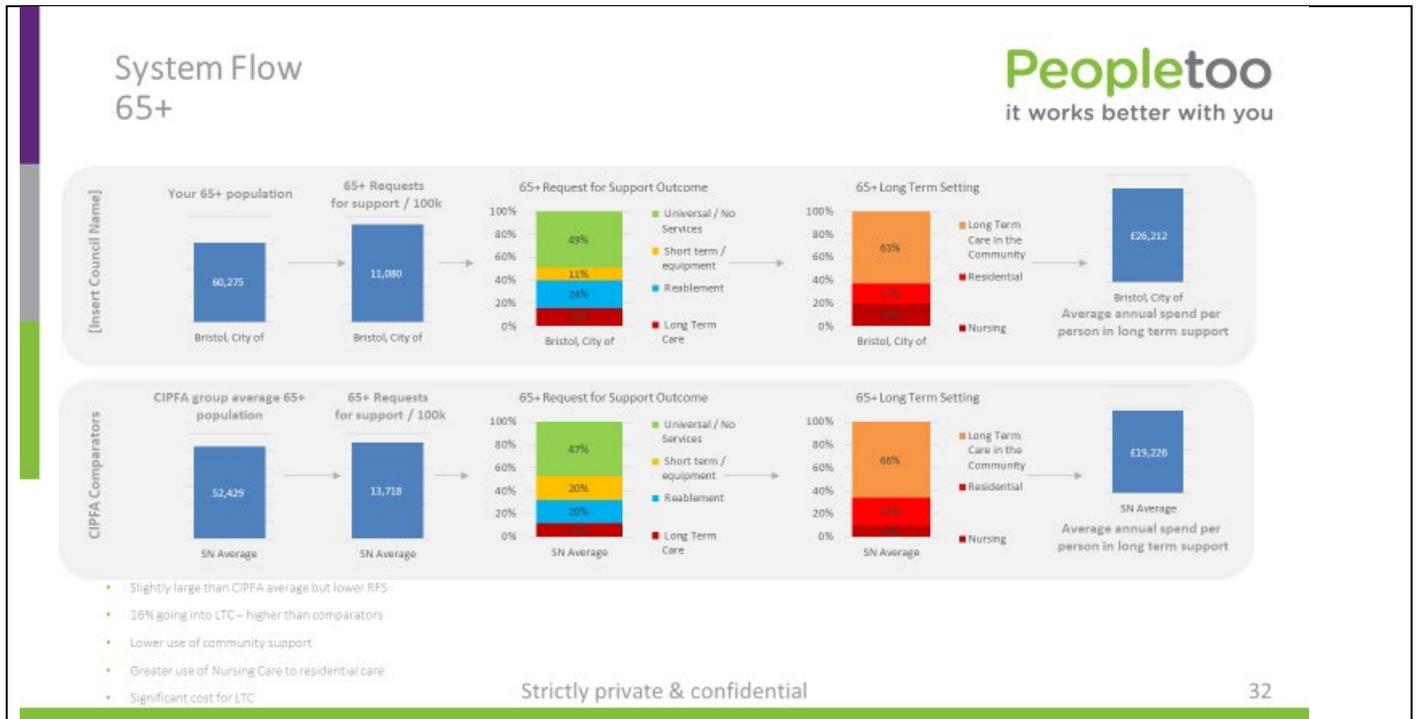


Local Context:

