

London Borough of Bexley: Market Sustainability Plan

27 March 2023

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Section 1: Revised Assessment of the current sustainability of local care markets

a) Assessment of current sustainability of the 65+ care home market

Sufficiency of supply to meet demand

The London Borough of Bexley currently has eighteen care homes providing 1,275 bedsⁱ. The care home market is a mixed economy currently comprising two local, four regional and three national organisations. Our older people care home market is mainly concentrated in residential care, which comprises 70% of the beds, with nursing care accounting for only 30%.

Table 1 – Number of beds in our older people care home market

Older people care homes	Residential	Residential dementia	Nursing	Nursing dementia
Number of beds	337	564	274	100
Percentage	26%	44%	21%	8%
Across number of homes	13	14	10	6

At February 2023, the average occupancy rate for all care homes was 90.73%. At present, there is generally capacity to meet eligible need, with the exception of high acuity dementia nursing. However, the Council has identified the risk that our market (particularly for people requiring enhanced dementia/delirium support, mental health support, and support for issues in relation to alcohol and drug dependencies) will not have a sufficient supply of the right category of beds to meet increasing needs.

Our current care home market is supported by block contracts with three large providers and one smaller provider. The remaining provision is managed under spot contracting arrangements. 17.64% of beds in the borough are block commissioned and 16.31% are spot commissioned by the Council.

Approximately 15% of Bexley beds are purchased by other local authorities and a further 5% are purchased by Continuing Health Care. The remaining beds, excepting voids, are mainly filled by people who choose to go into a care home on a private basis and self-fund their own care. Based on local ASC data, self-funders in older adult care homes in Bexley in 2022/23, were equivalent to a 47% market share of older adult bed capacity in the Borough.

From December 2022 and February 2023 two local provider nursing homes have now ceased trading due to financial challenges and issues with sustaining a good quality workforce. No new homes have opened during this time.

The Council regularly assesses the capacity in the market that is of the right level of care, quality and affordable for the Council to commission. The most significant issues in planning

relate to balancing the type of care our residents need with quality/affordability and capacity, in that the care homes which are most vulnerable tend to be those which are smaller but higher quality and more affordable.

There is rising complexity of needs in the local population which has required much more specialist care over recent years, particularly concentrated in people living with dementia. This has increased care home demand for people requiring an enhanced level of care and support within a dementia care home setting which has meant more people are placed in Nursing Dementia care homes.

There is capacity in residential settings that the Council does not currently commission from. Our reliance on residential care has been on a downward trajectory. This is attributable to our Home First (Discharge to Assess) approach and work to support people to be independent in their own homes. However, the impact of delaying admission to long term care is often that needs are more complex when people do need it – often after admission to hospital.

Fundamentally, therefore, there is a lack of supply for people requiring enhanced dementia care and support. The local market especially lacks capacity in settings which can meet the needs of people with the most complex needs. Nursing Dementia beds are in short supply and the Council are limited to a small number of local providers which meet the Council's price and quality requirements. The impact of this is felt particularly under the pressure of hospital discharge, when presenting needs on the ward can lead to an over-reliance on higher levels of care than might be needed if a more slow-stream assessment could be undertaken. Our plans aim to transform the economy of dementia care provision to ensure that people can return home as much as possible. Where that is not possible, multi-disciplinary support is wrapped around the care home to enable the least restrictive, most personalised approach to the management of complex needs.

There is currently a gap in Extra Care Housing in Bexley and it is a key priority to develop Extra Care Housing provision in borough (see section 3 for further details).

Levels of diversity in the market

There is a satisfactory level of diversity in the care home market in Bexley as 38% of our beds are commissioned from major national providers, 58% from major regional providers and only 4% from smaller local ones. This provides a degree of resilience to the pressures on the market. Although we have seen the exit of two very small providers, we remain confident of being able to commission adequate quality capacity because this is only a small proportion. When we are approached by new providers wanting to enter the market in Bexley (via planning applications) we steer them towards provision of dementia nursing care in line with our population needs.

The latest full year of data available from the Council's Local Adult System shows that 4,023 people aged sixty-five and over received adult social care in 2021/22. Of these, 3,389 people (84.2%) received their care and support at home or in the community. The remaining 15.8% received residential care (359 people in 2021/22) or nursing care (275 people in 2021/22) in a care home.

Current use of technology and innovation to improve choice and quality of care

We have deployed Docobo’s remote monitoring technology across the majority of our care homes. Docobo enables care home staff to take vital signs and baseline reports. The remote monitoring data is shared with GP practices in real time, enabling them to make informed decisions from the practice and to prioritise their patients appropriately. Using remote monitoring in our care homes supports the health and wellbeing of residents by enabling staff to pick up on the ‘soft signs’ of deterioration and act on them more quickly. The technology is helping to prevent emergency hospital admissions.

A successful virtual Multi-Disciplinary Team model, coordinated by Bexley Care (our integrated health and social care provider), supports care homes with issues such as medication reviews, fluids, mobility, falls and behaviour management. This helps to avoid inappropriate prescribing, London Ambulance Service conveyances and admissions to hospital.

