Annex C: market sustainability plan template

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

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

Bury has 28 care homes that support customers over the age of 65. Of the 1300 care home beds, the Council commissions 546 (42%). The remainder are largely self-funders, with a small amount of other authority placements and vacancies. The number of self-funders varies greatly between homes with some evenly split and others populated by majority self-funders.

The breakdown of placement types available from the 28 care homes is detailed below:

Placement Type	Number of Places	% Split
Residential	712	55%
Dementia Residential	292	22%
Nursing	192	15%
Dementia Nursing	101	8%

Of those places there are currently 53 vacancies with only 12 for nursing and none for nursing dementia. This has necessitated the need for customers with more complex nursing and dementia needs to either have extended stays in the boroughs Intermediate Care and Discharge to Assess facilities awaiting a suitable vacancy, thus impacting system flow, or having to move out of borough. Relying on such a small number of providers to support our most complex customers poses a risk to the Council.

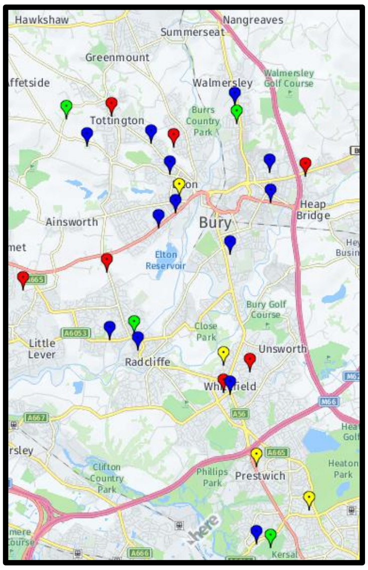
The demand for permanent, long-term care remains high, especially for customers with complex needs and the recent finalisation of the Bury Market Position Statements makes it clear to providers that while the demand for complex and nursing needs is increasing, there will be less call for standard residential placements. Bury, like others, are focusing on supporting people to live well at home through person centred, strengths-based support and this reduces the need for standard residential care.

Bury is currently working extensively with several providers around quality concerns. Compared to the national average of 79%; Bury has 76% of care homes rated **Good** or **Outstanding**. Two homes are currently rated **Inadequate** with two of those providing nursing care. Intensive work is being carried out with each of these homes to support them back to compliance, but the sudden inability to place at these homes further reduced the availability of in-borough provision for Bury customers.

In the last financial year, the number of residential placements out of borough was 166 and the number of nursing placements out of borough was 78. Although some people choose to move out of borough to be closer to family, unfortunately, the majority are due to lack of suitable provision in the Bury area.

Despite Burys relatively small size compared to neighbouring authorities there remain variations in service availability between its individual neighbourhoods.

The following map highlights where existing care home provision is located:



Key:
Red: residential
Blue: dementia residential
Yellow : nursing
Green: dementia nursing

Please note: the care homes have been colour coded into the highest level of care on offer.

While the north and south of the borough enjoy most of the provision, the centre and east of Bury lack care homes of all types. This reliance on such a small number of providers again poses a risk to those neighbourhoods and the ability for the Council to support customers to stay in their neighbourhood of choice, should they require long term care.

Few homes in Bury are owned and operated by national providers with the majority being smaller organisations including several where they are single home services. Only 18% of the homes have over 60 beds with the majority (68%) being between 50 and 20 beds.

Bury have worked hard over the last few years to establish a tiered based fee system that ensured customers with the most complex needs, and those homes that supported them, were funded at a higher level. We are entering the final year of our phased roll out of being a Real Living Wage (RLW) authority with those providers committed to paying the full RLW by April 2023 receiving an increased fee rate to mitigate the cost. Current rates and proposed 23/24 rates are:

Service	**22/23 Standard**	**22/23 RLW**	**23/24 Standard**	**23/24 RLW**
Residential	£548.40	£562.90	£616.96	£632.70
Residential Dementia	£563.40	£577.90	£646.22	£662.85
Nursing	£598.40	£612.90	£686.36	£703.00
Nursing Dementia	£643.40	£657.90	£737.98	£754.61

While great strides have been made to improve the Council's fee offer to care home providers including between 7.8% and 14.5% uplifts to care homes for the financial year 22/23; only a small number of homes accept the standard rate. Third party tops ups are often required for placements and can range for £50 to £300 per week and this gap in funding is reflected in the cost of care analysis.

Indeed, providers have fed back that fee levels impact on the ability and ambition to offer services that meet the needs of customers with more complex needs. Feedback is that the difference in rate is insufficient to justify the struggle to recruit nursing staff, the investment and additional governance it would take to change from residential dementia to a nursing dementia service for example.

For care homes, the increased cost of utilities, food, supplies and even insurance is and will put them under even more financial strain and the cost of care exercise has failed to capture this as costings used were pre cost of living crisis. We have engaged separately with providers with examples of 100% increases in energy contracts being common. We have taken these pressures into account, alongside the results of the cost of care exercise when setting our 23/24 fee rates.