- Bristol is the largest city in the South West with a population of 472,400. It is the fastest growing city in England and Wales.
- The population density was 4,308 people per square kilometer (up from 3,905 in 2011), similar to Liverpool, Nottingham, Southend-on-Sea, Reading and Outer London
- Bristol has a relatively young age profile with more children aged 0-15 than people aged 65 and over. The median age of people living in Bristol is 32.4 years compared to 40.3 years in England and Wales.
- Between 2011 and 2021, the population in all age groups increased in Bristol except for 0-4 year olds which fell by 3,700 (12.6%), reflecting falling birth rates since 2012 and people aged 80 and over which fell by 850 (4.9%), opposite to the national trend. The largest increase in Bristol was in those aged 30 to 39 years, which grew by 14,800 (22.2%), compared to a rise of 9.6% in England and Wales overall.
- Life expectancy for women is 82.7 years and for men 78.5 years (2018-2020) both are lower than the national average. The inequalities gap in life expectancy between the most and least deprived areas in Bristol is 9.9 years for men and 6.9 years for women.
- Bristol's healthy life expectancy (years living in good health) is 61.5 years for women and 59.8 years for men (2018-20; significantly lower than the national average of 63.9 and 63.1 years respectively).
- 56% of Bristol working age residents are qualified to degree level or above compared to the GB average of 43%. Bristol residents are more highly qualified than all other Core Cities
- In 2021 Bristol had a 'housing affordability ratio' of 9.71, which means that the average house price is almost 10 times higher than average earnings. This is higher than the England average of 8.96, and the highest of all of the English Core Cities (who all have ratios lower than the national average)
- The employment rate in Bristol 78.1% in December 2021 is the highest of the UK core cities and well above the national rate at 74.8%

A summary of the current system flow is detailed below:



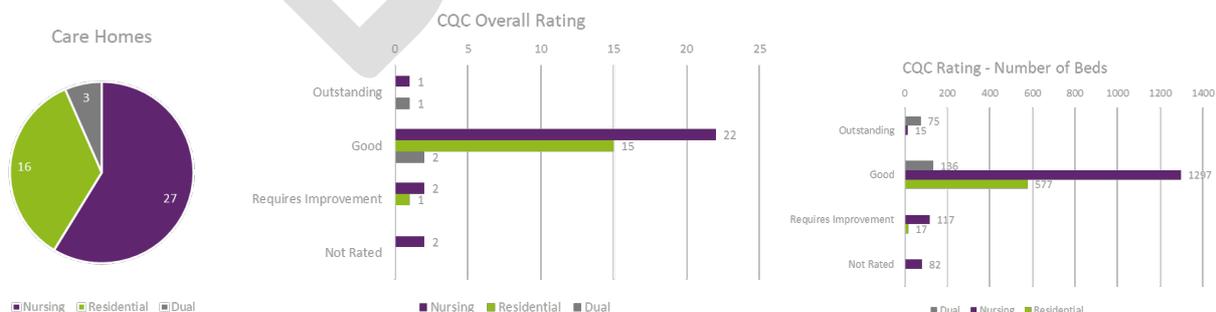


The system flow for 65+ identifies that the Council uses a higher number of Nursing Care placements than comparators, and that the average annual spend per person in long term care is also greater than comparators. 24% of people who approached the Council for support were referred into reablement, however 33% of people went on from reablement to receive a Long-Term package of care. This suggests that reablement is being used to manage flow through the system and is not targeted on those most likely to benefit from the service.

Assessment of the current sustainability of local care markets

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

- There are 46 care homes in Bristol, 59% are Nursing homes. 7% of homes offer residential care and nursing support.
- 80% of the care homes in Bristol are rated as 'Good' by CQC.
- There are more homes rated as 'Requires Improvement' (3) than 'Outstanding' in Bristol (2).
- This indicates that while there is a consistently good level of care in the local authority, there are minimal excellent quality care homes in the area.
- 2 sites were listed on CQC's most recent publication of active locations without an overall rating.



- Residential Care with nursing is used at a higher rate than comparator groups which is attributed to Care Home providers being less willing to accept people with perceived high needs. The Fair Cost of Care exercise also identified that less

nursing hours are provided per bed (c6.5 hours per bed per week). This therefore leads to complex needs being purchased at a significantly higher cost from specialist providers.

