

HEALTH AND ADULT SOCIAL CARE SCRUTINY

DATE 22/03/2023
REPORT OF Katie Brown, Director of Adult Services
SUBJECT Adult Services Market Sustainability Plan
STATUS: Open

CONTRIBUTION TO OUR AIMS

The paper has particular relevance to enjoying good health and wellbeing and benefitting from a strong economy.

The support, care and opportunities that are considered by the Market Sustainability Plan make a direct contribution to the Council delivering on its duties to meet assessed eligible social care need for adults in North East Lincolnshire and to manage the market that provides it and to ensure its quality and compliance with regulatory standards.

The Independent Sector providers who deliver the care and support that is the subject of the Market Sustainability Plan are part of a sector that employs 4500 people in North East Lincolnshire so make a considerable contribution to the local economy and on employment opportunities for local people.

EXECUTIVE SUMMARY

The Market Sustainability Plan covers services for those 65 and over who use Care Homes and those 18 and over who use Domiciliary Care. The Plan describes the current North East Lincolnshire context and development priorities for those services. The full Plan is attached at the end of this report. The full Market Sustainability Plan is a final draft pending portfolio holder and scrutiny review.

MATTERS FOR CONSIDERATION

The Scrutiny Panel is asked to approve the Market Sustainability Plan for publication on the Council Website on 27th March.

1. BACKGROUND AND ISSUES

The Council has statutory obligations to manage the market of care and support providers and to do so within financial limits. The Council also has obligations to meet assessed eligible need and assure the quality of services it commissions. These obligations are delivered through arrangements with the ICB for commissioning and the pooling of budgets.

The Market Sustainability Plan for North East Lincolnshire is part of the [DHSC Fair Cost of Care and Market Sustainability Programme](#). This programme requires English Local Authorities to draft a Market Sustainability Plan for Care Home and Domiciliary Care Services.

North East Lincolnshire, along with all English Local Authorities, will need to publish this Plan on the 27th March 2023 on the Council website.

Whilst DHSC guidance only requires a Market Sustainability Plan for care home services for those aged 65 and over and domiciliary care services for those aged 18 and over this plan sits in a wider context of plans and commissioning intentions for the delivery of support and care in North East Lincolnshire. These wider commissioning intentions are outlined in the [Market Position Statement 2022 – 2025](#) for adult services and in the Council Plan Adult Services section. The vision for adult services in North East Lincolnshire is:

‘Adults in North East Lincolnshire have healthy and independent lives with easy access to joined up advice and support which help them to help themselves.’

Wider commissioning intentions for support and care in North East Lincolnshire in the coming financial year and following years are outlined in the Council Plan as follows:

- **Implementing the Findings of a Rehabilitation and Reablement Review:** We will work towards providing more efficient and effective reablement, reducing reliance on long term care packages and formal services. The key workstreams will be to strengthen our strengths-based approaches, improve our use of technology enabled care (TEC), improve the identification and support to carers and ensure we offer reablement support to all those who would benefit.
- **Getting better value from care:** We will continue to ensure that people get care and support that meets their needs in the most effective and efficient way.
- **Developing the Supported Living Plus Service:** Last year we completed work on a business case. There are now approved plans in place to develop services for disabled adults to ensure that we have a housing and support offer within the Borough meaning more people can get the support they need closer to families and the communities they grew up in.
- **Developing Strengths Based Practice and Asset Based Approaches:** We will develop a strengths-based practice framework to support colleagues in Focus, Navigo and Care Plus Group to develop the way they work in the course of needs assessments planning for support and reviewing whether residents are getting the support they need. There are also new specifications and contractual arrangements for the delivery of social work that will help make it clear to both staff and residents what is expected and how we will measure effectiveness.
- **Housing related support:** We will develop our range of support for older adults with the aim of delivering two further 90 bed extra care housing schemes. We are going to explore the introduction of Shared Lives in North East Lincolnshire which will provide new opportunities for all adults to live in family homes as an alternative to other forms of care and support. Supported Living Services in North East Lincolnshire require development to ensure they can respond

effectively to residents and work to review these services will begin in 2023/2024.

- **Building the range of community-based preventative, care and social support services:** Last year we reviewed day opportunities and transport services on offer for people in North East Lincolnshire. In 2023/2024 we will bring forward proposals to develop this offer, and the resources that are offered by the voluntary, community and social enterprise sector. This work will require the development of strategic and delivery relationships with partners in the Voluntary, Community and Social Enterprise Sector. This work will aim to develop their role in preventative, information advice and guidance and community based support.
- **Developing our approach to the use of technology.** We will develop the way we work to make better use of technology in the course of providing advice and guidance, digitally supported assessment, the use of assistive technology to support the delivery of care and support and to support people to manage their own lives as independently as possible.
- **Workforce development plans.** We have a new adult social care workforce development plan in NEL that will support action to promote the value of social care, help employers with recruitment and retention, build the training and development offer for social care workers and link to the NEL Wellbeing Academy.

