

Annex C: Stockport MBC Market Sustainability Plan (updated March 2023)

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

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

This Market Sustainability Plan is underpinned by Stockport Council's Borough plan and in particular our ambitions for health and wellbeing. These are at the forefront of our vision for 2030, to be delivered through a single, systemwide plan for health and care over the next 5 years. The provision of a range of good quality care provision for the people of Stockport are a key aspect of our plans. The Council is clear that market sustainability is key to achieving these ambitions, with support available to enable people to live independently in their own homes but also sufficient residential and nursing care available. This will require the Council to ensure that its statutory duties of market shaping, and management are clear, effective and co-produced with all relevant stakeholders.

i. Stockport Demographics & Provision

The population of Stockport is 294,100 with 59,200 people aged over 65 (20%) and 8,400 (3%) aged over 85 (POPPI database 2020). Stockport has a high proportion of people over 85 in comparison to neighbouring Greater Manchester (GM) authorities and the number of older people in Stockport is anticipated to increase over the next 3 years (17% rise in the number of people over 85 by 2025). The latest figures show there are 2,679 people in Stockport with a diagnosis of dementia (PHE, 2022), with a higher prevalence estimated and an indication that there will be an 8% rise by 2025. There are a total of 2340 beds in residential and nursing care in Stockport in 63 care homes. Of these, 2,259 beds are registered with CQC to support people over the age of 65. 589 of these beds are allocated as nursing beds across 20 homes. 400 beds are designated as nursing and 189 as Nursing EMI. There are 1,670 are residential beds; 806 are designated Residential EMI and 864 are Residential.

ii. Sufficiency of Supply

There are currently 172 vacancies across residential and nursing homes in Stockport, a rate of 93% occupancy at 17 March 2023. The rate of permanent admissions into care homes commissioned by Stockport Council is 33 per month but there is variability based on the level of care provided:

	Residential	Residential Dementia (EMI)	Nursing	Nursing Dementia (EMI)
Average placements made by SMBC per month	10	10	10	3
Number of Vacancies at 17 March 2023	98	43	28	3

In addition to permanent placements there continues to be, as part of hospital discharge to assess, an average of 100 people per month admitted for short term placements to care homes. This has a significant impact on capacity, and work is on going to improve the capacity to support reablement in people's own homes rather than having to have a short-term care home admission.

The relatively high levels of occupancy in the nursing care market in Stockport provide some sufficiency challenges where there are higher levels of demand for this type of placements. The number of vacancies in care homes in Stockport is currently steady with the longer-term trend being an increase in occupancy. The numbers of beds available in Stockport are sufficient to meet the demands placed on the sector by the Council and health partners alongside the demands on the market made by private people who are on average likely to be resident in a care home for longer. The average length of stay for people where their placement has been commissioned by Stockport Council is between 1.4 and 1.7 years. Stockport commissions 43% of the beds registered

in the Borough with other LAs and Health partners commissioning 18% of the beds, with self-funders currently buying 39% of the beds in the Borough.

iii. Care Home Geographical Coverage in Stockport

There is good geographical coverage of care home provision across Stockport. Purpose built, larger homes tend to be located more centrally in less affluent areas of Stockport with prices at or close to the Council's set rates for care home provision. There are some larger purpose-built care homes which have been built more recently in the South and West of the Borough where higher fee rates are experienced both for people who self-fund and those placed by the Council. A good proportion of homes in the more affluent areas of Stockport are conversions of existing buildings with smaller average sizes and higher costs. Stockport people can therefore access care home provision locally, but costs and facilities may be different based on the location in the locality. Further care home developments are in planning to build more care homes locally which have the potential to further exacerbate workforce challenges locally particularly for nurses.

iv. Diversity of Suppliers

There is a diverse supply across Care Homes in Stockport in terms of providers, with the largest provider accounting for less than 20% of the total care home beds across 9 homes. There is a spread of homes run by providers with a national presence across England (34% of all beds), a number with a regional presence (42%) and some that are run as Stockport based homes with many owners being involved in the day-to-day management of the homes (24%). Our discussions with all providers have indicated current cost pressures and staffing challenges but the fragility of the Stockport based homes which tend to be smaller in size as well as not being part of a larger group are assessed as having higher viability challenges. The Borough has seen continued interest in providers seeking to establish themselves in the market and has supported increased choices for people. Colleagues in the Council's planning section liaise with Commissioners to ensure proposals are in line with strategic objectives and provide new models of care. The Council seeks early engagement with providers to maximise opportunities and articulate these objectives.

