

Record of operational decision

Decision title:	Allocation of Market Sustainability and Fair Cost of Care Grant Funding to Adult Social Care Providers
Date of decision:	7 February 2023
Decision maker:	Director for Community Wellbeing
Authority for delegated decision:	Chief Executive scheme of delegation SA02 in accordance with section 3.7.12 of the constitution under which necessary decisions can be delegated by the Chief Executive to a senior officer.
Ward:	Countywide
Consultation:	<ul style="list-style-type: none"> - Cabinet Member – Health and Adult Wellbeing - Members of the Community Wellbeing Directorate Leadership Team have considered and agreed this decision. - All care homes and community care providers are aware of the grant funding.
Decision made:	To distribute the remaining allocation of the Market Sustainability and Fair Cost of Care fund to eligible providers on the basis of numbers of Herefordshire Council commissioned over-18 Home Care and over 65 Care Home clients in-line with the grant conditions
Reasons for decision:	<p>On 16th December 2021 the Department of Health and Social Care issued grant conditions for the Market Sustainability and Fair Cost of Care Fund.</p> <p>Funding conditions The grant conditions are:</p> <p><i>“The 2022 to 2023 funding is designed to ensure local authorities can prepare their markets for reform (particularly the impact of section 18(3)) and move towards paying providers a fair cost of care, as appropriate to local circumstances. To prepare markets, we expect local authorities will carry out activities such as:</i></p> <ol style="list-style-type: none"> 1. <i>conduct a cost of care exercise to determine the sustainable rates and identify how close they are to it;</i> 2. <i>engage with local providers to improve data on operational costs and number of self-funders to better understand the impact of reform on the local market (particularly the 65+ residential care market, but also additional pressures to domiciliary care);</i> 3. <i>strengthen capacity to plan for, and execute, greater market oversight (as a result of increased section 18(3) commissioning) and improved market management to ensure markets are well positioned to deliver on our reform ambitions;</i> 4. <i>use this additional funding to genuinely increase fee rates, as appropriate to local circumstances.</i> <p><i>As a condition of receiving further grant funding in the 2 following years, local authorities will need to submit to the Department of Health and Social Care (DHSC):</i></p> <ol style="list-style-type: none"> 1. <i>a cost of care exercise – produced by surveying local providers for 65+ residential and nursing care and 18+ homecare to determine a sustainable fee rate for different care settings. Local authorities will be</i>

- expected to publish the exercises;*
2. *a provisional market sustainability plan setting out local strategy for the next 3 years (2022 to 2025);*
 3. *spend report – this will detail how money has been allocated in line with our expectations in order to achieve a more sustainable local market (as set out in 1 to 4 above)”*

Funding distribution

The government distributed 2022 to 2023 funding using the adult social care relative needs formula as is used for the Social Care Grant and improved Better Care Fund

Herefordshire Council’s allocation is £594,414.

The guidance states that local authorities are required to use all funding to improve sustainability of the 65+ care home and 18+ domiciliary care markets (including domiciliary care providers who operate in extra care settings), and not just cover existing pressures.

Local authorities are expected to use at least 75% of allocated funding in 2022 to 2023 to increase fee rates paid to providers in scope, where necessary, and beyond pressures funded by the Local Government Finance Settlement 2022 to 2023.

As an incentive for providers to complete and take part in the cost of care exercise a £500 payment was made for a completed return. Therefore, £20,000 has already been paid to eligible providers. [Decision - Fair Cost of Care Review \(herefordshire.gov.uk\)](https://www.herefordshire.gov.uk)

MS&FCoC Grant Allocation to Distribute	
2022/23 Allocation	£594,414.16
Home Care Incentive Payments	(£6,500.00)
Care Home Incentive Payments	(£13,500.00)
Residual Grant to Distribute	£574,414.16

The remaining allocation of £574,414 will be divided between Home Care and Care Home providers on the basis of each sector’s weighted average share of the council’s spending on spot-purchased Adult Social Care.

Weighted Average Apportionment of Grant Funding	
Home Care	34.87%
Apportionment of Grant Funding	£200,311.86
Care Homes	65.13%
Apportionment of Grant Funding	£374,102.30

The funding will be apportioned to each eligible provider on the basis of:

- Home Care- commissioned hours of home care per provider
- Care Homes- commissioned care home bed days per provider

Allocation of Grant Funding	
Commissioned Spot Purchase Home Care Hours	81,836
Commissioned Spot Purchase Care Home Bed Days	128,765
MS&FCoC Funding per Home Care Hour	£2.45
MS&FCoC Funding per Care Home Bed Day	£2.91

Highlight any associated risks/finance/legal/equality considerations:	There is little risk to the council, this is external funding to support the care sector. The grant conditions are clear and council officers are working together to meet these requirements enabling accurate reporting for the deadline dates.
Details of any alternative options considered and rejected:	Not to accept the grant; this is not recommended as the grant has been nationally mandated by the Department of Health and Social Care (DHSC) with specific grant details to ensure local authorities can prepare their markets for reform.
Details of any declarations of interest made:	None.

Signed..... Date: 7 February 2022