


Local Context:

- County Durham consists of approximately 530,100 people living in about 246,380 households. The county covers an area of 223,260 hectares (862 square miles). As a County, Durham consists of varied coastal and rural geographies. There are 21 settlements in County Durham with an estimated population of over 5,000 people. 56,100 people live in Durham City and the wider area.
- The overall population of County Durham has been projected to grow by 4.2% (+21,600 people) between 2014 and 2024 to 539,500 people. This projected growth is higher than the growth expected in the North East (2.5%), but lower than in England (7.2%).
- By 2024 it is predicted that the number of people aged 65 will increase by 19.3% (+19,600) to 121,000; and by 2039 by 47.5% (+48,200) to 149,700. By 2024 the 85 and over age group will increase by 36.9% (+4,300) to 15,900 people and will more than double in size by 2039 to 28,700 people with an increase of 146.8% (+17,100 – from 11,600 in 2014).
- County Durham is in the top 40% most deprived upper-tier local authorities in England, ranking as the 48th most deprived of 151 upper tier local authorities in England. Nearly half of the population live in the 30% most deprived areas nationally.
- The Clinically Extremely Vulnerable (CEV) population for County Durham is around 27,200 people and there is a social gradient between the most vulnerable and deprived areas of County Durham. A further cohort of around 72,000 people were identified through a Population Health Management approach as potentially displaying multiple social vulnerabilities due to Covid-19.
- Life expectancy and healthy life expectancy for both men and women in County Durham is lower than the England average. Life expectancy is 8.8 years lower for men and 6.6 years lower for women in the most deprived areas of County Durham than in the least deprived areas.

Strategic Direction of Travel

Durham County Council's desired direction of travel in terms of the provision of older people's services is a preventative and 'home first' approach, which is asset and place-based in its nature, aiming to maximise early intervention and outcomes and refocus partner activity towards wellbeing and wellness across the life course through the best possible community-based provision and support. The County Durham Health and Wellbeing Board's vision for the future as outlined in its **Joint Health and Wellbeing Strategy 2021-2025** is:

"County Durham is a healthy place, where people live well for longer."

The County Durham Place Based Commissioning and Delivery Plan 2020- 2025 echoes this vision, and in alignment to the Health and Wellbeing Board's objectives articulate how strengthened integration between Health and Social Care partners will achieve improved outcomes for residents through the services commissioned locally, and the commissioning practice embedded by the partnership. Key objectives set out in relation to older people's services include:

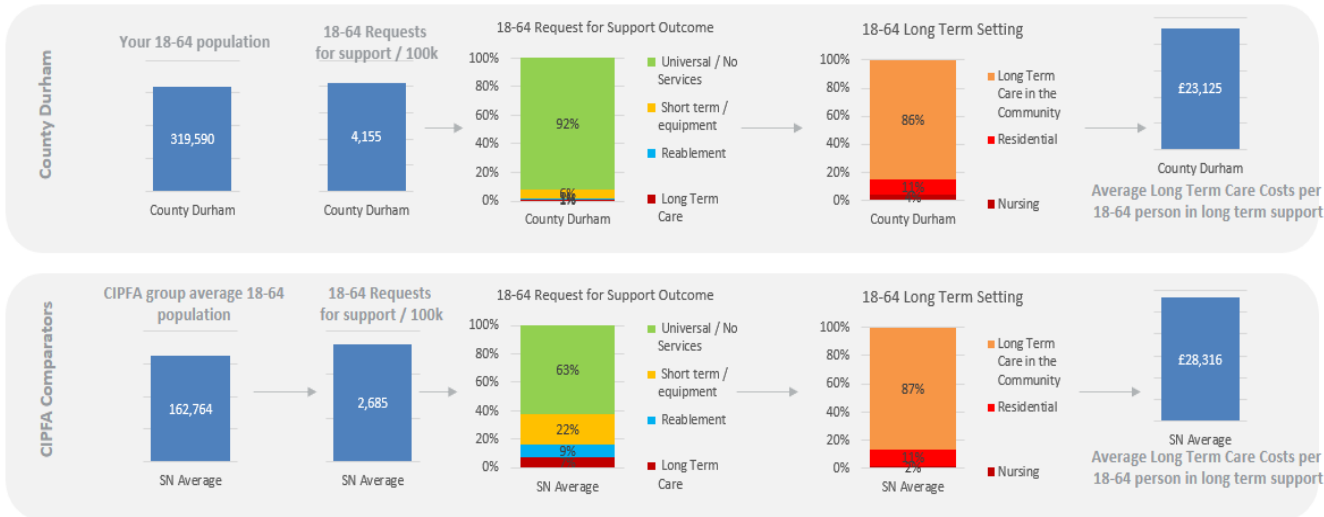
- Promote preventative, short-term approaches and a progression approach to care delivery.
- Appropriate services, signposting and Voluntary and Community Sector (VCS) resources are available to service users / carers.
- Achieve an invest to save solution to delivery, promoting reablement, rehabilitation and independence and avoiding as far as possible costly long-term care to maximise outcomes.
- Changing culture to ensure that all involved in delivering care focus on maximising wellbeing, independence, and quality of life pertinent to the individual.

