

Adult Social Care and Communities Scrutiny Committee

Report from the Executive Director of Adult Social Care and Public Health

7 September 2021 – Market Management Overview

Introduction

The Care Act 2014 sets out the law around market development in adult social care. Under the Act, Gloucestershire County Council, (GCC), has a duty to not only meet and fund the needs of people eligible for care, but also to shape the local care market to encourage quality, choice and sufficiency of provision. This duty applies to our whole local population, including those who pay for their own care. Equally, it extends beyond care which is commissioned, and includes the informal care and support provided by families, networks of support and in communities.

In addition to the statutory requirement under the Care Act to manage care markets, GCC also has duties to improve the quality of care under the Health & Social Care Act 2012. The key means to achieve this is to ensure care is integrated around the needs of patients/people. In the past, handovers of responsibility between the NHS and social care have been problematic, so the Act aims to enable more integration between services which includes community based commissioned services from the independent and voluntary sectors. Therefore, market management includes services that support both health and social care delivery, whether they are purchased by public authorities or by private individuals.

As well as the statutory duties outlined in the above acts, GCC also have responsibilities under the Transforming Care Programme and the Gloucestershire Transforming Care Partnership. Transforming Care aims to improve health and care services so that more people with a learning disability and/or autism who display behaviour that challenges can live in the community, with the right support, close to home. Following investigations into abuse at Winterbourne View and other similar hospitals, there was a cross-government commitment to transform care and support for people with a learning disability and/or autism who display behaviour that challenges, including behaviour that can lead to contact with the criminal justice

system. Transforming Care is focused on building community capacity which can provide the relevant support and thereby reduce inappropriate hospital admissions and reliance on institutionalised support.

Adult social care includes personal care and practical support for adults with a need arising from old age, frailty, physical disability, a learning disability, or physical or mental illness, as well as support for their Carers. In our county, care is provided across a wide range of settings and predominantly purchased from the private sector, including traditional nursing and residential care homes, but increasingly in people's own homes and in the wider community. Balancing the various groups, people and needs of those accessing health and adult social care support forms the core of market management and is the core challenge.

This report sets out a brief assessment of the current care market, the challenges and changes we face, and our response to those pressures.

Key Messages

Gloucestershire County Council is committed to working with the care market to provide high quality, affordable care and support which shares our commitment to choice and self-determination, responds flexibly to need, and promotes independence. To deliver those aims:

- we need to increase the availability and range of care and support delivered in people's own homes and communities;
- we need more specialist care which can support people with complex needs across all settings, including the predicted rising demand for nursing care;
- fewer long-term residential placements are needed, and the shrinking market is likely to result in the closure of some establishments;
- we want to increase the availability and responsiveness of home care and short-term care provision to support hospital discharge and achieve better long-term outcomes for people;
- we will share intelligence about shifting choices and demands across the Integrated Care System and with care providers to enable sustainable business growth and service development;
- there is a need for an increase in the provision of assistive technology, digital solutions, equipment and adaptations to enable people to remain independent for longer;

- we want to work collaboratively with the market to support and grow a skilled and sustainable workforce which ensures access to quality care;
- we need to ensure our care offer is sustainable within the current financial context;
- we will continue to invest in supporting the development and sustainability of our care market.

National Picture

It is widely accepted that demographic changes mean that there will be increased demand for care and support over the next 10-20 years. Based on long-term forecasts, there will be large increases in future demand for care and therefore cost.¹ If current patterns of care continue, around 29% more adults aged 18 to 64 and 57% more adults aged 65 and over will require care in 2038 compared with 2018.

The Covid-19 pandemic has had a profound effect on the care market. Nationally, occupancy in care homes fell from around 90% at the start of the pandemic to around 80% in February 2021. Recent research by the Institute for Public Policy Research found a third of people are now less likely to seek residential care for an elderly relative and 40% of over 65s are less likely to consider it for themselves.

