



**BWRDD PARTNERIAETH  
RHANBARTHOL  
CAERDYDD A'R FRO  
CARDIFF & VALE  
REGIONAL PARTNERSHIP  
BOARD**

**Cardiff and the Vale of Glamorgan Regional Partnership Board**

**Market Stability Report**

**For The**

**Regulated Social Services Care and Support Market**

**27<sup>th</sup> July 2022**

**Draft**

# Contents

Contents.....	2
1. Summary.....	4
<b>Introduction.....</b>	<b>4</b>
1.1. <b>Summary of market sufficiency issues and market stability risks.....</b>	<b>5</b>
1.2. <b>What we plan to do.....</b>	<b>7</b>
2. Introduction.....	9
3. Our approach.....	10
4. Context.....	11
4.1. <b>Demographic Context.....</b>	<b>11</b>
4.2. <b>COVID-19 and current economic conditions.....</b>	<b>12</b>
4.3. <b>Financial Context.....</b>	<b>14</b>
4.4. <b>National Policy Context.....</b>	<b>15</b>
4.5. <b>Regional Strategy - Adults and Older People.....</b>	<b>18</b>
4.6. <b>Regional Strategy - Children and Young People.....</b>	<b>20</b>
5.1. Adult Services: Summary of Market Sufficiency Issues and Stability Risks.....	22
5.2. <b>Market summary - Older people’s (aged 65+) residential and nursing care homes.....</b>	<b>23</b>
5.3. <b>Market summary - Domiciliary care for adults aged 18 and over.....</b>	<b>25</b>
5.4. <b>Market summary - Adults (aged 18-64) residential and nursing care homes.....</b>	<b>27</b>
5.5. <b>Market summary - Adult placements/shared lives.....</b>	<b>29</b>
<b>Market summary – Adult advocacy services.....</b>	<b>31</b>

	<b>Sufficiency of Adult Services capacity to meet likely future levels of need?</b> .....	33
	<b>Resilience of providers in the adult care and support market</b> .....	34
5.6.	<b>Children’s Services: Summary of Market Sufficiency Issues and Stability Risks</b> .....	36
5.7.	<b>Numbers of Children Looked After (CLA)</b> .....	37
	<b>Market summary - Children’s care homes (Residential care homes, secure accommodation, residential family centres)</b> .....	39
6.1.	<b>Market summary - Adoption services</b> .....	42
6.2.	<b>Market summary - Foster and kinship care</b> .....	44
6.3.	<b>Market summary - Foster and kinship care</b> .....	44
6.4.	<b>Market summary – Advocacy services for children and families</b> .....	47
6.5.	<b>Sufficiency of Children’s Services capacity to meet likely future levels of need?</b> .....	49
6.6.	<b>Sufficiency of Children’s Services capacity to meet likely future levels of need?</b> .....	49
7.	<b>Strategic Themes</b> .....	50
7.1.	<b>Introduction</b> .....	50
7.2.	<b>Addressing workforce capacity and skills shortages</b> .....	50
7.3.	<b>Paying fair fees</b> .....	51
7.4.	<b>Developing In-House Services to lower market risk</b> .....	51
7.5.	<b>Developing In-House Services to lower market risk</b> .....	51
7.6.	<b>Modernising commissioning and contracting</b> .....	52
7.7.	<b>Re-establish and strengthen quality assurance processes</b> .....	52
7.8.	<b>Address gaps in non-regulated prevention and early intervention services.</b> .....	53
	<b>Maximising choice and control by deploying direct payments</b> .....	55

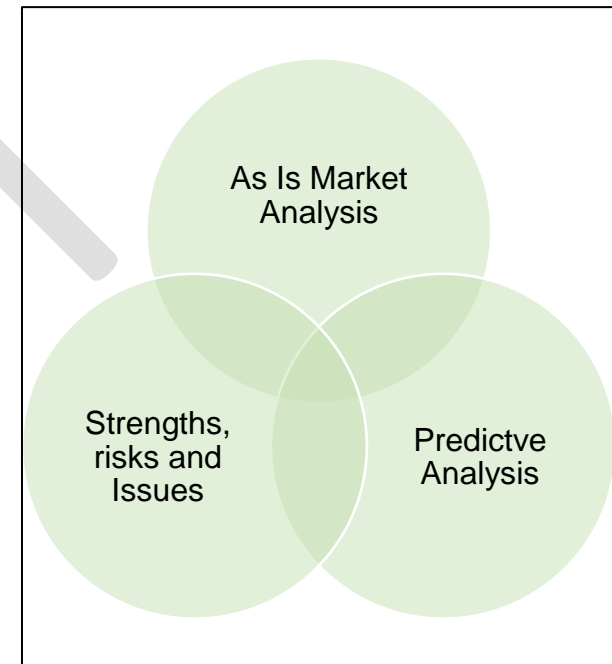
# 1. Summary

## Introduction

The Social Services and Well-being (Wales) Act 2014 requires Local Authorities within each Regional Partnership Board (RPB) area to work with their local health board to develop a Regional Market Stability Report (MSR).

This MSR is a high-level strategic assessment of whether the regional care and support market can meet the care and support needs established through the [Population Needs Analysis \(PNA\)](#) to 2026. It considers the overall **sufficiency** and **stability** of the care and support market for regulated services. It is based on three workstreams:

- **Work stream 1 - “As Is” Market Analysis.** This assessed the diversity and sufficiency of the markets to meet the population’s support needs now. It was based on a snapshot of current providers and activity as at the middle of February 2022 (for Adults) and the beginning of March 2022 (for Children)
- **Work stream 2 - “Predictive Analysis” of likely costs and activity volumes to 2026.** This forward look was based recent PNA research findings to assess likely future support needs compared to current market capacity.
- **Work stream 3 – Market issues, risks, and strengths.** This was based on interviews with commissioners and providers and on citizen’s feedback received during the PNA process. This workstream identified market issues, risks, and strengths.



## Summary of market sufficiency issues and market stability risks

Several market sufficiency and stability issues and risks exist and need to be addressed or mitigated. The main ones are summarised in the table below. Sections 5 and 6 give full details.

Adults Services	Children and Young People (C&YP) Services
<p>For Older people's bed-based care and support the key issues are:</p> <ul style="list-style-type: none"> <li>• While capacity is mostly sufficient at present the care and support models need to change. We need less generic residential care and more specialist capacity to support people with dementia and at the end of their life. Demand for nursing care will also continue to increase over the next five years at a rate of 58 extra places per annum. So we need to secure more of this capacity "<i>in area</i>."</li> <li>• Market stability is uncertain. Some care home providers are operating with occupancy levels below sustainable levels and many lack confidence about the future viability of their business models. There is a risk of disorderly withdrawals from the market that could destabilise markets and disrupt the lives of residents.</li> </ul>	<p>The main challenge is a lack of sufficient foster care capacity to meet needs in the best way. Consequently, for some children we use residential options more than is ideal and, due to a lack of "<i>in area</i>" residential capacity, a high proportion of residential placements are "<i>out of area</i>." (OOA). It is important also to continue to assess kinship carers as an option for children within their families. We expect our need for:</p> <ul style="list-style-type: none"> <li>• Kinship care placements to increase 57% from 265 placements in 2021-22 to 416 in 2025-26</li> <li>• In-house foster placements to increase 47% from 189 in 2021-22 to 278 in 2025-26</li> <li>• Agency foster placements to increase 12% from 387 in 2021-22 to 432 in 2025-26</li> <li>• Residential placements to increase 27% from 116 placements in 2021-22 to 147 placements in 2025-26</li> <li>• Adoptions to remain at similar levels as now until 2025-26</li> </ul>
<p>For domiciliary care, the key issues are:</p> <ul style="list-style-type: none"> <li>• Capacity is not sufficient now and demand is rising. By 2026 we estimate we will need to have 3,500 more hours in total and to meet need with locally based providers we need 12,300 hours of extra capacity per week based "<i>in area</i>".</li> <li>• As with bed-based care we need more specialist care. For example, to support people with dementia or other complex needs who want to stay living at home.</li> <li>• The main barrier to sustaining a stable domiciliary care market is a serious shortage of skilled workforce. Providers</li> </ul>	<p>The foster care market is highly reliant on a few key providers with the top five providers accounting for 71% of spending. The failure of one of these large providers could be difficult to manage. However, the degree of market stability risk is dependent on the ability of other providers and in-house services to absorb displaced capacity if a provider were to fail or withdraw from the market.</p> <p>Therefore, having oversight of provider stability, provider strategies, and maintaining the ongoing risk assessment of the market concentration are all important.</p>

## Adults Services

are also concerned about increasing costs. So, it is important that fees remain fair and sustainable.

For adults, whose primary care and support needs are learning disabilities, mental illness, physical disability, or sensory impairments the crucial issues are insufficient “*in area*” capacity of:

- Specialist Learning Disability/ASD residential care services for adults aged 18-64. This leads to 46% of placements being OOA. We know there are groups of people with similar support needs who (if compatible) could be brought back and supported by small specialist “*in area*” services.
- Specialist domiciliary and residential care services for people aged over 65 whose primary support need is Learning Disabilities.
- We need to specialist residential care capacity for younger people (including people with learning disabilities) living with early onset dementia.

Adult placements. This market has been destabilised by the impact of COVID and its capacity has reduced. At present capacity is not sufficient to meet demand. This gap leads to excess demands for other substitute services.

## Children and Young People (C&YP) Services

It is also important that we continue to develop in-house capacity and develop close relationships with all providers to enhance our ability to identify placements and to mitigate the likely impact if a provider were to fail or withdraw from the market.

The main risk affecting adoption is the insufficient supply of prospective adoptive parents for some groups e.g. sibling groups, older children, children of mixed heritage, and children with more complex needs. This highlights the need for new recruitment initiatives.

The main issues affecting residential care are:

- A lack of secure accommodation. This is an issue across all of Wales.
- The residential providers in the region have difficulty recruiting workforce and some providers are not able to deliver a service in line with their statement of purpose.
- A reduced ability to care for children with the most complex needs in the context of some children with lesser needs escalating to residential care due to a shortage of foster care placements.

These capacity gaps lead to a high number of OOA placements and highlights a lack of “*in area*” capacity to accommodate children with complex needs.

These capacity gaps have cost implications as there can be a “*price premium*” compared to local provision and quality implications as children are geographically separated from their family and from their local communities and the associated support.

## What we plan to do

Our plans to address the market sufficiency issues and stability risks in each regulated market are given in sections 5 and 6 of the MSR.

1.3 Section 7 groups these market specific actions into seven overarching themes as follows. We will work closely with providers, local communities, and other partners to:

**1. Address workforce capacity and skills shortages** - Recruiting and retaining staff with the skills needed to support people with complex support needs is a particular challenge. The focus for:

- **Children and Young People Services** will be on recruiting/training more in-house foster carers, kinship carers and adoptive parents.
- **Older people's services** will be on recruiting/training domiciliary care staff and specialist dementia and end of life skilled care home staff.
- **Adult services** will be on recruiting/training adult placement/shared lives carers and staff with specialist learning disability, autism, early onset dementia, and mental health care and support skills.

**2. Ensure the fees we pay to providers are fair** - This is key to addressing the workforce recruitment and retention challenges and to addressing market stability risks where adult and older people's care and support providers are concerned about their financial sustainability.

Equally, the lack of supply of residential care for our children and young people (C&YP) along with growing demand for residential care (particularly for C&YP with complex needs) has sometimes resulted in us paying high and unsustainable fees. So, we are also aware that in "sellers-markets" we need to guard against paying fees that are not value for money.

To help with this the Welsh Government published a toolkit "*Lets agree to agree*" for commissioners and providers in 2018. We will use this or other similar tools to help us agree a fair cost of care with providers in region over the 5-year period covered by this MSR.

**3. Develop in-house services to lower market risk** - Over the next 5 years we will develop more "*in area*" children's services and services for working age adults with complex needs. Where it makes sense in terms of social value, we will develop these as in-house services and/or work in partnership with local "*not for profit*" organisations.

**4. Modernise our approaches to commissioning and contracting** - To give providers the certainty and confidence they need to invest to modernise service models and expand capacity we plan to:

- Co-produce our commissioning strategies. We will work in partnership with providers to shape the market.

- Build on learning during COVID. We will explore new ways of contracting based on outcomes where providers have greater choice, flexibility, and responsibility to deliver services to best meet the needs of citizens. For example, block or community contracts.
- Improve our planning evidence base. We will develop our modelling capability to underpin the development of preventative services and more integrated health and social care pathways.
- Use regional approaches where they will provide better value for money. We will build on our experiences of regional approaches to Adoption and Children's Advocacy Services.

**5. Re-establish and strengthen quality assurance processes** - During the COVID pandemic we adapted or disbanded quality assurance processes to comply with new pandemic regulations. We are now restarting and modernising our approaches:

- Cardiff is implementing interim arrangements for quality assurance until a new quality rating system based on the Dynamic Purchasing System goes live.
- The Vale of Glamorgan has appointed a new quality assurance officer and implemented a new framework for quality.

**6. Shape the market to close gaps in non-regulated services incl. prevention and early intervention services** - The recent population needs assessment process identified many gaps relate to non-regulated services where there is a link between the gaps and increased need for *regulated services*. For example, prevention or early intervention service gaps were identified. If these services were in place and effective, more people would be able to live their lives without needing support from the *regulated services* in the scope of this Market Stability Report.

**7. Maximising choice and control by deploying direct payments appropriately** - We plan to increase take-up of direct payments by:

- Reviewing the micro-enterprise model currently used in [Somerset County Council](#).
- Adapting quality assurance systems that help our citizens identify and access good quality support.
- Improving access to information and advice to help citizens make informed choices.



## 2. Introduction

The Social Services and Well-being (Wales) Act 2014 requires Local Authorities within each Regional Partnership Board (RPB) area to work with their local health board to develop a Regional Market Stability Report (MSR). The MSR is required to cover a 5-year period and to assess whether the care and support market can meet the care and support needs established through the [Population Needs Analysis \(PNA\)](#). This MSR covers the period of mid 2022 through to 2026.

This MSR is a high-level overview and assessment of the overall **sufficiency** of, and of the **stability** of the care and support market for regulated services. Its **scope** covers:

- Care homes (adult and children's) including secure accommodation services (for children) and residential family centre services,
- Adoption services,
- Fostering services.
- Adult placement ('Shared Lives') services.
- Advocacy services (adult and children).
- Domiciliary (Home Care) support services.

We commissioned Alder Advice<sup>1</sup> to support us to undertake the research, engagement and analysis needed to ensure the MSR was based on a robust evidence base about current and future care and support needs, and the range and level of services required by the local population.

The importance of building on the PNA and citizen engagement activities - undertaken to gain an in-depth understanding of people's experiences and views about the local social services market and about the quality of support available - was emphasised.



---

<sup>1</sup> Alder Advice is a group of independent social care, health and housing professionals who work together to provide advice and capacity to local areas striving to improve the lives of people living with disabilities.

### 3. Our approach

To ensure the MSR was based on a robust evidence base we undertook three core work streams with support from Alder Advice.

**Work stream 1 - “As Is” Market Analysis** – We assessed the diversity of, and sufficiency of resources in the market to meet the current support needs of the population **and** identified structural market risks that could affect market stability. We based this on the most up to date snapshot of market capacity, care and support costs, and quality<sup>2</sup>. The snapshot used local authority and health board data on services currently commissioned, data from Care Inspectorate Wales about registered services in the region and a review of strategic and commissioning plans.<sup>3</sup>

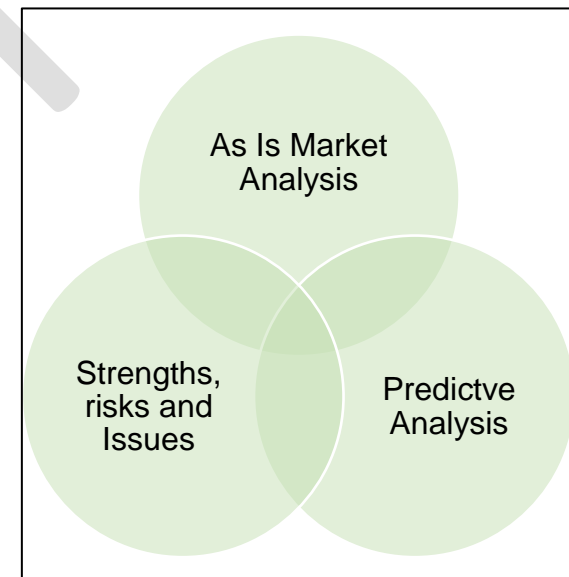
**Work stream 2 - “Predictive” Analysis of future costs and volumes to 2026** – We assessed likely support needs in the next five years to compare against current and likely future capacity. We based this on the Population Needs Analysis (PNA), future needs identified in service, strategic, and commissioning plans, historic activity trends recorded on Stats Wales, and on feedback from health and social care commissioners and from care and support providers. To ensure projections take account of local circumstances the projections were co-produced at workshops in April 2022 with small groups of local commissioning staff with expert knowledge of local circumstances.

**Work stream 3 – Market issues, risks, and strengths** - These were identified at interviews with commissioner and providers. The “As Is” market analysis, the predictive analysis, and the views of people with lived experience, citizens, and key partners given in research for the PNA were also considered. Issues, risks, and strengths were all considered through a market sufficiency and stability lens.

Our findings and analysis are presented in:

- Section 5 - Adult and Older People’s Services.
- Section 6 - Children’s Services.

Sections 5 and 6 are made up of a series of markets sufficiency and stability summaries - one for each of the regulated services in scope of the MSR. However, before we present these, we will describe - in Section 4 - the main contextual factors relevant to current and future market sufficiency and stability.



<sup>2</sup> Although evidence about quality was limited as many quality assurance arrangements were suspended during COVID, so quality was assessed based on comments by knowledgeable people in research meetings.

<sup>3</sup> Based on a snapshot of current providers and activity as at the middle of February 2022 (for Adults) and the beginning of March 2022 (for Children) and more children’s data from 4Cs at May 2022.

