

North Somerset Council

REPORT TO THE ADULT SERVICES AND HOUSING POLICY AND SCRUTINY PANEL

DATE OF MEETING: 7TH MARCH 2019

SUBJECT OF REPORT: ADULT CARE COMMISSIONING ISSUES

TOWN OR PARISH: ALL

OFFICER/MEMBER PRESENTING: GERALD HUNT HEAD OF COMMISSIONING

KEY DECISION: NO

RECOMMENDATIONS

To note the increased demand pressures for Adult Social Care and challenging provider market that will require a whole council response to the supply challenges facing Adult Social Care. This paper is a context paper to raise awareness and stimulate discussion as to future actions to address.

1. SUMMARY OF REPORT

The report outlines forecast demand for adult social care based on age profiled increases in population and how this corresponds to current demand and supply patterns and trends.

2. POLICY

The North Somerset Corporate Plan 2015-19 considers various areas of key focus. The following under Prosperity and Opportunity relate to this recommissioning.

- Ensure all our communities share in prosperity and employment growth.

The following listed under Health and Wellbeing relate to this recommissioning.

- Enable residents to make healthy choices and promote active lifestyles, which reduce ill health and increase independence.
- Commission or provide quality health and care services which deliver, dignity, safety and choice.

The following listed under Quality Places relate to this recommissioning.

- Build and sustain great places to live and visit – vibrant, accessible and safe.
- Empower people to contribute to their community and communities to provide their own solutions.

The People and Communities Directorate Statement for 2018-19 lists the following as its aims.

Quality Places

- Implement initiative/projects to prevent and tackle homelessness.
- Commission additional supported housing to meet needs and address financial challenges

Health and Wellbeing

- Support and enable vulnerable adults to live independently.

3. DETAILS

National Perspective

- It is expected that there will be half a million more people aged over-85 in the UK by the year 2025.
- Currently there are 90,000 vacancies in adult care established posts. The BREXIT situation is likely to increase this significantly. 20% of the care workforce are non-UK citizens in BNSSG.
- Over 8,000 clients were directly affected by care home or domiciliary care provider closure or contract withdrawal in the last six months.
- Turnover of carer posts in the sector in 2017 reached 38% per annum, a crippling cost for providers and a huge risk to quality.
- Accountancy firm Moore Stephens analysis of data from a survey of 7,497 companies revealed in February 2017, 16% of care home companies were financially stressed and exhibiting signs that they were at risk of failure.
- The largest national domiciliary care provider Allied Healthcare and Care Home Provider Four Seasons, are in significant financial distress which would have devastating impact on the markets of near neighbours.

Nationally the LGA Budget Submission for 2018 indicates that despite significant funding for adult care via the Improved Better Care Fund and Adult Social Care levy the 2019/20 funding gap is £3.8 billion, of which £1.5 billion of it is required to stabilise the existing adult care provider market.

North Somerset Position

Demand Demographic Factors

Based on Older People Population Information System projections, the over-75s population of North Somerset is expected to increase by 40.4% by 2025 and 74% by 2035. To meet anticipated population changes, the national care home population is projected to grow by somewhere between 14% to 34% by 2025. The estimate for BNSSG from NHS England for the over-75 population requiring a care home is 30.8% or 1,430 beds but this includes

Bristol which has a disproportionately younger age profile, the forecast numbers for North Somerset is 36.5% by 2025 and 102.1% by 2035.

Given the actual population increase for over-75s, from 2012 to 2018 for North Somerset was 9.2%, the scale of the predicted demographic pressure is significantly accelerating (over three times the number of over-75's in the period), therefore the reduced reliance on care home placements will no longer be sustainable, particularly given the acute difficulties from expanding community provision such as domiciliary care.