Gloucestershire Picture

It is well established that social care will need to respond to the needs of a population who have a longer life expectancy and greater likelihood of complex conditions. In Gloucestershire, an estimated 25,400 older people have a long-term illness or disability that limits their day-to-day activities a lot. That number is predicted to rise to 39,000 by 2030. The numbers of people with physical disabilities and learning disabilities are also projected to rise significantly over the same period. Advances in medicine mean that a percentage of older people will also have a long-term condition (learning or physical disability), and they may therefore require a more focused or specialised package of support.

Gloucestershire's 65+ population is projected to experience the greatest growth, increasing by almost 70,900 people, or 52.5%, by 2043. All districts are expected to

¹ The Adult Social Care Market in England, Department of Health & Social Care (National Audit Office, March 2021)

experience an increase in the 65+ age group. The increase is projected to be highest in Cotswold (65.1%) and smallest in Cheltenham (45.5%).

Table 1: Population change in Gloucestershire, 2009 – 2019

	0-19			20-64			65+		
	Number of people		% change	Number of people		% change	Number of people		% change
	2009	2019	2009 to 2019	2009	2019	2009 to 2019	2009	2019	2009 to 2019
Cheltenham	25,750	26,162	1.6	69,134	67,234	-2.75	19,083	22,910	20.1
Cotswold	17,954	18,275	1.79	46,953	48,356	3.0	17,858	23,231	30.1
Forest of Dean	18,757	18,404	-1.9	46,946	46,933	0.0	16,291	21,454	31.7
Gloucester	30,119	31,762	5.5	71,684	75,542	5.4	17,545	21,824	24.4
Stroud	26,440	26,468	0.1	64,297	66,384	3.2	21,116	27,112	28.4
Tewkesbury	18,254	21,435	17.4	46,423	52,605	13.3	15,876	20,979	32.1
Gloucestershire	137,274	142,506	3.8	345,437	357,054	3.4	107,769	137,510	27.6
England	12,607,531	13,282,321	5.4	31,188,563	32,650,924	4.7	8,400,287	10,353,716	23.3

Table 2: Projected population change in Gloucestershire, 2018 – 2043

	0-19			20-64			65+		
	Number of people		% change	Number of people		% change	Number of people		% change
	2018	2043	2018 to 2043	2018	2043	2018 to 2043	2018	2043	2018 to 2043
Cheltenham	26,375	25,098	-4.8%	68,196	66,271	-2.8%	22,519	32,759	45.5%
Cotswold	18,146	21,424	18.1%	48,116	53,910	12.0%	22,760	37,571	65.1%
Forest of Dean	18,454	21,165	14.7%	47,055	49,382	4.9%	21,034	30,675	45.8%
Gloucester	32,034	31,430	-1.9%	75,681	78,369	3.6%	21,570	32,958	52.8%
Stroud	26,406	27,567	4.4%	65,995	69,497	5.3%	26,618	39,295	47.6%
Tewkesbury	20,829	26,365	26.6%	51,298	62,138	21.1%	20,472	32,607	59.3%
Gloucestershire	142,244	153,049	7.6%	356,341	379,567	6.5%	134,973	205,865	52.5%
England	13,241,287	13,336,721	0.7%	32,556,638	33,680,409	3.5%	10,179,253	14,726,968	44.7%

Dementia is one of the major causes of disability in older people. Estimated projections suggest that in 2021 there will be approximately 10,076 people aged 65+ living with dementia in Gloucestershire. Incidents of dementia increase with age - people aged 65-69 account for 6.1% of dementia sufferers over 65 in Gloucestershire; this increases to 21.8% for the 85-89 age group. Given the ageing population, the number of dementia sufferers will increase in the future.

Table 3: Predicted number of people aged 65 and over with dementia, Gloucestershire 2021

	number of people with dementia by age group						
	Total	65-69	70-74	75-79	80-84	85-89	90+
Cheltenham	1,825	96	186	276	377	419	472
Cotswold	1,727	103	198	305	365	378	377
Forest of Dean	1,458	99	189	268	331	288	283
Gloucester	1,628	99	183	283	343	343	377
Stroud	1,857	124	235	341	421	419	318
Tewkesbury	1,524	95	177	263	343	328	318
Gloucestershire	10,076	617	1161	1,744	2,179	2,194	2,181
England	754,148	46,641	86,336	127,023	161,010	164,824	168,314

Note: Figures may not equal the sum of the districts due to rounding

Locally, the effect of the Covid-19 pandemic is not yet wholly understood, but there are likely to be medium- and long-term consequences for the care market. We do know that the support we have given care homes through the pandemic (in the form of central government funding, local authority grants such as the Infection Control Grant, and support via the PPE, testing and vaccination cells) has sustained the market through a difficult time. We also know that this additional funding has created an artificial level of income for homes which it will not be possible to sustain in future. Already, over summer 2021, we are experiencing a significant number of homes expressing a need to close.

