



Older People's Residential and Nursing Care

Market Positioning Statement: Update March 23

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Surrey's key messages to providers

Responding to complex care needs: As people live longer, we want to work with providers and other partners to develop affordable and high quality residential and nursing care provision that can care for people with complex needs, including advanced dementia with behaviour that challenges.

Digitising care: We are committed to driving forward the digital transformation of the care sector. It is imperative for integrated, seamless care that all care homes have an NHS email and are working towards digital care planning and monitoring. Using technology to maximise and enhance qualified care staff time will improve experiences for both residents and staff.

Improving hospital discharge: Home First is a key priority and remains the overriding choice for those leaving health settings – facilitating people's rapid discharge from hospital, with recovery and reablement-based support in their own home is paramount - and we will continue to work with partners to develop this model of care.

Connecting with the community: We are keen to unlock the potential and opportunity of the Voluntary, Community and Social Enterprise (VCSE) in working with residential and nursing care providers to ensure care homes are at the heart of their local communities, supporting people's needs at the right time and linking to important community assets that increase their social value and environmental sustainability.

Future of residential care: As we continue to develop Extra Care Housing and make greater use of Home-Based Care services, we no longer need to commission low level residential care to the same extent as the past as individuals can often be cared for in their own home. Any residential care placement will likely be for individuals with a higher level of mental health need or physical frailty.

Improving quality: We want to work with the market to support at least 85% of services commissioned to be rated Good or Outstanding by 2030. But also want to continue to get good feedback through more regular engagement with the market and residents, carers and families who use your services. We will help improve links with intermediate care and primary care to enhance support to homes that provides confidence when meeting resident's needs.

Informed decisions: We want to ensure residents in Surrey are making informed decisions about their own care and support, particularly if they want to move into a care home. This is to prevent common issues such as individuals entering care arrangements that are not right for their needs or that cannot be sustained financially in the longer term. This also extends to better information being shared with homes from health and social care that enable more informed decisions about the residents you can and cannot support.

How do we know what makes a good care home?

In developing the Living Well in Later Life Older People's Commissioning Strategy (2021 to 2030), a core project group was established, which shaped and led the work needed to create Surrey's strategy. We have been able to use this engagement work to better understand key priorities for Older People living in Surrey. We believe we have developed a commissioning strategy that will help us to ensure Surrey is a place where no one is left behind. We worked with different groups of Surrey residents of all ages, unpaid carers, providers, partners, and Surrey County Council staff over a period of seven months. Providing opportunities for online engagement enabled people to connect and input across Surrey more flexibly. We conducted surveys and workshops focused on what works well, what doesn't work well, what could be improved and what is important to our residents. We also connected and had conversations with residents via the phone and sought feedback regarding providers and their services from their service users and families.

Co-production sessions were held in partnership with the Surrey Coalition of Disabled People and with older residents and their families and carers in Surrey in the summer of 2021. Surrey County Council also shared a survey with all residents living in care homes, their families, and their carers. This information informed the development of the Residential and Nursing Care contract, including the specification and market performance measures. The findings from these sessions have been recorded and are represented in the image below which summarises what makes a good care home. (see Image 1).

