Brent Council - Market Sustainability Plan

1. Introduction - About Brent

1.1 Brent is situated in North West London. It covers an area of 4,325 hectares, making it London's fifteenth largest borough; about 22% of this is green space. It is also the capital's seventh most populous borough, with a population of 329,800. Brent has a young population; the median age is 36, four years below the average for England; 24% of local people are under the age of 18. It is the second most ethnically diverse borough in London - 64% of the local population is from Black, Asian and other minority groups; the largest single group is the Indian population – who comprise 17% of residents – the fourth largest in London. Some 55% of Brent residents were born overseas. The borough has the second largest Hindu population in England and Wales, and the 10th largest Muslim population (as a percentage of the population). Over 149 languages are spoken in the borough; 37% of residents do not have English as their main language – the second highest proportion in London.

1.2 Brent's borough plan developed in 2019 sets out five strategic priorities for the borough –

- Every opportunity to succeed
- A future built for everyone, an economy fit for all
- A Cleaner More Considerate Brent
- A Borough where we can all feel safe, secure, happy and healthy
- Strong Foundations

1.3 Within the borough plan are a number of key priorities for adult social care in Brent. This Market Sustainability Plan (MSP) builds on two of these specifically, with further details included in the sections that follow.

1.4 Brent will support our most vulnerable adults, enabling them to choose and control the services they receive, remain independent and lead active lives. We will:

- Continue to offer alternatives to residential care, through the Brent Supported Living Programme, delivering extra care, mental health and learning disability supported living provision through the programme.
- Implement the new homecare contract to ensure all Adult Social Care provision is London Living Wage compliant, and re-commission reablement services.

2. Adult social care in Brent

2.1 Brent's adult social care service is currently providing care and support services to 4,294 people. People receive care via a range of different services, but the main areas of support are –

- Homecare – 1,496
- Residential Care – 352
- Nursing Care – 280
- Supported Living – 388
- Extra Care – 208
- Day Care – 287
- Direct Payments – 1,130

2.2 Since April 2020, when Brent was supporting 3,819 people, demand for services has increased by 12% overall, accelerating sharply over the last 12 months. There are a number of reasons for this, but in common with many parts of the country, Brent is responding to an increase in demand and complexity of care needs, whilst at the same time managing challenges in the care provider sector such as recruitment and retention and service quality. The MSP outlines our view on those challenges and what are responses are likely to be in the context of the recently completed cost of care exercise.

3. Assessment of current sustainability of the 65+ care home market

3.1 Overview

3.2 There are 17 older adult care homes in Brent, comprised of 11 registered nursing homes and six residential care homes. Brent's care home market is relatively small, and dominated by homes owned and managed by national providers – 11 of the 17 homes are run by national companies; two are run by regional companies and four are owned and managed locally.

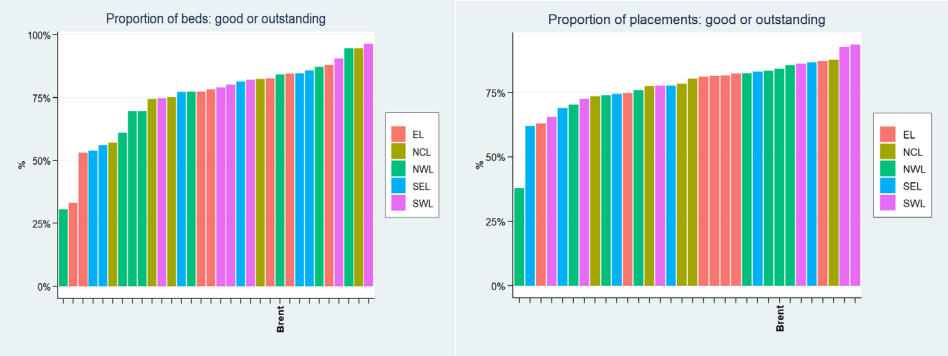
3.3 Brent also commissions residential and nursing care in the wider west London market. There are well established relationships on a commissioning and provider level with services in Harrow and Ealing in particular, which helps to form a sub-market within the west London area. With other councils within the West London Alliance, Brent works on setting price bands on an annual basis for residential and nursing care, and make placements through the West London Dynamic Purchasing System (DPS). The cross-borough connections are one of the strengths within the commissioning of care services in Brent.

3.4 The consequences of operating on a regional level is that Brent Council is currently commissioning fewer than 50% of our residential and nursing placements in the borough. However, Brent is commissioning over 75% of residential and nursing placements within 5 miles of the borough boundaries, and 90% of placements within 25 miles. There are various reasons why Brent commissions placements outside its borough boundaries, and this is not just related to bed availability. Service user choice, family preference and affordability within the borough all influence the location of care placements.

3.5 The upshot of this position is that Brent is a net importer of placements into Brent care

home beds. Other local authorities, the NHS and self-funders combined are commissioning more placements within Brent care homes that Brent Council is. However, the picture within individual care homes varies considerably – within some care homes Brent Council commissions the majority of beds, within others none at all.

3.6 The quality of care homes in Brent is high, and the council works with providers through its Commissioning Service and Enhanced Health in Care Homes Team to promote provider innovation. The proportion of care home beds (across all sectors) rated Good or Outstanding by CQC is 80% and compares well with other areas of London. The majority of placements made by Brent Council are also in homes rated Good or Outstanding in the majority of cases, and again compares well to London as shown in the graph below.



3.7 **Commissioning Trends**

3.8 The trends in care home commissioning reflect Brent's longstanding commissioning priorities. Commissioning of care home provision is interconnected with other commissioning strategies used by the council, particularly the Brent Supported Living Programme. The council has committed to commissioning care services that promote independence and enable people to live in the least restrictive settings possible. This is now reflected in our client numbers in residential and nursing care.

3.9 The council's move to using supported living and extra care services in recent years has meant that there had been a reduction in nursing and residential placements (particularly learning disability residential placements), even as demand for services and complexity has increased. This was a pro-active intervention in the care market to help to shape the services we felt best met the needs of our residents, rather than buying services that happened to be available for people.

3.10 The council's commissioning strategy is to continue to look for alternatives to residential and nursing care provision, either through commissioning supported living or extra care, or keeping people at home with a homecare package where possible. This isn't a reflection of the quality of nursing or residential care available in Brent, but part of the council's commitment to support people to live as independently as possible, in the least restrictive settings available.

