NORTH YORKSHIRE COUNCIL

Care Market Overview

Overview and Scrutiny

18 July 2025

Full and most up to date document, including data tables is available on the Council's website at Market Position Statement and Strategic Market Development Plan | North Yorkshire Council





The North Yorkshire Care Market

Market Challenges

Increases in demand and cost of care being driven by:

- Ageing population
- Size and rurality of the County
- High proportion of self- funders
- Workforce recruitment and retention
- Ageing workforce – almost one third are aged 55 or over
- Over supply of home care
- Increasing complexity and acuity of need
- High property and land prices
- Staffing related costs increasing

Community Based Support (Day Services)

Supply

- 102 providers on the Approved Provider List, 97 of which are actively delivering employment skills; day opportunities and day care. Most providers are relatively small VCSE organisations
- Market dominated by 17 providers that collectively deliver 65% of our Community Based Support hours
- Diverse range of services including a blacksmith's forge, a fully functioning welding workshop, horticulture, working farms, chocolate factories and a training flat to practice independent living skills.
- Average rates per hour are £12.23 (low); £14.01 (medium); £20.87 (high)
- Most providers have capacity to accept new referrals
- Capacity is more limited in the Harrogate/Knaresborough area

Demand

- 10,500 hours of care commissioned per week
- Majority of support is for people with learning disabilities. Smaller numbers of older people, people experiencing mental ill health and those with physical and/or sensory disabilities
- Demand for services has remained relatively static
- Many people remain in the same service for several years
- Many people pay for a day service via a Direct Payment – these hours are not reflected in the figures here

Risks

- Several providers are reporting issues with financial sustainability stemming from lack of guaranteed referrals
- Travel can be a significant barrier to accessing community-based support and costs can be very high
- Variable outcomes from employment skills services – we want to grow progression to full-time employment and/or volunteering in the wider community

Home Based Support

Supply

- 218 providers on the Approved Provider List – 174 of which are delivering at least one package of care.
- Mixed economy of large national organisations, local franchises, and SMEs
- 30% of hours delivered by just 10 providers
- Rates range from £18.68-£44.95 per hour. Average rate is approx. £26.00 per hour (65+)
- Highly competitive market – average rates have reduced over recent months

Demand

- Over 26,028 hours of home care delivered to people over 65 per week (excludes Supported Living)
- Amount of care purchased per person is increasing due to population change and focus on 'home first'
- Low levels of unsourced packages of care –averaging fewer than 5 people at any given point in time

Risks

- Oversupply– too many providers with not enough work to go around
- Some packages being handed back/quality issues
- Some established providers being priced out of the market
- Heavy reliance on a sponsored workforce is not always a sustainable workforce model

Care Homes for Older People (65+)

Supply

- Approx. 150 older people's care homes on the Approved Provider List that are within North Yorkshire. 160 out of county
- 47% of older people's care homes accept Actual Cost of Care for at least one type of bed
- Half of care homes are medium size (10 to 60 beds); 25% small (less than 10 beds) and 25% large (60 plus beds).
- Highest concentration of homes in Harrogate and Scarborough
- Average cost for all residential care ranges from £1123 in Hambleton and Richmondshire to £1350 in Harrogate
- Average cost for all nursing care ranges from £1,222 in Craven to £1486 in Scarborough Whitby
- Average cost of 'specialist' older people's residential and nursing care across the county is £1961; £1785 for residential and £2019 for nursing

Demand

- Over 2590 care home placements (end of May 2025). 56% permanent placements are for dementia
- Steady increase in number of care home placements since October 2023, but downward trend since October 2024
- Average of between 80 and 85% occupancy across all types of care home bed– but variation between localities/type of home
- Demand for general residential care is reducing – providers offering reduced rates when they have vacancies
- Increasing demand for care homes that are capable of supporting people with moderate and advanced dementia/advanced frailty
- Admittable vacancies in the market often cannot support people with moderate and advanced dementia/advanced frailty

Risks

- Some established care homes do not have the appropriate building layout/accessibility or skilled workforce to support people with more complex needs – leads to increased requests for 1 to 1
- Impact of self-funder market
- Sourcing affordable dementia care can be challenging, particularly in Scarborough and Harrogate

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Specialist and Complex Care for Adults with multiple and profound disabilities, and mental health conditions

- Difficult to extract data that relates specifically to people who require specialist care and support.

