fair Cost of Care and for the care workforce to receive the Foundation Living Wage whilst continuing to ensure that we maintain a sufficient and stable market, offering choice, quality, and value for money and efficiency in our residential provision by delivering the Transforming Care Homes programme.

4.9 If the current volume of accommodation with residential care continues to be needed (approximately 60,500 weeks a year, although this may be subject to fluctuation due to demographic growth) we can estimate the cost of any fee uplifts agreed above inflation to have the following cost pressures to the Council:

Additional fee uplift value	Cost pressure to Council
£10	£605,000
£15	£907,500
£20	£1,210,000
£25	£1,512,500

4.10 It is anticipated that to close the gap between the Fair Cost of Care output and current fee rates within the life of the Adult Care and Wellbeing Strategy: Living the Life you want to live, would require an uplift of £25 above inflation in each year together with work to deliver market efficiencies. This assumes that rates of inflation fall to 2% and remain consistent.

4.11 To meet the Councils' ambition that front line care sector workers are paid the Foundation Living Wage, above inflation fee rate increases for Care Homes or differential rates for providers who can evidence that funding is passed to care workers should be considered.

4.12 To reach a Fair Cost of Care, recognising the trajectory to be travelled alongside our [Care Home Transformation High Level Plan](#), its planned to work to the following timelines:

Milestone	Action
June 2024 (TBC)	Publication of MTFAs by Sheffield City Council
September 2024	Review of acceptable profit margins by August 2024 for decision at Committee.
April – November 2024	Deliver workshops and a collective action plan with standard and non-standard residential care providers to review opportunities for

	energy and fuel efficiency, future models of delivery for accommodation with care, workforce resilience – including use of agency, nutrition, and management of voids to inform commissioning models which will enable a Fair Cost of Care to be reached.
April – November 2024	Re-open Care Home framework to support more Homes to be successful and undertake market shaping to support consistently high occupancy levels and reduce voids.
November 2024 – February 2025	Use of Care Cubed to produce a refreshed and more in-depth Cost of Care exercise to understand the costs of different provision and efficient models of delivery.
December 2024	Development of options for flexible care and rates, supported by enhanced brokerage and contract management, to increase the number of people who do not have to change providers should their care needs change, and to ensure rates support the care delivered.
December 2024	Propose Fee Rates for 25/26 as part of Business Planning.
December 2024	Review of and decision about use of Novation and VAT through relevant Committee.
March 2025	Bring forward proposals based on activity set out in 24/25 for longer term trajectory for a fair cost of care across the sector.

- 4.13 We have used our Market Sustainability and Improvement Fund in 2023/24 and 2024/25 both to increase fee rates for standard rate care homes, and to provide opportunities for our partners, including providers in the City to think creatively about improving workforce retention and resilience, contributing to a sufficient and high-quality market.
- 4.14 A range of projects have been identified through this, including staff wellbeing initiatives, increased staff capacity, and partnership work with local organisations to promote care as a career.
- 4.15 Of note is our agreement to work with [SACMHA Health & Social Care](#) to continue to ensure that our care workforce reflects the diversity within our City, and that we continue to engage with communities in the delivery of our care and support provision to meet the needs of people who live in the City. This work in particular will continue to inform our future priorities and commissioning intentions.

5 HOW DOES THIS DECISION CONTRIBUTE?

- 5.1 Market sustainability, alongside the Care Governance Strategy, and the Care Quality Framework are key to the delivery of the Council's statutory responsibilities for Adult Social Care including the following outcomes for the people of Sheffield:
- promotion of wellbeing
 - protection of (safeguarding) adults at risk of abuse or neglect
 - preventing the need for care and support
 - promoting integration of care and support with health services

- providing information and advice
- promoting diversity and quality in providing services

5.2 This proposal also meets the 'Efficient and effective' outcome set out in the Adult Social Care Strategy. Effective Market Shaping should ensure that people have a choice of good services that meet their needs and give them a positive experience regardless of their background, ethnicity, disability, sex, sexual orientation, religion, or belief.

6 HAS THERE BEEN ANY CONSULTATION?

6.1 Consultation was held with care homes to inform fee rate proposals for 2024/25. A consultation survey was sent out to all care homes in the City. We received responses from 31 different providers representing 44 care homes. Online meetings were also held with 3 of these providers.

6.2 It was clear from the response that providers in the city felt that current fee levels were too low and that the Council would need to take larger steps towards the Fair Cost of Care. More than a quarter of the homes who responded told us they have needed to take exceptional steps to survive in the past 12-18 months. Many homes also told us that low fee rates were suppressing their ability to pay above the National Minimum Wage to staff or caused them to delay improvement work to their buildings.