Durham County Council's Digital Strategy for 2021 - 2024 sets out the Council's vision for maximisation of digital innovation and implementation of wider technology that can support the Council and its partners to better meet the changing needs of residents both now and in the future.

A digital strategy for the North East and North Cumbria Integrated Care System has recently been published, and health and social care partners hold great ambitions for the future in respect of implementing tech-enabled care to better meet the needs of people requiring care and support in local communities, especially those challenged by rural geography.

A summary of the current system flow is detailed below:

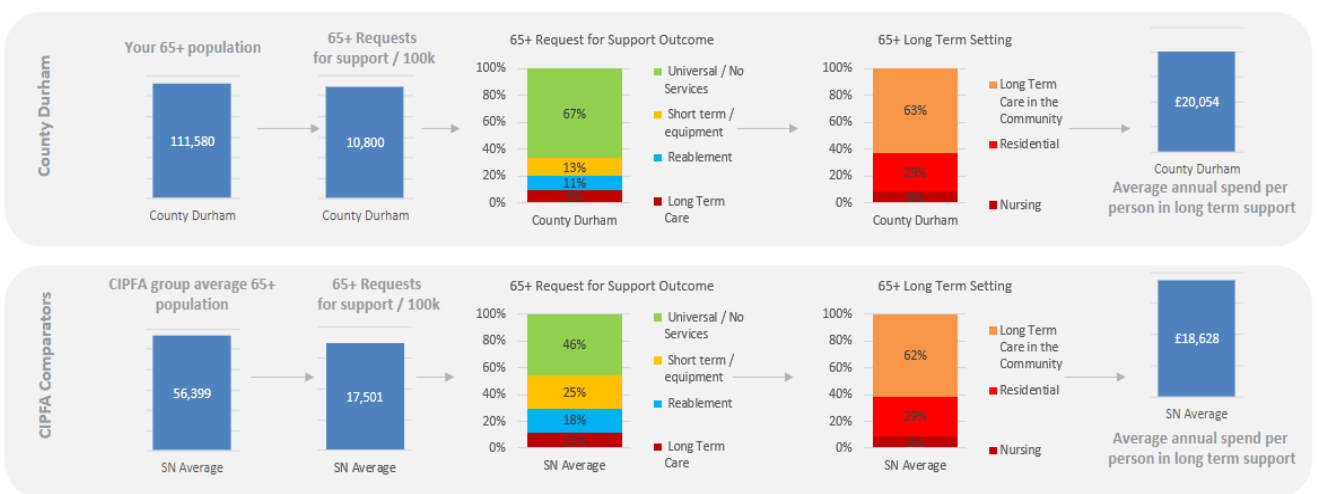
**System Flow
Adults Working Age (18-64)**



County Durham has a higher than comparator group average population aged 18-64, and as a result higher requests for support from this cohort by 53% compared to the comparator group. It is noteworthy, however, that 92% of requests for support result in no services being required, through advice being provided or individuals signposted to universal services in the community which suggests strength in the local approach. County Durham has fewer requests for support ending in short term interventions or the provision of equipment, and fewer requests for support for the 18-64 cohort ending in reablement or long-term care. The Council is currently undertaking work on growing reablement capacity, with a full review due to commence in 2023-24.

The long-term care solutions provided to adults aged 18-64 in County Durham mirror those provided across comparator authorities, with the majority of long-term support delivered in the community. Average long-term care costs per person in County Durham are 18% lower than that of its comparator group average.

**System Flow
65+**



County Durham's 65+ population is almost twice as high as the statistical neighbour average; however, requests for support from this cohort are 38% lower. This suggests strength in community and VCS resilience in line with the Council's strategic



direction, however specifically in terms of the care market reforms when preparations begin for the changes now due in late 2025, reinforces the need for a robust communication strategy to the self-funding and potential self-funding population. The Council had commenced detailed planning on communications with service users, the public, providers and partners before the delay in national charging reform was announced, and is in a strong position to revisit these strategies as required in future years.

The majority of requests for support result in no services being required, through advice being provided or individuals signposted to universal services in the community. Fewer adults are entering long-term care in County Durham; however, there is evidentially room for improvement in relation to reablement capacity which is an issue recognised locally and being addressed through the reablement review work.

The split of long-term provision type in County Durham mirrors those of its comparator group; however, it is worthy of note that average annual spend per person in long-term support is 17% higher. This can be indicative of increasing complexity of need locally, potentially linked to fewer adults entering long-term care and increased costs for the cohort as a result of this, and may also reflect improved approaches to cost management elsewhere.

