



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 Policy Committee
Date of Decision:	13 th December 2023
Subject:	Adult Care & Wellbeing: Market Sustainability & Commissioning Update and Approval of the 24/25 Care Fees

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

If YES, what EIA reference number has it been given? **2478**

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*“The (**report/appendix**) is not for publication because it contains exempt information under Paragraph (**insert relevant paragraph number**) of Schedule 12A of the Local Government Act 1972 (as amended).”*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 in 2023/24.

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.

This report seeks approval for proposed fee rates for Council contracted providers in the financial year 2024-25. It is proposed that these rates take effect from 8th April 2024.

Recommendations:

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

1. Note progress made in relation to providing support in the City and delivering a stable care market, including:
 - The outcome of the Care and Wellbeing tender
 - The tender for Care at Night services
 - The tender for Standard Residential provision
 - Our Technology Enabled Care offer and developments.
 - Our Direct Payment Support Service
2. Note progress made in implementing Quality Assurance oversight and governance arrangements.
3. Note the flowchart for provider escalations to the Council covering contractual, safeguarding and fee uplift requests set out at Appendix 3 and the intention that officers will work in partnership with providers to develop an escalation framework based on this model to be brought back to Committee in 2024.
4. Approves use of £840,000 in 2024/25 of the 'Market Sustainability and Improvement Fund: Workforce Fund' announced in August 2023 to further close the gap between the current weekly fee rate and the median Fair Cost of Care output for standard residential care.
5. Approve the Care Fees for the financial year 2024/2025 as set out in this Report.
6. Note that a report will be brought to March 2023 Committee with an update on the delivery of the Transforming Care Homes Commissioning and Delivery plan.
7. Approves that a report will be brought to March 2023 Committee setting out proposals for how Sheffield City Council can further move towards the Fair Cost of Care and Foundation Living Wage.
8. Delegates authority to the Strategic Director of Adult Care and Wellbeing in consultation with the Chair of the Adult Health and Social Care Policy Committee to agree any appropriate and proportionate fee increases requested by non-standard provision, and by providers outside Sheffield because cost pressures will vary from place to place.

Background Papers:

- [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:

1. Technology Enabled Care programme update
2. Quality Assurance oversight and governance arrangements,
3. Escalation process for providers covering contractual issues, safeguarding and fee uplift requests

Lead Officer to complete: -	
1	<p>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.</p> <p>Finance: Kerry Darlow & Laura Foster</p> <p>Legal: <i>Patrick Chisholm</i></p> <p>Equalities & Consultation: <i>Ed Sexton</i></p> <p>Climate: <i>Catherine Bunten</i></p>
	<p><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></p>
2	<p>SLB member who approved submission:</p> <p><i>Alexis Chappell</i></p>
3	<p>Committee Chair consulted:</p> <p><i>Councillor Angela Argenzio</i></p>
4	<p>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.</p>
	<p>Lead Officer Name: <i>Catherine Bunten</i></p> <p>Job Title: <i>Assistant Director Commissioning and Partnerships</i></p>
	<p>Date: 27/11/23</p>

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 vision is centred around delivery of five outcomes and six commitments. Our outcomes help to make our vision real – they are about what we want to focus on getting right. Our commitments are guiding principles we will follow and describe how we will achieve our outcomes and highlight what we want to do better.
- 1.3 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'.
- 1.4 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".
- 1.5 The Care Act places duties on local authorities to promote the efficient and effective operation of the market for adult care and support in the local area. In fulfilling this duty, 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.
- 1.6 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.
- 1.7 The [Market Sustainability Delivery Plan \(Jan23\)](#) presented to committee in February 2023 sets out Sheffield's approach to meeting its sufficiency 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.
- 1.8 This report provides Committee with assurances on our progress across three pillars of a sustainable and quality market:
 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*: seeking approval for fee rates for 2024/25 that balance the budget planning requirement for Adult Care and Wellbeing with significantly increasing costs for care providers over the last year, increasing demands on care services and 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.