Quality

Bexley has a dedicated Quality Assurance team which works closely alongside the Voluntary and Community Services, Primary Care and the ICS and has developed supportive relationships with all providers in the borough that we actively commission services from. They work closely with the safeguarding team, and neighbouring boroughs, to ensure a co-ordinated response to any quality concerns. Support is targeted and reflective of the range of information the team receive from complaints, quality concerns, the brokerage team, and other professionals, as well as from spot checks and engaging directly with our residents.

Table 2 – CQC ratings of care homes

Rating	%	Care Homes
Outstanding	5.5%	1
Good	83.5%	15
Requires Improvement	11%	2
Inadequate	0%	0

CQC ratings show that three care homes have improved their rating since 2019, with none deteriorating. Where a providers’ rating is ‘Requires Improvement,’ the Quality Assurance Team provide targeted support to providers to ensure the improvement plan is effective and implemented, prioritising the care and support needs of our residents. All care home providers who have a CQC rating of ‘Requires Improvement’ are placed under the Stage 1 Provider concerns process. This allows the Quality Assurance team to work closely with them to support key themes drawn out from the inspection. The Provider Performance Concern, stage 1 of our provider concerns process is intended to provide support, guidance and challenge when concerns arise, and to assist organisations in delivering our shared goal of safe, high-quality care. The stage one process may involve the following actions:

- Safeguarding Enquiries for individual service users carried out under Section 42 of the Care Act, the London Multi-Agency Safeguarding Adults Policy and Procedures 2015,

a copy of which can be obtained at: <https://londonadass.org.uk/safeguarding/review-of-the-pan-london-policy-and-procedures/>

- For 6 weeks, weekly meetings with the Quality Assurance team to monitor progress on the improvement plan.
- A formal review meeting arranged in week seven to monitor progress.
- Announced/ unannounced visits from health and social care commissioning, quality assurance or safeguarding adult's personnel or other specialist personnel to ensure appropriate care services are being delivered.
- Requests for information (e.g., policies, and procedures, file audit results, internal investigation findings, or Serious Incident process outcomes).
- Obtaining feedback from service users/ relatives.

Financial Resilience

Our current fee rates for care homes are set out in Annex A (Table 4) and our commissioning arrangements in section 1a) above. Many of our providers operate on tight margins and need high occupancy levels to ensure financial viability. Current challenges around the cost of living and the subsequent impact on workforce are major concerns for Bexley providers. Recruitment and retention issues are leading to high turnover and vacancy rates. Providers are also communicating concerns around rising costs of heating, utilities, and insurance costs, leading to increased risk of market exit and lack of financial resilience particularly for smaller providers (as evidenced by the two recent closures previously mentioned).

The Fair Cost of Care exercise, whilst imperfect in terms of methodology, has provided detailed insights to the costs faced by our providers and will enable us to work with individual providers to address their specific financial issues based on their own respective starting point. Therefore, we will not take a blanket approach to fee rate adjustment, but in line with our long-standing flexible approach to supporting our providers will take account of their individual circumstances. The extent to which each provider is reliant on private fee-payers is a factor in this and we recognise the need to make steps to address any over-reliance during the forthcoming period of adult social care reform.

Factors influencing the size of the self-funding population include general population ageing, the level of asset ownership among older people, and access to information and advice about the options available. We will continue to help our residents to avoid making decisions about long term care from a hospital bed, or from a point of crisis in the community. Crisis intervention and preventative care, including day opportunities and respite care, may be a more appropriate option for some of our residents, thereby avoiding unnecessary admissions to care homes.

Workforce in Care Homes

As at March 2022, the London Borough of Bexley had nine hundred filled posts in CQC 'care homes with nursing' and 1,100 filled posts in CQC 'care only homes'. Sixty-one percent of staff in 'care homes with nursing' and 55% in 'care only homes' work full time and around 95% have a permanent employment status. Skills For Care estimates that the staff turnover rate in Bexley for 2021/22 was 40.7% in 'care homes with nursing', which was higher than

the turnover rate for London (37.8%) and England (39.7%). 'Care only homes' in Bexley had a staff turnover rate of 26.8% in 2021/22. This was higher than the turnover rate in 'care only homes' for London (22.4%) but lower than the turnover rate for England (28.8%).

Not all turnover results in workers leaving the sector; 60% of staff working in 'care homes with nursing' and 84% of staff working in 'care only homes' in Bexley were recruited from within the adult social care sector. Therefore, although employers need to recruit to these posts, the sector retains their skills and experience. However, the vacancy rate in 2021/22 was higher in 'care only homes' at 21.8% (275 vacant posts) than in 'care homes with nursing' at 9.6% (100 vacant posts).

The sector has an experienced core of workers. Staff working in 'care homes with nursing' have an average of 8.3 years' experience and staff working in 'care only homes' have an average of 9.4 years' experience in the sector.

The majority of the workforce in Bexley are female (about 90%) and the average age is about 45 years. Workers aged under 25 years old make up about 7% of the workforce and workers aged 55 years and over make up about 27% of the workforce. Given this age profile, approximately 540 posts will be reaching retirement age in the next 10 years.

