

Care Home Market Fragility

*Information correct as at
18/07/24*

Overview of Oldham's Care Home sector

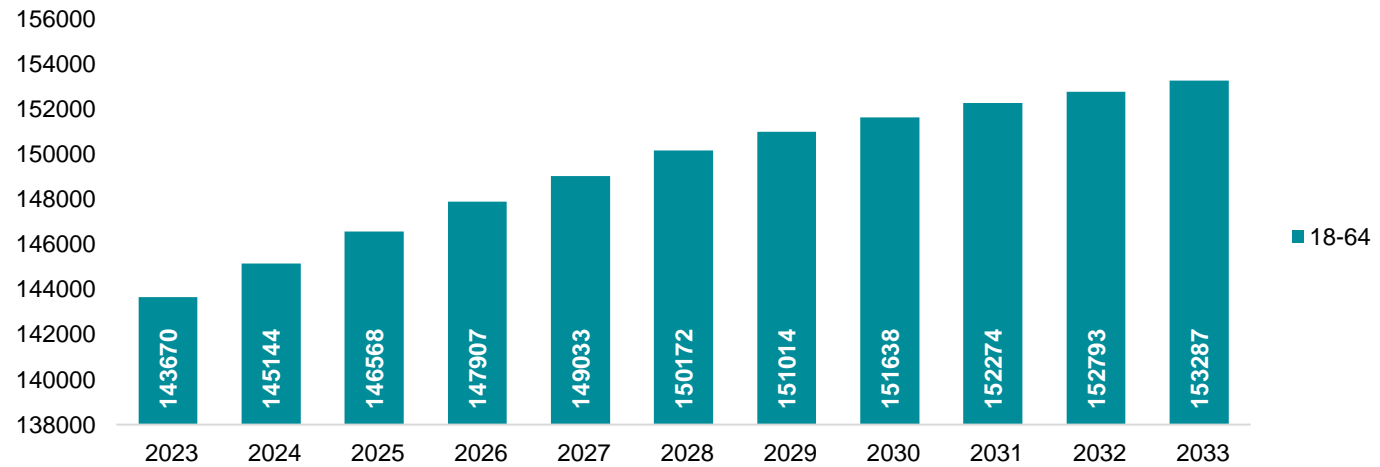
This presentation includes

- Oldham's population and demographics
- The make up of the residential and nursing market in Oldham
- Provider Failure process
- Reduction of bed base in Oldham
- Examples of Provider Failures
- Impact of provider failures and home closures
- Understanding of wider impact across the sub-region (GM)
- Gaps in the market
- Opportunities

