Gloucestershire Market Sustainability Plan March 2023

Please note that this Market Sustainability Plan is subject to ratification by the Elected Cabinet Member for Social Care Commissioning. The ratification process will be complete on 5th May 2023.

Section 1: Sustainability of Local Care Markets

1.1 Market Challenges to the Whole Market

1.1.1 Workforce

Nationally we are facing an unprecedented challenge in recruiting staff across the health and social care systems and vacancy levels are high (Skills for Care, 2022a; Burns & Hold, 2022). The picture is no different in Gloucestershire. We face competition from other industries who offer higher wages and other incentives to the same potential workforce from where we would hope to recruit. Predictions from Skills for Care are telling us we need an extra 6700 posts (36%) in the 65+ market by 2035 (Skills for Care, 2022b) but, like other areas, we find providers are struggling to recruit.

Some of the reasons it is hard to attract and retain care staff is the perception of care is not valued in the public eye (78% of people unlikely to consider beginning a career in social care and 67% think it is undervalued by society (Anchor, 2018) and that career progression does not follow an obvious path such as might be available in healthcare. These considerations were voiced by providers at our engagement events for the Fair Cost of Care exercise. Transport is also an issue as many care staff are non-drivers (or cannot afford to run a vehicle) and public transport routes have been rationalised so it has impacted on providers being able to recruit in more rural places such as the Forest of Dean.

As well as the recruitment challenge, retention is a major issue. Staff are leaving the profession (33.4% turnover rates and vacancy rates of 9.4% in 2021/2022 (Skills for Care, 2022b), nationally this increases to 10.7% (Kings Fund, 2023). We heard that the Covid pandemic placed untenable levels of pressure on staff to work more hours in worse conditions with reduced breaks for over a sustained period. Since then, the

ongoing impact of Covid and the reduced workforce has meant that these pressures are not receding, and providers report that staff are choosing to leave.

In addition to the pressures of Covid we have an ageing social care workforce (average age is 44 years old and 27% of the workforce at over 55 (Skills for Care, 2022b)), experienced care workers who might have left it a few more years before they retire have chosen to leave earlier in the face of a deterioration in their working environment and quality of life. We have also heard that staff are "burnt out" not just from Covid, but from a range of reasons such as excessive workloads, intensity of work, pay and reward, systems and working culture (House of Commons Health and Social Care Committee, 2021).

The Care Quality Commission's (CQC) report on the State of Health and care in England supported what we have heard from our engagement: that urgent action was needed to tackle workforce challenges in social care (CQC, 2022). The report stated the need for reform, and that the need for investment and workforce planning in social care had been "thrown back into stark relief" by the Covid pandemic.

Good care relies on well trained staff but training and development for the complexity of needs that are now met in the care environments is not always readily available or accessible to staff working in a situation where there are times when they cannot be spared to undergo training. Skill levels in the workforce is another issue. Delegated clinical tasks such as PEG feeding, stoma care, insulin provision and tracheostomy care are increasing. Support from health staff to undertake these procedures safely is not always sufficient to meet local demand. These tasks reflect the multi-faceted needs of the people being cared for and, added to an existing skill base that incorporates personal care, moving and handling, dementia awareness and positive risk taking, illustrate the complexity of the roles undertaken by care workers. Whilst local demand for care services includes the need for diverse knowledge and skills, care staff feel that their level of renumeration does not reflect the training and responsibility they are expected to undertake.

As we move into an increasingly digital world, the enhancements digital capability can offer the care sector are beginning to emerge. Equipment is now available to increase the health support offer, online consultations allow a practitioner to see more people in their working day for instance. However, digital capability in care provision is not keeping pace with innovation as training and equipment development understandably focuses on physical care of the patient rather than digital innovations to process. There is a further barrier in that a digital element to the role can be off putting to some people who want to work with people not machines.

1.1.2 Staff terms and conditions

Nursing care tasks require qualified professionals to supervise and support people meeting clinical needs in the community. As identified above, the incentive to work in a care environment is less attractive than the option to work in an NHS service where terms and conditions of employment tend to be more favourable and secure. For example, there are more staff employed on substantive contracts in the NHS, compared with the number of care staff on zero hours contracts (22% of contracts for those with direct care roles (Skills for Care, 2022b)). In Gloucestershire, we struggle to recruit nurses in the care sector. The results of the Fair Cost of Care exercise showed that the median cost identified for providing a nursing home place is significantly higher than our current fee rate. Whilst there are caveats about the size of this difference, it is recognised that a fee increase could improve and enhance provider capacity to attract and retain qualified staff. A difficulty has always been that whatever increase in fee levels is offered to providers there is no guarantee that the increase can or will translate to a wage increase for staff.

Domiciliary care faces similar issues with recruiting not least because pay rates are not competitive with other industries and the level of responsibility required for the job exceeds people's expectation at that pay level. People who might choose to undertake such roles are likely to be more attracted to the similar role of Health Care Assistant in the NHS, reports indicate a disparity between NHS Health Care Assistant roles and Community Care Assistant roles in terms of more defined career path (CQC, 2022; House of Commons Health and Social Care Committee, 2021).

