

Gofynnwch am/ Please ask for: Kevin Pett

Dyddiad/ Date: 10th May 2022

Mark Isherwood MS
Welsh Parliament
Cardiff Bay
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By email

Dear Mark,

The Inquiry by your Public Accounts and Public Administration Committee is a very timely intervention at a crucial juncture in the provision of care and support services, and the Regional Partnership Board welcomes the opportunity to contribute.

Our recently finalised¹ Market Stability Report (MSR) makes clear that the COVID-19 pandemic has accentuated existing challenges:

*This MSR has been developed against the background of the worst **pandemic** for over a century **impacting profoundly on people who need care and those caring for them** - whether unpaid or paid. Providers of services have also been severely affected and existing workforce pressures have worsened considerably...The sector has also been dealing with **historic systematic challenges** which are now being magnified as a consequence of the pandemic. Over the last decade demand pressures on social care services have been compounded by fiscal austerity across public services. Reduced funding for local authorities and competing priorities has limited the rates that local authorities (and the Health Board) are able to pay for care and placed a disproportionate emphasis on economy rather than quality and improved outcomes, [emphasis in the original].*

The MSR also notes that public sector budget pressure has frustrated efforts to prioritise investment into preventative community-based services and support. Furthermore, it recognises that current workforce challenges are likely to intensify as

¹ But subject to final organisational sign off.

the working age population in the Region continues to fall, and pressures from a growing older population continue to increase.

It is noted that the Committee Inquiry focuses specifically on commissioning for *older adult care homes*. The comments above relate to care and support in general, but it is relevant to briefly note that the service under perhaps the most acute pressure is domiciliary care. This service is crucial in meeting the ambition of supporting people to live at home where this is their choice, and their needs can be met. However, engagement with providers and commissioners in the Region as part of the MSR indicates that:

- Providers are handing back contracts as they report they do not have the staffing capacity in the right places to take on new referrals
- Workforce shortages, including the ability to retain high quality home care staff, are highlighted by both providers and commissioners as the single most significant risk to market sufficiency and stability across the whole care market.
- Commissioners are reporting the increasing use of residential care to support individuals being discharged from hospital and awaiting a domiciliary care package, signalling shortages in the market
- Commissioners are reporting that they are actively reviewing domiciliary care packages to consider reducing the number of hours provided where appropriate and seeking greater support from family carers as a substitute and accessing wider preventative community support options

Turning specifically to the subject of the Inquiry, the MSR notes the challenge of meeting needs where people are tending to become resident at an older age and with more complex needs:

there has been a change in the type of provision, with a modest decrease in the number of nursing home beds and an increase in the number of 'elderly, mentally infirm' or EMI beds in residential care homes without nursing. To an extent these trends align with the drive to enable people to live in their homes for longer which means that people move to residential care at older ages and with multi morbidities...However, the decline in nursing beds runs counter to this and means that there may already not be sufficient care with nursing to meet the needs of people, especially those with more complex needs, such as behaviour that challenges, associated with dementia, who are frequently placed out of county or out of region

Further challenges highlighted by the MSR include: provider workforce; the long-term impact of the pandemic on demand; and the risk of market exit coupled with the finding that '...market conditions are unlikely to incentivise sufficient investment without more active market shaping and intervention'.

Work is underway under the auspices of the West Wales Care Partnership(WWCP) to respond to the findings of the MSR, in the light of the Welsh Government *Rebalancing Care and Support* and associated revenue and capital funding streams. It is relevant to note that the findings of the MSR are largely consistent with the *Rebalancing agenda*².

² However, the MSR scope includes CIW regulated children's services. Here, concerns exist about the impact on the market associated with Welsh Government's intention to remove profit making by providers.

The above is provided as context and as a brief summary of the collective understanding afforded as a result of the completion of the MSR for the West Wales region. The response now directly addresses the key issues (identified in bold) from the Auditor General's National Summary Report, as follows:

Making access to care homes for older people less complex and easier to navigate. The Audit Wales report acknowledges that overall policy and guidance is set out by Welsh Government and that this is the primary factor. It is acknowledged that particular difficulties can arise in relation to decisions about Continuing Health Care(CHC) or joint funded placements. However, to aid navigation, a Regional Operational Policy has been developed and adopted for use by staff in supporting older adults in making care home placements. The document provides information about placement types and their associated decision paths.

Findaplace.wales has been developed by the Region as a searchable on-line platform for use by older people, families and professionals. Whilst the platform has wider utility³, in this context it is important to note its role in providing relevant 'real-time' information to support informed choices by potential residents, within a complex range of potential accommodation options.

Addressing the root causes of the division among partners that can arise from public sector funding approaches for different aspects of care. As noted above, particular difficulties can arise where funding responsibilities are less clear, and where 'case by case' consideration is required. Pragmatic approaches are being taken in relation to joint funding. Furthermore, Hywel Dda UHB fully funds Discharge to Recover and Assess (D2RA) packages until post-discharge eligibility is determined. However, as the Audit Wales report makes clear '...while the implementation of the approach at a local level can increase [or reduce] tensions, the basis of the funding responsibilities is set out by the Welsh Government'⁴ [parenthesis added].