v. Quality

Overall, the 63% of the care home beds in Stockport which have been inspected are currently rated as Good or Outstanding by the Care Quality Commission (CQC), with 76% of homes providing only residential beds rated as Good or Outstanding and 46% of beds in homes providing nursing beds rated as Good or Outstanding. Relative to the North West, CQC quality ratings in Stockport have seen some decline, with more support required from commissioners in recent months.

Our engagement with nursing care providers has indicated that there are a number considering deregistering as a nursing home provider due to the costs and risks associated with the provision of nursing in a care environment and an associated impact on quality. Providers have highlighted the challenges in securing nurses on permanent contracts, indicated that they are overly reliant on agency nurses which is not good for their provision due to the inconsistency of staffing as well as the additional costs incurred.

vi. Development of the Workforce

In common with other local authorities, the current market conditions in Stockport care homes make the development of the workforce challenging. The recruitment of nursing staff has been highlighted in the feedback that the Council receives from providers as a particular challenge. Data for Stockport shows that an average over 20% (32 of 159) of the nurses employed in Stockport are from agencies with the trend increasing. This is more than twice the level of agency use amongst non-nursing care staff.

Skills for Care figures suggest that turnover remains high in Stockport estimating in 2021 that the staff turnover rate was 41.8%, which was higher than the region average (28.4%) and England. Engagement and feedback from our providers confirm that this is a significant, longstanding and increasing issue locally with workers having a choice of employment both in Stockport due to the buoyant economy locally and strong transport links to Manchester where there are further employment opportunities.

The Council continues to work closely with providers around their workforce challenges and has committed to funding which enables providers to remunerate at the Real Living Wage rate. The council is developing its own programme of workforce support for providers and is part of the Greater Manchester workforce strategy development. Providers are reporting that the current level of inflation and cost of living are impacting directly on their staffing levels. This intelligence was taken into account as the council developed its fee setting approach for 23/24.

vii. Fee Rates

The Council regularly engages with the care home market locally as part of setting fees rates that the Council will pay for placements. The Council is challenged in securing placements at the set standard rates; in January 2021 50% of placements were at standard rates with this shifting to 30% of placements at January 2022 being at standard rates recognising the challenges that are facing some of our smaller providers. To secure local provision, the Council will sometimes need to pay an enhanced rate (over and above the set standard rates). The council has continued to be committed to sustainable fee rates during 22/23 across all care providers.

Stockport Council is consistently amongst the highest in the region for fee rates and has set these to be conducive to market sustainability. Care home provision for Stockport's base fee rates in 2022/23 are in the upper quartile for each type of provision when compared to other Local Authorities in the North West region. The current level of Council fee rates does not appear to be impacting negatively on the sustainability of the market in Stockport with the two home closures in the last 3 years being linked to quality and change in ownership of the building rather than rates being paid.

viii. Inflationary Pressures and Charging Reform impact

The Council has liaised with providers in respect of the impact of the current inflationary pressures over the last 12 months as part of the Cost of Care Exercise as well as regular forums and more recent specific engagement over the Cost of Care outcome, this Market Sustainability Plan and fee setting for the forthcoming financial year. Providers have reported a number of approaches to managing costs but the impact we have heard from providers is significant, particularly the increase (of 10.1%) in the Real Living Wage which the Council uses as a basis of setting its fees. This has led to the Council setting fees for 2023/24 which seek to mitigate these challenges. The average uplift to ceiling rate beds is 12.8%. This comprises of an average 10.1% increase for inflation and a further average 2.7% increase to support and further promote local market sustainability and continue to support quality care. The response to the Council's approach has been broadly positive and we will continue to work with providers to monitor and promote sustainability in the market locally. The delay to Social Care reform plans has impacted on the programme of work aligned to Cost of Care, as part of ongoing discussions with providers the Council will continue to work collaboratively to manage the longer term issues with stability which social care reform is seeking to address.

