

Residential and Nursing Care Home Fee Setting 2025/2026

Consultation Document – 28th January 2025

1. Proposed approach, stages and timescales

- 1.1 The City of Doncaster Council and Doncaster Integrated Care Board (ICB) need to make decisions about fee rates for the new financial year from April 2025 to March 2026 and want to consult with care providers about this.
- 1.2 This will comprise of an evaluation of inflationary increase using nationally recognised indicators appropriately applied to the cost base
- 1.3 Doncaster Adults Wellbeing and Culture have the following vision:

We want every person in Doncaster to live in the place they call home with the people and things that they love, in communities where they look out for one another, doing things that matter to them.

**Adults, Health and Wellbeing
Doncaster Council**

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- 1.4 Our services are operating under the Practice Framework which was co-produced with people in Doncaster and outlines the way we work with and for people who need care and support. We want to continue to support our providers to work with people in the spirit of the vision and the framework below.

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| Adults, Health and Wellbeing practice framework  | WHY? | We want every person in Doncaster to live in the place they call home with the people and things that they love, in communities where they look out for one another, doing things that matter to them. | | | | | |
| | WHO? | Everybody | People with urgent needs for support | | People with longer-term needs for support | | |
| | | We listen to people to understand what matters to them. We make connections and build relationships to improve people's wellbeing and independence. | We don't make long term plans in a crisis. We work with people until we're sure there is no immediate risk to their safety, health or wellbeing, and they have regained stability and control in their life. | | If people need longer-term care and support, we work with them to understand what a good life looks like for them. We make sure they have resources and support to live the life they choose and do the things that matter to them as independently as possible. | | |
| | HOW? | Hope | Connection | Relationships | Inclusion | Flexibility | Rights |
| | | We focus on possibilities, dreams and aspirations. We don't limit people's choices. | We explore ways to involve people in their communities. We make and maintain meaningful connections. | We support people to keep existing relationships and make sure they have opportunities to build new ones. | We don't judge people or make assumptions. We involve people as equal partners in conversations and decisions about them, their families and their communities. | We are willing and able to adapt. Our approach is responsive and proportionate. | We make sure people know their rights. We promote autonomy, choice and self-determination. |
| | | We're kind | We behave | We're trusting | We're transparent | We're present | We're honest |
| | | We respect and understand people as individuals. We don't make snap judgements. | We know and follow the law, ethics and best practice. We are always open to improvement. | We know people tend to be honest and know what's right for them. We listen and we keep an open mind. | We're open about our rules, making them clear so people know what they can and cannot expect. | We connect and engage well with people. We respond in a timely manner. | We are honest about what we are going to do. When we say we are going to do something, we do it. |
| | | We know the language we use matters. We use plain, respectful and kind language. | | | | | |
| | WHAT? | Wellbeing and independence | Information and advice | Active and supportive communities | Flexible and integrated care and support | When things need to change | Workforce |
| | | Living the life I want, keeping safe and well | Having the information I need, when I need it | Keeping family, friends and connections | My support, my own way | Staying in control | The people who support me |
| | SO? | Better experiences and better lives for Doncaster people | | Improved morale and satisfaction for Doncaster's workforce | | More sustainable use of resources | |

- 1.5 As undertaken in 2024/2025 there will be three stages to the decision-making process taking into account the vision and the practice framework:

- The initiation and conclusion of formal consultation with all care home providers in Doncaster within scope on the basis of proposals for 2024/2025 fee rates drawn up by the Council and ICB. This will run between **Tuesday 28th January to Friday 14th February 2025**
 - A decision-making stage incorporating full consideration of all consultation feedback by the Council and ICB. This will follow appropriate governance within the constitutions of both the Council and the ICB. The Council decision will be made by Council Cabinet **on 27th February 2025**.
 - An implementation stage when decisions and justifications are communicated to care providers. This will be by **Friday 21st March 2025** to allow for notice to be given to care providers ahead of the introduction of new fee rates.
- 1.6 The Council is required by law to set a balanced budget for each financial year. This will be agreed by full Council in February 2025 for the financial year running from April 2025 to March 2026. Therefore, this overall process must be concluded in line with the timescale above.
- 1.7 The Council and ICB continue to welcome the role of the Care Home Association of Doncaster (CHAD) in seeking to represent the wider sector throughout the above process to ensure continuing constructive dialogue. This does not preclude the rights of individual care homes to independently engage and communicate should they wish to.
- 1.8 Decision-making is the preserve of the Council and ICB. The above process is intended to ensure that feedback from providers is fully taken into account and decisions made are on a robust and lawful basis.
- 2. Broader market context**
- 2.1 The Council and the ICB have pulled together contextual information for decision-makers. These are attached as Appendix One to this document.
- 2.2 The information includes comparisons with respect to CQC ratings and analysis of admissions for care home places.
- 3. Fair Cost of Care 2022/Fee Rate Calculations 2023/2024**
- 3.1 Additional funding was made available to Local Authorities through the Fair Cost of Care and Market Sustainability Fund to support a Fair Rate for Care exercise that needed to be carried out by the autumn of 2022.
- 3.2 The Department of Health and Social Care required publication of the Fair Cost of Care in February 2023.
- 3.3 The exercise was completed in Doncaster with extensive consultation and engagement with the care home market both collectively and individually, to maximise the response rate. A copy of the published report can be found [here](#).
- 3.4 Full Council considered the outcome of the Fair Cost of Care and the resulting proposals to fee rates for 2023/2024 and additional inflationary cost pressures

including CPI of 10.1% as at September 2022 and increases to National Minimum Wage to £10.42 from April 2023.

