



MARKET SUSTANABILITY PLAN

Annexe c

Annex C: Market Sustainability plan template

Formed in April 2019, BCP Council is a new local authority that is home to over 397,000 residents. It comprises of the towns of Bournemouth, Christchurch, and Poole (BCP).

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

Assessment of current sustainability of the 65+ care home market

Supply and demand

The Bournemouth, Christchurch, and Poole (BCP) area has a higher proportion of older people than the national average. This applies to both the 65+ and 85+ populations. A current spike of the population in their early 70's will significantly impact on services until approximately 2030.

BCP Council estimates suggest that 13,800 people aged 75+ may have a long-term illness that significantly limits their activities by 2031 this could rise to around 17,000.

75% of all requests for Adult Social Care are for people aged 75+. The most important figures in terms of demand and residential care are the number of people aged 75+ and upwards who need long-term support.

Majority of the providers in the care market in BCP are in the independent sector therefore the number of care homes in BCP do not remain static. The following table shows the fluctuations in Homes and beds available.

Table 1. 65+ Residential Care Bed Capacity (Long Term Conditions only)

Year	Total No. of all Homes	Total No. of all available beds	No. of Residential Homes	No. of Residential Beds	No. of Residential Enhanced Homes	No. of Residential Enhanced beds	No. of Nursing Homes	No. of Nursing beds	No. of Nursing Enhanced Homes	No. of Nursing Enhanced beds
2019/20	99	3566	77	1639	47	899	29	797	14	232
2020/21	102	3588	82	1670	52	910	30	776	15	232
2021/22	99	3563	82	1662	51	917	29	752	15	232

Please note: Totals of the number of homes providing each type of bed do not total to the actual number of homes (second column) because many homes provide more than one type of specialism.

BCP has a total of 220 block beds across 4 homes. 55 of the 220 provide transitional care, (i.e., step up or step down). Bed prices range from £968- £1,541 per week based on 95% occupancy.

For 2020 /2021 the council made 1155 placements:1813 people accessed long term support in the year.

For 2021/2022 the council made 894 placements 1644 people accessed long term support in the year.

Fees

Table 2 below shows the Council’s published rates for 65+ residential care since 2020/2021. During 21/22 only 13% of placements were being sourced within published rates. Consequently, as part of the Council’s new Care Home Strategy, a new fee banding structure was introduced in April 2022, that better reflected levels of need and local market rates, including supporting people with complex needs through an ‘enhanced care’ banding.

Table 2. Published rates 2020-23 (Long Term Conditions only)

Year	Residential	Residential enhanced	Nursing	Nursing enhanced
2020/2021	£565	£630	£565	-
2021/2022	£575	£642	£575	-
2022/2023	£607 - £878	£677 - £930	£800 - £1000	£1001 - £1400

Quality

The quality of Homes in BCP are of good standard, with 90% rated Good or Outstanding. 89.9% of BCP funded placements are within homes rated Good or Outstanding.

Workforce

Recruitment continues to be an issue for providers across the sector.

The care sector in BCP is a major contributor to the local economy and employs some 13,000 people. Demand has increased alongside the number of staff working in social care services declining. In 2021 there were, in the BCP area, around 6,000 people employed in care homes, but this has reduced to approximately 5,000 in 2022. Turnover is high, running at 34% per annum in the non-nursing home element and 44% in the nursing home element. These figures rise to 37% and 51% respectively when considered for direct care staff only.

Considerations

- Increasing trend in the challenges in insurance policies especially Homes with a poor CQC (Care Quality Commission) rating.
- Delays in deliveries impacting on services i.e., food products, maintenance parts
- Inward migration levels are high for BCP, i.e. People retiring to the coast who then need services as they age.

Assessment of current sustainability of the 18+ domiciliary care market

Supply and demand

In BCP there are currently (September 2022) 91 CQC registered providers of home care for adults delivering care to 3,864 individuals (all funders) and 8 Providers have not yet been inspected

The Framework was commissioned in 2017 when the demand for home care across Bournemouth and Poole was just over 12,000 hours pw.

Following LGR in 2019 the framework was reopened to increase capacity which allowed for 4 new providers to join the framework, offering an additional 3,400 hours to the framework capacity. Currently over 15,000 hours of long-term care are commissioned from the framework across BCP and a further 5,000 commissioned on the framework by the CCG (Clinical Commissioning Group/ NHS Dorset Integrated Care Board).

A further 2,500 hours are commissioned off-framework. In addition, there is also 2,400 hours of rapid response care.

Despite this high level of commissioned capacity, there is still an unprecedented demand for domiciliary care. Since April 2022 there is an average of 4,420 hours of care on the Care Brokerage waiting list for sourcing.

505,444.5 hours of home care was sourced between 1 January and 31 March 2022.

Although there are 28 Providers on the Framework, due to demand and system pressures BCP are having to source regularly off Framework. There is a significant percentage increase in 1hr calls commissioned off framework, compared to on framework, suggesting some challenges with the framework's current hourly rate.

