



**Market Shaping and Review of the Adult Social Care Commissioning & Estate Strategies**

<b>Cabinet Date</b>	10 November 2021
<b>Cabinet Member</b>	Carole Allaway-Martin
<b>Key Decision</b>	Yes
<b>Purpose of Report</b>	The purpose of the report is to seek cabinet approval to undertake a review of Gloucestershire's Adults Health & Social Care Sector, following the Covid-19 Pandemic, taking particular note of those areas where Gloucestershire County Council has the greatest ability to influence, to help manage and shape the market in order to contribute to and aid sustainability of the independent Health & Social Care Market in Gloucestershire.
<b>Recommendations</b>	<p>That the Cabinet agrees:</p> <ol style="list-style-type: none"><li>1. To initiate a comprehensive and focused review of the care markets following the Covid-19 Pandemic to help manage and shape the market in order to influence and aid sustainability of the Independent Health &amp; Social Care Market in Gloucestershire, taking particular note of those areas where Gloucestershire County Council has the greatest ability to influence with a view to supporting the future shape of the market based on the demographic profile and projected needs of Gloucestershire residents.</li><li>2. To consider the outcomes of such review once complete.</li></ol>

<p><b>Reasons for recommendations</b></p>	<p>To ensure that, as outlined in The Care Act 2014, Gloucestershire County Council is actively working to shape the local care market in order to encourage quality, choice, and sufficiency of provision, ensuring particular emphasis is placed on identifying the impact of the Covid19 pandemic on the Health &amp; Social Care commissioned providers including:</p> <ol style="list-style-type: none"> <li>1. Impact on Workforce</li> <li>2. Potential changes to purchasing/funding models</li> </ol> <p>The work should also assist in stabilising the care market in Gloucestershire, by placing specific emphasis on how we interact with our care home market, recognising their ability to provide a different offer through outreach and diversification:</p> <ol style="list-style-type: none"> <li>1. Using the Council's Estate Strategy to support the future needs of persons falling within the demographic profiles of adult social care and;</li> <li>2. Meeting the wider aims and long-term vision of Gloucestershire's commissioners in the wider Integrated Care System (ICS) of keeping people independent in their communities for longer.</li> </ol>
<p><b>Resource Implications</b></p>	<p>There are sufficient resources within Adult Social Care to undertake the review.</p> <p>The broader resource implications relate to the ability of the County Council to continue to respond to demand for adult social care within the current budget will be one of the considerations for recommendation once we have finalised the proposed engagement.</p>
<p><b>Background Documents</b></p>	<p>N/A</p>
<p><b>Statutory Authority</b></p>	<p>Care Act 2014</p>
<p><b>Divisional Councillor(s)</b></p>	<p>All</p>
<p><b>Officer</b></p>	<p>Brenda Yearwood – Head of Integrated Commissioning - Integrated Brokerage &amp; Market Management.</p> <p>brenda.yearwood@gloucestershire.gov.uk</p> <p>Tel. 07990 675275</p>
<p><b>Timeline</b></p>	<p><b>September 2021</b> – Undertake conversations with commissioners and</p>

	representative provider bodies to inform the November Cabinet report.
	<b>November 2021</b> – Cabinet.
	<b>November 2021 – January/February 2022</b> – Engagement with the wider market on the impact of Covid19 – Review and recommendation.
	<b>March 2022</b> – Cabinet report on the outcome of the engagement exercise together with proposals about the future management and shape of the market in order to influence and aid sustainability of the Independent Health & Social Care Market in Gloucestershire.
	<b>March/April 2022</b> – implement strategy post Cabinet to include consultation on recommendations.

