

Hertfordshire Care Market Sustainability Plan – 2023/24

Introduction

As part of the government’s reform of adult social care a white paper, [People at the Heart of Care](#), was published in December 2021, setting out a 10 year vision putting personalised care and support at the heart of adult social care. To support the implementation of this vision a Market Sustainability and Fair Cost of Care Fund was announced. One of the requirements to access the fund is for local authorities to prepare their markets for reform and as part of that to submit and publish a market sustainability plan.

The plan below sets out an assessment of the care market in Hertfordshire in two key areas for the 65+ care home market and the domiciliary care market and provides an assessment of the impact of future market changes between now and October 2025, for each of the service markets and details plans to address sustainability issues.

For context Hertfordshire some key Hertfordshire facts are shown below.

Adult Care Services (ACS) - Key facts

£442.705m The net budget for ACS in 23/24	c.30,400 Adults we work with at any one time	c.19,900 Adults with a service	c.12,500 Adults with a long-term service
4,460 Carers supported with services by ACS	37,288 Carers supported in conjunction with Carers in Herts	83.5% Hertfordshire Providers CQC rated Good or Outstanding (81.2% Eastern region, 82.8% nationally)	c.14,600 Discharges from hospital supported in 22/23

Section 1: Revised assessment of the current sustainability of local care markets

a) Assessment of current sustainability of the 65+ care home market

In 2021/22 Hertfordshire made 591 placements in OP residential and 398 in Nursing homes this was an increase from the previous year. However, the data shows a decreasing trend in the number of new placements each year since 2014/15 for residential and the increasing demand for nursing in more recent years. At the end of the 2021/22, in terms of council funded placements, we had 1,307 people residential and 494 in nursing care in Hertfordshire. The 2022/23 budget for older people care and nursing homes is £81.4m (residential £51.4m, nursing £30m).

Adults 65 and Over	Supported in the Year		Supported as at the 31st of March 2021-22		New starts in the year	
	Nursing	Residential	Nursing	Residential	Nursing	Residential
2014-15	1389	3016	800	2083	426	828
2015-16	1272	2736	801	2031	385	797
2016-17	1259	2645	787	1919	344	712
2017-18	1214	2465	729	1755	345	615
2018-19	1158	2602	717	1854	327	777
2019-20	1128	2467	662	1696	343	737
2020-21	1030	2332	585	1419	305	584

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2021-22	1045	2051	494	1307	398	591
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This pattern reflects the needs of the local population which are increasing in line with national demographic trends. There are an estimated 14,515 people over 65 living with dementia in Hertfordshire¹. This number is estimated to increase to 21,897 by 2030², of whom 14,134 it is estimated will be living with severe dementia. Currently 85% of people receiving HCC funded residential/nursing care have dementia; this is 15% higher than care home dementia prevalence estimates produced in 2014³ and reflects both demographic change and the increased proportion of Hertfordshire citizens living with dementia in general or specialist housing settings. As indicated in the same national research, most people living with dementia in a care home setting have multiple long-term conditions.

The Council has modelled the long-term position for older people's care to support both monitoring of supply/demand against long term trends and to inform its market shaping strategy, and predicts that significant nursing capacity increases will be needed, with recuing need for residential care, This evidence is informing the Councils strategies of developing/transforming access to nursing care, directly building new nursing care homes, and bringing about the development specialist housing for older people.

Reductions in requirements for residential care are now apparent in many areas of Hertfordshire, and in some districts the Council purchases 25% or less of the registered residential beds available. Whilst some level of demand for residential care is expected to be sustained in the long term, this supply/demand trend, coupled with the council's commissioning intentions, will continue to challenge the sustainability of residential only provision. It is also expected that demography and policy on health, wellbeing and prevention will drive demand for more flexible models of care, such as prevention/wellbeing services enabled by short term care home stays and expansion of supported housing with care. Again, this may challenge the residential market which is sustained by high proportions of long stay occupancy.

There are significant challenges around sufficiency of supply across Hertfordshire for care for people with high/complex frailty, dementia, bariatric and nursing needs, with many providers reporting being unable to maintain the high dependency levels in their services as would be necessary to meet demand for nursing care for people with high/complex frailty and dementia at the scale required.

This challenge is illustrated in CQC inspection ratings which have seen a notable reduction in nursing homes receiving a "Good" or "Outstanding" CQC rating since 2019 with the result that 29% of the Hertfordshire nursing home market is deemed to be "Poor" or "Require improvement":

	November 2019	November 2022
% Nursing care market rated "Good or Outstanding" by CQC	78	71
% Residential care market rated "Good or Outstanding" by CQC	84	85

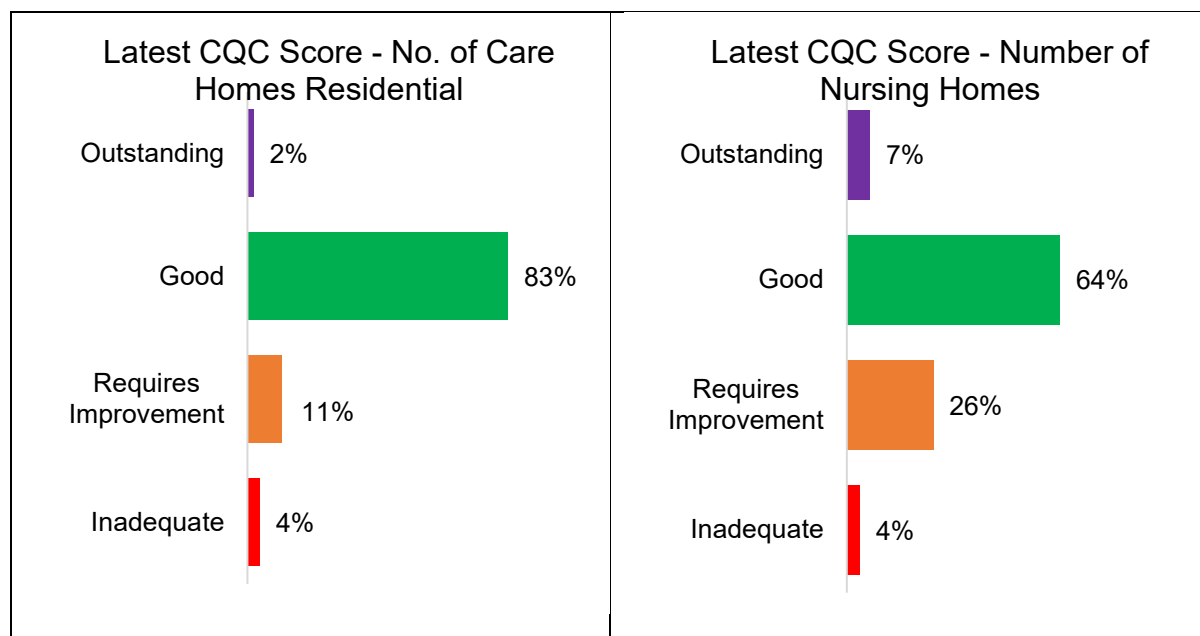
¹ <https://digital.nhs.uk/data-and-information/publications/statistical/recorded-dementia-diagnoses>

