Luton

Market sustainability plan 2023-2026

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Our market sustainability plan sets out how we will continue to work with providers and wider partners to develop services for people using Adult Social Care home care and residential/nursing homes.

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Section 1: Assessment of the current sustainability of local care markets

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

In this section you should set out your local authority's revised assessment of the current sustainability of the 65+ care home market and 18+ domiciliary care market. This assessment should draw on a range of information (for example, cost information, trend information, provider feedback), and consider the market indicators below, to give a comprehensive view and representative picture of the current situation.

- Whether there is sufficiency of supply to ensure continuity of care (for example, are there some geographical areas where there are concerns regarding capacity, or over reliance on a small number of providers).
- The levels of diversity in the market (both in type of services as well as types/sizes of providers), and current use of technology and innovation to improve choice and quality of care.
- The quality of current services and whether there are concerns about quality in particular areas.
- Current fee rates paid and if there is an underpayment and how services are currently commissioned.
- Whether the current market conditions support development of the workforce, whether there are recruitment challenges such as high level of staff vacancies or staff turnover rates.
- The impact of current inflationary pressures on stability and sustainability of the market, including the potential impact of National Living Wage (NLW) increases in April 2023 on provider stability.
- How delays to charging reform have impacted your ability to manage current pressures to market sustainability.

Sufficiency of supply

The overall assessment is that there is currently sufficient supply of care home places to meet current and future needs given Luton's intention to increase utilisation of home-based care for people aged 65 and older. There is a need to increase the provision of care home beds with nursing, particularly for people with dementia or complex care needs.

Care home beds by type (65+)

This number includes all homes that include accommodation for older people in the registration, so may also include some accommodation for people aged 18 to 64. Source: CQC Data February 2023, LBC March 2023.

Care only

Locations: 16
Number of beds: 527

Care with nursing

Locations: 7
Number of beds: 368

The number of beds in care homes without nursing is average for Luton's CIPFA Peer Group, whilst the number of beds in homes with nursing care beds is below the average:

Overall Luton's utilisation of the care home beds, in terms of bed weeks commissioned by the authority from SALT data as a percentage of the total bed weeks available is below the Peer Group and England average.

Data on current and forecast supply and demand for care home places suggests that the overall supply of care home provision is sufficient to meet needs until at least 2025.

There are specific challenges in provision in terms of nursing care for people with complex needs which will be addressed with health colleagues through a procurement of nursing beds. Work is being undertaken to ensure that there is sufficient capacity within the market to withstand short term increases in demand due; for example, due to winter illnesses.

In the longer term, the older adult population in Luton is expected to increase significantly over the next 20 years, and much of the work being undertaken in the period 2023-25 is to ensure the long term sustainability of the care home market for these increases.

The level of vacancies in some care homes has an impact on the overall stability of the market, with high levels of vacancies potentially leading to home closures, as a result of this low vacancy levels could make it challenging for the council and individuals to find suitable places.

Data from the council's commissioning team suggests that the voids percentage in homes that accept local authority rates is 4.39% whilst the voids percentage in all homes is 16.8%. This could impact on the council's ability to find beds when required.

Overall, voids are located in a small number of homes – one of these is undergoing refurbishment whilst in another home a floor has been closed until recently. Voids in the market overall are not at usually at a critical level, although they may potentially affect the long-term viability of individual homes.

There is a relatively low level of self-funding in the care home market, particularly when compared to neighbouring local authorities, and there is a relatively high level of placements from other local authorities. Changes in rules around funding will be mitigated by offering clarity to self-funders about both eligibility and recommended homes.

Care home supply and demand

The following map shows the location of current care homes within Luton mapped against current demand for care home based on population indicators.

While there is limited supply of care homes within some areas, the small overall area covered by Luton means that most care homes are in easy reach. However, there is an identified shortfall in the supply of nursing home beds for people with complex needs, which is addressed below in section 3.

