



Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

Annex C

Adult Social Care

Market Sustainability Plan

March 2023



Annex C: Market Sustainability Plan

Councils are required to complete a fair cost of care exercise for home care (domiciliary care) people aged 18+ and older people's care homes aged 65+ and publish a Market Sustainability Plan. This plan will sit alongside Telford & Wrekin Council's [Market Position Statement \(MPS\) for Adults Social Care 2021-2025](#) and [Specialist and Supported Accommodation Strategy \(SSAS\)](#).

Our ambitions for health and wellbeing along with the provision of a range of good quality care provision for the people of Telford and Wrekin are a key aspect of our plans. The Council is clear that market sustainability is key to achieving these ambitions, with support available to enable people to live independently in their own homes but also sufficient residential and nursing care available. The Council will ensure that its statutory duties of market shaping, and management are clear, effective and co-produced with all relevant stakeholders.

To ensure the care market is represented, we have worked jointly with our local care provider representative association [Shropshire Partners in Care](#) who have encouraged participation from their members throughout this process.

Telford and Wrekin is a place of contrasts, a distinctive blend of urban and rural areas, with green open space alongside contemporary housing development and traditional market towns. It covers 112 square miles.

Key facts:

Borough population



Borough population **181,322** of which;

- **107,900** are people aged 18-64
- **31,700** aged 65+
- **3,400** aged 85+¹

It is estimated that in the next 10 years the borough's population will increase to 200,000 a growth above the national average, with more people living in the borough aged 65+ and 85+². Download the [Understanding Telford & Wrekin](#), our main Joint Strategic Needs Assessment (JSNA) for an overview of the population.

Section 1: Assessment of the current sustainability of local care market

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

We have 22 CQC regulated care homes for people 65+ from whom we block and spot contract.

Snapshot of local long term demand – care homes

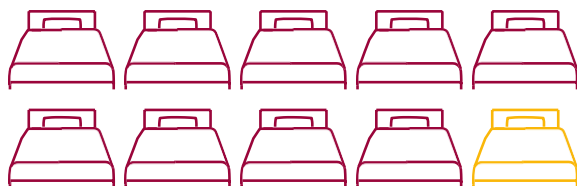
- 75 people aged 65+ in residential care
- 98 people aged 65+ in residential dementia care
- 87 people aged 65+ in nursing care
- 83 people aged 65+ in nursing dementia care
- Estimated **70%** of residents are funded by the Council, with **30%** self-funding



¹ 2020 ONS Population Estimates

² ONS Population Projections

- As of March 2023 of the 22 homes, total bed capacity is 1,004 and currently at **92%** capacity which includes use of beds for Hospital Discharge Enablement



Quality: The Council has a Quality Assurance Framework in place where our Officers work alongside providers to assure that services are safe, effective, caring responsive and well led. All 22 homes are registered on the Residential Care Dynamic Purchasing System (DPS) the majority are CQC Good with <5 rated as 'requiring improvement', <5 rated as 'inadequate'.

Annual Budget 2023/24: The Council's net Adult Social Care budget on supporting the care needs of vulnerable adults for 2023/24 is around £63m.

Market conditions: Small local providers dominate Telford and Wrekin's care home market. Of the overall care market, 85% of care homes have just one registered location. Whilst this supports the business relationship with local providers, they do not benefit from the financial support and business flexibility offered by national organisations however, a benefit is also that they do not have to support other family care homes out of area who are less profitable than they are. We have not experienced difficulty in market sufficiency solely due to fee rates and are not an outlier when compared to other local authorities of similar demographics. We have limited availability of dementia, nursing and nursing with dementia care home beds, with high levels of vacancy levels across standard residential care homes. The demand for dementia and nursing beds supporting discharge from hospital is growing at 10% per year. The MPS and SSAS sets out our need, encouraging investment/business diversification in borough to increase our capacity of these types of beds. Staffing the homes when they become available will be an issue as the borough has only 3.6% unemployment. In summary, the lack of sufficiency risk for residential care is low but for dementia and nursing care beds, it is higher.

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

We have 41 CQC regulated home care providers in Telford and Wrekin. We block and spot contract with 31 providers to deliver hospital admission avoidance, hospital discharge reablement care, out of hour's night calls, long term, short term, supported living, respite and end of life care. These providers also support carer's emergency and respite services.

