

Summary of responses to the annual discretionary fee review for 2025/2026

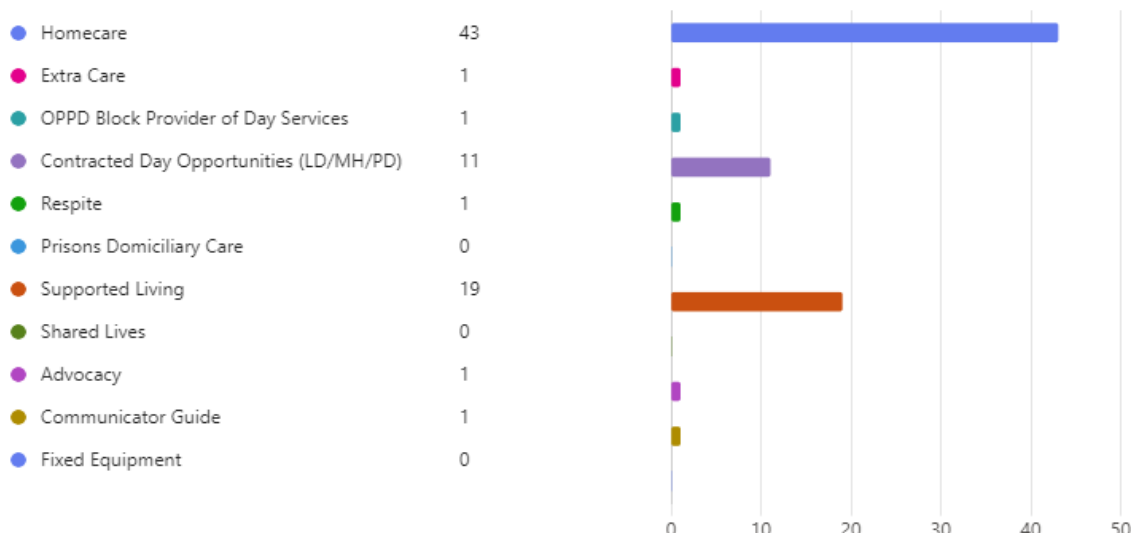
Appendix 2a: services in people's home and the community

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Overview

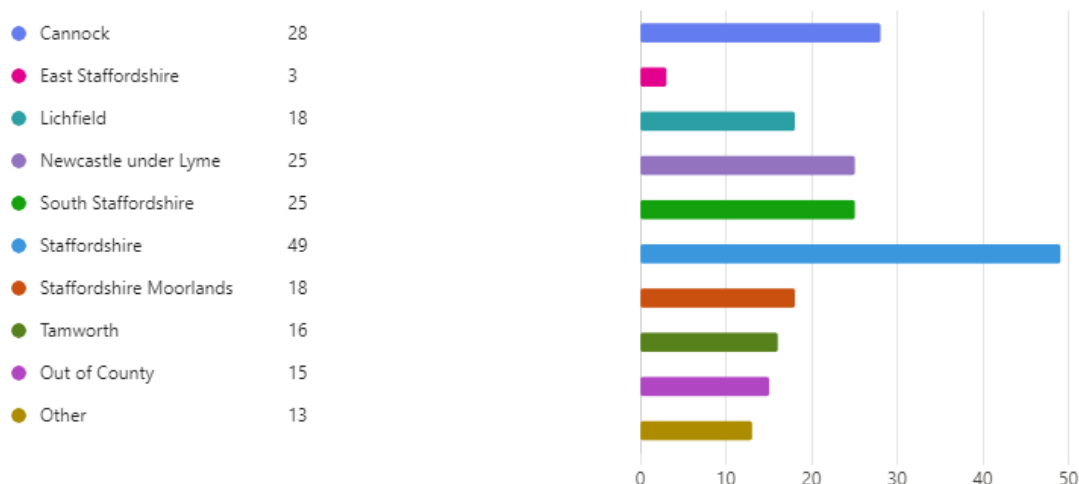
1. The questionnaire was sent out to all 298 community providers who are contracted by Staffordshire County Council. The 298 providers represented 11 community service areas as detailed in 1.4 below.
2. The survey went live on the 18/11/2024 and closed 27 days later on the 15/12/2024. The link to the Microsoft Forms survey was sent out from the Council's Fee Review inbox to all contracted providers on the 18/11/2024. A further follow up email was sent on the 25/11/2024 and again on the 28/11/2024 due to a low response rate from community providers. In addition to the above emails were also sent from each of the Leads of the individual services to encourage providers to complete the survey.
3. 78 individual responses were received from various community-based services. These responses represented 8 out of the 11 contracted community service areas. Some of the responses received from providers have data inaccuracies and therefore the analysis of some questions may not reflect the market position.
4. Of the 78 responses received a total of 68 (87%) represented providers with a singular service and 10 (13%) represented multiple service providers delivering community-based services for people with varied primary support needs which is outlined in more detail throughout the summary report.
5. The providers that responded were commissioned for the following service areas:



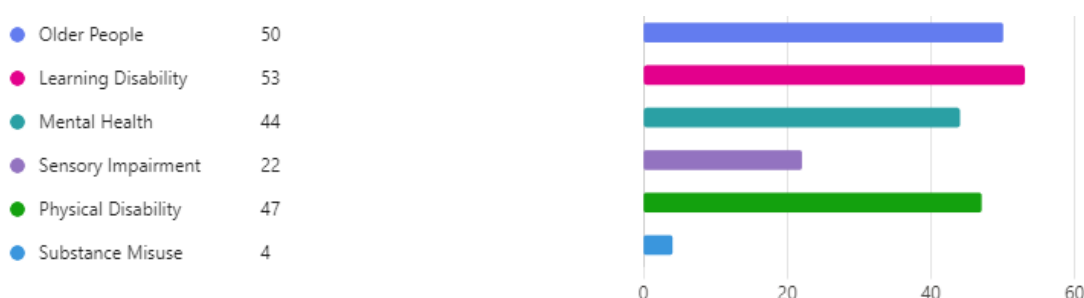
6. Most responses received were completed by homecare providers, this presented a total of 43 providers accounting for 55% of the total response. No response was received from fixed equipment, Shared Lives or prison

home care, we are however aware that the prison domiciliary care service has recently completed a new tender process.