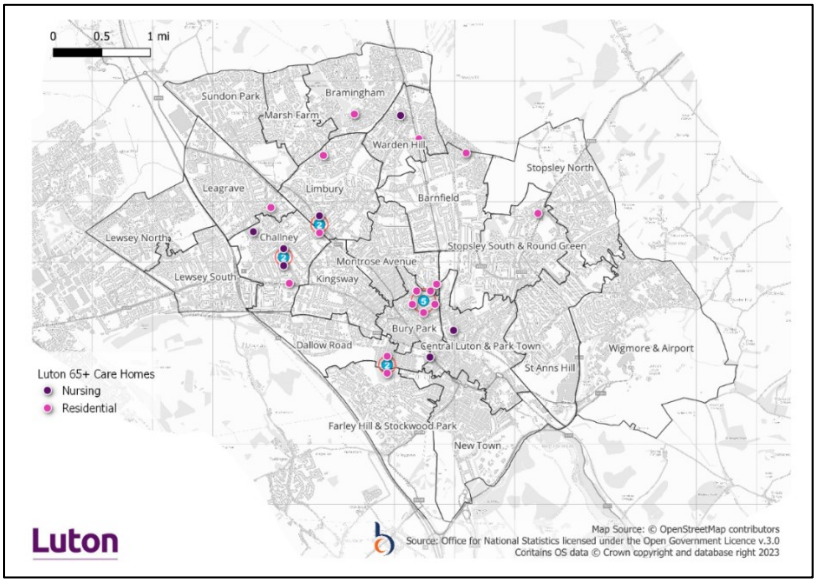


Figure 1 - Location of care homes by type. Source: CQC Data February 2023

Levels of diversity

Overall, Luton has a good diversity of provision, both in terms of geography, type and providers of care homes.

Number of care home locations and different providers by type

The list below shows the number of different providers operating Luton's provision of care homes and care homes with nursing.

Source: CQC Data February 2023

Care only

Locations: 16
Number of providers: 14

Care with nursing

Locations: 7
Number of providers: 6

A larger number of providers in the market does increase choice and reduces the impact of provider failure, but it would make market management more complex for the local authority.

As shown in the map in the previous section, Luton's care home provision is spread across the borough. Whilst there are some areas that do not have any care home provision, overall travel distances to the nearest care home are short.

There is a mix of care homes and care homes with nursing. As noted above, the council is working with providers to increase the provision of nursing beds within care homes, particularly for people with dementia or complex needs. There is a procurement of care home beds taking place in 2023/24 and the council is working closely with the ICB and CCS to ensure that anticipated demand is taken into account.

The council plans to invest in the provision of technology within care homes and support-at-home services to enable a wider range of needs to be supported.

Quality of services

All Luton's 6 care homes with nursing which include a registration for 65+ are rated as 'good' at the most recent CQC inspection (based on January 2023 data).

For the 16 care homes without nursing, the list below provides the quality ratings based on February 2023 CQC data, which is also shown on the map for care and nursing homes.

CQC rating: Outstanding

Number: 1
Percent of care homes without nursing: 6%

CQC rating: Good

Number: 11
Percent of care homes without nursing: 69%

CQC rating: Requires Improvement

Number: 3
Percent of care homes without nursing: 19%

CQC rating: Inadequate

Number: 1
Percent of care homes without nursing: 6%

Luton's care home provision, in terms of number of beds per location, is slightly above the national average, which suggests slightly more modern stock.

Current fees paid and how services are commissioned

Data from the cost of care exercise was, in the view of the council, not robust or accurate and potentially included duplication. Detailed reasoning for this is set out in our Annex B Cost of Care reports.

In 2023/24 services a procurement of Care and Nursing Home Beds will be undertaken. This will enable providers to tender to provide services at a rate that they feel is sustainable. The council is exploring options for the greater use of block contracts rather than spot purchasing as a way of increasing the stability of the care market and to reduce placement costs.

Development of the workforce

Skills for Care data published in October 2022 , based on March 2022 research, based on the Adult Social Care Workforce Data Set (ASC-WDS), suggests that the social care workforce in Luton consists of around 5,800 adult social care jobs in Luton, of which 1,700 are in care homes.

The overall staff turnover rate in Luton is 22% which is below the regional (32.2%) and England (30%) average. The turnover rate for individual service types varied considerably, with a turnover rate of 52% for independent sector care homes, 55% for care homes with nursing, but only 4% for non-residential services.