The Health and Care Partnership in North East Lincolnshire aims to deliver the following outcomes for local people:

- The right people have the right information they need about me and for me
- Teams work together to meet my needs. I do not see the lines in the system
- My needs are met at a time and place appropriate to my needs and abilities
- The people who look after me are trained, supervised and looked after so they are able to provide safe and compassionate care to me and my family
- My family and I are supported to help myself and to keep me healthier and independent for longer
- Care is tailored to my individual ethnic, cultural, digital and social background

Within one year we will have:

- Confirmed the setting and capacity for the new Supported Living Plus Service.
- Confirmed plans for expansion of Extra Care Housing.
- Confirmed plans for the introduction of Shared Lives Services in North East Lincolnshire.
- Confirmed plans for community based support, day opportunities and community transport.
- Introduced new ways of working and strengths based practice guidance to bring together action by social workers, community health professionals and partners in the voluntary community and social enterprise sector to promote independence.
- Worked with partners in the Health and Care Partnership to develop our plans.

- Improved work with partners to deliver reablement and intermediate care services.
- Developed our workforce plans to develop career pathways, improve access to training and provide support with recruitment and retention across social care.
- Developed and launched our refreshed local carers strategy and action plan'
- Completed our work on supporting people to be more independent through the 'Single Handed Care Project.'
- Implemented revised policy and practice for Disabled Facility Grants (DFG).
- Completed preparation for CQC Assessment of Adult Services and applied learning to service and practice development in NEL.
- Ensured we are implementing the Preparing for Adulthood Protocol in North East Lincolnshire to provide effective support to young disabled people.

Within three years we will have:

- Completed our Davenport Drive extra care housing scheme;
- Submitted plans for our Western School Site extra care housing scheme;
- Successfully delivered our first supported living plus scheme;
- Developed a strengthened model for community reablement and support which promotes greater personal independence for adults.
- Begun to see the benefits of new approaches to use of assistive technology to support NEL residents.
- Changed the balance of care to support more people to live at home as long as possible as independently as possible.
- Developed strengths-based practice across health and care services in NEL providing effective support that promotes independence.

Within five years we will have:

- A wider range of support at home for NEL residents
- Have a mature framework for strengths-based practice and associated partnerships with community and voluntary sector partners.
- A wider range of housing related support for NEL residents
- Maintained our effective performance to support timely discharge from hospital.
- More people enabled to live as independently as possible for as long as possible
- Worked closely with providers of support and care, advice and guidance and preventative services to ensure they are supported to be as sustainable as possible.

2. RISKS AND OPPORTUNITIES

The risk is that the resources required to maintain support and care for adults in North East Lincolnshire are not sufficient to maintain the choice and quality that the Local Authority is responsible for delivering.

The mitigations are that the Council and ICB make every effort to respond to economic challenges in providing fee uplifts, to support change and innovation and, where necessary, to address concerns over the viability and quality of particular services.

The key risk is noted in the operational risk register for the Council and in the ICB risk register in the context of the ICB delivering adult services commissioning on behalf of the Council.

A range of forums and processes contribute to the monitoring of this risk and associated controls:

- Review of the Council Plan for Adult Social Care Services will support monitoring of the provider market for delivery of care and support.
- Budget monitoring will ensure the impact of the fee rates is monitored throughout the financial year.
- Contract monitoring will enable oversight of and engagement with individual providers.
- The MIFS process reviews and acts on information about quality and viability concerns. Quarterly reports from the Quality Team review concerns and incidents and collate data to identify themes arising from this intelligence.
- On-going engagement with providers provides the opportunity to assess on going themes and issues that impact on the delivery of support and care in North East Lincolnshire.

3. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

The Market Sustainability Plan will be published on the Council website. The creation of the Plan has been the result of engagement with providers of support and care in North East Lincolnshire not just as part of the DHSC Fair Cost of Care and Market Sustainability Programme but also as part of ongoing engagement.

The Market Sustainability Plan is informed by and furthers the priorities outlined in strategy and communications as follows:

- The North East Lincolnshire Adult Services Strategy for 2019 to 2022
- The North East Lincolnshire Market Position Statement 2022- 2025
- The North East Lincolnshire Council Plan 2023- 2026.

The Market Sustainability Plan is developed in line with guidance from the DHSC. The guidance notes in the full Market Sustainability Plan that is attached to this document are highlighted in green text so that Scrutiny Panel Members can see how the Plan responds to DHSC requirements.

4. FINANCIAL CONSIDERATIONS

How will the proposal be financed?/ What will the effect be on revenue and capital expenditure?

The fee uplifts referenced in the Market Sustainability plan are within financial limits set as part of the Council budget setting process for the 2023 2024 financial year.

What call, if any, will there be on Council reserves?

None, subject to any unforeseen shift in demand, the costs will be met from agreed revenue budgets.

How does your proposal interact with other policies on issues such as charging, income generation, collection and risk?