- Occupancy within homes is at c86% which suggests an oversupply of beds. As the Council is seeking to reduce reliance on bed based care it is likely that not all of the market will be sustainable.
- Through the engagement events with providers, it was articulated that the current rates offered are not sustainable.
- The market also raised significant concerns about recruitment and retention and stated that they struggled to compete with other sectors.
- The employment rate in Bristol 78.1% in December 2021 is the highest of the UK core cities and well above the national rate at 74.8%. This will impact on the availability of a local workforce.
- The average rate of carer pay reported within the FCOC exercise with £10.43 with nurses being paid £18.68 per hour.
- When considering the South West region of England as a whole, there has previously been a positive trend in the number of new starters into the care market until 2019/20. However, since then the new starter percentages across the total job roles has decreased for the past year, and particularly in the regulated profession and direct care roles.
- There is a relatively high staff turnover rate in the South West Region, circa 32%.
- When considering care certificate qualifications, the Southwest region is relatively lower than the other regional averages.

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

- As of week commencing 5th September 2022, Bristol commissioned 22,973 hours of care, extrapolating this week an estimated annual volume of care to be 1,194,596 hours, an increase of 15.5% on 2021-22. Historical data of homecare provision in Bristol shows not only the consistent increase in active number of service users, but also a consistent increase in average hours of care per week for each service user. This was also reflected by stakeholders in the council who have indicated that an increasing number of service users enter long-term care at a younger age, thus require the services for longer, and that service users generally are frailer and therefore need higher intensity of support to remain within the community.



Bristol City Council currently have 27 providers on the framework and 15 providers from whom we are able to spot purchase from importance of minimising the deviation from the framework rate to avoid competition for staff through pay differentials. Of the providers whom Bristol City Council commission homecare from, 90% of the volume (16,412 hours) was commissioned from 20 providers (48% of providers in the market). 88.1% of providers in the market are CQC rated 'Outstanding' or 'Good'

The Bristol area is a mix of urban and rural population densities; the most rural areas being the north and areas of the south juxtaposed with a densely populated city centre, which provides specific challenges for the delivery of homecare and is generally difficult to drive and park in. Currently, packages are not allocated based on geography, although Bristol CC did previously operate zones. Whilst the zones have been disbanded there is some legacy with a handful of providers concentrated in several neighbourhoods. Given the current pressure on fuel costs, as well as some providers paying for travel time, many providers are only accepting packages within certain areas, to minimise travel to far away service users. Geographical location can have an impact on the timeliness and ease with which the service user receives care; the typical wait time for package

commencement is 2-3 weeks, although this is dependent on where the service user is based. Once a package is allocated to a provider it typically takes around 7 days before care begins, this can however range from immediate up to 6 weeks, depending on the pressures on the market. There are currently no contractual obligations as to how soon a provider is required to commence care once a package is accepted.

Further challenges are expected to arise once Bristol's Clean Air Zone is introduced on the 28th November 2022, as charges will be levied to cars not meeting the emission standards. Given the low income of care workers this may disproportionately impact care workers who may be driver older less fuel and omissions friendly vehicles.

Providers have reported that capacity in the domiciliary care market has been severely impacted over the last 12 months primarily due to challenges in recruitment and retention. Despite BCC having higher levels of unemployment at 3.4%, compared to the regional average (2.8%) this remains below the national average (4.1%), finding and retaining staff is the primary risk to sustainability within the market.

Section 2: Assessment of the impact of future market changes (including funding reform) over the next 1-3 years, for each of the service markets

In considering the market impacts and moving forward with the Cost of Care, in line with the requirements of the fund, there is also likely to be impact on other service areas, particularly extra care and specialist home support services. It would not be holistic to consider care homes and domiciliary care independently of the wider market. Activity (such as increasing the unit price) in one part of the social care economy is likely to have adverse impacts on sufficiency in other areas, especially as providers are recruiting from the same pool of workers locally.

