Agenda Item: 6

| | |
|---|---|
| Meeting of: | **Healthy Living and Social Care Scrutiny Committee** |
| Date of Meeting: | **Tuesday, 07 June 2022** |
| Relevant Scrutiny Committee: | Healthy Living and Social Care |
| Report Title: | Annual Review of Commissioned Services to Adults with a Care and Support Need |
| Purpose of Report: | To outline the activity undertaken regarding commissioned services for adults with care and support needs, and the priority actions for 2022/23. |
| Report Owner: | Director of Social Services |
| Responsible Officer: | Operational Manager, Commissioning and Information |
| Elected Member and Officer Consultation: | Head of Resource Management and Safeguarding<br>Team Manager – Planning and Resources |
| Policy Framework: | This is a matter of Executive decision |


Executive Summary:

- This report outlines the activity with regards to commissioned services for adults with care and support needs, undertaken by the Resource Management and Safeguarding Division during 2021/22. The report also includes the commissioning priorities for the wider directorate in 2022/23.
- In addition, a Market Position Statement for Care Homes for Older People (Appendix 1) was completed in December 2021 and this provides an assessment of demand, sufficiency, and stability of the care home market within the Vale, in order to inform our commissioning priorities going forward.

## Recommendations

1. That Scrutiny note the on-going challenges and demand for commissioned social care services.
2. That Scrutiny Committee consider the contents of the Market Position Statement for Care Homes for Older People (Appendix 1).
3. That Scrutiny Committee receives an Annual Review of Commissioned Services for Adults with a Care and Support Need report each year.

## Reasons for Recommendations

1 To provide Members with an opportunity to exercise oversight of this key statutory function.

2 To provide Members with the opportunity to understand the challenges faced by the Council and service providers in commissioning social care services for older people.

3 Scrutiny receives annual update for their consideration and information.

## 1. Background

**1.1** Under the Social Services and Well-Being (Wales) Act 2014 (the Act) adults who believe they have social care needs that may affect their health, safety or independence make a referral for a care and support assessment. The process for assessing care and support needs is based on what matters to the citizen, considering their personal strengths, and support available from family members, friends or others in the community. The assessment usually includes questions about:

- Personal circumstances
- What matters to the citizens – their personal outcomes
- What is stopping them from achieving these outcomes and possible solutions
- Risks to the citizen or to other people if these outcomes are not achieved
- Their personal strengths and capabilities.

Should the assessment evidence the need for care and support, work is undertaken with the citizen to agree what type of support would suit them best, and when and how often they would like/ need that support. Support provision takes many forms from attending day services to residential care. The Resources and Planning Team within the Resource Management and Safeguarding Division commissioning such care for Social Services, and work with Social workers to ensure that a bespoke service is secured for the citizen that will meet their care and support needs, and their personal outcomes.

**1.2** The demand for social care services for citizens of the Vale of Glamorgan has been progressively increasing since the implementation of the Social Services and Wellbeing Act (Wales) 2014, which came in to force on 1$^{st}$ April 2016.

**1.3** There are recruitment challenges and some social care staff are leaving the profession for jobs in other sectors with better terms and conditions. These issues are due to many factors, including, registration requirements with Social Care Wales, working hours and responsibilities of providing social care services.

**1.4** The Vale of Glamorgan has an ageing and growing population, with the proportion of people aged over 65 and over 85 projected to rise, from 29,207 in 2021 to 35,158 by 2031, an increase of 20%. The average year on year increase for the period 2011 to 2018 was 2.65%.

**1.5** Many citizens and their families are choosing to receive care in their own homes, rather than through residential or nursing placements. This demand for domiciliary services was temporarily reduced during the Covid-19 pandemic, as family members were furloughed from their jobs and had capacity to undertake caring roles. Since the ending of the furlough scheme, the demand for domiciliary services has increased over and above previous levels, causing significant pressures on the social care market.

**1.6** With citizens living independently for longer they are entering residential or nursing care later, and with more complex needs. The main pressures on placements are for residential and nursing dementia placements. Many of the existing provisions are in older buildings that do not necessarily meet the needs of citizens with a dementia. The Council successfully secured capital funding from various sources that enabled work to be undertaken on each of its residential homes to make them dementia friendly spaces and bring the buildings up to date in terms of technology, layout, communal areas, bathrooms and bedrooms. Many of the independent care homes within the Vale of Glamorgan are older buildings, requiring investment to maintain standards or adhere to regulations set by Care Inspectorate Wales.

**1.7** The Populations Needs Assessment for Cardiff and the Vale of Glamorgan (PNA) was considered by this Scrutiny Committee and subsequently Council. It was published on 1st April 2022 in line with the Social Services and Wellbeing Act (Wales) 2014. [Cardiff and Vale of Glamorgan Population Needs Assessment - Cardiff & Vale Integrated Health & Social Care Partnership (cvihsc.co.uk)]

**1.8** A Market Stability Report has been commissioned to assess the overall sufficiency of care and support in the Vale of Glamorgan, and the stability of the regulated care provision for adults. It is anticipated that this report will be published by June 2022. This report, together with the PNA and Market Position Statement, will be used to review our commissioning priorities for preventative, integrated, citizen-centred care and support services for the coming years.

**1.9** Within the last 18 months a regional care home contract has been implemented, which specifies the expected outcomes for citizens and the expectations on services delivered by providers. A regional framework is being developed for use in monitoring of the quality of service provision against the required outcomes.

**1.10** Budgets are under constant pressure but careful management and applications for Welsh Government grants has enabled the community care and residential/ nursing provision budgets to come in on target for the year 2021/22. The timing of many of these grants impacts on the resilience and fragility of the social care market and offer only short-term financial support.

**1.11** Within the last 12 months, 3 residential homes have closed within the Vale of Glamorgan, with 74 beds lost. None of the homes closed for financial reasons or directly because of the pandemic but due to the requirements of the Regulation and Inspection of Social Care (Wales) Act 2016 (RISCA) or the changing circumstances of the provider. None of the homes were sold as a going concern due to the work that would be required on the buildings to bring them in line with requirements of RISCA. All residents have been successfully moved to suitable placements in alternative care homes.

**1.12** The Vale of Glamorgan is one of a minority of authorities in Wales that has internal residential care home provision. This mixed economy of care has enabled significant risks to be managed when placements have closed and urgent transition of residents in terms of placements is required. Families and residents have reported their satisfaction with the high-quality care of services provided by the Council's internal residential homes, and compliments have been received from partners regarding the work that was undertaken to ensure residents' transitions went smoothly

**1.13** As a result of the pressure to discharge people from hospital during the pandemic, isolation units were set up in both internal and external care homes to enable people to be moved into a care home without increasing the infection risk to other residents. More recently interim residential beds are being commissioned for citizens who are waiting in hospital for domiciliary care packages but who need urgent care in the meantime.

**1.14** Isolation requirements on social care staff continues to effect on the availability of social care services, with both the domiciliary and care home markets being affected.

**1.15** Providers initially reported a surge in recruitment at the start of the pandemic, however, this has not been sustained and recruitment to the sector remains a major issue. In response to this, recruitment events have taken place with more planned in the coming months. A Fast Track To Care training programme has been developed and launched that allows for potential care staff to receive all necessary training via the Council's Training Department. At the end of the training, details of employment opportunities with both internal and external providers is given to attendees to encourage them to take up employment opportunities within the Vale of Glamorgan.

**1.16** During the period of the pandemic there have been several initiatives from Welsh Government to support and recognise the work undertaken by the social care sector. Each of these grants has been administered within the Division and to date, the team have made 7,715 payments to social care staff totalling £5.21m, and 15,600 payments to providers from various Hardship Funds, and Lateral Flow Device payments of £9.53m. A further payment to registered social care staff has recently been announced by Welsh Government, which will also be administered by this team.

**1.17** During the pandemic, financial support has also been given to day service providers to ensure their business continuity in line with the guidance set out by Welsh Government for commissioned services.

**1.18** Commissioned services are subject to regular monitoring and review. Any concerns raised regarding providers are dealt with under the Council's Escalating Concerns Protocol or contract management arrangements as appropriate. A multi-agency Quality Assurance meeting is held every month to discuss providers of concern.

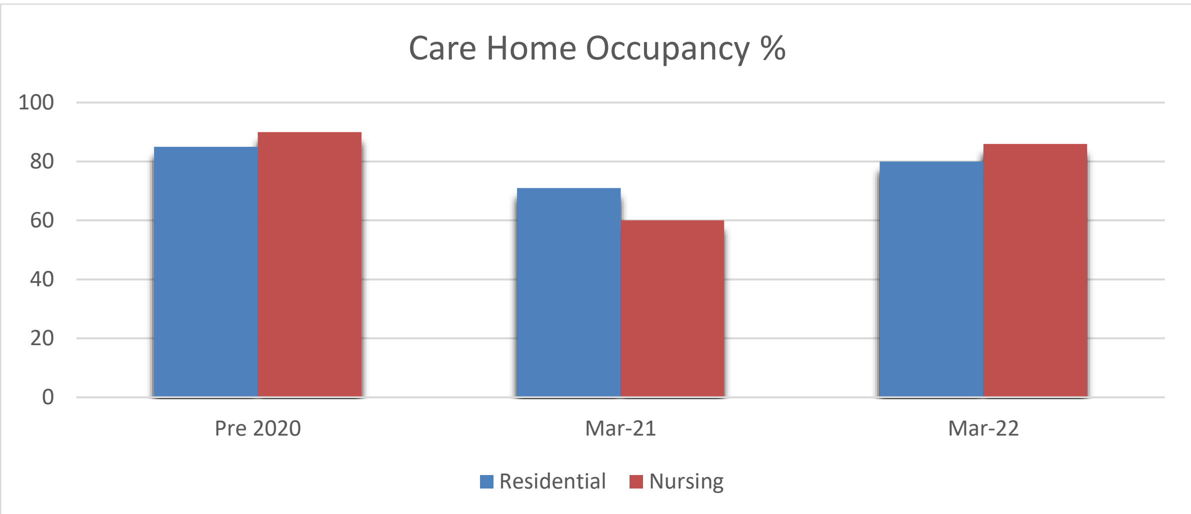
**1.19** There is an on-going programme for recommissioning social care services. The latest service to undergo this process was the Supported Living Service for adults with a learning and/or physical disability. Over the next 12 months, the Contracting Team will recommission a further 4 services across both Adults and Children and Young People's Services.

## 2. Key Issues for Consideration

**2.1** There are 36 care homes for adults in the Vale of Glamorgan registered with Care Inspectorate Wales. Of these 19 are predominantly for older people, 15 for citizens with a learning disability and 2 for citizens with a mental health issue or acquired brain injury.

**2.2** Whilst the Welsh and UK governments have provided substantial financial support during the pandemic, this ended in March 2022. Commissioned providers have expressed concerns that any uplifts provided in 2022/23 by local authorities will not fully substitute this Welsh Government additional funding.

