

Market Sustainability Plan – Cumbria County Council

Introduction

Population

Cumbria has a ‘super-ageing’ population. This means that there is an increase in the number of people in the older age groups, and a decrease in the number in the younger age groups. In 2020 over a quarter of the Cumbrian population were aged over 65. This is a greater proportion than the average for the country. At the same time, more younger people with disabilities are surviving into adulthood and old age, and more people are living for longer with complex needs, frailty, long term conditions and/or dementia.

Name	Allerdale	Carlisle	Copeland	Cumberland	Barrow-in-Furness	Eden	South Lakeland	W&F	Cumbria	England
Total Under 15	14,700	17,500	10,300	42,500	10,900	7,600	13,500	32,000	74,500	9,838,700
% Total Under 15	15.3	15.9	15.4	15.55	16.2	13.9	12.9	14.1	14.9	17.4
Total 15 - 64	57,700	68,600	41,200	167,500	42,000	32,900	61,600	136,500	303,900	36,249,800
% Total 15 - 64	60.0	62.4	61.4	61.29	62.3	60.1	58.9	60.1	60.8	64.2
Total Over 64	23,800	23,900	15,600	63,300	14,700	14,500	29,300	58,500	121,600	10,401,200
% Total Over 64	24.8	21.7	23.2	23.16	21.8	26.5	28.0	25.8	24.3	18.4

Figure 1 – Source: Cumbria Observatory

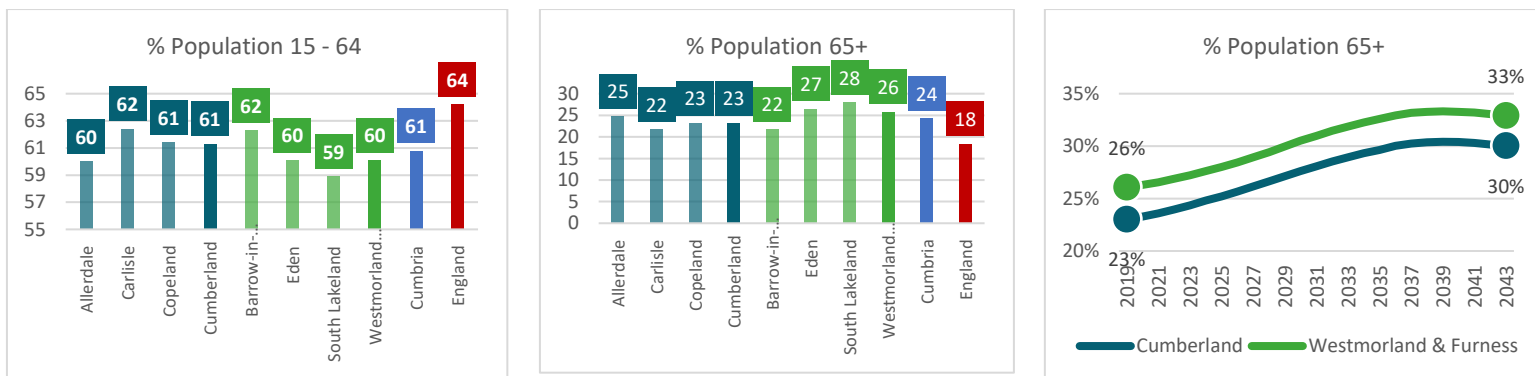


Figure 2 – Source: ONS 2018-based subnational principal population projections for local authorities and higher administrative areas in England

Cumbria is also a very rural county with population densities much lower than the average for England or the North West and North East regions. The distribution of population throughout Cumbria (and Cumberland and Westmorland & Furness) also varies significantly.

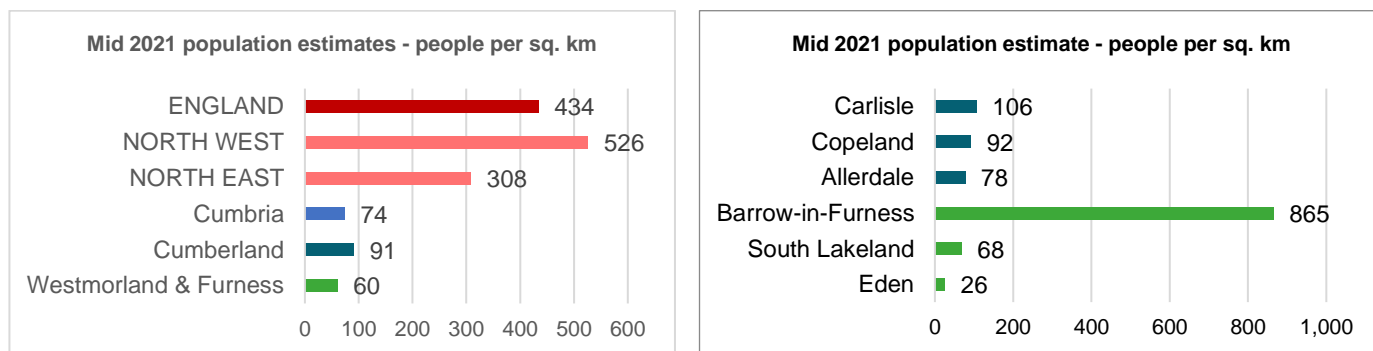


Figure 3 – Source: ONS Mid 2021 Population Estimates Geography

Existing Strategic Intentions

Cumbria County Council's Commissioning Strategy sets out the following key strategic actions to meet the needs of the local 65+ population through commissioning activity:

1. Reducing the pressure on the care system by commissioning and developing universal and targeted prevention services
2. Delivering a reduction in the overall number of placements of Older People in residential and nursing care
3. Increasing the resilience of the care market for 'Care with Nursing' and Dementia Care
4. Increasing the use of 'support at home' (homecare) services for Older People with lower-level eligible needs
5. Increasing the supply of Extra Care and other supported housing

Local Government Reorganisation

Cumbria is currently going through a process of Local Government Reorganisation. From 1 April 2023 two unitary authorities will provide all the services currently provided by district councils and the county council.

There will be one new council covering the current areas of Allerdale, Carlisle and Copeland, the council's name will be **Cumberland Council**. A second new council will provide services to those in the current areas of Barrow, Eden and South Lakeland, the council's name will be **Westmorland and Furness Council**.

Where possible the information within the Market Sustainability Plan has been split into the two unitary authorities of Cumberland and Westmorland & Furness, but in some instances, this has not been possible any information is presented across Cumbria or split North and South.

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

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

Local Market Features

The 65+ care home market in Cumbria is made up of 31 independent nursing homes, 55 independent residential homes and 18 local authority operated residential homes (a total of 3968 registered beds).

The Council operates an open Framework through which all packages of care are commissioned. As the framework is open, new providers can apply to join at any time and the framework currently includes all providers of 65+ residential and nursing care.

Provider Ownership

39% of care homes are owned by local providers, 36% by national providers and 8% by providers with a regional presence and 17% are operated directly by the local authority.

Provider ownership type	Cumberland			Westmorland and Furness		
	Nursing homes	Residential homes	Total	Nursing homes	Residential homes	Total
Local	13%	47%	39%	53%	29%	37%
National	87%	23%	39%	33%	29%	30%
Regional (NE)	0%	4%	3%	7%	0%	2%
Regional (NW)	0%	6%	5%	7%	11%	9%
Local Authority	0%	19%	15%	0%	32%	21%
Total	100%	100%	100%	100%	100%	100%

Figure 4 – Source: CCC Provider data

Council Purchasing

Figure 5 below shows the total number of 65+ care home placements commissioned by the Council in each District and new Council area and how this reflects provision per 1000 population (65+). Overall it is estimated that the Council purchases around 50% of the occupied care home beds in the Cumberland and 40% in Westmorland & Furness.

