

Fair Cost of Care & Health and Social Care Act

February 2023

Fair Cost of Care Outcome for Providers

Procurement Services

Realising Essex's potential through our suppliers

Live Event Approach

- The Live Event will be recorded for internal purposes.
- People will be able to ask questions through the chat facility and we will try to answer some questions today, but if not we will make sure we feedback after the session.
 - If you do ask a question please can you help us and tell us what provider you are and what market you work in, so we can help make sure your question is answered correctly please.
- Our presentation will be sent to all attendees today for your reference and alongside questions and answers asked within the session.
- If you do have questions after the session please refer to: www.essexproviderhub.org/fair-cost-of-care-2022-23/ - there is a feedback form you can complete which will come directly into the project team.
- We will be using Slido to ensure we receive interactive feedback from you and will help us shape future discussions.

Event Objectives

Our focus is to inform you on:

The Fair Cost of Care exercise and how it was conducted



What we know on Government announcements on the new monies



What initial steps have been taken from April 2023 on our social care markets



Next Steps

Key Messages



ECC has committed to pass all additional Fair Cost of Care grants money to the market



ECC anticipates getting to FCOC rates for 2024/2025, assuming sufficient additional funding is received



ECC will continue to engage with providers on the Fair Cost of Care, Market Shaping and the implementation of the Health and Care Act.



The first phase decisions for Integrated Residential and Nursing and Live at Home annual refresh go to cabinet today the 21st February 2023.



The Working Aged Adults Cabinet Paper which incorporates Supported Living, Extra Care Housing, Mental Health Accommodation and Residential annual uplift decisions go to cabinet on the 21st March 2023.



We will review further once the full guidance has been issued by Government and it is expected further decisions will be made later in the year on next steps.

