

MARKET POSITION STATEMENT AND SUFFICIENCY ASSESSMENT

Report of the Associate Director of Commissioning (Care and Health)

Recommendation

1. That the Market Position Statement and the sufficiency assessment summarised in this report are approved, together with the actions that are proposed to deliver the Council's duty under the Care Act 2014.
2. That an Annual Market Sufficiency Report is prepared for Cabinet each September which sets out a market assessment and actions required to improve sufficiency and to inform budget preparation.

1. Background/Introduction

- 1.1 The Care Act 2014 places a duty on local authorities to promote a sufficient and effective market for adult care and support for all their citizens. The Market Position Statement (MPS) sets out our sufficiency assessment to inform and support providers to make business and investment decisions and is a key element of our financial planning.
- 1.2 The lack of market sufficiency in key market sectors is the highest risk factor affecting adult social care and adds to pressures on the NHS, especially during the winter months. This is reflected in the corporate risk register where the impact of shortfalls in supply remains high, even after mitigation.
- 1.3 Members contributed to the development of the MPS at the Standing Overview and Scrutiny Committee on 17th July.
- 1.4 The health and social care system in Devon spends approximately £272m with the independent sector. This supports over 16,600 people, in addition to which many other people buy their own care.
- 1.5 The MPS 2019: "Vibrant Markets for Happy and Healthy Lives" is jointly prepared by Devon County Council, the Devon Clinical Commissioning Group and the Devon Partnership NHS Trust. It is a key enabler of the Promoting Independence Strategy and the emerging Devon 10 Year Plan for Health and Social Care, which derives from the NHS Long Term Plan (<https://www.longtermplan.nhs.uk/>) It engages providers as part of whole system redesign and will support action by the emerging Primary Care Networks and other place-based systems.
- 1.6 The full MPS can be found [here](#), attached to the web agenda as background papers and will be updated as changes occur.

2. Strategic Context

- 2.1 The future development of the health and care system will be underpinned by:
- Collaboration – engaging providers in whole system redesign and innovation
 - Prevention – promoting well-being and independence throughout life
 - Integration and partnership – between the health and care system, independent sector providers and the community and voluntary sectors
 - Outcomes and personalised services – “what matters” to the individual
 - Innovation – transforming services to respond to changing models of care that support people in their own homes wherever possible
 - Use of technology - including being “digitally enabled
 - Workforce – developing rewarding careers across the health and care system
- 2.2 At the heart of this approach is the “Integrated Care Model”, the blueprint for Devon’s integrated networks of community and hospital services, which will:
- Connect people with opportunities that help them to live healthy lives.
 - Support people to stay well and independent at home.
 - Avoid dependency and escalation of illness.
 - Connect people with expert knowledge and clinical investigation.
 - Ensure easy access to urgent and crisis care.
 - Embed end-of-life care at all levels.

2.3 Demographics and need analysis

- 2.3.1 There will be an extended surge in demand over the next thirty years, as the “Baby Boomer” generation reaches older age. The impact is already being felt and, after factoring in the prevalence of dementia, will climb sharply over the next decade.
- 2.3.2 People with physical and learning disabilities, sensory needs and/or autism are living longer with more complex needs. Peaks in demand typically occur:
- Following transition to adulthood, often with high levels of need
 - In middle age, due to the ageing of their carers
- 2.3.3 In line with national trends there is an increasing prevalence of need for people with autism and this will be a growing pressure for decades to come
- 2.3.4 The profile for people with mental health needs (not including dementia) is more evenly distributed across the life course and people are increasingly living in the community with needs of a more complex nature.
- 2.3.5 The MPS sets out a number of wider impacts on demand including:
- Population growth, rising by 33,000 people over the next five years.
 - An increase in the number of people who are living for longer in ill-health
 - An increase in preventable illnesses, such as diabetes
 - Funding pressures
 - Rapid changes in the volume and nature of demand
- 2.3.6 ***The MPS invites providers to work with us to address these challenges, both to address near term pressures and to plan for the longer term.***

3. **Market Overview**

3.1 The MPS considers a range of factors that will affect markets including:

- The wider economic context and the viability and cost-effectiveness of provision, especially in deep rural areas
- Quality – which is generally higher than comparators and regional averages
- Workforce – recruitment, retention and remodelling
- Sufficiency – which varies across markets
- Fast-changing profiles of need and impact on models of care
- Patterns of investment and suitability of buildings
- The pattern of supply and its responsiveness across the county
- Potential for innovation
- The needs and contribution of unpaid carers
- The potential impact of Brexit

3.2 The profile of people who take their personal budget through a Direct Payment (DP) is considered, together with its impact on markets. Whilst the Council does not quality assure Personal Assistants, guidance is available through our PA Network.

https://services.pinpointdevon.co.uk/kb5/devon/services/pa_home_page

3.3 The health and social care sector will grow twice as fast as the rest of the economy in the next decade, representing 25% by value by 2030 (currently 21%).