² Care and Policy Evaluation Centre, Projections of older people with dementia and costs of dementia

³ [Dementia 2014 Opportunity for Change \(alzheimers.org.uk\)](https://www.alzheimers.org.uk/resources/dementia-2014-opportunity-for-change)

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The CQC current ratings for residential and nursing homes in Hertfordshire are shown below;



Current challenges to the viability of affordable nursing provision are also reflected in the number of OP placements made by the Council into homes with an “inadequate” or “requires improvement” rating. At the time reporting 41% of ACS OP nursing placements are made into home “inadequate” or “requires improvement” rating, This is in contrast to the 19% of ACS OP residential placements being “inadequate” or “requires improvement” rating.

The table below shows the number of current placements into homes by CQC rating:

Number of Adults in Settings by Age Band (Note that % is of total inc. those homes not yet rated)		Outstanding	Good	Requires improvement	Inadequate	Not Rated/No Published Rating	All Ratings (Total)
65+	Nursing	17 (2.4%)	401 (57.0%)	264 (37.6%)	18 (2.6%)	3 (0.4%)	703
	Residential	60 (4.0%)	1153 (77.1%)	247 (16.5%)	31 (2.1%)	4 (0.3%)	1495
	Total 65+	77 (3.5%)	1554 (70.7%)	511 (23.2%)	49 (2.2%)	7 (0.3%)	2198

The degree of challenge varies across settlements and is driven by multiple factors including the shortages of care work force, qualified nurses and managerial staff, quality, compliance and regulatory challenges and inflationary pressure on operational costs and the viability of care estate.

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To mitigate the above pressures the Council continues to fund significant fee increases. The current fee rates are provided below:

Care Type	Published fee rate	Published fee rate
	2022/23	2023/24
Nursing	£661.80	£725.07
Nursing with Dementia	£746.96	£818.37
Residential (without Nursing)	£603.73	£656.98
Residential (without Nursing) with Dementia	£699.31	£761.01

The current fee rates for 2022/23 in comparison to the reported median cost of care are provided below:

Care types	Current rate paid	Cost median value	Adjust for FNC	Rate for comparison	Distance from median
Care home without dementia	£698.99	£929.60	£0.00	£929.60	33%
Care home with dementia	£698.99	£968.86	£0.00	£968.86	39%
Nursing home without dementia	£744.42	£1,130.31	(£209.19)	£921.12	24%
Nursing home with dementia	£744.42	£1,168.55	(£209.19)	£959.36	29%

Although there are concerns, around the accuracy of results of our cost of care exercise, due to inability to verify returns, the reasonably small sample size and significant variations in cost (both between providers and individual cost lines), as set out in [Annex B](#) we are keen to continue to work with providers to understand the data gathered and further inform our fee uplift discussions in future years. We continue to work closely with providers to identify individual sustainability issues and provide support within the parameters of the council's agreed fees policy. Significant additional government funding would be required to support increased rates.

The commercial orientation of the market has also led to care being largely unavailable at local authority rates in some settlement areas, with the nursing care fee rate in some settlements standing at 40% or more higher than the median cost of care.

In settlements where the above issues are particularly acute up to 80% of people requiring local authority funded nursing/dementia nursing care move out of settlement to receive it.

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The delay to the introduction of Section 18(3) mean that the above issues will persist for the foreseeable future, and that individual providers will experience sustainability challenges contingent on the exposure of their business models to the factors above.

Issues relating to workforce are paramount across the Hertfordshire care sector. Skills for Care Adult Social Care Workforce Data Set (ASC-WDS) demonstrates that in 2020/21 there was a vacancy rate of 8.1% in Nursing homes and a further 1.7% in Residential homes. In 2022 almost 80% of care homes were reporting care staff vacancies¹.

Hertfordshire is an area of high employment with a very competitive job market. The cost of living in the county is high, with high accommodation costs combined with the well documented national issues of increasing pressure from energy, fuel, and food price increases. To help address the workforce challenges faced by care providers, the Council has invested significant sums into the care market over recent years, stipulating that this money is used to raise pay rates for front line care workers to ease the recruitment and retention challenges. The table below provides a comparison of Hertfordshire pay rates compared to the National Living Wage (NLW), London Living Wage (LLW) and Real Living Wage (RLW).

The significant support towards investment in care workforce has continued in the budget setting for 2023/24 and inflation to match the inflation to NLW rates (9.68%) has been funded in the HCC budget. This will maintain the differential in pay rates for Care workers in Hertfordshire above the RLW levels in percentage terms as shown in the graph of wage increase trends in section 1b below on page 10. This in addition to a 7.4% (linked to OBR forecast for CPI) increase in non-pay elements of the fee rates ensure that care providers rates keep pace with inflationary pressures and have been well-received.