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

i. Overview

There are 63 domiciliary care agencies registered in Stockport with, 45 delivering support within the scope of the Cost of Care Exercise. The Council commissions domiciliary care through a framework

approach and has contracting arrangements with 22 of the Stockport registered providers. The Council contracts with a further 12 providers who have a CQC base outside of Stockport. There are 1,421 people in Stockport receiving domiciliary care in their own home which has been commissioned by the Council, receiving a total of 16,300 hours per week of support. By comparison, Stockport has a high proportion of the population aged 18+ receiving Council commissioned domiciliary support. This is in keeping with the Council's strategic approach to supporting people to remain in their own home for as long as possible, in line with their wishes.

ii. Sufficiency of Supply

This rate of demand has remained steady for the last 10 months with some higher figures at the points where there were surges in COVID-19 absences of home care staff. In the last 12 months the Council commissions 86 packages of care per month, with those packages consisting of an average of 12.7 hours per week of support per individual. The number of packages commissioned are increasing as well as the hours per package, which has increased by 10% compared to previous years reflecting the increased complexity of need that the Council is seeking to support in the community as a key part of the strategic approach. On average, people receive home care for 1.1 years through the Council.

The Council remains confident in the sufficiency of supply with an average of under 20 support packages being sent out to framework providers and on average support packages starting 5 days after referrals being made. Using the figures available from the Capacity Tracker and assuming that the proportion of non-commissioned care provided in Stockport by providers whose CQC base is outside of Stockport, the Council commissions approximately 60% of the domiciliary care in Stockport.

iii. Domiciliary Care Geographical Coverage in Stockport

There is good availability of domiciliary care across Stockport. There are, however, some areas around the borders of the Borough where it can be challenging to find the support required swiftly. In the East (which is rural) and South of the Borough, which is semi-rural and affluent, packages can be more difficult to secure. The Council uses an interactive map with all commissioned domiciliary care packages plotted which enables commissioners to contact providers who deliver support local to the individual using that intelligence. Where this approach is not successful, we will look outside of our commissioned provision, but this is rare.

iv. Diversity of Suppliers

The Council contracts with 34 providers across Stockport for domiciliary care packages, with no one provider having more than 12% of the hours commissioned. Two thirds of the commissioned providers are based in Stockport with the remainder having offices registered in neighbouring local authorities (Manchester & Tameside). A number of the providers are relatively small and managed by the owners with 40% of providers registered in Stockport having fewer than 30 service users.

v. Quality

92% of the domiciliary care providers registered in Stockport with a rating are currently rated as Good by the Care Quality Commission (CQC). The current CQC ratings represents a small reduction in providers rated as Good from a high of 97% in early 2020 but with an upward current trend.

vi. Development of the Workforce

There are challenging conditions in Stockport that mean that recruitment and retention for care workers in domiciliary care is increasingly difficult. Skills for Care figures suggest that turnover

remains high in Stockport estimating in 2022 that the rate was 39%, which was higher than the local region and England as a whole.

Engagement and feedback from our providers confirm that this is a significant, longstanding and increasing issue locally. Workers have a choice of employment both in Stockport due to the strong economy locally and good transport links to Manchester where there are further employment opportunities. The Council continues to work closely with providers around their workforce challenges and has committed to funding which enables providers to pay their workforce at the Real Living Wage rate.

vii. Hourly Rates

The Council regularly engages with the domiciliary care market locally as part of setting hourly rates that the Council will look to pay for home care provision. Providers' have increasing recruitment challenges and have reported pay rates above the Real Living Wage that the Council bases its hourly rate on. Providers of domiciliary care in Stockport have a level of private provision and have informed commissioners that this is at a higher rate than the Council pays. The pressure on rates is shared across Extra Care Housing support, supported living provision and personal assistants.

viii. Inflationary Pressures and Charging Reform impact

The Council has liaised with providers in respect of the impact of the current inflationary pressures over the last 12 months as part of the Cost of Care Exercise as well as regular forums and more recent specific engagement over the Cost of Care outcome, this Market Sustainability Plan and fee setting for the forthcoming financial year. In setting fees for 2023/24 the Council has sought to mitigate these challenges, particularly the increase (of 10.1%) in the Real Living Wage which the Council uses as a basis of setting its hourly rate. The uplift for home care providers is 10.7%. This comprises 10.1% increase for inflation and a further 0.6% increase to support and further promote local market sustainability and continue to support quality care. Providers have responded positively to this approach whilst emphasising that the workforce challenges in domiciliary care in Stockport are likely to remain.