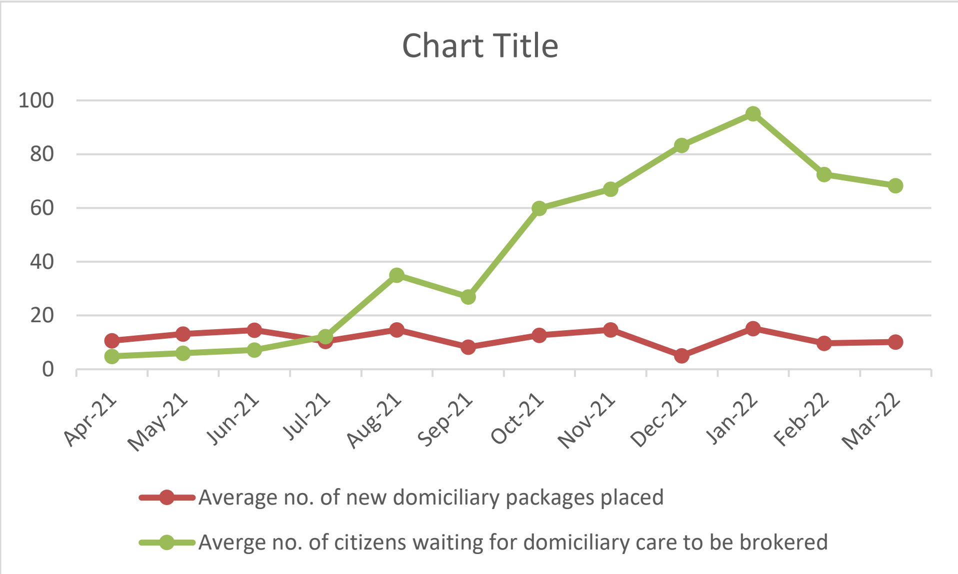
**2.3** The financial viability of some care homes providers is of concern and monthly monitoring of void placements takes place within a Quality Assurance meeting. Pre-pandemic, the occupancy for older persons' residential care homes was around 85% and nursing homes 90%. In March 2021, average occupancy levels fell to 71% for residential and 60% for nursing homes. As at the end of March 2022, residential homes reported average occupancy levels of 80% and nursing homes 86%.




**2.4** There has been recognition by Welsh Government of the staff recruitment and retention issues within the care sector. Funding has been made available from

Welsh Government to allow care staff to receive the Real Living Wage. In the Vale of Glamorgan this funding is being transferred to providers through their fee uplift from 1st April 2022.

**2.5** As at the end of March 2022, there were 68 citizens who had been assessed as requiring care and support at home, who were waiting for a domiciliary agency to take their care package. Below shows the trend during 2021/22 of the numbers of new packages being placed each week and the number of citizens waiting for care and support at home.




**2.6** As previously mentioned, some of these citizens are in interim placements in care homes so that their immediate care needs can be met. The Western Vale is a particularly challenging area to commission home care services. Work has been undertaken with domiciliary care providers to support them in this area and an Accelerated Cluster Model is being developed for this area. Other initiatives, including further financial support are also being considered.

**2.7** To move away from the traditional 'time and task' commissioned domiciliary care our Your Choice programme has been developed and implemented over the last 3 years. Your Choice allows citizens to have more control over the provision of their care and support, taking in to account their assessed needs. There is an element of flexibility and autonomy given to the domiciliary agency in the care and support provision, allowing the citizen and domiciliary agency to work together in identifying the outcomes the citizens require, whilst removing barriers to their wellbeing and independence. During the Covid-19 pandemic, bringing new domiciliary agencies on to the programme was problematic due to increased staff absences and social isolation requirements, both of which demanded moving to provision of contingency care and support for a sustained time. During the latter part of 2021, work was undertaken with a further 3 domiciliary providers to move to Your Choice; as of 31st March 2022 one agency has moved all appropriate care packages to the programme, with a further 2 agencies due to transfer in the coming weeks.

**2.8** Weekly 'Call To Action' meetings with commissioning teams and locality adult services teams are held to review the domiciliary care challenges and discuss options for alleviating some of the pressure whilst ensuring risks are managed accordingly.

**2.9** There has been a positive impact on the relationship with social care providers due to the immediate and on-going support provided by the Resources and Planning Team since the start of the pandemic. Initially daily conference calls were held with both domiciliary and care home providers to ensure that they received the most up to date guidance on responding to the pandemic, and peer support. WhatsApp groups were also set up and continue to be used to date. Providers Forums are now held every month to ensure on-going support and dialogue.

**2.10** There is daily communication between the Brokerage Section and domiciliary providers to ensure the best use of staffing when delivering domiciliary care. Due to this initiative providers have been able to put 'runs' of calls together in smaller geographical areas of the Vale.

**2.11** Increased demands for services and the various financial support schemes have had a direct impact on the workload of the Division, with a need to develop additional commissioning and contract monitoring capacity. As an example, the Integrated Care Fund ceases after March 2022 and several projects that are currently supported by this funding will need to be recommissioned via a procurement process to ensure the on-going provision of social care support services, which are in addition to the work programme of the Contracts Section mentioned previously.

## 3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

**3.1** There are various mechanisms in place with colleagues in Adult Services and Children and Young People's Services to ensure that the commissioned services meet the short and long term needs of citizens. To ensure that providers have security in the services being commissioned, the majority of contract terms are for 5 years plus an option to extend.

**3.2** Several services are commissioned as information or 'sign-posting' services for citizens who do not require care and support but wish to access assistance from a third party. The work of the Performance and Information Team covers Family Information, the Disability Index and Carers Services.

**3.3** Commissioned services are in line with the requirements of the Social Services and Well-Being (Wales) Act 2014.

**3.4** A Regional Commissioning Board has been established, chaired by the Director of Social Services in the Vale of Glamorgan, to ensure an aligned regional approach with partners to commissioning services is undertaken wherever possible.

**3.5** Commissioning tasks, including procurement of services, involve citizens. It is vital that we ensure commissioned services are appropriate to meet not only people's care and support needs but also the outcomes they wish to achieve.

## 4. Resources and Legal Considerations

**Financial**

**4.1** The budgets for social care services in 2021/22 was £42,405.573, with a projected commitment of £42,844,059. Income is received from various sources including assessed charges from citizens, UHB contributions to jointly commissioned care, ICF funding and the Social Care Workforce grant.

**4.2** Additional income has been received via the Welsh Government's Recovery Fund, which has off-set the projected overspend on the community care budget; however, this funding will not be available in 2022/23.

**Employment**

**4.3** There are no employment implications associated with this report.

**Legal (Including Equalities)**

**4.4** There are no direct legal implications associated with this report.

## 5. Background Papers

Appendix 1 - Vale of Glamorgan Council Outline Market Position Statement Care Homes for Older People. December 2021

# Vale of Glamorgan Council
# Outline Market Position Statement
# Care Homes for Older People

# Final Report

December 2021

# Vale of Glamorgan Council
# Outline Market Position Statement
# Care Homes for Older People

# Final Report

## Contents


1 Key messages for providers and commissioners of services for older people..... 9
2 Purpose ..... 10
3 Scope ..... 11
4 Approach ..... 11
5 Understanding Demand ..... 12
5.1 Potential demand ..... 12
5.2 Effective demand ..... 18
5.3 Placements purchased by Health Board ..... 23
5.4 Self-funders ..... 23
6 Overview of the Market ..... 25
6.1 Sufficiency ..... 25
6.2 Stability ..... 27
6.3 Workforce ..... 28
6.4 Quality & user voice ..... 29
7 Challenges and opportunities ..... 31
8 Impact of Commissioning ..... 34
9 Regional Partnership ..... 37
10 Commissioning & contracting models ..... 39
11 Key Messages ..... 40

## Key messages for providers and commissioners of services for older people

### Demand

- The population of the Vale of Glamorgan is both growing and ageing, with the proportion of people aged over 65 and over 85 projected to rise.
- There are differences between the latest 2018 based projections and the previous version. However future demand for residential and nursing care cannot simply be extrapolated from demographic projections.
- People have been living independently for longer and entering residential care later with more complex needs.
- Before the pandemic general residential care placements were falling slightly, whilst nursing and EMI placements increased.
- The Covid 19 pandemic has reduced demand for residential and nursing care significantly, but the long-term picture is uncertain.
- The impact of the pandemic on people's perceptions of residential care homes is thought to have affected further the anticipated demand for residential placements with citizens reluctant to access care homes, preferring to remain at home for longer. We had already seen a change in the trajectory around this but this is thought to have been exacerbated by the pandemic.
- If vaccines and treatments successfully contain the virus it is likely that the long-term trends will eventually reassert themselves.
- Whilst it is not possible to forecast accurately the number of beds which will be required in future, what can be said with confidence is that there will be an increased demand for dementia care and specialist nursing care.

### Sufficiency

- The number of residential beds available in the market was steady between 2018 and summer 2021 but has recently reduced.
- There has been a slight recent increase in nursing beds.
- There will be a need for more nursing care and specialist beds over the next 5 to 10 years for people with dementia (including early onset dementia) and other complex needs.
- There is a need for more EMI and other specialist residential beds, but there is no need for additional general residential beds.
- There is a need for more housing with care including extra care housing.

### Stability

- Prior to the pandemic the market was stable with little change in the number of homes or beds.
- There have been two very recent closures of residential homes although these were not pandemic related.
- The Covid-19 pandemic has had a profound impact on people who need care and support, their families, care providers and staff. The Welsh and UK governments have provided substantial support, but this is temporary and will taper away by March 2022. There is evidence of reduced demand and occupancy rates, but the picture is quite variable across the market.
- The pandemic has increased the risk of instability in the market. There is a great deal of uncertainty about the course of the pandemic and the long-term impact on demand, especially from self-funders.
- Vacancies have varied considerably during the pandemic with outbreak management sometimes reducing the number of available beds.
- Recruitment and retention is a major challenge and may slow the transition towards the services likely to be required in future, both in residential and nursing care and home care.

### Commissioning Impact and Intentions

- The Vale of Glamorgan will continue to promote a mixed economy of care with some in house provision and a strong emphasis on choice.
- An Older People's Housing Strategy is being developed which aims to increase the supply of care ready housing including extra care in specific locations with appropriate sites.

## Purpose

This Market Position Statement (MPS) is intended as a practical tool to shape and support the market for care and support in the Vale of Glamorgan. Its purpose is to help providers to understand how the local care market is developing and what those commissioning and purchasing services would like to see more of or anticipate needing less of.

It fits in with wider regional market shaping work, which includes updating the Population Needs Assessment for Cardiff and the Vale, and the development of the first comprehensive Market Stability Report for the region. Both of these will be published by June 2022.

A detailed MPS for older people's services, 'Me, My Home and My Community Cardiff and Vale of Glamorgan Market Position Statement and Commissioning Strategy: 2017 – 2022' was published in 2018. Much of that document is still current, but the data underlying it now dates back several years, and of course the timing and the impact of the pandemic could not be taken into account. Market Position Statements are part of a process not an end in themselves and should be updated regularly, informed by ongoing engagement with providers.

Given the well documented stresses in the market for older people's care and support, it is timely to provide a document aimed at care home providers immediately, rather than wait for the full MSR next year.

## Scope

This MPS focuses on residential and nursing care for older people in the Vale of Glamorgan. It is therefore narrower in scope than the regional work described above, both in terms of geography and range of need. However, the market for residential and nursing home care will be seen in the wider context of services, including health and housing.

Older people are defined in this document as those aged 65 or over but when considering demographic trends, it is important to look at older age groups, particularly those aged 85 plus, as the proportion of people requiring care and support tends to increase significantly from that age. Those aged 85 plus with three or more long term conditions are particularly likely to require social care support.

This statement covers all types of providers (private, public and VCSE sector), from small businesses running one home to large groups operating many homes in different parts of the country. It also considers all purchasers of care, including people who fund their own care privately ('self-funders').

## Approach

A wide range of national and local data has been analysed to inform this MPS. There are references and links to the data sources throughout. It is also informed by engagement with providers of residential care, including an online survey of all care homes and domiciliary care providers across the Cardiff and Vale Region, and follow up interviews to explore issues in greater depth.

The survey, which was designed with providers and commissioners, attracted responses from 27 providers of residential or nursing care, around a quarter of the total in the region, and including 16 operating residential homes in the Vale of Glamorgan. Eleven providers were interviewed including six residential providers.