## 4. Context

### Demographic Context

The Population Needs Analysis (PNA) (2022) that accompanies this Market Stability Report (MSR) shows that the region's population in 2020 was estimated to be 504,497 (369,202 in Cardiff and 135,295 in Vale). The population:

- Has grown 22.5% since 1991 when it was 415,000. It is expected to grow a further 5.7% to around 533,000 by 2040.
- Age profile has gradually become older. 0–15-year-olds now make up only 18.4% of the population compared to 21.1% in 1991 and people aged over 65 now make up 16.2% compared to only 15.6% in 1991. It is expected to get older over time. By 2040 20% of the population is expected to be aged over 65 years compared to 15.6% in 1991 and 16.2% in 2020.
- Age profile varies between the Vale and Cardiff. In 2020 21.3% of the Vale's population was aged 65+ compared to 14.3% in Cardiff. This differential is expected to continue as by 2040 26.5% of the Vale's population will be aged 65+ compared to 17.5% in Cardiff. Perhaps more importantly people aged 85+ is expected to increase by around 600 p.a. from 2019 to 2040. If this happens as predicted the population aged over 85 will have doubled from 12,000 to 24,100 and will represent 4.2% of the population compared to 2.4% now.

Cardiff	Aged 0 to 15		Aged 16 to 64		Aged 65+		
	All Ages	No.	%	No.	%	No.	%
1991	296,941	61,978	20.9	189,133	63.7	45,830	15.4
2020	369,202	67,995	18.4	248,400	67.3	52,807	14.3
2040	386,861	64,352	16.6	254,674	65.8	67,836	17.5
Vale	All Ages	No.	%	No.	%	No.	%
1991	118,053	25,401	21.5	73,776	62.5	18,876	16.0
2020	135,295	24,917	18.4	81,540	60.3	28,838	21.3
2040	146,527	25,207	17.2	82,494	56.3	38,826	26.5
Region	All Ages	No.	%	No.	%	No.	%
1991	414,994	87,379	21.1	262,909	63.4	64,706	15.6
2020	504,497	92,912	18.4	329,940	65.4	81,645	16.2
2040	533,388	89,559	16.8	337,168	63.2	106,662	20.0

The PNA also details key demographic factors not apparent from the overall numbers that are relevant to likely future levels of support needs in the population. Some of the main factors are detailed below.

Factors increasing need for support for older people aged 65 and over	Factors increasing need for support for younger adults aged 18-64	Factors increasing need for support for children and young people (C&YP)
Number aged 65 - 84 years to increase by around 1,150 p.a. between 2019 and 2039 - from around 70,000 people to around 93,000.	Number of adults with learning disabilities in Cardiff will increase by 16 people p.a. from 2017 to 2025 and stay stable in the Vale.	C&YP emotional well-being is a growing issue. Notably, for C&YP with adverse childhood experiences and children looked after.
People aged 85+ to increase by around 600 p.a. from 2019 to 2039. Doubling from 12,000 to 24,100 (2.4% to 4.2% of population).	Population of people with learning disability is aging. More specialist dementia support incl. for younger adults will be needed.	The number of un-accompanied asylum-seeking children affected by trauma is increasing year on year.
Older adults living with severe dementia is predicted to double by 2040 in Wales. Cardiff and the Vale is expected to be the same.	People aged 18-64 with autism spectrum disorder are expected to increase by 24 p.a. (about 13%) between 2017-2035.	Children are presenting younger (aged 7-9) for mental health support with behaviours that are complex and supporting them well is challenging
People needing support with activities of daily living is anticipated to increase 38% from 22,845 (2020) to 31,424 (2040) ~450 more p.a.	Number of people living with common mental illness is expected to increase by 254 p.a. ~2% in the next 5 years.	Children with disabilities is stable. Cardiff to decrease from 3,027 (2020) to 2,907 (2040). Vale set for slight increase from 1,124 to 1,149.

## 4.2. COVID-19 and current economic conditions

The COVID-19 pandemic and the current tough economic conditions are also likely to affect future need for support in the region as follows:

Factors increasing need for support for older people aged 65 and over	Factors increasing need for support for younger adults aged 18-64	Factors increasing need for support for children and young people (C&YP)
<b>COVID-19</b> has impacted older people in many ways e.g. social isolation and long-COVID has increased health and other support needs.	<b>COVID-19</b> has impacted adults in many ways e.g. social isolation, stress on family carers, and long-COVID on health needs.	<b>COVID-19</b> has made sustaining placements more challenging. The long-term impact is unknown.
<b>Economic crisis in 2022:</b> The region has areas of significant deprivation. The older citizens in our poorest communities are more likely to experience health inequalities. The impact of inflation may further increase these health inequalities and increase the need for care and support services.	<b>Economic crisis in 2022:</b> The region has areas of significant deprivation. Adults living in our poorest communities are more likely to experience health inequalities. The impact of inflation may further increase existing health inequalities and increase the need for care and support services.	<b>Economic crisis in 2022:</b> The region has areas of significant deprivation. Inequality is a key issue. Children living in our poorest communities are more likely to enter care. The impact of inflation will increase pressure on deprived communities and may bring more families into poverty. <a href="#">Research by Liverpool University</a> has shown poverty increases Children's care needs.

Factors limiting the supply of support for older people aged 65 and over	Factors limiting the supply of support for younger adults aged 18-64	Factors limiting the supply of support for children and young people (C&YP)
<p><b>Domiciliary care providers have severe staff shortages.</b> The need for domiciliary services has increased post COVID, and any need that cannot be met due to staff shortages can mean support needs escalate. It also leads to delayed hospital discharges, inappropriate use of residential care, and increased burdens on unpaid carers.</p> <p><b>Care homes for older people have significant staff vacancies and are not able to recruit/retain the staff they need.</b> Market sufficiency is impacted due to reduced capacity to meet the increasing support needs of residents, including the needs for dementia care and end of life care. Market stability is affected due to the limited ability to maintain viable capacity.</p> <p><b>Some care homeowners also lack confidence in the future.</b> Many are reluctant to make capital investments to expand capacity or improve standards due to a perceived imbalance between risk and reward and because alternative investments can seem safer and more rewarding.</p>	<p><b>Services for adults aged 18-64 with complex support needs find it hard to recruit and retain skilled and experienced staff.</b> This affects market capacity and limits our ability to meet complex support needs “<i>in area</i>.”</p> <p><b>The skills shortage extends to personal assistants</b> to support people using direct payments to pay for tailored care and support.</p> <p><b>There is a shortage of adult placement carers who have the skills to support people with complex needs.</b> This means more people are placed in residential care than would be the case if an adult placement was available to them.</p>	<p><b>There is a limited supply of trained and experienced foster carers</b> locally, particularly foster carers skilled in supporting children with complex needs. The current Foster Wales project should help to increase numbers of foster carers.</p> <p><b>There is a limited supply of residential care workers.</b> This leads to the use of “<i>out of area</i>” placements to meet the needs of children and young people who need specialist care.</p> <p><b>The impact of the Government policy to take profit out of services to care for children looked after</b> on supply is not yet known. So commissioners will be monitoring this situation closely.</p>

## Financial Context

The increasing average complexity of support needs coupled with the growth in the population has led to increases in net expenditure on support for:

- Adults aged over 65 has increased 50% in the last 5 years
- Adults aged 18 to 64 has increased 14% in the last 5 years
- Children and young people has increased 41% in the last 5 years

### Social services - Net expenditure trends (£000)

Region (£000)	2016-17	2017-18	2018-19	2019-20	2020-21	% Change
Total support for people aged 65+	£72,250	£78,635	£83,865	£83,463	£108,095	50%
Total support for adults aged <65	£80,181	£83,220	£84,220	£86,428	£91,143	14%
<b>Region total adults' social services</b>	<b>£152,431</b>	<b>£161,855</b>	<b>£168,085</b>	<b>£169,892</b>	<b>£199,238</b>	<b>31%</b>
Early years, family support and other	£41,141	£40,932	£43,775	£50,934	£60,880	48%
Children looked after services	£50,189	£54,571	£61,245	£66,655	£67,886	35%
<b>Region total children's services</b>	<b>£91,331</b>	<b>£95,503</b>	<b>£105,021</b>	<b>£117,588</b>	<b>£128,767</b>	<b>41%</b>

## National Policy Context

Protecting, rebuilding, and developing services for vulnerable people is a priority for Welsh Government. In its [programme for government 2021](#) [4.4026](#) several policies will impact on market stability and sustainability in Cardiff and the Vale. For example:

- **Commissioners and providers will need to invest in workforce pay and workforce development** to deliver the real living wage, raise the profile for their care workforce, train more staff and recruit more Welsh speakers.
- **Commissioned services will need to be more integrated** to deliver better integration between health and social care services.
- **Innovative housing-based services will need to be commissioned** to deliver alternatives to traditional care services.
- **Early years provision, flying start programmes, advocacy services, and other services for parents whose children are at risk of coming into care will need to be expanded** to deliver the required focus on prevention and early intervention in children and young people's services and on specialist support for children with complex needs who may be on the edge of care.
- **Radical reform of current services for children looked after and care leavers will need to be considered** to deliver the policy to eliminate private profit from the care of children looked after and to develop regional residential services for children with complex needs so that their needs can be met as close to home as possible and in Wales wherever practicable.
- **[Charging policies](#) will be affected** to deliver a national care service that is *free at the point of need*. The following charges currently apply for adult social care:
  - **Non-residential care:** People pay up to a maximum of £100 a week toward their care and support
  - **Residential care:** If you have capital over £50,000 you may have to pay the full cost of your residential care.

### Competitions and Marketing Authority (CMA) Reports

Delivering the Welsh Government programme described above shines a light on the fees paid to care and support providers. This is an issue that has been highlighted across Wales by two recent market studies:

**The CMA (CMA) care homes market study [summary report](#) for Wales (2017)** highlighted two key issues:

First, people requiring care need more support to help them choose a suitable care home and greater protections when they are resident. Second, there is insufficient state-funding of care provision to ensure sufficient and sustainable capacity and to incentivise providers to invest and modernise to meet future needs. The report noted that:

- Fee rates paid by local authorities have been pushed down. The financial analysis showed fees were insufficient to cover the full costs of care homes. This means there is little incentive for homes to incur costs to modernise facilities or build new capacity and in time some will be forced to close. CMA estimate that UK-wide, local authority-fees were, on average, 5-10% below true full cost.
- Most care homes serve a mix of self-funded and state-funded residents (proportion of self-funder in Wales 24% compared with UK 41%). The sector has, to some extent, maintained provision by charging self-funded residents in homes higher fees. It estimated the average differential in Wales was 36% with few examples of investment in new care home capacity primarily for the LA-funded sector.

**The CMA published the Children’s social care market study Wales [summary report](#) (2022).** It highlighted two major concerns:

- Local authorities were too often unable to access appropriate placements to meet the needs of children in their care.
- Prices paid by local authorities were high and this, combined with growing numbers of children looked after, was placing significant strain on local authority budgets, and was limiting their scope to fund other important activities in children’s services and beyond.

**The CMA made the following recommendations to Welsh Government.** It should

- Require a more collective approach to engagement with the placements market by commissioners.
- Provide additional support to local authorities and collective bodies for forecasting, market shaping, and procurement.
- Support innovative projects by individual local authorities, or groups of local authorities, targeted at recruiting and retaining more in-house foster carers to reduce their reliance on independent foster care agencies.

**A key implication of the above is that we as commissioners of care and support need to pay a fair cost of care to providers.** Equally, where it is a seller’s market, we need to guard against excessive profit taking. To help with this the Welsh Government published [a toolkit](#) “*Let’s agree to agree*” for commissioners and providers in 2018. Learning from the use of this toolkit to assess the fair cost of care delivery will aid understanding of sustainable fee levels. This understanding will support providers and commissioners to agree a fair cost.

**A recent [University of Liverpool study](#) links a rise in child poverty to more than 10,000 extra children being taken into local authority care over five years.** The report found that growing rates of child poverty were found to be largely caused by cuts to welfare support. The researchers compared government data on the number of children in low-income families with rates of children entering care in England. The study, published in the Lancet Public Health, estimated that rising poverty and the pressures that are placed on families led to an additional 10,351 children being removed from their homes between 2015 and 2020. The study also estimates that 22,945 more children were put on child protection plans and nearly 52,000 more children were identified as in need.

**The implication of this research is that we expect children’s and families support needs to increase** due to the impact of current economic environment including high inflation levels.



**Rebalancing care and support - A consultation on improving social care arrangements and strengthening partnership working to better support people's well-being. [White Paper \(2021\)](#)**

This White Paper is important as it signals a shift toward a more diverse market in care and support based on quality and social value, and a more structured approach to commissioning based on a national framework, where services are organised regionally and delivered locally.

The White Paper highlights the complexity of the care and support market landscape in Wales that comprises over 1,000 providers, mostly from the independent sector. It describes three critical areas where focused action is needed to improve and rebalance care and support:

- Refocusing the fundamentals of the care market away from price towards quality and value where a more diverse provider base including not-for-profit providers can grow.
- Reorientation of commissioning practices towards social value commissioning focused on managing the market and outcomes.
- Evolution, integration, and simplification of joint planning and delivery to enable local systems to support alternative and more innovative models of care.

The White Paper proposes the development of a national framework for commissioning care and support for children and adults. The aims are to rebalance the market and improve quality where services are organised regionally and delivered locally. Local authorities and local health boards will remain the principal commissioning bodies for social care services. Regional Partnership Boards (RPBs) will be provided with a sharper set of tools to deploy to deliver their core aims of jointly assessing and planning how to best meet population needs. Specifically, the White Paper proposes that RPBs should be established as corporate legal entities with re-shaped functions and able to employ staff and hold budgets. They would be expected to undertake significant joint commissioning activities and be more directive in market shaping.

Within these new arrangements, small providers will be encouraged to work together to respond to local commissioners. This could be achieved by the development of a collective approach to enabling shared activities, such as marketing, procurement, and an agreed set of fee setting methodologies that all commissioners work with in future.

## Regional Strategy - Adults and Older People

In the face of increasing costs, increasing support needs and new legislative requirements Cardiff and the Vale of Glamorgan Councils and Cardiff and Vale University Health Board introduced strategy to improve individual outcomes and to limit the rate of increase in net expenditure.

**For older people**, the strategy is to ensure older people have:

- Enough support at the right time to be enabled to look after themselves, stay healthy, and remain independent for as long as is possible.
- Advice, information, or support to make meaningful choices about the type of help available when they need to access support.
- Control over any support they receive.
- Opportunities to participate fully as active members of their community.

The aim is to continue to shift resources from general residential care services to community services. Much of the demand previously met by residential care will be met from home care, but not all of it. Some will be met by other community-based alternatives provided by Regional Partnership Board partners, through the “@home” locality-based integrated care model. Specifically we will:

- Assist the care sector to move away from general residential care towards home-based care and promoting the development of additional high quality residential and dementia nursing care by Dec 2022
- Review best practice in dementia residential and nursing homes to inform future commissioning by June 2022

**For adults aged 18-64 who need support to live their lives** the strategy is to enable people to have a good quality life in line with their aspirations. This means living locally where they “feel good and well,” where they are valued and are included in their communities. It also means ensuring all individuals have equal access to appropriate support that ensures they have independence, choice, and control over their lives including opportunities to work. To achieve this the region has established four principles:

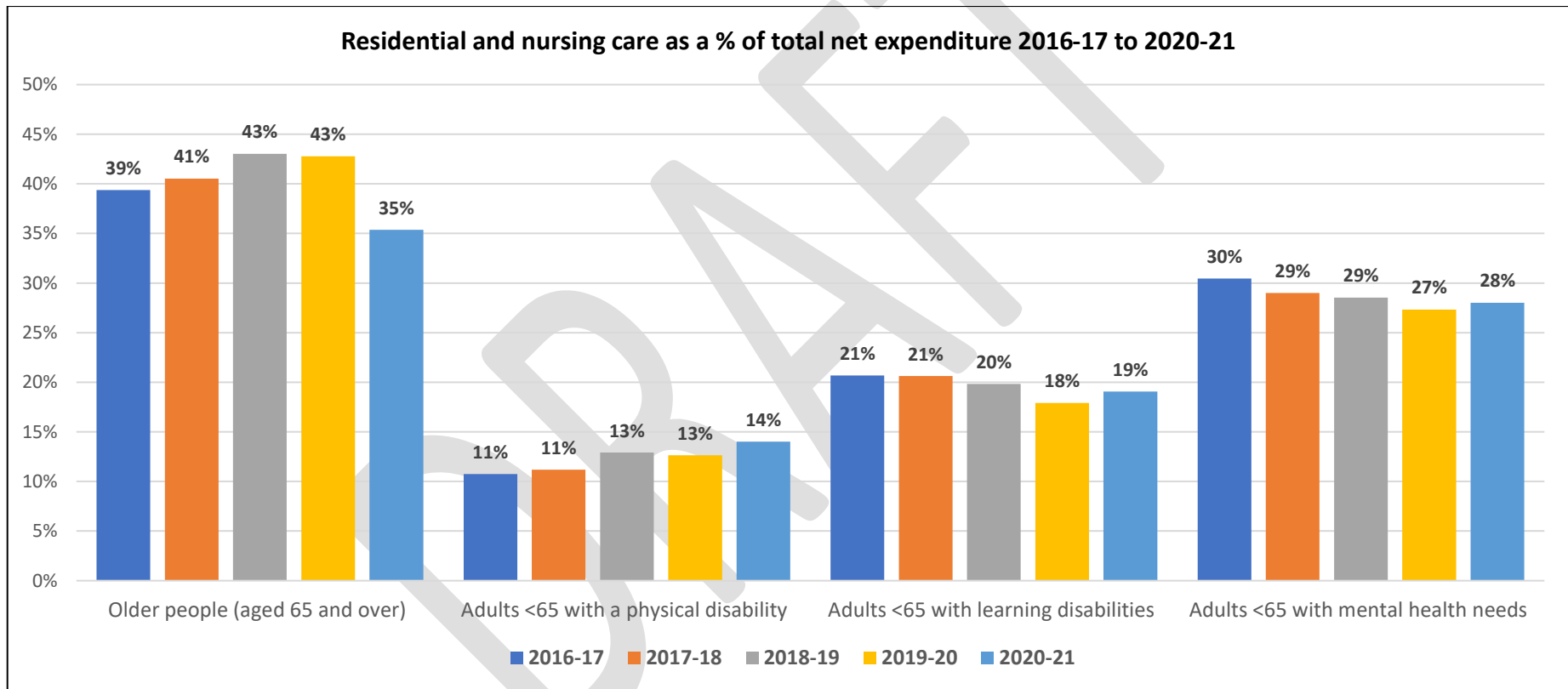
- What matters to me – This means listening to and working with people in need of care and support.
- Home first – This means enabling people to live at home or as close to home as possible with support to be independent.
- Avoiding harm, waste, and variation – This means ensuring high quality care across all services.
- Use prevention and early intervention – This means developing support to achieve good outcomes and value for money solutions.

