

Bradford Metropolitan District Council: Market Sustainability Plan March 2023

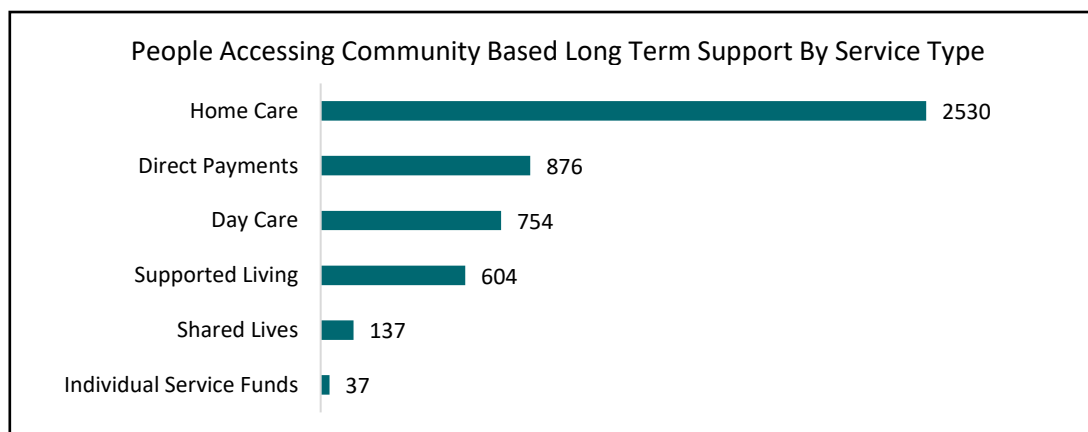
An Introduction to the Bradford District

With a population of 547,000 people the Bradford District is the fifth largest local authority in terms of population in England. It is one of the ‘youngest’ cities outside London with a significant proportion of children and young people aged under 16, but in line with national trends it also has an increasing number of people over 65 years of age.

Stretching from a cultural urban centre, to sweeping landscapes and stunning heritage towns, Bradford District’s 141 square miles contain a rich mix of ethnic groups and cultures. 56.7% of District’s population identified themselves as White British in 2021 Census, 25.5% as Pakistani, 2.6% identified as Indian, 2.3% identified as Bangladeshi, 2.7% identified as Mixed or Multiple ethnic groups and 2% identified as Black. 33.4% of the District identify as Christian and 30.5% as Muslim.

There are high levels of deprivation in the District and a particularly wide gap between the most and least deprived parts of the District. The cost of living crisis has hit people living in our most deprived areas particularly hard. This has had an impact on people who use our services and people who work in care.

In 2021/22, there were over 5,500 people receiving long term social care services in the District. The majority of long-term services are provided to older people – 57% of people receiving support. In March 2023, 75% of people accessing long term support lived in their local community.



Bradford Health and Care Partnership has a long term vision of “Happy, Healthy, at Home”. This is supported through wide ranging service options for adults who need care and support – including early help services to delay or prevent the need for further provision, support in the community, and support when needed, in accommodation based services.

Our provider market is represented and supported by the Bradford Care Association (BCA), which is made up of members who are providers of social care services in

the Bradford District. The BCA aims to promote and support good quality care, support the sustainability of services, enable the exchange of ideas and promote collaboration. The Council has worked in partnership with the BCA on the cost of care exercises and through a range of regular meetings and forum, including Bradford's Cost of Care Forum which also includes partners from Health.

We work closely with our colleagues in Health in both the ICB and Care Trusts to deliver joined up and effective health and social care services.

Bradford has a diverse and vibrant voluntary and community sector, which works with the Council and ICB to deliver a wider range of provision, specialising particularly around help early and prevention. There are estimated to be around 5,000 VCSE organisations working in the District.

Section 1: Revised assessment of the current sustainability of local care markets

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

There are a total of 112 care homes registered in Bradford district with 3,756 CQC-registered beds. 106 of these are independent homes and there are 6 Council-run residential homes. Most settings are small, with fewer than 30 beds (49%), or medium sized, with fewer than 50 beds (30%). Only 21% are considered to be large homes. 77 homes in the District (3,378 beds) fell within the scope of the cost of care exercise.

There is a reasonable spread of both residential and nursing care homes across the District, with an overall average setting size of 40 beds.

Pre-pandemic there had been significant improvements to the quality ratings in care homes with movement up the rating scale, however recent inspections have identified there is still work to do as only 64% of settings (67% of beds) are CQC rated 'Good' or 'Outstanding'.

Where issues are identified enhanced monitoring is put in place and service improvement work undertaken. In addition to our work with individual providers we work closely with BCA to identify ways in which we can work together to better support the market to maintain and improve the quality of services and identify ways to support providers to ensure they are inspection ready. We use our Annual Quality Review Report to ensure we have a good understanding of the issues affecting quality of services and inspection outcomes and agree actions with partners to improve quality of services.

