

Ealing Council

**Adult Social Care
Market Sustainability Plan (MSP)**

March 2023

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Section 1 Introduction

About Ealing

- Ealing is a large and diverse borough – as of March 2021 the population stood at 367,100 an 8.5% increase on the previous census of 2011.
- Ealing remains the third largest London borough in terms of population, after Croydon (390,800) and Barnet (389,300); with its residents made up of 57% from BAME or mixed groups, and 43% white.
- There has been an increase of 22.8% in people aged 65 years and over, a 7.5% increase in those aged 15 - 64 years, and a 3.8% increase in the number of children under the age of 15 years.
- Ealing has four wards / residential areas that are in the 10% most deprived in England.
- The council has a clear corporate vision and set of values that drive its departmental priorities – which includes a strong political commitment to adult social care, underpinned by well-established partnerships.
- The Council Plan (2022-26) priorities for *Healthy Lives* sets out commitments for the social care workforce, housing and accommodation, market quality, and community engagement on the way adult social care is delivered.
- Adults Services are ardent advocates of “place” and the “voice of social care”, with a well embedded strength-based approach to social work practice, strong local safeguarding governance, and good risk management oversight of local care services.
- Ealing has a large number of care homes and a buoyant domiciliary homecare market, supported by dedicated commissioning and market management functions with a focus on quality and outcomes, and a ‘social value’ driven approach to commissioning and contracts management.
- The department currently operates in a very challenging financial climate but has a proven record of managing cost and demand with an emphasis on delivering improved outcomes (via our Better Lives approach), value for money, and market sustainability.
- Health inequalities in the borough require an ongoing focus, in particular diabetes, obesity, alcohol related admissions to hospital, sexually transmitted infections, tuberculosis, and falls. Whilst clinical areas of health inequality require a greater focus on maternity services, severe mental illness, chronic respiratory disease, early cancer diagnosis, and hypertension.
- Targeted and coordinated insight and interventions are also being developed through new geographically based Integrated Delivery Teams to better respond to the specific needs of our local communities in the Ealing, Greenford, Northolt, Perivale, Hanwell, Acton, and Southall areas of borough (often referred to locally as the ‘seven towns’)

Our Approach to Market Sustainability

The Care Act 2014

The Council has a general duty to promote diversity and quality in the social care market under Section 5 of the Care Act, 2014. This statutory guidance sets out that one main purpose of the duty is to produce a sustainable and diverse range of care and support providers to deliver better, innovative, and cost-effective services; which in turn support and promote the well-being of every person with a need for care and support.

This is typically conducted through the following key activities, which are undertaken in partnership with the NHS to promote integrated and joined-up

services, and the Care Quality Commission (CQC), who regulate and inspect registered care services, to improve the quality and standards of care and support available.

- **Market Shaping** – involves the local authority understanding its local care market(s) and the need to stimulate a diverse and stable range of services to ensure that people (and their carers) have choice over how their care needs are met and that they are able to achieve the things important to them.
- **Market Oversight** – the local authority has a duty to step-in where there is a risk of provider failure. To assist with this function, CQC maintains a market oversight regime in relation to large scale regional and national regulated providers. The scheme aims to help protect people using these services from the anxiety and distress that would be caused by the failure of a major care provider. They do this by monitoring the performance and finances of these difficult to replace providers and provide local authorities with an early warning of a risk of business failure, or if a provider is likely to be unable to continue to deliver services. At a local level the council operates a Risk Panel to maintain oversight of those care providers not covered by the CQC scheme.
- **Contingency Planning** – involves preparing for the major disruption to or the failure of services, by ensuring that people continue to receive the care and support they need should their provider cease to operate, or a significant service disruption occur. This includes broad activities to manage and mitigate risk and includes financial failure but can also extend to other reasons such as quality or regulatory failings. Again, Ealing’s local Risk Panel arrangements play a pivotal role in regard to contingency planning.
- **Trends and Demand** – the council uses an evidenced based approach to understand the demand for social care, using local demographic and activity data; and a detailed analysis of commissioning and price trends; along with the of national datasets such as the Adult Social Care Finance Return (ASCFR), and more recently the Cost of Care exercise and benchmarking data ADASS on regional trends in demand, cost drivers, and other sustainability factors such as inflation and workforce pressures. Our approach includes working closely with London Association of Directors of Adult Social Services (ADASS) and jointly with the Commissioning Alliance.
- **Market Engagement** – Ealing has a dedicated market management function, responsible for monitoring the quality and compliance of commissioned care services and to maintain active and progressive provider engagement. Regular registered manager and care provider forums are held on a monthly basis throughout the year.

Spend on Care

Between 2018 – 2020, the **Better Lives Programme** successfully delivered improvements in strength-based practice, established a greater focus on the front door, increased care reviews, maximised income, and led to improved oversight of finance and performance.

The financial position has changed considerably since COVID as a result of an influx of complex demand (largely due to NHS related COVID pressures), but also due to the removal of non-recurring COVID grant monies which saw over £10m of Government funded grants successfully passported to the local care

market in Ealing, and more recently through the increasing rise in the cost of care.

Ealing typically supports 3,000+ people to receive care at home, and currently commissions around 500 placements within the local Ealing care home market. The gross budgeted expenditure for Adult Social Care (ASC) in 2022-23 was £118m, of which £90m was budgeted for care services. Income from the NHS and from client contributions resulted in a net budget position of £83m.

The significant financial (and other operational pressures) being experienced by entire public sector, including social care providers at this time has left the local authority with substantial underlying and unfunded pressures on its care budgets. As of July 2022, Ealing Councils funding gap stood at £38m. Although our new medium term financial strategy addresses this gap in 2023-24, there nonetheless remains a forecast funding gap estimated to be £26m by 2026-27.

This context makes understanding the relationship between demand, cost, and price even more critical to our medium-term commissioning intentions.

New Government funding was introduced in 2022-23 to support the Council plan for funding reform and address market sustainability issues, most notably:

- A market sustainability grant of £950k, which contributed to our ability to fund over £2m of inflationary uplifts to existing care placements and to complete the required cost of care exercise.
- An adult social care discharge grant of circa £2m of pooled funding helped us to meet the cost of sustained demand for the timely and safe commissioning of services to support our discharge pathways.