The delay to Social Care reform plans has impacted on the programme of work aligned to Cost of Care, as part of ongoing discussions with providers the Council will continue to work collaboratively to manage the longer-term issues with stability which social care reform is seeking to address.

Section 2: Assessment of the impact of future market changes (including funding reform) over the next 1-3 years, for each of the service markets

The 2 main changes that are anticipated in Stockport impacting on the Adult Social Care market over the next 3 years are:

1. Recruitment and retention challenges across the entire adult social care sector are anticipated to continue at the high levels currently seen across providers in Stockport. The impact of specific challenges in nurse recruitment may be a more significant reduction in the number of nursing beds in care homes in Stockport and a situation where need outstrips supply. This is projected to have an impact across the health and social care economy with costs and increased pressure on primary care and acute hospitals.

There remain significant challenges in recruiting care workers in Stockport in care homes and in domiciliary care. The high turnover rate for these roles (46% in 2021/22) continues to be a significant issue for care providers and although higher wages are being paid to workers, the retention and recruitment challenges remain. The impact is high levels of proportionate spend on recruitment and maintaining high levels of quality provision with a changing workforce is challenging.

This is an area of focus for the next 3 years as the primary concern for social care providers across adult social care in Stockport.

2. Reductions in care home and domiciliary care capacity in Stockport are a further anticipated change over the next 3 years and are related to the issues that arise in smaller homes, where the size and age of the building coupled with workforce challenges poses significant risks.. There are a proportion of beds in the care home sector in Stockport that are in converted properties which limit the ability of the home to adapt to the changing need profile of people requiring care home placements. These homes tend to have smaller numbers of beds and are owned by smaller organisations, many of whom have only one home. These providers are experiencing particular challenges with the cost of maintaining their homes, with individuals often preferring newer, purpose-built care homes which are more likely to have facilities such as en suite bathrooms. In the last 3 months, one care home provider has closed, and the Council is in discussion with another provider about their ongoing viability. Both of these homes are converted properties with fewer than 25 beds. Across Stockport, 15% of residential beds are in similar properties with fewer than 25 beds. The Council is anticipating further home closures and a reduction in capacity within the non-luxury residential care market by 2025. Similarly, the challenges in nurse recruitment are anticipated to reduce the availability of nursing beds.

The Council's strategic approach is to enable more people to remain in their own homes and this will necessitate an increase in the amount of domiciliary care in Stockport over the next 3 years and beyond. Developing the market for support at home to adapt, further embrace technology and grow will be challenging given the high levels of turnover. In addition the lack of choice in types of housing of all tenures restricts people's ability to live independently at home, gaps in provision for extra care in an older population is an ongoing challenge within Stockport. A lack of capacity from the domiciliary sector is a risk to the Council's approach to enable more people to remain at home for longer.

These market changes are anticipated to place pressure on the quality of the provision locally. The Council is committed to working collaboratively with providers in the market to drive up standards and ensure that there is a diverse range of appropriate high-quality services in Stockport. Capacity challenges within the market and recruitment and retention difficulties are anticipated to give rise to increase the challenge in Stockport, across care home and domiciliary provision.

Section 3: Plans for each market to address sustainability issues identified, including how fair cost of care funding will be used to address these issues over the next 1 to 3 years

(a) 65+ care homes market

Our ONE Health and Care Plan, published in October 2021, sets out a single, system-wide locality plan to make Stockport a place where everyone has the best start in life and is supported to live well and age well.

The key strategic outcomes of this plan mean that people will be healthier and happier, health and wellbeing inequalities will be significantly reduced, safe, high quality health and care services will work together for people and people will be more independent and empowered to live their best lives. This strategic plan provides a coherent and complementary road map to support sustainability of the care market and sets out clearly the value care provision plays in the Borough.

The Council allocated all of its £0.866m cost of care grant allocation in 2022/23 to its provider fee uplifts as highlighted within the Councils fee setting paper, to help support market sustainability.

