Care Act 2014 guidance on Market Shaping

Principles which should underpin market-shaping and commissioning activity:

• focusing on outcomes and wellbeing
• promoting quality services, including through workforce development and remuneration and ensuring appropriately resourced care and support
• supporting sustainability
• ensuring choice
• co-production with partners

Steps which local authorities should take to develop and implement local approaches to market-shaping and commissioning:

• designing strategies that meet local needs
• engaging with providers and local communities
• understanding the market
• facilitating the development of the market
• integrating their approach with local partners
• securing supply in the market and assuring its quality through contracting
Demand

North Yorkshire’s total population is forecast to increase by 5% by 2039. The 65+ population is forecast to increase by 53% over the same period, with a 74% increase forecast for Selby district.

The presence of specialist charity provision for people with disabilities in specific locations in North Yorkshire increases local prevalence rates and potential future care needs.

By 2039 four districts will have Old Age Dependency Ratios (ratio of aged 65+ to working age population) among the highest 10% of LAs in England. Craven will have the 15th highest ratio out of 326 LAs.

This evidences that the population is naturally getting older. More challenging due to net migration at different age levels.

North Yorkshire is a net importer of older working age and recently retired adults. Around 1,200 additional people aged 55-69 per year move in from other parts of the UK, increasing the potential demand for care in later life.
Demand - Rurality and Deprivation

Around 14% of domiciliary care services are delivered in areas of super sparse population (less than 0.5 persons per ha) which also have poor access to services. These very rural areas cover the majority of the county.

High levels of deprivation on the Income Deprivation Affecting Older People Index (IDAOPI) are largely confined to urban areas, with high population density.

Some coastal areas have high levels of deprivation in terms of both IDAOPI and Geographical Barriers to Services (named in purple on the map, bottom right).
7.6% of the population (45,700 people) in North Yorkshire had health issues which limited their day-to-day activities “a lot” in the 2011 Census, rising to 10.5% in Scarborough compared with a national average of 8.3%.

People aged 65+ (25,000 people) who can’t manage at least one self-care activity on their own are projected to increase by 53% by 2035, equating to 25,000 additional people. Amongst people aged 85+ the figure is expected to more than double to over 26,000, accounting for half of the overall increase.

North Yorkshire’s rate of undiagnosed cases of dementia is lower than its CIPFA Group average. 33% of cases are estimated to be undiagnosed, rising to 48% in Ryedale.

The changing demography indicates an overall reduction in the number of people with a learning disability (LD), with:
- significantly fewer working age adults with LD needs, who make up a small proportion of the current caseload; and,
- a 40% increase in LD need amongst the older, population up from 3,000 to 4,200 by 2035,
- Increasing complexity of care needs due to co-morbidities.
Demand – Key Issues

• North Yorkshire has an older population profile than the country as a whole, which is forecast to result in 25,000 additional people aged 65+ who will be unable to manage at least one self-care activity on their own by 2035.

• The large, rural nature of the county and its sparse population makes access to services and meeting clients’ needs a more complex equation.

• Low levels of income deprivation and benefit receipt amongst older people, but the highest level of fuel poverty in region.

• Higher than national rates of adults with physical disabilities, learning disabilities, mental health problems and older people supported throughout the year than nationally.

• 33% of dementia cases are estimated to be undiagnosed.

• Increasing numbers of older people with a learning disability.
Demand – Response

Service Delivery
• Stronger focus on the “prevent, reduce, delay” agenda, including Living Well
• Strength based approaches to the assessment and support of social care needs
• Investment in new and existing community-led schemes which support adults and older people
• Delivering a modern communications network (Council Plan) - Enabling telecare

Stronger Communities
• Inspire Fund – grants to help improve social interaction
• Delivery Managers engaging with local groups interested in taking on a greater role in the delivery of services
• Working with Targeted Prevention Services

Public Health initiatives
• Good work is good for you (DPH Annual Report)
• Keeping the workforce healthy and happy (Council Plan)
• Community based physical activity service providing age and physical ability appropriate activities at risk of falls, increasing frailty, or loneliness and social isolation

Growth strategy
• Creating the right conditions for business growth and investment (Council Plan)
• Training for care sector employment to retain younger workers - working with the new Coventry University Scarborough Campus to develop a series of modular skills development courses (Council Plan)
Capacity
Residential and nursing care