The ASC Workforce Data Set for Bexley shows that the average hourly rate for all job roles (filled posts) in the independent sector as of March 2022 was £10.22 in 'care homes with nursing' and £9.97 in 'care only homes'. However, there is some variation in pay rates dependent on job roles (e.g., between managerial, direct care and other roles). On average, pay in care homes in the independent sector was higher than the National Living Wage.

It is, therefore, important to ensure through our Market Sustainability Plan that our providers are resourced to enable them to provide attractive roles which are appropriately remunerated, have access to training and career development and supportive working conditions. We are committed to offering access to our Professional Skills Academy to support this.

b) Assessment of current sustainability of the 18+ domiciliary care market

Sufficiency of supply to meet demand

Bexley currently supports 1,342 people to live independently at home, requiring on average 14.28 hours of support per week. This approximates to 26,099 hours of care every week.

There are forty-six providers delivering home care in Bexley. In order to reduce the number of providers we work with and improve quality through a partnership approach, the Council has commissioned a new model of care at home. We now have a geographically based model with three provider consortia commissioned to provide all the care in our Local Care Network localities. However, we do continue to rely on the wider market as sub-contractors to ensure we can continue to meet demand, especially in relation to hospital discharge in the post pandemic period. Eighty-six percent of provision is personal care, with reablement services and dementia care/live-in care making up 10% and 1% of the market, respectively.

Only two providers have handed back cases in the last 3 years, stating this was due to the outcome of Bexley's recent tender exercise. Although the market is fragile, with staff

turnover, and the cost-of-living impact, it is able to meet the demand for care with no one currently waiting for a package of care to start. There are two areas within the borough (Crayford and Foots Cray) where it can take longer to source a double handed care package, but this only occurs at times of high demand.

Quality

Bexley works collaboratively and openly with providers to assess their quality and identify areas for improvement. We also work with providers to support their own quality monitoring, ensure action plans and improvement are fit for purpose, and providers have the appropriate governance to manage this themselves.

Forty in-borough providers have been inspected and rated. CQC ratings show thirty providers rated as 'Good' and ten rated 'Requires Improvement.' It should be noted that the Council commissions a significant amount of homecare services from a number of providers with a registered location outside of the borough boundary, although the Quality Assurance Team work with them in the same way as in borough providers, due to the number of our residents they support. As described in the Care Homes section, all providers under 'Requires Improvement' are supported by the local authority under the stage 1 provider process.

Table 3 – CQC ratings of Domiciliary Care providers

Rating	Domiciliary Care providers
Good	30
Requires Improvement	10

Personalisation

Our approach is all about the person, keeping them central to all they do, who they are, what has always been important to them, who is important to them, and how we can maintain as much of the person as we can, as we provide care and support to meet their needs.

Our new Care at Home and Pathways models enable our Trusted Partners in the home care workforce and voluntary sector to:

- work with people and their carers to allow greater flexibility in how and when care is delivered.
- support people to be independent and stay in their community for as long as possible.
- support demand management and delay resident's needs for formal care.

They will also work closely with local community health and primary care services in Local Care Networks to ensure that people can access support in a coordinated and timely way.

The development of a care finder 'app' will support residents to have greater control of their care support options and make use of direct payments easier. We are developing a Personal Assistant database to support people to advertise and recruit local Personal Assistants to meet their own needs and working in partnership on better digital inclusion pathways to ensure residents who are in need of social care are supported to access health and care

services digitally. This personalised approach is at the heart of our commitment to minimising our reliance on bedded care.

Financial Resilience and Commissioning

The Council recognises the role of the home care market in the delivery of our Adult Social Care vision. It is only by ensuring a robust, resilient and high-quality service in people's own homes that we can ensure that people are able to remain at home for as long as possible, return home after hospital admission and ensure our community of unpaid carers are supported. We have endeavoured to move away from our history of low hourly rates and made a significant upward adjustment in the pre-pandemic period. Through the pandemic, we were assisted by government grants which enabled us to support the market which we relied on so heavily.

We have committed to transforming our home care market through the move to the geographical commissioning model. We are now working with our providers as partners at locality level with a strong emphasis on improving quality. We recognise that this requires providers to be able to:

- pay competitive rates which enable staff to choose caring over the retail and hospitality markets.
- offer attractive and flexible contractual terms and conditions.
- provide training, development, supervision and career development.

We know that providers are challenged by the current cost of living crisis and expect this to be exacerbated further by the impact of the ULEZ expansion in 2023, which is expected to have a significant impact on this workforce.

Workforce in Home Care

In 2021/22, there were 2,800 filled posts in independent sector non-residential services in Bexley. Sixty-nine percent of staff work part-time and only 31% of staff work full time. 2,100 filled posts (74%) were employed on zero-hours contracts. For comparison, non-residential services across England had an average of 46% of all workers employed on zero-hours contracts. The equivalent figure for London was 65%.

Skills For Care estimates that the staff turnover rate in Bexley for 2021/22 in independent sector non-residential services was 13.6%. This compares to a staff turnover rate of 24.3% in London and 31.9% nationally. However, the vacancy rate in Bexley's non-residential services was higher at 26.4% (950 vacant posts) compared to London (16.3%) and England (13.2%).

