



REPORT TITLE: Market Shaping and Review of the Estates & Commissioning Strategies

Cabinet Date	30 th March 2022
Cabinet Member	Councillor Carole Allaway-Martin Adult Social Care Commissioning
Key Decision	Yes
Purpose of Report	The purpose of the report is to provide feedback on the Market Engagement Review and seek approval for the recommendations to influence and aid the sustainability of the Independent Health & Social Care Market of Gloucestershire in light of the initial and ongoing impact of the Covid19 pandemic.
Recommendations	<p>That Cabinet:</p> <ol style="list-style-type: none">1) Delegate authority to the Executive Director of Adult Social Care and Public Health, in consultation with the Cabinet Member for Adult Social Care Commissioning, :<ol style="list-style-type: none">a) To agree the revised purchasing model for the volume and location of care home beds that support frail individuals awaiting hospital discharge under the Enhanced Independence Offer, as approved by GCC Cabinet June 2019. The EIO programme of change is currently underway. Initial findings much of which is predicated on learning from the pandemic, indicate that future purchasing patterns and procurement processes will require a more flexible approach combining the benefits of both block and spot purchasing.b) To agree the revised purchasing model for a blended model for Home Care and Reablement, currently being developed under phase 2 of the Enhanced Independence Offer, to support collaborative working and therefore investment in Domiciliary care providers2) Support and stabilise the care home market by approving consultation on the proposed decommissioning and closure of four homes within the Gloucestershire Care Partnership:<ol style="list-style-type: none">a) Orchard House, Bishops Cleeve, Tewkesburyb) Westbury Court, Westbury, Forest of Deanc) Bohanam House, Gloucesterd) The Elms, Stonehouse Stroud3) Consult on the proposed closures and the potential impact of the

	<p>closures</p> <p>4) Delegate authority to the Executive Director of Adult Social Care and Public Health, in consultation with the Cabinet Member for Adult Social Care Commissioning, to enter into an agreement with Gloucestershire Care Services to ensure continuity of care for residents during the consultation period set out in Recommendation 2 and other ancillary matters, including reimbursing Gloucestershire Care Partnership for agreed additional costs incurred that arise as a direct result of the consultation process.</p> <p>5) Agrees, following consultation, to return to Cabinet to consider the outcome of the consultation and agree how to take forward outcomes of the consultation.</p>
<p>Reasons for recommendations</p>	<p>To ensure that, as outlined in the Care Act 2014, Gloucestershire County Council is actively working to shape the local care market to encourage quality, choice, and sufficiency of provision by</p> <p>(a) Consulting on the proposal of continuing to use the council's Estate Strategy to stimulate market shaping so Gloucestershire's provision more clearly meets the future needs of persons falling within the demographic profiles of adult social care; and</p> <p>(b) Consulting on the specific proposal of decommissioning the four care homes recommended, the impact on the residents of these homes, their families, friends and wider network of stakeholders</p> <p>(c) Undertaking work with the Domiciliary Care Market which builds on the Gloucestershire Commissioning Strategy's aim to have supports and services which support people to remain independent at home for longer</p> <p>(d) Meeting the wider aims and long-term visions of Gloucestershire's commissioners in the wider Integrated Care System (ICS) of adopting a Home First policy for those in the hospital system both through the. 'Home First, Reablement 'service and through the Pathway 2 beds which focus on a re-abling model of care, ensuring therapy and the ethos to return home is an integral part of hospital discharge conversations: promoting independence and reducing the potential impact of institutionalisation and dependency on people.</p>

<p>Resource Implications</p>	<p>If, following the consultation, the Cabinet decides to proceed to close the care homes, the costs associated with the closure of each care home are currently estimated to be between £200k - £300k per home. This is estimated using the costs associated with the previous closures and the decommissioning of care homes within the Gloucestershire Care Partnership (GCP) contract and includes costs of the consultation process. The funding for the closures is held within the Vulnerable Adults Reserve and will be drawn down through the Budget Monitoring process if the closures proceed.</p> <p>A proportion of those costs will arise, regardless of whether the Cabinet decides to proceed or not. These costs are necessary to ensure the ongoing safe running of the homes as the consultation proceeds and to ensure the residents continue to have the necessary levels of care and support. The costs include the ongoing support for the consultation process as well as the cost of retaining and engaging staff during the consultation period.</p> <p>The beds purchased through the GCP block contract and the GCC's In House services that support the Enhanced Independence Offer (EIO) Bed Based pathway, are not expected to change and the costs will be covered within the EIO Project's financial envelope. Any revision to the numbers will be agreed in discussion with the Gloucestershire Clinical Commissioning Group who jointly fund the EIO.</p> <p>Work has commenced to support the development of the Community Based pathway within the EIO, and this includes the blended model of Home First and Reablement provision.</p>
<p>Background Documents</p>	<p>Cabinet Report Nov 21 – Market Shaping and Review of Estates & Commissioning Strategies</p> <p>https://glostext.gloucestershire.gov.uk/documents/s76193/Cabinet%20Report%20Market%20Shaping%20and%20Review%20of%20Estate%20Commissioning%20Strategies%202015%203.pdf</p> <p>market-position-statement-older-people-2015.pdf (gloucestershire.gov.uk)</p> <p>market-position-statement-for-older-people-2018.pdf (gloucestershire.gov.uk)</p>
<p>Statutory Authority</p>	<p>Care Act 2014</p>
<p>Divisional Councillor(s)</p>	<p>All</p>

