

*Adults' Health and Care
Ground Floor South
Sussex Street
Winchester
Hampshire SO23 8UQ*

Enquiries to

My reference

Direct Line

Your reference

Date

24 January 2024

E-mail

Dear Provider,

This message contains important information about your Care and Support at Home contract, please read it carefully.

Working together towards a sustainable care market

The County Council understands how challenging the domiciliary care market has been over the previous twelve months and we are continuing our drive and commitment to supporting you and indeed the County Council itself by achieving a more stable market.

As you will recall last summer, we contacted you to tell you about a package of measures the County Council was putting in place to support the overall sustainability of the market and respond to the increased levels of competition providers have been seeing.

These included:

- Closing the current framework to new providers
- Changes to the way we contract manage.
- The reopening of regular, local engagement events alongside the HCA.

This was not designed to be a one-off update, but part of a process of communication, engagement and support designed to support market sustainability, and understand the pressures being faced by us all.

We are now writing to you again, ahead of the start of a new financial year to:

- set out the next stage of updates,
- provide you with the next package of measures to help manage market sustainability,

*Deputy Chief Executive and Director of Adults'
Health and Care*
Graham Allen

- help you plan for your business over the next 12 months, and
- to update you as we move towards further updates to our procurement arrangements later in the year.

Annual price review

The Care and Support at Home contract Business Rules state that the Council will review the price on an annual basis. To ensure it is reflective of the pressures providers have faced over the last twelve months, the price change is calculated based on the October EARN03 (an index of annual wage increases by sector) and Consumer Price indexes.

The Council may vary the actual uplift given up or down by a maximum of 10% of the outcome of this calculation, at its discretion. By way of example, if the uplift formula returns a result of 4%, the County Council would apply an uplift between the ranges of 3.6% and 4.4%. If necessary, the Council will round the new figure so that it is divisible for 30 and 45 minute packages. Where this happens, the Council will round up.

Based on the figures for October 2023, the formula for this year returns an uplift figure of 5.42%. Reviewing the uplifts from last year, the price changes during the year, pressures facing providers, and the significant financial challenges facing the County Council, we have made the decision to increase the uplift from this position slightly and will therefore be applying an **annual uplift this year of 5.5%**. This will be applied for the 2024/25 financial year for your directly commissioned packages which have been placed via either a Tier 1 or Tier 2 Care and Support at Home contract.

Please note, this uplift applies only to those packages placed via Tier 1 or Tier 2 contracts awarded through the Help To Live At Home Framework. Other packages placed with you by the County Council through other routes, may have different uplifts which will be communicated separately. If your organisation holds contracts commissioned via the Younger Adults Framework (HADSOM) you will receive a separate communication about the uplifts for those contracts. The uplift relates only to packages directly commissioned by the County Council, and not those funded via a Direct Payment to the individual.

It's your market, here's what it looks like

The County Council wants to ensure that your business has the information you need to plan for the future. Part of this includes wanting to share information on the location, level and average values of work the Council has made available over the last year, to support you with planning for the next. While your individual businesses information remains confidential, the attached document aims to set out average prices, locations and hours, by zone, for work the County Council has made available via the Tier 2 contracts across 2023. We hope you find this information useful in planning for 2024.

Amends to the January rate window (Tier 2 only)

The Care and Support at Home contract Business Rules allow providers to review their standard price and enhanced rates annually in January. Any change to the price as part of this process will be for new packages of care only and will not apply to existing business. Any new prices will take effect from April in line with the DWP change.

While we know the market is currently very competitive, the County Council needs to ensure that the rates we pay are fair, not just for the individuals receiving care, but for yourselves. We are aware of concerns that some providers may look to lower their rates below a sustainable level, and while the County Council has a duty to get best value for the public purse, we would like to assure you that the quality of service and the providers delivering that service are of equal importance.

Therefore, the County Council will only be accepting rate changes that are sustainable and take account of all current cost pressures, including changes in national minimum wage due in April 2024. Providers should use the attached market information, combined with an understanding of their own costs, when considering changing their rates. The County Council has the authority to ask a provider to demonstrate that it is possible to sustainably deliver the outcomes of their contract within any new rate and reserves the right to decline a rate change if this cannot be demonstrated.

Currently, in line with previous years, the January rate window runs until 31st January. To give providers sufficient time to make informed choices, we have taken the decision that, for this year, we will be extending the rate window into February. Any provider wishing to amend their rates can initiate this process by amending their rates on InTend.

The deadline for Submitting request for rate changes is 16 February 2024.

You will be contacted by 20 February at the latest to confirm the outcome of your request. Revised rates will not be subject to an inflationary adjustment applicable in April 2024, and anything not received by 16th February will not be considered.

Updated Business Rules

As required from time to time, we have updated business rules to reflect a number of things, including changes required as a result of the County Council's move to Care Director over the last few months. There are also a few additional changes to simplify and clarify arrangements for providers.

Week 1-12 post assessment period ending

As part of ongoing market sustainability work the County Council is amending the Care and Support at Home Business Rules duration of the 12-week post assessment period arrangement. The Council understands that, while there are benefits to this system, the requirement for the submission of package reviews around weeks 6-8 adds additional workload to providers. Most packages of care are now reaching providers 'right-sized'; therefore, to better reflect the reality of delivery, the Council will be reducing the timeframe from 12 weeks to 0, effectively meaning that all packages of care will be on the same provision type, regardless of where an individual is on their journey. **This change will take effect on 5th February 2024.**

Package reviews – no longer required

The above-mentioned change means that providers will no longer be required to submit 6-8 week light-touch reviews from the 5th of February 2024. This requirement will also be removed from your KPIs. If at any point it is considered that the care commissioned does not meet an individual's needs, please continue to notify the relevant team to request a review. Any other review requirements remain unchanged.

Help to Live at Home Framework – your input sought

The current Help to Live at Home Open Framework Agreement is ending on 8th August 2024 however all of your Tier 1 or Tier 2 contracts called off from that framework do not end at that time and can continue for a little while beyond that. It does mean there is a need, and an opportunity to develop a replacement framework. The new framework will build on the success of the current one, take the opportunity delivering market sustainability in line with the Local Authority's Care Act duties. Further provider engagement will take place over the next few months, and we would value your input and participation in the process.

Summary Timeline

Timeline	Item
Summer 2023	1st Market Sustainability package announced
Summer 2023	Current framework closed to new providers
5 th February 2024	Post assessment period ending
16 th February 2024	Window to amend next year's rates closes
February – April 2024	Provider engagement to discuss the next opportunities for improvement
April 2024	Annual uplifts applied
Autumn 2024	Updated arrangements made available, following your feedback

Communication

I wanted to take the opportunity to remind you about the Adults Health and Care news briefing for all care providers, bringing communication and important information for care providers together in one place.

If you would like to sign up to receive the briefing and any news alerts you can sign up for them by completing this 2 minute form; [Adults' Health and Care Provider Newsletter \(ondemand.com\)](#).

You can also find a variety of useful information for you as a care provider on our provider website, including recently issued alerts and briefings: <https://www.hants.gov.uk/socialcareandhealth/coronavirus/care/commissioned-services>

Thank you for all that you continue to do to support some of Hampshire's most vulnerable residents on a daily basis.

If you have any questions, please contact us by emailing: careathome@hants.gov.uk

Kind regards,
The Care and Support at Home team