3.11 The approach to commissioning is reflected in the analysis of older adult residential, residential dementia, nursing and nursing dementia placements (in total, not just in Brent care homes). The tables below reflect the trends in placement numbers since

the start of 2019. Even taking into account the impacts of Covid 19, which led to a reduction in residential and nursing placements, Brent's placement numbers have not recovered to pre-Covid levels.

Table 1 – The number of Brent Council commissioned OPS residential and nursing placements, 2019-2022.

	Jan 2019	Jan 2020	Jan 2021	Jan 2022	Jan 2023
Residential Placements	70	72	52	42	45
Residential Dementia Placements	173	172	158	170	164
Nursing Placements	116	99	71	78	88
Nursing Dementia Placements	177	186	140	162	150
Totals	**536**	**529**	**421**	**452**	**447**

3.12 Since 2018 four residential homes in Brent have closed, with a loss of around 110 beds. The reasons for these closures are varied, but reflective of a trend that isn't unique to Brent, to move away from the residential care sector and look at other, less restrictive options for people when commissioning care. It should be noted that the impact on these closures on the council was limited, as Brent commissioned small numbers of placements in these four homes.

3.13 **Commissioning Costs**

3.14 Brent completed its cost of care exercise and is able to compare the median cost returns produced by the survey with the costs paid for care home placements. As set out in our cost of care reports, the return reflected the cost of care in the Brent / Ealing area, which effectively acts as single care home market.

3.15 The table below compares the cost of care medians with the average prices paid for care in residential and nursing care. The table shows the comparison against prices paid in all older adult residential and nursing placements, as well as placements in Brent care homes only.

Table 2 – Comparison of cost of care median costs with average paid on Brent / Ealing placements.

Placement Type	Cost of care median cost	Average cost (Brent care home placements)	Average cost (all placements)
Residential	£785	£654	£785
Residential Dementia	£836	£805	£736

Placement Type	Cost of care median cost	Average cost (Brent care home placements)	Average cost (all placements)
Nursing	£837	£933	£925
Nursing Dementia	£889	£977	£991

3.16 The information is showing several things that influenced Brent's response to the cost of care exercise. We know that the homes that responded to the cost of care exercise were those that have a majority of publicly funded placements, and do not benefit to the same extent as other care homes in Brent from self-funder cross subsidy. That said, the figures reported reflect the fact that care can be and is being delivered in line with those median costs and will be delivered for less than the median cost for many placements in care homes in Brent.

3.17 With respect to the rates paid for residential and residential dementia placements in Brent, these are below the median figures coming out of the cost of care exercise (the average cost of all Brent residential placements is the same as the cost of care median, but the average cost of placements in Brent care homes is less than the median). This is an area for further exploration with the provider sector to understand the relationship between price and cost. It is possible that these figures are influenced by the fact nursing homes in Brent take both nursing and residential placements – the majority of residential and residential dementia placements in Brent care homes are in nursing homes, not residential homes. There could be an element of cross-subsidy between the service type, i.e. homes charging more than cost for nursing placements, but charging less than cost on residential placements.

3.18 For nursing and nursing dementia placements, Brent's average price paid is already above the median figure from the cost of care exercise. Brent commissions placements from all nursing homes in in the borough, including those with substantial self-funder markets that price themselves above the Brent care home price bands. The price paid in those homes is higher than homes that work predominantly with publicly funded placements, which will be reflected in the council's average placement costs.

3.19 **Sufficiency of Supply**

3.20 Brent Council is confident that there is sufficient supply in the local market to meet demand for residential and nursing placements. This needs to be seen in the wider context of the council's commissioning priorities. In the coming years Brent Council will address the following to boost capacity in the care sector.

3.21 **Supported Living and Extra Care Services**

3.22 The provision of good quality supported living and extra care services is an ongoing corporate commitment, to provide alternatives to care home placements for people who can no longer remain at home, in order to promote independence and allow people to live in the least restrictive setting possible. A programme has been running in Brent since 2014/15 to deliver alternatives to residential care, called the Brent Supported Living programme. To continue to deliver this programme, Brent Council will -

- Open four new Brent Supported Living LD schemes, with 20 units in total, by April 2023.
- Opening of a new extra care scheme with 61 units at Honeypot Lane in April 2023, with five hospital step down beds
- Three additional extra care schemes at Watling Gardens, Kilburn Square and Bridge Park are in the pipeline to be opened by the end of the decade, bringing an additional 130 units.
- More supported living services for mental health and learning disabilities will be opened in the coming years, to continue the delivery of the Brent Supported Living programme.

3.23 These initiatives will have an impact on the number of placements that Brent Council makes to residential and nursing services, and our approach will continue to focus on only making care home placements when other options are considered unviable.

3.24 The council will focus on working with providers to improve the quality of care provision in the local market. As set out above, the majority of Brent's care homes are rated Good or Outstanding, but this is not the case for all older adult care homes. Through Brent's Care Home Peer Support Programme and work from the ASC Commissioning Service, the council is focussed on improvement actions with homes rated Inadequate or Requires Improvement so that Brent is able to commission placements with those homes in the knowledge that care is of a high standard.

3.25 The council has worked with other boroughs in the West London Alliance to understand how providers view the issues around sufficiency of supply. The feedback from this work, undertaken in August and September 2022, has helped to inform Brent's view on market supply issues. Through a combination of provider forums (attended by 50 providers across the care home and homecare sectors) and surveys with providers (48 responses were received), we have the following information -

- **Sufficiency of bed capacity –** 67% of providers felt that there is sufficient capacity in the care home market in west London, particularly as the market is in the process of recovering from the effects of the pandemic which has resulted in homes operating with more voids than pre-pandemic levels. Nursing beds operate closer to maximum capacity, but there are more vacancies in residential homes as local authorities are keeping clients at home for as long as possible. This means that when they do enter bedded care their needs are more complex, and this could become a pressure point for the market.

- **Diversity of supply** – 50% of providers felt that there is diversity of supply in care homes beds. The providers that felt there wasn't diversity in supply expressed concern about a lack of beds accommodating ethnic and cultural needs, specialist high needs, and a need for more dementia beds.