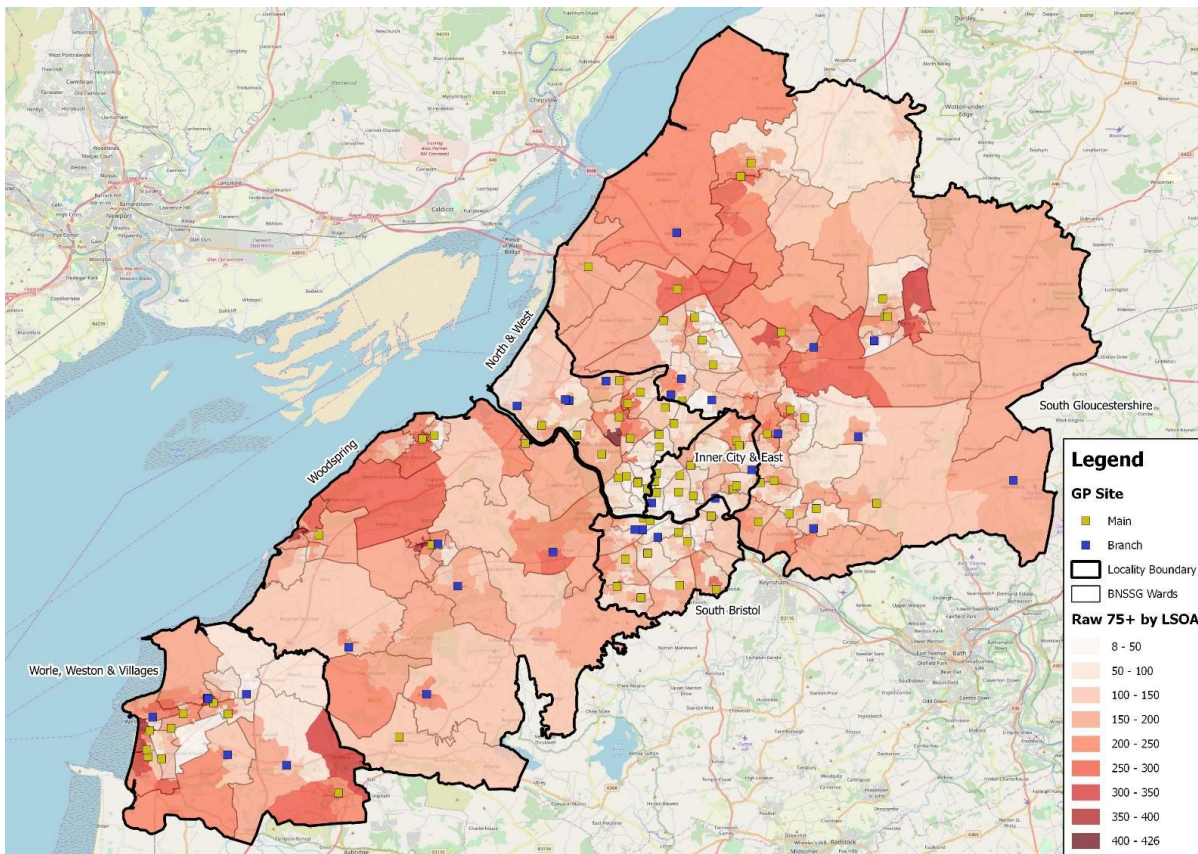
Based on NHS modelling of the incident of a need for a care home placement for frailty representing just over 6% of the over-75's year population, a crude estimate of the additional bed capacity requirements for North Somerset can be made. North Somerset will require a net increase of 555 care home placements by 2025, of which 222 would be NSC funded or an additional 32 per year. This would require demand increase of £1.33m p.a. to fund the 32 placements alone each year and ignores other care categories or what packages would be required for the remaining 94% of increased 75-year olds.

Within the frailty cohort, the population of over-75's with dementia will correspondingly increase by significant numbers; for North Somerset these increases are projected as 36.8% by 2025 and 94.1% by 2035 and this represents an additional 811 and 1,905 additional new cases in that period. Whilst not all cases will require specialist dementia care home services, for context the current capacity of dementia specialist care home beds is currently 1,400.

Over 75 Population							
Area	Locality	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Bristol Area	Inner City	7272	7353	7378	7396	7438	7464
	North & West	11041	10976	11005	11059	11056	11253
	South Bristol	10970	10948	10939	10827	10705	10759
	Total	29283	29277	29322	29282	29199	29476
North Somerset Area	Weston Worle & Villages	9562	9699	9750	9770	9851	10016
	Woodspring	11740	12012	12440	12671	12868	13253
	Total	21302	21711	22190	22441	22719	23269
South Gloucestershire Area	South Gloucestershire	20606	21183	21669	22082	22469	23175
BNSSG Total		71191	72171	73181	73805	74387	75920