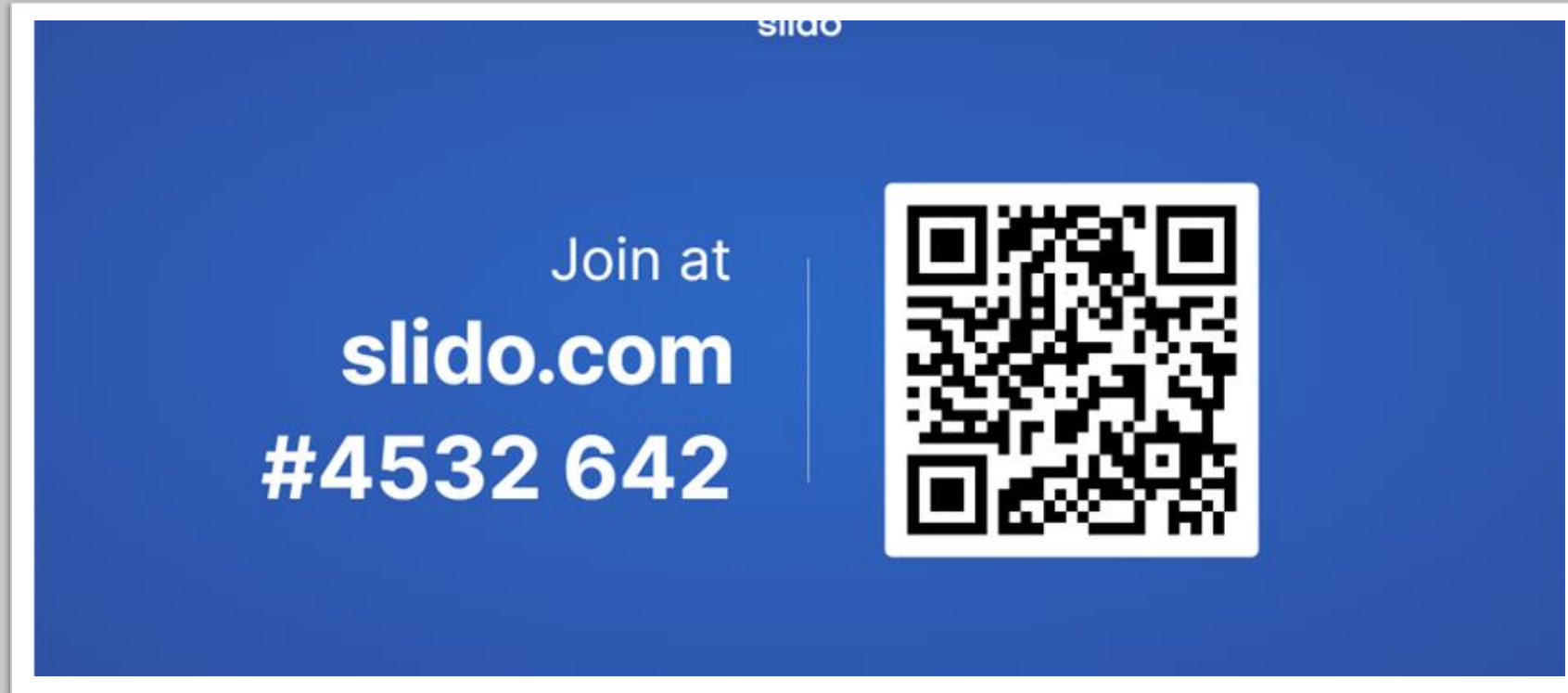
Government Monies

The new monies announced for 2023/24 include the Social Care Grant (re-purposed funding for the delayed care charging reforms) of £31.5m, and the ASC Market Sustainability and Improvement Funding Grant (MSIF Grant) of £13.9m, which includes the £4m allocated to ECC in 2022/23 for the Fair Cost of Care.

Detailed terms and conditions on these grant monies are yet to be published but the Government published a policy paper on 6th February 2023 stating that local authorities will have flexibility to use the Market Sustainability and Improvement Funding Grant to drive improvements across a range of priority areas, to best address local sustainability and improvement needs.

These are:

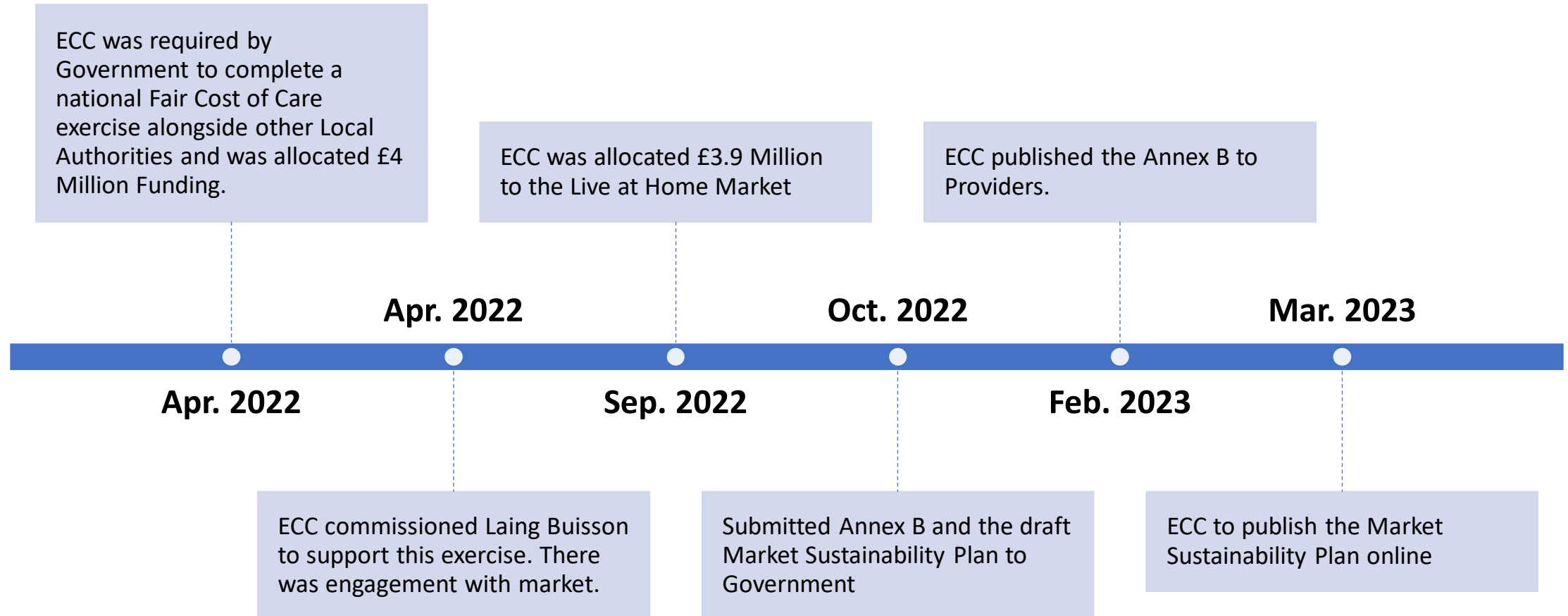
- ✓ Increasing adult social care capacity
- ✓ Reducing waiting times
- ✓ Increasing workforce capacity and retention
- ✓ Increasing fee rates to close the cost of care gap in an area.