- **Concerns with quality of provision** – 61% of respondents had no concerns. Of the 39% of respondents who were concerned about quality, many cited workforce challenges and rising costs as the key contributors to poor quality.

- **Effective relationships with local authority commissioners** – 83% of providers responded to say that they had a good relationship with commissioners. Some did highlight that communication when required urgently is an area for improvement, as is communication when both social care and health are involved with a placement.

3.26 With respect to capacity issues in the sector, providers are reporting that in some cases they are still not back to occupancy levels that they had pre-Covid, particularly in the residential sector. This is a reflection of commissioning strategies, as explained above. Within Brent, nursing provision has had high levels of occupancy throughout the pandemic and to the present day (over 90% occupancy in most homes). The exception to this has been homes that have had quality issues. Providers have had to work through these to improve care provision, and take placements on a gradual basis to ensure improvements are sustained.

3.27 Another area of work for Brent is the exploration of additional nursing bed provision in partnership with the NHS. The council and Brent ICP is considering options for adding nursing bed capacity, particularly to deal with increasing complexity, and the need for step down beds to free up hospital provision. For example, the opening nursing beds in the Willesden Centre for Health and Care in March 2023 to increase step-down capacity and speed up hospital discharges.

3.28 But, Brent's overall view taken in the context of the market and commissioning intentions is that there is sufficient residential and nursing provision to meet demand currently and in the next two to three years and we have options should capacity need to be increased.

3.29 **The impact of current inflationary pressures on stability and sustainability of the market, including the potential impact of National Living Wage (NLW) increases in April 2023 on provider stability.**

3.30 Although Brent has completed and published its cost of care exercise, care providers have been more engaged on inflation issues rather than the outcomes from the cost of care work. This is understandable given that inflation in the wider economy is currently over 10%, and has previously been as high as 11.1% (in November 2022). In some sectors of the economy the real term inflation rate is higher than this. For example, food inflation was 16.7% in January 2023.

3.31 These costs have an impact on care homes and Brent is concerned about the ability for care homes to deliver services in the current environment. The impact of inflation on Brent's care homes is real, and for some the impact is more acute than the overall inflation rate suggests. For example, many care providers have fixed rate energy costs, but if those deals came to an end during 2022/23, inevitably their new tariffs will be significantly higher than their old – Brent is aware of providers whose energy costs have doubled in the last 12 months because of this.

3.32 Whilst the increase in the National Living Wage is welcomed, there are recruitment and retention challenges in the care sector. The labour market in London is very challenging, and care providers are competing against other industries that pay similar salaries, but in sectors that are perceived to be "easier" to work in. Brent is seeing the impact of staff shortages in the quality of some of the care provision in borough, particularly within smaller providers where the loss of one or two members of staff can have a significant impact on the workforce. Larger care homes have more flexibility to manage staffing issues and to recruit and retain new staff.

3.33 Brent has been working with boroughs across London on the inflation challenge and commissioned external advice on the impact of inflation on the older adult care home sector. This advice is recommending an inflation increase of 10% for residential placements and 9% for nursing placements.

3.34 Brent is aware of the exceptional pressures on the care home market and will apply these recommendations to the price of existing placements in Brent care homes. For placements outside of the borough, we will mirror the decisions of local commissioners up to the 9% or 10% threshold.

3.35 There are two other reasons why we are taking this approach to inflation. Firstly, Brent's commissioning intentions are clear, that we are putting in place alternative services to reduce the need to make care home placements, particularly residential placements. Opening a new extra care service at Honeypot Lane, commissioning 24-hour homecare and peripatetic night support all contribute to requiring fewer residential placements. We will fund the increase on existing placements by working to reduce the number of care home placements the council has overall – this is in line with our approach to social care commissioning and Brent is open with the market about seeking to reduce the number of care home placements overall.

3.36 Secondly, Brent will continue its sub-regional work with the eight North West London authorities and the West London Alliance Commissioning Alliance (CA) who deliver the adults commissioning work programme on our behalf. The CA's brings authorities together, using collective market leverage, sharing data, sharing learning, and providing tools that enable authorities to manage price and quality collectively. Included in the work that we do with the CA is our price band setting for older people residential and nursing care home placements.

3.37 Using our collective influence and sub-regional buying power Brent works to manage costs, align approaches to inflationary uplifts, understand supply and demand pressures from a sub-regional perspective and address quality issues together taking into account the 'single' market created in NWL. This includes a multi-agency approach bringing together all sub-regional quality leads along with CQC and AQP.

3.38 Through this work, particularly the setting of price bands for 2023/24, Brent will expect to make placements at a price that reflects market conditions, but that also enables care homes to deliver quality placements in line with the costs of providing care – the cost of care exercise contributes to understanding this, but our wider intelligence on the care home market will also influence the price bands. Combined with the inflation uplifts on existing placements we are confident that Brent is ensuring sustainability within the local care market.

3.39 **How delays to charging reform have impacted your ability to manage current pressures to market sustainability.**

3.40 It is Brent Council's view that the delay to the implementation of the wider charging reforms will not have a significant impact on the sustainability of the market or our approach to commissioning care services. Unfortunately we believe the cost of care exercise to be a missed opportunity, in that it was focussed on the costs of delivering care (as reported by providers, many of whom did not engage in the process) rather than looking at the relationship between the cost of care and where investment in care should be targeted to address quality, and the price that councils and other funders of care need to paying to ensure good quality care can be sustained.

3.41 There isn't a single cost of care. There are a range of prices charged by providers depending on where they set themselves in the market. The delays to the wider charging reform doesn't change this. Consequently, there will be some providers in Brent who choose to set their prices above the levels that the local authority will pay, and well above the median cost of care figures. They will do this, whether the wider reforms are delayed or dropped altogether.

3.42 What the cost of care hasn't enabled us to do is consider whether higher prices of care leads to better quality, or whether there are other factors (such as leadership, investment in staff training, higher carer to resident ratios) that are more important indicators. Instinctively by charging more it would be expected that providers would be able to invest more in the factors that help improve quality, but the cost of care exercise wasn't focussed on these issues.