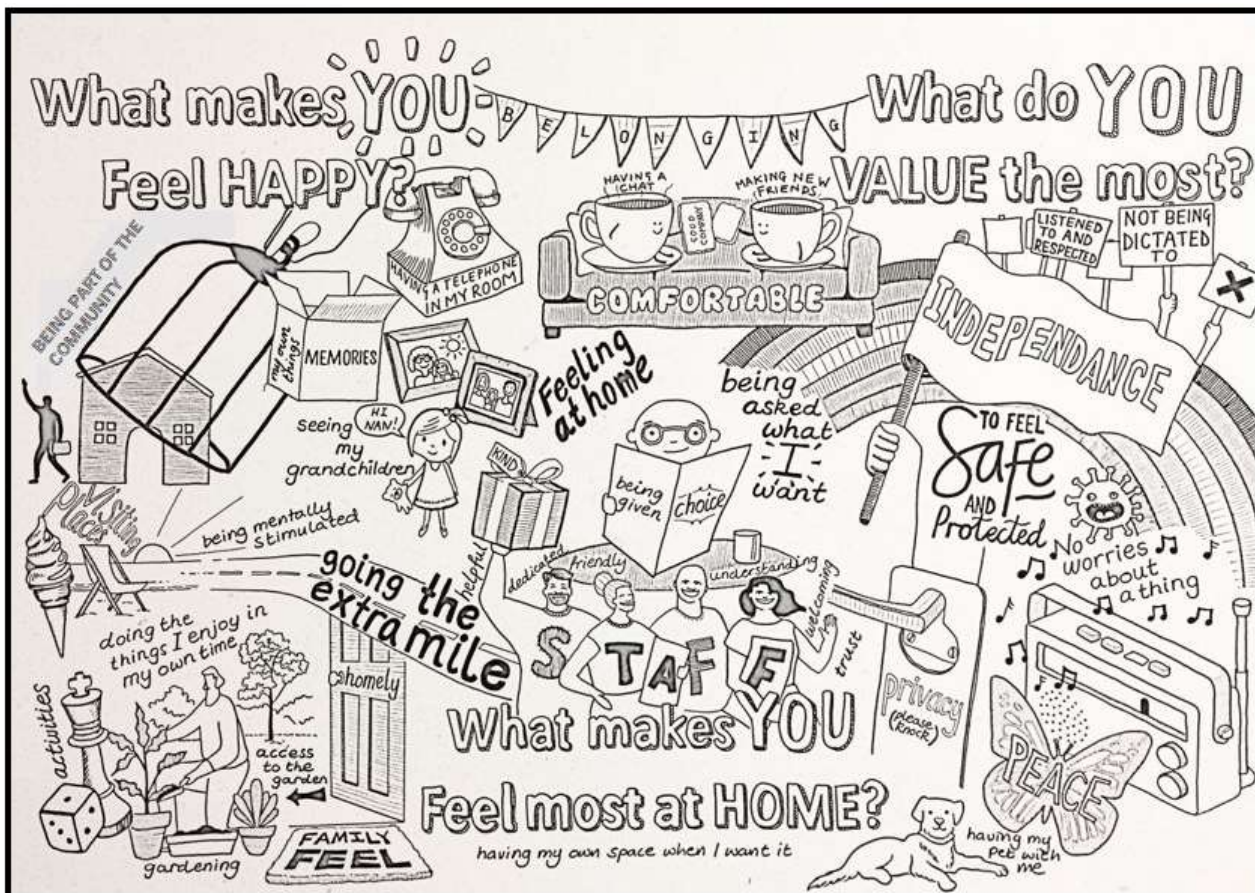


Image 1: What makes a good care home?

Building on this work, we have developed a resident engagement plan to ensure we are constantly working alongside Surrey residents, their carers and their families. This plan sets out the following outcomes:

- **Outcome 1:** Residents, families and carers lead the way in making care homes a great place to live.
- **Outcome 2:** Residents in care homes have the power to influence issues that affect them.
- **Outcome 3:** Activities to involve residents in care homes are focused and powerful.

To achieve this, we will:

- **Annual Care Home Survey:** We will work with residents, and homes, to design an annual Surrey care home survey to go to all the care homes on our Residential and Nursing Care contract and block contracted provision. Staff will be encouraged to support residents, their families, and their carers to feedback their views on what good looks like.
- **Drop-ins:** Surrey County Council staff will work with providers to organise opportunities to meet with residents in their care homes to talk about their day-to-day activities and their experiences of living in a care home.
- **Resident Panel:** We have used the Older People's Commissioning Strategy to reach out to the public and ask for people in Surrey to tell us if they would like to be part of a lived experience panel. We will go to the panel 3-4 times a year to ask them about key areas of work and practice or policy changes for them to share their views.
- **Task and finish groups:** Where appropriate, we will set up task and finish groups with residents to get their involvement from the start of a new project to shape the outcomes and related activity.

To make sure we reflect this in how we involve communities, we will do our best to make sure that all our activity:

- Has a clear purpose and that we are honest about what the limitations are.
- Involves people at the earliest opportunity to influence outcomes.
- Is accessible and inclusive, considering the levels of involvement of each of the protected characteristics identified in the Equalities Act (2010) as well as other characteristics.
- Allows people to easily see the effect their involvement has.
- Makes sure how and to what degree people are involved is in proportion to the size and resources of the service and the significance of the issue.

Where we can, we will establish this approach in services we commission, and promote them as a standard for our partners to work with or towards.

About this Market Position Statement

What is a Market Position Statement (MPS)?

A Market Position Statement (MPS) is a vital part of what Surrey County Council must do to ensure that there is a choice of different types of service and support available to residents. This MPS focuses specifically on the Residential and Nursing Care Market for Older People (over 65)

The MPS outlines:

- The type of residential care (with or without nursing) that older residents need.
- The residential care (with or without nursing) available at present, and what is not available but needs to be.
- The residential care (with or without nursing) the council thinks will be needed in the future.
- An overview of how Surrey County Council needs to shape the market and work with providers to develop a viable and sustainable market for older residents.

The main aim of this MPS is to encourage commissioners, people who use services, carers and provider organisations to work together to explain what residential care (with or without nursing) is needed in each area and why. The test of a good MPS is how well it is used and regularly reviewed by providers and the Council once it has been produced.

How has this MPS been developed?

A provider focus group was held in July 2022 to discuss the structure and content of this statement. The feedback received was that the MPS needed to:

- Identify the commissioning intentions and therefore future business opportunities for care providers to enable providers to develop their own business plans.
- Signify ways to work collaboratively in partnership with the market and local partners to explore innovative ways of responding to increasingly complex needs.
- Uncover the challenges and a way forward for older residents with complex mental health needs or complex physical frailty to feed into the approaches the market is taking in response.
- Include information at local level, not just Surrey-wide, to help foster opportunities to build relationships and develop local partnerships.

Key objectives

In line with the Living Well in Later Life Older People's Commissioning Strategy (2021 to 2030), this Market Position Statement sets out the following key objectives:

- Ensure there is the right care home provision available for the changing needs of the increasing population.
- Increase the capacity for ASC-funded placements in the residential and nursing care market, including for complex mental health needs and complex physical frailty.
- Secure strong relationships with care home providers and identify strategic partners to shape the social care market.

- Gain a comprehensive picture of what people want their residential and nursing care provision to be in the future by working with residents, carers, families, and providers.
- Improve our offer of support to providers to improve quality and outcomes for all residents receiving care.
- Ensure there are open and transparent processes and communication channels in place to enable residents to make well-informed choices about their care, understand how to manage their finances and know what to expect if their capital runs out.
- To identify gaps in provision and how these can be addressed through innovation and differing approaches to commissioning care.

Working differently with providers

We do not want to have a static, transactional relationship with care home providers in Surrey. We can see the passion and hard work in the sector, and we want to work alongside you to ensure Surrey residents have access to the best quality care. We recognise and welcome your expertise, and we know you will almost certainly have ideas about how we could all do things differently that would deliver improved outcomes for Surrey residents.