In Gloucestershire we have been addressing these challenges through the Adult Single Programme which aims to transform our approach to social care through managing demand differently, by supporting changed commissioning and operational practices and increasingly through focusing on our role in prevention. The provision of care in Gloucestershire is based on a 3-tier model which aims to make the most effective use of the limited care market and budget. Care and support across all three tiers focus on people's strengths and enables us to meet our Care Act duties to prevent, reduce and delay needs.

- Tier One supports prevention, early intervention and self-help. Typically, services are provided by the voluntary and community sector.
- Tier Two focuses on short-term interventions which are intended to help people to maximise their independence, for example after a stay in hospital.

This tier includes the in-house Enablement team and the Home First (Reablement) service commissioned from Gloucestershire Health and Care NHS Foundation Trust.

- Tier Three provides long-term care when necessary, and continues to work with people's strengths. It is typically provided by the independent sector.

Tier One Provision (Help to help yourself)

Our model of social care practice, known as the 3 Conversation model, works with people's strengths and those of their family and community to enable them to remain as independent as possible for as long as possible.

For this model to be a success, it requires a diverse and varied supply of local support to be in place. The Council has recognised the importance of this part of the market and significantly increased investment in the support provided by the voluntary and community sectors over recent years. The Adult Single Programme have developed and resourced the introduction of Know Your Patch Networks, Thriving Community Grants and the Digital Innovation Fund. These contributions not only improve people's quality of life and enable them to remain independent, but they can prevent needs from escalating and mean we can make the most of the limited formal care resource available.

We also commission services for informal carers to ensure they are supported to be able to continue to care for their loved ones. One important aspect of this support is the provision of day services which provide respite for carers and meaningful activities and support for those who are cared for. We currently use a combination of in-house services, specialist community support and more mainstream groups and services provided through the voluntary and community sectors. As people with higher levels of need are living in their own homes for longer, we will need to respond by stimulating the development of community services which are flexible, less focused on a small number of buildings and more inclusive of a variety of needs. Gloucestershire has a vibrant community and voluntary sector which provides a sense of community and belonging so, rather than commission needs-based day provision, improving access to what is already thriving in our communities enables people to have a continued connection to their neighbourhoods and communities. As

part of Conversation 1, adult social care practitioners use the information on Your Circle² to identify local activities and support that may be of interest to the individuals they are assessing. For example, as part of the work of managing access to community meals, Your Circle has a section about meals and lunch clubs. Therefore, discussions would centre around accessing lunch clubs or on getting local meal providers to provide outreach rather than suggesting the use of commissioned services.

Tier Two Provision (Help when you need it)

We have invested in strengthening and increasing the availability of Reablement in people's own homes and will implement a new Home First service (and ethos) across the county later this year. Providing this short-term intensive support is intended to help people regain or retain their independence, and while this reduces demand for care in the long term, it is challenging to provide in a large and predominantly rural county. Recruiting sufficient workforce capacity to provide both a new Home First service and to support the growing demand for home-based care is a significant issue.

Home First is designed to provide a therapy-led, reabling model of care so that individuals are supported to do things for themselves rather than having tasks undertaken for them. Unfortunately, much of the current service is provided by independent home care (domiciliary care) agencies where a reabling model of care is not readily used. The current procurement model for this care unintentionally encourages waste as carers from a number of agencies travel from their business bases to the work and we can have a number of carers from different agencies working in the same district, neighbourhood or even street. Moving to a model where agencies are allocated an area(s) of the county to work in is part of a change management project being undertaken in the Integrated Brokerage team. This model has been shown to increase care workers' hands-on care time by over 25%. Our challenge is how to make this change whilst working within current procurement legislation and making sure that individuals are able to have choice of agencies and workers.