Snapshot of local demand over a 12 month period – home care

- 886 people aged 18+ receiving home care (fully or part funded by the Council)
- Commission c25,000 hours of commissioned care per week
- Commission c2,100 hours for enablement services through s75 Better Care Fund
- Estimated 35% of service users are fully funded by the Council, 60% part funded and 5% are fully charged.

Quality: Our current 'Care and Support' Dynamic Purchasing System' (DPS), has 31 home care providers registered. This include providers who are registered in and outside the borough, with the majority being SMEs and only a small percentage are national groups. Providers are contracted to work in 'zoned' areas of the borough based on postcodes to reduce travel

time and optimise flexible care. Out of the 31 providers: seven have not yet been inspected by CQC, 13 are rated as CQC 'good', 11 are rated CQC 'require improvement'. We continue to work with all providers on improvement plans.

2023/24 Fee rates: Telford & Wrekin Council pay a rate of £19.60 per hour, which is this year's set DPS rate. We have not experienced difficulty in market sufficiency solely due to fee rates and are not an outlier when compared to other local authorities of similar demographics.

Market conditions: Outside of peak holiday periods, there is sufficient capacity in area for home care provision therefore the sufficiency risk is low to medium with the risk factor being directly influenced by workforce capacity. The local home care market is dominated by small local providers. 80% of home care services have just one registered office, within Telford and Wrekin. There are two National home care providers. Whilst this supports the business relationship with local providers, they do not benefit from the financial stability and business flexibility offered by national organisations, however they do have autonomy around employee pay and reduced overheads.

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

Adults are living longer with poor health and disabilities, which means there is more long-term needs to support and the number of people with complex needs is also increasing. As a result, we have increasing need for complex Elderly Mental and Infirm care. Jointly with [Shropshire and Telford & Wrekin Integrated Care System \(ICS\)](#) work is underway to understand this further. A reference for commissioning care services is also in the [Annual Public Health Report 2022](#).

Telford & Wrekin Council fully recognise the financial challenging position that care providers are facing in an underfunded system. The cost of living crisis could lead to those who traditionally self-fund care, approaching the Council to arrange it for them to access better rates.

Risk to Care Homes

Quality of care (Medium Risk): The majority of residential care homes in Telford and Wrekin are rated CQC good. We have a number of larger care homes that when subject to quality issues or Infection Outbreak Closure have a significant impact on the overall market sufficiency within the market.

Undersupply of nursing care (High Risk): Last year we supported 2,600 people leaving hospital with care packages. Each year demand in this area has grown by an additional 10%. The largest increase is for moderate and complex needs nurse led care homes, with limited availability in the market this is a particular challenge in Telford and Wrekin.

Fair cost of care (Medium Risk): The rates in Telford and Wrekin range from £606 (residential dementia to £1005 (older people nursing), with the average rate for new starters in residential at >£800. With the increased cost of living, we accept that providers are facing a challenging financial position, however any upward trends in bed costs would need to be identified within existing and future levels of resources/ government funding allocations.

Risk to Domiciliary Care Providers

Supply of home care (Medium Risk): With a predicted rise in enablement home care, more domiciliary care provision in rural areas, flexible night-time care and carers respite support is required.

Fair cost of care (Medium Risk): The Council paying a rate of £19.60 per hour, which is 2023/24 DPS rate. With the increased cost of living, we accept that providers are facing a challenging financial position, however any upward trends in pay rates would need to be identified within existing and future levels of resources/Government funding allocations.

Workforce (High Risk): The latest Skills for Care return, and our own provider feedback, highlights that recruitment and retention of nurses, care staff, night shift and weekend carers is very difficult. Locally we have a 12% nurse vacancy rate against the national average of 8%. Care staff are at or just above minimum wage yet provide essential, regulated and valued care. Within Telford and Wrekin we have unemployment rates of 3.6% which is below the West Midlands's average of 4.8%.

That gap between care workers pay in the NHS and those in social care will be further increased by the recently agreed NHS pay increase which will be 5% on average, but up to 9.3% for lower earners, including band 2 and 3 Health workers. This could lead to care workers leaving care to work in health settings.