# Understanding Demand

## Potential demand

People are living longer and as a result the number of older people is growing both nationally and locally.

The population of the Vale of Glamorgan is both growing and ageing, and this is projected to continue over the next two decades[1]. For this MPS the focus is on projections over the next ten years to 2031 but projections out to 2043 are available on Stats Wales.

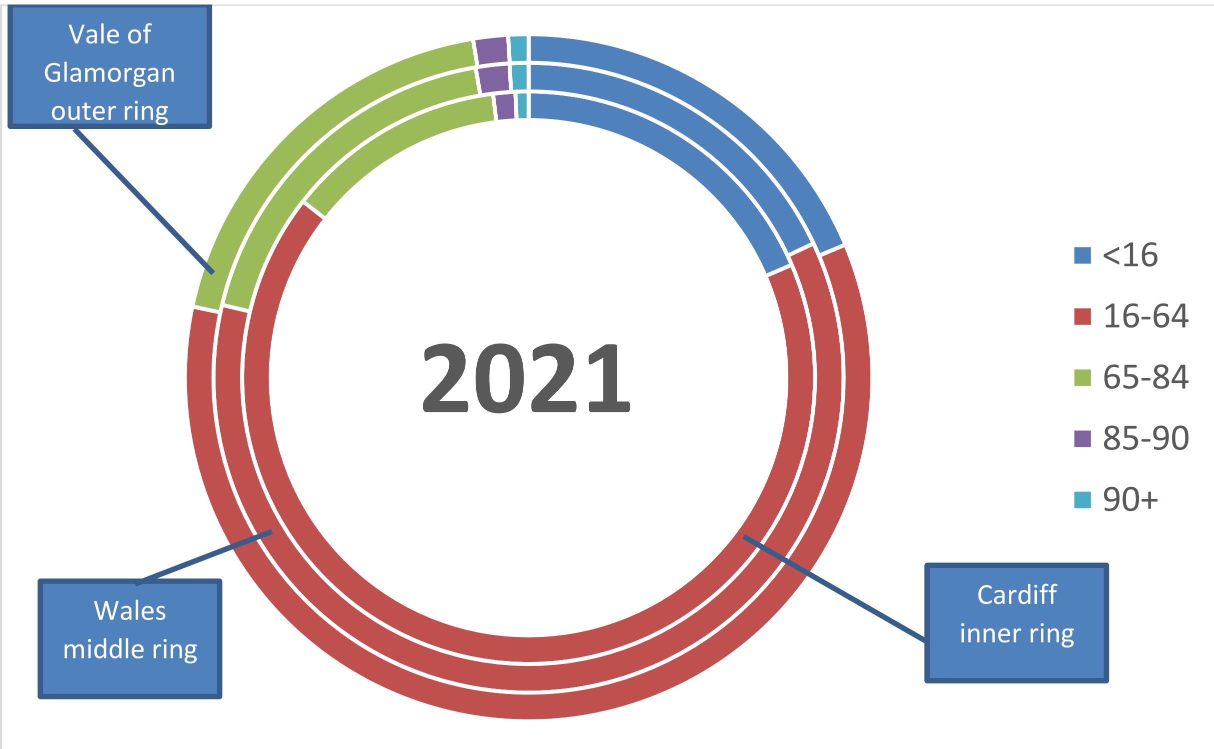
The population of the Vale of Glamorgan is projected to rise from 134,749 in 2021 to 141,853 by 2031, an increase of 5%. These figures are from the latest 2018 based projections and show a *bigger* increase in the overall population than the previous 2014 based version. This position is opposite to Cardiff, where the 2018 projections suggest a smaller increase than previously expected.

The number of older people (65 or over) will increase faster than the population as a whole, rising from 29,207 in 2021 to 35,158 by 2031, an increase of 20%. This is a significant increase, but it is slightly *smaller* than the 2014 based projections, both as a number and a proportion.

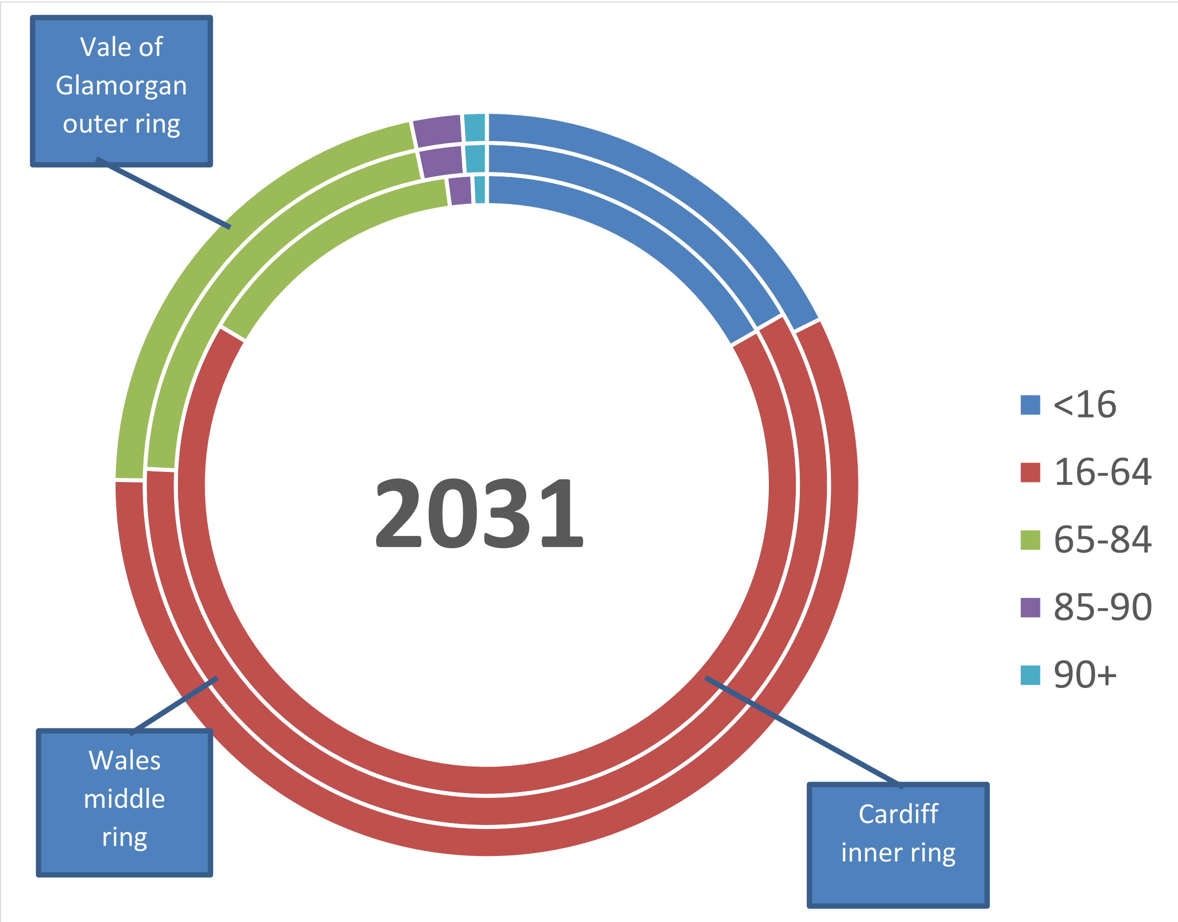
The age profile of the Vale of Glamorgan is very similar to Wales as a whole, but markedly different to Cardiff, which has a younger profile and a larger working age population. This picture is shown in the two charts below:

[1] Overall population projections are taken from the latest Stats Wales data (2018-based local authority population projections for Wales, 2018 to 2043) but the dementia projection use the 2014 population projections which are higher.

**Projected age profile 2021**



**Projected age profile 2031**



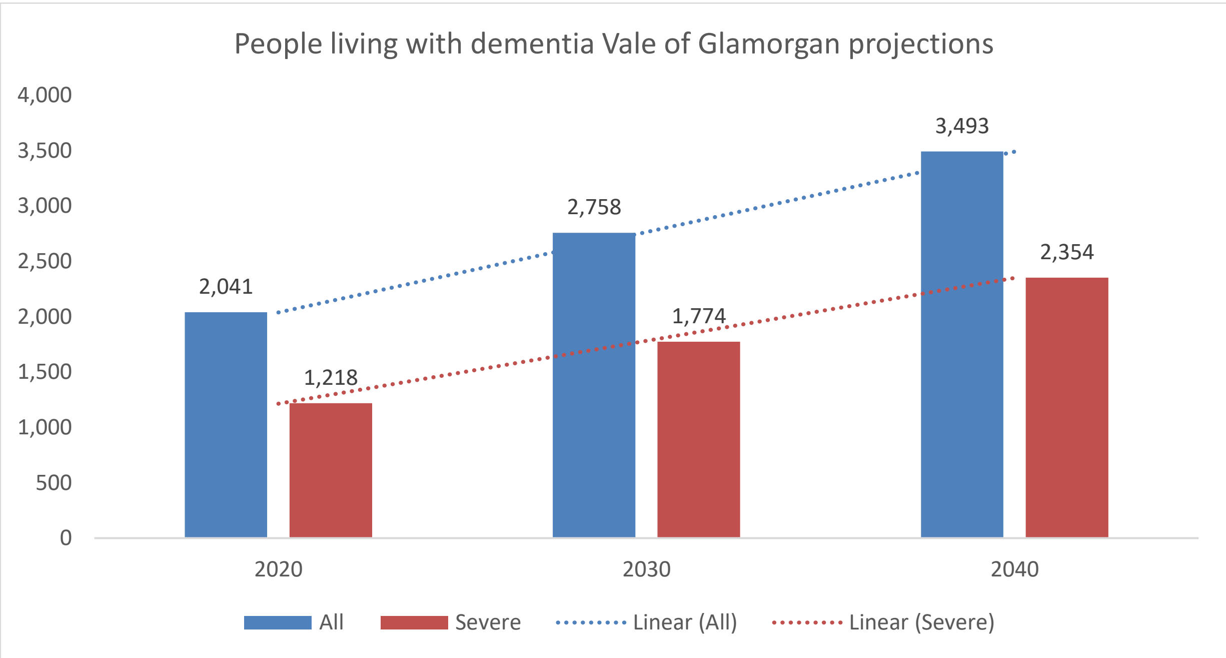

The charts also show a small but significant increase in the proportion of people in the oldest age groups. The number of people aged 85+ is rising much faster than the population as a whole and is expected to increase from 3,486 in 2021 to 4,653 by 2031, an increase of 33.4%. Meanwhile the number of people aged 90 or over is expected to increase by 18.4%, from 1,215 to 1,514.

Most of the growth in older people in the Vale of Glamorgan is due to existing residents ageing, however ONS data shows that there is some net migration into of older people in to the Vale from other areas (about 100 people over 65 per year in the latest estimates)

As we live longer, the proportion of people experiencing conditions common in older age is increasing.

The impact of long-term conditions, especially in combination, mean that people often struggle with activities of daily living such as getting dressed, washing or shopping. The [Social Care Wales Population Projections Platform] publishes projections based on the annual Health Survey for England. Assuming similar prevalence in Wales, these suggest that the number of older people in the Vale of Glamorgan who struggle with activities of daily living will rise from 7,984 in 2020 to 9,996 by 2030, an increase of 25%. These figures equate to about 1 in 4 older people in the Vale of Glamorgan.