² Your Circle is Gloucestershire County Council's online care and support directory www.yourcircle.org.uk

Over recent times, and exacerbated by the pandemic, Reablement services have focused on people who have been discharged from hospital. We need to develop our new Home First service to be able to include a far greater emphasis on supporting people in the community, aiming to prevent hospital admissions and to reduce or delay deteriorating conditions. This will be particularly important in our response to people experiencing post-Covid symptoms.

Assistive technology (including telecare, equipment and digital technology) will have a significant role to play in preventing escalating need, being used as part of a reabling intervention, and in supporting hospital discharge and in promoting independence. We are developing a Technology Strategy for Adult Social Care which explores the potential we have to use both existing and innovative technologies to support people in the community.

Tier Three Provision (Ongoing support for those who need it)

Care Homes

In general, Gloucestershire has an oversupply of care home beds, particularly in the Gloucester, Cheltenham and Tewkesbury districts. There has previously been an assumption that entering a care home is inevitable in later years, but we know more people are choosing alternative long-term care options. More people are either living out their whole lives in their own homes with support, or move to a care home much later in life when their needs have become more complex. As we continue to shift our practice to supporting more people in their own homes, this picture will become more pronounced.

We do, however, experience pressure for care home beds which meet more acute and specialist needs, such as advanced dementia, complex care and neurological conditions. Analysis has further highlighted that in the Cotswolds, Stroud and the Forest of Dean districts, there is an insufficient amount of affordable care bed capacity which means that the Council often finds it necessary to place individuals in care facilities outside of their local communities and frequently outside of Gloucestershire in order to be able to meet their needs. While this situation is most

pronounced for older people's care, it is true across all provision including care for people with physical and learning disabilities.

Since April 2020 the average number of care home vacancies in Gloucestershire has consistently been above 20%; currently vacancies across older people's homes are levelling at 25%. Many of these vacancies are caused by self-funders choosing alternative options, which in turn negatively impacts on the sustainability of the market as self-funders are more inclined to pay a higher rate for the 'nice to have' aspects of care than is the case with publically funded placements. The potential for home closures is therefore a real threat. We will need to rationalise the care home sector so that we manage down the oversupply of residential care, manage out poor quality homes and promote growth in the areas of undersupply, such as care which meets complex needs, provides for people with advanced dementia or other behaviours that challenge, and increases the availability of nursing home beds. Key contracted providers in Gloucestershire are already working with us to ensure this change is handled sensitively and appropriately.

As part of our duty under the Care Act 2014, we continue to work with the independent care market to ensure we are promoting individuals' wellbeing, commissioning quality care provision to meet the needs of our diverse population, and to meet the need to better integrate care and support services with health services. In preparation for the re-tender of the Residential Care contract in 2019/20 it was recognised that decommissioning and redeveloping of the Gloucestershire Care Partnership (GCP) estate would continue to ensure our responsibility under the Care Act 2014 is met, as well as being crucial in aiding the sustainability of the wider independent care market in Gloucestershire.

Gloucestershire has a surplus of care beds in many districts and many of the homes in the GCP portfolio are now no longer fit for purpose in the longer term in the sorts of facilities they are able to offer, such as en-suite bathrooms and flexible accommodation that can adapt as needs of individuals change and develop. This is resulting in low occupancy levels in these homes and an increased cost to the local authority as we continue to pay costs for void beds.

The wider impact of an international pandemic has layered additional stresses on the care market. Many of our homes have had significant losses and most are declaring that self-funding requests have reduced to the point where they are reviewing the viability of their business. We are also aware that the pandemic has highlighted deficiencies in some of our residential provision, for example in having the skills and property which enable providers to manage good infection control practices. The business model for residential care relies on a good balance between publically funded and self-funded placements; the loss of self-funders when coupled with a high level of mortality brings a significant risk to the market.

