

Annex C: Dudley Market Sustainability Plan

Section 1: Assessment of the current sustainability of local care markets

a) Assessment of current sustainability of the 65+ care home market

Dudley has a population of approximately 323,500, one in 5 people are over the age of 65 which is higher than the England average of one in six. Dudley has borders with 5 other authorities. Markets are competitive across the Black Country and the workforce may shift according to change and decisions in other areas; actions in one authority may impact the market in another.

Dudley MBC and health partners have a common goal to promote independence, reduce dependency and support more people to remain living in their own homes for as long as possible with appropriate support.

It is recognised that there is a need for high quality care when people's needs are such that they are unable to continue living in their own home, though there are a few extra care facilities these are at maximum capacity, most of the need is therefore currently fulfilled by registered care homes in Dudley.

Dudley has 89 CQC registered care homes of which 54 care homes are delivering residential and nursing care for people aged 65 and over, this excludes the council run home delivering intermediate care. Total beds capacity from these is 1888, 15 of the 54 homes deliver nursing care with a maximum nursing capacity of 664 beds.

The care home market in Dudley is currently operating at 82% occupancy according to the capacity tracker, though actual available beds due to reserved beds and purchasing suspensions relating to quality and safety concerns, mean that occupancy is 88% and available capacity is 12%. Placements are also made to homes in neighbouring authorities.

Since June 2020 there have been 5 care homes closures which has reduced nursing capacity by 132 beds and residential by 39; total of 171 beds lost representing a reduction of 8% in bed capacity for older adults.

All homes that closed were stating they had financial viability issues, and all were buildings that had been adapted to deliver registered care rather than being purpose built. 4 out of the 5 homes that closed had quality and safety issues that the council and CQC were addressing. Average occupancy for the 5 homes that closed was 56% at the time of the closure decision being made. Some residents that were originally placed in residential care at the time of homes closing were reassessed and it was found they needed nursing care.

As people are living longer and living with long term and complex conditions longer, there are more people requiring care and support. Most people are supported to have care at home rather than the traditional focus on residential

care and hospital-based care. The people whose needs are such that they are unable to continue living and receiving support in their home own home, have needs of much higher acuity and more complex conditions than previously supported in residential care. This results in greater responsibilities and higher expectations for the workforce and care homes. Qualified Nurse recruitment and retention is noted to be a significant barrier to delivering quality care and ensuring safe and viable services.

During engagement sessions over recent years the care homes have expressed concern that the fees do not cover their costs, and that this is exacerbated by cost-of-living increases, rising fuel and energy costs, insurance premiums, higher demands, and quality expectations with less resources to meet them.

Care homes workforce is a significant challenge as staff retention is low not only for care staff but also for registered managers and clinical staff.

NHS capacity tracker workforce survey for care homes in September 2021 indicated that the care home workforce challenges had grown, with fewer people applying to work in care homes and more staff looking at leaving the sector for better pay and conditions elsewhere.

Staff turnover rates for Nursing homes in Dudley is 35% and Residential Care homes is 24.4%, staff average experience in the sector is 10years.

(WMADASS nationals Data Hub)

Hospital discharge prescription of Pathway 3 beds when alternative recovery models at home would better meet outcomes is felt to be inefficient use care home resource and capacity, the high use of pathway 3 beds too often results in long term residential care. The commissioning strategic plan is to support people to return to their own homes wherever possible.

Currently the council commissions long term care via spot purchase agreements with care homes. There is currently no block bed arrangement for long term care.

The market is made up of 100% for-profit organisations and categorised by size as below.

Care home type	Small (U25)	Medium (26-59)	Large (60+)
Combined	22	24	7
Nursing	4	8	3
Residential	19 *	16	4

**One dual registered*

Current contract rates and actual fees paid have significant variation. The market has responded over time by increasing third party top ups and or negotiating higher individual fees, this includes increases for self-funders that

may offset lower historic fees. Almost all homes request top up fees. A mental health premium is available, largely used in relation to people with dementia and due to the increased acuity, this is utilised extensively.

The contracts and commissioning model does not currently operate standard and enhanced care rates or bands, the council planned to introduce a new framework in 2020 but plans were interrupted by the Covid Pandemic. A cost of care exercise undertaken in January 2020 and repeated in January 2022 sought to start the process of gaining clearer understanding of all social care providers costs, including the impact of the pandemic, and included care home costs.