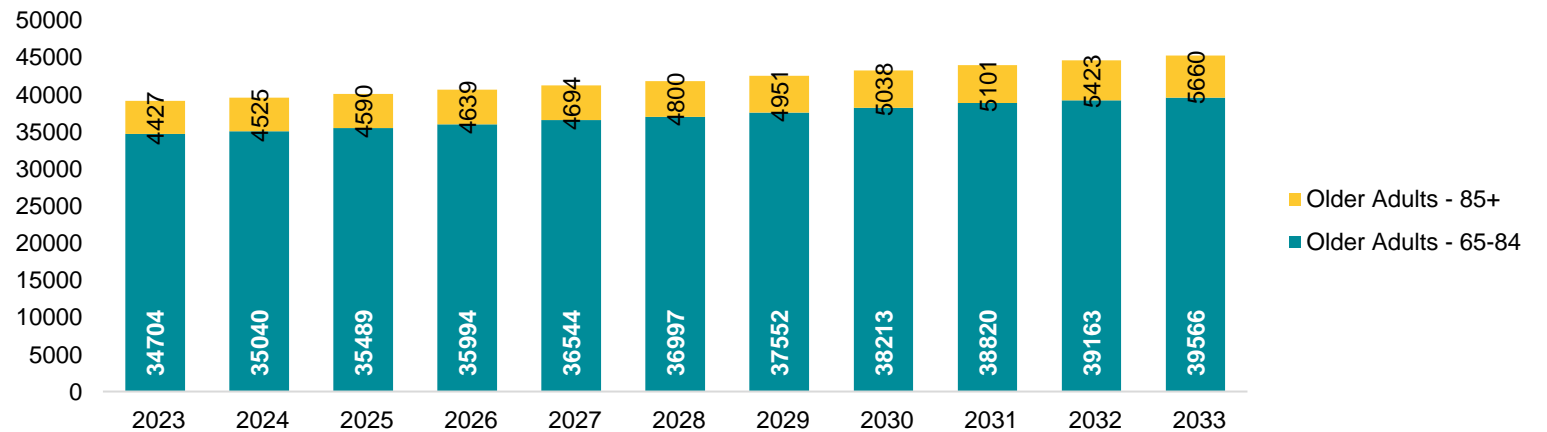
Oldham Population

- The graphs show the population projections for Oldham from 2023-33.
- The Care Home sector is predominately filled with people 65+ though there are working age residents
- Not only is the older adult population predicted to increase over the next 10 years, but the over 85s are predicted to increase over this time

