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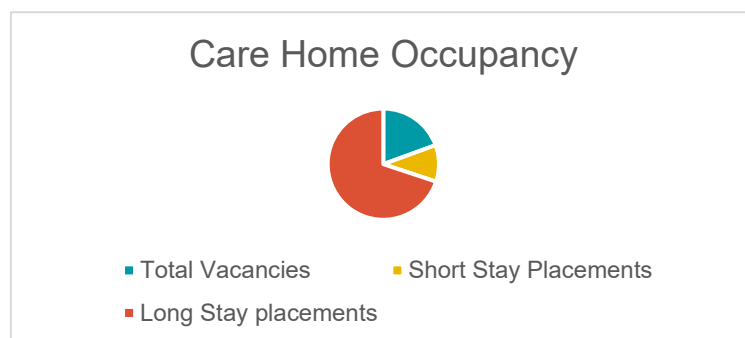
Adults Market Sustainability Plan March 2023

Section 1: Assessment of the current sustainability of local care markets**a) Revised assessment of current sustainability of the 65+ care home market****65+ Residential Care**

Within North Lincolnshire, there are 37, 65+ Care homes, of which 12 (32%) submitted a response to the Fair Cost of Care exercise (FCOC).

Sufficiency of Supply

The 37 Care Homes, have a 1568 registered placement capacity with Care Quality Commission (CQC), with current occupancy at March 2023 of 1251 (80%). Of those placements currently occupied 167 (13%) are short stay placements, with a number of these awaiting alternative support within the community or recuperating following hospital discharge. There are 6 care homes registered to provide Nursing within North Lincolnshire, 2 of which submitted a return. Of the 12 Care Homes that responded to the FCOC, the mean occupancy level was 73% (the median Occupancy was 68%).



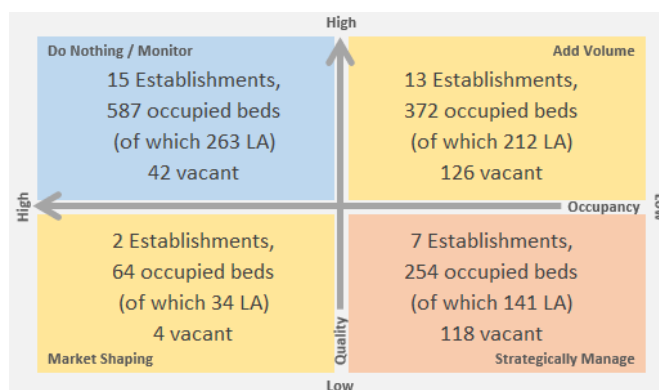
The placement funding breakdown is as follows (March 2023);

- Local Authority funded – 44%
- Health/CHC funded – 8%
- Joint funded – 2%
- Out of area local authority funded – 5%
- Self-funded – 35%

Our Adults strategy sets out our intention to keep people in their own homes, families, jobs and communities and aims to address an overuse of short stay residential placements. Since the pandemic, there has been national priority to ensure hospital placements are available, however due to the high volume of hospital admissions, this is placing great pressure on the social care sector as a whole. These pressures are present in North Lincolnshire, and the high flow of people leaving hospital is having an impact on the market due to the requirements to respond quickly for care and support. We are actively working with system partners to look at alternatives ways to manage the increased demand and support people 'home first' where possible.

The Housing Learning and Improvement Network (LIN) were recently commissioned to undertake a review of housing with care and support needs required within North Lincolnshire, the document states that North Lincolnshire has an oversupply of residential care placements of 224. We also know that a number of our local placements are taken up by people from out of the North Lincolnshire area.

The Local Government Association (LGA) residential and nursing market viability review illustrates the current position of our 65+ residential sector. The analysis identifies categories of options based on provider occupancy and CQC ratings, 7 establishments require strategic management due to low occupancy/low quality rating. To address this, we have recently developed a commissioning for quality framework and jointly renewed our residential placement contracts with North Lincolnshire Health and Care Partnership (NLHCP), which enables greater contractual action to be taken for consistently poor performing care homes.

