

Covering note

We have amended the template for the final market sustainability plans to reflect the delay to charging reform.

We have made minor changes to the template to limit the amendments local authorities will have to make to your draft plans. To allow local authorities to amend your market sustainability plans, we have extended the deadline for submission to 27 March 2023. The submission portal will be open from 18 January to 27 March 2023. Local authorities are also required to publish your final plans on your websites by 27 March 2023.

Final market sustainability plans provide local authorities with an opportunity to signal their assessment of current market sustainability and intended direction of travel to your local markets and public. These should support other existing documents such as market positioning statements and joint strategic needs assessments.

Changes to Section 1:

Section 1 asks for a revised assessment of the current sustainability of local care markets. Building on the provisional plan, you should also draw on additional factors to provide the department with an updated picture of your current market sustainability. These considerations should now include the impact of current inflationary pressures (including national living wage increases) and how delays to charging reform have impacted your ability to manage current pressures on market sustainability.

Changes to Section 2:

In light of the delay to charging reform, section 2 has been revised to ask for an assessment of the impact of future market changes between now and October 2025, for each of the service markets, considering that charging reform is no longer planned for October 2023.

Changes to Section 3:

In section 3, local authorities should include a summary of how fair cost of care funding has been committed. We have also given examples of other elements local authorities may wish to consider in setting out further actions to support market sustainability in adult social care.

For ease, all revisions have been made **in red** on the new template.

Throughout final plans, local authorities should draw on cost of care reports and reflect on your approach to cost of care exercises, including any subsequent provider engagement, perspectives on the validity of results, and plans for use of cost of care exercises to set sustainable fees going forwards.

Annex C: final market sustainability plan template

Please delete the guidance text in the template before completing.

Section 1: Revised assessment of the current sustainability of local care markets
a) Assessment of current sustainability of the 65+ care home market
<p>In this section you should set out your local authority's revised assessment of the current sustainability of the 65+ care home market and 18+ domiciliary care market. This assessment should draw on a range of information (for example, cost information, trend information, provider feedback), and consider the market indicators below, to give a comprehensive view and representative picture of the current situation.</p> <ul style="list-style-type: none">• Whether there is sufficiency of supply to ensure continuity of care (for example, are there some geographical areas where there are concerns regarding capacity, or over reliance on a small number of providers).• The levels of diversity in the market (both in type of services as well as types/sizes of providers), and current use of technology and innovation to improve choice and quality of care.• The quality of current services and whether there are concerns about quality in particular areas.• Current fee rates paid and if there is an underpayment and how services are currently commissioned.• Whether the current market conditions support development of the workforce, whether there are recruitment challenges such as high level of staff vacancies or staff turnover rates.• The impact of current inflationary pressures on stability and sustainability of the market, including the potential impact of National Living Wage (NLW) increases in April 2023 on provider stability.• How delays to charging reform have impacted your ability to manage current pressures to market sustainability.
b) Assessment of current sustainability of the 18+ domiciliary care market
[As above but for the 18+ domiciliary care market]
Section 2: Assessment of the impact of future market changes between now and October 2025 , for each of the service markets
<p>In this section you should set out your local authority's understanding of the anticipated market changes that will or are likely to occur between now and October 2025, including quantification of the expected impact of these changes on the local market (for both 65+ care homes and 18+ domiciliary care).</p>
Section 3: Plans for each market to address sustainability issues, including fee rate issues, where identified.
<p>Note: As part of these plans local authorities should also demonstrate how they complement other strategic documents, such as, but not limited to their Market Position Statements and demonstrate how they have worked with local providers to develop the plans in this section.</p>

(a) 65+ care homes market

In this section your local authority should set out your plan over the next 3 years to address the market sustainability issues set out above for the 65+ care homes market. Your plans should include:

- How your local authority has prioritised funding based on the cost of care exercises conducted in your local areas and taking into account the impact of fee rates on the market sustainability issues identified. **The final plan is required to include a summary of how 2022 to 2023 funding has been committed and plans to maintain stability over subsequent years.**
- **Local authorities may also want to outline any further actions to improve market sustainability, which may include actions to improve capacity and waiting lists/times, supporting discharge, and workforce conditions, expanding use of technology and innovative models of care.**

(b) 18+ domiciliary care market

[As above but for the 18+ domiciliary care market]