The data suggest that staff vacancy rates in care homes (with and without nursing) are low at 6.5% (rising) for are homes without nursing and 2.5% for care homes with nursing.

Sickness rates were below the regional and England average at 4.8 sickness days per year per worker compared to 7.7 days in the region and 8.3 days for England.

The average pay in March 2022 for all front line care workers in Luton was £9.64 per hour, £0.73 above the national living wage at the time (£8.91). The pay rates for care workers in Luton are the same as the regional and England average of £9.64 and £9.66 respectively.

The list below shows the case work type and the pay per hour in March 2022:

- **all:** £9.64

- **care home without nursing:** £9.35
- **care home with nursing:** £9.56
- **CQC non-residential:** £9.74

A high proportion of the social care workforce at on zero-hours contracts, at 49% in Luton compared to 25% in the regional and 24% for England. Luton is slightly above the regional average for workers holding a relevant social care qualification at 48% (rising) compared to 42% for the region and 46% for England.

The council is working with the providers to increase recruitment and retention in social care, including overseas recruitment and opportunities for training and development.

Impact of inflationary pressures

Luton Council recognises the impact that inflationary pressures have had on social care providers and has provided targeted support to providers. This includes fee increases and additional support to providers.

Care workers are particularly impacted by inflationary pressures, and the council is working with providers to ensure that increases in care worker pay are prioritised in fee increases to providers. The data on the workforce above suggests that pay rates in Luton are similar to national and regional averages.

Impact of delays in charging reform

Delays in charging reforms are not anticipated to have a significant impact on the care market in Luton over the duration of this plan.

Delays in the implementation of higher capital limits and the cap on the lifetime cost of care is expected to have a positive impact on the council's adult social care budget, which will be redirected to support the market.

Increasing use of home care, outcomes-based commissioning and avoidance of care home placements is expected to reduce the amount of time individuals require high-cost care placements. This will significantly reduce the number of people who are expected to reach the care cap amount.

Actions

The council is working with providers to increase the supply of nursing home beds for people with complex needs. As part of this process, there will be ongoing dialogue with providers about long term needs for residential and nursing care to ensure a sufficiency of supply to meet long term changes in demand and any short-term pressures on supply. This work includes increasing the availability of short term reablement services to support people moving from hospital back home.

The council is working with providers on strategies to increase recruitment and retention in the care home workforce, covering terms and conditions as well as workforce development.

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

Sufficiency of supply

Luton has a high level of commissioning of social care services from the community (generally homecare) compared to the CIPFA Peer Group for 65+ domiciliary care. The level of commissioning is lower for people aged 18-64.

Luton has a relatively small number of domiciliary care locations registered to provide services only for people aged 18-64. In comparison, the number of locations providing domiciliary care for people aged 65+ is in the middle of the Peer Group authorities.

The map below shows where the greatest demand for social care for people aged 65+ is likely to arise based on population indicators.