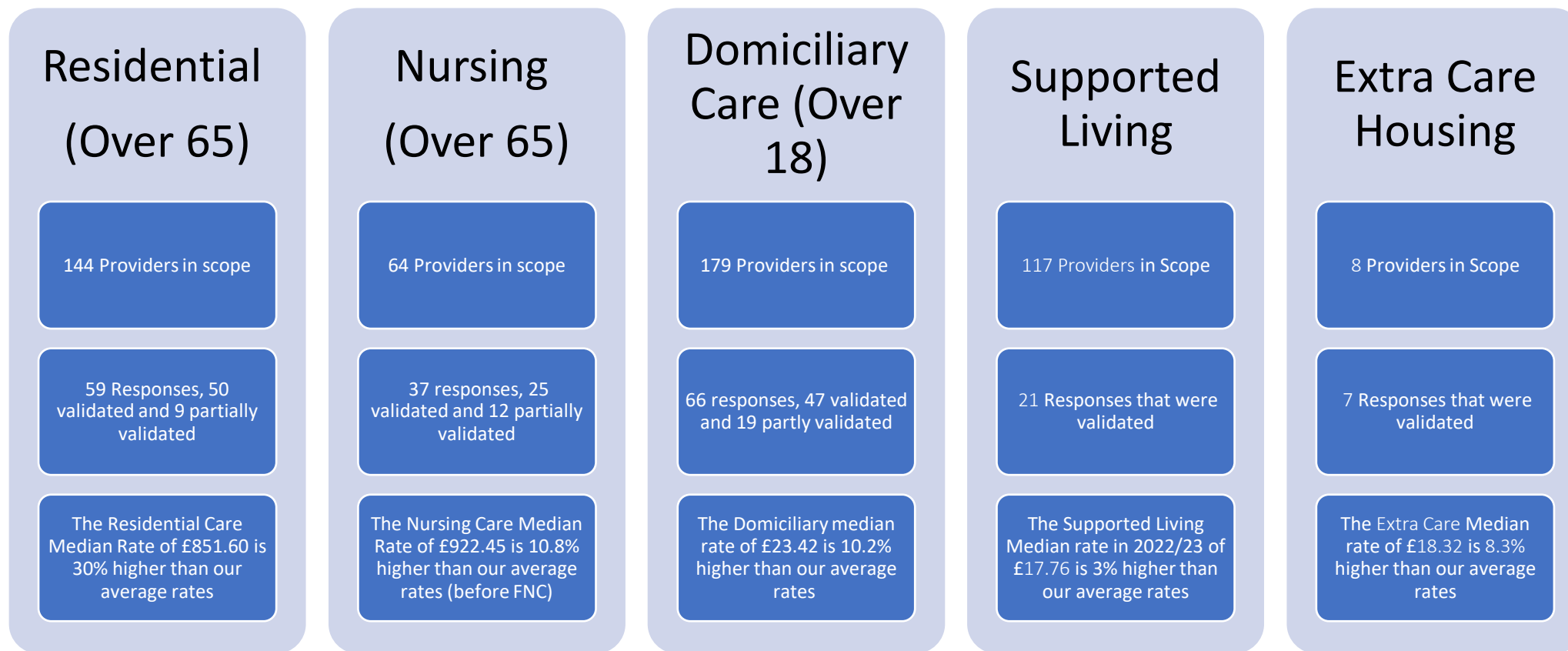
Market Feedback

- Tell us how you feel about our engagement on Fair Cost of Care?
- How do you feel we can direct funding with the 4 priorities areas in mind?

