

## Annex C: Market Sustainability Plan Template

### Section 1: Assessment of the Current Sustainability of Local Care Markets

#### 1. Assessment of Current Sustainability of the 65+ Care Home Market

##### Supply and Demand

There are five dual-registered Nursing and Residential Care Homes in Newham. During the last two years, closure of floors / units in these existing Homes (totalling 118 beds) and the permanent closure of two other Homes have reduced the number of available beds in-borough from 536 to 324:

| Status       | Residential Beds | Nursing Beds | Total      |
|--------------|------------------|--------------|------------|
| Open         | 64               | 260          | 324        |
| Closed       | 91               | 27           | 118        |
| <b>Total</b> | <b>155</b>       | <b>287</b>   | <b>442</b> |

In 2022/23, the Council made 384 residential and nursing placements, down from 577 in 2019/20 (i.e. pre-pandemic), but demand is now increasing. Based on pre-pandemic trends and projected demographic growth in the number of adults aged 65+ in the borough it is likely placement numbers will surpass pre-pandemic levels in the next three years, and double by 2030.

Of the 384 placements, 48% were sourced out-of-borough (mainly in other North East London boroughs), a figure which has been steadily increasing (up from 42% in 2018/19). The Council's Brokerage and Operations Teams regularly report there are concerns sourcing both Residential and Nursing capacity in borough. An estimated 60%<sup>1</sup> of these out-of-borough placements are a result of resident / family choice, but the remaining 40% are due to lack of in-borough capacity (either available beds or the Homes advising they are unable to meet the resident need).

##### Fees

In 2022/23, the Council paid, on average, the following rates:

| 2022/23        | Residential | Residential Enhanced | Nursing*  | Nursing Enhanced* |
|----------------|-------------|----------------------|-----------|-------------------|
| In-Borough     | £788.42     | £717.57              | £1,106.44 | £1,020.09         |
| Out-of-Borough | £792.65     | £769.48              | £1,081.35 | £1,053.84         |
| FCoC           | £794.23     | £827.02              | £1,040.39 | £1,078.65         |

\*Including FNC

The Council rates paid are broadly in line with the Fair Cost of Care rates for most placements, but Residential Enhanced placements in particular represent an underpayment of 7 to 14%.

<sup>1</sup> Based on a sample of all out-of-borough placements made during a six month period in 2022

## Quality

The majority of Homes in Newham have ‘flip-flopped’ between the two adjacent CQC ratings of ‘Inadequate’ and ‘Requires Improvement’, or ‘Good’ and ‘Requires Improvement’, rather than consolidating and improving towards achieving and maintaining a ‘Good’ or ‘Outstanding’ rating:

| Home       | Overall CQC Rating |         |         |         |         |         |
|------------|--------------------|---------|---------|---------|---------|---------|
|            | 2017/18            | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| 1 (Medium) | RI                 | RI      | RI      | G       | G       | G       |
| 2 (Large)  | G                  | G       | G       | G       | G       | RI      |
| 3 (Large)  | G                  | RI      | I       | I       | RI      | RI      |
| 4 (Large)  | I                  | RI      | I       | RI      | RI      | I       |
| 5 (Large)  | RI                 | RI      | RI      | RI      | G       | G       |

This is particularly true of the largest Homes, which the CQC acknowledge often struggle to achieve higher ratings. Lack of consistency in ownership and management are also a risk factor for lower ratings, and the two largest in-borough Homes (which have historically had the lowest CQC ratings) have transferred ownership several times in the last decade. Expertise and training of workforce is also a key factor that drives overall quality, and there are significant issues around recruitment and retention in the Care Home sector locally.

## Workforce

Market conditions do not support development of the workforce at present - the turnover rate across all Care settings in Newham is 22% (Source: Skills for Care), the 4<sup>th</sup> highest out of the North East London boroughs. The vacancy rate is 10%, which is the 2<sup>nd</sup> highest. Turnover is likely to negatively affect levels of retained knowledge and experience in the workforce which in turn reduces quality of care and sustainability of the local market.

The average rate of pay for Care staff in Newham’s Homes reflects the National Living Wage. 52% are on zero-hours contracts, the 4<sup>th</sup> highest in North East London.