2 Securing a sufficient and stable market:

- 2.1 Adult Care and Wellbeing Commissioning strategies seek to ensure that we have:
- A good variety of care providers, resilient provision and sufficient capacity to meet demand now and in future.
 - A range of safe, effective, high-quality services and service types for people to choose from. This includes unpaid carers and those who fund or arrange their own care.
 - Services that are sustainable, affordable and provide continuity for people with minimal disruption in the event of providers exiting from the market.
 - Sufficient investment in our workforce to enable the attraction and retention of high-quality care staff.
 - Evidence of innovation and service diversity to evolve and meet changing needs of individual's and carers.
 - A city and system that is attractive to new market entrants and able to manage and offset the impact of future market changes.
 - Equality, diversity, inclusion and social justice and anti-discriminatory practice embedded as core to all of our provision and workforce developments.
- 2.2 Our commissioning strategies for service provision across Adult Care and Wellbeing are agreed at Adult Health and Social Care Committee, they demonstrate how we will deliver on our vision as set out in "Living the Life you want to live, our Adult Care strategy 2022-2030. Linked to annual reviews of our Adult Care Strategy and delivery plans, these commissioning strategies are monitored through the cycle of assurance as reported to Committee in June 2023, including updates to Committee as appropriate.
- 2.3 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, and Committee are asked to note the following achievements:

Living and Ageing Well	<ul style="list-style-type: none"> • Contract award for Care and Wellbeing Service –a new model for the provision of Home Care in the City. The service will be in mobilisation through Spring 2024, going live in April 2024. • Partnership with health partners to review and procure the Care at Night service.
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	<ul style="list-style-type: none"> • Partnership working to deliver on the Urgent Care and Discharge Delivery Plan at system level. • Tender for Standard Residential provision on a new specification and framework contract.
Adult Future Options	<ul style="list-style-type: none"> • Implementation of the Autism Strategy and Delivery plan reporting to the Autism Partnership Board • Development of a Learning Disability Strategy and Delivery plan and reporting to the Learning Disability Partnership Board • Contract award for the Working Age Adults with Disability Framework (Dynamic Purchasing System, allowing new providers to enter the Market) • Contract award for the Enhanced Supported Living Framework • Development of Accommodation with Care Commissioning programme
Mental Health	<ul style="list-style-type: none"> • Development of new models for prevention and community provision, in partnership with Voluntary, Community and Faith partners. • Embedding and development of the Support and Independence Framework
Direct Payments and Personalisation	<ul style="list-style-type: none"> • Delivery upon Direct Payments and Personalisation Strategy including Annual Reporting and Improvement Plan. • Delivery of Individual Support Funds Pilot • Developing the future model of the Direct Payments Support Service
Technology Enabled Care	<ul style="list-style-type: none"> • Development of a Technology Enabled Care Commissioning programme (see Appendix 1)
Advocacy	<ul style="list-style-type: none"> • Approval for recommissioning and delivery upon a new advocacy contract.
Voice & Involvement	<ul style="list-style-type: none"> • Delivery of Citizens Involvement Festival through Summer 2023 • Established “We Speak, You Listen” groups for people with Learning Disability • Ongoing development of the Autism Partnership Board and Learning Disability Partnership Board, co-chaired by people with lived experience

2.4 *Commissioning milestones remaining in 23/24-24/25 are:*

Equalities and Climate Review	Review of the joint strategic needs assessment, equalities data and equalities and climate impact assessments to
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	ensure that all projects delivered contribute to tackling inequalities and mitigating impact of climate change.
Urgent Care and Discharge Delivery Plan	Development of Independent Sector provision to support a timely and safe discharge from hospital.
Community Connected Residential Provision	Delivery of phase 3 and 4 of the Strategic Review of Residential Care outcome-based community connected residential and nursing homes, including the development of a co-produced support programme for the sector, supporting commissioning strategies and procurement plans and our plans to work towards the fair cost of care for residential provision.
Community Connected Community Provision	Implementation and development of the new Care & Wellbeing service, day activities, supported living and respite services contracts and as part of this development foster collaborative ways of working, and innovation to improve outcomes for people.
Quality Standards and Assurance	Implementation of Adult Social Care Quality Standards, with improved reporting and governance as a whole market approach (independent sector and provider services), including SCC Monitoring Advisory Board and Joint Quality Assurance Committee (ICB). Development of new Quality Assurance tools and processes for Residential, Supported Living, Day Activities, Respite and Home Care.
Brokerage.	Implement new brokerage model to ensure timely access to safe, high-quality care.
Technology Enabled Care (TEC)	Implementation of TEC Transformation project including the co-design of a new TEC Services Delivery Model, development of a Joint TEC Commissioning Strategy for Health, Housing, and Social Care and a test of change with Sheffield University of Care to look at proactive and preventative connected care platforms.