There is nothing in the Market Sustainability Plan that requires policy changes or unsustainable impact on income generation.

How does the proposal deliver improved value for money?

By taking action to promote sustainable provision of support and care the Council is ensuring that the majority of its support and care is delivered through managed frameworks and commissioning arrangements. If fee uplifts were not sufficient to maintain these frameworks then commissioners would need to increase levels of spot purchasing of support and care which would lead to uncontrolled fee levels and un managed demand.

5. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

Some of the support and care that is the subject of the Market Sustainability Plan will be provided to young disabled people making the transition to adulthood. This can be a very challenging time for young people and families and ensuring that there is sufficient capacity and resources to meet assessed eligible needs is monitored by the Adult Services Delivery Programme Board.

6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

Managing a sustainable provision of local support and care in North East Lincolnshire supports with people getting the support and care they need as close to home as possible.

7. FINANCIAL IMPLICATIONS

The resources associated with the Market Sustainability Plan are within the budget agreed for 2023/ 2024 by North East Lincolnshire Council.

8. MONITORING COMMENTS

In the opinion of the author, this report does not contain recommended changes to policy or resources (people, finance or physical assets). As a result no monitoring comments have been sought from the Council's Monitoring Officer (Chief Legal Officer), Section 151 Officer (Director of Finance) or Strategic Workforce Lead. (Wards specifically affected)

9. BACKGROUND PAPERS

The guidance for the Market Sustainability Plan is part of the [DHSC Fair Cost of](#)

Care and Market Sustainability Programme.

NAME

Nick Fripp,

Interim Assistant Director, Adult Services.

APPENDIX 1 DRAFT Market Sustainability Plan for North East Lincolnshire Pending Portfolio Holder and Scrutiny Review.

Market Sustainability Plan for North East Lincolnshire

The following document retains the Department of Health and Social Care guidance text to support HCCG members to understand requirements for this document. This text is **highlighted in green**.

Covering note

We have amended the template for the final market sustainability plans to reflect the delay to charging reform.

We have made minor changes to the template to limit the amendments local authorities will have to make to your draft plans. To allow local authorities to amend your market sustainability plans, we have extended the deadline for submission to 27 March 2023. The submission portal will be open from 18 January to 27 March 2023. Local authorities are also required to publish your final plans on your websites by 27 March 2023.

Final market sustainability plans provide local authorities with an opportunity to signal their assessment of current market sustainability and intended direction of travel to your local markets and public. These should support other existing documents such as market positioning statements and joint strategic needs assessments.

Changes to Section 1:

Section 1 asks for a revised assessment of the current sustainability of local care markets. Building on the provisional plan, you should also draw on additional factors to provide the department with an updated picture of your current market sustainability. These considerations should now include the impact of current inflationary pressures (including national living wage increases) and how delays to charging reform have impacted your ability to manage current pressures on market sustainability.

Changes to Section 2:

In light of the delay to charging reform, section 2 has been revised to ask for an assessment of the impact of future market changes between now and October 2025, for each of the service markets, considering that charging reform is no longer planned for October 2023.

Changes to Section 3:

In section 3, local authorities should include a summary of how fair cost of care funding has been committed. We have also given examples of other elements local authorities may wish to consider in setting out further actions to support market sustainability in adult social care.

For ease, all revisions have been made in red on the new template.

Throughout final plans, local authorities should draw on cost of care reports and reflect on your approach to cost of care exercises, including any subsequent provider engagement, perspectives on the validity of results, and plans for use of cost of care

exercises to set sustainable fees going forwards.

Annex C: final market sustainability plan template

Please delete the guidance text in the template before completing.

Section 1: Revised assessment of the current sustainability of local care markets

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

In this section you should set out your local authority's revised assessment of the current sustainability of the 65+ care home market and 18+ domiciliary care market. This assessment should draw on a range of information (for example, cost information, trend information, provider feedback), and consider the market indicators below, to give a comprehensive view and representative picture of the current situation.

- Whether there is sufficiency of supply to ensure continuity of care (for example, are there some geographical areas where there are concerns regarding capacity, or over reliance on a small number of providers).
- The levels of diversity in the market (both in type of services as well as types/sizes of providers), and current use of technology and innovation to improve choice and quality of care.
- The quality of current services and whether there are concerns about quality in particular areas.
- Current fee rates paid and if there is an underpayment and how services are currently commissioned.
- Whether the current market conditions support development of the workforce, whether there are recruitment challenges such as high level of staff vacancies or staff turnover rates.
- The impact of current inflationary pressures on stability and sustainability of the market, including the potential impact of National Living Wage (NLW) increases in April 2023 on provider stability.
- How delays to charging reform have impacted your ability to manage current pressures to market sustainability.