Our current contractual framework for bed-based care will need to be updated to reflect these changes in the market and to enable us to meet the needs of people with more complex conditions within the funding we have available. It will be essential to build some areas of the market while reducing others, and in doing so, to bring the care market with us. We will need a range of housing and accommodation options including supported living and extra care facilities which can support people with dementia and other complex needs and will work with District Councils to develop this market. The Gloucestershire wide Housing with Care Strategy 2020 sets out Gloucestershire County Council's commitment to working together with the Strategic Housing Partnership to ensure that the right type and range of housing is provided for the specific needs of the population of the county in each of the six districts.

https://www.gloucestershire.gov.uk/media/2108909/housing-with-care-report_17feb_21.pdf

We also need to plan for future provision to be able to provide for a much more diverse population in relation to care and support. Gloucestershire has a large number of placements from other counties and it is unlikely that these individuals will return to their home county as they age. In December 2019 Gloucestershire had over 700 out of county placements in supported living or disability specific placements.

We will continue to work collaboratively with the Gloucestershire Care Providers Association and others to develop a vibrant, varied market reflective of the needs of the Council and the choices of our citizens.

Domiciliary (Home-Based) Care

Demand for domiciliary care has been increasing steadily over recent years for older people and those with disabilities in line with people's preference to remain in their own homes for longer. This direction of travel is set to continue and be accelerated by the effect of the pandemic. The current competitive model of home-based care though, causes the same stresses as those found in care homes i.e. oversupply in urban areas and sparsity in rural areas, especially the Cotswolds. This has the effects of driving up costs, compromising outcomes for people and delaying discharges from hospital.

We will need to work with the home care sector to increase capacity, flexibility and to develop higher level skills in order to meet the changing needs of vulnerable people who wish to remain in their own homes.

As outlined above, Gloucestershire has a growing demand for home care. However, the current delivery model for home care encourages waste of the most precious and essential resource, care staff. Often, care workers from a number of agencies can travel to the same part of the county, or even to the same street wasting time in both travel and mileage costs but more importantly meaning they have less time and opportunity to deliver face to face care and support. An Adult Single Programme project, managed within the Integrated Brokerage team, is working with the West of England Academic Health Science Network to pilot a more efficient model of care delivery which uses artificial intelligence to more optimally schedule care visits. Recent research has shown that such improved co-ordination could reduce mileage by 40% and increase utilisation of the care workers' hands on care time by over 25%. Importantly, working this way has also resulted in improved worker satisfaction and better quality of care.

Gloucestershire intentionally has one of the lowest rates for residential care as we have been actively discouraging the use of residential beds for over a decade. We also have one of the highest hourly rates for home care, particularly in the rural areas of the county, (though there is evidence to say that this is not consistently passed on to staff in their hourly rate as we are also benchmarked as the local authority where most care workers are paid on or just above the National Living

Wage). We have recognised that managing this complex and changing market requires dedicated resource, and that the capacity of the Integrated Brokerage team needs to be augmented to do so in the shadow of Covid-19. We have therefore committed additional Care Act budget to fund a senior manager within the team whose responsibility will be to support and develop the Gloucestershire care market.

Key Challenges

Covid-19

We recognise that Covid-19 has affected the care market, and the consequences in terms of the financial sustainability of providers could continue for some time. The pandemic is likely to negatively impact profitability as care home providers try to rebuild occupancy against a backdrop of increasing numbers of self-funders choosing to remain in their own homes for longer. Nationally, occupancy in care homes fell from around 90% at the start of the pandemic to around 80% in February 2021.

Gloucestershire had a surplus of care beds prior to the pandemic with between 15-20% vacancies at any one time, and occupancy levels have not increased in the same way they have nationally (occupancy levels are between 20-30%). The decreasing number of self-funders has meant that care homes are no longer able to depend on the balance of self-funders and publically funded placements. We have seen a significant increase in the number of care homes willing to accept local authority rates in the past year.

Whilst the Covid-19 pandemic has highlighted the importance of care, it has also raised many questions about the perception of care homes as a safe environment. We have seen a reluctance in the take up of long-term residential care, as fears around contracting the virus, the imposition of visiting restrictions, being cut off from loved ones for long periods of time and the possibility of dying alone have been highlighted in the media. This will potentially further drive people towards choosing home-based care or other ways of meeting their care needs.

