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Last Modified July 16, 2024



Revised assessment of the current sustainability of local care markets

This document has been produced in response to [DHSC requirements](#) for local authorities to ascertain the cost of care in their local area. It draws on information supplied by providers of residential/nursing providers in the local area.

a) Assessment of current sustainability of the 65+ care home market

There are 64 registered residential and nursing care homes in Blackpool currently providing a total of 1,639 registered beds. The population of Blackpool aged over 65 is steadily growing, at the census in 2020 this was 28,500 and is estimated to reach 30,000 by 2025. Most people over 65 live independently in their own homes and have no need for residential based care. There is currently 1 bed per 17.3 head of population over 65, and if we see no growth in provision, there will be one registered bed per 18.3 head of population over 65 by 2025.

There are 1,482 people living in residential and nursing homes in Blackpool. The majority of residents are funded in whole or in part by a local authority or fully funded NHS continuing health care. A lower than average percentage of residents are self-funding, estimated by the Office of National Statistics to be 23%. Nationally, the average is 34.9%.

In the current market, there are 59 (3.6%) registered beds which are unoccupied and not available for a new resident. These beds are “out of action”. This is usually because the home would need to increase staffing before they could bring these beds in to use, where the room has been converted for visiting or other infection control purposes or because they are operating cautiously in terms of staffing through the Covid recovery period where higher levels of absence from frontline care within a staffing cohort may be anticipated.

In our most recent capacity check, there were 38 homes with no vacancies available, 17 with between 1 and 3 vacancies, and 9 with 4 or more vacancies. There are 98 vacancies across the residential and nursing care market, representing 6% of the actual capacity.

Results for age 65+ care homes

Home size	Number of homes	Registered capacity	Actual capacity	Occupied	Vacant (actual vs occupied)
under 7 beds	6	31	31	29	2
8-16 beds	12	145	139	124	15
17-25 beds	19	404	399	381	18
26-35 beds	14	429	421	395	26
36+ beds	13	630	590	553	37
Total	64	1639	1580	1482	98

The vast majority of homes in Blackpool are rated good or outstanding by CQC, with the percentage good or better higher than both

regional and national averages

Homes are spread across Blackpool and people seeking residential or nursing care can usually find a home in the area they want to live in and choose whether they want to live in a small, medium or large home. Most homes that are registered in Blackpool accept the local authority rates for care, though since the cost of living increased significantly with particular pressures on the cost of food, increases in the national living wage and the cost of heating and lighting, providers report that financial sustainability is a challenge in the medium to long term and that they are sensitive to future inflationary surges like those seen in 2022.

The market in Blackpool faces a number of key challenges at the moment. These include as a priority:

- The ability to recruit and retain suitably experienced and skilled staff – in particular qualified nurses and skilled carers to support people with behaviour that is challenging
- The significant and aggressive rising cost of fuel and food and the uncertainty of future cost pressures. This has an impact on providers of all sizes, but can be more acute in small to medium homes where costs are spread across fewer beds

In Blackpool we have a health and social care career academy to support the introduction and development of staffing across the sector, supporting a range of people from those not yet ready for any work to those on management development pathways.

We have built in to our fee calculations the real living wage for employees. However, the pressure finding and retaining staff, particularly qualified nursing staff for care providers remains a challenge. A town wide, local authority funded, provider support network has been created to help providers with short term staffing challenges to ensure that safe care can be delivered at all times.

The quantity and choice of provision for older adults with a combination of nursing and challenging behaviour related needs is more limited than we believe to be sustainable in the long term.

The fee rates for residential care are set at a standard rate which from the 1 April 2023 starts at £560.07 per week per resident. A higher rate is payable for people with a level of need which requires more intensive support, this rate starts at £617.47 per week per resident.

Where a provider is supporting a person who needs one to one support for significant periods and their care plan requires more intensive support than would be reasonable within the set rates, a costed care plan will be agreed with a provider. Such care plans are in place for 367 residents, or 25% of the resident population.

The current model of fee rate calculation has been developed in partnership with providers and is articulated transparently through regular forums and the annual budget consultation process. We continue to work with the market to develop our understanding of the detail that sits behind a fair cost of care for Blackpool, using a range of communication and engagement methods with our providers, and information from a range of stakeholders and data sources.