A further challenge to recruitment is the financial burden placed on staff in the cost of moving around from client to client, a burden that is not met by mileage rates set by HMRC at 45p per mile[1] (HM Revenue and Customs, 2022). In rural areas, staff simply cannot afford to live in certain areas and work in care, and the rate of pay has failed to keep pace with some other sectors such as retail (Kings Fund, 2023).

The current cost of living crisis has exacerbated this disparity between pay and expenditure and that, coupled with the cost of housing, means that in some areas, for example the Cotswolds, there is a very limited pool of potential employees for providers to recruit (breakdown of population profiles and housing availability by type can be found in the Gloucestershire Housing with Care Strategy). Our data tells us that 53% of people who waited over two weeks for a service lived in the four rural areas of Gloucestershire which points to the increased difficulty of recruiting in those areas.

[1] The Inland revenue milage rate for 2022 is 45p per mile for the first 10,000 miles and 25p after that for business related driving. The IR says that it covers petrol and wear and tear and other running costs e.g. insurance and maintenance. If the provider pays more that his amount then the individual will pay tax on the additional amount.

1.1.3 Extraordinary inflationary increases and Covid impact

In Gloucestershire, as elsewhere, one of the most pressing challenges to provider sustainability is the current financial situation which is putting extreme pressure on social care (Boccarini, Rocks & Shembavnekar, 2022; House of Commons Levelling Up, Housing and Communities Committee, 2022). Cost of living increases impact the prices of goods and services and as staff feel the pinch wages need to keep pace. The legacy of Covid means that staffing costs are increased anyway as providers are still paying staff to isolate whilst Covid positive and the sickness levels as a result of Covid are increased. Providers listed these worries as their greatest concerns when we met with them to undertake the fair cost of care exercise:

- Current cost of living crisis is subsuming other concerns and rapidly becoming untenable
- Fuel prices are driving staff from the home care market and they cannot afford to drive to customers
- Fuel prices are causing care homes excessive bills and they fear for the impact of this during the Winter
- Recruitment is at an all-time low, wages paid in other industries continue to
- attract potential staff
- Retention of staff is challenged by the numerous and increasing pressures they are experiencing
- Staffing costs and the need to compete with other industries are having a
- significant impact on business models
- Ongoing Covid related costs e.g. staff isolation is an issue

This feedback aligns with our own assessment that the market is facing a period of unprecedented pressure.

1.1.4 Diversity of care provision available

The presentation of older age is changing. Plans need to be made to shape the market in the medium and long term. “Baby boomers” will be retiring ‘en masse’ (Ipsos, 2022) and, although life stages are not as rigid as they once were, the age of reaching retirement is changing, and our expectations of older age will have changed. This bulge in older people will increase demand on health and social care services in a different way to the generation before them.

Frequent changes in legislation and statutory guidance leave providers struggling to keep pace. The care sector is still dealing with Covid and its impacts on staffing levels and provider's finances, when combined with the cost-of-living crisis this means that any change, no matter how small, is an additional challenge.

In Gloucestershire, we recognise the importance of preventative services and the rising value and contribution of the third sector in supporting local community-based offers will be key to developing the market in partnership with a range of providers and organisations at a local level. The Know your Patch Networks set up to connect people in local communities will be a key enabler to developing the market into the future. Increasingly this needs to incorporate services which support people with low levels of need in a way that prevents deterioration.

While there are many examples of retirement housing across the county there is a limited amount of "extra care" housing which offers older people the opportunity to remain at home as their needs change over time (GCC, 2021). Similarly, there is an over provision of residential care but not enough that caters for people with dementia beyond the early stages. The market needs to grow to reflect the demand for services and dementia is now so prevalent it can hardly be called a "specialism" anymore.

The way we commission domiciliary care with a focus on the task and time of delivery sometimes restricts provider capacity. A more re-abling model of service coupled with more flexible commissioning could enhance the current offer.

Positive Behaviour Support (PBS) knowledge and skills can be applied to residents with a range of needs including dementia and other challenging behaviours. There is an argument for ensuring that the offer is extended to a wider audience to support providers of diverse services to meet growing needs.

Reablement services that help people recover after a period of ill health are in development (GCC, 2019) but currently not keeping up with demand and the need for short term support to prevent hospital admission or facilitate discharge is acute.

Hospice at home services are not countywide and we struggle to support people to die at home in both the North Cotswolds and the Forest of Dean. An improved training programme to support all provider in the provision of end-of-life care would enhance capacity across the board but this extension of responsibilities would need to be recognised in the pay and status of care jobs to address the recruitment difficulties currently faced.

There is a limited number of providers that have the knowledge and skills required to meet the demand for forensic support services in our community.

Environmental factors often lead to more staff being required to support a person's need than would be necessary if the appropriate equipment could be employed in situation. This places a further strain on demand as staff cannot be utilised more widely.

More support for unpaid carers could help prevent people reaching crisis point and keep people living at home for longer. Training for unpaid carers and increased respite opportunities could facilitate this. There are links between being an informal carer and experiencing mental health challenges, 50% of older carers reported feeling lonely, 40% reported feeling anxious (Britain Thinks and Insight Strategy, 2022). Reports suggests that very few older carers are accessing support services (6% report using support groups and only 1% report accessing respite or day services). Carers have also reported financial challenges due to the lack of proper advice (*op.cit*). Informal carers can also experience physical health impacts due to the exertion and stress of caring for their loved ones. In Gloucestershire, we have a wealth of carers support services but are aware that we are only reaching a modest percentage of the caring population.