These principles are fully consistent with the National outcomes framework for people who need care and support and for unpaid carers who need support, 2020-2021.

### Recent Progress (Services for Adults and Older People)

Progress, in recent years, to support more people at home and to shift resources from residential options to community-based options has been slow. This is demonstrated by the graph below with data from 2016-17 to 2020-21. It shows:

- Steady, but slow progress for older people, adults with learning disabilities, and adults living with mental illness.
- The proportion of expenditure on residential and nursing care has increased for adults with physical disabilities.



To accelerate progress over the next 5 years market development and shaping activity needs to be in partnership with the local care and support market. This market stability report outlines the challenges we face and outlines our plans to address them.

## Regional Strategy - Children and Young People

For **Children, Young People and their Families / Carers**, the strategy is to ensure prevention and early intervention approaches improve short and long-term outcomes for children and the families and less children need to be “*Looked After*” (CLA). This will be achieved by proactively intervening to prevent needs escalating, responding quickly when children and their families are in crisis and stepping services down to lower-level intervention promptly and safely where possible. To do this, we will:

- Work to increase the number of children and young people supported to live safely with their families.
- Safely reduce the rising number of children and young people “*looked after*” where possible.
- Manage risk confidently and provide support at the “*edge of care*.”
- Increase the numbers of kinship carers.
- Increase in-house foster carers.
- Increase the range of local services to enable children and young people to remain in their communities, maintain networks and minimise disruption to their lives including increasing the range of local residential services.
- Ensure residential care placements will be made **only** where the complexity and challenge of a child or young person’s needs mean they are unable to live within a family setting, or where a young person is subject to a court ordered secure placement. Efforts will always be focused on stepping down from residential care wherever possible.
- Ensure we work with partners to deliver a true “*team around the child*” with a particular focus over the next five years to improve the mental health and emotional wellbeing of children and young people through a “*no wrong door*” approach.
- Provide positive transition to adulthood by supporting CLA up to age 25 years.

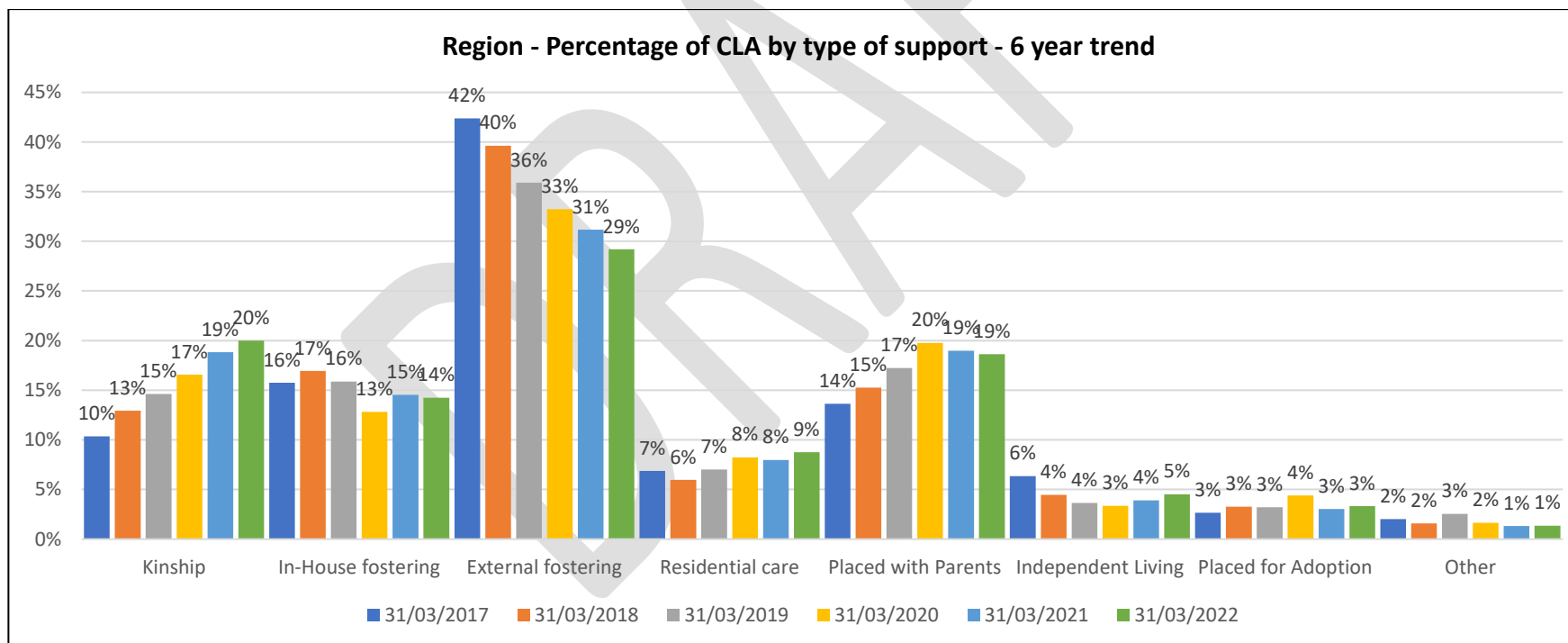
### Recent Progress (Services for Children and Young People)

The number of CLA in the region has increased by 40% in 6 years from 946 (31/03/17) to 1,326 (31/03/22). Progress in how these children are supported has, in the main, been good. For example:

- 34% of CLA are now supported by kinship care and in-house fostering up from 26% in 2017.
- 29% of CLA are now supported by independent foster agencies down from 42% in 2017.
- 19% of CLA are now placed with parents compared with 14% in 2017.

The only area of concern is residential care which has increased 78% in volume terms and now accounts for 9% of CLA compared to just 7% in 2017. This highlights a shortage of alternatives to residential care when children have complex needs.

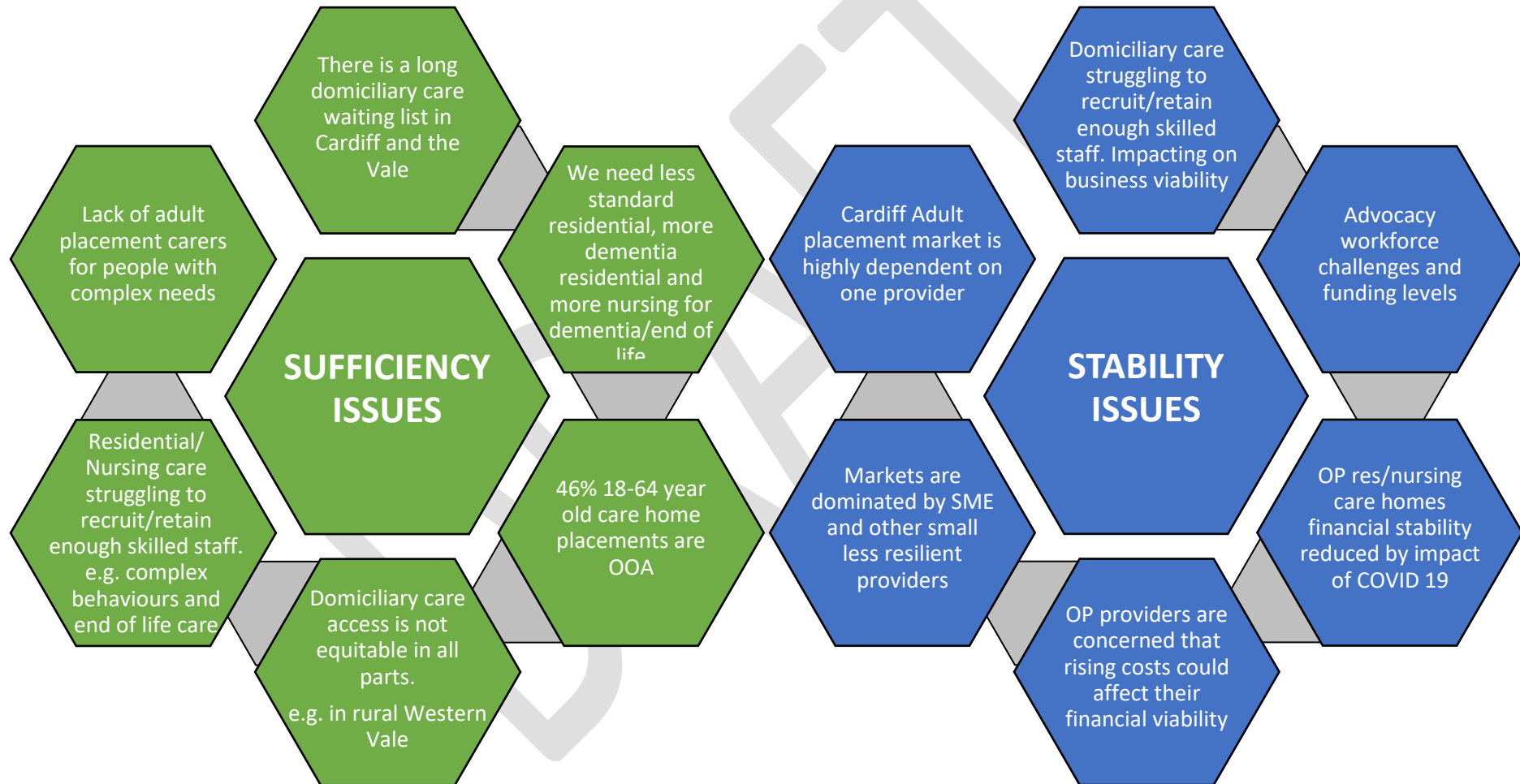
Region - CLA by Service	31/03/2017	31/03/2018	31/03/2019	31/03/2020	31/03/2021	31/03/2022	% Change
Kinship	98	139	173	203	241	265	170%
In-House fostering	149	182	188	157	186	189	27%
External fostering	401	426	425	407	399	387	-3%
Residential care	65	64	83	101	102	116	78%
Placed with Parents	129	164	204	242	243	247	91%
Independent Living	60	48	43	41	50	60	0%
Placed for Adoption	25	35	38	54	39	44	76%
Other	19	17	30	20	17	18	-5%
<b>Region - Total CLA</b>	<b>946</b>	<b>1,075</b>	<b>1,184</b>	<b>1,225</b>	<b>1,277</b>	<b>1,326</b>	<b>40%</b>



## 5. Adult Services: Summary of Market Sufficiency Issues and Stability Risks

### Introduction

The main adult services market sufficiency issues and market stability risks are summarised below: See sections 5.1 to 5.5 for more detail.



## Market summary - Older people's (aged 65+) residential and nursing care homes

What we have now					What we need																														
<p><b>The Older Persons care home market is large and diverse.</b> We commission from 94 different care home providers. 73 of these are located in the region.</p>					<p>We expect a slow decline from 906 to 880 per year in <b>residential placements</b> to 2025-26. Where retained the mix of residential models will need to change. More specialist dementia care beds will be needed. Less generic care beds will be needed.</p>																														
<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #008000; color: white;"> <th style="padding: 5px;">Area/Type</th> <th style="padding: 5px;">Providers</th> <th style="padding: 5px;">Homes</th> <th style="padding: 5px;">Homes &gt;20 beds</th> <th style="padding: 5px;">Total beds</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">RC – Cardiff</td> <td style="padding: 5px;">28</td> <td style="padding: 5px;">54</td> <td style="padding: 5px;">13</td> <td style="padding: 5px;">546</td> </tr> <tr> <td style="padding: 5px;">NC – Cardiff</td> <td style="padding: 5px;">20</td> <td style="padding: 5px;">22</td> <td style="padding: 5px;">20</td> <td style="padding: 5px;">1,333</td> </tr> <tr> <td style="padding: 5px;">RC – Vale</td> <td style="padding: 5px;">17</td> <td style="padding: 5px;">31</td> <td style="padding: 5px;">9</td> <td style="padding: 5px;">299</td> </tr> <tr> <td style="padding: 5px;">NC – Vale</td> <td style="padding: 5px;">8</td> <td style="padding: 5px;">9</td> <td style="padding: 5px;">8</td> <td style="padding: 5px;">459</td> </tr> <tr style="font-weight: bold;"> <td style="padding: 5px;">Region Total</td> <td style="padding: 5px;">73</td> <td style="padding: 5px;">106</td> <td style="padding: 5px;">50</td> <td style="padding: 5px;">2,637</td> </tr> </tbody> </table>					Area/Type	Providers	Homes	Homes >20 beds	Total beds	RC – Cardiff	28	54	13	546	NC – Cardiff	20	22	20	1,333	RC – Vale	17	31	9	299	NC – Vale	8	9	8	459	Region Total	73	106	50	2,637	<p>We expect the number of <b>nursing placements</b> needed will increase 27% from 910 to 1,154 by 2025-26. This includes a post COVID bounce back surge in need in 2022 and 2023 followed by a steady increase in line with 2018 modelling of Older People's Housing Needs (see below).</p>
Area/Type	Providers	Homes	Homes >20 beds	Total beds																															
RC – Cardiff	28	54	13	546																															
NC – Cardiff	20	22	20	1,333																															
RC – Vale	17	31	9	299																															
NC – Vale	8	9	8	459																															
Region Total	73	106	50	2,637																															
<p><b>Between them the three funding authorities:</b></p> <ul style="list-style-type: none"> <li>Spend approximately £1.2m pw on Over 65's placements (based on Feb 2022 data snapshot) on 1,200 people.</li> <li>Make about 90% of these placements "in region."</li> <li>Incur 27% of expenditure with 5 different providers and 46% with just 10 different provider companies. <b>The market is more concentrated than it first appears.</b></li> </ul>					<p><b>Why we expect this:</b></p> <p><b>The age profile of the population is getting older.</b> The population aged 75+ is projected to increase by 54% in both Cardiff and in the Vale between 2020 and 2035. All other things being equal we would expect demand for residential/nursing care to increase over time.</p>																														
<p><b>Note:</b> The above data was accurate when the snapshot was taken. Since then fee uplifts for 2022/23 have been awarded based on the inflation strategies of the two local authorities.</p>					<p><b>The strategic intention of both Cardiff and the Vale is to support people to stay in their own homes for as long as possible.</b> Care homes will increasingly be used meet more complex needs and at end of life. The strategic intention is to minimise their usage.</p>																														
<p><b>The local market is largely run by 'SME' businesses,</b> although some large 'National' (England/Wales) providers do operate. In some cases these focus on supporting 'self-funders.' There are also a small number of charitable providers operating. <b>SME businesses are less resilient (financially and operationally) than large businesses and the risk of disorderly exits is greater. If one of the top 5 providers failed, this would be hard to manage.</b></p>					<p><b>Trends 2016-17 to 2018-19 show that both Cardiff and the Vale have reduced their use of residential care by 3.4%</b> while nursing care usage increased 9.6% as expected.</p> <p>Modelling for the 2018 Assessment of Older People's Housing and Accommodation Needs projected that by 2035 the need would:</p> <ul style="list-style-type: none"> <li><b>Increase for nursing care</b> by 981 nursing places. This equates to 58 extra places each year.</li> <li><b>Be the same for residential care</b> (1,175 places) to 2035 so the relative use of residential care is expected to reduce.</li> </ul>																														

Issues and risks	Conclusion/Actions
<p><b>Care home occupancy is now much improved compared to the IPC Providers Survey in Aug 2021. In the Vale, for example void levels are circa 13%</b> Previously COVID affected occupancy levels. In the IPC providers survey (Aug 2021) most providers reported reduced activity levels and 7/11 Vale, and 5/12 Cardiff care homes had occupancy levels below what they considered to be sustainable.</p> <p><b>3 small care home businesses in the Vale ceased trading in the last year.</b> This has had a small impact on available capacity.</p> <p><b>Care homes have significant staff vacancies.</b> In the IPC providers survey (Aug 2021) Cardiff homes had 2% staff vacancies and Vale homes had 6% staff vacancies. <b>Care homes still report not being able to recruit/retain the staff they need.</b> This affects market stability by limiting their ability to offer the capacity needed to be viable and to meet the increasing support needs of residents.</p> <p><b>Care home providers lack confidence.</b> In the IPC providers survey (Aug 2021) 60% of Vale and 67% of Cardiff Care homes expected costs to increase in the next year. Only 33% expected local authority or self-funder activity to increase. <b>This threatens market stability.</b> To mitigate this risk above inflation fee increases in the Vale and in Cardiff for 2022-23 have been agreed. This has eased this risk, but we will keep fees under review.</p> <p><b>Domiciliary care services have even higher workforce shortages.</b> In the IPC providers survey Aug 2021: Of those who responded, Cardiff providers reported 11% staff vacancies and Vale providers reported 10%.</p> <p>This results in waiting lists for domiciliary care. The full impact of these is covered in the domiciliary care section, but one effect is that care homes are used when they would not be first choice to meet some people's needs.</p> <p>This is a barrier to the aim to support more older people in the community and less in residential care, and it limits the scope to remodel care homes to use more flexibly to boost community support capacity while preserving enough bed capacity for when it is needed.</p>	<p><b>The stability of the older people's care home market is affected by trust in the sector due to COVID by citizens upon finances, concerns about rising costs and staff/skill shortages.</b> Attracting private investment to remodel excess generic residential care capacity and to build up nursing and dementia care capacity is challenging. This is a barrier making it harder for us address capacity shortages where the market lacks sufficiency.</p> <p>The recent recovery of occupancy levels coupled with recently agreed increases in care home fees has mitigated these risks to some extent, but we need to remain vigilant about them.</p> <p><b>Actions – We will continue to:</b></p> <ul style="list-style-type: none"> <li>• Improve our modelling capability so we can better understand how many care home beds we will need in the future.</li> <li>• Implement change across health and care services to increase prevention and reablement in line with “@Home” programme to slow the rate of demand for residential and nursing care.</li> <li>• Implement new more collaborative approaches to commissioning. This include reviewing best practice in dementia residential and nursing homes in summer 2022 to inform future approaches to commissioning.</li> <li>• Monitor care home fee levels and ensure the rates we pay are fair and sustainable, so our providers have confidence to invest in developing their service models.</li> <li>• Assist the care sector to move away from general residential care homes towards home-based care and promoting the development of additional high quality residential and dementia nursing care by December 2022.</li> </ul>



