

Summary Report: Wales Social Care Market Position (Impact of COVID-19)



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Produced by: Maria Bell, Head of Policy, National Commissioning Board and Karen Benjamin, Manager Children's Commissioning Consortium Cymru (4Cs)

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Maria Bell

 07436 140838

 maria.bell@wlga.gov.uk

<https://www.wlga.wales/national-commissioning-board-wales>

Karen Benjamin

 01443 570098

 Karen.Benjamin@rctcbc.gov.uk

This report is also available in Welsh.

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The data in the full report is **OFFICIALLY SENSITIVE** and subject to a data access agreement and therefore will not be made public. This full report is shared with:

- Directors of Social Services and relevant Directors of Health Boards (e.g. planning and contracting).
- Relevant Heads of Adults' and Children's services in local authorities and health boards.
- Relevant Welsh Government officials.
- Relevant Welsh Local Government Association (WLGA) officials.

This summary report is published on the [National Commissioning Board](#) webpage in May 2021.

Preface

This assessment was produced at the request of Julie Morgan, MS - Deputy Minister for Health and Social Services in Wales and undertaken by the Head of Policy for National Commissioning Board and Manager of Children's Commissioning Consortium Cymru (4Cs), with support from Data Cymru and data from NHS Wales, Wales Government and the Care Inspectorate Wales. It aimed to:

- Gather available data and information on the impact of COVID-19 on the social care market;
- Assess the 'state of the market' in regards overall stability of key provision, identify vulnerabilities and risks to stability;
- Identify any opportunities for growth in specific areas of social care provision; and
- Make recommendations for further action based on the conclusions from the review.

The focus of this 'market position' assessment has been on the regulated care and support services for adults and children, young people and families', specifically:

- **Care homes and care homes with nursing for children, adults aged 18 to 64 and older adults;**
- **Foster care services; and**
- **Domiciliary support agencies including supported living.**

Where appropriate, reference has been made to other care and support options which may or may not operate within 'market'¹ conditions.

This assessment is based on a review of evidence of the stability, sufficiency and sustainability of the regulated care and support services 'market' before the start of the pandemic and the impact of the first wave of COVID-19 (March – September 2020). Some of the data also extends beyond this period to December 2020.

The views expressed are those of the authors, as discussed with the Children's Commissioning Consortium Cymru (4Cs) Board and National Commissioning Board Executive Group and it is hoped will be useful to the Wales Government, Local Authorities, Health Boards and Regional Partnership Boards.

¹ For the purposes of this report, we use the following definition of the 'social care market': *"an economic system based on an independent market operated in conjunction with state provision; a free market is one in which prices are determined by unrestricted competition between privately owned businesses"*.

It is recommended that work should continue to map the impact of the pandemic and policy developments as:

- At the time of writing, Public Health Wales (PHW) confirmed cases² gives evidence of high community transmission. We are aware that activity and demand in the health and care system is building and is likely to continue to do so up to the end of current projections (end March 2021).
- In the weeks from 30 December 2020 to 18 January 2021, several local authorities have reported pressures in adult care market capacity (ability to meet demand for care at home and residential care) and in the ability to provide reablement support (in some cases, due to the deployment of staff to support service continuity in independent sector services with outbreaks).
- With the majority of care homes reporting an outbreak and care at home expected to come under extreme pressure in coming weeks, capacity continues to be compromised by the measures necessary to control the spread of COVID-19 e.g. self-isolation and shielding, requirement for negative tests/low infectivity prior to transfer of care, embargos on transfers to care homes with positive test and the introduction of testing in the domiciliary care workforce.
- Reports of workforce availability vary. Whilst early indications from domiciliary support services (85%-96% reporting to Care Inspectorate Wales (CIW)) suggested that COVID-19 had a minor impact on their staffing levels after the first weeks of the pandemic up to summer 2020, some providers refer to 25% – 50% staff unavailability from March 2020 to present day. As of end December 2020, 63% of providers reported staff that had tested positive. There is also evidence of increased workforce absence in local authorities.
- There are risks to the reliance upon care home voids to meet surge demand as this pathway can quickly close in event of a positive test or potential outbreak turning the home 'red'. In some areas that is 50% and over of all capacity.
- If the opening of NHS surge capacity draws the workforce from social care, we move the bottleneck further downstream into social care, which will impact on hospital flow.

The authors acknowledge that the Welsh Government white paper³ *"Rebalancing care and support: A consultation on improving social care arrangements and strengthening partnership working to better support people's well-being"* recognises some of the issues raised in this report and its recommendations.

² [Rapid COVID-19 virology - Public - Public Health Wales Health Protection | Tableau Public.](#)

³ <https://gov.wales/sites/default/files/consultations/2021-01/consultation-document.pdf>.