- 3.5 The uplift represented a 23% uplift from the previous care home base rates in 2022/2023

4. Fee Rate Calculations 2024/2025

- 4.1 For the fee uplifts in 2024/2025 the Council considered the position from the Fair Cost of Care and any additional cost pressures from inflation and National Living Wage.
- 4.2 The Council and ICB, following a consultation with the market uplifted fee rates by CPI as at September 2023 of 6.7% and National Living Wage which resulted in an increase to fees to:
- Residential/Residential EMI 2024/2025 £778.49 per week
 - Nursing 2024/2025 (excluding FNC) £781.30 per week
 - Nursing EMI 2024/2025 (excluding FNC) £860.83 per week
- 4.3 This revised fee level represented an 8.8% uplift

5. Support to the Market

- 5.1 During 2021/2022 the Council put in place a process to support care home providers experiencing financial sustainability issues in light of the Covid pandemic. Analysis was undertaken of capacity and availability of provision across Doncaster and sufficiency of provision.
- 5.2 This process remains in place and meetings continue to be held individually with any providers notifying the Council of financial sustainability concerns.

6. Proposed Fee Increase 2025/2026

- 6.1 The Council and ICB propose to inflate the non-staffing base costs by the nationally recognised metric CPI for September 2024 confirmed at 1.7%.
- 6.2 The Council and ICB will apply National Living Wage increase to staffing costs as calculated within the 2024/2025 base fee to ensure providers are able to continue to retain appropriate differentials between staff groups that reflect their seniority.
- 6.3 The 2025/2026 National Living Wage has been confirmed at £12.21 per hour, an increase of 6.73% on the existing rate of £11.44 per hour and this increase has been reflected in the proposed rates below.
- 6.4 The Government has also made changes to Employer's National Insurance contributions with effect from 6 April 2025. These are twofold – the insurance contribution rate will increase from 13.8% to 15%, and the threshold at which contributions are made reduces from £9,500 to £5,000 per annum.

- 6.5 It is recognised that both of these changes will increase provider costs and the Council and ICB propose to increase fee rates to reflect these increased costs.
- 6.6 The impact of the National Insurance changes will vary from provider to provider, influenced by the make-up of the workforce, the levels of pay and hours worked.
- 6.7 The rates proposed for 2025/2026 are:
- Residential/Residential EMI 2025/2026 £840.90 per week
 - Nursing 2025/2026 (excluding FNC) £844.89 per week
 - Nursing EMI 2025/2026 (excluding FNC) £932.55 per week
- 6.8 This is an increase of 8.02% - 8.33% to current rates.
- 6.9 This consultation relates to standard fee rates. For those providers with individuals on a bespoke negotiated rate the usual process will apply. Any increase or additional funding needs to be requested through the Operational Commissioning Team.

7. Additional National Support 2025/2026

- 7.1 There is no indication of any additional national funding in excess of the funding being utilised to support the fee increases in 2025/2026 as detailed within paragraph 6. If any further funding is announced the Council will inform the market.

8. Vacancy/Occupancy Rates

- 8.1 It is accepted that there is significant variation in occupancy across care home providers and during the Covid response in 2020, 2021 and 2022 there have been variable impacts across care homes with some largely unaffected whereas others have been significantly impacted by outbreaks and loss of residents.
- 8.2 During 2023/2024, two homes closed, one due to financial viability and the other due to quality and financial sustainability. Two new care homes opened with one of them being a new build on a previously closed care home site.
- 8.3 Current occupancy rates have been calculated based on the information provided by all care homes through the NHS Capacity Tracker.
59.1% of Doncaster homes have an occupancy of 91% or above as at December 2024 and 18.2% of homes have an occupancy of 80% or under.
- 8.4 When occupancy rates are compared to May 2019 the overall market occupancy is at a higher level. As at December 2024 occupancy rates show 1713 beds occupied, in comparison to 1586 beds occupied in May 2019. In December 2024, 64% of the care home market within Doncaster have higher or equal occupancy to that of May 2019 in comparison to only 48% in January 2022.
- 8.5 The Council and ICB are mindful of the impact of occupancy on sustainability

of providers, but they are not minded to subsidise homes that are unable to sustain high occupancy levels when the market is operating under normal conditions.