Sufficiency of Supply

North East Lincolnshire (NEL) has a larger than average (20.9% in 2021 vs 18.7% England average) proportion of older people as part of a relatively static population. This proportion is projected to increase to 27.6 by 2043 (Nelincsdata.net) which will impact on required capacity. Where care homes have exited the market in the past, new providers have sometimes taken over those homes or developed large new care homes in NEL. Unsolicited provider developments can destabilise the care home market and work against the aim to increase occupancy rates, reduce workforce churn and support existing care homes' viability. It also compromises NEL's ability to develop a suitable mix of care and support that meets the overarching commissioning intentions. In October 2022 there are 1028 residents in the 33 homes remaining in the scope of the Fair Cost of Care exercise (one having closed from the 34 open at the beginning of the process) residents compared to 1042 in September 2021. The current occupancy level is 78%. NEL has a total of 1305 beds compared to 1487 in September 2020, a 13% reduction in capacity. Despite the reduction in capacity, current occupancy levels indicate a continued risk to the viability of parts of

the care home market.

6 of 33 homes have nursing provision. The September 2022 number of registered nursing beds in NEL is 204 with an occupancy rate of 48%. Homes report a vacancy rate of 47 nursing beds, meaning a gap of 60 beds from registered capacity indicating operational challenges to deliver the full number of registered beds.

NEL's care home market split as of September 2022:

- 44% Local Authority funded residents (permanent)
- 34% Self-funding residents (permanent)
- 9% Continuing Health Care residents (permanent)
- 4% Out of area local authority funded residents (permanent)
- 5% Local Authority funded residents (short stay / respite)
- 3% Self-funding residents (short stay / respite)
- 1% Step up residents i.e., from Intermediate care at home or the Community Urgent Care Team (short stay / respite)

Whilst there is sufficient supply to ensure continuity of care in the current 65+ care home market there are concerns arising from underoccupancy, home closures and unplanned provider developments which present risks to the stability of the local market. The Home First principles in NEL will also have an impact on capacity required in future years.

Diversity of the Market

There are no dedicated Dementia homes in North East Lincolnshire, but most care homes provide support to people with a range of complexity and conditions, including Dementia and behaviour that challenges. This supports choice of setting for NEL residents.

Where the level of need is high, NEL operate a block contract for those with needs that cannot be managed in regular residential or nursing homes. This is different to residential Dementia and nursing Dementia. This enhances capacity for those who require extra support.

5 care homes have been commissioned on a framework (from September 2022 following a trial in 2021) to support an enhanced recovery unit. The homes provide bed-based reablement and recovery support with in-reach from the community urgent care team (CUCT) and independent adult social work (Focus CIC) to support individuals on an intermediate care or D2A pathway. Expansion of this framework is being explored. NEL offer a range of different sized care homes:

- 6 care home with bed numbers under 25
- 18 care homes with bed numbers between 25-49
- 7 care homes with bed numbers between 50-74
- 2 homes with bed numbers 75 and over

NEL understands that smaller homes are struggling to remain sustainable within the current market. This has implications for the range of future choice of setting available to NEL residents.

The current year to date data for people placed in permanent residential or nursing care aged over 65 shows a 20 per cent decrease in permanent residents placed. (52 compared to 65 last year).

The proportion of people (65 and over) who are still at home 91 days after discharge has increased by 2.1% when compared to last years' data. The measure 'Outcomes of short-term services: sequel to service' has increased when comparing this year to the previous year (June 2021-22 (44%) compared to June 2020-21 (33.3%).

If support at home is not an option to support an individual, there sufficient capacity with a reasonable geographical spread across NEL. NEL homes offer support to people with a range of needs which, alongside enhanced recovery settings, provides diversity in terms of specialist support. Where a person is admitted into long term care provision, NEL will continue to support them within that provision avoiding changes of setting wherever possible subject to continued levels of high-quality support that matches the individual's needs.

Quality

Current CQC inspection ratings for the 33 homes currently in scope are as follows:

- 1 home is rated outstanding (3 per cent),

- 28 homes are rated good (85 per cent),
- 3 homes are rated 'requires improvement' (9 per cent),
- 1 home rated inadequate 1 (3 per cent)

Where there are quality concerns, NEL shares intelligence as a multidisciplinary partnership including social work, mental health and community services practitioners. This intelligence is shared as part the Market Intelligence and Failing Services (MIFS) group to identify risks and issues, working closely with CQC and the provider to monitor action to remedy concerns. Regular meetings with the CQC enable commissioners to share intelligence and review collated data about risk bandings. There are no concerns focussed in any particular geographical areas in NEL. Over the past three years NEL commissioners have worked with providers to improve the quality and consistency of care. A fair cost of care exercise was undertaken in 2019, moving our fee rates accordingly. This, combined with a new specification. The revised, more detailed Care Act compliant specification provides a clearer set of expectations for providers.

Current Fee Rates.