Average occupancy YTD is up on recent years at 81% for both residential and nursing care homes.

Providers below 90% occupancy (the figure utilised for fee setting) are at increased risk of failure as the revenue generated from placements may not cover short-term liabilities and if this trend continues may increase the risk of unplanned provider exit. Analysis identifies that 54 settings (2101 beds and 546 LA placements) fall below this level. As Council fees for placements may be lower than other fee rates such as

self-funders, a secondary risk measure is the make-up of occupied beds, i.e. the providers' ability to maximise fees per bed. Of the 54 care homes below target occupancy 21 of these have 40% or more of their occupancy funded by the LA.

Overall, it is considered that the Bradford District has an over-supply of general residential provision for people over the age of 65. It is estimated that a 10% reduction in care home beds could be supported even with our aging population, although we would need to ensure that we avoid losing strategically significant provision, i.e. some areas of the market where limited capacity has the potential to have an impact on continuity of care.

Provision where there is less sufficiency includes specialist services for complex dementia and health needs and good quality nursing provision within smaller and medium size homes.

Fee base rates at March 2023 are £607.95 for residential care £856.24 for nursing care (including FNC). These rates include a 2% early uplift given to all providers in January 2023 to support with on-going higher costs as a result of inflationary pressures. Bradford currently has a single fee rate for care in care homes (i.e. there are no standard and enhanced rates). Having one flat fee rate contributes to difficulties being able to place people with more complex needs at Local Authority rates in residential homes, as the funding does not reflect the acuity of need we are seeing in many people needing residential care. The Council intends to move towards developing a model for standard and enhanced rates over the course of 2023/2024.

Providers have told us that access to a stable and suitably experienced workforce is one of the biggest challenges they face. Providers have reported a high staff turnover which affects the continuity and consistency experienced by residents and has a financial impact through increased recruitment and agency costs. There is significant existing support to providers to help with the recruitment and retention of staff. This includes support with advertising vacancies, centralised recruitment campaigns, support with access to training and funding for crisis grants for care workers.

Current inflationary pressures, such as the rising cost of food, consumables, insurance and energy are of significant concern to providers in the District. The latter is particularly problematic as providers exit historic energy deals. There has been no direct loss of provision because of the inflationary pressures, however providers have told us they are facing increasing financial pressure.

Delays in charging reforms, alongside a lack of clarity around the funding within the NHS to support a move towards higher rates of care where there are CHC contributions, have introduced a significant degree of uncertainty around future funding for care homes. Planned moves towards rates that reflect a fair cost of care as identified through local baseline and negotiations, and the cost of care exercise, may not now be possible to the same degree due to the uncertainty.

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

Bradford currently has complex contracting arrangements for domiciliary care, including 35 locality contracts (delivered by 16 providers) and a choice and control

offer which has enabled a wider range of providers to work in the District. Our contract arrangements have been reviewed and plans are in place to introduce a new approach from Autumn 2023, when the current contracts end.

Overall, there are 82 independent domiciliary care providers working within the District and offering a range of services, together with a large in-house re-ablement focused domiciliary care provision. 47 providers fall within the scope of the cost of care exercise.

As of 1st March 2023, the Council commissioned approx. 36,783 hours of care per week. The demand for domiciliary care services has steadily increased over the last two years, with approximately a 9% increase from 2020 to 2021 and increased by 5.8% in 2022. On average each person receives 14.9 hours of support per week and approximately 42% of all domiciliary care provision requires 2 carers per visit.

Approximately 80% of the volume is being commissioned from 25 providers in the market; on average 577 hours is commissioned per provider (range of 10 and 3681 hours per week). A significant reliance on some large providers presents a risk in future retendering and redevelopment as well as the impact of a market failure event.

The quality of services in the District shows slightly above the average for England for Good and Outstanding CQC ratings with Bradford at 89% (England average is 86%), the remainder are ranked as "Requires Improvement" (11%).

Providers have reported that capacity in the domiciliary care market has been severely impacted over the last 12 months primarily due to challenges in recruitment and retention. This is despite Bradford having higher levels of unemployment at 5.5%, compared to the regional and national averages, 4.3% and 4.1% respectively, with terms and conditions and 'burn out' being cited as compounding factors. Current support with recruitment and retention is described in the section above.

To a certain extent the domiciliary care market, unlike care homes, has been insulated from the inflationary pressures over the first 9 months of this financial year; however, the domiciliary care sector is particularly hard hit in comparison to other industries in relation to the cost of fuel.