2.5 Provider engagement is central to the development of our commissioning strategies and is undertaken through provider forums and events by commissioning teams, as well as market testing and contract meetings as appropriate. This has included consultation and engagement on the development of our specifications.

2.6 An update on the provider engagement mechanisms and impact in 2023/24 will come back to Committee in March 2024.

Commissioning Updates

2.7 On 19th December 2022, Committee approved the [Direct Payments and Personalisation Strategy](#). Since then, the programme has continued to implement the actions outlined in the Delivery Plan. A further update will be brought to

Committee in January 2024 outlining progress made with delivery upon the strategy including proposals in relation to the Direct Payment Support Service.

- 2.8 On 19th December 2022, Committee approved an options appraisal and commissioning strategy for the [Care at Night](#) Services, which provide support and care to individuals during the night who need this support. A recommissioning exercise was undertaken as a partnership with ICB colleagues and following that a competitive tender was undertaken and completed. Mobilisation will take place in 23/24 including delivering increase value for money as a result of the new provision.
- 2.9 On 16th November 2022, a [Technology Enabled Care Market Position Statement](#) and delivery plan was endorsed by Committee. Since then, a Market event has been held in May 2023 and a regional Technology Enabled Care Event in September 2023.
- 2.10 A number of tests of change and engagement with individuals, carers, providers, our workforce and partners have taken place since then to support and development a technology enabled care model and plan for the City. Key to this, has been our partnership with colleagues across the City so that an integrated approach is undertaken. An update is provided at Appendix 1 for consideration.

3 Excellent Quality Care Provision

- 3.1 A Care Governance Strategy was developed for Adult Social Care to provide an overarching framework for the governance of all aspects of Adult Health and Social Care and as an enabler for implementation of the Adult Social Care Strategy. This was approved at Committee on 15th June 2022.
- 3.2 The Care Governance Strategy set out an ambition to improve quality and outcomes through assuring the quality of practice and provision and improving population, and performance outcomes. It also set out that we would create the conditions for ongoing and continuous improvement of adult social care services in the delivery of support to the people of Sheffield, which includes empowering experts by experience and our workforce.
- 3.3 As part of this approach to embedding Quality Improvement and implementing the Care Governance Strategy, 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 delivering it
 - the views and feedback from individual's and carers' views informs quality assurance activity and service development and improvement.
- 3.4 The framework sets out:
- our approach and standards for Care Quality
 - the quality assurance process and system support

- 3.5 It is intended that the Care Quality Framework is implemented through 2023/24 and 2024/25, as new models of care and support are mobilised in the City.
- 3.6 Since the February 2023 Committee report, the following improvements have been made to our Care Quality Framework:
- 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 as part of DASS Assurance and Strategy Update report to Committee on our performance relating to Care Quality and Continuity of Care. The December update is at Committee today.
 - Strengthened governance arrangements, including the Joint Quality Assurance Committee (with the ICB), Provider Services Board and Monitoring Advisory Board. The governance arrangements are provided in Appendix 2.
 - Started to 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 (the initial flowchart is set out at Appendix 3).
- 3.7 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).
- 3.8 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.