Improving performance information relating to health and social-care commissioning to be able to demonstrate whether policy aims are being achieved, well-being goals delivered and to evidence the impact on service-user outcomes. In addition to the MSR, which involved significant data analysis, the Region benefits from other mechanisms to evaluate the delivery of policy aims. Robust and regular (quarterly) reporting of older adult care homes is in place as part of regional pooled fund governance arrangements. This considers financial data, including the aggregate regional budget, projected spend per placement type, and spend per head per placement type. Analysis of activity is also intrinsic, including the number of placements per placement type and how levels vary across the Region and over time. Analysis of placements per head, per placement type is particularly useful in illuminating variations in approach across the Region.

³ Including the gathering of key information for quality assurance, contract monitoring and market shaping purposes.

⁴ See page 12.

As part of arrangements to implement the single regional care home contract (Pre-Placement Agreement, or PPA), a single regional management information dataset has been agreed and is submitted by providers through the Findaplace.wales platform on a regular basis. This information is being used to develop market intelligence that will inform future market shaping interventions.

Finally, a single regional Quality Assurance Framework is under development as a regional commissioning priority initiative for 2022-23. A fundamental consideration is the measurement of user outcomes.

Ensuring that pooled-fund arrangements for care home commissioning are delivering the intended benefits. See above.

Considering whether Regional Partnership Boards are working as intended in respect of care home commissioning, in the context for example of statutory guidance. As related above, a range of initiatives are in place regionally to support strategic regional commissioning capability. Further work is proposed during 2022-23 to develop a MSR implementation plan, which will dovetail with the revised regional Area Plan and associated capital investment plan (April 2023). It is critical to recognise the roles of the RPB as primarily being in relation to strategic co-ordination of commissioning arrangements, and further, in understanding the regional care and support market.

Understanding the reasons for the variation in expenditure on residential care and continuing healthcare costs that suggest inequitable application of policy across Wales. It is recognised that the supply of care and support services is not evenly distributed – either across Wales, or the Region. Whilst the Committee will rightly wish to take a view on variable costs and the extent to which this reflects local market conditions, variations in the *numbers* of different placement types (per head) across Wales may be more illuminating in considering the consistency of policy application, as well as the availability of specified placement types.

Considering the potentially perverse incentive for local authority commissioners of care that arises from the fact that the charging cap on service user contributions is different for care-home placements compared to people supported in the community. The criteria in this regard are a matter for Welsh Government. It is reasonable to suggest commissioners could have an incentive to place people, though this does not seem in evidence in West Wales. Whereas there has been a short-term increase in the use of interim beds, this has been as a response to the current shortage of domiciliary care capacity. Furthermore, the older adult care home pooled fund data shows a clear reduction in the number of local authority placements in the Region over the last year. It is also apparent that Covid has reduced demand for (particularly) residential care home placements. It is not known whether this effect will be sustained beyond the pandemic. As the MSR notes 'the number of people requiring residential care is unlikely to rise in line with demographic changes but the trend of residents having greater needs will continue'.

Care home fee rates

Local authorities:

2021-22

	Residential	Residential EMI	Nursing	Nursing EMI
Carmarthenshire County Council	£622.73	£650.37	£601.47	£694.49
Ceredigion County Council	£644.00	£686.00	£668.15	£711.48
Pembrokeshire County Council	£658.71	£717.45	£679.12	£735.90

2022-23

	Residential	Residential EMI	Nursing	Nursing EMI
Carmarthenshire County Council (interim)⁵	£688.51	£726.07	£664.95	£776.27
Ceredigion County Council (interim)⁶	£702.80	£748.65	£729.12	£776.44
Pembrokeshire County Council⁷	£722.11	£786.21	£743.87	£805.80

In all cases, fee increases for 2022-23 are in the range 9-12%.

Hywel Dda University Health Board:

2021-22

	Funded Nursing Care (FNC)	CHC (Continuing Health Care) General	CHC EMI
Carmarthenshire	£184.32	£793.27	£886.29
Ceredigion		£859.95	£903.28
Pembrokeshire		£870.90	£928.09

2022-23

Fees are yet to be determined. However, FNC rates will be agreed nationally in June and CHC rates will be set in the light of the fee review that is currently underway.

⁵ Subject to possible revision following fee review.

⁶ Subject to possible revision following fee review.

⁷ Subject to confirmation.

I hope you find the above response helpful in your deliberations. Colleagues from the Regional Partnership Board will be happy to assist with any further requests for information that may be necessary.

Yours sincerely

A handwritten signature in black ink, appearing to read "Judith Hardisty", with a stylized flourish at the end.

Judith Hardisty

Chair, West Wales Regional Partnership Board.