## Resident Feedback

Very little resident feedback is currently collected, making it challenging for the Council to judge satisfaction and plan improvements to existing provision. Better mechanisms are needed to capture resident’s honest views of their day-to-day experiences, so that the Council can ensure residents are at the centre of identifying their needs and are enabled to make personal choices about how and when they are supported to live their lives. To this end, a programme of resident surveys is currently being developed to be rolled out during 2023/24.

## Gaps and Opportunities

*Dementia* - the proportion of placements requiring Dementia care has steadily increased from 32% in 2014/15 to 54% in 2022/23. The Council has found it increasingly difficult to source Dementia placements with 57% currently sourced out of borough.

*Learning Disability / Mental Health* - the Council has found it difficult to source placements for residents with a Learning Disability or Mental Health need, particularly when combined with frailty, with 56% currently sourced out of borough. There are currently 150 residents aged 50+ in Younger Adult Care Homes who will likely transition to a 65+ Home in the coming years and the Council will require appropriate in-borough provision to meet their needs

*Step Down* - there is no dedicated step-down provision in Newham, leading to Delayed Transfers of Care. Placements are sourced in- and out- of borough; however, residents often do not 'move on' from standard nursing accommodation and placements become long-term. This leads to poor outcomes for residents and blocks available capacity.

*Respite Breaks for Carers* - there is no dedicated respite break provision. Providers advise they require a minimum two-week placement which does not always suit resident/Carer needs. Also, these can usually only be booked up to one week in advance as providers do not want to commit availability in advance. This lack of certainty regarding respite makes it extremely difficult for Carers to plan respite - increasing their stress and potentially leading to Carer breakdown or crisis.

## **2. Assessment of Current Sustainability of the 18+ Domiciliary Care Market**

### Supply and Demand

Over the last decade, the Council has aimed to support its residents to stay safely and independently in their own home for as long as possible. This, coupled with population growth, has seen an increase in the number of residents receiving Domiciliary Care. The Council anticipates this demand will continue to grow as the local population ages and the needs of residents continue to become more complex:

- Today, Newham residents can expect to live in good health into their 50s (56.8 years for women and 59.6 years for men<sup>2</sup>). After this, residents are more likely to experience ill health and disability, and therefore are more likely to need new or different types of services and support to live well and stay independent.
- the prevalence of Dementia is expected to double for residents aged 65+ over the next 20 years;
- the prevalence of Autistic adults in Newham is projected to increase by 15% by 2040, compared with 11% nationally;
- the prevalence of Learning Disabilities among adults in Newham is higher than among adults nationally and is projected to increase faster (a 13% increase in Newham by 2040 vs a 11% increase nationally);
- the prevalence of adults with complex Mental Health conditions in Newham is projected to increase by 6% by 2040, compared with 2% nationally.

<sup>2</sup> [Life Expectancy and Healthy Life Expectancy](#)

The Council purchases Domiciliary Care via its Independent Living Support Service (ILSS) Framework Agreement that commenced in July 2021 and was designed to ensure the market is varied, high quality and able to meet local need and demand. The Agreement has ten 'Lead' Providers (one for each of the borough's eight Neighbourhoods) and two who cover four Neighbourhood areas each supporting residents whose primary need is Autism, Learning Disabilities and / or Mental Health. There are also 12 'Approved Providers' who work across the borough and are offered Care Packages that the Lead Providers are unable to accommodate

Capacity within the Agreement is sufficient to meet current and projected future demand. Since the start of the Agreement over 99% of all new referrals have been placed on Framework. The Council has also been calling-off Reablement Packages via the Agreement – a new delivery model of providing all suitable residents with Reablement prior to a longer-term Care Package or increase being agreed.

### Fees

A 'bottom up' review of the Council's Domiciliary Care fee based on the UKHCA domains was undertaken prior to the Agreement going live. This saw provision for the payment of London Living Wage being built into the hourly rate. The 2022/23 rate was £19.16 – compared against the Fair Cost of Care rate of £20.45 this represents an underpayment of 7%.

### Quality

Of the 24 Providers appointed to the Agreement, 20 are current rated by CQC as 'Good'. In cases where concerns have been identified by the Council's Quality Assurance and Contracts Team these have, in the main, been proactively addressed.