The table below provides a comparison of Hertfordshire pay rates compared to the National Living Wage (NLW), London Living Wage (LLW) and Real Living Wage (RLW)

	2018	2019	2020	2021	2022	2023
NLW	£7.83	£8.21	£8.72	£8.91	£9.50	£10.42
LLW	£10.20	£10.55	£10.75	£10.85	£11.05	£11.95
RLW	£8.75	£9.00	£9.30	£9.50	£9.90	£10.90
HCC - Minimum	£7.83	£8.21	£8.72	£9.50	£10.30	£11.29
HCC - Resi above min*	£8.73	£9.11	£9.62	£10.10	£10.90	£11.96
HCC - Nursing above min	£8.93	£9.31	£9.82	£10.30	£11.10	£12.18

*this represents an estimate for those people working in care and nursing homes who are paid above the NLW

As a result of the reducing numbers of placements that we expect to make into residential provision we anticipate that this will result in an over-supply of capacity, particularly in the residential care market, of non-dementia beds. Conversely as the numbers of people requiring nursing beds is expected to increase this will cause a shortage of dementia residential and dementia nursing beds. We currently have significant pressures in specific district areas relating to market capacity, resulting in people being placed further away from their network of support.

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Current pressures appear to be having a greater impact on smaller homes/businesses, with eight small and independent homes currently entering the Safety and Improvement Process (SIP) in the previous 24 months.

Hertfordshire has 82 older people (OP) residential and 57 OP nursing homes with 7918 beds registered with the CQC. 27% of these registered beds are provided by 7 major national or regional care providers, 15% by a single large Hertfordshire based provider and the remaining 58% of by smaller independent providers.

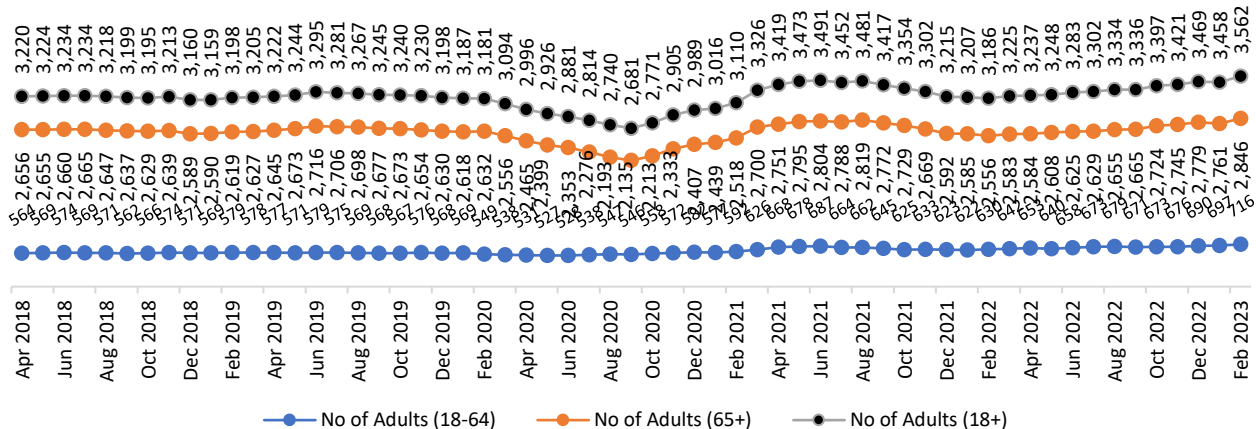
Data on financial resilience does not indicate significant differences in the degree of financial challenge between providers because of provision type (residential or nursing) or company size. However, most providers (ratio 5:1 nursing to residential) entering the Hertfordshire Safety Improvement Process (SIP)⁴ are nursing providers entering due to workforce, service leadership and clinical quality failures. Currently there are ten providers who have been escalated through under the Safety Improvement Process.

b) Assessment of current sustainability of the 18+ domiciliary care market

Demand for domiciliary has significantly increased and continues to grow. The graphs below illustrate both the trends for adults receiving domiciliary care and the average package size (number of weekly hours). The short-term impact of COVID-19 waves can be clearly seen but also the upward trend on both figures over time. The forecast number of homecare hours delivered in 22/23 for those aged 18 and above is 2.165m hours at a cost of £54.7m

Number of Adults Receiving Homecare

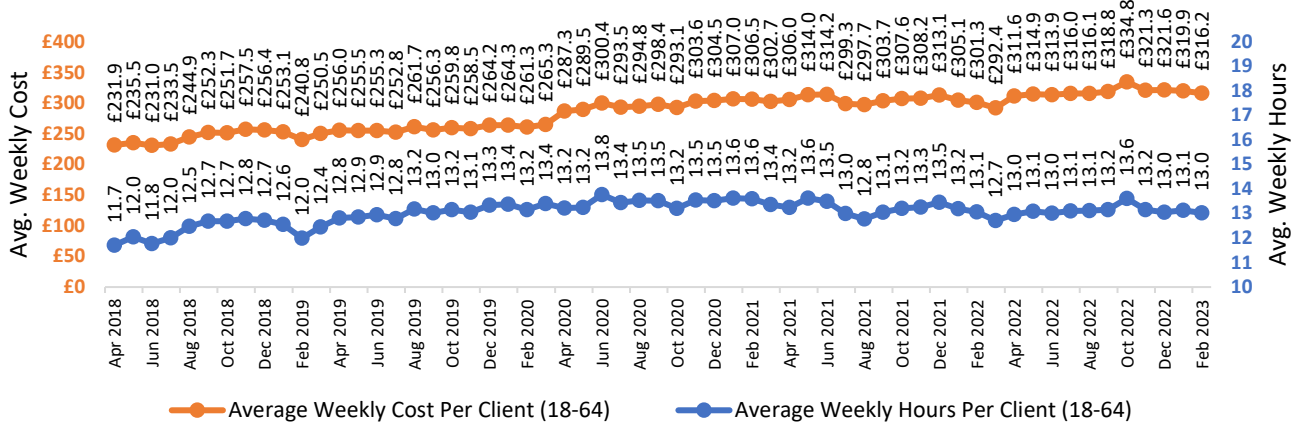
(Snapshot at end of each month)