Location	65+	pop 65+	Council-funded Placements per 1000 pop (65+)
Allerdale	443	23,800	18.61
Carlisle	364	23,900	15.23
Copeland	227	15,600	14.55
Cumberland	1034	63,300	16.33
Barrow-in-Furness	244	14,700	16.60
Eden	95	14,500	6.55
South Lakeland	347	29,300	11.84
Westmorland & Furness	686	58,500	11.73
Cumbria	1720	121,800	14.12

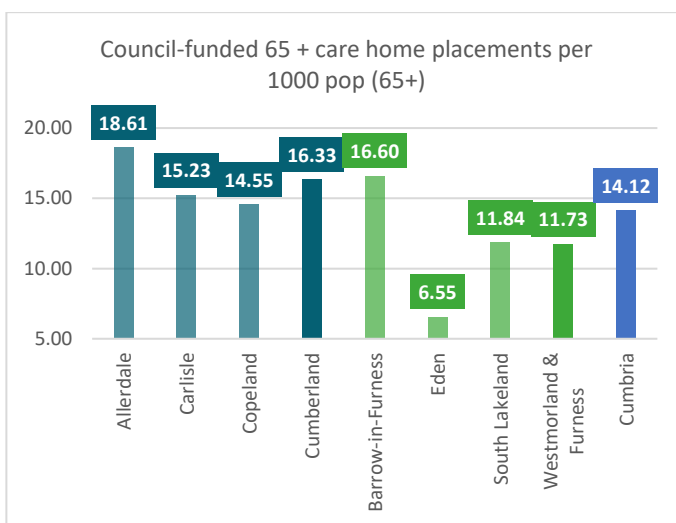


Figure 5 – Source: CCC 65+ care home placements, ONS 2018-based subnational principal population projections for local authorities and higher administrative areas in England

The Office of National Statistics (ONS) predicts that Cumbria has a higher proportion of self-funders than the neighbouring North East and North West regions. However, the self-funder market is not evenly distributed throughout Cumbria and a greater proportion of self-funders are expected to be resident in the new Westmorland & Furness Council area. This reflects current commissioning

Figure 6 shows the percentage of self-funders and state-funded individuals in each of Cumbria's current District areas as estimated by ONS in 2021-22 with the lower and upper confidence limits included. Figure 7 also shows the percentage of estimated self-funders for the Cumberland and Westmorland & Furness council areas.

Area Name	LCL (self-funded)	Self-funded residents (%)	UCL (self-funded)	LCL (state-funded)	State-funded residents (%)	UCL (state-funded)	Weighted count (residents)	Sample size (care homes)
Allerdale	21	32	43	56.7	67.7	78.8	668	28
Carlisle	12	38	63	36.8	62.3	87.7	867	14
Copeland	21	44	68	32.4	55.9	79.5	369	11
Barrow-in-Furness	19	39	58	41.6	61.1	80.6	319	7
Eden	49	53	57	43.2	47.0	50.9	350	7
South Lakeland	29	42	55	45.5	58.3	71.1	1,161	30
Cumbria	32	40	49	51.4	59.8	68.3	3,734	97
North East	19	23	26	74.4	77.5	80.6	18,358	379
North West	26	30	35	65.3	69.8	74.2	44,680	865
England	33	35	37	63	65	67	234,838	10,494

Figure 6 – Source: Office for National Statistics (ONS): Care homes and estimating the self-funding population, England (2021-2022)

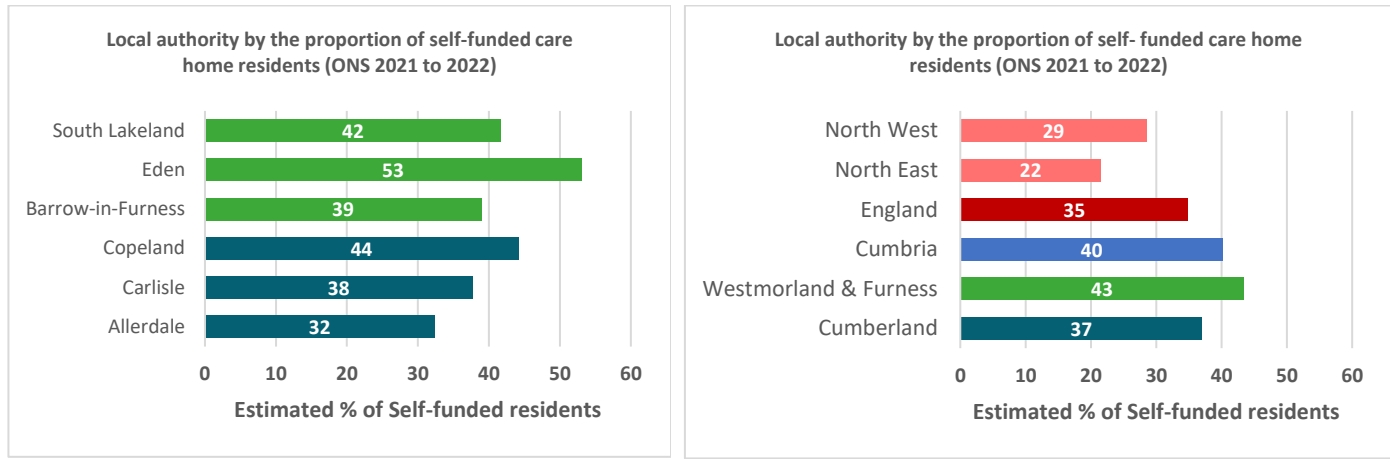


Figure 7 – Source: Office for National Statistics (ONS): Care homes and estimating the self-funding population, England (2021-2022)

The Council purchases 65+ care home placements from independent sector providers on one of four price bands. These are set each year by full council as part of the annual budget setting process. In addition, it was agreed to increase fees paid to Independent Sector Providers by 5% from October 2022. Ring-fenced in-year funding from the **Market sustainability and fair cost of care fund 2022 to 2023** was utilised in 2022-23 to address key strategic priorities in the social care market.

The table below shows the current price bands (excluding Funded Nursing Care (FNC) for nursing care).

	Residential	Residential - Physically Frail	Residential – Dementia	Nursing – Physically Frail (excluding FNC)	Nursing – Dementia (excluding FNC)
Price per week (Apr to Sep 22)	625	706	746	706	772
Price per week (Oct 22 to Mar 23)	656.25	741.30	783.30	741.30	811.65

Figure 8 – Source: CCC Price Bands

Information relating to Care Home Size and Quality (see below) includes information for both Independent Sector Care Homes and those delivered by the Council.

Care Home Size

The table below shows the distribution of care homes by size. This indicates that although the majority of nursing homes are “medium” to “large”, there is a significant proportion of residential homes that have fewer than 30 beds. Experience during the pandemic indicates that these “small” homes are particularly vulnerable to small changes in occupancy levels.

	Cumberland		Westmorland and Furness	
	Nursing homes	Residential homes	Nursing homes	Residential homes
Large (60+ beds)	47%	9%	53%	7%
Medium (30 to 59 beds)	47%	34%	20%	54%
Small (less than 30 beds)	6%	57%	27%	39%

Figure 9 - Source: CQC Dataset (03 January 2023)

Quality

The table below shows the proportion of CQC ratings overall quality rates per service type. Overall, 86% of independent sector care homes in Cumbria are rated as **Good** or **Outstanding**, with zero homes rated as **Inadequate**.