## **Main Report Contents**

### **Introduction**

1. As part of the council's requirements under the Care Act 2014 Gloucestershire County Council has a statutory 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 the whole local population, including those who pay for their own care. For the purposes of this report the adult health & social care sector includes provision of care and support for older people, those with a physical or learning disability or a mental health need.
2. The Council has and continues to work closely with the local care market. Over the last five years the council has transformed the way in which it delivers adult social care. The focus has shifted to supporting independence and people to remain in their own homes for as long as possible. This has not only reduced the number of people entering residential care but has reduced the length of their stay should they need care.
3. Gloucestershire County Council commissions the majority of the care we purchase from the independent care sector so part of the council's role in managing the care market is in ensuring that commissioned providers deliver quality care provision which meet the needs of the county's diverse population. Gloucestershire County Council are also a partner in the Gloucestershire Care Partnership where care homes owned by Gloucestershire County Council are run and managed by the Order of St John's Charitable Trust. This partnership also manages the Estate Strategy a forum for reviewing the current availability and any potential developments of care facilities for the county. In addition to this Gloucestershire County Council hold a contract with Gloucestershire Health & Care Foundation Trust to manage the Reablement & Home First services
4. Demand, in some parts of adult social care appears to be increasing. In fulfilling its statutory duty to manage the care market the council will help to ensure there is sufficient provision in terms of type and quality of care in the locations needed to meet current and predicted future demand.
5. There are 221 care homes in the county providing 4,450 placements. The Council is the main purchaser of placements for working age adults with long term conditions. However, the Council purchases approximately 50% of care home provision for older people. There was a mixed picture before Covid 19 with some homes being nearly exclusively occupied by self-funders and others occupied almost exclusively by local authority placements. We are aware that the pandemic has had an impact on the self-funder market and are finding that those care homes that we have not previously commissioned from, are becoming more open to working with the Local Authority. Therefore, part of the engagement exercise is to identify the key drivers for this change, the impact of Covid19 and to gauge the long-term impact which this change has on the market in future.
6. There are 237 home care agencies and Gloucestershire County Council commissions from approximately a third of these, purchasing in the region of 350,000 hours per quarter.

7. The council needs to ensure that providers are developing support and services that are able to meet the changing needs of our population and the demands of the Integrated Care System. This requires developing and delivering care and support services which support hospital and community health system flow, keeping people independent at home for as long as possible whilst developing support which actively promotes individuals' physical and mental wellbeing.
8. Previously Gloucestershire County Council has reviewed, decommissioned, and repurposed services within its direct ownership or influence, to ensure that the council was able to comply with its responsibilities in relation to Adult Social Care. The Covid-19 pandemic has refocused these responsibilities. The market shaping and market management roles outlined under the Care Act 2014 are more important than ever as the council works towards aiding the sustainability and sufficiency of the wider independent care market for Gloucestershire.
9. The needs of current population have changed, partially as a result of wishing to remain independent for longer and predictions for future demand indicate there is a need for more specialist provision in certain parts of the county. For example, nursing care, specialist dementia care and specialist neurological support. Gloucestershire has only one facility able to offer placements for those with neurological conditions so we frequently have to place out of county. By placing people in care homes at a distance from their own communities we leave them unable to maintain important links with their families, friends, and communities. The location of any new provision needs to be planned carefully to ensure it marries up with demand or be centralised and supported in a way that encourages interaction and connectivity with the communities.
10. Covid has given rise to issues in terms of the adequacy and suitability of some of the care facilities in relation to managing infection control measures indicating that some provision is no longer fit for purpose in a post-Covid world. For example, infection prevention and control resources being easily accessible in corridors as staff enter and leave rooms. Providers need to have the capability to easily implement measures to protect residents and staff from Covid-19, flu, and Norovirus. In addition, many of the homes were built at a time when expectations for homes (including care homes) were different from now, hence many do not have the modern conveniences that people now expect as standard (such as en-suite bathrooms and flexible accommodation that can adapt as needs of individuals change and develop). There will always be a need for care facilities with shared bathrooms to support those requiring assisted bathing etc., however the shape of the care market is changing, and work is necessary to ensure ongoing market sustainability.
11. Covid has also brought with it an element of market instability. In the last 18 months there has been a reduction in the number of people who wish to move to a care home. Many of the council's care home providers have stated that they have incurred significant losses during the pandemic and most are declaring that self-funding requests for residential services have reduced to the point where it has become necessary for them to consider the viability of their businesses. The business model for residential care relies on a good balance between publicly funded and self-funded placements; the loss of self-funders brings a significant risk to the market and the overall sustainability of all care home providers. As a result,

some care homes are carrying a high number of vacancies, in total there are over a 1000 empty care home beds at any one time in Gloucestershire and a surplus of beds in five of the six districts. Conversely there has been a greater demand for domiciliary care for people who wish to continue to live in their own homes. This change has already caused some care homes to close and for others it means a lack of financial stability.