3.43 Brent Council is keen to lead an honest discussion with care providers as to where investment in the sector will lead to improved quality. That's where we feel we can focus on issues connected to sustainability, and work with the provider sector to help deliver high quality care for Brent residents, where our investment in care is driving quality.

4. Assessment of current sustainability of the 18+ domiciliary care market

4.1 Overview

4.2 There are 44 homecare agencies registered in Brent currently. Of these agencies, 41 deliver homecare, whilst three use their homecare registration to deliver care in supported living settings.

4.3 There is a high degree of cross-borough working in the homecare sector. Agencies working in Brent provide services in neighbouring boroughs, and vice-versa. There are companies that have registered offices in Brent that provide little homecare in the borough, but work predominately in other parts of London.

4.4 In keeping with this, Brent works with a total of 63 homecare providers. Currently, the council is commissioning 23,250 hours of homecare per week across all client groups, at a cost to the council of £400,000 per week. The number of hours delivered by providers ranges from over 1,500 per week, to five hours per week.

4.5 For older adult homecare, Brent has a lead provider homecare model, based on 13 homecare patches. There are seven lead homecare providers for older adults and physical disabilities, and four lead providers for mental health and learning disabilities. Between these providers, they deliver 8,500 hours of care per week. Lead providers are tasked with accepting 80% of homecare packages in their patch areas, and they have been working towards this since Brent's homecare contracts went live in April 2021.

4.6 Where the council is unable to place new care packages with lead providers, homecare is spot purchased from the local market. This is to change in the coming months – Brent is currently out to tender to appoint providers to a homecare framework. Up to 20 providers will be appointed to the framework that will back up the lead providers, delivering around 20% of homecare packages in Brent once fully implemented.

4.7 One of the issues that Brent is trying to balance is having a cohort of lead providers and framework providers that bring sufficient capacity to the market to help manage demand, but without having so many providers that managing quality becomes compromised. Brent had planned to appoint providers to a homecare framework in 2021, but decided against it due to a number of concerns that came to light during the original tender process that started in late 2019 but was delayed due to the Covid-19 pandemic. The impact of the pandemic has led to a greater recognition that local providers are critical to the Brent homecare market. Brent has largely been able to

meet homecare requirements through the waves of the Covid-19 pandemic and beyond, thanks to the efforts of local providers. The council has a commitment to support local business, and we want that to be reflected in the homecare framework.

4.8 Consequently the council is now of the view that there should be more providers appointed to the framework than was originally planned in the 2019 tender. The original proposal was for 10 additional providers to be appointed. Appointing a limited number of providers would help with quality management, as more time could be spent with each provider overseeing quality issues and working in partnership to improve services. The risk with this model is that there could be less capacity in the market, as providers would be limited in the number of packages they could safely manage.

4.9 As a result, Brent plan to leave more flexibility to appoint all providers to the framework that meet the quality standards expected from the tender, to leave open the possibility of appointing more providers than the 10 originally anticipated and to give local providers the best chance possible to qualify for the framework. The council believes that additional homecare providers will enable the council to manage any increases in demand moving forward and help manage capacity in the market. The impact of Covid 19 has changed thinking in this regard, and having access to more providers will help deal with the challenges the sector is facing, as the pandemic has demonstrated.

4.10 Brent's homecare provision is currently bifurcated – lead providers are paid £20 an hour to enable care workers to be paid the LLW as a minimum, spot purchased providers are paid £16 an hour. Once the homecare framework is in place, all new packages placed through the framework will be paid at the council's lead provider rate - £20 an hour, rising to £20.50 an hour from 1st April 2023.

4.11 **Commissioning Trends**

4.12 Since 2019, there has been a considerable fluctuation in the number of homecare packages in Brent. There are two main reasons for this – a decline in packages during the Covid-19 pandemic, as packages were suspended or stopped. The second cause of the decline in packages was the implementation of Brent's homecare contracts. Rather than transferring their care package to a lead provider, service users could opt to take a direct payment to commission a care provider of their choice. Many opted to do that, with a substantial increase in direct payments as a result.

4.13 The table below shows the trends in homecare and direct payment numbers since 2019.

Table 3 – Homecare and Direct Payment trends

Year	Homecare Packages	Direct Payments	Total
31st Jan 2019	1,537	656	2,193
31st Jan 2020	1,573	663	2,236
31st Jan 2021	1,587	667	2,254
31st Jan 2022	1,289	1,129	2,418
31st Jan 2023	1,490	1,132	2,622

4.14 As can be seen, the trend in increasing demand for care services is clear when looking at what has happened to homecare and direct payment numbers in Brent since 2019,

and very much in keeping with the overall increase in demand for care services mentioned above.

4.15 **Commissioning Costs**

4.16 As set out above, Brent currently has a split homecare market, paying lead providers £20 an hour and spot purchased providers £16 an hour. One major caveat to this is the completion of Brent's homecare framework tender, which will move all packages in Brent to the lead provider rate when implemented in 2023. Brent is also reviewing the rate for spot purchased care (more details below).

4.17 Brent's lead provider contracts are London Living Wage compliant. A comprehensive cost model was used to put together a pricing structure for these contracts that would enable care workers to be paid at the London Living Wage, £11.05 an hour. Within the contracts is an annual uplift of £0.50 an hour to enable providers to continue to pay care workers the London Living Wage. The element of the contract is closely contract managed to ensure compliance.

4.18 Brent has completed its cost of care exercise and is able to compare the median cost returns produced by the survey with the costs paid for homecare services. An analysis of the cost of care exercise and a commentary on the methodology is included in the cost of care report on homecare, Annex B of Brent's cost of care submission to DHSC.

4.19 However, it is clear that the difference in homecare rates has an impact on the price paid for homecare services. The main impact on the cost of care is the increase in care worker costs to reflect the difference between London Living Wage and National Living Wage. But there are other factors that explains Brent's position on homecare rates, and we have a clear direction of travel with respect to moving towards paying London Living Wage on all of our homecare packages.

4.20 The table below shows the different rates for care in Brent, as well as the cost of care outcome.

Table 4 – Homecare Rates, and Cost of Care Median, 2022/23

	Lead Provider	Spot Provider	Cost of Care Median
Rate	£20	£16	£19.59

4.21 Annex B, the cost of care report for homecare, goes into detail on the issues with the cost of care rate, and the council's view on using the cost of care methodology for determining our pricing strategy going forward. Brent has a clear direction of travel on pricing homecare, and will be moving towards London Living Wage levels for homecare packages through the implementation of the council's homecare framework. This will be in place from August 2023, by which point lead provider and framework rates will be £20.50 per hour.

