

Meeting of the Adult Social Care Select Committee - 15th November 2023

Report of the Director of Adult Social Care

Market Position and Sustainability

Purpose of report

1. This report provides the Adult Social Care Select Committee with an outline of
 - the current adult social care market position
 - key market sustainability issues
 - Market Sustainability Plan

Recommendations

2. It is recommended that the Select Committee Members :-
 - Comment on the current adult social care market position and key pressures,
 - Scrutinise and comment on the Market Sustainability Plan

Background

3. Dudley adult social care commissioning has 362 contracts with independent social care providers for the provision of regulated social care to meet care act assessed eligible needs of Dudley citizens. There are 3 internal services that provide intermediate care, hospital avoidance community care and supported discharge which are largely funded through the improved Better Care Fund (iBCF).
4. Dudley council spends £104.5M on care act eligible care of which at least £88.4M is via the independent market via contracted commissioned care. £16.1M is spent via direct payments much of which however is delivered by the same contracted providers due to a shortage of personal assistants and alternatives to traditional care. 42% of spend is on residential and nursing care homes and the remaining 58% is spent supporting people in

their own homes. (See appendix 1 – Dudley Social Care Market in Numbers)

5. There are an additional 10 contracts with annual spend of c£3M with voluntary sector providers that deliver a range of activity including prevention focused support, carers support, advocacy, and direct payment support.
6. The social care market needs to be diverse in its offer to meet the changing needs of people with social care needs. As people are living longer, the complexity of need and expectations for care have become greater and place increasing demand on the social care workforce.
7. In 2022 the Department of Health and Social Care launched a national programme (Fair Cost of Care) to establish some base line data for care costs within older adult's social care provision. The outcome of this activity identified that for Dudley the social care market has a £20M deficit against the actual cost of care. The programme only looked at care costs for people aged 65+. There has been no national benchmarking for care costs for working age adults provision though most local authorities are experiencing significant challenges regarding fees and supply of care home placements and supported living provision.

Market Assessment and Market Position Statement

8. Housing Lin were commissioned to undertake a social care and accommodation needs assessment. The needs assessment was split into to 2 categories – working age adults with disabilities and older adults. The needs assessments engaged with people who use services and care providers. The outcome of the assessment has greatly informed the Market Position Statement 2023-2028 which is now published <https://www.dudley.gov.uk/residents/care-and-health/dudley-adult-social-care-market-position-statement-2023-2028/>
Key commissioning intentions and messages to the market detail where the council has increased demand and where further innovation is sought.

Housing With Care

9. The use of residential care for adults, especially older adults is above the national average and comparator councils. However, the use of nursing care is lower. In 2022/23 there were 6 care homes that closed, losing a total of 130 care home beds from the Dudley market, most of which were nursing beds. The main reason for care home closures is stated as low fees paid that are unsustainable for care providers. Each care home

closure creates additional budget pressure and reductions in choice of affordable care homes.

10. The 4 current extra care schemes operate at maximum capacity and further scheme developments would be welcomed as an alternative to care homes and to promote greater independence.
11. Estimations of future need in relation to housing and care homes provision over the next 10-15 years include an increase in nursing care by 425 beds and residential care beds by approximately 25 Beds and approximately 790 units of extra care housing.
12. Accommodation for younger, working age adults with disabilities is also currently in short support as part of the supported living offer. It is estimated that there is demand for an additional 210 units of supported living over the next 7-8 years. Supported Living and independent living options are the preferred option when supporting younger adults with disabilities, however due to the current lack of suitable housing available people have been placed in residential care.
13. Young people with disabilities and complex needs have frequently been placed in high-cost residential colleges out of area to meet their needs. Recent engagement has been undertaken at scale to explore alternatives and the potential for local provision.
14. A prospectus that outlines all housing and accommodation requirements for adult social care in Dudley is due to be finalised this financial year and will be published alongside the market position statement on the council's webpage.

Direct Payments and Use of Non-Traditional Support

15. Currently many if not most, Direct payment recipients use traditional care services to meet their needs rather than employing a personal assistant (PA) or non-traditional approach to meeting needs. This reduces the innovation and efficiency and means that people are getting the same services whether contracted or via a direct payment. The use of traditional services to purchase care for people using a direct payment is constraining choice and PA market development.

