

Reshaping OP Residential Market

June 2023

Procurement Services

Realising Essex's potential through our suppliers



Essex County Council

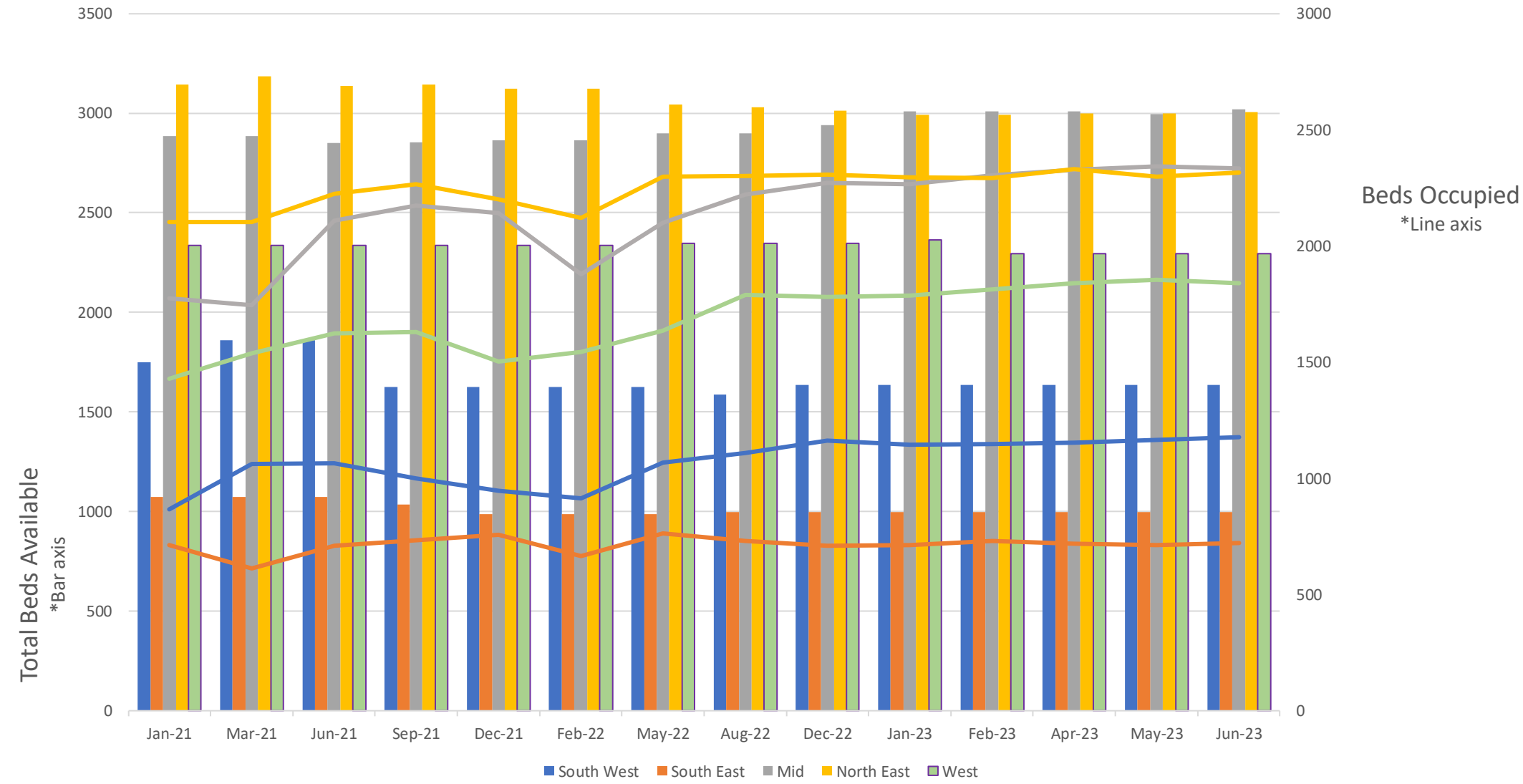
Background

Essex County Council have been reviewing/monitoring the OP market over the last few years, and are now in a position to share our data and discuss potential future options with the market.