The current 2022/ 2023 fee rate for residential and nursing care homes (minus Funded Nursing Care (FNC) is £544.66 per week. Care homes charging top ups over the last 6 years:

	2017/1 8	2018/1 9	2019/2 0	2020/2 1	2021/2 2	2022/2 3
Total Care Homes (in scope)	41	38	38	37	36	33
Total which charge top-ups	21	14	13	12	14	12
Total as %	51%	37%	34%	32%	39%	36%

75% of homes charging top ups within their home in 2022/23 had over 80% average occupancy across the last year. 10 out of 12 homes who currently charge top ups cover a range between £5-£140 for larger rooms, apartment style, rooms with views or patio doors leading to a private garden. 2 homes charge £270-£875 to fund a range of enhanced services from basic top up to all rooms to cover access to facilities (a bar, street scene for reminiscence, indoor bowls and more) to premium suites with separate lounges.

Care homes are the subject of an open commissioning process where settings that meet the quality standards are accepted to take on commissioned admissions.

Workforce

Skills for Care ([Adult Social Care Workforce Data Set 20/21 report](#)) estimates that the staff turnover rate in North East Lincolnshire was 31.1%, compared to England average of 29.5%. There is a relatively low number of people on zero hours contracts in NEL (7% compared to England Average of 25%), sickness absence was at 8.4 average days compared to England average of 9.5 days and average care worker hourly pay was £8.88 compared to a regional average of £9.12. 56% of the direct care providing workforce in North East Lincolnshire hold a relevant adult social care qualification (compared to 51% in Yorkshire and the Humber and 46% in England). This data does not distinguish between care home and domiciliary care workforces so is relevant here and, in the 18+ domiciliary care market section below.

The local Health and Care Partnership (HCP) tracks progress against a Workforce and OD Plan which focusses on enhancing pathways into employment, leadership development and CPD. Action in the current year has included 4 recruitment fairs and engagement with provider staff through a survey and workshop. Feedback from providers and staff suggests that key concerns relate to managing the impact of Social Care Reforms, staffing and non-pay/ cost of living pressures, high turnover and consequent use of agency staff to fill vacancies and the need to respond to increasing acuity of need. Since the submission of the original MSP in October 2022 a new Adult Social Care Workforce Development Group has been developed to coordinate action in five key focus areas, promotion, recruitment, retention, Quality and CPD and Wellbeing.

Current economic and market conditions and underlying issues of low pay and value for social care work present significant challenges in NEL. Commissioners are working to enhance the action in the HCP plan with targeted initiatives that align with commissioning intentions to create system wide

action to promote, recruit, support and develop social care employees in partnership with providers.

The Impact of Inflationary Pressures

The impact of wage inflation relating to the uplift in the national living wage rates of 9.68% for the coming 2023/ 2024 year has been reflected in fee rate increases for providers. 9.68% has been added to the wage elements of costs for providers which will support both the funding of the increase in the National Living Wage and the maintenance of differentials within providers' wage structures.

All sections of the market have been impacted by the inflationary pressures in 2022/ 2023.

Whilst capacity has been maintained in the 2022/ 2023 financial year any failure to address the inflationary pressures in the coming year has been the subject of warnings about sustainability from providers of support and care in North East Lincolnshire.

Delays in Charging Reform

There is no immediate impact of the delay of the reforms on sustainability of the market. The delay simply maintains the status quo. Working within financial limits we have been able to reflect in year pay and non-pay inflation but not make real terms increases in wages or fees.

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

[As above but for the 18+ domiciliary care market]

Sufficiency of Supply.

As of October 2022 NEL had a total of 9 local CQC registered domiciliary care providers within the scope of this exercise. The current local model has 3 geographically/locality-based lead providers and 1 approved provider, with 5 domiciliary care providers used via spot purchase. The current number of people supported across the 9 domiciliary care providers is 1706.

The commissioning model promotes a 'teams not times' model which has been in place since 2019 and involving three geographical areas with one provider servicing each area (lead provider) and a single, approved provider adding extra resource and flexibility.

The implementation of the neighbourhood 'teams not times' model has been hindered due to the unprecedented pressures faced during and after the pandemic. The shift in model faces current challenges as new ways of working are being mobilised. These challenges relate to the limited capacity of providers to respond to requests, consequent spot purchase arrangements which pick up calls outside of the model, particularly for more complex needs. There is therefore an over-reliance on purchasing care outside of these contracts, which increases the uncertainty of availability and cost of care and potentially draws the staff pool to other providers.

In the current year there have been developments which have begun to realise hoped for benefits of the teams not times model. A team has been established within one of the lead providers for care at home to support with system flow. Where a lead/ approved provider cannot pick up a new package of care imminently, team can be called upon to provide care in the interim. The team was established on 5th September 2022 and in the first month has achieved supported 20 individuals, made 543 care calls, saved 204 bed days and all individuals have returned to their lead/ approved provider at the end of the agreed interim period.

There are significant challenges in providing sufficient capacity of support at home in NEL and this presents risks to the realisation of strategic intentions to apply Home First principles in NEL. Further work on supporting and embedding the 'teams not times' model will require changes to the balance of investment in support and care in NEL.