It is a stipulation of the Agreement that Providers pay their Care Workers London Living Wage and they adhere to the UNISON Ethical Care Charter. Providers have reported, as a result of this, that they have not had significant difficulty around recruitment and retention. This in turn has had a positive impact of attracting a more skilled local workforce and improvement in quality.

The Agreement includes a 'Trusted Assessor' element which empowers qualified Provider staff to assess and prescribe small items of Community Equipment; and to work in partnership with residents, their families and Care Workers to safely reduce Care Packages. Work to embed this approach and an enabling and outcomes focused Service is planned over the next three years.

### Workforce

On average 85% of Care Workers are Newham residents - which supports the Council's vision for a local workforce and a locally embedded approach. Providers (particularly those on the Approved Provider List) have advised they have received fewer referrals from the Council than they anticipated or resourced for and have had to reduce the size of their Newham workforce. Data from recent Provider returns identifies that of the staff which left ILSS Providers, 72% of these left to work in a non-care related sector. This trend will be monitored moving forward.

## Resident Feedback

Historically, the Council has not been proactive enough at collecting and analysing feedback from residents who receive Domiciliary Care. Development of a 'resident voice' survey is currently underway.

## Gaps and Opportunities

The local market in Newham is generally of good quality and able to meet current and projected demand. The largest area of opportunity for the market is in the upskilling of the workforce to provide more genuinely enabling and outcomes focused Services, as described previously – an example is the Trusted Assessor scheme which was piloted in 2022/23 and is expanding further in 2023/24.

## **Section 2: Assessment of the Impact of Future Market Changes (Including Funding Reform) Over the Next 1-3 Years, for Each of the Service Markets**

### **a) 65+ Care Home Market**

#### Supply and Demand

The Council anticipates increasing pressure on in-borough capacity within the next three years. However, if the 118 beds which are currently closed were to re-open, there is sufficient capacity to meet anticipated short-term demand. Recent discussions with the Provider who represents all of the closed beds have already resulted in around 20 beds in one Home being re-opened in January 2023. Assuming the published rates and required occupancy levels are compatible with their costs, more beds could potentially be re-opened to meet future demand. The closed 78-bed Home has been acquired by an existing Provider operating in North East London, and following discussions with the Council the current owner is looking to operate it as a 65+ Nursing Home. It is the Council's aspiration to offer all residents who are eligible for a placement a suitable Home in Newham if they so wish (and to offer any residents currently placed out of borough the opportunity to return).

Regarding implementation of Section 18(3), the number of self-funders in Newham is extremely low - ONS estimate 5%, vs the national average of 37%. The Council's recent survey of the in-borough Homes found the percentage to be even lower: 2.5%. Therefore, although it is likely the number of self-funders will increase with the introduction of the new charging reforms and lifetime cap on care costs, the impact for Newham is likely to be less than in other areas where there are more self-funders.

#### Fees

The Fair Cost of Care exercise has highlighted a gap between the Council's available funding for placements and median rates. This is of concern in relation to market sustainability. Whilst Providers, in the main, agree the median rates are 'fair' and would be accepted if adopted as the Council's published rates, they are concerned that the high levels of inflation may leave rates lagging behind real costs if not regularly reviewed. Providers accepting the Council's published rates is a driver for achieving many of its other planned actions in relation to improving in-borough capacity and quality.

Whilst setting metered rates and top-ups may be of less dominance in Newham, due to its very low proportion of self-funders, the final decision on the Council's new published rates and metering (based on the Fair Cost of Care exercise) is still important as it determines how quickly residents will hit the cap, at which point responsibility passes to the Council for ongoing costs. Also, the Council must negotiate fair, yet financially sustainable, rates with Providers to allow it to identify these placements as viable Council-sourced

alternatives to higher cost Domiciliary Care Packages which residents may expect to be funded or meter their contributions against.