The condition which is most likely to lead to increased demand for care and support services is dementia. The Social Care Wales Population Projections Platform is again the best source for local authority level projections.  These suggest that the number of people with dementia in The Vale of Glamorgan will increase from 2,041 in 2020 to 2,758 by 2030, a 35.1% increase[2]. The number of people with dementia classified as severe will also rise rapidly, from 1,218 in 2020 to 1,774 by 2030, an increase of 45.7%.



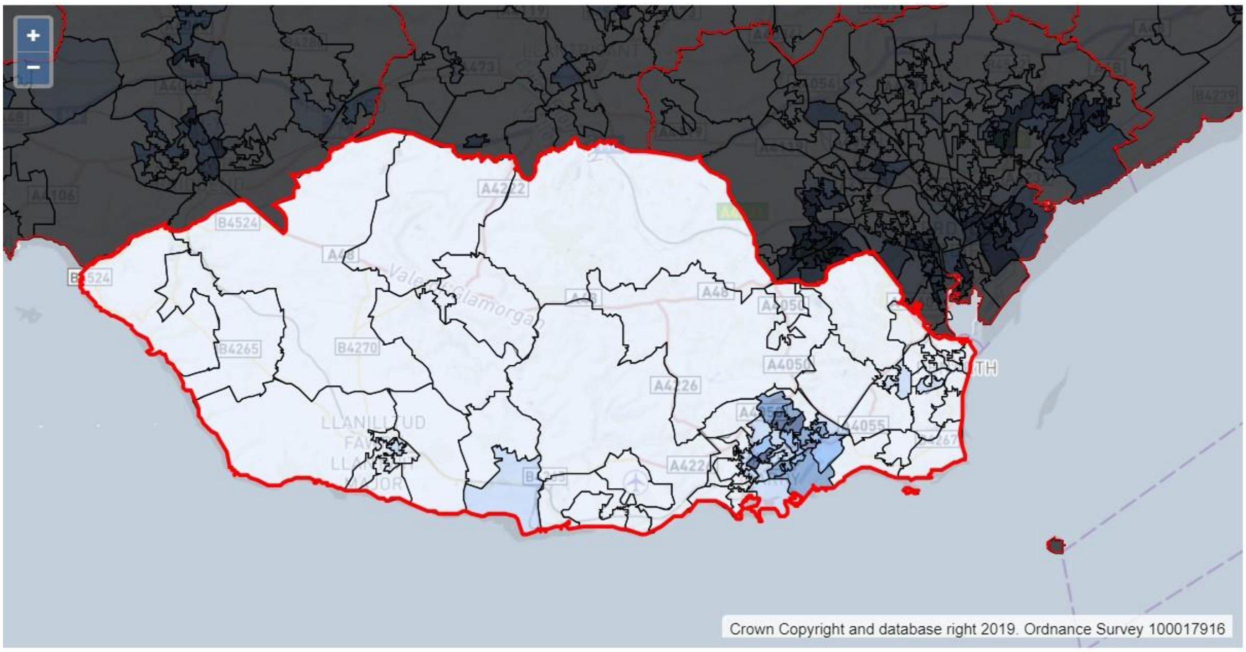

[2] based on research and modelling by the Care Policy and Evaluation Centre (CPEC) London School of Economics for the Modelling Outcome and Cost Impacts of Interventions for dementia (MODEM) study, Wittenberg et al 2019

The estimated prevalence of dementia is similar in the Vale of Glamorgan to Wales as a whole.

The Cardiff and the Vale of Glamorgan Dementia Strategy 2018-23 estimates that there are approximately 5,000 people across the region with dementia but notes that many people lack a formal diagnosis. Although people living with dementia are likely to need more care and support, the strategy estimates that two thirds of people with dementia are living in the community.

Older people living alone are more likely to need formal care and support services. The best data on households is from the Census and will be updated following the 2021 Census. In 2011 the proportion of all households consisting of a single older person was similar to the national average (13.2% of all households in the Vale of Glamorgan compared with 13.7% for Wales). Initial results from the 2021 Census will be published in March 2022 and all outputs by March 2023.

Deprivation and poverty are associated with poorer health and wellbeing and people with low levels of wealth are more likely to qualify for local authority funded social care. The Vale of Glamorgan is overall a prosperous area but there are pockets of deprivation. Of 79 small areas in the Vale of Glamorgan, 3 ranked in the 105 most deprived in Wales in the 2019 Welsh index of multiple deprivation, all located in Barry (the darkest blue areas in the map below):




In contrast there are 22 areas in the Vale of Glamorgan in the least deprived 10% nationally. '[Our Vale – Our Future']', the Vale of Glamorgan Public Services Board Well-being Plan 2108-23, has, as one of four over-arching objectives for public service partners to achieve together: 'reduce poverty and tackle inequalities linked to

Deprivation'.

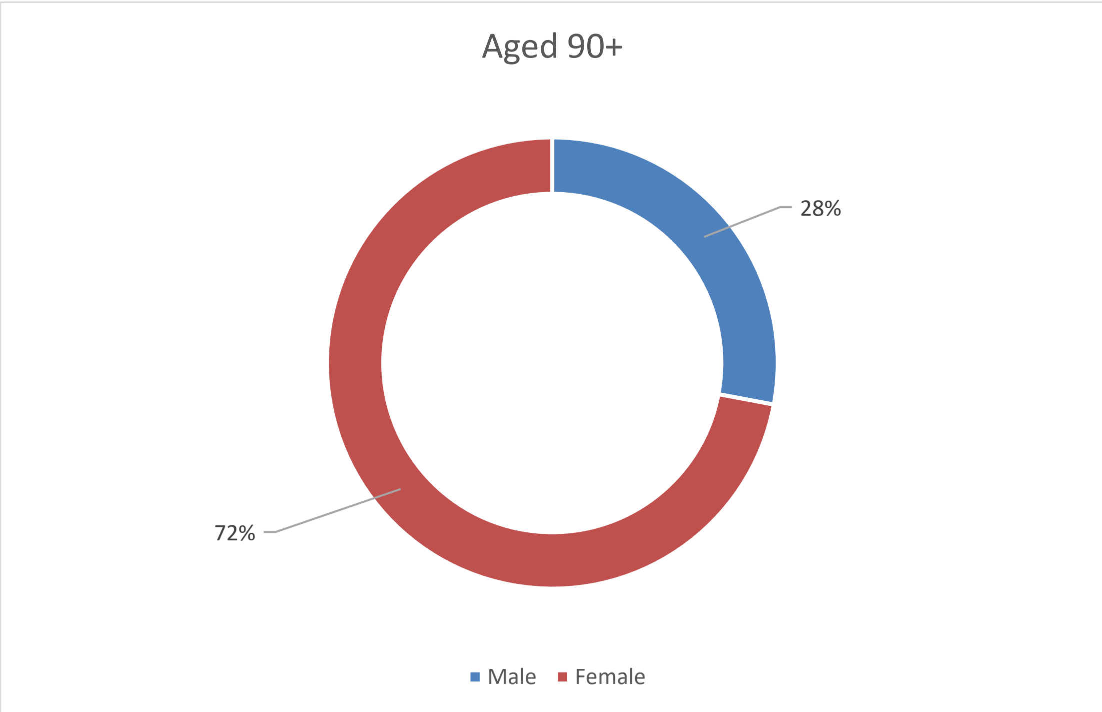
The Vale of Glamorgan has a relatively low proportion of ethnic minority residents. The latest data estimates that 2.1% of the population are from Black, Asian, or other ethnic minority backgrounds, compared with 5.6% for Wales as a whole[3]. However as this is based on a small number of survey response Stats Wales classify this data as of 'limited quality'. It will therefore be important to review the 2021 Census data when it is available as this will provide a much more robust picture. In the meantime, the available evidence suggests that diversity is somewhat greater amongst younger age groups and over time the proportion of older people from ethnic minority backgrounds is likely to gradually increase from a low base.

An estimated 7.6% of people in the Vale of Glamorgan speak Welsh on a daily basis, and 17% say they can speak Welsh according to survey data[4]. Census data tends to give

[3] Stats Wales, from the Local Labour Force Survey and Annual Population Survey last updated April 2021
[4] Stats Wales, Annual Population Survey March 2021

consistently lower figures but does provide an age breakdown at a local authority level. In in the Vale of Glamorgan in 2011, 10.8% of people aged over 3 were able to able to speak Welsh, but these were disproportionately younger people. Amongst people aged 75+ 4.6% were able to speak Welsh.

A majority of older people are women (55% in the Vale of Glamorgan), and because women on average live longer, this becomes a significant majority in the oldest age groups. The chart shows that almost three quarters of people over 90 in the Vale of Glamorgan are women[5]:




## Effective demand

Potential demand: the number of people who might need care, is very different from effective demand: the amount of care which is actually purchased.

Although the demographic trends are clear it should not be assumed that increased numbers of older people will translate directly into demand for residential and nursing care. Some of the factors impacting demand have already been highlighted (the prevalence of conditions such as dementia which increase the need for care, social deprivation, people living alone), but there are many others including:

[5] Mid-year estimates 2020 from NOMIS

- the availability of informal care and community support;
- the suitability of housing and the availability of age appropriate and care ready homes;
- the wider determinants of health and extent to which people adopt healthy lifestyles;
- the views and preferences of older people, their families and carers;
- the availability and quality of preventative, home care and reablement services
- availability and take up of technology enabled care
- the proportion of older people who have to meet the costs of their care in whole or in part; and
- the practice and priorities of social workers and commissioners

Of all these, informal care is probably the most important factor. A recent report by Fiscal Wales Analysis '[The Future of Care in Wales, Resourcing Social Care for Older Adults' (August 2020)]' estimated that the replacement cost of all the informal care provided to adults in Wales would be around £8 billion, higher than all the other expenditure on social care combined, and similar to the total budget for the NHS in Wales.

Based on Census data it is estimated that in 2020 there were 16,893 people providing informal care in the Vale of Glamorgan, including 4,598 aged over 65[6]. More than a quarter of carers are providing over 50 hours a week of care (4,910), including 192 carers who are themselves aged 85+. The number of informal carers is projected to grow to 17,472 by 2030, with 5,395 proving over 50 hours a week of care.

The availability and quality of advice and support for carers will be crucial in managing future demand for care. This is recognised as a priority both nationally and locally. A new national Strategy for unpaid carers was launched in March 2021. Regionally, annual reports have been published to measure progress across Cardiff and the Vale in meeting the priorities for carers.

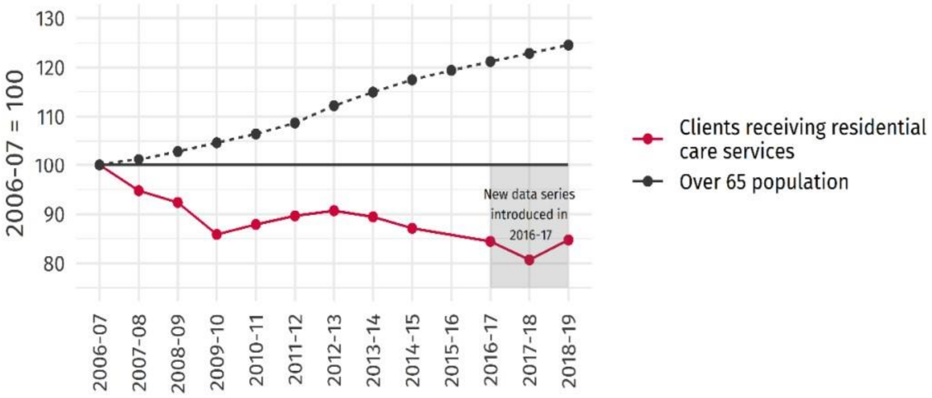
The Future of Care in Wales report cited above emphasises that demand for residential and nursing care is hard to predict and does not simply mirror demographic trends. In fact, as

[6] Social Care Wales Population Projections platform – estimates use 2011 Census data and ONS population projections

the chart below taken from the report shows, the number of people receiving residential care has fallen in a period when the over 65 population grew by nearly a quarter[7].