Market context

The foundational economy and social care

The services and products within the foundational economy provide those basic goods and services on which every citizen relies, and which keep us safe, sound and civilised. Care and health services, food, housing, energy, construction, tourism and retailers on the high street are all examples of the foundational economy. The industries and firms are there because *people* are there. Estimates suggest they account for four in ten jobs and £1 in every three that we spend. *In some parts of Wales this 'foundational economy' is the economy⁴*, i.e., health and care and other foundational economy sectors are the major employers.

The social care market in Wales and its Economic Value⁵

In 2016 it was estimated that the adult social care sector's Gross Value Added (GVA) was £1.2 billion. Most of this was estimated to be in residential care (£328 million, 28%).

- This represented 1.9% of total GVA in Wales.
- The estimated average level of productivity (GVA per Full Time Equivalent) in the sector was £18,700 – and therefore higher than the agriculture, forestry and fishing, arts, entertainment and recreation and water supply, sewerage and waste management sectors.

At its broadest, the term 'social care market' refers to the context within which local authorities, the NHS or individuals purchase care and support (via procurement or other arrangements) to meet an individual's care and support needs and help them achieve their personal well-being outcomes; and in which providers of care and support seek to win contracts or otherwise arrange to provide care and support for those individuals.

The social care market is therefore a place of exchange, where state and private funding is utilised to secure care and support *for* (and sometimes *by*) those individuals who need it. The social care market is diverse, reflecting the wide range of care and support needs and the many ways in which they may be met. It is also a market that is evolving as needs and expectations change. In particular, as Health Boards increasingly procure services from regulated social care services to meet more complex health care needs.

With such diversity, it might be more accurate to talk of social care 'markets' than of a single market. Some of these markets operate through competition (e.g. adult care homes), whereas others are more managed (e.g. adoption). The use of the term 'market' or 'markets' imply that there is an element of choice both for commissioners and procurers, as well as for individuals, in line with the principles of the Social Services and Well-being (Wales) Act 2014, although in some parts of the market, in reality, there is little choice of provision. [Market stability regulations from April 2021](#) will place a duty on local authorities with Health Boards and other partners to assess the sufficiency (including choice and quality) of services alongside undertaking assessments of population needs (for care and support).

⁴ [Business Wales: The Foundational Economy](#).

⁵ [The Economic Value of the Adult Social Care sector – Wales. ICF Consulting \(2016\).](#)

Much of the care and support delivered in Wales is provided outside of the market altogether. For example, the many hours of unpaid care provided by informal family and friends, assessed at a value of around £8 billion per annum (four times the local authority spend on social care).

The impact of COVID-19 on care and support in Wales

The Care Inspectorate Wales published a report⁶ in September 2020, detailing an 'overview of feedback from the social care sector CIW check-in calls with providers of registered services for adults and children'. Within the report, they detailed that:

- **The COVID-19 pandemic has tested social care services in Wales in a way never experienced before and they have risen to the challenge.**
- **The response to COVID-19 has** demonstrated the professionalism and dedication of those working in social care and the commitment of family carers, but it also **exposed flaws and gaps within the system.**
- All social care services have felt the **impact of COVID-19**, including domiciliary support services, supported living and care homes for children. However, it **has disproportionately affected care homes for older people – both people living and working there.** In Wales, 35% of care homes for adults had a COVID-19 outbreak during this period⁷. The international evidence⁸ shows that once COVID-19 is present in a care home ***"it is difficult to control, in part due to the number of people living closely together in facilities designed for communal living and the fact that personal care requires close proximity."***

Key findings from this work included:

- The importance of a rights-based approach and co-production in decision making.
- Recognising, and minimising as far as possible, the impact that not being able to see family and friends has on the mental well-being of many people.
- Ongoing access to infection prevention and control training and support and the importance of access to sufficient personal protective equipment (with clarity about its use) and to testing with timely turnaround of results.
- The importance of support networks and other well-being support for managers and care workers recognising the isolation of the many small providers in Wales.
- The importance of continuity of staffing because of increased risk of agency and bank staff transmitting the virus if they are working across different services⁹.
- Recognising that providers are partners in care, especially in relation to hospital discharge, as are family members for many people.
- The importance of digital technology as a communication aid; with services using technology in a variety of ways: to facilitate contact between people and family members; to provide additional activities for people; or to make contact with professionals and staff training. Online/remote learning had enabled services to keep training and support to staff up to date. For some providers internet connectivity and technical difficulties with equipment was a particular challenge and not all services or professionals were digitally set up and this hindered communication.