Gloucestershire County Council are very grateful for the system response to the Covid-19 pandemic from local providers, who have risen to the challenges, responded quickly and been prepared to deliver services differently.

Demand

As stated above, overall demand for care is forecast to rise considerably over coming years to support our population which is living longer, and with more complex ongoing needs. The way people are choosing to purchase their own care, as well as the strategic direction of Adult Social Care, means that not only the amount of care available will need to change, but the types of care and its location will also continue to shift in the near future.

We have been responding to demand pressures through our Adult Single Programme, aiming to support care practitioners, care providers and those who need care to think and behave differently in response to need. We have embedded a transformed model of social care practice which focuses on people's strengths and those of their communities, listens to what makes a difference to their lives, and considers formal, institutional care only when it is absolutely necessary. We have funded and developed capacity in Tier 1 (improved information, advice & guidance and funded voluntary and community sector organisations), we are investing in and augmenting changed provision in Tier 2 (enhanced independence delivered through Home First and assistive technology), and are supporting changes to the way we commission Tier 3 services to reflect our practice emphasis on prevention and strengths-based work.

Supply

To meet current challenges and to address projected rising need, we will need to build and support a care market which continues to shift in emphasis towards home-based care, has the skills and knowledge to care for people with more complex needs, and reflects our strength-based model of practice. We particularly need to grow the market in geographical areas where we have the most unmet demand. Options for this include: diversifying care home provision to extend to community work (Hub & Spoke model); encouraging micro-providers and personal assistants;

and embracing new technologies to enable us to increase the capacity and productivity of home care by use of better scheduling and route planning.

Our current market of provision can sometimes struggle to accommodate urgent requests for care or to work with the most complex and challenging conditions, and is not equally available in all parts of the county. We need more care delivered in people's own homes that is able to meet these needs.

At the same time, we have an oversupply of residential care, particularly in the older people's market, but too little nursing care. Again, this varies across the county. We will take a managed approach to this shifting picture, building on our Older People's Care Home Strategy and Market Position Statement by creating Locality Plans for each district area of the county, aiming to manage down outdated provision and that which no longer meets people's changing needs and choices.

Workforce

Overall, the size and shape of our care workforce is too small, too changeable, and needs to develop a different skill mix to meet current and future needs.

Our providers experience challenges in recruiting and retaining staff, particularly in rural areas (or areas where property costs are higher, such as the Cotswolds). This picture is likely to become more of an issue as we require more care to be delivered outside the residential settings which have traditionally been more attractive to the care workforce.

To ensure Gloucestershire has a sustainable, skilled workforce able to meet a range of care and support needs in the community, including being able to care for people with more complex needs in their own homes, we will need to continue to invest in schemes such as Proud to Care which support skills development, recruitment and the status of care as a profession. We will also ensure that our contracts promote and value skills development and the welfare of the care workforce, and we will continue to pay rates which are able to provide the National Living Wage.

Legislative and Financial Change

It is likely that the Government will change the legislative and funding framework of adult social care in England. There is considerable uncertainty about what this will mean for Gloucestershire County Council, or for the care market.

Current intelligence suggests that a cap on the amount any individual will be required to spend on their care will be introduced, after which the local authority would be responsible for meeting the full cost of care for the remainder of that person's life. While we do not have confirmation of this change, it will result in uncertainty in the market and a potential shift in self-funders' behaviour. If a care cap were to be implemented though, it would have a significant impact on adult social care budgets. For example, if the cap was set at £50,000, this sum could cover less than two years, approximately 80 weeks of residential care in a Gloucestershire care home that accepts GCC rates, or approximately 95 weeks of domiciliary care, leaving GCC to cover any care needs after that time. In a county in which approximately 50% of care users fund their own care, this will be a potentially huge increase in budgetary pressure.

This may also change the perception of adult social care to a service which is free at the point of contact (subject to the care cap). If this is the case, we will need to manage people's expectations, educate people how to make the most of their own resources, and retain the focus on prevention and early intervention and keeping people at home.