



ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
4 MARCH 2024

NURSING CARE PROVISION IN LEICESTERSHIRE

REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES

Purpose of report

1. The purpose of this report is to update the Committee on the current position of nursing care provision in Leicestershire.
2. The report also provides an update on the work with the Leicester, Leicestershire and Rutland (LLR) Integrated Care Board (ICB) on funding levels in Leicestershire for people with complex care needs.

Policy Framework and Previous Decisions

3. The 'People at the Heart of Care' White Paper, published in December 2021, sets out the Government's 10-year vision of how it proposes to transform support and care in England. The vision revolves around three objectives:
 - People have choice, control, and support to live independent lives;
 - People can access outstanding quality and tailored care and support;
 - People can find social care in a fair and accessible way.
4. In November 2022, the Government's Autumn Budget Statement delayed for two years the implementation of the 'care cap', which will place a limit on the costs that people will need to spend to meet their eligible care and support needs, and other charging reforms, including changes to the social care means test, and a proposal to enable self-funders to access the same social care fees as those negotiated with providers by local authorities.
5. The Committee in previous meetings has reviewed the Fair Cost of Care analyses and funding together with the Market Sustainability Plans published and submitted to the Department of Health and Social Care.
6. At its meeting on 5 June 2023, the Committee received a report in relation to policy development and the allocation of the Market Sustainability and Improvement Fund.
7. In October 2023 the County Council received a letter from the Minister for Social Care confirming that the County Council's budgeted expenditure for adult social care, including grant funding, and additional income (including precept) is in line with government expectations and meets all government requirements. The letter also stated that the government does not believe there to be capacity gaps or market sustainability issues which need to be addressed in Leicestershire.

Background

8. In Leicestershire there are 154 active and independent registered care homes (residential and nursing) supporting adults who require an accommodation based service where their care and support needs are too high for them to remain in their own home or in independent living.
9. Of these care homes there are 27 nursing care homes in the County where people are supported with more complex needs and where there are specific health requirements that require a qualified nurse to provide support.
10. Across the Leicestershire nursing care market there are circa 1,400 beds available of which the County Council funds 202 residents who require nursing care. Each of these people with a nursing need receive Funded Nursing Care (FNC) which is paid by the ICB directly to the care home.
11. Across the available nursing homes over half also support people with residential care level needs (dual registered homes).
12. The ICB also fund people directly due to their ongoing and complex health needs. This is known as Continuing Health Care (CHC) funding and is non-chargeable to individuals (free health care).
13. There is a strong self-funder market across care homes which makes up circa 50% of all care home placements.
14. Compared to other Councils there is a small nursing care market in Leicestershire (and across Leicester City). This is compounded by high fee levels and may in part be caused by a disproportionately low number of ICB funded people (either FNC/CHC and joint funded) in this type of provision.
15. Regional benchmarking analysis by Care Analytics states that the LLR ICB has the fewest number of people eligible for FNC per head of GP population in England at only 28 people per 50,000 of population. This has also been the case for some time.
16. The report goes on to say that LLR ICB markedly reduced the number of people eligible for CHC between 2017 and roughly the end of 2019, before per capita numbers became stable (albeit at one of the lowest levels in the country). Unless there are other compensatory factors (which are far from obvious) the councils of Leicester, Leicestershire, and Rutland have good cause to believe that the ICB has not taken responsibility for significant costs which fall within the remit of the NHS.
17. The County Council has a number of people placed in nursing homes within Leicester City (and vice-versa) which gives additional available capacity. However, across Leicestershire and Leicester City despite this additional capacity, the nursing home capacity overall is considered to be verging on insufficient to meet demand for both Councils (and the ICB).

Care Quality Commission position

18. All nursing care homes are registered with and regulated by the Care Quality Commission (CQC). Of the 27 nursing care homes in Leicestershire there are varying CQC ratings. The below table summarises the current position:

CQC Rating	Number of Nursing Homes
Outstanding	1
Good	20
Requires Improvement	5
Inadequate	0
Not yet rated by CQC	1

19. The percentage of providers who are rated good or excellent compares favourably with other Council areas both regionally and nationally.
20. Within the Department there is an established quality assurance approach which monitors providers on a regular basis against the expected care standards within the Care Homes contract. The County Council and City Council have reciprocal quality monitoring arrangements in place.

Provider exits

21. The number of nursing beds has been reducing over the last 10 years, although in the past 12 months there have not been any nursing home closures or market exits. However, a significant market exit occurred in Leicester City where the County Council had a number of placements. This has further reduced nursing home capacity accessible for residents of Leicestershire and Leicester. The reasons for market exits or provider instability are often complex and linked, but can include financial instability, occupancy levels, quality concerns, workforce, leadership, and strategic business decisions.
23. New provider entrants into the market (most recently January 2024) are targeting self-funders as opposed to local authority funded people due to the fee levels payable by self-funders, which could be in excess of £1,300 per week.