4 Value for Money & Fair Cost of Care: Fee Rates in 2024/25

- 4.1 This report seeks approval for proposed fee rates for Council contracted providers in the financial year 2024-25. It is proposed that these rates take effect from 8th April 2024.
- 4.2 The proposed fee rates are considered to support a sustainable, quality and diverse social care market as set out in the [Market Oversight and Sustainability Report](#) and accompanying Market Oversight and Sustainability Plan presented to Committee on 8th February 2023, and are recommend with assurance that the Council continues to meet its legal responsibilities and Care Act duties in securing a sufficient and stable market, able to support assessed care needs of people in the City, and provide choice and continuity of care.
- 4.3 The proposals seek to balance the budget planning requirement for Adult Care and Wellbeing with significantly increasing costs for care providers over the last year, and 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 Proposed rates are informed by analysis of local and regional markets and are proposed following consultation with Care Home providers in October 2023, which builds on the consultation and engagement with local social care providers through the Fair Cost of Care exercise. For relevant services, where procurement has been undertaken in 2022 and 2023, rates are proposed as set out in contract documents.
- 4.5 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.
- 4.6 In 2022 and 2023, the Council has delivered upon a number of strategic commissioning intentions, as set out in the Adult Social Care Strategy: -
- A new Support and Independence Framework to improve outcomes for people with mental health issues, including a reviewed and refreshed fee rate.
 - A Working Age Adults with Disabilities framework covering Supported Living, Activities outside the home, and Overnight Short Breaks. This procurement offered a long-term arrangement, above inflation increase to Supported Living and the provision for providers of activities outside the home to submit a pricing schedule.
 - An Enhanced Supported Living Framework.
 - The Care and Wellbeing Service contract, transforming home care in the City. This has delivered a long term (10 Years) arrangement to bring continuity of care provision, including reviewed and refreshed fee rates.
- 4.7 This tendering for these new, long-term contracts provides the foundations for organisations to invest in the City and incentivise improving conditions for the workforce as well as setting out contractual uplifts to support financial planning. Consultation is therefore not proposed for these contracted services; fee uplifts in 24/25 will follow the mechanisms set out in relevant contract documents.
- 4.8 Following the completion of the Fair Cost of Care exercise in Autumn 2022, and ongoing engagement with the residential sector it is proposed that the Council uses a proportion of the Market Sustainability and Improvement Fund: Workforce Fund announced in August 2023 to further close the gap between the current weekly fee rate and the median Fair Cost of Care output for standard residential care.
- 4.9 The sustainability of the Care Home market is an area for focus, and we are ensuring we continue to provide this as set out in the commissioning programme for Care Homes presented and agreed at Adult Health and Social Care Policy Committee in March 2024.
- 4.10 Uplift proposals are modelled to reflect the difference between the wage levels calculated in the fee rate for 23/24 and the new National Living Wage for 24/25 (£11.44) for the staffing element of the fee rate increase, and the Consumer Price

Index (CPI) 6.7% (as at September's CPI – the month used by DWP for calculating pension contributions) for non-staffing costs.

Community based care and support

4.11 Committee are asked to approve an uplift of 9.33% to contract providers of the following services:

- Home Care
- Extra Care
- Mental Health Support & Independence Framework providers
- Enhanced Supported Living
- Supported Living (covering standard and discounted rates)
- Activities outside the home – including Day Activities for Adults with a disability and Dementia.
- Overnight Short Breaks
- Shared Lives

4.12 This proposal is based on an inflationary model, weighting CPI increase and NLW increases proportionally as follows:

Inflation Increases A	24/25	
	Increase	Weighted
75% Front Line Staff at or close to NLW levels	9.79%	7.34%
10% Staff at higher pay levels	9.79%	0.98%
15% non-staffing costs	6.70%	1.01%
		9.33%

4.13 This proposed uplift is consistent with the contracts in the Adults with Disabilities Framework, covering Supported Living, Activities outside the home, and Overnight Short Breaks; the new Care & Wellbeing Service contract (due to go live in April 2024); and the Mental Health Support & Independence Framework.

4.14 Committee are asked to approve an uplift of 8.89% to contract providers of the following services:

- Activities outside the home – including Day Activities for Adults with a disability and Dementia.

4.15 This proposal is based on an inflationary model, weighting CPI increase and NLW increases proportionally as follows:

Inflation Increases A	24/25	
	Increase	Weighted
75% Front Line Staff at or close to NLW levels	9.79%	5.89%
10% Staff at higher pay levels	9.79%	1.08%
15% non-staffing costs	6.70%	1.94%
		8.89%

4.16 This proposed uplift is consistent with the contracts in the Adults with Disabilities Framework Activities outside the home.

Direct Payments

- 4.17 It is proposed that the Council will provide an increase of direct payments of 9.33% for those buying provider support and for PA employers a rate of 9.79% (individually applied and total budget pressure not exceeding budget).
- 4.18 Increasing Direct Payments annually ensures the Council's statutory duties are met. The two increases are for those purchasing support from providers – where the percentage increase is in line with other commissioned services, and for those who employ Personal Assistants – where the percentage increase covers the full employment related expenditure.

