## 

Oldham Market Sustainability Plan – March 2023

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Oldham is located in Greater Manchester and is predominantly urban, but with a more dispersed rural population in the east of the borough. The population in the 2021 census was 242,100 the overall population is not expected to grow. Population projections have yet to be calculated on 2021 census data, however we do know there has been an increase in both the over 50 and over 70 populations since the last census and we can therefore assume these populations are going to continue to grow. Oldham is the 37th most deprived area out of 326 local authorities. The demand for our Adult Social Care services is increasing and since pre-Covid the number of people using our services has increased by 7%.

## The cost of living crisis – a challenge across the whole sector

The current cost of living crisis is presenting a significant challenge across Oldham and is recognised to not be limited to adult social care. In addition to the recently announced Government support for individuals and businesses the council has also announced a range of initiatives to provide support to residents but there remain challenges in place for our social care providers who have regularly reported concerns around the costs of fuel (domiciliary care), electricity, gas and food (care homes). They have also raised concerns around their own staff’s ability to cope with the rising cost of living and that this was impacting on recruitment and retention, and care homes reporting significant increases to energy costs which cannot be sustained.

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| Section 1: Revised Assessment of the current sustainability of local care markets |
| 1. **Assessment of current sustainability of the 65+ care home market** |
| **Sufficiency of supply**  There are 1,786 CQC registered beds in Oldham in total, however this includes one provider who has closed but is yet to complete deregistration with the CQC and some homes who choose to under-utilise their full capacity. Prior to the Covid-19 pandemic the average occupancy level in Oldham care homes was 96%, at the time of writing in March 2023 the current occupancy rate, as a percentage of available beds is 90%. The majority of Oldham is urban, but about a quarter of the borough is rural, predominantly covered by the OL3 postcode. This area only contains one residential care home and has no nursing provision, however there are several homes, including nursing provision which are close by and accessible to the Saddleworth population albeit in the urban part of Oldham.  Although there is sufficiency in the market as a whole, there are supply issues in relation to particular types of care. It is recognised that there is an over-supply of standard residential beds and an under-supply of more specialist residential (for example for complex dementia) and nursing beds (including more specialist nursing beds). Specific gaps are noted around enhanced dementia provision for both nursing and residential and bariatric service users. Consultation with providers suggests that the increased costs associated with enhanced needs are a factor and that our current fee structure does not fully address the issues and prevents investment in more specialist provision. In relation to nursing specifically the ability to recruit and retain Registered General Nurses is also a factor and we are aware that a number of our current providers are considering de-registering nursing provision either completely or at a unit level.  **Levels of diversity in the market**  The care home market in Oldham is diverse, only a small number of homes are owned by large national providers, with the rest of the market dominated by regional and independently owned providers. Whilst this has many advantages and means that Oldham would not be as impacted by a large provider collapse as some other boroughs, it also comes with challenges. The smaller independent providers in particular do not benefit from economies of scale in purchasing and ownership of homes can change quickly. For example where owners wish to retirethis can have an impact on sustainability in the market.  The size of care homes for over 65s in Oldham ranges from 17 beds to 150 beds, with homes across a range of sizes in between. Generally, the largest homes are owned by national or regional providers, however there is one large dual registered home which is independently owned. A large proportion of nursing beds are in the larger homes, however there are some smaller homes which provide nursing care.  A large proportion of care homes across Oldham are in converted buildings not built for residential care, many of these being large Victorian houses which can be challenging to adapt and maintain, particularly for use in relation to specialist provision, such as bariatric.  **Quality of current services**  According to North West Association of Directors of Adult Social Services (NW ADASS) Oldham has 79.7% of beds rated Good or above with the CQC. This ranks the borough 7th out of the 10 authorities which make up the sub-region (Greater Manchester). There are currently no homes rated as Outstanding or Inadequate. The total number of homes in Oldham rated as Requires Improvement is 9 – which equates to 19% of all care homes. However, these 9 homes account for 536 beds, including the three largest homes in the borough which are all dual registered homes providing residential and nursing care. It should also be noted this includes the previously referred to closed down home which has 18 beds showing as Requires Improvement with the CQC, but in actuality closed. Onthe basis of beds in homes registered to provide nursing 52% of beds are Requires Improvement.  **Current fees and commissioning arrangements**  The current fee structure for care homes in Oldham is based on a basic rate, with various premiums applied as relevant, see Table 1 below  Table 1 – Current Care Home Fees   |  |  |  | | --- | --- | --- | | **Residential services** | **2021/22 rate** | **2022/23 rate** | | **Base rate** | £540.75 | £592 | | **PQUIP engagement** | £10 | £10 | | **CQC Good** | £25 | £25 | | **CQC Outstanding** | £45 | £45 | | **Dementia Premium** | £45 | £45 | | **Mental disorder Premium** | £84 | £84 | | **12 month bridging payment for homes current rated as ‘Excellent’ under the Oldham scheme and ‘Requires Improvement’ with CQC** | £10 | £10 | | **12 month bridging payment for homes currently rated as ‘Excellent’ under the Oldham Scheme and Good with the CQC** *(for applicable homes the bridging payment will only paid until the date when the CQC report is published)* | £20 | £20 | | **Nursing premium – payable for all nursing placements** | £30 | £30 |   The Quality Premiums are paid on the basis of CQC rating, and it is recognised that this can be problematic as we have no control over the timescale of re-inspections from the CQC. For example, a home may receive the rate for Requires Improvement when they have already made improvements but are awaiting an inspection, or a home not inspected for some time may in reality no longer be Good. Providers who are Requires Improvement or Inadequate have the opportunity to receive the PQUIP rate if they engage with “Provider Quality Improvement Programme”.  Bridging payments were introduced as part of a move to the current Quality Premiums to address associated funding losses and it has always been the intention to phase this element out of the fee structure.  It is recognised by the authority and from discussions with providers that the current fee structure is overly complex and difficult for them to understand.  The council currently has contracts in place with all the care homes who are currently providing care for over 65s, however these are very historic and are essentially agreements to spot purchase beds. The council is currently in the process of developing new contracts, which are due to be issued from April 2023.  **Development of the workforce**  There is a significant challenge with recruitment and retention, average turnover in the independent sector across Greater Manchester (GM) is 32.7%. Some areas such as nursing are particularly impacted. Data from Skills for Care shows that 58% of the direct care providing workforce in Oldham hold a relevantadult social care qualification. Of those without a relevant qualification 44% had five or more years of experience in the sector.  **The impact of current inflationary pressures**  Throughout 2022-23 the cost of living crisis has presented a significant challenge across Oldham and is recognised to not be limited to adult social care. In addition to the Government support for individuals and businesses the council has also announced a range of initiatives to provide support to residents, but there remain challenges in place for our social care providers who have regularly reported concerns around the costs of fuel (domiciliary care), electricity, gas and food (care homes). They have also raised concerns around their own staff’s ability to cope with the rising cost of living and that this was impacting on recruitment and retention, and care homes reporting significant increases to energy costs which cannot be sustained.  As part of open consultation on fee setting for 2023-24 many providers have indicated significant increase in costs in relation to energy costs (one care home provider has quoted that their electricity and gas costs are increasing threefold from March 2023). Providers are also indicating that food costs have increased somewhere in the region of between 20-40% during the last year. Insurance costs in the sector have also increased within the margin of 25-50%.  Oldham Council has made a commitment to ensure commissioned social care providers pay all staff at least the Living Wage Foundation rate, rather than the National Living Wage. This means that from April 2023 providers will be expected to pay staff at least £10.90 per hour, reflecting an increase of £1 per hour on the current rate (10%).  **Delays to Charging Reform**  The delays to charging reform, with unclear timescales for implementation, limit the ability for the local authority and care market to prepare and fully assess the implications from an infrastructure, business model and cost perspective. From a market perspective, we intend to undertake further work to better understand business models and costs, and the potential implications of charging reform as part of the development of our commissioning strategies. |
| 1. **Assessment of current sustainability of the 18+ domiciliary care market** |
| **Sufficiency of supply**  There are 44 community providers registered with the CQC in Oldham, although it is noted that a number of these will provide supported living services rather than domiciliary care. There are also a number of providers who operate within Oldham but are not CQC registered here and due to the nature of the domiciliary care market it is more dynamic than the residential sector. Capacity during the Covid-19 pandemic has been an issue and there are particular challenges with the OL3 Saddleworth area of Oldham, these relate to the rural geography of this part of the borough which make recruitment a particular issue.  **Levels of diversity in the market**  Oldham commissions with a mixture of providers, some are based locally and operate exclusively in the borough, some have a regional footprint across the North West and also with providers who deliver services on a national scale. An intention of the current framework arrangement was to have 10 different providers operating across our 5 clusters, with 2 providers in each cluster. However, we are increasingly seeing changes of ownership and market consolidation which is impacting our ability to spread risk across the market in this way.    **Quality of current services**  In relation to the providers we have on our commissioning framework, 87% are good or outstanding with the CQC. In relation to the overall community-based provision with Oldham as the CQC host authority, 68% are Good or Outstanding, but 22% have not yet been rated by the CQC.  **Current fees and commissioning arrangements**  The council has 10 preferred cluster providers (two for each geographical cluster) and 4 back up providers who are directly commissioned to deliver domiciliary care across the borough. The council spends approximately £11 million per annum on commissioned care at home services with our preferred cluster and back up providers, but additionally spends £2.3 million per annum on Care at Home services delivered through a direct payment.  The commissioned provider fees for Oldham are currently £18.47 per hour, with an enhancement for OL3 to reflect the cost and recruitment challenges providing a rate of £20.47.  **Development of the workforce**  As with the care home sector there are challenges around turnover and recruitment in this sector. Additionally, providers have told us that with the current cost of living pressures and particularly those on fuel costs they are seeing staff leave the sector to go and work in other sectors which do not require them to drive for work.  **Impact of current inflationary pressures**  As noted above under Care Homes, there has been significant cost pressures faced by providers throughout 2023-24.  As part of open consultation on fee setting for 2023-24 providers have advised us that the fact inflation is running above 10% is placing them under cost pressures and indicated significant increase in costs in relation to fuel and insurance costs.  Oldham Council has made a commitment to ensure commissioned social care providers pay all staff at least the Living Wage Foundation rate, rather than the National Living Wage. This means that form April 2023 providers will be expected to pay staff at least £10.90 per hour, reflecting an increase of £1 per hour on the current rate (10%).  **Delays to Charging Reform**  The delays to charging reform, with unclear timescales for implementation, limit the ability for the local authority and care market to prepare and fully assess the implications from an infrastructure, business model and cost perspective. |
| Section 2: Assessment of the impact of future market changes between now and October 2025, for each of the service markets |
| The cost-of-living crisis is having significant impacts for providers, who have seen their energy bills increase, alongside increased fuel costs. The low-paid nature of the workforce presents additional pressures as providers know their staff are struggling and may exit the sector for higher wages in other sectors. Domiciliary care providers have told us that they are seeing staff leave the sector to go to roles where they are not required to travel for work. These pressures have impacted since the data collection for the Fair Cost of Care exercise (2021/22 financial year) and need to be considered in that context.  In early February 2023 we ran open consultation with providers, including a feedback session for care homes and a session for domiciliary care providers, with a two-week window for organisations to provide information to support their input into fee setting. From this we understand that alongside fuel and energy costs, food and insurance costs have also significantly increased.  **65+ care homes:**  In Oldham the demand and complexity of people requiring residential care is increasing and predicted to continue to do so. As noted above there are specific availability issues in relation to more complex care provision, linked to increasing acuity within the community which has seen the profile of need increase in recent years. The balance of the existing bed base, being mainly standard residential is therefore a risk to the borough.  Specifically in relation to nursing provision, we know workforce is a particular challenge and that we have several providers who have already begun to, or are considering exiting the nursing market. This is of particular concern due to the fact it is an area we know we need to increase supply.  **18+ domiciliary care:**  Recruitment and retention is a significant challenge. The average turnover in the independent sector in Greater Manchester (GM) is 32.7%, with domiciliary care particularly impacted. As a council we have committed to implement the Living Wage Foundation rate across all of our commissioned services in the borough, which may help, however this increases the cost pressures on the authority. GM are also working collaboratively to address this through an Adult Social Care Workforce Strategy.  Oldham is committed to the GM priority to support people to live well at home and prevent hospital admissions and to improve hospital discharge. However, since the start of the Covid-19 pandemic in 2020 demand for domiciliary care services in Oldham has increased significantly and those requiring care are presenting with more complex requirements. This has been a particular issue in relation to meeting requests for double cover packages and requirements to deliver low level health tasks. |
| Section 3: Plans for each market to address sustainability issues identified, including fee rate issues, where identified. This document is aligned to the Oldham Council Corporate Plan - [Oldham Council Corporate Plan](https://www.oldham.gov.uk/info/200146/strategies_plans_and_policies/2888/corporate_plan#:~:text=The%20Corporate%20Plan%20sets%20out,safe%20and%20well%2Dsupported%20residents)  and to the recently published Market Sustainability Plan - [Market Position Statement](https://www.oldham.gov.uk/info/100010/health_and_social_care/1356/understanding_oldhams_health_and_adult_social_care_market), with an updated Joint Strategic Needs Assessment due to be published shortly. |
| 1. **65+ care homes market** |