This is due to care workers being required to use their own vehicles for transportation and only receiving minimum wage or slightly above. The costs incurred by care staff have significantly increased both at work and in their private life, and thus being a homecare worker becomes decreasingly attractive in comparison to other occupations paying more without requiring the use of private vehicles. Providers had already reported a shortage of staff who can drive, but are now receiving increasingly fewer applications from drivers and are therefore reporting the need to keep 'tight runs' in specific localities. To support providers and care staff with increased fuel costs, the Council and ICB have funded for the whole of 2022/23 a 'Home Support Fuel Grant' paying out an additional 28p per commissioned hour.

We operate a standard £19.80 p/h (as at March 2023); therefore, there are some areas of the city where it is more difficult to place clients than others, for example,

rural areas such as Ilkley and Howarth and highly deprived areas such as Bradford South. Staffing capacity is a problem district-wide and can lead to a delay in care packages being put in place and discharge from hospital being delayed. Overall however, the average time it is taking for providers to pick up long-term packages has decreased in the last year – from an average of 5.5 days in February 2022 to 4.3 days February 2023.

As with care homes, the delays in charging reforms and questions about funding available within the NHS are creating uncertainty about the viability of future funding plans.

Section 2: Assessment of the impact of future market changes between now and October 2025, for each of the service markets

It is predicted that the number of people over 65 will rise by 7% in the next 5 years.

Of those that go on to need care, it is Bradford's ambition that as many people as possible will be supported within their communities. This includes actively seeking to reduce the use of residential care and promoting the use of strength-based, community-focused services and housing options through:

- Improving our domiciliary care offer and working to address capacity issues within this sector.
- Expanding our accommodation and support offer to ensure individuals have choice and control over where they live as they age, including through a review of Extra Care provision.
- Continuing to develop our offer of Community-Led Support and focus on strong early help and prevention services

A large scale review of domiciliary care and home support has recently been undertaken in Bradford and we are now moving forward with implementing new approaches which will significantly change the shape of the domiciliary care market in the District. The number of providers contracted by the Council and the ICB will reduce and hours will be more sustainably spread across providers. We expect to move towards new rates where travel time and costs, including in our more rural areas, are more clearly accounted for. It is expected that such changes will be introduced within Year 1 of the contract. Alongside the day to day delivery of care, a number of innovation sites will be established taking a test and learn approach to introducing delegated healthcare tasks, tech enabled care and outcome-based service design.

The two key aims of the innovation sites are to:

- Improve the care and outcomes for people who use services
- Improve opportunities for care staff through better training and career development, more guaranteed hours, and better recognition of the value of their work.

Based on 5.8% growth in care hours in 2022, if we were to continue seeing this level we would be at 41,137 hours per week at the end of 2025.

As described in section 1a, there is an over-supply of residential care homes in the District. Over the next 3 years, we will work closely with providers who provide good

quality services to shape existing provision to better respond to needs within our population, for example through specialising their provision. Introducing an enhanced rate as part of cost of care negotiations will support this work.

We will also work more closely with colleagues in Planning and Housing teams to ensure District plans reflect the type of accommodation needed for older people in Bradford – so fewer new care homes are built and there is a focus on growing choices around extra care and accessible housing.

In both home care and care homes technology will be a key area of focus, and we will consider how our technology offer can enhance lives and improve outcomes and make services more efficient.

With improved models of support and increased investment in provision our expectations of providers will rise. Providers will need to focus on:

- Better quality of care and improved outcomes for people using services
- Improved choice for people needing complex levels of care
- Delivering expected staffing levels
- Offering consistency of staffing levels
- Reducing placement breakdowns
- Reducing additional one-to-one costs
- Equalisation between LA and private fee payer rates for care (ready for implementation of section 18(3) of the Care Act in 2025)

We are committed to supporting providers so we have a market that is stable, sustainable and offers a good quality of care and support.

We also expect to see changes in other care markets in Bradford. We have a new transformational Supported Living contract coming into place in July 2023. Over the next 3 years we will shift provision away from 24-hour shared settings, of which we still have a significant amount, to more flexible and individualised support and accommodation offers. Greater personalisation and the introduction of Small Support approaches will see an increase in micro-providers within the Learning Disabilities marketplace. In line with our vision that people will be happy, healthy and at home, our focus will be on supporting people with Learning Disabilities or needs around their mental health in their communities and in their own homes, rather than in hospital or residential settings.

We have existing plans in place to grow the number of people taking Direct Payments and will be further rolling out the availability of Individual Service Funds where these will best help people to meet their needs and achieve their goals.

Our VCSE providers, delivering through contracted services and grants, have told us they have been hit hard by cost of living. We will work with the VCSE as a marketplace in its own right to grow their role in provision and will support sustainability through longer term funding intentions.

We will take into account the changes we are planning for the market when considering how to make best use of available funding and effectively increase fee rates.

From the work with domiciliary care providers we have a high level of confidence in the in the median rate identified (£22.54) and will move towards this where possible as we start our shift to new ways of working.

