

Annex C: final market sustainability plan template

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

- a) Assessment of current sustainability of the 65+ care home market
- b) Assessment of current sustainability of the 18+ domiciliary care market

Royal Borough of Kensington and Chelsea (RBKC) is a Central London borough who operate as the Bi-Borough with Westminster. It has strong service delivery ties with Hammersmith and Fulham, other West London Alliance members and one home in Wandsworth.

It has a population of over 157,000. There is a high proportion of self-funded individuals across care home and home care services with some services only admitting self-funders.

RBKC has 4 Home Care providers, all rated 'Good' and 8 Care Home providers. 4 are rated 'Good', 2 'Outstanding' and 1 'Requires Improvement'. One new home hasn't been rated yet. Overall the quality of Care is consistent and well managed. Development of Care Homes in RBKC is ongoing however some Care Home providers focus on the large self-funder market. Some Home Care provision is only for self-funders.

There is one long term block arrangement. RBKC have limited access to homes in borough and are not able to meet the demand across the Bi-borough. They are an exporter to neighbouring local authorities.

Current Service Users by Service Type	Local Authority Clients 18 - 64	Local Authority Clients 65+
Home Care	119	502
Nursing		52
Nursing EMI		46
Residential		64
Residential EMI		50
Total	119	714

The RBKC market comprises a mix of national and local providers. Across Homecare and Care Homes the Market has good quality. Delivery in Care Homes is more consistent and is managed by a combination of spot and block contracts.

Service Type	
Home Care	4 Providers All 4 providers CQC rated 'Good' Significant self-funder market

65+ Residential Care

8 Care Homes
National, regional and local provision. Charity and Private provision
2 Outstanding; 4 Good; 1 RI; 1 not yet inspected

There are 81 units of extra care in the north of the borough which supports the 65+ population.

RBKC is a higher than average spender across ASC groups, particularly in long-term care for those aged over 65 years. Therefore the impact of spend in 65+ care homes and home care will be greater. The Royal Borough also has relatively low levels of client contributions compared to other London Boroughs, at just over, 10%, which presents an opportunity.

The Workforce is predominantly imported due to the Cost of Living or based in the north of the borough. The increase in LLW to £11.95 in September 2022 may mean reviewing figures if these don't accurately support this increase.

As with other local authorities, care home and home care providers in RBKC face considerable challenges with recruitment and retention of staff. Since 2018/19 new starter percentages across the total job roles has decreased, particularly in the regulated professions and direct care roles. More positively there is a relatively lower turnover rate relative to other areas but it is still increasing and again is predominantly related to the regulated and professionals and direct care staff. However, those two employment areas also have the greatest vacancy rates which indicates a need for focus on accelerating recruitment.

There are some excellent examples of successful local recruitment in RBKC but this tends to be more a feature in Extra Care settings and care homes rather than home care where local recruitment has presented more of a challenge.

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

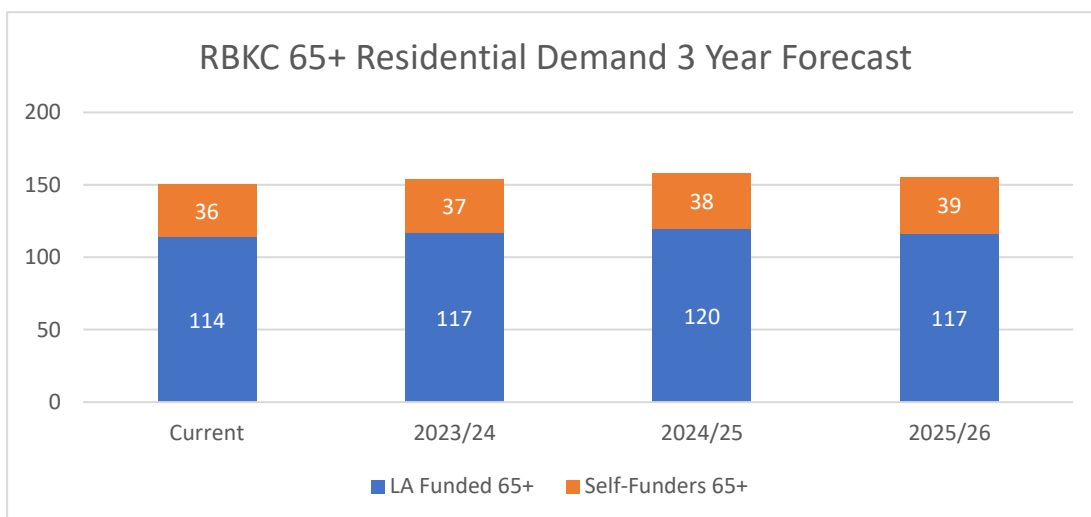
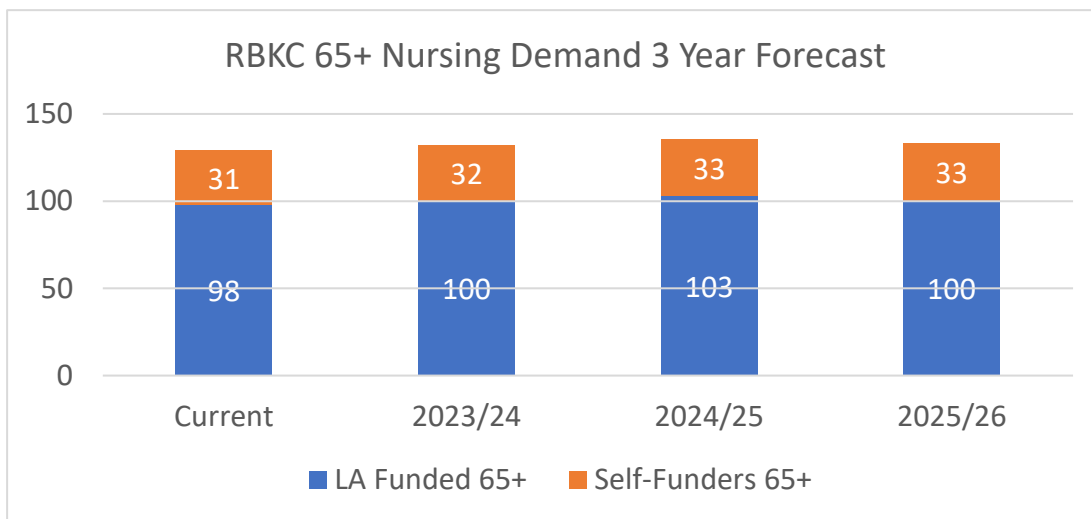
The opportunities for RBKC to develop new care homes are severely limited given the prime Central London location and associated costs of land. However, there are opportunities for innovation in the Technology Enabled Care space. RBKC is an exporter of care due to the limited capacity of care home provision.