Staff working in non-residential services have an average 8.3 years' experience in the sector. However, 30% have less than 3 years' experience in the sector and 60% have less than 3 years' experience in the role.

The majority of the workforce in Bexley are female (about 91%) and the average age is about 47 years. Workers aged under 25 years old make up about 5% of the workforce and workers aged 55 years and over make up about 33% of the workforce. Given this age profile, approximately 924 posts will be reaching retirement age in the next 10 years.

The ASC Workforce Data Set for Bexley shows that the average hourly rate for all job roles (filled posts) in the independent sector as at March 2022 was £10.34 in non-residential

services. The average hourly rate was £9.91 for care worker filled posts and £10.16 for senior care worker filled posts. On average, pay in non-residential services in the independent sector was higher than the National Living Wage.

Recruitment and retention of suitably qualified workforce across both care markets is a key challenge. The National Living Wage has brought significant additional costs to the Council and providers but has also directly benefited front-line care workers by raising low wages in the care sector. The affordability of local housing is also recognised as a key factor impacting on the sustainability of the workforce.

Section 2: Assessment of the impact of future market changes between now and October 2025, for each of the service markets

Demand and Complexity of Care

In Bexley, the 65+ population has increased by 10.2% from 2011 to 2021. This is lower than the overall increase for England of 20.1%. It is estimated that the over 65-year-old population in Bexley is predicted to reach 50,912 by 2030, which is equivalent to a 25.3% increase from 2022. It is projected that this increase will be more rapid amongst those aged 85+. The Care Policy and Evaluation Centre (CPEC) at London School of Economics projects that for adults 65+, 57% more will need care in 2038 compared with 2018, mainly driven by the ageing population.

According to ONS sub-national population projections, sourced from Projecting Older People Population Information (POPPI), it is estimated that there will be an increase of 1,500 older people in the London Borough of Bexley between 2023 and 2025 (+3.5%). The workforce will also need to grow in order to help meet the needs of an ageing population.

According to POPPI, the number of people aged sixty-five and over living in a care home with or without nursing is predicted to increase by 3.7% between 2023 and 2025. This has been calculated by applying percentages of people living in care homes in 2011 to projected population figures. This has been included here to give an indication of potential future demand in the next couple of years; however, in looking at the longer-term trends, we will need to consider more up-to-date data, as this becomes available.

Taking account of the numbers of older people currently living in care homes and the size of the bed-base in the local care market, this increase in demand equates to less than 50 additional placements. Given the current occupancy rate of 90.73%, the local care market should be in a position to accommodate an increase in demand of this scale within existing provision. One of the key challenges for our local care market is on ensuring there is the right mix of care provision and skills within the care workforce to meet the needs of older people, including responding to higher acuity, older people's mental health and delirium. Therefore, we have identified a clear priority in our Market Sustainability Plan around workforce recruitment and retention. We will also seek to engage further with providers on solutions

that will help address the lack of capacity in our market around dementia nursing care and support in the community.

Findings from studies such as the CFAS and ELSA, as well as our own experiences, show an increased prevalence of severe disability and complex multimorbidity's in those with care needs. This is expected to continue, placing increasing need for more specialist residential and nursing care provision in Bexley as well as more care staff and health professionals. We are also noting an increase in younger people with multiple complex needs.

23,500 people in Bexley (50+) live with frailty (around 17,000 mild, 4300 moderate and 1800 severe). Obesity is also an increasing factor which impacts on care and support needs in Bexley.

POPPI data estimates that:

- The number of people aged 65+ who need help with at least one domestic task is projected to increase from 12,659 people in 2022 to 13,140 by 2025 (+3.8%). Projections over the longer-term estimate that this will increase to 16,675 older people needing help by 2040 (+31.7%).
- The number of people aged sixty-five and over needing help with at least one self-care activity is projected to increase from 12,423 people in 2022 to 12,909 by 2025 (+3.9%) and 16,379 by 2040 (+31.8%).
- The number of people aged sixty-five and over who are unable to manage at least one mobility activity on their own is projected to increase from 8,269 people in 2022 to 8,590 people by 2025 (+3.9%) and 10,951 by 2040 (+32.4%).
- The number of people aged 65+ predicted to have dementia is projected to increase from 3,302 people in 2022 to 3,439 by 2025 (+4.1%) and 4,492 by 2040 (+36%).

Data from Projecting Adult Needs and Service Information (PANSI) estimates that:

- The number of people aged 18-64 years old predicted to have impaired mobility is projected to increase from 8,335 people in 2022 to 8,536 by 2025 (+2.4%) and 8,837 by 2040 (+6%).
- The number of people aged 18-64 predicted to have a moderate personal care disability is projected to increase from 5,982 people in 2022 to 6,096 in 2025 (+1.9%) and 6,396 (+6.9%) by 2040.
- The number of people aged 18-64 predicted to have a serious personal care disability is projected to increase from 1,314 people in 2022 to 1,336 (+1.7%) in 2025 and 1,406 (+7%) by 2040.