- 245 adults per 100K in residential/nursing care during the year, compared with a national average of 200. In 2016/17 North Yorkshire reported lower than average rates of permanent admissions to care homes.
- NYCC operates 13 homes (408 beds), with none in Richmondshire as these have been replaced with Extra Care provision.
- Low occupancy levels in NYCC homes due to staffing levels and fitness for purpose of accommodation, e.g. lack of en-suite facilities, size of rooms.
- CQC indicates a 0-10% decrease in nursing home beds over 2 years in North Yorkshire.
- Nursing placement occupancy has increased from 95.4% to 97.3% over the period - available beds have reduced by 13.2%.
- Harrogate & Craven has borne the brunt of the reduction in nursing beds, showing a 17.2% reduction in available beds whilst occupancy has remained at 97.5%.
- Overall occupancy rates have been consistently at saturation point over the last two years, averaging above 95% in 5 of the last 8 quarters. Over the same period, the number of beds available reduced by 7.5%.
- Selby is the only locality showing an improvement in average occupancy levels, down from 95% to 92% over all. Average nursing occupancy in Selby has been above 95% in 5 of the last 8 quarters.
- The other localities show average occupancy figures in excess of 96%. In Harrogate & Craven and in Scarborough, Whitby & Ryedale overall occupancy has averaged above 95% in 7 of the last 8 quarters.
Domiciliary care

140 providers plus NYCC in-house provision
- 2,664 packages being delivered, 235 new packages per month
- 25,650 Hours per week provided by external providers who are mainly small/medium sized local companies
- 2,500 Hours per week (67 FTE) NYCC in-house home care and Extra Care domiciliary care

Deteriorating market capacity outside of market towns. Challenging for providers to generate runs in rural areas.
Domiciliary Care

Number of clients with an additional carer increased by 5.4% between 2016/17 and 2017/18, with the largest increase in Harrogate/Craven (18.3%).

Reduced volumes of domiciliary care and increase in movement of packages and providers areas of operation – unstable market.

NYCC provides 530 weeks of cover for unsourced packages out of a total of 1,247 weeks across all providers.
Capacity – Key Issues

• Challenge of meeting needs of aging LD clients particularly those with dementia
• Availability and affordability to the Council of residential/nursing placements in some areas and new developments not targeted at Council funded market.
• No market appetite for new or expanded nursing provision
• High occupancy – Residential 93%, Nursing 96% (Knight Frank 2016/17 benchmarks are 90% and 89% respectively), reaching saturation point
• High levels of self-funders (44% UK average per Knight Frank), particularly Harrogate and Selby – 60% across North Yorkshire
• Home closures (5 homes, 139 beds in 2017) - smaller homes unable to meet running costs or investment needed in improvements to meet CQC quality standards
• DToC targets – pressure on residential care beds for transitional support and timeliness of assessments reducing available capacity further
• 245 adults per 100K in residential / nursing care during year, higher than national average (200), but admission rates are lower than the regional average
• Workforce pressures continue to limit capacity
• Reduction in community hospital beds not currently being met by expansion of providers
• Information of emerging market developments could be improved
Capacity – Key Issues

- Significant impact on LA resources to support unsourced domiciliary care packages
- Difficult to source and deliver care in rural locations, including areas where providers have submitted super rural rates
- Previously unsourced packages returning to NYCC as complexity increases
- Market engagement around domiciliary care provision is increasing
- Some capacity issues may require alternative models of provision
- Need to make market engagement more joined up with partners and relevant
- Challenge of supported housing for people with mental health needs
- Consideration of market conditions to build or create conditions for others to build extra capacity
- Mental health market is unreformed and challenging in relation to quality supported housing and budgetary constraints
Capacity – Response

- Allocation of IBCF funding market improvements
- Market development feasibility study supported by Mazar’s
- Considering digital options
- Expansion of micro enterprises
- Workforce – see slides 27-30
- Quality – see slides 22-25
- Alternative options for in-house delivery, including a community interest company, are being explored
Cost – Key Issues

- The approach to domiciliary care rates has allowed the market to shape cost structures but it is not fully delivering what we require in rural and super rural areas
- Continuing need to review high cost placements
- Health impact on the market price
- Determining the model to follow the domiciliary care frameworks.
- Unresolved issues relating to historic sleep-in liabilities for NYCC and providers
- Increase in admissions and throughput is escalating budget pressures due to cost
Cost – Response