Working Age Population



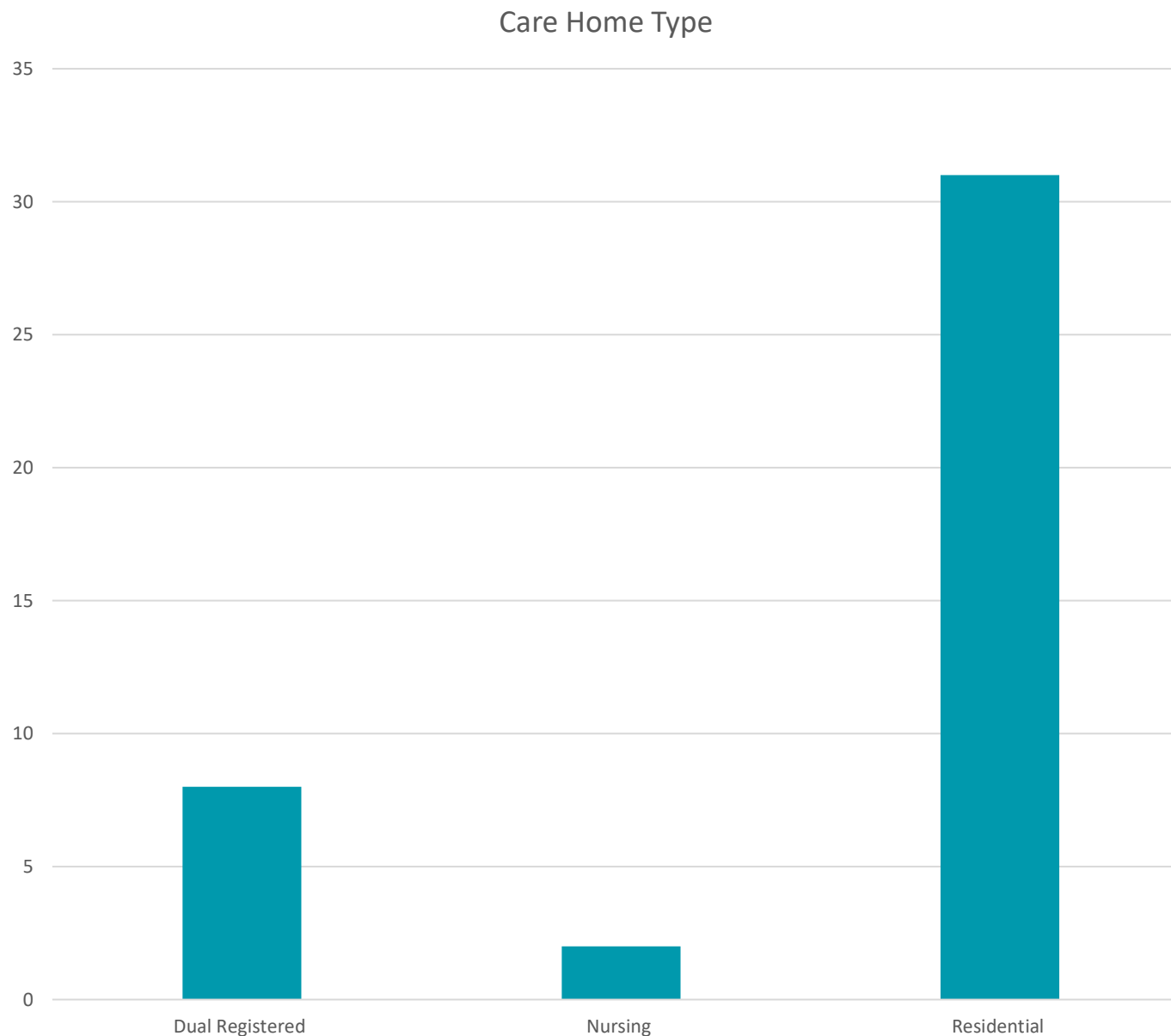
Older Adults Population



The make-up of the Oldham Care Home Market

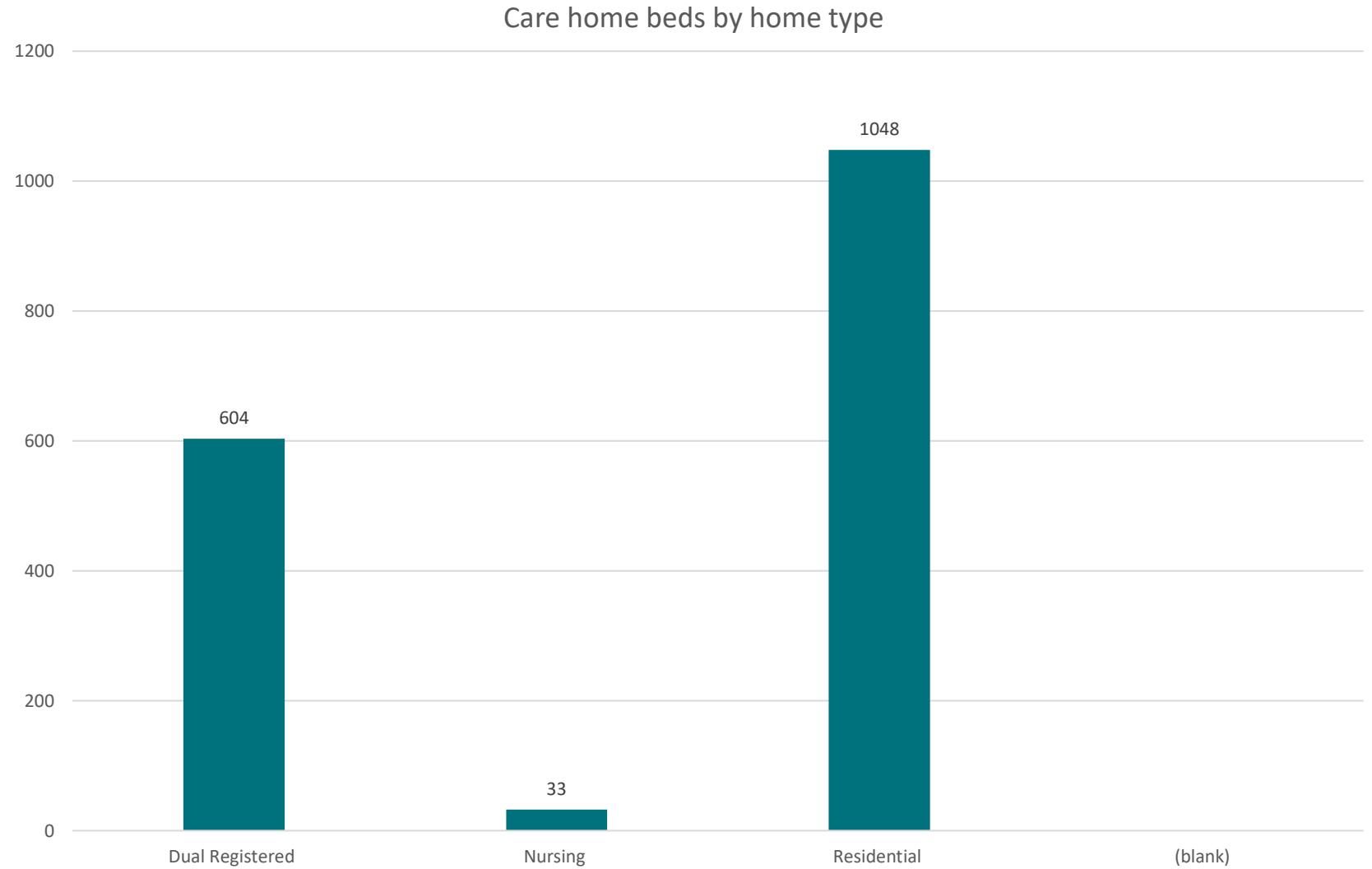
The majority of the care homes in Oldham are residential with a smaller number providing dual registered (both nursing and residential) and nursing only. The graph to the right displays the breakdown (please note this includes all current CQC registered beds so currently includes Acorn Lodge Care Home).

