

Care and Independence Overview and Scrutiny Committee

Adult Social Care Financial Pressures

27 January 2026

Today

- Key cost pressures and actions to address
- Looking to the future: prevention

Key cost pressures and actions to address

HAS Budget

- Adult Social Care
- Public Health

| | 2025/26 |
|--------------------------|------------|
| | £m |
| Net Directorate Budget | 265 |
| Public Health | 26 |
| Other income and grants | 129 |
| Directorate Gross Budget | <u>420</u> |

- The Q2 forecast showed that the Directorate is expected to overspend by £2.5m, although there is a significant risk that the impact of winter flu could increase this. Some of the key pressures behind the figures are set out in more detail in the following slides, including:

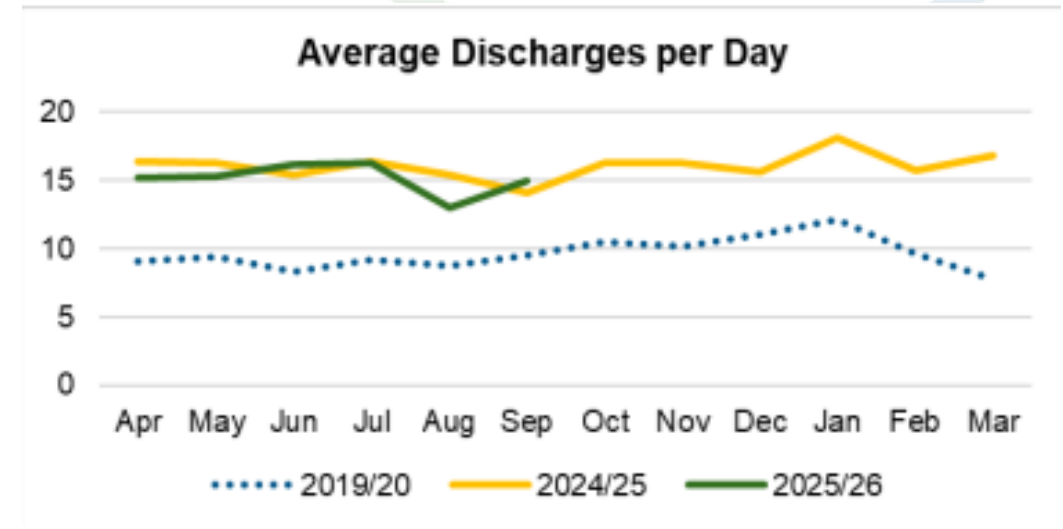
Hospital Discharge

Average Costs

Demand

Hospital Discharge

- One of the legacies of the Pandemic is the continued pressure in social care as a result of increased hospital discharges. These are much higher than pre-pandemic levels.
- Hospital discharge activity averaged 16.3 discharges per day in Q2 compared with 15.4 last year and 14.1 the year before.
- During the Quarter there were 38 days where discharges exceeded 20 per day, compared with 35 days for the same period in 2024/25



Short Stay Residential Care

- The increase in hospital discharges has contributed to an increased use and associated spending on the provision of short-stay beds. In addition, there has been an increase in the use of short-stay beds to support step-up care from the community.
- We have been using a mixture of in-house NYC Care Provider Services beds and both block and spot purchased beds in the wider care market.
- Alongside the increasing spend, we have identified that lengths of stay and outcomes for people are better in our in-house provision and blocked booked beds due to the additional therapy arrangements.
- The use of step-up beds from community is often linked to housing issues, we are working with housing colleagues on developing a more co-ordinated approach
- Spend on these beds was increasing in the first half of 2025/26 - Gross spend in 2023/34 was £17.5m, 2024/25 it was £15.1m and at Q2 the forecast 2025/26 was £17.1m.

Short Stay – Actions

A comprehensive three-year action plan to reduce use of short-term beds and average length of stay is in place. This will enable us to meet MTFS savings.