The table below set out the forecast demographic changes over the next 3 years:

Demographic Changes	2023/24	2024/25	2025/26
18 – 64	0.6%	1.1%	1.8%
65+	0.9%	1.8%	2.6%

This sets out by age rather than by service type, however at the point of writing there were 1314 people supported at home with home care 18+, 576 people over 65+ supported in care homes with nursing and 454 people 65+ supported in care homes without nursing provision. Note the forecast does not take account of potential increasing needs, and as shown above there has been a steady increase in the average number of home care hours people require – this was 13 hours per week pre covid and has now risen to over 16 hours per week. Care home providers are also indicating that the level of needs of their residents continues to increase.

Potential impact of self-funders and take up of Section 18 (3) of the Care Act 2014:

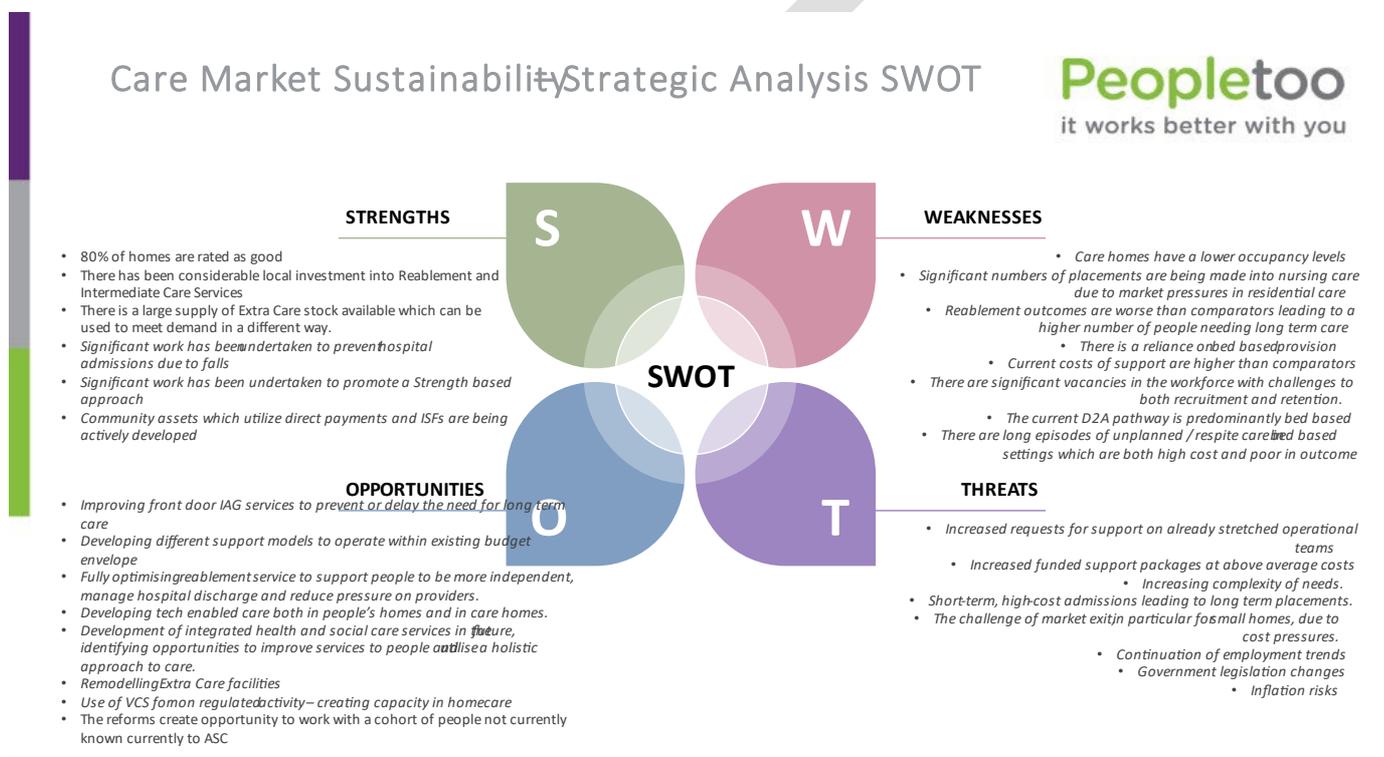
The table below sets out the potential self-funder demand as a result of demographic changes. The current number of self-funders has been forecast based on ONS 2020/2021 data. This has been applied to the figures Newton Europe and CCN analysis recommend which defines 2% of self-funders are 18-64 and 98% are in the 65+ cohort.