- We are keen to explore new ideas with you about how we can stimulate the market.
- We want to work with you to look at opportunities for more innovative approaches to meet needs in a more timely, more effective way that helps us to respond to residents' need while still achieving value for money.
- We will hold regular forums with providers and local partners to share information and exchange knowledge and ideas.
- We will regularly update our Market Position Statement and we welcome your suggestions and comments to help inform this.
- Through the Surrey Care Association, we will highlight any changes to the Market Position Statement, especially those relating to market opportunities and the support offered to providers.
- We want to work collaboratively on shared issues such as workforce and growing the brand of CARE

If you would like to discuss how we can work with you as an existing or new care provider, please get in touch: residentialnursingcare@surreycc.gov.uk

Additionally, we are asking residents and partners to [register their interest](#) (via a Surrey says form) in being involved in ongoing engagement on our [Living Well in Later Life strategy](#). This will enable them to be involved in the shaping of services throughout the lifetime of the strategy. Our current priority is sharing the strategy and encouraging residents and partners to register their interest in working with us.

- **Telephone:** 0300 200 1005
- **Email:** asc.infoandadvice@surreycc.gov.uk
- **Textphone (via Text Relay):** 18001 0300 200 1005
- **SMS:** 07527 182 861 (for the deaf or hard of hearing)
- **BSL:** [Sign Language Video Relay Service](#)



Changing Needs

Current population

According to the [Joint Strategic Needs Assessment \(JSNA\) for Surrey's Population](#), Surrey has an increasingly ageing population with a life expectancy above the national average for both men and women. 230,000 people in Surrey are over the age of 65 with an expected growth to 341,000 people by 2030, with the largest growth expected in the number of people who are 85+. Surrey is less ethnically diverse than England, just over 16% are non-white British compared to 21% in England. Despite the increase in older Surrey residents, permanent admissions to care homes for people over the age of 65 continue to slowly decline as people endeavour to remain in their own home for longer. According to the [JSNA for Older People in Care Homes](#), the number of permanent admissions to residential and nursing care home per 100,000 people aged 65+ decreased by 17% from 558.0 in 2010 to 464.1 in 2020. However, ASC admissions to care homes have remained static over the last few years, averaging 2160 admissions a year (with a slight dip in 2021 due to the pandemic).

According to the [JSNA for Surrey's Population](#), approximately 60% of women and 63% of men over 65 are in good or very good health in Surrey with life expectancy for men at 82 and women at 85. [JSNA information on life expectancy](#) shows that cancer and circulatory diseases are the two leading causes of death in Surrey. Deaths from cancer affect men more than women, while deaths attributed to mental and behavioural disorders disproportionately affect women. However, although Surrey is one of the 20% least deprived counties/unitary authorities in England, there are pockets of deprivation with a ten-year gap between wards in Surrey for men and a 14-year gap for women. Healthy life expectancy is also much lower than life expectancy at 69 for men and 71 for women.

The [JSNA](#) also shows that there are also changes in the structure of our society which mean that increasingly older people are living alone with less family support. By 2030, the number of people aged 75+ predicted to be living alone will have increased by 27%. The 2011 Census data also shows that the number of unpaid carers 65 and over will increase by 17% from 2016 to 2025, and for unpaid carers aged 85 and over this was 31%.

Spotlight on mental health needs

Since 1st July 2022, approximately 200 ASC referrals for older people requiring a care home placement have had a primary mental health need. Their behaviour has included disinhibition, anxiety, physical or verbal aggression, resistance to care and wandering.

Our brokerage system, AOSS, has recorded that 61% of all Adult Social Care (ASC) referrals that take longer than 29 days are for residents with dementia. Table 1 gives an overview of this data by locality. These referrals are often declined by multiple care homes because of the resident's high level of mental health needs which then causes a delay in placing the resident in a suitable care home. The majority (78%) of referrals are declined by care home providers because of the individual's needs being too high, with 22% of this figure specifically due to challenging behaviour. This would indicate a gap in care homes able to support residents with mental health needs in Surrey.

Table 1: Percentage of all referrals that take longer than 29 days for residents with dementia

Locality	Percentage of all referrals that take longer than 29 days for residents with dementia (AOSS data from 30 th January 2023)
Tandridge	33%
Elmbridge	36%
Surrey Heath	41%
Mole Valley	50%
Guildford	51%
Waverley	52%
Spelthorne	54%
Reigate & Banstead	63%
Woking	63%
Runnymede	64%
Epsom & Ewell	70%

However, this rise in mental health need does not only effect ASC referrals but can be seen as an increase in need generally. In Surrey, [POPPI](#) data estimates that between 2020 and 2030 the overall number of people with dementia is forecast to increase by 28%, from 17,700 to 22,672. The [JSNA](#) data estimates that at least 40% of people with multimorbidity are estimated to have at least one mental health condition. Depression is up to seven times more likely in people with multimorbidity.

Feedback from workshops with providers and ASC/NHS operational teams suggests the following:

- Care homes in Surrey need relevant mental health training to ensure all staff, including nursing staff, can respond to the needs of this client group. Training should cover the skills and competencies required to support residents with behaviour that can sometimes be challenging.
- Care homes also need relevant support from primary care, GP practices and clinical services to support the needs of residents they care for.
- There is a need for care homes with built environments which are more conducive to supporting mental health (including dementia) needs in the individual rooms and communal spaces, both for nursing and residential.
- Despite clear NICE guidelines and new Behavioural and Psychological Symptoms of Dementia (BPSD) guidance, care home staff remain unclear about how responsibility and communication on medication should operate.

