

## Annex C: Market Sustainability Plan

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

Camden is a borough of contrasts, an example being the distribution of wealth across Camden; of the 133 local neighbourhoods in Camden, 32 are among the 20 percent most income-deprived in England, whilst 21 are in the 20 percent most affluent.

Population projections based on current patterns of care suggest that the local market will need to adapt and expand in order to meet a projected 49% increase in demand for older people's services by 2035. In addition to addressing current health inequalities, analysis of local data continues to indicate that the growing pressures on care provision are coupled with an increase in complexity and acuity of need across all service areas.

Camden's ambitions are to develop and transform the way we connect with our residents. Central to these are enabling people to remain independent by drawing on care and support when necessary, in the place that best suits them. This involves working to a "What Matters" approach which recognises that people are the experts in their own lives, that they have strengths, resources and networks. With some support and coupled with connections to their communities and networks, many residents can retain independence and live a good life whilst delaying the need to draw on more intensive care and support

Central to our future vision for Camden is a programme of transformation that focusses on the objectives of the '[Supporting People, Connecting Communities](#)' strategy and reinforces our ambition that residents are able to live and age well in Camden. Our aim is to further develop our neighbourhood approach for care and support with our key partners across the Council and with health, care providers and voluntary and community sector. We will transform our care and support offer to residents and this will include the implementation of our Accommodation Strategy for Older People, which is currently in development. A "home first" approach will ensure that residents have access to the right care in the right place, at the right time, and are supported to remain at home for as long as possible. This work will include a refreshed needs assessment, exploring the current offer around domiciliary care and extra care in addition to residential and nursing provision, with a view to building a flexible market which offers residents choice and control and responds to unmet need.

Camden is working with partners in North Central London (NCL) and there is a market management strategy for the care market across NCL which is coordinated by the North London Councils programme team. The aspiration of this programme of work is to develop a sustainable, high-quality market for care and support services across the sub-region. This strategy is shared between the five Councils in NCL and NCL Integrated Care Board (ICB).

There are significant recruitment and retention issues for the social care workforce nationally which is mirrored in NCL. According to data from Skills for Care there were 38,000 social care jobs in NCL and at the end of 2021-22 the vacancy rate was 12.7%, equal to 4100 jobs. The number of vacancies has doubled compared to the previous year. The average turnover rate was 23.5%. The care workforce is ageing, with 29% of the workforce aged over 55. By 2035, it is estimated that the care workforce will need to grow by 11,000 posts to a total of 49,000; these factors combined require significant additional recruitment of staff to meet future demand.

Care home nurse recruitment is proving particularly challenge given the national shortfall of nurses and competition with the NHS and this presents a risk to the sustainability of the nursing home market. The NCL programme team have a workforce development programme that leads on coordination of Workforce development across the sub-region and represent Social Care within ICS forums. The programme created the Proud to Care North London site which is used to advertise job vacancies and training oppor-

tunities across NCL to support providers with recruitment. Whilst there are significant workforce challenges, vacancies, turnover and zero-hour contract levels are below London averages, and there are an increasing number of providers that pay London Living Wage (LLW) across the five boroughs. The NCL Workforce Programme workplan continues to work on developing a range of solutions which includes:

- Developing an NCL health and social care academy to identify and support residents who experience barriers to employment to gain access to roles in the social care sector through training offer by further education colleges
- Student placement pathways - work with local colleges and providers to develop good placements to design placements to incorporate true understanding of roles in social care
- Staff recruitment - continue to resource Proud to Care NL/ work with London ADASS site and listen to providers around workforce issues and collaborate to resolve as far as possible
- Princes Trust project – work with the Princes Trust to recruit a target of 75 young people (60 sustained outcomes over 3 months) into health and social care roles

It is anticipated that a strengthened and enhanced care at home offer in Camden will be key to managing demand for residential services, whilst giving residents greater choice and control over any care or support they may draw on. Commissioners will continue to build on learning from the cost of care research to inform market sustainability planning and address a range of shared priorities across care homes and domiciliary care, including:

- Further development of robust quality assurance processes, ensuring consistent high quality care
- Expansion of the neighbourhood approach, built on a localised, partnership offer
- Workforce development, recruitment and retention of care staff
- Complex care pathways
- Inflationary uplifts for 2023-24 in support of provider sustainability

[The outcome of the 2021-22 cost of care research can be accessed here.](#)

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

Like neighbouring inner-city boroughs, Camden has a limited supply of care homes. The Council and NHS are significant purchasers of beds in Camden, but other Councils, ICBs and private individuals also utilise in-borough provision. There are 6 care providers in Camden offering 394 residential and nursing placements across 8 care homes. The most recent care home opened in November 2022 following the cost of care research and has introduced a further 82 beds of low-level need residential care.