The process followed with care homes experienced significant challenges with engagement and accuracy of returns, which have been acknowledged by providers. Alternative cost of care modelling using the ARCC costing tool has derived rates more in line with expectations of providers and commissioners. These are the rates we have included in our [Annex B report](#).

The Council has continued to work with ARCC and the BCA to further understand costs within care homes and is developing plans to introduce standard and complex rates into our fee models. This will provide an overall improvement to our rates.

You can read more about our plans for the next 3 years in our [Commissioning Strategy for 2022-2027](#). Our current Market Position Statement and Market Briefings are [available here](#).

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

(a) 65+ care homes market

Year 1 (2022/23):

- **Cost Pressures:** cost pressures this year have been significantly different to previous financial years due to legislative changes to workforce pay (NMW, plus NI uplift), competition for staff and unprecedented inflation of over 10%. In response to these challenges the fee uplift, making use of the fair cost of care funding, for 2022-23 was 6.14%.
- **Recruitment and retention:** 'deep dive' engagement with the market to explore what action the system (providers and commissioners) can take to tackle current challenges. We are delivering free training offers and recruitment support through the 'Bradford Cares' campaign/website. A workforce strategy has now been coproduced and a lead role is to be recruited in the Council.

Year 2 (2023/24):

- **Fee increases:** Our uplifts for care homes in 2023/24 are between 10% and 13% (inclusive of the 2% early uplift) dependent on the group being supported.
- **New rates:** we will develop plans for the introduction of standard and enhanced rates for residential and nursing care to be implemented for new placements and where there have been changes in care needs. This will be the equivalent of a further 5% uplift for the services delivered at the enhanced rate.
- **Demand/Capacity/Complex Needs:** as the strategy in Bradford is to maintain people at home for longer, we will review our underutilised residential and nursing arrangements in partnership with providers. We will work with our providers to help them understand where there is need in the market and support with considering how they should plan their services going forward.

- **Improve quality monitoring systems, processes and intelligence:** to support a proactive approach to contract monitoring and market management and to improve the quality of care available to people in the District. This includes a suite of KPI's that will allow us to monitor risk of market failure and support contingency arrangements.

Year 3 (2024/25):

Subject to sufficient funding, in year 3 our intention is to continue to move towards a fair cost of care as agreed with providers. We will work with the market to prepare for reforms. We will continue to work with providers to move towards have the right amount and type of services that support need.

In summary, we will work with providers to deliver a care home market that is the right size, delivering the right type of care and support where it is needed in the District.

(b) 18+ domiciliary care market

Year 1 (2022/23):

- **Cost Pressures:** As with care homes, there have been significant cost pressures for providers this year. In response to these challenges the fair cost of care implementation funding was utilised to support a fee uplift for 2022-23 of 6.5%. In recognition of the sharp rise in petrol prices in 2022 and the challenges this is causing to domiciliary care workers and providers, the Council has also paid grants to domiciliary care providers based on a 20% increase in the standard mileage rate in the UKHCA model.
- **Recruitment and retention:** as per Year 1 of residential and nursing care above.
- **Redesign of our Home Support offer:** in preparation for the need to retender services in 2023-24, a full review of existing commissioning arrangements was carried out in order to design a new model and specification, which is described in more detail in section 2 above.
- **Single brokerage service:** In response to provider feedback as part of the cost of care exercises, re-ablement and long-term support brokerage has been moved to a single team, creating efficiencies for providers.

Year 2 (2023/24):

- **Fee increases:** In 2023/24 we have given our Home Support providers a 12% uplift.
- **Implementation of the new contract:** including stabilising the size of the contracts and the market as a whole.
- **Innovation sites:** £270,000 of fair cost of care funding will be made available to our 6 new innovation site providers to enable them to put the management, training and communication resources in place to pilot new approaches and deliver change
- **Improved processes:** As part of the implementation of the new contracts there will be introduction of streamlined processes that will improve efficiency in the market, for example through improved review, variation and invoicing processes.

- **Improved terms and conditions for care staff:** As part of the new contracts, we are expecting providers to move away from the use of zero-hour contracts for staff and work on improving terms and conditions in line with the Ethical Care Charter.
- **Improve quality monitoring systems, processes and intelligence:** as per Year 2 of residential and nursing care above.

Year 3 (2024/25):

By year 3 we expect to see a wider roll-out of the innovation sites within and across localities within the District. We will work to move towards parity of pay with the NHS health care assistant roles, and seek funding contributions from the NHS, through development of more integrated roles and building an evidence base of improved outcomes as a result.

It is our expectation that moving towards the median cost of care will support greater sustainability for the market when delivered alongside a significant re-focusing and redesign of domiciliary care and local and national action on workforce recruitment and retention challenges.