12. The increasing number of surplus beds, particularly in the disability and mental health sections of the market means that other local authorities often place their residents within Gloucestershire. Often the County Council is not advised of these placements but it still has a responsibility to ensure that everyone who lives in Gloucestershire is safe and to be aware of all placements within its boundary. These placement impact on the wider health & social care resources of the county, GP's, hospitals, districts nurses, Rapid Response teams etc., putting additional strain on the resources available to meet the needs of the residents of Gloucestershire.

### **Market Analysis**

13. Previous market analysis and feasibility studies, both desk based and on-site analysis, have shown that in some of the districts within Gloucestershire, there is an oversupply of care home beds that are used to support the needs of those needing Health & Adult Social Care, with approximately 20% under occupancy across this section of the care sector. There is also currently an oversupply of 'standard' residential placements yet we are aware there is a need more specialist care which can support people with complex needs across all settings including nursing and dementia care. We need to understand how the pandemic has changed the shape of the Gloucestershire market.
14. The spread of beds is also not evenly distributed across the county. The majority of care homes are based in the two urban districts of the county, (Cheltenham & Gloucester) so there are sometimes difficulties in finding services locally for people in other areas of the county, therefore connection with families and communities are lost at the very time they have the most importance.
15. Analysis of the wider market has highlighted a lack of facilitates within the county to meet the needs of individuals with neurological conditions and acquired brain injuries. There is little choice for these individuals when procuring suitable placements. Feasibility studies and options appraisals have been undertaken to look at identifying a suitable site which could be used or redeveloped to provide a purpose-built neurological Care facility.

### **Care Market Overview**

16. Gloucestershire has had a surplus of care beds for the past 10 years, which means that homes have had to frequently compete for a limited amount of business to make their home sustainable. This situation is likely to increase with more people choosing to receive care and support in their own home. In addition, over the past decade more and more people are choosing to purchase retirement apartments in care villages rather than following the traditional care home route. There will always need to be a level of residential provision for those requiring 24-hour care or end of life nursing and residential care so it is important to support care home providers to

remain sustainable through working with them to manage and shape their offer accordingly.

17. The review will consider care home needs on a county and district footprint, the needs of our local population and the capacity across the rest of the care market, including the availability of domiciliary care or other community-based supports and the potential for care homes to assist in the delivery of these types of services. It will make recommendations as to how we can best support and manage the care market in Gloucestershire moving forward. The following highlights some of the care market challenges at a district level.
18. In the urban areas of Gloucestershire, we have identified that we have a surplus of care beds whilst the rural districts tend to have less by way of residential care settings. Therefore, where we most need care providers to diversify and provide a wider care offering we have the least provision with which to undertake these conversations:
  - i. **Cheltenham**: There are currently has 25 Care Homes operating in the Cheltenham Locality. These 25 homes have the potential to offer 998 care home placements and currently 204 of these are vacant. The current occupancy level for care home beds in Cheltenham is 73%.
  - ii. Cheltenham has the highest level of domiciliary care requests in the county. There are 35 providers of home care working in this district delivering to 371 clients yet there is still a struggle with provision in some areas of the borough, at the time of writing we have 54 individuals waiting for care in the borough..
  - iii. **Cotswolds**: There are currently 14 care homes operating within this district. These homes have the potential to offer the potential of 438 placements
  - iv. The Cotswolds is approximately a third of the land mass of the county with an equivalent population to the other districts therefore home care providers when working to the current model of delivery find it difficult to maintain a viable business. There are 26 agencies delivering care to 213 individuals. The waiting list for home care is 26.
  - v. **Forest of Dean**: This district has the least care home capacity in the county, with only 14 care homes, offering 275 potential placements. However occupancy levels are relatively high and there are only 31 vacancies within residential care provision for this district
  - vi. Home care however is difficult to maintain, the area has similar, though not identical, issues to the Cotswolds. There are only 19 agencies dedicated to working in the Forest of Dean. At the time of writing there are 50 individuals waiting for home care in this district.
  - vii. **Gloucester**: There are currently 23 Care Homes in the Gloucester Locality. This equates to 819 care home beds. Currently 178 of these are vacant. The current occupancy levels for care home beds for Gloucester is 78%.