In order to do this Essex County Council have outlined a numbers of risks and opportunities that we would like to share and discuss in order to collaborate with providers in the future progress and sustainability of the OP market.

County Wide Capacity vs Occupied Beds

The data provided by Homes since Jan 2021 indicates County wide an oversupply by an average of 30%, with an average of 26% oversupply for 2023 to date



Source: NECSU data provided by Providers and CQC bed registration

Market Data – Bed Type by CQC Rating

	Outstanding	Good	Requires improvement	Not Yet Rated	Inadequate	Grand Total
Braintree	1 (63)	19 (1020)	4 (260)	1 (36)		25 (1379)
Chelmsford	1 (120)	13 (714)	3 (121)	1 (70)		18 (1025)
Maldon	1 (32)	12 (339)	2 (125)			15 (496)
Mid Essex	3 (215)	44 (2073)	9 (506)	2 (106)		58 (2900)
Colchester	1 (65)	17 (720)	5 (380)		1 (69)	24 (1234)
Tendring		36 (1216)	5 (191)		3 (121)	44 (1528)
North East Essex	1 (65)	53 (1936)	10 (571)		4 (190)	68 (2762)
Castle Point		5 (268)	5 (209)		1 (133)	11 (610)
Rochford		5 (220)	2 (88)			7 (308)
South East Essex		10 (488)	7 (297)		1 (133)	18 (918)
Basildon	1 (74)	7 (393)	4 (260)			12 (727)
Brentwood	1 (74)	9 (582)	3 (169)			13 (825)
South West Essex	2 (148)	16 (975)	7 (429)			25 (1552)
Epping Forest		12 (634)	8 (584)			20 (1218)
Harlow		3 (238)	1 (106)			4 (344)
Uttlesford	1 (60)	13 (568)				14 (628)
West Essex	1 (60)	28 (1440)	9 (690)			38 (2190)
Grand Total	7 (488)	151 (6912)	42 (2493)	2 (106)	5 (323)	207 (10322)

