

WEST WALES MARKET STABILITY REPORT



February 2022

West Wales Market Stability Report 2022: Executive Summary¹

Summary of report and key issues

Welsh Government requires local authorities, acting together with health boards, to produce Market Stability Reports (MSRs) on a regional partnership board basis. Such reports must assess the sufficiency of care and support services. In addition, the reports must also assess the stability of specified services regulated by Care Inspectorate Wales (CIW). The publication deadline is 30th June 2022.

Recommendations

Strategic Development and Operational Delivery Committee is asked to note the MSR, which has been produced on a regional basis to enhance understanding of the regional market for care and support, in line with legislative requirements.

The West Wales Market Stability Report (MSR): Executive Summary

This report is structured into the following sections:

1. Context and legislative requirements
2. Approach and method
3. Findings and implications:
 - regulated services
 - population groups
4. Recommendation

1. Introduction: context and legislative requirements

The Social Services and Wellbeing (Wales) Act has been amended by Regulation to require local authorities to work together, and with health partners, through Regional Partnership Boards, to undertake a Market Stability Assessment (MSA) and to produce a regional Market Stability Report (MSR), which also reflects county circumstances.

¹ This executive summary draws on the commissioned work undertaken by the Institute of Public Care and was produced by Dr Kevin Pett of the WWCP. Use is also made of the Code of Practice and Statutory Guidance on the exercise of social services functions and partnership arrangements in relation to market stability reports. See: <https://gov.wales/code-practice-and-guidance-under-social-services-and-well-being-wales-act-2014>

Considered broadly, MSRs are concerned with the supply of care and support² and, therefore, in principle, a response to the demand identified through Population Needs Assessments (PNAs). Put another way, PNAs identify 'what', whereas MSRs inform the 'how' of care and support. The Market Stability Report must be published by 30th June 2022.

Though a single report, the regulations require MSRs to comprise two distinct assessments³: firstly, an assessment of the sufficiency of care and support services⁴; and secondly, a stability assessment for regulated services. In practice, the second aspect applies as an additional element – but only in relation to regulated services.

Market Stability Reports: two key elements

Sufficiency assessment

Considering first the sufficiency assessment, this must consider:

- An overview of sufficiency against the previous Population Assessment (backward view)
- The extent to which current levels of care and support services are meeting existing demand (current state)
- Issues likely to affect sufficiency over the coming five years (future)

Relevant issues will include:

- Changing patterns of demand
- Expectations of users
- Trends, challenges, risks and opportunities

Welsh Government intend that the sufficiency assessment addresses the needs applying to the defined *Population Groups* within PNAs⁵ and suggest the sufficiency assessment is cross referenced accordingly⁶.

Stability assessment

Secondly, a stability assessment must be undertaken as an additional requirement – but only for 'regulated services'⁷. The stability assessment must assess, for regulated services⁸, the following five aspects:

- Sufficiency (see relevant paragraphs above)
- Quality: inspections, contract monitoring, etc

² All population groups (support services only for carers).

³ In undertaking MSRs, local authorities must pay 'due regard' to a range of duties (e.g., equality duty) and conventions (e.g., UN convention on the rights of the child) – see code of practice (page 16).

⁴ 'Care and support' is broadly conceived, to include preventative services, but excluding that provided informally or by family. Wellbeing services, including those offered by GP clusters, should not be overlooked.

⁵ LD, sensory impairment, older people, unpaid carers, disability, mental health, dementia, children and young people, autism, VAWDASV

⁶ The code of practice suggests that the MSR process can be used to meet duties under part 6 of the Act in relation to the sufficiency of accommodation for Looked After Children.

⁷ Care homes, secure accommodation (children), residential family centre, adoption service, fostering, adult placement, advocacy, domiciliary support service.

⁸ In addition, the Welsh language dimension of these five aspects must be considered, alongside the impact of non-regulated services on regulated services (and vice versa).