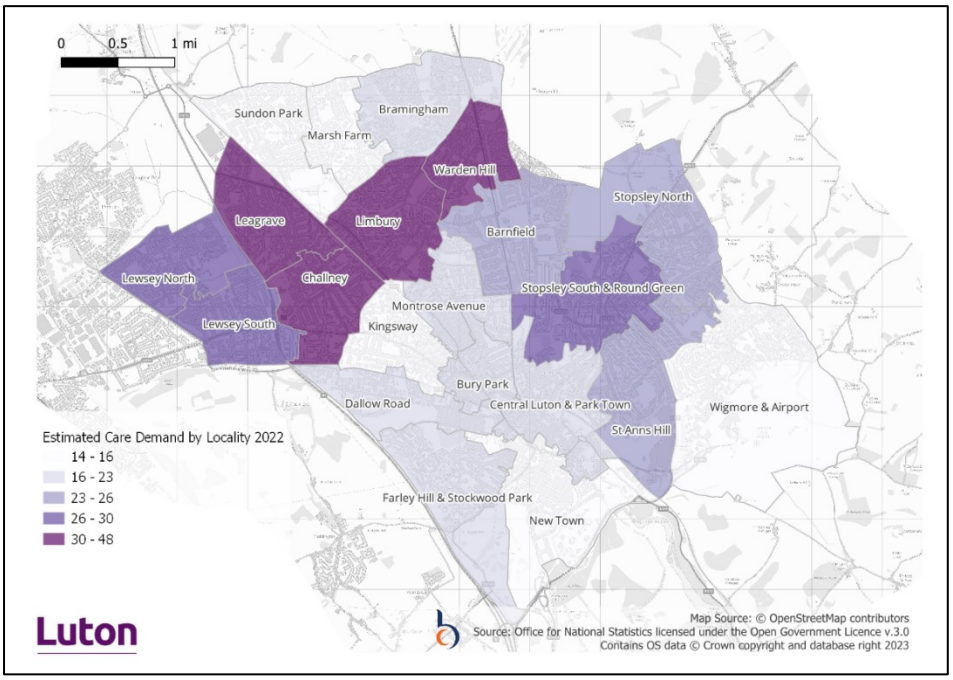


Figure 2 - Map showing estimated demand for care services by locality. Source. ONS data

Levels of diversity

Overall, Luton has a good diversity of provision, both in terms of geography, type and providers of domiciliary care provision.

The list below shows the number of different providers operating Luton's provision of domiciliary care for people aged 18 to 64 and people aged 65 and over.

- **All adults:** 62 providers
- **Adults 18 to 74:** 2 providers
- **Adults 65+:** 3 providers

There is less provision of domiciliary care for people aged 18-64 because of a range of alternative provision, such as supported living services, but the council is working to increase the range of support-at-home services for younger adults.

The provision of domiciliary care is spread across the borough. The council is aware of lower take-up of domiciliary care within some of the minority communities where families and other community supports may meet more of the demand. The council continues to review needs in these communities to ensure that demand is not masked by a lack of suitable provision.

The council plans to invest in the provision of technology within support-at-home services to enable a wider range of needs to be supported without increasing the cost of support staff to individuals. This includes increasing take-up of MiiCare, a digital assistant platform aimed at older adults allowing the addition of wellbeing sensors and home automation devices to support people to manage their health and wellbeing independently.

Quality of services

Overall quality of domiciliary care provision in Luton is reasonable, with 54% of all registered domiciliary providers with locations in the authority area rated as Good. Those services rated as

Requires Improvement continue to be monitored. There are no overall concerns about the quality of care provided by domiciliary care providers.

The list below shows the percentage of CQC quality rating of home care providers with latest overall ratiing from February 2023 data.

- **Not yet rated:** 34%
- **Good:** 50%
- **Requires improvement:** 16%

Current fees paid and how services are commissioned

Data from the cost of care exercise was, in the view of the council, not robust or accurate and potentially included duplication. Detailed reasoning for this is set out in our Annex B Cost of Care reports.

The procurement process that is currently underway for domiciliary care services will inform fee setting processes which will continue to be based on up-to-date evidence and sound knowledge of the local market. The procurement process enables providers to tender to provide services at a rate that they feel is sustainable.

The council currently commissions home care through four main contracts, with additional providers spot purchased depending on demand. These contracts are currently being recommissioned through a competitive tendering process. Having a smaller number of main contractors allows the council to develop closer working relationships with providers.

This supports our strategy of improving the sustainability and responsiveness of the domiciliary care market to meet current needs and planned increase in provision of support in the home and avoidance of care home admissions. The council is moving to an outcomes- based commissioning model to ensure that domiciliary care services continue to meet the needs of a changing population.

Development of the workforce

See the section above on 65+ care homes.

Impact of inflationary pressures

Luton Council recognises the impact that inflationary pressures have had on social care providers and has provided targeted support to providers. This includes fee increases and additional support to providers.

Care workers are particularly impacted by inflationary pressures, and the council is working with providers to ensure that increases in care worker pay are prioritised in fee increases to providers. The data on the workforce above suggests that pay rates in Luton are similar to national and regional averages.

Impact of delays in charging reform

The impact of the delays in charging reform affect both the care home and domiciliary care markets equally and this impact is covered in the 65+ Care Home market section above.

Actions

The current re-commissioning exercise for home care services is based on an outcomes-based approach combined with a close working relationship with the main providers to enable long term market development to meet future demand challenges.