Spotlight on physical frailty

Multimorbidity (defined as the co-occurrence of two or more chronic conditions) and frailty (which commonly coexist) contribute to more complex care needs for residents. The [JSNA](#) data estimates that there are around 90,000 residents aged 65 and over with multiple morbidity and 22,000 with frailty. It is further estimated that those with frailty will increase to more than 27,000 by 2030. The largest number of patients with either frailty or pre frailty are estimated to be in NW Surrey and Surrey Downs, whereas the smallest number are expected in Surrey Heath.

These increasing numbers of residents with physical frailty and multimorbidity mean that a great number of care home admissions will be for residents who are at risk of falling. The [JSNA](#) data estimates that in 2025, approximately 8,100 people over 65 are anticipated to have a fall,

increasing to nearly 9,000 in 2030. As a system ambition, health and social care partners are committed to reducing rate of See and Convey activity across Surrey (see table 2) and falls-related hospital admissions where possible. We are committed to working with care homes to ensure they have the risk management structures, right environment, staff training and community support in place to manage this risk and respond with the right level of escalation to any fall that happens.

Table 2: 999 activity 2021/22 and 2022/23

Place	% See and Convey out of all 999 contact
East Surrey	38%
Guildford and Waverley	33%
North West Surrey	29%
Surrey Downs	27%

Table 3: Non-Elective Acute Admissions following a fall 2021/22 and 2022/23

Locality	Number of Non-Elective Acute Admissions
East Surrey	179
Guildford and Waverley	300
North West Surrey	310
Surrey Downs	367

Future needs

In 2022, a significant amount of the social care budget for older people (as the primary need) was spent on residential and nursing care. However, to support people to maintain their independence and wellbeing for as long as possible, we need to review how we use our resources so that we can focus more on preventative services and not wait until an emergency develops before action is taken to support people. Our commissioning approach is to focus on preventative actions, to keep people living independently and well for longer, as well as ensuring there is high quality provision to meet those with more complex needs.

Table 4: Use of Home-Based Care vs Residential Care (2018 – 2023)

Type of care	31/03/2018	31/03/2019	31/03/2020	31/03/2021	31/03/2022	30/01/2023
Home Based Care – High Needs	383	329	348	347	392	401
Residential Care	526	498	330	328	310	296
Residential Dementia Care	326	447	472	475	585	618
Residential Nursing Care	1382	1336	1345	1126	1238	1327

As we develop our extra care provision in Surrey and aim to implement a 'home-first' approach to hospital discharge, we anticipate supporting less and less residents in residential care (see Table 4). This means that those we do support in care homes will be more likely to have greater physical and mental health needs. The future intention is that care home placements will only be purchased by SCC and Surrey CHC for people who cannot live safely at home, and primarily for those with nursing and/or specialist needs, for example advanced dementia and high levels of physical frailty.

Current Market

Market overview

In March 2023, CQC data shows that there are currently 216 residential and nursing care homes registered (10,711 beds) within Surrey who predominantly provide services for older people. Relative to population size aged 75+, Surrey has a larger older adult care home market compared to both regional and national benchmarks. The [JSNA](#) data highlights that there are approximately 12.2 beds per 100 people over the age of 75 as opposed to 9.4 which is the national average. Table 5 demonstrates the number of care homes in Surrey’s market for older people offering residential or nursing care. However, not all capacity is available to the market as it may not be staffed or functional.

Table 5: Types of Care Home in Surrey

Type of care home	Number of homes	Number of beds
Nursing	134	7346
Residential	82	3291

There is a diverse market operating in Surrey with a range of providers from large, national providers with 11 plus homes across the country to small businesses operating only one care home in the Surrey market. Approximately 151 providers operate in Surrey, with 28 large national providers accounting for 35% of the market. Table 6 demonstrates the type of care home providers in Surrey – 1 to 5 (small provider); 6 to 11 homes (medium provider); and 11 plus care homes (large provider). 38% of the care homes in Surrey are run by a provider who only has care homes in the Surrey market. Depending on overhead costs, some providers can run more efficiently than others which and are able to achieve the council’s guide price. This was reflected in an SCC commissioned report by Care Analytics in April 2021.

Table 6: Size of care home providers in Surrey

Size of provider	Number of providers	Number of care homes
Large	28	76
Medium	29	34
Small	94	102

The care home market in Surrey remains vibrant despite the challenges with workforce and the impact of the COVID pandemic. Changes to overseas recruitment practice is already seeing

'new' workforce capacity supporting the development of Surrey care markets. Despite its large size, the Surrey care home market continues to grow, and any new build care homes are mainly aimed at the luxury market. 81% of care homes in Surrey are rated good or outstanding by CQC. Any home closures have usually resulted from poor CQC ratings or new homes opening in proximity but can also be the result of larger providers purchasing small care home businesses. Overall, occupancy levels in the sector have steadily increased over the last 3 years as admittable vacancy levels have decreased (demonstrated in Table 7).