1.2 Market sufficiency and diversity in the 65+ care home market

1.2.1 Capacity

In Gloucestershire we face challenges to market sustainability for care home provision as there are too few beds to meet our demand for nursing and dementia care and more than we need in residential only provision. Void levels in many care homes are high and this pushes bed costs up but does not necessarily equate to capacity as the beds may not be fully staffed and the type of care offered may not be what is required. Nursing care is an area where there is more demand than there are available beds to meet it, and the limited availability of nursing staff exacerbates this. Specialist residential and nursing provision for bariatric, acquired brain injury, challenging behaviour and community forensic services, is in short supply.

We have more residential bed capacity in our urban localities, than we, as a local authority, would need to purchase. To some extent this has contributed to an over-reliance on beds to ease system pressures which in turn maintains the overcapacity in the system. Conversely in our rural localities we are challenged with limited capacity. The Forest of Dean has the least number of vacant beds and the

Cotswolds, though having a high level of vacancies, has the highest number of homes whose rates are more than our fee levels (Figure 1).

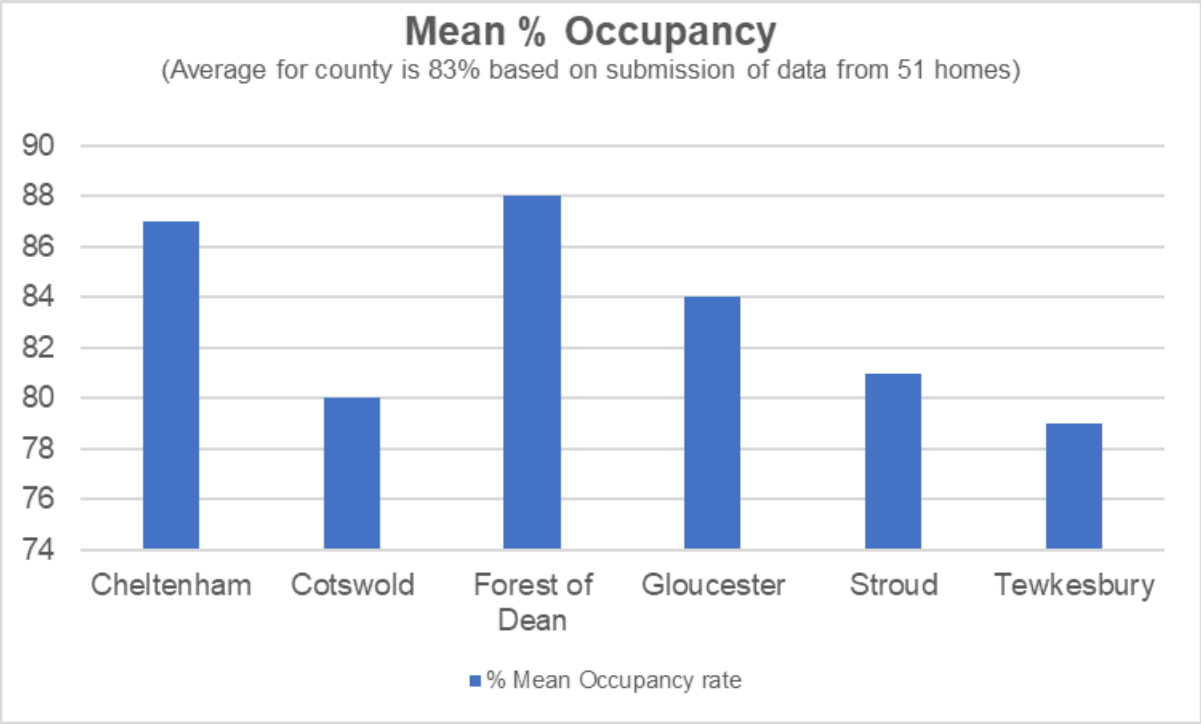

Figure 1. Bed occupancy by district

Having vacant beds is a challenge to providers' business models as it inflates costs and is difficult for them to resolve whilst there is more capacity than required in the system. We will continue to work with the market to assist them in diversifying their offer so that the provision offered more closely meets the demographic profile and needs analysis of our residents. It is likely that however that we will see some closures where only residential provision is delivered or homes where the accommodation and style of building is not flexible enough to meet the increased demand for dementia care, and complex needs.

1.2.2 Fee rates

The results of our Fair Cost of Care exercise (published here) showed that care home costs in Gloucestershire are above the standard contract price and that the median cost identified is also more than the mean actual payment made per bed across the county. The Fair Cost of Care exercise gave sufficient leeway for provider responses to vary in depth and content the results therefore show some degree of skew. There are also local factors which have influenced the results, these have been considered in the development of this Market Sustainability Plan.

1.3 Market sufficiency and diversity in 18+ domiciliary care market

1.3.1 Capacity

In domiciliary care, recruitment is increasingly difficult, and the cost-of-living crisis has exacerbated this. Providers in rural areas particularly struggle to recruit due to poor public transport and fuel costs – staff cannot afford to drive to and from their clients. Sporadic demand means providers cannot guarantee income to their staff and therefore recruitment is further challenged. In some areas, such as the Cotswolds, property prices are high and there is a limited pool of working age adults from which to recruit.