Local Market Snapshot

Service Type	
Home Care	<p>10 main Framework Providers operating across 10 geographical zones (between 2 and 4 providers in each zone).</p> <p>27 Spot Purchased providers currently.</p> <p>7 providers with individual placement contracts only.</p> <p>The majority of providers rated 'good' by Care Quality Commission (CQC) with 2 providers rated as 'outstanding.'</p> <p>3 services rated as 'requires improvement' by CQC.</p>
65+ Residential Care	<p>96 Older Persons care homes in scope for the Cost of Care (COC) Exercise.</p> <p>Mixed market – smaller, local providers and national providers running larger care homes.</p> <p>There is a broad mix between residential only and dual registered care homes, with good coverage of dementia specialisms.</p> <p>The majority of providers rated 'good' by CQC with 4 providers rated as 'outstanding.'</p> <p>14 services rated as 'requires improvement' by CQC.</p> <p>Size of self-funder market: anticipated c20/21%.</p>

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

Our Approach to Provider Engagement

Partners across County Durham firmly believe that the best way in which sustainability challenges can be understood is through meaningful discussion with local care provider markets. As such, we have proactively engaged with the provider markets in scope for the 'Cost of Care' exercise to shape the provisional and final market sustainability plans submitted by Durham County Council. On behalf of the Council, Peopletoo have delivered collaborative workshops on the following dates, focused on understanding the emerging outcomes of the 'Cost of Care' exercises and also key strategic risks, challenges and opportunities for the future. This has shaped our plans to address sustainability challenges collectively across each provider market area:

- 31.08.2022
- 02.09.2022
- 05.09.2022
- 14.09.2022
- 24.11.2022
- 01.12.2022
- 05.12.2022
- 19.12.2022

On behalf of the Council, Peopletoo also implemented a range of participatory opportunities and digital tools to enable providers to continually share views, emerging challenges and ideas throughout the Market Sustainability Plan (MSP)



development process and these online discussion boards remained live throughout the MSP development period, ensuring that the ability to proactively gather views and collaborate on solutions as they emerge was retained.

‘Cost of Care’ Exercises

The information in this MSP should be read in conjunction with the Councils ‘Cost of Care’ Annex B reports for both older persons care homes and domiciliary care home services (which are published alongside this document on the Council’s website). In particular, it is important that the Council’s views on the reliability and accuracy of the data resulting from these exercises; limitations in regard to utilising this data as one of the indicators we would use in terms of future fee setting; and the need for significant further adjustments to be made to care home data in particular before this could be the case, are understood.

Older Persons Care Homes

There are 96 older persons care homes in scope for the Department of Health and Social Care (DHSC) ‘Cost of Care’ exercise. All residential and nursing services are commissioned on a spot contract basis, with block contract arrangements in place for a cohort of intermediate care services only – the makeup of which changed as of 1st October 2022 following a recent re-tender. This has led to an increase in block contracted beds, and a widening of the scope for spot contract beds which is anticipated to grow intermediate care bed availability overall, which reflects County Durham’s strategic direction of enhancing preventative, reablement focused services to reduce the demand for longer-term care.

Commissioners implemented a quality grading system in County Durham some years ago with fee differentials set across 4 quality bandings. This system covers all categories of adult residential and nursing care and has been generally successful in supporting and incentivising providers to focus on quality of care and improved outcomes. However, the environmental factors used in the model are not fully up-to-date and restrict some care homes from achieving higher grades despite favourable care outcomes. The Council and providers are therefore reviewing this system, to take into account revised strategic intentions and streamline resource requirements for both parties. Discussions with the market are shaping this work, including the future of the quality grading system itself as the Council considers that reforming the current model (i.e. more robust measuring of quality and / or reducing environmental factors) could play a role particularly during the current period of inflationary pressures in terms of ensuring overall market sustainability.

Specific Brokerage and Trusted Assessment services have been commissioned by the Council to support service users and care homes with hospital discharge placements.

Care Homes in County Durham are well spread in terms of the geographic areas they cover; however, the geographic spread of the homes does not necessarily support and increase market sustainability with several services more isolated from key transport links and access to wider health and social care resources, which some providers report may contribute to increasing cost pressures in some cases.

The geographical variance in the location of care homes also has an impact in terms of property valuation with significant variances being reported by providers during the ‘COC’ exercise. There is a mixture of purpose-built provision in County Durham alongside older, re-purposed properties which both providers and commissioners report can be a factor in terms of quality and cost of service provision. There are few quality concerns in County Durham, with most providers rated by CQC as ‘good’ and with 4 providers rated by CQC as ‘outstanding.’ The work on quality gradings referenced above is anticipated to have a positive effect on the quality of services also, given an increased focus on driving quality services and some additional resource being provided to non-Grade 1 homes as part of 2023/24 fee uplifts, to drive increased standards. The accessibility of services is reported as a challenge by some providers as this can have an impact on recruiting and retaining members of the social care sector workforce, with local homes reporting travel costs and access to public transport into more rural locations is often a key contributing factor to staff leaving the sector. These issues are in addition to more general workforce issues which are covered later in this report.