16. The market position statement signals our intention to increase the number of people with direct payments and to increase and develop the PA market and innovative models to meet people needs flexibly - for example Individual Service Funds (ISF's)

Care homes

17. There are 90 care homes operating in Dudley, 54 of which support older adults and 36 supporting working age adults with disabilities. Care homes for older adults are especially concerned about sustainability and financial viability, there are frequent challenges to the council regarding care home fees, there is an increase in the number of care homes that have changed ownership in the last 12 months or so.
18. Fees and annual uplift awards have not kept pace with national minimum wage increases, the cost-of-living crisis, energy costs and workforce issues have a huge impact before homes have had chance to recover from the pandemic. There has been an increase in the number of people placed or choosing to live in care homes outside of the Dudley Borough, almost 50% of nursing placements are in neighbouring authorities care homes.

Domiciliary Care

19. There are 38 providers delivering a total of 23,000 hours per week of domiciliary care to c1594 people across the Dudley Borough at an annual spend of c£21.86M.
20. The Fair Cost of Care grant received in 2022 was utilised primarily to address the Domiciliary Care market as there were significant supply issues. The rates were increased mid-year utilising the grant to ensure a more competitive and sustainable rate; the impact of the rate increase is that the supply of domiciliary care increased to the point that providers are now seeking additional work with Dudley MBC.
21. In 2022/2023 as part of winter pressures planning, Discharge to Assess (D2A) block contracts were quickly mobilised on a place-based model to support hospital discharge creating flow and capacity working in partnership with the Dudley's Urgent Care Team and Dudley Group. The D2A operated until June 2023 and was a great success for all stakeholders.
22. The Domiciliary Care contracts and extra care contracts are currently being retendered. The tender is creating a new flexible place-based framework; shaped using the learning from the last few years and the

recent D2A initiative and direct feedback from providers and people using domiciliary care services.

Market Quality

23. The quality ratings for Dudley CQC registered services are largely comparable with West Midlands averages. Dudley has 67% of services rates good or above and 28% rated requires improvement. There has however been an increase in the number of Large-Scale Enquiries (LSE) for care homes where there are significant concerns around residents' safety and governance issues, often as a result of changes in workforce and home management.

Workforce

24. Skills for care data from 2021/2022 indicates that Dudley has an adult social care workforce of 8,100 posts. The staff turnover rate was estimated to be 23.5% which was lower than the England and West Midlands averages by 4-6 %. Dudley social care providers have identified workforce as a significant challenge for both recruitment and retention. Despite several initiatives nationally and locally attracting and retaining a skilled workforce remains a key challenge and has a huge impact on a provider's ability to deliver quality care. Many providers have taken advantage of the international sponsorship route to meet their workforce requirements though there are a number of challenges and risks emerging with this option.

Market Sustainability

25. Under section 5 of the Care Act 2014, the council must promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market has a variety of providers to choose from who (taken together) provide a variety of high-quality services. The council is responsible for ensuring the sustainability of the market (in circumstances where it is operating effectively as well as in circumstances where it is not). A sustainable market is one which has a sufficient supply of services but with provider entry and exit, innovation, choice for people who draw on care and sufficient workforce supply. (MSIF guidance 2023)
26. A recent West Midlands ADASS survey report summarised the rates for adult social care across the 14 authorities. Dudley fees and median rates are in the bottom quartile for each market area except for domiciliary care.

Market Sustainability Plan

27. In accordance with the Fair Cost of Care grant and more recent Market Sustainability and Improvement Fund, a market sustainability plan 2022 (Appendix 2) and a Market Capacity Plan June 2023 (Appendix 3) have been submitted to DHSC. Some of the intended actions in the 2022 plan have altered, for example the care homes model and sustainability plan is now not subject to formal procurement as care homes have been exempted in standing orders and is now part of the constitution, the plan will now be progressed via a pilot project. The key actions and commissioning intentions from these and the Market Position Statement are detailed below.

Care Homes - Older Adults

28. Rates paid for new care placements in older adult's care homes will be remodelled with an assessment tool that articulates the level of need and complexity of care enabling value for money judgements to be made. A pilot for banded rates using part of the MSIF 2023/2024 grant will be undertaken to identify competitive sustainable rates. This will enable clear correlation between the complexity of need and the rate paid to be better aligned, for example, reducing the impact of high cost adhoc nursing care placements for more affordable planned nursing placements locally. It is anticipated that the pilot will provide evidence to progress a wider framework of care homes working with the council using the new banded model will be established.