4.22 One area for review was the position on spot purchase provision where providers are being paid on actuals rather than commissioned care. Spot providers are paid on commissioned activity, unless they have use of an electronic call management system. A small number do, so their payment terms will be revised to ensure that the spot purchase rate is sustainable when combined with paying for services delivered rather than commissioned.

4.23 The council is finalising its homecare rates for 2023/24. As set out above, our contracted lead providers will have their rate increased to £20.50 an hour. Although this rise is below inflation, it is based on our understanding of costs, enough for providers to deliver care and pay care workers the London Living Wage of £11.95 per hour, as required under our contracts.

4.24 It is recognised that our spot purchased rate is no longer sustainable and it will be increased to £17.50 an hour. This is in line with the "floor" rate identified to deliver care in Brent, and for care workers to be paid the national living wage. There is a key point to note here – Brent will be implementing its homecare framework in 2023/24. At this point, it is anticipated that much of our spot provision will migrate to the framework, increasing the hourly rate to £20.50 and hour, and care worker pay to a minimum of £11.95 per hour. As a consequence, we are confident that the majority of care packages and care hours will be delivered at our contracted, London Living Wage rate by the end of 2023/24.

Table 5 – Homecare Rates, 2023/24

	Lead Provider	Spot Provider
Rate	£20.50	£17.50

4.25 **Sufficiency of Supply**

4.26 Brent Council is confident that currently there is sufficient supply in the local market to meet demand for homecare services. Brent does not have a waiting list for homecare services, and has consistently been able to meet the demand for homecare services, even as that demand has increased in recent years.

4.27 That said, there is work happening to bring greater capacity to Brent's homecare market. In line with the council's commitment to paying London Living Wage to care workers in this sector and developing the capacity and capability of Brent based homecare providers, the council will -

- Complete the commissioning of Brent's homecare contracts, to appoint up to 20 providers to Brent's homecare framework
- Complete the commissioning of a new reablement contract, focussed on working with service users in their homes to reduce or remove the need for ongoing care

4.28 Once complete, the council will have a homecare framework in place to complement the lead providers already working in Brent. There is also a competitive local market for homecare services that will enable spot purchase provision to be put in place where needed if the framework is unable to meet demand on occasions. Homecare providers are also commissioned through direct payments, again with sufficient supply to meet ongoing demand.

4.29 It is anticipated that demand for homecare will continue to increase in the coming years. This is due to a combination of factors, including pent up demand relating to the Covid-19 pandemic; demographic pressures as the number of older people increase (even in a borough like Brent, with proportionally fewer older people than other areas); and, Brent's approach to commissioning services – the council is actively working to keep people at home as long as possible and avoid making care home placements,

which will have an impact on the number of homecare packages and the complexity of those packages. Ensuring providers have the means to respond to those challenges is a priority for the Adult Social Care Commissioning Service.

4.30 There are issues affecting the sector, such as recruitment and retention of staff. Work has been done through the West London Alliance which has identified provider views on the key issues facing the sector, including sufficiency of supply. The feedback from this work, undertaken in August and September 2022, has helped to inform Brent's view on market supply issues. Through a combination of provider forums (attended by 50 providers across the care home and homecare sectors) and surveys with providers (48 responses were received), we have the following information -

- Diversity of supply – 47% of providers felt that there was sufficient diversity in the market, whereas 40% did not (13% didn't answer the question). Of those providers that responded, some expressed a view that there is an oversupply of provision in the market. Those who felt the market was not diverse enough cited staff shortages and low fees paid by local authorities as a barrier to increasing supply.

- Quality of provision – 57% had concerns about quality in the sector. Providers felt that quality of provision is predicated on good staff therefore. Workforce pressures could in the long run drive down quality if recruitment remains an issue. Low salaries will perpetuate the problem as the sector will be unable to compete with other industries thereby narrowing the recruitment pool.

- Recruitment and retention – 77% of providers explained this was an issue. Staff retention is affected by the number of contracted hours, companies being unable to offer set hours, therefore losing staff to care homes who can offer a fixed schedule and the ability to work from one location. More should be done with schools and colleges to promote careers in social care. Other factors, such as Brexit, are also viewed as having an impact on the workforce numbers.

- Capacity – 53% of homecare providers said that they had capacity issues, linked to staffing shortages. Those providers that reported capacity wasn't an issue said that recruiting internationally and / or limiting work to confined geographical areas, easily reachable by staff. On this latter point, it's important to recognise the difference between capacity within companies, which can be a challenge for some, compared to capacity across the market.

4.31 It should be noted that Brent has already responded to a number of these points through its approach to commissioning –

- Working on a small geographical patch basis with lead providers, which supports with recruitment in the areas providers are based and reduces the need for carers to travel long distances to work or between care calls
- Paying care workers on our lead provider and framework contracts the London Living Wage as a minimum, rather than the National Living Wage
- Linking providers with Brent Works, to match people wanting jobs in care with vacancies in the sector
- Funding ESOL classes aimed at care workers, who want to improve their English specifically to support a career in care
- Promotion of the Proud to Care scheme, which offers a range of benefits and support to people working in social care.

4.32 Brent Council is not complacent on this issue, and the workforce challenges affecting social care are recognised. We are taking steps to support the sector to ensure that these challenges can be met and continuity of care assured for the people of Brent.

4.33 The impact of current inflationary pressures on stability and sustainability of the market, including the potential impact of National Living Wage (NLW) increases in April 2023 on provider stability.

4.34 As set out above for residential and nursing care services, Brent is fully aware of the impact of inflation on the care sector, particularly wage inflation in a challenging labour market. As with care homes, homecare providers are finding it more difficult to recruit and retain staff when the competition for workers from a range of sectors is intense.