Overall CQC Rating	Cumberland			Westmorland and Furness		
	Nursing homes	Residential homes	Total	Nursing homes	Residential homes	Total
Good or Outstanding	73%	83%	81%	73%	89%	84%
Requires improvement	27%	15%	18%	27%	11%	16%
Inadequate	0%	0%	0%	0%	0%	0%
Not Inspected	0%	2%	1%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%

Figure 10 - Source: CQC Dataset 03 January 2023

Distribution

Supply of services is not uniformly distributed, with levels of nursing care in particular centred around urban populations. The table below shows the number of registered beds for each service type per 1000 65+ population in each of Cumbria's district areas:

	Nursing beds* per 1000 pop (65+)	Residential beds per 1000 pop (65+)
Allerdale	10.08	29.08
Carlisle	16.69	16.74
Copeland	9.81	20.51
Barrow	25.37	18.16
Eden	2.00	14.48
South Lakeland	18.33	12.49
Cumbria	14.21	18.51
Cumberland	12.51	22.31
Westmorland and Furness	16.05	14.41

Figure 11 – Source: CQC Dataset 03 January 2023 and Cumbria Observatory

*registered nursing beds relates to the registered service type. Some beds in nursing homes are used to support residential placements but these will be captured under nursing provision in the table

Risks to Market Sustainability

WORKFORCE

Overall, the number of directly employed care staff working in care homes (excluding nursing and agency staff) has reduced by 17% since the high point in February 2021*. The care home workforce has been in steady decline in both Cumberland and Westmorland and Furness areas. There is also a corresponding increase in the level of agency staffing being used to ensure ongoing delivery, but it should be noted that this does not fully offset the overall reduction within the employed workforce. This net staffing deficit is reflected in the reduction in availability of more complex services as such services generally require greater staffing levels to provide safely and effectively.

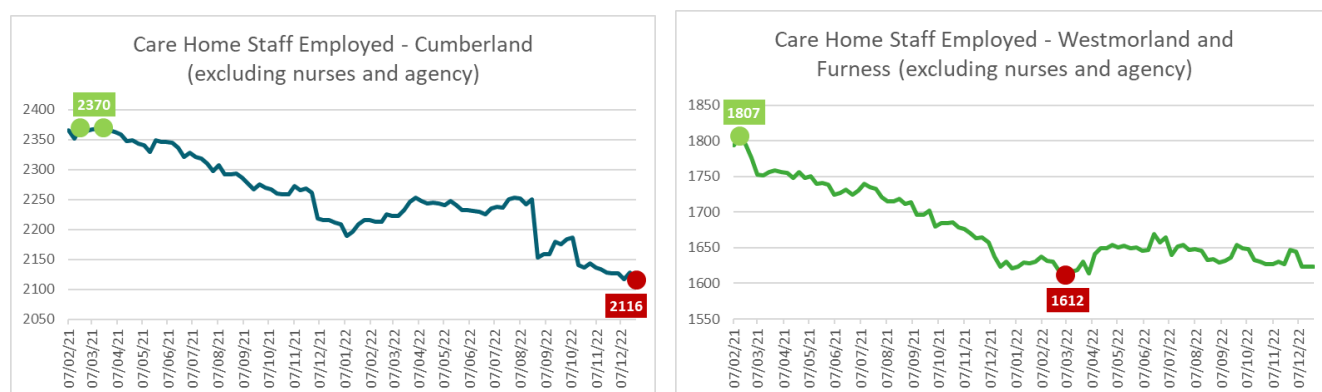


Figure 12 – Source: NECS Capacity Tracker as at 29 Jan 23

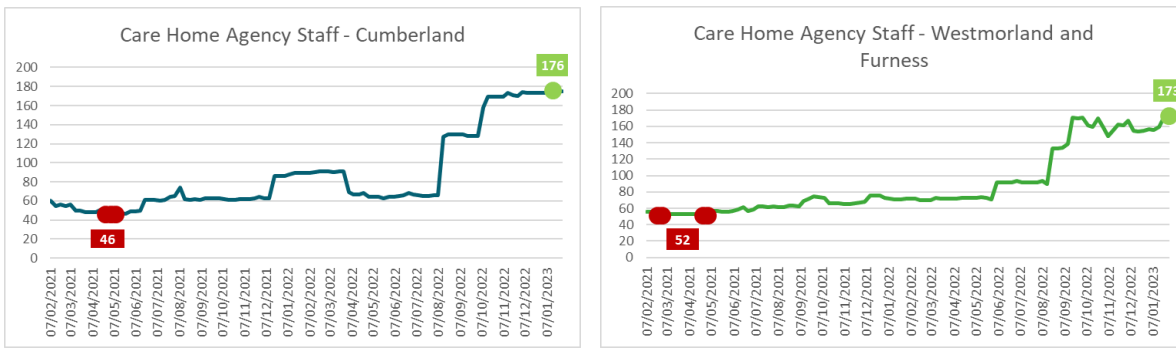


Figure 13 – Source: NECS Capacity Tracker as at 29 Jan 23

Although occupancy rates have largely returned to pre-pandemic levels, workforce challenges continue to impact the supply of beds to support those with more complex needs (due in part to the additional staffing resource such placements require).

ADDITIONAL SERVICES REQUIRED TO SUPPORT MORE COMPLEX NEEDS

The Commissioning Strategy identified two key strategic actions relating to 65+ care home commissioning:

- Delivering a reduction in the overall number of placements of Older People in residential and nursing care
- Increasing the resilience of the care market for ‘Care with Nursing’ and Dementia Care

The net result of these two actions was expected to be that there would be an increasing proportion of Council-commissioned 65+ care home placements for people with dementia (and other complex needs), set against a wider reduction in the overall total number of care home placements as more people are supported for longer at home.

Figure 14 shows the reduction in the overall number of placements for older people. Between April 2017 and April 2022 the overall number of 65+ care home placements reduced by 24%.

Figures 15 shows the progress with increasing the proportion of dementia placements. Although the number of dementia placements increased steadily prior to the pandemic, numbers reduced in line with the overall reduction in 65+ care home placements. The proportion of dementia placements continued to rise, in line with strategic objectives, until April 2022.

Figure 16 helps to show the challenging impact of workforce on the availability of dementia placements post April 2022 and supports provider feedback that many are focusing on placements that are less staffing intensive due to workforce shortages.

Figure 17 shows a snapshot of current outstanding council-commissioned 65+ care home placement requests, indicating that 70% (Cumberland) and 56% (Westmorland & Furness) of outstanding placements from the community and 50% (Cumberland) and 100% (Westmorland & Furness) from hospital relate to dementia placements

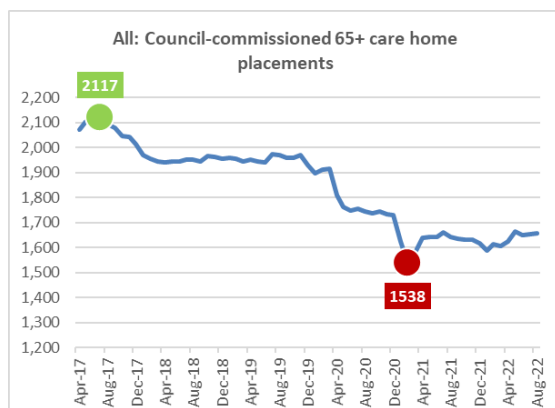


Figure 14 – Source: CCC 65+ care home placements

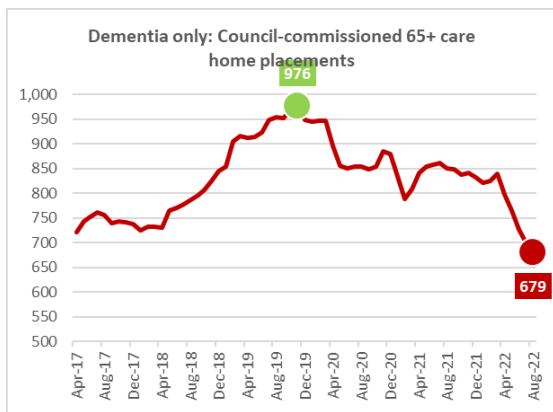


Figure 15 - Source: CCC 65+ care home placements (Dementia Only)