The in-borough market is clearly divided into homes that are heavily or exclusively utilised by individuals who privately fund their care and those who have pursued block contract arrangements with the Council.

Care homes have been susceptible to the long-term impact of Covid-19 across the board, with a higher than usual vacancy rate impacting on the viability of services during the earlier stages of the pandemic. This has stabilised during 2022-23 and demand for placements continues to grow across NCL. There is a consistently low void position across block service provision in Camden and an increasing pressure to secure spot placements locally. In contrast, there is sufficient capacity for residents who privately fund their own care due to the conversion of a 99 bed nursing home to an 82 bed care home which is currently supporting privately funded residents with low level residential care needs.

The pandemic provided opportunities to work closely with providers with a focus on high quality care delivery, in addition to promoting transparency in conversations around future-proofing services and ensuring financial viability. Officers continue to work in collaboration with providers to ensure that existing contracts are fit for purpose. This includes two block nursing arrangements providing 20 beds in borough and

37 beds in neighbouring Barnet, which is due to run to 2025, and a long-term contract in Camden which will deliver 120 residential and nursing placements to 2041.

The strength of partnership working with providers was reflected in engagement with the cost of care research which exceeded expectations with 100% of providers submitting a return.

Camden faces challenges in space, building cost and limitations of the current market. Therefore there is consistently high use of spot placements both in neighbouring boroughs and further afield (248 residents in October 2022). The model currently works well and drawing on the wider market will be necessary in meeting a projected increase of up to 49% in demand for residential and nursing placements by 2035 based on population projections.

Quality of care for residents continues to be the highest priority for commissioners. Two services are currently rated as “Requires Improvement” by the Care Quality Commission (CQC), and officers continue to work closely with these services to ensure that all recommendations are implemented and to monitor sustained improvements in the quality of care.

One of the above homes will also benefit from additional funding to increase staffing ratios in support of sustainability planning. This is the result of a full review of the model of care which was completed in January-23 in recognition of an increasingly complex profile of residents across the residential care population and a high rate of placement churn due to a decreasing length of stay in services.

There is an NCL wide commitment to working with providers to develop shared solutions to meeting future demand for care home placements which builds on a centralised approach to paying a sustainable cost of care. The NCL Workforce Programme Team has established a coproduction forum for care home managers in partnership with NCL ICB that meets monthly and has representation from the five boroughs. This forum gives care home managers an opportunity to shape the priorities and strategic direction for the local care market. The group is currently focusing on how to increase capacity to meet the needs of residents with complex physical and mental health needs.

A shared market management strategy is in place across NCL, which aims to develop a sustainable, high-quality market for care and support services across the sub-region. This strategy is shared between the five Councils and NCL Integrated Care Board (ICB). To support the strategy, Councils have historically commissioned Care Analytics to review the market conditions and propose a fair cost of care on an annual basis. Officers use “inner London” bandings to inform an annual inflationary uplift process, inviting providers to complete a workbook outlining specific cost pressures in support of their requested rates for the year ahead.

The NCL wide inflationary uplift planning for 2023-24 will be concluded in March-23, drawing on recommendations from London-wide data and intelligence from the 5 boroughs to agree a new set of minimum sustainable bandings for inner-London. Cash uplifts will be offered to providers both within and below these bandings to ensure the greatest impact for the market against an unprecedented position of financial pressure for both the Council and the care market. Cost of care funding has been utilised to ensure that support for local authority funded residents across the in-borough market have access to additional support for rising utility and food costs experienced this year. It should be noted that the limited capacity of the care home market in Camden places additional pressures on funding arrangements. Analysis in support of inflationary uplift planning suggests that Camden is currently paying higher fee rates on average in comparison to neighbouring NCL boroughs.

The cost of care research continues to be a useful tool in supporting a stable care market that is fit for the future. Engagement with providers has been ongoing and individual sessions will be offered to all providers to discuss their latest position in support of the 2023-24 fee setting exercises and to share the Council’s plans in support of the market.

It is noted that additional 1:1 care and support currently accounts for a significant cost pressure above the

average weekly fee rate recorded for Camden residents both in and out of borough. The exact impact is unclear due to the lack of uniformity of packages and system coding issues. Further investigation into how best to support the complex needs of these residents is underway, both locally and within development of the NCL wide recuperative model of care.

The following remain key priority areas for the care home market within the context of the financial position outlined by providers:

- Meeting the needs of an increasingly complex profile of care home residents
- Sustainability of the spot placement market in and around the borough
- Further investigation of staffing ratios and use of 1:1 care
- Workforce development, recruitment and retention of staff
- Flexibility of existing provision to meet future need

The Council's wider Accommodation Strategy is in development, recognising the interdependencies of sustainability planning across client groups and the role of alternative accommodation options including extra care, supported living and the wider care at home agenda.