There is a buoyant self funder market in Westminster and whilst the CIPFA data suggests that the demand is lower than average, there is an increased complexity of need when individuals are being supported. The workforce has not always been able to keep up with need.

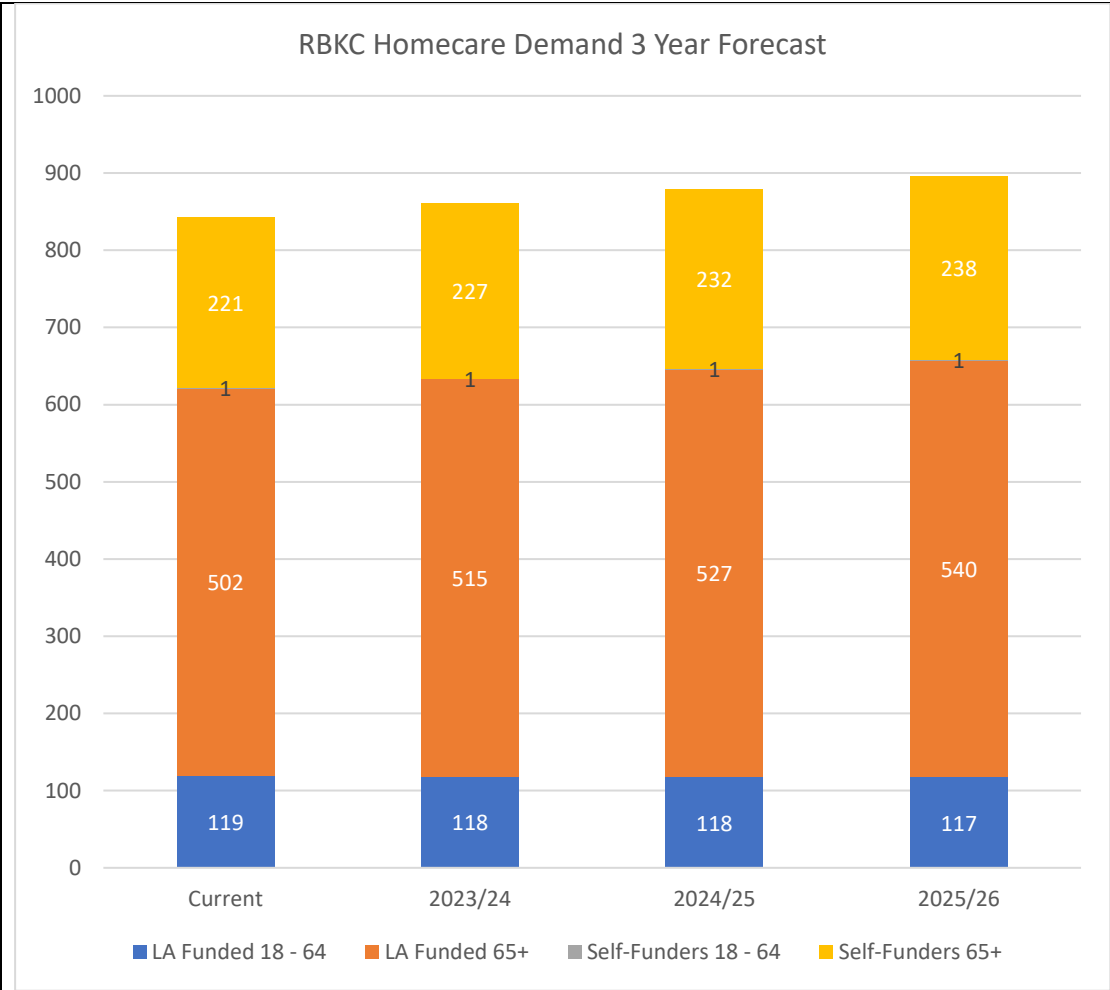
The current market conditions have not supported innovation or implementation of new care models to deliver strategic objectives / priorities . The models of care and support are traditional and time / task driven. This will be reviewed as part of their new home care design in 2023.