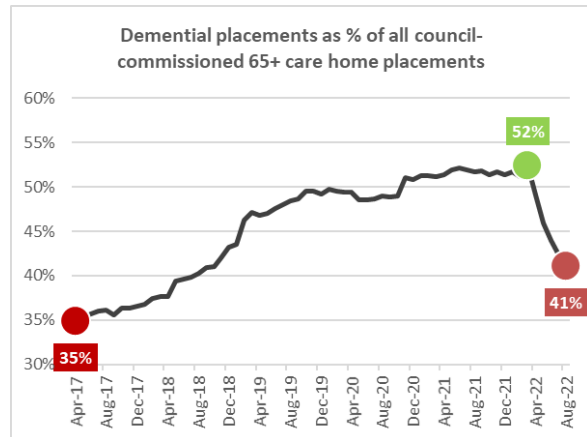


Figure 16 - Source: CCC 65+ care home placements (% of Dementia Placements)

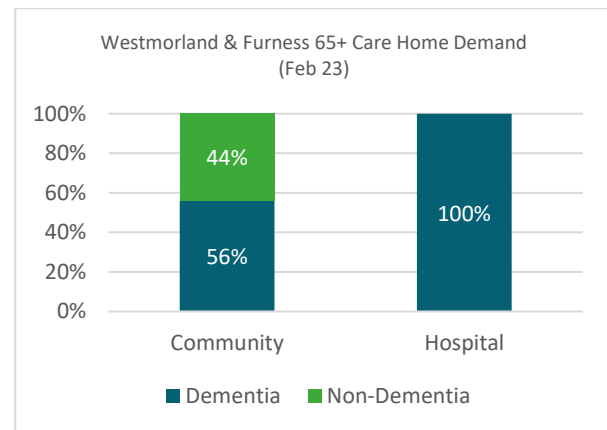
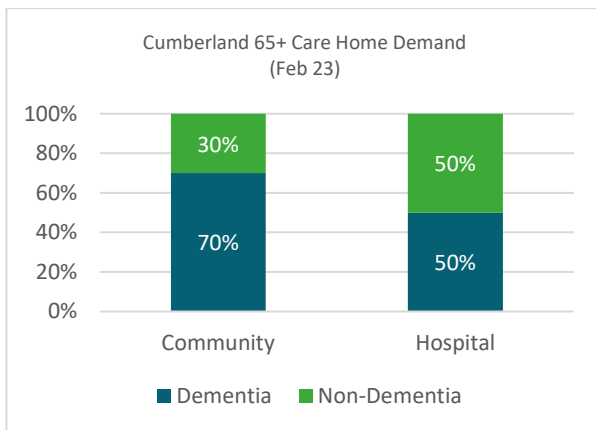


Figure 17 – Source: Outstanding CCC 65+ care home placements

INFLATIONARY PRESSURES

Ongoing inflationary pressures, the current cost of living crisis and rising wage costs are currently impacting on the financial viability of many providers. An example of inflationary measures affecting care services are shown in figure 18 below:

Index	% increase
Consumer Price Index (CPI)	
September 2022 (the rate generally used in Cumbria Council Contracts)	10.1
January 2023	10.1
Wages	
Real Living Wage (September 2022 vs April 2022)	10.1
National Living Wage (April 2023)	9.7

Figure 18 – Sources: ONS, Real Living Wage Foundation

Budgets were signed off by Cumberland and Westmorland & Furness councils in March 2023. Contained within these budgets was provision for uplifting provider fees.

The Local Government have called for additional investment of £13bn into Adult Social Care, including £6bn to address immediate inflationary pressures.¹ At the Autumn Statement 2022, the Government said it would make available up to £2.8 billion in 2023/24 and £4.7 billion in 2024/25 to help support adult social care and hospital discharge.² However, much of this additional funding is either short-term or non-recurrent making it a challenge to make meaningful impacts on market sustainability.

¹ <https://www.local.gov.uk/about/campaigns/future-adult-social-care/adult-social-care-position-statement>

² <https://commonslibrary.parliament.uk/research-briefings/cbp-7903/>

DELAYS TO CHARGING REFORM

Although funding reform is expected to have a significant impact on the cost and commissioning arrangements for 65+ care home services, recent phasing and implementation timescale changes introduced by Central Government have made the potential full impact hard to quantify. Notwithstanding the delay in implementation after October 2025, recent activity, such as the survey of provider costs, have the potential to impact on local markets, provider fee expectations and local authority access to services.

Key Risk 1:

Staffing shortages and an increasing reliance on agency staff is impacting on the key strategic objective to retain and develop additional capacity to support people with more complex needs, including dementia. As these services require enhanced levels of staffing, availability of residential dementia and nursing dementia placements is currently below the level required by the Council and NHS systems in both North and South.

Key Risk 2:

Workforce challenges are impacting on System-wide discharge and community step-up initiatives. More staffing intensive models (such as Discharge to Assess and interim care) are disproportionately affected due to enhanced staffing ratios. This means that some people awaiting a care home bed sometimes remain in hospital longer than they need to and people in the community needing to access respite or specialist dementia care do not always receive a service as soon as we would like.

Key Risk 3:

Although progress has been made in developing additional capacity to meet the more complex needs within the 65+ care home sector, there remains a significant gap to local Health and Social Care System requirements. Trend information suggests that availability of these placements is reducing. There have been limited new entrants into this marketplace, with only 1 additional care home opening in the last 5 years.

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

Local Market Features

The independent sector 18+ homecare market in Cumbria is made up of 49 registered providers, 35 of which are contracted by the Council to deliver council-commissioned care. The Council also contracts with 6 Providers based outside of Cumbria in the North-East and North-West of England to deliver domiciliary care services in Cumbria.

Provider Ownership

Cumbria also delivers 18+ homecare services in-house, in addition to a county-wide Reablement service.

The NHS Trusts in North Cumbria and Morecambe Bay operate “home from hospital services” which support the discharge of patients into the community.

As part of the council's homecare framework, approximately:

- 80% of the Independent Sector market in Cumbria is owned by local providers, with the remaining 20% operating at a regional or national level
- 90% of the Providers the Council commissions with have a head office in Cumbria, with the remaining 10% being based outside of Cumbria.
- 41% of Providers (20) operate solely in Cumberland, 32% of Providers (16) operate solely in Westmorland & Furness and 27% of Providers (13) operate across both areas.
- There is also 3 Providers in Cumberland and 5 Providers in Westmorland & Furness who operate entirely on a private basis, and don't currently deliver services on behalf of the Council.

Details around Reablement, Interim Care and Home from Hospital services

Reablement is an Adult Social Care service delivered by the Council's in-house provider which aims to help people regain their independence following an illness, injury, disability or loss of personal support network. It is a free service and is provided for a short period of time, usually up to 6 weeks but sometimes less depending on individual need.