## Market summary - Domiciliary care for adults aged 18 and over

What we have now	What we need
<p><b>50</b> Currently there is a large and diverse domiciliary care market. There are 81 registered domiciliary care providers within Cardiff and the Vale 63 are located in the Cardiff, and 18 in the Vale</p> <p><b>Between them the three funding authorities</b> spend around £0.934m pw on domiciliary care. This buys approximately 52,600 hours pw from 87 providers giving an average blended hourly rate of £17.75 (based on data provided before 22/23 inflation uplifts were agreed). 43,834 of these hours are delivered by 68 providers based within Cardiff and the Vale. 13 Cardiff / Vale based providers currently do not provide any commissioned care for the three funding authorities.</p> <p><b>The local market is largely run by SME limited companies but has a larger number of charitable providers than the bed-based market.</b> SME and small charitable providers are less resilient than large providers <b>so the risk on a disorderly exit from the market needs to be planned for.</b></p> <p><b>The market is more concentrated than it first appears.</b> Around 20% of expenditure is with just 5 different provider companies and around 35% is with 10 provider companies. The failure of one of these large providers could be difficult to manage. However, <b>this is less concentrated than in the bed-based market.</b> This lowers the risk that the market would be destabilised if one large provider failed or withdrew, but it is still important that we have contingency plans in place in case this occurs.</p> <p><b>Domiciliary care access is not equitable in all parts of the region.</b> This is a particular issue in rural western Vale as some agencies only operate in urban centres like Barry and Penarth.</p> <p><b>A lack of domiciliary providers specialising in dementia care</b> (there is only one in the Vale) means some people who could be supported at home move into a to a care home prematurely.</p>	<p>We need more domiciliary care packages, the average care package will be bigger and domiciliary care staff will need to be more skilled. We expect a post COVID surge in demand in 2022/23. We are increasing the number of new packages by 5% (200 packages) starting from 2021/22 through to 2025/26. In hours this means we need to commission about 3,500 hours (+7%) more each week to meet expected demand in 2025/26.</p> <p><b>Why we expect this:</b></p> <p><b>The age profile of the population is getting older.</b> The population aged 75+ is projected to increase by 54% in both Cardiff and the Vale between 2020 and 2035. All other things being equal we would expect demand for domiciliary care to increase over time. In addition, <b>the strategic aim of both Cardiff and the Vale is to support people to stay in their own homes for as long as possible.</b></p> <p><b>This could lead to demand for domiciliary care rising faster than demography would suggest.</b> To counter this the strategic approach at Cardiff and the Vale is to (1) delay the age that age related support is needed via public health measures, and (2) use <i>reablement</i> when people first need support to minimise ongoing support needs.</p> <p><b>For younger adults with physical disability, learning disabilities, autism or other longer term needs the aim is similar.</b> We want to support more people to live independently in local communities, reduce the need for formal care where possible, and to minimise the use of bed-based care models.</p>

Issues and risks	Conclusion/Actions																														
<p><b>Domiciliary care (DC) providers were hit hard during COVID.</b> In the IPC providers survey (Aug 2021) around 50% of providers saw fewer hours purchased by local authorities, self-funders, and the health board. Hours for older people’s care reduced far more than for adults aged 18-64,</p> <p><b>All reported they had incurred increased costs</b> (staff, insurances, PPE etc). 35% in Cardiff and 73% in Vale had to furlough staff. 35% in Cardiff and 9% in the Vale took loans to survive.</p> <p><b>DC providers are confident that demand will bounce back.</b> In the IPC providers survey (Aug 2021) around 65% in both Cardiff and the Vale anticipate Local Authority funded activity to increase in 2022-23. 43% in Cardiff and 70% in the Vale expect self-funder activity to increase. 42% in Cardiff and 30% in the Vale expect health funded activity to increase. 73% of Vale and 50% of Cardiff providers anticipate recruiting more staff and 81% of Vale and 63% of Cardiff providers plan to increase staff training. <b>This is only possible if fee rates also increase to fund pay rises, training costs etc.</b></p> <p><b>DC providers have severe staff shortages.</b> The IPC providers survey (Aug 2021) showed 11% vacancies in Cardiff and 10% in the Vale. Most providers said they are not able to recruit the staff needed. There is a waiting list for DC (120 in Cardiff, 67 in the Vale). This is limiting the ability of providers to meet increases in demand. Without the right domiciliary support at the right time people’s needs can increase, family carers may be overburdened, hospital discharges can be delayed, and residential care may be used as a safer option than sending someone home without enough care. If DC providers cannot get the skilled staff they need, this will:</p> <ul style="list-style-type: none"> <li>• Undermine plans to support more older people in the community and support less in residential care.</li> <li>• Limit the chance for care homes to develop new services.</li> <li>• Limit plans to support more young adults “<i>in Area</i>” as suitably skilled community providers are lacking.</li> </ul>	<p><b>Domiciliary care capacity is insufficient now. With demand increasing this gap in market capacity will get worse in the next few years.</b> This gap can lead to poorer outcomes for people on waiting lists whose needs are not being met and can increase care costs in the short and long-term, particularly if higher cost hospital or residential beds are used to bridge any gaps in service.</p> <p><b>Domiciliary care market also faces stability challenges due to workforce shortages and concerns by providers that cost inflation might not be fully met by increased fee rates.</b> Provider responses to the IPC survey (Aug 2021) identified four common answers about what would help them the most in the future: Increased fees, more local authority funded activity, recruitment, and retention support, and increased self-funder activity. In Cardiff there was also a particular emphasis on new commissioning approaches.</p> <table border="1" data-bbox="1135 735 2031 1082"> <thead> <tr> <th>What would help most?</th> <th>Vale</th> <th>Cardiff</th> <th>Vale %</th> <th>Cardiff %</th> </tr> </thead> <tbody> <tr> <td>Higher fee levels</td> <td>12/21</td> <td>16/29</td> <td>57.14%</td> <td>55.17%</td> </tr> <tr> <td>More LA funded placements/ hours</td> <td>10/21</td> <td>16/29</td> <td>47.62%</td> <td>55.17%</td> </tr> <tr> <td>Recruitment and retention support</td> <td>8/21</td> <td>7/29</td> <td>38.10%</td> <td>24.14%</td> </tr> <tr> <td>More self-funder placements/ hours</td> <td>7/21</td> <td>11/29</td> <td>33.33%</td> <td>37.93%</td> </tr> <tr> <td>New approaches to Commissioning</td> <td>2/21</td> <td>9/29</td> <td>9.52%</td> <td>31.03%</td> </tr> </tbody> </table> <p><b>Actions – We will continue to:</b></p> <ul style="list-style-type: none"> <li>• Improve our modelling capability to better understand likely future domiciliary needs in the future.</li> <li>• Increase prevention and reablement in line with “@Home” programme.</li> <li>• Implement new more collaborative approaches to commissioning including agreeing fair fee levels.</li> </ul>	What would help most?	Vale	Cardiff	Vale %	Cardiff %	Higher fee levels	12/21	16/29	57.14%	55.17%	More LA funded placements/ hours	10/21	16/29	47.62%	55.17%	Recruitment and retention support	8/21	7/29	38.10%	24.14%	More self-funder placements/ hours	7/21	11/29	33.33%	37.93%	New approaches to Commissioning	2/21	9/29	9.52%	31.03%
What would help most?	Vale	Cardiff	Vale %	Cardiff %																											
Higher fee levels	12/21	16/29	57.14%	55.17%																											
More LA funded placements/ hours	10/21	16/29	47.62%	55.17%																											
Recruitment and retention support	8/21	7/29	38.10%	24.14%																											
More self-funder placements/ hours	7/21	11/29	33.33%	37.93%																											
New approaches to Commissioning	2/21	9/29	9.52%	31.03%																											

## Market summary - Adults (aged 18-64) residential and nursing care homes

What we have now					What we need																														
<p><b>The Younger Persons care home market is relatively diverse.</b> It is mainly made up of “SME” businesses, although some large ‘National’ providers do operate. There are a small number of Charitable providers operating. <b>A high number of “out of area” placements highlights a lack of “in area” capacity</b> and has cost implications as there is a “price premium” compared to local provision. Cardiff and the Vale commission from 94 different care home providers. 73 of these are located in the region.</p>					<p>We expect a:</p> <ul style="list-style-type: none"> <li>• <b>5% increase in new residential placements capacity</b> will be needed from 2021/22 (304 placements) to 2025/26 (318)</li> <li>• <b>20% increase in need for nursing care placements</b> from 2021/22 (41 placements) to 2025/26 (49)</li> </ul>																														
<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #00b050; color: white;"> <th style="padding: 5px;">Area/Type</th> <th style="padding: 5px;">Providers</th> <th style="padding: 5px;">Homes</th> <th style="padding: 5px;">Homes &lt;20 beds</th> <th style="padding: 5px;">Total beds</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">RC - Cardiff</td> <td style="padding: 5px;">28</td> <td style="padding: 5px;">54</td> <td style="padding: 5px;">42</td> <td style="padding: 5px;">254</td> </tr> <tr> <td style="padding: 5px;">NC - Cardiff</td> <td style="padding: 5px;">20</td> <td style="padding: 5px;">22</td> <td style="padding: 5px;">2</td> <td style="padding: 5px;">29</td> </tr> <tr> <td style="padding: 5px;">RC - Vale</td> <td style="padding: 5px;">17</td> <td style="padding: 5px;">31</td> <td style="padding: 5px;">22</td> <td style="padding: 5px;">117</td> </tr> <tr> <td style="padding: 5px;">NC - Vale</td> <td style="padding: 5px;">8</td> <td style="padding: 5px;">9</td> <td style="padding: 5px;">1</td> <td style="padding: 5px;">8</td> </tr> <tr style="font-weight: bold;"> <td style="padding: 5px;">Region Total</td> <td style="padding: 5px;">73</td> <td style="padding: 5px;">106</td> <td style="padding: 5px;">67</td> <td style="padding: 5px;">408</td> </tr> </tbody> </table>					Area/Type	Providers	Homes	Homes <20 beds	Total beds	RC - Cardiff	28	54	42	254	NC - Cardiff	20	22	2	29	RC - Vale	17	31	22	117	NC - Vale	8	9	1	8	Region Total	73	106	67	408	<p><b>Why we expect this:</b></p> <p>More people will choose nursing level care at home. This limits new demand for bed-based nursing care. However, a small post COVID bounce back up to 2019 levels is expected in 2022-23. This will be followed by <b>a gradual increase in nursing care need</b> due to demography in Cardiff while stable demand is expected in the Vale.</p> <p>The strategic aim is to bring people back from “out of area” to be supported in housing schemes, but <b>residential care capacity is still needed especially to support people with early onset dementia.</b></p>
Area/Type	Providers	Homes	Homes <20 beds	Total beds																															
RC - Cardiff	28	54	42	254																															
NC - Cardiff	20	22	2	29																															
RC - Vale	17	31	22	117																															
NC - Vale	8	9	1	8																															
Region Total	73	106	67	408																															
<p>This capacity includes <b>43 beds in Specialist Residential Services</b> - small, nurse led units registered as hospitals for people whose needs cannot be supported adequately in social care.</p> <p><b>The three funding authorities</b> spend around £0.811m per week on Under 65’s placements (based on snapshot data) to support over 400 people. <b>46% of these placements are outside the region.</b> The biggest provider has no homes in the region. It is a ‘specialist’ provider. <b>This highlights the lack of local market sufficiency for adults aged 18-65 with complex needs</b></p> <p><b>The market is more concentrated than it first appears.</b> 26% of expenditure is with just 5 providers and 58% is with 10 providers. There is a <b>clear risk that the failure of one or two major providers could destabilise this market.</b></p>					<p><b>Population projections predict a rise in people with learning disabilities known to services of 16 pa in Cardiff while the Vale population is predicted to be static.</b> An increase in people aged &gt;65 is predicted in both areas equalling around 5 more each year. These people are expected to require greater support as they get older incl. social care and specialist health services e.g. dementia</p> <p><b>The vision is to enable adults with learning or other disabilities to have a good quality of life.</b> This means living locally where they feel good and well, are valued, and included in their communities. The aim is for more community support and less bed-based care.</p> <p><b>Recent activity trends</b> show some progress between 2016-17 and 2018-19: <b>Nursing care</b> reduced by 9.4% in Cardiff (32 to 29) and by 13.3% in The Vale (15 to 13), while <b>Residential care</b> usage was static (194) in Cardiff and rose by 10% in the Vale (90 to 99)</p>																														

Issues and risks	Conclusion/Actions
<p><b>The lack of adult placement capacity</b> and in particular the lack of capacity to support adults with complex support needs leads to an excess of demand for care home placements compared to supply.</p> <p><b>New SME local providers need more support.</b> For example, one SME reported a lack of support from commissioners and delays in commissioner communications created huge barriers to their attempts to enter the market. This risked the new venture failing before it got started.</p> <p><b>The lack of capacity in the region to accommodate and care for younger adults with complex needs has led to 46% of placements made being “out of area” (OOA).</b> More specialist learning disability, autism, and mental health services are needed.</p> <p><b>The lack of “in area” capacity creates a seller’s market so placing OOA is more expensive</b> and can have a negative impact on outcomes as it:</p> <ul style="list-style-type: none"> <li>• Physically separates people from family, friends, and home communities and weakens their natural circles of support.</li> <li>• Is more difficult (and more costly) to monitor the quality of care and support from a distance.</li> <li>• Costs more on average for an OOA placement e.g. the average OOA placement costs £2,089 pw compared to £1,683 “in” Cardiff and £2,049 “in” the Vale.</li> </ul>	<p><b>There is not enough market capacity in the region to meet the residential and nursing care needs of adults aged 18-64.</b> The most notable gaps are:</p> <ul style="list-style-type: none"> <li>• <b>“In area” specialist Learning Disability/ASD services for adults aged 18-64.</b> This leads to OOA placements and while developing “in area” capacity for some specialist services is hard to justify on the grounds that there is not enough demand within the region there are groups of people with similar support needs who (if compatible) could be brought back and supported by small specialist “in area” services.</li> <li>• <b>Specialist domiciliary and residential care services for people aged over 65 whose primary support need is Learning Disabilities.</b></li> <li>• <b>Specialist residential care home capacity to support younger people living with early onset dementia.</b></li> </ul> <p><b>Actions – We will continue to:</b></p> <ul style="list-style-type: none"> <li>• Improve our modelling capability so we can better understand how much care home capacity we need in the future.</li> <li>• Implement new more collaborative approaches to commissioning including agreeing fair fee levels so providers are confident to invest to develop their service models.</li> <li>• Explore regional or other partnership models to develop the market for specialist resources where there is a business case that supports this.</li> </ul>

## Market summary - Adult placements/shared lives

What we have now	What we need																
<p><b>Adult Placements</b> are sometime known as <b>Shared Lives</b>. They enable adults who need support to live in a family environment provided by approved hosts.</p> <p><b>In Cardiff, this service is provided by 10 largely charitable or local authority organisations the:</b></p> <ul style="list-style-type: none"> <li>Weekly cost of supporting the 37 long-term placements is £12,420 (Average £336 pw.)</li> <li>Largest provider supports 25 of the 37 placements. This is not a monopoly, but that provider has significant “<i>sellers’ power</i>.”</li> </ul> <p><b>In the Vale, Adult Placements, is an in-house service:</b></p> <ul style="list-style-type: none"> <li>It currently supports 33 long-term placements as well as respite/short-term placements for other people where this is beneficial.</li> <li>The weekly cost of supporting the 33 long-term placements is £13,280 (Average £402 pw.)</li> </ul> <p>In addition to the in-house Adult Placement service in the Vale, both Cardiff and the Vale Councils provide a complex needs day service through adult placements.</p> <p><b>Overall, the region supports seventy people in long term adult placements. This is roughly back to 2018-19 pre pandemic levels.</b> The cost of supporting these people is £25,700 per week (Average cost £367 pw).</p>	<p>We expect a bounce back to 2019 trajectory by 2022-23 followed by a gradual increase in new placements from 71 in 2022-23 to 94 (32% more) by 2025-26.</p> <p><b>Why we expect this:</b></p> <p>Although COVID took a toll on these placements. Cardiff and the Vale are both committed to using Adult Placements more in future.</p> <p><b>Adult Placements/Shared Lives are mainly used to support adults with learning disabilities</b> although it is suitable for many disabled adults and for people living with/recovering from mental illness. At present they mainly (88%) support adults aged under 65.</p> <p><b>The Adult Placements/Shared Lives model fits well with the joint regional health/social care vision</b> by enabling people to live the lives they want to. This means living locally where they “feel good and well,” are valued and included in their communities. Despite this good <i>fit</i>, recent years has seen only a modest 4% increase in activity between 2016-17 to 2018-19.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #008000; color: white;">Adult Placements - Region</th> <th style="background-color: #008000; color: white;">2016/17</th> <th style="background-color: #008000; color: white;">2018/19</th> <th style="background-color: #008000; color: white;">%Change</th> </tr> </thead> <tbody> <tr> <td>Total Aged 18-64</td> <td style="text-align: center;">58</td> <td style="text-align: center;">62</td> <td style="text-align: center;">+8%</td> </tr> <tr> <td>Total Aged 65+</td> <td style="text-align: center;">10</td> <td style="text-align: center;">9</td> <td style="text-align: center;">-10%</td> </tr> <tr> <td><b>Total Adult Placements</b></td> <td style="text-align: center;"><b>68</b></td> <td style="text-align: center;"><b>71</b></td> <td style="text-align: center;"><b>+4%</b></td> </tr> </tbody> </table> <p><b>The population of adults with learning disabilities is predicted to rise</b> between 2017 to 2025 by 125 (+16 per year) in Cardiff while in the Vale numbers are expected to remain the same. Both LAs will see an increase in people with Learning Disability aged 65+. Some of these older people with Learning Disability might benefit from the adult placement approach.</p>	Adult Placements - Region	2016/17	2018/19	%Change	Total Aged 18-64	58	62	+8%	Total Aged 65+	10	9	-10%	<b>Total Adult Placements</b>	<b>68</b>	<b>71</b>	<b>+4%</b>
Adult Placements - Region	2016/17	2018/19	%Change														
Total Aged 18-64	58	62	+8%														
Total Aged 65+	10	9	-10%														
<b>Total Adult Placements</b>	<b>68</b>	<b>71</b>	<b>+4%</b>														