**Figure 5.1**

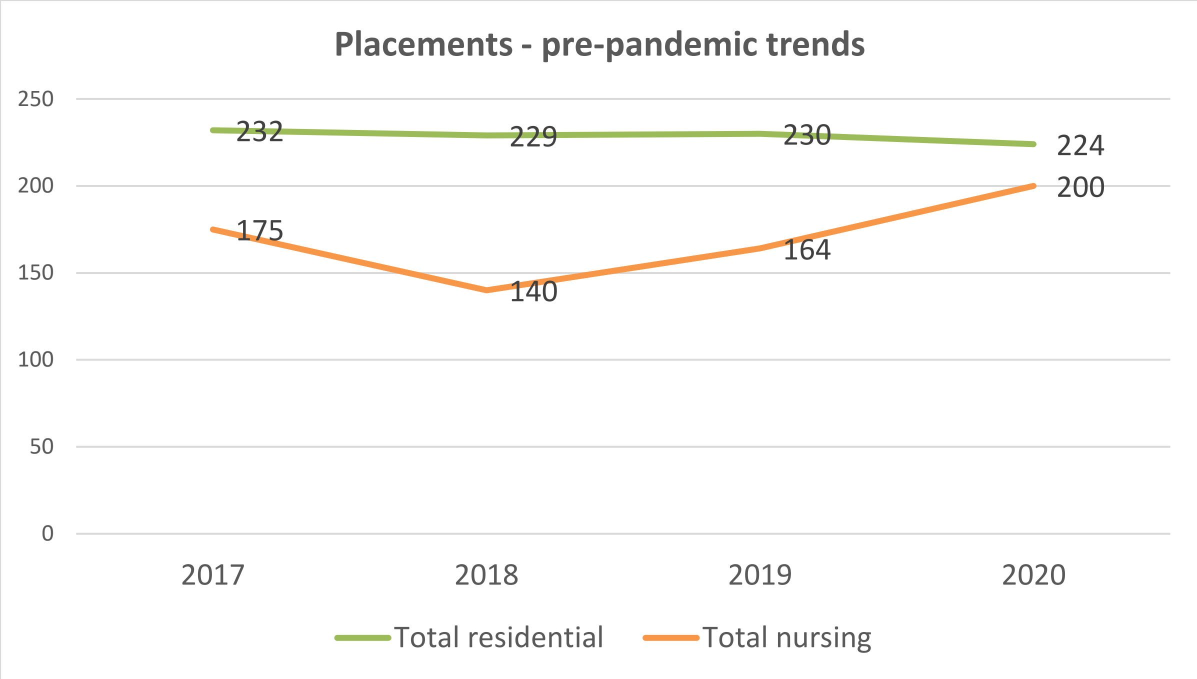
**Total clients (over 65) receiving residential care services in Wales, 2006–07 to 2018–19**




*Source: StatsWales (2019 and previous) Total clients receiving residential services; ONS (2018 and previous) mid-year population estimates converted to financial years and authors' calculations.*

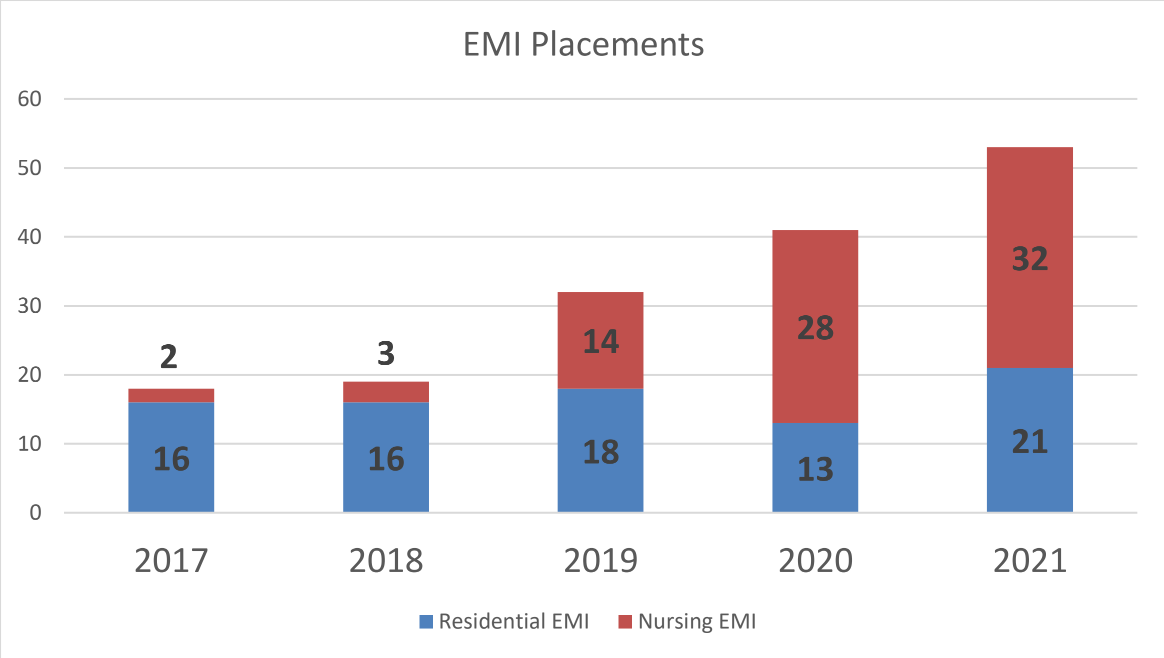
Vale of Glamorgan data shows that these long-term trends – flatlining or reducing residential care but increased purchasing of nursing care apply equally at a local level in the period up to the beginning of the pandemic. The chart shows the total numbers of placements funded by the local authority as at March 31 from 2017 to 2020:

[7] Wales Fiscal Analysis, The Future of Care in Wales p7




Nursing home placements fell in 2018 but then rose steadily until March 2020, with an increase of 14% over the whole period.  Meanwhile residential placements fell from 232 to 224.

Whilst the total number of placements increased only slightly over the whole four-year period, the number of Elderly Mentally Infirm (EMI) placements increased steadily, illustrating the shift towards more complex needs. The Chart below shows EMI placements for the Vale of Glamorgan up to 2021, broken down into residential and nursing:




Both residential and nursing EMI placements increased. Notably this trend continued during the pandemic when the overall number of new placements declined.

This picture is consistent with research evidence that there has been a long-term trend towards increasing levels of disability and multimorbidity amongst care home residents:

"Over two decades, there has been an increase in disability and the complexity of health problems amongst care home residents in England and Wales. A rise in support needs for residents places increasing demands on care home staff and health professionals, and should be an important consideration for policymakers and service commissioners[8]"

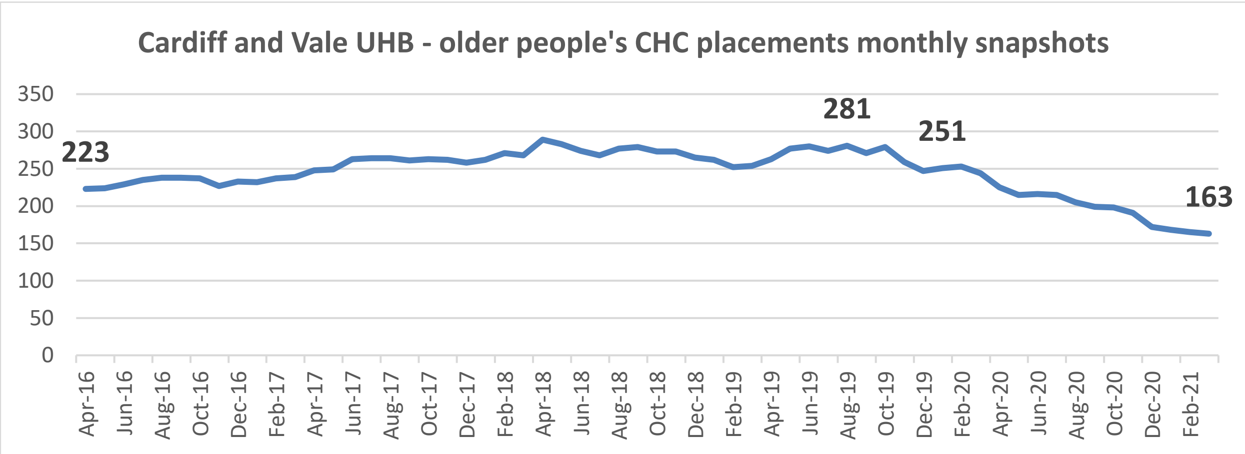
The impact of the pandemic on placement trends is covered in more detail in the challenges and opportunities section below. Whilst the pandemic is still underway there is a great deal of uncertainty about the future, but a likely scenario is that if effective vaccines, testing, and treatments continue to significantly reduce the risks of serious illness and death for vulnerable older people and allow friends and relatives to visit freely, then the longer-term trends seen before the pandemic will reassert themselves.

[8] Changes in health and functioning of care home residents over two decades: what can we learn from population-based studies? Robert O Barker, Barbara Hanratty, Andrew Kingston, Sheena E Ramsay, Fiona E Matthews, Age and Ageing, Volume 50, Issue 3, May 2021, Pages 921–927,

## Placements purchased by Health Board

Some people with long-term complex health needs qualify for free social care arranged and funded solely by the NHS. This is known as continuing health care or CHC.

The number of placements for older people purchased by the Cardiff and Vale University Health Board had been slowly increasing over recent years, but began to reduce from autumn 2019, falling significantly during the pandemic. This trend is shown in the chart overleaf with selected data points highlighted. This is regional data covering both Cardiff and the Vale[9].




In addition to CHC placements the NHS contributes to nursing care through a flat rate Funded Nursing Contribution (FNC). These FNC placements are already included in the numbers for nursing placements commissioned in section 5.2.

## Self-funders

Local Authorities and Health Boards are not the only purchasers of beds. Many people pay for their own care because they have more than £50,000 in capital and do not qualify for local authority support under the current national rules.

Data about self-funders is hard to obtain but they are a very important group in terms of sufficiency and sustainability because they frequently pay a higher rate for their care. Generally speaking, the higher the proportion of self-funders the higher the margin for the provider. The differential in rates paid has become an established if controversial feature of the market in both Wales and England. For example, the Competition and Markets Authority

[9] Data provided by Cardiff and Vale University Health Board

market study of care homes published in 2017 estimated that in Wales self-funders paid an average of 36% more for their care.

A census carried out by the National Commissioning Board in August 2016 found that at that time 37% of beds in the Vale of Glamorgan were occupied by self-funders (263/718 beds). This was well above the Welsh average of 28% and the third highest figure in Wales, with only Ceredigion (42%) and Cardiff (40%) estimated to be higher. An earlier study by the IPC estimated the proportion of self-funders in the Vale of Glamorgan at 40-49%, although in that study, the Vale was identified as having a 'medium' level of self-funders compared to other Welsh authorities, and Ceredigion was in the low category[10].

The current MPS for care and support for older people 'Me, Myself and my Community' quotes the National Commissioning Board Study figure as 36% across the region. For the Vale it notes a range from 22% in Central Vale to 38% in Eastern Vale, well below the highest in the region, Cardiff North at 51%[11].

Commercial market analysis also quotes a similar figure of round 40% for the proportion of self-funders in Wales[12]. However self-funders are not distributed evenly between providers. Typically, they will be more attracted to modern, purpose-built homes with good facilities.