Due to the challenges in delivering 18+ domiciliary care services (see Risks to Market Sustainability), a number of individuals are currently supported by interim care services, until a long-term care package becomes available. This includes individuals being supported by the in-house reablement service beyond the 6 week period, interim support through Health Care Practitioners (HCP) and individuals being supported in hospital.

Home from hospital services is delivered by an NHS service called Home First, which is a team is made up of nurses, therapists, social care and voluntary sector workers, which makes sure individuals get the care and support they need to return home as quickly and safely as possible

Council Purchasing

The entire homecare market (including those providers who only deliver privately purchased care) is estimated to support 3,168 people throughout Cumbria, delivered as follows:

Total people supported	Commissioned directly by the Council from independent providers	Non-council funded independent sector placements (private, direct payments or NHS funded)
Cumberland	1068	739
Westmorland and Furness	732	898

Figure 19 – Source: CCC data and Capacity Tracker.

Overall, it is estimated that the council currently purchases around 53% of the homecare market through a Framework Agreement with Independent Sector Providers.

The Council operates an open Framework through which all packages of 18+ domiciliary care are commissioned. As the framework is open, new providers can apply to join at any time. The Framework has a Fixed Hourly Rate dependent on the level of rurality of the persons home address. These rates were set at the start of the Framework Agreement in September 2019 and are reviewed by the Council on an annual basis in April each year. Payment is made in blocks of 15 minutes, with Providers receiving 25% of the hourly rate for 15 minute visits, 50% for 30 minute visits and 75% for 45 minute visits. The Fixed Hourly Rates as of 4 April 2022 are:

	Urban	Rural	Extra Rural
Hourly Rate – 1 April 22	£19.52	£21.63	£25.49
Hourly Rate – 1 Oct 22	£21.45	£23.60	£27.61

Figure 20 – Source: CCC Fixed Prices.

Domiciliary Care Provider Size

The table below shows the distribution of domiciliary care providers by size which the Council currently commissions with, regardless of where the head office is based. This indicates that the market currently has a small number of “large” providers who deliver over 1,000 hours of homecare each week. Experience during the pandemic indicates that smaller providers are particularly vulnerable to an unstable staffing market and they have a smaller pool of staff to draw upon to support contingency planning.

	Number of Providers	
	Cumberland	Westmorland & Furness
Large (1,000+ hour per week)	4	1
Medium (500 – 1,000 hours per week)	4	4
Small (100 – 500 hours per week)	15	9
Very Small (Less than 100 hours per week)	7	10

Figure 21 – Source: CCC Provider data.

Quality

Of the 38 Framework Providers based in Cumbria, 1 Provider (3%) has an **Outstanding** CQC rating, 33 Providers (87%) have a **Good** CQC rating and 4 Providers are awaiting a CQC inspection

Distribution

The Framework Agreement for Homecare Services operates on a countywide basis, with 18+ domiciliary care services being provided across the 6 district areas in Cumbria. The supply of services are not uniformly distributed, with the levels of domiciliary care being higher in particular areas of the county.

The table below compares the contracted domiciliary care placements with the unmet domiciliary care packages outlining the demand for council managed domiciliary care per 1000 population (65+). Demand is shown against the 65+ population as approx. 80% of domiciliary care placements and unmet requirements are for individuals over 65 years old, and this is a more suitable comparator than the 18+ population.

	per 1000 population (65+)		
	Placements	Unmet	Demand
Allerdale	10.99	3.48	14.47
Carlisle	21.99	2.12	24.11
Copeland	13.12	3.90	17.02
Eden	10.38	2.80	13.18
Furness	34.16	5.07	39.23
South Lakeland	4.62	2.36	6.98
Cumbria	14.52	3.10	17.62
Cumberland	15.6	3.07	18.67
Westmorland and Furness	13.3	3.13	16.43

Figure 22 – Source: CQC Dataset 03 January 2023 and Cumbria Observatory

Note: Figure 22 only shows the demand for council managed domiciliary care and does not accurately reflect the size of the private market, including Direct Payments.

Certain areas of Cumbria are experiencing significant workforce challenges within community services. Overall, the number of directly employed community care staff (excluding nursing and agency staff) has reduced by 9% since the high point in August 2021*. However, a more significant reduction of 17% is evident in the Morecambe Bay NHS area. This is leading to significant system pressures in this area.

The main driver for these workforce challenges is the lack of available carers in Cumbria and increased competition for staff from the hospitality, tourism and private homecare market. Framework Providers have advised that they cannot compete with providers who can offer significantly higher rates, and in certain parts of the county, the recruitment and retention of staff has become a major issue.

Cumbria's super-aging population means that:

- the non-working age is increasing - this leads to potential increased demand for services; and
- the working-age population is decreasing – this leads to a shrinking local workforce, greater competition for jobs and high employment rates.

These factors are not distributed evenly throughout Cumbria due to the varying demographic profiles. In addition, cost of living pressures, rising fuel costs have further impacted on the attractiveness of domiciliary care as a career as costs associated with doing the job have increased.

High house prices in some areas mean that it is difficult for school leavers to remain in their local area and therefore recruitment of new working age staff can be a challenge. High house prices also mean that it is difficult to attract new care staff to certain areas as they are unable to live locally and would need to incur significant travel costs to enter the workforce.

These issues tend to be most prevalent in affluent areas (such as Eden, South Lakeland and the National Parks) and these areas also tend to have the highest proportion of self-funded users. Competition for available care staff is therefore heightened, with providers concentrating on the private market able to offer more competitive rates of pay. Unmet need tends to be highest in these areas, particularly when considered as a proportion of the Council-commissioned market (see table 19).

The lack of available staff has put significant pressure on market sustainability and has already had the following impact on certain parts of the market:

- Providers have been unable to recruit/retain sufficient staffing numbers and have been unable to pick up any new homecare requirements, this has increased the number of homecare packages which are currently unmet.
- Providers have had staff members leave on short notice and have been required to hand back packages to the Council. This has reduced the homecare capacity available to the market and put significant pressure on the Council to find alternative solutions until a new homecare provider can be commissioned and care safely transferred across.
- Some Providers have had to withdraw from delivering homecare entirely due to being unable to maintain staffing levels. The Council has had to deal with Provider Failures on an emergency basis to make sure service users continue to be supported.

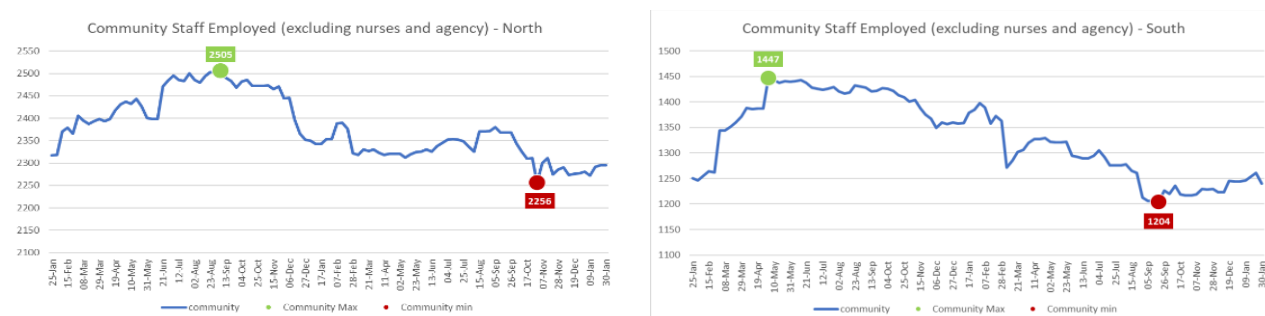


Figure 23 – Source: NECS Capacity Tracker as at 29 Jan 23

INCREASING DEMAND AND LIMITED GROWTH

The workforce challenges outlined above are reflected in the growing levels of unmet need for council-commissioned homecare services. Due to the lack of capacity within the homecare market, the weekly level of homecare delivered has decreased by over 1,000 hours over the last 12 months and these hours are now recorded as unmet & are currently being delivered by a mixture of interim services.