4.35 As staff costs make up the majority of costs faced by homecare providers, we want to see our fee uplifts for both contracted and non-contracted providers invested in staff. Our contracted providers are required to pay care workers the London Living Wage as a minimum, and spot providers, in receiving a 9% increase in their rate will be able to ensure care workers are paid the national living wage, as legally required. This increase is also, in effect, a staging post until our homecare framework is implemented, and packages migrated to the framework rate for those providers appointed. By the end of 2023/24, Brent expects the majority of homecare packages to be delivered by lead or framework providers, who will be paid £20.50 an hour for care.

4.36 We will keep a watching brief on inflation and the impact on our contractual obligations to increase our homecare rate by 50p an hour each year. Whilst at the current time there are no plans to change this, if inflation remains higher than expected into the latter part of 2023/24, it is possible that this could be looked at again.

4.37 **How delays to charging reform have impacted your ability to manage current pressures to market sustainability.**

4.38 As set out above, Brent council does not think that the delays to the wider charging reforms for adult social care will have a significant impact on the sustainability of the care market, particularly in homecare. There are other factors that are more significant, such as inflation and availability of people to work in the sector and our plans to move to a London Living Wage rate for homecare. Brent doesn't have a large self-funder market for homecare, and so the council's commissioning intentions are more important to market sustainability than delays to the charging reforms given the impact we have on local care providers.

4.39 As with care homes, what the cost of care hasn't enabled us to do is consider whether higher prices of care leads to better quality, or whether there are other factors (such as leadership or investment in staff training) that are more important indicators. Instinctively by charging more it would be expected that providers would be able to invest more in the factors that help improve quality, but the cost of care exercise wasn't focussed on these issues.

4.40 Brent Council is keen to lead an honest discussion with care providers as to where investment in the sector will lead to improved quality. That's where we feel we can focus on issues connected to sustainability, and work with the provider sector to help deliver high quality care for Brent residents, where our investment in care is driving quality.

5. Assessment of the impact of future market changes between now and October 2025, for each of the service markets

Care Homes

5.1 Brent Council is working through the likely impact of the of future market changes expected up to October 2025. Our approach to commissioning care home placements has for a long time focused on the real costs of care in order to support quality and a sustainable care market. Brent's care home placements are managed though the West London Alliance Dynamic Purchasing Vehicle. The DPS is a price based contract mechanism (we have to be able to show we are able to place 80% of care home placements within the price bands) and for the last 5 years we have carried out an annual cost modelling exercise to test the price bands.

5.2 The way we commission care home placements is not going to change significantly as a result of the cost of care exercise. As set out above, our commissioning strategy is to use less restrictive options, such as extra care or supported living and it is this offer that we plan to prioritise through our commissioning work. We will continue to commission placements through the DPV when all other options have been explored and carry out an annual cost modelling exercise to set the prices bands for different care home placements. The cost of care responses will help inform that work, but it will be taken into account when setting price bands with a range of other information.

5.3 The cost of care exercise should have little impact on the local care home market. We already know that moving all existing care home placements to a council rate set by the cost of care would de-stabilise the care home market. There are homes in Brent that charge fees well above the median figures from our cost of care return and higher than our care home rates, and they will continue to do this. They have taken decisions as independent businesses to price themselves above publicly funded rates, as they are entitled to. Even in Brent, an area of relative deprivation and with a small self-funder market, the council is clear that it will not take any action that would unnecessarily de-stabilise the care home market.

5.4 In terms of risk to the care home market, there are two immediate issues that need consideration – the gap between self-funder and local authority placement rates; and workforce supply.

5.5 **Gap between self-funder and local authority rates**

5.6 Providers have told us during our engagement on the cost of care exercise that they are concerned about the different care rates paid by self-funders and public funders, and whether the cost of care exercise and funding reform will improve this situation (from their perspective). Providers have said that they may need to consider some of the following actions, depending on cost of care outcomes –

- Consider the level of additional activities offered in care homes that improve the quality of life of residents (e.g. activities in the home, resident outings etc).
- Providers might not make beds available to local authorities, if publicly funded service users are moved to a cost of care rate (or a lower rate than charged to self-funders) when they reach the care cap

5.7 The providers that took part in the engagement exercise were of the view that self-funders subsidise lower costs for local authority placements, and that moving in the

direction of publicly funded rates would be not sustainable going forward. However, it needs to be acknowledged that Brent's cost of care submissions were largely reflective of publicly funded rates, as a consequence of Brent's sample.

5.8 Brent is very clear that the arguments around this are more nuanced than described by providers. There is evidence that some providers, particularly large providers with complex company structures and off shore elements use price differentials to generate additional profits, not to cover core council placement costs. Secondly, it is also not always clear whether price differentials are real. It is difficult to compare the individual needs of residents in the same care home. For example, two people may have the same room in the same care home, but require different levels of care, which would require a different price. It also true that not all rooms in a care home are the same, there is evidence to suggest local authority placements made at cheaper prices are more likely to get rooms that are less attractive to self-funders - slightly small, nearer noisy utilities or north facing for example.

5.9 Thirdly, not all care homes are the same. Even in the Brent market there are homes that are predominantly self-funder and use local authority / NHS placements in a different way to homes that focus on local authority placements, yet both types of home survive.

5.10 These factors have to be taken into account. Brent does not want to pay more for care without seeing improvements in quality in return, for example more investment in care worker training and / or an increase in care worker to resident staffing ratios.

5.11 **Workforce Supply**

5.12 Providers are concerned about recruitment and retention, and the impact that this has on quality. The council is supporting care providers in this area, through initiative such as Brent Works linking care homes with people wanting jobs in care, and funding ESOL classes aimed at care workers. The council, in partnership with the Brent ICP, delivers the Enhanced Health in Care Homes programme. Details on this programme are set out in section 3, but by supporting providers the aim is to make care homes and a career in social care an attractive proposition.

Homecare

5.13 The major changes to Brent's homecare market has been set out previously in this plan – the implementation of Brent's homecare framework from March 2023 onwards. This will complete Brent's move to paying homecare providers at London Living Wage levels, and in time significantly (if not completely) remove the need to spot purchase provision from the wider market. To be appointed to the framework, providers will have to complete the council's tender process and demonstrate that they provide services to a sufficiently high standard.

5.14 In terms of working with providers to move to the cost of care rate, the council's decisions around London Living Wage compliance already largely addresses this – our contracted rate is above the cost of care median rate. Brent has made this investment into homecare as it was seen as a crucial investment to improve quality within the sector. For our lead and framework providers we will continue uplifting prices year on year in line with our homecare contract, by 50p an hour.