The return rate for over 65 care homes was lower than the Fair Cost of Care exercise with only 20% return. Market engagement continues to be a challenge as many care homes are under unprecedented pressures with workforce issues, financial challenges, and increased expectations to deliver care to people with more complex needs. The perception is generally one of disillusionment in the market. The current market has significant sustainability issues and requires significant investment and /or remodelling in the next 2-3 years to achieve greater sustainability and meet changing demand.

b) Assessment of current sustainability of the 18+ domiciliary care market

Dudley MBC has a commissioned framework that includes 34 domiciliary care providers delivering short calls for people aged 18+-though this is predominantly serving people aged 65+. There are a total of 49 domiciliary care registered agencies operating in the Dudley borough, of which 37 deliver short calls, the rest being supported living or shift-based delivery models. The Dudley framework of providers includes agencies that have registered offices in neighbouring authorities.

All agencies except 1 are “for profit” agencies. There are 2 domiciliary care agencies that deliver care in extra care settings one of which is not for profit. The council internal home care service and supported living services are excluded from the market data in this report, but it is recognised that the impact of change in one part of the market will impact other service areas.

The current supply of domiciliary care is not sufficient to meet the growing demand in a timely way, on occasion some people are placed in temporary residential beds pending a package of care being sourced. This is due to the system pressures, delayed transfers of care and the lack of domiciliary care workforce.

Domiciliary care average hours per person in Dudley is 14.8 per week for the commissioned market, this is increasing as the complexity of need increases

for people requiring domiciliary care. Pre pandemic the average hours of domiciliary care per person was just over 11.

Dudley Domiciliary care market has grown on average 2.6% each year over the last 7 years and demand continues to increase.

People identified for Pathway 1 are often prescribed care with a blanket approach which creates dependency and has significant impact on market capacity and inefficient use of resources

The Dudley commissioned market currently has a singular rate of £17.20 per hour, most agencies have a mix of contracted local authority referred clients and either health funded or self -funded clients. Self -funders and sometimes health funded clients pay rates that are much higher than the rate paid for contracted care with the council.

The current council framework for domiciliary care was formally tendered and is due to be retendered in 2024. Contracts were extended due to the covid pandemic. During the Covid pandemic demand for care at home increased, partly in response to the media coverage of care home challenges. At the earlier stage of the pandemic, a large regionally based provider handed their contract back based on financial sustainability; this included a reablement contract. Due to demand pressures some smaller agencies were taken through an approval process to secure additional capacity, unfortunately these agencies then handed their contracts back or were decommissioned based on poor quality. As end of August 2022, there were 370 clients that had to have their care moved due to contracts ending since Aug 2020.

Quality

<i>CQC Rating</i>	<i>Dudley</i>
<i>Outstanding</i>	<i>1</i>
<i>Good</i>	<i>31</i>
<i>Requires improvement</i>	<i>7</i>
<i>Inadequate</i>	<i>1</i>
<i>Not Yet Rated</i>	<i>9</i>
<i>As of 1 August 2022.</i>	

The domiciliary care agencies have raised several issues in relation to current challenges for sustainability, the key one being workforce issues. Workforce challenges are preventing agencies fulfilling their plans for growth and impacting on their ability to ensure a quality consistent service is delivered. Some have articulated that the combination of cost-of-living pressures, workforce challenges and fuel pressures are of such a high risk that they are considering exiting the market or handing contracts back. This position has been shared by both well established and experienced agencies and relatively new agencies.

The turnover rates for community based CQC services in Dudley are 14.1% for care workers. Domiciliary Care Agencies report unprecedented workforce challenges; almost all agencies have stated they are experiencing major problems recruiting and retaining staff. Many staff are reported to be exiting social care to work in higher paid jobs with better conditions and less responsibility, stating that that social care roles are massively undervalued. Domiciliary care staff are often lone workers and responsible for very vulnerable people with very complex needs and high risks. There is very high expectation for skills and training for domiciliary care staff and general perception amongst the providers that this is not understood and should be equally valued as qualified nurses and other professionals.

Section 2: Assessment of the impact of future market changes (including funding reform) over the next 1-3 years, for each of the service markets

Demand for social care and the growing population of people aged 65+ will mean that demand for services will continue to grow. The nursing home market in Dudley has reduced with care home closures whilst demand for nursing care and residential care for people with complex needs is increasing as people live longer with more complex needs.

The key strategic risks for all service markets are:

- insufficient supply of affordable high quality care including care for self-funders
- workforce pressures
- insufficient recurrent funding for councils to appropriately fund social care

Workforce

Workforce issues are present in all social care services and has a direct correlation to dips in quality and the need for social care providers to invest in services to make the requisite improvements.