Year on Year Trend							
Area	Locality	2013 to 2014	2014 to 2015	2015 to 2016	2016 to 2017	2017 to 2018	2012 to 2018
Bristol Area	Inner City	1.1%	0.3%	0.2%	0.6%	0.3%	2.6%
	North & West	-0.6%	0.3%	0.5%	0.0%	1.8%	1.9%
	South Bristol	-0.2%	-0.1%	-1.0%	-1.1%	0.5%	-1.9%
	Total	0.0%	0.2%	-0.1%	-0.3%	0.9%	0.7%
North Somerset Area	Weston Worle & Villages	1.4%	0.5%	0.2%	0.8%	1.7%	4.7%
	Woodspring	2.3%	3.6%	1.9%	1.6%	3.0%	12.9%
	Total	1.9%	2.2%	1.1%	1.2%	2.4%	9.2%
South Gloucestershire Area	South Gloucestershire	2.8%	2.3%	1.9%	1.8%	3.1%	12.5%
BNSSG Total		1.4%	1.4%	0.9%	0.8%	2.1%	6.6%

BNSSG Number of people aged 75+ in LSOAs



Supply Factors:

North Somerset has faced similar uncertainty with its provider market with above average levels of home closure in the last three years, as can be seen by the reduction in registered beds in North Somerset - a reduction of 7.3% of the bed stock in this period. The current market trajectory is unlikely to deliver the 500 additional placement requirements modelled by NHS data.

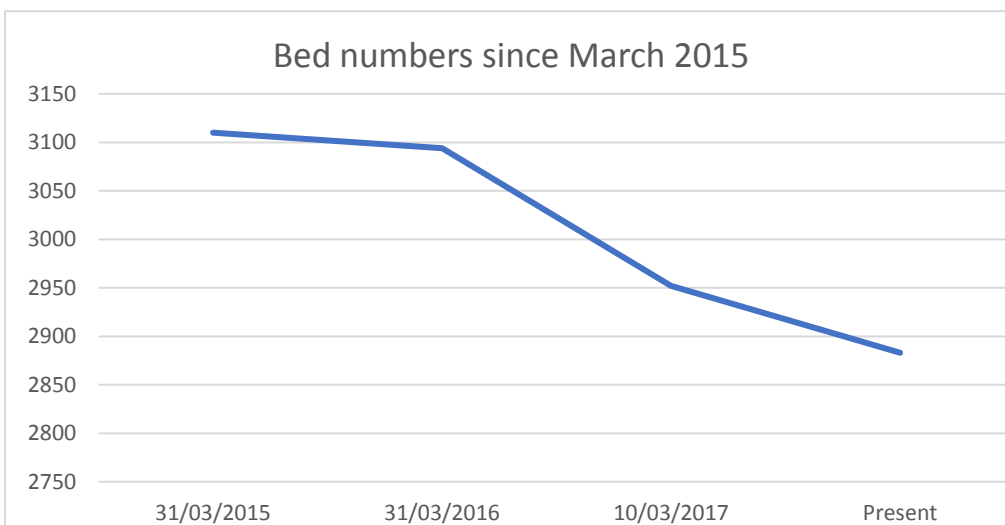


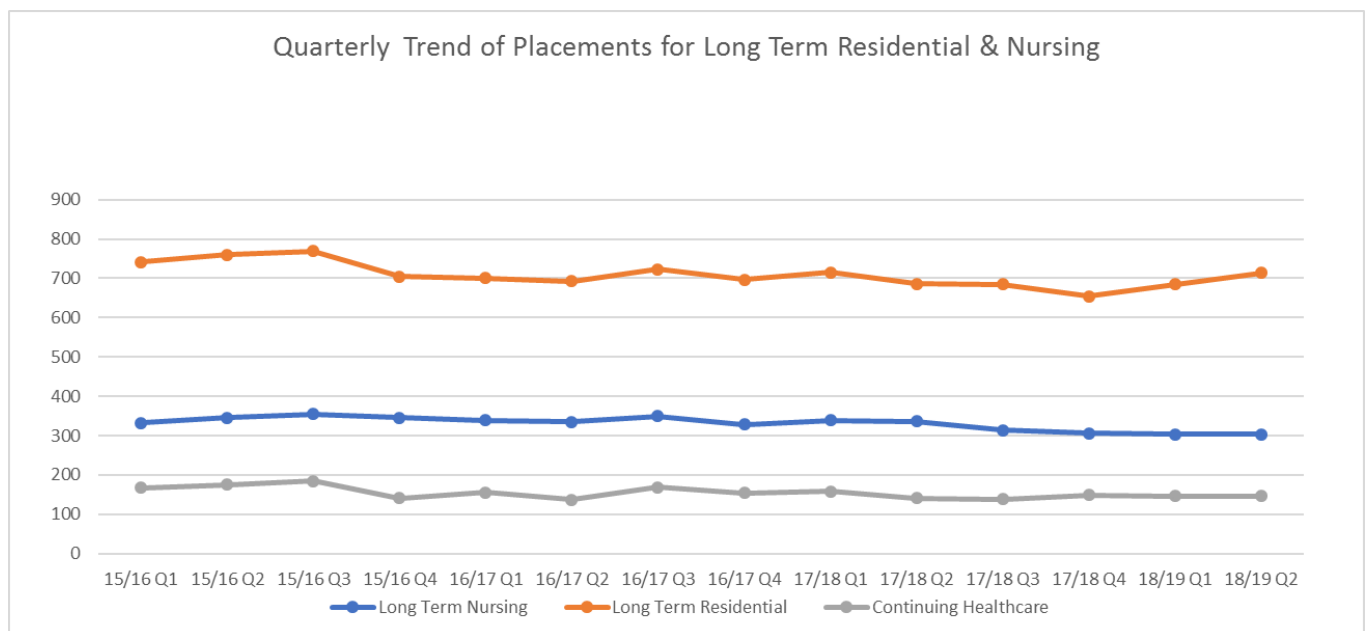
Figure One:
Registered Bed
Numbers All
Categories in
North Somerset
(source CQC)