In recent years, the Council has taken specific and intentional steps to support the care home market. These include a comprehensive sustainability support scheme which supported occupancy during the Covid-19 pandemic; specific Covid-19 temporary funding uplifts including coverage of self-funders to support care home pressures; prioritisation of national grant funding for infection control, testing and workforce; leading on a regional initiative to access NHS England (NHSE) funding to bring forward 2022-23 social care worker wage funding uplift to reinforce workforce pressures over winter; and above



standard formula 2021-22 and 2022-23 funding uplifts. While some of these covered the pandemic / post pandemic period only, the Council has retained a revised Sustainability Support Scheme for older persons care homes. This allows providers to make a confidential approach if they feel their viability is at risk, with the Council assessing whether to provide targeted support on an open-book basis if the provision is classed as vulnerable and strategically important. To date, only one formal approach has been made to this scheme, which was not progressed by the provider, while the Council has not had any significant overall difficulties making care home placements either (this is monitored on a daily basis). This suggests that the overall market remains broadly stable currently – though this is caveated by the fact that some providers are highlighting increasing difficulties in recruiting and retaining care workers and nurses (where applicable); as well as concerns in some cases regarding increased energy costs. This is subject to ongoing Government assistance, albeit only in the short term at present with some uncertainty regarding the longer-term position which the Council continues to monitor.

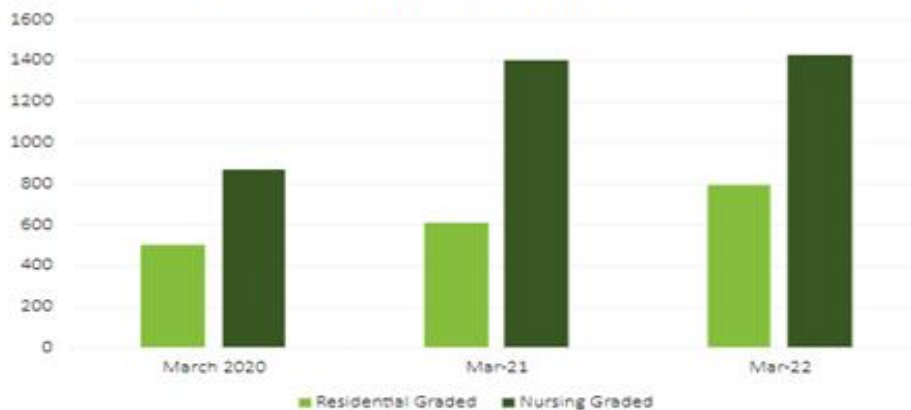
The Council has commissioned a specific older persons care home demand modelling exercise from a third-party organisation which is designed to aid planning of future strategic commissioning intentions. Initial feedback from this modelling exercise suggests that demand for Council older people care home placements is likely to reduce slightly in the coming years, though we anticipate that may at least partly be offset by increased demand from self-funders and NHS placements if trends towards higher acuity are confirmed. While the Council accounts for 60% plus of older people care home placements in County Durham, given these wider factors it is felt to be prudent at this stage to therefore plan for a generally stable to small increase in overall older people care home bed days in the next 3-5 year period. Some growth will be demographically driven; however, some of the mitigation of demand growth will also be due to changes in the way that older people wish to access care and support if and when they need it in the future (i.e., a home-first approach with growth in technology enabled care support and services such as extra care). Commissioners do, however, anticipate that the needs of those requiring residential and nursing care in the future may be more complex in nature, requiring significant specialisms to be held by the care provider market.

The Council's judgement is therefore that it is unlikely that all the beds currently vacant in the market will be required, which given the current under-occupancy (c85% but also with several short-term and temporary block bed arrangements currently in place funded by national Adult Social Care Discharge Fund grant) presents a sustainability challenge for some providers but the Council does not anticipate causing significant or overall market failure. The Council is committed to using national grant funding to support provider fees, and intends to allocate this on the basis of local strategic direction, including accounting for market pressures from self-funders potentially accessing Council contracts in future years.

It should be noted that there is not a full consensus from all care home providers on the Council's assessment of the market position, which is likely to be expected given the size of, and variation within, the sector locally. Some providers believe the Council is too optimistic on future outlook and reductions in placements in long term care, both as a result of concerns that care at home, domiciliary services, and the NHS locally may not be able to contribute to this as well as the Council believes; and that the demand modelling being undertaken should be weighted more towards more general indicators regarding the overall growth in population and life expectancy etc. The Council believes its assessments are robust, informed by a range of evidence as well as market indicators and is committed to working further with all providers on understanding and addressing future demand. This would clearly involve adapting plans and any associated market management as required by any future changes.

The delay to adult social care charging reforms is not anticipated to have as significant an impact in County Durham as it will in other areas of the UK, given that the local care home market does not rely as significantly on self-funding placements. However, there are implications resulting from this which are covered in more detail in this section.

Residential and Nursing Vacancies over time



- There has been an oversupply of residential and nursing care locally for the past 3 financial years, with the above chart providing snapshots of total vacancies at March 2020, 2021, and 2022.
- Vacancies have not decreased post the Covid-19 pandemic in County Durham, with data evidencing a decreased demand for residential care services in particular. Vacancies in nursing care have remained relatively static between March 2021 and March 2022.

There is a desire in County Durham to drive innovation and remodel residential and nursing care home provision to better meet the needs of adults in their own homes and within their local communities. Durham County Council does have good relationships with its care home provider market, despite a challenging history relating to fee-setting locally and the strength of this relationship will be central to collaboration around future models of care and market developments locally. With the volume of care homes in County Durham, there is possible opportunity to remodel and re-purpose a proportion of care homes to provide the alternative accommodation and support services better suited to the local population, including extra care provision, services for those with more complex needs and wider intermediate care solutions. A key challenge related to this, however, is the level of specialism within the market locally and the need to grow this at a suitable pace to meet any increases in the complex needs of adults who require residential and/or nursing care in future.