- Strength based approaches are helping to improve sustainable outcomes
- 5-year pricing included in the Approved Provider List for domiciliary care from 2016
- Cost of Care exercise for residential and nursing care provision.
- Reviewed the impact of the introduction of the Living Wage for people doing sleep-ins and providers ability to meet their legal obligations
- Reviewing complex and out of county
- Brokering on behalf of health – visibility of all services required and consistent approach
- Intelligently placing packages to make them more viable to providers
- Agreed mechanism for inflationary increases
- Move from EPH to Extra Care
- Clearer pathway for supported living
Quality
Quality – CQC ratings

NYCC are in the middle quintile of councils for the proportion of providers rated good/outstanding by CQC in their 2016/17 annual report.

Homes in North Yorkshire are rated better overall than nationally but 1 in 4 providers do ‘Require Improvement’.

No North Yorkshire domiciliary care providers were rated ‘Inadequate’ in January 2018. Nationally 1% were.  
13% ‘Require Improvement’, though this is lower than nationally (15%)
Quality - Residential and nursing care

In 2017, homes impacted by suspensions:

- Residential: Harrogate – 2; Scarborough – 1; Whitby – 1; Hambleton – 1; Ryedale – 1
- Nursing: Scarborough – 1; Hambleton – 1; Richmondshire – 1

Consideration of suitability of existing care and nursing home estate to meet increasing complexity of needs of people requiring care and support

Fitness for purpose of accommodation for dementia care needs and equipment use

Providers unable to invest in capital improvements

Land prices discourage developers from the area
Quality – Key Issues

• Although homes have better ratings than national average there is still room for improvement
• CQC actions and/or suspensions can significantly reduce capacity
• ‘Requires improvement’ ratings highlight leadership and staffing issues among as areas for improvement
• Workforce availability, particularly of nursing staff, impacts on the quality of provision
• Robust mechanisms for service user feedback could be improved
Quality – Response

• Allocation of IBCF funding for:
  • Additional quality and monitoring staff recruited to support providers with quality and regulatory improvement work
  • Training Academy
  • Nursing in Nursing Home Bursaries

• Quality Improvement Team

• New quality framework being finalised

• Working with ICG to develop a sector led improvement organisation

• Lay Visitors service introduced
Workforce

Housing affordability – lowest percentile house prices (June 2017)

Housing is more affordable in areas surrounding North Yorkshire, particularly in the Tees Valley and West Yorkshire. Across much of North Yorkshire, particularly around Harrogate, the lowest 10% of house prices are in excess of £200k. Only small areas around Scarborough, Whitby and Selby have housing available for less than £100k.

Workforce is a multifaceted problem – one issue is affordability of housing for those on low wages.

<table>
<thead>
<tr>
<th>District</th>
<th>Hourly rate Nov 2015</th>
<th>Annual full time salary (approx)</th>
<th>Maximum mortgage (approx)</th>
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<tr>
<td>Craven</td>
<td>£7.61</td>
<td>£15,000</td>
<td>£68,000</td>
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<tr>
<td>Harrogate</td>
<td>£9.39</td>
<td>£18,500</td>
<td>£83,000</td>
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<tr>
<td>Hambleton</td>
<td>£8.58</td>
<td>£16,800</td>
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<tr>
<td>Richmondshire</td>
<td>£7.09</td>
<td>£14,000</td>
<td>£63,000</td>
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<tr>
<td>Ryedale</td>
<td>£8.10</td>
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<td>£72,000</td>
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<tr>
<td>Scarborough</td>
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<tr>
<td>Selby</td>
<td>£7.23</td>
<td>£14,300</td>
<td>£64,000</td>
</tr>
</tbody>
</table>
Workforce

Commuting and car availability

North Yorkshire attracts large numbers of commuters from outside the county, particularly from areas of lower cost housing including the Tees Valley, South and West Yorkshire and the East Riding.

% households without access to a car (2011 Census)

Rural areas have high levels of car ownership, though a car may be shared within a household.