Issues and risks	Conclusion/Actions
<p><b>COVID took a toll on adult placements.</b> Several broke down and it was hard to put in the necessary support to establish new placements while COVID restrictions were in place.</p> <p><b>It is a challenge to recruit and retain adult placement carers who can support people with complex needs.</b> This restricts the number of people we can support through this inclusive model of support.</p> <p><b>To sustain placements it is important to have urgent response services available.</b> These need to be able to provide timely support when an individual carer needs extra support.</p> <p><b>The Cardiff adult placements market is highly dependent on one provider.</b> The largest provider supports 25 of the 37 placements. If this provider left the market in a disorderly manner the Cardiff market would be destabilised.</p> <p><b>Cardiff and the Vale are both committed to using adult placements more</b> provided suitable matches can be made and it is best model for the person. We are confident we can rebuild this service as we come out of COVID.</p>	<p><b>The adult placements market has been destabilised</b> by the impact of COVID. There is reduced capacity in this market because of COVID. The result is that:</p> <ul style="list-style-type: none"> <li>• Adult placement capacity is not sufficient to meet demand.</li> <li>• Residential care is sometimes used when an adult placement would meet that person's needs better.</li> </ul> <p><b>Adult placements remain a key part of our strategy to deliver the local vision</b> of enabling people to live the lives they want in their local communities. We are confident we can rebuild this service as we come out of COVID over the next few years and plan to ensure we have enough resources to recruit, train and provide necessary ongoing support.</p> <p><b>Our adult placements multidisciplinary community response teams</b> will provide rapid wrap around support. Our teams will support families through difficulties and provide day to day health and wellbeing support.</p> <p><b>Actions – We will:</b></p> <p>As detailed in the Joint Commissioning Strategy for Adults with Learning Disabilities 2019-2024 we plan to:</p> <ul style="list-style-type: none"> <li>• Work with provider organisations and people with a learning disability and their carers, to ensure that the opportunities available keep pace with the needs and changing aspirations of those using services.</li> <li>• Develop a greater breadth of service through exploring opportunities to support social enterprises and co-operatives to establish business models that are sustainable, cost effective and community focussed, including an expanded role for adult placements.</li> </ul>

## Market summary – Adult advocacy services

What we have now		What we need																
<p><b>The Vale has 3 advocacy providers and Cardiff has 4</b></p> <table border="1"> <thead> <tr> <th>Vale Advocacy providers</th> <th>Cardiff Advocacy providers</th> </tr> </thead> <tbody> <tr> <td>Advocacy Matters</td> <td>Advocacy Matters</td> </tr> <tr> <td>Age Connects</td> <td>Age Connects</td> </tr> <tr> <td>Diverse Cymru</td> <td>MH Cardiff and Vale</td> </tr> </tbody> </table> <p>In addition Cardiff makes spot purchases from Dewis Advocacy for people with physical impairments</p>		Vale Advocacy providers	Cardiff Advocacy providers	Advocacy Matters	Advocacy Matters	Age Connects	Age Connects	Diverse Cymru	MH Cardiff and Vale	<p>We expect to need to do more to ensure individual's needs for advocacy are met in line with the spirit rather than the letter of the SSWB Act. Notably, by commissioning, designing, and funding seamless pathways focused less on criteria and thresholds and more focused on the need for help or to <i>"be heard"</i></p> <p>To do this we expect a shift to real and genuine co-production with providers and citizens is needed to develop a strategy that better reflects the true needs within the population.</p> <p><b>Why we expect this:</b></p> <p>The Cardiff and Vale PNA highlights the need to improve information and to simplify access to services. The PNA recommends improved awareness, signposting, and access to different forms of advocacy.</p> <p>Providers would welcome a more co-productive approach to commissioning and contracting. They commented on a lack of dialogue with commissioners after the contracts are set up e.g. one said <i>"we submit reports, but there is no feedback"</i></p> <p>Feedback, in the PNA, from Citizen's consistently praises good practice advocacy from small organisations that can offer practical support to help people to live their lives. They observe that these organisations need support, <u>not</u> reinvention.</p> <p>Cardiff and the Vale <u>both</u> recognise the need to improve access to different types of advocacy for older people, including people living with dementia, in their area plans.</p> <p>As a region we are preparing a tendering exercise for all adult population groups for Independent Professional Advocacy (IPA) in 2022/23.</p>								
Vale Advocacy providers	Cardiff Advocacy providers																	
Advocacy Matters	Advocacy Matters																	
Age Connects	Age Connects																	
Diverse Cymru	MH Cardiff and Vale																	
<p><b>Data from the Vale shows that activity reduced during COVID, but we do not expect this trend to continue.</b> We expect needs will increase and advocacy will become more important than ever.</p> <table border="1"> <thead> <tr> <th>Vale Advocacy Activity</th> <th>2019-20</th> <th>2020-21</th> <th>2021-22</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td><b>Total</b></td> <td><b>403</b></td> <td><b>295</b></td> <td><b>226</b></td> <td><b>-44%</b></td> </tr> </tbody> </table>		Vale Advocacy Activity	2019-20	2020-21	2021-22	Change	<b>Total</b>	<b>403</b>	<b>295</b>	<b>226</b>	<b>-44%</b>							
Vale Advocacy Activity	2019-20	2020-21	2021-22	Change														
<b>Total</b>	<b>403</b>	<b>295</b>	<b>226</b>	<b>-44%</b>														
<p><b>Despite volatile activity level during COVID as shown in the table below expenditure on advocacy has steadily increased in the Vale while Cardiff's block contracts have remained stable</b> with spot purchases being made if needed from Dewis Advocacy.</p> <table border="1"> <thead> <tr> <th>Advocacy Exp £</th> <th>2019-20</th> <th>2020-21</th> <th>2021-22</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td><b>Vale Total</b></td> <td>£131,800</td> <td>£135,754</td> <td>£164,891</td> <td>25%</td> </tr> <tr> <td><b>Cardiff Total</b></td> <td>£257,685</td> <td>£257,685</td> <td>£257,685</td> <td>n/a</td> </tr> </tbody> </table>		Advocacy Exp £	2019-20	2020-21	2021-22	Change	<b>Vale Total</b>	£131,800	£135,754	£164,891	25%	<b>Cardiff Total</b>	£257,685	£257,685	£257,685	n/a		
Advocacy Exp £	2019-20	2020-21	2021-22	Change														
<b>Vale Total</b>	£131,800	£135,754	£164,891	25%														
<b>Cardiff Total</b>	£257,685	£257,685	£257,685	n/a														

Issues and risks	Conclusion/Actions
<p><b>Eligibility thresholds are hard for citizens to understand.</b> This is because advocacy for adults in Wales is fragmented, poorly resourced, and ill defined. It is driven by various and competing legislative and strategic drivers. This complicates access to advocacy</p> <p><b>Staff recruitment and retention is difficult</b> as:</p> <ul style="list-style-type: none"> <li>• Salaries have been eroded in recent years. Providers gave examples of budgets that have had no uplift since 2009 leading to high vacancy levels and few applicants for jobs.</li> <li>• High rates of vacancies has a knock-on effect on our ability to recruit and train volunteers further diminishing the workforce.</li> <li>• Older workers are retiring, and a younger workforce is not being developed to fill vacancies as the role is not well understood as a career option and people do not know where to look for jobs.</li> <li>• Applicants frequently have little experience and are rarely qualified.</li> </ul> <p><b>Workforce challenges combined with rising demand for commissioned services is leading to unmet need:</b></p> <ul style="list-style-type: none"> <li>• Providers report high levels of citizens who are entitled to support, but whose needs are not met due to limited supply.</li> <li>• Mental Health Matters noted high need relative to resources. Currently 1 member of staff is supporting 80 people.</li> </ul> <p><b>Limited access to advocacy affects disadvantaged groups most.</b> Providers feel that their services are often one of the first things to be cut to make savings as it is hard to prove what an individual advocacy intervention has prevented.</p> <p><b>There is a lack of quality assurance in contracts.</b> This could result in us commissioning inferior quality services and higher quality services being squeezed out of the market. One provider reported spending £2,500 p.a. on internal quality assurance.</p>	<p><b>Adult advocacy capacity is insufficient</b> to meet current eligible needs. Ensuring the market has sufficient capacity over the next 5 years is a priority as needs are increasing over time.</p> <p><b>Workforce challenges and funding levels present a significant threat to adult advocacy market stability</b> over the next 5 years.</p> <p><b>Providers would like to see a national review of advocacy services for adults</b> to:</p> <ul style="list-style-type: none"> <li>• Explore the potential to develop a national portal service like the children’s services offer.</li> <li>• Develop quality standards/commissioners’ assurance guidance.</li> <li>• Provide evidence for an advocacy cost/benefits case.</li> </ul> <p><b>Actions – We will:</b></p> <p>We will invest to develop an advocacy workforce strategy including promoting the sector as a career. As health and social care systems leaders we will also support a national review of advocacy if it is undertaken. Finally we will develop a more flexible integrated approach to commissioning advocacy and low-level support by:</p> <ul style="list-style-type: none"> <li>• Using a systemic co-productive approach with stakeholders.</li> <li>• Forming purposeful, collaborative relationships between local authorities, health boards and providers.</li> <li>• Sharing a mutual understanding of what advocacy is and the specific role of independent professional advocacy (IPA).</li> <li>• Sharing a collective agreement about when IPA is appropriate, and always considering its accessibility/ application alongside other forms of advocacy.</li> <li>• Building quality assurance into contracting.</li> <li>• Completing the IPA tendering process n 2022/23.</li> </ul>



## Sufficiency of Adult Services capacity to meet likely future levels of need?

In recent years citizens, experts by experience and staff in the region have been engaged in the population needs assessment (PNA) process. They have discussed their satisfaction with existing services and what they will need in the future? In addition to this we<sup>4</sup> undertook a survey of adults and older people's care and support providers in August 2021. This research provides a wealth of information to estimate possible future needs for each type of service in scope of the Market Stability Report.

To date COVID related uncertainty has inhibited detailed modelling of future needs for the regulated care and support services to compare against known capacity. However, as the COVID pandemic is now entering a more stable phase we decided the time was right use the PNA and IPC data to close this gap in our planning information. We held two workshops with Commissioners from across the region. Each workshop reviewed the evidence and reached consensus about likely levels of need for each regulated services for the 5 years to 2026. See table below:

Service	Capacity now	Usage now	Change to 2026	Comments re extra capacity needed by 2026
Older people – Residential Care	845	267	-3%	In area capacity is adequate. We need less basic residential care and more specialist care e.g. dementia and end of life.
Older people – Nursing Care	1,792	864	+27%	In area capacity is adequate, but we will need to utilise more of it to support providers to open mothballed capacity, recruit staff
Adults 18-64 – Residential Care	371	176	+5%	The number of places matters less than the complexity of needs that can be met. We need far more places located in the region to support people with complex needs including behaviour that is complex to support.
Adults 18-64 – Nursing Care	37	28	+20%	
Adult Placements/ Shared Lives	70	70	+32%	Need circa 25 more places (5 more each year)
Domiciliary Support Services <sup>5</sup>	68 Providers	43,834 Hrs pw	+7%	Need circa 12,300 hrs pw more “in area” capacity and more specialist services to meet more complex needs at home.
Adults Advocacy Services	Following the COVID-19 pandemic and due to the current economic crisis, we anticipate increases in need and a broadening of access will be required. Detailed modelling of future demand is needed.			

<sup>4</sup> Institute of Public Care (IPC) did this for us

<sup>5</sup> Currently commission 52,638 hours of domiciliary care pw from 87 Providers. 68 of these providers who supply 43,834 hours pw are based within the region. 19 providers are located outside the region

## Resilience of providers in the adult care and support market

- 5.7 - The summary market analyses above show that older people's care, and support markets face significant market stability risks at present. This is not a new issue for example the [care home market in Wales mapping the sector report](#) (Oct 2015) noted two key risks (see below) for the older peoples care home market. Arguably, these risks are now more acute than they were in 2015, in part because of the impact of COVID, although the level of voids has now returned to be roughly in line with pre-COVID levels.

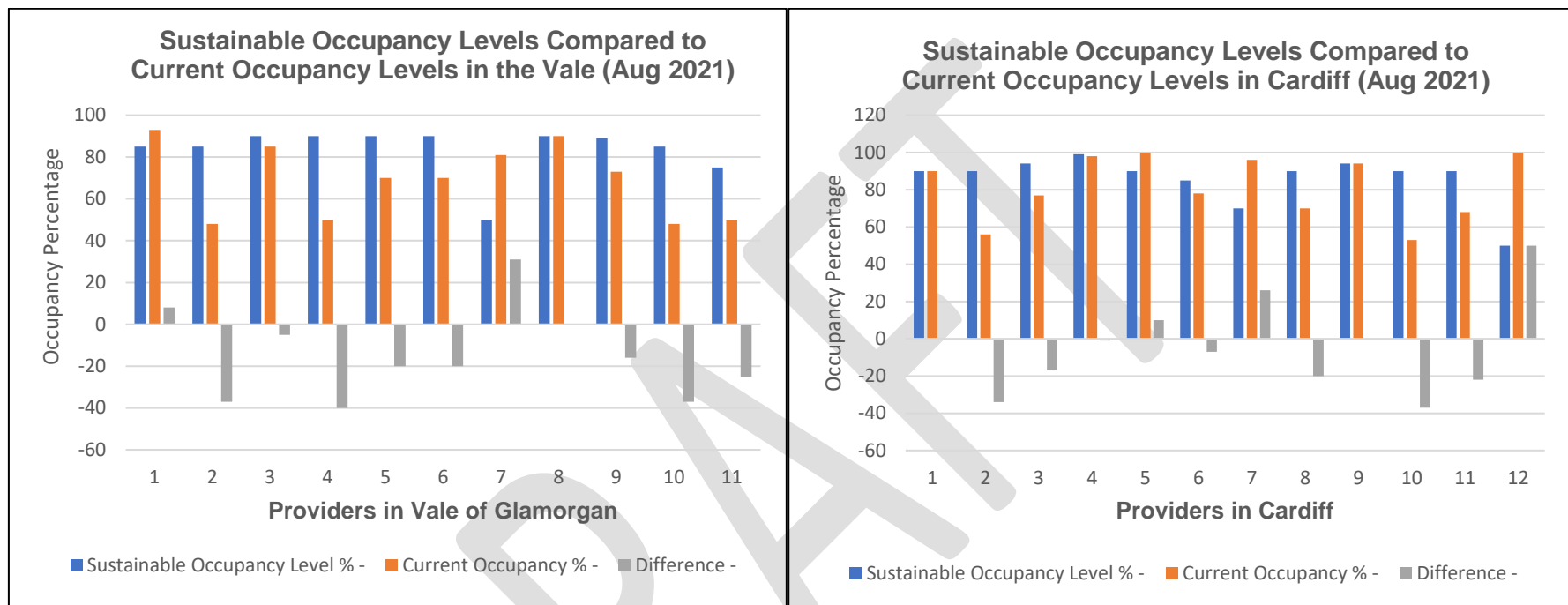
**The first risk identified in 2015 was the risk that one or two large providers could get into difficulty.** The report concluded this was a low impact risk because the market share of large providers in Wales was comparatively low. This is true in Cardiff and the Vale, but the "As Is" analysis shows that markets in Cardiff and the Vale are far more concentrated than you would first think. For example, the:

- Ten largest providers in the 18–64-year-olds care home market account for 58% of total weekly fees in this market.
- Ten largest providers in the older people's care home market account for 46% of total weekly fees in this market.
- Ten largest adult domiciliary care providers account for 35% of total weekly fees in this market.
- Largest individual adult placement provider in Cardiff supports 25 or 67% of all adult placements by Cardiff.

Therefore, if one of the largest 10 providers in any of the above markets was to fail or to withdraw from the market suddenly the impact would be hard to manage and the lives of cared for people would be negatively impacted.

**The second risk identified in 2015 was of ongoing closures of smaller group and single home providers as the economics of the market make them less viable and sales of property more attractive to their owners.** The report concluded this was a higher risk in Wales. We have found this risk is heightened at present in the region because adults care home and domiciliary care markets are largely run by 'SME' businesses, plus a few charitable providers. Such providers are less resilient in tough financial environments like the present. Additionally, the IPC survey adult care and support providers found that the position in August 2021 was that:

- COVID-19 had severely impacted the sustainability of care homes. Many homes experienced lower demand (from self-funders and from local authorities) and only a few experienced increased levels of demand. This has left many in fragile financial circumstances.
- There is a heightened risk of disorderly exit(s) from the care home market in the next 5 years due to sudden financial collapse or owners choosing to employ their assets in more profitable sectors. This is because many care homes in region have been operating with unsustainable occupancy levels e.g. 8/11 care homes in the Vale and 7/12 in Cardiff reported (in August 2021) that their occupancy levels were below sustainable levels.



COVID-19 has also had a severe impact on domiciliary care providers as 40%- 60% of them experienced reduced demand for hours from local authorities and from the health board. Around 1/3rd also saw self-funded demand reduce, although the current position is that demand is outstripping capacity due to workforce shortages.

Cost increases threaten the financial sustainability of domiciliary care. Most providers report that all categories of costs increased during the COVID-19 period and that most cost increases are unlikely to be reversed soon.