Source: <https://www.cqc.org.uk/about-us/transparency/using-cqc-data>

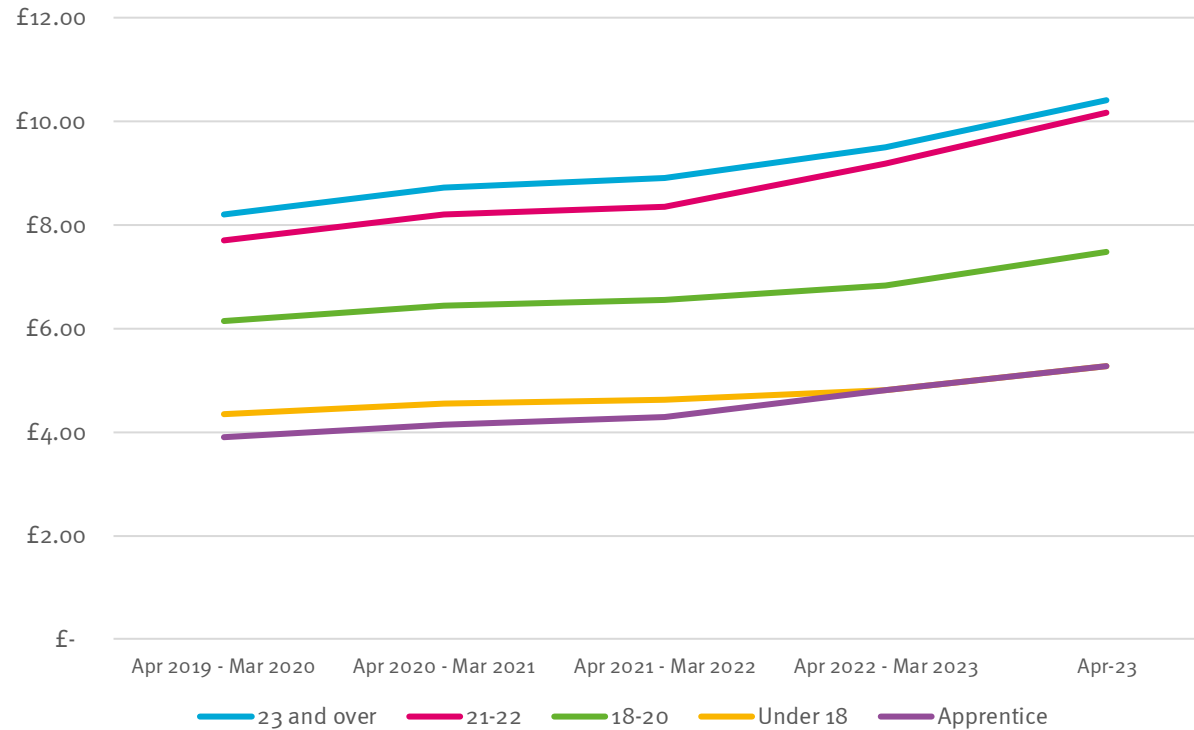
As of May 2023

Number of: Homes (Beds)

Identified Risks

Financial reasons	<ul style="list-style-type: none">• Inflation<ul style="list-style-type: none">• CPI increases• National living wage increase• Food costs• Utilities (Global increase to gas and electric costs)• Affordability• Fund drops
Quality	<ul style="list-style-type: none">• CQC inspection• PAMMS audits
Market demand	<ul style="list-style-type: none">• Oversupply in locality - Large drop in occupancy/demand as a result of Covid, which has not fully recovered to expected pre-pandemic levels• More complex needs• Undersupply – dementia nursing capacity
Building	<ul style="list-style-type: none">• Home outdated and no longer fits with what adults want/expectations• Not suitable to meet increased/complex care needs
Staffing	<ul style="list-style-type: none">• Recruitment and retention for general carers and nursing staff difficulties• Homes de-registering from Nursing due to staffing pressures• Career development/training• Career pathway• Pay and conditions
Organisation	<ul style="list-style-type: none">• Organisational restructures• Head office pressures• Willingness to work with ECC