The provider survey provided some evidence to back this up, albeit with a small number of responses. A total of fourteen residential providers in the Vale of Glamorgan completed the survey. There was wide variation in the importance of the self-funder market. Several providers reported no self-funders, but there were five providers for whom self-funders are a significant part of their business (25% or more) one of whom had a majority of self-funders. It is plausible that the self-funder market is concentrated in a minority of homes with facilities tailored to that segment.

---

[10] The Care Home Market in Wales: Mapping the Sector, Professor Keith Moultrie, Oxford Brooks University, 2015

[11] Cardiff and Vale of Glamorgan Market Position Statement and Commissioning Strategy: Me, My Home, My Community 2017 – 2022 p30 and p41

[12] Knight Frank 2020 UK Care Homes Trading Performance Review

## Overview of the Market

Residential and nursing care is provided by a mixed economy of independent, not for profit and local authority in-house provision. The Vale of Glamorgan has 4 local authority owned homes for older people but relies mostly on commissioning places with independent and not for profit providers.

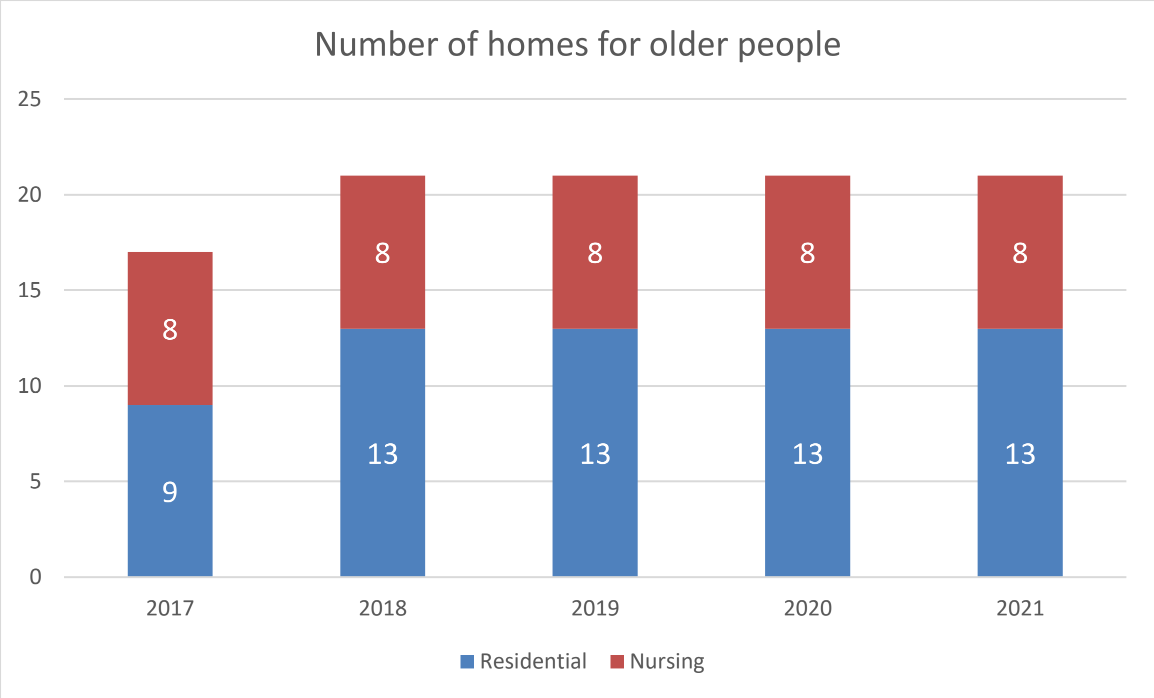
In general nursing homes tend to be larger, with more beds and staff and are more likely to be purpose built and owned by larger companies or groups. This reflects the higher capital costs. A national overview of the care market noted that there is a high proportion of SMEs in Wales, including many single home providers, especially for residential care[13]. The provider survey responses for the Vale of Glamorgan were consistent with this picture, with only one of the 14 having more than 100 beds and 11 of the 14 operating either one or two homes.

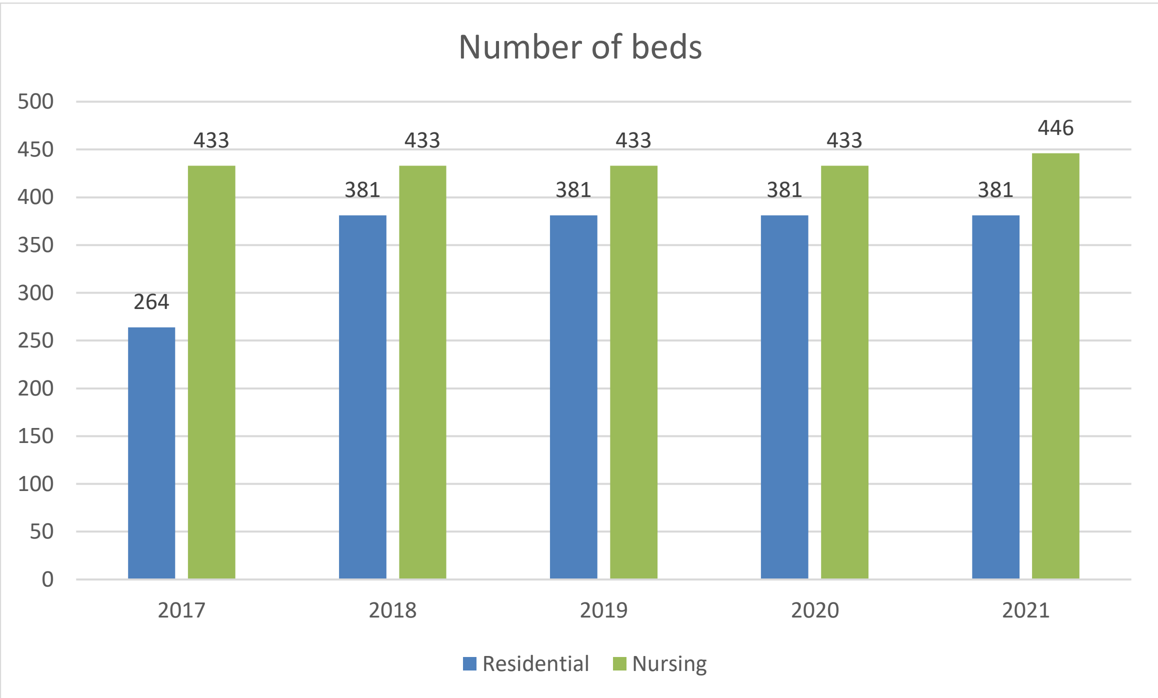
### Sufficiency

Data on registered social care services is published by Stats Wales. The best platform for exploring this data is the National Social Care Data Portal for Wales. The Care Inspectorate Wales interactive data tool maps where services are at a neighbourhood level. However, the national data does not always identify homes for older people separately. Therefore, for this MPS, Vale of Glamorgan council data on the number of homes and beds has been used and sense checked against other sources.

The level of provision of residential care for older people in the Vale of Glamorgan over the last five years is set out in the charts and table below:

[13] The Care Home Market in Wales as above




| | Residential Homes | Nursing Homes | Residential Beds | Nursing Beds | Total Beds[14] |
|---|---|---|---|---|---|

[14] Vale of Glamorgan Council data as at 31 March each year

| | | | | | |
|---|---|---|---|---|---|
| **2017** | 9 | 8 | 264 | 433 | 697 |
| **2018** | 13 | 8 | 381 | 433 | 814 |
| **2019** | 13 | 8 | 381 | 433 | 814 |
| **2020** | 13 | 8 | 381 | 433 | 814 |
| **2021** | 13 | 8 | 381 | 446 | 827 |

These figures do not reflect two very recent closures of residential homes. These closures were not primarily Covid related and have reduced capacity by approximately 50 beds, although due to current conditions with the pandemic this has not created an immediate issue.

Reviewing the evidence on trends, it appears that:

- After an increase in 2018 the number of homes was steady until summer 2021;
- The number of residential beds was steady between 2018 and summer 2021 but has recently reduced by c 50 beds;
- There has only been a modest increase in nursing beds;
- Vale of Glamorgan Council is currently purchasing around half the residential and nursing care beds in the area. The remainder are purchased by self-funders, the Health Board, or other local authorities. A number will also be vacant at any one time with the number varying significantly during the pandemic depending on the number of active incidents etc.

## Stability

Care Inspectorate Wales data on entries and exits to the care market is not available at a sufficiently granular level to be useful for local market analysis. Data for new registrations and cancellations is only reported for all regulated adults and children's services (i.e., everything which is not children's day care) and changes in legislation have made it harder to compare across years.

However other evidence suggests that pre-pandemic the market has been reasonably stable with few exits. Commissioners in the Vale of Glamorgan are aware of only two closures of homes for older people in the three years from April 2018 to April 2021 but as noted there have been two further closures since then. The impact of the pandemic of stability is discussed in the challenges and opportunities section below.

## Workforce

Social care is an important employer, and the social care workforce is substantial. Nationally, the most recent published workforce survey (2019) estimated that 47,000 people work in commissioned social care services (for all age groups and needs) with a further 10,300 employed by local authority owned services regulated by Care Inspectorate Wales[15].

Workforce data is collected via an annual survey of all providers giving the position as at 31 December. The latest overview report is for 2019 but more detailed data at Regional Partnership level, is currently only available for 2018. At that time, there were around 3930 people employed in residential care in Cardiff and the Vale of Glamorgan[16].

The provider survey and interviews confirmed that workforce issues are a key concern of providers. Recruitment and retention is challenging, although respondents to the survey reported a relatively low level of vacancies as at May/June 2021. Of 1703 FTE posts only 53 were vacant (3.1%) with very little use of agency staff, reflecting efforts to mitigate Covid risks and reduced need for staff due to voids. It is possible that workforce pressures were to an extent disguised by temporarily reduced staffing levels during the pandemic. Interviewees subsequently reported that recruitment had eased somewhat at the start of the pandemic, but that as other areas of the economy had started to re-open they were losing staff to other sectors and that high turnover of staff had meant increased induction and training costs. They were also concerned about the impact of Brexit on the labour market.

Since the fieldwork was completed concerns about labour shortages have escalated nationally in both care and other sectors. Locally care providers are reporting severe difficulties in recruiting staff.

Data collected from the annual Social Care Wales workforce surveys suggests that the level of vacancies in commissioned care services is higher than in the Vale of Glamorgan's in-house homes. As at 31 December 2020 there were just 3 posts vacant of 186 in the Vale's

[15] Social Care Workforce Development Partnership Reports, published on Social Care Wales website
[16] 2018 workforce survey, published on Social Care Wales Data Portal.

four care homes, while there were 31 vacancies out of 630 posts in the 21 homes who reponed to the survey (a 4.9% vacancy rate amongst those who responded to that survey).