⁶ <https://careinspectorate.wales/sites/default/files/2020-09/200925-COVID-19-Overview-of-feedback-from-the-social-care-sector-en.pdf>.

⁷ By the end of December, this rose to 51%.

⁸ Source: World Health Organisation (WHO).

⁹ CIW reported that in surveys conducted during May 2020 and June 2020, care homes were asked to report on their use of agency staff - nearly 20% reported using agency staff, reducing 17% in a later survey.

Executive summary: Key messages

The social care market was in difficulty prior to the pandemic, with some market segments experiencing significant funding shortages, many if not all experiencing workforce recruitment and retention difficulties and challenges in responding to new regulations and workforce qualification requirements. [Commissioning and procurement strategy](#) and methodology also have an impact on market shape.

These risks and challenges remain, with the pandemic and EU-Exit also bringing greater uncertainty.

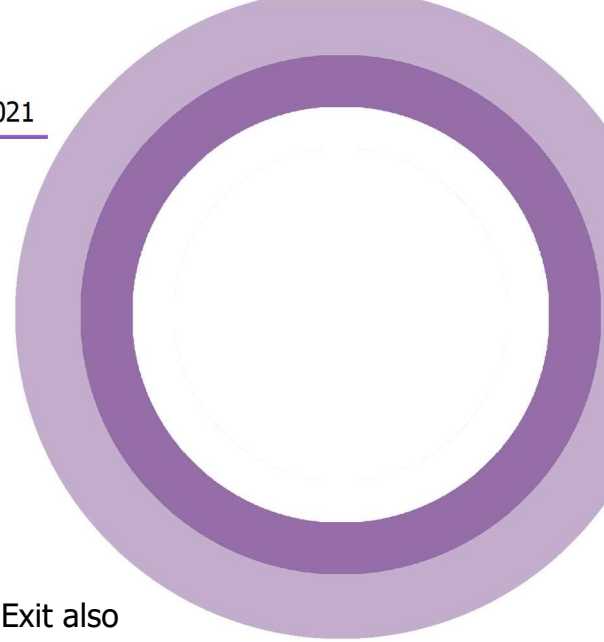
During the pandemic, the independent sector has reported significant levels of staff unavailability, impacting on ability to meet the demand, **in particular for care and support at home.**

Whereas, the National Commissioning Board has established a substantial gap between the average 2020/21 older persons care home fees paid by statutory commissioners in Wales and the cost of sustainable, quality care from 2021/22; there are limited financial risks to business continuity in the children's residential care market as providers, not commissioners determine prices. In this high demand, low-capacity market, there are limited opportunities for substantial negotiation but there is transparency of cost to price ratios.

Overall, care and support services in Wales have responded effectively to the additional pressures and risks presented by the coronavirus COVID-19 pandemic.

By contrast to England, additional funding and free personal protective equipment (PPE), local support, and a co-productive approach to policy development in Wales has enabled services to continue operating; indeed, there has been growth and new developments:

- Between 1 April and 30 September 2020, 88 care and support services registered with the Care Inspectorate Wales (CIW):
 - 45 domiciliary agencies;
 - 36 care homes;
 - 19 children (including two local authority homes);
 - 14 adults; and
 - three adults and children.
 - Three fostering services;
 - Two adoption services;
 - One adult placement service; and
 - One advocacy service.
- 75 of the 88 were new services.
- 13 of the 88 were re-registered services (either transferred to new provider or re-registered under RISCA).



- Two local authorities (Isle of Anglesey County Council and Newport County Council) registered new children's care homes and Flintshire County Council is expanding one of its care homes. Whilst there is evidence of private sector investment in the care market, no charitable organisations registered new care home services within this period.
- 12 services had their registrations cancelled including:
 - Five adult care homes without nursing;
 - One adult care home with nursing closed in December 2020 (under a planned closure).
 - One children's care home; and
 - Six domiciliary support services.
- 45 non-compliance notices were issued to care home services.

Executive summary: Future considerations

Many of the recommendations to Government and commissioners in the 2016 [CIW national review of domiciliary care in Wales](#) are still relevant in 2021.

In some areas the balance of demand and supply within different types of older persons care home provision (residential, nursing and dementia care) will need to be strategically addressed to meet future needs.

There is a mismatch between the needs of the children and young people requiring homes and the models of service or care offered by the market. Sufficiency is at a critical point as demand continues to grow at the highest end of the continuum of need.

The most vulnerable children and young people in Wales are those at higher risk due to lack of provision to offer complex care packages. New, more complex partnership arrangements, between the public and private sector, have experienced challenges with registration and operational issues but have been necessary innovations to fill gaps in the market. This bespoke segment of the market is likely to continue to increase.