When searching for carers each provider is searching in an already saturated market where staff simply move between providers, which does not increase capacity. Providers are reporting a number of leavers from the sector due to the cost of living/rise in energy and fuel costs coupled with a low number of new entrants into the workforce. As stated the rate of unemployment in Telford and Wrekin is low which has meant some providers are recruiting from overseas which has seen very small increased numbers of workers in the borough.

Section 18(3) Social Care Charging Reforms (High Risk): Delayed until 2025 Social Care Reforms, the self-funder market in Telford and Wrekin is low and 15.6% of the borough's population live in income-deprived households. At present, the impact of the reforms on the Council and care sector is difficult to estimate. Working with providers, early modelling suggest that over a twelve month period we could see 30% (circa of 300) self-funding residents requesting the Council to commission care home care, and 22% (circa of 150) requesting the Council to commission home care. The delays to charging reforms impacts the Councils ability to generate income and reinvest back into Adult Social Care. The Cost of Living crisis could see more people coming forward to request the Council to broker their care. Further analysis and impact assessment is being progressed.

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

The Council will continue to maintain its positive relationship with providers through proactive quality and contract development, and work in partnership to develop new ideas and solutions to support their business and our market sustainability. Working alongside ICS partners, the Council will offer financial assistance for digital technology across all areas of care delivery, and working with Shropshire Partners in Care will offer support with recruitment and health and social care training to generate more recognition in care as a career for professionals. As mentioned, our approach to managing market sufficiency and the fair cost of care maintains the same trajectory as outlined in the MPS and SSAS.

a) 65+ care homes market rates: In 2018 in partnership with providers, the Council completed an individual price levelling exercise with each home, the overall result was that providers were being paid a fair cost for care delivered. This set the baseline for each individual home.

The Council will continue the approach to working with Shropshire Partners in Care to understand the cost pressures faced by our provider market. The intelligence from this is used alongside the outcomes of the FCoC and current usages rates, average and median rates alongside quality and efficiency reviews with homes. As well as increasing capacity of beds, we will encourage care homes to optimise digital technology to support their own capacity working with a dedicated Council officer to accelerate this over the next three years. The Council will continue to encourage investment from external providers to develop extra care settings within the borough to support people with a higher level of care and support needs.

b) 18+ Domiciliary Care Market: As a Council, we recognise that good lives happen for people when they are supported in their communities. This means being connected to people and places in neighbourhoods and beyond. Our vision for the social care market is underpinned by the principle that wherever possible people should be supported in their local community to achieve greater independence, focusing on their strengths. We will maximise the sufficiency we do have and to bring more flexibility to the people receiving care and those delivering it. In the next 12 months we will start to pilot with providers, a model called 'Relationship Based Care'. This will give the care provider and the service user autonomy within a framework to direct and organise their own care at the times and days they want it.

We support growth of micro providers in borough who compliment the care given by CQC regulated providers and offer a unique service that when funded by a direct payment and with suitable qualified teams will deliver care to end of life. We are working to increase take up of direct payments, to ensure people have the flexibility to direct their own care, which will reduce reliance on CQC domiciliary care providers and optimise community support. This enables sufficiency to grow for the complex care. We will support care providers over the next three years to move towards using more digital technology, reducing administration costs and none care contact time.

c) Workforce: Our **Job Box** team are providing key skill training to support those choosing care as a new career to make sure they understand it and can manage it before they head off to a provider. Providers will continue to be supported to hold recruitment events across the borough, working alongside Department for Work and Pensions (DWP) and **Telford Jobcentre Plus**. We are linking providers together who are managing overseas recruitment campaigns so that they can share the learning and processes to make this successful. Working with **Telford College** and **University of Wolverhampton**, we are developing a care career pathway for entry level to nursing or care management. Working with **Skills for Care** and Shropshire Partners in Care, we are promoting a career in care that's includes training and development for the sector.

Funding:

In recognition of the pressure that care providers face and the vital part they play in our health economy, Telford & Wrekin Council used all of its 2022/23 FCoC funding allocation to oversee and increase fee rates to care homes and home care providers.

Providers are clear that National Living Wage, fuel, and other increases will impact on the cost of delivering care. While the £1.4bn the government has allocated through the Market Sustainability and Fair Cost of Care fund over the next three years is welcome, we know this won't address the funding that is needed as identified in the cost of care exercise.