Accommodation with Care

- 4.19 Following consultation with Care Homes, it is proposed that the Council will provide an increase of 11.11% for contracted standard rate care homes in the City, taking our standard rate to £700 per week.
- 4.20 This is an above inflation uplift to further close the gap between SCCs current rates and the median output from the Fair Cost of Care exercise in 22/23.

Inflation Increases B	24/25	
	Increase	Weighted
60% Front Line Staff at or close to NLW levels	9.79%	5.89%
11% Staff at higher pay levels	9.79%	1.08%
29% non-staffing costs	6.70%	1.94%
		8.89%
+ 2.22% (MSIF funded)		11.11%

- 4.21 An 11.11% uplift equates to an additional £14 per week over an inflation only uplift and is applied to the in-year uplift given in 2022/23 of £18pw, and the above inflation uplift provided in 23/24 of £10pw. Without these steps, the 24/25 standard rate would be £643pw.
- 4.22 This proposed uplift, an additional 2.22 percentage points above inflation modelled uplifts, would be an additional cost of £840,000 to the Council (based on 60,000 placement weeks per year).
- 4.23 This additional cost pressure will be mitigated in 24/25 by use of the Market Sustainability and Improvement Fund – Workforce Fund. The year-on-year pressure will be mitigated through annual business planning.
- 4.24 It is our intention to work with providers to move towards the Fair Cost of Care and for the care workforce achieving 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.

- 4.25 It is recommended that an update on the delivery of the Transforming Care Homes Commissioning and delivery plan come to committee in March 2024, informed by the decision on fee rates for 24/25 and with consideration of how SCC can further move towards the Fair Cost of Care and Foundation Living Wage in the short-term term.

Non-standard rate provision

- 4.26 The Council also has some packages of care that are procured outside of our contracts and frameworks. Often these are at non-standard rates due to the location or nature of the support package.
- 4.27 It is proposed that non-standard rate packages of care are uplifted only up to the rate matching the relevant contracted provision. Where providers wish to request an uplift to take them above SCC agreed rates for the provision offered, they will be invited to submit a business case and complete an open book review of costs.
- 4.28 This will align with the Provider Escalation Framework that is being developed.
- 4.29. It is proposed that Committee delegates authority to the Strategic Director of Adult Care and Wellbeing in consultation with the Chair of the Adult Health and Social Care Policy Committee to agree any appropriate and proportionate fee increases requested by non-standard provision, and by providers outside Sheffield because cost pressures will vary from place to place.

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 Equality Impact Assessment can be found at Appendix 4.

7.2 Financial and Commercial Implications

7.2.1 Fee uplifts form part of the Business Planning process, and the budget is subject to approval at Full Council on 6th March 2024.

7.2.2 Following the Autumn Statement on 22nd November 2023, the National Living Wage was confirmed at £11.44 for 24/25. This has increased our planned pressures by £5m. Work is ongoing to identify income and savings to offset this pressure and balance the budget.

7.2.3 As part of this year's Business Planning process, the above inflation increase for standard rate care home placements, costing £840,000, is being funded by the Market Sustainability and Improvement Fund – Workforce Fund. This was announced as two-year funding and is not anticipated to be available in 25/26. Consequently, this will be an on-going pressure which will need to be addressed in future years Business Planning.

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.

7.3.4 Variations to existing contracts are subject to and must be in accordance with the terms of those contracts.

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.

7.4.2 For example:

- 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 There will be additional areas of impact to transport and energy efficiency, and we will be bringing forward a Climate Action Plan for Adults Social Care to fully assess these, alongside an action plan setting out how we will contribute to Sheffield's 'Net Zero' Climate ambitions.

7.4.5 Further, 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.
- 8.2 Approving use of £840,000 in 2024/25 of the 'Market Sustainability and Improvement Fund: Workforce Fund' announced in August 2023 will further close the gap between the current weekly fee rate and the median Fair Cost of Care output for standard residential care.
- 8.3 Approving that a further report be brought to March 2023 Committee setting out proposals for how Sheffield City Council can further move towards the Fair Cost of Care and Foundation Living Wage and an update regards Care Homes Transformation will also provide a further step in ensuring a quality, flexible and sustainable market.