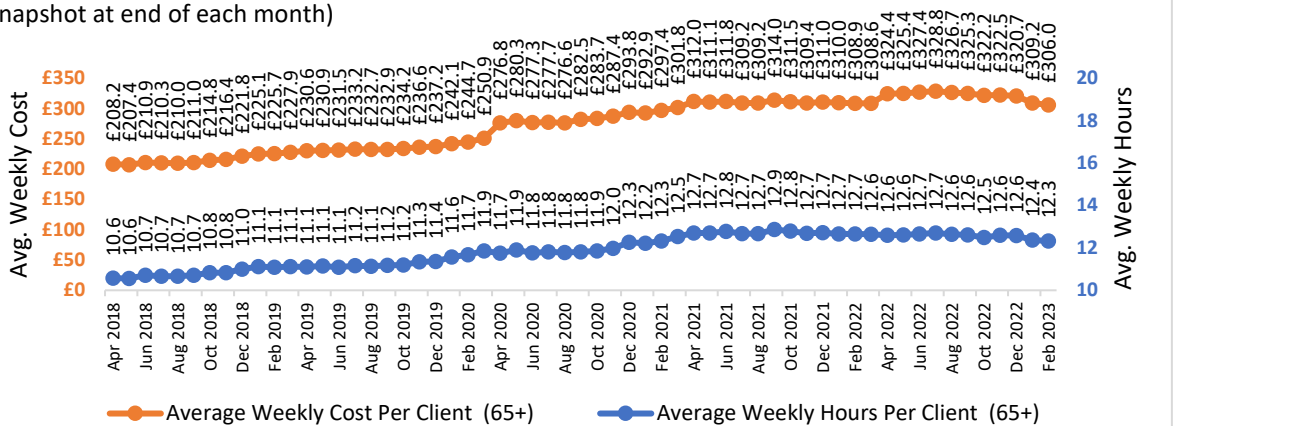
⁴ Hertfordshire's Safety Improvement Process is a multi-agency protocol that governs the system wide response and assurance process relating to critical safety issues in care settings.

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18-64 Avg. Weekly Hours for Adults Receiving Homecare VS Weekly 'Commissioned' Cost
(Snapshot at end of each month)



65+ Avg. Weekly Hours for Adults Receiving Homecare VS Weekly 'Commissioned' Cost
(Snapshot at end of each month)



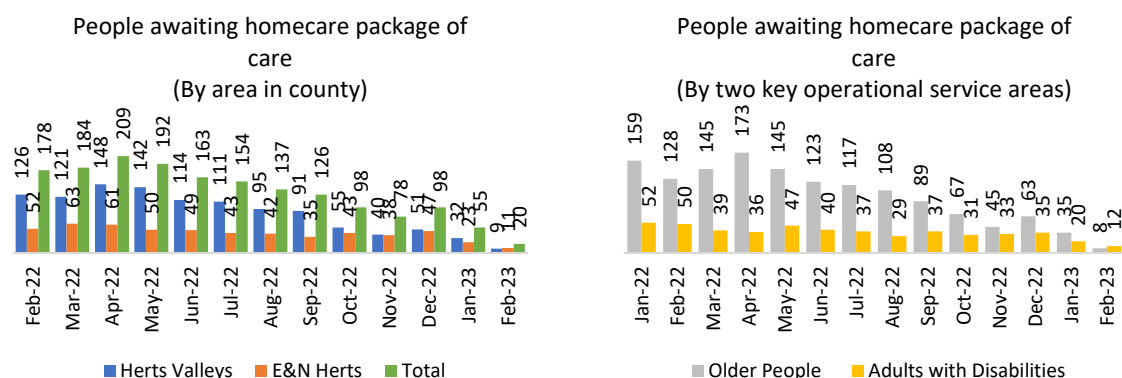
The Council's commissioning strategy has been to invest in these services with an ambition to ensure that services promote individual well-being, keep people safe, support people to do as much as they can for themselves and allow them to live as independently as possible in their own home and communities. More information about the Council's commissioning intentions and strategy are included in the Homecare Market Position Statement which can be viewed here [Homecare | Hertfordshire County Council](#).

Demand for domiciliary care exceeds current levels of supply, although commissioning intervention to increase the availability of care through a recently tendered framework contract for providers has had a significant impact in addressing this. The graphs below show the current numbers of people awaiting packages of care.

This pressure on capacity is more acute in the south and west of the county (represented by Herts Valleys in the graph) than in the north and east (represented by E&N Herts)

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In addition to mainstream support at home services the Council commissions its three Lead Strategic Providers to provide c. 250,000 hours annually of care on a short term reablement care pathway. This care has proved effective at reducing requirements for long term care and support and is a key element to supporting discharge from acute hospital care. In Hertfordshire we are developing a business case to support increasing this provision.



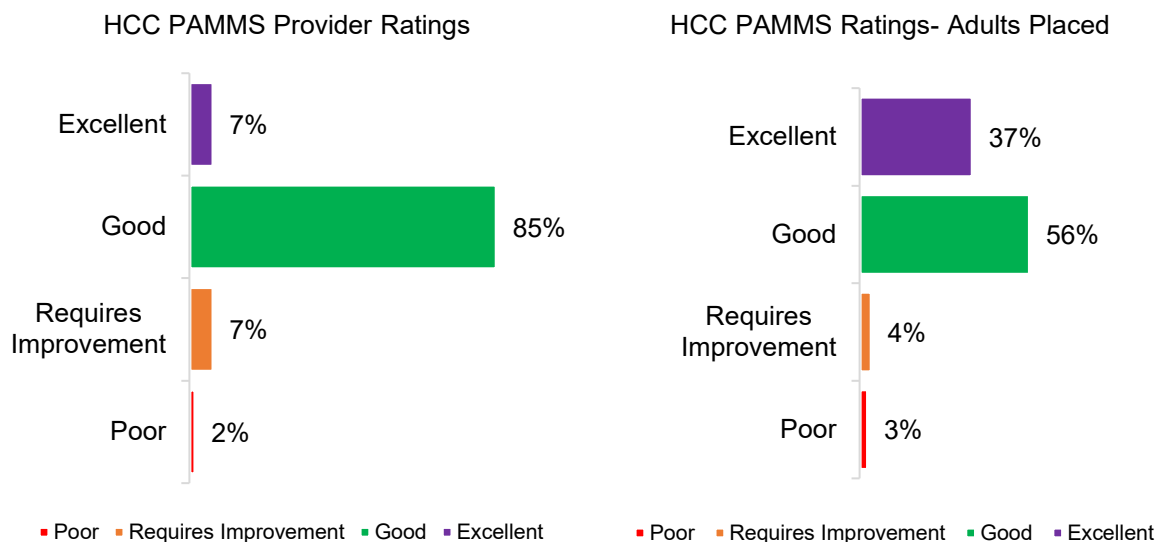
The figure captured in the uncovered list covers those waiting for a change to existing services as well as those awaiting new packages of care and is refreshed weekly. The latest figure for 27th February 2023 showed 25 people awaiting packages of care (representing a 92% reduction since April 2022), none of these were in the community without support, 16 (64%) were in the community with informal support only, 3 (12%) were awaiting reablement care, 3 (12%) were in hospital awaiting discharge, 2 (8%) had homecare in place but were awaiting a change of provider, one person (4%) had homecare in place but were waiting for increases to their package.