Table 7: Surrey market admittable vacancy levels taken from the NHS Capacity Tracker (30th January 2023)

Vacancy Type	Vacancies (Admittable) % (January 21)	Vacancies (Admittable) % (January 22)	Vacancies (Admittable) % (January 23)
General Residential	24%	19%	16%
Dementia Residential	19%	17%	13%
General Nursing	20%	18%	14%
Dementia Nursing	17%	13%	10%

ASC and CHC commissioned services

65% of all placements made in Surrey care homes are by self-funders. However, SCC has contracts with approximately 90% of the care home market. As of January 2023, the council contracts with 195 residential care homes across all categories of care. They provide a range of care types categorised as:

- **Residential care for older people**
- **Residential care for older people with dementia**
- **Nursing care for older people**

Residential and nursing care represent 55% of gross expenditure for ASC Older People's care packages at approximately £96m per annum. It is vital to manage the prices paid for residential and nursing care, whilst also ensuring the market is being paid a fair and sustainable price for their service costs in support of our obligation to maintain a healthy market offering a choice of high-quality services. Surrey Continuing Healthcare (CHC) has CHC contracts with approximately 45% of the care home market and FNC contracts with all nursing homes in Surrey.

Surrey County Council (SCC) and Surrey Continuing Healthcare (CHC) have a joint Residential and Nursing Care Contract, which went live on 1 July 2022. The contract is a Dynamic Purchasing System (DPS), which means new providers can be accepted to the contract throughout the full 6-year term of the contractual arrangements which started in July 2022, and there is the possibility to extend the contract to 10 years. The Residential and Nursing Care Contract enables commissioners to build relationships and communicate more effectively with providers. The contract also means that we have agreed pricing with care home providers, and we know exactly what capacity we have in the care home market. This provides greater clarity and transparency when dealing with issues such as inflationary uplifts, new financial opportunities for the sector, socio-economic challenges facing the market and of course responding to fluctuating demand such as winter and hospital discharge pressures.

There are several different lots included within the contract. Currently the following lots are open to providers:

- Lot 1 – ASC Residential Care with or without Nursing (Older People only)
- Lot 2 - CHC Nursing Care (Older People/End of Life fast track only)
- Lot 3 - Discharge to Recover and Assess (Older people only): This will be for the provision of placements with therapeutic input (with or without Funded Nursing Care funding in place) for people over the age of 65 who are being discharged from hospital into a care home for a period up to four weeks
- Lot 6 – Older People residential care with or without nursing blocks (Older People only): This is for a variety of blocks for long- and short-term placements (without or without FNC funding in place) for people over the age of 65 with needs eligible for social care or CHC Nursing Care.

Providers who are successful in their application for Lots 3 and 6 will become an approved provider which means that commissioners with, and on behalf of social care teams and health partners, can arrange block placements through a mini competition based on suitability, quality, location, and price as examples. This enables us to work transparently and fairly with all approved providers in the market. Further lots will be developed in the future for services including Residential Care with or without Nursing for adults aged 18-65 years, and for Learning Disability client groups.

To ensure quality of services being delivered to residents and to provide adequate support from health and social care for our valued care providers, over the next 5 years, commissioners aim to only make placements with providers who have joined the contract. We want to harness good relationships with providers through consistent contract management, transparent processes, training opportunities, and a dedicated relationship manager. We will involve a comprehensive programme of engagement across all sectors of the residential and nursing care market to support an effective and sustainable market in future years. If care home providers wish to offer residential and nursing care for older people in Surrey, they can [apply through the contract](#) which went live in July 2022:

SCC have had a long-standing block contract with Care UK since 2002. The block contract consists of 293 beds in 7 care homes across Surrey, with the total registered bed capacity for all the homes totalling 425 beds delivering residential dementia care. The 293 block purchased beds total 2.73% of the overall beds in Surrey care home market. The care homes within the contract are Appleby House, Epsom (38 beds), Broadwater Lodge, Waverley (47 beds), Echelforde, Spelthorne (37 beds), Kingsleigh, Woking (47 beds), Stanecroft, Mole Valley (38 beds), Tiltwood, Elmbridge (45 beds) and Whitebourne, Surrey Heath (41 beds). The 25-year contract is due to end in January 2027.

Additionally, SCC had previously entered in to a 20-year block contract with Anchor Hanover in March 1998, for the delivery of residential and day care services for older people in 17 care homes previously owned by the Council offering 425 block contract beds, this contract was extended for an additional year and ended in April 2019. As a result of the contract ending, 8 homes were brought back in house to SCC and subsequently following a paper approved by Cabinet in February 2022 the homes are in a process of phased closure. Orchard Court (Lingfield), Keswick (Bookham), Birchlands (Englefield Green) and Meadowside (Staines) were all closed by January 2023. With the remaining homes Chalkmead (Merstham), Heathside (Woking), Abbeywood (Ash Vale) and Barnfield (Horley) due to close by the end of 2023. These 8 homes equate to 499 beds, 4.65% of Surrey's care home market.

The other 9 homes within in the Anchor Hanover block contract were rebuilt during the contract and remain under lease agreements with Anchor until March 2028. The homes are Eastlake (Waverley), Glendale (Elmbridge), Greenacres (Reigate and Banstead), Limegrove (Guildford), Linwood (Elmbridge), Oakleigh (Tandridge), Ridgemount (Reigate and Banstead), Thameside (Elmbridge) and The Beeches (Mole Valley).

The Care UK, Anchor and In House homes equate to 24 care homes, 1,519 beds (14% Surrey's care home market) and is referred to as SCC's Care Home Portfolio.

This MPS is being used to inform our planning and next steps with these existing block contracts and will help shape our future relationship with the market including the identification of suitable extensions or replacements for these arrangements.

