



13th March 2023

Sheffield City Council
Adult Health & Social Care Policy Committee

Dear Committee.

Re:- Proposed Care Fees Uplift 2023 – 2024

We are Sheffield Care Association, representing 13 providers covering over 1500 beds in Sheffield.

We are writing to you all today to make you aware of the looming failure of the elderly care sector in Sheffield due to inadequate fees of £630 per week being proposed for 2023/24.

The fee rates in Sheffield have been significantly low for the past 8-years, a complete failure to accept the facts since 2015 has seen the fees increased by only £130 in total, that's an average of only £16.25 per year per resident per week. This figure has totally failed to keep pace with increasing costs including wages, insurance, food, finance, energy, repairs and maintenance, digital innovation, communication etc. Increases to operating costs have far outstripped revenues, and the sector has now reached breaking point.

The proposed fee of £630 is totally insufficient and if approved by Sheffield City Council, the Council will be expecting providers to operate at less than cost. SCC have participated in the recent Fair Cost of Care FCoC exercise to establish the costs of providing care in Sheffield. Despite this, the Council has recommended £630 per week when the FCoC exercise established the true cost of care to be more than £806 per week. In fact, the adjusted figure for 2023/24 is closer to £880 per week, after taking account of inflation and other cost increases. This is a shortfall of more than £250 per week, bridging the gap between £630 & £880 is completely unsustainable for providers.

Despite the delay in the Social Care Reforms expected this year, the Government has still continued to commit funding for the Social Care Grant with each Council for 2023/23 to enable Local Authorities to work towards meeting the Fair Cost of Care and to ensure long term sustainability for the wider care home provision. Specially for Sheffield, the Social Care Grant for 2023 is £48.2m. We would like to understand what the council's intentions are in terms of allocating these additional funds and how this will help to bridge the gap between the FCoC and the current offer being proposed.

The 9.8% increase in the proposed fee is in line with the National Living Wage increase (9.7%) and the year-to-date levels of inflation (2022/23 CPI average 10%) and is therefore not actually moving SCC closer towards FCoC rates.

Furthermore, we are feeling the cost-of-living crisis more acutely as accommodation-based services and this does not include other additional costs such as food, insurance, equipment, and agency costs.

The situation has now reached breaking point and we need to notify the Council that home closures will occur this year should the fee proposal of £630 be approved. The Council will be responsible for these closures, the resulting loss of service provision and failure of the market. If homes close particularly post pandemic we know this will put further strain on our acute trusts as care homes are providing a service supporting the hospitals and pathways for people to return back to the community most with home care provision.

We strongly urge the Committee to rethink the current proposal of £630 and make a genuine attempt to move towards FCoC rates before it's too late and we fail the most vulnerable in our city.

We are more than happy to have direct discussion with the Committee so you full understand the challenges and how this can be resolved to have a sustainable market.

Sheffield Care Association

Akari Care

Palms Row Healthcare

Silver Healthcare

Sheffcare

Four Seasons Healthcare

HC-One

Vitality Healthcare

The Glen Private Nursing Home

Nightingales Care Home

Northill Care Home

Country Court Care

Pearl Care

Towerview Care