5.15 The one area that will be addressed from the start of 2023/24 is the spot purchased rate for providers paid on services delivered rather than services commissioned. The cost of care exercise has drawn out some issues in relation to the rate / payment rules.

The council will use some of the cost of care funding to address this in the short term until the framework is up and running.

5.16 Brent's response to the cost of care exercise is to continue with its current commissioning plans and continue to work towards full implementation of London Living Wage levels in the homecare market in Brent.

6. Plans for each market to address sustainability issues, including fee rate issues, where identified.

- *How your local authority has prioritised funding based on the cost of care exercises conducted in your local areas and taking into account the impact of fee rates on the market sustainability issues identified. The final plan is required to include a summary of how 2022/23 funding has been committed and plans to maintain stability over subsequent years.*
- *Local authorities may also want to outline any further actions to improve market sustainability, which may include actions to improve capacity and waiting lists/times, supporting discharge, and workforce conditions, expanding use of technology and innovative models of care.*

Care Homes

6.1 **Prioritisation of Funding Based on Cost of Care Exercise**

6.2 Brent Council works in partnership with other councils in the West London Alliance to set residential and nursing prices bands for the care home DPV on an annual basis. The work to set the price bands for 2023/24 and inflationary uplifts on existing placements has been completed.

6.3 The cost of care exercise has formed part of the considerations for this process, along with other factors, principally inflation. Whilst inflation is currently over 10%, it has been higher than 11% in the past year, and it is recognised that care providers are facing considerable pressures because of this.

6.4 This is reflected in the prices bands that will be set for older adult placements in the residential and nursing sector, as well as the inflationary uplifts that will be given on existing placements. It should be recognised that this is in response to inflationary pressures and not the cost of care exercise.

6.5 As we move into 2023/24, there are three main areas that investment will be made into the care home sector –

- Brent is committed to paying care workers London Living Wage, and steps will be taken to ensure all staff in Brent care homes are paid LLW as a minimum. Care homes that can demonstrate steps to move to this rate for their staff will be paid at levels that will enable them to do this, but it will need to be supported by evidence that they are committed to LLW.
- Care home ratios / rewarding quality – Where there are demonstrable quality improvements and better care as a result of higher staffing ratios, Brent will look at ways to fund this. For example, providing care for people with more complex needs and adjusting staffing ratios accordingly to manage this. This is something that will

be done on a home by home basis, to help meet our needs around complexity and managing challenging behaviours amongst our cohort of care home residents.

- Both of the above issues will be taken into account when working with other councils in the West London Alliance area to see our fee rates for 2023/24 and implement inflationary uplifts. The council recognises the inflationary pressures in the economy and these have been taken into account when setting new rates. But we also want to make sure that this is dovetailed with wider commitments around LLW and quality improvements in the sector.

6.6 Brent has an annual commitment to review the price bands for older adult care home placements, as demonstrated in the table below -

Table 6 – Older Adult Care Home Price Bands

Category	2019/20 band without FNC	2020/21 band without FNC	2021/22 band without FNC	2022/23 band without FNC	2023/24 band without FNC
Residential	£481 - £575	£481 - £599	£489 - £609	£523 - £651	£586 - £729
Residential Dementia	£542 - £612	£542 - £637	£551 - £671	£589 - £717	£660 - £803
Nursing	£535 - £626	£535 - £655	£544 - £667	£577 - £708	£638 - £782
Nursing Dementia	£555 - £644	£555 - £674	£564 - £686	£598 - £728	£661 - £804

6.7 The inflation uplifts on current placements in Brent will be –

- Residential placements – 10.3%
- Nursing placements – 9.3%

6.8 Uplifts will be applied to all residential and nursing placements in borough, with a small number of exceptions on high-cost placements, that are already well above the price band ceilings. In these cases individual decisions on uplifts will be taken once discussions have been held with individual providers. As a rule, uplifts will be offered up to the ceiling level of the new price bands.

6.9 It needs to be recognised that in order use our grant funding and offer these uplifts on existing placements, the council will focus its priorities in making alternatives to the use of residential and nursing care in line with our commissioning priorities. We expect to see a continued reduction in the number of residential and nursing placements made by Brent Council in the coming years, as we focus on other areas of care provision. The placements we make will be in line with the rates set out above and we will focus on quality in the homes that we work with to ensure high standards of quality care are maintained.

6.10 The Market Sustainability Fund for 2022/23 for Brent was £906,550. Of this funding, £756,550 was put toward inflation uplifts and costs of new placements across the social care sector in 2022/23. Inflation uplifts of up to 7% were given to residential and nursing providers of older adult placements. Supported living placements were uplifted by 3% in 2022/23. The remainder of the funding was used to complete the cost of care exercise, as permitted within the guidance on this fund.

6.11 Further actions to support market sustainability

6.12 Brent's Adult Social Care Commissioning Service has a Residential and Nursing Team that is responsible for the commissioning and quality assurance of care home services and placements. The team carries out statutory safeguarding enquiries in Brent Care Homes and individual placement reviews with Brent service users placed in nursing or residential care (whether those placements are made in borough or out of borough). The team was created when the current Commissioning structure was implemented in 2017. The benefit of creating a team that has oversight of the care home market is that work on quality assurance, placement review and safeguarding is done by one team, helping to form an overall view of quality in the care home sector. Each home has an allocated Placement Relationship Officer (PRO), who is responsible for quality assurance and service user reviews within their allocated portfolio of homes.

6.13 The Residential and Nursing Team is able to bring together the intelligence it gathers from its three areas of work to give a comprehensive picture of residential and nursing services in the borough. As well as information gathered by our own staff, we take into account views of residents, family members and other professionals working in care homes (specialist health staff for example), to build up a picture of quality in Brent services. The team shares information and intelligence on a quarterly basis with the Care Quality Commission, the national regulator of care services, to help inform its view on care home provision in Brent. Each home is given a RAG rating based on their work and this determines the frequency of quality assurance visits. The frequency of visits is based on risk and quality of care; the number of placements the council has with the provider and the size of the care home. Larger homes, with multiple placements, will be visited more frequently than smaller services, unless the risk profile justifies more regular visits to the smaller service.