- viii. Gloucester city is the second largest user of home care, yet has the highest concentration of providers therefore, competition between providers is high so maintaining a sustainable business is compromised by a competition-based business model. There are 44 agencies working within Gloucester City, however we still have 23 individuals waiting for a service.
- ix. **Stroud**: There are currently 22 Care Homes in Stroud district. This equates to 697 care home beds. Currently 178 of these are vacant the current occupancy level for care home beds in Stroud is 74%
- x. Stroud has the highest level of domiciliary care requests in the county for a rural district. There are 36 providers of home care working in this district however there are still gaps in care delivery at the time of writing there are 46 people waiting for home care in this district.
- xi. **Tewkesbury**: We currently have 11 residential homes in the Tewkesbury district with overall occupancy at 80%. However the district closely borders the 2 urban areas of Cheltenham & Gloucester, hence many residents living in the wider Tewkesbury Borough tend to access residential care in the urban areas of the county.
- xii. The home care market for wider Tewkesbury both gains from, but also suffers from, being close to the urban districts. For example, Bishops Cleeve benefits from being near to Cheltenham, whilst providers struggle to deliver in other areas there are 36 providers working in the wider Tewkesbury Borough and there are currently 23 people waiting for home care.
- xiii. Along with many other providers, the homes managed by the Gloucestershire Care Partnership are currently experiencing low levels of occupancy across a number of the homes. Despite the council's attempts to utilise beds for the Discharge to Assess pathway to the maximum usage (i.e. repurposing of units within the GCP homes to support hospital discharge, many of the districts and homes are still not achieving business critical or contractual occupancy levels.
- xiv. Table 1, (and the accompanying chart), below shows the current level of vacancies in care homes by district. Occupancy changes on a daily basis so this represent a snapshot in time but does illustrates the geographical difference outlined above. Table 2 illustrates the current wait for home care and again shows the differing tensions by district.



District	Current Number of Vacant Beds per District
Cheltenham	204
Cotswolds	195
Forest of Dean	31
Gloucester	178
Stroud	185
Tewkesbury	113
	852