### Quality

Whilst Care Home quality is dependent on many variables, it is recognised that the main three are price, competition and quality of workforce. To some extent, the Council has been holding down its published rates at a comparatively low level (in a local market dominated by Council placements); there is little competition in-borough where total beds have decreased; and there are issues with recruitment, retention and training of the workforce. The Council must now intervene to reverse the current lack of consistent quality and make sustainable improvements to local provision over the next three years and beyond. This will be achieved by working with Providers to co-ordinate and best use its Market Sustainability and Fair Cost of Care Fund allocation, and other funding streams, to achieve lasting improvement. Since Summer 2022, the Council has begun working intensively with Providers where CQC have concerns around quality (for example, weekly sessions with staff led by Quality Assurance officers) and this has already led to notable improvements. The Council has also recently partnered with Care Provider's Voice (CPV), a local Provider-led organisation in order to assist Providers with recruitment, training and support by signing them up to peer-to-peer networks, best practice learning sessions, funding initiatives and other mechanisms which will improve quality.

### Workforce

The Council recognises it needs to go further in its work with local Providers, colleges and training hubs to identify support and embed a joined-up approach to workforce development - to strengthen the local market. The Council, as per its Building A Fairer Newham priorities, has committed to pay London Living Wage to its Care Home workforce – to 'level up' with Domiciliary Care where this is already paid. The Council's partnership with CPV is also heavily targeted at Workforce Development, including full access to Grey Matter Learning online training for care staff in all settings.

### Resident Feedback

The Council is planning a widespread 'resident voice' exercise to baseline resident satisfaction - with the aim of incorporating mechanisms for obtaining resident feedback into operational practice and the refresh of the performance management framework of the in-borough Homes.

## **b) 18+ Domiciliary Care Market**

### Supply and Demand

As outlined above, the Council has sufficient in-borough capacity to meet existing and projected demand.

### Fees

The Fair Cost of Care exercise initially identified a median hourly rate which was £3.16 more than the Council's current rate. However, analysis showed there was an element of double counting of travel time included in the median cost of direct care such that it represented 21% of contact time (12.5 minutes per hour). Analysis of the patch-based routes allocated led the Council to adjust the travel time element back to 8%, as agreed within UNISON in 2019. Following this adjustment, there was still a gap between the Fair Cost rate and the Council's current rate, but by a much lower amount (£1.29).

## Quality

The key strategic risk for the local market relates to 'Quality of Care locally'. This is not in the context of the Provider market being able to provide safe or even good quality care as set out by the CQC, but in relation to the workforce being able to deliver the Council's future vision for more enabling, outcome focussed and whole family-focused services that will build independence and further contain demand for Care Homes.

The Council has taken strides to move away from a culture and system of 'time and task' towards person centred and outcomes focused delivery through the introduction of its Strengths Based Approach, an ILSS Trusted Assessor Model and possible use of Outcome Star for Reablement Packages.

## Workforce

The availability of a well-trained and committed Workforce links inextricably to quality. Providers have fed back that they are keen to work with the Council to both embed and further develop its Trusted Assessor Model, which gives more autonomy and responsibility to staff.

## Resident Feedback

Once baselined, the Council intends to agree and implement mechanisms for obtaining and recording resident feedback into operational practice and performance management of the Agreement.

## Gaps and Opportunities

Use of Electronic Call Monitoring is not currently at the 90% target set in the Framework Agreement and not all Providers are using e-invoicing via Finance Manager / being paid for actual delivery (there are several manual processes in place to reconcile Provider activity against invoices paid). The Council's aim is to first move all Providers on to Finance Manager, then to make better use of the Electronic Call Monitoring data to both improve quality and identify those residents who may benefit from the Trusted Assessor approach.

## **Section 3: Plans for Each Market to Address Sustainability Issues Identified, Including How Fair Cost of Care Funding Will be Used to Address These Issues Over the Next 1 To 3 Years**

### **a) 65+ Care Home Market**

Having considered the varied and complex sustainability issues in the local market, the Council has developed a detailed Action Plan which outlines and prioritises how it will support Providers to improve - and influence and shape provision locally in order to meet the current and future needs of residents. The Action Plan contains three main strategic aims for 65+ Care Homes:

- **Increase In-borough Capacity** - currently almost half of placements are made with Providers based out of the borough. The Council will shape and revitalise its local market over the coming years - to be able to offer all residents who are eligible for a placement a suitable Home in Newham if they wish (and ensure that any residents currently placed out of borough are given the opportunity to return).
- **Work in Partnership to Drive up the Quality** - whilst Care Home quality is dependent on many variables, it is accepted that the main three are Price, Competition and Quality of Workforce. The Council recognises that its published rates are comparatively low (in a local market dominated by

Council placements); there is little competition in-borough where total beds are decreasing; and there are issues with recruitment, retention and training of the workforce. The Council would like to reverse the current lack of consistent quality and make sustainable improvements to local provision over the next three years and beyond. This can be achieved by working with Providers to co-ordinate and best use it's Market Sustainability and Fair Cost of Care Fund allocation, and other funding streams, to achieve lasting improvement, as per the Quality work stream of its Care Home Action Plan.

