

Annex C

Market Sustainability

Plan

27th March 2023



Section 1: Assessment of the sustainability of Bolton's local care market

(a) Assessment of current sustainability of the 65+ care home market
Sufficiency and diversity of supply

In Bolton there are 33 older adult care homes, of which 11 (33.5%) are nursing homes, most providing both nursing and residential care, and 22 (66.55%) are residential homes. They provide a total of 1,529 Care Quality Commission (CQC) registered beds. Provision is split by approximately 800 (52%) residential beds, 310 (20%) dementia high needs residential beds, 274 (18%) nursing beds and 145 (9.5%) nursing EMI beds. Care homes can be flexible regarding who they place in each type of bed, dependent on demand. CQC data shows that Bolton has a much lower number of residential and nursing beds than both the England average and comparator local authorities.

The council judges the current market to be sustainable, and that available supply is sufficient. In Bolton most care homes are locally owned, either part of small groups or individually run homes, six are operated by larger national groups, these tend to be larger nursing, or nursing and residential homes. During 2023 we are aware of two new older people care homes that are due to open. However, whilst the provider market in Bolton remains stable, there remain risks linked to limited spare bed capacity. Specifically, as a system we would struggle to accommodate a significant intermediate care, nursing or care home closure, without it having a detrimental outcome for our residents and the wider Bolton provider market.

Capacity Tracker data in September 2022 identified 158 vacancies, of which 83 (53%) were nursing home bed vacancies and 75 (48%) were residential home beds. This equates to approximately 90% occupancy rate. Bolton care homes have historically run on a high occupancy rate, a result of the lower number of care home beds relative to the population. Data shows that:

- Bolton Council and the NHS commission between 40-50% of placements in the borough
- Other councils and health commission between 6-10% of placements
- Self-funders are estimated to make up approximately 25% of placements.

In Bolton there is a particular challenge regarding the availability of nursing placements for people with dementia. These beds are difficult to source, despite higher payment incentives. Factors which affect this are, the need for one-to-one support, difficulties in recruiting skilled staff with relevant experience, and the required levels of training required to work with residents with nursing and dementia needs.

Demand for care

Difficulties are routinely reported around the sourcing of placements for those older adults with higher levels of need and greater complexity. These people are mainly diagnosed with dementia, often coming to a point of crisis prior to admission to hospital. Bolton Council will continue to work with system partners and providers to ensure that we are able to further develop our complex residential and complex nursing offer.

During the Covid-19 pandemic access to dementia short term care became limited. This has had a significant impact direct impact on carers in Bolton. There is an ambition to address this issue and to explore how to step up short term care beds in Bolton. However, this is currently an area of challenge and one where we will need to grow the market.

In Bolton accessing nursing placements is a challenge. Any further reduction in available nursing placements for people who need long term care will create a further financial pressure on the council's budget. The lack of placements would inevitably force fees higher than budgeted rate due to market forces.

The council continues to work proactively to reduce the number of incidents around frailty and falls in care homes. Bolton Council has adopted a partnership approach to tackle this area, with a Falls Collaborative Group developing a multi-agency response to both preventative interventions, and emergency response to avoid hospital admissions.

Quality of provision

The September 2022 (CQC) ratings for older adult homes are: one home (3%) is rated "Outstanding;" 28 homes (85%) are rated "Good;" and four homes (12%) are rated "Requires Improvement." No homes are "Inadequate". Bolton is above average for the percentage of Good and Outstanding CQC registered beds.

Larger care homes present the greatest challenge when it comes to maintaining consistently high quality. They are more at risk of being rated "Requires Improvement" by the CQC. This is often linked to individual units rather than issues across an entire home. Retention and associated recruitment difficulties of experienced registered managers in these homes is also an issue.