2023 results**Diversity of Supply**

Data and conversations with health partners imply that there is an appropriate supply of Nursing Placements. North Lincolnshire has a mixture of small local independent homes, and larger national providers. We currently have 2 Extra Care facilities within North Lincolnshire, one for over 55's, and the other is a specialist Dementia Care Extra Care service.

For younger age adults, we know we have a number of out of area placements. Our Adults Strategy sets out our intention to support younger adults to live independently in their communities, however we recognise that in some instances residential care is required. Through working with our local residential care providers with regards to workforce development, we want to ensure that people can remain within North Lincolnshire.

The Housing LIN report states a requirement to diversify our Housing with Care offer locally, such as increased appropriate housing for older people, day opportunities, supported living and Extra Care facilities.

Quality

The table below details the current CQC ratings (March 2023) of North Lincolnshire 65+ Care Home Providers (does not include homes out of scope);

Rating	Number	%
Inadequate	1	3
Requires Improvement	7	18
Good	28	76
Outstanding	1	3

Our pre-assurance group, which is made up of officers, clinicians, practitioners and CQC Inspectors who have a role in the oversight of the quality of care. The group shares intelligence obtained and collectively agrees any remedial action required in response to concerns around the quality of care for the population of North Lincolnshire, to feed up to the Assurance and Commissioning Panel.

The Assurance and Commissioning Panel provides a mechanism to bring together key senior managers within the local authority and partner agencies to review the sufficiency, quality and viability of commissioned services for vulnerable adults. The group utilises the intelligence obtained through the multi-agency pre-assurance group and assesses the risk that a given provider of any type of care and support may be experiencing difficulties in delivering its commissioned responsibilities.

The aim of the Assurance and Commissioning Panel is to receive recommendations and agree as a collective where action is needed to improve the quality of care and drive-up standards at a place level for the population of North Lincolnshire.

Current Fees and Commissioning Arrangements

The current base fee paid for 2022-23 within North Lincolnshire is £540.83, set using a formula provided by KPMG following a previous Cost of Care exercise completed in 2016 in partnership with providers. The current arrangement also allows for a £50 complex enhancement to be applied based on assessed need, as well as a champion quality scheme, allowing for an additional £8 per champion (up to £32) to be applied to the weekly fee.

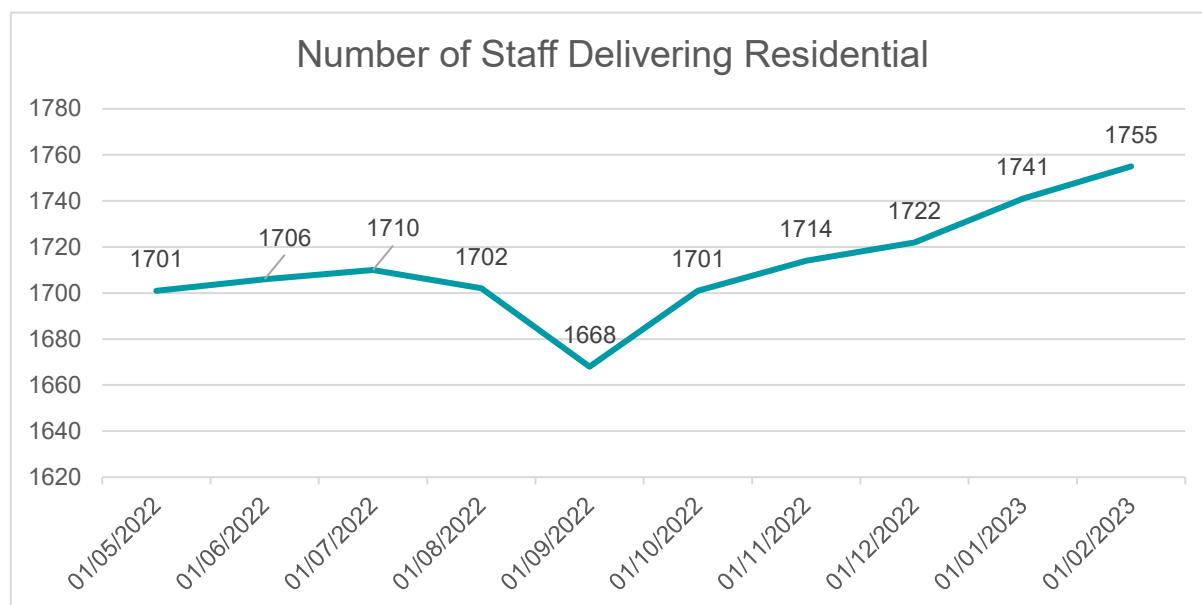
Following engagement with our residential care sector, owners requested that simpler fee model be applied, removing the tiered payment structure of the champion scheme, this was considered as part of our 2023-24 fee setting process where it was approved. The flat standard base rate fee for 2023-24 is £605.08, representing an 11.88% increase. North Lincolnshire Council are also considering a move from net payments to gross payments following a request from the sector.