3.4 There are 24,000 jobs in adult social care in Devon, 95% of which are in the independent sector. Staff turnover is 34% yet the number of adult social care jobs across the South West will need to increase by 43% by 2035.

People have a real choice of roles in the current labour market and health and social care will need to be competitive to attract the right workforce.

3.5 During 2020 work will be undertaken to further assure ourselves that the fees we pay feed through to the best possible pay rates and terms and conditions for the workforce. This will include consideration of business cost structures and the levels of investment, efficiency and productivity required to achieve greatest impact across the health and social care system.

4. **Sufficiency Assessment – Summary**

4.1 4 Major priorities are set out in the MPS:

- Addressing a shortfall of approximately 40 places in the supply of care home placements for people with complex needs and behaviours that challenge.
- Addressing a shortfall of circa 2,500 hours per week (6% of total commissioned hours) in the regulated personal care market, circa 50% of which is in Exeter and South Devon.

- Delivering alternative “care with accommodation” solutions, especially in relation to Extra Care Housing and Supported Living and improving access to replacement (respite) care
- Addressing shortfalls in the unregulated market to better support people with disabilities, mental health needs and autism

The actions to address each of these are set out in Appendix 1, together with a summary of activity as set out in the MPS.

4.2 Accommodation-based services (see Appendix 1 for actions)

4.2.1 This section addresses the challenges and change required for:

- Care Homes – with and without nursing
- Extra Care Housing
- Supported Living
- Host Family care

4.2.2 Care Homes

4.2.2.1 We buy 2,539 beds (at 1 Sep 2019), costing £1,92m per week. There are 67 care homes with nursing (with 2863 beds) and 266 care homes without nursing (with 5273 beds). DCC and the NHS buy circa 31% of the registered beds across Devon.

4.2.2.2 Nominally, there are enough beds to meet short to medium term need but, without change, there will be a shortfall by 2028. There are particular pressures in finding places for people with learning disability, dementia and with complex mental health needs, some of whom are placed outside of Devon. Supply varies at market town level and availability of places in nursing homes is particularly challenging in some areas, especially in parts of the north and south of the county.

4.2.3 Our assessment is that:

- Some people in care homes with nursing could have their needs met in other locations, freeing capacity for those who need nursing oversight 24/7.
- People who need a care home are becoming more dependent and complex, especially where combined with mental health needs (including dementia).
- This will require a different profile for the care homes estate and its workforce, with buildings that are fit for purpose and technology-enabled

4.3 Extra Care Housing

4.3.1 We buy 90 places (at 1 Sep 2019) costing £16,647 per week = circa 20% of the market

4.3.2 An additional 1100 places are required in the short-medium term, growing further through to 2033.

4.3.3 An application for outline planning permission has been submitted for a site in

Barnstaple which includes the provision of circa 60 Extra Care Housing flats.

4.4 Supported Living

4.4.1 We buy 489 places (at 1 Sep 2019) costing over £333per week = 90%+ share of the market

4.3.1 There is an oversupply of Supported Living in some areas and the range and form of provision needs to be rebalanced geographically.

4.5 Carer Households (Host Families)

4.5.1 We buy 102 places for people aged 16+ at circa £31,000per week = 100% of the market

4.5.2 There is potential to extend the use of such placements, especially in relation to supporting people with more complex needs and to offer replacement care.

4.6 Non-accommodation-based Services (see Appendix 1 for actions)

This includes:

- Regulated Personal Care: including our Living Well at Home contract
- Supporting Independence: 1:1 support (not regulated by CQC), mainly for learning disability or mental health need) and group-based services (day care)
- Carers: support to unpaid carers
- Replacement Care (which can also be accommodation-based)
- Technology Enhanced Care and Support (TECS)
- Individual Purchasing: Direct Payments (DP), Individual Service Funds (ISF) and self-funders

4.6. Personal Care

4.6.1. We buy circa 38,000 hours per week, costing circa £760,000 per week, representing 70-80% of market.

4.6.2 Demand has remained comparatively stable but there is evidence of a growing complexity and intensity in the level of need, and volumes are likely to grow

4.6.3 As at 5th December there were 2640 hours of unmet need relating to 252 people. This equates to a shortfall of approximately 100 carers. 1200 of these hours relate to 40 people with very complex needs. Unmet need is about 6% of the total commissioned volumes, consistent with other area of the South West.