Care Setting	Self-funded Service Users (%)
Care Homes	38%
Community Care	21%

Based on the figures above it could be estimated that there are c880 people self funding their care within residential homes in Bristol. Note community care is broader than home care in this scenario it includes all community based services. On the above basis however, BCC has a substantial self-funder population that it will be required to undertake social work and financial assessments for, as well as put in place the care metering arrangement and commission services on their behalf from October 2023 (people in care homes from 2025).

There will be a significant impact on ASC when supporting self funders over the next three years, and whilst planning is taking place from an operational perspective it is also required from commissioning perspective. With occupancy rates at 86% on average BCC has assessed in preparation for the MPS submission, there is sufficient care home placements to support the forecast standard care demand and layer onto this the predictions in terms of increased acuity.

Strategic Risk Assessment



Risk of rising costs and inflation

Whilst the impact of the fair cost of care exercise on costs could have a significant impact on cost, there is a further challenge posed by rising inflation and the cost of living, which would further increase the cost of all types of care provision. The Bank of England was expecting inflation to reach 13% by the end of 2022.

Delivering high quality care as acuity of need and demand increases

As the acuity of peoples needs increase, the challenge of consistently delivering high quality care can be difficult due to resources required and adapting to different circumstances. As with most markets, Bristol is aiming to ensure the care delivered is of high quality and ensures practice is based on using a strengths-based approach to supporting people.

Capacity challenges

Occupancy within the residential care market is below the expected 90-95% and Nursing Care is used at a higher rate than comparator authorities. This suggest there is a challenge in the supply of residential care than can meet needs, and an oversupply of beds overall.

Hospital Discharge and Flow

Since the COVID-19 pandemic, there has been a national priority to ensure hospital beds are available, however due to the high volume of hospital admissions, this is placing great pressure on the social care sector as a whole. These pressures are very present in Bristol, and the high flow of people leaving hospital is having an impact on the market due to the requirement to quickly respond to requirements for care and support.

Risks posed by a high volume of short-term packages of care

Due to the pressures of hospital discharge above, there are a high volume of short-term packages of care, aiming to support people for a period of time until they recover. However, the short-term packages of care are placing pressure on the market, as there is a need to meet demand very quickly, without a sustainable and consistent workflow. There is further pressure in this space due to the challenges within the Reablement service.

Section 3: Plans for each market to address sustainability issues identified, including how fair cost of care funding will be used to address these issues over the next 1 to 3 years:

With the Governments decision to delay the Care Charging Reforms to 2025, BCC will be considering more ways to address the shortfall, in some cases, and to deliver care at a fair and sustainable rate within the local market. This will be impacted on any further updates to the information provided by the Department of Health and Social Care regards funding settlement.

Considering the estimated impact of the cost of care exercise it is important to note that plans to address market sustainability from the perspective of shortfall to the median will be governed by the financial settlement provided to the council in future years through the Market Sustainability and Fair Cost of Care Fund. Therefore, initial plans below have focussed on thematic areas of improvement in commissioning and market shaping (which are within Council control) alongside the fiscal opportunities we may be able to implement with future years funding. The Council's strategic aim is to maintain people at home for as long as possible with a home first approach. To enable us to meet this aim we have engaged with local providers to identify and develop ways to address the market sustainability issues identified.

The thematic area of improvement have been aligned to the comprehensive SWOT analysis undertaken and the top level risks.