The Council and NLHCP operate under a partnership arrangement to broker care and support locally. This ensures that providers are paid on time and have one point of contact in order to resolve any queries. The partnership also allows greater joint oversight of the sector to support greater market shaping and development.

The Council currently contracts with all CQC residential providers registered within North Lincolnshire. A Commissioning for Quality framework, recently implemented, enables contractual action to be taken against homes providing persistent Requires Improvement or Inadequate care to assist with shaping the local sector.

Market Conditions

The table below details the Residential Care Workforce capacity using data supplied by providers within the capacity tracker since May 2022



Whilst there is a high placement vacancy rate, staffing levels mean that vacancies are not available for immediate occupation. However, as stated above, there is a known over supply of residential care, and a need to develop alternative support within the community.

Skills for Care ([North Lincolnshire Summary \(skillsforcare.org.uk\)](https://skillsforcare.org.uk)) estimates that the staff turnover rate in North Lincolnshire was 39.1%, which was higher than both the regional and England average. Not all turnover resulted in workers leaving the sector, 60% of starters were recruited from within the adult social care sector, therefore retaining the skills and experience within the sector.

Impact of inflationary Pressures

Following engagement with the sector, we are aware that rising utility costs are placing significant pressure on the sector, which is further compounded by the oversupply of residential care and low occupancy rates. In order to ensure a stable and sustainable residential care sector, market shaping to reduce the oversupply will be required.

The increase to National Living Wage (NLW) places an increased pressure on providers staffing budgets, and ability to compete with other sectors.

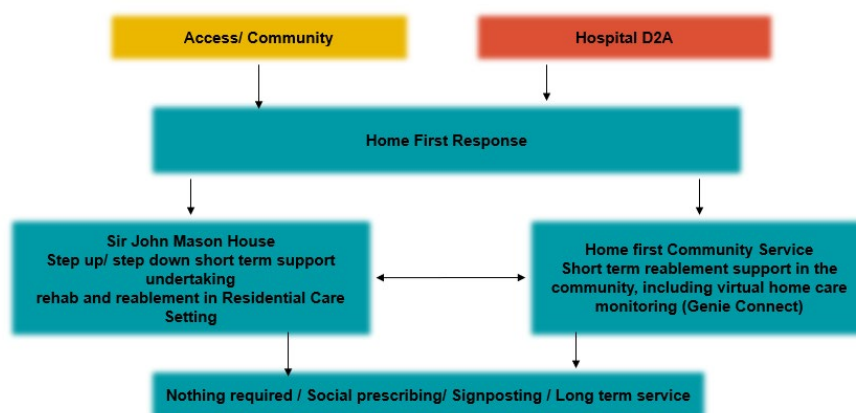
Delays to Charging Reforms

The impact of the NLW increase has had a significant impact on the local authorities ability to increase fees towards the a cost of care to meet future changing reform requirements. Therefore, the delay to charging reforms will provide greater time and opportunity to shape the sector to become more sustainable by 2025.