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

The Council currently supports approximately 1500 residents at any one time with domiciliary care and support in the home. There are currently 32 registered providers of domiciliary care based in Camden, most of the provision in Camden is rated 'Good' by CQC. The care market is diverse and providers range from multinational organisations which support over 200 Camden residents to small community led social enterprises that specialise in meeting the cultural needs of local communities and support less than 10 residents. Most providers are independent businesses supporting around 50 residents.

The last few years have been unsettling for the national domiciliary care market and Camden is no exception. Providers report that recruitment over the last 18 months has been the most challenging ever experienced. Despite this, there has been an emergence of a small number of new providers in Camden. The support offered by the Council during the pandemic was key to market sustainability and communication with both commissioned and the wider care market in Camden was strengthened.

The Council does not currently offer domiciliary or reablement support through direct Council run services but via commissioned contracts with independent care providers and one social enterprise. In 2018 Camden commissioned a model of domiciliary provision that was built around five neighbourhood-based contracts for long-term care and two locality-based contracts for reablement. All contracts awarded in 2018 run until 31 March 2023 with a possible extension of up to two years to March 2025. It is the Council's intention to take advantage of the contract extensions whilst a transformational approach to care and support in the home is developed. There will, however, be a procurement exercise for 3 short term contracts in Spring 2023 to consolidate both reablement and long-term care support in Camden to March 2025.

The need to boost care provision during the pandemic and since means that in addition to the 5 neighbourhood domiciliary providers, the Council also commissions spot domiciliary and reablement care from a further 8-10 providers, the majority of which are based in Camden. When requested by a resident, the Council is able to spot commission specialist and culturally specific provision from either Camden or neighbouring borough providers.

The neighbourhood approach to care in Camden means that the Council have a commissioning relationship with around a third of locally based providers. The remainder of CQC registered domiciliary providers with a branch office based in Camden are either supporting residents who privately fund their care or hold contracts with other local authorities.

Camden have a home first approach which means that many people who draw on care and support live

in their own homes. Camden has seen an increase in the level and complexity of care being drawn on by residents. Consequently, good quality care requires well trained staff who have access to specialist support from partners in health, care and mental health when required. Ensuring quality of care and the associated development of the workforce is a key focus for the Council.

The Direct Payment offer is often compromised by the lack of personal assistants (PA) available to support resident choices or due to a lack of training and development opportunities for any PA currently employed. A newly commissioned Direct Payment Independent Living Support service will bring some PA opportunities to Camden. Further opportunities and access to the PA market through innovations is being explored with the Council's Inclusive Economy team.

Camden is a LLW Council and commissions care on that basis from both the 5 neighbourhood providers and any spot commissioned providers. Non-commissioned care providers are also encouraged to pay care staff LLW. The neighbourhood providers are also required to meet agreed Ethical Care Charter (ECC) conditions related to travel and occupational sick pay. The cost of care research has highlighted the complexity in how providers calculate their business costs, but indications are that 75% of hourly rates are related to care worker costs and 25% to back office and business costs. The uplift in 2023/24 reflects this split in the cost of domiciliary care with the emphasis being placed on the increase in LLW.

The following are key priority areas for the domiciliary care market:

- Developing a strength-based approach to care and support in the home
- Quality of care and supporting the needs of complex profile of residents
- Workforce development, recruitment and retention of staff including personal assistants

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

- **Residential and nursing care**

Despite the delay announced by the Department of Health and Social Care (DHSC), work is continuing in preparation for the future implementation of social care reform and to prepare the care market in Camden. Particular consideration is being given to the anticipated pressure on brokerage and adult social care services. Modelling based on current population projections is ongoing and will consider the impact of the high volume of residents who privately fund their own care, particularly those who are not known to adult social care services.

The delay to implementation also presents opportunity to continue working with the voluntary sector and in-borough providers on the development of robust information and advice services for residents around financial planning for care.

There are continued risks to the 65+ care home market, in particular the ability to meet an increasingly complex profile of resident need within existing resources. These pressures have been further exacerbated by high inflation and the cost-of-living crisis, both in high quality service delivery and the recruitment and retention of staff. It is recognised that workforce development across residential and nursing provision is critical in response to the changing nature of care and support needs.

Capacity for residents who privately fund their care constitutes a relatively high proportion of the in-borough market which was confirmed by the cost of care returns. There is evidence that residents with the lowest level of care needs are currently being supported in some of the highest cost placements and services. The gap between fee rates for block provision and privately funded care is significant and expected to grow.