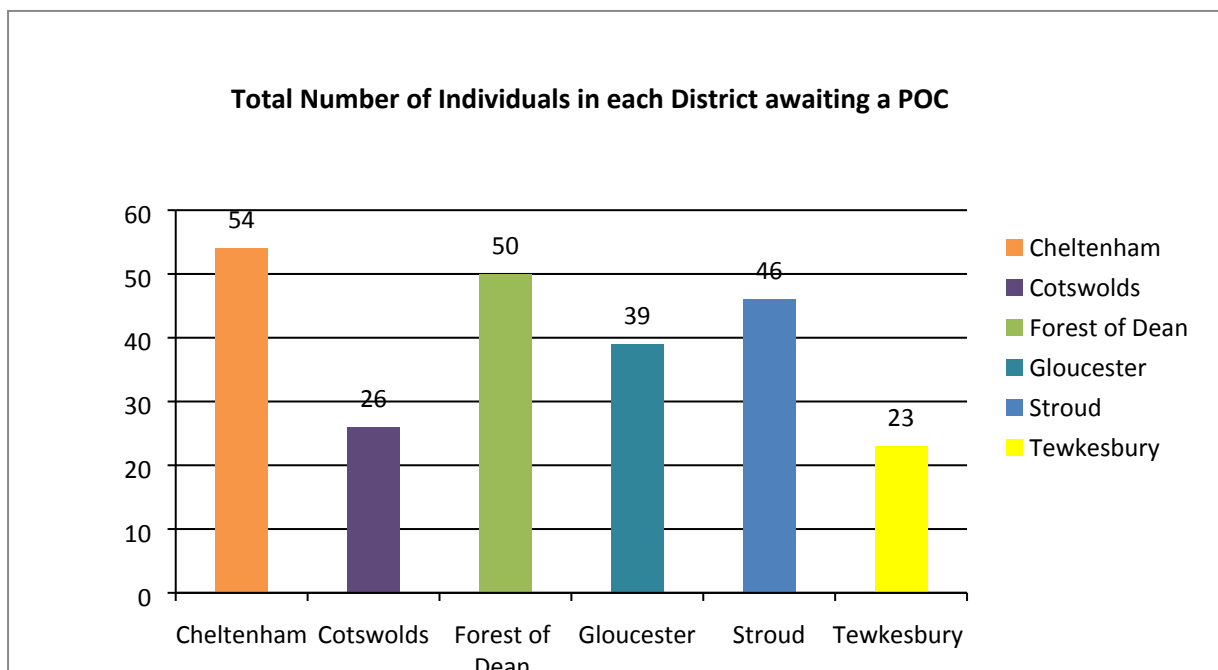
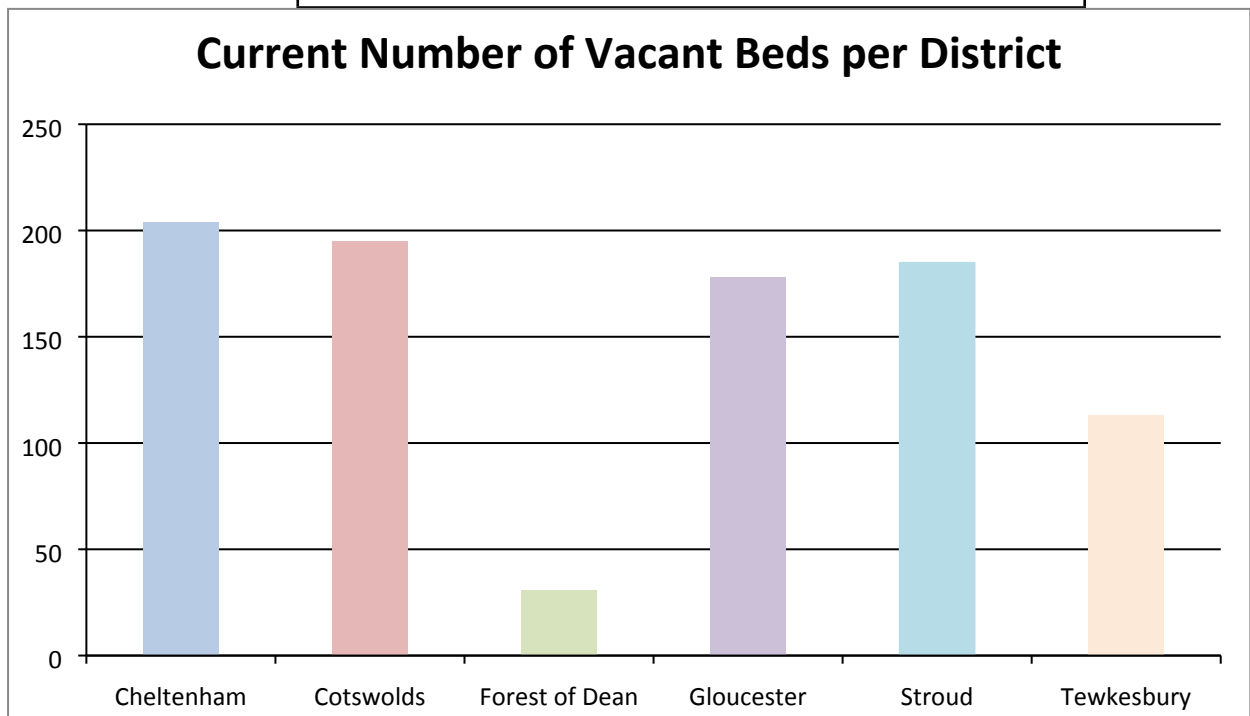


Table 2

## **Reasons for change**

19. Taken together these factors culminate to create a “burning platform” that means the County Council needs to act now. The proposed review will aim to identify the following:
  - i. The initial impact of Covid on the market.
  - ii. How this impact has changed what we ‘knew’ about commissioned providers.
  - iii. How this impact has changed what we ‘knew’ about the wider market.
20. Using surveys, focus groups, workshops, interviews supported by data scrutiny and analysis we aim to identify key areas of concern and work through potential suggestions for change in the short medium and longer term. The work will be shaped by the market analysis work undertaken in line with the dates as outlined below.

## **Options:**

### **OPTION1: Do nothing**

21. There is a risk to the wider market in the medium and longer term in doing nothing. Gloucestershire has a surplus of care beds and the number of vacancies is rising as people choose alternatives to care homes to meet their medium and longer-term needs. We also have a responsibility under the Care Act to manage the market. The 2020-21 pandemic has had and continues to have an impact on the market.
22. People have told us they want to be supported to remain in their own homes for longer; the options for homes with their own front door that have/provide access to care and support have changed and developed. However, it is still important to ensure that there is sufficient capacity in the care market should residents need to move out of their own homes and communities. At the same time we know that there is an ongoing need for residential support for those who require 24-hour care or those that lack the capacity to make the right choices in relation to their health or safety.