The Council will continue to work collaboratively with providers working to mitigate the risks of a reduction in capacity across the market and has worked transparently with providers around fee setting for 2023/24 in the context of the Council's Medium Term Financial Plan (MTFP). The Council has engaged with care home providers through a specific forum session in January 2023 which was dedicated to the outcome of the Cost of Care Exercise and consulting on this Market Sustainability Plan. As part of this session with providers (held as a hybrid meeting to enable providers to join in person as well as online), the Council shared the outcome of the Cost of Care exercise for which the Council received a good response from the market (64% of the beds in Stockport were reflected in the responses accepted). This included discussion of the caveats to the figures obtained through the exercise (for example; the availability of grant funding, low levels of occupancy and the inclusion of placements for people with high levels of need who receive Continuing Health Care Funding) which are likely to have inflated the figures produced. In addition, these caveats are explicitly detailed in the Council's Cost of Care submissions. The priority areas within this document were agreed in the engagement sessions with provider colleagues in January 2023, alongside the Council's approach and these priorities will continue to be revisited in provider forums going forward.

Stockport will seek to support stability and development of the market for residential care placements for those aged 65+ with this being fundamental to the Council's fees approach for 2023/24. The Council has invested over £11m to support 2023/24 fee uplifts for Adult Social Care externally commissioned services to support local market sustainability, acknowledging both the cost impact of inflation and wider workforce pressures, of which £3.468m relates to predominantly Over 65 Residential and Nursing Care. A breakdown of the overall £11m investment is illustrated in the table below:

Service	Uplift (%)	Investment (£m)
Residential & Nursing Care	8.0 - 13.8	3.468
Homecare	10.7	1.642
Other Care Management Services and contracts	10.1	5.616
Personal Assistant Rates	12.8	0.331
Total		11.057

The £11m investment for fee uplifts has been allocated by prioritising resources from Council Corporate contingencies within the Medium Term Financial Plan and adding this to the additional resources from the Adult Social Care Precept and national grants from government for social care. These national grants also have allowed investment into Children's social care and for commissioned services following the discharge from an Acute Setting.

The Council will work with care home providers individually to have targeted conversations in respect of ongoing viability, particularly where provision is not purpose built and in smaller homes. This approach will dovetail with Stockport's strategic approach to ensuring that more people are able to live in their own home for longer, reducing the numbers and length of stay for people moving into residential care, seeking to reduce the need for this level of support, mitigating the risk of further anticipated home closures. The Council is reviewing brokerage for care homes alongside providers with a view to implementing a new approach to purchasing placements through the Council's flexible purchasing system later 2023.

The Council will continue the collaborative work with Health colleagues around the challenges in nurse recruitment, supporting overseas recruitment where appropriate (linking in with Greater Manchester colleagues in respect of the International Recruitment Fund) and optimising fee levels for nursing beds as part of the Integrated Care System to ensure sufficiency of provision to 2025 and beyond. The Council will continue to work with providers to support recruitment and retention across care homes, building on the commitment to the Real Living Wage for people working in ASC in Stockport made in March 2022.

Stockport is working to strategically review Extra Care Housing; the current provision does not include overnight support so is not a direct alternative to residential care. A review is planned for 2023/24 with changes to ensure that this provision gives individuals alternatives to formal residential care options with impact anticipated from 2024 onwards, reducing preventing, reducing and delaying requirements for residential care.

Stockport has a robust plan to build on strengths-based approaches to better support individuals, choice, control and independence. This will mean improving information and advice provision, proactive and targeted to those making decisions about their care, harnessing opportunities for more tailored and targeted delivery of information and advice.

Within this context, over the next 3 years, the Council will prioritise funding for residential high dependency (where people have a significant level of physical needs but no nursing need) and dementia (EMI) provision alongside nursing provision. The Council will take an informed view at the point where funding is allocated to local authorities, working collaboratively and iteratively with providers to manage the market locally to ensure capacity, quality and flexibility of provision continues to be optimised in Stockport.