There is a good level of diversity in the type of providers being a mix of private and voluntary agencies alongside the Council's Local Authority Trading Company. There is also a good mix of sizes of organisation from small independent agencies through national franchises and larger national chain providers.

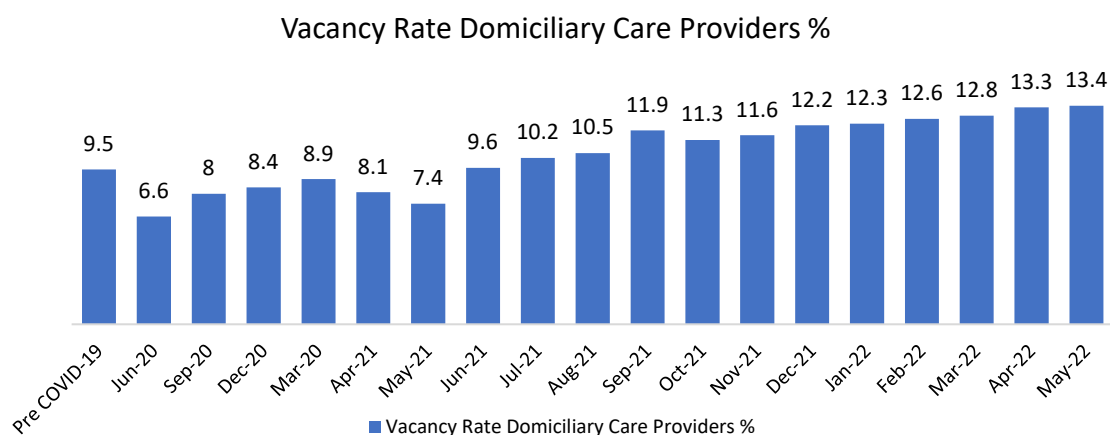
Hertfordshire operates a Lead Provider model with three large strategic partners operating across the county supported by around 139 spot providers across the ten district areas. The number of spot providers has almost doubled following the recently commissioned framework contract which went live in January 2023.

The quality of commissioned services is very good. The breakdown of providers by quality rating is provided in the chart below, the second chart shows % of people supported by the different quality ratings. Having recently increased the number of providers that the Council commissions with an area of focus now will be ensuring that these new providers are able to match our expectations on quality and supporting them with any development areas identified.

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The single biggest challenge to securing sufficiency of provision is the challenge of workforce. Data from Skills for Care demonstrates the scale of this issue nationally. In Hertfordshire Skills for Care estimate the total size of the domiciliary care workforce at 12,000 and a vacancy rate of 15.7% suggesting a shortfall of just under 1,900 posts.



*Data taken from Adult Social Care Workforce Data Set (ASC-WDS), Skills for Care

There is a trend of increasing vacancy rates across the domiciliary care market. The result of this is that providers have an increased spend and resource demand on filling posts to 'standstill' let alone recruit to provide the growth that is demanded by increased demand both in the community and to support hospital discharges. It is common to hear providers feedback that activity and expenditure on recruitment and retention has doubled from pre-COVID levels to achieve broadly the same levels of onboarding new staff.

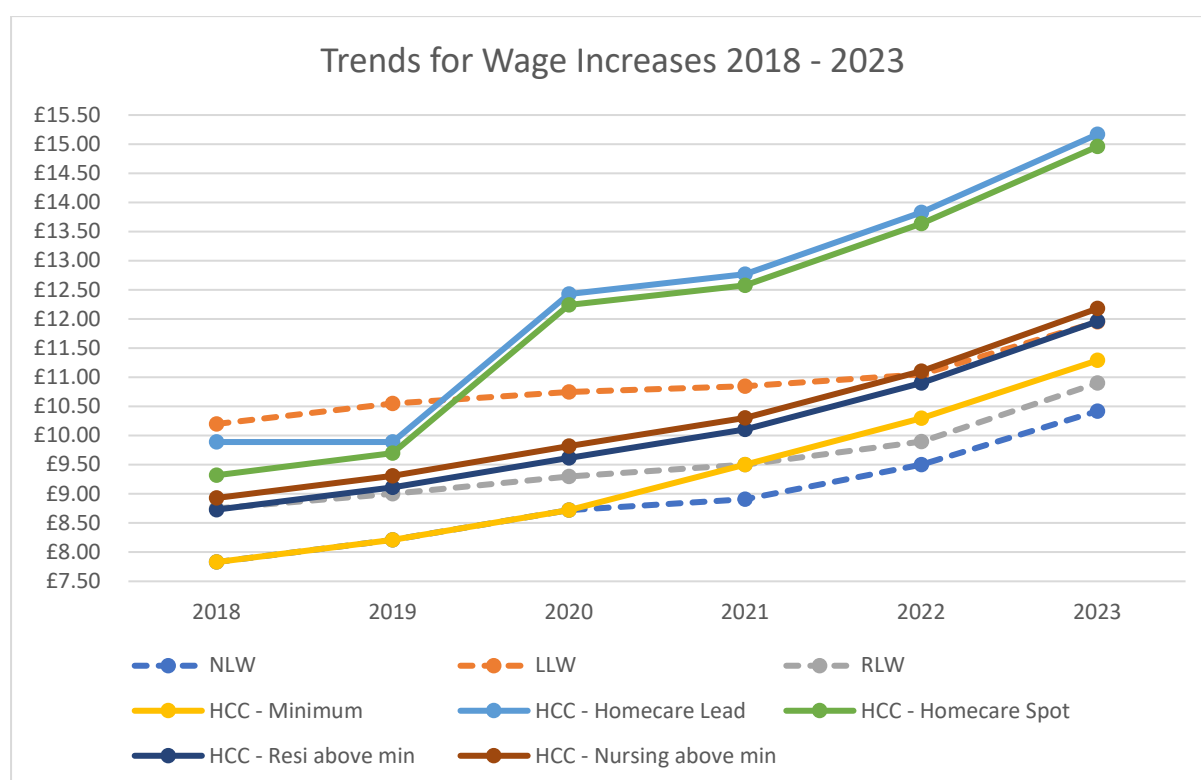
Hertfordshire is an area of high employment with a very competitive job market. The cost of living in the county is high, with high accommodation costs combined with the well documented national issues of increasing pressure from energy, fuel, and food price increases. The Council has invested significant sums into the domiciliary care market over recent years, stipulating that this money is used to raise pay rates for front line care workers to ease the recruitment and retention challenges. The table below provides a comparison of