In line with our Home First approach, we expect these increased needs to impact disproportionately in the home care sector as we strive to maintain people at home, support unpaid carers and ensure timely hospital discharge. We will also need more discharge to assess bedded capacity, to prevent decisions on long term care being made in hospital, and more innovative, personalised dementia residential and nursing beds.

Assuming the continuation of current trends we estimate that we will need an additional fifteen beds to meet the needs of people with dementia by 2025. We propose that we could

meet this need by using our procurement arrangements to stimulate our market to offer a more personalised approach in our existing care settings.

Short term services have been pivotal in providing the right care, in the right place at the right time to facilitate a person to maximise independence, rather than assessing for long term care in a time of crisis or rapid health deterioration or change. This is particularly apparent in the support available as a person is recovering from a change in their physical or mental health presentation, particularly delirium, short term change in cognitive function or dementia.

An emerging demand has been seen for bed-based care provision for people with potential to maximise independence through a multi-disciplinary health and care approach, the provision of reablement focused care, technology assisted care and equipment. The development of short-term bed based reablement to maximise independence and the exploration of creative care and support, tailored to the individual is a priority area for Bexley.

Therefore, there is an opportunity for our providers to be flexible in their use of existing bedded capacity to support the earlier discharge of people from hospital settings into appropriate community-based provision.

Over the last three years we have been successful in working with our providers within our existing capacity to commission alternative, innovative models to meet our changing needs. We intend to continue this way of working, subject to the availability of funding to enable it.

Charging Reform and Section 18(3) of the Care Act 2014

Given that charging reform and the implementation of section 18(3) of the Care Act 2014 has been deferred there will not be an immediate impact on the care home market caused by self-funders care being accessible at the Council's rates. However, we recognise that the intent of the charging reform, to reduce the injustice in the current arrangements, remains. The outcomes of the Fair Cost of Care exercise (albeit flawed and not completed by some of our most expensive providers) will be used to inform our offers to providers in current and forthcoming fee negotiations.

Financial Resilience

Providers are under increasing strain due to the current financial climate. This is impacting all elements of care homes costs including staff pay, and utility bills, as well as other outgoings such as food costs. Energy costs are routinely one of the greatest areas of non-staff cost for care homes, due to the vulnerability of residents, making them even more exposed to these increases. Furthermore, increasing interest rates are likely to impact the cost of some providers' funding structures (for example mortgages, loans and mezzanine financing) when it comes to refinancing their debt in the next 1-3 years – costs that providers will want to pass on to us.

Additionally, workforce challenges, exacerbated by the pandemic and the cost-of-living crisis have resulted in a lack of available staff and reliance on the more expensive agency workforce. Further annual increases in the national living wage will also increase staffing costs.

Quality

Wider demand, financial and workforce challenges are ultimately likely to impact upon the quality of care provided to our service users. There is a clear and obvious link between providing quality care and having sufficient skilled workforce to do so. With reducing staff morale and estimated nationally 29% carer staff turnover rate in 2020/21, maintaining current quality standards in care homes and home care will be challenging without further investment and support. Hence the importance we place on ensuring that providers are able to pay staff at competitive rates.

Section 3: Plans for each market to address sustainability issues, including fee rate issues, where identified.

Our approach to support all our providers will be defined and targeted at each discreet area of the market, however the key to both markets will be based on our new pathways which focus on prevention, early intervention, personalisation, and co-production.

Personalisation

Bexley's Adult Social Care pathway focuses on a strength and asset-based approach, empowering communities to develop supportive strategies to support their members, creating links within the community and voluntary sector to develop sustainable supports for people in their own homes and places where they live. The use of technology will further support people to be supported at home for longer with personalised targeted care and support being developed when required. Our aim is to strengthen people's local bonds to develop a more community-based model with residential and nursing care being utilised only when absolutely necessary.

The wider reforms enable us to transform our approach, supporting people to stay at home for longer. Through place-based market shaping, co-produced solutions, and our future procurement exercises, we intend to work with the market to ensure capacity reflects the type of demand we require now and have predicted to be areas of demand in the future.

Therefore, a key aim of our Market Sustainability Plan is to ensure that there continues to be a good balance of services and support available (including social prescribing, day opportunities, respite, etc.) that ranges beyond homecare and care home provision so that people can make appropriate choices and make the most of opportunities that will help keep them independent. Our aspiration for our residents is that there is a diverse offer of different types and sources of support in the community for them to choose from within their indicative personal budgets. We look to our providers to co-produce these new solutions with us.

We recognise that a key determinant of the demand for residential care in Bexley is the lack of Extra Care Housing in the borough. This reduces the range of options available to secure choice. Addressing this gap is one of our key priorities but unfortunately unlikely to offer a short-term solution.

Self-directed support

Personal Budgets, Direct Payments and Individual Service Funds are some of the ways we are offering people choice and control in how they are supported to meet the outcomes identified in their social care assessment. Direct Payments enable individuals to have greater flexibility, independence, freedom of choice and control over their support packages.