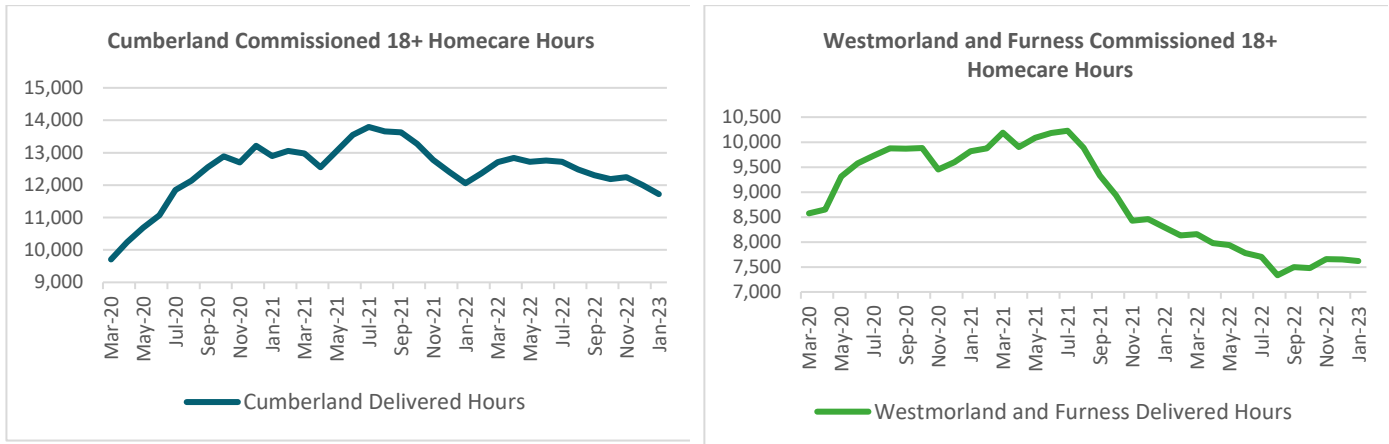


Figure 24 – Source: CCC Commissioned Homecare

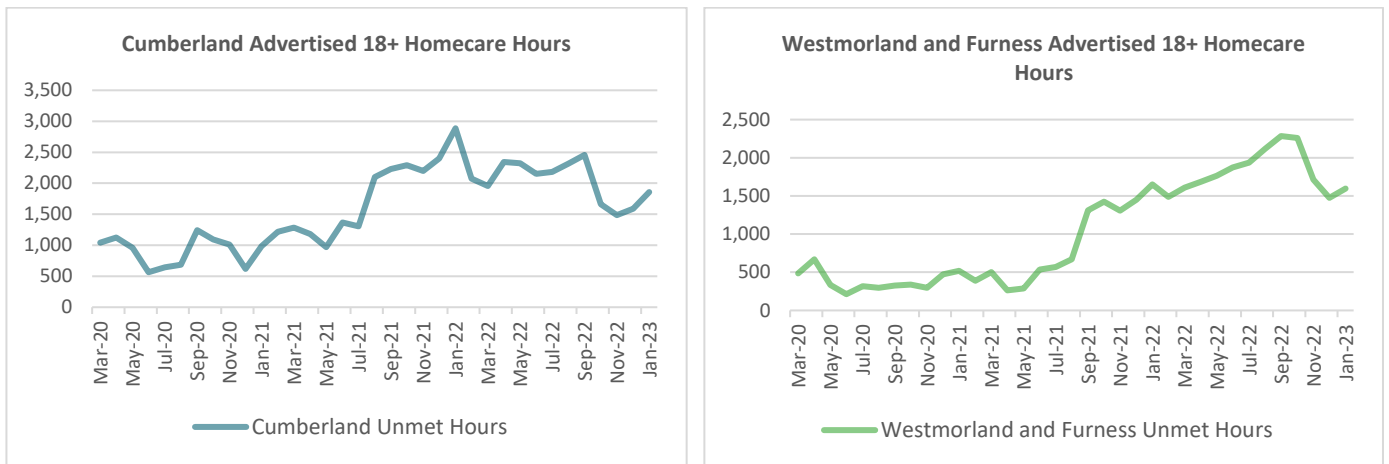


Figure 25 – Source: CCC Homecare Requirements

RURILITY, TRAVEL AND INFLATIONARY PRESSURES

Cumbria is a predominantly rural county and has a number of homecare requirements in both Rural and Extra Rural locations. This presents a number of challenges in both making sure the Council can commission sufficient homecare services in rural locations and homecare providers are paid a fair hourly rate which includes travel to & from care visits.

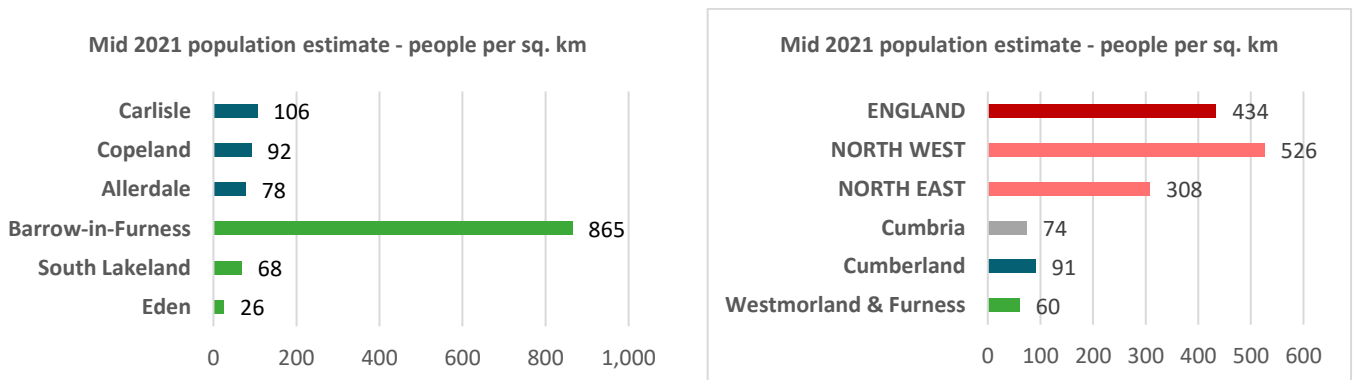


Figure 26 – Source: ONS Mid 2021 Population Estimates Geography

The main inflationary cost impacting on the homecare market is the cost of fuel. The Council's current fee model under the existing Framework Agreement includes payment of 35 pence per mile per hour of care delivered. The assumptions in the fee model are set out in Figure 27 below:

	Urban	Rural	Extra Rural
Mileage Average miles per hour of care delivered	1.00	4.80	10.00
Travel Time (hour) funded at care delivery rate inc on-costs	0.17	0.19	0.29

Figure 27 – Source: CCC Fixed Hourly Rate

This means that for packages of care under 1 hour, providers receive a pro-rata equivalent of the mileage and travel element of the fee. It is accepted that, for some rural and extra-rural calls lasting less than 1 hour, this method of calculating travel costs may need to be reviewed under future contracting arrangements (see section 3). However, it must also be noted that some providers are able to operate rural and extra-rural calls as a care round, thus reducing travel time and distances between calls to below the times/distances. Similarly, some providers utilise walking staff in urban areas thus minimising travel costs.