7. The graph below shows the localities covered by service providers who completed the survey.



8. The following graph reflects the client group to which the provider delivers their services:

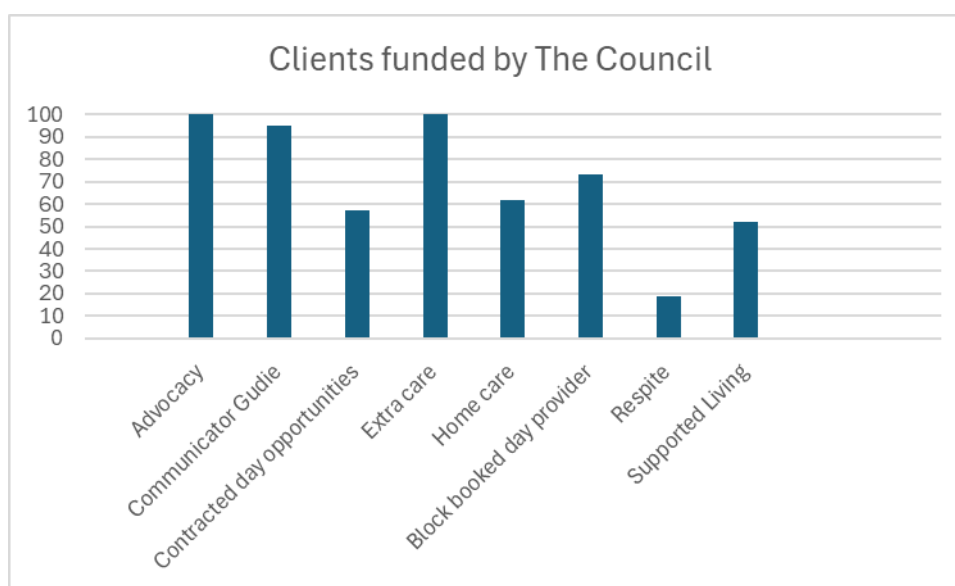


Fund split for community service providers

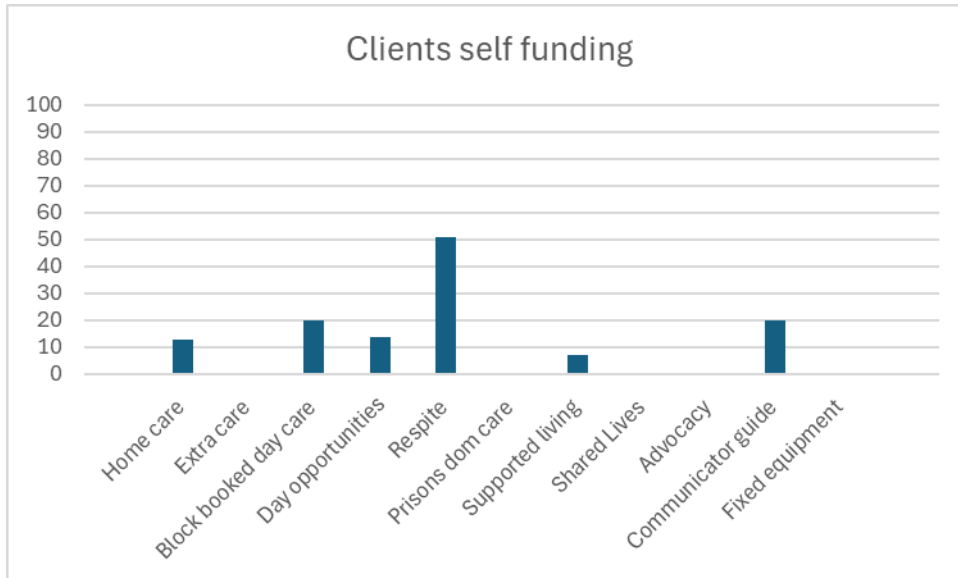
9. Providers were asked how the client group they support were funded. The options given to providers were:
- Staffordshire County Council.
 - Self-funders/Individuals
 - ICB or another local authority.

	Average	Highest	Lowest
Council funded	71%	100%	0%
Self-funded	13%	78%	0%
ICB/Other LA	16%	100%	0%

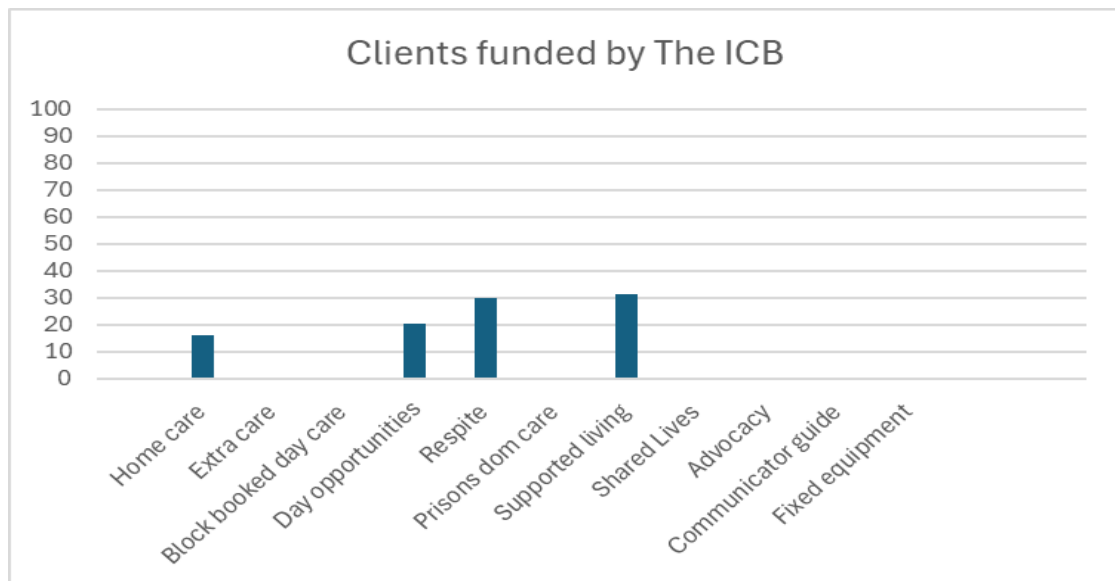
10. The above averages indicate that The Council is the primary funding stream for clients across all 8 service areas. The following graphs indicate the funding stream based on individual service areas.
11. The responses received from Supported Living providers, for questions 10, 12 & 14 of the survey, had significant data errors. The responses required a percentage up to 100%, however 4 of the 19 (21%) Supported Living responses were significantly below 100%. This differs from the Council's existing intelligence about supply. Some responses submitted also stated they were a regional provider but answered other questions as a national provider and used their national data. Therefore, these inaccuracies have skewed the overall figures in the below tables and as a result there is limited to no confidence in the results.
12. The percentage of the client group funded by the Council for individual services varied from 0% to 100%. The average for each service is shown in the graph below:



13. No responses were received from providers of Extra Care, Shared Lives or fixed equipment. In addition, no response was received from providers within prison domiciliary care services, however we are aware this service has recently been re-commissioned with the new contract with starting April 2025.
14. The percentage of clients self-funding their care services ranged from 0% to 78% for individual service providers. The average for each provider is shown in the graph below:



15. Again, no responses were received from providers with Extra care, Shared Lives and fixed equipment.
16. The percentage of clients funded by the Integrated Care Board (ICB) ranged from 0% to 100% with individual providers. The average for each service delivery is represented below:



17. We are aware that providers may only be aware of the clients fully funded by the ICB or Social Care, therefore the above information may not reflect clients with a shared funding agreement between the Council and NHS.