Supply & Demand

- In a recent audit (Oct 2024) of 231 placements for 18–64-year-olds, 45% of placements were with out of county providers.
- Require more services that can provide highly personalised support, with a multi-disciplinary, highly skilled workforce and a physical environment that is safe and promotes good outcomes
- Lack of 'dual registered' services that can support young people who are moving into adult services.
- Some people would prefer to live in their own home and want to take part in community activities instead of going to day services
- Limited options for people whose care has broken down following a period of distress. Often reliant on in-house short breaks service.

Risks

- The cost of 'specialist care' is increasing considerably – these are our highest cost services
- Many providers requesting high levels of restrictive one to one care to manage risk – significant cost pressure and not always in persons best interest
- Limited competition driving up costs for all local authorities
- Demand for these services is forecast to grow

Market development projects to further develop the market

Increasing Need & Complexity

Specialist Care (multiple & profound disabilities/MH)

- New approach to commissioning specialist care to improve the choice and quality of services that deliver highly personalised support for people with the highest level of need
- Increased opportunities for people living with complexities to live an independent life

Older People's Care Homes

- New approach to commissioning residential/nursing care to improve the choice and quality of care homes that can support people with advanced dementia and frailty without the need for 1 to 1
- Commissioning intermediate care beds with clinical input from community health services and GPs
- Work with ICBs to develop a consistent approach to supporting care homes to keep people safe and well

Home Care

- Trialling working with a smaller number of trusted providers as part of an alliance in defined localities – starting with Whitby
- Commissioning a Live in Care framework to improve choice of home-based support as a viable alternative to long or short-term residential care
- Reviewing Bridging Service and considering options for independent and VCSE sectors to support delivery of home-based intermediate care

Community and Asset-Based Support

- Pilot new commissioning approaches for Community based support to offer more flexible, personalised approaches and improve sustainability
- Pilot asset-based delivery models to prevent, reduce, delay social care need (e.g. Nidderdale and Washburn Valley Service Navigator Project)
- Preventative model working with community anchor organisations
- Increase the number of direct payments and individual service funds

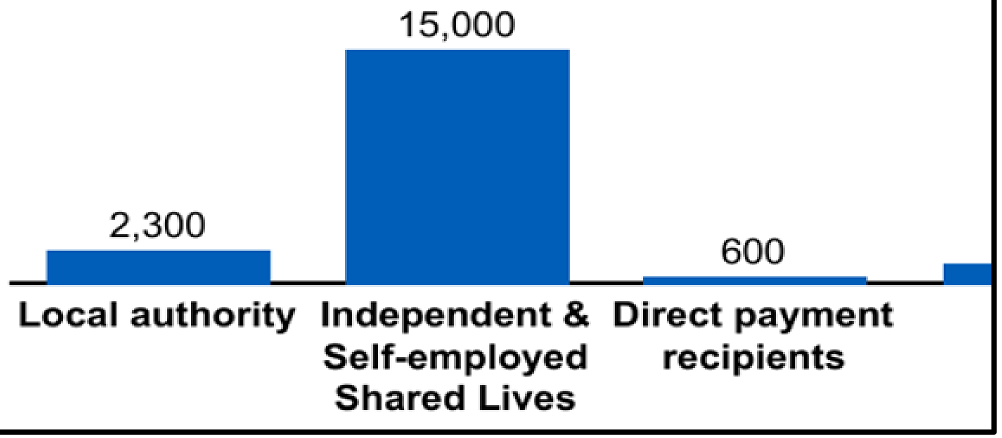
What do we want to achieve?

- ✓ Better outcomes/lived experience for people and families
- ✓ Better use of community assets to prevent, reduce and delay social care needs
- ✓ Stable home care market, with a smaller number of trusted, high-quality providers
- ✓ Reduced reliance on 'regulated' home care services
- ✓ More people supported to remain living in their own home and be connected to their community
- ✓ More local services that have the right staffing levels, workforce capabilities and environments to support people with complex needs
- ✓ Costs managed/stabilised