Current fee rate coverage

The 2023-24 residential fee rates are £653 for a standard residential placement, this represents a 14% uplift, and £724 for those with dementia and additional needs. For nursing placements, the fee rate is £703, a 23% uplift, for nursing EMI the fee is £774, these are paid with the addition of NHS Funded Nursing Care (FNC). All of these figures include the quality premium. The average weekly fee for older adults in 2022/23 was £623. Overall, Bolton's fee rates are average within Greater Manchester.

In setting these fee rates the council has listened to provide feedback, including FCOC returns, and considered the challenges that the social care market is facing, including recruitment and retention challenges, and the effect of the current rising costs of service delivery. In light of these factors the council has been able to agree a higher than usual fee increase for this financial year to support providers and help market sustainability. This is despite the considerable budget pressures that the council itself has to respond to. Bolton Council is pleased to confirm that we have been able to meet the FCOC rate identified.

Future market changes - providers' view

At an engagement event in February 2023, providers identified future market changes they would like to see between now and October 2025:

- Review local processes on the third party top ups to ensure greater clarity over charges, and process when third parties run out of funds. These issues will be addressed through the review of the top up policy. The council is committed to addressing this issue, it will work closely with providers to review the current arrangements around top ups and subsidies, to jointly produce and implement the new policy approach.
- Rising needs amongst residents were a concern, some residents need additional support as they may not meet the requirements of a specialist dementia unit. These specialist units often provide enhanced care, provide staff with specialist training. It was suggested that payments should be linked to need and not just a specialist unit there should be different levels of high needs payment not just linked to specialist dementia units.
- Support with adoption of new technology. The example of introducing electronic care plans was highlighted as a means of being more efficient and reducing costs but does require additional resources for implementation.
- At the point of consultation there was concern that waiting three years to reach the FCOC level of funding is too long, however Bolton Council has achieved these levels in the 2023/4 fee award.

(b) Assessment of current sustainability of the 18+ domiciliary (home) care market Sufficiency and diversity of supply

Bolton has 53 CQC registered home care providers, which is higher than average compared to neighbouring boroughs. However, four of these providers are out of scope of the FCOC exercise as they are supported living or extra care providers, leaving 49 providers in scope.

Bolton Council contracts with 25 providers, but approximately 60% of care is delivered by nine providers known as our Framework providers (Tier 1). These providers are on a Framework Agreement following a tender in 2015, and which is due to be tendered again. The remaining providers are either Tier 2 or Tier 3 (spot purchase) providers. Tier 2 providers deliver approximately 26% of our care and are contracted via our Dynamic Purchasing System DPS (2021). The Tier 3 providers are not contracted via a Framework Agreement; however, the council sets must meet specific criteria before it will commission with them including having been inspected by CQC, this equates to approximately the remaining 14% of the market.

The Bolton borough is mainly urban. There is greater difficulty placing packages of care in more rural fringes to the north and west and neighbourhoods in the town in which recruitment has provided to be more challenging due to the availability of workforce.

Demand for care

For the week commencing 26th September 2022 the council commissioned 21,201 hours of home care per week. It is estimated that a total of 1,022,976 hours of care will be commissioned in 2022-23. This represents an increase of 3.99% on the 983,824 hours commissioned in 2021/22. Around 90% of packages are being delivered by 20 providers, this is circa 40% of the market.

There is turnover within the home care provider care market with three providers leaving the market since 2020, the reported reasons were recruitment difficulties, and overall business viability. However, the market for home care provision is strong in Bolton, with several new entrants. A limiting factor for all providers remains capacity to recruit carers.

In Bolton we have an exciting opportunity with the retendering of the main Home Care Framework. This will provide an opportunity to develop new approaches to the issues that have emerged in the market since the last tender. Areas for development include, further embedding our Home First approach, aligning our revised framework model to complement our local Neighbourhood approach, exploring options around zones - which will also support corporate environmental priorities, facilitating walking and cycling routes, and embedding our strength-based practice approach across our provider services.

Quality of provision

There are 49 agencies in Bolton registered with the CQC. The council contracts care with 25 of these providers, of these one is "Outstanding", one "Requires Improvement", the rest of the providers (94%) are "Good" in September 2022. A small number of new providers are yet to be inspected.