Risks to sustainability of the independent foster market largely comes from commissioners' market shaping intentions i.e. that the preferred placement is always a public sector placement.

The COVID-19 pandemic has brokered greater collaboration between local authorities and health boards (primarily in adult services), between commissioners and providers, and between commissioners and regulators. This mutual recognition and respect could be an effective platform on which to build open and transparent dialogue and to promote true coproduction.

There are opportunities for growth and development in new service models including shared lives, new models of domiciliary care including micro-carers and micro-care organisations, children's secure care and step down from secure care and innovative hybrid models across fostering and residential care for children and young people.

The [developing data strategy](#) should consider the need for real time market intelligence and a management information dashboard. In children's services the Children's Commissioning Support Resource (CCSR) has been upgraded and offers a national e-procurement referral and contract management tool alongside a series of dashboards and reporting suite for both commissioners and providers.

The CIW fast-track registration process and COVID-19 exemptions have delivered a range of benefits. Improved information sharing between regulators and commissioners should be formalised to continue to drive improvements.

Executive summary: Key data

There were 88 services registered within Wales between 1 April to 30 September 2020, of which 75 were new services.

Table 1: Number of service registrations in Wales (1 April 2020 to 30 September 2020)

| Care setting | Total |
|--|-----------|
| Adult care home with nursing | 7 |
| Adult care home without nursing | 7 |
| Adult and Children care home without nursing | 3 |
| Children care home | 19 |
| Domiciliary support service | 45 |
| Fostering service | 3 |
| Adoption service | 2 |
| Adult placement service | 1 |
| Advocacy service | 1 |
| Total | 88 |

Source: Care Inspectorate Wales

Of the 88 services:

- Four were existing services, which re-registered under the Regulation and Inspection of Social Care (Wales) Act 2016 (RISCA).
- Nine were existing services, which were sold/transferred to another provider (re-registered).
- One was a domiciliary support service that is operating in Wales but based outside of Wales.

Table 2: Service registrations by sector of registering organisation

| Care setting | Sector of registering organisation | | | | | Total |
|--|------------------------------------|---------------------|-----------------|-----------------|----------------------|-----------|
| | Charitable company | Individual provider | Limited company | Local authority | Other corporate body | |
| Adult care home with nursing | 0 | 0 | 6 | 0 | 1 | 7 |
| Adult care home without nursing | 0 | 0 | 7 | 0 | 0 | 7 |
| Children care home | 0 | 0 | 16 | 2 | 1 | 19 |
| Adult and Children care home without nursing | 0 | 0 | 3 | 0 | 0 | 3 |
| Domiciliary support service | 5 | 2 | 37 | 0 | 1 | 45 |
| Fostering service | 0 | 0 | 3 | 0 | 0 | 3 |
| Adoption service | 1 | 0 | 1 | 0 | 0 | 2 |
| Adult placement service | 0 | 0 | 1 | 0 | 0 | 1 |
| Advocacy service | 1 | 0 | 0 | 0 | 0 | 1 |
| Total | 7 | 2 | 74 | 2 | 3 | 88 |

Source: Care Inspectorate Wales

Table 3: Service registrations by local authority

| Local authority | Number of registrations that are new services | Number of registrations that are not new services | Notes on registrations that are not new services | Total service registrations |
|-------------------|---|---|---|-----------------------------|
| Blaenau Gwent | 4 | 1 | One adult care home transferred to new provider | 5 |
| Bridgend | 8 | 0 | | 8 |
| Caerphilly | 4 | 0 | | 4 |
| Cardiff | 20 | 3 | One domiciliary support agency re-registered under RISCA. One independent fostering agency re-registered under RISCA. One adult care home with nursing transferred to new provider. | 23 |
| Carmarthenshire | 6 | 0 | | 6 |
| Conwy | 0 | 2 | One adult care home with nursing transferred to new provider. One IFA re-registered under RISCA. | 2 |
| Denbighshire | 1 | 0 | | 1 |
| Gwynedd | 0 | 2 | One adult care home with nursing transferred to new provider. One adult care home re-registered under RISCA. | 2 |
| Isle of Anglesey | 1 | 0 | | 1 |
| Merthyr Tydfil | 1 | 0 | | 1 |
| Neath Port Talbot | 4 | 0 | | 4 |
| Newport | 2 | 0 | | 2 |
| Pembrokeshire | 3 | 0 | | 3 |
| Powys | 2 | 1 | One domiciliary support agency transferred to new provider. | 3 |
| Rhondda Cynon Taf | 7 | 2 | Two adult care homes with nursing transferred to new provider. | 9 |
| Swansea | 5 | 1 | One adult care home with nursing transferred to new provider. | 6 |
| Torfaen | 2 | 1 | One domiciliary support agency transferred to new provider. | 3 |
| Vale of Glamorgan | 3 | 0 | | 3 |
| Wrexham | 1 | 0 | | 1 |
| Out of Wales | 1 | 0 | | 1 |
| Total | 75 | 13 | | 88 |

