

Report

Cabinet

Part 1

Date: 12 October 2022

Subject **Gwent Regional Partnership Board: Market Position Statement**

Purpose Each Regional Partnership Board in Wales is required under Section 9 of the Social Services and Wellbeing (Wales) Act 2014 to publish a regional overview of the market stability of the commissioned services in that area.

This report takes an overview of the current position of the registered services in Gwent with a specific focus on the relative 'stability' of the services commissioned. This is known as a 'Market Stability Report' (MSR).

Author Head of Audit Services / Head of Regional Partnership Team

Ward All

Summary In Gwent, individuals have a choice as to the services available to meet their needs. However, the stability of the market is likely to be put to the test during financial year 2022/2023 as increasing cost pressures, allied to recruitment and retention difficulties will further expose the sector to increased levels of risk, this is especially so in the adult domiciliary and residential care markets.

Care Homes are currently largely able to meet the demand for the services. Domiciliary care services have reached critical levels due to staffing availability and providers continue to have issues with recruitment and retention. Currently the demands for domiciliary care services are significant, with individuals choosing to remain at home if possible, and these demands are likely to exacerbate already strained resources.

In children's services, the external provider market is subject to instability caused by acquisitions and mergers. There is also currently a lack of competition and choice in the market and the costs and profits are significantly higher than they would be in a healthy, competitive marketplace.

Working throughout the pandemic in conjunction with partnership agencies, alongside independent providers within the care home and domiciliary care sector has required and allowed statutory agencies to work differently and apply some creative commissioning in the best interest of citizens. This has further strengthened the positive working relationships between health and social care and provider partners in the region.

The issues raised in this MSR will be picked up in the Area Plan and measures to mitigate threats to market stability will be outlined. However, it is also important to note that a range of actions aimed at mitigating the current challenges faced by the sector are being dealt with at local, regional and national levels.

Proposal This report seeks the views of Members with reference to:

- a. As required under the Social Services and Wellbeing (Wales) Act 2014 (SSWBA) accept and agree the Market Stability Report for the local authority area.
- b. The authority continues to engage with Regional Partnership Board (RPB) and support the development of the regional Area Plan, where actions will be identified setting out how priorities will be addressed.

Action by Director of Social Services

Timetable Immediate

This report was prepared after consultation with:

- Director of Social Services, Newport City Council
- Blaenau-Gwent County Borough Council
- Caerphilly County Borough Council
- Monmouthshire County Borough Council
- Aneurin Bevan University Health Board
- Gwent Partnership Fora

Signed

Background

Care Homes

The 6 commissioning organisations in Gwent currently commission 106 care homes and 109 domiciliary care providers for older adults across the region. Prior to the COVID-19 pandemic, there were few concerns with regards to care home vacancies and the financial viability of providers. Most providers require at least 90% occupancy to remain financially viable. Care home bed vacancies are monitored on a weekly basis at local and regional levels. However, the COVID-19 pandemic had a significant impact on the provision of care and support in Gwent.

The residential care home market is generally stable, although Gwent has experienced elevated vacancies. However, vacancies are now returning to levels previously common prior to the pandemic. A significant increase in vacancies occurred because of COVID-19, prolonged periods of fewer admissions, suspension of admissions due to infection prevention and control measures and others resulting from the advent of escalating concerns/provider performance issues. There was also some anecdotal evidence of a possible changes in attitude towards choosing to live in a care home and this may also have been an additional factor. Staff isolation requirements meant that homes also experienced significant staff shortages thus further impacting on providers' ability to accept admissions.

Domiciliary Care

Due to the COVID-19 pandemic and staffing shortages, domiciliary care services are currently at critical levels and are at times unable to fully meet demand. Staff continue to leave the sector due to poor pay, terms and conditions and costs of employment (such as driving and registration). In recent months this situation has been further exacerbated by the cost-of-living crisis and particular the rising cost of fuel. Staff shortages have increased delayed transfers of care from local hospitals, creating bottlenecks across the wider system. There is currently an increase in individuals requiring care at home and it is unsure as to whether this will continue following the COVID-19 pandemic. Also, of concern is the number of packages of care that are returned to commissioners, - over 70 providers returning more than 950 weekly hours per week. This causes commissioners to prioritise the most vulnerable citizens with complex needs.