Care Market Workforce

Skills for Care WDS – North Yorkshire Independent Care Market Workforce

Filled posts by sector



14,000 employees

defined as workers employed on permanent and temporary contracts

14%

of workers were employed on a **zero-hours contracts**

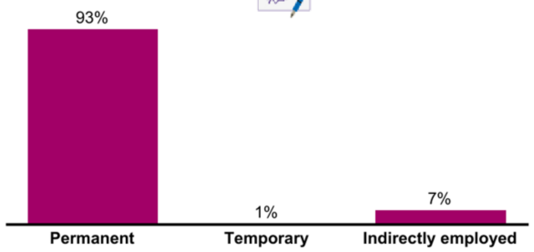
(or 2,100 filled posts)

11,500 Full-time equivalent (FTE) filled posts

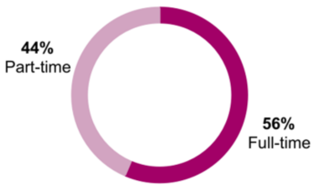
This is a ratio of **0.77**

Employment status

Indirectly employed includes workers on a bank, pool or agency contract



Working time



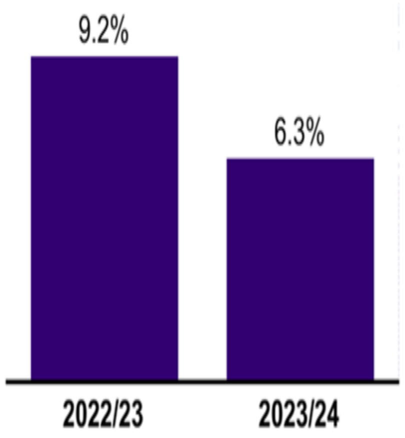
The turnover rate was **26.8%** (or 3,700 leavers)

6.3% vacancy rate (950 vacant posts)