(b) 18+ domiciliary care market

In line with the approach to address the market sustainability issues in the 65+ care homes market, the Council will continue to work collaboratively with providers to support stability and growth in the market for domiciliary care provision in the Borough. The 10.7% uplift to the hourly rate that the Council has put forward for 2023/34 reflects the response to the Cost of Care exercise, with 0.6% of this rise explicitly to support market sustainability in the domiciliary care market as the Council collaboratively seeks to develop support for people in their own homes in Stockport. The total additional investment into homecare for fee uplifts in 2023/24 of £1.642m is part of the overall £11m investment for ASC fee uplifts, illustrated in the table in section 3 (a) above.

The Council engaged with care home providers through a specific forum session in January 2023 which was dedicated to the outcome of the Cost of Care Exercise and consulting on this Market Sustainability Plan. As part of this session with providers (held as a hybrid meeting to enable providers to join in person as well as online), the Council shared the outcome of the Cost of Care exercise for which the Council received a good response from the market (43% of the domiciliary hours commissioned by Stockport were reflected in the responses accepted). This included discussion of the caveats to the figures obtained through the exercise (for example; the tool used did not take account of workers walking rather than driving between calls, grant funding availability and some high levels of return on operations) which are likely to have inflated the figures produced. In addition, these caveats are explicitly detailed in the Council's Cost of Care submissions. The priority areas within this document were agreed in the engagement sessions with provider colleagues in January 2023, alongside the Council's approach and these priorities will continue to be revisited in provider forums going forward.

The Council will continue to engage with providers around Stockport's strategic approach to ensuring that more people are able to live in their own home for longer, increasing the need for additional support with a focus on the integrated use of technology and building on the strengths of individuals to live well at home, in line with Stockport's Prospectus for All Age Living (2018). The Council's approach to supporting recruitment and retention within the domiciliary care market in Stockport will be a fundamental part of this strategy, with ongoing challenges anticipated around the availability of staff and therefore capacity within the domiciliary care market locally.

The Council will continue to work with providers to support recruitment and retention programmes within domiciliary care, building on the Council's long-standing commitment to the Real Living Wage for people working in this sector in Stockport which is embedded in the Council's Ethical Home Care

Framework, developed through a flexible procurement system approach since 2018. The Council will support overseas recruitment where appropriate and optimising fee levels for domiciliary care as part of the Council's transformation programme. There will be additional staff required to expand domiciliary care in Stockport, alongside developing the Extra Care Housing offer as part of the review in 2023 as well as further development of personal assistant capacity in Stockport to support the Council's strategic approach under the Stockport One Health and Care Plan; Stockport people will be more independent and empowered to live their best lives.

As part of the Council's transformation plans in 2023 the Council is reviewing the customer journey in ASC and the current operating model. The review will focus on outcomes for individuals and efficiencies, embedding a strength-based approach. As part of this work the Council will review the reablement offer locally, in line with the broader transformational approach. As part of the Council's transformation plans there will be a development of business intelligence, ensuring that ASC is able to robustly monitor and manage the domiciliary care market alongside the Council's transformative approach to addressing the challenges over the next 3 years.

In line with the Council's collaborative approach with providers, the Council is committed to reviewing and updating the existing Market Position Statement (MPS) following the cost of care exercise and the legislative changes which are anticipated to impact on the market for domiciliary care in Stockport for people aged 18+.

Additionally, the Council will manage the market for ECH, Supported Living and PAs in line with MTFP so as not to undermine the market for these services and continue to support these critical areas of provision, promoting the key aims of the white paper, People at the Heart of Care:

- Have the choice, control and support they need to live independent lives
- Can access outstanding quality and tailored care and support
- Find adult social care fair and accessible

As previously mentioned, Stockport will continue to build on our strengths-based approaches to better support individuals, choice, control and independence. This will support the domiciliary sector to increase options and access to customers and further improvements to personalised care and support.

Within this context, the Council will prioritise funding for domiciliary providers seeking to support the goal of developing support through technology enabled living and a strengths-based approach. Recruitment and retention for domiciliary care providers will be at the forefront of the approach, with the Council working collaborative across the health and social care system locally to support sustainable growth in this sector. The Council will take an informed view at the point where funding is allocated to local authorities, working collaboratively with providers to manage the market locally to ensure capacity, quality and flexibility of provision continues to be optimised in Stockport.