This plan includes:-

- A review of all current short stay beds
- The implementation of a standardised choice on discharge policy
- An audit of the use of beds in across localities
- The implementation of a winter 20205/26 plan to limit the use of short-term beds – historically the use of beds has increased over the winter months due to increased demand for hospital discharges.
- The joint funding (with the ICB) of additional beds (predominantly in house for winter 2025/26)

Short Stay - progress

The table and chart shows the plan we have agreed to enable us to meet our MFTS savings along with a trajectory of number of beds and the progress to date (red line).

| Metric | Baseline 1 st October 2025 | By 1 st April 2026 (winter plan) | By 1 st April 2027 | By 1 st April 2028 (MTFS achieved) |
|------------------------|---------------------------------------|---|-------------------------------|---|
| Average LOS | 18.6 weeks | 14 weeks | 10 weeks | 6 weeks |
| Number of beds | 328 | 243 | 215 | 157 |
| Revised Savings target | | £1m | £2.5m | £1.5m |

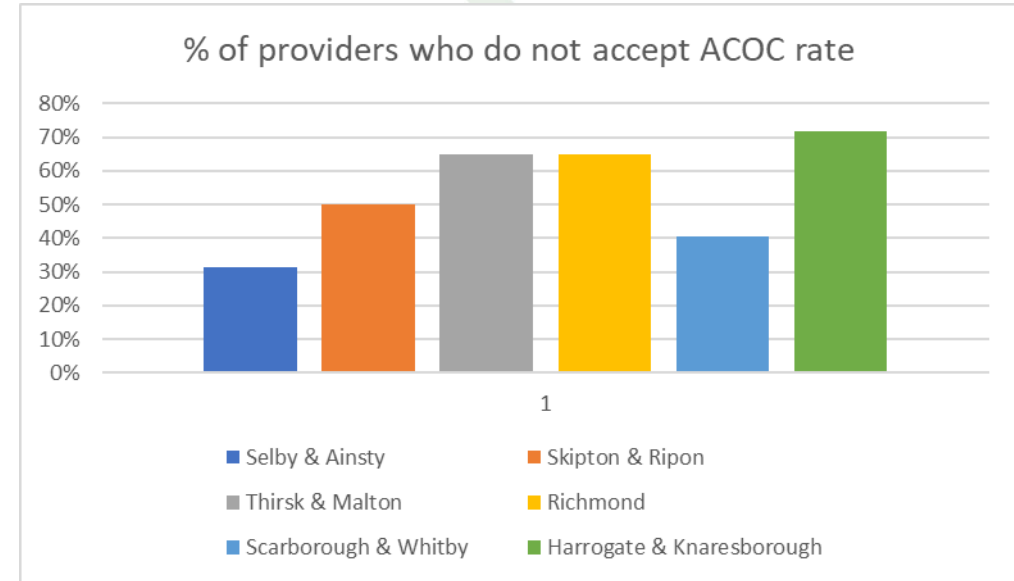
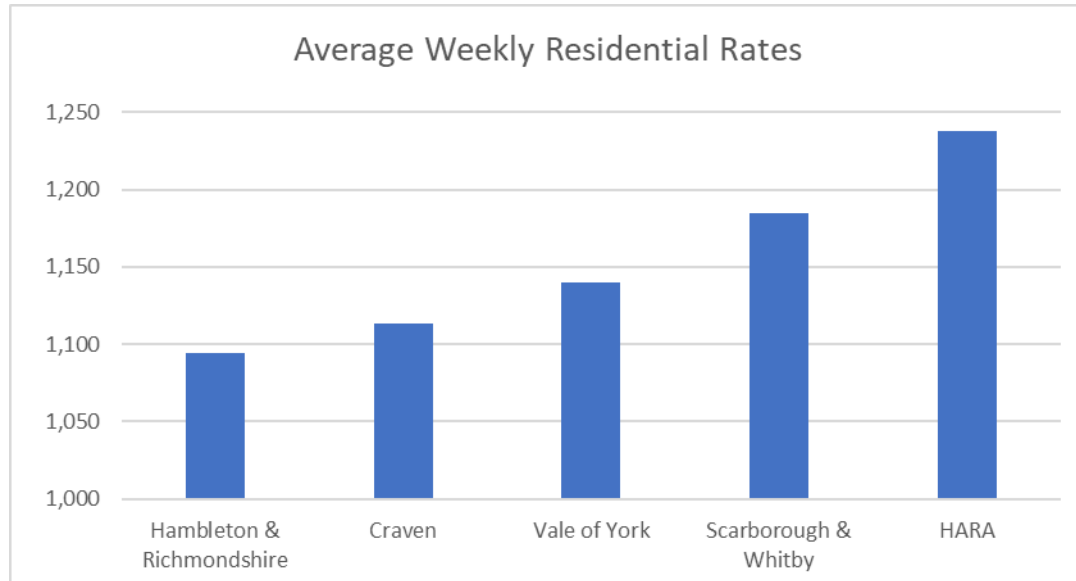