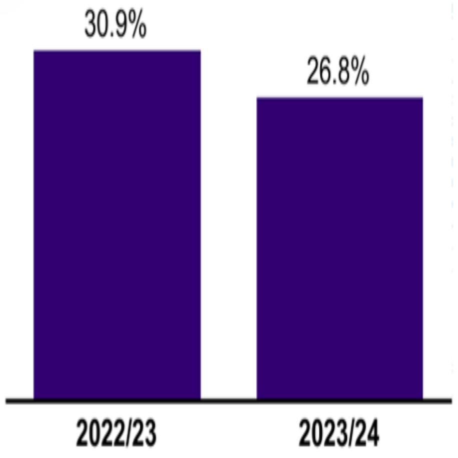
4.3 The average number of sickness days

53% of recruitment is from within adult social care

Vacancy trend

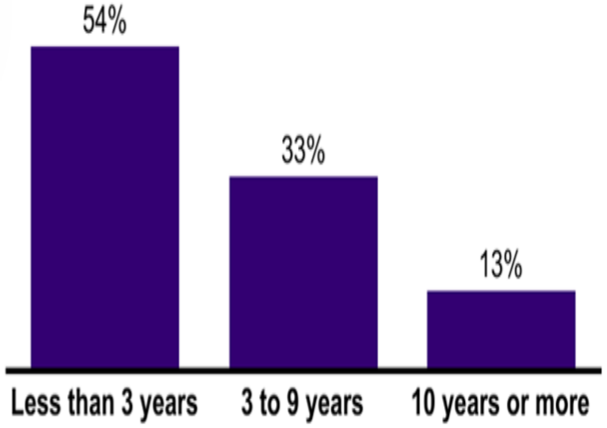


Turnover trend

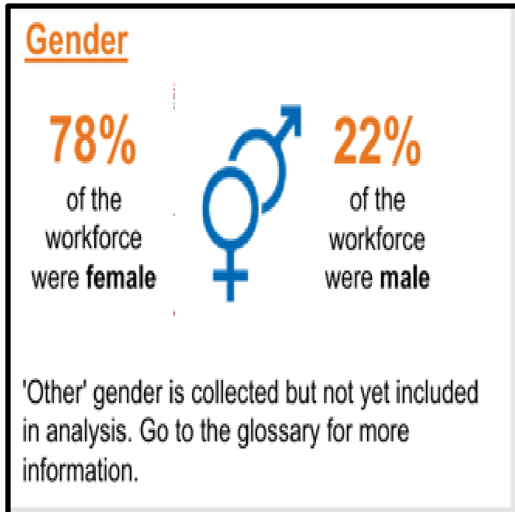


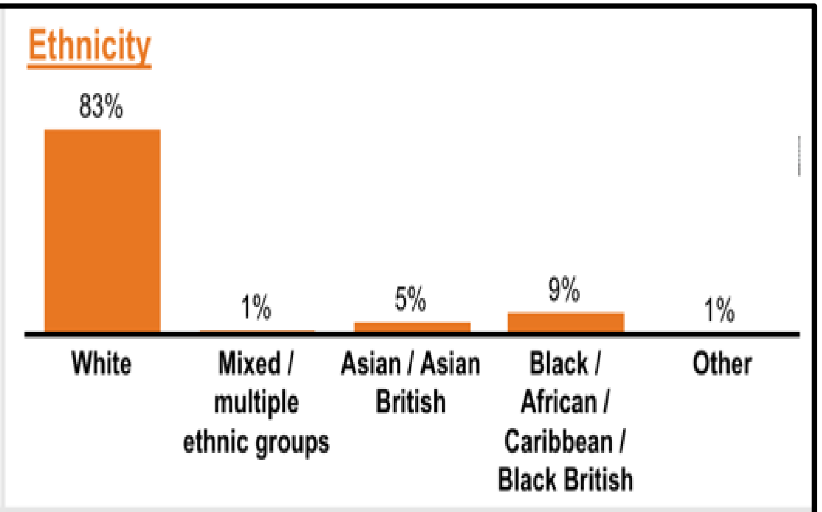
Experience in role

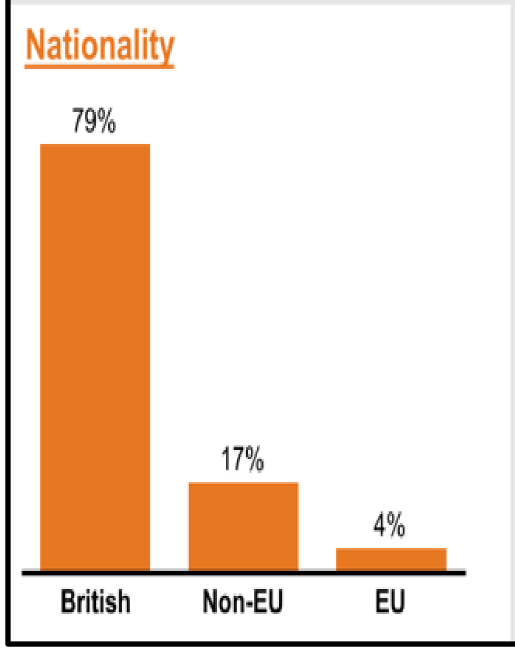
4.6 average years of experience in the role