However, the Government has since deferred implementation of proposed funding reforms to at least 2025.

While we will continue to assess the impact of the reforms on the market, and our readiness, it should be noted that there no dedicated grant funding has been made available in the Government settlement specifically for this purpose. There will be a general election no later than January 2025, the outcome of which is likely have an impact.

Looking ahead to 2023-24 and 2024-25 the Government has announced that funding remains geared to supporting councils better manage discharge pressures, with a contribution from the NHS and separately through new Adult Social Care Market Sustainability and Improvement Funding to address market sustainability issues.

Wider Budget Context

In this time of unprecedented political turmoil and economic uncertainty, the Council has acted decisively to invest in the delivery of key services to its residents in the year ahead whilst ensuring a balanced budget and a more secure financial footing for future years.

The Council's operating environment is highly uncertain. The current financial challenges sit against the context of significant inflation, the cost-of-living crisis, the global energy crisis and rising utility costs, increasing demand for services and complexity of demand, the continued impact of COVID, and a lack of clarity of future Government funding reforms and plans. Although the financial backdrop

for setting a balanced budget has been challenging, the Council has continued to ensure that both existing service challenges are appropriately funded and where new demand is forecast, proportionate growth is allocated to meet that expected demand whilst meeting Council priorities for investment, such as the Real Living Wage (RLW).

The on-going high levels of inflation combined with the cost-of-living crisis and rising energy prices have had a significant impact on the local and national economy, local businesses, and residents. As a council £46.368m of revenue growth has been allocated for 2023-24 of which £21m has been allocated to service growth and pressures, £19m to inflation, and £3m allocated to the RLW. Where required to (by government grant conditions) monies are being passported to social care.

The Council has also looked to utilise its local taxation powers which assumes councils will increase both Council Tax and the Social Care Precept by 2.99% and 2% respectively and to use additional funding to balance its budget for 2023-24.

Across the council, savings of £14.729m have been proposed. However, no additional budget savings are planned within adult social care in 2023-24, but a cost avoidance programme (estimated at £731K over the term the MTFS) is proposed through joint work with housing to reduced demand for bed-based accommodation by 2026-27.

Social Care Funding

There has been a shift in central Government funding to adult social care, as announced in the provisional financial settlement. In broad terms although the final settlement was better than had been feared but there still is a high degree of uncertainty around levels of funding and policy change in future years.

Within adult social care, the current underlying overspend on care exceeds £19m and has been mitigated as much as possible by continued demand management and tactical, non-recurring, funding streams. The postponement of the funding reforms and the absence of Government spending plans mean that there is significant funding uncertainty, making the preparation of medium-term financial plans complicated and speculative. As set out in the Autumn 2022 Budget Statement the adult social care funding reforms have been deferred to October 2025.

Social Care Grant

The social care grant increase of £8m to £22m in 2023-24 (rising to £26m in future years) is largely being funded by money previously earmarked nationally for social care funding reform. Social care grant increases and the precept growth will be used to fund pressures in adult social care. The additional funding for social care is for both adults and children and has been used to focus on addressing unbudgeted expenditure and use of reserves across these areas.

Market Sustainability and Fair Cost of Care Fund

A rebadged 'Adult Social Care Market Sustainability and Improvement Fund' is a ring-fenced grant totalling £562m nationally – it has been allocated to address discharge delays, social care waiting times, low fee rates, workforce pressures,

and to promote technological innovation in the sector. Further details on the conditions of this funding will be announced in due course.

A grant of £3.3m for Ealing will be passported to adult social care to contribute toward the anticipated unprecedented inflationary pressures on placements and to support our work to commission at sustainable rates.

Improved Better Care Fund (iBCF)

The final local government finance settlement confirmed that the Council's 2023-24 allocation of iBCF will remain the same as the 2022-23 allocation. Councils can spend the grant following agreement of local plans with their Integrated Care Boards (ICB) partners.

Ealing has agreed a local plan for the funding which it will continue to be used to deliver adult social care placements and services. The MTF5 assumes this grant will continue to be supplemented by new discharge fund contributions outlined below.

Adult Social Care Discharge Fund

A new Adult Social Care Discharge Fund grant aimed at reducing delayed transfers of care will be required to be pooled as part of the Better Care Fund. Further details on the conditions of this funding will be announced shortly and its impact will be subject to system level monitoring, for example reducing hospital length of stay.

The funding is expected to be made available for the next 2-years and linked directly to the costs of supporting the discharge activity. The council's allocation is £1.8m for 2023-24, and a matched contribution from the ICB is expected.

This funding will contribute towards rising costs and the levels of discharge activity that we have experienced since and during the COVID period. We will explore joint opportunities to invest this funding, where possible, in new schemes or capacity that address local discharge pathway pressures, such as complex care home placements.

Real Living Wage (RLW)

In line with the flagship Council Plan commitment, £4m will be allocated to adult social care to fund the continued and compound uplift of moving our homecare commissioning arrangements to align to the RLW.

Ealing's Market Sustainability Plan (MSP)

Ealing's Market Sustainability Plan has been compiled using intelligence from a range of sources, including data from the recent cost of care exercise – although it is the Council's view that the results of both exercises were limited in determining an accurate and representative statistical cost of care for Ealing.

These points of concern have been set out in full in each of our Annex B submissions to the Department of Health and Social Care (DHSC) [Cost of care reports](#).

Whilst the Council is fully conversant with the need to work towards commissioning care at prices that are sustainable for the local market, the outcome of the cost of care exercise in itself was not a replacement for the fee-

setting element of either our commissioning processes or individual contract negotiations, particularly given the points of concern raised in the councils Annex B submissions.

In producing the MSP, we have drawn on demographic data from the Joint Strategic Needs Assessment (JSNA), utilised local and regional benchmarked financial and activity data, used insight from our own commissioning analysis and price reviews, along with information from CQC and our direct market engagement. Our assessment of market sustainability has also considered the legacy impact of COVID and the current rise in inflationary pressures. We fully note that market sustainability is in a state flux at present and as such reflects a variety of factors that are impacting different care settings. Consequently, this assessment sets out some of the key themes and issues that are relevant (at the time of writing the MSP) and which reflect our corporate and medium-term commissioning intentions within our current understanding of the market.