Business Model Assumptions

18. Providers were asked details regarding their profit margin to gain a view of business models across the service area. The average profit margin assumption was 10.8% across the 8 service areas. 52 (67%) providers gave a response that their profit margin was 10% or below. 15 (19%) providers gave a response that their profit margin was 20% or over.

Cost Pressures

19. When asked to rank the financial cost pressures for the business for the year 25/26 the responses were as follows; National Living Wage and National insurance contributions were the top two cost pressure concerns. This was followed by recruitment and retention, inflation, insurance, auto enrolment and the use of agency staff as shown on the below graph:



20. Following the Autumn budget The Council anticipated the top two priorities would be around the changes to the National Living Wage and National Insurance contributions, therefore we asked providers further questions around staffing costs and percentage of staff that fall within differing pay brackets to ascertain where the actual impact for providers and staff is.
21. With regards to the number of staff employed we did not direct provider to only referring to staffing that presents their service for the delivery of care in Staffordshire. As a result, we have separated the response between individual providers and umbrella companies as detailed in the table below:

	Average number of staff	Average number of Full Time Equivalent (FTE)
Individual care provider	166	140
Umbrella company	12698	384

22. In response to the percentage of staff that fall into the varied pay brackets and the equivalent overcall cost, the responses are shown below. Providers indicated a total of 82% of staff will be earning less the National Living Wage (NLW), this equates to 70% of providers total business costs.

Earning Bracket	Average percentage of staff earnings	Average percentage of staff costs for earning brackets
£11.44-£11.69	33%	27%
£11.70-£11.95	17%	14%
£11.96-£12.21	32%	29%
Total	82%	70%

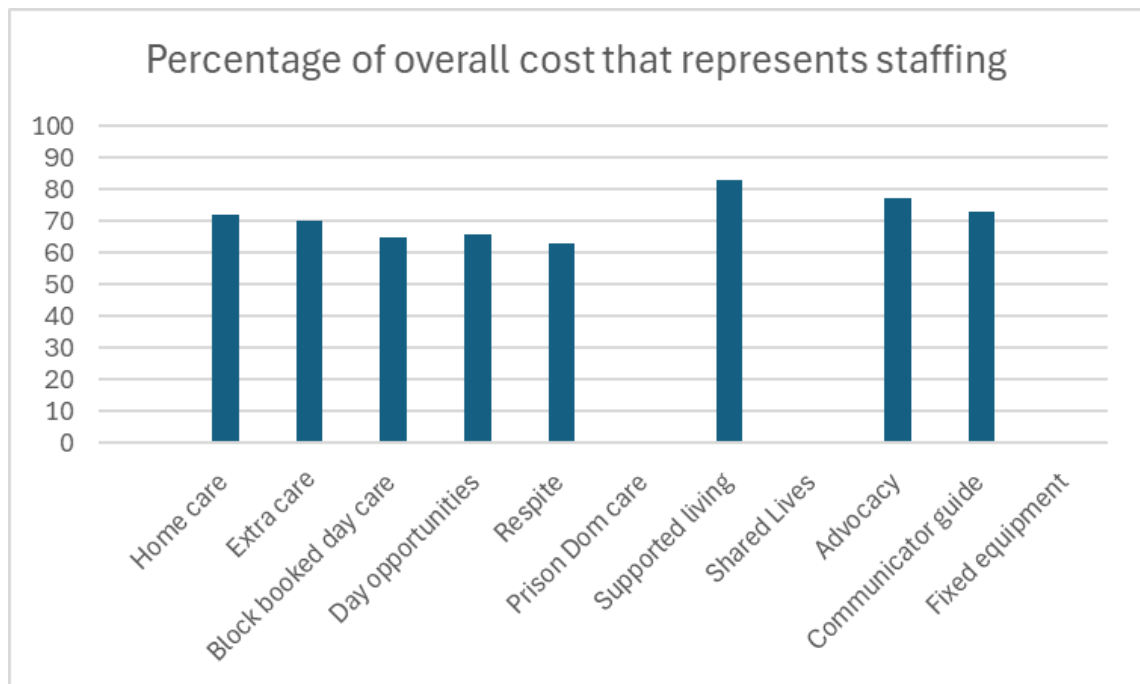
23. In addition to the average percentage of staff wages across all 8 service areas, the following table represents the breakdown for each service:

Service	Average percentage of staff in each earning bracket		
	£11.44 - £11.69 p/h	£11.70- £11.95 p/h	£11.96- £12.21 p/h
Home care	18%	29%	37%
Extra care	85%	0%	0%
Block booked day care (older people)	86%	0%	7%
Day opportunities (younger adults)	44%	7%	33%
Respite	83%	0%	0%
Prisons home care	-	-	-
Supported living	37%	17%	26%
Shared Lives	-	-	-
Advocacy	6%	0	20%
Communicator guide	0	0	37%
Fixed equipment	-	-	0

*Where no response was received from the provider this has been omitted from the graph to ensure that this does not indicate staff earning to be below £11.44 or above £12.21ph.

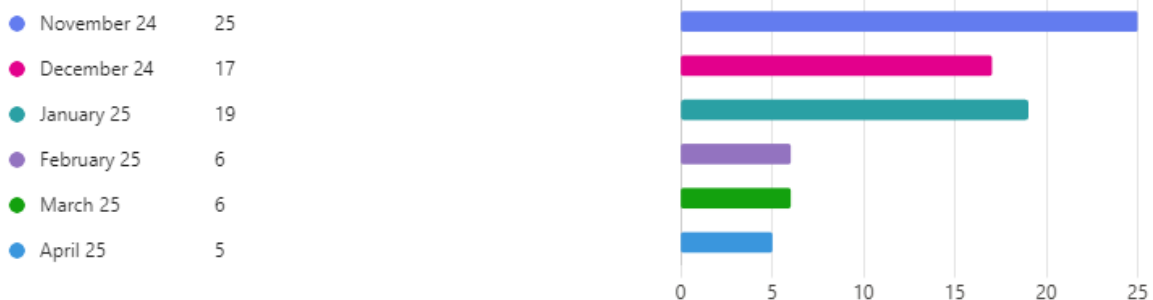
24. The table above indicates that a high percentage of staffing earning will fall below both the National Living Wage and National Minimum Wage for the financial year 2025/26.

25. The graph below indicates the overall cost that represents staffing cost. Across all community provider responses, the staff v non staffing cost split averages 75:25.



** No response was received from prison do care, shared lives or fixed equipment.

26. When asked in which month providers start to consider the impact on weekly cost for the next financial year the responses were as follows - 62 (79%) of providers indicated that they would start to consider the financial impact within their service between the months of November-January, as shown below.



27. Providers expressed varied views when asked if there were any further points, they would like to raise in relation to the 20 25/26 fee review, as detailed below. The majority of providers expressed concern to the

affordability of the National Living Wage and National Insurance contributions reductions/increases thresholds.

Other Feedback

28. Providers also offered the following feedback:

- One Home care service provider stated that their responses have given includes travel time and cost which had not been included in in the survey as a separate question.
- Home care service providers noted that they do not consider 15-minute calls as a feasible and sustainable option.
- One service provider expressed that with National Insurance threshold being reduced, National Minimum wage increasing along with cost-of-living expenditure increases any additional support as a non-for-profit charity would be appreciated.
- Providers expressed concern relating to the lack of referrals during 2024.

Individual Provider Letters

29. In addition to the completion of the survey by providers, the Council have received a further 36 letters from providers directly requesting differing percentage uplifts. These requests range from 6.7% - 15% with an average of 9.87% and cover both care home and community providers. Please be aware however that these providers may have also completed the survey and therefore duplicate and differing requests from providers are expected.

Risk, Issues and Next Steps

Identified Risk/Issues	Next Steps
Low or no response rate from extra care housing, shared lives, fixed equipment.	Council to work with and continue to communicate with the market to increase future engagement and participation.
Awareness of financial pressures faced by providers.	These financial pressures were known to Council and have been factored into the process for the discretionary annual fee review offer formulas. Council to continue to ensure financial pressures faced by the market are considered when completing the annual fee review.

Concerns regarding low referral rate for community services.	Council to work with providers and brokerage to understand the concerns regarding low referral rate for community services.
Travel time and expenses.	Council to work with contracts & providers to determine where travel time and expenses needs further clarification.
Other Comments.	Council to work with the market to identify other cost pressures, for example mileage and recruitment costs, to identify opportunity or support available.