4.7 Supporting Independence

4.7.1 We buy:

- 24,718 hours (1 Sep 19) of enabling for 1,905 people at a cost of circa £450,000 per week, representing 90%+ of the market
- Day care for 383 individuals at a cost of circa £47,000per week (Sep 19) , representing 90%+ of the market.

- 4.7.2 The main capacity challenges include
- skilled and specialist mental health packages to support:
 - people who are ready to leave hospital and residential care settings
 - people living in the community through crisis, reducing the need for hospital admission or residential placement.
 - innovation to support people to become more independent and achieve their care plan outcomes, including accessing community opportunities and pathways to employment

4.8 Individual Purchasing

4.8.1 At 1 September 2019 there were 2,157 people taking a Direct Payment (DP) at a cost of £462,000 per week. The scale of private purchase is not known.

4.8.3 50% of people use their DP to secure the services of a Personal Assistant.

4.9 Unpaid Carers and Replacement Care

4.9.1 There are an estimated 86,595 adult carers in Devon and this is projected to increase to 89,384 by 2024. We know about 30,000 carers.

4.9.2 There is a shortfall in provision of replacement care which gives the carer a break from caring responsibilities, or allows other carer needs to be met, by providing a service to the cared – for person.

4.9.3 In 2018-19 financial year 753 people received replacement care in a care home or as a Direct Payment. Total spend was £3.05m (an increase of 2% on the preceding year) with an increased numbers of people with a Learning Disability benefitting compared with other groups e.g. older people, where fewer people received support.

4.9.3 Our priorities to meet carer needs are to improve supply of:

- Community-based replacement care e.g. affordable sitting services
- Bed-based replacement care, bookable in advance
- Day time replacement care – building or non-buildings based.
- Personal Assistants available to provide replacement care

4.10 Equipment and TECS

4.10.1 In 2018, Devon County Council and the NHS published their joint TECS Strategy, which defines technology enabled care and support as:

“the technologies that help people to manage and control their health and well-being and sustain independence”

4.10.2 1910 service users are receiving Technology Enabled Care and Support (TECS) via Millbrook. This is 10% below comparator authorities. In the last financial year DCC spent over £241,000 on assistive technology.

4.11 The Creative Innovation and Growth (CIAG) Fund

The Council offers revenue and capital funding to support innovation, diversification and growth

<https://www.devon.gov.uk/economy/business-support/creative-innovation-and-growth-programme-ciag/>

Consultations/Representations/Technical Data

The MPS has been considered by the Clinical Commissioning Group, DPT and the Institute of Public Care (Oxford Brookes University).

Providers were engaged in designing the format. IPC will help us to deepen this participation through our Provider Engagement Network during 2020.

Service Users, Carers and the general public are consulted separately as any significant changes to policy or service delivery are proposed or implemented

Financial Considerations

The proposals and actions outlined in the MPS will have financial assessments as part of the development of each plan.

Sustainability Considerations

The environmental, social and economic impact considerations will be considered as part of the work on each of the plans contained in the MPS.

Carbon Impact Considerations

The carbon impact considerations will be considered as part of the separate work on each of the future plans contained in the MPS.

Equality Considerations

An Impact Assessment has been completed and published in relation to the MPS (<https://www.devon.gov.uk/impact/published/>) with detailed impact assessments considered for each of its future plans and is attached to the agenda.

Legal Considerations

The MPS is prepared as part of the Council's duty of Market shaping under the Care Act 2014.

Risk Management Considerations

The MPS is key to our risk management of care markets, especially where there is provider failure or inadequacy of supply.

Public Health Impact

Public health impacts are considered as part of the separate work on each of the future plans contained in the MPS.

Summary/Conclusions/Reasons for Recommendations

The MPS is a key tool for delivering our plans, both countywide and at a local level. Without a vibrant market we cannot fulfil our statutory obligations, nor meet the changing needs of the public. Our providers are significant partners as well as contractors and we need to continue to improve our dialogue with them so that we can adapt the profile of supply and assist them with planning. This is particularly true where providers need to make long-term investment decisions.

The MPS needs to be considered in our cycles of financial planning across the health and care system.

