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## **PUBLICATION OF SURREY COUNTY COUNCIL ANNEX B COST OF CARE EXERCISES REPORT**

Dear Surrey Adult Social Care provider,

As you will be aware the Department for Health and Social Care (DHSC) mandated that all Local Authorities undertake 'Cost of Care' (CofC) exercises for Older People 65+ nursing and residential care and 18+ home care services and that the findings from this should be published following the submission to DHSC. This letter is to inform you that on 1st February 2023 Surrey County Council published on its website the Annex B report which summarises the results from submissions received from ASC providers delivering care services in Surrey to the CofC exercises. The report on the exercises conducted by the council was originally submitted to DHSC in October 2022 and the report can be accessed at this link: [www.surreycc.gov.uk/costofcare](http://www.surreycc.gov.uk/costofcare)

### **Our approach to the CofC exercise**

All eligible care providers operating in Surrey (whether located within Surrey or providing services from outside of Surrey) were invited to participate in SCC's CofC exercises for Older People 65+ nursing and residential care homes and 18+ home care services. With the support of and working closely with Surrey Care Association (SCA), and with additional external support from consultants Campbell Tickell, SCC set up a range of meetings and forums to explain the requirements of the exercise and ways in which providers could access individual and group support around the completion of the returns. Despite this, the level of engagement with the exercise was more limited than SCC would have liked, and this was reflected in the rate of returns for both Older People 65+ nursing and residential and 18+ Home Care.

The response received for the Older People care home market is summarised in Table 1 below. Although responses were received from 37% of providers and 40% of market beds in Surrey, the profile of providers making the returns was substantially different from the profile of providers which SCC purchases placements from when funding and meeting Care Act eligible needs.

The unique nature of the Surrey care home market is a critical contextual factor which is explained in our Annex B report. It is therefore very important to interpret the results of the CofC returns in this context. The Council has also drawn on key findings from previous analysis carried out in other pieces of work prior to the CofC exercises. This includes taking into account the influence that the large proportion of private self-funders in Surrey has on the nature of provision and the prices charged by many operators, which are often more closely aligned with willingness and ability to pay than cost.

**Table 1: Response summary to CofC process from Older People care home**

Completion rates	Homes (number)	Homes (%)	Beds (number)	Beds (%)
Responded - validated as usable	84	37%	4,507	40%
Responded - out of scope/ not usable	2	1%	24	0%
Did not respond	141	62%	6,815	60%
Total	227	100%	11,346	100%

The response received for the 18+ home care market is summarised in Table 2 below. The responses received represents a very small proportion of the market, both in terms of number of providers and volume of activity. With such a low level of return and even lower level of validated returns that SCC was able to include in the CofC submission the conclusions and/or insights that can be drawn from the CofC exercise are limited.

**Table 2: Response summary to CofC process from 18+ home care providers**

Completion rates	Providers (number)	Providers (%)	Hours per annum (number)	Hours per annum (%)
Estimated market total	230	100%	9,500,000	100%
Responses received	47	20%	2,703,406	28%
Validated as usable	22	10%	1,615,437	17%

*N.B. the total number of hours of care delivered across the whole market outlined in the table above is estimated based on the estimated market share that SCC's current purchased hours represents.*

The Annex B report sets out in more detail the approach SCC adopted, the tools used, and the moderation process followed including the assumptions used. It also sets out SCC's approach to the use of 2022/23 grant funding and the payments made to care providers in December 2022.

The CofC exercise was an integral part of the Government's ambition to reform adult social care. In the Autumn Statement 2022 it was announced that the social care charging reforms would be delayed until at least October 2025. It was also announced that the funding previously planned for the charging reforms would be retained to support ASC market sustainability, hospital discharge and demand pressures in 2023/24 and 2024/25.

Funding allocations for 2023/24 and 2024/25 confirmed in the December 2022 local government settlement have been taken into account in the council's overall Medium-Term Financial Strategy planning and subject to final decisions at Full Council in February, SCC will be informing providers by the end of February how fees will be uplifted from April 2023.

It is important to stress that the council will continue to approach setting its fees in line with its responsibilities under the Care Act. The CofC exercise mandated by DHSC for specific purposes has provided some limited additional intelligence on Surrey's Care Market which where relevant will be considered when setting fees, but it cannot be used as a means of

setting fees due to the nature of the exercise and the significant limitations to the reliability and representative nature of the returns received.

I would like to extend a big thanks to all providers who engaged in the exercise and provided a return and to Bex Pritchard and the Surrey Care Association for their support around provider engagement, trailing the tools used and for providing invaluable feedback around supplementary questions to ask that would aid the interpretation of returns.

Finally, while the CofC was at this stage a one off DHSC mandated exercise SCC is committed to continuous engagement with providers on service development and delivery in Surrey including working collaboratively with the sector around workforce, funding, and the overall sustainability of the market. This must of course take account of all sectors of ASC provision in Surrey, not just Older People 65+ nursing and residential care and 18+ home care services, which were selected specifically for the mandated CofC exercises as the sectors most directly impacted by the proposed charging reforms. The council's approach across the whole of Surrey's diverse care market will be set out in the Market Sustainability Plan that the council will publish in March 2023.

Yours faithfully,



Jonathan Lillistone, Director of Integrated Commissioning,  
Adult Social Care, Surrey County Council