There is no shortage of demand for domiciliary care, but availability of staff restricts providers ability to take on work and the overarching market challenges described in Appendix 1 mean that this area is unable to grow capacity to meet demand.

1.3.2 Fee rates

Fair Cost of Care exercise (published here) show that the median cost per hour identified for domiciliary care in Gloucestershire is above our standard contract prices and is also more than the mean actual payment per hour made across the county. The highest fee rate in Gloucestershire (currently paid in rural areas) is closer to the median cost identified than the fee rate for urban areas. The difference between median costs identified and the mean rates paid by Gloucestershire County Council is influenced by local factors and these have been considered in the development of this Market Sustainability Plan.

Section 2 Future market changes up to October 2025

2.1 Demand analysis – what is needed (GCC, 2022)

2.1.1 Population profiles:

- Older people

Two trends in ageing are likely to drive future demand for social services: firstly, the demographic 'bulge' of people born in the 20 years after the second world war who are now reaching retirement; and secondly, the increased longevity of that population. The number of adults aged 18-64 years in Gloucestershire is projected to increase by 6.6% between 2018 and 2043, whilst the 65 and over age group is projected to increase by 52.5% during the same period. These increases are higher than the projected increases for these age groups in England over the same period.

- People with a disability

In Gloucestershire in 2021, an estimated 28,600 people aged 65 years and over have a long-term illness or disability that limits their day-to-day activities a lot. The number is predicted to increase by 26% to 36,000 people by 2030 with rates of increase highest in the 85 and over age group (up by 33%). It is estimated that in 2021 there will be 3,450 people in Gloucestershire aged 18-64 who have a serious personal care need and 15,800 who have a moderate care need, as a result of a physical disability. Both numbers are expected to increase slightly between 2020 and 2025 and then to fall slightly between 2025 and 2030. Most of the increase is expected to be in the 55-64 age group.

- People with a learning disability

Modelled data estimates that 12,100 adults in Gloucestershire have a learning disability in 2021, with those aged between 18 and 64 accounting for three-quarters of the total. The rate of increase in the next 10 years is predicted to be most steep in the older age groups.

- Carers

There were 62,644 unpaid carers (10.5% of the population) in Gloucestershire in 2011, the majority of whom were aged 50 or over (64%). National studies show that 40% of unpaid carers look after a parent, 18% look after a spouse, partner, or cohabitee, and 17% look after a son or daughter. Covid-19 has highlighted the essential role played by unpaid carers and placed an enormous pressure on them,

causing emotional and psychological stress with many people feeling they are at breaking point. Nationally an estimated 4.5 million additional people have become carers because of the pandemic (LGA). Data from ONS shows that unpaid carers are more likely than non-carers to say that life events, work, access to healthcare and treatment and their health has been impacted by COVID-19.

2.1.2 Service needs

People want to live in their own homes (Social Care Institute for Excellence, 2014) but social care needs cannot always be met in a domestic environment. To facilitate care at home there is increasing demand for:

- Suitable accommodation
- Adaptations to property to make it accessible
- Equipment to facilitate care at home or self-care
- Care and support at home
- Increased skill levels of care and support staff
- Technology to facilitate care at home of self-care
- Sufficient health provision and support in the community

A move to supporting people with higher levels of health and care needs at home has a knock-on impact on those going into bed-based care. The care needs of this population will be generally higher than in the past as most people will be supported at home. In future the need for bed-based care will increasingly be for people with dementia or nursing needs.

Dementia is now a prevalent condition amongst the elderly and especially those with care needs. The term “dementia specialism” is becoming a thing of the past as any care home in future will need to be able to meet most dementia care needs as standard.

2.2 Supply analysis – what might change in the market

2.2.1 Care Homes

Those providers who cannot support people with dementia through to end of life are likely to see a reduction in the use of their services. Providers who diversify their services and extend their offer into community support will be better placed for future business than those that don’t.

Providers offering nursing care will see little reduction in their customer base, but they may see an increase in complexity of need as community services develop to

support people at home for longer. This may also reduce the length of stay of residents which will need to be factored into any business model.

In Gloucestershire, we envisage that some reduction in bed numbers will be beneficial to the market, but it will need to be matched by a corresponding increase in community capacity, both in domiciliary care services, prevention services and community health services to support people to live at home for longer.

2.2.2 Community

A reducing reliance on bed-based care and increasing investment in community provision will have a positive outcome for domiciliary care providers. With the increased application of our home first policy, there is likely to be a resultant increase in demand for domiciliary care, potentially for people with more complex or higher levels of need. The increase in variety and complexity of need will require staff with the appropriate skill sets so enhanced opportunities for training and development in this care sector will be crucial.

Demand for domiciliary care will not reduce and, coupled with a potential redirection of people with low level need to other providers when social care reform is enacted, there is a risk of asking more of staff that are already finding the work demanding with no variety or respite in their day. If not carefully managed this could exacerbate retention issues which already have a major impact on capacity. Consideration will need to be given to how staff are renumerated according to the complexity of their work.