Funding available has been invested in increasing the fees paid for residential and nursing care. Sustainability and indeed growth in the market for bed based care is reliant on robust business models that demonstrate that good care and support can be provided within the fee rates paid by the local authority. Ensuring that a gap does not emerge in the coming years between the funding available to meet the cost of care fees for people for whom we make care arrangements will be an ongoing challenge without a national commitment to increased funding for social care. Locally, we will continue the productive joint work with health colleagues on our shared market challenges.

b) Assessment of current sustainability of the 18+ domiciliary care market

There are over 1100 adults living in their own homes supported by domiciliary care in Blackpool commissioned following a care act assessment. We believe that most people have their care part funded by the local authority. There are 14,200 hours a week delivered by a range of small, medium and large providers who are contracted through a framework and providers are offered care packages on the basis that they will have priority geographical areas that enable them to plan staff time effectively and efficiently.

At the moment, there are just over 930 hours which have been offered to providers that have not yet been taken up, just over 6% of the hours delivered each week. Most packages are accepted and go in to delivery within 14 days. To support the continuity of care, payments are made to providers to “hold” packages for short periods when people are away from home, for instance if they go in to hospital.

The breadth of provision available means that people can choose to change providers if they would like to, though this can sometimes take some time to arrange. It is usually the case the people will accept the first offer of care from a provider that is made to them. The recruitment and retention of staff in a demand led market for domiciliary care means that providers need to work collaboratively to sustain good employment practices. Most providers offer similar terms and conditions, and offer retention, training and recruitment referral incentives. Providers are supported through the fee rate to pay their staff the real living wage. Fee rates from April 2023 inclusive of the real living wage are £.04.

We have a good range of providers who work positively with the council to support people in their own homes. There are currently 11

providers of domiciliary care, with substantial hours across a range of support packages, 5 of whom have more than 1000 hours per week. There is no shortage of demand for packages of support, and no forecast that has demand dropping significantly. The number of weekly commissioned hours has grown by 10% since 2019. Additional pressure on the number of commissioned hours has been a result of the pandemic – with increased pressure in particular to support discharges from hospital at an earlier point than previously, but while we do not expect to see exponential growth, we do not believe that the overall number of hours will reduce across the system in the coming years.

Providers describe themselves as limited in growth potential because of the challenges in recruiting and retaining staff. Providers are competing for staff who are also being drawn to other sectors (such as retail and driving) which offer similar hourly rates of pay and are less emotionally demanding. Some carers have left the profession reporting “burn out” from the demands felt during the pandemic.

The current model of fee rate calculation has been developed in partnership with providers and is articulated transparently through regular forums and the annual budget consultation process.

Funding available has been invested in increasing the fees paid for care. Sustainability and indeed growth in the market for domiciliary care is reliant on robust business models that demonstrate that good care and support can be provided within the fee rates paid by the local authority. Ensuring that a gap does not emerge in the coming years between the funding available to meet the cost of care fees for people for whom we make care arrangements will be an ongoing challenge without a national commitment to increased funding for social care. Locally, we will focus on continuing productive joint work with health colleagues on our shared market challenges.

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

We share the concern of our residential and nursing providers that if some core service provision costs (such as food, fuel and interest rates) continue to rise at the steep rate of inflation that we have been seen in 2022 some homes will become less financially viable. It is reassuring that more recent predictions show that this is not anticipated through 2023/24. Competition for job applicants is fuelling wage inflation in some areas, such as nursing. We also see this sector experiencing increased challenge in securing adequate insurance post pandemic, and where insurance can be secured, it is at a rate far in excess of those planned within budgets.

We estimate that about 20% of people living in residential care are currently self-funding, and it is anticipated many will approach the local authority for support as a result of the funding reforms when they are introduced. We do not anticipate that the funding reforms in themselves impact on the demand for residential, nursing or domiciliary care, but do anticipate that more people who currently arrange and fund their own care, or have care arranged for them by a third party, will seek an assessment of need in order to ensure that care contributions are documented or that they access a rate which may be different to the one charged by a provider for private care provision. If this affects the income to providers, especially in a short period, there is a risk of either further financial instability or further inflation of commissioned prices.