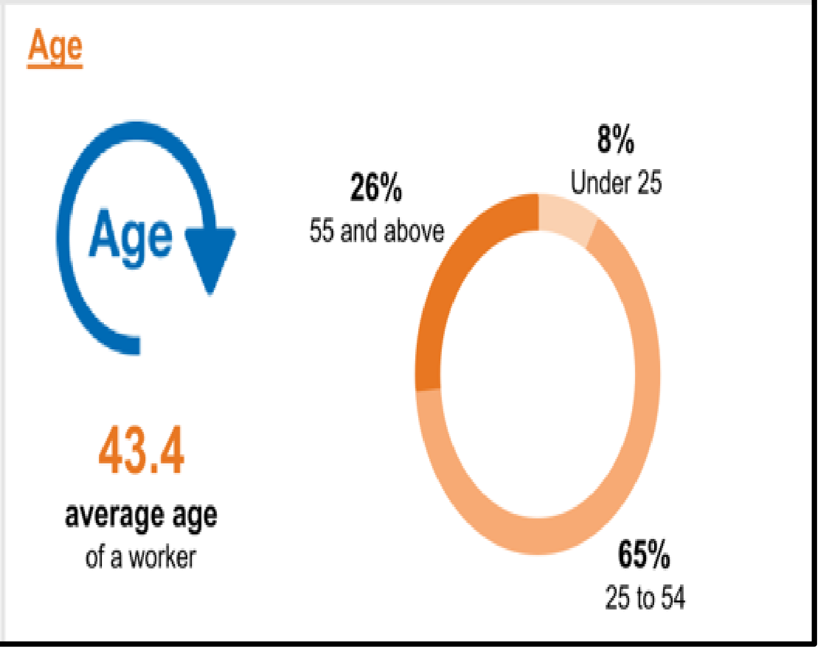


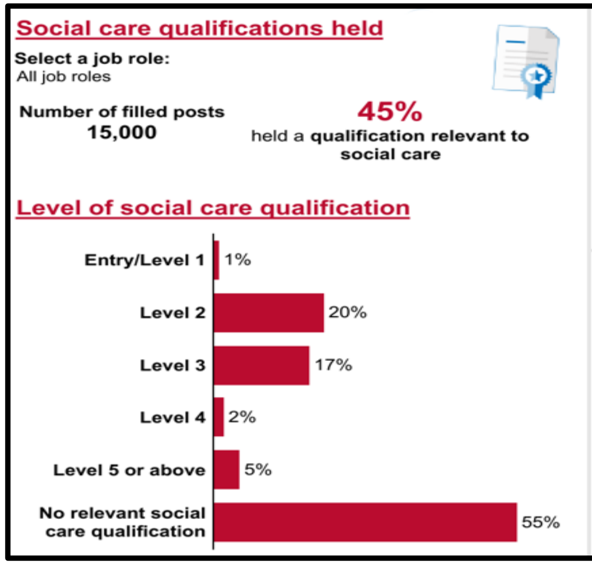
Skills for Care WDS – North Yorkshire Independent Care Market Workforce

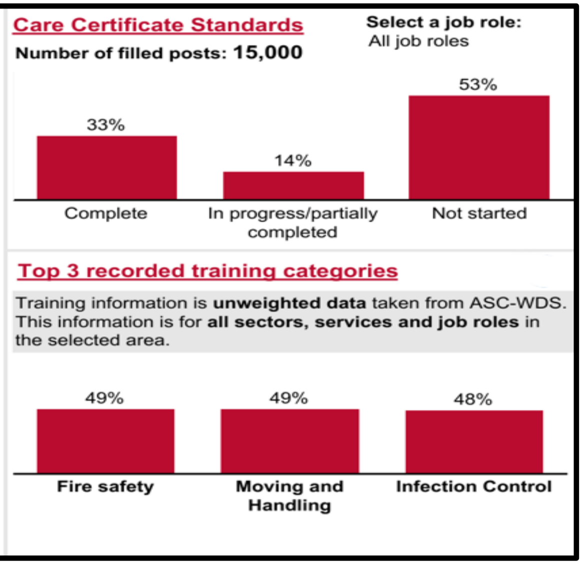


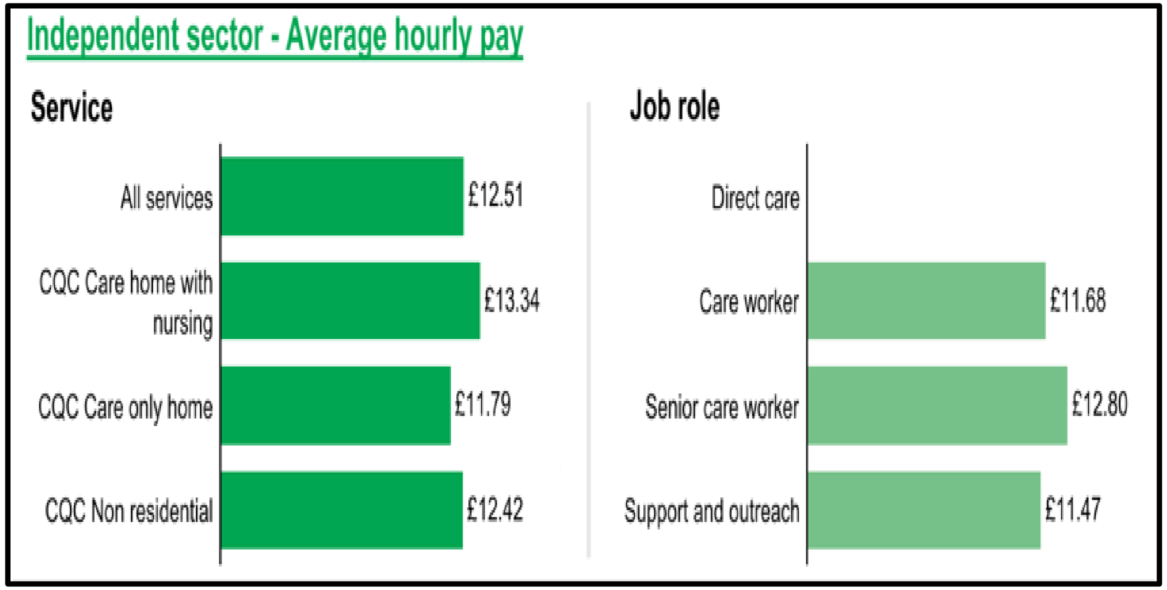












Fair Pay Agreement – what we know so far

Part of overall new deal for working people – "make work pay"