Home Care Services

The home care market in County Durham is largely commissioned via a Main Framework which is lotted by geography – with 10 framework providers operating in 10 specific geographic zones. There are between 2 and 4 framework providers operating in each zone. In house brokerage support is in place to maximise efficiency / support providers. The Council can also call off against an open Spot Purchasing Framework when main framework providers are unable to provide the services required, in the timescales needed. This is an open framework with procurement checks and balances in place to ensure quality of service provision. The Council can also commission individual placement agreements with providers commissioned via the 'NEPO' procurement portal (regional procurement system); however, as these providers are generally high cost, there is a desire to keep these placements limited in number and maximise use of the existing frameworks. Commissioners have implemented the Main Framework approach to tackle some of the specific challenges in the provision and delivery of home care locally and limiting providers to geographic lots has supported County Durham to condense the market, maximise provider economies of scale and ensure improved sufficiency and quality of supply. The last procurement exercise in County Durham during 2018/19 resulted in a record number of provider applicants for a place on the Main Framework. As part of the commissioning arrangements in place and in recognition of the rural nature of parts of the County and associated delivery / travel issues, a specific rural uplift payment per visit is also paid for qualifying care packages (currently £3 per visit).

It is important to note, however, that whilst successful in its implementation, there are challenges associated with the market currently, and this is predominantly due to staffing issues similar to those experienced by the care home market, though more acute and at the time of writing this plan having a more direct impact on the Council's ability to provide services. The Council has experienced a relatively small, but persistent, waiting list for domiciliary care for the first time in the last year to eighteen months which is also impacting on hospital discharge activity at times. While this has reduced by more than half in recent weeks following additional market support, particularly from the national Adult Social Care



Discharge Fund, and the local position still compares favourably to several regional and national Local Authorities (LAs), it is clear that workforce is the most significant risk for the home care market.

In recent years, the Council has taken specific and intentional steps to support the mitigation of staffing pressures in home care, given the difficulties we have experienced regarding capacity – most notably an in-year above inflation formula uplifts in care fees in 2021-22 and 2022-23; implementing and contractually reinforcing higher care worker wages as part of this and in partnership with the market, establishing a temporary uplift in summer 2022 linked to higher fuel costs to allow home care workers who drive, to continue to provide services in light of a significant number of individuals being reported by providers to have left or be ready to leave their employment; and undertaking, through the Supporting the Provider Market (STPM) team (see below), County Durham’s Care Academy specific work to support the enhancement and development of micro-providers and Personal Assistants (PAs) locally in terms of growing the workforce and supporting with recruitment, retention, training and development for home care staff and managers.

Despite workforce pressures there are few quality concerns in the County’s home care market, with the majority of providers being rated by CQC as ‘good.’ There are, however, several providers whose CQC ratings are unknown, presumably as they await inspection, though the latest quality monitoring undertaken by the Council’s commissioning team does not raise significant concerns in relation to the overarching quality of home care provision.

Council Support for both sectors

The Council has established a ‘Supporting the Provider Market’ (STPM) team to collaborate with partners and providers to further improve quality of services and support market stability and sustainability. The STPM team supports social care providers with recruitment, retention, training and development through the County Durham Care Academy and assisting providers with digital developments / opportunities and service improvement – including funding for technology initiatives etc. Over a hundred care workers have been recruited by the Care Academy in the last 2 years, which has directly contributed to market sustainability and the mitigation of the pressures outlined in County Durham. Provider feedback on the work of the team is very positive.

The Impact of Delayed Charging Reform on Market Sustainability

Partners in County Durham recognised that social care charging reform would represent a major change for the sector, and, on behalf of the Council, Peopletoo have worked closely with local providers through the delivery of focused market sustainability workshops to enable a clearer understanding around how charging reform would impact sustainability at service delivery level.

Whilst the re-profiled funding announced in the Chancellor’s 2022 Autumn Statement is broadly welcomed, the Council and our local provider market would urge the Government to take learning from early reform activity to date, including key messages regarding the level of funding required, to ensure that the sustainability challenges the market will face as a result of charging reform can be mitigated against. The short-term nature of some of the additional funding recently allocated during the period of delay presents a key challenge to partners in County Durham, not least because of the pressures felt in other areas of the health and social care system wider than adult social care services, but also because the reprioritisation of funding will not effectively enable partners to make the true extent of transformational change required to embed a home first approach in line with our strategic ambition. The ability to set budgets for the longer-term is hampered by the delay in charging reform and as such again, disables partners from making strategic – often challenging – decisions based on the best possible forward financial view at this point in time.

The Council remains strongly committed to continuing conversations with local providers to ensure that the Council is enabled to fully understand the extent to which delayed charging reform is affecting sustainability across the sector and to working proactively with all our partners to address these challenges as practicably as possible.