Diversity in the Market.

A key issue faced within NEL is the lack of specialism within the commissioned support at home provision, which has resulted in a reliance on spot purchase arrangements at a much higher cost than the support at home rate for more complex cases. Feedback from domiciliary care providers

has indicated the level of complexity in need is increasing as well as demand, particularly with the commitment to a 'Home First' approach.

NEL have a range of providers across domiciliary care:

- 4 providers have between 115-280 staff members (57%)
- 2 providers have between 50-74 staff members (29%)
- 3 providers have less than 20 staff members (43%)

There are gaps in commissioned providers relating to responding to complex needs (for example suctioning, PEG feeding, nebuliser therapy in the community) or challenging behaviours which is currently managed via spot purchase arrangements. This is met by a much higher cost than our local contracted fee rate. There are capacity issues for night and evening support due to a limited number of providers offering a roving night service.

Quality.

The most recent CQC inspections demonstrate the following ratings across the domiciliary care providers in scope of this exercise:

- 1 provider rated outstanding (11.1 per cent),
- 7 providers rated good (77.8 per cent),
- 0 providers in the scope have been rated requires improvement or inadequate,
- 1 provider is waiting to be inspected (11.1 per cent).

Alongside the MIFS group discussed in the care home section, NEL operate a system for professionals to log concerns. The concerns are picked up weekly via the contracts team to identify trends and request assurance from the provider. Comparative to the number of hours, the number of concerns logged is low for the lead and approved support at home providers. Where there are concerns that are demonstrating concerning trends or a significant spike in the number of concerns, the MIFS process is enacted to monitor and oversee the implementation of action/improvement plans with the provider.

Intelligence relating to domiciliary care providers is presenting some concerning trends relating to late calls. The pressure on delivering services to meet hospital discharges and increasing demand and acuity of need in community services, coupled with low staffing and COVID-19 has exacerbated challenges noted in the capacity and supply section above. Work is required to develop assessing and support planning practice that helps NEL residents to understand and make the most of the opportunities offered by the 'teams not times' and Home First models.

Fee Rates (Current, 2022/ 2023 rates)

The 4 providers commissioned via the support at home 'teams not times' contract is commissioned on a rate of £16.64 per hour. NEL does not pay a differential for the different length of calls. We don't identify travel time payment within each length of visit, our blended hourly rate of £16.64 is simply pro rata for 15,30,45 min calls.

Due to capacity and specialist skillset issues across these 4 providers, we sometimes rely upon spot purchase arrangements with rates up to £22.50 per hour. We pay non contracted providers at their commercial rates for these spot purchase arrangements.

Support at home is currently commissioned under the 'teams not times' model utilising 3 lead providers over 3 geographical areas, and a fourth approved provider adding extra resource and flexibility. Where capacity or complexity is an issue, spot purchase arrangements are made across 5 domiciliary care providers outside of the support at home contract.

Workforce

Recruitment and retention into the sector remain a major concern. Further review of the 'teams not times' model is required to support teams to respond to the needs of individuals rather than on a strict time task rota basis. This has the potential to help to improve working conditions and attract new staff.

Commissioning intentions and cost of living pressures create a risk of demand outstripping capacity that may increase issues already present across the domiciliary care market. There were 127 vacancies across the 4 contracted support at home providers in Autumn 2022. Domiciliary care providers across NEL report they are losing staff to care home markets due to the rise in petrol and diesel costs. In addition to this, the approach above does have the added risk of an increase in time spent with Individuals, in the move away from time and task. Close monitoring and review of packages is required with monitoring in variations in service delivery and comprehensive contract monitoring against commissioned hours.

The workforce challenges are particularly challenging in the domiciliary market and NEL is clear that this needs to be a priority for workforce action and investment.

This element of the market has the same overall Adult Social Care Workforce Data Set Figures as those noted in the section above relating to care homes.

The Impact of Inflationary Pressures

The impact of wage inflation relating to the uplift in the national living wage rates of 9.68% for the coming 2023/ 2024 year has been reflected in fee rate increases for providers. 9.68% has been added to the wage elements of costs for providers which will support both the funding of the increase in the National Living Wage and the maintenance of differentials within providers' wage structures.

All sections of the market have been impacted by the inflationary pressures in 2022/ 2023.

Whilst capacity has been maintained in the 2022/ 2023 financial year any failure to address the inflationary pressures in the coming year has been the subject of warnings about sustainability from providers of support and care in North East Lincolnshire.

Delays in Charging Reform

There is no immediate impact of the delay of the reforms on sustainability of the market. The delay simply maintains the status quo. Working within financial limits we have been able to reflect pay and non-pay inflation but not make real terms increases in wages or fees. What we have been able to do in the domiciliary care element of the market is to offer short term support over the winter period that aims to support providers to recruit and retain staff to maintain capacity.