Officer	<p>Brenda Yearwood – Head of Integrated Commissioning - Integrated Brokerage & Market Management.</p> <p>brenda.yearwood@gloucestershire.gov.uk</p> <p>Tel. 07990 675275</p>
Timeline	<p>30 March 2022- Cabinet Meeting</p> <p>April 2022- Subject to the Cabinet agreeing the recommendations set out in this report, consultation with residents and their families or representatives and/or advocates on the preferred options for home closure and the impact of the closures</p> <p>May 2022- Evaluation of Consultation</p> <p>June 2022- Referral to the Cabinet for consideration about the outcome of the consultation regarding the preferred options.</p>
Human Rights	<p>Public Authorities have a duty under the Human Rights Act 1998 not to act incompatibly with rights under the European Convention for the Protection of Fundamental Rights and Freedoms (the Convention) when they are carrying out ‘functions of a public nature.</p> <p>The proposed consultation regarding the future of the four homes in itself should not result in the violation of any person’s rights under the European Convention on Human Rights. Three Articles of the European Convention are capable of being relevant to any proposed decision to close a residential care home and relocate residents. These are</p> <ul style="list-style-type: none"> • Article 2 which provides that everyone’s right to life will be protected by law, • Article 3 which provides that that no one shall be subjected to torture or inhuman or degrading treatment and • Article 8 under which everyone has the right to respect for his family life and his home. <p>The outcome of the consultation exercise will provide an opportunity for further analysis of any human rights implications, which will be reported to the Cabinet for consideration following the conclusion of the consultation.</p>

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 the needs of people eligible for care, but also to shape the local care market to encourage quality, choice, and sufficiency of provision. The Council has and continues to work closely with the local care market and the local NHS in order to achieve this.
2. Over the last five years the council has transformed the way in which it delivers adult social care; with the focus shifting to supporting independence so that people are supported to remain in their own homes for as long as possible. This aim was outlined in **Gloucestershire Market Position Statements 2015 & 2018** and re-enforced by the implementation of the **Enhanced Independence Offer**, (EIO), (approved by Cabinet in June 2019). It is worthy of note that the EIO programme of change was developed and funded with Gloucestershire Clinical Commissioning Group as a joint endeavour. As Gloucestershire moved to becoming an Integrated Care System (ICS), the emergent ICS ratified this programme of change, and it is currently one of the key deliverables for our shared Health & Social Care system. Our citizens repeatedly remind us that they want to be able to live in their own homes for as long as possible. The Enhanced Independence Offer introduced the new Home First/Reablement pathway which promoted the idea of individuals being supported to remain at home and, for those in the hospital pathway, to be supported to return to home either through the:
 - a. Home First Reablement Service or
 - b. Pathway 2 Discharge to assess beds
3. Both routes reflect the jointly shared approach between Health & Social Care as individuals are supported by a therapy led model of care which aims to assist the individual to regain the level of independence they enjoyed before their incident or hospital stay.
4. Part of the transformation of adult social care is also focused on the work to find the best possible housing choice for people. To this end in February 2021 Cabinet approved a **Housing with Care Strategy**. Once again, this strategy was developed as a whole system and is a shared document and programme of change between Gloucestershire County Council, Gloucestershire district councils and the local NHS. The aim of the strategy is to ensure that we facilitate the key support at the right time to prevent a crisis situation. This approach can help facilitate hospital discharge and also means people can maintain their independence within their communities.
5. **Housing with Care Strategy- Covid19** has highlighted the impact of housing inequality on the health and wellbeing of individuals, families, and communities. As Gloucestershire County Council and the local NHS moves away from the commissioning of traditional residential care and nursing homes towards housing with care, any learning from Covid19 needs to be considered in the planning of future developments. Working closely with district, borough and city council colleagues, the aim of the strategy is to provide a range of accommodation for people in the county to help them remain independent and lead fulfilling lives. This

strategy has been produced following extensive consultation with interested groups and individuals across Gloucestershire.