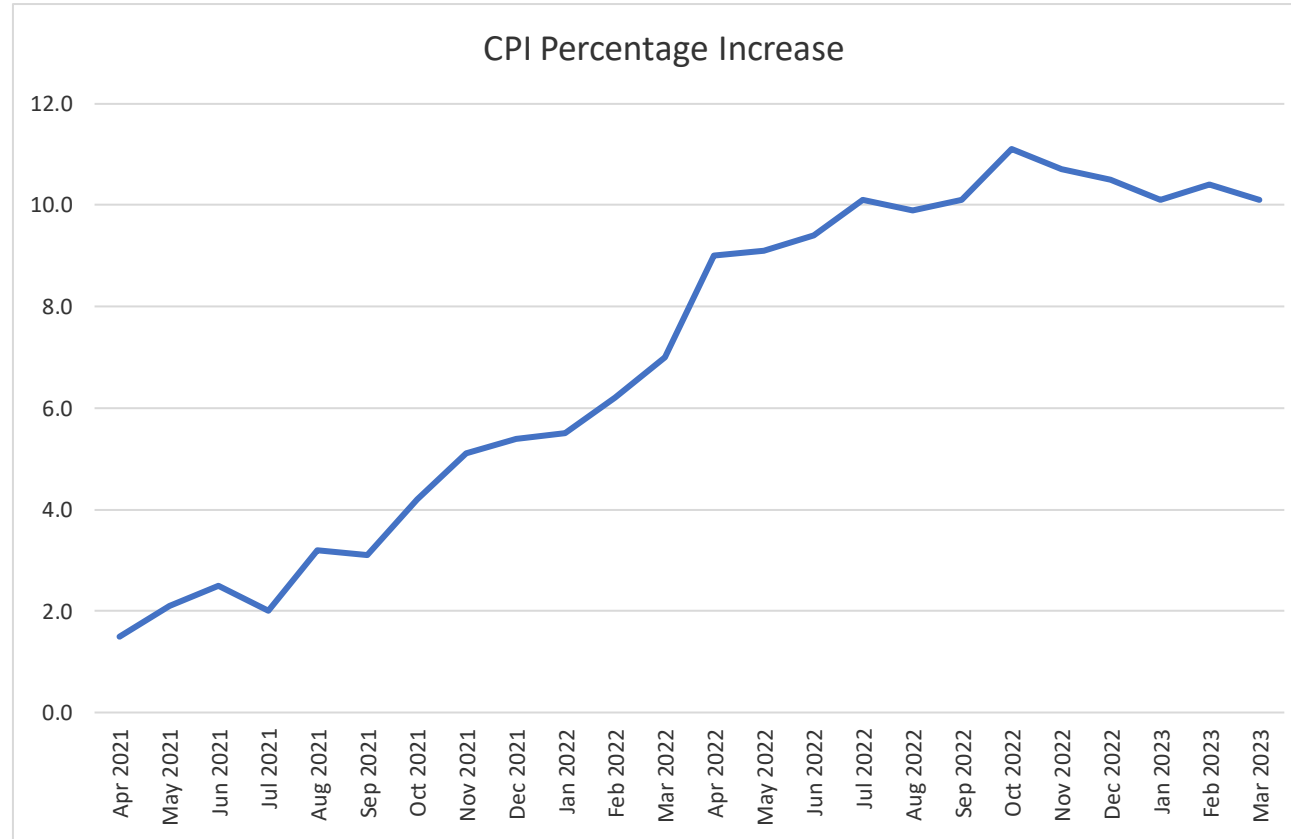
Market Data – National Living Wage



National Living Wage	23 and over	21-22	18-20	Under 18	Apprentice
Apr-23	£ 10.42	£ 10.18	£ 7.49	£ 5.28	£ 5.28
Apr 2022 - Mar 2023	£ 9.50	£ 9.18	£ 6.83	£ 4.81	£ 4.81
Apr 2021 - Mar 2022	£ 8.91	£ 8.36	£ 6.56	£ 4.62	£ 4.30
Apr 2020 - Mar 2021	£ 8.72	£ 8.20	£ 6.45	£ 4.55	£ 4.15
Apr 2019 - Mar 2020	£ 8.21	£ 7.70	£ 6.15	£ 4.35	£ 3.90

Market Data - CPI

CPI	
Month	Percentage
Apr 2021	1.5
May 2021	2.1
Jun 2021	2.5
Jul 2021	2.0
Aug 2021	3.2
Sep 2021	3.1
Oct 2021	4.2
Nov 2021	5.1
Dec 2021	5.4
Jan 2022	5.5
Feb 2022	6.2
Mar 2022	7.0
Apr 2022	9.0
May 2022	9.1
Jun 2022	9.4
Jul 2022	10.1
Aug 2022	9.9
Sep 2022	10.1
Oct 2022	11.1
Nov 2022	10.7
Dec 2022	10.5
Jan 2023	10.1
Feb 2023	10.4
Mar 2023	10.1

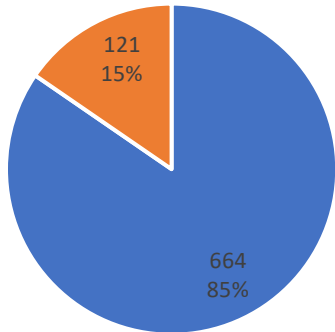


Source:

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/march2023>

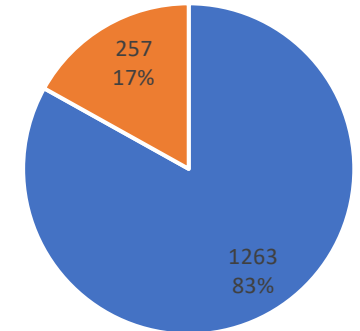
Market Data – Occupancy Data

Dementia Nursing



■ Occupied Beds ■ Vacant Beds

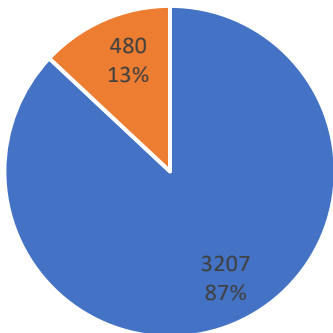
General Nursing



■ Occupied Beds ■ Vacant Beds

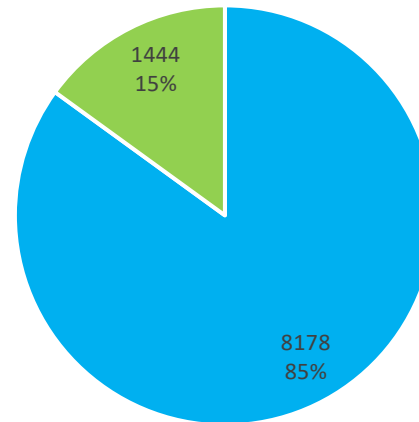
Bed Type	Occupied Beds	Vacant Beds	Total Beds
Dementia Nursing	664	121	785
Dementia Residential	3,207	480	3,687
General Nursing	1,263	257	1,520
General Residential	3,044	586	3,630
TOTAL OP beds	8,178	1,444	9,622