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

What the ‘Cost of Care’ Exercise told us

The following diagram illustrates the key messages emerging out of the ‘cost of care’ exercise and the main areas of concern across the provider markets in scope:



Self-Funder 3 Year Demand Forecast

As well as Local Authority commissioned services, the care market also supports several self-funded service users, the proportion of these for County Durham care homes are shown in the table below. Whilst in County Durham the proportion of self-funders is not as significant as in other Local Authority areas, this population still makes up a significant part of the care market.

Care Setting	Self-funded Service Users (%)
County Durham Care Homes	c21%

The impact of wider adult social care reform will mean that from October 2025, some current self-funders will be able to purchase their care through the Local Authority. This may result in greater alignment in the costs paid for care across **all types** of service users (Local Authority commissioned or self-funder) and this may lead to some concerns regarding sustainability particularly amongst care home providers. Home care providers already provide services to individuals who pay for their own care, some of whom already choose to access the Council’s contract. Again, this cohort is at lower levels in County Durham than in many other areas and local intelligence suggests that fees charged by home care providers are at, or similar to, the Council’s fee level, meaning impacts from market reform are not likely to be significant.

There remain uncertainties regarding how the reforms will impact care homes. It is noted that some providers may still not accept local authority fee rates / for all residents, and people moving into care homes under a local authority contract will continue to be able to choose a care home which charges a ‘top up’ to the Local Authority rate. The Council will continue to have a requirement to offer anyone who needs a care home placement an option to enable them to access care without a top up the local authority fee. This highlights the need for further, detailed work with the market on this issue post the submission of the Council’s final MSP in March 2023. The Council has plans to conduct this work ahead of the revised charging reform implementation date.

Market Reform Demand Forecasting

Indicative modelling on self-funders (as per current classification) shows a possible growth of c40 older persons self-funding care home placements in the period between the present day and the 2026/27 financial year. The Council is also broadly working to an estimate of up to 800 self-funders accessing the Council contract post charging reform, which illustrates the scale of potential changes to the local market. All estimates will be impacted by the Council’s strategic ‘Home First’

approach which it is working to maximise, and which will also shape how many new service users enter residential care services in the next 3 years.

The Council's view is that, while significant uncertainties remain regarding how market reform will change provider markets locally, the impacts on some care homes in particular may add to sustainability issues in this market. While for many providers, these may not be as significant a concern as the current workforce pressures and uncertainties regarding energy costs, there is the potential for the reforms to add to overall market pressures.

The Council outlines its commitment to using grant funding to support provider markets in line with national Government guidance, though we remain concerned as a Local Authority as to whether the funding allocated at this stage is able to support markets to the level required particularly in the longer term, both in terms of the market reforms and wider economic and social pressures. The Council also propose to allocate our funding in line with both the strategic direction and market priorities of the Council outlined in the sections above; and / or to those areas of the market which are experiencing the greatest pressure and impacting on outcomes for County Durham residents the most.

Care Market Recruitment and Retention – Key Challenges and Local Initiatives

Workforce has been identified as a major sustainability issue for the County Durham care market and the following table outlines the issues in more detail. Note providers have contributed to the local challenges during MSP engagement events:

Key Local Challenges	Local Initiatives
<ul style="list-style-type: none"> • Council budgetary pressures / Govt funding limits what the Council can afford to pay providers. • High staff turnover rates & high staff vacancy rates. • Rurality of the County. • Public transport network limitations. • High local energy / fuel costs reflecting national picture. • Other local employment options more attractive / better paid / less stressful. • Domiciliary care roles / nursing roles more difficult to recruit to. • Some providers rely too heavily on traditional recruitment methods that are potentially not as effective / not good value for money. • For some providers not currently doing so, recognising that a values-based approach to recruitment is needed. • For some providers, recognition that better 'in work' support is needed for retention – supportive induction, coaching for new staff, focus on employee wellbeing, offering career progression, maximising training opportunities, flexible working, engaging staff in service development. • Some providers may benefit from being less rigid about employment opportunities, more flexibility on shifts / rotas / hours employed. • Some reports of Provider staff / manager burnout due to pandemic. • Provider capacity means that County Durham Care Academy opportunities are sometimes not taken advantage of. 	<ul style="list-style-type: none"> • County Durham Care Academy support: <ul style="list-style-type: none"> ○ Advertising / social media recruitment campaigns / newspaper editorials, TV adverts. ○ Newsletters for providers with the Care Academy offer for existing staff and newsletters for stakeholders who work with people looking for employment opportunities ○ Promoting the sector as a rewarding career and the different market sectors through local 'day in the life' videos. ○ Virtual Work Experience product, work with schools and colleges, ○ Representation at job fairs / career events, close working with Jobcentre Plus ○ Routeway into social care programmes (pre-employment training with a guaranteed interview) ○ Care Academy and Council Logo Lock up for providers to use in their job adverts ○ Care Friends app for domiciliary care services and peer support in maximising its use ○ Training by Skills for Care (Values based recruitment, Valuable People). ○ Promoting national webinars (Skills for Care, Digital Social Care). ○ Masterclasses with national recruitment experts. ○ Facilitating Peer support networks (incl. Registered Managers, Activities Coordinators). ○ Funding driving lessons for domiciliary care staff to maximise resource delivery (pilot). ○ Training and development opportunities, including access to Skills for Care Workforce Development Fund and working with local training providers / education establishments to offer courses and progression opportunities. • Short Term Assistance Service – bridging service to give domiciliary care providers time to pick up new care packages (e.g., hospital discharge). • Temporary fee increase specifically for fuel cost support to domiciliary care staff. • Payment and enhancement of domiciliary care rural uplift. • Provider focused use of national workforce grants. • Above formula uplift for care homes in 22-23 in recognition of market pressures. • Local NHS MH Trust Care Home Wellbeing Service, key support for staff during and post pandemic. • Enhanced in year fee uplift 2021-22 including agreed minimum wage rate for domiciliary care staff. • Utilisation of local NHS funding for in year uplift 21/22 – care home, supported living and day services markets.