Part of wider Employment Rights Bill

Fair Pay Agreement will be achieved through collective bargaining between employer and worker representatives – tied to a much broader suite of policies and to set minimum pay and other terms and conditions for workers in adult social care

Complimented by rights for trade unions to access social care workplaces

The bill does not stipulate how negotiations will be run or who is in scope. Currently in the engagement and consultation phase with consultation to be held in Autumn this year. FPA working group already operating – having quarterly meetings, NYC involvement.

Fair Work Agency to be created to check compliance (April 26)

Regulations to establish the Fair Pay Agreement Adult Social Care Negotiating Body (October 2026)

A number of unanswered questions at this stage – funding, ensuring engagement is wide ranging, local market conditions, adequate market representation, impact on costs, timelines against other cost impacts, care worker pathway and pay differentials for higher level roles, effects on benefit caps.

Market Workforce Overview – Capacity Tracker – Q1

13298 directly employed workers across North Yorkshire

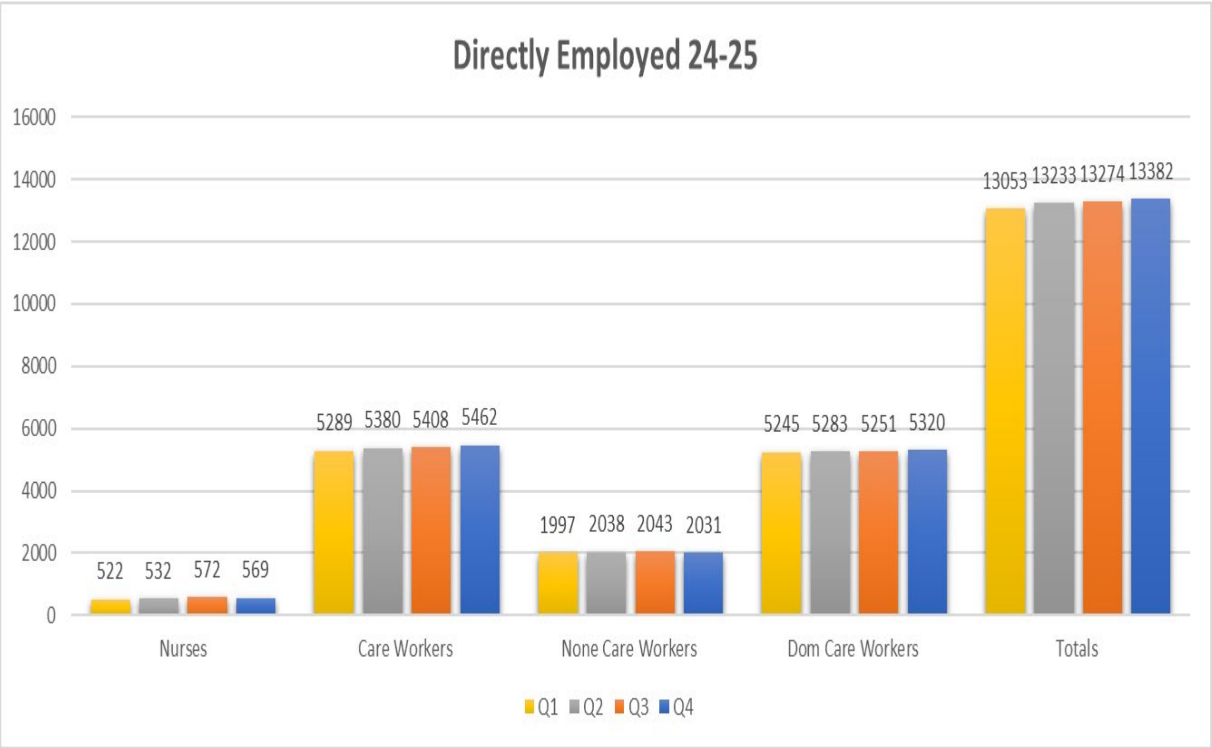
Residential Care Providers (197) report 7928 total employees. 524 registered nurses, 5400 care providing staff & 1965 none care providing staff