The charts below show the forecast change in demand over the next three years for 65+ care homes (residential and nursing inclusive). Based on the current levels of demand, this shows the estimated demand and therefore supply required in the RBKC market. However, the forecasts don't consider care home placements commissioned by other local authorities, which would impact the capacity required in order to meet demand. This is minimal in Westminster.

Whilst this is a forecast based on current provision, the Market Sustainability Plan section three, which has plans to address each of the care markets, will consider how the Local Authorities plans and future strategies may impact these markets further.



The chart below shows the forecast increased demand over the next three years across all ages and for homecare. Based on the current levels of demand, this shows the estimated demand and therefore supply required in the RBKC market. It is anticipated that there will be a steady increase in both the public and private funded markets for those 65+. More demand is projected from self-funders 65+.



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

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

- (a) 65+ care homes market**
- (b) 18+ domiciliary care market**

Current Commissioning

Home Care is delivered through Framework providers and some spot arrangements. Home Care will be redesigned in the next year to better deliver on outcomes for individuals. As part of this re-design provide sustainability has been prioritised. There are conversations with the market ongoing on how best to contract with the market to encourage local workforces.

Key Priorities include:

- A Greener approach to home care – therefore this will review transportation, zoning of key areas and attracting a local workforce.

- A local workforce - attracting a local workforce who can live in Westminster and benefit from its services.
- Prevention – maximising use of reablement and prevention as opposed to long term support.
- Diversity of business – encourage small and large organisations who will be able to deliver care to a high quality to an increasingly diverse population.

Care Homes will be reviewed as part of a regional approach to commissioning. This will also provide an opportunity to work towards the ending of the PFI contractual arrangements which ends in July 2024.

There may be some political impact as the Bi-borough is now governed by two parties. This may affect the strategic direction for the Bi-borough. RBKC is yet to publish its Market Position Statement across Adult Social Care.

The funding priorities for the next three years will focus on prevention and home care to support the few 65+ homes in the borough. There is recognition that funding of prevention will increase costs of care homes as individuals will have more complex needs.

Working towards rates that are informed by the Cost of Care exercise is a priority for RBKC and will inform its commissioning activity. A regional approach gives the market more assurance of ongoing business.

The role of LLW – currently £11.95 will be incorporated into the strategy as well as supporting the requirement for a local workforce.

Planned work will be delivered on developing the offer prevention, low and short-term support and alternative long term support provision in borough. e.g., Increased use of reablement and other outcomes-based care models to reduce dependency on residential and nursing care

RBKC provider forums and contract monitoring meetings are ongoing and will inform the commissioning strategies.

Strategic Risks

Recruitment is a risk for both markets as it often requires travel in and around Zone 1. There is a limited pool of local carers to recruit from as compared to other North West London Boroughs e.g. Brent, Ealing. A work force strategy which encourages career progression and non-financial incentives is being considered.

Charging reform changes will require more assessments of more people. RBKC has a high number of self-funders so the impact of this will mean more resource to support this activity moving forward.

Timescales for change will be harder to manage whilst the cost of living, inflation and LLW changes are occurring. Achieving the Fair Cost of Care will require time, and costs will continue to increase during that time forcing authorities to play 'catch up' and risk provider failures.

Competition for work force continues to be a risk particularly where people can earn the same or more working in other sectors of the economy that do not require the same degree of physical and emotional labour.

The Bi-Borough is moving toward Outcome Based Commissioning as part of a wider regional approach and will be working with partner in the West London Alliance. This is particularly necessary for Care Homes where both boroughs are reliant on the neighbouring boroughs to support current demand

Going Forwards: Funding Priorities

Strength based working across health and social care:

- Person-centered delivery focus as opposed to time and task
- Managing the increased complexity of needs created by the 'success' of the Prevention Agenda such as extra care, reablement, home care.
- Continued partnership working within region, with health and co-production with providers
- Alternative delivery models of care will be considered to manage capacity limitations
- Developing and attracting a Local workforce

Strategic Commissioning:

- Assessment and maintaining affordability of care for public and private funded individuals
- New home care design embedding cost-of-care informed fees and innovation
- Alternative provision and arrangements across all of ASC market to manage budgets
- Small block contracts for home care
- Workforce sustainability focused and codesign
- Regional commissioning strategies for market sustainability
- Pricing and maintaining 'Good' quality across the services
- Development of the care home commissioning across Central and North-West London.