On-going higher acuity of need means the workforce needs to be adequately trained and supplied in sufficient numbers to be able to respond to increased demand.

Fuel costs have resulted in domiciliary care staff wages not covering the cost of fulfilling their role, staff report not being able to afford to do their job. Staff turnover for 2021 as stated by skills for care was at 28.5%, recent workforce returns from agencies indicates that this is as high at 44% for some agencies at times.

The workforce needs to be appropriately recompensed for the skilled work and responsible roles they undertake and to feel valued as professionals. Without the appropriate workforce, the quality of care will reduce to unsafe levels and the market will shrink whilst costs of care spiral

There is also growing concern regarding increased poverty within the 65+ age group and insufficient workforce to identify risks and provide essential support.

Funding Gap and Funding Uncertainty

Based on current cost of living challenges, the workforce crisis, and reduced finances there is concern that care services both in care homes and the community will not be able to meet demand and sustain quality of care without significant investment and resources. Care homes and care agencies are not able to compete with other industries to attract and retain staff

There are no disinvestment opportunities to fund increased rates within Dudley; inefficiencies have been taken out of the market to meet MTFS savings targets over the last 10-12 years. Without significant recurrent funding and investment, the funding gap will continue to grow and create further market pressures; resources will continue to be used reactively to address crises and safeguarding instead of proactively developing new models of high-quality sustainable care

It is likely that there will be market exits for both care homes and domiciliary care agencies. Interest for new entrants to the market is limited and often inexperienced and or lacking the requisite infrastructure and skilled workforce to meet demand. System pressures are no longer purely related to winter but now all year round; health pressures and social care pressures are inextricably linked.

Any increase or rate revision in social care funding needs to be consistent and matched by health partners for people who are fully or partially health funded to ensure there is no disparity in funding and separation of markets. Market sustainability plans and management should be undertaken as a joint health and social care responsibility.

Social Care Reforms

The impact of the commencement of S18 (3) for care homes is estimated to create additional pressures for the market, the ONS (2021/22) data using CQC provider returns suggest this could be as high as 36.9% for Dudley. It is likely that this may reduce the capacity of affordable beds in the market.

How to support the increased number and needs of self-funders for care homes will need to be clearly understood and consideration for how this will be managed within the market.

The impact of workforce challenges, rising inflation and financial pressures are equally prevalent within the working age adults care markets. Some organisations deliver services to both working age adults and adults over 65 years. The council has a duty to ensure the whole market is effectively managed and or shaped and is sustainable.

Numerous care home providers have raised concern with the council commissioning team that the rising energy costs and general inflation may mean they will have to make difficult decisions which for some may include home closure.

Section 3: Plans for each market to address sustainability issues identified, including how fair cost of care funding will be used to address these issues over the next 1 to 3 years

(a)65+ care homes market

The Fair cost of care exercise has produced some interesting and useful information but has not provided reliable and consistent cost data upon which commissioning plans can be based, especially in relation to the care homes market.

Year	Plan to support care home sustainability
2022/23	Fair Cost of Care Funding £400k will be used in relation to individually increased care home fees that have exceeded contract rates within the financial year Introduction and pilot of new standard and enhanced rates /fee bands Assessment to the new bands of care . Market engagement around current and future models quality assurance framework development Review of Pathway 3 and use of diversion beds alternatives and refresh and reinvigorate recovery models
2023/24	Rate uplift decisions to consider market position and potential Fair Cost of Care Funding that may be available. Procurement / roll out of new care home framework Implementation actions from Pathway's review Quality assurance framework full implementation

	Brokerage development
2024/25	Review impact of new care home framework and care bands Review quality assurance impact Review demand for bed-based care.

The Dudley care home market is not currently commissioned using the 4 care bands used in the Fair Cost of Care exercise and used by many other local authorities. Plans are currently being developed to introduce the bands as part of a new framework, this will introduce new fee levels and or fee bands. The new framework will be introduced based on new placements only and will work towards a sustainable cost of care that is subsequently determined by the council. The plan is to introduce the framework following an initial pilot in the next 6- 9 months.

Dudley will work towards a sustainable cost of care via the introduction of the new care home framework for new placements only, therefore time frames for achieving this are likely to be over at least 3-5 years. The council will be using the budget setting process to determine how available budget and a proportion of Fair Cost of Care Grant for 2022 and subsequent grant periods may be used to support this activity and increase rates.

Further cost analysis work will be undertaken including appropriate comparison with neighbouring authorities. Introducing the framework via a pilot will enable testing of the fee bands or ranges, the expectation of care delivery and quality and how best to support homes that are part of the framework. Once the pilot is complete, the model will be rolled out as a framework via formal procurement methods.