Short term nursing home capacity

24. The ICB contracts directly with nursing care home providers to support hospital discharges for people with nursing needs. These placements are for a short period of time to enable a person to maximise their independence and make long term decisions around their care arrangements. This may be facilitated by either the Council or ICB depending on their eligibility status (i.e. if the person is CHC eligible then the ICB will support any long term arrangements).

Funding in care homes

25. As part of the Council's Market Sustainability Plan (reported to this Committee on 6 March 2023) a nursing care fee banding was introduced which created a higher level of funding to support people with more complex needs. This rate was introduced in October 2023 and is set at £900 per week (plus FNC contribution at £219 per week).

26. All existing placements were changed to this level and all new placements were set at this band. The Council believes that this rate is a sustainable rate for the market.
27. The current annual spend by the Council on in-county nursing care placements amounts to circa £7m with an average of £1,010 per placement per week. This is above the £900 banding level, but will have factors such as additional needs or market supplements to ensure the placement is secured.
28. Both the County Council and Leicester City Council formally approached the ICB in 2022 and 2023 regarding the low levels of FNC awards and CHC and joint funded care packages across both councils.
29. The approach was based on nationally published NHS information which stated that in both areas FNC and CHC was amongst the lowest in the country.
30. Recent information from Care Analytics who have conducted both national and regional work on the costs of care across all markets concluded that:
 - At a council level, Leicestershire is an outlier in the East Midlands, with one of the smallest older adult nursing markets in the country. Ignoring a few London Boroughs with very small markets, only Barnsley and Kingston Upon Hull have fewer beds in older adult nursing homes on mainland England (the Isles of Scilly is an extreme outlier).
 - Leicestershire also has the second smallest older adult care home market (nursing and residential combined) per head of elderly population among all the shire counties in England (only Dorset has fewer beds per capita). The combined Leicestershire and Leicester market is also comparatively small with only 65.5 beds per 1,000 of population aged 75+.
31. The regional pattern of a falling bed capacity in older adult nursing homes is common to most councils in the East Midlands, although there are different drivers in terms of the turnover of stock (closures and openings) and former nursing homes that have stayed open but deregistered their nursing status.
32. Leicester and Leicestershire have large losses in nursing capacity from comparatively low baselines – and with overlapping markets.
33. Falls in beds in nursing homes in Leicestershire (-16%) and Leicester (-31%) have left the two areas with the lowest per capita nursing capacity in the region, as this came from low baselines.
34. The LLR ICB has the fewest number of people eligible for FNC per head of GP population in England at only 28 people per 50,000 of population. This has also been the case for some time.
35. LLR ICB markedly reduced the number of people eligible for CHC between 2017 and the end of 2019, before per capita numbers became stable (albeit at one of the lowest levels in the country). Unless there are other compensatory factors (which are far from obvious), the three Councils have good cause to believe that the ICB has not taken responsibility for significant costs which fall within the remit of the NHS.

36. A review was commissioned by the ICB, with local authority involvement, led by a consultant from Midlands and Lancashire Commissioning Support Unit (MLCSU). The focus of the review surrounded:

- Processes for applying for health funding (checklists and assessments);
- Knowledge of processes and pathways;
- Dip sampling cases provided by the Councils to ascertain decisions on Health funding.

37. The three Councils have formally stated their dissatisfaction with the findings and are now considering what further response to make to the ICB.

Recent placement/funding activity

38. Over the past 12 months there have been positive outcomes for the County Council (and service users) on successfully securing health funding for placements.

39. The overall Health funding towards support has shown an increase from 8.4% (626/7,414 people) in January 2022 to 11.2% (836/7,457) January 2024.

Breakdown of funding

40. A breakdown of the funding is provided below:

- People aged 18 -64 shows an increase from 12.1% to 15.1%;
- People age 64+ shows an increase of 6.1% to 8.8%;
- Residential and Nursing care placements show an increase of 11.1% to 12.7%;
- Home care Maintenance shows an increase of 5.3% 120/2,259 to 7.4% 202/2,712;
- Community Life Choices shows a decrease of 6.2% 39/632 to 6.0% 39/646.

41. Whilst this increase is acknowledged the overall health contribution to individual support packages remains considerably lower than other Health systems.