Fair Cost of Care Exercise - Timelines



Provider Engagement – Key Facts



To implement the Fair Cost of Care rate, the local authority would require an additional **£44.5m in 2022/23** and an additional **£48.1m in 2023/24**.

This does not factor in other markets such as supported living, extra care housing or Personal Assistants

Median Rates & Cost of Care Definition

What is the difference between the Median Rate and Cost of Care rate?

The Median Rate is a calculated figure from providers that have completed the cost of care tool. The median rate is the midpoint range of a series of numbers/figures. As part of this calculation figures that are well above or well below may be discounted if they are proportionally out of range of what is known as an allowed tolerance.

How do you calculate the Cost of Care rate?

The Cost of Care rate is a validated figure as a result of reviewing the analysis of provider submissions and the median rates, previous cost of care tools, financial factors such as inflation and our commercial perspective of the market.

Annex B

What is Annex B?

Annex B is the methodology, approach and details of the Fair cost of care exercise.

Essex County Council has 2 annex's:

- The first paper for Residential and Nursing Care market over 65
- The second for domiciliary markets for adults over the age of 18.

Both Annex's are available on our Essex Provider Hub:
[Fair Cost of Care 2022/23 | Provider Hub | Essex \(essexproviderhub.org\)](https://www.essexproviderhub.org)

[Provider Hub](#) > Fair Cost of Care 2022/23

Fair Cost of Care 2022/23

Cost of Care Context

In April 2022 Essex County Council commissioned an independent specialist consultancy firm called LainBuisson to support the delivery of our Cost of Care Exercise across Essex. This statutory requirement issued by Central Government primarily focused on domiciliary care providers for Adults over the age of 18 and residential and nursing providers for Adults over the age of 65.

The council submitted returns to Government on the 14th October 2022 which included our median rates from the cost of care exercise with our methodology and approach. Alongside this exercise a draft market sustainability plan has been developed to summarise our current domiciliary, residential and nursing markets, the potential impact of the social care reform and our next steps.

Since October 2022, the Council have been working to review the outcome of the Cost of Care exercise to ensure we have a robust cost of care rates. This also includes a review of our supported living and extra care markets.

In December 2022 the Council met with our Essex Care Association to provide high level feedback on our median rates and the potential impact to our markets as a result of implementing the Social Care Reform in October 2025.

Fair Cost of Care exercise outputs

The Council has a requirement to publish our "Annex B" reports. Annex B provides are the detailed approach, methodology and calculations to our median rates for residential, nursing and domiciliary care.

- [Annex B: Care Homes](#)
- [Annex B: Home Care](#)

Market Sustainability Plan

As part of the Cost of Care exercise the Council is required to complete a Market Sustainability Plan (MSP) to support the outputs of the Fair Cost of Care exercise. The Market Sustainability Plan includes:

- Current market position of our residential, nursing and domiciliary markets
- The potential impact of the Social Care Reform (SCR) on our social care markets
- Plans to address market sustainability within our residential, nursing and domiciliary markets over the next 3 years.

An initial draft Market Sustainability Plan was submitted on the 14th October 2022. The Council will be publishing the finalised Market Sustainability Plan by the 27th March 2023. This report will be presented and approved at Cabinet on the 21st March 2023.