The Council is helping to shape the market through its commissioning role and will continue to work with all our partners and providers to ensure that people can choose from a diverse range of high-quality care and support. Our approach to shaping the market aims:

- to support a shift in services towards prevention and early intervention.
- to deliver a more proactive and integrated out-of-hospital offer by taking a 'home first' approach to admission avoidance and hospital discharge. This includes provision of short-term services, such as intermediate care, reablement, and ongoing low-level support, such as equipment provision.
- to transform care and help people with care and support needs to have a good life in the community.
- to deliver care closer to home and ensure optimum management of long-term conditions in the community.
- to enable people in the last months and days of life to be well-cared for and to die with dignity in their place of preference.

We want care and support to be personalised and inclusive, promote independence, and help to prevent needs from escalating, where possible. Our Market Sustainability Plan therefore also describes our aim to transform the quality and responsiveness of care at home (see **Section 1b**)

Commissioning Intentions - Care Homes and Homecare – Fair Cost of Care

The Fair Cost of Care exercise does not replace or remove the need for individual pricing negotiations to take place and we will communicate this directly with providers at the future engagement events, in addition to outlining our strategy to align prices and fees within budgetary constraints.

The outcome of the fair cost of care will inform future negotiations which will also take into consideration other prevailing market factors such as inflation, demand, capacity, benchmarking with our neighbours, quality and crucially, affordability for the Local Authority. Our demand modelling and data analysis to support this is in progress.

Longer term, we intend to work with our providers to develop innovative and creative approaches to deliver our vision; however, we are dependent on adequate secure financing. To address this, we have created a plan split into the following key areas, not limited to financial uplifts:

Market Quality and Sustainability – Care Homes and Homecare

We are developing a more sustainable and high-quality social care market that can meet needs in the borough by:

- Working with providers as strategic partners.

- Working with provider partners to improve CQC ratings so a higher proportion of providers are rated 'good' or above, through robust external and internal quality assurance systems.
- Ensuring the voice of the people using the service is integral to continued improvement in quality.
- Piloting new schemes to create personalised residential care services.
- Development of salaried roles in the home care sector (for some employees this more stable employment model will enable the transformation needed to move away from a 'time and task approach' to a more personalised and outcome focused one).
- Use PAMMS social care landscape models to inform quality, activity and demand modelling.

Provider Assessment and Market Management Solution (PAMMS)

We have procured the PAMMS Quality Assurance toolkit for our use by our quality and contracting team(s) to assess providers against a number of outcomes focussed criteria in order to evidence they are delivering the right level of care to our residents.

We also have the analytics platform known as PAMMS Social Care Landscape, which uses Microsoft Azure and Power BI to deliver market insights joining up national and London region data sets.

a) 65+ care homes market

1) Workforce recruitment and retention – Care Homes

We recognise the challenges the care home market faces with an ageing workforce, competition with the retail and hospitality sectors, care staffing and the NHS. We are working closely with local providers to understand the challenges continuing to face the workforce in the post pandemic period and we encourage providers to enable their staff to access the South East London 'keeping well for staff in Southeast London' psychological resilience offers to all social care providers.

We are taking positive action to support recruitment by working with the company Purple Tribe. This initiative has been made possible with the support of a workforce development bid in partnership with our colleagues in South East London Integrated Care Board (Bexley).

We expect to deliver:

- A jobs event where interviews can be held in person on the day to match skills with vacancies.
- A targeted approach to local colleges, schools and universities.
- Support with planned training and induction for new employees.
- South East London Social Care Nurses retention modelling through additional offers of training and development, including the Care Home Pioneer programme (to include upskilling the homecare workforce to support basic clinical tasks).

2) Integration – Care Homes

Bexley has a strong history of integration which is currently evident through our integrated Adult Social Care and community health partnership ‘Bexley Care,’ our integrated commissioning arrangements across all service areas, and the fact that the Place Executive Lead for Bexley is also the Director of Adult Social Care and Health.

- Our three Local Care Networks are the building blocks of integrated health, social care and community support to meet our residents’ health and care needs building on existing foundations. This enables a particularly strong integrated approach to care home support, with virtual Multi-Disciplinary Teams in most care homes supporting them with their residents with the most complex needs, including dementia.
- Our Care Home Task Force, established during the pandemic, brings together a wide range of partners, including primary care, infection control, the Hospice, community health, Adult Social Care, Skills for Care and enables a strategic approach to supporting homes and responding to system needs.

3) Increased Use of Technology – Care Homes

The London Borough of Bexley has deployed Docobo’s remote monitoring technology across many of its care homes. Docobo enables care home staff to take vital signs and baseline reports. The remote monitoring data is shared with GP practices in real time enabling them to make informed decisions from the practice and to prioritise their patients appropriately. Using remote monitoring in our care homes supports the health and wellbeing of residents by enabling staff to pick up on the ‘soft signs’ of deterioration and acting on them more quickly. As well as enhancing contact with GPs and supporting care home staff in their caring role, the technology is helping to prevent emergency hospital admissions.

Summary of how the fair cost of care funding has been committed in 2022/23

The Fair Cost of Care and Market Sustainability Grant 2022/23 was mainly used to support fee increases. Forty-three percent of the grant was used to support fee increases associated with older adult care homes without nursing and 19.1% of the grant was used to support fee increases associated with older adult care homes with nursing.