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

North Lincolnshire Home First Approach

In North Lincolnshire, alongside the longer-term external care sector, we operate a Home First rehabilitation and reablement, residential and domiciliary care service. Our Home First services help to prevent unnecessary admission to hospital, support timely discharge from hospital and prevent avoidable admission into longer-term residential care, helping people to live within their own home for longer.



The aim of Home First is to provide time limited support to enable people to remain independent at home, which might include.

- Support to improve mobility and health needs through a personalised therapy and care input.
- Help with building confidence to carry out daily living activities and practical tasks independently.
- Enabling people to recognise their full potential and achieve their goals.
- Working in partnership with other social care and health professionals.
- Connecting people to their communities.

NLHCP commission placements at a dedicated step-down facility (previously the designated setting), to support hospital discharge for people who no longer need support in an acute setting, however are not well enough to return home, or undertake rehabilitation and reablement. This dedicated setting also enables social care and health input to be provided in one place, rather than throughout residential settings across North Lincolnshire to avoid deconditioning and admission into longer term residential care.

18+ domiciliary care

Within North Lincolnshire, there are 10 Domiciliary care providers that support people as set out within the criteria (

Sufficiency of Supply

There are currently 92 open requests for homecare services, equating to 1066 hours of care per week required (March 2023), at its highest point in April 2022 there were 164 open requests for homecare services. Rural areas, roving nights and double worker rota's often experience the greatest delays for placement. To meet need, support people to remain independent at home and reduce the number of people within short stay placements, our local domiciliary care capacity needs to increase over the next few years.

Diversity of Supply

There is a need to reduce the amount of working age adults currently residing in residential or out of area placements, by increasing the skillset of the care workforce and amount of supporting living arrangements locally.

The FCOC has evidenced that North Lincolnshire uses a wide range of providers, travelling across the geographical footprint of North Lincolnshire. In one street, 5 separate providers have service agreements in place for care, with other postcode areas having 2-3 providers visiting. Future commissioning arrangements and practice will need to ensure that more effective geographical zoning is considered.

Our Adults strategy sets out our intentions to help strengthen our communities, reduce health inequalities and improve the quality of life for all our residents, to keep people in their own homes, families, jobs and communities. To meet our priorities, we have commenced various transformation strands which include a community first approach, which will;



- Be person-centred, build on people's strengths, enabling them to participate within their community and empowering them to do more for themselves
- Ensure that people don't pay for what they don't need and paid for support is the last resort
- Work together with our partners in a holistic and integrated way to achieve the best possible outcomes for people
- Improve outcomes for people and be informed by the voices of our diverse communities
- Maximise the use of digital technologies to promote independence.

Quality

All (100%) of domiciliary care providers based within North Lincolnshire are rated Good.

As above, our pre-assurance group shares intelligence obtained and collectively agrees any remedial action required in response to concerns around the quality of care for the population of North Lincolnshire, to feed up to the Assurance and Commissioning Panel, and the Assurance and Commissioning Panel provides a mechanism to bring together key senior managers within the local authority and partner agencies to review the sufficiency, quality and viability of commissioned services for vulnerable adults.

All services for council NLHCP are brokered through a single provider Management Team. This enables greater oversight, and the ability to resolve potential problems proactively, rather than reacting once an issue has occurred.