Residential and Nursing – Average Costs

- The average cost of a care home placement for someone aged 65+ increased to £1,169 per week at the end of Q2, up by £46 per week compared with 2024/25 (+4%).
- There are 4 countywide (Actual Cost of Care) approved rates:
 - Residential: £945
 - Residential with Dementia: £994
 - Nursing: £1,050
 - Nursing with Dementia: £1,057
- Actual rates we pay vary from an average in Hambleton and Richmondshire of £1,094 to £1,238 in Harrogate*
- Proposals for Care and Support hubs are progressing well, and these will help to address market sufficiency risks around specialist dementia and intermediate care

** From 5 January 2026, the 5 locality management areas will become 4 (Towns, Coast, Dales and Moors), but figures in this report are based on those previous areas and/or on Area Constituency boundaries*

Residential and Nursing – Average Costs



Actions: Cost of Care

- Negotiation discussions between brokerage and care providers when sourcing residential and nursing care, balancing the persons need with quality and value for money
- Implementation of e-brokerage is underway
- Commenced planning for the procurement of the Approved Provider Lists, considering the cost of care

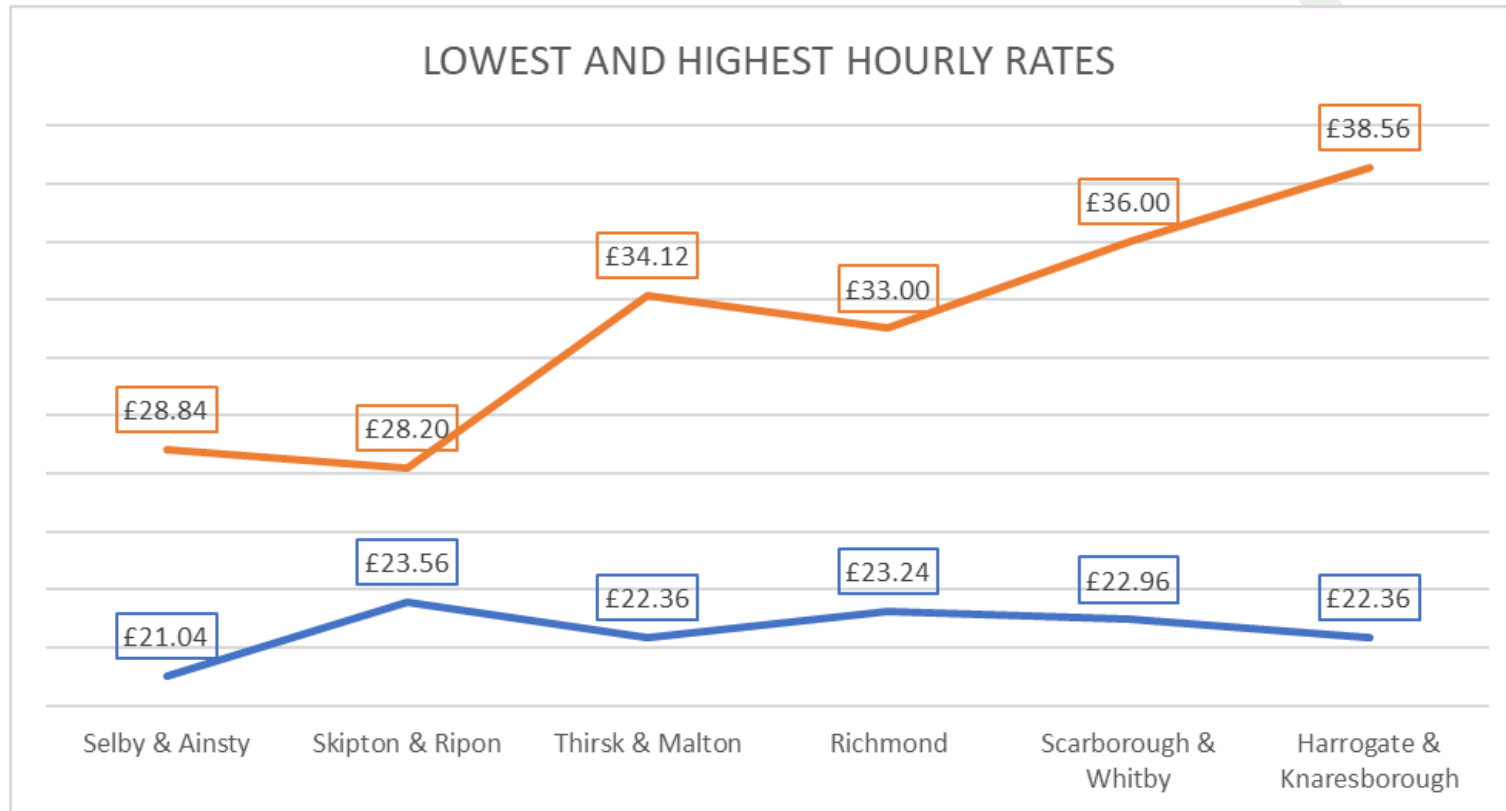
Residential and nursing care – demand management actions