Source: Care Inspectorate Wales

During this (COVID-19 response) period, the CIW adapted its operations, prioritising new applications and variations for registration to help create additional capacity. During this time the CIW created [temporary registration exemptions to enable emergency adult social care provision in response to COVID-19](#). This enabled local authority and/or Health Board service providers registered with CIW or the Care Quality Commission (CQC)¹⁰ to provide a temporary care home or domiciliary support service, for adults, in response to the COVID-19 emergency.

In addition, it is understood¹¹ that nine new services¹² are operating under the COVID-19 exemptions for temporary services to The Regulated Services (Service Providers and Responsible Individuals) (Wales) Regulations 2017.

Table 4: New services operating under the COVID-19 exemptions for temporary services:

| Local authority | Number of services | Direct / independent provision |
|-----------------|--------------------|--------------------------------|
| Pembrokeshire | 1 | Direct LA / Health Board |
| Flintshire | 1 | Direct LA / Health Board |
| Gwynedd | 2 | Direct LA / Health Board |
| Swansea | 2 | Direct LA / Health Board |
| Newport | 1 | Independent |
| Ceredigion | 1 | Direct LA / Health Board |
| Carmarthenshire | 1 | Independent |

Source: Care Inspectorate Wales

Cancelled registrations in Wales (1 April 2020 to 30 September 2020)

In the period 1 April to 30 September 2020, 25 care service registrations were cancelled, of which:

- Four services (two independent fostering agencies, one domiciliary support agency and one adult care home without nursing) were re-registered under RISCA (*i.e. registration transferred, and the service remained open – these are counted within the 88 registrations above*).
- Nine services were transferred to another owner/provider (*i.e. the service remained open and these are counted within the 88 registrations above*).
- 12 services had their registration cancelled¹³ (*i.e. were neither re-registered under RISCA, nor transferred to another provider*).

¹⁰ <https://www.cqc.org.uk/>.

¹¹ Services operating under the COVID-19 exemptions are not registered with CIW.

¹² In addition, Central Surgery Nursing Home, commissioned by Aneurin Bevan Health Board in Blaenau Gwent opened under the exemptions, becoming registered in July 2020.

¹³ It is not possible to draw the assumption that these services closed during this timeframe (April – September 2020). Services may have ceased operation for some time, seeking sale or transfer prior to eventual de-registration.

Table 5: Care service registration cancellations 1 April to 30 September 2020

| Care setting | Service removed and transferred to new provider | Service removed and not transferred to new provider | Service re-registered under RISCA | Total |
|---------------------------------|---|---|-----------------------------------|-----------|
| Adult care home with nursing | 5 | 0 | 0 | 5 |
| Adult care home without nursing | 2 | 5 | 1 | 8 |
| Children care home | 0 | 1 | 0 | 1 |
| Domiciliary support service | 2 | 6 | 1 | 9 |
| Independent fostering service | 0 | 0 | 2 | 2 |
| Total | 9 | 12 | 4 | 25 |

Source: Care Inspectorate Wales

In the period 1 April to 30 September 2020, 12 care services had their registration cancelled (i.e. were neither re-registered under RISCA, nor transferred to another provider):

- five care homes for adults (without nursing);
- six domiciliary support agencies; and
- one care home for children.

Regulatory non-compliance notices issued in Wales (1 April 2020 to 30 September 2020)

In the period 1 April to 30 September 2020, the CIW issued 45 non-compliance notices to 15 unique services in Wales (six adult care homes without nursing, four adult care homes with nursing and five children's care homes).

Table 6: Non-compliance notices issued by care setting and theme

| Care setting | Theme of non-compliance notice | | | | Total |
|---|--------------------------------|-------------|-------------------------|------------|-----------|
| | Care and support | Environment | Leadership & management | Well-being | |
| Adult care home with nursing | 2 | 1 | 10 | 1 | 14 |
| Adult care home without nursing | 2 | 1 | 9 | 1 | 13 |
| Children care home | 5 | 0 | 12 | 0 | 17 |
| Adult and Children care home with nursing | 0 | 1 | 0 | 0 | 1 |
| Total | 9 | 3 | 31 | 2 | 45 |

Source: Care Inspectorate Wales

45 non-compliance notices were issued to care home services between 1 April to 30 September 2020.

Children's care homes were served with proportionally more non-compliance notices related to care and support issues than the other care settings (5 of 17).