Current fee rate coverage

In setting fee rates the council has listened to provider feedback, including FCOC returns, and considered the challenges that the social care market is facing, including recruitment and retention challenges, and the effect of the current rising costs of service delivery. In light of these factors the council has been able to agree a higher than usual fee increase for this financial year to support providers and help market sustainability. This is despite the considerable budget pressures that the council itself has to respond to. Bolton Council is pleased to confirm that we have been able to meet the FCOC rate identified.

The 2023-24 Bolton standard framework hourly rate is £21.42, including the quality premium, following the council awarding an 11% uplift this year. The 2022/23 average hourly rate paid to all providers was £18.99. In the wider Greater Manchester context Bolton remains comparable and competitive in terms of our current fee offer.

Future market changes - providers' view

At an engagement event in February 2023, providers identified future market changes they would like to see between now and October 2025:

- Paying providers on commissioned block time slots to support staff recruitment and retention.
- To move away from paying providers and billing service users by the minute, as this often results in service users clock watching and does not promote person centred care.
- Contract lengths increased to allow business planning and investment into the service area.
- Neighbourhood working to be developed to reduce carer time / travel costs and support smaller local providers to develop in the market.
- Consideration of minimum visit lengths so they are of longer duration.
- The council has commenced work to prepare for the development of the next home care contract, we intend to carry out an independent diagnostic review, customer journey mapping as well as customer and carer engagement in communities. We shall review and refresh of the current model, undertake gap analysis and ultimately a refresh of the contract.

(c) Cross cutting issues**Workforce**

In Bolton workforce is the principal challenge in both the care home sector and in home care, it is vital in retaining a stable market in Bolton. There are significant difficulties with the retention and recruitment of staff across adult social care services in the borough, particularly of registered nurses.

Providers have indicated that factors causing staff to leave the social care sector are:

- Rising day-to-day living costs,
- Energy and fuel costs,
- An increase in residents' needs and levels of complexities in residential care;
- Staff 'burn out' following the Covid-19 pandemic; and
- Overseas workers not returning either due to pandemic-related decisions or immigration status.

From April 2023 Bolton has set a care home fee and home care hourly rate with the expectation that providers will pay the Real Living Wage (RLW) to all staff. The council will make this a contractual requirement in 2023.

With care homes there are challenges in particular locations and in certain types of care homes, mainly complex residential and complex nursing homes. In addition, unfilled vacancies have an adverse effect on staffing ratios, quality of care, and may mean the need to use more expensive agency staff. Some providers report that they have had success with international recruitment but there are high additional costs for visas and associated costs of recruiting foreign staff.

The withdrawal of government grants and free PPE is likely to have significant financial impact, with a large proportion of providers stating that this could impact upon financial viability.

Section 2: Assessment of the impact of future market changes between now and October 2025 for each of the service markets

Workforce remains our most critical risk factor in Bolton in care homes and home care. Longstanding challenges regarding recruitment and retention in the social care market have been compounded by a number of recent factors outlined in Section 1.

Charging Reform will bring in new thresholds for local authority funded care, the lifetime cap on care costs, and the increased ability of self-funders to make placements through council contracts. The delay until 2025 provides greater opportunity to prepare systems, processes and the market. Charging Reform is likely to bring the following additional cost pressures for the council, leading up to 2025 the council will need to:

- Increase capacity in social worker and financial assessment teams to meet a projected increase in self funders requesting an assessment to start their care account and commencement of section 18(3) of the Care Act given the estimates of self-funders locally (see above). The council, in common with many other councils, is currently struggling to recruit adequate numbers of social workers to meet current demand.
- Increase administrative capacity required to manage the increased numbers of contracts and top up agreements.
- Ensure provider markets are fully aware and prepared for the changes through ongoing engagement and communication.

A particular challenge for Bolton Council is that a declining number of care home providers will accept the council's standard fee rate, with many care homes choosing to apply significant top up fees. The high occupancy rates in care homes mean the Bolton market is less competitive than other areas with greater supply. A key action is to review the current top up policy in 2023 to address these issues.