Partnership approach with care homes and domiciliary care agencies

Throughout the pandemic regular, often weekly, webinars were held separately with care homes and domiciliary care agencies. This helped to build a positive working relationship with these key organisations to understand and to support them to continue to deliver good quality, responsive services during the pandemic. It also provided a useful platform to engage providers in critical messages about infection prevention and control measures and to consider business continuity issues. The seminars continue to be held monthly and are much valued by LA's, ABUHB and service providers alike.

This regional approach adopted in Gwent has resulted in developmental work primarily in relation to market stability, and specifically to support workforce recruitment and retention across the social care sector. Commissioners in Gwent currently pay some of the highest rates to providers in Wales. The removal of subsidies from Welsh Government has been a challenge, alongside the rising costs of service provision.

Emotional wellbeing of the health and social care workforce

Gwent Market Stability Report has identified that there is a need to further support the emotional wellbeing of its vulnerable population. The emphasis is now placed on 'what matters' to an individual and commissioning practices will need to change to reflect this. The further development of preventative services is also key to maintaining the independence of individuals.

Mental health and learning disability services

The COVID-19 pandemic has had a significant impact on mental health support for adults and children, with waiting times for Child and Adult Mental Health services increasing. Early intervention has been identified as an area for improvement, as has supporting people with learning disabilities to live independently in their community alongside earlier diagnosis of ASD. In addition, ABUHB are finding it difficult to place complex people with learning disabilities closer to home and therefore this is a growing commissioning issue. Gwent's Shared Lives service is set to expand further with a focus on mental health and learning disability services. Gwent Mental Health and Learning Disabilities Partnership aims to establish what actions are needed to improve the lives of people in Gwent. Finally, a robust action plan has been agreed between all commissioners and the Regional Partnership Team that will pick up commissioning related issues across the piece.

Children's Services

The regional strategic priorities for children and families in Gwent are:

- To improve outcomes for children and young people with complex needs through earlier intervention, community-based support, and placement closer to home.
- There is a need to strengthen services and partnerships around a single front door approach to reduce onward referrals between organisations and establish the right intervention at the right time.
- The Regional Partnership Board (RPB) will continue to implement the principles of NEST/NYTH across all services. Co-production, integration and seamless transitions to adult services remain a key objective.

Children's services are currently insufficient to meet the needs of the region in terms of residential services and foster placements. Demand for foster services currently outstrips supply and it is often difficult to source the right type of placement. The lack of appropriate residential services results in children being placed out of county and Gwent LA's are now focussing on increasing capacity through in-house and external developments and investing in preventative services.

All 5 LA's work in partnership with providers to develop individualised packages of care for local children, supporting independence and resilience. Excessive profits for some independent providers are considerably higher than expected due to a lack of competition and viable alternatives. However, the Welsh Government's policy commitment to 'eliminating profit' in children's residential and foster care could inadvertently act as a deterrent to future investment. The successful transition to a 'not for profit' model will need to be managed appropriately to avoid further pressure on local authority children's services. A robust bid for Integrated Care Funding has been developed and submitted. This focuses on building capacity to develop alternatives to independently provided and commissioned services in line with Welsh Government policy.

Summary

In Gwent, individuals have a choice of the services available to meet their needs. However, the stability of the market in adult services is likely to be put to the test during financial year 2022/2023 as increasing cost pressures mount, allied to long running and entrenched recruitment and retention difficulties; and this will further expose the sector to increased levels of risk, this is especially so in the adult domiciliary and residential care markets.

In mental health and learning disability services there is a renewed opportunity for the regional team and commissioning organisations to work closely to develop a framework for action and to take forward several key commissioning related activities to further support people at local and regional levels.

In children's services a careful balance will need to be struck between ensuring that the right level of services for looked after children are commissioned close to home and to reduce reliance on high profit organisations often far away from people's homes.