Domiciliary Care & Extra Care

29. The new framework for domiciliary care which goes live in October 2023 and new brokerage portal development will ensure that place-based care is delivered for greater continuity of care, reducing travel time and unnecessary costs associated with managing care logistics across a larger area. The Domiciliary Care rates must remain competitive with neighbouring authorities as the workforce is very transient and capacity can be easily lost when staff move for higher pay in other authorities. The Extra Care tender is within the same programme as the domiciliary care and enables providers to consider delivering a range of services in one location.

Supported Living

30. Demand for supported living is increasing and the current supply requires some reshaping. Current contracts are due to be refreshed and new frameworks established over the next 2-3 years. A new enhanced

supported living framework is planned to be introduced that has a clear focus on promoting independence and uses an outcomes tool to evidence individual outcomes. New promoting independence models for supported living are planned to ensure people do not become unnecessarily reliant on care and to ensure there is a correlation between rates paid and outcomes delivered to ensure a range of sustainable provision. An accommodation prospectus will be issued to the market to encourage housing with care and supported living accommodation growth.

Voluntary Sector

31. During the course of 2022 and 2023 most voluntary sector contracts have been or are due to be retendered. The new contracts are focused on outcomes to be delivered and working in partnership to deliver outcomes and manage risk. Innovation in delivery models is key and this may be challenging providers and partners to work differently often embracing technology and different ways to achieve outcomes. The development of a compact and wider strategy is planned that will address working collaboratively with the voluntary sector to support innovation and sustainability.

Direct Payments and PAs

32. PA workforce development and new models for self-directed and more flexible care such as Individual Service Funds are planned to be explored as part of the review of direct payment policy and practice. An increased offer for PA's is required to enable growth in the PA market and offer alternatives and more personalised and efficient care options. The voluntary sector services are keen to engage with the PA market development and this will also be included in any workforce strategy developed.

Workforce

33. In 2023 CAPA supported adult social care providers with a media campaign promoting the benefits of working in social care and directing interested parties to job vacancies in the council and the independent social care market. A coproduced workforce strategy will be explored with the social care providers to identify opportunities for collaboration, innovation and efficiency in addressing workforce issues.

Finance

34. Market Sustainability and Improvement Fund 2023 /2024 (£2.3M) is being used to support rate increases as part of the care home market modelling

for new care home placements for older people and wider market sustainability activity.

Law

35. The Care Act 2014 (section 5) sets out the local authorities' responsibilities for providing a range of services and ensuring market sustainability.

Risk Management

36. The adult social care market sustainability is a key risk (R.471 Directorate Risk Register) for the council as the services providers delivery are generally for people who have care act eligible need and there for are delivering statutory services. The fair cost of care outcome identified a significant funding shortfall against the actual cost of delivering care. The number of providers challenges each year in relation to uplifts not tracking National Minimum Wage grows year on year and requires careful management to ensure challenges are appropriately addressed and responded to monthly.
37. The risk of provider exit is carefully assessed and cannot always be mitigated, providers are requesting assurance that fees will be increased each year so that business planning can be supported over the medium term. Engagement with the social care market is being improved to ensure that pressures and risks are captured and escalated as appropriate. Commissioning has regular engagement with partners to consider key market risks as part of the Dudley Quality Partnership meetings held monthly.

Equality Impact

38. This report relates to the adult social care market position and sustainability. There are no impacts that specifically warrant an Equality Impact assessment. In the event of market failure contingency plans are mobilised to ensure continuity of care.

Human Resources/Organisational Development

39. There are no direct Human Resources/Organisational Development implications arising from this report.

Commercial/Procurement

40. Procurement activity planned is undertaken under the guidance of Procurement colleagues and in line with council procedures.

Environment/Climate Change

41. All providers are encouraged to consider how their services can operate in environmentally and climate friendly ways. The models of care proposed seek to reduce the carbon footprint of services by being place based and reducing unnecessary travel, making use of technology and digital systems.

Council Priorities and Projects

42. Ensuring a sustainable market that can meet peoples assessed care needs is a statutory duty of the council. Encouraging a social care market that delivers high quality care locally supports the borough vision for “A place of healthy, resilient, safe communities where people have high aspirations and the ability to shape their own future”.



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Appendices

Appendix 1 – Dudley Adult Social Care Market in Numbers
Appendix 2 – Market Sustainability Plan 2022
Appendix 3 – Market Capacity Plan June 2023