| **Workforce**  Oldham Council committed to implement the Living Wage Foundation rate across commissioned care providers from 1 October 2022 (at the £9.90 rate, with £10.90 rate announced in September 2022, to be implemented from April 2023). It is hoped that this will help to address some of the challenges in the workforce. The in-year grant for Fair Cost of Care has been used to implement this increase of 3.6% (which was on top of the increase implemented from April 2022 of 6.3%). We have committed to increase our rates from April to ensure providers can pay at the rate of £10.90 from that time.  We have provided £693,399 of funding to care homes through the Adult Social Care Discharge Fund which runs until the end of March 2023 and is intended to be used for recruitment and retention challenges.  GM are developing an Adult Social Care Workforce Strategy, which will include a GM Social Care Academy.  We recognise a specific challenge in the workforce relates to nursing staff and we are aware this is already impacting providers’ decisions around provision in the borough. This will be taken into consideration when we set fee rates for 2023/24.  **Sufficiency of supply and diversity in the market**  As part of this exercise, we have recognised that the current care home fee structure is overly complex and does not encourage providers to move into more complex areas of the market and this has been considered as part of the proposed fees for 2023/24. We have been through our internal governance arrangements as part of annual fee setting and are now in consultation with providers on the proposed rates for 2023/24. Rates will be published once agreed and implemented.  As other authorities are going through the same process to sign off their fees it is difficult for us to understand the impact it may have in terms of out of borough placements; this may also impact in relation to more specialist provision.  **Quality of provision**  It is our aspiration to increase the quality of provision in Oldham, in particular this relates to the nursing provision where we have a significant number of beds with providers rated as requires improvement. We work closely with our Requires Improvement providers to drive up improvement through a Provider Quality Improvement Programme, however we recognise we still have further to progress around this. We are currently developing a Quality Strategy, including learning from other authorities who have better CQC ratings for their care homes, aspiring to Outstanding Care as well as seeking improved quality in those homes rates as Requires Improvement. We are also working with the Medication Optimisation Team within the ICB Locality Team to support the homes which have received Requires Improvement as a result of issues with medication.  At a Greater Manchester level a Quality Assurance and Improvement Framework is in development, which will further strengthen our approach.  We recognise that our current Quality Premium has not worked as intended to improve quality. We are also mindful that linking this to the CQC rating has limitations, not least that we are not in control of the timetable for re-inspection. The number of providers rated Requires Improvement has remained relatively static since we introduced the premiums in 2019, though the actual providers have in many cases changed. We have also not seen any providers move to Outstanding. The suggestions of the removal of this premium, redirecting the funding to increase the base rate is a part of the fee proposal currently with providers.  **Impact of current inflationary pressures**  The information from Fair Cost of Care and our consultation on Fee Setting for 2023-24 have made it clear that providers are facing significant cost pressures. We have taken this into consideration in relation to the percentage increase to providers for the coming year. However, as a council we also have to factor in the need to provide a balanced budget and respond to increased demand. As stated above we are unable to share the fees for 2023/24 at this time as we are in consultation with providers.  **Delays to charging reform**  As yet it is difficult to fully map out the impact of the delays to charging reform will have locally and we will keep this under review. |
| 1. **18+ domiciliary care market** |
| **Workforce**  The plans are as stated above under the care home section 3a. The in year Fair Cost of Care grant was allocated against the cost for implementing the Living Wage Foundation rate of £9.90 from 1 October 2023.  We have provided £158,846 of funding to our framework domiciliary care providers through the Adult Social Care Discharge Fund which runs until the end of March 2023 and is intended to be used for recruitment and retention challenges. A further amount of £82,023 has been paid to providers that were excluded from the Fair Cost of Care exercise but are supporting the discharge programme activities.  **Sufficiency of supply and complexity**  Whist we recognise that there are specific challenges in the OL3 area due to its rural geography we intend to move towards one flat fee across the borough as part of fee setting for 2023/24 and this has been included in part of the proposals which are out to consultation with providers. We feel that the information gathered in the Fair Cost of Care exercise provides us with the assurance that we are paying a sufficient rate for that part of the borough.  We will support people with complex needs by working with partners to ensure that health, appropriate housing, care, and support are available and accessible closer to people’s homes through the GM complex needs frameworks and ensuring the best commissioning models to support better outcomes and better lives.  We are also working closely with our colleagues in Strategic Housing to look at developing new models of care linked to housing and have created a fixed term post within Adult Social Care Commissioning to focus on this work.  **Impact of current inflationary pressures**  The information from Fair Cost of Care and our consultation on Fee Setting for 2023-24 have made it clear that providers are facing significant cost pressures. We have had regard to this when setting fees for providers for the coming year. However, as a council we also have to factor in the need to provide a balanced budget and the impact of increased demand. As stated above we are unable to share the fees for 2023/24 at this time as we are in consultation with providers  **Impact of delays to charging reform**  Please see the comments above in relation to care homes. |