- Trends (current and developing): user expectations, TEC, demography, etc
- Challenges (current and developing): transparency and mitigation
- Impacts of commissioning and resourcing decisions: funding, fee levels; regional and county approaches; pooled funding

The above paragraphs describe the main elements needed for undertaking the 'sufficiency' and 'stability' exercises. The code of practice outlines that the MSR 'should', or in some cases 'must' cover a number of other aspects⁹.

The relationship between the MSR and other relevant strategic documents is expressed in the diagram overleaf:



* Statutory requirement under the 2014 Act.

2. Approach and method

Following decision at the Integrated Executive Group (IEG)¹⁰, The Institute of Public Care (IPC) was appointed to undertake the assessment of market stability on behalf of the West Wales Care Partnership (WWCP)¹¹. This work culminated in the MSR

⁹ See the code of practice from page 27. Examples of additional duties include assessing the contribution of social value and the impact of Direct Payments on regulated services.

¹⁰ It was agreed to extend the existing contract in place with IPC for the delivery of an MSR for older adult care homes.

¹¹ WWCP is the Regional Partnership Board for West Wales.

that accompanies this paper. The MSR has been shaped by five main sources of evidence:

- Analysis of data, both from published sources and bespoke data collections from the three counties and Hywel Dda Health Board.
- Review of key policy documents, strategies, and plans.
- Surveys of providers (administered bilingually online).
- Interviews and focus groups with commissioners and providers.
- Intelligence from the engagement programmes that informed the PNA and well-being assessments - including engagement with citizens, individuals with care and support needs and their carers.

Together these provide a strong evidence base. Working with the teams responsible for the PNA and Well-being Assessments has helped to maximise synergies and avoid duplication.

3. Findings and implications

In January 2021 the Welsh Government (WG) published a White Paper setting out an ambition to rebalance care and support. 'Rebalancing' includes an explicit commitment to a mixed economy of provision 'so that there is neither an over reliance on the private sector (including the voluntary and charity sector), nor a monopoly in the other direction'. The findings from the MSR support active pursuit of this policy direction.

In general, the MSR confirms that the ongoing pandemic has exposed some of the frailties of an already fragile health and care system. In combination with sustained public sector austerity, the pandemic is compounding pressures on the whole system. Market uncertainty is inhibiting private investment and increasing levels of complexity are not being matched by corresponding workforce capacity, placing further pressure upon market stability.

It is unrealistic for this report to encapsulate the detailed findings of the MSR in its entirety. This section therefore draws out only key points.

Sufficiency: population groups¹²

| Implications | County variations (where relevant) |
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| Children | |
| The number of children 0-15 is expected to decline 8% over the next decade (to 2031). There are therefore likely to be sufficient universal services, however, demand for specialist support and services such as CAMHs and residential care which are already hard to source locally may increase. User voice, co- | There is a decline in all counties, with variation as follows: Carmarthenshire=6% Ceredigion=11% Pembrokeshire=10% |

¹² For further detail, please refer to the draft PNA.