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

In this section you should set out your local authority's understanding of the anticipated market changes that will or are likely to occur between now and October 2025, including quantification of the expected impact of these changes on the local market (for both 65+ care homes and 18+ domiciliary care).

Residential and Nursing Care Homes (65+)

The major impacts for residential nursing care homes are the change in self funder numbers, unsolicited local provider development and the economic context.

In September 2022 there were 366 self-funders numbers within the 33 homes (34% of residents). This compares to 365 in September 2021. During engagement exercises, local care homes indicated a need to offset this loss of revenue with revised rates in order to sustain the market. From October 2025, people paying for their own care will be able to approach councils to commission care on their behalf at the rates paid by local authorities. The impact is likely to be significant for 67% of our local care homes.

The unplanned development of large new care homes within NEL has attracted a large proportion of the self-funder market in the past which further destabilises the market. This has been intensified by the opening of new care homes in the spring of 2023 which will add over 10% capacity to this market in North East Lincolnshire which will exacerbate the existing under occupancy issues in this area of the market.

The self-funder market as at Autumn 2022 was as follows:

- 6 care homes have over 50% self-funders making up their total occupancy (18%)
- 16 care homes have between 25-49.9% self-funders making up their total occupancy (49%)
- 10 care homes have less than 25% self-funders making up their total occupancy (30%)
- Only 1 provider has 0 self-funders (3%)

The economic context is extremely challenging involving high levels of inflation and associated rising pay and non-pay costs impacting provider financial sustainability and recruitment and retention challenges involving providers competing for a limited pool of staff. Allied to this is the relatively low financial reward for care home staff compared to competitors both in public services and the wider economy. Together these pressures increase the risk of provider failure.

NEL alongside many places is seeking to undertake transformational reform to promote support at home and the consequent increase in acuity of need of those using care homes presents practice development challenges for providers. These changes are also reflected in developing CQC expectations and assurance and inspection processes of both health and care systems and providers. In summary the care home market faces transformational practice expectations in a time of extreme economic constraints and local ambition for new ways of working and the application of Home First principles.

Domiciliary Care (18+)

The major impacts for domiciliary care of future market changes in NEL relate to changing practice expectations and the likelihood of increased demand relating to commissioning intentions and Home First principles and the impact of the current economic context on chronic challenges relating to the viability of support at home business models.

As NEL develops its strategy aiming to support more people at home demand will increase and the diversity and models' provision will need to develop to meet a wider range of support requirements and align with new ways of working demanded by the teams not time model.

Workforce pressures represents a risk for the sustainability of the Domiciliary Care market. Recruitment and retention remain difficult locally as providers are competing for same workforce and are not able to compete with other sectors and economic conditions have the potential to hit domiciliary care providers particularly hard in relation to travel costs and the relatively low pay of employees. Pay awards and career progression are areas that require further development to retain existing employees and attract new people to the care sector.

Section 3: Plans for each market to address sustainability issues, including fee rate issues, where identified.

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.

In this section your local authority should set out your plan over the next 3 years to address the market sustainability issues set out above for the 65+ care homes market. Your plans should include:

- How your local authority has prioritised funding based on the cost of care exercises conducted in your local areas and taking into account the impact of fee rates on the market sustainability issues identified. The final plan is required to include a summary of how 2022 to 2023 funding has been committed and plans to maintain stability over subsequent years.

Local authorities may also want to outline any further actions to improve market sustainability, which may include actions to improve capacity and waiting lists/times, supporting discharge, and workforce conditions, expanding use of technology and innovative models of care.

In addition to the notes below from our original MSP submission in October 2022 further engagement took place with independent sector providers in January 2023 in the form of 1:1 interviews (x15) and workshops (x4) for providers of support and care in NEL. This was facilitated independently and also took account of benchmarking information and helped inform the development of the fee uplifts noted below in section 3a.

North East Lincolnshire is also developing a programme of work to improve outcomes from intermediate care and reablement services. This work reflects data that show North East Lincolnshire's provision of reablement services is significantly below the average: 1% of 18-64 and 3% of 65+ were referred to reablement compared to 5% and 15% respectively in comparator groups. Overall, reablement outcomes are also out of line with the comparator group average: across all age groups, it appears that no small packages were supplied, and that the majority of services users were ultimately issued with a long-term care package.