- **Explore the Feasibility of Paying Care Home Staff the London Living Wage** - the Council, as per its Building a Fairer Newham priorities, would like to pay the London Living Wage across Adult Social Care. Although the current rate of pay in Care Homes is delivering required provision at present, the Council wants to work with Providers to develop a more highly skilled and sustainable workforce to meet the needs of residents. In particular, for Enhanced placements, where the Council is experiencing significant growth in demand.

Key actions in the Action Plan are:

#### Supply and Demand

- Work with in-borough Providers to explore the feasibility of re-opening closed beds to increase in-borough capacity (particularly in relation to unmet need);
- Review commissioning arrangements to reserve in-borough capacity and give Providers more certainty (e.g. block bookings etc);
- Publish a 65+ Care Home Market Position Statement annually.

#### Fees

- Agree and implement new and accepted published rates for in-borough Homes each year which move towards the Fair Cost of Care rates in order to 'narrow the gap';
- Define and agree the four placement categories in partnership with the Council's Brokerage and Operations Teams, in-borough Providers and Clinical Commissioning Group (including developing criteria and an hourly rate for additional 1:1);
- Develop and implement a methodology for annual inflationary uplifts for in-borough Homes. Agree the methodology with the Integrated Care Board and North East London boroughs.

#### Quality

- Develop and agree a new outcome-based specification for in-borough Homes - advising of requirements over and above the CQC Fundamental Standards;
- Design and implement an effective performance management framework that focuses on delivery of good quality, safe care; that account of data required in other fora; and includes automated Returns, quarterly meetings, themed-visits, views of professionals supporting the Homes; and incorporates the residents' / and their relatives' views;



- Improve the Council's relationship with in-borough Homes and facilitate peer support between Providers to encourage self-improvement, sharing of best practice, and increased empowerment of the sector (e.g. via links with CPV and Care England).

### Workforce

- Embed some of the Council's current pilots to better support the local market (e.g. Newham Cares, Nursing Associates, Significant7+ awareness, in-reach support from the local Community Health Provider around falls and End of Life Care, etc.);
- Agree and implement an annual Provider survey to better understand job satisfaction and identify good practice and areas for improvement in relation to recruitment and retention;
- Conduct a training needs analysis and develop a training plan to meet resident needs and increase quality;

### Resident Feedback

- Visit each Care Home and speak with each resident to have a baseline understanding of in-borough resident's views and day-to-day experience of their Homes;
- Increase the amount of resident and relative experience feedback (e.g. create super-user forums, structured questionnaires, develop methods to effectively communicate with residents who are non-verbal);
- Ensure a bespoke experience for each resident by recording their preferences (e.g. music, hobbies, food, clothes, daily news, contact with family, use of technology, etc) to make their living arrangements as individualised as possible so that they have choice and control over their daily lives;
- Ensure the workforce can quickly get to know and connect with residents by recording their life history, and regularly discussing it with them.

### Gaps and Opportunities

- Co-produce a business case with in-borough Providers for step down beds;
- Co-produce a business case with in-borough Providers to develop a Carers Respite Break offer to enable advanced booking and better options around number of nights.

## **b) 18+ Domiciliary Care Market**

The Council's main strategic aim for 18+ Domiciliary Care is to keep the market stable. The Framework Agreement that commenced in July 2021 has proved effective in both meeting demand and need.

Key actions over the next three-years are:

### Supply and Demand

- Publish an 18+ Domiciliary Care Market Position Statement annually.

### Fees

- Agree and implement a new hourly rate for ILSS Providers which moves towards the Fair Cost of Care median rate.
- Agree and implement a new Provider Direct Payment rate, taking account of the refreshed ILSS rate.