Despite the cost and staffing pressures on the market for residential care, good care remains accessible in the area when people need it. This is not always the case for people who need nursing care and care for people with challenging behaviour, where the market is more specialised and more concentrated to a smaller number of providers. However, we continue to see providers investing to bring new beds to the market in these areas in Blackpool and the immediate surrounding boroughs. Provider failure in this market would have a negative impact across the health and social care sector, and is an issue that we need to own together with our integrated care board.

There is sustained and unmet demand in the market for domiciliary care. Care, delivered in any setting, is both an emotionally and physically demanding job and the market is competing for staff alongside other areas actively and aggressively recruiting, especially in retail and distribution. Although providers have been creative in planning care, with more ‘walking rounds’, the use of cycle schemes and shared drivers, it can be more difficult to recruit for domiciliary Care as at any one time a proportion of employees need to be drivers and have access to a vehicle. There is more likelihood of lone working. We have a significant amount of hours presented to the market each week that they are unable to support in their entirety. Demand currently outstrips supply by a small margin, but any reduction in availability of care from any provider would have an immediate effect in increasing this margin significantly, potentially delaying people leaving hospital to return home in a timely way, or at risk in their own home without the care that has been assessed as needed. Market failure of any provider, including small providers, would have an immediate negative impact on the whole market and the safety and wellbeing of individuals.

Providers report that although they are supported to pay the real living wage through the council’s current rate of care, they are limited in their ability to grow because it is challenging to recruit staff with the right skills in to key roles. At present, the council is having to support a larger than planned in house care at home provision to step into this deficit – offering a number of challenges to the delivery of its reablement functions. Without careful planning this poses the risk of developing in to a vicious circle of rising demand for

scarce care services.

a) 65+ care homes market

There is a range of good quality provision across the residential care market, and rates can vary and flex to meet individual need. Increased nursing provision is needed, and provision is being developed and due to open within a year in the Fylde coast which will increase choice and reduce pressure on the wider area market

Having committed Fair cost of care funding to enable providers to pay the real living wage in 2022/23 through the fee setting exercise, a particular continuing pressure is capacity in the market in the care for people who need high staffing ratios to support them effectively, including older adults with mental health diagnosis and behaviour that challenges. In 2023/24 and future years any available investment will be focused on ensuring that this market is supported to grow in line with the needs outlined here and within our Market Position Statement, while maintaining support for providers of residential and nursing care for other cohorts of need.

We will work with health and neighbouring authorities to develop a more cohesive model of commissioning support for people in need of residential and nursing care to ensure that providers understand the respective funding models and we are not creating market conditions that exclude people in need because of the commissioning route, and will seek to develop further our understanding of the provision of self-organised and funded care to ensure that private care is not subsidising publicly funded care in settings, or vice versa.

Investment will continue across the market to support the median fee rate moving toward the fair cost of care, and the training and development of a skilled care workforce through the health and social care academy.

b) 18+ domiciliary care market

Having committed fair cost of care funding to enable providers to pay the real living wage in 2022/23, as a priority in 2023 and the following years we will be working with the domiciliary provider market to ensure that available investment is targeted to ensure that the market can develop the capacity to grow to meet current demands and support the market to provide strong continuity of carer through effective recruitment, deployment and retention.

We will work with health and neighbouring authorities to develop a more cohesive model of commissioning support for people in need of domiciliary care to ensure that providers understand the respective funding models and we are not creating market conditions that exclude people in need because of the commissioning route, and will seek to develop further our understanding of the provision of self-organised and funded care across the town that is not currently visible.

Investment will continue across the market to support training and development of a skilled care workforce through the health and social care academy.

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The quantity and choice of provision for older adults with a combination of nursing and challenging behaviour related needs is more limited than we believe to be sustainable in the long term.

The fee rates for residential care are set at a standard rate which from the 1 April 2023 starts at £26 per week per resident. A higher rate is payable for people with a level of need which requires more intensive support, this rate starts at £25 per week per resident. Nursing care is paid at the applicable rate plus the weekly nursing care rate of £19 per resident per week.

Where a provider is supporting a person who needs one to one support for significant periods and their care plan requires more intensive support than would be reasonable within the set rates, a costed care plan will be agreed with a provider. Such care plans are in place for 367 residents, or 25% of the resident population.

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Additional information

Blackpool Council

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