The Councils broad aims, and those underpinning the MSP, are to support people to live independently at home for as long as possible and to ensure a sufficiency and quality of supply within available public resources. Therefore demand, capacity, sustainability, price, and cost are central factors that will be kept under constant review.

Assessment of the Current Sustainability of the 65+ Care Home Market

Sufficiency of Supply

Ealing currently has 28 care homes supporting the 65+ older adult age groups, with a combined total of 1,390 registered beds. This is the highest older adult bed count in North-West London (NWL), and fifth highest in London. The following table provides a headline profile of bed occupancy versus registered bed capacity at the beginning of February 2023:

Table 1: Number of care homes in borough

<i>Ealing 65+ care home bed profile</i>	
Total nursing home beds	1,131
Nursing home beds occupied	966
<i>Nursing home bed occupancy rate (%)</i>	<i>85%</i>
Total residential care home beds	259
Residential home beds occupied	227
<i>Residential care home occupancy rate (%)</i>	<i>88%</i>
Total number of self-funders	183
<i>Percentage self-funders in a care home bed</i>	<i>13%</i>

Ealing Council currently commissions a total of 494 care home placements (short-term and long-term) from the local care home market, which equates to 36% of the total registered older adults bed count in the borough, highlighting that over 60% of the beds in Ealing are commissioned either by other local authorities or the NHS, with only 13% of beds purchased by self-funders.

Care home occupancy levels currently sit below the preferred level of 90-95%, which would normally suggest an oversupply of beds in the market. However, the care home sector has yet to fully recover from COVID, which disproportionately impacted the bed-based sector across the UK.

As a result, a number of providers have opted not to operate at full capacity until their recovery (and the corresponding market conditions) allow them to do so. Some providers have gone one step further and indicated that they are actively considering reducing the total number of registered beds available over the long-term.

Standard residential beds remain the strongest category in terms of sufficiency – this is largely due to a lower demand for this bed type. There are, however, sufficiency gaps in both the residential dementia and nursing dementia bed categories; and a noted lack of capacity to support complex cases, such as older adults with an enduring mental health need or behaviour that challenges.

This position has been compounded by the loss of 60+ complex residential and nursing beds in the borough over the last 36-months. Ealing is in particular supported by four large-PFI commissioned care homes (covering both nursing and residential care). These homes form the cornerstone of the Council’s older adults care home offer (and strategy) in the borough; and it is envisaged that this will continue to be the case for the foreseeable future.

The long-term aim is one of a decreasing number of permanent care home placements being made by the Council as a result of increasing numbers of people better supported in their own homes and in their local communities, but equally one where those in need of a care home placement will typically present with greater and more complex care and support needs.

Diversity of Provision

The size of care home establishment in Ealing varies significantly, with the boroughs smallest home operating with 3-beds versus the largest home operating with 160-beds. Due to the size and capacity of the care home market, Ealing is in effect a net importer of care home placements.

This means that there are more people being placed in Ealing than the Council itself places in care homes outside the borough.

The 28 homes supporting the older adult population consists of 18 nursing homes and 10 residential care homes – 16 of the 28 homes are Small Medium Enterprises (444 beds) which are either family owned, or sole trader operated.

The remaining 12 homes (946 beds) are typically larger in scale and for the most part operated by established regional and national group providers.

Geographically, the location of the 28 care homes across Ealing’s ‘seven towns’ are as follows:

Table 2: Geographical distribution of care homes

Acton	Ealing	Greenford	Hanwell	Northolt	Perivale	Southall
14%	43%	11%	3%	0%	0%	29%

The distribution of the older adult care homes highlights a provision gap in the north of the borough, most notably in the Northolt and Perivale areas.

Quality of Provision

For the purposes of the MSP, the Council defines high-quality care services as being those rated Good or Outstanding by the Care Quality Commission (CQC); and which provide strength-based care, tailored to meet the needs of each individual they support.

The long-term quality trend for Ealing’s care services as a ‘whole’ has been challenging in recent years, but there have been signs that the position has been stabilising and improving, with Council support, in recent months.

The corporate performance target set by the Council is for 66% of registered care provision located in the borough to achieve a rating of either Good or Outstanding from the CQC.

The following table illustrates the CQC ratings performance for registered care provision in 2022-23 (this includes both care home and domiciliary care provision)

Table 3: CQC ratings of all registered provision at the 1 March 2023

2022-23	Outstanding	Good	Requires Improvement	Inadequate	Not Yet Rated
April	1%	63%	30%	1%	5%
May	1%	62%	30%	1%	6%
June	1%	61%	31%	1%	6%
July	1%	62%	33%	1%	4%
August	1%	66%	28%	1%	4%
September	1%	63%	30%	1%	5%
October	1%	67%	27%	1%	4%
November	1%	69%	26%	1%	3%
December	1%	67%	28%	1%	3%
January	1%	67%	30%	0%	2%
February	1%	69%	28%	0%	2%
March	1%	70%	26%	0%	3%

However, within this trend profile, the older adults care home market has not kept pace with the overall improvement in quality. Currently 56.5% of placements are located in a Good rated care home.

The following table demonstrates the CQC rating position for the number of occupied beds aligned with the care home’s current ratings, as of the 1 March 2023.

Table 4: CQC ratings of care homes & bed capacity

Rating	Homes	Beds
Outstanding	0	0
Good	16	660
Requires improvement	12	508
Inadequate	0	0
Total	28	1,168

In an attempt to redress this position, the Council in January 2023, facilitated a multi-agency **Care Home Summit** to focus on improving quality and care standards in the boroughs 28 older adult care homes. The summit was in turn attended by participants from the local authority, NHS, CQC, Skills for Care, and Healthwatch Ealing.

The summit undertook a ‘deep dive’ into the key areas of enquiry that underline CQC’s overall quality rating for each home. The exercise found that the areas of **well-led** and **safe** were in particular need of being prioritised with the local care homes.