Dementia Residential



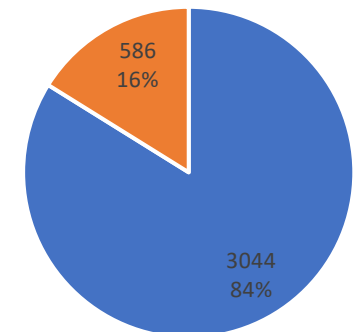
■ Occupied Beds ■ Vacant Beds

TOTAL OP beds



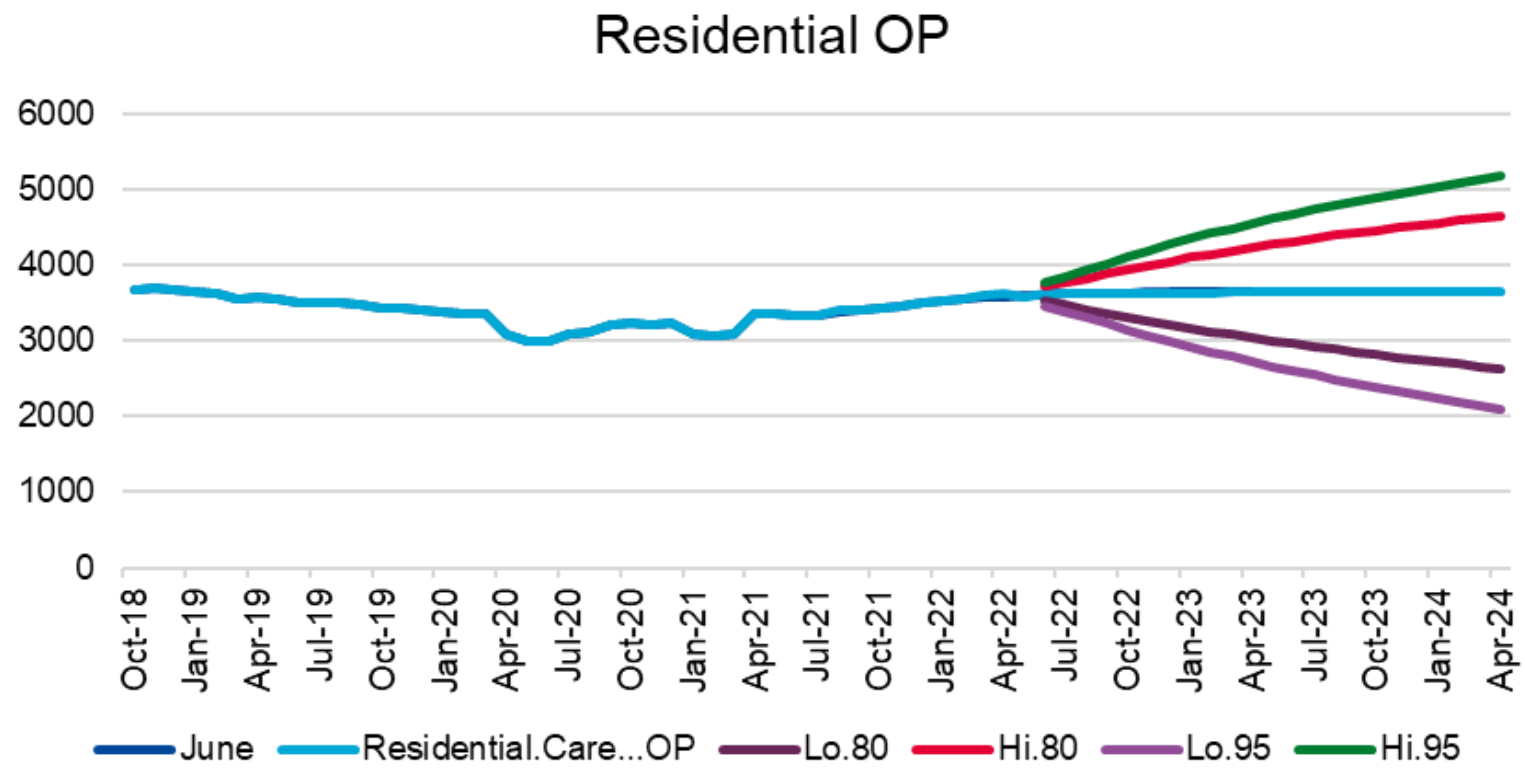
■ Occupied Beds ■ Vacant Beds

General Residential

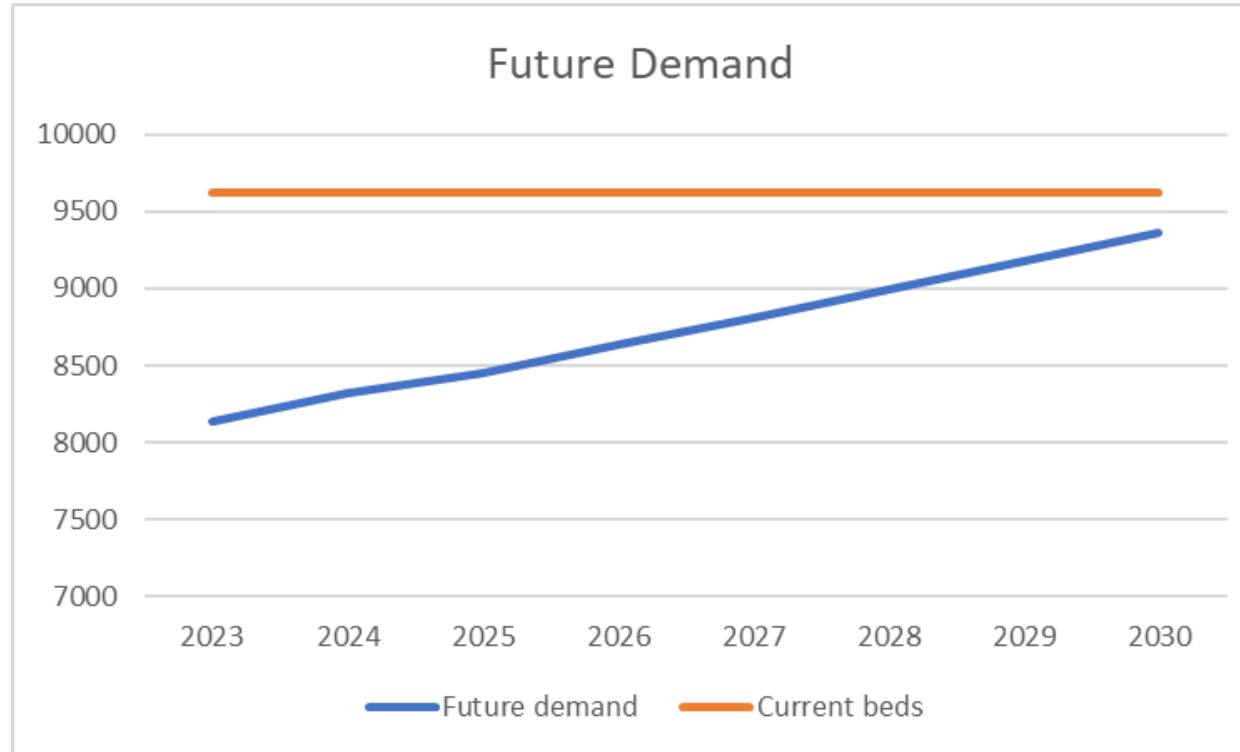


■ Occupied Beds ■ Vacant Beds