Market Challenges

Rapid hospital discharges

The proportion of patients remaining in beds who no longer meet the criteria to reside remains high. Any delay in discharge, leading to longer stays in hospital, can potentially damage people's confidence to live independently as well as directly impact their health and wellbeing – particularly for older people where extended stays can also be associated with loss of muscle tone, increased likelihood of falls and rapid deterioration. This means not only poorer short and longer-term outcomes and a greater reliance on services for those patients involved, but it also results in fewer beds being available in that hospital for new admissions – emergency or elective. We need to work as an integrated and aligned system to continue to manage this challenge with the right models of care in the community, including step-down, reablement and rehabilitation where appropriate, to enable a good flow of patients out of hospital and into appropriate forms of care in the community as expediently and safely as possible.

Increasing prevalence of high frailty/dementia/complex comorbidity

Demand has particularly accelerated for services that can support extremely vulnerable people with multiple conditions. This has been driven predominantly by increased numbers of hospital discharges, by people growing older with multiple, complex needs, as well as a potential increase in informal caring arrangements coming to an end. There is limited capacity in the market for placements for people with complex frailty and behaviour that challenges, but there are also indications that the workforce is lacking skills/experience in personalised care and positive behaviour approaches needed to feel confident in caring for these individuals. There are also concerns that providers do not feel supported by the health and care services in the community to effectively manage risk for individual residents.

Workforce, quality and resilience challenges

Structural workforce issues remain; recruitment and retention, pay and reward, support, training, and career progression. This increases the risk to services relating to ongoing or future challenges of maintaining quality standards and meeting care requirements that often require business continuity planning that safeguards people in receipt of care. It also means that

reporting of capacity in the market may not actually be accurate as the provider is unable to staff beds in homes, as planned. We will continue to work together to shape a sustainable market that provides choice of high-quality provision by uplifting providers annually who join the Residential and Nursing Care contract, by sharing clarity of commissioning intent with providers to enable them to plan and by making information available about current and future demand modelling made available to providers.

Future Supply

In order to understand future demand for capacity within the care home market, work was completed in 2022 to develop four Area Reports for North West Surrey and Surrey Heath, East Surrey, South West and Surrey Downs as part of the [Living Well in Later Life](#), Older People's Commissioning Strategy 2021 – 2030.

The reports detail current providers, care homes and bed capacity within in the Surrey market, Adult Social Care (ASC) utilisation within homes, placement and pricing trends for nursing, residential dementia and residential, and looks at referrals, rejection, and additional placement data. This information has been distilled to demonstrate gaps in capacity across the county for both the residential and nursing care market and sets out specific challenges for each area. This information will be considered alongside the future of the SCC Care Home Portfolio; 8 in-house homes closing by 2023, 7 Care UK homes in a block contract ending in 2027 and 9 Anchor homes lease agreements ending in 2028.

Within each area predicted demand growth for each district and borough for residential, residential dementia and nursing placements is detailed. These projections have been determined specifically from ASC placement trend data from March 2018 to March 2022 (excluding the SCC Care Home Portfolio) and Projecting Older People Population Information (POPPI), we will continue to review this regularly to 2040.

This refreshed data will be made available via the Living Well in Later Life, Older People's Commissioning Strategy webpage as detailed above. We will also continue, through our brokerage function which sources care from contracted providers, to update trends analysis for placements, prices and rejections data.

East Surrey (Reigate and Banstead and Tandridge)

Between 31/3/18 to 31/3/22 most care home placements were made into nursing provision (246), but this has declined slightly by 16% over the last five-year period. Residential placements decreased by 55% which supports the data with more people remaining at home to receive lower levels of care. And residential dementia placements increased the most by 56% and continue to grow to support people with more complex mental health needs.

Within the East there are 31 nursing homes and 25 residential homes, and a high number of these homes are supported through large providers at 21% and 27% of small providers within Surrey. Even with the slightly higher portion of small providers in the area, most placements (taken from a snapshot in January 2022) are placed within large provider care homes, typically these providers have higher overhead costs which makes it harder to achieve ASC guide price.

Feedback taken from ASC brokerage data shows referrals from July 2022, the majority are for R&B (267) with 61% coming for East Surrey Hospital and 39% from the community, both for nursing dementia and residential dementia. In Tandridge the numbers are significantly smaller

(70) with 11% from community hospital and 89% from the community, mainly for residential dementia.

Of these referrals that are placed within a care home, 50% that are commissioned over ASC guide price are recorded as being because the residents have complex behaviour needs. Additionally, sourcing times for referrals over 29 days is highest for nursing and residential dementia. This demonstrates the local gap in provision, alongside the need for provision to support residents with more complex mental health needs.

The most common reasons recorded for care homes rejecting referrals is because there is no capacity in the home. When this is broken down further, this is either the home stating they have no more capacity in the home at all, no ASC funded capacity, or the home may have an ASC funded bed free but are unable to take another high needs referral.

Within SCC's Care Home Portfolio there are 6 homes: 3 under Anchor lease agreements (178 beds) and 3 ASC in house homes (176 beds) and no Care UK block contract homes. Due to the in-house homes closing, these have not been taking long term placements since April 2022 and have therefore not been utilised for long term placement provision in the area.

Table 8: Future Capacity Needs – East Surrey

Reigate and Banstead

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
31-Mar-20	Actual Placements	91	116	181
31-Mar-21	Actual Placements	72	95	144
31-Mar-22	Actual Placements	65	96	153
28-Feb-23	Actual Placements	60	119	170
28-Feb-24	Forecast	51	120	171
28-Feb-25	Forecast	41	122	169
28-Feb-26	Forecast	31	124	167

Tandridge

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
31-Mar-20	Actual Placements	59	61	101
31-Mar-21	Actual Placements	45	56	91
31-Mar-22	Actual Placements	41	67	93
28-Feb-23	Actual Placements	31	68	120
28-Feb-24	Forecast	23	74	126
28-Feb-25	Forecast	13	77	133

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
28-Feb-26	Forecast	4	79	140

Surrey Downs (Mole Valley, Elmbridge and Epsom and Ewell)

Between 31/3/18 to 31/3/22 most care home placements were made into nursing provision (286), but this has declined slightly by 9% over the last five-year period. Residential placements decreased by 30% which supports the data with more people remaining to receive lower levels of care. Finally, residential dementia placements have doubled and continue to grow to support people with more complex mental health needs.

