

Bath & North East Somerset Council		
MEETING:	Health & Wellbeing Select Committee	
MEETING DATE:	27 <sup>th</sup> September 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		N/A
TITLE:	Care home provision in Bath & North East Somerset	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: None		

## **1 THE ISSUE**

- 1.1 This paper provides a briefing on the care homes market in Bath & North East Somerset (B&NES). It offers an overview of the quality and supply in current provision as well as introducing some key gaps and challenges in the sector; notably in relation to dementia care for older people. A range of active projects and emerging initiatives that seek to address these challenges are also outlined.

## **2 RECOMMENDATION**

- 2.1 That the content of the report is noted and facilitates further targeted enquiry.

## **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 There are no direct resource implications to this report which is presented for information and to raise awareness of the care home market.

## **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 *Public Health & Inequalities*: The Council has a duty under the Care Act (2014) to facilitate and oversee the care homes market and also ensure that all its residents have access to good quality, sustainable care and support.

## 5 THE REPORT

### Capacity

- 5.1 The Care Quality Commission (CQC) lists 60 care homes in B&NES. The 'Older Persons' portion of that market consists of 36 homes offering 1,375 beds in total. Roughly a quarter of this capacity supports dementia care. Five homes offer nursing dementia care, another three provide residential dementia care and a further four homes offer dementia care to the under 65's. Capacity breaks down as:

<b>RESIDENTIAL</b>	<b>33%</b>	<b>NURSING</b>	<b>41.5%</b>
<b>RESIDENTIAL DEMENTIA</b>	<b>8.5%</b>	<b>NURSING DEMENTIA</b>	<b>17%</b>

- 5.2 At 11<sup>th</sup> September 2017, there are 40 available vacancies across B&NES and 11 of these are for nursing beds. However, the bed types do not always match the needs of people assessed and not all of them are affordable to the Council. Almost half of the 40 vacancies are in one particularly expensive home. This puts a lot of pressure on the Council when securing placements and can also cause delays in hospital discharge. Actions to address this are explained further in the paper.
- 5.3 The Council currently has 320 active placements in B&NES, including 34 Continuing Healthcare beds on behalf of the CCG. This is a market share of 23%. The remaining beds are either vacant or occupied by placements from other Local Authorities/CCGs or self-funders. The Council and CCG also make some out of area placements though this is a minority.

### Quality

- 5.4 The main responsibility for quality assurance lies with CQC as industry regulator. The majority of care homes in B&NES are rated by CQC as 'Good' though a few do 'Require Improvement' in one respect or another.
- 5.5 The Council has an active role in reviewing, maintaining and improving care home quality. Effective and regular communication between commissioners, CQC inspectors, care homes and local safeguarding leads ensure that their roles are complementary to each other.
- 5.6 A small number of local care homes do occasionally require targeted support and the Council actively works with these homes to support them to improve their quality of care. This is a key priority for the Commissioning team.

### Market conditions

- 5.7 It is well-documented publically that the UK care homes sector is challenging financially and also in quality, supply vs. demand and sustainability of homes & care businesses themselves. The national picture resonates in B&NES.
- 5.8 As explained in 5.2, although there are a number of vacancies available they may not be affordable to the Council, attractive to local people or meeting the right level of need. For these reasons, together with the pressure to discharge

people in a timely way from hospital, the Council has seen bed prices for care homes increase significantly in the last 18 months. In a commercial market where the balance of power favours providers, charges can increase. Competition in the market is more between purchasers of care for access to services, rather than between providers.

- 5.9 As people with complex needs live independently in the community for longer; so their needs are higher when they need residential care. This again impacts on cost and also means less demand for 'traditional' residential care beds. Costs for these beds are not reducing, largely because the mismatch between supply & assessed need, as well as the priority to support hospital discharge maintains a demand for access to these homes, despite their limitations.
- 5.10 Much of that 'traditional' residential care is provided in older, smaller properties. In many cases properties are either limited in development potential or otherwise unaffordable for owners to develop to modern standards and expectations. People with high levels of personal care can then be placed in a nursing home purely to access a more suitable physical environment or higher staffing levels.
- 5.11 The majority of new provision tends to be in large facilities and pitched at the luxury self-funding end of the market. However when self-funders' savings and assets become reduced below the level where they are eligible for financial support from the Council, the Council then picks up the responsibility for funding their future care needs.
- 5.12 Between 2016 and 2017, 6 care homes in B&NES closed with the loss of almost 200 beds. This is due to a range of factors but again has reduced capacity significantly, pushed up fees and led to greater pressure on hospital discharges. The commissioning team has a successful track record in managing these closures and ensuring continuity of care for residents. The team continues to have an active relationship with CQC so it can plan contingencies for any further potential closures or transfers of care home ownership.