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Hertfordshire domiciliary care pay rates compared to the National Living Wage (NLW), London Living Wage (LLW) and Real Living Wage (RLW)

	2018	2019	2020	2021	2022	2023
NLW	£7.83	£8.21	£8.72	£8.91	£9.50	£10.42
LLW	£10.20	£10.55	£10.75	£10.85	£11.05	£11.95
RLW	£8.75	£9.00	£9.30	£9.50	£9.90	£10.90
HCC Lead Provider	£9.89	£9.89	£12.43	£12.77	£13.83	£15.17
HCC Spot Provider	£9.32	£9.70	£12.24	£12.58	£13.64	£14.96

The impact of inflationary pressures and the rise in NLW from April 2023 would clearly place further pressure on a market already finding recruitment and retention very challenging. In order to mitigate this the Council has used funding received for 2023/24 to continue our investment in front line worker pay, matching our inflationary increase to providers to the 9.68% uplift in NLW in order to protect the differential between the NLW and the front-line worker rate paid in Hertfordshire.



The impact of this investment in front line worker pay and its effectiveness in supporting capacity growth in the market can be seen by comparing the timeline above with the earlier data on both the hours supplied and the numbers of individuals in receipt of care. This demonstrates how important this intervention has been in securing the care required to meet increasing needs. The delay in implementation of social care reform, particularly around the cost of care work represents a risk to this progress. By carrying out the cost of care analysis, a level of expectation has been created amongst providers and without additional funding to local authorities there is a risk that we will not be able to meet these expectations.

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Section 2: Assessment of the impact of future market changes between now and October 2025, for each of the service markets

a) 65+ care home market

The Council expects the above trends to continue during this period. The nursing strategy aims to have brought forward an additional 130 nursing beds by 2025, a capacity increase equivalent to 26% of the total ACS commissioned nursing requirement at the end of 2021/22. However, it is expected that the demographic challenges and market pressures above will continue to challenge care market viability and restrict citizen choice around affordable care, requiring long term action as outlined above.

Hertfordshire County Council is currently purchasing 24% of all CQC registered bed capacity across the county. While the remainder of the beds are purchased by other local authorities, Continuing Health Care and self-funders. Just over half of all care homes have less than 10 Hertfordshire County Council funded placements. The introduction of 18(3) in October 2025 could still cause a significant financial impact for a large number of providers where there is significant reliance on the self-funder market by providers to maintain financial stability.

Hertfordshire's Current Fee rates are show in the table below:

Care Type	Published fee rate	
	2022/23	2023/24
Nursing	£661.80	£725.07
Nursing with Dementia	£746.96	£818.37
Residential (without Nursing)	£603.73	£656.98
Residential (without Nursing) with Dementia	£699.31	£761.01

Table One: Analysis of care rates for long stay residents by care category

There is likely to be a significant impact on care homes in Hertfordshire following the introduction of 18(3). Some of the key risks which could arise include:

- Government funding will need to address inflationary pressures as well as the impact of social care funding reform. Without these assurances there is a risk that an increasing number of providers will face financial instability leading to an increase in requests for financial support and / or provider failure.
- There is a risk that if providers face financial uncertainty, they will cease investment in key areas such as environment and workforce. We have already seen reduced quality across the care home sector. We know that support around training would have been affected by care staff unable to attend face to face training due to infection control issues during the pandemic. There is anecdotal evidence that some homes have either found it difficult to invest, or have not invested, in the development of their homes and care environment, and of key concern is where this has had a negative impact on fire safety and quality of care provision. There is a risk that this will be compounded when funds are reduced.
- There is a risk that the 'additional costs' on top of the standard care costs will now include those aspects currently provided within the price. This leads to a further risk

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that via first party top ups we could observe greater inequality among residents in relation to the care offer.

- There may be a greater impact on Hertfordshire County Council workforce if more homes need to have monitoring and other support.

b) 18+ domiciliary care market

We expect to see a continuation in the trend of people wanting to remain independent, in their own homes for as long as is practical, therefore our expectation is that the demand for domiciliary care and other support services which facilitate this will continue to grow.

The Council currently commissions domiciliary care for 3,715 people in the county. The CQC Capacity Tracker suggests that there are 9198 people supported by registered domiciliary care providers so HCC commissions approximately 40.4% of the overall domiciliary care provision in the market.