Alongside the cost-of-living crisis, the recruitment and retention of workforce remains a significant challenge, impacting on the quality, the sustainability and resilience of the care home market. Bury's work alongside providers to become Real Living Wage compliant, funding of the Bury Workforce Hub providing expert advice and support to providers on recruitment and the implementation of the GM Adult Social Care Workforce Strategy will support this but with increased competition from other sectors this remains one of the most substantial risks. While Bury providers currently show 95% of current staff available, it is the total number of staff employed compared to twelve months ago that raises concern with providers having to utilise more and more expensive agency staff to manage the day to day running of their services.

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

Approximately 900 Bury customers are supported by 28 contracted care at home providers delivering over 11,000 hours of care per week. Bury have 10 main providers who cover the 5 neighbourhoods with two providers working in each to mitigate travel time and costs. The remaining are either commissioned as back up providers or on a spot purchase basis.

In the last 12 months; 2 providers have handed back all their care packages due to insufficient staffing and associated costs with delivering the service, while a number of individual packages have been handed back primarily due to staffing availability.

Workforce recruitment and retention is the principal challenge for our care at home providers. Recruiting staff in a market where competition not only comes from other care providers, but from hospitality and retail sectors has exacerbated the staff issues that were already being suffered. Bury uplifted its care at home rate to allow providers to work towards paying their staff the full Real Living Wage in April 2023 but these salary levels are now being matched and beaten in other areas of the market. Recent dialogue with providers has indicated a number of leavers from the sector were due to the level of pay when considering the cost of living/rise in energy and fuel costs.

The Council retendered its care at home contract in June 2021 and in April 2022 introduced payment on actual contact time. With a standard rate of £17.86 and an enhanced rate of £21.00 per hour for those providers meeting minimum contractual requirements this was an attempt to ensure staff could continue being paid the Real Living Wage, travel time was sufficiently funded and any other potential losses that moving away from payment on commissioned time were mitigated. The enhanced rate performs positively compared to neighboring authorities.

Commissioned home care is primarily provided by local and small providers with a small number of national providers under contract. The interest in the tender and number of applicants did suggest an appetite to work in Bury but the number of providers means that the share of the available market is limited for new entrants.

The contract was only awarded to those providers rated **Good** and above by CQC and all commissioned care at home providers remain at those level 12 months into the new contract. However, feedback from customers does indicate that where issues do arise it is often due to time of visits.

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
Our analysis shows that in the next 3 years Bury will need a further 14 nursing and dementia care beds in the borough. There are currently only 4 nursing dementia care homes in the borough and there is little appetite from providers to build brand new provision, so work is required with current providers to develop their services to meet future need. Coupled with the ongoing work to reduce the need for standard residential care, including investment in extra care schemes, assistive technology and enhanced care at home services, the care home market in Bury will shift to supporting only those with the highest complexity of need in permanent, 24-hour settings. Reducing the need for traditional care services by offering alterative such as assistive technology will see the care home and care at home market change.

Workforce availability
As detailed previously, the recruitment and retention of staff into care at home and care home settings will play a major role in the makeup of the care market in the next several years. In care homes, long standing problems have been exacerbated by the pandemic including the strain to maintain services during that period and mandatory vaccination requirement which resulted in a number of staff leaving the sector. For care at home providers, the increased costs to the staff of actually carrying out their role including fuel costs and competition from other sectors has only worsened their struggles with recruitment and retention.

Beyond that, the continued view of social care as a career being less attractive and less prestigious than one in the NHS and other sectors, compounded by the lack of equity in pay between those in social care compared to the NHS and now the cost-of-living crisis are pushing staff to look out of adult social care for higher wages. The ASC Market Sustainability and Improvement Fund allocations do not support the development of the market with the offer of increased staff wages and improving the standing of social care careers, only that providers do not exit the market due to insufficient levels of funding to pay for the actual cost of delivering the service.

Recruitment of permanent nursing staff also poses a risk to the ability of the providers to meet the future market changes. Demand for services supporting complex, nursing customers is increasing and the ability of homes to retain nursing staff is compromised, while those homes who would look to move into nursing care due to the decrease in demand of residential are put off by the lack of available staffing, limited increase in fee rate and more intensive governance. Indeed this has caused one home to step down its nursing unit and revert to offering only residential care, despite the increased demand for nursing care.

Section 18 (3)
The Council has established a task group to review the impact of the phased implementation of Section 18(3) of the Care Act (2014) and despite the delayed implementation we continue to develop plans to meet the changes it brings. Work is ongoing to establish the number of self-funders in care homes as the commencement of Section 18 (3) will not only impact on the Council, but on Provider sustainability as well.