### **Current initiatives, opportunities and intentions**

- 5.13 Whilst there are many challenges in the current care home market, Commissioners are working together with the Clinical Commissioning Group (CCG) and also with care homes themselves, to develop new models and meet the needs of our changing population. Keeping people at home for longer means that often their needs are more complex when they are admitted to care homes. Many people are admitted to care homes from hospital too, a trend which local authorities are working to address, by offering alternatives before a permanent decision about care needs is made.
- 5.14 The Council has invested significantly in the Community Resource Centres through £700k capital funding and service redesign. People reliant on the Council's financial support will have increased access to forward-thinking specialist dementia care as well as care for people with more complex general needs, such as needing 2 carers to help them mobilise.
- 5.15 '*Discharge 2 Assess*' beds: A result of joint commissioning across the Council and CCG in partnership with the not-for-profit sector; commissioners are piloting a scheme to deliver 5 short-stay beds to assess people's long term care needs. This alleviates pressure on hospital discharge and allows people's long term needs to

be more accurately assessed outside the acute hospital setting. It will also help the Council to place people in a more planned way and negotiate fees with providers with more time.

- 5.16 *Workforce development*: B&NES is a member of the ‘*Proud to Care-South West*’ campaign. This seeks to make social care a more attractive career option and tackle the longstanding challenges of recruitment and retention in care homes. Qualified nurses are in particularly short supply. There are enduring issues of staff turnover and shortage, with close attention on the possible impact of the UK leaving the European Union. *Proud to Care* has a presence on the Council website which will continue to evolve alongside a commissioning web portal.
- 5.17 *Joint commissioning*: Council and CCG commissioners increasingly find benefits in working together on a range of care home contracting and quality assurance initiatives. This increases consistency for providers. Regional and sub-regional commissioning initiatives across the South West and Sustainability and Transformation (STP) footprint with Wiltshire and Swindon are also progressing.
- 5.18 With both care home services and premises largely in private hands, there is a need to acknowledge the gap between the *fair price of care* concept, and the realities of the commercial market where providers often report funding shortfalls. Funding models based on quality of accommodation as well as the care offered, may be more viable for the future. This reflects the nature of the ‘hotel’ business model often operated by providers and is an approach that Commissioners will be developing with providers for future years.
- 5.19 To support an affordable care homes market in future it may be necessary, as other Councils have found, to develop fair and reasonable positions regarding: *increased use of care homes in neighbouring local areas; ‘top-up’ funding from third parties for accessing preferred environments costing more than the Council’s duty to fund; and reserving the right to move self-funders to more affordable homes when their assets drop below the funding threshold.*
- 5.20 Other emerging priorities likely to have a positive impact include:
- i. Greater competition in specialist service areas e.g. complex residential and nursing dementia care.
  - ii. Better communication with Planning teams so commissioners can influence development applications; ensuring social care priorities are embedded.
  - iii. Integrated strategic commissioning structures across the Council and CCG which include market oversight & contingency planning.
  - iv. Reduce demand by increasing self-care & preventative approaches.
  - v. Enhance negotiation capacity through Brokerage and focussing on people’s strengths in support planning.
  - vi. New-build opportunities and alternative service models e.g. developments in Extra Care e.g. the Council is working with Hanover Housing Association on developing innovative Extra Care services at Lansdowne Road. The potential to develop high needs Extra Care mitigates risks from old care home stock going offline while helping more people with developing care needs live independently in the community for longer.
- 5.21 These ideas are part of the Council’s emerging *market position*. The Care Act (2014) places a duty on commissioners to facilitate a vibrant, good quality care market that is sustainable and for which possible service interruptions are planned for. A key requirement of this is the *Market Position Statement* (MPS, in-draft)

which lays out commissioners' long term intentions in these areas and how they will collaborate across the sector to create and capitalise on opportunities for meeting the community's evolving needs.

## **6 RATIONALE**

- 6.1 The care homes market is complex, with many independent organisations and connections with other care sectors. Tackling the issues means multiple efforts working in parallel, with a greater understanding of the commercial market and ability to respond to a rapidly changing and sometimes vulnerable provider sector. This requires a balance between many competing factors and interests.

## **7 OTHER OPTIONS CONSIDERED**

- 7.1 Many of the initiatives discussed in this paper are early in development; emerging alongside other projects outside of this paper's scope. Accordingly there remains significant potential for considering other options during the commissioning process and generation of specific recommendations.

## **8 CONSULTATION**

- 8.1 Cllr Vic Pritchard – Cabinet Member, Adult Care, Health & Wellbeing
- 8.2 Jane Shayler – Director, Integrated Health & Care Commissioning
- 8.3 Caroline Holmes – Senior Commissioning Manager, Better Care
- 8.4 Tammy Randall – Commercial Finance Manager

## **9 RISK MANAGEMENT**

- 9.1 This paper offers a general introduction to the local care homes market so a formal risk assessment is not required at this stage. Following this advisory paper, a risk assessment related to specific issues and recommendations will be undertaken in compliance with the Council's decision making risk management guidance.
- 9.2 Financial risks have been identified in the Council's published savings strategy.
- 9.3 To meet its statutory duties in residential care, the Council is required to make an ongoing assessment of the impact on communities and care organisations.

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<b>Background papers</b>	<i>None</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	