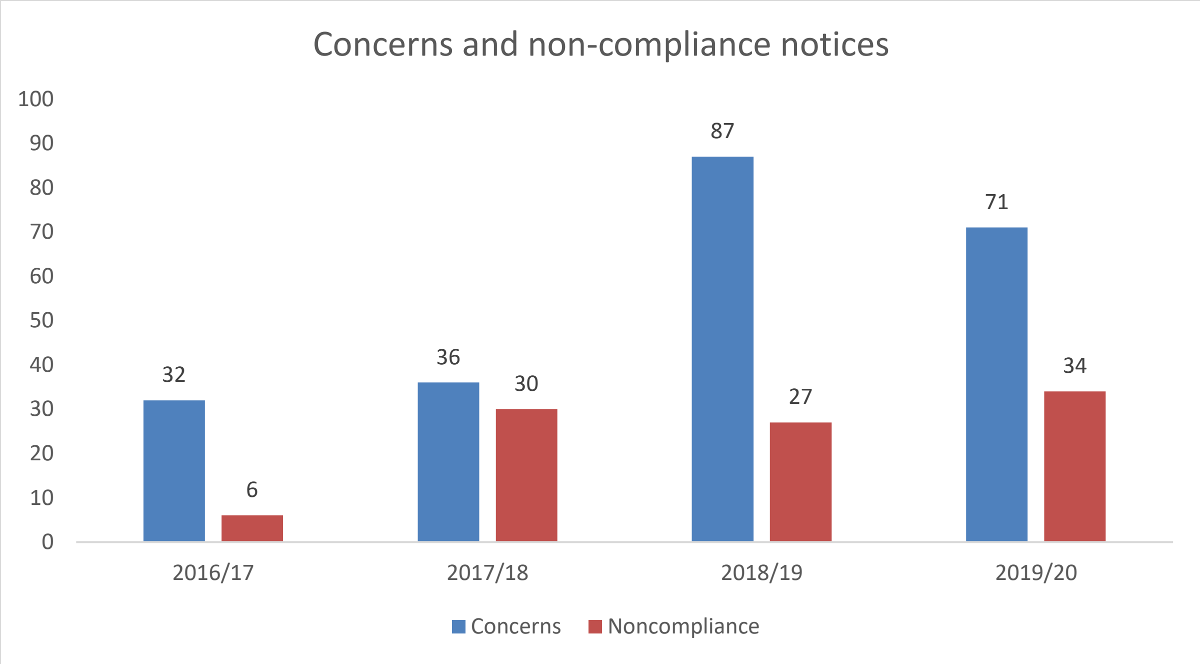
The Welsh Government has identified 'a motivated and sustainable workforce' as a priority for health and social care[17]. National initiatives include mandatory registration of social care workers, new qualification standards and a commitment to ensure that all care workers are paid the real living wage.  The latter is likely to be introduced on a phased basis during the current Senedd term 2021-26. Registration of adult care home workers will be compulsory from October 2022. In the long run these initiatives have the potential to increase the status and attractiveness of social care, but in the short to medium term they may be experienced as extra pressures for staff and/or providers.

## Quality & user voice

All residential care and nursing homes are inspected regularly by Care Inspectorate Wales. Inspection reports give an insight into quality but since inspection outcomes are not graded in Wales it is not possible to benchmark them.

The number of concerns about adults and children's services in the Vale of Glamorgan formally recorded by Care Inspectorate Wales increased between 2016/17 and 2018/19 but reduced in 2019/20. Meanwhile the number of non-compliance issues also increased. (Residential services for older people are not disaggregated in these figures)[18].

[17] A Healthier Wales 2018, as part of the 'quadruple aim'
[18] Stats Wales




Vale of Glamorgan Council monitors quality in residential care for older people closely. There is an inter-agency provider performance monitoring protocol in place for identifying, and where appropriate escalating concerns. Between April 2018 and April 2021, a total of 31 initial concerns were recorded for homes in the Vale of Glamorgan with five homes subject to action to improve quality or performance.

There is a monthly quality assurance meeting which discusses any provider performance concerns or compliments and agrees follow up action if appropriate. A new quality assurance officer post is being established which will enable a more proactive approach to quality.

As a provider of residential care, the Vale of Glamorgan regularly seeks the views of residents, relatives, and staff. The most recent exercise in 2020/21 comprised interviews with 12 residents across the four homes, a survey of relatives which attracted 13 responses and focus groups of staff. The focus of the engagement exercise was the information, support and care provided during the pandemic. The overall results were very positive and showed that, despite the many challenges of the pandemic, both the residents and their relatives were positive about the care received and the positive impact on their well-being.

Many independent and third sector providers conduct their own surveys. Whilst these are often shared with commissioners the results have not been collated and analysed.

The provider survey and interviews confirmed that quality is a high priority for providers, both as a way to improve the sustainability of their business, but also because they want to achieve the best outcomes for residents and enhance their wellbeing. Providers, commissioners and, above all, residents gain from improved quality.

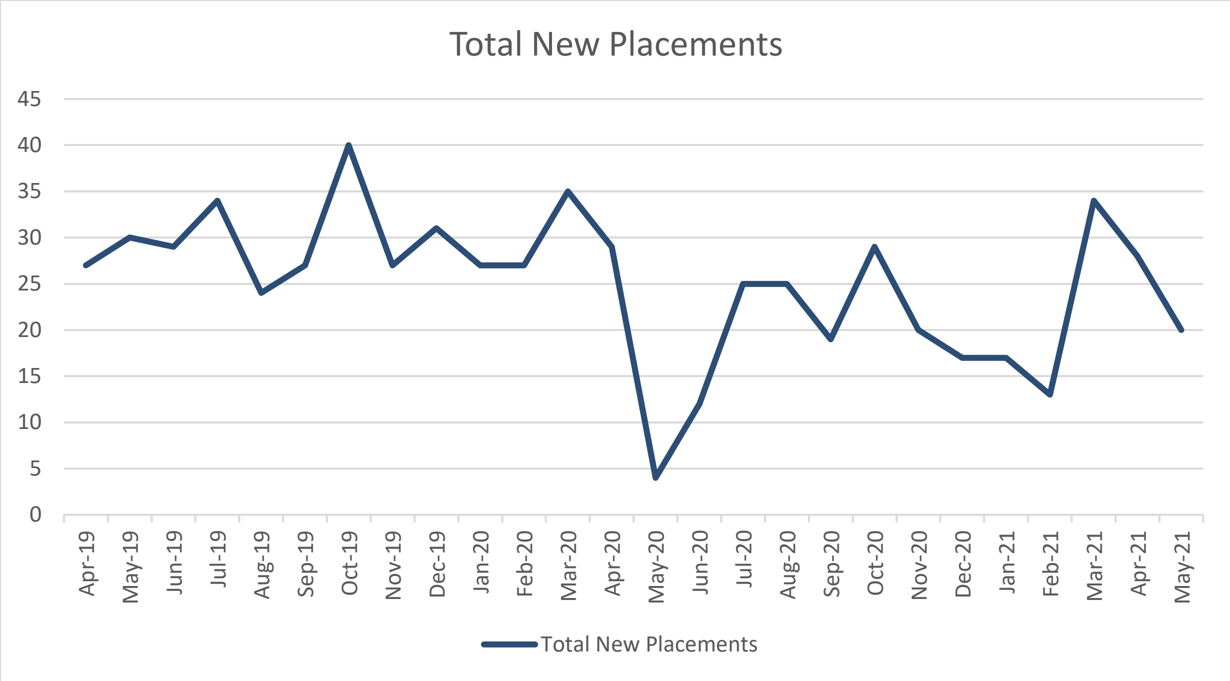
## Challenges and opportunities

The Covid-19 pandemic has had a severe impact on the whole health and social care system, but the effect on residential homes for older people has been particularly profound, not least the emotional impact of the high rates of mortality in care homes, the isolation for residents and the heightened risks for staff.

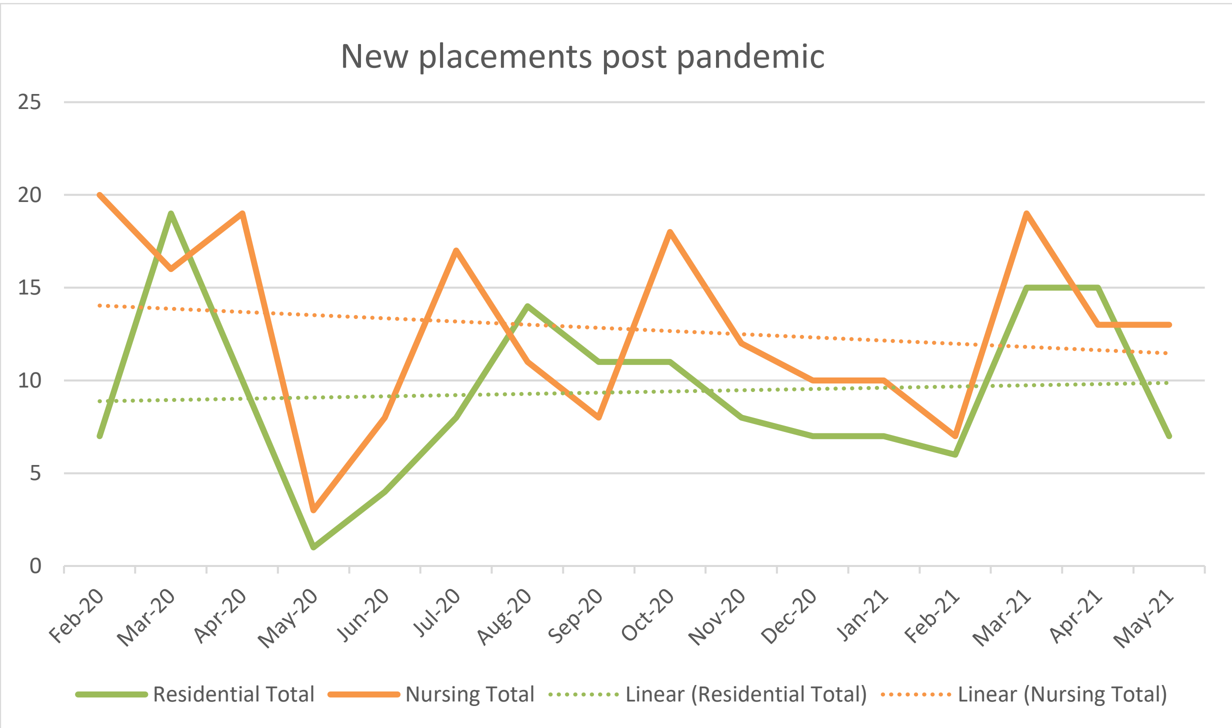
Slowly, things have started to improve with vaccination reducing levels of serious illness and death, and a gradual relaxation in restrictions for residents and their relatives.

The pandemic also had a significant impact on occupancy levels. In part this was due to increased mortality and some homes pausing admissions in response to outbreaks or to manage risk, but it may also have reflected concern form prospective residents and their families. It is difficult to know how large this effect was or to predict how long it will continue to depress demand. A plausible hypothesis is that if effective vaccines and treatments reduce risk to close to pre-pandemic levels, long term trends will reassert themselves as confidence returns.

The chart below shows how placements made by Vale of Glamorgan Council reduced during the pandemic:




There was a dramatic drop in new placements in March-April 2020, followed by a slow recovery, with further troughs mirroring the waves of the pandemic. The reduction in activity affected both residential and nursing care, but as the chart below shows, residential providers experienced both deeper troughs and lower peaks:



The provider survey suggests that demand was similarly subdued amongst other purchasers with most respondents reporting decreases in self-funders, and Health Board placements either reduced or 'about the same'.

The reduction in new placements has been reflected in reduced occupancy. Care homes have been given temporary financial help by the Welsh Government to cover some of the lost income through voids via the Hardship Fund. This funding was extended to September 2021, and it has now been announced will gradually taper away by March 2022. Administration of these payments has given Vale of Glamorgan Council insight into levels of voids. The data does not cover every home, as some are not eligible for funding, but includes most homes in the area.

This data suggests that in 2019/20 (i.e., largely pre pandemic) occupancy was running at over 90% for nursing homes and around 85% for residential homes. That is similar to levels found in national sources, such as Knight Franks 2020 UK Care Homes Trading Performance Review which reported occupancy of 87.9% in 2019/20, based on a survey of predominantly larger providers. From summer 2020 to May 2021 occupancy rates were running at closer to 70% for residential and 80% for nursing. The Knight Franks survey found a fall in occupancy of around 9% in Welsh care homes in quarter 2 of 2020.