Market Data – ECC OP Residential forecast

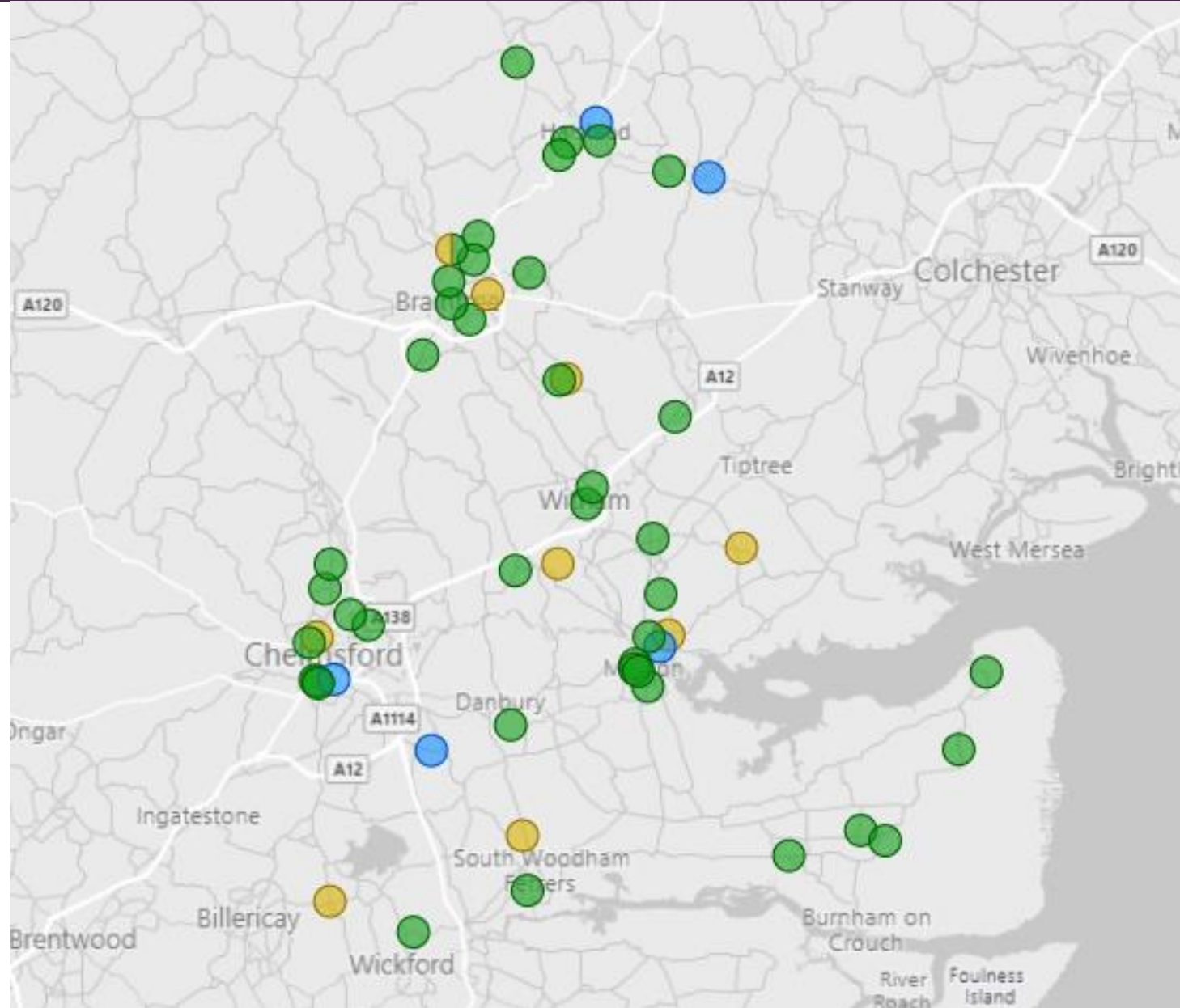


Market Data – Occupancy Data



	2023	2024	2025	2026	2027	2028	2029	2030
Future demand	8140	8323	8449	8632	8815	8998	9183	9365
Current beds	9619	9619	9619	9619	9619	9619	9619	9619