Within the Surrey Downs there are 26 nursing homes and 35 residential homes, and a high number of these homes are supported through large providers at 30% and 25% of small providers within Surrey. Large providers dominate within Elmbridge and typically, these providers have higher overhead costs which makes it harder to achieve ASC guide price. Additionally, Mole Valley and Epsom and Ewell are dominated by small providers, these homes tend to be run more efficiently and therefore our pricing is more favourable to achieving ASC guide price.

Feedback taken from ASC brokerage data shows referrals from July 2022, the majority are for Epsom and Ewell (185) and Elmbridge (184). Within E&E, most referrals come from Epsom Hospital (55%) and within Elmbridge from Walton and Molesey Community Hospital (7%) and the local community (93%). The placements that are mainly requested in these localities are for residential dementia and nursing dementia. Numbers within Mole Valley (83) are significantly lower and all from the local community, with these also for residential dementia and nursing dementia.

Of these referrals that are placed within a care home, 55% that are commissioned over ASC guide price are recorded as being because the residents have complex behaviour needs. Additionally, sourcing times for referrals over 29 days is highest for nursing and residential dementia. This demonstrates the local gap in provision, alongside the need for provision to support residents with more complex mental health needs.

The most common reasons recorded for care homes rejecting referrals is because there is no capacity in the home. When this is broken down further, this is either the home stating they have no more capacity at the home at all, no ASC funded capacity, or the home may have an ASC funded bed free but are unable to take another high needs referral.

In Surrey Downs within the Care Home Portfolio, there are 8 homes with 470 registered bed capacity within the 3 Care UK, 4 Anchor and 1 ASC in house homes. This area has the most Care UK provision in the county, which supports the area by providing 112 residential dementia beds at a block contract rate and in January 2023 the average occupancy was 89%.

Table 9: Future Capacity Needs – Mid Surrey Mole Valley

Older Person's Residential and Nursing Care – Update March 23

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
31-Mar-20	Actual Placements	78	55	107
31-Mar-21	Actual Placements	60	52	85
31-Mar-22	Actual Placements	50	56	96
28-Feb-23	Actual Placements	42	59	122
28-Feb-24	Forecast	31	63	129
28-Feb-25	Forecast	19	65	135
28-Feb-26	Forecast	6	67	142

Elmbridge

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
31-Mar-20	Actual Placements	56	115	141
31-Mar-21	Actual Placements	49	99	120
31-Mar-22	Actual Placements	48	112	129
28-Feb-23	Actual Placements	35	107	111
28-Feb-24	Forecast	31	110	112
28-Feb-25	Forecast	24	107	103
28-Feb-26	Forecast	17	105	94

Epsom and Ewell

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
31-Mar-20	Actual Placements	19	45	82
31-Mar-21	Actual Placements	18	43	53
31-Mar-22	Actual Placements	19	38	61
28-Feb-23	Actual Placements	21	50	66
28-Feb-24	Forecast	22	50	63
28-Feb-25	Forecast	23	52	59
28-Feb-26	Forecast	24	53	56

North West Surrey and Surrey Heath (Runnymede, Spelthorne, Woking and Surrey Heath)

Between 31/3/18 to 31/3/22 most care home placements were made into nursing provision (405), but this has declined slightly by 8% over the last five-year period. Residential placements decreased by 50% which supports the data with more people remaining at home to receive lower levels of care. Finally, residential dementia placements have increased by 66% and continue to grow to support people with more complex mental health needs.

Within the North West Surrey and Surrey Heath there are 39 nursing homes and 26 residential homes, the area is supported by a good mix of large providers at 32%, medium providers at 19% and 49% of small providers within Surrey. Due to this range of providers, average weekly placement costs for the North West area were over guide price for 21/22 but lower than the Surrey average in Woking (residential and nursing), Runnymede (residential) and Spelthorne (nursing).

Feedback taken from ASC brokerage data shows referrals from July 2022, the majority are for Surrey Heath (221) and Runnymede (209), with lower numbers in Spelthorne (90) and Woking (85). Within Runnymede and Surrey Heath, most referrals received are for nursing dementia, followed by residential dementia. In Spelthorne, most referrals are evenly requested for residential dementia and nursing dementia, and in Woking most referrals are for residential dementia and general nursing.

Of the referrals that are placed within a care home, 33% that are commissioned over ASC guide price are recorded as being because the residents have complex behaviour needs. Additionally,

sourcing times for referrals over 29 days is highest for nursing dementia and residential dementia which demonstrates the local gap in provision.

Within all other areas of Surrey, most referrals received are to place patients from a hospital setting into the community, however these numbers are not the same in NW/SH. There is a large contract with a provider to support effective discharges from hospital offering rehabilitation and reablement before placing the patient back at home (with or without care) or into a care home.

The most common reasons recorded for care homes rejecting referrals is because there is no capacity in the home. When this is broken down further, this is either the home stating they have no more capacity at the home at all, no ASC funded capacity, or the home may have an ASC funded bed free but are unable to take another high needs referral.