The rate of pay for travel became a Market Sustainability issue in April 2022 when Providers advised that fuel costs had increased by up to 33% over the last 12 months, and this made it unviable for carers to travel to rural locations. Weekly average weekly fuel costs are set out in Figure 28 below.

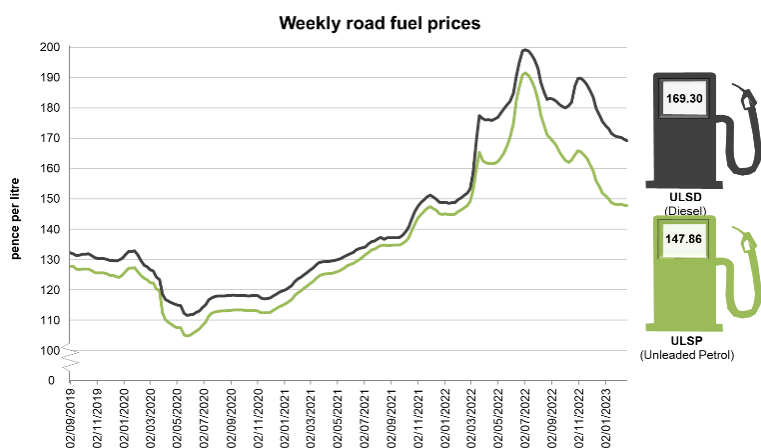


Figure 28 – Source: Road fuel price statistics providing average UK retail 'pump' prices on a weekly basis (as at 22/02/23) (<https://www.gov.uk/government/statistics/weekly-road-fuel-prices>).

In order to support the market, the Council took the decision to provide a Travel Grant to Framework Homecare Providers to support them in meeting the increased fuel costs they were incurring whilst travelling to deliver domiciliary care services. This grant allowed providers to undertake a number of initiatives to support care staff, including: temporary increases in mileage payments to care staff, purchasing fuel cards, lease cars or arranging alternative transport methods, and any other initiatives that deliver improvement to the travel/mileage costs incurred by care staff.

INFLATIONARY PRESSURES

Ongoing inflationary pressures, the current cost of living crisis and rising wage costs are currently impacting on the financial viability of many providers. An example of inflationary measures affecting care services are shown in figure 18 above:

Budgets were signed off by Cumberland and Westmorland & Furness councils in March 2023. Contained within these budgets was provision for uplifting provider fees.

Key Risk 1:

There is a lack of available workforce to meet homecare demands across Cumbria. This is impacting on the Council's strategic actions to increase the use of 'support at home' services for Older People with lower-level eligible needs. There is already a significant number of unmet homecare requirements in Cumbria, and this trend continues to grow.

Key Risk 2:

There is a risk that, due to the lack of available care staff Homecare Providers will not be able to recruit / retain sufficient staffing numbers to maintain their Homecare Service. There is therefore a risk that they will increasingly seek to hand back current service agreements, increasing the level of unmet demands in Cumbria.

We have already had a number of Providers hand back packages or exit the market completely which puts increased pressure on interim arrangements until an alternative provider can be identified. Some Providers have withdrawn from delivering care in some parts of the county, as they have been unable to retain sufficient staffing numbers to make it viable to continue.

Key Risk 3:

A lack of available homecare capacity is impacting on flow from other services, including reablement and interim care arrangements. This is ultimately impacting on hospital discharge performance and means that some people remain in hospital or other service longer than they would otherwise need to.

Key Risk 4:

There is a risk that inflationary pressures, including high fuel costs, continue. Cumbria County Council has been able to implement grant funding initiatives to support with specific cost pressures (such as travel and recruitment) but this non-recurrent funding has not been identified as available for future years. There is a risk that without additional funding for local authorities from Central Government, these additional support measures will not be affordable in future years.

Key Risk 5:

As Cumbria has a 'super-aging' population there is a significant risk that the demand for homecare services will continue to outpace the available working age population, and the market challenges around the limited availability of a social care workforce will continue to get worse. The Council is working with Providers in the social care market and System Partners to try to support the market to develop.

Section 2: Assessment of the impact of future market changes between now and October 2025, for each of the service marketsImpact of Section 18(3)

Although funding reform is expected to have a significant impact on the cost and commissioning arrangements for 65+ care home services, recent phasing and implementation timescale changes introduced by Central Government have made the potential full impact hard to quantify. Notwithstanding the delay in implementation after October 2025, recent activity, such as the survey of provider costs, have the potential to impact on local markets, provider fee expectations and local authority access to services.

Workforce

The most significant market challenge, both in the care home and homecare sectors, is the limited availability of a social care workforce. Other sectors, including hospitality, retail and tourism provide significant competition for the available working age population, a population that in many areas is in decline due to Cumbria's super-aging population.

Local factors such as high housing costs, rurality, limited public transport and high fuel costs, significantly impact on the ability to recruit new entrants into the Cumbrian social care workforce. These challenges are expected to remain over the next 3 years. These issues are likely to be more keenly apparent in the Westmorland & Furness Council area as the Eden and South Lakeland Districts are currently the most challenged in these areas.

The workforce challenges and local factors identified above are also having a significant impact on social care services in Cumbria that do not fall within the scope of the **Market sustainability and fair cost of care fund 2022 to 2023**, such as Supported Living and Extra Care Housing. Both the funding reform and any financial uplifts as a result of **Market sustainability and fair cost of care fund 2022 to 2023** will likely have a significant impact on how these services are delivered going forward.

As is the case nationally, social care in Cumbria is, and is likely to remain, under significant pressure, both from a perspective of rising demand and lack of available funding. Without significant national investment it is likely that Cumbria, the newly established Unitary Authorities and all local authorities will face significant on-going challenges with the delivery of their statutory social care functions.

Inflationary Pressures

Inflationary pressures have had a significant impact on both the 65+ care home and 18+ homecare markets during the current financial year and in the short-term they are forecast to continue. Whilst fuel and associated travel costs appear to have peaked and are reducing, other cost pressures for providers such as food and wages may continue to rise.

Impact of Local Government Reorganisation (LGR) in Cumbria

Day 1 readiness planning is designed to reduce disruption to existing contractual arrangements for 18+ domiciliary care provision. However, it is ultimately unclear how implementation arrangements will impact on providers' ability and willingness to continue delivery of Council-contracted services on existing terms.

Post Vesting Day the new Councils may elect to implement separate contracting arrangements and fee structures. Currently all contracted Providers are paid the same weekly or hourly rates across the county. However, if one of the new authorities chooses to increase their fees within their council area, it may lead to providers choosing to either focus their service provision on placements from the higher-paying authority or relocated their service provision entirely.

LGR may also exasperate existing supply issues:

- People resident within each of the 6 districts can currently access Cumbria-wide 65+ care home services within one set of contracting and pricing arrangements. For example, many residents of Eden often choose to access nursing care in Carlisle due to proximity and levels of provision.
- The Council currently has at least 5 Providers of 18+ domiciliary care who currently operate across both Cumberland and Westmorland & Furness. These providers may decide to only contract with one authority going forward (better fee structure, terms and conditions etc.), which would potentially create additional unmet requirements within the authority they were exiting.

