

Appendix 1 – Conditions for Ongoing Receipt of Funding

<p>Condition 1</p>	<p>Submit cost of care exercises for 65+ care homes and 18+ domiciliary care. Exercises will need to accurately reflect local costs such as staff pay and travel time. They will also need to provide and evidence an appropriate return on capital in care homes and return on operations in both care homes and domiciliary care.</p>	<p>Part 1: a cost of care report explaining: how the cost of care exercises were carried out; how providers were engaged; the lower quartile, median and upper quartile for costs collected; how the resulting cost of care for the local area has been determined, including the approach taken for return on capital and return on operations.</p> <p>Separate reports should be produced for 65+ care homes and 18+ domiciliary care due to their very different cost bases.</p> <p>Local Authorities are also required to publish these reports on their GOV.UK website.</p> <p>Part 2: a fully completed cost of care data table - Local Authorities are required to provide a breakdown of the median operating cost for providers in the local area (from those who participated in the survey) for each of the cost lines, plus lines for return on operations and return on capital.</p>
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<p>Condition 2</p>	<p>Submit a provisional market sustainability plan. Using the cost of care exercise as a key input, this plan will assess the impact current fee rates are having on the market and the potential future risks, particularly in the context of adult social care reform and with consideration given to the further commencement of section 18(3) of the Care Act 2014 (which is currently in force only for domiciliary care). It will outline mitigating actions, including the pace at which the LA intends to move towards the fair cost of care (where it is not being paid already) between 2022 to 2025, in order to ensure improved market sustainability.</p> <p>We expect a final market sustainability plan, outlining how funds will be spent in line with key actions set out, in February 2023, after local government budgets have been finalised for 2023 to 2024</p>	<p>A provisional market sustainability plan, which should not exceed 5 pages and is required to cover: Section 1: assessment of the current sustainability of the care market for 65+ care homes and 18+ domiciliary care; Section 2: quantification of the expected impact of market changes over the next 3 years, including changes due to the introduction of charging reforms for each of the service markets; Section 3: plans for each service market to address the sustainability issues identified.</p> <p>A final market sustainability plan, which sets out how the Local Authority will move towards the fair cost of care calculated in their exercise as part of their 2023 to 2024 budget setting process, is to be submitted in February 2023.</p> <p>Local Authorities are also required to publish the final market sustainability plan (with commercially sensitive information redacted) on their GOV.UK website.</p>
<p>Condition 3</p>	<p>Submit a spend return detailing how funding allocated for 2022 to 2023 is being spent in line with the stated purpose.</p>	<p>A full breakdown of how funding has been allocated to support 65+ care home and 18+ domiciliary care markets (including domiciliary care providers who operate in extra care settings). This must specify whether, and how much funding, has been used for implementation activities and how much funding has been allocated towards fee increases beyond pressures funded by the Local Government Finance Settlement 2022 to 2023.</p> <p>The reporting requirements for the spend return can be met using the data return template (see Annex A, Section 5).</p>