Maintaining and developing more strategic and responsive relationships with the market will require additional resources in the Commissioning and Quality Assurance and Improvement team. The need to continue to develop and nurture our local relationships will be key to our local market sustainability plans. Critical to our

longer-term success, will be maintaining some of the existing communication practices already in place, such as our provider forum meetings, local webinars with providers on key topics or as required, in times of crisis, weekly check in calls with providers and our dedicated duty line. In addition, we will work with the sector to jointly re-establish a Strategic Provider Partnership Board, this board will work collaboratively, using our market intelligence data and our vision for Bolton to shape the Bolton market to meet the emerging needs of our population.

The council has concerns regarding the wider market and the impact that moving towards the Cost of Care, in line with the requirements of the fund, will have on other service areas – particularly extra care and specialist home support services. The council cannot consider care homes and home care independently of the wider market. Activity (such as increasing the unit price) in one part of the social care economy is likely to have adverse impacts on sufficiency in other areas, especially as providers are recruiting from the same pool of workers locally. The potential impact needs to be explored further as this has wider implications for other social care service areas, such as supported living, Direct Payments, under 65 residential and extra care housing.

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 1-3 years

The level of engagement from the FCOC work was disappointing despite repeated efforts to engage providers and address their concerns, including for home care, commissioning an independent company to undertake engagement and data analysis. Providers reported some scepticism that the effort required would result in any change, and ongoing reluctance to share detailed financial data. The core aspects of this work are captured in our Annex B submissions, and our commitment to further supporting and developing our local provider market.

The council's fee setting process for 2022/23 and 2023/24 committed the majority of FCOC funding to increase fees at a larger level than would ordinarily have been possible. We also utilised a small proportion of the FCOC funds to support our engagement with providers, data collection and analysis. The data collected during the FCOC exercise demonstrated the need for above inflation uplifts in the level of fees paid. The uplifts agreed in 2023/24 are a recognition of the difficulties the sector is facing from rising costs and in particular in recruiting and retaining staff. The large uplifts are at a time when the council itself faces severe budgetary pressure. However, the council is not able to sustain top up fees increases at the same time as increasing the overall fee rate. Top up fees will be addressed through the new top up policy that is being developed. A note of caution also needs to be applied, as future funding increases will be dependent upon the wider funding being made available to the council.

In addition, Bolton will continue its work around demand management, which includes continuing to progress our work around Home First and Strength-Based practice, which will both be critical in ensuring that, where appropriate, people are supported to live at home, independently, for as long as they are safe and wish to do so. This strategic approach will be further developed with our providers, using our Strategic Provider Partnership Board.

3.1 Age 65+ care home market

Our approach will involve a three-year plan as outlined below:

Year 1 (2022/23)

- The council will utilise the additional funding from Government because of the FCOC exercise to begin to close the gap between current fee rates and a revised fee.
- Use the additional Government funding to address specific issues within the local market, specifically to raise nursing bed fees at a higher rate.
- Continue to require providers to pay the Real Living Wage.
- Continue to implement the complex dementia pilot and evaluate the outcomes and impact.
- We will re-establish our Strategic Provider Partnership Board, to jointly agree plans, aligned to our emerging understanding of our local needs, market intelligence and market demand.
- Continue to develop our local dialogue around the financial and workforce challenges faced by the sector, exploring innovative options where appropriate.
- Develop our local ASC workforce strategy and share with the provider market and explore how we can further support recruitment and retention.

- Continue to build on our strength-based approaches locally, which will better support individuals, offering choice, control, and independence.
- Develop our local information and advice offer in Bolton, proactively targeted to those making decisions about their care (or care for their loved ones). Ensuring that all communications are easy to understand, available to all and accessible via our online website.
- Review our current care home top up policy in collaboration with families, service users and providers.
- Implement a test to change project with system partners to deliver a dementia Complex Needs Step up from the community, and Step-down Discharge to Assess Service from the hospital.