In NW/SH within the Care Home Portfolio, there are 6 homes and 337 registered bed capacity with ASC in house and Care UK homes, there are no Anchor homes in the area. In the 3 Care UK block contract homes in the area, this offers 183 registered bed capacity and 125 contracted beds. These homes are well utilised with the homes contracted bed occupancy averaging 90% in January 2023, this is the highest occupancy in Surrey.

Table 10: Future Capacity Needs – North West Surrey and Surrey Heath

Runnymede

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
31-Mar-20	Actual Placements	47	51	83
31-Mar-21	Actual Placements	40	58	76
31-Mar-22	Actual Placements	35	67	86
28-Feb-23	Actual Placements	23	54	101
28-Feb-24	Forecast	17	62	110
28-Feb-25	Forecast	9	64	117
28-Feb-26	Forecast	1	65	124

Spelthorne

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
31-Mar-20	Actual Placements	31	50	109
31-Mar-21	Actual Placements	21	32	110
31-Mar-22	Actual Placements	22	42	126
28-Feb-23	Actual Placements	14	43	109
28-Feb-24	Forecast	10	41	119

Older Person's Residential and Nursing Care – Update March 23

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
28-Feb-25	Forecast	4	38	120
28-Feb-26	Forecast	0	35	121

Woking

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
31-Mar-20	Actual Placements	41	50	84
31-Mar-21	Actual Placements	31	45	63
31-Mar-22	Actual Placements	22	63	76
28-Feb-23	Actual Placements	25	61	88
28-Feb-24	Forecast	18	70	93
28-Feb-25	Forecast	12	75	96
28-Feb-26	Forecast	7	79	99

Surrey Heath

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
31-Mar-20	Actual Placements	30	68	137
31-Mar-21	Actual Placements	22	63	105
31-Mar-22	Actual Placements	15	90	117
28-Feb-23	Actual Placements	13	76	117
28-Feb-24	Forecast	7	91	112
28-Feb-25	Forecast	1	95	104
28-Feb-26	Forecast	0	100	96

South West Surrey (Guildford and Waverley)

Between 31/3/18 to 31/3/22 most care home placements were made into nursing provision (300), but this has declined slightly by 10% over the last five-year period. Residential placements decreased by 14% which supports the data with more people remaining at home to receive lower levels of care. Residential dementia placements increased the most by 102% and continue to grow to support people with more complex mental health needs.

Within South West Surrey there are 35 nursing homes and 18 residential homes, and a high number of these homes are supported through large providers at 31%, medium providers at 27% and 42% of small providers within Surrey. Even with the higher portion of small providers in the area, there is significantly higher numbers of medium providers than in the rest of the county. This correlates with the Surrey wide picture, and data from the commissioned report on pricing that demonstrates smaller homes tended to be run more efficiently, which means ASC pricing is predominantly more favourable to them vs the medium and larger providers with their higher overhead costs.

Feedback taken from ASC brokerage data shows referrals from July 2022, the majority are for Guildford (319) with 51% coming for Royal Surrey County Hospital and 41% from the community for nursing dementia and residential dementia. In Waverley the numbers are significantly smaller (150) with 32% from community hospitals and 68% from the community, mainly for nursing and nursing dementia.

Of these referrals that are placed within a care home, 34% that are commissioned over ASC guide price are recorded as being because the residents have complex behaviour needs. Additionally, sourcing times for referrals over 29 days is highest for nursing and residential dementia which demonstrates the local gap in provision.

The most common reasons recorded for care homes rejecting referrals is because there is no capacity in the home. When this is broken down further, this is either the home stating they have no more capacity at the home at all, no ASC funded capacity, or the home may have an ASC funded bed free but are unable to take another high needs referral.

Within SCC's Care Home Portfolio there are 4 homes with 226 bed capacity. 2 under Anchor lease agreements (178 beds) and 1 ASC in house home (51 beds) and 1 Care UK block contract home (67 beds), this is the lowest portfolio capacity in Surrey.

Table 11: Future Capacity Needs – South West Surrey

Guildford

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
31-Mar-20	Actual Placements	62	73	143
31-Mar-21	Actual Placements	53	70	120
31-Mar-22	Actual Placements	50	84	128
28-Feb-23	Actual Placements	44	95	155
28-Feb-24	Forecast	40	105	161
28-Feb-25	Forecast	33	112	167
28-Feb-26	Forecast	27	120	172
31-Mar-20	Actual Placements	62	73	143
31-Mar-21	Actual Placements	53	70	120

Waverley

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
31-Mar-20	Actual Placements	78	96	176
31-Mar-21	Actual Placements	64	101	158
31-Mar-22	Actual Placements	65	106	172
28-Feb-23	Actual Placements	48	110	188
28-Feb-24	Forecast	44	120	199
28-Feb-25	Forecast	34	125	205
28-Feb-26	Forecast	25	130	211

Date	Actual Placements vs Forecast with Population Growth	Residential	Residential Dementia	Nursing (General and Dementia)
31-Mar-20	Actual Placements	78	96	176
31-Mar-21	Actual Placements	64	101	158

Summary of Future Supply

This data shows that, by 2026, ASC residential general placements will decrease by 76%, ASC residential dementia placements will increase by 23% and ASC residential placements with nursing care will increase by 6%. Overall, there will be a significant increase for ASC placements into residential dementia settings (non-nursing needs), supporting people with more complex needs. Low level residential placements with no additional complex needs will continue to be supported at home. The four localities with the highest population and projected demand are Tandridge, Guildford, Waverley, Reigate and Banstead. Waverley will see the highest demand for nursing general/dementia and for residential dementia.