Current Fees and Commissioning Arrangements

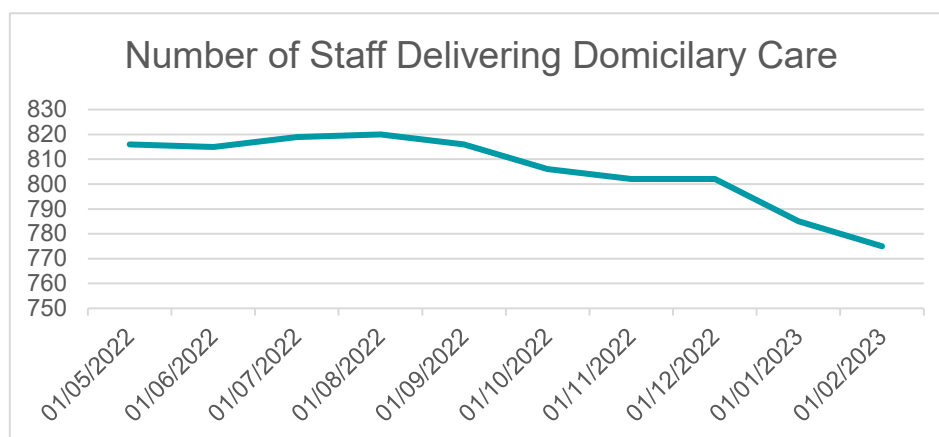
The current 2022/23 urban base rate within North Lincolnshire is £17.54, and the rural base rate is £18.14. There is also a rural enhancement of £1.09, and complex enhancement of £1.15 that can be applied if assessed as required.

Following provider input into the cost of care exercises, we have adjusted our domiciliary care base rate formula to include an increase in the allowance for travel costs, which increased the 2023/24 uplift from 8.99% to 12.72%, bringing our base rate to £19.76.

North Lincolnshire currently operates a framework with several lots, which include a geographically zoned lot with 6 providers, a service user choice, a Roving Nights and specialist lots for Mental Health and Learning Disabilities. The current commissioning arrangement is due to expire in 2024, re-commissioning and market engagement have already commenced. Due to the pandemic and a need to support hospital discharge, many off-framework providers were utilised which has led to a dilution of the geographical zoning.

Market Conditions

The table below details the Domiciliary Care Workforce capacity using data supplied by providers within the capacity tracker since June 2022.



Skills for Care ([North Lincolnshire Summary \(skillsforcare.org.uk\)](https://www.skillsforcare.org.uk)) estimates that the staff turnover rate in North Lincolnshire was 39.1%, which was higher than both the regional and England average. Not all turnover resulted in workers leaving the sector, 60% of starters were recruited from within the adult social care sector, therefore retaining the skills and experience within the sector. As can be seen from the graphs above detailing the number of staff delivering residential care and the number of staff delivering domiciliary care, staff have likely been moving from domiciliary care to residential care services. To meet our adults strategy priorities of support people home first, priority needs to be given to recruiting and retaining staff within the care at home sector.

There is a need to recruit more people into domiciliary care, with recent issues highlighted by the sector during the FCOC being increasing fuel costs, competitive wages paid by other sectors, staff 'burn out' post covid and overall terms and conditions not being as attractive as other sectors (such as travel pay, working patterns and guaranteed hours). North Lincolnshire has tried to improve the position and encourage more people into the care sector through developing a Proud to Care campaign, with a recruitment portal, providing a paid Introduction to Care Course, funded childcare, provision of the Care Friends App and a Wheels to Work Scheme (see section 3).

Impact of inflationary Pressures

The domiciliary care sector is mainly impacted by staffing related costs, such as wages and mileage. The increase in National Living wage across all sectors will have a big impact on providers ability to recruit and retain staff with competing sectors.

Increasing fuel costs have also impacted on the care at home sector with regards to the retention of staff.

Delays to Charging Reforms

The impact of the NLW increase has had a significant impact on the local authorities ability to increase fees towards the a cost of care to meet future changing reform requirements. Therefore, the delay to charging reforms will provide greater time and opportunity to shape the sector to become more sustainable by 2025.

Section 2: Assessment of the impact of future market changes between now and October 2025, for each of the service markets**65+ care home places with and without Nursing**

Of the 1251 residents within the 37 Care Homes applicable for FCOC when the review was undertaken, 436 residents self-funded their care (35%). If the anticipated 80% of self-funders approach the local authority under section 18(3) of the Care Act, this would be 349 residents, or 28% of the placements within residential care at the point of review.

