

Divisions Affected - All

CABINET 21 March 2023

Adult Social Care Market Sustainability Plan 2023 - 2026

Report by

Interim Corporate Director of Adult Social Care

RECOMMENDATION

1. **Cabinet is RECOMMENDED to** approve, following the extensive work with partners described in the paper, the draft in Annex 1 for publication and submission to Department for Health & Social Care (DHSC).

Executive Summary

2. The Government issued guidance to Local Authorities regarding the requirement to complete a cost of care exercise and a provisional market sustainability plan, this was to ensure the market is supported and funded appropriately to support future provision of care and support.
3. As a condition of receiving future government funding to support market sustainability, Oxfordshire was required to demonstrate that they were undertaking preliminary work by:
 - preparing a spend report setting out how the funding allocation will be used.
 - preparing a cost of care exercise report
 - preparing a provisional market sustainability plan

These were submitted to the Department of Health and Social Care (DHSC) and reviewed in October 2022.

4. Following on from the Council's submission of the Cost of Care report and provisional Market Sustainability Plan to the DHSC on 14 October 2022, the Government announced a delay to the introduction of the charging reform elements of Social Care Reforms until October 2025.

5. In December 2022, the DHSC asked local authorities to continue working and sharing information with their care providers on the cost of care exercise), grant allocation, and final Market Sustainability Plan until the submission and publication deadlines, while they carried out their review process.
6. Oxfordshire published and submitted the Cost of Care reports to the DHSC on 1 February 2023 and will publish and submit the market sustainability plan by the 27 March 2023.

Background

7. Councils are required to publish a Market Sustainability Plan detailing how they intend to meet market needs in the next 3 years. The plan includes the challenges and opportunities we have in meeting the needs of people. Some of these include:
 - Inflationary pressures and the rising cost of living
 - Providers competing for same workforce
 - Increasing numbers of staff choosing to leave the sector
 - Increasing number of provider failures / hand backs
 - Increasing demand / complexity
8. The Market Sustainability Plan (**Annex One to this report**) is informed by the cost of care exercise as a key input to guide the council in its assessment on the impact current fee rates are having on the care market in Oxfordshire. The final Market Sustainability Plan was co-produced with care providers and will be submitted to the DHSC by 27 March 2023. This outlines the key actions set out after local government budgets have been finalised.
9. The MSP sets out the challenges in the local care market in Oxfordshire and proposes to use the results of the cost of care exercise to inform future fee setting, commissioning, and market development, within the constraints of the additional funding allocated by the Government to deliver on this policy.
10. Alongside this, Commissioners have been refreshing the ASC Market Position Statement 2023 - 2024. The aim of a Market Position Statement is to bring together information and analysis about the local market so that current and prospective providers understand the local context, what is likely to change and where opportunities might arise in the future. This document is being co-produced with care providers to understand current demand, the challenges, and opportunities in the care market to inform future commissioning intentions.

Care Provider Engagement

11. Between 12 January and 20 February 2023, Officers have engaged with care providers through a series of virtual workshops to shape the final market

sustainability plan as well as to refresh our Adult Social Care Market Position Statement for 2023-2024 which sets out for current and prospective providers our current local context, what is likely to change and where there may be future opportunities.

12. In total 56 care providers attended the market sustainability planning workshops, and early feedback (**detailed feedback is available in Annex Two**) has included:
- Workforce challenges and overseas recruitment
 - Resourcing and recruiting quality staff is difficult
 - Better understanding needed around contracting arrangements
 - Care providers do not feel that they are getting support from the Government and that OCC need raise care providers concerns with Government on their behalf
 - Care providers are losing staff to the NHS and feel that this is due to the pay and opportunities available
 - Funding to support delivering quality services is crucial
 - Care providers would like to work with commissioners to co-design services
 - Care providers would like the council to facilitate more workshops/events and feedback sessions, where they can collaboratively work with commissioners
 - Care providers need to be able to support staff to develop and progress in their careers
 - Learning disabilities and working age adults often come second to the needs of older people
 - Live-in care and Extra Care Housing are not being thought about often enough, in terms of supporting people to live independently and to support the Oxfordshire Way when looking for options to support people in crisis
 - Supported Living needs to be more visible through market sustainability planning work
13. A feedback form was also sent out to providers after the workshops asking the following questions:
- Do you agree these are the anticipated market challenges and opportunities over the next 3 years?
 - What other challenges and opportunities do we have over the next 3 years?

A market sustainability feedback session was held on 6 March 2023, where a draft market sustainability action plan was shared with care providers, this detailed the feedback they had provided during the four-market sustainability planning workshop events. This plan will evolve as we continue to work alongside care providers to address any challenges and identify opportunities

and innovative ways to deliver care and support and sustain the care and support market in Oxfordshire.

Financial Implications

14. For 2023/24 the Government announced an increase in the funding available for the Market Sustainability and Improvement fund from £162m nationally to £562m.
15. In 2022/23 Oxfordshire was allocated £1.5m of the £162m, with up to 25% available to complete the exercise and to strengthen the internal commissioning and contract management capacity. The funding has been applied within the terms of the grant and was mainly used to contribute towards the uplift of 6% awarded in 2022/23 to provider rates.
16. In 2023/24 Oxfordshire will be allocated £5.4m of the £562m. Detailed terms and conditions of the grant aren't yet available, but it is set out that the Market Sustainability and Improvement Fund is to enable tangible improvements to be made to adult social care. This is an increase of £3.8m from the amount received in 2022/23 and therefore reflects the additional budget available to be allocated. This has enabled us to increase the annual uplift by 1% for providers beyond the amount set aside in the Council's Budget.
17. At the Autumn Statement in 2022 it was announced that the grant would increase by a further £283m to £683m nationally in 2024/25, assuming the same share of the funding it is assumed that Oxfordshire would receive an additional £1.1m, at this time this funding has not been confirmed or allocated.
18. The median cost of care calculated in the exercise is not currently affordable within the grant awarded to the council, and therefore it is not possible to move to paying this immediately, and this is reflected in the proposals set out above.

Comments checked by:

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Legal Implications

19. Section 5.34 of the Care Act [2014] Statutory Guidance sets out the local authorities' duties to promote the efficient and effective operation of the local market in care and support services. The Council also has a central role in local market shaping to encourage quality, choice, and sufficiency of provision; and to promote efficient and effective operation of the adult care and support market. This will ensure there is a diverse, sustainable high-quality market, for the whole local population including those who pay for their own care.

Comments checked by:

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