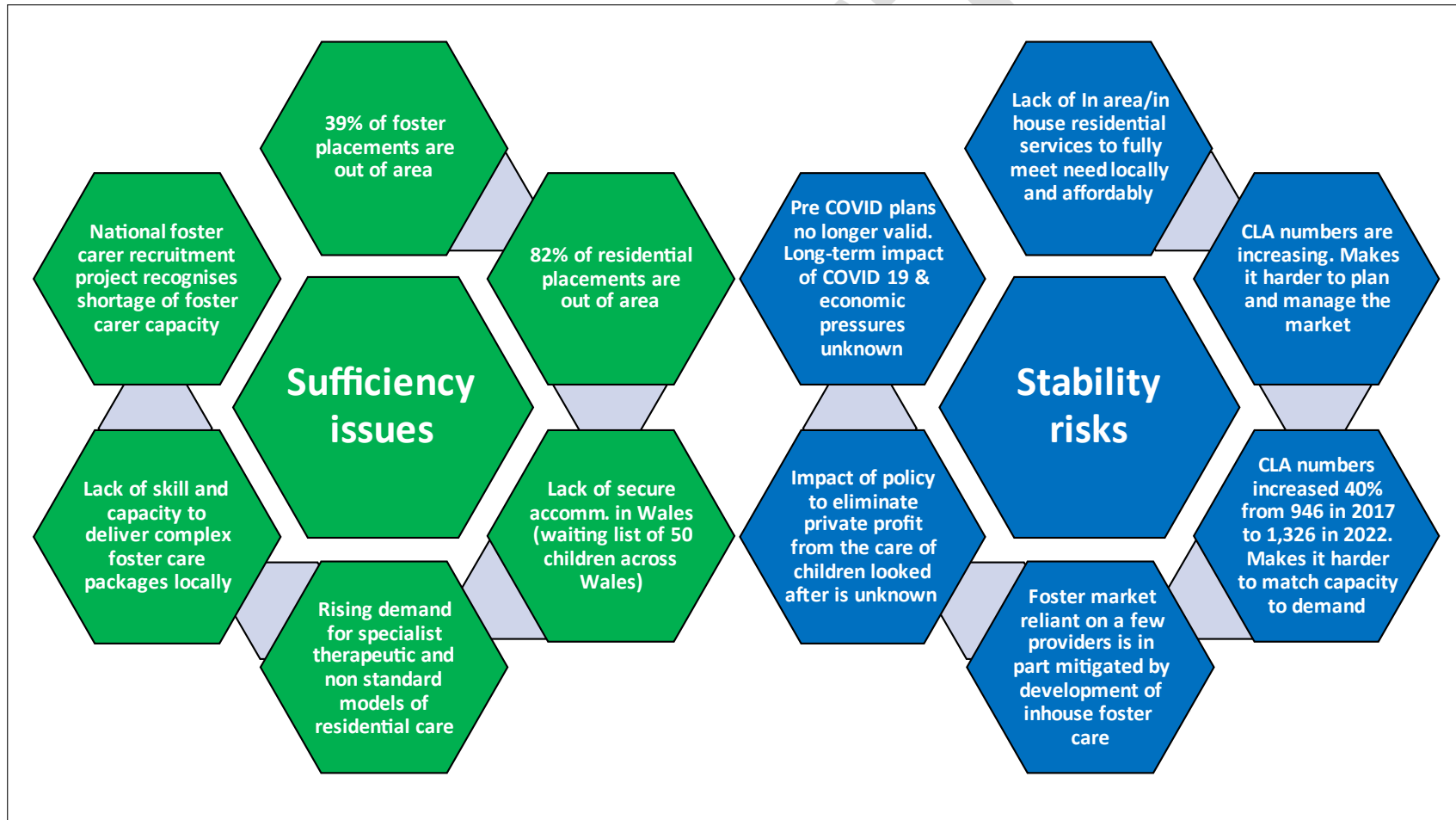
The risk of disorderly exits from the market due to financial difficulties is made more acute by significant reliance on emergency COVID-19 related government funding. Responses show that around 70% of domiciliary care businesses in the Vale and 35% in Cardiff depended to some extent on temporary emergency government financial support during COVID-19.

Recent increases in care home occupancy rates across the region as things recover after the worst of COVID-19, along with the above inflation fee increases recently agreed for 2022-23 and implemented in the Vale and in Cardiff have somewhat mitigated this risk for 2022-23. However, we recognise we need to be vigilant and to keep the sustainability of the fees we pay under regular review.

## 6. Children's Services: Summary of Market Sufficiency Issues and Stability Risks

### Introduction

We aim to build, reshape, and expand our current provision to further improve the outcomes for vulnerable children, young people, and their families/carers. The main sufficiency issues and stability risks we face are summarised in the diagram below. Sections 6.1 to 6.5 explore the issues in detail.



## Numbers of Children Looked After (CLA)

Like many other regions across Wales, Children Looked After (CLA) numbers have been increasing in Cardiff and in the Vale of Glamorgan. One of the reasons children become looked after are multiple and complex. Amongst others, they include parental substance and alcohol misuse, parental mental health, and domestic violence. The COVID-19 pandemic and the current harsh economic conditions are exasperating these existing issues.

Prior to the COVID-19 pandemic, we introduced initiatives that aimed to reduce the number of CLA. However, during the pandemic numbers increased again (see section 4.6). In the six years to 31<sup>st</sup> March 2022, the total number of CLA in the region increased by 40%. Initially, as we recover from COVID and families experience the effects of the current harsh economic situation, we expect CLA to increase before levelling out again. This levelling out will be the consequence of our work to shape the provider market alongside our initiatives with partners to support children and families to:

- Prevent them entering the care and support system (where appropriate).
- Provide the least disruptive/safe care option within families and their communities.

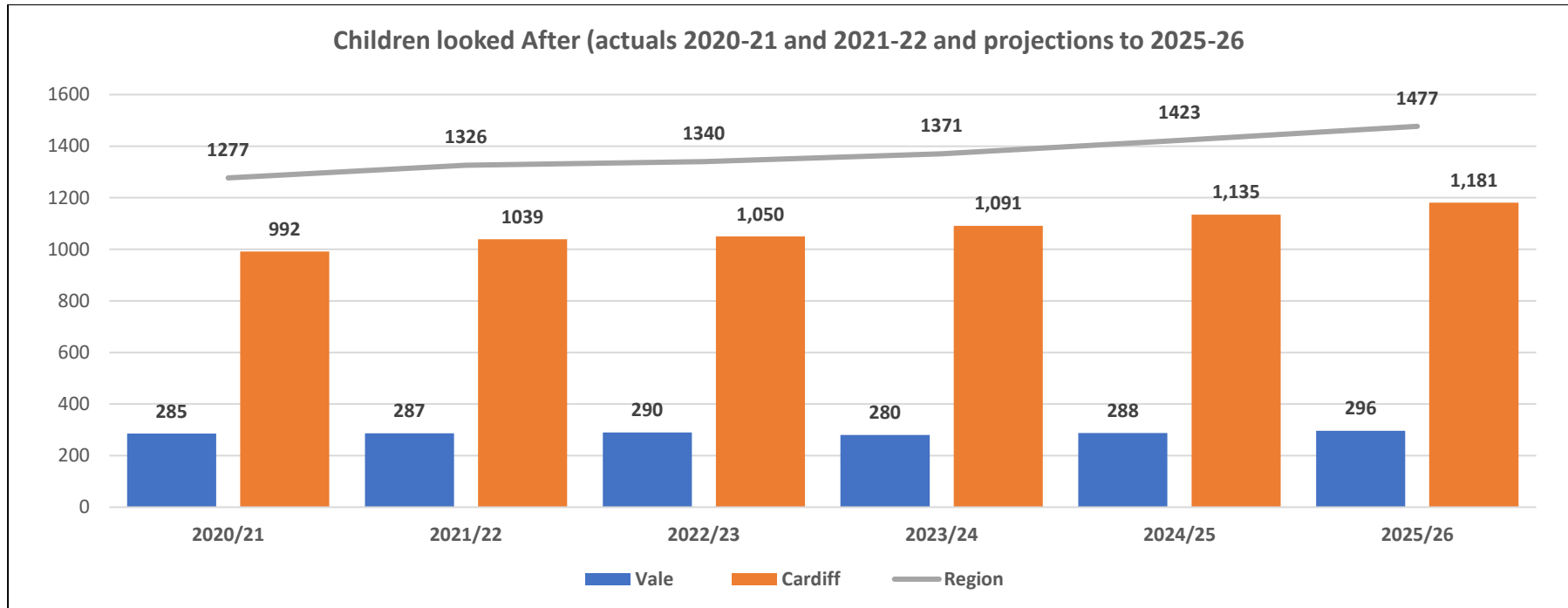
We have had some success in doing this despite the challenges of COVID-19 and economic hardship. For example, three years ago, the Vale set an intention to prevent 15 admissions of children into care in 2021-22. It overachieved this aim, as it prevented admissions for a total of 33 children from 21 families in 2021-22. Positively, all these children have remained at home.

A further 30 children have been stepped down from Public Law Outline (PLO)<sup>6</sup> in 2022 so far. This is a significant achievement. It shows that the intense pressures driving the need for care and support up can be mitigated by well-planned and timely support interventions. CLA numbers are, therefore, expected to continue to rise to 2026, but by only 11% (from 1,326 in 2021-22 to 1,477 in 2025/26) compared to 40% in the previous 6 years. See graph below.

---

<sup>6</sup> The Public Law Outline is a legal framework put in place by the Ministry of Justice to provide guidance for the family court on how to manage cases involving care proceedings.

Children looked After (actuals 2020-21 and 2021-22 and projections to 2025-26)



## Market summary - Children's care homes (Residential care homes, secure accommodation, residential family centres)

What we have now	What we need																																										
<p><b>The Children's care home market is relatively diverse.</b> It is mainly made up of local "SME" businesses, although some larger pan Wales and England/Wales providers do operate in the region.</p> <p><b>A high number of "out of area" (OOA) placements highlights a lack of "in area" capacity.</b> This has cost implications as there OOA placements can cost more than local provision. There are 15 different care and support providers on the CCSR database and a further 6 registered with CIW within Cardiff and the Vale. There is an in-house respite unit for children with disability in both authorities.</p>	<p><b>We expect a 27% rise in the need for new placements in children's residential settings</b> from 116 in 2021/22 to 147 in 2025/6. We need more:</p> <ul style="list-style-type: none"> <li>Residential placements based in Cardiff and the Vale.</li> <li>Specialist therapeutic and non-standard models of residential care to meet complex need.</li> <li>Secure accommodation in Wales and closer to home.</li> </ul> <p><b>Why we expect this:</b> The population of people aged under 19 in the region is projected to rise by 5.6% in the next 5 years per stats Wales based on 2011 census data.</p>																																										
<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #008000; color: white;"> <th>Area/Type</th> <th>Providers</th> <th>Homes</th> <th>Total beds</th> </tr> </thead> <tbody> <tr> <td>Framework/Non framework Cardiff</td> <td>9</td> <td>16</td> <td>124</td> </tr> <tr> <td>Other CIW – Cardiff</td> <td>4</td> <td>7</td> <td>27</td> </tr> <tr> <td>Framework/Non framework Vale</td> <td>6</td> <td>6</td> <td>28</td> </tr> <tr> <td>Other CIW – Vale</td> <td>2</td> <td>3</td> <td>37</td> </tr> <tr> <td><b>Region Total</b></td> <td><b>21</b></td> <td><b>35</b></td> <td><b>216*</b></td> </tr> </tbody> </table> <p><small>* Other capacity is used by other local authority/NHS commissioners.</small></p> <p><b>Between the three funding authorities:</b></p> <ul style="list-style-type: none"> <li>Spend around £0.483m per week on Children's placements (based on snapshot data) to support over 110 people.</li> <li>82% of placements recorded on CCSR are OOA. <b>This highlights the lack of local market sufficiency for children with complex needs.</b></li> </ul> <p><b>The market is more concentrated than it first appears.</b> 33% of expenditure is with just 5 providers. 50% is with 10 providers.</p>	Area/Type	Providers	Homes	Total beds	Framework/Non framework Cardiff	9	16	124	Other CIW – Cardiff	4	7	27	Framework/Non framework Vale	6	6	28	Other CIW – Vale	2	3	37	<b>Region Total</b>	<b>21</b>	<b>35</b>	<b>216*</b>	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #008000; color: white;"> <th>0-19 yr olds</th> <th>2021</th> <th>2025</th> <th>% change</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>The Vale</td> <td>29,209</td> <td>29,364</td> <td>0.53%</td> <td rowspan="3">%age growth in over 16's (15.5%) is far greater than for 0-15 year-olds (3.23%)</td> </tr> <tr> <td>Cardiff</td> <td>93,527</td> <td>100,248</td> <td>7.19%</td> </tr> <tr> <td><b>Region</b></td> <td><b>122,736</b></td> <td><b>129,612</b></td> <td><b>5.60%</b></td> </tr> </tbody> </table> <p><b>Cardiff and the Vale both aim to</b> use residential care placements only where the complexity and challenge of a child or young person's needs mean they cannot live within a family setting, or where a young person is subject to a court ordered secure placement.</p> <p><b>CLA numbers have increased 40% from 946 at 31/03/17 to 1,326 in 31/03/22.</b> This has contributed to increased use of residential care. Between 2017 – 2022 Cardiff increased from 55 placements to 101 (+84%), and the Vale increased from 10 placements to 15 (+50%). Overall, the Region increased from 65 to 116 placements (+78%)</p>	0-19 yr olds	2021	2025	% change	Comments	The Vale	29,209	29,364	0.53%	%age growth in over 16's (15.5%) is far greater than for 0-15 year-olds (3.23%)	Cardiff	93,527	100,248	7.19%	<b>Region</b>	<b>122,736</b>	<b>129,612</b>	<b>5.60%</b>
Area/Type	Providers	Homes	Total beds																																								
Framework/Non framework Cardiff	9	16	124																																								
Other CIW – Cardiff	4	7	27																																								
Framework/Non framework Vale	6	6	28																																								
Other CIW – Vale	2	3	37																																								
<b>Region Total</b>	<b>21</b>	<b>35</b>	<b>216*</b>																																								
0-19 yr olds	2021	2025	% change	Comments																																							
The Vale	29,209	29,364	0.53%	%age growth in over 16's (15.5%) is far greater than for 0-15 year-olds (3.23%)																																							
Cardiff	93,527	100,248	7.19%																																								
<b>Region</b>	<b>122,736</b>	<b>129,612</b>	<b>5.60%</b>																																								

Issues and risks	Conclusions/Actions
<p><b>Residential providers have difficulty recruiting workforce.</b> Some cannot deliver a service in line with their statement of purpose.</p> <p><b>Demand is increasing for specialist therapeutic and non-standard models of residential care</b> including support for children with learning disabilities, ASD, and with mental health needs.</p> <p><b>Residential capacity in the region is being used by other local authorities</b> resulting in local children (avoidably) being placed OOA.</p> <p><b>The Assessment Centre (Falconwood)</b> is looking to change its SOP to help address immediate priorities to increase local placement sufficiency. There is a <b>lack of secure accommodation within Wales.</b></p> <p>Residential options are sometimes the only option available to support young people with complex needs as there is a <b>lack of foster carers with the skills to support complex needs and matching can be difficult.</b></p> <p><b>More support could be available in schools to support children</b> with complex or mental health needs providing early intervention to avert crisis or escalation in support needs.</p> <p><b>There is a lack of support for families and foster carers to keep children at home during challenging periods</b> - A new combined Adults/Children's DPS to source complex "at home" support has been set up in Cardiff to address this need. However, at present it is mainly adult service providers. Only two children's services providers to support families, foster and adoptive carers are listed. The children's support element of this DPS needs to expand.</p> <p><b>Mental health and emotional wellbeing needs are increasing</b> in the population. These needs are more prevalent in CLA for many reasons including adverse childhood experiences. Improved:</p> <ul style="list-style-type: none"> <li>• Mental health and emotional wellbeing support in the community would reduce family and foster placement breakdown rates.</li> </ul>	<p><b>Moderate market stability risks do exist but are being mitigated. The main concern is market sufficiency,</b> notably having enough specialist residential care capacity in the region.</p> <p><b>Actions – We will:</b></p> <ul style="list-style-type: none"> <li>• Develop foster care capacity and work with partners to develop wrap around family support for CLA with complex needs including crisis response and intensive intervention to prevent avoidable residential placement.</li> <li>• Develop in-house residential provision and work with providers to develop the local residential market so we can offer placements locally wherever possible.</li> <li>• Prioritise capital investment to increase the pipeline of inhouse homes coming on stream where/when needed.</li> <li>• Collaborate with providers to develop a range of local services to meet need.</li> <li>• Work with partners to develop and grow the delivery model to meet increased demand for specialist therapeutic residential placements in line with "<a href="#">No wrong door</a>" approach.</li> <li>• Re-develop two in-house care homes in Cardiff to better meet demand and complexity of needs of children with disabilities. This involves reducing beds from 8 (Ty Storrie) and 6 (Crossland) beds to 4 beds in each unit.</li> <li>• Develop a 3-bed property (Oakway) in Cardiff for emergency provision for 2 residents.</li> <li>• Use the Falconwood assessment centre in Cardiff for 12-week placements offering assessment, therapeutic support, and support for parents.</li> <li>• Provide a new 6 bed unit for age 16+ unaccompanied asylum seekers for use regionally.</li> </ul>



Issues and risks	Conclusions/Actions
<p>Therapeutic support in residential settings could provide early intervention, support recovery, and return to family settings.</p> <p><b>Discharges from child and adolescent mental health wards are sometimes delayed</b> because appropriate residential placements are not available.</p> <p><b>There was an increased demand for limited supply of residential family placements during the COVID-19 pandemic</b> with unknown impact on longer term demand.</p> <p><b>The policy to eliminate private profit</b> from the care of children looked after is unknown</p> <p><b>There is a moderate risk from provider failure.</b> This is risk is part mitigated as there is goodwill amongst providers to collaborate with us to overcome problems and we are developing in-house capacity acting as a control to limit the risk.</p> <p><b>Market concentration levels means there is a risk that the failure of one or two major providers could destabilise the market.</b> This risk is part mitigated as there are in-house residential units in each local authority that are being updated, and three residential providers work exclusively with the region.</p>	<p><b>We also lack in area specialist Learning Disability/ASD services for children and young people with complex needs.</b> This leads to OOA placements where children are separated from family and other support networks in their home community.</p> <p><b>Actions – We will:</b></p> <p>It is sometimes hard to make a business case to develop specialist “<i>in area</i>” capacity on the grounds that there is not enough demand within the region to warrant the investment needed. However, there are cohorts of young people with similar support needs for whom we could develop small specialist “<i>in area</i>” services. Therefore, where a business case can be made, we:</p> <ul style="list-style-type: none"> <li>• Will continue to press Welsh Government to develop sufficient secure accommodation capacity for our children and young people within Wales.</li> <li>• Are committed to prioritising capital investment in new in-house residential units in both local authorities.</li> </ul>

## Market summary - Adoption services

What we have now							What we need						
<p><b>Vale, Valleys, and Cardiff (VVC) Adoption Collaborative</b> is hosted by the Vale. It provides a regional adoption service to the Vale of Glamorgan Council, Merthyr Tydfil County Borough Council, Cardiff Council and Rhondda Cynon Taff County Borough Council.</p> <p>The table below outlines adoption activity for Cardiff and the Vale from referral into the service to the number of children adopted over a five-year period. Referrals into the service and a reduction in placement orders have both reduced in Cardiff and increased in the Vale. In terms of adoption orders the numbers granted have been relatively stable over the 5-year period. Positively the number of children waiting at the year-end is reducing and the overall number of children placed is increasing.</p>							<p><b>We expect the need for adoption placements to remain at a similar level to now.</b> Precise numbers will vary year on year depending on the ability to make suitable “<i>matches</i>” between children and available prospective adoptive parents.</p> <p>The priority for the service is to continue to reduce waiting times for children with a plan for adoption.</p> <p><b>Why we expect this:</b></p> <p><b>Population projections show that the number of children is expected to be relatively stable to 2026.</b></p> <p><b>The number of Children Looked After (CLA) in the region has increased 40% from 946 in 2017 to 1,326 in 2022.</b> This is because the complexity of support needs of children has increased in recent years. Therefore, although the overall population of children and young people is stable the number of CLA is likely to continue to increase in the next few years, albeit slowly (see 6.1 above).</p> <p>Adoption activity is not, however, expected to increase in the next five years as Cardiff and the Vale both plan to:</p> <ul style="list-style-type: none"> <li>• <b>Use prevention and early intervention approaches</b> to slow the rate of growth in the number of CLA.</li> <li>• <b>Support children to stay at home where possible.</b> Where this is not feasible both are committed to using kinship care, special guardianship orders, and foster care as their first route to permanency. Where this is not possible adoption will be considered as the most appropriate permanency option for a child.</li> </ul>						
Cardiff	2017-18	2018-19	2019-20	2020-21	2021-22	%	Vale	2017-18	2018-19	2019-20	2020-21	2021-22	%
Referred	117	62	50	62	73	-38%	Referred	21	16	17	30	28	33%
Placement orders	46	28	25	24	26	-43%	Placement orders	5	17	11	12	14	180%
Children placed	40	49	51	25	37	-8%	Children placed	2	10	20	8	17	750%
Adoption orders	27	22	31	37	35	30%	Adoption orders	7	5	8	12	10	43%
Children waiting	30	57	36	26	14	-53%	Children waiting	4	14	11	14	9	125%
Placed in region	15	15	31	20	29	93%	Placed in region	1	9	12	6	6	500%
Placed out region	25	34	20	5	8	-68%	Placed out region	1	1	8	2	11	1000%
<p>A notable change in respect of the provision of adoption services has been the need to provide a range of post adoption support services which for some</p>													

children require the provision of a therapeutic package. VVC assesses post adoption support needs and funding is agreed by the local authority. The table below shows the overall spend in respect of these packages (not including Adoption Allowances) and the number of children supported.