Strategic Local Authority Risk Assessment

STRENGTHS

- Integrated working between health and social care – provision and commissioning – integrated (single) contracts in development.
- Shared governance and oversight by developing a dashboard of information.
- Relationships – co-productive approach and support to providers across all key teams.
- Development of the County Durham Care Academy and related ‘Supporting the provider market’ (STPM) team has led to a wide range of support for markets.
- Skills in team and knowledge.
- Processes and tools used for Quality Assurance.
- Multi-agency information sharing.
- Approach to innovation and learning, ‘willingness to try’ – including STPM digital initiatives such as Health Call remote monitoring, the Care Academy and new care home community equipment policy.
- Leadership and connectivity of goals and ambitions across the whole system.
 - Understanding need now and in the future – intelligence; and a commitment to improve this further.
 - Capacity in the care home market - ability to source placements
 - Public engagement opportunities – engagement managers strength and skillset, Healthwatch County Durham and VCS.
 - Proactive engagement on what care people want in the future; and plans to enhance this further.

SWOT

WEAKNESSES

- Capacity – internal and external capacity challenges – relating to home care in the external market.
- Workforce pressures are apparent across all adult social care markets, including care homes and domiciliary care services. Workforce pressures are a national issue and not confined to these sectors but are impacting on care delivery in domiciliary care as the Council has a relatively small, but persistent, waiting list for care packages. However, there are no issues currently with making care home placements.
- Competing priorities, need to focus limited resources on areas of highest strategic relevance / most significant pressures for AHS and DCC – for example home care as above.
- Understanding flow of children into ASC – externally supported review ongoing.
- Backlogs in wider teams impacting commissioning – work to establish clear picture of current position ongoing.
- Recruitment to reablement and reablement offer; links to workforce above and recognise that enhanced capacity in reablement will reduce demand in other service areas.

OPPORTUNITIES

- Understanding need now and in the future – health and care intelligence needs to evolve further.
- Further development of the County Durham Care Academy / STPM work, enhancing provider support.
- Public engagement opportunities – engagement managers, Healthwatch County Durham and VCS. Build on current approaches to further understand long-term preferences of individuals
- Understanding the flow of children into ASC and future need will aid planning and intelligence.
- National funding opportunities – digital, workforce.
- Optimisation of reablement and home care and extra care markets; reducing further the demand on long-term, residential based care provisions.
- Tech enabled care and building on existing pilots and learning.
- Joint workforce models across NHS and social care.
- Budget management as funding changes.

SWOT

THREATS

- Provider relationships and reputational risk – including from sectors of the market who are not as high a strategic priority as others for funding support (even though this is evidence based).
- Knock-on effect of ‘FCOC’ fee uplifts to wider markets and budget impacts (children’s, supported living, specialist care homes (LD/MD/PD), day services etc).
- Securing workforce and public perception of roles in care.
- Wider environmental pressures e.g., cost of living crisis, inflation, climate change agenda.
- De-stabilisation of market – NHS service development, evidence of staff movement from local care market into NHS.
- Budget management and external factors/no certainty on settlement or long-term confirmation of funding levels.
- Significant financial affordability risk to implement reforms using anticipated funding, and risk of market legal challenge if the Council cannot do so.

• Concern that sector needs wider reform and that FCOC alone will not achieve this – i.e., career progression, keeping pace with wages in retail / other sectors, T&C’s comparable to the NHS, moving away from payment based on time to care outcomes. This needs national focus and interventions to put social care on the same footing as health care.

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

The following diagram provides an illustrative representation of the key strategic plans in place which detail the health and social care partnership activity which partners commit to delivering to address market sustainability issues highlighted prior to, and during, the undertaking of the ‘cost of care’ exercise. Detailed in this section are the specific activity and further actions not included in existing strategic plans relating to each of the ‘in scope’ market areas. The priorities and actions listed have been shaped by local providers during a series of market sustainability planning workshops delivered in January 2023, post submission of our provisional MSP.