There are currently 30 known third party top up arrangements, ranging from £10 to £310.08, with a total combined weekly value of £1,591.37. However we are experiencing an increase in the number/rates of third party top-ups being charged.

The known sustainability impact to residential care is the high levels of vacancies due to an oversupply of residential care. This is inflating the FCOC amount detailed in Annex A and B, as overheads are split between fewer occupants. Section 3 details local plans to address the sustainability of our care sector locally, the implementation of these plans will reduce the amount of people currently residing in residential care, therefore further increasing vacancy levels and the need for market shaping.

18+ Domiciliary Care

The Introduction and publication of 18 (3) reforms may increase the number of people approaching the local authority to commission domiciliary care on their behalf. The current estimated number of people (from capacity tracker data) receiving domiciliary care services is 802 of those 538 are commissioned services, therefore the estimated number of self-funders is 264 (33%). This amount may also include those people who receive a direct payment.

As outlined in Annex B, the highest risk for Domiciliary Care is workforce supply in order to meet local need, and priority to support people to remain independent at home. Contractual terms and pay awards need to be appropriate to retain the existing workforce and attract new people to the care sector.

Other Service Areas

The impact of funding reforms and fee increases will impact services wider than Residential and Domiciliary Care, such as Supported Living, Extra Care, Personal Assistance and Day Opportunities Providers. In order to ensure a holistic sustainable care sector, all of these services will be considered within future Market Sustainability Plans.

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

(a) 65+ care homes market

Funding allocation 2022-23

The funding allocation of the Market Sustainability and Fair Cost of Care has been utilised to provide additional support to providers (Residential and Domiciliary) to assist with completing their FCOC through commissioned support from ARCC. A project team consisting of members from the Finance, Data and Performance, Legal and Provider Management have undertaken the provider engagement, individual support, review of returns and the implementation of activities. We are also currently implementing PAMMS through a regional project, to provide greater market oversight knowledge.

The remainder of Market Sustainability and Fair Cost of Care Funding has been spent on bringing forward NLW payments to support the domiciliary Care Sector, in order to meet our Adults Strategy and transformation plans of supporting people 'home first' to keep people in their own homes, families, jobs and communities.

65+ Care Homes

The FCOC results were used to support the determination of our local fee rate, after consideration of the following.

- **Occupancy Levels:** The FCOC returns for 65+ care homes had a mean average occupancy level of 73%. Over the next 3 years, steps will be taken to reshape and reduce the residential care sector towards the LGA recommended occupancy level of 90%.
- **Inflated costs within returns:** Costs submitted by providers may include FNC, and additional 1-1 funded placements, that are currently paid separately to the residential care base fee, therefore over inflating the weekly cost of care.
- **Impact of costs during the pandemic:** The last two years have been exceptional and therefore may not represent the most ideal situation in which to assess future costs. This is made more complex by the amount of grant funding applied to the sector to cover extraordinary costs. Whilst some providers may have made effort to disaggregate any expenditure via these routes, it cannot be guaranteed that all costs are considered "normal" costs and so may be affected by additional non-typical costs during the pandemic years.
- **Utility Costs:** Energy price increases of up to 400% were cited by some providers, it is currently unknown how future energy prices will fluctuate, and how the energy cap will impact provider costs.
- **Short Stay Placements:** Short stay placements currently represent 13% of care home occupancy, a large proportion of these placements are awaiting alternative service provision. In order to improve market sustainability, greater investment is required in alternative services that enable people to be supported at home.
- **Return on Operations and Return on Capital:** Through comparative analysis, it has been advised that 5.5% is a useful figure to benchmark RoO and RoC against. The FCOC returns had a median of 9% allocated for return on capital, and 7.9% for return on operations, which is significantly higher than would be expected.

In order to address the diversity of supply across North Lincolnshire, and support people to remain independent at home, our transformation plans include utilising evidence provided within the commissioned Housing LIN report, to encourage the development of additional Extra Care facilities across 3 key locations within North Lincolnshire. Alongside the possible development of Shared Lives and Homeshare services locally following the outcome of a feasibility study, and greater use of assistive technology and digital solutions.