6. The workstreams within the **Housing with Care Strategy** are in line with the wishes and stated intentions of our residents. Early indications and outputs from the strategy implementation groups are positive and have contributed to the reduction in the number of people entering traditional residential care, reduced the length of stay when people do enter residential care and meant that people typically only enter care when their needs become more complex.
7. Within Gloucestershire the ongoing increase in the number of vacancies across the care home market along with geographical gaps in the domiciliary care market brings a level of concern when considering the care and support needs of our citizens. It should be noted that Gloucestershire is not alone in the matter, many other local authorities face the same issues and are reviewing their market management strategies.
8. In response to the above there have been recent two papers on the subject of the local market that have been received by Adult Social Care and Communities Scrutiny Committee (July and September 2021). In the latter of those meetings there was a broad consensus (as reflected in the minutes) of the *'need to ensure that county's care offer remained sustainable within the current financial context, the council aims to continue to invest in supporting the development and sustainability of the care market'*. Furthermore, in the Adult Social Care and Community Scrutiny Committee meeting on Sept 9th 2021 it was noted that *'the need for fewer long term residential placements from which it is anticipated that the shrinking market was likely to result in the closure of some establishments.'*
9. As the needs of the current population change the council will continue to work with providers to ensure we are developing support and services that will meet those changing needs and the demands of the Integrated Care System. This will require the development and delivery of care and support services which:
 - a. support hospital and community health system flow,
 - b. keep people independent at home for as long as possible
 - c. deliver support which actively promotes individuals' physical and mental wellbeing.
10. The Gloucestershire Integrated Care System, (ICS), has done much to support market sustainability over the lifetime of the Covid 19 pandemic, supplying financial support locally, distributing national funding, supporting training and distribution and interpretation of guidance on aspects of infection prevention and control; PPE, (personal protective equipment), testing, vaccinations. In addition to this, partners within the ICS and the Gloucestershire Local Resilience Forum have directly supported independent Health & Social Care providers through the distribution of supplies of PPE, access to testing, delivery of prioritised local vaccination sites, mobile vaccination and testing sites and transport where necessary for those unable to access any of the above options.
11. The 2020-22 Covid 19 pandemic has presented many challenges for care providers in Gloucestershire not least the increased demands for managing infection. The

challenge of managing infection has been particularly difficult for care homes where premises were not built with PPE and sanitiser stations in mind; buildings with limited ability to cohort and isolate those with Dementia or behaviours that challenge, and communal areas not designed with social distancing in mind. Residential providers need to have the capability to easily implement measures to protect residents and staff from Covid19, flu, and Norovirus whilst maintaining sufficient occupancy to be viable, sustainable businesses.

- 12.** The implementation of the Health & Social Care EIO programme has been negatively impacted by the Covid 19 pandemic and resulting lockdowns which have prevented the service from achieving its aims for the Home First ethos. In addition to this high Covid 19 surges have increased the number of care home beds accessed by the system to support hospital discharge and flow. Despite this, vacancy rates in care homes have remained high at around 20-25%. There is therefore a real risk to market sustainability in not working with the market to manage the implementation of EIO as we recover from the impact of Covid 19. The EIO programme of change will enable us to both reduce the number of beds jointly purchased and increase the numbers of people supported in their own homes and improve hospital flow as we won't be reliant on care homes which we know can be closed during infection outbreaks.
- 13.** Financial contributions from Gloucestershire County Council, Gloucestershire Clinical Commissioning Group and national grant funding have assisted in mitigating some of the cost pressures associated with increased vacancies or void beds in care homes and the associated infection control costs for the wider sector, e.g. Domiciliary Care providers.
- 14.** However, we are aware that national guidance relating to closure during outbreak and measures in relation to staff isolation have had a detrimental impact on the sustainability of businesses, with many homes having to close to new admissions for significant periods. At the same time domiciliary care providers have had to take steps to implement their business continuity plans reverting to delivering only essential or reduced care calls when staffing levels have dipped due to staff isolation or absence. Capacity issues in the independent market have not only impacted on the care businesses and our ability to meet need in a timely manner, they have also greatly impacted on the hospital flow. The reduced access to community provision increases the reliance on the use of care home beds which in turn are subject to the 'stop-start' of being open due to infection control again reducing overall access to formal care provision.
- 15.** Cabinet agreed to undertake a focused, comprehensive review of the care market in light of the Covid19 Pandemic in November 2021. The aim of this review was to gain a better understanding of the initial impact of the pandemic on the external care market. The engagement programme aimed to test whether the assumptions made by commissioners in response to informal communications were correct in that the global pandemic had exacerbated pre-existing concerns in relation to market capacity and sustainability. These concerns were outlined in the November 2021 Cabinet report referenced above:

 - a) Covid 19 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 Covid19, 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.

- b) Covid 19 has also brought with it an element of market instability in the reduction in the number of people who wish to move to a care home. Many of the council's care home providers had 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.
- c) 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.