Total bed numbers across all categories have fallen 227 beds (nearly 8%) and a net ten fewer care homes exist. This contraction is exacerbated by out of district placements rising, particularly by Bristol City Council who have over 140 placements in North Somerset.

Several care homes have closed in recent years and the Local Provider Associations are flagging concerns that local provision will further shrink. Nursing homes are speculating that further closures or de-registration of nursing provision will result, given the acute shortage of registered nurses in health and social care both locally and nationally.

NSC currently purchases 1,124 beds or 38.8% of the available bed stock (based on CQC registered beds this can slightly overstate capacity due to dual registration), with additional NHS-funded beds commissioned by us of currently 124 beds. We therefore commission just over 41% of the market. Given an additional estimate of c250 to 300 out of district placements made by other Local Authorities, the assumed self-funder share of the market is approximately 50%. Evidence from Brokerage of declared vacancies is that occupancy is 96-97%, albeit this data is reliant on accurate disclosure and vacancies in the Nursing sector are claimed to be a significant concern. We at present meet all Care Act responsibilities to meet the need of our community and the market conditions have held our favourable fee structures but this position is weakening, and the long-term requirements of our demographic changes will require new investment in new care home provision and its alternatives such as Extra Care and housing support. Particularly as the characteristic of the North Somerset market is that most care homes are small family businesses where the owners are themselves becoming more elderly and the concern is that the longer-term trend will be for existing provision to decline at a stage when our community requirements expands. This data suggests similar concerns to a 2017 Which Magazine national analysis which projected changes in bed capacity with population growth of the elderly population for each local authority based on their projections ranked North Somerset as the authority with the sixteenth largest in the country, on the size of its deficit on bed capacity by 2035.

NSC Placement Demand



Despite the demographic pressures to date, the long-term bed purchases by NSC have remained largely static, with in fact a modest reduction in placements made. This number is volatile but represents the successful interventions in the market from the development of Extra Care (Tamar Court) and other demand management initiatives to reduce placements. This reduction whilst welcome cannot be guaranteed without additional Extra Care capacity year on year and given the accelerated rise in our elderly population we cannot guarantee

that the demand for care home capacity will increase significantly, particularly as the exponential growth in community placements will be challenged by the availability of carers. As elsewhere the ability to meet current demand for domiciliary care is not being met, let alone the huge expansion required to meet the demographic demands.

4. CONSULTATION

Not Applicable

5. FINANCIAL IMPLICATIONS

None other than flagging long-term demand requirements to be reflected in future MTFP planning.

6. LEGAL POWERS AND IMPLICATIONS

Not applicable

7. RISK MANAGEMENT

Not applicable

8. EQUALITY IMPLICATIONS

No

9. CORPORATE IMPLICATIONS

- The council's future planning strategies will need to consider the impact of the strategic challenges that a diminishing care home capacity will have, in the context of an increasingly ageing population. In future planning strategy, to stress the need to renew and refresh care home provision as well as our supporting our existing articulated requested need for Extra Care. The promotion and championing of Care Villages with mixed tenure of provision as part of plans for future housing growth.

10. OPTIONS CONSIDERED

Not applicable

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BACKGROUND PAPERS

None