Nursing supply remains a concern in the borough and during 2023 an 80 bed dual registered home closed, and two other care homes changed provision on what were general nursing units – one switching to mental health specialism (a loss of 10 beds) and one switching to only offer residential beds for new admissions (which will reduce nursing capacity by 30 beds longer term).



Bed numbers

The current number of CQC Registered beds in Oldham, split by home type. Some dual registered homes are flexible about whether beds are used for nursing or residential, so it is not possible to give a total number of residential / nursing split.

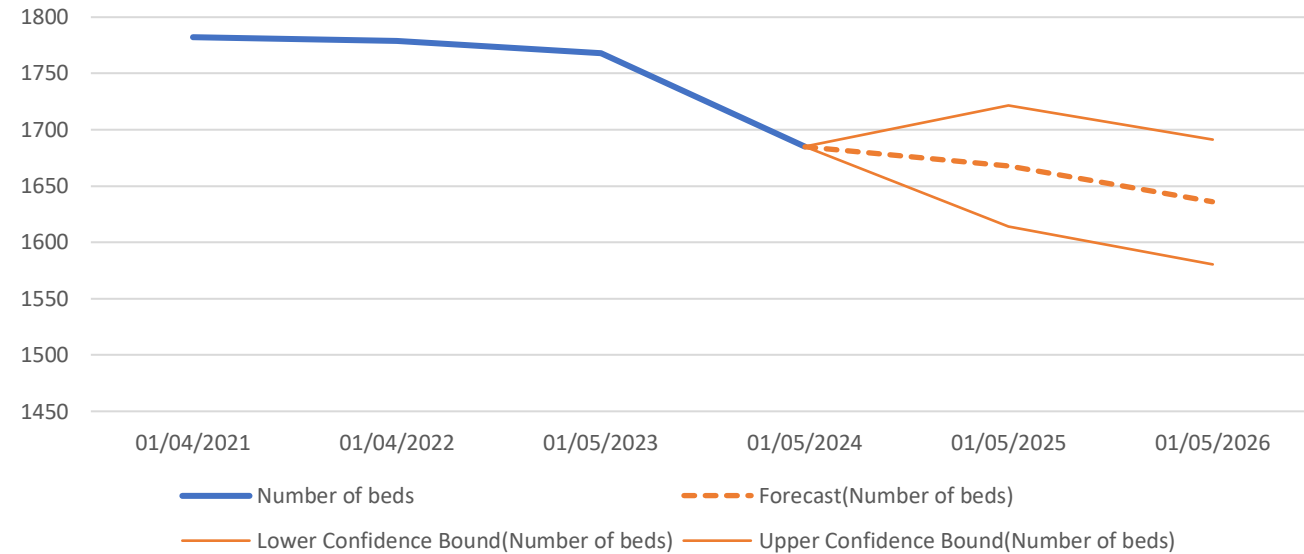


Bed base over time

From 2012 onwards the bed based position in Oldham remained fairly stable in Oldham with no provider failures taking place up until December 2021, since that time there have been 3 provider failures completed (with one additional in in progress see later slides).