The following table highlights the performance of all 28 care homes against each of CQC’s key lines of enquiry (KLOE’s):

Table 5: Care home ratings by Key Line of Enquiry

Safe	Effective	Caring	Responsive	Well-led
50%	82%	93%	64%	46%

The Summit agreed to devise a shared approach aimed at addressing the following themes:

- Ealing Commissioners are to set out a vision (for the care home market) on what the commissioning of good and outstanding care looks like from the Council’s perspective – premised on non-punitive inputs and supportive engagement with the local market.
- Support for care homes in the recruitment and retention of outstanding managers, as well led care homes provide better outcomes for the people living there – this will involve the council working with Skills for Care and NHS partners collaboratively to explore the development of a targeted leadership package of training, briefings, and manager support.
- Establish a specific focus on nursing homes as there are greater levels of concern regarding the ‘safe’ and ‘well-led’ domains for this group of homes – this theme will consider use of Joint Organisational Governance Reviews (JOGs) to target work with those nursing homes where there are evident quality concerns or significant risk.
- Better support for care homes to manage the increasing complexity and acuity of care needs by developing an in-reach offer for care homes straining to manage complex cases.

- Improve staff competency by both extending and enhancing our free training offer to the social care sector operating in the borough.

Procuring of Care Home Placements

Ealing Council operates a three-stage placement sourcing process, whereby we seek to utilise:

1. Placements available via our Private Finance Initiative (PFI) commissioned care homes.
2. Placements sourced via a shared Northwest London Dynamic Purchasing System (DPS)
3. Thirdly, by using spot placements sourced from the open care home market.

Ealing's placement process incorporates the following principles:

- Choice – the aim is to provide up to three care home options to offer choice.
- Quality – care homes must meet required quality standards set by the Council.
- Appropriateness – care homes must demonstrate they can match / meet a person's care needs.
- Location – the search will consider the preferred location for the placement.
- Value for Money – placement fees must offer best value.

The DPS (and where applicable spot) care home providers are sent secure e-referrals whereby they can opt to bid for a placement by responding to each of the 'care requirements' detailed in the referral, along with submitting an open book fee quotation in line with the Councils price bands or the host local authorities published rates if received from an out of area provider. The secure e-referrals are typically issued via the Councils nominated e-brokerage system, CarePlace.

The existing shared DPS for Care Homes and Supported living expires in August 2024 and will be replaced by a new care home contract for older adults' placements from 1 September 2024. A new commercial strategy is in development and will set out the replacement contract vehicle to be procured, along with terms that reflect the desired configuration of older adult bed provision, quality standards, and appropriate price points. This exercise is being co-ordinated by colleagues from the Commissioning Alliance on behalf of the eight participating Northwest local authorities; it is envisaged (at this stage) that Ealing Council will continue to be the legal host for the replacement contract.

The Commissioning Alliances' primary role is to bring the Northwest London local authorities together, and coordinate a collective use of our market leverage, share of data and learning, and provide the tools that enable local authorities to better manage price and quality together.

Placement Fees

Outside the Councils PFI contractual arrangements, Ealing (along with most Northwest London local authorities) make significant use the shared Dynamic Purchasing System (DPS) for older adult care home placements.

The DPS incorporates the use of a geographical bed category price band structure for Northwest London, the prices bands pertaining to Ealing (for the last 3-years) are as follows:

Table 6: Ealing care home DPS price bandings 2020 - 2023

<i>Bed Category</i>	<i>Price Band 2020-21</i>	<i>Price Band 2021-22</i>	<i>Price Band 2022-23</i>
Residential	£481.00 - £599.00	£489.00 - £609.00	£523.00 - £651.00
Residential Enhanced	£542.00 - £637.00	£551.00 - £671.00	£589.00 - £717.00
Nursing	£535.00 - £655.44	£544.00 - £667.00	£577.00 - £708.00
Nursing Enhanced	£555.00 - £674.44	£564.00 - £686.00	£598.00 - £728.00

The price bands cover both standard and enhanced (dementia) bed categories; with the nursing bands quoted **exclusive** of Funded Nursing Care (FNC) – the nursing homes providers themselves claim the FNC component directly from the responsible ICB or NHS Trust. The council aims to achieve bed prices (secured through the DPS) within the annual published price bands. The FNC rates for the last 3-years were as follows:

- FNC for 2020-21 was £180.31 per week.
- FNC for 2021-22 was £187.60 per week.
- FNC for 2022-23 is currently £209.19 per week.

Where appropriate, additional one to one element's can be negotiated over and above the price bands where there are particular complex needs that cannot be met as standard and are kept under review.

The published price bands are reviewed annually, in partnership with the Northwest London (NWL) local authorities, facilitated by the Commissioning Alliance. The process for setting the prices bands each year includes an annual analysis and comparison of client-level datasets for the care home placements commissioned by each authority.

The price analysis excludes any in-house or block contract arrangements as these prices are often not equivalent to either the DPS or spot care home market rates. Secondary (publicly available) datasets are also used to extend the range of analysis to support the price setting exercise, such as use of the adult social workforce dataset (ASC-WDS).

The price bands for each new financial year are published online by the Commissioning Alliance on or before the 31 March. The previous table also illustrates the price band rises that have taken place for each of the last 3-years.

London ADASS Bed-Based Price Benchmarking Exercise

All of the London boroughs, via London ADASS and the London Information Exchange Group, undertake a bed-based price benchmarking exercise each year.

The returns for each the last 3-years in the following table demonstrate the average consolidated 'gross' weekly rate paid by Ealing for both nursing and residential care bed categories.

Table 7: Ealing ADASS price benchmarking 2020-2023

Bed category	2020-21	2021-22	2022-23
Residential	£719.97	£730.78	£784.35
Nursing *	£859.13	£900.19	£1,027.50

* Figures include funded nursing care (FNC)

Ealing's average residential care rate of £784.35 per week is reported as the 11th highest in London, and substantially above the London average of £683.08 per week. Whereas the average nursing home rate of £1,027.50 per week was the 25th highest of the London boroughs, and slightly lower than the London average of £1,098.66 per week.