6.14 Having an allocated PRO is a particularly effective way of working with the care home sector. With nearly 60 homes in the borough, having a good oversight of the sector is crucial in managing quality issues. With each PRO managing a portfolio of 8-10 homes each, this becomes more manageable. It also gives care home managers a route through which to contact the council when seeking support, which has been particularly important over the last couple of years as the council and providers have been managing the Covid 19 pandemic.

6.15 The council and partners are engaged in a variety of work with care home providers to improve the quality of the Brent care home sector. Brent runs a monthly care home forum, which is used as a mechanism to communicate and work with homes on good practice developments across the sector. The forum is regularly attended by colleagues from Public Health, the CCG and other partners to help registered managers with initiatives and good practice that can lead to better resident care. The forum is chaired by a Brent care home manager, who is also a member of the Brent Health and Wellbeing Board, providing a direct link from the care home sector to the Board.

6.16 Brent is running a programme of care home improvement through the Enhanced Health in Care Homes Programme. This programme is jointly funded and commissioned by the council and Brent ICP and delivered with key partners including GPs and CLCH (Brent's community healthcare provider). The main areas of work in the programme include working with providers on key areas of training and development for staff, medication safety in care homes and implementing the Primary Care Network Directed Enhanced Services (DES), which aligns each care home with a GP and multidisciplinary team to support personalised care and support in Brent's care homes.

6.17 The Enhanced Health in Care Homes Programme also includes a Peer Support Programme, which has provided intense, dedicated support to care homes in the borough for that last year. The Peer Support programme is led by a former Brent care home manager and has worked with 10 care homes so far supporting improvement to practice and care provision in their services. The Aim of the Brent Peer Support Programme is to help Brent to be in the top 10 boroughs in London for quality based CQC ratings. Through the programme registered managers are supported through the provision of coaching, mentorship and clinical and operational governance improvements.

6.18 Homes have been involved for a variety of reasons – some have welcomed the additional input ahead of a CQC inspection, others because there were concerns about the quality of care and so they have benefited from the bespoke support of a former registered manager. The feedback on the programme has been very positive and three of the homes that were subsequently inspected by CQC have seen their ratings improve from Requires Improvement to Good, reflecting the work undertaken by the care home managers and staff, and the programme's input. The remaining seven services are still to be inspected by CQC.

6.19 Investment in other care services

6.20 Brent will continue to invest in alternative models of care. Our commissioning strategy for some years has been to reduce the amount of residential and nursing provision purchased, and this will not change in the years to come -

- In April 2023, Brent will open a new extra care scheme with 61 units at Honeypot Lane. This will include eight hospital step down beds
- Three additional extra care schemes at Watling Gardens, Kilburn Square and Bridge Park are in the pipeline to be opened by the end of the decade, bringing an additional 130 units. Watling Gardens and Kilburn Square are both likely to be opened by 2026/27.
- Four new learning disabilities supported living services will open in 2022/23, developed through the Brent Supported Living Programme. These services will provide purpose built accommodation, with care, for people with learning disabilities and PMLD.
- The council will seek opportunities to grow the supported living sector in the borough for people with mental health needs, to bring more people back to Brent (where it is possible to do so). Brent has an immediate need for around 20 supported living units, and through a combination of market warming, as well as developing our own schemes via the Brent Supported Living Programme, this will be an area of investment in the coming years.

6.21 Brent Council is also investing in the supported living market, recognising that the sector has also been affected by inflation in the wider economy. Part of the grant funding to support market sustainability will be used for uplifts in the supported living sector in 2023/24. An additional £1.1m will spent on the sector in 2023/24, across the following uplifts –

- An increase of £0.90 per hour on all London Living Wage contracts in the Brent Supported Living portfolio of services
- An additional 4% increase on block contracts, including the Brent Supported Living contracts
- 4% increase on spot purchased contracts

Homecare

6.22 Prioritisation of Funding Based on Cost of Care Exercise

6.23 The results from the cost of care exercise (based on a 5% return on operations) are £17.97 for the first quartile, £19.59 for the median, and £20.49 for the upper quartile. It is difficult to compare results with prices paid as the Brent market is bifurcated between the lead providers (LLW) and spot providers. Our lead provider costs are based on being London Living Wage compliant. This isn't the case for spot purchased providers, who only need to be National Living Wage compliant. As a consequence, there are two cost models being merged into one set of median rates.

6.24 Brent's commissioning and pricing strategy for homecare is clear. The council will complete the homecare framework tender, and commission more homecare provision via that framework once it is in place. This will uplift the commissioned homecare rate for a greater portion of the market to £20 an hour, and make it LLW compliant. Through the lifetime of the framework (four years), it is anticipated that 80% of homecare will be delivered by lead providers, and 20% by framework providers. This is our strategy and target for investment in the sector. Uplifts for 2023/24 are confirmed – the contracted rate will move to £20.50 an hour.

6.25 Further actions to support market sustainability

6.26 There are a number of additional actions that Brent will complete to ensure market sustainability over the coming years –

- Uplift the spot homecare rate to £17.50 an hour from 1st April 2023. This is effectively a holding rate until our framework is commissioned and implemented later in 2023/24, when packages will be placed at £20.50 an hour. In the meantime, all spot providers will be paid on commissioned care and not care delivered to ensure a sustainable rate at £17.50 an hour.
- Training and development for care providers – Brent has plans in placed to implement quarterly moving and handling training sessions with care providers and their staff. This will form the core training offer from Brent, focussed on the latest techniques and use of equipment. Using equipment affectively can help reduce the need for double-handed care, freeing up more care staff to deliver services (as well as helping the council achieve efficiencies in care provision).
- Supporting providers to achieve better CQC ratings – Much like our work in the residential and nursing sector, Brent operates a Provider Relationship Officer model for homecare, who work with a portfolio of providers on service improvement. We also have good engagement with CQC on this work, who have helped to inform our quality work with providers. The results are starting to be seen, with two Brent providers recently moving from Requires Improvement to Good on their CQC rating. A fully resourced quality improvement programme will be developed for the homecare sector to mirror the Enhance Health in Care Homes programme for residential and nursing services, with a focus on quality improvement across the Brent homecare sector.