The fall in occupancy levels could have a significant impact on the market if it is sustained as hardship funding tapers downwards. The competition and Markets Authority market study cited above found occupancy levels of over 90% for both residential and nursing homes. The report noted that "the cost structure means that maintaining a high level of occupancy is important"[19].

The provider survey asked about the level of occupancy necessary for financial sustainability and current levels of occupancy. Several residential providers who responded in the Vale of Glamorgan were above or at an occupancy level they considered sustainable (4 of 14), but most were below, with six significantly below (i.e., 20% or more) below the occupancy they considered sustainable.

[19] CMA Care Homes Market Study Final Report p33

Most respondents in the Vale of Glamorgan (8/14) chose ‘increasing fees’ as one of the three most important things which would support the sustainability of their business and the sector, but it is noteworthy that almost as many (6/14) did not put this in their top three. Those who did tended also to express concerns in the open text questions about occupancy, the potential impact of hardship payments and fee levels.

Regionally there was also significant variation between providers in terms of future plans. Whilst some were concerned about the survival of their business others were looking to expand. Most of the providers with plans to expand were based in Cardiff and only one in the Vale mentioned plans to increase beds.

Variation between homes and providers in terms of occupancy and sustainability was explored in greater depth in the interviews. Providers with multiple homes saw significant variation within their portfolios, with newer purpose-built homes having the highest occupancy, and older facilities often struggling to fill places. The individual’s right to choose their preferred accommodation (subject to conditions) contained in the Social Services and Well-being (Wales) Act 2014, was noted as one factor driving this trend. The pandemic appears to have accelerated existing trends towards more specialist and higher quality care facilities.

## Impact of Commissioning

Commissioners and providers operate in a policy context set nationally, regionally, and locally.

The overall direction of policy has been clear and consistent across levels of government over recent years, with an approach which recognises an aging society as both an achievement to celebrate and a challenge requiring change.

The key elements of national policy, embodied in legislation, strategies and programmes include:

- A shift from treating illness and tacking social ‘problems’ to promoting **well-being** both for current and future generations, backed by a systematic approach to measuring progress;
- A stronger emphasis on **prevention and early intervention**, enabling people to be as independent as possible and promoting long-term sustainability of services;
- A drive to strengthen the voice of the individual, putting them at the at the centre of their care, and giving them a voice in, and control overreaching the outcomes that help them achieve well-being, and promoting **coproduction**, encouraging individuals to become more involved in the design and delivery of services;
- Stronger **partnerships** between local authorities and health boards including the establishment of Regional Partnership Boards and integrated commissioning arrangements.

These themes run through the Social Services and Well-being Act (Wales) 2014 and the Well-being of Future Generations Act 2015. They are also reflected in Age Friendly Wales: our Strategy For an Aging Society, published as a consultation draft in 2020, which builds on previous national strategies for older people.

The vision for an age friendly Wales references the UN Principles for Older Persons, which local authorities and health boards are already obliged to have regard to in exercising their duties under the Social Services and Wellbeing Act. Of particular relevance are the UN principles that:

- Older persons should be able to reside at home for as long as possible;
- Older persons should be able to utilize appropriate levels of institutional care providing protection, rehabilitation and social and mental stimulation in a humane and secure environment; and
- Older persons should be able to enjoy human rights and fundamental freedoms when residing in any shelter, care or treatment facility, including full respect for their dignity, beliefs, needs and privacy and for the right to make decisions about their care and the quality of their lives.

The UN Convention on the Rights of Persons with Disabilities is equally important, and Article 19 includes the obligation to ensure that:

- Persons with disabilities have access to a range of in-home, residential and other community support services, including personal assistance necessary to support living and inclusion in the community, and to prevent isolation or segregation from the community;

The Welsh Government has announced that the convention will be incorporated into Welsh law.

A White Paper Rebalancing Care and Support was published for consultation by the Welsh Government in January 2021. The proposals aim to 'rebalance' the care and support market based on 'a national framework where services are organised regionally and delivered locally'. Rebalancing includes ensuring that 'there is neither an over reliance on the private sector, nor a monopoly in the other direction'. More broadly, 'rebalancing' is defined by descriptions of the system change that is aimed at:

| |
|---|
| Rebalancing means…<br>…Away from complexity. Towards simplification<br>Away from price. Towards quality and social value<br>Away from reactive commissioning. Towards managing the market.<br>Away from task-based practice. Towards an outcom-based practice.<br>Away from an organisational focus. Towards more effective partnership…<br>… to co-produce better outcomes with people.[20] |

This policy direction is reiterated in the recently published Social Care Recovery Framework.

The mixed economy of provision in for older people's residential care in the Vale of Glamorgan is consistent with this agenda.

More broadly the vision and strategic priorities of the Council and its partners recognise and reflect these national policy themes and embody them in local plans.

The long term vision for the area in Our Vale - Our Future includes the aspiration that by 2050:

> "The positive attributes of our ageing population will be recognised and respected and the contribution of older people to the vibrancy and resilience of the Vale will be

[20] Rebalancing Care and support p8

valued. Residents of all ages and backgrounds will participate in community life, helping to shape services and taking pride in the area they live in…. health inequalities will be a feature of the past as we work together for a Vale where everyone has access to the services and support they need to live healthy, safe and fulfilling lives.[21]"

Working together for a Brighter Future, the Vale of Glamorgan Corporate Plan 2020-25 sets four new well-being objectives, one of which is:

- to support people at home and in their community

Specific commitments in the annual delivery Plan include:

- Implement a sustainable approach to meeting the needs of older people in accommodation with care to support greater independence
- Agree a regional care home contract with the Health Board and providers to improve outcomes for adults who need care and support
- Develop more integrated models of care that provide increased choice and reduce dependence; and to
- Implement a regional strategy that supports carers and recognises their contribution

In addition, an Older People's Housing Strategy is being developed which aims to increase the supply of care ready housing including extra care.

## Regional Partnership

The Cardiff and Vale of Glamorgan Regional Partnership Board brings together partners including both local authorities, the Cardiff and Vale University Health Board and representatives of individuals with needs for care and support, carers and the independent and third sectors to decide where integrated health and social care will be most beneficial in terms of outcomes for people. The overall aim of the Partnership is that 'people live the best they can in their homes and communities'.

[21] Our Vale – Our Future, Public Services Board's Well-being Plan 2018-23

The Regional Partnership Board undertakes the Population Needs Assessment and uses it to set priorities in the Area Plan. The Population Needs Assessment is updated every five years and a new one will be produced by spring 2022. The regional priorities for older people in the Area Plan include:

- Develop resilient communities with local services, infrastructure and strong community networks to meet local needs where older people live
- Develop and provide a range of future accommodation options to meet demand and enable people to remain at home for as long as possible
- Develop Cardiff and Vale of Glamorgan as a dementia friendly region

The Regional Commissioning Board published 'Me, My Home, My Community' a Market Position Statement for care and support for older people for 2017-2022. The shared vision of Me, My Home My Community is of:

> "improving the health and well-being of older people, no matter how complex their needs, so that they are supported to maintain their independence and live a fulfilling life".

There are four overarching priorities, each of which remain relevant to the market for residential and nursing care:

- **What matters to me**: Listening and working with people in need of care and support to jointly find solutions to meet their need;
- **Home first**: Enabling people to live at home, or as close to home as possible, in accommodation appropriate to their needs and where they can live well, thrive and remain independent.
- **Sustainable and prudent use of resources**: Promoting prevention and early intervention, and developing quality outcomes and value for money solutions which meet care and support needs.
- **Avoiding harm, waste and variation**: To ensure high quality care across all services.

## Commissioning & contracting models

The Vale of Glamorgan places a strong emphasis on service user choice and is committed to maintaining a mixed economy of provision.

There is an open approved provider list which providers can join at any time so long as they meet the required standards. Placements are purchased on a spot basis with standard contract terms. Providers are currently transitioning to the new regional residential and nursing care contracts.

In 2020/21 standard fees for the Vale of Glamorgan were uplifted by 4%. Care Forum Wales published information showing that the rates paid by the Vale of Glamorgan are above the national average in in the top quartile for local authorities in Wales[22].

| | Residential | Residential EMI | Residential Nursing | Nursing EMI |
|---|---|---|---|---|
| Vale of Glamorgan | £659.88 | £730.12 | £659.98 | £730.12 |
| All Wales Average | £630.73 | £676.04 | £664.84 | £710.69 |

Vale of Glamorgan Council data shows that the actual rates paid to providers tend to be higher than the standard rates: 14.2% higher for residential care and 18.8% for nursing care on average in 202/21. Despite this, as noted above, the survey indicated that fee levels are still a concern for many providers, especially those who also have low occupancy currently, but the picture is uneven.

Depending on how the pandemic evolves and how quickly occupancy levels recover commissioners may need to consider how those segments of the market that are struggling can best be supported to achieve sustainability or change their business model.

[22] Care Industry News 28 April 2021

# Key Messages
## Demand

- The population of the Vale of Glamorgan is both growing and ageing, with the proportion of people aged over 65 and over 85 projected to rise.
- There are differences between the latest 2018 based projections and the previous version. However future demand for residential and nursing care cannot simply be extrapolated from demographic projections.
- People have been living independently for longer and entering residential care later with more complex needs.
- Before the pandemic general residential care placements were falling slightly, whilst nursing and EMI placements increased.
- The Covid 19 pandemic has reduced demand for residential and nursing care significantly, but the long-term picture is uncertain.
- The impact of the pandemic on people's perceptions of residential care homes is thought to have affected further the anticipated demand for residential placements with citizens reluctant to access care homes, preferring to remain at home for longer. We had already seen a change in the trajectory around this but this is thought to have been exacerbated by the pandemic.
- If vaccines and treatments successfully contain the virus it is likely that the long-term trends will eventually reassert themselves.
- Whilst it is not possible to forecast accurately the number of beds which will be required in future, what can be said with confidence is that there will be an increased demand for dementia care and specialist nursing care.

## Sufficiency

- The number of residential beds available in the market was steady between 2018 and summer 2021 but has recently reduced.
- There has been a slight recent increase in nursing beds.
- There will be a need for more nursing care and specialist beds over the next 5 to 10 years for people with dementia (including early onset dementia) and other complex needs.
- There is a need for more EMI and other specialist residential beds, but there is no need for additional general residential beds.
- There is a need for more housing with care including extra care housing.

## Stability

- Prior to the pandemic the market was stable with little change in the number of homes or beds.

- There have been two very recent closures of residential homes although these were not pandemic related.
- The Covid-19 pandemic has had a profound impact on people who need care and support, their families, care providers and staff. The Welsh and UK governments have provided substantial support, but this is temporary and will taper away by March 2022. There is evidence of reduced demand and occupancy rates, but the picture is quite variable across the market.
- The pandemic has increased the risk of instability in the market. There is a great deal of uncertainty about the course of the pandemic and the long-term impact on demand, especially from self-funders.
- Vacancies have varied considerably during the pandemic with outbreak management sometimes reducing the number of available beds.
- Recruitment and retention is a major challenge and may slow the transition towards the services likely to be required in future, both in residential and nursing care and home care.

## Commissioning Impact and Intentions

- The Vale of Glamorgan will continue to promote a mixed economy of care with some in house provision and a strong emphasis on choice.
- An Older People’s Housing Strategy is being developed which aims to increase the supply of care ready housing including extra care in specific locations with appropriate sites.

**Institute of Public Care**
**December 2021**