The average weekly prices paid by Ealing for new placements has risen in each of the last 3-years. The average for residential rose by 1.5% between 2020-22 and by a further 6.8% in 2022-23. The average price paid for a nursing bed rose by 4.6% and 12.4% for the same corresponding period. The noted increase in the bed prices for 2022-23 as compared to the previous 2-years very much aligns with the recounted increases in wage, food, and utility costs resulting from the rising in the cost of living, the increase in the National Living Wage, and the additional cost of employing nurses and experienced staff widely reported by the market throughout the last 12-months. The increase in price also reflects a noted increase in the acuity and complex needs of service users requiring to be placed in a care home setting, particularly in respect to the additional 1:1 funding requested to support an admission by care home providers. The funded nursing care (FNC) increases for the same period were:

- 2020-21 saw an 8.2% increase on the previous year
- 2021-22 saw a 3.9% increase on the previous year
- 2022-23 has seen a 10.3% increase on the previous year

It is envisaged that bed-prices will rise further in 2023-24 especially given inflation remaining above 10% and the 9.7% increase in the National Living Wage from April 2023.

Adult Social Care Finance Return (ASCFR) Data

The Adult Social Care Finance Return (ASCFR) is part of a national data collection exercise conducted annually to prescribed methodology set by the DHSC. This data is used to inform some general benchmarking of spend and to a degree prices paid for care, but due to some of the assumptions in the way the council's client and spend data is handled in the prescribed calculation, is not considered as accurate as ADASS benchmarking exercises in relation to the mean contractual price.

It is further illustration of the limitations of any singular statistical model accurately capturing the range of variables involved in modelling contractual price and/or provider delivery cost.

Table 8: Ealing ASCFR returns 2018-2022

Indicator	Ealing 2018-19	Ealing 2019-20	Ealing 2020-21	Ealing 2021-22	London Mean 2021-22	Ealing's 2021-22 position in London Quartile
Average weekly cost of nursing	£746.03	£791.27	£993.27	£902.24	£858.01	2 nd Quartile
Average weekly cost of nursing 18-64	£1,310.70	£881.26	£996.27	£954.79	£1,073.80	3 rd Quartile
Average weekly cost of nursing 65+	£722.25	£784.14	£993.00	£898.19	£827.03	2 nd Quartile
Average weekly cost of residential and nursing	£903.63	£1,014.44	£1,196.07	£1,180.49	£1,024.12	Top Quartile
Average weekly cost of residential and nursing 18-64	£1,306.99	£1,554.45	£1,499.40	£1,573.95	£1,401.80	2 nd Quartile
Average weekly cost of residential and nursing 65+	£776.65	£821.43	£1,053.23	£1,012.98	£855.14	Top Quartile
Average weekly cost of residential care	£1,000.99	£1,170.17	£1,325.46	£1,368.08	£1,368.08	Top Quartile
Average weekly cost of residential 18-64	£1,306.48	£1,641.55	£1,555.66	£1,639.98	£1,462.06	Top Quartile
Average weekly cost of residential 65+	£831.44	£861.33	£1,119.96	£1,144.04	£891.22	Top Quartile

Cost of Care Analysis

The recent cost of care exercise reported the following median rates for a residential care and a nursing home placement in the borough.

Table 9: Ealing Cost of Care median (care homes) 2022-23

Description	Residential	Nursing
Cost of care – care home median rates	£810.24	£1,072.08

However, as set out in the earlier sections of the Plan, and whilst we fully recognise the benefit of attempting to establish a shared understanding of care home operating costs, we do not feel confident (as a Council) that the cost of care results for Ealing were satisfactory or indicative of the range of care home providers operating in the borough. We had a particularly small sample of useable returns from the care home survey (the equivalent of 13 homes were included in our calculation from a sub-set of the region, accounting for only 32% of bed capacity, excluding the PFI care homes) as such we do not consider the sample (and the resultant median figures) to be representative of the Ealing market.

These points of concern have been set out in full in our [Cost of Care \(Annex B\) report for care homes submitted to the DHSC](#).

The data collected through this process will, however, provide some intelligence and further lines of enquiry that we will take into consideration as part of our future commissioning and market shaping planning.

Annual Inflation

The Council's approach to inflation is as follows:

- A formal written statement outlining the process is issued to care home providers in December / January each year along with a proforma for the providers to complete, outlining their inflation request for the new financial year.
- Care home provider submissions (the completed pro-forma) are to be received by the Council no later than 5pm on the 31 March – submissions received after this date are NOT considered.
- The requests are reviewed (taking into account a range of staffing and non-staffing factors) by the Council and formally responded to
- Subsequent negotiated / agreed inflation uplifts are applied from the 1 April.
- Disputed inflation requests are raised with the Adults Services Management Team (ASMT) – by exception – for further consideration, where one of the following outcomes will apply:
 - The provider's business case for an above threshold uplift is accepted.
 - A revised inflation offer is made to the provider.
 - The provider's business case is rejected (which may necessitate moving residents to alternate provision)
- Urgent cases are escalated to the Director or Assistant Directors if an immediate decision is required.

- Regular inflation updates are shared with Corporate and Finance colleagues; and with our partner boroughs / organisations in Northwest London and London Region

The table below details the average placement inflation (%) increases agreed over the last 3-years.

Table 10: Ealing average placement inflation uplifts

2020-21	2021-22	2022-23
5%	2%	6%

Assessment of current sustainability of the 18+ domiciliary care market

Sufficiency of Supply

Ealing’s domiciliary care market is one the largest in London, supporting just under 4,000 service users, and consists of 55 ‘active’ domiciliary care agency branches operating in the borough. The total number of care packages supported by Ealing located providers versus the number of care packages funded by the Council (at the 31 January 2023) was as follows:

Table 11: Home care package provision

<i>ALL Care Packages</i>	<i>Ealing Funded Care Packages</i>
3,863	898
100%	23%

This activity very much reflects the fact that Ealing’s homecare agencies actively provide domiciliary care services across multiple London boroughs, whilst the Council equally commissions with a large number of homecare agencies located and operating in neighbouring local authority areas.

The latest London ADASS homecare benchmarking exercise (conducted in September 2022) indicated that Ealing commissioned on average 17.62 care hours each week per service user, which was above the London average of 16.24 hours per week; and the fifth highest allocation of homecare hours per week in London.