### Quality

- Embed its performance management framework - with a focus on incorporating residents' views;
- Make better use of Electronic Call Monitoring data;
- Continue to improve the Council's relationship with ILSS Providers and facilitate peer support between them to encourage self-improvement, sharing of best practice, and increased empowerment of the sector (via CPV and Care England).

### Workforce

- Increase the number of Trusted Assessors each Provider has; and in doing so also upskill Care Workers to deliver more enabling, outcome-focused care and support.

### Resident Feedback

- Increase the amount of resident and relative feedback.

### Gaps and Opportunities

- Trusted Assessor Model Expansion - the Council would like to embed the current learning; and expand to include, but not be limited to:
  - o Trusted Assessors and Care Workers being trained to record outcomes (as opposed to traditional 'time and task') for Reablement Packages;
  - o upskilling Trusted Assessors to deliver lower level 'Health' interventions (i.e. taking and monitoring of vital signs following a period of hospitalisation in order to support a swifter discharge to the community and reduce the likelihood of readmission);
  - o upskilling Trusted Assessors to deliver, in partnership with the Community Health Provider, strength and balance training programmes for residents at risk of falls;
  - o establishing Trusted Assessors as 'community navigators' to help residents to access activities and networks in order to maximise local resource / assets and increase community connectedness and wellbeing.
- Introduce Carer Empowerment Packages - provision of intensive, time-limited support to the Carer of residents they are working with who may lack confidence and / or who may be struggling with a variety of areas in relation to caring for the resident including behaviour management, nutrition, sleep,

toileting, etc. Examples of support include, but are not limited to, assisting the Carer to set boundaries; assisting the Carer to put in place appropriate routines (e.g. mealtimes, etc); equipping and teaching the Carer strategies and their implementation to manage challenging behaviour / difficult situations; supporting the Carer relationship and management of the resident: closely attuning the Carer and resident and improving their interactions; enhancing Carer confidence; and empowering the Carer to manage independently, potentially by accessing Carer Support Services.

- Developing Pathways In To and Directly Delivering ‘Extra Care’ - to maintain independence for residents, the Council is keen to expand the size and quality of its local Extra Care market. Extra Care provides a ‘middle ground’ between Domiciliary Care and a Care Home - enabling the resident to have their own space and maintain independence for longer. This is of particular interest for older residents whose primary need is a Learning Disability / Mental Health need who are no longer able to live in their home due to their Carer unable to continue to provide care.

### **2023/24 Uplift & Financial Impact**

The table below compares the Council’s published rates for 2022/23 and 2023/24:

| Rates           | Domiciliary Care | Residential  | Residential Enhanced | Nursing*     | Nursing Enhanced* |
|-----------------|------------------|--------------|----------------------|--------------|-------------------|
| 2022/23         | £19.16           | £602.48      | £639.53              | £860.59      | £892.36           |
| 2023/24         | £20.52           | £794.23      | £827.02              | £1,040.39    | £1,078.65         |
| <b>Increase</b> | <b>7.1%</b>      | <b>31.8%</b> | <b>29.3%</b>         | <b>20.9%</b> | <b>20.9%</b>      |

\*Including FNC (currently £209.19)

From 3<sup>rd</sup> April 2023, the Council will allocate all of its Market Sustainability and Improvement fund to uplift:

- **Domiciliary Care** rate to £20.52

Based on existing hours delivered, it is estimated that this will create an additional financial impact of **£1.54m** in 2023/24. There will also be a direct impact on services not included in the Fair Cost of Care exercise, namely the Provider’s Direct Payment rate (**£0.85m**) and Extra Care (**£0.26m**), which are both linked to the main Domiciliary Care rate. These two rates were introduced in autumn 2021 and the Council worked with Providers to agree how they were calculated.

- **65+ Care Homes** to the Fair Cost of Care median rates shown above. These rates do not include any additional monies to allow providers to pay London Living Wage – however, this remains a commitment that the Council is working towards and will trigger an additional increase once agreed.

Based on existing placements, it is estimated that increasing the Council’s published rates to the median rates above will create an additional impact of approximately **£0.51m** for in-borough placements and an estimated **£1.67m** for out-of-borough placements.

Due to higher than usual inflationary pressures over the last year, this represents the Council ‘working towards’ paying the Fair Cost of Care. An increase to further narrow the gap in 2024/25 will be modelled during this year, with the expectation of paying it in full by 2025/26.