2.3 Impact of delay to charging reforms:

Gloucestershire care providers support a substantial number of people who are currently responsible for funding their own care (Figure 4). The Southwest average is 40.5% self-funding customers vs 59.5% state funded. In four out of the six Gloucestershire districts self-funders represent over 45% of the market (Office for National Statistics, 2022).

The impact of section 18.3 of the Care Act is likely to be considerable when it is implemented. Changes to charging thresholds means that there will be fewer people designated as self-funding and the “care cap” will increase the number of self-funders who will come via the local authority to ensure that their care account is activated. Providers reliant on people coming to them independently and paying the higher level of fees charged, will see a significant change in their customer base as more people look to the council for assessment of their needs and for negotiation of packages which will result in a reduction in fees. Whilst there is an option for eligible

customers to be funded by the local authority and pay any additional fees themselves as a “top-up”, the appetite to do so may be diminished.

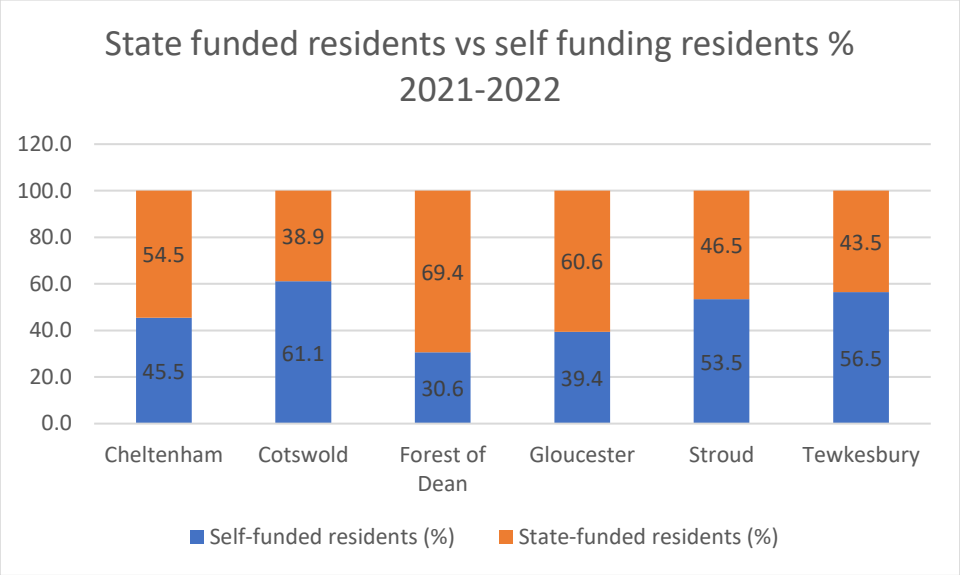

Figure 2. Proportion of self-funding residents in Gloucestershire from the ONS self-funder survey of care homes: [Care homes and estimating the self-funding population, England - Office for National Statistics (ons.gov.uk)]

The overall impact for care homes is likely to be fewer customers or reduced income, either of which might lead to closures. Conversations with care home providers as part of the FCoC exercise highlighted that there were a number who were evaluating whether they would stay in the business or sell their properties and take the opportunity to retire.

For domiciliary care providers, the impact would have a different slant. There is the same risk of providers losing income but there is a further potential impact on business models if providers lose customers that accept services at varying times. One of the pressures on domiciliary care providers is how to meet peaks in demand. Self-funding customers who need help with tasks other than personal care can be supported at times where capacity is greater, and this gives staff a better shift pattern and more varied work. If there is a reduction in these customers, providers will have further difficulty in offering staff meaningful employment over the whole day which could further challenge retention.

The delay to funding reform will not change its effects when implemented but gives providers a further two years to evaluate the likely impact and take any measures

they need to mitigate risks they might face. For some this might be the opportunity to cease trading, for others time to diversify their offer to ensure that demand will continue post reform.

For the Council, the delay to the charging reform and the continuation of the associated funding gives the opportunity to consider and address the diversity of fee rates within the county.

Section 3: Plan to address sustainability

3.1 Strategic Direction

Our strategic priorities are to:

- Develop stability in the Adult Social Care sector including through initiatives to develop skills and capacity in the workforce.
- Work with housing partners to continue to develop wider options to enable people to live independently.
- Embed early intervention and prevention, together with strength-based working, into all aspects of our work across Adult Social Care.
- Develop our 'Enhanced Independence Offer' to improve the impact of short-term care to ensure people regain their independence whenever possible.
- Explore the potential for technological solutions to support carers, reduce demand and improve the quality of care that people receive.

Our commissioning intentions therefore continue to focus on a reduction in reliance on bed-based care and an increase in care available at home.

3.2 Fair Cost of Care Exercise

In 2021, the Government introduced the Market Sustainability and Fair Cost of Care Fund. The primary purpose of the fund at that time was to prepare the markets for social care reform and move towards paying a "fair cost of care". To be eligible for the fund Local Authorities were required to undertake a "Fair Cost of Care" (FCoC) exercise with the over 65 care home market and over 18 domiciliary care market and to develop a "Market Sustainability Plan".