6.3 Whilst low fee rates were by far the biggest concern in care homes many are still concerned about high energy prices and high inflation on other goods and services. Increased interest rates have had a large negative impact on homes with a high exposure to debt.

6.4 It is clear that not all care homes are experiencing inflationary pressures equally, many cost increases such as energy, interest rates, insurance costs, IT, maintenance and food vary significantly from home to home.

6.5 Recruitment and retention of staff and high agency costs continues to be a significant concern, and providers are keen to work with the Council for support in these areas.

7 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

7.1 Equality Implications

7.1.1 As a Public Authority, we have legal requirements under the Equality Act 2010. This includes the Public Sector Equality Duty, under which public authorities must, in the exercise of their functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation, and any other conduct that is connected to protected characteristics and prohibited by or under this Act.
- advance equality of opportunity between those who share a relevant protected characteristic and those who do not; and
- foster good relations between those who share a relevant protected characteristic and those who do not.

7.1.2 The broad ambitions set out above are consistent with The Duty. These include envisaging a range of different types of provision (supported living, extra care,

residential care, etc), including support for people with complex needs; aiming for preventative and community-based support, including for people with mental ill health.”

- 7.1.3 The Cost of Care has an impact on the market in relation to workforce pay, quality of care and availability and choice of provision. Having a focus on the Fair Cost of Care seeks to develop a stable and quality Market which enables choices.
- 7.1.4 By proposing fee increases at least in line with inflation, together with commissioning strategies already in train, we seek to address and mitigate cost pressures providers face, the risk of these adverse impacts is reduced, and there are more opportunities for ongoing improvements and development work to improve outcomes for people, with a particular focus on reducing inequalities and disproportionality.
- 7.1.5 Those who make contributions to their care will see an increase with any Council fee rate increases, and this takes place in a context where many people are impacted by the cost-of-living crisis, and the impact of this falls disproportionately across protected characteristics.
- 7.1.6 The Equality Impact Assessment can be found at Appendix 4.

7.2 Financial and Commercial Implications

- 7.2.1 The cost of the 24/25 fee rate increase was included in the Councils’ Budget which was approved by Full Council on 6th March 2024. Any future year fee increases will be taken through the Councils’ Business Planning process and will be subject to annual approval.
- 7.2.2 There is a risk that there will be additional costs associated with the delay in the Homecare contract start date, although this has not yet been quantified.
- 7.2.3 There may be investment required to deliver some of the proposals in section 2.9.2. Should that be necessary, they will need to be supported by a business case and will be subject to further approval.
- 7.2.4 Other costs associated with proposals for energy efficiency, EV chargers etc are anticipated to be grant funded.

7.3 Legal Implications

- 7.3.1 The Care Act 2014 sets out the law around market development in adult social care. It enshrines in legislation duties and responsibilities for market-related issues for various bodies, including local authorities.
- 7.3.2 Section 5 of the Care Act sets out duties on local authorities to facilitate a diverse, sustainable high-quality market for their whole local population, including those who pay for their own care and to promote efficient and effective operation of the adult care and support market as a whole.
- 7.3.3 The statutory guidance to the Act suggests that a local authority can best commence its market shaping duties under Section 5 of the Care Act by developing published Market Position Statements with providers and stakeholders. The proposals are therefore in line with the Council’s legal obligations.

7.4 Climate Implications

- 7.4.1 The commissioning of care and support services for Adults in Sheffield can have a large impact on Sheffield's Climate Emergency. This was set out in the Climate Statement approved at Committee in January 2024. As set out in this report, workshops will be undertaken to involve providers in agreeing an action plan to respond to the effects of Climate Change.
- 7.4.2 Examples of practical actions which can come from the workshop are:
- The care workforce is significant, and is required to travel across the city, working together to create better opportunities for 'active travel' can help to reduce emissions from transport.
 - The energy efficiency of the buildings in which care is delivered (such as day services, or residential care) provides a significant opportunity to reduce our carbon emissions, and commissioning should encourage and enable improvements to environmental standards and promote renewable energy.
- 7.4.3 Climate Impact Assessments will be undertaken as a key element of our commissioning approach, and we want providers and partners to align with our Net Zero ambitions and will be looking to work with them to identify key areas of impacts in their activities and how we can reduce, monitor, and measure these.

8 REASONS FOR RECOMMENDATIONS

- 8.1 In fulfilling our Care Act 2014 duties, local authorities must ensure good oversight and understanding of the local care market, including setting rates that we believe, based on the evidence, will support a quality, flexible and sustainable market, providing choice to those who purchase care.