- 8.6 As outlined in 5.1 and 5.2, if providers are experiencing significant financial hardship that may result in closure of their service, then they are encouraged to approach the Council and individual discussions may be held. This would take into account the level of quality of provision (including but not limited to the service CQC inspection rating), type of service delivered, location, market conditions etc.

9. Conclusion

- 9.1 Providers are welcome to make comment on all matters outlined above including the Council and ICBs proposals to increase fee levels.
- 9.2 Representations are welcome from all care home providers either through collective representations by CHAD or individually. All representations will be duly considered.
- 9.3 The Council and ICB will make every effort to accommodate meetings with providers. This planned contact will ensure clear and respectful communication throughout the consultation period.
- 9.4 The Council and ICB would actively welcome meetings with CHAD as the sectors representation.

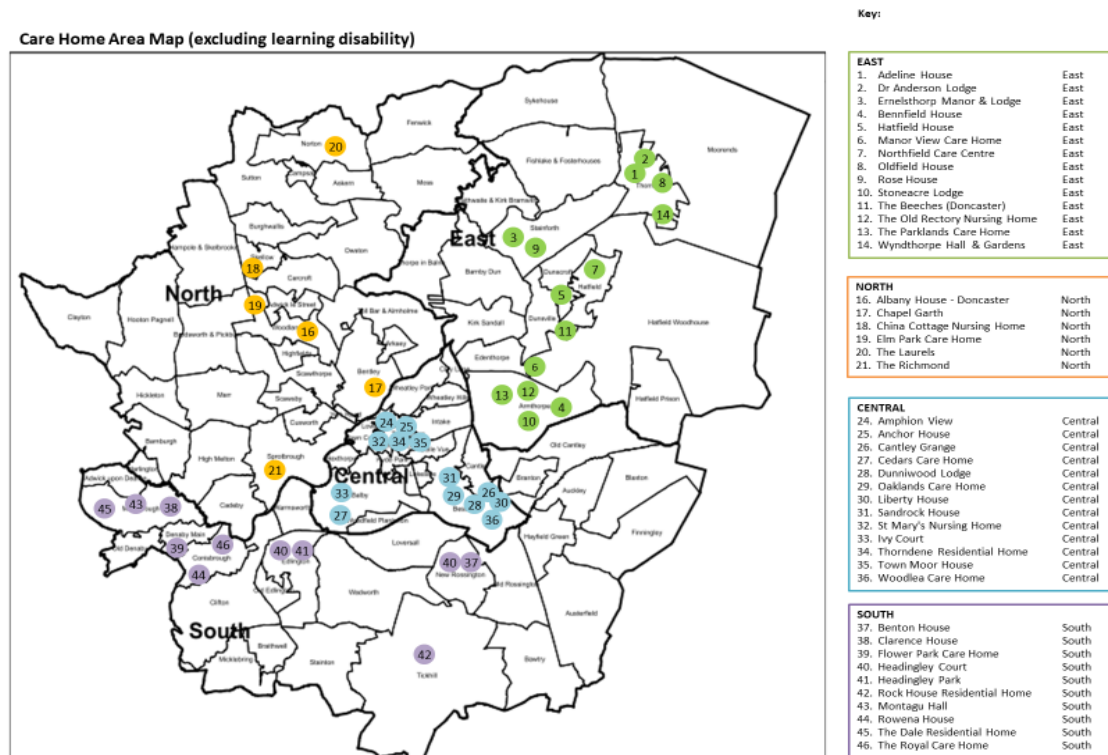
APPENDIX ONE – CONTEXTUAL MARKET INFORMATION

Supply and Capacity

Doncaster has 44 care homes for 65+ residents based over the four geographic areas.

Provision of care home beds is available in all four localities. There is a surplus of supply in the East locality and a cluster of homes in areas within the South.

However, there is a reduced capacity within the North area of the city and both North and Central localities only have one home in each area providing nursing care. The availability of nursing care, particularly to support people with dementia, is a concern across the city. A map of the current provision is below:



In December 2024, 64% of the care home market within Doncaster have higher or equal occupancy to that of May 2019 in comparison to only 48% in January 2022. This demonstrates some recovery of the occupancy across the care home market following the pandemic. Overall occupancy for the care homes currently stands at 85.1% with a vacancy rate of 14.9% as at January 2025.

Quality of Provision

The current ratings published in December 2024 for Older People Care Homes within Doncaster demonstrate a largely positive picture, with Doncaster comparing well to national and regional comparators with no care home in Doncaster assessed as Inadequate by CQC. 82% of all registered care homes in Doncaster are rated Good or Outstanding, 16% are rated Requires Improvement with 2% awaiting inspection and rating.

Over the last 3 years, there have been 2 home closures within Doncaster, one was due to quality concerns and one was due to financial viability. There have been two other home closures but these were in direct relation to new builds by this provider. The map above indicates 5 home closures, however, 1 of these was prior to the time period stated.

Three care homes have stopped providing nursing care; however, they have retained their nursing registration at the current time.