Urban areas, where public transport services are more frequent and residents are able to walk or cycle to work more easily, have a higher proportion of households which do not have access to a car or van.
Workforce – Key Issues

- Staff shortages – within 3 years many nurses and care assistants will reach retirement age
- Staff turnover 20%+, vacancy rate 5%, approximately 3,000 direct care vacancies (2015 analysis)
- The population aged 0-64 is projected to decrease by 9% by 2039, increasing the difficulty to recruit carers from among a smaller workforce
- Increasing complexity in the range of tasks social care staff will be asked to complete due to changing demographics and health service delivery pressures
- Difficult to attract workers to the sector – pay, poor public transport links, rural travel costs, poor image of working in care
- Low unemployment rates - ranging from 0.1% in Harrogate to 1.1% in Scarborough (Dec 2017)
- Lower long-term unemployment rate in North Yorkshire (0.15%) lower than national average (0.52%)
Workforce – Key Issues continued

- Seasonal and geographical variations
- Zero hours contracts – carers may choose not to work during school holidays
- Better pay in retail, leisure, hospitality, particularly in Scarborough/Ryedale and Harrogate, e.g. impact of new retail outlets opening and reduction in domiciliary care availability in the same period
- Agency usage ~17% for nurse (rates £21-£35/hour) ~6% for care assistants (£9 -£20/hour) in 2015 although incomplete view of activity
- Use of inefficient systems to manage workflow of the workforce
- Emerging recruitment issues as a consequence of changing employment patterns in hospitality market, potentially linked to BREXIT
- Work with LEP to look at emerging impact of BREXIT on hospitality sector and implications for care sector
Workforce – Response

• Make Care Matter recruitment campaign
• ICG Partnership Board with health
• Allocation of IBCF funding for:
  - Set up costs for ‘centre of excellence' for recruitment in the care sector
  - training & leadership
• Need for a local integrated workforce strategy
• NYCC is progressing various programmes to support workforce development
• Annual inflationary increase - reflecting living wage and inflation
• Broadening workforce – attracting staff from other fields, such as lunchtime supervisors, to deliver non-regulated support.
• Working with community sector to deliver care in different ways
Actions
Ensuring appropriately resourced care & support

- Review the scope for the use of block contracts
- Review and assess options for the in-house model for care delivery
- Ensure use of Extra Care places is maximised
- Develop a detailed understanding of the regulated and non-regulated elements of care provision
- Assess the impact of community hospital and TCP closures on the provision of community-based care for complex cases
- Assess the potential effect of projected demographic changes on the provision and cost of care for people with learning disabilities
- Develop a programme of work to review and strengthen mental health care and support following the reviews of Mental Health and Care & Support
- Develop mechanisms for capturing details of unmet need and cases where needs have not been met in the most appropriate way.
Promoting quality services

• Maximise the use and impact of the Quality Improvement team
• Develop a tool to capture information on providers’ building stock and its development/replacement needs to support future planning activity.
• Develop initiatives to strengthen workforce recruitment and retention
• Work with the ICG to develop more peer-led approaches to improvement
• Explore mechanisms for supporting providers in improving quality
• Work with health to develop initiatives to increase nursing capacity across the county
• Work with health to improve the quality of plans/provision for end of Life Care
• Extend use of the quality framework to external providers
Ensuring choice

• Improve the understanding of what levels and complexity of need is coming through Strength Based Assessments

• Develop a detailed understanding of needs not being met appropriately for people with personal budgets and direct payments

• Develop a detailed understanding of clients’ needs and how new and emerging technology applications might help meet these

• Explore and support the development of community enterprises and voluntary sector provision

• Identify and explore opportunities for extending Make Care Matter to facilitate different models of support, including developing the availability of PAs to support clients with a direct payment
Co-production with partners

- Work with the ICG to develop peer-led improvement support initiatives
- Improve the co-ordination of provider engagement with health and the ICG
- Improve feedback mechanisms with providers and lay assessors
- Strengthen joint brokerage arrangements with health
- Ensure new care models engage with users and local independent markets
- Develop mechanisms to ensure the council receives earlier alerts regarding planned and/or potential market developments from providers
- Unintended consequences of associated discussions and complexity of working with partners and co-production
Priorities and conclusions

- Continue extra care expansion
- Develop supported living framework
- Decide options for successor to the domiciliary care framework
- Reflect on findings from Mazars work and identify opportunities.
- Opportunities for SMEs, we don’t have many large, national providers