Challenge 1: Rising Costs and Inflation

Cost pressures this year have been significantly different to previous financial years due to legislative changes to workforce pay (NMW, plus NI uplift), competition for staff and unprecedented inflation of over 10%. In response to these challenges the fee uplift for 2022-23 was just over 6%. In recognition of the strategic direction of travel, the Council will utilise the additional funding from Government as a result of the Fair Cost of Care exercise to begin to close the gap between current fee rates and the fair cost of care.

The Council is intending to move away from spot contracts and commission a number of block contracts that will give providers greater certainty over their revenue. This will also enable the Council to establish closer strategic relationships with providers and work collaboratively to mitigate rising costs and inflation. Further engagement with the market in relation to how operational processes can be streamlined to provide efficiency to the market will be undertaken, this has the potential to reduce operational cost for providers with minimal resource requirements from the local authority.

Activities in years 2 and 3 will be dependent upon the financial settlement from the Market Sustainability and Fair Cost of Care Fund; however, we have identified the following preliminary activities:

- **Cost Pressures:** as year one, the Council will utilise the additional funding from Government as a result of the Fair Cost of Care exercise to continue to meter towards paying the median cost of care in preparation for the adult social care charging reforms.

- Retender: requirement to re-tender contracts in 2024 provides a valuable opportunity to utilise findings from this exercise together with the Workforce pilot. The Council will explore including: payment models (weighted unit rates), trusted assessment models and streamlined KPI's.

Challenge 2: Delivering high quality care as acuity of need increases

To ensure there is good quality provision to meet people's needs, the council aims to utilise person-centered commissioning which focuses on the outcomes that people say matter most to them. Through this approach, people in receipt of services will be in control and feel empowered with increased control in their lives, and over their care and support. Specific activities to this aim include:

- Ensuring all citizens and their support networks have access to timely and accessible Information Advice and Guidance to allow them to live their lives as independently as possible. The charging reforms are likely to bring the Council into contact with a greater number of people and will therefore have opportunity to ensure that people are accessing supports to maintain their independence.
- It will also be important to ensure that carers are supported to carry out their caring role in a way that suits their needs.

Challenge 3: Market Capacity

The Strategic aim of the Council is to support people to be at home and as independent as possible, for as long as possible. It is therefore seeking to reduce reliance on bed based care. To achieve this the Council will:

- Ensure appropriate alternatives are available to support people in their own homes and other forms of community care.
- Develop a Single-Framework for all age care
- Where residential care is required the Council will work towards developing a brokerage system that ensures an appropriate quality place is identified, that meets the need of the individuals and is priced appropriately. Until the Council knows the amount of funds it will receive to support increasing costs it is not possible to determine how much of an uplift will be made.
- It is recognised that an increasing number of people are living longer with dementia and the Council is therefore committed to developing a new model of dementia care for Older People including residential, nursing and non bed-based dementia care in the community. This service design will be co-produced.
- Maximise use of existing Extra Care Housing stock by reviewing pathways and eligibility. Re-commission care and support contracts to support appropriate business model. Ensure new builds meet projected need and demand. Develop approaches to Extra Care Housing as community assets and intergenerational living.
- The Council is seeking to transform the way in which it delivers day services and access to the community for Older People, as well as expanding and diversifying the range of intervention, projects and services that reduce loneliness in older people.
- Develop the use of data and intelligence within Adult Social Care, with the aim of embedding a data driven approach to support strategic decision making. Use data to forecast future demand, and therefore inform the sector how the needs of residents can be met effectively and efficiently
- Continue to invest and support the Proud to Care campaign
- Continue to seek system efficiency through the introduction of the ProComp system.

Challenge 4: Hospital Discharge and flow

Recognising the importance of Reablement to system efficiency and good outcomes for individuals, the Council will work in partnership with the ICB to review Reablement and further align the Home First pathway. This could include:

- Reviewing capacity within reablement to ensure it is sufficient and address any challenges that are causing delays in the flow through reablement.
- Consider the application of Strength based approaches within the hospital and discharge service to ensure that the best use of community assets and sustainable support planning is being made.

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