Ealing sources its care packages from a ‘stand-alone’ homecare Dynamic Purchasing System (DPS), which is made up of 150+ providers operating across four main care categories (including children’s services). The DPS provides Ealing with a robust sufficiency level of suppliers and care hours, which in turn supports a position whereby the council only commissions new packages of care from those homecare providers rated Good or Outstanding by CQC.

This sufficiency of supply combined with our dynamic purchasing model has ensured that Ealing’s care packages are dispersed across 75+ homecare agencies, which has minimised risk in terms of any over reliance on a small or limited number of providers.

There are, however, sufficiency gaps – geographically wise a there is lack of agency provision in the Central Ealing, Northolt, and Park Royal areas of the borough; a reported lack of experienced male carers working in the sector as a whole; and noted difficulties in matching service users with carers who can best meet their language and cultural needs.

Diversity of Provision

Since establishing the Dynamic Purchasing System (DPS) in 2017, the number of domiciliary homecare agencies setting up in the borough has increased and currently stands at 55. This figure can vary as care agencies can often move location and exit the local market. The introduction of the DPS in particular has stimulated an increase in the setting-up of new micro businesses, in addition to attracting more established providers. Greater use of technology has equally lowered barriers, enabling smaller businesses to enter the homecare market more easily and who operate with noticeably lower overheads and margins than the traditional larger homecare providers.

The DPS contract model itself has also made it easier for small and micro providers to gain access to the Council contract through a ‘light-touch’ application process. Ealing’s Council Plan indicates that there is a higher number of micro businesses operating in the borough compared to both the London and England averages.

Quality of Provision

The domiciliary care market is in a relatively strong position when it comes to quality, with 78% of the boroughs agencies rated either Good or Outstanding by CQC. The following table demonstrates the rating position for Ealing’s domiciliary homecare agencies:

Table 12: CQC ratings for Ealing homecare providers

Outstanding	2%
Good	76%
Requires improvement	19%
Inadequate	0%
Not yet rated	3%
Total	100%

Furthermore, the London ADASS homecare benchmarking exercise (undertaken in 2022) indicated that 85% of Ealing Council funded care packages were placed with Good rated providers, which was above the London average of 73%, and seventh highest in London. However, there are quality issues in regard to local homecare market, which include:

- the ability of some agencies to provide consistent levels of care.
- late attendance of some commissioned visits

- incidents of poor medicines management and infection control
- areas of poor record keeping

The Council has well-established service compliance procedures to monitor homecare performance and service delivery, a process which includes securing the experiences and views of service users and / or their families. The following table highlights that 92% of customers surveyed during 2022 in regard to their experience of the services they received were satisfied (or more than satisfied) with the quality of care and support provided.

Table 13: Homecare user survey

No Comment	Poor	Satisfactory	Good	Excellent
2%	6%	18%	48%	26%

Domiciliary Hourly Rates

Alongside the homecare DPS, Ealing operates a price band structure for the three main adult domiciliary care categories. The bands apply to all new care packages commissioned by the Council. The adult's category price bands in place since November 2022 are as follows:

Table 14: Home care DPS price bands

Care Category	Price Band
Cat 1 - Standard personal care	£16.00 - £20.00 per hour
Cat 2 - Complex care	£16.00 - £22.00 per hour
Cat 3 - Reablement	£16.00 - £20.00 per hour

New price bands are in the process of being agreed and introduced for 2023-24 and will require that care agencies pay carers in line the RLW (London) rate.

London ADASS Price Benchmarking Exercise / Real Living Wage (London)

Similar to the bed-based benchmarking exercise, London ADASS and the London Information Exchange Group undertake an annual exercise for domiciliary each year.

The exercise completed for 2022 indicated that the average hourly rate paid by Ealing was £15.23 per hour. This was the lowest average rate for London as a whole, and reflects that Ealing has an extremely competitive homecare market with a significant number of care hours delivered by micro and small (SME) providers – many of whom have lower operating costs and profit expectations, which has helped the Council maintain significantly lower prices than the other London authorities.

However, this position is quickly changing following a decision by the Council to introduce the RLW (London) for all contracted domiciliary care agencies in November 2022. This action has seen domiciliary care workers (employed on an

Ealing contract) be paid a minimum £11.05 per hour from the 14 November 2022; this will rise to £11.95 per hour from the 8 May 2023 as the Council fully aligns its contractual arrangements with the published RLW (London) rate for this year.

This significant intervention on the Councils part will in turn see Ealing’s homecare price bands increase each year in line with increases in the RLW (London) announced annually by the [Living Wage Foundation](#).

Cost of Care Analysis

The recent cost of care exercise reported that the following median hourly rate for domiciliary care in the borough was:

Table 15: Ealing Cost of Care median (domiciliary care) 2022-23

Description	Median Hourly Rate
Cost of care – median domiciliary rate	£17.92 per hour

However, as advised in the earlier sections of this Plan, and whilst we fully recognise the benefit of attempting to establish a shared understanding of the homecare markets operating costs, we do not feel confident (as a Council) that the cost of care results for Ealing were satisfactory or indicative of the range of domiciliary care providers operating in the borough.

We had a limited sample of useable returns submitted for the exercise. At the time of the survey there were 58 homecare providers located in Ealing. Only 14 surveys (24%) could be used due to data quality issues, which included issues with the size of operation, small number of usable hours, inconsistency with the data, only partial returns submitted, and care provider non-engagement to resolve queries. As such we do not consider the sample (and the resultant median figure) to be representative of the wider domiciliary homecare market in Ealing.

These points of concern have been set out in full in our [Cost of Care \(Annex B\) report for domiciliary care submitted to the DHSC](#).

The data collected through this process will, however, provide some intelligence and provide further lines of enquiry that we will take into consideration as part of our future commissioning and market shaping planning.

Procuring of Domiciliary Care Packages

As previously stated, Ealing operates a stand-alone Dynamic Purchasing System (DPS) for domiciliary care, which currently consists of 150+ providers.

Ealing’s care packages are exclusively called-off from the DPS. Providers are sent a secure e-referral notification via our nominated e-brokerage system, CarePlace. Providers have the option to bid for a care package by responding to the ‘requirements’ sent out in the e-referral, and by submitting an hourly rate in line with the Councils published price bands for the applicable adult category of care i.e., standard personal care, complex care, or reablement.