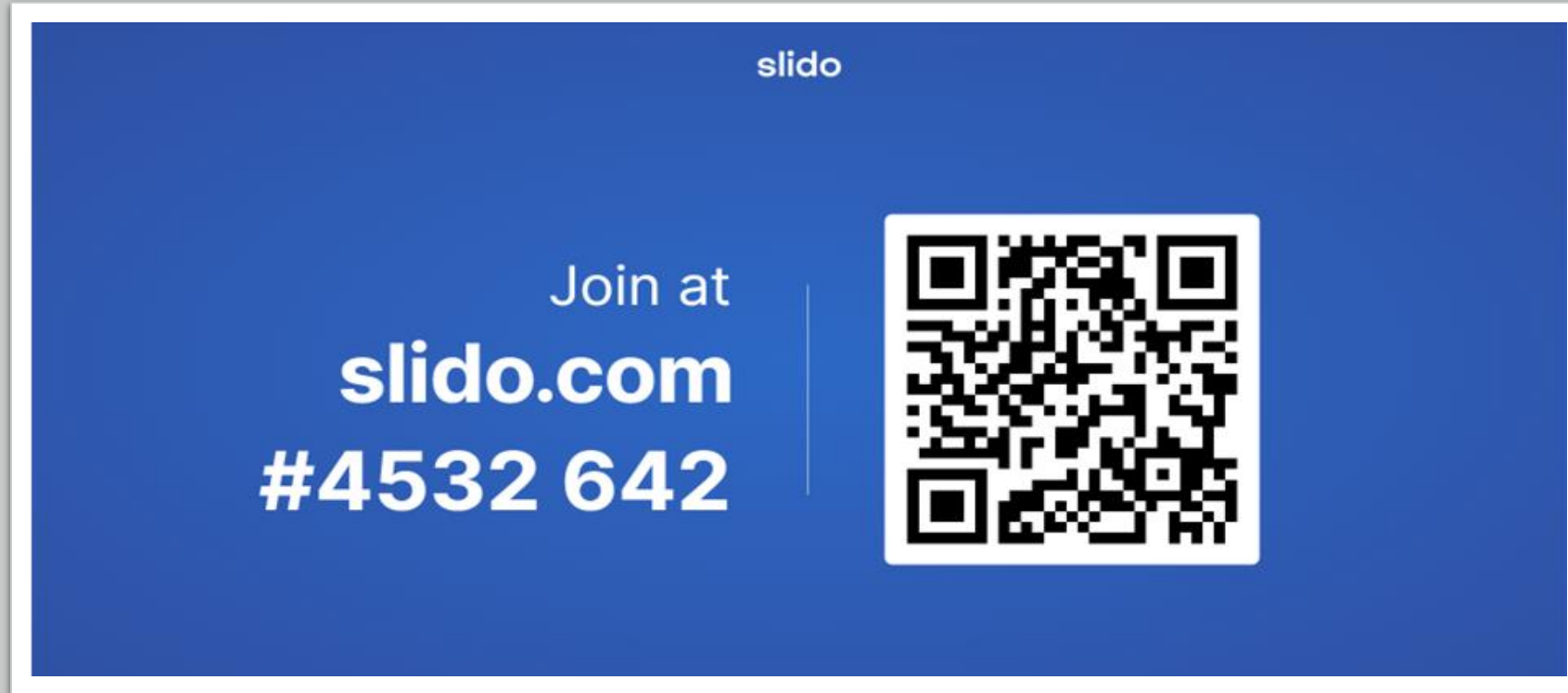
Supporting Links

- [LainBuisson \(ECC Independent Consultant\)](#)
- [Government Guidance](#)

Annex B

[Annex B: Care Homes](#)

[Annex B: Home Care](#)



Market Feedback

- How do you feel about the information provided in this session?
- What other information would you be interested in hearing about?
- Would you like to be likely to join in on future engagement events on Fair Cost of Care, Market Shaping and Social Care Reform?



Annex B - Questions & Answers



Next Steps

- February 2023: Webinars for Providers on our Annex B Documents
- March 2023: Webinars on our Market Sustainability Plan and our Market Shaping Strategy
- From April 2023: A series of webinars on Market Shaping Strategy Themes and the impact on the Social Care Reform to our Providers will take place as webinars, working groups and engagement sessions.

Details about questions

1. If you do have questions after the session, please refer to:
www.essexproviderhub.org/fair-cost-of-care-2022-23/ - there is a feedback form you can complete which will come directly into the project team.
2. Or you can speak to your area contract manager