42. The following tables demonstrate how LLR ICB benchmarks against other Health systems. The tables also demonstrate that whilst there has been some increase in CHC determinations, the level of FNC awards have further reduced over the period:

NHS CHC cumulative activity year to date from 1 April 2021 to end Q3	CHC per 50k population			NHS FNC	
	Standard	Fast track	Total	Number	Per 50K
ENGLAND	44.96	87.90	132.86	70,181	71.39
MIDLANDS	46.57	104.60	151.17	13,366	73.93
LEICESTER, LEICESTERSHIRE, AND RUTLAND STP*	31.83	39.61	71.44	773	41.21
LINCOLNSHIRE STP	56.34	157.32	213.66	1,108	84.13
NOTTINGHAM AND NOTTINGHAMSHIRE HEALTH AND CARE STP	55.86	125.89	181.74	1,611	89.54
JOINED UP CARE DERBYSHIRE STP	53.45	156.60	210.06	1,887	109.04
NORTHAMPTONSHIRE STP	36.04	90.22	126.26	1,199	95.39
COVENTRY AND WARWICKSHIRE STP	54.59	95.37	149.97	1,417	84.36
THE BLACK COUNTRY AND WEST BIRMINGHAM STP	35.20	77.41	112.61	2,330	100.26

Source: Statistics » NHS Continuing Healthcare and NHS-funded Nursing Care (england.nhs.uk)

*STP – Sustainability and Transformation Plans Footprint

NHS CHC cumulative activity year to date from 1 April 2023 to end Q3	CHC per 50k population			NHS FNC	
	Standard	Fast track	Total	Number	Per 50K
ENGLAND	44.10	91.40	135.50	107,832	107.54
MIDLANDS	46.31	103.03	149.34	22,132	118.19
LEICESTER, LEICESTERSHIRE, AND RUTLAND STP	40.56	49.74	90.29	687	35.63
LINCOLNSHIRE STP	54.88	182.09	236.97	936	70.37
NOTTINGHAM AND NOTTINGHAMSHIRE HEALTH AND CARE STP	62.72	132.15	194.87	1,974	97.19
JOINED UP CARE DERBYSHIRE STP	49.33	139.50	188.84	2,010	110.92
NORTHAMPTONSHIRE STP	35.09	92.94	128.03	1,386	106.19
COVENTRY AND WARWICKSHIRE STP	39.71	77.92	117.64	1,822	105.17
THE BLACK COUNTRY AND WEST BIRMINGHAM STP	23.44	95.19	118.62	3,230	159.05

Source: Statistics » NHS Continuing Healthcare and NHS-funded Nursing Care (england.nhs.uk)

Resource Implications

43. The Council funds 202 nursing care placements, at an average cost of £998 per week, which equates to an annual total cost of circa £10.5m.
44. Of these 202 placements, 174 (86%) people are placed in County homes, 13 in City homes and 15 out of county homes.
45. The Director of Corporate Resources and Director of Law and Governance have been consulted on the content of this report.

Conclusions

46. The Council considers the current practice and processes for securing Health funding as requiring further investigation. There are potentially a number of placements across all care provision and ages where the ICB responsibilities are being funded and delivered by the Council. These will be explored further and ongoing dialogue with the ICB continues on this issue and will be progressed over the coming six months.
47. The Council will continue to work with developers and providers to stimulate growth in the nursing care home market.

Recommendation

49. The Committee are asked to note the contents of the report and comment on the Nursing Care market position and in particular the funding issues with ICB.

Background papers

People at the Heart of Care: adult social care reform white paper -

<https://www.gov.uk/government/publications/people-at-the-heart-of-care-adult-social-care-reform-white-paper>

Market Sustainability and improvement Fund -

<https://www.gov.uk/government/publications/market-sustainability-and-improvement-fund-2023-to-2024/market-sustainability-and-improvement-fund-2023-to-2024>

Market Sustainability and Fair Cost of Care Fund 2022 to 2023: guidance -
<https://www.gov.uk/government/publications/market-sustainability-and-fair-cost-of-care-fund-2022-to-2023-guidance/market-sustainability-and-fair-cost-of-care-fund-2022-to-2023-guidance>

Leicestershire Cost of Care Reports and Market Sustainability Plan -
<https://resources.leicestershire.gov.uk/adult-social-care-and-health/communication-and-engagement/fair-cost-of-care-and-market-sustainability-plan>

Report to the Adults and Communities Overview and Scrutiny Committee: 5 June 2023 –
 Market Sustainability and Improvement Fund
<https://democracy.leics.gov.uk/ieListDocuments.aspx?MId=7108>

Circulation under the Local Issues Alert Procedure

50. None.

Equality Implications

51. There are no equality implications arising from the recommendations in this report. However, following the conclusion of the work with partners it is envisaged that any further work strands will present (and seek to address) their own equality implications.

Human Rights Implications

52. There are no human rights implications arising from the recommendations in this report

Partnership working

53. The Council is working with Leicester City Council and the ICB to seek to address the issues highlighted in the report in respect of market development and overall funding.

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