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| production, and integration, including more seamless transitions to adult services, remain key areas for development. | |
| Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) | |
| Incidents of violence against women have increased during the pandemic whilst victims may have found it harder to access services. The complex funding arrangements are a significant risk to ensuring sufficiency of support. There is a growing issue of supporting older victims of domestic abuse. | -2994 incidents were reported across the region in 2018: Carmarthenshire=1215 Ceredigion=1062 Pembrokeshire=717 |
| Unpaid carers | |
| The amount of care and support given by unpaid carers is projected to increase significantly over the next 10 years as the population grows older. Key issues for the region include improving digital inclusivity of unpaid carers and access to all-age unpaid carer support services and support, especially within rural communities. Young carers need more mental health and emotional support and services. The pandemic has had a significant negative impact upon young carers in terms of increased isolation and mental health / emotion stress. | -The number of requests for support in the region has increased by 2073 in 2020-21: Carmarthenshire=6,071 (was 4,613) Ceredigion=1,092 (was 825) Pembrokeshire=2,918 (was 2,570) |
| Learning Disability (LD) | |
| The numbers of people with LD who are more likely to present themselves to health and care services is predicted to remain relative consistent going forwards over the next 10 years – although the number of older people with LD is expected to increase significantly reflecting an improvement in life expectancy. There will be demand for more Shared Lives and supported living accommodation. | -Prevalence is estimated at 0.5% across the Region |
| Autism | |
| The PNA identified many people with autism had a general feeling of being unsupported with a need for improved and accessible signposting across the region. Projections suggest numbers will remain stable to 2030. Issues include significant waiting times for diagnosis and limited access to subsequent services and support. The Housing LIN report has identified significant demand for specialist housing in the region for people with Learning Disability and Autism. | -It is estimated that there are around 4,000 people with Autism in the region, broken down as follows: Carmarthenshire=2,000 Ceredigion=750 Pembrokeshire=1,500 |
| Mental Health | |
| The pandemic is likely to have had a severe impact on mental wellbeing. The long-term impact is difficult to predict not least because the pandemic is ongoing. However, there is a significant risk that there will be a | |

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| legacy of increased mental health problems. The housing needs assessment identifies a need for significant additional units of accommodation over the next two decades. | |
| Physical disability | |
| Ensuring access to specialist services for people with a range of more complex needs is particularly challenging in rural areas. This is compounded by existing barriers relating to design and accessibility. Evidence about the sufficiency of specialist services and services for conditions and needs is limited and further work is needed to identify and tackle gaps. | |
| Sensory impairment | |
| The numbers are expected to grow significantly in line with an ageing population. A range of support will be needed, including specialist services and equipment, to enable people to access opportunities, including (for those working age) employment. | |
| Dementia | |
| The number of people living with dementia is expected to increase significantly with impacts on care and support services ¹³ . Locally available bespoke support for early onset dementia may be needed. | -There is a projected regional increase of 41% to 2030 (severe dementia), with variation as follows: Carmarthenshire=41% Ceredigion=37% Pembrokeshire=44% |
| Older people | |
| The aging population means that there will be an increasing demand for care and support services including a range of housing options. The complexity of needs will also continue to grow as the number of people living with dementia and multiple co-morbidities increases. The need to grow community support ¹⁴ is even greater given the fragility of the markets for regulated services highlighted in the stability assessments. | -There is a projected regional increase in those 85 and over of 28% by 2030, with variation as follows: Carmarthenshire=25% Ceredigion=26% Pembrokeshire=33% |

Stability: regulated services

The Code of Practice defines market stability in terms of a set of characteristics of a well-functioning market for care and support:

- Demand and supply are broadly balanced – i.e. there is sufficient provision of quality care and support to meet demand.

¹³ Including support services for unpaid carers.

¹⁴ Including strengthening support for unpaid carers.

- There is a diverse provider base and an element of competition, with no over-reliance on any one provider or sector.
- Individuals who need care and support have a real say and choice over how their care and support needs are met, and providers are readily able to respond to changing demand and expectations.
- Providers are able to access reliable information about the market in order to plan for the future and make investments.
- There is a healthy competitive equilibrium between price and quality.
- There are sufficient levels of suitably trained and motivated staff providing quality care and support across providers.
- Commissioners and purchasers have confidence that providers are financially viable and sustainable, and any risks are clearly identified.
- Entry and exit of providers to and from the market takes place in an orderly fashion without individuals who need care and support being disadvantaged.
- The market is robust enough to withstand shocks, and contingency plans are in place so that the market can respond effectively when providers (especially large or specialist providers) fail or experience operational difficulties.