- Reducing Short Stay residential care – also note this is an MTFs saving
- Further expansion of Extra Care, with developments in progress for Whitby, Malton, Harrogate, Gargrave and Bedale
- Enhancing the prevention offer - Prevention Plus model in its development to build on the success of Living Well and developing Community Anchor organisations
- Continue to drive improvements in the long waiting times for referrals and assessments
- Embed the impact of increased resource, following the Adult Social Care restructure, to the Prevention and Access Team at the front door and Intermediate Care, to strengthen the short-term intervention offer and create more capacity in the long-term care and support teams

Home Care: Costs

- In 2023, according to DHSC figures, on average we paid 22% above the average rate for England
- In 2025 that figure has dropped to 4%.
- Partly this is due to better prices obtained from providers who are using more of an overseas workforce, although this is risky
- The extra cost in North Yorkshire is in part due to a rural premium that we have to pay. We have calculated that key ASC workers in the county spend 45 minutes on average as “downtime” – for each visit in rural areas. This compares with 20 minutes in urban areas. This is reflected in the rates we charge where costs in super-rural areas can add £5 to the hourly rate (more than £8m overall)
- Home-Based Care demand remains at similar levels to those in April 2024. The average rate in England is £25.05 compared with £26.00 in North Yorkshire

Home Care: Costs



Actions: Cost of Care

- E-brokerage implementation complete
- Pilot in Whitby testing new model of commissioning home care with an alliance of care providers
- Expanding the use of direct payments and introducing Individual Service Funds

Home care – demand management actions

- Expanding the use of direct payments and introducing Individual Service Funds
- Pilot in Whitby testing new model of commissioning home care with an alliance of care providers
- E-brokerage implementation complete
- Enhancing the prevention offer - Prevention Plus model
- Embed the impact of increased resource, following the Adult Social Care restructure, to the Prevention and Access Team at the front door and Intermediate Care
- Introduction of OT Assistants which has seen a reduction in the number of people waiting for OT assessments at home

Managing Demand – supporting people under the age of 75

- Dedicated team established to conduct reviews of people in supported living to ensure their levels of care are sufficient and strength based
- 140 new supported living units in the pipeline, reducing the demand for more restrictive and expensive residential care
- Preparation for Adulthood team established as part of the restructure to allow for more joined up working with Children's Services, introducing an enabling and preventative approach to young people with earlier identification of potential specialist housing or service requirements, there will be a key focus on the use of Direct Payments and Individual Service Funds in the first instance.