Providers also have a separate option of applying to join a dedicated category for children’s services. Once an e-referral has been issued on CarePlace by the Brokerage Team, DPS providers have a 60-minute window in which to submit a response. The award of a care package is determined on the basis of a 60% (quality) and 40% (price) procurement business rule.

The existing Ealing Homecare DPS expires on the 31 March 2025 after which it will be replaced by a new contract model for adults and children’s domiciliary care from 1 April 2025. A new commercial strategy will be developed in April 2023 and will set out the replacement contract vehicle to be procured, along with the terms that reflect the councils desired service configuration, quality standards, and appropriate price points. This exercise will be co-ordinated internally by integrated commissioning and market management colleagues.

Workforce issues for the care home and domiciliary care markets

Workforce wise, the local 65+ care home market employs over 1,700 care and support staff, one of the largest workforces in London.

Likewise, Ealing has the highest reported domiciliary care workforce in Northwest London (NWL) with a total of 21% of the reported workforce of 13,000 carers working across the sub-region:

Table 16: NWL Domiciliary Workforce

Local Authority	% NWL Domiciliary Workforce
Brent	20%
Ealing	21%
Hammersmith and Fulham	7%
Harrow	13%
Hillingdon	16%
Hounslow	11%
Kensington and Chelsea	6%
Westminster	6%

Skills for Care estimate the total number of social care jobs in Ealing to be 8,700 – comprised of 7,500 filled posts and 1,200 vacancies. Since the previous year, the total number of reported vacancies has increased by 500 (68%). Staff turnover in Ealing is reported to be in the region of 21%, a high figure but lower than the London average of 25% and the England average, at 30%.

The overwhelming majority (83%) of the workforce are female; and an estimated 63% of the workforce identify as British (compared to 83% for England), with 15% identifying as EU nationals and 22% as non-EU nationals. Workers in Ealing on average have 8+ years’ experience in the sector, with 74% having worked in the care field for at least three years.

The average age is 47, with younger workers under 24 accounting for only 4% of the total social care workforce, workers aged 55 and over make up 29%. Given this age profile it is estimated that over 2,000 care workers are likely to reach retirement age in the next 10 years.

48% of the workforce are reported to work full time and 52% part-time. Just under half the workforce were reported, in 2021, to be employed on zero-hours contracts, much higher than the London and England position:

Market intelligence further indicates that the recruitment and retention of staff is the most significant challenge faced by employers in 2021.

Some of the reasons reported for staff leaving the sector include:

- Workers having to travel further for work.
- Those under the age of 25 are more likely to leave the sector.
- Workers placed on zero-hours contracts.

However, not all turnover results in workers leaving the care sector – evidence suggests that over one third (36%) of starters are recruited from within the care sector itself. Skills for Care note that turnover can decrease where staff:

- Have higher levels of experience and receive effective training.
- Have higher and stable contracted hours.
- Have good (and increasing) levels of pay.

Section 2 Impact of future market changes

Following consultation with local care providers and partners, the Council identified the following main challenges and themes likely to impact and shape the care markets over the next 1-3 years:

- The Ealing Council Plan (2022-26) sets out a clear direction of travel whereby the council aims to support older residents to remain resilient and to live as independently as possible in their own home or accommodation, rather than being placed in a care home setting. This strategic priority will reshape the profile of both the local care home and domiciliary care markets over the next 3-years, and beyond.
- The market will be impacted and shaped by the Council's ambition to support 3,000+ people in their own homes and build 300 new state-of-the art adapted homes.
- The council will expand on its Direct Payments, which include a greater emphasis on community connections and local support options.
- Ealing has undertaken an initial mapping exercise and identified 183 self-funders currently in a care home placement and 412 self-funding customers using domiciliary care services. At this stage, given that the planned funding reforms have been deferred to at least 2025, the council proposes to undertake further engagement with the care market over the next 12-months to ascertain the impact of both deferring reform and implementation.
- The rising costs of recruiting and retaining care staff remains a major threat to service delivery, sustainability, and growth for the care markets. Domiciliary care agencies in particular cite workforce pressures resulting in

increased costs to recruit and retain staff, which in some cases may drive an unsustainable use of agency staff. In May 2022, the Council made a crucial decision to implement the Real Living Wage for carers (employed on an Ealing contract) within the domiciliary care market. It is anticipated that this action will greatly assist domiciliary care providers to better attract, recruit, and retain carers.

- Care homes, in addition to staff recruitment, have highlighted immediate challenges in meeting the ongoing surge in utility, food, and non-staffing costs. The impact of these challenges, particularly for some smaller SME organisations, is that without additional business support some may be forced to exit the care market over the next 3 years. There is also an associated increase in the risk of a business failure within the care market given these external factors.
- It is envisaged that the care market will make increasing use of the UK health and care worker visa scheme to recruit nurses and care staff from overseas to address rising vacancy levels.
- There is an imperative to improve care standards and compliance across the care sector to ensure that Ealing residents receive high-quality and safe care. As such the council will be working closely with local commissioned and non-commissioned care providers (and key partners such as other NWL local authorities, CQC, the NHS, and Skills for Care) to focus on the key outcomes and themes from the recent **Care Home Summit** and actively improve the quality and standards within each of the main care settings; and the skills and competency of the workforce in the borough to better meet the demands and complex case mix increasingly being referred into local care services
- The Council undertook (and participated in) a series of market engagement events with local care home and domiciliary care providers – the events included focused online forums to engage with providers in scope for the cost of care exercise (typically attended by 40 – 50 providers), and participation in a sub-regional provider forum with other NWL boroughs which was attended by over 60 care providers and coordinated by the Commissioning Alliance, and an online provider survey which 48 providers responded to. These events highlighted the following risks and challenges from the care market’s perspective:

Care homes:

- The levels of fees paid by the Council were seen as the main challenge to sustainability.
- The recruitment and retention of staff remains a significant challenge for care homes, especially experienced managers, and nurses.
- Care home operators further highlighted immediate challenges in meeting the continued surge in utility, food, and non-staffing costs.