The issuing of notices at this time suggests significant concern given that due to the pandemic, inspection and contract monitoring activity was scaled down to reduce non-essential visiting to services, with consequent potential transmission of the virus.

National market risk assessment

It is widely held that care and support services in Wales have responded effectively overall to the additional pressures and risks presented by the COVID-19 pandemic.

Care and support providers have acknowledged that the additional funding and free PPE, support, and co-productive approach to policy development in Wales has been markedly different to that in England, which has enabled the services to continue operating.

It is also acknowledged that the social care market was in difficulty prior to the pandemic, with some market segments experiencing significant funding shortages, many if not all experiencing workforce recruitment and retention difficulties and challenges in responding to new regulations and workforce qualification requirements.

These risks and challenges remain, with the pandemic and EU-Exit also bringing greater uncertainty.

Risks to the future provision of social care are summarised below:

| | |
|----------------------|--|
| POLITICAL | Senedd elections 2021; future social care policy and funding. |
| | ECONOMIC |
| SOCIAL | Level and frequency of 'third party payments' and rate of self-funder charges are evidence of shortfall between fees affordable to Health Boards and local authorities. As for older persons care homes and pre-pandemic costs of delivery. Fee methodology returns on capital are often insufficient to meet cost of capital for new build properties (£120k/bed). Funded nursing care rate does not meet full cost of the provision of nursing care and lack of national Continuing Healthcare (CHC) funding methodology. Increased costs of provision as a result of the pandemic (infection prevention and control practices, additional rates of pay required to attract and retain staff working in high-risk environments, investment in digital infrastructure and capital expenditure on buildings-based services, insurance premium increases for some providers). Shorter length of stay, excess deaths, and COVID-19 embargoes impact on care home occupancy (financial sustainability), concern over loss of Hardship Funding. Inconsistent foster carer fees by Agency which are not sufficiently financially viable to attract foster carers to be self-employed, particularly where they may need to leave paid employment to fulfil the caring role. With uncertainty over the financial trading conditions between the UK and Europe, hedge fund investments that have been hit hard in the UK during COVID-19, may be hit harder after the EU transition period. If UK companies were to become less attractive to investors, then the largest private care providers across the UK could be badly hit. In children's care in Wales, this risk particularly links to three large private providers ¹⁴ . |
| | Post EU-exit immigration system likely to substantially reduce low-paid and middle paid EU migration to UK ¹⁵ . Lack of availability of workforce, e.g. in high risk groups or in household with high risk person, self-isolating, additional stress and fatigue. High prevalence of zero hours contracts, particularly amongst domiciliary care services, where workers actively request these to manage other family/caring commitments, alongside work. |
| TECHNICAL | Impact of commissioning/funding/procurement approaches, e.g. strategies aiming to 'control' market shape/price costs may impact on competition and sustainability; re-tendering and TUPE liabilities impact on provider costs and sustainability. |
| LEGAL | Increased liabilities and un-insured losses resulting in insolvency (most if not all insurance premiums now have SARS and COVID-19 exclusions). This is of particular concern in regards liabilities to/for visitors and visiting professionals. |
| ENVIRONMENTAL | Ageing adult care home stock, with high proportion of services without en-suite toilets and showers and significant number with double rooms. Coupled with ageing profile of business owners, this also poses a risk of loss of services at point of sale of building due to cost of renovation (evidence of costs of renovation being £180/person/week in excess of the local authority care fee). Increasing use of rental properties for single occupancy children's care homes with lower quality housing stock for high-risk young people. This is fuelled by increasing evidence of Not In My Back Yard (NIMBY) community attitude to development applications for children's homes with up to four young people, exacerbated by negative press coverage, and local leader campaign support opposing planning applications. |

¹⁴ <https://www.ft.com/content/1583f02f-2973-4597-942d-98a25c158a65>.

¹⁵ <https://www.wcpp.org.uk/wp-content/uploads/2020/09/UK-migration-policy-and-the-Welsh-NHS-and-social-care-workforce-1.pdf>.

¹⁶ <https://www.jcwi.org.uk/when-the-clapping-stops-eu-care-workers-after-brexit>.