Table 3. Commissioned packages of care 2022 (Long Term Conditions only)

Duration	Framework pick up	Non framework pick up	Combined
15 mins	2.1%	1.9%	2.1%
30 mins	56.3%	36.9%	54.1%
45 mins	22.3%	13.6 %	21.3%
1hr	19.4%	47.7%	22.6%

The reablement service plays a vital role in supporting people to return home from hospital, regain their independence and prevent hospital admission. The service empowers people to do things for themselves and prevent, delay, or reduce the need for long term care. The reablement service is currently taking on an average of 35 new clients per month with an average of 280 contact hours pw. They are saving approximately 160 hours of long-term care per week.

Fees

The home care framework fees are reviewed annually. BCP Council takes into consideration various factors that may impact the delivery of home care including the change in National Minimum Wage, predictive measures of inflation and other significant changes, for example the increase in NI as well as affordability and value for money overall. There is also consideration of the caseload with framework providers, the structure

of the various appointment durations and the impact on the overall weighted average fee to the provider.

For the financial year 22/23 the Council budgeted for a 5.6% uplift for home care framework rates, a decision was reached to maintain the ¼ hr appointments at £6.47, increase the ½ hr appointments by 5.6%, increase the ¾ hr by 5.6% and increase the 1hr by 6.3%. It was assessed that the 1hr rate was relatively low compared to the shorter appointments and that the ¼ hr appointments rate was relatively high compared to the longer appointments, therefore fee increases were applied accordingly.

Quality

The majority of providers are rated as Good or Outstanding. Over 70% of the packages of care are commissioned with a provider of good or outstanding rating.

Hand backs

Another impact of the increased demand has been the rise in Providers handing back POCs. There have been 120 individual packages of home care 'handed back' to the Council since 01 Aug 2021. Main reasons cited for hand backs are a lack of staff capacity to fulfil care needs and/or unreasonable behaviour from service users or family.

Workforce

Currently there are approximately 3,000 people working in domiciliary care, compared to 5,400 in 2020/21. This represents a 56% reduction in the BCP Council area. In 2021, Skills for Care reported the turnover rate in BCP was 35% for community services.

BCP continues to struggle with the impact of this reduction in capacity:

- High number of hours of care needing to be sourced.
- Increasing number of hand backs from providers
- Pressure in the acute hospitals through high admission rates and flow is slow
- Increase in number of complaints
- Higher number of people going in residential care on an interim basis

Through Proud to Care initiatives, there is ongoing support for recruitment into the home care sector:

- Free e-bike hire for framework providers
- Free parking permits for framework providers
- Pilot funding to 3x framework providers for overseas recruitment
- Free childcare vouchers

Considerations

- Recruitment continues to be a real challenge for home care providers with the impact of Brexit, Covid and the rising cost of living (especially fuel costs and staff struggling to cover costs of energy price increases)
- Despite commissioning additional capacity, the demand is outstripping supply and the domiciliary market is saturated.
- Clients' expectations and demands have increased which is causing more challenge as Providers are regularly handing back POCs when the client starts displaying behaviours that challenge due to their health and social care needs and when clients and their family become verbally abusive and discriminatory towards the care staff

- From 2017-2020 BCP received a higher volume of complaints around homecare that included concerns regarding times of calls, language barriers with care staff, training concerns and consistency of carers

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

65+ care homes market

Supply and demand

The Fair Cost of Care (FCoC) has provided evidence that the median % occupancy is 79.6% indicating a high level of vacancies. If this is indicative across the whole sector, then it is hard to justify the need for more beds in the BCP area and this is reflected in the Council's 2022-30 Residential Care Home strategy.

BCP currently commissions around 1,100 beds from the market which based on CQC Provider Information Returns in 2021/22, the split is 69% Local Authority purchasing and 31% self-funders.

Using the intelligence gathered from the FCoC exercise, benchmarking data, current purchasing habits and local market intelligence the Council will need to consider different strategies to shape the market to improve sustainability for both the Providers and the Local Authority.

Quality

At 90% of care homes being good or excellent the council needs to continue with the good practice of supporting care homes.

In addition, BCP are in the process of rolling out the Provider Assessment and Market Management Solution (PAMMS), this system is a new digital system which will provide a consistent approach to quality monitoring across the Southwest region.

18+ domiciliary care market

Supply and demand

With approximately 5,000 hrs commissioned off framework (mixture of non-framework and rapid response) the current framework is in need of review and does not meet the demand the council is facing.

The current situation is not sustainable; with more than 4,000 hrs on the waiting list and with limited capacity being generated by the Framework. In addition, reablement and rapid response services are unable to hand off clients who need long term care, which prevents the service taking on new clients.

BCP Council will remodel and re-procure a new domiciliary care framework. In addition, BCP Council will move towards an intermediate care approach with the ICS for home care to prevent and delay the need for big packages of care being commissioned.

Quality

As only 77% of domiciliary care Providers in the BCP area are rated Good or Outstanding, the Council needs to continue and strive to improve the good practice of supporting the home care market to provide good quality care.

