

## **MARKET SUSTAINABILITY PLAN FOR INTEGRATED ADULT SOCIAL CARE**

Report of the Director of Integrated Adult Social Care

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

**Recommendation:** that the Cabinet:

- Note the key risks to market sufficiency as set out in the Market Sustainability Plan.
- Endorse the actions being taken to tackle the market sufficiency issues.
- Where appropriate influence and lobby government to improve funding for adult social care and increase the recognition and increased pay for care workers to secure future market sustainability to support the people of Devon

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### **1. Background/Introduction**

- 1.1 The purpose of this report is to update Cabinet on the market sufficiency challenges and what actions the Integrated Adult Social Care team are taking to address concerns in the adult care and health provider market. This report is to be read alongside the Market Sustainability Plan (MSP) which was published on 27<sup>th</sup> March 2023.
- 1.2 The Department of Health and Social care required all local authorities to complete and publish the MSP as part of the grant conditions for the Market Sustainability and Fair Cost of Care Fund.
- 1.3 The Market Sustainability and Fair Cost of Care Fund is limited to Care Homes (over 65 years) and domiciliary care (over 18 years), but fundamentally we need to make systematic change to modernise all our services and have a more holistic approach across the care market to meet the needs of people.

### **2. Market Sufficiency Overview**

- 2.1 The adult social care market is fragile and challenged, it has been slow to recover from the Covid-19 pandemic and market issues that were present prior to the pandemic have been exacerbated.
- 2.2 There remains a strong partnership between the Council, NHS and independent sector providers, which is critical to ensuring that the Council

can continue to meet people's needs and fulfil its statutory duty (Care Act 2014) to ensure a sufficient care market.

- 2.3 One of the key challenges to the current market is the availability of workforce and it is difficult to resolve due to the complexity and number of contributing issues. Adult Social Care is one of the biggest employers in Devon, directly employing 35,000 people. Whilst recruitment of Adult Social Care staff improved temporarily during 2020, it has now become very difficult, with heightened competition for labour across the wider economy. We have also seen with care staff returning to their native countries following the UK exit from the European Union.
- 2.3.1 Devon has proportionately fewer working age people compared to the rest of England, particularly those aged 16 to 49 years. Given its aged age profile, this means Devon has a lower proportion of adults being economically active than is typical nationally.
- 2.3.2 Devon's age profile also means there is greater demand for adult social care, both local authority and privately funded. This makes the adult social care workforce challenge even greater in Devon than nationally. If the workforce were to grow in proportion with the projected number of people aged 65 and over, the Southwest adult social care workforce would need to increase by 35%
- 2.4 The care home market needs to develop and diversify to ensure sustainability. There is an over provision of general residential homes, but if a number were to exit at the same time it would be challenging to find alternative placements due to the fabric and location of the current homes. There is a need for more bedded capacity to support people with complex needs including dementia.
- 2.5 The nursing home market is assessed as being high risk due to a lack of nurses in social care, the number of nurses nearing retirement, the estate (many buildings are not fit for purpose) and some homes are in rural settings making it difficult for staff, professionals and families to access.
- 2.6 There is a concern there has not been sufficient capital investment in the care home market in Devon. As a result Devon has lots of older buildings which are not fit for purpose and have high costs linked to poor energy efficiency. Devon has also not seen large investment from national companies buying or building new homes.
- 2.7 The biggest anticipated risk to maintaining a sustainable domiciliary care market in Devon is workforce, a challenge shared across the wider health and social care system.
- 2.8 Due to Devon being a tourist destination there is significant seasonal impact on labour and travel time/costs
- 2.9 Devon does not have a shortage of domiciliary care providers; however the market is mainly constructed of small to medium size local companies who

compete for staff. The current spot-contracting approach is diluting the ability to maximise economies of scale and work on a strategic level in partnership with the market.

### **3. ACTIONS TO ADDRESS MARKET SUFFICIENCY ISSUES**

- 3.1 The Council and NHS Devon developed a joint strategic approach to supporting people to live independently in Devon 2020 to 2025. The aim is to shift away from traditional residential care models and to increase the range of good quality homes across Devon, as well as making it easier for people to remain in their current home or to move between different housing options to maintain their independence. The Council continues to work in partnership with NHS colleagues and providers to increase the range of housing and accommodation for older people to maximise their capacity for independent living.
- 3.2 To achieve the strategic aim of securing market sustainability, the Council will:
- collaborate with partners to identify solutions to attract the right workforce into the sector
  - work closely with district and city councils to support the provision of accommodation for key workers as well as opportunities for housing with support models such as extra care housing
  - develop our community services and housing with support offers: micro providers, Extra Care Housing, Supported Living
  - commission alternatives to ‘traditional care’ models, reducing the reliance on bed-based care.
  - enhance our use of technology, digital solutions and equipment to support better cost-effective outcomes for people.
- 3.3 The MSP has a more detailed plan for the care home and domiciliary care markets.

### **4 Consultations/Representations/Technical Data**

- 4.1 People we support, their families and carers, providers and the general public are consulted separately where any significant changes to policy or service delivery are proposed or implemented. We continue to listen to people and their families and carers and actively involve them in planning and reviewing support.
- 4.2 The care home and domiciliary care markets were engaged in the development of the MSP via sector led forums and a series of task and finish groups

## **5. Financial Considerations**

- 5.1 There is no financial impact linked directly to the publication of the Market Sustainability Plan.
- 5.2 There are significant risks of increased cost pressures (affecting providers and the Council) due to the challenges set out in this report and the MSP. However, these will be managed via the usual budgeting process and where there is future development in services these will be considered separately through the relevant governance processes.

## **6 Legal Considerations**

- 6.1 There are no specific legal considerations, however the MSP has been produced as a requirement of the grant conditions for the Market Sustainability and Fair Cost of Care Fund

## **7 Equality Considerations**

- 7.1 It is intended that our approach to addressing significant sufficiency challenges in the provider market will promote the equality of opportunity for people in Devon. We want people with health and care needs to have the same opportunities as everyone else and to lead meaningful lives in their communities.

## **8 Risk Management Considerations**

- 8.1 Sufficiency Assessment is key to our risk management of the provider market. It supports understanding of where people have difficulty receiving support because of a lack of good quality providers and enables mitigating actions to ensure a sufficient marketplace. The key risks are set out in the report and are reflected in the risk register for Adult Social Care.

## **9 Summary/Conclusions/Reasons for Recommendations**

- 9.1 The MSP provides information on the significant challenges faced in the adult social care market, along with actions to help address these challenges. These actions will support efforts to establish a vibrant and sustainable care market that meets the changing needs of the people of Devon.

Tandra Forster

Electoral Divisions: All

Cabinet Member for Adult Social Care: Councillor James McInnes

Director of Integrated Adult Care: Tandra Forster

**LOCAL GOVERNMENT ACT 1972: LIST OF BACKGROUND PAPERS**

## **LOCAL GOVERNMENT ACT 1972: LIST OF BACKGROUND PAPERS**

Contact for Enquiries: Nicola Tribble, Tel No: 01392 383000

| <b>BACKGROUND PAPER</b> | <b>DATE</b> | <b>FILE REFERENCE</b> |
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| Devon County Council Market Sustainability Plan<br>(Final Version Annex C for Submission to DHSC: March 27 <sup>th</sup> , 2023) |  |  |
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[Fair Cost of Care: Devon provider engagement - Provider Engagement Network](#)