Tim Golby
Joint Associate Director of Commissioning (Care and Health)

Electoral Divisions: This report affects all electoral divisions of the local authority

Cabinet Member for Adult Social Care and Health Services: Councillor Andrew Leadbetter

Chief Officer for Adult Care and Health: Jennie Stephens*

LOCAL GOVERNMENT ACT 1972: LIST OF BACKGROUND PAPERS

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<u>BACKGROUND PAPER</u>	<u>DATE</u>	<u>FILE REFERENCE</u>
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NIL

Actions to be taken by service

1. Care Homes

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
System wide care home capacity fortnightly meeting, to ensure a coordinated market oversight and prioritises access to vacancies	ST	Estimated 10 beds across the footprint but this may expand as the initiative develops	Now established and on-going
Block purchase of nursing beds in Exeter – End Of Life and interim funding	ST	5 beds	From end November 2019
Commission Agency to deliver 1:1 capacity/support to care homes to enable homes to open beds or help prevent admission into acute hospitals	ST	5 beds	January 2020
An Expression of Interest was launched in October to seek placements for people with complex needs. Discussions continue with interested providers	ST	Increased number of placements available for clients with complex needs. Reducing delayed discharges and out of county placements	October 2019 onwards
A survey of the care homes estate has been completed and follow up actions will be taken to tackle market issues	MT	Will focus market development over the next 10 years and help ensure sufficiency of provision	Reporting of survey results by end of November 2019. Supporting actions taken during 2020
An updated needs assessment will be published to further clarify future requirements and reshape the care home market	MT	Improved understanding of need	Spring 2020
Increase the range of housing and develop a clearer pathway and pipeline to make it easier for people to move between different housing options. Working with providers in areas that are overly- reliant on care	MT	A full range of housing types available. Fewer people in residential care and more people in alternative forms of	Ongoing

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
homes without nursing to change their offer		accommodation	
The Preparing for Adulthood team will work with people at an earlier stage by attending reviews in years 10 and 11 as well as completing 100% of Care Act assessments before the young person turns 18	ST	Smoother transitions to adulthood and young people more informed about the arrangements	By December 2020
Introduce a new Devon framework and a regional framework for people with more complex and intensive support needs associated with a learning disability	ST	Robust contractual framework and price transparency which helps establish good quality and affordable care home provision	Summer 2020 for Devon framework Later in 2020 for regional framework
Testing of new workforce models including Nurse Associates	ST	Pilot with 10 nursing associates in nursing homes. This will boost nursing capacity and help sustain the nursing home market	Pilot of Nursing Associates to run from March/Sept 2020 to March/Sept 2022

2. Extra care Housing

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
Capital investment to support scheme development Guaranteed purchase of specified units within extra care housing schemes Work with Planning Departments of District and City Councils	MT MT MT	Additional 1100 places to meet future needs 53 new places will be available in Exeter by the end of 2020, new provision is being considered in Tiverton and an application for outline planning permission has been submitted for a site in Barnstaple which includes the provision of circa 60 Extra Care Housing flats.	1100 places by 2033 53 places in Exeter by end of 2020

3. Supported Living

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
Work with providers to adapt their businesses including: <ul style="list-style-type: none"> • Stimulating the development of Supporting Living schemes in places where people want to live • Developing Supported Living to be more flexible in the range of needs they can support 	MT	Supported Living Provision that meets a minimum quality threshold, is in the right locations and meets need. It will be measured by % of people living independently and proportion of people and their families/carers who feel safe and connected in their community	New contract commences Spring 2021
A revised needs assessment	ST/MT	Informs market reshaping	Early 2020

4. Carer Households (Host Families)

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
Development of a mixture of carer households who can: a) support people with a low level of needs (the majority) or b) a more bespoke smaller cohort of carer households who can support people with more complex needs or c) availability of carer households to provide planned replacement care (to support carers)	MT	Improved access to respite - recruit 10 households to support 5 people. 50 'new' people supported by 2022.	By 2021 for a) and b By 2022 for c)

5. Personal Care

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
Purchase of Agency Hours. Targeting End of Life support and releasing capacity in NHS Rapid Response Service (RR) - Currently 800 additional hours in Eastern and additional 400 hours agreed for Dec 2019 to Mar 2020. 200 in South for End of Life Care and 100 to support Hospital discharge	ST	Reduced numbers of delayed discharges, improved support to people going through end of life care	Commissioned to end march 2020
North Devon Purchasing extra agency hours to support end of life provision and hospital flow	ST	300 hours a week	Winter 2019/20
Plan to develop Guaranteed Hours Pilot Phase 2 in Exeter	ST	100 hours per week (additional to baseline)	Winter 2019/20
"Dynamic Border Zone" to address deep rural sufficiency across the 'Tedburn, Winkleigh and Crediton triangle'	ST	Estimated as 200 hours per week to reduce or remove RR/SCR backfill	From 1st February 2020
Work with providers to deliver	ST	5% efficiency	January - March