Domiciliary care providers:

- The levels of fees paid by the Council was also viewed as the main challenge to sustainability.
- The fees paid by the Council for our legacy care packages was very much tied in with homecare agency concerns as to the level of fees paid by the Council.

- Care agencies equally cited an increasing workforce challenge resulting in increased costs to recruit and retain staff, which in some cases may drive a potential unsustainable use of agency staff.

Section 3 Plans for each market to address sustainability issues.

Alignment to wider Council Planning for Social Care

The Market Sustainability Plan (MSP) has been devised to be consistent with The Ealing Council Plan (2022-26) which sets out the Council's strategic approach to adult social care and its healthy lives commitments for the next 4-years; and complement our Market Position Statement (MPS) which sets out our more immediate commissioning intentions.

[The Council Plan \(2022-26\)](#) and the latest [Market position statement \(MPS\)](#) which is due to be refreshed, following this exercise.

65+ care homes market

The local authority proposes to prioritise funding – utilising data from a series of benchmarking exercises conducted locally and across the region, and following consideration of the sustainability issues identified in the early sections of the MSP, as follows:

- Where appropriate (given the qualitative concerns set out in our Annex B care home submission) the cost of care exercise findings will be used to help inform our future price setting exercises over the next 3-years.
- London ADASS and Commissioning Alliance price benchmarking data and inflation analysis will also be utilised to inform our planning on prices and fee uplifts.
- We will note with the immediate challenges of a continued wage, utility, food, and non-staffing costs currently impacting the care home sector.
- We will continue to explore ways to address wider recruitment and retention within the sector.
- We will work with other Northwest London (NWL) local authorities, and the Commissioning Alliance, to assess and publish annual care home price bands for each of the next 3-years.
- A replacement contracting vehicle will be in place for older adult care home placements from the Autumn of 2024.
- We will continue to promote quality improvements, through our compliance and market engagement capability, and ensure that robust risk profiling arrangements will be in place for the market.
- We will work with the market to reprofile bed capacity to better support complex admissions and hospital discharge.

The provisional commitment for funding in 2023-24 and 2024-25 will be focused on the following priority areas:

- To assist in the reshaping of the local market to limit the number older adults being placed a care home setting and supported in their own homes.
- Contribute to meeting the increased fees and above planned inflation requests anticipated over the next 2-years resulting from the rising staff and operating costs being experienced by the care home sector.

- Support continued investment to improve quality standards and workforce development.
- Explore extending the Real Living Wage (RLW) to care home settings as part of the Councils wider ambition to create new and well-paid jobs in the borough.
- To reshape the configuration of beds available to meet specific demands for more complex care.

The Council will also assist care home providers to raise quality levels and invest in alternative models of care, as follows:

- We will work with care homes to ensure bed configuration reflects future need and demand.
- Care home placements will be made within or as close to Ealing as possible (where it is appropriate to do so)
- We will work sub-regionally, through the Commissioning Alliance, to refresh the shared care home contract to reflect national and local priorities, and social values.
- We will work with the sector to ensure that at least 66% of care homes operating in the borough achieve and maintain a rating of Good or above from CQC.
- We will explore innovative ways in which to mitigate the need for additional 1:1 support, including exploring new models of care, greater use of technology, and new forms of in-reach support.
- We will extend our social care training offer for care staff (and providers) in partnership the NHS and Skills for Care and support the development of outstanding care homes managers.
- We will campaign with the care home market to secure a stable long-term funding settlement for social care from central Government.
- We will continue to work with the Commissioning Alliance and the London ADASS Commissioning Network to champion quality, further analyse and understand the cost of care, and benchmark pricing at local, sub regional and regional levels.

18+ domiciliary care market

The local authority proposes to prioritise funding – utilising data from a series of benchmarking exercises conducted locally and across the region, and following consideration of the sustainability issues identified in the early sections of the MSP, as follows:

- Where appropriate (and given the qualitative concerns set out in our Annex B domiciliary care submission) the cost of care exercise findings will be used to inform our future Ealing Homecare DPS price setting exercise over the next 3-years.
- London ADASS and Commissioning Alliance price benchmarking data and inflation analysis will also be utilised to inform our planning on prices and fee uplifts.
- In line with the flagship Council Plan commitment, funding will be allocated to adult social care to fund the continued and compound uplift of moving our homecare commissioning arrangements to align to the RLW.

- We will note with the immediate challenges of staffing currently impacting the sector and explore ways to address wider recruitment and retention.
- A replacement contracting vehicle will be in place for domiciliary care from the Spring of 2025
- We will continue to promote quality improvements, through our compliance and market engagement capability, and ensure that robust risk profiling arrangements are in place for the market.

The provisional commitment for funding in 2023-24 and 2024-25 will be focused on the following priority areas:

- Support more of our vulnerable residents receive care in their own homes for as long as possible.
- Support the effective and prompt hospital discharge arrangements for vulnerable older residents.
- Ensure, that over the course of next 12-months, domiciliary care workers (employed on an Ealing contract) are paid the Real Living Wage as part of the Councils wider ambition to create new and well-paid jobs.
- Invest in simpler more streamlined invoice reconciliation and payment systems and extend digital and e-monitoring solutions further where it is viable to do so.
- Support continued investment to improve quality standards and workforce development.

The Council will also assist homecare providers to raise quality levels and invest in alternative models of care, as follows:

- Support older residents to remain as independent and resilient as possible, and deal with the ongoing impact of COVID-19
- Refresh our Ealing Homecare DPS to focus on delivering services on a zonal rather than borough wide basis, improve service responsiveness and better logistically support the allocation of resources, and reflect national and local priorities, and social values.
- Support homecare providers to increase quality standards and competency within the domiciliary sector and ensure that a minimum of 66% of services maintain a rating of Good or above from the CQC.
- Extend our social care training offer for care staff (and providers) in partnership the NHS and Skills for Care
- Establish a new community-based support network to deal with social isolation and improve mental health.
- Campaign with the domiciliary care market to secure a stable long-term funding settlement from central Government for social care.
- Continue our work with the Commissioning Alliance and the London ADASS Commissioning Network to champion quality, further analyse and understand the cost of care, and benchmark pricing at local, sub regional and regional levels.