What were the issues affecting the market prior to the pandemic?

| Workforce challenges | |
|--|---|
| <p>Recruitment and retention</p> <p>Welsh Institute for Health and Social Care (WIHSC)¹⁷ research prior to the pandemic, found that issues affecting the social care workforce are complex¹⁸</p> <p>The WeCare. Wales¹⁹ site has been developed at pace to support responses to challenges during the pandemic</p> | <p>In general, there has been an increase in the total number of job postings since the beginning of the COVID-19 pandemic in March 2020. For management level jobs, this is a continuation of a longer upward trend in unique job postings that began in summer 2019. There has been a significant increase in the number of advertised nursing posts, including during the COVID-19 pandemic²⁰</p> |
| | <p><u>Pay and conditions.</u></p> <p>Low pay is a barrier to attracting people with the correct values and motivation into caring roles, especially in light of what they entail. Competition between (health and care) employers and the ability of the NHS to attract experienced and/or qualified workers from elsewhere in the sector impacts on retention</p> <p>Since the start of the pandemic EMSI²¹ data show a steady and small increase in advertised salary across care management and entry level social care jobs.</p> |
| | <p>WIHSC identified key issues that contribute to the difficulties encountered in recruiting and retaining employees in social care in Wales:</p> <ol style="list-style-type: none"> 1) Rates of Pay (<i>significant differences across commissioned care and local authorities and NHS direct care staff</i>) and conditions (<i>employee benefits differed across employers</i>). 2) High vacancy and turnover of care staff. 3) The low status of social care work (The HEIW & SCW workforce strategy also identified a lack of parity of esteem across health and social care workforce). 4) Working hours and shift patterns (<i>particularly in domiciliary care</i>). 5) Rurality and lack of transport (<i>in domiciliary care and care homes</i>). <p><u>Impact of regulation</u></p> <p>A UKHCA survey in advance of the mandatory registration of social care workers in domiciliary care identified that a high number of providers expected to lose staff due to the qualification and registration requirements.</p> |
| <p>Impact of the work on personal health and well-being</p> | <p>The interviews conducted by WIHSC and CIW's Above and Beyond review detailed that the work undertaken can be in difficult environments (people's own homes) and physically and emotionally stressful/draining (work includes moving and positioning, care of people at end of life).</p> <p>Equally the level of personal responsibility taken on by these workers for the level of remuneration should not be underestimated (being open to personal allegations and abuse, being first responder to people who have fallen, are very unwell or whom have sadly passed away).</p> |

¹⁷ Welsh Institute for Health and Social Care ([WIHSC](#)).

¹⁸ Recruitment challenges include low wages, work perception of low skilled and low status of roles, contracts (zero hours / temporary or bank contract and shift working) and job stability. The NHS contributes to retention challenge in social care sector (third, independent & Local Authority) due to higher wages/enhanced benefits.

¹⁹ <https://wecare.wales/>.

²⁰ Data were compiled using EMSI (economicmodelling.co.uk), a licensed tool that tracks the state of the labour market.

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Impact of commissioning and procurement strategy and methodology

Procurement

The WIHSC review detailed an increasing divide between demand for and expenditure on domiciliary care and understanding of costs in rural Vs urban delivery.

Attempts to exert 'control' over markets by capping fee levels and/or uplift mechanisms – examples include:

- Dictating older persons care home fees to a 'free market'.
- Long-term (five year) framework contracts, set at fixed price/non risk sharing fixed uplift clause (five years ago didn't have minimum wage requirements or mandatory employer pension contributions). Whilst this strategy is effective in managing commissioner costs it may drive down workers terms and conditions and increases risks for providers resulting in market fragility.
- Dynamic purchasing systems described/perceived by some as a race to the bottom for fees and quality. Where low levels of competition, due to low numbers of providers/insufficient workforce – becomes a 'suppliers' market', commissioners may lose control of costs. Risk of creating 'cartel' like conditions.
- Where demand outstrips supply, there is an increase in use of 'off framework' providers.
- This has increased during the pandemic in such as domiciliary care, mitigated as far as possible by rapid due diligence process in an effort to meet demand.
- Underdeveloped markets such as secure children's care and step down from secure. Providers are able to demand high prices with less fee transparency and/or there is an increased use of unregulated provision.

Opportunities for the future of social care markets in Wales

Capacity issues, blockages, or unavailability in the 'mainstream' service settings such as care homes, day services and commissioned homes care may provide opportunities for growth in new sectors/approaches such as:

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|--|--|
| Shared lives | <p>As an alternative to residential care, for people unable to remain at home, for day support and short breaks.</p> |
| Community/micro enterprises for care and support at home <p>The Wales Centre for Public Policy²² have written about alternative models of domiciliary care.</p> | <p>Rather than an alternative to Direct Payments and traditional regulated domiciliary support, this provides an <i>additional</i> model of care and support at home, through development of and supporting micro care organisations/micro carers and may attract a different/wider workforce. Examples in Wales include Flintshire County Council and Pembrokeshire County Council.</p> <p>In Somerset where micro-care enterprises have been promoted by the local authority, they have proliferated with numbers jumping from around 50 to more than 450 over five years. A 2017 evaluation showed that the 223 micro-enterprises then up and running were delivering £938,607 in annual savings, while doing a better job of achieving outcomes than traditional home care agencies.</p> <p>The New Economics Foundation has found that micro-enterprises are:</p> <ul style="list-style-type: none"> • Spreading a form of entrepreneurship that is accessible to and benefits a wide range of people, including mature individuals looking for rewarding, flexible work; thus, rather than competing with mainstream services for workforce, this approach may increase the workforce. • Creating roles that offer more autonomy and control than a typical care job (61% of the micro-entrepreneurs surveyed feel less stressed and anxious in their work). • Supporting recruitment and, above all, retention in social care (35% of the micro-entrepreneurs surveyed would be unlikely to be working in social care if they had not set up a micro-enterprise). • Enabling more personalised care, by devolving decision making to people needing, and those providing, support. • Building social connectedness, by helping people to participate in their communities and to develop and maintain relationships with others growing resilience, creativity and diversity in the social care sector, and in local economies more widely. |

²² <https://www.wcpp.org.uk/wp-content/uploads/2020/12/Alternative-Models-of-Domiciliary-Care.pdf>

Future opportunities for children and young people's provision to address sufficiency and gaps in the market

To fully leverage the opportunities afforded by such models will require investment and development support in asset-based community development activities, in programmes such as:

- Sharing evidence of what works.
- Research and development of technology enabled approaches.
- Establishing consistent nationally agreed quality standards for unregulated micro-care enterprises.
- Research into scope for secondary co-operative support organisations for micro-care enterprises.

- Public sector use of Integrated Care Fund (ICF) and transformation funding to target the highest risk and largest gap in provision. There is also real scope for a nationally sponsored and managed programme of development in secure care and step down from secure care. This would need to address issues with integrated commissioning of complex packages, specifically mental health, secure diversion and emergency crisis beds.
- Increased collaboration between the public and third sectors across residential and fostering service provision. Opportunities are greatest in fostering where the third sector has an established alliance under the banner of the Charitable Fostering Providers Cymru. Whilst the policy intention may be to increase the provision of local authority foster care, commissioners should take care to nurture existing SMEs in Wales.
- Increased innovation of hybrid models between foster and residential care for those children and young people who would ideally be in a traditional foster family but due to diminishing carers need new solutions across the placement spectrum.

There is much to learn across Wales from sharing practice in 'edge of care' and family reunification developments and newly established local authority children's residential care homes.

Recommendations

In producing this market assessment/review, the authors have experienced:

- A lack of quality management information/intelligence referred to in the National Commissioning Board Challenge paper '[Care Homes for Older People: improving the quality of information to inform commissioning](#)' and difficulties in both accessing and being able to publish available data; and
- Feedback from health and care planners of frustration about barriers to information sharing across the system and lack of systems and procedures for secure information sharing.

This also raises questions about the availability of a suitable dataset for local authorities to make the required judgements in the anticipated Market Stability Report and Partnership Arrangements (Wales) (Amendment) Regulations 2021.

The authors welcome the [discovery report, produced in response to a requirement to scope the development of a data strategy to support social services and social care in Wales](#) and support the proposals, with recommended action at pace.

The National Commissioning Board support the proposal for the development of a data strategy and recommend the development of real time market intelligence and management information dashboard.

Whilst the full impact may yet be understood, discussions with commissioners and providers have highlighted benefits of the fast-track service registration achieved under COVID-19 arrangements; examples given have been a reduction in timeframe to register a residential service from six months to six weeks and the additional market capacity this has offered.

Commissioners and providers have also recognised the benefits of closer working and information sharing across commissioners, policy makers and regulators.

The National Commissioning Board recommend that CIW review the benefits and risks of this fast-track registration process and jointly with commissioners, review improved information sharing between regulators and commissioners and how learning can continue to drive improvements.

Whilst the additional funding and support offered to care providers during the pandemic to date has minimised any adverse impact on market stability and individual provider sustainability, it is clear that the pandemic has widened or at the very least brought into clearer view, the existing fault lines within the social care market. There is real concern about the impact of the removal of support such as free PPE and hardship funding for additional and exceptional costs and care home voids. The National Commissioning Board has gone some way to illustrate the costs of care in Adults' Services for 2021/22.

The National Commissioning Board recommend that local authorities and health boards:

- **Review the anticipated 2021/22 costs of adults' care, undertake local evidence gathering and share their assessment of the gap in current budgets and these costs of care to inform Fair Work and Social Care Futures policy development.**
- **Conduct comparative cost benchmarking and outcomes monitoring of public sector provision to independent sector so there is a full view across the market.**

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For details regarding this report please contact:

Name: Maria Bell

Email: Maria.Bell@wlga.gov.uk

Tel: 07436 140838