65+ Market Residential & Nursing Provision

- Targeted resource to residential and nursing service development for those with high and complex needs to ensure capacity and skill to meet the needs of future residents.
- Assess new models of nursing home delivery, in recognition of the staffing pressures relating to nurses and coverage concerns across local geography.
- Support and grow specialisation within the residential and nursing market.
- Embed technology enabled care, modernising care delivery to meet changing needs and increasing capacity within the workforce.
- Pilot and embed, where feasible, co-productive approaches to working across all provider markets to develop and implement solutions and tools to support and enhance care delivery.
- Collaborate to redesign service provision locally, ensuring sufficiency of supply for future years in line with future needs and ensure availability of funding / market diversification opportunities to grow key inter-related markets in line with the Council's strategic direction.

Commissioning Approaches

- Develop commissioning models which enable and promote commissioning for outcomes.
- Work collaboratively to embed contractual requirements through co-production, including review of current quality banding model.
- Investigate potential procurement approaches to aid re-shaping of care home markets.

Public Engagement

- Work closely with local communities to support redesign and remodelling of services to meet needs and aspirations now and in the future.

Home Care Market

- Targeted resource to home care providers to ensure capacity and skill to meet the needs of future residents.
- In short to medium term, eliminate waiting list for care packages and, with County Durham Care Academy support and reform grant funding, aim to grow and develop provider workforce to meet demand
- Support and grow specialisation within the market, including the reablement offer. Consider and pilot a wider approach to reablement, i.e. further shift from home care to reablement approach.
- Embed technology enabled care, modernising care delivery to meet changing needs and increasing capacity within the workforce.
- Pilot and embed, where feasible, co-productive approaches to working across all provider markets to develop and implement solutions and tools to support and enhance care delivery.
- Collaborate to redesign service provision locally, ensuring sufficiency of supply for future years in line with future needs and ensure availability of funding to grow key inter-related markets in line with the Council's strategic direction.



Commissioning Approaches

- Strategic aim to reduce/eliminate waiting lists by growing capacity to meet needs
- Prioritise sector to meet need for care at home, in line with local and national strategy
- Pilot new ways of working
- Establish new technology to meet changing needs and increase capacity within the workforce, including wider reablement offer
- Continue to recognise and address rurality as a key factor in County Durham
- Build on strong relationships with providers to promote and encourage innovation
- Continue approach to be open to new market entrants and support them to upscale to deliver effectively in the local area
- Re-design and improve the reablement offer locally to increase capacity, improve recruitment and retention and ensure adults are supported to live healthy, independent lives in their own home following a health issue and / or hospital admission.
- Increase voluntary and community sector (VCS) provider engagement and participation to trial new community models of care and support – promoting the home-first approach.
- Develop the PA market and approach to Direct Payments, with PA workforce developments supported by the County Durham Care Academy.
- Increase capacity in Extra Care.

Overarching – Health & Social Care Workforce

- Through the County Durham Care Academy / Supporting the Provider Market function:
 - Support providers with the recruitment of staff, such as provider access to advertising through the new Care Academy job site, targeted social media campaigns, press advertising and case studies, promoting social care roles and careers at job fairs and events. Deliver information, advice and training for managers on values-based recruitment.
 - Support providers with the retention of staff, such as facilitating peer support networks, opportunities, advice and information on wellbeing support, deliver information, advice and training for managers on staff retention tools and techniques. Offering short term funding for Care Friends app to key home care providers and facilitating peer support in its effective use.
 - Offer and embed training and development to upskill staff to use technological/non-pharmaceutical approaches and interventions in care delivery.

Note that during local MSP engagement events, County Durham providers have specifically highlighted that they feel workforce issues cannot be solved by markets and LAs alone, and that a more ambitious national approach to put social care terms and conditions more on a par with those in the NHS as a transformative approach is required. The Council shares this view, but would stress that such initiatives would have to be fully funded by Government through, for example, enhanced care sector specific national living wage initiatives.

Summary: how 2022/23 funding has been committed and plans to maintain stability over subsequent years

In general terms, the Council utilises for budget setting purposes a standardised fee uplift formula which takes into account the change in National Living Wage (NLW) rate and that in Consumer Price Inflation (CPI). However in respect to older persons care homes, this year the Council has agreed a revised model, in partnership with provider representatives, to better reflect the inflationary factors that impact on care homes as building-based services. This is a key contributor to sustainability for the Council and the markets in scope. This targeted, market specific formula and approach will be captured contractually and ensures that providers in the older persons care home sector are supported to meet any challenges from rising costs, with these covered in the Council's model over the coming years. A further percentage uplift, over and above the figure resulting from the revised inflation model, will also be paid in 2023-24 to further aid market sustainability. This is intended to ensure that our strong track record on market stability and sustainability in recent years continues and we provide certainty to this key market.

For domiciliary home care, the Council has also agreed to a further enhanced and brought-forward uplift, over and above the standardised formula outlined above, to promote market stability and address key pressures currently being experienced. This is the second year in a row that the Council will pay an enhanced uplift and early signs in terms of market capacity are promising, particularly the reduction in the number of people waiting for a domiciliary care package in the weeks leading up to finalisation of this plan. Through this partnership working with providers, the Council has committed to



additional funding for both the older persons care home and domiciliary home care sector from the grant funding, and our analysis of the sector shows that this will enable the current market stability in County Durham to be maintained in the coming years.

Provider uplift requests received for 2023-24, reflecting the current economic circumstances, also broadly align with this proposed Council model outlined above.