Each of the areas summarised above will be picked up and considered as part of the area planning process and where at all possible mitigating measures will be taken to minimise any associate risks.

Financial Summary (Capital and Revenue)

- There are no costs and financial implications associated with this report

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
Costs (Income)					
Net Costs (Savings)					
Net Impact on Budget					

Risks

Should the Council decide not to endorse this report then the Council may find itself in breach of Welsh Government legislation.

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probabili ty of risk occurrin g (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Breach of legislation	H	L	Endorse the report	Sally Jenkins

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

This report meets the Councils' requirements to ensure compliance with the Social Services and Wellbeing (Wales) Act 2014 and the Population Needs Assessment.

Options Available and considered

Endorse the report
Reject the report

Preferred Option and Why

Accept the report to comply with the Social Services and Wellbeing (Wales) Act 2014.

Comments of Chief Financial Officer

Although there are no direct financial implications associated within this report the stability of the market is resulting in significant financial pressure. The demand and the rising costs that adult services providers are experiencing are resulting in unprecedented fee increases being passed onto all authorities and feature in the medium term revenue plan.

Over the last 5 years, this Council has had to invest £11.91m in demand pressures for both Children and Adult social care. In addition, and as pointed out in this report, the pressure on salaries/wages in the sector has continued to be an issue. This Council, like many across Wales, invested more money into budgets in 2022/23 to ensure providers could pay at least the 'Real Living Wage' and which cost £4.353m across both Children's and Adult Social Care contracts. This was a necessary and helpful development although, as the report outlines, pressure on recruitment still exists.

The Welsh Government's 'eliminating profit' policy in children services could also result in financial pressures if external capacity is reduced. The report states that a robust bid for Integrated Care Funding has been submitted which could alleviate this in the medium term.

Comments of Monitoring Officer

Section 144B of the Social Services and Well-being (Wales) Act 2014 requires local authorities to prepare and publish a market stability report, on a regional basis, to assess the sufficiency, sustainability and quality of regulated social care service providers within the Gwent area and the impact upon the commissioning of these care services by the local authorities. This links in with the Regional Population Needs assessment that was approved by Council in March 2022 and the market stability report must take account of the needs assessment and action plan. The market stability report has been overseen by the Gwent Regional Partnership Board and has been prepared in accordance with the Partnership Arrangements (Amendment) and Regulated Services (Market Stability Reports) (Wales) Regulations 2021 and the Welsh Government's Code of Practice and Guidance. It now needs to be formally signed-off and agreed by each of the partners, so that it can form the basis of the joint regional Area Plan. The market stability report has been presented to Partnerships Scrutiny Committee and Cabinet are also invited to consider the report and make any comments. The final report will need to be approved and adopted by full Council, prior to its publication and submission to Welsh Government.

Comments of Head of People, Policy and Transformation

The report provides a useful assessment of the state of the market for commissioned services in the Gwent region. Particular concerns have been identified within the residential and domiciliary care sectors and within children's services.

The increasing relevance of issues relating to sustainable development, for instance, prevention/preventative services, regional collaboration, long-term planning and individual choice in the services received is noted.

The role of the social care workforce will be critical in meeting the challenges outlined in the report, and the significant recruitment and retention pressures within the sector are noted and will need to be addressed through the area planning arrangements.

You will have consulted the Head of People and Business Change to complete the 'Background' section above. This section should confirm that has been done and that the Head of People and Business Change is comfortable with the proposals.

Scrutiny Committees

N/A

Fairness and Equality Impact Assessment:

There are no negative implications associated with this report.

A full FEIA has not been carried out with respect to this report as the Regional MSR must be produced to comply with Welsh Government primary legislation.

- **Wellbeing of Future Generation (Wales) Act**

There are no negative implications associated with this report.

- **Equality Act 2010**

There are no negative implications associated with this report.

- **Socio-economic Duty**

There are no negative implications associated with this report.

- **Welsh Language (Wales) Measure 2011**

There are no negative implications associated with this report.

Consultation

N/A

Background Papers

Gwent Population Needs Assessment

Dated: 5 October 2022