Table 4 - Fair Cost of Care and Market Sustainability Grant 2022-23

Fair Cost of Care and Market Sustainability Grant 2022-23	Amount (£)
(1) Spending associated with fee increases for 18+ domiciliary care	88,985.00
(2) Spending associated with fee increases for 65+ care home places without nursing	269,463.00
(3) Spending associated with fee increases for 65+ care home places with nursing	119,891.00
(4) Spending associated with internal resourcing for implementation activities	0.01
(5) Spending associated with external resourcing for implementation activities	148,313.00

(6) Other spending not accounted for in previous columns	0.86
Total grant expenditure in 2022/23	626,652.87
Percentage of spending that is not on fee rates	23.7%

Using data from the cost of care exercise to inform our plan

A total of fourteen out of nineteen providers (a response rate of 73.7%) submitted returns to inform the cost of care exercise relating to residential and nursing care for people aged sixty-five and over. Results of the cost of care exercise by care home type are shown in Table 5 below. The table also gives an initial indication of the distance from the cost of care exercise and shows the scale of uplift needed in order to move towards the median cost of care by 2025/26, dependent on whether this is properly funded by central government. It is notable that the distance from the median cost of care is variable by care setting, which would support the Council taking a differential approach to managing the move towards the median cost of care. In particular, the exercise indicates that the Council is already paying above the median cost of care for '65+ care home places with nursing, enhanced needs'.

Table 5 – % increase to reach Median Cost of Care (Care Homes, 65+)

£ per resident Median (as at Sept 2022)	Overall Distance from the Cost of Care Exercise	2023/24 % uplift to reach Median	2024/25 % uplift to reach Median	2025/26 % uplift to reach Median	Cost of Care Exercise (£ per resident) Medians
65+ care home places without nursing					
£678.72	-7.2%	2.4%	2.4%	2.4%	£727.85
65+ care home places without nursing, enhanced needs					
£704.49	-12.3%	4.1%	4.1%	4.1%	£790.83
65+ care home places with nursing (incl. FNC)					
£902.60	-2.8%	0.9%	0.9%	0.9%	£927.42
65+ care home places with nursing, enhanced needs (incl. FNC)					
£1171.80	12.4%	0.0%	0.0%	0.0%	£1026.99

Further financial modelling of the implications of the Cost of Care Exercise is being undertaken and will be used to inform the next update of our Market Sustainability Plan ahead of winter 2023. We will continue to make the case to government that funding needs to be closely correlated to fully match the budgetary impact on the local authority.

Future fee setting – Care Homes

We work with providers throughout the year to understand their pressures, how we can support them, and each year undertake a detailed fee negotiation process with our care home providers to fully comply with our Care Act responsibilities. For our block providers, we consider our contractual responsibilities and the demand we need to meet.

Future uplifts are based on contractual requirements and local negotiations whilst taking into account our budgetary constraints and provider inflationary pressures. The Fair Cost of Care exercise is not intended to be a direct replacement for the fee setting activities of the local authority commissioning process or individual contract negotiations.

It is expected that actual fee rates may differ based on sound judgement, evidence and local negotiation. The fair cost of care will be a factor to inform future negotiations taking into consideration other known market factors such as inflation, demand, capacity, benchmarking, quality and affordability.

We have a range of projects to support our care sector in addition to financial remuneration; from a digital offer that supports the early identification of illness in residents, to a Dementia Support Team that will provide training and support to better meet the needs of residents with dementia. We also hold weekly virtual Multidisciplinary Team Meetings with some care home providers to better identify and meet the needs of our increasingly complex residents.

Financial Resilience – Care Homes

As above, the forecast outlook indicates that the financial resilience of some of our providers is likely to be a key risk going forward. In order to address this, fee rates were increased by an average 4.25% for care homes and 3% for domiciliary care providers in 2022/23 in order to support them against wider inflationary pressures. This equated to an additional investment of £1,397,000 p.a.

We will use the data from the Fair Cost of Care exercise to support the building of an individual fee uplift proposal for each care home setting, which takes into account their starting price points. We will be working within a defined envelope which includes all our Adult Social Care providers and will not issue blanket percentage uplifts. We will take account of all the factors previously stated as impacting the resilience of the market and will aim to ensure that providers can reward their staff and cover the rising costs of living.

b) 18+ domiciliary care market

1) Workforce recruitment and retention – Home Care

Our Adult Social Care Professional Standards Academy will be co-ordinating training and quality improvement across the newly awarded care contracts. We are working with our new providers to offer career pathway options that would support workers progressing onto professional career programmes with the Council or its partners.

The Council's Social Value commitment as set out in the Connected Community Strategy (approved in 2019) is at the heart of the new contracts. This sets out the Council's commitment to "develop a local approach to the use of the Social Value Act, to ensure that we are getting the best possible social value for our residents and businesses when we use our local purchasing power.

- Local Jobs.
- Thriving economy.
- To create jobs in Bexley and to support residents to gain meaningful employment.
- Supporting Bexley residents who have had barriers to employment.”