| Implications | County variations |
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| Care homes for children and young people | |
| <ul style="list-style-type: none"> • The market for children’s homes is not functioning well nationally or regionally. There are currently insufficient places available, partly because of placements made by ‘out of region’ authorities • The WG goal of eliminating private profit from the market is creating uncertainty for both providers and commissioners • A significant shift towards in-house or third sector provision will be required over the next decade to meet the ‘rebalancing’ agenda. This has investment implications • In parallel, investment in evidence-based preventative services can successfully reduce the need for children to be looked after away from their families | <p>-Carmarthenshire has the fewest children in care homes</p> <p>-Looked After Children are increasing in Ceredigion and Pembrokeshire but declining in Carmarthenshire.</p> <p>-Pembrokeshire has the most placements available (49), then Carmarthenshire (44), and Ceredigion has none.</p> <p>-In house capacity is highest in Carmarthenshire (3 units)</p> |
| Fostering | |
| <ul style="list-style-type: none"> • Increased numbers of looked after children regionally¹⁵ and nationally are making it harder to place children • There is considerable uncertainty in the market with the WG commitment to eliminate ‘for profit’ provision and the impact of the | <p>-Looked After Children are increasing in Ceredigion and Pembrokeshire but declining in Carmarthenshire.</p> |

¹⁵ Carmarthenshire has seen a reduction.

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| <p>pandemic. Growing in-house capacity may be necessary as well as desirable</p> <ul style="list-style-type: none"> • The ultimate constraint is recruiting sufficient foster carers with the skills and motivation to care for children and young people who have typically experienced significant trauma and adversity • Alongside growing in-house capacity, engagement with IFA providers offering placements in West Wales is crucial, both to begin planning for the likely transition to a not-for-profit model, and to make the most of local capacity for West Wales children • Investment in preventative, respite and edge of care services can help reduce the need for children to be looked after away from their families | <p>-Pembrokeshire has increased in-house fostering places in recent years, with the opposite being true of Carmarthenshire and Pembrokeshire</p> |
| <p>Adoption</p> | |
| <ul style="list-style-type: none"> • There is no independent sector involvement in the regional market, but 3rd sector agencies are involved with placement in some cases¹⁶ • Enhancing support to adoptive families will be beneficial to children and will reduce the risk of breakdowns of adoptive placements. West Wales should consider the recommendations from the national evaluation of adoption support | <p>-Adoption services are provided regionally (including Powys) -Numbers are small (less than 20 in 2021)</p> |
| <p>Secure accommodation</p> | |
| <ul style="list-style-type: none"> • Provision is extremely specialist for which there is very little demand from the Region¹⁷. On the rare occasions when a West Wales child needs secure accommodation it may not be available in Wales as there is only one secure unit (Neath) • WG should be alerted if there are concerns about the sufficiency of secure accommodation | <p>-County variation cannot be discerned (numbers very low)</p> |
| <p>Residential family centres</p> | |
| <ul style="list-style-type: none"> • There is insufficient demand for residential family placements to justify commissioning dedicated regional provision | <p>-County variation cannot be discerned (numbers very low)</p> |

¹⁶ If placement cannot be identified in-region, a search will be made through Adoption Register Wales. Those adopters may have been approved by a Voluntary Adoption Agency, another regional adoption service, or an adoption agency in England. The Adopting Together scheme is utilised where children have very complex needs.