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

65+ care homes market

The Council has made it clear in its Market Position Statement and Care Home Strategy that it is committed to reducing its reliance on care homes. To achieve this, BCP Council will work as part of the ICS to:

- Continue to work with partners on the Dorset-wide Intermediate Care offer to maintain people in their own home, thereby reducing the number of care home placements.
- To develop, over the next 5 years, Extra Care Housing schemes to achieve the target number of units of 1312 by 2030 and 1577 by 2040
- Transform the Care Technology offer to enable more people to remain safe and independent at home for longer delaying the need for residential care
- Provide better information and advice to people about services that can enable them to stay at home; continue to work with the Voluntary Community Sector (VCS) to help people stay in their own homes and communities for longer.
- Use the outcomes of the FCoC and Government funding to work with providers to agree revised rates over the next 3 years.
- Work with engaged providers to increase occupancy from circa 80% on average at present to 90-95%
- Explore the feasibility of joint workforce Programme with the ICS

Fees

Although BCP Council will work with Providers through engagement and collaboration on agreed fees, because of the findings of FCoC there are indices that will need to be tested and challenged. Care homes in the BCP area are reportedly incurring a relatively high level of expenditure compared with other benchmarked areas. In addition, the low occupancy rates are likely to have increased the unit cost of delivering services, as costs are shared between residents.

18+ domiciliary care market

The current framework does not provide the capacity the ICS needs in line with demand and acuity therefore, to have a robust and sustainable market, a commissioning review and procurement exercise needs to be completed. The new Framework will involve updated modelling, emphasis on geographical working and a reduced number of Providers. Fundamentally all care should be about enablement, maximising people's ability to be independent and the council wishes to build an approach to preventing, where possible, people's need for higher levels of formal care than they might need. Therefore, investment needs to focus on Intermediate Care: rapid response and reablement alongside sufficient capacity to support long-term needs

In addition to address the market sustainability BCP will, under a new home care strategy:

- Commission the new contractual framework
- Scope the potential for Key worker housing
- Explore further overseas recruitment of care staff

- Support recruitment and skills for the home care market through joint working with ICS partners
- Continue with, and further develop the Proud to Care (P2C) incentives

Fees

BCP Council will work with Providers on agreed fees but, because of the findings of FCoC, recognising there are indices that will need to be tested and challenged. Namely, expenditure on back-office staff when combined with head office appears high compared to benchmarking.

Financial impact

BCP Council commissioned Valuing Care to undertake the FCoC exercise for reasons of their expertise in this field and to reduce the risk of bias.

65+ Care home market

The table below compares BCP Council published banding rates with the FCoC results against benchmarking and the current purchasing rate.

The differences between published banding rates and the FCoC results are small but analysis of the current purchasing rate against benchmarking illustrates BCP is paying significantly above what the fees should be. This indicates the BCP current banding rates against benchmark rates are accurate. Therefore, BCP Council will use the FCoC exercise to inform discussions with the market regarding published rates for 2023/24 but does not intend to make in year, but considerations will be given to the rising energy prices if appropriate if the situation acerbates.

Table 4. FCoC Results August 2022

Category	Residential	Residential enhanced	Nursing	Nursing enhanced
BCP current rate	£607-878	£677-930	£800-1000	£1001-1400
FCoC Result	£946	£938	£1205	£1198
FCoC Benchmark	£783	£823	£993	£1037
BCP actual purchasing	£926	£996	£1048	£1115

BCP will need to prepare for Section 18(3) of the 2014 Care Act which allows self-funders to request that their local authority commissions their care. From April 2025 the intent is to “enable more people who fund their own care in care homes to ask their local authority to arrange care on their behalf to secure better value...”¹. The extent to which this will be taken up by private funders is uncertain but consider there is likely to be considerable take-up and further pressure and financial stress on care budgets.

18+ Domiciliary homecare:

The FCoC responses have identified a median weighted hourly rate of £24.36. The comparable weighted hourly rate from the benchmark is £22.54. The BCP actual weighted average hourly rate across all frameworks is £18.53. The highest difference is in the 60

¹ <https://www.gov.uk/government/publications/market-sustainability-and-fair-cost-of-care-fund-2022-to-2023/market-sustainability-and-fair-cost-of-care-fund-purpose-and-conditions-2022-to-2023#fn:1>

minutes appointments approximately £6.50 per hour less across all frameworks. The learning disabilities caseload is more weighted towards the full hour appointments than the long-term conditions caseload.

To adopt the FCoC rate as aspired from the survey responses for the next 6 months would give BCP a cost pressure in excess of £4m or in excess of £8m for a full year effect.

There are indices that need to be explored further that appear as outliers compared to other providers, these include expenditure on back-office staff, business costs and profit contribution which will be considered in BCP fee setting decision.

As BCP Council pays care home fees that are above the benchmark rates, the entire £885k Government fund will be used to review framework rates as part of move towards a fairer rate for home care providers.