New provision which has opened in recent times has been more specialist in it's provision and at higher costs than our standard rate.

CQC Bed Base Over Time



A small (19 bed) care home closed in December 2021, however it subsequently re-opened as more specialist provision with a slight reduction in beds (16 beds) which is why there was only a small decline from 2021 – 2022.

To note, the home which closed during the summer of 2023 is being repurposed to provide specialist mental health secure provision and these beds will therefore not re-appear as part of the care home market.

The Care Home Market – Top Ups charged. As of 24th May 2024

As at 24th May 2024:

- 23 Care Home providers in Oldham charge a Top Up.
- 16 Care Home providers in Oldham do not charge a Top Up.
- The level of Top Up ranged from the lowest at £40 to the highest at £903 pppw.
- For context, in December 2023 45% of Care Homes in the Oldham market charged a Top Up on an element of their beds.
- By December this figure had risen to 50%.
- In May this figure is currently tracking at 60%.
- For the avoidance of doubt this shows that 60% of Care Homes charge a Top Up in relation to elements of their provision. This is not saying that Top Up charges are applicable to 60% of beds. A more deep dive of top up fees will take place to better understand this in terms of percentage of beds affected in the borough and average rates charged.

Managing Provider Risk

- Monthly Strategic and Operational Provider Risk Groups take place which are multi-disciplinary meetings, including membership from across Adult Social Care, Care Quality Commission, Northern Care Alliance, Infection and Prevention Control and the Oldham Integrated Care Board.
- At these meetings intelligence is shared and actions, support and escalation are discussed and tracked
- Factors which might then be flagged for provider failure include:
 - Significant Quality, Safety and Safeguarding concerns
 - Financial viability
 - Modern slavery and immigration issues

Provider Failure

Under the Care Act 2014 the council has a duty manage the local care market, as part of this, the council has a published provider failure procedure which can be found at:

https://www.oldham.gov.uk/downloads/file/4353/adult_social_care_provider_failure_procedure

When does the Provider Failure Procedure apply?

- Significant quality, safeguarding or safety concerns which mean that a decision is taken to move residents to an alternative placement because it is no longer safe to remain in the provision
- Where a provider gives contractual notice – for example where they have sold the building with vacant possession

Who decides when to enact Provider Failure?

- Where a provider gives notice on the contract there is no ‘decision’ as such and the procedure is immediately enacted
- Where there are quality, safeguarding or safety concerns this does require a decision from the Director of Adult Social Care (DASS) but they will usually make this decision in conjunction with the Lead Member for Health and Social Care.

Who is involved in a Provider Failure?

- A multi-disciplinary team (MDT) Steering Group will be established by the Commissioning and Market Management Service, including representatives from: across all relevant Adult Social Care Teams, Risk and Insurance, Finance, Communications, Records Management, Public Health, Funding authorities (including the Oldham Integrated Care Board), the Care Quality Commission and the provider

The impact of managing Provider Failure

Managing a Provider Failure puts significant resource pressure not just on to the Commissioning and Market Management Service but also across Adult Social Care and even the wider council. In order to coordinate the failure weekly Multi-Disciplinary Team (MDT) meetings take place involving:

- Adult Social Care
 - Commissioning and Market Management
 - Operations
 - Brokerage
 - Client Finance
- Corporate Services
 - Legal
 - Finance
 - Communications
 - Records
 - Risk and Insurance

This generates work for all of these teams, on top of their usual Business as Usual Activities. Of particular note is the significant time required for Operations colleagues to review all service users and source alternative placements.