¹⁷ Typically, only one or two placements may be required – none in some years

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| <ul style="list-style-type: none"> Increasing regional parent and child fostering capacity, either in house or commissioned from an IFA will mean residential assessments are even rarer, and would provide local capacity over which commissioners have significantly more influence in terms of cost and quality | |
| Domiciliary care services | |
| <ul style="list-style-type: none"> There is chronic under-supply and the outlook is worsening as complexity increases The domiciliary care market is critical to helping people to live independently and reduce / delay the need for acute health services and residential care. However, it is arguably the sector under the greatest pressure - risking both stability and sufficiency of supply Commissioners and providers need to collaborate to address significant workforce issues across the sector. Ongoing engagement with providers is also needed to develop new models and promote innovation Fee methodologies should reflect issues relating to costs (such as national commitment to the Real Living Wage) Further exploration of investing into community preventative and early intervention solutions to offset demand and increasing levels of complexity is encouraged. There is potential to expand upon community-based early intervention and preventative services | <p>-Research suggests greatest pressures are in Ceredigion and Pembrokeshire (waiting lists and hand backs)</p> <p>- Carmarthenshire has the most in-house provision (32% of hours delivered) and this is growing. Pembrokeshire's in-house provision has gone from 0% to 17% over the last 3 years, (Ceredigion=very limited).</p> <p>-Pembrokeshire had seen an expansion of micro-enterprises to 30</p> |
| Adult placement (Shared Lives) | |
| <ul style="list-style-type: none"> Adult placement has growth potential, subject to sufficiency of carer availability Shared Lives is an excellent fit with the challenges and opportunities faced by West Wales The Development Plan should be revisited, and additional resources invested if necessary to overcome any delays caused by the pandemic Consider making an expression of interest for a pilot Homeshare scheme to complement an expanded and diversified Shared Lives service | <p>-76% of people supported are from Carmarthenshire (plans have been agreed to increase numbers across the Region)</p> |
| Care homes for working aged adults | |

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| <ul style="list-style-type: none"> • The vast majority of placements accommodate people with learning disability and/ or mental health needs • A more strategic approach to commissioning care homes for younger adults is needed to increase the availability of local provision, including further investment to develop and scale up alternative community provision • Commissioners may wish to consider offering any “spare” in-house provision to other West Wales councils • Investment in dedicated resources and projects for younger adults has the potential to return substantial improvements in quality and better value for money in the longer term, as well as securing capacity • Better data about quality, including the user voice should be a priority | <p>-Ceredigion has the highest proportion of out of county placement (though also high for Carmarthenshire and Pembrokeshire)</p> |
| Care homes for older people | |
| <ul style="list-style-type: none"> • 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 • Uncertainty combined with escalating workforce pressures are major barriers to investment and transformation • Market conditions are unlikely to incentivise sufficient investment without more active market shaping and intervention • In-house provision offers control over supply and ensures local authorities retain expertise and capability (critical when risk of provider failure). In-house also offers a context for trialling innovative practice • More specialist and nursing provision especially for people with dementia will be needed. Options include: <ul style="list-style-type: none"> ○ incentivise investment through contracts which share occupancy risks, providing sites, facilitating planning consents and supporting workforce initiatives ○ Consider whether to acquire homes which are at risk of closure either to sustain provision, repurpose for other uses which support people to remain independent, | <p>-In-house provision is proportionately highest in Ceredigion and lowest in Pembrokeshire</p> <p>-Fee rates differ across the Region and are highest in Pembrokeshire, followed by Ceredigion¹⁸</p> |

¹⁸ Except Nursing EMI rates, where Ceredigion’s rate is lowest.

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| <p>such as supported living, or release the capital to reinvest in new provision</p> <ul style="list-style-type: none"> ○ Consider the business case to develop in-house nursing provision (including taking due regard to registration requirements) to rebalance the market and address market failures ○ Develop in-reach and out-reach models with residential homes at the centre of their communities (also referenced as Hub and Spoke models) | |
| Advocacy | |
| <ul style="list-style-type: none"> • There is a wide spectrum of formal and informal advocacy but only advocacy for children who need care and support or are looked after are regulated • Ensure that the service continues to be promoted through the active offer • Build capacity in wider advocacy services across West Wales to strengthen the voices of user and carers and ensure a diverse pool of skilled advocates • Consider piloting advocacy for parents to complement the statutory offer. • Make the most of learning from advocacy through streamlined reporting processes | <p>-Regionally commissioned service</p> |

4. Recommendation

Strategic Development and Operational Delivery Committee is asked to note the MSR, which has been produced on a regional basis to enhance understanding of the regional market for care and support, in line with legislative requirements.