Year 2 (2023/24)

- We will increase our standard price by above the rate of inflation, reducing the gap between the old base rate and the revised fee rate.
- Co-design our Strategic Provider Partnership Action Plan, which will clearly articulate our local ambition, our approach, and our action plan to achieve our joint ambitions.
- Revisit our Market Position Statements, ensuring that they still reflect the current market position, issues, risks, and opportunities locally.
- Review and further refine our local information and advice offer in Bolton, proactively targeted to those making decisions about their care (or care for their loved ones). Ensuring that all communications are easy to understand, available to all and accessible via our online website.
- Implement the new top up policy in Bolton.
- Evaluate the Dementia Complex Needs DTA Test to Change Project, and further develop as appropriate.

Year 3 (2024/25)

- We will increase the price by the rate of inflation, in 24/25, subject to continued funding.
- To evaluate the success of our provider partnership approach and evaluate our success, against our local plans and strategies.
- Revisit our Market Position Statements, ensuring that they still reflect the current market position, issues, risks, and opportunities locally.
- Establish a new local offer for people with dementia and complex needs, needing a residential care home placement (this includes step up from the community, stepping down from hospital, and respite).

3.2 Age 18+ domiciliary care market

Our approach will involve a three-year plan as outlined below:

Year 1 (2022/23)

- The council will utilise the additional funding from Government as a result of the FCOC exercise to begin to close the gap between current fee rates and a revised fee.
- Continue to require providers to pay the Real Living Wage.
- Commissioning: information gathered as part of FCOC will inform the redesign of the service model as part of our re-tendering of contracts. It is proposed that the council will explore payment models, trusted assessment models, and streamlined KPIs.
- We will establish our Strategic Provider Partnership Board, to jointly agree plans, aligned to our emerging understanding of our local needs, market intelligence and market demand.
- Continue to develop our local dialogue around the financial and workforce challenges faced by the sector, exploring innovative options where appropriate.
- Develop our local ASC workforce strategy and share with the provider market and explore how we can further support recruitment and retention.
- Continue to build on our strength-based approaches locally, which will better support individuals, offering choice, control, and independence with a focus on Home First.
- Continue to further develop (in partnership with providers), our system response to pressures linked to hospital discharge.
- Develop our local information and advice offer in Bolton, proactively targeted to those making decisions about their care (or care for their loved ones) that promote universal/prevention services and our Home First approach. Ensuring that all communications are easy to understand, available to all and accessible via our online website.

Year 2 (2023/24)

- We will increase our price by above the rate of inflation, reducing the gap between the old base rate and the revised fee rate (subject to available funding).
- The council will place particular emphasis on the Homecare diagnostic and consultation work, which will greatly influence market development, this will be a key strand of work that cuts across the whole three year plan.
- Co-design our Strategic Provider Partnership Action Plan, which will clearly articulate our local ambition, our approach, and our action plan to achieve our joint ambitions. This will support the home care implementation process.
- Revisit our Market Position Statements, ensuring that they still reflect the current market position, issues, risks, and opportunities locally.
- Review and further refine our local information and advice offer in Bolton, proactively targeted to those making decisions about their care (or care for their loved ones). Ensuring that all communications are easy to understand, available to all and accessible via our online website.
- Pilot TEC initiatives to support service users' independence and our Home First principles.

Year 3 (2024/25)

- We will increase the price by the rate of inflation, in 2024/25, (subject to continued funding).
- To evaluate the success of our provider partnership approach and evaluate the success of the new Home Care service model, against local need, with a clear focus on outcomes for service users and families.
- Revisit our Home Care Market Position Statements, ensuring that they still reflect the current market position, issues, risks, and opportunities locally.
- Ensure that we have locally embedded new technologies which will allow for some assessment self-service offer.
- Build on our existing digital transformational work, ensuring that we are also mindful to address key issues around digital poverty and digital exclusion.