The above breakdown demonstrates a significant risk of an increased volume required through HCC commissioned provision in the event of further take-up under Section 18(3). The Council recently undertook a tender exercise which has increased the number of commissioned providers from 70 to 139 from January 2023.

A significant increase in demand of this level will be incredibly challenging in a market which is already constrained in terms of workforce, as demonstrated above. To achieve these levels of growth it is likely that providers will be forced to increase wage offers further than Local Authority budgets will be able to sustain.

There is a risk if Government funding does not address inflationary pressure as well as social care funding requirements then the differential pay increase achieved through the investment in front line worker pay outlined above will be gradually eroded increasing the workforce pressures and hampering our ability to secure sufficient care to meet demand.

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Section 3: Plans for each market to address sustainability issues, including fee rate issues, where identified.

a) 65+ care homes market

Our plans to address the market sustainability issues for the care home market include the following areas:

Capacity

We will:

- Continue to work on the transformation of nursing care across Hertfordshire as outlined in the market position statement: [Residential and Nursing care for older people | Hertfordshire County Council](#) and,
- Deliver on Hertfordshire's Ten Year Supported Accommodation Strategy 2017-27 [Hertfordshire's Ten Year Supported Accommodation Strategy](#)
- Develop existing contract arrangements with a strategic partner to increase the availability of nursing care, including bringing forwards new, high specification nursing homes.
- Directly bring forward extra care housing developments.
- Refresh our Nursing Strategy to develop our approach to capacity (including workforce) and quality

Quality

To address quality concerns we will continue to work with care home providers to improve the quality of service provision, via the existing quality monitoring processes, utilising Performance Remedy provisions within the contracts, including the Action Planning processes to drive up improvements and in conjunction with the Safety and Improvement Process [Hertfordshire's Safety and Improvement Process](#). Additionally working with key partners including, Hertfordshire Fire and Rescue Service, the internal workforce development team and Hertfordshire Care providers Association to drive up strategic improvements where common trends and themes are identified.

Financial Sustainability

We will monitor provider resilience and sustainability closely, and work collaboratively with provider to support change towards sustainable operations.

Workforce:

We will work closely with care providers and HCPA to reduce the impact on staff turnover, including interventions to support staff recruitment and retention – such as promotion of the carers' passport and consideration of measures to further increase care work pay. Work to understand job satisfaction and how this can be improved. Workforce will form a key part of our focus as we develop our nursing strategy.

We will continue to work closely with the Hertfordshire Care Providers Association and the Hertfordshire County Council's workforce development team to ensure training is high quality and accessible for all providers.

We will work with HCPA and providers to establish and agree the best way to utilise the Fair Cost of Care and Market Sustainability Fund and other funding to continue to support the care workforce in Hertfordshire.

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Inequality of care within care home settings

We will work closely with care homes to ensure that the impact of social care reform and the expectations around First Party Top Ups to ensure expectations and inequality is tackled from the outset.

Communications with Providers

We will work with HCPA and our well-established links with providers to ensure that there is understanding and knowledge of the social care funding reform changes through clear communications.

b) 18+ domiciliary care market

Our plans to address the market sustainability issues for the domiciliary market include the following areas:

Capacity

The Council's commissioning strategy is to increase both reablement and mainstream care at home capacity. This is an established ambition which reflects the overwhelming desire expressed by people in receipt of our care to remain living independently in their own homes. The Council has made considerable investment in this area over recent years as set out in Section 2 above. Further detail of Hertfordshire's commissioning intentions in this area are available in our Market Position Statement here [Homecare | Hertfordshire County Council](#).

The Council has tendered a Framework Contract for domiciliary care services and is awarding contracts to 139 agencies (up from a previous total of 70 contracted agencies). This contract went live in January 2023 and is already beginning to have an impact in improving capacity improving the flow from acute health settings and reducing numbers of uncovered requests for care.

The Council's Discharge to Assess strategy includes plans to increase the number of hours of reablement homecare to support discharge from acute hospital and community bedded care settings. This provision has proved successful in supporting people to recover at home and require less ongoing long-term care and support.

Workforce

Hertfordshire County Council has set a clear ambition to assist domiciliary care providers in recruiting and retaining the workforce they need to provide the high-quality care services which our contracts demand. We do this, working with our partners at Hertfordshire Care Providers Association, by publishing the 'Hertfordshire Care Standard' and basing our monitoring and compliance work around the key ambitions contained within this document.

As referenced in Section 2 the Hertfordshire Care Standard sets an expectation around minimum hourly rates of pay for front line care workers in domiciliary care. These rates track above both the National Minimum Wage and Living Wage expectations to reflect the challenging environment providers face when trying to recruit and retain staff in a high employment area like Hertfordshire.

Our intention is to continue to invest in this area. For this reason, it is vital that funding available to the Council reflects not only the ambitions of social care funding reform but also considers the impact of inflation. Without a funding settlement that considers both these aspects there is a risk that the progress made in establishing care as a viable and attractive career proposition will be undermined.

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We will work with HCPA and care providers to agree the best approach to using the Fair Cost of Care fund and other funding to continue to support the care workforce and care providers.

Alongside the important factor of worker pay, the Hertfordshire Care Standard also sets out several other key strategies, including:

- Expectations on sick pay, holiday pay and mileage/travel expenses
- Offering a choice of employment contract types
- Expectations on quality and scope of training, backed up by an offer of training courses many of which are fully funded by the County Council
- Access to the 'Care Academy' which allows tracking and recording of training and assists with portability between employers linked to a competitive staff rewards offering discounts and savings across a wide range of goods and services.

Quality

The information provided in Section 2 demonstrates that the provider market in Hertfordshire is supplying high quality care and support. The Council is committed to ensuring that we continue to develop and improve this and that any increase in capacity does not come at a cost of compromising on these high standards.

The Hertfordshire Connected Lives approach ensures that care and support is planned and delivered in a way that maximises opportunities for people to achieve the outcomes that they have set.

The Hertfordshire Care Standard sets out the standards expected in the management and delivery of care including minimum training requirements.