Key strategies to address this include the annual inflationary uplift process, which is designed to ensure all fee rates are aligned to NCL agreed minimal sustainable bandings for care provision. This is in addition to programmes in place to increase the efficiency of care services e.g. implementation of digital strategies and technologies which have the potential to support staff in delivering high quality care for complex conditions and a focus on recruitment and retention to upskill and stabilise the workforce.

- **Domiciliary care**

There are corresponding risks to the domiciliary care market in the ability to meet an increasingly complex profile of resident need within existing resources. These pressures will be further exacerbated by high inflation and the cost-of-living crisis, both in high quality service delivery and the recruitment and retention of staff.

The self-funders domiciliary care market projections should be approached with caution as there is a wide range of upper and lower confidence levels within the data. Discussions with commissioned providers indicate a low level of support to either the self-funder or Direct Payment market which suggests that the majority of private care is met through personal arrangements or via the non-commissioned care market.

The domiciliary cost of care research was managed for Camden by Care Analytics. They have collated a wide range of information from providers and they will further analyse this data over the next 3 months and provide commissioners with detailed analysis that will inform future commissioning decisions.

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

#### **(a) 65+ care homes market**

Camden recognises the significant pressures that local providers are facing. Grant funding received in the current year will be utilised to support for local authority funded residents across the in-borough market with a one-off payment to help ease current operational cost pressures. This will cover increasing rates for utilities and food, in addition to tackling retention issues across staff teams through a one-off cost of living payment.

The Council is now focused on building a high impact approach to the annual inflationary uplift allocations for 2023-24 which will ensure that support is provided to homes that are in the greatest need of an increase to fee rates. This process is being managed across NCL and draws on recommendations from care analytics in addition to learning from the cost of care research.

Further collaboration across NCL will continue to be central to addressing market sustainability issues and realising economies of scale across workstreams. Analysis of the local care market across NCL on an annual basis continues to provide a forum for positive challenge to progress made, whilst ensuring that uplifts are financially viable for providers and Councils.

An NCL wide care home manager network has been developed in partnership with the ICB that continues to meet monthly and gives providers an opportunity to shape priorities and strategic direction. The overarching aim is to develop a high quality, sustainable care home market where providers and commissioners work in an effective partnership. The group is currently focusing on how to increase capacity to meet the needs of residents with complex physical and mental health needs.

In addition, it is recognised that the continued recruitment and retention issues for the social care workforce nationally are mirrored locally. The issues associated with workforce are increasing, particularly due to competition for workers from other sectors. The NCL Workforce Programme workplan is developing a range of solutions whilst more targeted workforce development is supported through a Camden borough partnership approach.

Shared responsibility for the local care home market will enable emerging issues to be addressed and reviewed across the NCL wide commissioning network, in addition to pooling resources to trial new ways of working. The introduction of a falls pilot underpinned by acoustic monitoring technology across NCL and further development of a recuperative care pathway will be key examples of this in the next 2 years.

The interdependencies with the development of the domiciliary care market and review of extra care provision are also recognised, with the strengths-based “home first” approach expected to impact on future care home admissions by supporting Camden residents to remain independent in the community for as long as they are able to.

#### **(b) 18+ domiciliary care market**

It is the Council's ambition to improve resident outcomes, promote independence and encourage residents to remain and retain independence through a more localised, holistic and personalised model of care and support at home that includes recovery and reablement. The commitment to a strength-based approach will potentially lead to a reduction and delay in the need for care and support. The current long-term care and reablement model has made some steps towards localised neighbourhood support and is adopting a strength-based approach. However to enable greater progress there will be a systemic and transformational approach underpinned by the ambitions to develop neighbourhood working with partners.

Plans for the next 1-3 years include:

- Additional analysis of homecare market supported by Care Analytics (January 2023 onwards)
- Review of current model of care at home and options appraisal for future model of Care and Support at home which will include:
  - Mapping services across the council that provides support to residents in the community
  - Using a test and learn approach in a localised area to explore sustainability and support recruitment and retention
  - Using a test and learn approach to consider the potential for Council run domiciliary provision
  - Building on our ambitions to develop more integrated teams with partners in health and community sector on a neighbourhood footprint
  - Exploring the role of micro-enterprises, social enterprises etc. in the care market which could develop the Personal Assistant (PA) market
  - Focus on improving workforce standards in social care and create more opportunities for career progression and transfer across health and social care that encourages recruitment and retention

Camden recognises the significant pressures that local providers are facing in terms of recruitment and retention. Grant funding received in the current year will be utilised to support 15 key commissioned domiciliary care providers with recruitment and retention by introducing the LLW increase for care workers from January 2023 rather than April 2023 and with additional one-off payments to help ease current recruitment cost pressures. The Council's aim is to pay a reasonable cost for care using the outcome of the cost of care research alongside the additional analysis of the homecare market in Camden and across NCL.