The FCoC exercise was undertaken as prescribed in 2022. Gloucestershire County Council (GCC) worked with Gloucestershire Care Providers Association (GCPA), the majority provider representative body in Gloucestershire, to devise an engagement programme that would reach as many providers as possible. The activity included:

- A comprehensive provider list of both contracted and non-contracted providers.
- Ten "in person" events catering for the two provider groups and held at a district level
- Online explanations were held with each provider group to give the same information as the events and to encourage and promote participation.

- A one-to-one meeting to go through the detail was held with every provider that requested it.

Early in our engagement with GCPA we heard that providers were reluctant to share their cost data with commissioners. We therefore commissioned an external consultant to act as an independent recipient of the data who would then provide GCC with the pseudonymised data which would inform this exercise. For each provider group the cost analysis tool used was that offered by the LGA, for Care Homes this being the IESE “Care Cubed” tool and for home care the ARCC spreadsheet.

Participation from the care home market was good with 51 providers taking part representing 36% of eligible providers and 47% of beds. Larger homes were over-represented, but we have not found a strong correlation of size to unit cost.

Dom care participation was lower with 11% of eligible providers taking part.

3.3 Sustainability Plan for Care Homes

3.3.1 FCoC Learning

In Gloucestershire we learned that for care homes there is a noticeable gap between the identified costs of providing care and the average fee rate paid. There are local factors which influence the outcome so that the final results are not felt to be truly representative, but the council recognises that there is a diversity in fee rates that is not conducive to market stability in the long term.

Market analysis undertaken simultaneously to the FCoC exercise told us that we have an overprovision of some types of beds, particularly in some areas and an under provision in others. Overcapacity in beds is one element that contributes to the cost-price differential but does not increase required capacity as the beds available are not of the type in demand.

3.3.2 Fee rates

The difference between median costs identified within the Fair Cost of Care exercise and the mean rates paid by GCC (figure 3) are greater than might be expected as they illustrate some local market anomalies:

- a high percentage of self-funding individuals
- a high proportion of facilities offering premium services outside the fee levels affordable to GCC

- our contract prices are comparatively low
- the inclusion in the exercise of a period of extraordinary inflation which is not expected to be permanent
- provider calculations for return on capital and operations varied and are reflected in the high unit costs
- An excess of empty beds in some areas which increases running costs

Type of placement	Median CoC per week	Mean price paid by GCC per week	Difference between median CoC and mean rate paid
Residential	£1,248.58	£599.30	£649.28
Residential enhanced	£1,260.50	£688.10	£572.39
Nursing	£1,724.29	£918.05	£806.24
Nursing enhanced	£1,635.18	£874.08	£761.10

Figure 3. Comparison between median cost identified and mean average fee rate for bed-based care.

Given the extent of local anomalies it is difficult to judge the accuracy of these figures but a gap between costs and fees is evident and has been considered in relation to market sustainability proposals.

3.3.3 Commissioning intentions

Our commissioning intentions for bed-based care continue to be (as identified in Gloucestershire Market Position Statement 2018) to reduce use of residential beds and ensure the availability of bed-based care of the type that there is demand for: those providing nursing and dementia care.

3.3.4 Proposed market sustainability measures

From April 2023, the bed-based market will benefit from GCC investment in three ways:

- There will be an inflationary uplift to prices for providers of bed based (and community provision) for older and disabled people which will go some way to address the extraordinary inflation rates that have been felt over the last year.
- There will be a one-off 1% payment to providers of bed based (and domiciliary provision) for older and disabled people in Gloucestershire with whom the council contracts.
- Funding will be utilised to rationalise prices in the bed-based care market for nursing and dementia care only.

Given the oversupply of residential care in most areas of the county and need to reduce use of this provision there will be no fee increases for this section of the market.

Fee increases will be applied to placements offering dementia and nursing care and it is recognised that there are homes that offer more than one type of service. This approach is intended to incentivise an increase in the offer of placements of the type which there is more demand for.

In recognition of the variance in prices paid currently it is the council's intention to re-establish the contractual price for these services at a higher rate than we currently pay. The new price will reflect the inflationary uplift and, for providers of nursing and dementia care only, an additional increase from the Market Sustainability and Improvement Fund. Any provision in scope which would have a price below the new rate once the inflationary uplift is applied will be paid at the new rate. Any provision in scope which would have a price above the new rate once the inflationary uplift is applied will not receive an increase. This measure aims to reduce the range of prices paid and increase the stability of this area of the market where there is ongoing demand.

3.4 Community

3.4.1 FCoC and market engagement learning

The FCoC exercise showed that whilst there is a difference between median costs identified and mean price paid for domiciliary care it is not as stark as in the bed-based market. Gloucestershire's rates are 80% of median unit costs (89% in 4 rural districts, 60% in Cheltenham and Gloucester). The rural rate is quite close to the median average costs identified and this coupled with the impact of local factors which may have artificially inflated some costs shows that the challenges in our domiciliary care market are not simply around the fee rates.