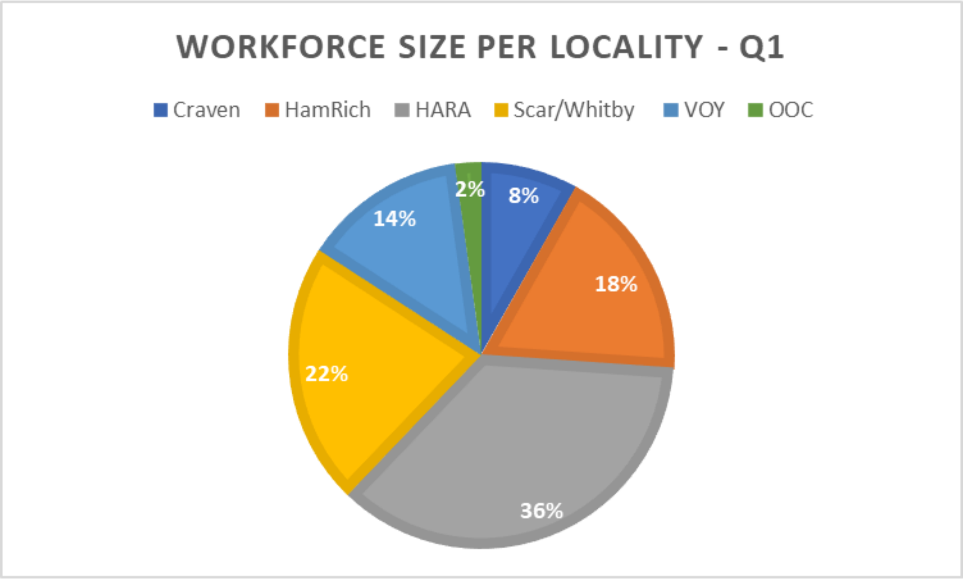
Domiciliary Care Providers (163) report 5370 employees

98 Residential Care Providers report holding a sponsorship licence with 50 registered nurses & 533 care workers employed. *Of these 98, the majority have less than 25% of their workforce employed on sponsorship.* * *(we consider this may be underreported and are working on triangulating with other sources)*

62 Domiciliary Care Providers report holding a sponsorship licence with 740 workers reported as working under a skilled worker visa. Again, the vast majority report less than 25% of their workforce is employed on sponsorship. * *(we consider this underreported and are working on triangulating with other sources)*

The majority of the care market workforce are based in HARA (36%), followed by Scar/Whitby (22%), VOY (14%), HamRich (18%) VOY (14%), Craven (8%) with OOC reports taking up 2% of the current workforce breakdown





Care Market Workforce Action Plan – supporting the sector

- Understand the market workforce
- Engagement
- Recruitment
- Retention/Reward/Wellbeing
- Develop and inspire
- Transform and innovate
- Collaborate

Key Achievements

- Integration into the sector and wider system partnerships
- Development of action plan to support the workforce
- Establishment of workforce data set and market workforce metrics by locality
- Data working group – partnership with other authorities and NECS
- International recruitment Board
- Developed 2 x free ESOL courses with ALS to support the sector
- LSIF inclusion
- Registered Manager Legacy Mentor programme
- Regional Summit
- Supporting internal market development workstreams
- Workforce support to providers/quality team
- Provider workforce updates/engagement

Coming soon

- Development of partnership with schools and colleges
- Development of workforce provider web pages
- Fair Pay Agreement
- Focus on PA workforce development
- Increased data – vacancies and IR as proportion of workforce and early intervention for quality assurance
- Roll out of RESPECT programme and toolkit to the sector

Immigration and International Recruitment Update

- Restoring control over the Immigration System – government white paper
- Reducing net migration and reforming immigration policies
- Impacts for Adult Social Care
- Key dates
- Yorkshire and Humber IR project status
- Key messages
- Work to date and in the future – provider & worker support