LA funded packages	2019-20	2020-21	2021-22	%
Cardiff Expenditure	£105,104	£94,051	£92,972	-12%
Cardiff Children	48	38	43	-10%
Vale Expenditure	£55,970	£63,380	£25,598	-54%
Vale Children	22	22	19	-14%

### Issues and risks

Since its' inception VVC has achieved success in many areas. Collaborative working has improved consistency of practice and process and has reduced delay for those children requiring adoptive placements. VVC has year on year increased its' adopter resource with a comprehensive marketing and recruitment strategy and currently has 36 approved adoptive families awaiting a match. The increased adopter resource has enabled more children to be placed locally which has also reduced the cost of agency fees. Regional working has also enabled specialist teams to be developed to focus upon key areas of activity and this has resulted in improved performance overall. However, a number of risks and issues do need to be acknowledged:

- **Insufficient supply of prospective adoptive parents for some groups** e.g. sibling groups, older children, children of mixed heritage, children with more complex needs.
- **Family breakdowns of in teenage years.** These breakdowns were a particular concern during COVID and highlight the need to:
  - Upskill staff to better address adoption specific experiences.
  - Better support families as issues arise over the years including ensuring timely access for adoptive families to specialist and universal wrap around support services during challenging times.

### Conclusion/Actions

Due to being a part of a national structure market **stability is not a concern. Overall sufficiency is also good** as at present VVC has 36 prospective adoptive parents awaiting matches, but "matching" challenges highlights a shortage of prospective adoptive parents for sibling groups, older children, children of mixed heritage and children with more complex needs

#### Actions – We will:

- **Continue to provide preventative and supportive approaches for families** to prevent needs arising or escalating such that children need to be looked after. Measures include Investing in the Integrated Family Support Team (IFST) - a partnership between the Vale of Glamorgan Council, Cardiff Council and Cardiff and Vale University Health Board, Flying Start programme, and Families First programme.
- **Continuing to develop timely adoptive support services** to meet the needs of adopted children and their families.
- **Ensuring local commissioners continue to support VVC** to recruit, train, retain and support new adoptive parents

## Market summary - Foster and kinship care

What we have now	What we need																								
<p><b>Kinship care</b> - See section 4.6 we have successfully increased the number of CLA subject to Court Orders who we place with family by 170% in the last 6 years (98 in 2017 to 265 in 2022) as opposed to mainstream foster care.</p> <p><b>Foster care</b> - The Children's Foster care market is relatively diverse. It has a mixture of third sector and <i>for profit</i> providers but includes some large national organisations. The <b>high number of 'out of area' foster placements highlights a lack of "in area" capacity.</b> This has cost implications as there can be a "<i>price premium</i>" compared to local provision. There are 17 different care and support providers on the CCSR Database – commissioned via Framework and Non-Framework placements.</p> <p>In 2021-22 a data snapshot at the beginning of March 2022 showed the 3 funding authorities were spending £0.491m pw on foster care placements to support 555 children. 39% of placements (recorded on CCSR in May 2022) are outside the region. This highlights a lack of local market sufficiency for Children's fostering placements.</p> <table border="1"> <thead> <tr> <th style="background-color: #008000; color: white;">Area/Type</th> <th style="background-color: #008000; color: white;">Placements</th> <th style="background-color: #008000; color: white;">Weekly Spend</th> <th style="background-color: #008000; color: white;">Ave £</th> </tr> </thead> <tbody> <tr> <td>Framework – Cardiff</td> <td>443</td> <td>£0.404m</td> <td>£911</td> </tr> <tr> <td>Non-Framework – Cardiff</td> <td>30</td> <td>£0.028m</td> <td>£922</td> </tr> <tr> <td>Framework – Vale</td> <td>81</td> <td>£0.058m</td> <td>£720</td> </tr> <tr> <td>Non-Framework – Vale</td> <td>1</td> <td>£0.002m</td> <td>£1,617</td> </tr> <tr> <td><b>Region Total</b></td> <td><b>555</b></td> <td><b>£0.491m</b></td> <td><b>£885</b></td> </tr> </tbody> </table> <p><b>The market is also highly concentrated.</b> Two of the top 5 providers are owned by the same <i>for-profit</i> organisation and account for 43% of expenditure. The top 5 providers in total account for 71% of expenditure. So there is a risk that the failure of one or two major providers would be highly disruptive and could be difficult to manage.</p>	Area/Type	Placements	Weekly Spend	Ave £	Framework – Cardiff	443	£0.404m	£911	Non-Framework – Cardiff	30	£0.028m	£922	Framework – Vale	81	£0.058m	£720	Non-Framework – Vale	1	£0.002m	£1,617	<b>Region Total</b>	<b>555</b>	<b>£0.491m</b>	<b>£885</b>	<p>We expect an increase of 34% from 841 foster or kinship placements in 2022 to 1,126 in 2026 will be needed. This compares to an actual increase of 28% in the previous 6 years. As per commissioning intentions the proportion of in-house foster placements needed is expected to increase from 22% to 25% of total kinship and foster placements.</p> <p><b>Why we expect this:</b></p> <p><b>Cardiff and the Vale both aim to use foster care and kinship care more</b> to support children to stay in family settings and in their own communities where possible. They want to increase their use of:</p> <ul style="list-style-type: none"> <li>• Kinship care.</li> <li>• In-house foster carers based locally more so more CLA are supported "<i>in area</i>" and use external "<i>out of area</i>" (OOA) foster agencies only when specialist skills are not available locally.</li> <li>• Prevention/early intervention approaches to slow the rate of growth in the number of CLA.</li> </ul> <p><b>However, the number of CLA in the region has increased 40% from 946 in 2017 to 1,326 in 2022.</b> The region is not unique and number of CLA have risen across the UK. More children who need support also have complex support needs. This increases the need for foster carers with specialist skills and for fast access to placements in crisis situations. Sometimes residential care has been used as an alternative when specialist foster care has not been available.</p> <p>The 34% increase in the use of foster and kinship care between 2017 and 2022 is positive.</p> <p>A high proportion of foster placements are OOA (e.g. 39% (215 out of the 555) foster placements on 31<sup>st</sup> March 2022) due to a lack of locally based skilled carers.</p>
Area/Type	Placements	Weekly Spend	Ave £																						
Framework – Cardiff	443	£0.404m	£911																						
Non-Framework – Cardiff	30	£0.028m	£922																						
Framework – Vale	81	£0.058m	£720																						
Non-Framework – Vale	1	£0.002m	£1,617																						
<b>Region Total</b>	<b>555</b>	<b>£0.491m</b>	<b>£885</b>																						

<p><b>However, the degree of market stability risk is dependent on the ability of other providers and in-house services to absorb capacity</b> if a provider were to fail or withdraw from the market. Therefore, to mitigate this risk we are:</p> <ul style="list-style-type: none"> <li>• Growing our in-house capacity in Cardiff and in the Vale so sudden unmet needs can be supported at short notice.</li> <li>• Developing our partnership approach with all agencies in the market to increase the likelihood they would take on displaced foster carers/placements to grow their business.</li> </ul> <p>Therefore, although oversight of provider stability, provider strategy and ongoing risk assessment of the market concentration is important, it is also important we continue to develop in-house capacity and develop close relationships with all providers.</p>	<p>The shift from agency foster carers to in-house foster carers is also positive. For example, there were:</p> <ul style="list-style-type: none"> <li>• 14 less agency foster placements (387 down from 401) and</li> <li>• 40 more placements with in-house LA foster carers in 2022 compared to 2017 (189 up from 149)</li> </ul> <p>So our plans to rebalance foster care away from external agencies and towards in-house services are working albeit we want to accelerate the pace.</p>
<p><b>Issues and risks</b></p>	<p><b>Conclusion/Actions</b></p>
<p><b>The long-term impact of COVID-19 and the economic crisis on foster carers and kinship carers is unknown.</b> For example, longer term health problems or financial hardship may result in less people coming forward to care. However, so far, we have seen capacity improving post COVID-19 pandemic.</p> <p><b>Some new foster and kinship carers do not feel fully prepared/trained for the potential challenges ahead.</b> This increases the risk of placement breakdown during challenging times.</p> <p><b>The market in the region for foster carers with the skills needed to support children with complex support needs is insufficient</b> and siblings cannot always be placed together. This indicates a gap in the foster carer options available in the Region.</p> <p><b>There is a need for more support available for families/ foster carers to keep children at home during challenging periods.</b> The new combined Adults/Children’s DPS for complex “<i>at home</i>” support in Cardiff is mostly adult service providers. Only two children’s services providers, to support family, foster, and adoptive carers are listed. It needs to expand.</p>	<p><b>To mitigate the market stability risk,</b> we will monitor a risk of the current market concentration in foster care and engage with kinship carers and foster carers to understand the potential longer-term impact of COVID 19 and the economic crisis on future intentions.</p> <p><b>Actions -</b> To address market sufficiency issues we will:</p> <ul style="list-style-type: none"> <li>• <b>Continue our efforts to recruit in-house foster carers.</b></li> <li>• <b>Work co-productively with the foster care market to redesign the local fostering service offer.</b> This will include recruitment, training, rewards, short breaks, and initiatives, to increase the number of in-house foster carers available.</li> <li>• <b>Work with partners to develop foster carers skills and capacity to support children with complex needs</b> and develop a support network around foster carers such as fast track and intensive support in crisis and specialist support in line with the “<i>team around the child</i>” approach.</li> </ul>

<p><b>Long standing foster parents are becoming more aged.</b> There is a risk that their vast experience as well as the capacity they provide will be lost when they retire.</p> <p>Developing packages to retain these carers for as long as possible needs to be a priority alongside recruiting new foster carers to form the next generation. Consideration should be given to how retired foster carers could still contribute e.g. as mentors to new ones.</p> <p><b>National Rules relating to how Kinship carers are paid have changed in recent years.</b> The changes make it more complicated for commissioners to design a local payment system that supports kinship carers fairly. Work is ongoing.</p> <p><b>Unaccompanied asylum seekers are arriving in much larger numbers than before.</b> This is because of the national transfer scheme. Quotas are known and we are building these into our planning assumptions, but placement finding is challenging.</p>	<p>We will also ensure we can better respond to the therapeutic and mental health and well-being needs of Children Looked After, their parents and carers by:</p> <ul style="list-style-type: none"><li>• Developing with our partners the range of therapeutic services available for CLA and their families.</li><li>• Reshaping our respite provision to offer flexible short break opportunities including emergency provision for children with disabilities, and other children, young people, and families.</li><li>• Participating in the “Foster Wales” project that aims to increase supply of foster carers across Wales.</li></ul>
---	--

DRAFT

## Market summary – Advocacy services for children and families

What we have now				What we need																																		
<p>Children and Young People who become CLA or are the subject of a child protection conference are offered advocacy. In 2021-22 advocacy spending and activity levels were:</p> <table border="1"> <thead> <tr> <th>Advocacy – Children/Families</th> <th>Vale</th> <th>Cardiff</th> </tr> </thead> <tbody> <tr> <td>Expenditure</td> <td>£53,000</td> <td>£258,000</td> </tr> <tr> <td>Issue Based Advocacy (IBA) hours</td> <td>731</td> <td>2,551</td> </tr> <tr> <td>Active offer hours</td> <td>122</td> <td>504</td> </tr> <tr> <td><b>Total hours (IBA/Active Combined)</b></td> <td><b>853</b></td> <td><b>3,055</b></td> </tr> </tbody> </table> <p>The level of advocacy support for children and young people has varied (in part due to COVID) during the last three years.</p> <table border="1"> <thead> <tr> <th>Vale (Clients)</th> <th>2019-20</th> <th>2020-21</th> <th>2021-22</th> </tr> </thead> <tbody> <tr> <td><b>Total</b></td> <td><b>157</b></td> <td><b>227</b></td> <td><b>167</b></td> </tr> <tr> <th>Cardiff (hours)</th> <th>2019-20</th> <th>2020-21</th> <th>2021-22</th> </tr> <tr> <td><b>Total</b></td> <td><b>4,262</b></td> <td><b>3,540</b></td> <td><b>3,055</b></td> </tr> </tbody> </table> <p>There is a national service specification. It provides some continuity across Wales. It is adapted by the region to meet local needs. Advocacy continued to be provided virtually throughout the pandemic. The service has migrated from virtual to in person as the guidelines have allowed. A national reporting template is used to report on performance and quality assurance on a quarterly basis.</p>				Advocacy – Children/Families	Vale	Cardiff	Expenditure	£53,000	£258,000	Issue Based Advocacy (IBA) hours	731	2,551	Active offer hours	122	504	<b>Total hours (IBA/Active Combined)</b>	<b>853</b>	<b>3,055</b>	Vale (Clients)	2019-20	2020-21	2021-22	<b>Total</b>	<b>157</b>	<b>227</b>	<b>167</b>	Cardiff (hours)	2019-20	2020-21	2021-22	<b>Total</b>	<b>4,262</b>	<b>3,540</b>	<b>3,055</b>	<p>The aim is to support our children and young people to make informed decisions with the young person's views and wishes being their sole focus. Advocacy will help children and young people to understand his or her rights and the choices of action that are available, but ultimately, any decisions taken will be the child or young person's own.</p> <p>As well as the provision of Advocacy on an individual basis we need the commissioned Advocacy provider to further develop thematic reporting to inform service delivery across the directorate on a strategic level. We need ongoing intelligence to identify gaps in services and future service delivery needs.</p> <p>We are currently re-tendering for the service and will be working with the provider to:</p> <ul style="list-style-type: none"> <li>• Expand the offer of Independent Visiting to eligible children and young people</li> <li>• Maximise the number of young people aware of advocacy through the active offer</li> </ul> <p>Developing pathways to ensure that service development opportunities identified through the Advocacy Service inform directorate wide service delivery</p>			
Advocacy – Children/Families	Vale	Cardiff																																				
Expenditure	£53,000	£258,000																																				
Issue Based Advocacy (IBA) hours	731	2,551																																				
Active offer hours	122	504																																				
<b>Total hours (IBA/Active Combined)</b>	<b>853</b>	<b>3,055</b>																																				
Vale (Clients)	2019-20	2020-21	2021-22																																			
<b>Total</b>	<b>157</b>	<b>227</b>	<b>167</b>																																			
Cardiff (hours)	2019-20	2020-21	2021-22																																			
<b>Total</b>	<b>4,262</b>	<b>3,540</b>	<b>3,055</b>																																			
Issues and risks				Conclusions and Actions																																		
<p><b>There is a gap in service</b> for children and young people within the Youth Justice system who are not on the child protection register or children looked after (CLA).</p>				<p><b>The main risk is the market sufficiency.</b></p> <p><b>In the short term</b> we acknowledge that providers need flexibility within their contracts to meet the needs of the individual</p>																																		

<p><b>Advocates need to be “Level 4” trained.</b> This requires more than 18 months of training for up to 2 days per month</p> <p><b>Quality Assurance.</b> Quality assurance is undertaken through a minimum of quarterly contract monitoring meetings with commissioners. Quality reviews are also undertaken by NYAS CEO, as the responsible individual. There are no current quality issues.</p>	<p><b>In the longer-term,</b> in the design of the current tender process we have acknowledge that providers need more certainty about future activity levels and funding to attract and maintain staff</p> <p><b>Actions – We will review:</b></p> <ul style="list-style-type: none"><li>• The information produced through thematic reports and contract monitoring to inform future service delivery and identification of gaps in service.</li><li>• We will work with providers as part of a new Regional Contract, the active offer KPI should allow flexibility within the services being commissioned so they meet the needs of the individual.</li></ul>
--	---

DRAFT



## Sufficiency of Children’s Services capacity to meet likely future levels of need?

In recent years citizens, experts by experience, and staff in the region have been engaged in the population needs assessment (PNA) process. They have discussed their satisfaction with existing services and what they will need in the future. This research provides a wealth of information to estimate possible future needs for each type of service in scope of the Market Stability Report.