### **OPTION 2: Undertake a review of the Adult Social Care Market and the impact of the 2020-21 Pandemic**

23. Covid has had a significant impact on the market and continues to do so. In order to effectively commission into the future, the need to obtain an understanding of the situation from the perspective of the market is imperative to effectively shape future provision. We have anecdotal information regarding the impact of the pandemic however, without fully engaging the market in identifying both issues and potential solutions we risk causing further damage an already fragile market.
24. As commissioners we need to understand the perspective of the care businesses and frontline care workers both in terms of the initial and ongoing impact of the pandemic and how, or whether, these viewpoints differ. The conversations are intended to enable us to commission suitable care that will be able to meet

individuals' needs, in their own localities knowing that Covid has changed the landscape. They will also aid in mitigating some of the current increased costs that the council is incurring for people living with advanced dementia or complex care needs and would aid the integration of care and support services (with health services) in respect of such people. This process would help the council by enabling it to continue to influence the sustainability of the care market which forms part of the Council's duty under the Care Act 2014. But more importantly this process will engage our residents and businesses in developing plans for the future of the county and take into account how the pandemic has changed these needs.

**OPTION 3: Implement a Change Programme for the Adult Health & Social Care Market to mitigate the impact of the 2020-21 without undertaking a review.**

25. The Integrated Commissioning teams receive regular feedback from their various contacts with providers during contract monitoring, quality reviews, brokering and general enquiries. Through these various sources we have anecdotal information relating to the impact of the pandemic and have identified some potential options to help mitigate the impact.
26. There is a risk in undertaking an engagement exercise at this time of year so potentially introducing measures to support the market without discussing issues with the market could mitigate this risk. However, the negative aspects of the pandemic continue to influence the acuity of need in our residents and the ability of providers to recruit and retain staff and in turn to manage ongoing delivery. Identifying potential solutions in partnership will generate more rounded solutions that our commissioned providers own and are willing to work to implement. It will also demonstrate the value that the Local Authority places on this sector and the role they play in supporting our citizens.

**Equality implications**

27. An outline equality impact assessment has been undertaken, however as part of the engagement exercise we aim to identify specific impacts of the pandemic on both the workforce and users of Health & Care services and whether these have been felt more or less by any specific protected.

**Data Protection Impact Assessment (DPIA) implications**

28. A DPIA will be required in as the information will relate to either users of Adult Social Care services or providers of care and support services. Information will therefore relate to vulnerable adults or will be of a commercially sensitive nature. Work will be undertaken with the Council's Information Management Service to identify and mitigate risks.

**Social value implications**

29. The current contracts encourage Health & Social Care providers work to with communities and to utilise the voluntary and community sector to enhance the person-centred aspects of their care delivery. However, the model of delivery does not always allow time for this engagement to take place. The consultation and

engagement exercise we intend to undertake will review whether this is currently part of the delivery and if not, how we can use this review and future commissioning reviews to increase this collaborative approach. We will therefore map the potential for social value in the engagement process.

### **Consultation feedback**

30. The outcome of the review and engagement exercise identified in this report will be reported to Cabinet for further consideration.

### **Officer recommendations**

#### **OPTION 2: Undertake a review of the Adult Social Care Market and the impact of the 2020-21 Pandemic**

31. Undertaking an engagement exercise with the market will allow us to develop solutions in partnership, which will hopefully result in a stronger implementation process as all stakeholders will understand and own the solutions. It also clearly demonstrates that we have listened and continue to listen to our commissioned providers and want to work with them to resolve or at least mitigate the effects of the pandemic.
32. The timing of the engagement is unfortunate however to delay talking to the sector further could be potentially more damaging. Undertaking this engagement earlier was also not an option as we were dealing with the pandemic itself and the distribution of guidance in relation to lockdowns, testing, PPE distribution, vaccines etc.
33. In addition, much of the impact of the pandemic is only now being felt so an earlier exercise may not have mapped the full ramifications of dealing with the aftermath of the first eighteen months of and the ongoing consequences of Covid19.

### **Performance Management/Follow-up**

34. The timeline set out in the introduction to this report sets out the next steps regarding engagement with the care market together and further consideration by the Cabinet.