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
efficiency through most efficient “runs” , sharing of care packages, review of care packages, use of TECS, RAG rating of care packages Getting It Right First Time (accuracy of care and discharge plans)		target = circa 200 hours per week from 1st Jan baseline	2020
Pilot VCS contribution to reducing demand in Exeter to establish potential impact and set target across Devon	ST	Reduce awaiting care hours by 20 hours per week in Exeter and 100 hours per week across Devon	Exeter from January 2020 and across whole of Devon from end of March 2020
Consideration of the rates of pay and workforce terms and conditions and examine business cost structures	MT	A competitive rate of pay which aids retention and increases supply and where profit is reasonable	Spring 2020

6. Supporting Independence

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
Publishing a revised profile of need	ST/MT	Improved market responsiveness	May 2020
Developing a digital, live platform to support service planning	ST/MT	Commissioners will have an improved picture of the market, which they will use to help providers target their investment decisions	Available from November 2019, with further improvements during 2020
Encouraging more providers of day services to join the framework in 2020	ST		By May 2020
Focusing our purchasing through the		Ensure that	By April 2020

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
framework and reducing spot contracting activity		25% of our business is through the contract and delivered to the agreed rates and quality standards	
Provision of training for mental health social care providers to increase their skills around specific mental health conditions	ST	Providers feel more able to support people with more complex needs reducing delayed transfers of care and de-escalating crisis situations	November 2019 to end of March 2020

7. Individual Purchasing

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
Revising our policy on Direct Payments (DP)	ST/MT	Ensure appropriate and effective use of DPs. Improved targeting of resources	Autumn 2019 - complete
Established a service user focus group of DP recipients and carers	MT	Clear understanding of the needs and issues of DP recipients and carers	Established in 2018 and ongoing to help guide policy and practice refinements
Building the PA Network on Pinpoint to improve and respond to intelligence about the types of support people want to buy and to build more effective relationships with this market	ST/MT	Increase the number of PAs on the register and improve access to advice to the public	Number of PAs registered on the system increasing – currently at 280

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
Increasing the micro-provider, local care market in 'place-based' communities (Totnes, Ilfracombe, Exeter)	MT	Greater market resilience through local micro-provision	By end of June 2020

8. Carers (unpaid) and Replacement Care

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
Supporting Devon Carers (our lead contractor) in their work with the market to develop volunteer-provided sitting services	ST & MT	<p>ST Test of change, currently have 6 providers. By end of March 2020 will have another 12. 42 carers supported to end Sept 2019 (12 month period) – anticipate 84 by end of financial year.</p> <p>MT Anticipate 250 Carers supported by end March 2021.</p>	<p>ST - End-March 2020</p> <p>MT – end-March 2021</p>
Introducing a list of services offering replacement care	ST	A good level of choice of replacement options	Winter 2019/20
Reviewing our approach to Carer Breaks grants and testing new approaches. Aiming to have a further 1000 carers supported through take a break		Ability for bookable breaks to be made as well as a greater variety of	1000 additional carers by end of March 2020

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
		breaks	
Exploring lower cost options for sitting services and developing host family provision for daytime and short stay services (see 4.4.3 as well)		Affordable sitting services across both rural and urban areas with a particular focus on volunteer based arrangements. Host family provision for daytime or short stay services, so that families can develop longer term relationships and plan ahead.	
Exploring the potential to innovate and find new models of replacement care	MT	Carers are given a suitable break and the cared for person is cared for appropriately Options Appraisal on strategic commissioning arrangements for replacement care to be developed	End March 2021
Developing a Carers Passport Scheme, which will include discounts and privilege access to community services, facilities and resources	MT	Carers will be able to obtain discounts and access to community facilities, services and	End of March 2021

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact	Timescale
		resources	

9. Equipment and TECs

Action	Short term (ST) sufficiency action or medium term enabler (MT)	Impact (e.g. across market, financial technical etc)	Timescale
Increase the number of people receiving TECS by 15%		Circa 300 more people will be able to live more independently	By 2022
All contracts will include expectations of use of TECS wherever suitable		Increased take up of TECs by providers and mitigation of such risks as falls	
Developing the TECS website with info/advice, reviewing the TECS catalogue against specific services, risks or outcomes and considering the potential for providers to become Millbrook Prescribers and complete TECS assessments		More TECS are used to maintain the independence of clients	
Commissioning a mobile responder service (to respond to TECS alerts and meet the gap in the current service)		Clients safeguarded in their own homes and prevent admissions etc	Starting from April 2020