A recent procurement exercise focussed on the provision of community-based support services for adults aged 18-64, including people with learning disabilities and people with mental health problems. The aim will be to increase the supply of supported living service and reduce reliance

on care home provision. Work is ongoing to review the supply of supported housing options for older adults, particularly extra care housing.

Work is also ongoing with providers to improve recruitment and retention of staff.

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

65+ care homes market and 18+ domiciliary care market

Impact of inflationary pressures

Inflationary pressures are likely to have impacts in three areas:

- For domiciliary care services, there may be an increase in people requiring support due to consequences of high inflation particularly if they cannot afford to eat or heat their homes adequately.

- For care workers, the rising cost of living and increased travel costs will impact on the affordability of wages in the care sector, particularly if the national living wages does not keep pace with inflation. This may increase the pull towards other employment sectors, away from care, exacerbating existing staff shortages.

- For providers, they will face higher wage costs from the increase in the National Living Wage and demands for wage increases from staff. There are also increased costs of running services, with increased fuel and food costs having a particular impact on care home providers. This is likely to lead to increased pressure on local authorities to increase both home care and care home fee rates.

The local authority are likely to be directly impacted by each of these factors, alongside increasing costs of running all council services due to increasing costs.

Changes in demand

There is a forecast increase in demand for care and support from the growing 65+ population. Overall, the council anticipates an increase in demand of around 3% over the period 2023 to 2025.

During this period, the council anticipates meeting the increased demand for care services through the provision of support at home, including domiciliary care services as well as the provision of supported housing for older people. Changes in demand vary across the borough as illustrated in the map below.

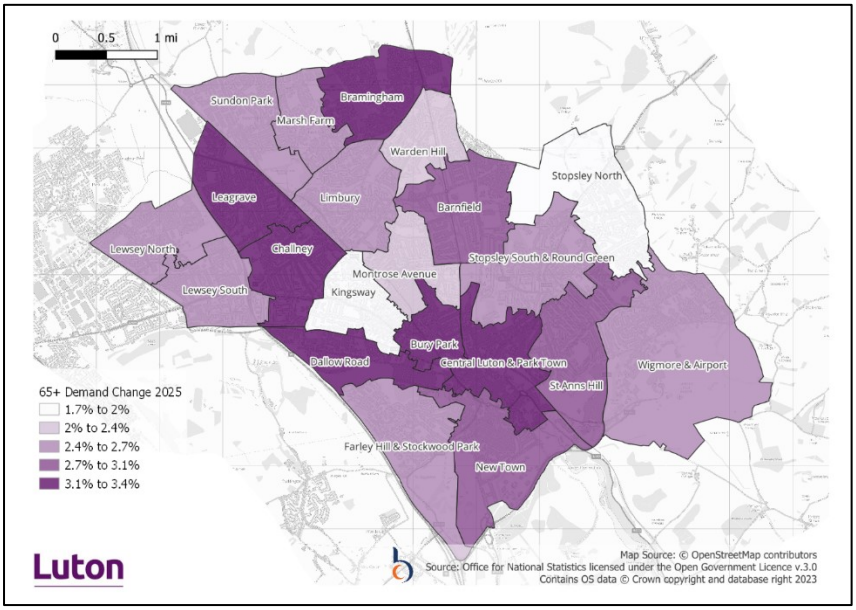


Figure 3 - Changing in demand for care and support from people aged 65+ by locality. Source: ONS Data

As noted earlier, the council is aware that demand from ethnic minority communities is lower than predicted by the population demographics possibly because higher levels of support are met within the family and community. The council continues to work with the community to ensure that current service provision meets community needs and does not result in unmet needs.

Anticipated increases in demand for care home provision are expected to be met through support at home and supported housing services for older people over the period, with the result that the supply of care home beds overall is expected to be sufficient to meet demand. Work is ongoing with providers to adapt services to meet the increasing demand from people with dementia and complex needs who cannot be supported their own homes or other forms of supported housing.

Overview of strategic risks

- Unsustainable cost increases in care home and domiciliary care provision due to inflationary pressures which will impact staff recruitment and retention for care homes and domiciliary care providers, increasing pressure for wage increases.