The Council uses the ADASS Eastern Region PAMMS (Provider Assessment and Market Management Solution) ensuring a consistent approach to monitoring and tracking quality across Local Authority partners. There is a well-established governance process in place which sees partners across the Local Authority, NHS partners and CQC tackling quality concerns in a multi-agency way.

c) Funding commitment and Care Provider Engagement

The funding received from government for 2022/23 was fully utilised (100%) to add to the care provider fee uplift already contained within the budget proposals for 2022/23 as shown in the table below we did not use the 25% allocation allowed to support with social care reform implementation and funded that from HCC internal resources.

LA name	Fair Cost of Care and Market Sustainability Grant 2022-23	(1) Spend on fee increases for 18+ domiciliary care (including extra care settings)	(2) Spend on fee increases for 65+ care home places without nursing, £
Hertfordshire	£2,790,730	£1,352,390	£930,597

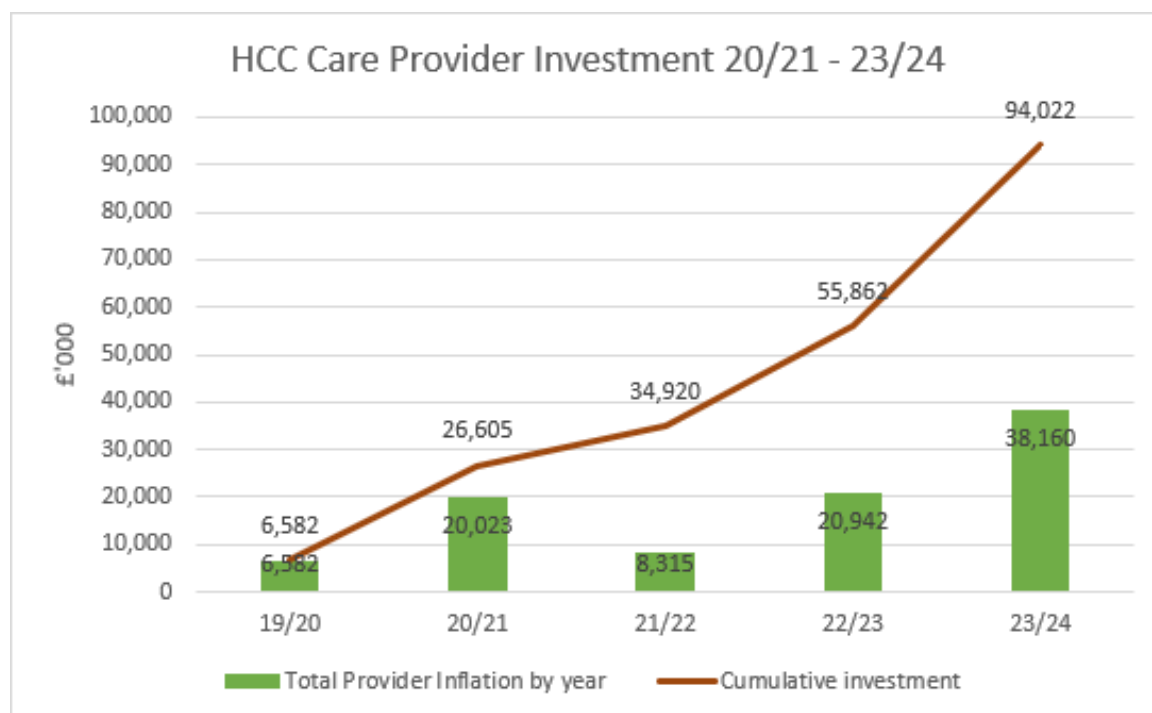
In setting the budget for 2023/24 and beyond Hertfordshire has continued to support the care market with further significant investment in care provider fee uplifts, targeted specifically at building on the investment made over the last few years. The table below shows how the

Hertfordshire Care Market Sustainability Plan – 2023/24

funding received has been invested in the whole care market to address inflationary pressures and to respond to the increases in NLW. The investment is based on an increase to pay to match the percentage increase in NLW of 9.68% which will support providers to maintain the differential in average pay rates to levels above RLW and for homecare above LLW. The table below shows the funding received and invested. This shows that of the £42.6m allocated £38.2m (90%) has been invested into care provider fee uplifts.

Adult Care Services Summary Budget Movements 2023/24	£m
2022/23 Budget	400.9
Pay Related Inflation	4.7
ACS Demography	9.6
Care provider fee uplifts	38.2
Other Pressure & Inflation	-0.7
Total Spend Uplift	51.7
Efficiency Savings	-9.6
Policy Savings	-0.3
Total Savings	-9.9
2023/24 Budget	442.7
Budget Increase	41.8
New Funding (Excl. ASC Discharge)	(42.6)
Minimum Allocated to Children's	(0.8)

This builds on the significant investment made over the last few years in care providers, by Hertfordshire which is illustrated in the graph below which shows a cumulative investment of over £94m since 2019/20;



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In developing these plans we have worked closely with care providers through our care provider association Hertfordshire Care Provider Association (HCPA). In terms of social care reform work in order to support and engage with providers, the council involved Hertfordshire Care Providers Association (HCPA) early in the process and throughout. Engagement with providers involved the following;

- Early engagement with Hertfordshire Care Providers Association (HCPA)
- Letters sent directly to providers (both commissioned and non-commissioned) by HCC and via HCPA (posted on their website) at the beginning of the process and as reminders throughout to encourage participation and to highlight national training / engagement sessions and HCPA/HCC webinars
- Initial and follow up provider webinar, hosted with HCPA
- HCPA hub available for providers to contact for support,
- Follow up sessions with HCPA and providers in early October to discuss the process and market sustainability issues.
- Sessions with HCPA and care providers in January to discuss market sustainability and cost of care results as part of on-going fee setting discussions
- Presented the plan and results from the cost of care exercises along with final fee uplifts at the HCPA Annual Care Provider Network event in early March

We are keen to continue this engagement and work with providers and we have asked for providers to join a working group looking at the results of the cost of care exercises so that we together we can gain a better understanding of the significant range of costs across the models under each heading and can continue to support providers with the key sustainability issues highlighted in the market sustainability plan.