Self-funders will be able to choose from the framework once established or receive support in relation to a non-framework negotiated rate. This will be included in the plans underway to meet obligations of S18(3) of the Care Act 2014.

The framework would also present an opportunity to work with care homes to support improvements in the quality and sustainability of the market; an enhanced quality support offer will be applied to the framework and favourable weighting for future uplifts. It is envisaged that the framework will provide a greater level of assurance for homes to maximise their occupancy as the default route for all commissioned care home placements.

There will, however, still be care homes that operate outside of the framework based on negotiated rates. It is also likely that there will be further care home closures as quality concerns and workforce issues continue. Work has been commissioned with an independent consultancy organisation to support the

market sustainability plans and understand future bed-based need versus alternatives and more sustainable models of accommodation and care.

Dudley's Strategic vision is to support people at home wherever possible or in specialist social care accommodation that is specifically adapted, or purpose built to meet complex needs. Dudley will provide a clearly articulated commissioning plan around the ongoing needs for care homes regarding specialist and complex needs and new models of care for older adults that are tenancy based. The plan will include engagement with people over the age of 65 and providers delivering care to people aged 65+.

The priority for supporting people in their own homes will naturally mean the care homes market will be impacted over time though it is recognised that there will still be a need for some care home capacity, especially complex needs nursing care.

The council is investing in growth and development of the extra care market, plans are in progress for a new build extra care facility offering 100 units of accommodation.

The council current risk- based quality assurance model will be reviewed and revised to consider the quality assurance requirements for the care home framework and how best to support the care homes within it to improve and maintain quality services.

The council will continue to support workforce campaigns for social care, promoting the wide range of roles that are undertaken to try and encourage more people to enter social care as a career.

Brokerage support is also planned to be further developed and will also consider how to support self- funders and ensure accurate and timely provision of information and support.

(b)18+ domiciliary care market

Dudley Councils' commissioning intentions are to adopt a "Home First Model", to prioritise care models that support people to have their care and support needs met in their own home wherever possible. Investment in the domiciliary care market is therefore a key priority.

Year	Plan to support domiciliary care and extra care sustainability
2022/23	Fair Cost of Care Funding c£600k will be used to increase domiciliary care rates Preparation and engagement with the market to develop the model for the next domiciliary care framework Pathway 1 -3 review including the development of the reablement offer as distinct service

	Quality assurance framework development
2023/24	Rate uplift decisions to consider market position and potential Fair Cost of Care Funding that may be available. Weighting will be applied to reflect strategic importance including Extra Care rates. Formal Procurement of new domiciliary care framework & extra care services Quality assurance framework full implementation Brokerage development
2024/25	Review impact of new DCA framework Review quality assurance impact Review demand for extra care. Potential extra care development Potential procurement care and support provider for extra care scheme

Using both the Fair Cost of Care Fund and the councils available budget as part of the annual uplift process, plans will be established to ensure that sustainable cost of care rates determined by the council will be met over the next 2 – 5 years.

The investment in Extra Care and other tenancy-based models of care will also be clearly articulated to support social care organisations plans for growth and investment. Self -funders will be able to choose extra care as an alternative to residential care.

The domiciliary care framework is due to be refreshed by March 2024 and there are a few quality initiatives alongside new models of care that will be piloted and implemented to support the sustainability of the market and sufficiency of supply to meet demand. Current pathways are being reviewed and a reablement offer is being shaped by the ICS, DGH FT and the council.

Sustainability plans for the older adults' market including an assessment of accommodation and care and support needs will consider a range of different models and will steer future market development and investment.

The independent domiciliary care market and framework will focus on the long-term care requirements for people living in their own homes.

New Initiatives to be considered will include the following:

- Place based design to reduce travel and increase sense of place. Using the townships and mapping demand to locations.
- Single handed care will be relaunched to ensure the promotion of independence and maximising the use of resources

- Reviewing the rate and approach to 15 minutes calls, acknowledging that 15-minute calls should be the exception and that the travel costs are higher.
- Innovation in telecare and technology for people with assessed care needs, ensuring people are supported to be as independent as possible and using the latest technology to reduce reliance on traditional care models
- Workforce support, innovation, and development in the types of roles that are required, and the training and support required.
- Growth and development for Extra Care and sheltered schemes,
- Digital system advances to create greater efficiencies in delivery, and improvements in management and quality of services
- Workforce recruitment and retention support via promotional material, social media campaigns and recruitment fairs.