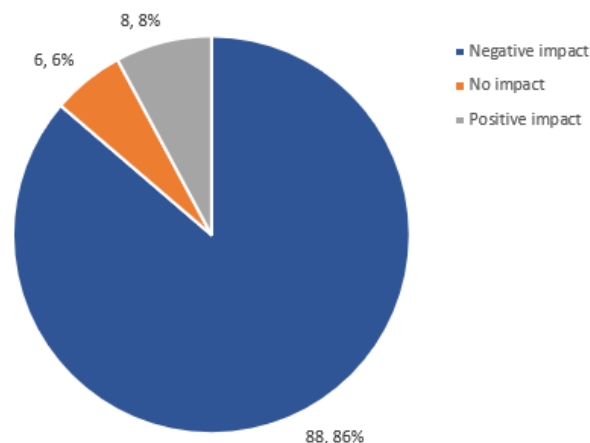
16. It also aimed to open discussions to enable us to work with independent providers on ideas to shape the market; to influence and aid the sustainability of the Health & Social Care Market in for the short, medium and longer term.

17. In light of our shared approach and shared responsibilities with our local NHS partner(s) in relation to market management, the outline information of the impact of Covid 19 on the independent sector was presented to GCCG Governing Body and the contents were noted. The CCG have continued to receive analysis with regards to the provision and sustainability of our local market. Our Health sector colleagues are supportive of the move to promote an ethos of Home First and individual

independence and continue to work jointly with us on the quality and quantity of care provided across the county.

Market Engagement Outcome

- 18.** The market engagement programme consisted of a full market survey and a series of targeted focus groups with Independent Care Sector providers, including Residential & Nursing Homes, Supported Living, Domiciliary Care, Extra Care, Day Care Personal Assistants and Staff Agencies. The survey gave providers an opportunity to tell us how the following areas of their businesses had been impacted by the pandemic:
- Business Model,
 - Staffing and Recruitment,
 - Infection, Prevention Control,
 - Testing and Vaccinations,
 - Other - any areas they felt were not covered but had been impacted
- 19.** In addition to the survey, providers were invited to take part in a number of focus groups. The full analysis of the market engagement survey along with analysis gained from ongoing market engagement undertaken can be found in the Appendix of this report.
- 20.** Out of the 103 responses 86% told us that they had been negatively impacted because of the Covid19 pandemic. All areas of the county reported a similar experience with minimal differences in the numbers ranging between 78% - 100%.



Overall Impact of Pandemic 1

- 21.** Areas of identified impact were found to be broadly similar across all types of provision. Providers told us that loss of income had negatively impacted on their business with 70% stating that this had had a moderate-high impact. It is indicated that this was not just a direct loss of income but also attributable to increased costs in other areas of the business including the costs of staffing and equipment. For

care homes the loss of resident income from both private and public funded sources negatively impacted financial viability and their previous business delivery model which supported commissioning assumptions on care home sustainability.

22. Recruitment, and retention of staff, as expected, was seen as a key challenge across the entire care market, with a particular focus around nursing staff for both care homes and for those requiring complex care in their own homes - a trend we have seen reflected at a national level across the health and social care sector.
23. Providers have also stated that increased costs at the start of the pandemic related to equipment and PPE but that the ongoing impact has continued to increase as testing has increased the number of staff absent or isolating. This has resulted in increased need to use agency staff; the cost of which has also increased. Providers also told us that the staffing structures have changed with the need for them to employ additional staff to be able to support with Infection Prevention & Control measures, as well as the testing and reporting requirements brought in as part of the management of the pandemic.
24. Though not directly related to the pandemic care providers took the opportunity to outline that the move for individuals to remain in their own home for as long as possible has increased the cost of care delivery. The additional costs are linked not just to staff competencies, skills and training - it has also increased the need for additional equipment to support individuals at home safely. This was also referenced by care home providers where there is often a requirement for extra space, equipment and training linked to the individual care and support in order to meet more complex needs. Providers felt that the forward impact of the pandemic is likely to exacerbate these costs.

Care Market Overview

25. Gloucestershire has had a surplus of care home beds for several years and has previously worked with the Gloucestershire Care Partnership (GCP), a joint venture company set up by The Order of St John Care Trust and Bedford Pilgrim Housing Association for the purposes of providing and managing care homes. The partnership covers the lease of properties where care is provided; arrangements for the development of those, as well as provision of new properties where care will be provided, to meet the need for appropriate residential care facilities in the county.
26. Within the GCP contract an Estates Committee was established to manage the Estates Strategy to include the development of new homes; the refurbishment of individual homes and when homes should be considered for refurbishment or closure. At the outset of the contract GCP was providing care within 21 care homes in Gloucestershire. They are currently providing care across 13 homes, 4 of which have been developed and built as part of the Estates Strategy. At the implementation of the GCP contract the options for care and support at home was more limited and many people expected to enter residential care when they started 'having difficulty with day to day living'. The improvement in technology and equipment has widened the options open to people to stay independent in their own homes. At the same time feedback gathered when compiling information to inform

the Market Position Statements 2015 & 2018 demonstrated that, where there is choice, people want to remain in their own homes and in their own communities.

