



Open Report on behalf of Glen Garrod, Executive Director of Adult Care and Community Wellbeing

Report to:	Audit Committee
Date:	25 September 2023
Subject:	Market Supply

Summary:

To provide an update to the Audit Committee on the current position in relation to market supply and the actions being taken to mitigate the risk.

Recommendation(s):

To consider the content of this report.

Background

Market supply has been, and will continue to be, a long-standing risk on the council's strategic risk register. This risk relates to the adequacy of the adult social care market supply to meet eligible needs as defined in the Care Act. The strategic risk register highlights the 15 controls in place which are reducing the potential risk of insufficient market supply.

The Covid-19 pandemic introduced many new challenges across the social care sector, including workforce, new infection prevention control (IPC) measures, a reduction in people accessing long term residential care, increasing costs and additional reporting requirements.

The sector responded remarkably to those challenges and has adjusted to many, accepting them as the new normal. With a relationship developed over many years and a financial framework underpinned by independent market assessments, Lincolnshire County Council has a robust approach to supporting a sustainable and thriving social care market for Lincolnshire. This provides a strong foundation upon which to support providers to meet the demand of adult social care and in the majority of areas has evidenced that capacity broadly matches need.

This market, like so many others, faces continual workforce challenges and significant volatility in costs across energy, fuel, insurance and food specifically. Increased national funding through the Market Sustainability and Improvement Fund and support and

oversight through the council's sustainability action plan maximises the support available to the sector to best manage such complex challenges.

Current Capacity

There are approximately 286 residential and nursing care homes registered within Lincolnshire. The council currently contracts with 273 (95%) residential homes across all categories of care. These providers deliver 8,230 bed capacity with approx. 1,300 beds vacant. This capacity supports both long and short-term demand.

Lincolnshire commissions nine homecare providers who deliver 1.1m hours of care in a person home per year. With the lowest number of people waiting for services there is sufficient capacity to meet demand.

Approximately 30 providers deliver 2.0m hours of community supported living either in a person's home or within a housing scheme per year.

To highlight the challenges facing the market after the pandemic including an indicative financial impact, Lincolnshire County Council has undertaken market assessments across its commissioned adult social care services. These assessments were based on data provided by commissioned providers through an independent third party working on the council's behalf. The market assessment approach adopted by adult care has been adopted across the East Midlands. The market assessments highlighted two key challenges impacting available capacity:

- workforce recruitment and retention challenges across the sector with community supported living services impacted more than most.
- increasing difficulty in sourcing working age adult residential capacity in the county for people with mental health needs and geographical challenges in parts of the county for older peoples' residential care.

Workforce Challenges

Through the market assessment providers fed back the increasing reliance on agency staff to cover gaps in the rotas needed to meet demand. For example, across community supported living services, responses from providers indicated approx. 4,500 agency hours (12.5%) are needed for them to be able to deliver the level of capacity needed to meet demand.

Skills for Care published a summary of the adult social care sector and workforce in Lincolnshire. The report confirmed a turnover rate of 35.3%, slightly above the region average of 30.4% and England, at 29.5%.

With the increase in wages in other sectors, the challenge for the sector is to keep pace to attract and retain staff. To support the sector,

- The council is utilising the first tranche of the Market Sustainability and Improvement funding, £7.9m, to introduce new rate structures and/or increase the rates paid, informed by the market assessments completed. This funding supported the development of a sustainable rate for both homecare and community supported living services reflecting the rurality of delivery across Lincolnshire and the additional costs that brings to providers.
- The East Midlands Region is putting in place infrastructure to support ethical recruitment across the region, pastoral support within local areas and support with removing barriers that local areas face such as transport, accommodation, or loss of workers through migration to neighbouring regions. This is supported by £1.6m International Recruitment funding across the region.
- The council is investing in wider initiatives targeted to improve recruitment into Lincolnshire. It has supported local care providers by investing in a county-wide campaign to attract and retain staff into the care sector. This work complements actions already identified through the Council's Workforce Strategy. The organisation commissioned to deliver this work took a partnership approach, working with key stakeholders including LinCA (the Lincolnshire Care Association). They have delivered an attraction campaign that promoted care as a career across the main social care sectors, Homecare, Residential & Nursing Care and Community Supported Living. The campaign aligned with and built on the national recruitment campaigns launched by the Department of Health and Social Care, such as 'Made with Care'. The work has provided the sector with a range of creative design assets that can be used beyond the initial commission, including social media content, adverts, print materials, outdoor media, gifs, and localisation of national campaign materials.

Residential Variation

There are geographical variations to supply across Lincolnshire. There is less registered bed capacity in older adult care homes in the south of the county relative to the size of the elderly population which results in higher top ups. Lincolnshire has seen a reduction of approximately 400 nursing beds in the past 4 years, representing a 10.5% reduction. The issues and risks become apparent when seeking nursing care in specific areas of the county, the east coast for example where supply is insufficient to meet demand.

Despite the area specific challenges, there continues to be sufficient bed vacancies to meet demand at a county level. In the last 12 months there have been 4 care homes de-register with CQC, with 7 new homes registering resulting in a net gain of 221 beds. In relation to nursing beds availability, this has increased by 91 beds since September 2022.