Energy cost increases were cited by providers of up to 400% at the time of completing returns. Under the local Green Futures initiative, a project to support providers become more energy efficient is being considered.

North Lincolnshire Council and NLHCP have recently issued jointly renewed contracts to the 65+ residential care sector, alongside developing our commissioning for quality framework, these provide greater opportunities in order to shape the market, and take contractual action where the quality of care provided is below required standards.

North Lincolnshire will aim to move towards a locally adjusted FCOC in the future, however firstly market shaping is needed to address the oversupply and create a more stable and sustainable residential care sector needs to be undertaken. Inflationary pressures faced by the partnership have meant that we are only able to meet inflationary pressures within the fee setting process for 2023-24, however there are a number of alternative ways that we aim to support the sector through;

- The creation of Virtual Registered Managers to support Sector Led Improvement
- Following engagement, setting a simplified flat fee rate, and considering moving payments to residential care providers from nett to gross
- Following engagement, our new residential care home contracts make notice terms clearer and provide an additional rest in peace payment following the death of a resident.
- Strengthening of our Assurance panel process, and the implementation of our commissioning for quality framework
- Introduction of various Proud to Care initiatives also open to the residential care sector (more detail in next section) which include the Introduction to care programme and recruitment hub, access to the proud to care website in order to advertise jobs and access to funded childcare.
- The consideration of an additional dedicated step-down facility and rehab and reablement support.

(b) 18+ domiciliary care market

The FCOC results were used to support the determination of our local fee rate, it was recognised that greater investment was required for care at home services, therefore we have adjusted our domiciliary care base rate formula to include an increase in the allowance for travel costs, which increased the 2023/24 uplift from 8.99% to 12.72%, bringing our base rate to £19.76.

The increase recognises the transformation work required within our care at home services to support people to remain independent. There will be a requirement for all providers to work with the council and NLHCP on the following;

- Comply with the DHSC Data submission of mandatory reporting on the NHS Capacity Tracker.
- Pay a minimum of 45p per mile to car drivers.
- Utilise and promote all proud to care incentives (detailed below).
- Transformational activities such as undertaking trusted reviews, uptake of single-handed care, increased use of technology, linking with Occupational Therapists to undertake rehab and reablement activities and greater partnership working and sector led improvement.

Plans to Address Market Sustainability

Within North Lincolnshire various initiatives have been developed to improve recruitment and retention and transform care at home to be more modern, enabling and progressive, with a vision to develop a sector that;

- is good or outstanding across the board, engages in sector led improvement and is sustainable.
- is robust and sustainable and able to support people at home in their communities across all adult age.
- has a vibrant, diverse and skilled workforce, with valued career progression opportunities that can meet local need.
- care homes that can meet developing complexities and are well supported by the community.
- utilises technology to help people feel connected and promote inclusion.
- Place partners work collaboratively with to continuously transform, improve and develop in order to meet changing need.

The initiatives being undertaken include;

Moving with Dignity – Single Handed Care



A collaborative approach is currently being taken by the council and NLHCP to deliver single handed care training at place to social care, health and care provider staff. Due to demand, additional sessions will be run including a session specifically for senior managers to ensure learning is embedded into practice.

The aim of the course is to raise awareness of the developments within equipment and techniques used for moving and handling, that can lead to more effective ways of meeting people's needs, whilst promoting dignity, privacy, independence, choice and control over how care is delivered in the least restrictive way.

Virtual Homecare Monitoring

Utilising Genie Connect, our Home First services are currently trialling virtual homecare monitoring. This will enable a blended physical and virtual approach to care at home to be delivered, supporting more people to return home, and step into services only when needed.

The Genie Connect is voice and touch enabled, in an easy read format and can be used for reminders, virtual calls from professionals and family, connection to other apps/websites and a genie buddy service to connect people to their community. Learning from the pilot will then be shared with the external care sector.