Financial Action Plans

- Continuing Healthcare income plan – ensuring that NHS pays appropriately
- Hospital discharge review with ICB
- Managing Demand Plan
- Social Care Practice Plan
- Market Development and Market Sufficiency (e.g. Care and Support Hubs, Extra Care, Supported Housing) and managing contracts. What we pay for care is still too high but there has been some progress (e.g. on home care hourly rate which is now 4% above average national rates compared with 20% two years ago)

Potential future cost pressures

- “Premium” of delivering services in rural area versus Fair Funding allocations
- Immigration policy changes – impact on wider care sector workforce
- Fair Pay Agreements
- Employment Rights Act
- NHS change: pace, impact, cost
- Longer-term trends around home ownership
- Waiting for the outcome of the Casey Commission



Looking to the future: prevention

Prevention

- Prevention Plus
- Next generation of extra care
- Housing for younger adults
- Enablement for younger adults
- Self-funder support
- Community Equipment and Technologh-Enabled Care re-design
- Working with the NHS: *Brazil meets Selby and beyond*

Prevention Plus - proposed model

- The **next stage of our prevention work** across NYC (sits alongside other prevention work with working age adults, young people moving into adulthood, etc)
- **Builds on the strengths** in Community Anchors, Localities and HAS
- **Community caseworker model** with access to embedded statutory staff
- Proposals to be brought to Executive for consideration: **Community Anchor pilots**, with options for NHS funding
- Will be **co-produced** with Community Anchors

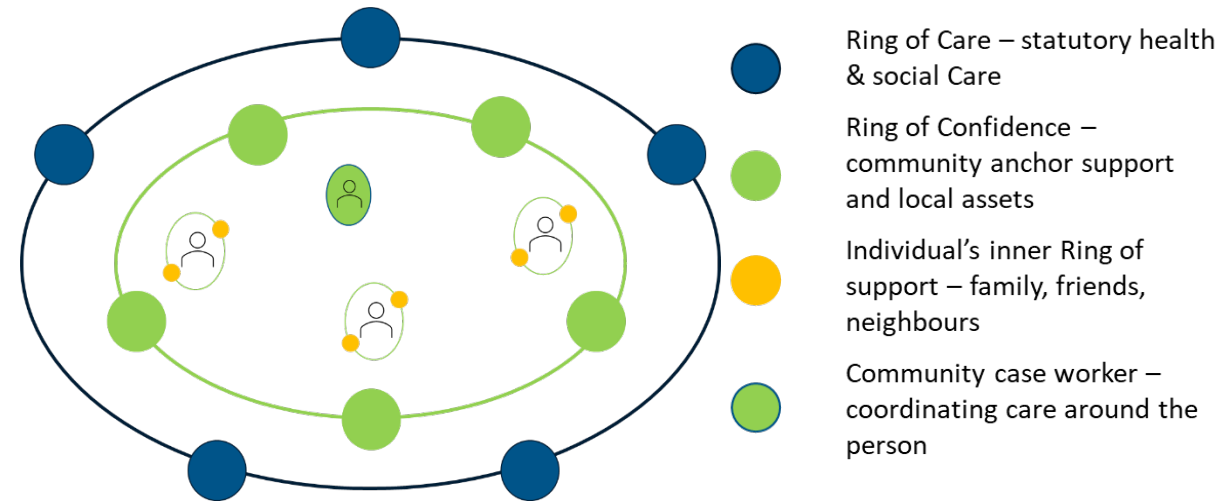


Diagram based on Healthy Villages , Complete Care Model

Prevention Plus – proposed 3 Year Pilot

Statutory Partners

- ASC teams / Living Well
- Mental Health
- GP/Social Prescribers
- Community Diagnostics/Pharmacists
- Housing Teams/RSLs
- Active NY – Leisure
- Childrens Early Help

Community Prevention

- CAOs local intelligence/ services provided by CAO
- Enhanced prevention services
- Specialist services – Carers+, Dementia Forward, Age UK, CAB, North Yorkshire Sport etc