27. Through the Estates Strategy we have previously managed care home capacity, tested models of delivery and stabilised access to specific types of care. For example, whereas all of the GCP homes have Nursing provision it was recognised that many of the independent providers were de-registering nursing provision at a time when Gloucestershire's commissioning intentions, as outlined in the Market Positions Statements 2015 & 2018 indicated that more people wanted to stay independent at home for longer and therefore care homes would need to consider delivery of more complex care, (indicating a level of nursing need).
28. Even at the point of entering residential care the aim is to keep individuals connected to familiar atmospheres, sights, sounds, accents & people. Recent market mapping undertaken to support the engagement programme shows that the spread of care beds across the county is not evenly distributed; most care homes being based in the two urban areas Gloucester & Cheltenham. Consequently, when the decision is taken to enter a care home there can be increased difficulties in procuring an appropriate placement which assists in the aim to keep people in their local communities to maintain connections and relationships.
29. The Covid19 pandemic has placed additional pressures on hospital discharge flow for individuals requiring further support or assessment of needs following an admission to hospital. Closures of services due to either a shortage of staff, outbreak or other pressures has impacted on hospital flow and the ability to discharge individuals to designated assessment units, care homes or to their own home with a suitable package of support. We therefore need to review the way we purchase both community and residential based care in order to strengthen the market, minimise waste and maximise the sustainability of independent care provision.

Care Home District Profiles

30. **Cheltenham:** The 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%. 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 28 individuals waiting for care in the borough.
31. **Cotswolds:** There are currently 14 care homes operating within this district. These homes have the potential to offer the potential of 438 placements. The Cotswolds is approximately a third of the land mass of the county with a similar 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 14.

- 32. Forest of Dean:** This District has the lowest care home capacity in the county, with only 10 care homes currently. Therefore, occupancy levels are high the demographic profile for this area is also rapidly changing in relation to age and identified care needs. As a result, the area has become more attractive to persons choosing to move to Gloucestershire as part of their retirement plan. With the development of a new community hospital in Cinderford, it is expected that there will be increased demand for services which support individuals being discharged from hospital by offering appropriate care beds and assessment units to maximise and increase independence. Many of the homes in the Forest of Dean are built in older premises which would not be financially viable if they had to be modernised to respond to current or future expectations. We are therefore seeking to identify sites within the Forest of Dean that could be used to continue the development of the Estate Strategy.
- 33.** Recent mapping of domiciliary care providers has shown that some areas of the Forest of Dean have no provision and no potential for cross border working from Herefordshire and parts of Wales. The rural and diverse economic demographic profile of the Forest of Dean area means that the care market can differ across the district, with different demands and challenges. This often results in individuals being placed in care homes in the urban districts; taking individuals out of their local communities to be able to meet their care needs.
- 34. Gloucester:** As one of our urban areas of Gloucestershire, Gloucester has an excess of care beds. There are currently 24 Care Homes in the Gloucester Locality. The current occupancy level for care home beds in Gloucester is 72%. Gloucester city is the second largest user of home care, yet has the highest concentration of providers. Therefore, competition between providers is high that maintaining a sustainable business is compromised by a competition-based purchasing model. There are 44 agencies working within Gloucester City, however we still have 23 individuals waiting for a service. By mapping providers we aim to identify the reasons for having a waiting list with this concentration of providers and will be working with providers to seek solutions.
- 35. Stroud:** While Stroud has several care homes beds available it does not have the necessary care home facilities to meet the needs of the demographic profile of its residents, including the rising numbers of those with high levels care needs or advanced dementia. This often results in individuals being placed in care homes in the urban districts and taking individuals out of their local communities to be able to meet their care needs. 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.
- 36. Tewkesbury:** Tewkesbury Borough holds a unique position in the county as much of the wider Borough surrounds the two urban areas of Cheltenham & Gloucester, hence many residents living in the wider Tewkesbury Borough tend to access services in the urban areas of the county rather than travelling to Tewkesbury Town. We currently have 11 residential homes in the Tewkesbury district with overall occupancy at 80%. However, the geography of the Borough means that many residents living in the wider Tewkesbury Borough tend to access residential care in

the urban areas of the county. 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 of the Borough which more closely border the Cotswolds than Cheltenham. There are 36 providers working in the wider Tewkesbury Borough and there are currently 23 people waiting for home care.