Through our new care at home and reablement contracts, we are exploring how we can enable the development of salaried roles in the home care sector. We believe that for some employees this more stable employment model will enable the transformation needed to move away from a ‘time and task approach’ to a more personalised and outcome focused one.

2) Integration – Home Care

In the home care market, the integrated approach described above has underpinned our new geographically based contracts. Each Local Care Network (LCN) has its own conventional home care and reablement home care providers. Our intention is for home care providers to be part of the LCN teams, working with primary care and community health services and our voluntary sector partners to identify needs and intervene earlier to prevent escalation of needs.

3) Increased Use of Technology – Home Care

Bexley is keen to explore the role technology can play in providing care and support differently; thereby helping people to be independent and to remain in their own home for as long as possible, rather than moving into residential care before it is absolutely needed. Increased use of technology has also been shown to reduce hospital admissions, facilitate earlier discharges and reduce the need for face-to-face care. Bexley will work alongside providers to develop new innovative ways of providing outcomes-based support. From using widely available mainstream tech to virtual care, to wearables, pressure mats, video phone technology, GPS and robotics. Commissioners are keen for providers to approach us with their ideas for utilising the latest technology in care packages and we will enable that sharing of ideas to happen through our provider forums.

Enhanced home care forms part of the Virtual Ward development in Bexley which we are progressing with our Integrated Care System partners and will increase the use of remote monitoring to allow people to be cared for out of hospital.

We are developing a care finder app, which will support residents to have greater control of their care support options and make use of direct payments easier, and a Personal Assistant database to support people to advertise and recruit local Personal Assistants.

Financial Resilience – Home Care

Our home care contracts are based on a geographical model whereby providers receive a budget for their locality. We are still rolling out this model, and in a transitional period where we are making advanced payments based on work undertaken as the new providers build up to ensure capacity in the market. We are confident that going forward this method of payment will give providers the flexibility to manage their income to address their locally identified needs, thus increasing financial resilience. We are committed to paying providers to

enable them to pay staff competitively and to support a salaried contract model moving forward to support recruitment and retention.

Summary of how the fair cost of care funding has been committed in 2022/23

The Fair Cost of Care and Market Sustainability Grant 2022/23 was mainly used to support fee increases. 14.2% of the grant was used to support fee increases associated with home care for people aged eighteen and over (see Table 4).

Using data from the cost of care exercise to inform our plan

A total of twelve out of thirty providers (a response rate of 40%) submitted returns to inform the cost of care exercise relating to home care for people aged eighteen and over. Results of the cost of care exercise are shown in Table 6 below. The table also gives an initial indication of the distance from the cost of care exercise and shows the scale of uplift needed in order to move towards the Median Cost of Care by 2025/26, dependent on whether this is properly funded by central government. The analysis is based on the average hourly home care rate, inclusive of travel allowances, based on several snapshots taken during the year.

Table 6 - % increase to reach Median Cost of Care (Home Care, 18+)

£ per contact hour (average hourly rate)	Overall distance from the Cost of Care Exercise	2023/24 % uplift to reach Median	2024/25 % uplift to reach Median	2025/26 % uplift to reach Median	Cost of Care Exercise (£ per contact hour) Medians
Age 18+ home care					
£19.25	-30.5%	9.8%	10.3%	10.4%	£25.11

Further financial modelling of the implications of the Cost of Care Exercise is being undertaken and will be used to inform the next update of our Market Sustainability Plan ahead of winter 2023. We will continue to make the case to government that funding needs to be closely correlated to fully match the budgetary impact on the local authority.

Future Fee Setting – Home Care

We work with our geographical providers throughout the year to understand their pressures, how we can support them, and to determine the rate we will need to pay to enable them to provide the quality of care we have described above. We are currently working to ensure the maximum affordable trajectory with the Bexley Medium Term Financial Strategy, whilst also ensuring we can support appropriate fee uplifts in the care home market. Consideration also needs to be given to direct payments, which for financial planning purposes, is recommended to be in line with the uplift applied to home care.

The London Borough of Bexley is currently reviewing our Medium-Term Financial Strategy position to consider changes in local taxation income, government support, inflation, demographic growth pressures and savings proposals already agreed.

South East London sub-regional boroughs worked collaboratively on the Fair Cost of Care exercise for both care homes and home care; there are regular information sharing meetings to explore the risks and issues impacting market sustainability across the sub-region and to

share learning and best practice on methodologies used in completing this task, including some cross borough Fair Cost of Care market engagement activities to support providers with the exercise. The Fair Cost of Care analytical work and Market Position Statement were developed locally to suit local needs of each borough; there is now a sub-regional agreement to build on the understanding developed via the Fair Cost of Care work in future to support the care market as a sub region.

Through an integrated commissioning approach, we work closely with the NHS to ensure consistency of offers where we commission both NHS and social care placements or packages from the same provider. We also consider decisions made on a wider scale, such as the London Any Qualified Provider (AQP) rate, negotiated by the London Purchased Health Care Team on behalf of Continuing Healthcare commissioners for nursing care beds across London.

ⁱ Thirty-five of these are low level independent living beds, and currently are not being used operationally by the provider.