Trusted Reviews



A trusted reviewer pilot is commencing with 3 care at home providers within North Lincolnshire. The pilot aims to provide training for provider staff to undertake reviews, and jointly develop the practices and processes prior to rolling out to all care at home providers.

The project aims to increase social work capacity, whilst developing partnership working, trust and a community first approach with care at home providers to supporting people to remain independent. Trusted reviewers aim to build on the existing relationships and knowledge that care workers have to assess changing need.

Proud to Care

The Proud to Care brand has been developed within North Lincolnshire, including a website where people can find out more about local care jobs, careers in care, and care sector benefits. The aim of the campaign is to raise the profile of the caring role, and celebrate the difference the care sector makes to people's daily lives, encourage employment into the sector and highlight the career opportunities available and to develop a shared brand that is local to North Lincolnshire that we can all be proud to promote



Care Friends

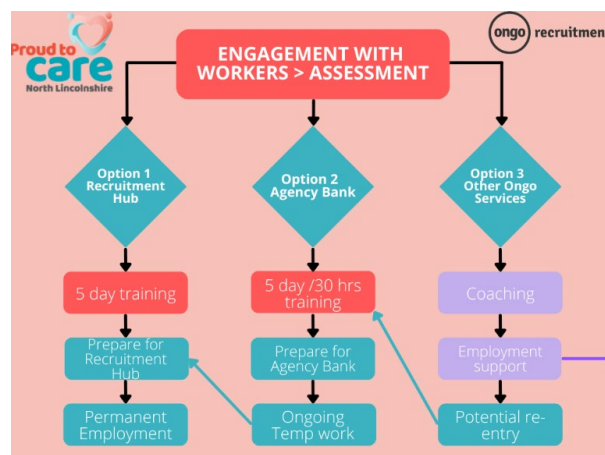


Care Friends is an employee referral app for social care, where care workers earn points for referring people they know into jobs within their organisation, alongside retention bonus points for good work. 1 point = £1. The Carefriends app incentivises staff to share job opportunities within their social networks, whilst recognising and valuing employees to improve retention. North Lincolnshire has funded the Carefriends app and points that can be allocated to workers

Recruitment Hub, Introduction to Care Programme and Care Sector Agency Hub

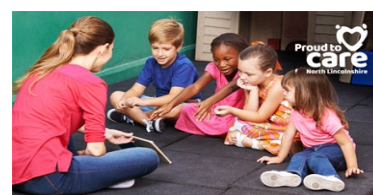
The recruitment hub and introduction to care programme was implemented to attract new employees into the care sector, and reduce the burden faced by providers in the initial recruitment and induction of staff, it provides a basic introduction to care, meet and greet with providers and a funded DBS check.

The agency hub is designed to attract potential care sector workers, such as workers who can only work a few hours per week, health staff who want additional hours, seasonal workers or retired care sector staff.



Funded Childcare

To support new recruits into the care sector, and assist to retain existing employees to continue working, or work additional shifts, funded childcare has been provided to care workers within domiciliary and residential care. The scheme has received positive feedback, and the use of funded childcare continues to grow.



Wheels to Work Scheme

Providers have stated that their ability to recruit non-driver is often limited, particularly for more rural areas, reducing their potential employee opportunities. Also, rising fuel costs are having an impact on recruitment and retention within the domiciliary care sector.

Wheels 2 Work North Lincolnshire is a moped and electric bicycle pay as you go hire scheme, the existing scheme has been expanded to include 20 CPX electric scooters, and 20 electric bicycles for hire by care sector workers, the scheme is also subsidised to ensure it is affordable to care workers.

Wellbeing incentives

The Adult social care workforce survey detailed that nationally providers were reporting increased workforce challenges, particularly recruiting and retaining staff and maintaining morale. With 10.2% relating to staff feeling burnt out/stressed. To support the care sectors health and wellbeing, annual Normanby Hall memberships, 3 months NL Active gym/swim memberships, and a £50 gift voucher were offered to all framework care at home staff.