Reasons for change

- 37.** The Covid19 pandemic had demonstrated that residents in care homes are the most vulnerable members of our community in relation to an outbreak of communicable disease. The very nature of a multiple residencies of frail individuals with long term conditions or complex needs increases the requirement for exemplary standards, processes and systems in the management of infection prevention and control. With more individuals remaining independent at home those entering care homes will naturally have a higher level of need and vulnerability.
- 38.** Evaluation of the market engagement and analysis has demonstrated that Gloucestershire County Council needs to assist in market sustainability, to strengthen and shape the care market in Gloucestershire to be ready for the current and projected future needs of the population. Covid19 has given rise to issues in terms of the adequacy and suitability of some of the care facilities particularly in relation to managing infection control measures. The impact of the pandemic on our care sector indicates 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. Many homes also found it difficult to group residents into cohorts during outbreaks and others were challenged with implementing social distancing.
- 39.** The expectation of families and individuals entering residential care has changed. Many now see care homes as the last option as care at home, (utilising technology and equipment), and housing with care options become ever more readily available. Gloucestershire's commissioning intentions have long supported our citizens' aims of remaining in their own homes and communities. Introducing logistics modelling to domiciliary care along with better access to technological solutions will help us achieve this aim. Gloucestershire County Council has previously reviewed, decommissioned, and repurposed services within its direct ownership or influence, to ensure that the council was able to comply with its statutory responsibilities in relation to Adult Social Care market management and market shaping. The Covid-19 pandemic has reinforced the need to undertake these responsibilities in a collaborative partnership with our provider base, commissioned and un-commissioned. 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.

Conclusion

- 40.** Over the last five years the council has transformed the way in which it delivers adult social care; with the focus shifting to supporting independence so that people are supported to remain in their own homes for as long as possible.

We take our duty to manage the market seriously, which is why we chose to engage extensively with our markets before recommending any decision. The main thrust of this paper is with regards to reviewing the future size, scope and direction of travel of our purchasing within the care home market. However, this is within the context of both our agreed policy direction, as outlined in our Mission Statement 2018 and the Enhanced Independence Offer, (approved June 2019). Of equal importance we needed to take into consideration the impact on the market of the global pandemic. Namely:

- a) It is clear that there is overcapacity in parts of the market, which potentially destabilises it.
- b) Care homes are very likely to close in a destabilised market, particularly as the Covid financial support across the system comes to an end.
- c) Our ability to intervene is primarily through our major contracting and purchasing patterns
- d) Covid has given rise to issues in terms of the adequacy and suitability of some of the care facilities particularly in relation to managing infection control measures. The impact of the pandemic on our care sector indicates that some provision is no longer fit for purpose in a post-Covid world. By carefully selecting the least viable homes we can remove some of the oldest homes, in order to facilitate the protection of the wider market.
- e) As a result, we propose to consult on the closure, and its potential impact, of four of the existing county council owned homes, managed under the GCP contract. Importantly we propose to commission the building of three new homes: two to provide general residential and nursing care and one specifically for dementia care. We also plan to undertake detailed analysis of forecasted demand for a jointly commissioned specialist neurological support with a care facility which may result in the conversion a further care home.

Options

Option 1: Do nothing

- 41.** If we were to do nothing, there is a greater risk to the sustainability of the care market in Gloucestershire. Gloucestershire has an oversupply of care beds in some parts of the county, and a lack of affordable, appropriate provision in others. As people choose alternatives to a care home placement to meet their needs Gloucestershire risks the surplus care home provision being used for inappropriate inter-county placements as providers seek alternative means to maintain their business viability.

42. Gloucestershire citizens are choosing to remain in their own homes to receive care and support, as opposed to taking up a care home placement. However, there is a continued need for residential placements 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. There is therefore a need to support care home providers to remain sustainable by working with them to manage the offer and the number of placements available in the county.
43. There is also a financial risk to the council due to the number of beds we purchase per district under the GCP contract, should we continue to block purchase these beds for services we know have a built in obsolescence in their appeal to the families and individuals seeking residential care. The current provision available in some of the homes within the Estate under GCP Contract is not suitable for the complex and advanced care needs we are now seeing when individuals require a care home. In seeking to close homes with a limited lifespan and invest in new provision we are aiming to match the trends in care against our demographic profile.

Option 2: To consult on the proposed decommissioning and closure of four homes within GCP Estate to support sustainability for the wider market

44. Decommissioning some of the older homes in the estate and introducing a new Estate Strategy built on current research and understanding of our demographic profile would support the sustainability and strengthening of the whole independent care sector market post pandemic, removing some of the current additional capacity in the short term whilst preparing to develop more appropriate provision in those areas we believe will see an increased demand over the next five to ten years. This strategy involves selecting for closure the least viable homes - those with the greatest number of voids pre-pandemic and those that could not be developed as into long term financially sustainable options which meet current and emerging care needs.
45. The locations chosen have also been identified as having the greatest impact on market sustainability based on their location, the number of vacant beds within GCP contracted homes within commutable distance and vacancies within the wider care home market. In addition to this the current GCP contract requires the Care Provider to offer nursing in all of the homes operating under the contract. In closing some of the older homes the care provider will be able to consolidate the nursing services they provide in order to better utilise the nursing workforce and to facilitate the protection of the wider market. This option also supports the council in meeting its obligations under the Care Act 2014
46. Gloucestershire's ability to directly influence the market lies in its in-house provision (which is limited) or in the homes managed under the GCP contract as these properties are managed and run-on behalf of Gloucestershire County Council. The GCP Contract and the supporting Estate Strategy has previously been used to support not just the Older People's care home market but to meet the future needs, wider aims and long-term visions of Gloucestershire's commissioners in the Integrated Care System. As we emerge from the Covid19 pandemic, the aim is to consider alternative developments for new purpose-built facilities, which would enable us to commission suitable care placements which supports the aims and