Looking Forward

The council needs to influence the shape of the adult social care market by securing the right care in the right place at the right time for customers with eligible adult social care needs and agree fee levels for services that are appropriate to provide the delivery of the

agreed care packages with agreed quality of care aligned to the council's duties contained within the Care Act 2014 and affordable to the council.

Lincolnshire has sufficient older people's bed-based capacity in place commissioned through its residential framework contract. Lincolnshire has a sustainable homecare infrastructure commissioned through its prime provider contracts.

Whilst there is sufficient capacity across the county, Lincolnshire is seeing a shift in the market construct. The residential care home market has a larger-than-average independent footprint, with 44% of beds operated by independent care homes compared to 38% for both England and shire counties. Available capacity based on the usual cost tends to be from smaller, older homes with sunk capital costs. Recent growth in the older people's market has come exclusively from larger organisations with a focus on self-funders with 7 newer larger build group homes opening and the closures coming from independent homes. Should Lincolnshire continue to see this shift, the council's rate will come under increased pressure to afford the available capacity as the larger group homes have a larger cost base of delivery.

Supporting the care sector through the complexities of the adult social care landscape is a continuous challenge with service transformation and financial support both key priorities to support the sector attract and retain the workforce needed to meet demand.

Service Transformation

The council has a comprehensive programme of service transformation underway aimed at maximising people's independence and supporting the market to meet need. The programme includes, but is not limited to:

- Increasing housing opportunities providing an alternative to the more traditional longer term residential placements. Working with district councils, the council is investing £13m over a 6-year period in both extra care and working age adult housing developments. The first development opened in April 2022 and is already fully occupied with a waiting list of 30 people. Three further developments are scheduled to commence during 2023 / 2024, two of which will provide accommodation for working age adults.
- Continued support and development to embed strengths-based approaches and technology (TEC) first across the adult social care pathway and move towards an outcome-based approach.
- Increased reablement capacity. The eligibility criteria to enter the reablement service has been broadened and the capacity into the service increased to accept more people following discharge from hospital. This is a precursor to the redesign of a truly integrated intermediate care layer.
- Development of intermediate care services. System leads were asked to take part in a collaborative assessment of Lincolnshire's current intermediate care landscape. This

consisted of 22 indicators that were used to stimulate constructive discussion and reflection on the current state. This identified considerable scope for improvement across all key themes and the development of what intermediate care services for Lincolnshire will look like is underway as a system.

- The Homecare transformation programme was launched following completion of the market assessment. In addition to the introduction of the new rate structure, the programme is assessing new models of care including the implementation of a Home Care Trusted Assessor pilot and a move towards outcome-based commissioning for those requiring domiciliary care.
- Exploration of block purchasing where it makes sense to do so, predominantly adult specialties services.

Investment and Financial Support

Working with the sector, the council has passported adult social care grant funding to providers to support recruitment and retention initiatives and has used council funding to contribute towards the financial costs incurred through the cost-of-living crisis.

The council is continuing to provide financial support through the following:

- Market Sustainability and Investment funding to increase the fees paid to providers to reflect their cost of provision.
- Discharge funding to develop new services / expand existing services to increase capacity and improve the flow across health and social care on discharge.
- The continued operation of a hardship fund for commissioned providers on a targeted, evidence-based basis. In recent years this fund has supported providers by contributing towards those most volatile costs.

Discussions are underway following the recent announcement of a second tranche of Market Sustainability and Investment funding, £600m nationally for 2023-25.

Market Sustainability Action Plan

Much of the above is captured in the Market Sustainability Action Plan (see Appendix A), which documents the approach to supporting a sustainable and thriving social care market for Lincolnshire.

The plan sets out a range of actions across a number of pillars to support all aspects of the care sector, from Residential and Nursing Homes, to Homecare and Community Supported Living provision. The plan also sets out the work to support the wider Health & Social Care system recognising the benefits to the market of greater collaboration.

Key headlines taken from the plan include:

Market Oversight & Shaping

- Creation of an updated Market Position Statement
- Integrated intermediate care programme

Financial Support & Processes

- Independent market assessment
- Utilisation of the Market Sustainability and Improvement Grant
- Increase in rates for homecare and community supported living providers (in line with previous market assessment)
- Development and implementation of a new provider payment queries process
- Move to gross payments for Care Homes

Commissioning Strategy & Workforce

- Review of potential block purchasing options for specialist services residential care
- Home Care Trusted Assessor pilot
- Technology solutions
- Supporting International Recruitment across the East Midlands region
- Bridging the Gap: Workforce Strategy

Contract Management & Quality Monitoring

- Targeted approach to intervention and improvement
- Introduction of strategic partnership meetings

Conclusion

Market supply will continue to be a risk on the council's corporate risk register. The impact of insufficient supply on people and the flow across health and social care is significant hence the level of controls in place to support supply. Increased national funding attracts increased monitoring and reporting, further emphasizing the focus on this area.

With the continual actions being taken, the performance across the sector highlighted throughout this report and the increasing financial support through the market sustainability and improvement fund, the position is a static one.

a) Risks and Impact Analysis

not applicable

Appendices

These are listed below and attached at the back of the report	
Appendix A	Market Sustainability Action Plan

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Alina Hackney & Pam Clipson, who can be contacted on alina.hackney@lincolnshire.gov.uk & pam.clipson@lincolnshire.gov.uk.

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