Current service delivery is not equally distributed:

- Table 9 above shows that Cumberland has significantly more residential care beds per 1000 population (65+) than Westmorland & Furness (22.31 vs 12.51). Conversely, Westmorland & Furness have a greater proportion of nursing beds per head (16.05 vs 14.41).
- Cumberland currently delivers approx. 60% of the homecare market and has a higher number of framework providers (30) compared with Westmorland & Furness (20)
- Westmorland & Furness has a significantly higher proportion of Unmet Requirements (14%) compared with Cumberland (7%)
- This means come vesting day, Westmorland & Furness will have a smaller homecare market and provider base to work with than Cumberland, but has a higher proportion of unmet requirements to source.

New unitary authority boundaries are not co-terminus with new Integrated Care Systems (ICS) or Integrated Care Boards (ICB). For example, the North East and North Cumbria ICB includes all of Allerdale, Carlisle and Eden district areas and most of Copeland (excluding Millom). Of these, Allerdale, Carlisle and all of Copeland (including Millom) will be part of Cumberland Council and Eden will be part of Westmorland & Furness Council.

LGR may also provide additional opportunities for more localised provision, contracting arrangements, provider engagement, capacity building and service design/delivery models. Outputs from provider returns received as part of the **Market sustainability and fair cost of care fund 2022 to 2023** will be used to inform future contracting and delivery models.

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

It should be noted that capacity pressures described in the sections above exist across a range of other settings, including Extra Care Housing and Supported living. Any market intervention, particularly in relation to workforce capacity, needs to consider the wider social care market. This is to ensure that, for example, recruitment, is not incentivised in one area to the detriment of another leading to market failure. As areas outside of 65+ care homes and 18+ domiciliary care were out of scope of the **Market sustainability and fair cost of care fund 2022 to 2023**, decisions relating to the use of that fund also had to consider the impact on other sectors and associated affordability of applying measures more broadly (where applicable).

Use of Market sustainability funding (2022-23 and 2023-24)

Ring-fenced in-year funding from the **Market sustainability and fair cost of care fund 2022 to 2023** was utilised in 2022-23 to address key strategic priorities in the social care market. In line with conditions attached to the grant funding, the Council recognised local market pressures across all services and, while grant conditions only covered, a section of the market, a significant additional investment into the wider care market in 2022-23 was made. Funding of £1.485m was used for in-year uplifts for providers in scope from the **Market sustainability and fair cost of care fund 2022 to 2023** and the Council invested a further £2.360m to address pressures across wider sectors of the market, which including providers both in and out of scope of the fund.

Funding for the Fair Cost of Care allocated to Cumbria County Council (£1.692m) has been wrapped up into the **Market Sustainability & Improvement Fund 2023/24**, with allocations made directly to **Cumberland** and **Westmorland & Furness** councils. This new grant includes an expectation from government that the funding will enable local authorities to make tangible improvements to adult social care and, in particular, to address discharge delays, social care waiting times, low fee rates, workforce pressures, and to promote technological innovation in the sector. Once the grant conditions are released, further decisions around use of the funding to support the market will be taken by Cumberland and Westmorland Councils.

Inflationary Pressures

Cumbria is currently going through a process of Local Government Reorganisation. From 1 April 2023 two unitary authorities will provide all the services currently provided by district councils and the county council.

Future budgets will be set by the new Cumberland and Westmorland & Furness Councils. The Market Sustainability & Improvement Fund 2023/24 will be allocated to the two new councils and they will take decisions around how this grant is applied, once the grant conditions become available.

Any impact of any future Adult Social Care reforms and associated government funding for this will be managed by the two unitary authorities.

Workforce

In order to address the workforce issues identified throughout this report, the County Council launched the **Proud to Care Cumbria** initiative. This is a free service offered by Cumbria County Council which supports social care provider organisations in Cumbria, including within the 65+ care home and 18+ domiciliary care sectors, to attract and recruit new staff. Proudtogetcumbria.org.uk is an attractive, user-friendly platform which allows providers to upload job vacancies, the council then promotes the website via an ongoing integrated marketing campaign supported by sufficient budget to make an impact. Over 80 provider organisations have subscribed to the site and over 120 job vacancies are currently listed.

So far in 2022-23 over 20,000 local people have visited the site and in the most recent month's data over 230 applications were made via it, with further applications being made to employers as a result of the wider promotion.

Plans are in place to develop the campaign further in the future, engaging with more provider organisations and attracting more new people into the social care workforce. The Council is also working with NHS partners around joint strategic planning for the health and social care workforce, with the aim to promote, at a system level, care as a career.

In 2022-23 the Council provided homecare providers with grant funding to support towards the costs of recruiting staff from outside of Cumbria, see below for further details. In addition central government announced the **International recruitment fund for the adult social care sector**. Work is ongoing with partners to utilise regionally allocated funding to support the local care market, with activity in 2023-24 being directed by Cumberland and Westmorland & Furness councils.

a) 65+ care homes market

The Council, and NHS partners via the Better Care Fund, have already invested significant sums in the development of the 65+ care home market for complex care. Since 2017, a recurrent £1.3m of the Improved Better Care Fund has been allocated to incentivise providers to deliver additional dementia care capacity.

See above actions taken to address workforce issues for both 65+ care homes and 18+ domiciliary care. Other actions using non-recurrent Hospital Discharge Funding and Winter Pressures funding have generally focused on short-term initiatives to improve hospital flow, such as interim "Winter Pressure beds".

Future fees for the 65+ care home sector will be established as part of the wider annual budget setting process. Care home fees are one element of the overall budget setting with Council's having a statutory responsibility to approve a balanced budget for the next financial year and ensure that in the medium term the Council is financially sustainable.

b) 18+ domiciliary care market

In June 2022 and again in January 2023, the Council launched a grant fund aimed at supporting homecare providers with the increasing costs of travel. This fund allowed Framework Homecare Providers to offer initiatives to care staff to support them with increased travel costs, including temporary increases in mileage payments, purchasing fuel cards, lease cars or alternative transport methods, and other initiatives which deliver improvement to the travel / mileage costs incurred by care staff. This fund provided an additional £0.900m to the Homecare market, supporting over 35 Framework Homecare Providers across two funding rounds in offering transport initiatives to care staff, improving staff retention and enabling them to continue providing care.

In September 2022, the Council announced further grant funding for approx. £0.180m for homecare providers to support with additional recruitment costs. Providers were asked to submit grant applications outlining how they will use this fund to generate additional staffing capacity to support the delivery of council-funded services in areas with high levels of unmet need. 14 Providers were supported through this fund and were able to recruit over 60 care staff into Cumbria. This investment was made in the absence of any announcement from Central Government around additional funding for the market that have been made in previous years (such as previous Workforce, Recruitment, Retention Fund allocations).

Future fees for the 18+ domiciliary care sector will be established as part of the wider annual budget setting process and will have regard for the fee uplift mechanism within the existing contracts. Domiciliary care fees are one element of the overall budget setting process and Councils have a statutory responsibility to approve a balanced budget for the next financial year and ensure that in the medium term the Council is financially sustainable.

Cumbria County Council also has the Proud to Care Cumbria campaign (www.proudtocarecumbria.org.uk) which supports care providers in advertising a wide range of jobs.

Additional regard will be had to the sustainability position of the market (reflecting the challenges outlined in this document), the outputs of the provider returns received as part of the **Market sustainability and fair cost of care fund 2022 to 2023** and the quantum of the financial settlement received from Central Government in relation to this exercise.

It is important to note that 2023-24 budget (including provider uplifts) will be set by the new Cumberland and Westmorland & Furness Councils.