wishes of our citizens and is in line with our stated commissioning intentions. This requires us to consider decommissioning those facilities that would not be sustainable or financially viable if they were refurbished and redeveloped to meet the current needs and expectations of those entering care; people living with advanced dementia or complex care needs and those with long term conditions entering older life.

47. The four homes proposed for closure and the reasons for identifying them are:

- a) Orchard House – Bishops Cleeve Tewkesbury. Though based in the wider Tewkesbury Borough the decommissioning of this home would benefit the Cheltenham Care market. Residents of Bishops Cleeve more closely identify themselves with Cheltenham. The home is a short drive from the Cheltenham Racecourse and many residents of the village tend to shop and socialise in Cheltenham. The home has low occupancy and is not in a position where it could easily be developed to meet current and future expectation. Despite utilising beds within the GCP homes to support the hospitals with the discharge to assess pathways, Tewkesbury districts homes are still falling under the contractual 60% occupancy levels. We are therefore incurring significant costs for beds that are not being utilised. On average occupancy in Orchard House is 40%.
- b) Bohanam House – Gloucester. The Gloucester market has a high number of care home vacancies. This home has fluctuating occupancy and is not in a position where it could be easily redeveloped to meet current and future expectations. However, there is a section of the care home currently dedicated to being a regional office so there is some scope for development though this is likely to be costly for what could be a small gain.
- c) The Elms – Stonehouse. The decommissioning of this home is linked to the potential of redeveloping the site as a care facility that meets current and proposed future care and support needs. The site has the potential for a number of options for either a care home or a housing with care facility, or potentially both. The Stroud district demographics would indicate that we will require a level of Dementia and Nursing Dementia care residential provision post 2025. In proposing to decommission the current building, where there is little potential to increase the footprint to introduce Dementia friendly, infection control ready facilities, we are proposing to utilise this site and the former Stonehouse library site for future development. Initial thinking would suggest that a care facility on this site could also support a community facility thereby connecting the wider community to the new provision.
- d) Westbury Court – Forest of Dean. Though based in the Forest, where we have the least number of vacancies, the Westbury Court site attracts people from the west of Gloucester City and the proposed de-commissioning relates to the long-term potential for the home rather than capacity within the Forest. The site has limited development potential and if the interior were developed to meet current expectations the loss of rooms would make the home financially unviable. There is however potential for the site to be developed for housing with care. At the time of proposing de-commissioning this site, Gloucestershire County Council is undertaking a feasibility study on a site in

Coleford and researching other options for developing new care provision in the Forest of Dean district.

Option 3: Develop & modernise the 4 homes in the GCP Estate to ensure that they are suitable for the longer term

48. It would require significant investment to modernise and develop these homes to a standard that would be adequate for now and be flexible to meet the longer term needs of the population. These would need to include en-suite facilities and modern amenities that would need to be adaptable as conditions progress and needs change. From a property, and development perspective the space required to improve facilities would involve the removal of several bedrooms from the properties which in turn would mean that the homes would no longer be financially viable.

A decision to develop and invest in homes that are currently unsustainable, while we currently have a high number of vacancies in homes with adequate facilities, could have an impact on the costs of care beds in the short term and would conflict with the council's responsibilities for market management and market shaping under the Care Act 2014.

Risks

49. There are risks both in undertaking the proposed action and in choosing not to act. The closure of care facilities as we exit a pandemic may seem counter intuitive but leaving a scarce staffing resource spread across a large number of facilities risks the overall sustainability of the market. The facilities on which we are consulting have a limited lifespan in relation to their market appeal and the cost, feasibility and ongoing viability were the homes to be brought up to the expected standards.

50. In developing new residential care facilities to replace those we are proposing to decommission there is also the potential to destabilise the market raising expectations and potentially oversubscribing the specifications of residential care thereby limiting options for those seeking the traditional style of care home.