To date COVID-19 related uncertainty has inhibited detailed modelling of future needs for the regulated care and support services to compare against known capacity. However, as the COVID-19 pandemic is now in a more stable phase we decided the time was right use the PNA to close this gap in our planning information. To do this we held two workshops with Commissioners from across the region. Each workshop reviewed the evidence and reached consensus about likely levels of need for each of the regulated services to 2026 as required for the Market Stability Report. The results (see table below) indicate the main sufficiency challenges are in care home places and in foster care - In particular, in-house foster carers:

Service	In Area Capacity now	Capacity Used now	Change in need to 2026	Comments re extra capacity needed by 2026
Children’s care homes <sup>7</sup>	152 Placements	116 Placements	+27%	Need is expected to increase by 27% (circa 31 more places) (8 more each year). In particular, we need more “In Region” specialist therapeutic capacity
Adoption services	40 Placements	N/A	0%	Need is expected to be stable to 2026. Numbers will vary year on year depending on “matching,” but current available placements for Vale, Valleys & Cardiff region are sufficient.
Fostering services incl. Kinship Care	468 Placements	841 Placements	+34%	Need is expected an increase of 34% from 841 foster/kinship placements in 2022 to 1,126 in 2026. The proportion of in-house foster placements needed is expected to increase from 22% to 25% of total kinship and foster placements.
Children’s Advocacy Services	3,908 hours	3,908 hours	Not known	We are currently re-tendering for the service and will be working with the provider to: Maximise the number of young people aware of advocacy through the active offer

<sup>7</sup> Children’s Care homes includes secure accommodation services for children and residential family centre services

## 7. Strategic Themes

### Introduction

In sections 5 and 6 above we have described the specific sufficiency and stability issues for each regulated service market in scope. Our analysis of different issues and challenges in the individual market areas has identified seven key strategic themes. This section outlines these themes and what we plan to do to:

- Develop the market capacity in the region so it is sufficient to meet anticipated levels of future support needs.
- Safeguard the stability of regional care and support markets.

### Addressing workforce capacity and skills shortages

Feedback from citizens, commissioners, and providers all show that the ability to attract, develop and retain the workforce is the **most pressing** issue services face across all sectors.

Staff shortages are a market:

- Sufficiency risk - As they limit market capacity to meet the needs of the population in the most effective way.
- Stability risk - As providers cannot recruit/retain the staff they need to deliver sustainable levels of activity.

Our analysis of the regulated care markets has shown that staff and/or skills shortages are affecting many of the regulated services in scope of the MSR. Notably:

- In adult services domiciliary care providers do not have the capacity they need to take on new customers and we have too few adult placement/shared lives carers overall and need more with the skills to support people with complex needs
- In children's services we have too few foster and kinship carers overall and in particular with the skills to support children with complex needs and we lack prospective adoptive parents e.g. for sibling groups, older children, mixed heritage children and children with complex needs.

Recruiting and retaining staff with the skills to support people with complex support needs is a particular challenge that we will work with providers to address. Key issues we know that need to be addressed include:

- Wages are not attractive and there are workforce shortages across all sectors.
- The lack of a clear career structure and recognition of the value of care and support roles can mean that many employees see working in social care as a steppingstone to a career somewhere else.
- Jobs in certain services, such foster care, and adult placements are not well understood and so too few people apply.



## Paying fair fees



Paying fair fees is also fundamental to addressing the workforce recruitment and retention challenges outlined above.

The Competition and Markets Authority care homes summary report for Wales (2017) highlighted this was an issue across Wales. The significance of this issue locally has grown because of additional cost pressures due to the COVID pandemic and the current unprecedented rises in inflation for basics such as fuel, PPE, and wages.

Cardiff and the Vale local authorities have both recently agreed above inflation fee uplifts for providers for 2022-23 to address this risk in the short-term, but we recognise the need to keep the sustainability of fees under ongoing review.

The lack of supply of residential care for our children and young people coupled with growing demand for residential care (particularly for C&YP with complex needs) has resulted in us paying high and unsustainable fees in some cases. So while we are committed to paying fair fees for care and support, we are equally aware that in “*sellers-markets*” we need to guard against paying fees that are not value for money.

The implication of the above is that commissioners need to pay a fair cost of care to providers, but no more than a fair price. To help with this the Welsh Government published a toolkit “*Lets agree to agree*” for commissioners and providers in 2018. This or similar approaches will be used to help us agree a fair cost of residential and nursing care for older people in region over the 5-year period covered by this market stability report.

### 7.4. Developing In-House Services to lower market risk



We are strong advocates for a mixed economy and support for social enterprise. We see benefit in having in-house services as part of a mixed economy in terms of, increasing local flexibility, filling gaps in the local market, mitigating risk should private providers fail, and attracting capital investment to the locality. For example when 3 adult care homes recently closed in the Vale, we were able to offer a new home to many of the affected residents in one of our own in-house care homes.

Over the next 5 years we will develop more “*in area*” children’s services and services for working age adults with complex needs.<sup>8</sup> Where it makes sense in terms of social value, we will develop these as in-house services and/or work in partnership with local “*not for profit*” organisations. This is a key part of our strategy to: achieve fees for children’s services that are good value for money, ensure more children are support “*in area*” to be close to their families and their home communities, address the lack of capacity in the region to accommodate

---

<sup>8</sup> The Vale will also develop and modernise in-house care homes for older people. as it has care homes built in the 1960s and 1970s that are well suited to be adapted for dementia care and help it meet rising demand for dementia care.

and care for younger adults with complex needs “*in area*”, and develop a more resilient market that can meet the needs of more people with learning disabilities or ASD locally.

## Modernising commissioning and contracting



Our analysis of market sufficiency and stability in sections 5 and 6 above has identified several key risks that need to be mitigated. We recognise that to do this we need to collaborate closely with our provider market and to give providers certainty about future activity and fee levels. Without this certainty they will not have the confidence needed to invest to modernise service models and expand capacity where needed. We recognise that:

- We need to do more to co-produce our commissioning strategies with providers and to build provider confidence and that we need to do more in partnership with our providers in future to shape the market.
- During the COVID-19 pandemic we have learned much, particularly ways to overcome challenges through improving relationships and building trust between ourselves and providers. This provides us with a firm foundation on which to explore new ways of contracting based on outcomes where providers have greater choice, flexibility, and responsibility to deliver services to best meet the needs of citizens. For example, block or community contracts.
- Planning is becoming increasingly complicated as we develop a greater range of services, more preventative services and more integrated pathways across health and social care. We need to model – in detail – how much of which services we will need in the future. The process to produce this market stability report has highlighted the need to improve our planning evidence base.
- We need to use regional approaches where they will provide better value for money and build on our experiences of regional approaches to adoption and children’s advocacy services. For example, there may be scope to reduce “*out of area*” placements for younger adults by developing “*in area*” services for people to return to. The Regional Commissioning Board exists so as options arise the region is in well placed to evaluate the costs and benefits of each regional proposal on its merits.

7.6.

## Re-establish and strengthen quality assurance processes



During the COVID pandemic we adapted or disbanded quality assurance processes to comply with new pandemic regulations. These need to be re-established and further improved. Cardiff is implementing interim arrangements for adult services quality assurance until a new quality rating system based on the Dynamic Purching System goes live. The Vale has appointed a new quality assurance officer and implemented a new framework for quality.

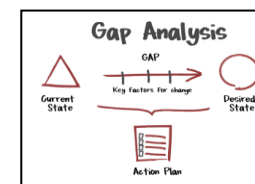
In a seller’s market for children and young people’s services, high fee levels do not necessarily equate to higher quality. The 4C’s undertakes a quality performance assessment for all providers in the framework which is reviewed by our commissioners as part of a panel facilitated by the 4C’s.

A lack of capacity in key areas can impact on quality.

Adult advocacy quality assurance standards are lacking and not asked for by commissioners. This contrasts with a rigorous operating framework used in Children’s Advocacy. We feel that adult services could learn from its approach.

## Address gaps in non-regulated prevention and early intervention services.

The PNA that accompanies this market stability report engaged widely with citizens, care and support providers and partner organisations. The aim was to explore market strengths, gaps, and opportunities to improve. This process identified several gaps in the range of services available.



Most gaps relate to non-regulated services. Often the gaps identified are prevention or early intervention services. If these services were in place and were effective, they would enable more people to live their lives without needing support from the regulated services in the scope of this Market Stability Report. Relevant gaps identified in the PNA include:

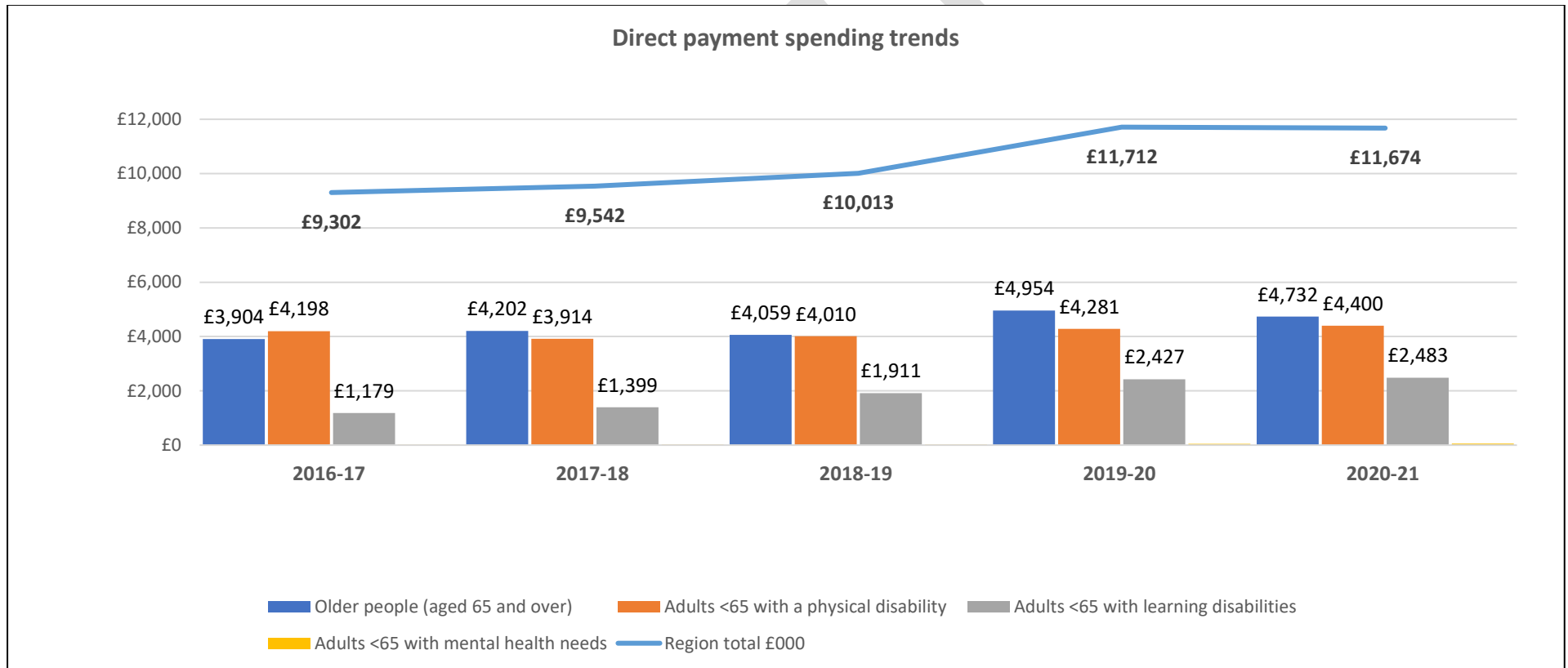
- **The need to develop housing with support capacity as an alternative to older people’s residential care and to delay entry to nursing care provision.** The Assessment of Older People’s Housing and Accommodation Needs for Cardiff and the Vale (2018) estimated that by 2035 we need the capacity of sheltered housing or retirement housing needs to increase from 3,698 to 6,071 units and the housing with care – extra care housing/assisted living capacity needs to increase from 309 to 1,276 units.
- **Rehabilitation: Older People need access to rehabilitation services for longer than the 6 weeks offered.** Sometimes a longer rehabilitation period would allow people to recover more skills and independence and so need less support in the long-term.
- **Delays in getting occupational therapy (OT), continence and social work assessments** adds to the delays accessing domiciliary support and may increase the risks.
- **Services for people with learning disabilities and sensory impairments:** The RNIB estimates that 10% of people with learning disability are blind or partially sighted. An estimated 3,792 adults have learning disability and moderate to severe hearing loss live in Cardiff and VOG. Effective support for this sensory impairment can often enable greater independence.
- **Services for people with learning disabilities and mental illness:** An estimated 25-40% of people with learning disabilities will develop mental health problems, but these may not be diagnosed as they are often falsely attributed to the learning disability. Effective support for this mental illness can often enable greater independence.
- **The Integrated Autism Service needs more capacity.** Its waiting times for new appointments was 18 months in August 2021 compared to delivery plan target of a maximum 26 week waiting time.
- **Need more support for families/foster carers to keep children at home during challenging periods.** There is a new combined Adults/Children’s DPS to source complex “*at home*” support in Cardiff, but it is mainly adult service providers. Only two children’s services providers to support families, foster, and adoptive carers are listed. It needs to be expanded.

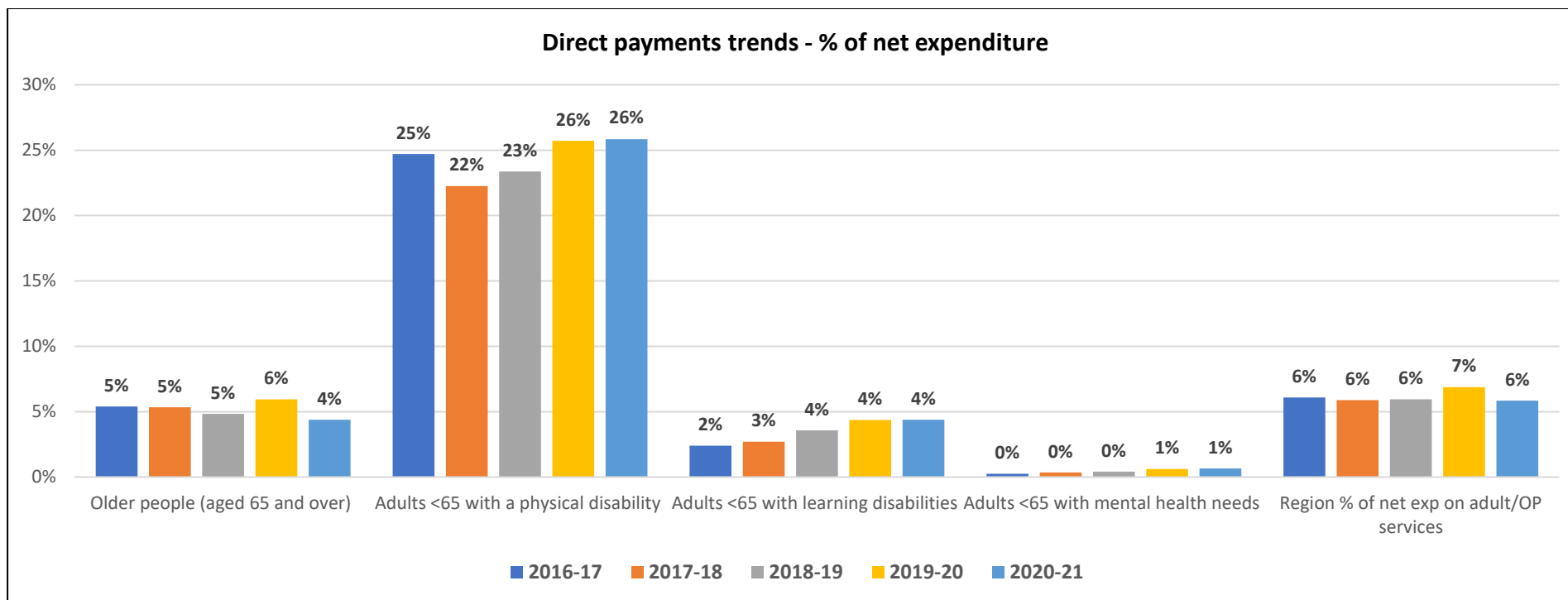
- **Improved access to children's and young people's mental health services.** Effective early mental health interventions and support for parents/foster cares could reduce family and foster placement breakdowns and subsequent demand for residential options. If effective this will enable more young people to be supported within their family.
- **Improved access to support for families with children with learning disabilities/difficulties.** Effective support for families including foster families could reduce family and foster placement breakdowns and subsequent demand for residential options. If effective this will enable more young people with learning disabilities/difficulties to be supported within their family.
- **The Assessment Centre (Falconwood)** is looking to change its SOP to help address immediate priorities to increase local placement sufficiency. **Increase residential / fostering parent and child provision** where sufficient support and monitoring cannot be provided in the community.

DRAFT

## Maximising choice and control by deploying direct payments

The biggest take-up of direct payments is by citizens under 65 with physical disabilities followed by citizens with learning disabilities. Over the last 5 years there has been a slight increase in take-up rates by citizens with learning disabilities, but otherwise take up has levelled off as shown in the graphs below. It shows that expenditure on direct payments has increased by £2.3m in the last 5 years, but as a percentage of total net expenditure on care and support it has remained relatively stable.





We plan to increase take-up rates for direct payments. We recognise that not all citizens want the responsibility of direct payments. So, we are developing the “Your Choice” service in the Vale. It has an outcome based blended fee rate as a half-way house offer to our citizens between direct payments and care and support. In addition we are:

- **Reviewing the micro enterprise model linked to direct payments currently used in Somerset.** This model creates a structure of micro enterprises that supports the increased take-up of direct payments. We think the model could be used in our region to expand take up of direct payments, so we are going to find out more about it. We are also working with the 4C’c to explore its potential use with children and young people.
- **Adapting quality assurance systems that help our citizens access good quality support** as the expansion of direct payments requires an expansion of the deregulated market so that people with direct payments have a wide choice of support to choose from.
- **Improving access to information and advice** to help citizens make more informed choices.