Current Provider
Failure
Acorn Lodge:
85 Bed
Dual Registered
Care Home owned
by Oldham
Property
Investments in
Failsworth

- On the 1st May 2024 the Commissioning and Market Management Service received notice that the home had been sold and would be closing with all 70 residents needing new placements sourcing.
- The council have been working in close partnership with the home, Integrated Care Board and other funding authorities to ensure safe moves for those residents in the home and the majority of residents have now moved out of the home.
- Weekly meetings continue to review the progress on moving the small number of residents still remaining in the home.
- Although the provider intended to close by the end of July the council has been clear that the contractual requirement remains in place until the end of October and we are assured that the provider will staff the home safely until all residents are moved out.
- Support has been provided from the council's Get Oldham Working team to staff at the home being made redundant.
- The home has been purchased by Exemplar and will be refurbished and remodelled as a more specialist care home provision. The Commissioning and Market Management Service are in discussions with the new owners about what this provision might look like.

The wider Context

**Data taken from ADASS Spring Survey*

Care Home closures in other parts of GM

- Two homes have closed in the last 3 months in other boroughs

Care Home closures nationally

- *The issues is not only felt in Oldham and the ADASS Spring Survey reported council that the percentages of council's impacted by closures, cessations of trading or contract hand backs of residential / nursing providers have increased over recent years:

July 2022 to October 2022	November 2022 to May 2023	November 2023 to May 2024
41%	44%	47%

Placement challenges across GM

- Nursing and particularly Dementia Nursing placement availability is noted as concerns across GM

Changes of ownership

- During 2024 we have had two homes change ownership

Gaps in the care home market

Current position

- The market remains under resourced at present with a large volume of Discharge to Assess (D2A) discharge pathway clients having to be discharged out of borough due to lack of availability within the borough.
- There are currently approx. 105 out of borough placements.

Challenges in the Market

- Living cost crisis – increasing costs inflicting a burden on Care Home providers and limited profit margins resulting to the market not being financially lucrative
- Staffing and workforce – Recruitment, retention, limited career progression
- Oversupply of residential provision as opposed to the limited supply of nursing/complex/specialist provision within the borough resulting in OOB placements and rising a financial burden on the local authority

Gaps in the residential/nursing market

- Nursing beds - Due to the loss of nursing homes over the course of 4 years
- Complex/specialist care (including EMI and bariatric beds)

Planned developments

Roche Care

What we know:

- “Oakbank” 64 bed care home scheduled for completion in March 2025
- Located in Chadderton
- The owners of the new development own Royley House in Royton and tend to focus on the residential market
- Their current intention is a mix of residential and specialist dementia though Commissioning have discussed gaps in the market in relation to nursing provision
- The home is spread over three floors with the current plan being one floor for dementia residential and two for residential
- The provider has indicated opened similar provision in Accrington recently and has advised it has a higher top up than they normally charge and that this is likely the case
- Targeting a mix of council and private market

Exemplar

What we know:

- Purchased Acorn Lodge Care Home in 2024, with the intention of remodelling. Based on other Exemplar provision across GM we know this will likely be specialist, complex, high cost provision, and will likely be significantly reduced bed number compared to Acorn Lodge
- Meetings are taking place with the provider as they develop their plans for the site and they are keen to work with the council on gaps in our current provision.
- As residents are still on site at Acorn Lodge it has not yet been handed over it is likely to be summer 2025 before beds are available in the new provision.

Opportunities

- Work with providers and the Market to create nursing, complex and specialist provisions to support residents within their own borough. This reduces the financial burden on the local authority by avoiding costly placements out of borough.
- There is an opportunity to attract new, interested parties to invest in specialist provisions to meet the demand.
- A Market Engagement event will take place in August, advertised through the council's procurement portal to discuss opportunities with new and existing providers.
- Working with other authorities across GM on the challenges and commissioning for these across the sub-region.