Financial implications

51. If, following the consultation, the Cabinet decides to proceed to close the care homes, the costs associated with the closure are currently estimated to be between £200k - £300k per home. This is estimated using the costs associated with the previous closures and the decommissioning of care homes within the Gloucestershire Care Partnership (GCP) contract and includes costs of the consultation process to ensure the ongoing stability and safe running of the care homes including the costs of providing a package of measures to encourage the existing workforce to remain with GCP during the consultation period. An appropriate agreement will be entered into with GCP regarding these arrangements during the consultation period. The funding for the closures is held within the Vulnerable Adults Reserve and will be drawn down through the Budget Monitoring process.

- 52.** The beds purchased through the GCP block contract and the GCC's In House services that support the Enhanced Independence Offer (EIO) Bed Based pathway, are not expected to change and the costs will be covered within the EIO Project's financial envelope. Any revision to the numbers will be agreed in discussion with the Gloucestershire Clinical Commissioning Group who jointly fund the EIO.
- 53.** Work has commenced to support the development of the Community Based pathway within the EIO, and this includes the blended model of Home First and Reablement provision.

Climate change implications

N/A

Equality implications

- 54.** An Equality Impact Assessment has been prepared. However the proposed consultation will be used to refine and strengthen the details in this as the current analysis is based on the wider demographic profile of the county

Data Protection Impact Assessment (DPIA) implications

- 55.** A DPIA may be required post consultation and we are planning to work with the Information Management Service to identify and mitigate risk should this be the case.

Social value implications

- 56.** Any contract awarded for the building or redevelopment of properties will contain a requirement for the provider to demonstrate social value in line with Gloucestershire's procurement policies and processes with a focus on employment opportunities, engagement with the local community and improving the lives and outcomes of individuals.
- 57.** Any future care provision commissioned will also need to demonstrate social value in relation to community engagement and employment opportunities in the short, medium and longer term.

Consultation feedback

- 58.** Earlier parts of this report set out the engagement undertaken with the market.
- 59.** The proposed engagement and consultation about whether to decommission and close the four homes set out in the recommendations will include a variety of forums to make them accessible for all residents and their families. This will include face to face meetings, virtual meetings, surveys and 1:1 sessions.

60. It is recognised that, by embarking on the consultation exercise about the proposed decommissioning of the four homes, there will be a period of uncertainty for residents, their families and carers who provide care within the homes. Therefore, it is important that during this period, the Council ensures not only that residents continue to receive the support they require, but also that stability is provided for the workforce to encourage them to remain with GCP to provide continuity of care for residents. Therefore, the Council will be working with GCP to ensure a suitable package of measures are introduced during the consultation period to retain the existing carers and enable appropriate agency support where carers choose to leave before the Cabinet makes a final decision regarding the care homes.

Officer recommendations

Our preferred option is:

Option 2: To consult on the proposed decommissioning and closure of four homes within GCP Estate to support sustainability for the wider market

61. This option allows Gloucestershire to manage the short-term impact of the pandemic through the removal of surplus beds. The proposed decommissioning of these homes responds to the outline concerns voiced during the engagement programme. Our providers requested that we invest across all providers and all provision, (many citing and praising the additional steps Gloucestershire took to make crisis payments to the market during Covid). The proposal to decommission beds in homes that would not be responsive to the changes or would not be financially viable following necessary refurbishment or investment whilst redevelopment and commissioning new facilities demonstrates that Gloucestershire is considering an active role in market management. In closing some of the older homes the care provider will be able to consolidate the nursing services they provide in order to better utilise the nursing workforce and to facilitate the protection of the wider market. It also demonstrates that the council have listened to the concerns of the market as outlined in recent conversations and that we wish to work with the independent health and social care sector to reach a mutually agreeable solution in the short and longer term. This option also builds on the analysis shared last year with our local Health sector colleagues who are in support of this direction of travel.

62. Covid has given rise to issues in terms of the adequacy and suitability of some of Gloucestershire care facilities, particularly in relation to managing infection control measures. As we learn to live with this and other viruses, we need to work with providers to develop facilities that manage this ongoing threat, keeping our most vulnerable citizens safe and able to have a meaningful and fulfilled life both before and after entering formal care. The impact of the pandemic on our health and care sector has made people question their care choices, with many who would previously have entered residential care choosing to purchase in retirement villages and other forms of housing with care. Any actions taken now will demonstrate that as the Local Authority with health and social care responsibility we still recognise there is a viable and valuable need for residential care. This in turn should help to strengthen and build confidence moving forward.

Performance management/follow-up

- 63.** The consultation will be managed by Gloucestershire County Council Operations and Commissioning Teams in conjunction with representatives from the Gloucestershire Care Partnership.
- 64.** The timeline provided in the introduction sets out next steps regarding consultation with the relevant care homes and wider stakeholders together with further consideration by the Cabinet. Evaluation of consultation feedback will be undertaken by the project group who undertook the initial evaluation of the engagement survey and focus groups supported by stakeholders from Gloucestershire County Council, Gloucestershire Clinical Commissioning Group and Gloucestershire Care Partnership.