For those homes whose sustainability relies on them operating a business model where they support a high number of self-funders at fee rates over and above Council rates there is real risk to their ongoing viability. This makes the need for robust assessment of the fair cost of care, and ongoing dialogue with providers, especially over the next couple of years, essential. This will be supported by the introduction of the Council's suite of Market Position Statements and re-establishment of Strategic Engagement Groups to treat them as live documents and support ongoing dialogue with provider partners.

Cost of living crisis
Finally, the impact of the cost-of-living crisis on providers cannot be underestimated as it affects the cost of providing their services through increased food, utilities, insurance and overall running costs; but also, the staff that work there. As stated previously, the FCOC exercise does not capture these current and upcoming risks hence the need to continue an ongoing dialogue with our providers.

If Bury Council was required to move to the fair cost of care estimates presented in Annex B this will lead to significantly increased Care Home and Domiciliary Care fees resulting in a total cost to the council of £6.2m, as a consequence , without an equivalent increase in financial support this will lead to a significant funding gap between current rates and the fair cost of care rates and therefore add pressure to already strained Council financial resources.

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
Note: As part of these plans local authorities should also demonstrate how they complement other strategic documents, such as, but not limited to their Market Position Statements and demonstrate how they have worked with local providers to develop the plans in this section.

(a) 65+ care homes market

Fair Cost of Care (FCOC)
The level of engagement from our care homes was disappointing, and feedback has ranged from a reticence to share that level of detail, to a lack of confidence in the difference it will make. This has however still resulted in the FCOC exercise providing us with improved intelligence in costs incurred by providers. We plan to revisit the results alongside our providers over the coming years via our Operational Provider Groups and Strategic Provide Engagement Groups to show the benefit in engaging with the process and that the results lead to real change in the commission of care home services.

While not yet fully formed, we are proposing a phased implementation of the fair cost of care that will mean by 2024/25, subject to funding being made available, we pay the full rate plus any inflationary uplifts incurred in the time up then.

We also plan to:
- Review current funding tiers to ensure they best reflect the different needs of a growing set of complex customers.
- Repeat fee setting exercise to inform FCOC each year

Workforce
Bury will work alongside the market to tackle workforce challenges by:
- Proposal to invite care sector providers to be part of the Health and care workforce development group.
- Fund the Bury Workforce Hub to support providers with their recruitment and retention practices.
- Bury will provided enhanced rates from April 2023 to support care homes to pay their staff at least the full Real Living Wage.

Meeting future need
- Re-establish the Provider Strategic Engagement groups, alongside health partners and market leaders to jointly agree plans for the future, aligned to our emerging commissioning strategies
- Recently published Market Position Statements and keep under review via provider

engagement groups.

Improved quality

- Review and implement robust quality assurance strategy and process developed alongside other stakeholders including health colleagues, customers and providers.
- Review and refresh operational provider forums to offer specialist advice and training opportunities for providers
- Support the roll out of falls and frailty tools to all care homes including training at no cost to providers

(b) 18+ domiciliary care market

Fair Cost of Care

The return rate for care at home providers was disappointing. Feedback from providers who did not submit once again referenced the lack of trust in sharing the level of information having any impact on funding levels, and the pressures at the time of submission required. It is clear we must proactively work to improve relationships with providers. This will be done by:

- Establishing a care at home specific strategic engagement group with market leaders and reintroducing face to face meetings.

Subject to sufficient funding the initial plan is to work towards the fair cost of care for care at home providers, inclusive of any inflationary uplifts by April 2024. Given the low level of return, we will also look to strengthen dialogue on FCOC, leading to early repeat of the exercise to improve engagement

Workforce

Bury will work alongside the market to tackle workforce challenges by:

- Health and care workforce development group will be expanded to include our care sector providers.
- Fund the Bury Workforce Hub to support providers with their recruitment and retention practices.
- Bury will provided enhanced rates from April 2023 to allow all care at homes to pay their staff at least the full Real Living Wage.
- Provide an in year (22/23) uplift to those KPI compliant care at home providers to combat increased costs to staff and providers from move to payment on actual contact time.

Meeting future need

- Re-establish the Provider Strategic Engagement groups, alongside health partners and market leaders to jointly agree plans for the future, aligned to our emerging commissioning strategies
- Recently published Market Position Statements and keep under review via provider engagement groups.
- Roll out enhanced care at home program to all care at home providers, supporting them to establish career pathways for carers within adult social care.
- Develop assistive technology work program to look at alternatives to permanent care, including review of all care visit of 30 minutes and under to ensure customers are supported in the most appropriate way.
- Engage with providers and stakeholders on potential commissioning on actuals to support payment on actual model.

Improved quality

- Review and implement robust quality assurance process developed alongside other stakeholders including health colleagues, customers and providers.
- Review and refresh operational provider forums to offer specialist advice and training opportunities for providers
- Review effectiveness of current care at home specification to allow providers to work more innovatively and flexibly alongside customers.