a) 65+ care homes market

- NEL commissioners will work with providers to shape a residential care base that meets the needs of people with more complex health and care needs, which means a move away from residential care provision for people who could be supported in their own home. NEL will continue to develop the use of residential care for people as either interim step up/step down provision, or where the complexities of an individual's long-term health and care needs are such that they can only be met in a residential setting.
- NEL will work with the market to commission care homes to continue to ensure the availability of sufficient "surge" capacity to support NHS winter pressures and retain capacity to respond to crises whilst enabling homes to continue to offer time-limited interim bedded provision to enable timely discharge from hospital (hospital discharge pathway 2).
- It is likely that some care home providers who are unable to respond to these commissioning needs will choose to exit the local market. NEL will work closely with providers to support a carefully managed exit.
- NEL will continue to develop its 'enhanced recovery bed' framework to develop support with a reablement ethos. Strengths based assessments of care and support needs will be undertaken in partnership with people and their families in people's own environment wherever possible. Outcome based support planning will support the collaborative setting of recovery and reablement goals. This will support a reduction and delay in the need for longer-term support.
- There will be an extension of the implementation of digital solutions with providers. This builds on the success of current programmes which enable a more rapid response from primary care and will support a Multi-Disciplinary Team (MDT) approach with a greater focus on the management of conditions and the review of key areas for people within over 65 care homes, for example, nutrition and hydration, frailty, and health checks. This will help to make best use of clinician time, ensure a timelier response to an increase in health and care needs, and reduce avoidable admissions to hospital. This also offers development opportunities for the workforce which will enhance employability and career prospects.

b)18+ Domiciliary care market

- The "teams not times" model will be reviewed in partnership with providers and service users in order to ensure that more people can continue to live in their own homes with appropriate support.
- There will be a focus on the development of more enhanced models of care delivery utilising technology and equipment to support capacity and the improvement of outcomes. For example, the implementation of the single-handed care approach to ensure proportionate support, promote independence and make better use of equipment and improved moving and handling techniques.
- NEL will continue to extend its offer of Extra Care Housing. There are currently two additional schemes in development to deliver an additional 180 homes over the next 3 years. This will see many more people supported at home and will create extra demand for care at home providers.

How the 2022/ 2023 Funding Is Being Spent

75% of the 2022/ 2023 funding (£394,733 from a total of £526,304) was invested in support for independent sector providers of care homes and care at homes. Of the total investment in support and care providers in NEL 22% was invested in care homes and 78% in support at home providers. This reflects information gathered that shows the relatively low levels of profit from

support at home providers, the strategic aim of building the capacity of support at home and the qualitative evidence of sustainability and capacity challenges for support at home providers. The remaining 25% was spent on resources required to manage the Fair Cost of Care Process and develop associated returns.

Fee Rates for 2023/ 2024 across Adult Social Care Services in NEL

Principles:

Fee rates for the coming year in North East Lincolnshire are as follows. These rates were informed by the following principles:

- The 'Home First' principle which informs the vision for adult services in North East Lincolnshire. This means seeking to build sustainability and capacity of support and care services that enable people to live in their own homes for as long as possible as independently as possible.
- Fee uplifts will need to cover the salary cost pressure associated with the National Minimum Wage and reflect the inflationary pressures of non-staffing costs.
- Cost breakdowns (particularly the split of pay and non-pay costs) are informed by the best available benchmarking information for different models of support.
- Fee uplifts must be affordable within the resources made available to commissioners as a result of budget setting processes in the Council and the ICB.
- As far as is possible North East Lincolnshire seeks to maintain alignment of social care fee and continuing healthcare rates.

Key Factors Influencing Fee Rates.

Non pay increases in North East Lincolnshire are informed by CPIH (8.8% in the 12 months to January 2023) as the measure for non-staffing costs.

Wage inflation for fee rate setting is informed by the 9.68% increase in the National Living Wage. In order to maintain pay differentials this percentage is added to all wage elements of fee rate uplifts in North East Lincolnshire.

All sections of the market have been impacted by the inflationary pressures in 2022/ 2023.

Whilst capacity has been maintained in the 2022/ 2023 financial year any failure to address inflationary pressures in the coming year has been the subject of warnings about sustainability from providers of support and care in North East Lincolnshire.

The resources available for fee rates for adult social care funded support and care are determined by the Council budget setting process.

The resources available for Continuing Healthcare fee rates are determined by the ICB budget setting process.

The split of pay and non-pay costs in the differing services have been informed by the local Fair Cost of Care data from providers and by information from other similar exercises in English Local Authority areas.

Intelligence and data from the Fair Cost of Care exercise and data from other areas suggests that domiciliary care services have both the most significant challenges in recruiting and retaining staff and the lowest average return on operations.

Fair Cost of Care Rates for North East Lincolnshire that emerged from the exercise in 2022 require a lot of further work and engagement with providers in coming years. Work will continue to provide every support possible to providers to sustain support and care for residents.

Health and Care Partnership

We work together as a Health and Care Partnership to align adult social care and continuing healthcare fees.

Fee Rates for 2022/ 2023 and 2023/ 2024

Service Area		Current fee rate 22/23 £	New rate 23/24 £	% Increase on overall fee
Support at home		16.64	18.32	10.1
Supported Living		17.00	18.68	9.9
Supported Living Plus		21.56	23.69	9.9
Sleep in rate		91.20	91.20	0.0
Base residential		566.44	617.12	8.9
Other residential in and OOA		0	0.00	8.9
Enhanced Dementia		842.31	916.16	8.8
Direct payments		10.94	11.99	9.6