A commissioning project focussing on domiciliary care last year identified that changes to our commissioning practices could increase the efficiency and capacity of domiciliary care in Gloucestershire. We learned that at that time:

- We fund about a third of the county's home care customers – at any time we support about 1400 older people with commissioned home care.
- Six districts define our contracts and rates and that in some instances the rates create a perverse incentive for providers to respond to packages that it is harder for them to cover.
- We buy care from providers anywhere in a district, or outside it, without consideration of the implicit logistical difficulties they might therefore face - 12% of the county's postcodes have two or more providers which operate there.
- Home carers live too far from their customers, the mean distance between office and customer is 6.5 miles and, in many instances, care workers travel when they could be caring, in addition, they aren't always familiar with the place their customer lives.
- A minority of home care customers do 80% of the waiting, in any 12 months about 600 people wait more than 14 days for home care worth about £1.1M

3.4.2 Fee Rates

	Median CoC per week	**Mean price paid by GCC per week**	**Difference between median CoC and mean rate paid**
Per hour	£29.85	£24.18	£5.67

Figure 4. Comparison between median cost identified and mean average fee rate for domiciliary care.

The difference between median costs identified and the mean rates paid by Gloucestershire County Council is influenced by local factors:

- a high percentage of self-funding individuals.
- a high proportion of premium services outside the fee levels affordable to the Local Authority
- a period of extraordinary inflation which is not expected to be permanent

The highest fee rate in Gloucestershire (currently paid in rural areas) is closer to the median cost identified than the fee rate for urban areas. We have noted that the price differentiation between districts has created a perverse incentive not to work in urban areas which is not beneficial in terms of meeting demand. In future and in acknowledgment of the pressing need for capacity in the community, we will be

focussing on the way we commission domiciliary care and working with the market to move towards patterns of commissioning that are more sustainable.

Whilst we will not be directing any of the Market Sustainability and Improvement Fund towards the domiciliary care market providers will benefit from the same inflationary uplift and one-off 1% payment as bed-based care providers.

3.4.3 Commissioning intentions

Our commissioning intentions are to increase people supported to live at home and reduce our reliance on bed-based care. This will have a twofold impact on our community-based commissioning:

1 More packages in the community and for people with higher levels of need
2 An increased focus on wider community and preventative services

It is recognised that to implement these intentions some changes to current commissioning practices are necessary. To this end we undertook the abovementioned commissioning project and as a result a different approach has been taken to domiciliary care purchasing.

3.4.4 Market sustainability measures - Hyper local commissioning

Our domiciliary care commissioning project identified that our commissioning practices were not incentivising the provision we needed where it was needed.

We took a decision to focus on commissioning domiciliary care based on smaller statistical neighbourhoods. There are 373 Lower-layer Super-output Areas (LSOAs) in Gloucestershire defined by post code each hosting about 1500 residents. They are coterminous with District and County borders and offer an approach that could ensure provision is both local and familiar. Considering purchasing at this level gives a level of data not apparent at a district level. It allows us to target support and incentives.

In our rural areas we found that 53% (332) of people waited more than 2 weeks for packages of care. We realised that unpredictable demand deters investment in local bases and decided to share some of the investment risk with providers, on specific conditions. We set up 4 blocks of 300 hours at £27.66 for 3 months and are evaluating effectiveness of this measure.

In our urban areas we found that 47% (291) of people waited more than 2 weeks for packages of care. Gloucester's neighbouring rural district fee rate is 22% more than

the urban rate and Cheltenham's 20% more. The scarcity of capacity meant that providers were selling care where the rate was highest not where it is more practical to provide or where the most demand was. There was some evidence that providers are reluctant to operate in some urban neighbourhoods. We moved to enhance rates in LSOAs with excess waiting times. We have lifted rates half-way to the rural rate for new packages only: £24.68 in Gloucester, £24.95 in Cheltenham.

We developed a home care search tool which enables brokers to approach providers who have known capacity and are local to the customer. ONS and DWP data showed that there is unemployment in areas with long waiting-times which implied that there was a workforce to be developed. We therefore also applied the new tool to target a Proud to Care local recruitment campaign in The Forest of Dean which is currently being evaluated. We have further local campaigns planned for Gloucester and Cheltenham.

The success of our Hyper Local Commissioning approach is evident: since April 2022 the balance of care has moved towards home care and there are now 8% more older people using home care as a result. Our only increase in bed-based care has been in placements supporting dementia, other residential and nursing is unchanged. Figure 5 illustrates this trend:

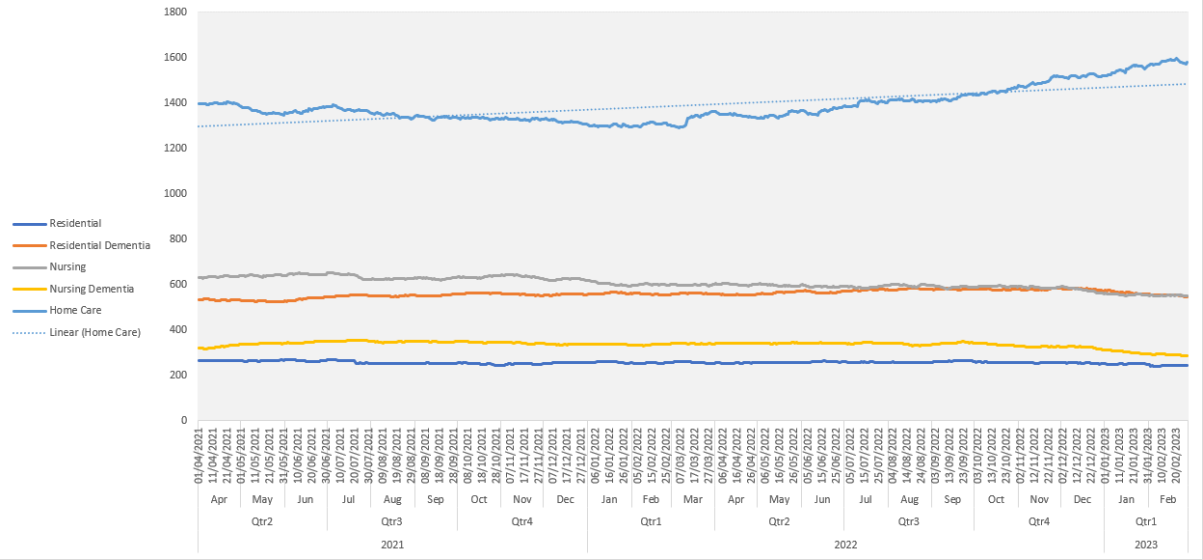

Figure 5. Balance of commissioned care in Gloucestershire 2021-23

3.5 Other market support measures

3.5.1 One off funding:

The Market Sustainability and Fair Cost of Care Fund 2022-23 will be used to give a one-off payment based on one percent of provider annual fees taken at a snapshot in time for the over 65 care home and domiciliary care market. This payment will be matched for providers of supported living and care home places for people with disabilities with other council funding. This measure is in response to the FCoC exercise and in response to market engagement that has identified the extraordinary financial pressures experienced over the last year.

3.5.2 Proud to Care

Our Proud to Care team is now fully staffed and are evaluating their recent locality-based recruitment campaign in the Forest of Dean. They are poised to run a similar campaign in Gloucester and will be approaching providers based there to get involved soon. The campaigns use data taken from our locality analysis work to target attention where capacity is needed and where potential capacity (jobseekers) are identified. They include the development of a promotional video, local advertising, social media campaigns and engagement with job seekers in targeted areas.

3.5.3 Proud to Learn

In recognition of the importance of training and career development in securing staff retention, and because the move to supporting people with higher levels of need at home calls for enhanced skillsets in our workforce, we are redeveloping our Proud to Learn offer. A new team is being recruited which will work alongside Proud to Care and our provider market to improve and refine the training and development offer available. With a focus on skills enhancement and career opportunities it is hoped that they will contribute to the attraction of starting a career in care and once joined staying within the sector long term.

3.5.4 Commissioning initiatives:

1 Enhancement of care home services

- We plan to work with providers to diversify their offer to enhance available community support services. In some instances, this might involve different providers working together to develop an improved local offer.
- We will work with providers to increase digital capability of care homes to facilitate increased use of technology and equipment in care homes.

- We will reduce our use of buildings that are not fit for the future and consider ways to ensure that we have ongoing capacity in those areas.
- We aim to review the provision of the following specialisms: acquired brain injury; neurological conditions such as Huntington's disease; forensic needs; complex/multi morbidity conditions; and the management of life-threatening conditions.

2 Enhanced community services.

- Increase the range and capacity of community support services
- Increase in people going home from hospital and reduced admission to care homes from hospital.
- Increase in needs levels of people supported in the community as care home placements reduce.
- Increase support services in community available to older people as well as disabled people.

3 Strategic approach to prevention

- Increase our prevention offer including the use of digital technology, virtual wards, anticipatory care, social prescribers, and the voluntary sector.
- Increase access to and use of multi-disciplinary teams to support people as their needs change.
- Increased capacity for specialist services.
- We will support the development of increased capacity for provision in-county for the following specialisms: acquired brain injury; neurological conditions such as Huntington's disease; forensic needs; complex/multi morbidity conditions; and the management of life-threatening conditions.

4 Enhanced staff skill base

- Increase staff skill base to include clinical tasks.
- Consider ways to ensure that care staff can be supported to deliver more complex care.
- Foster the development of enhanced digital capability in care staff.

5 Consideration of outcome-based approach

- Move away from “time and task” commissioning to increase provider flexibility and market capacity.

- Purchase block hours and deliver in a localised (ward based) area with a focus on individual outcomes.

Please note that this Market Sustainability Plan is subject to ratification by the Elected Cabinet Member for Social Care Commissioning. The ratification process will be complete on 5th May 2023.

Data
Population projections 2018 - 2043
Older Persons Prevalence of need 2020
Market Position Statement 2018-2019
Strengths Analysis Baseline 2018
Carers Survey finding 2021/22
Skills for Care Workforce Data Gloucestershire
MTFS 2023 Annex 1 – Commissioning Intentions
Healthwatch report on Care at Home Services Aug 2022

Strategies
Housing with Care Strategy
Joint Health & Wellbeing Strategy
Care Home Strategy 2019
Build Back Better Strategy
Enhancing Independence Offer Strategy 2019/2020
Technology Strategy 2022-2025

Websites
Proud to Care
Gloucestershire Care Providers Association
Provider Forum Website
Learnpro
Provider Portal Information
Adult Social Care Policy Page
Dementia Training & Education Training Strategy
Know Your Patch