- Increased alternative economic opportunities meaning that staff may not enter or remain in the care sector.
- Potential increased demand for care services from people whose finances are under pressure including impacts on their underlying wellness of reducing heating and eating.

- Procurement exercises and wider market reform may have consequences for current providers. In addition, providers withdrawing from the market may create challenges.

18+ domiciliary care market

The change in the 18+ domiciliary care market between March 2023 and October 2025 is expected to be similar to that of the 65+ care home market. Increasing needs arising from population growth will be met through increased provision of support at home services, including the use of technology, community supports and domiciliary care provision.

A focus on outcomes-based commissioning will underpin a move towards a support model that enables support to focus on outcomes that sustain long term independent living and reduced reliance on formal support.

The council is working with the market to continue to grow the range of community-based services to support people aged 18 to 64 with learning disabilities, mental health problems or physical

disabilities, including ongoing increasing take-up of direct payments and personal budgets to allow individuals to design their own outcomes-based support packages.

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

Note: As part of these plans local authorities should also demonstrate how they complement other strategic documents, such as, but not limited to their Market Position Statements and demonstrate how they have worked with local providers to develop the plans in this section.

a) 65+ care homes market and 18+ domiciliary care market

Introduction

The table below shows the council's plans to address market sustainability issues over the period March 2023 to March 2026. These plans cover the 65+ care home market and the 18+ domiciliary care market, because both of these are closely linked in the council's plans.

The council has worked with the providers in the care home market and domiciliary care market in the development of these plans, including a number of workshops organised on market developments and the introduction of outcomes-based commissioning in February 2023. The council has also been working closely with domiciliary care providers through the procurement exercise that is currently underway.

The priorities identified in the action plan are linked to the council's Market Position Statement, published in January 2021, updated where appropriate, to reflect the market sustainability requirements arising from the cost of care exercise, care market reforms and significant inflationary pressures.

Market sustainability action plan

Objective 1: Market Support for provider stability

2023-24: Set up pre-care course

Develop advertising and strategies to attract and retain carers in Luton

2024-25: International recruitment of nurses for care homes

2025-26: International recruitment of nurses for care homes

Objective 2: Procurement of home care, extra care and care homes

2023-24: Roll-out of new home care contract and providers

Review options for extra care housing procurement

Procure care homes and nursing homes

2024-25: Roll-out outcomes based commissioning model for home care

Procurement of extra care housing

Roll-out of new care/nursing homes contract and providers

Objective 3: Work with ICS to avoid unscheduled hospital admissions

2023-24: Virtual wards

Care home procurement

2024-25: International nurses project

2025-26: CQC project for nursing/care homes

Objective 4: Work with care home providers to develop short term rehab services

2023-24: Care Home procurement

Explore potential of Home care/reablement and care homes working together in even more integrated ways

Objective 5: Better use of dual registered homes

2023-24: Identify Homes which could provide both services

2025-26: CQC project for nursing/care homes

Objective 6: Outcomes-based commissioning

2023-24: Scope impact of outcomes based models where they have been implemented for home care nationally

2024-25: Implement model for home care

2025-26: Implement model for elements of care/nursing home provision

Objective 7: Development of care technologies

2023-24: Further develop strategy and plan with Adult Social Care and ATS

Scope use of Doccla and MiiCare to monitor people in community settings including Virtual Ward

Include technology expectations in care/nursing homes procurement

2024-25: Include technology expectations in care/nursing homes procurement

Summary Adult Social Care funding commitments 2022-25

The final plan is required to include a summary of how 2022 to 2023 funding has been committed and plans to maintain stability over subsequent years.

Grant funding in 2022 to 23 was used to provide above inflation uplifts to nursing/care homes and home care providers and to build internal infrastructures to support the ongoing Adult Social Care reforms.

Future funding will be used to continue to strengthen the market through the plans set out above to ensure that the population of Luton are supported safely and effectively.

Engagement with providers

During the exercise our support provider made well over 220 contacts with providers.

Workshops were held with providers and wider stakeholders through autumn 2022 to spring 2023 to develop the draft priorities for the Market Sustainability Plan.

Detailed surveys were also undertaken with each nursing/care home to discuss their future plans.