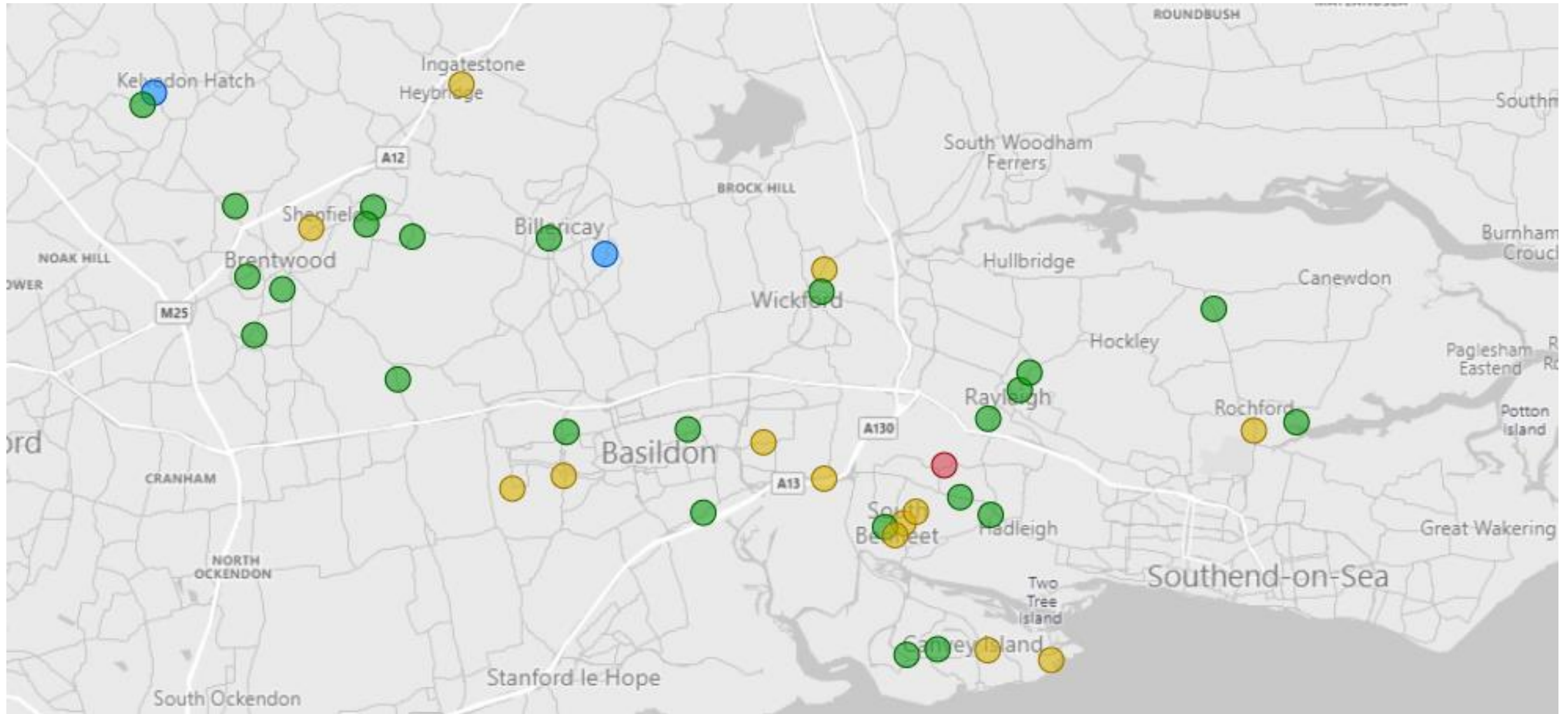
Mid Essex Map (as of May 2023)



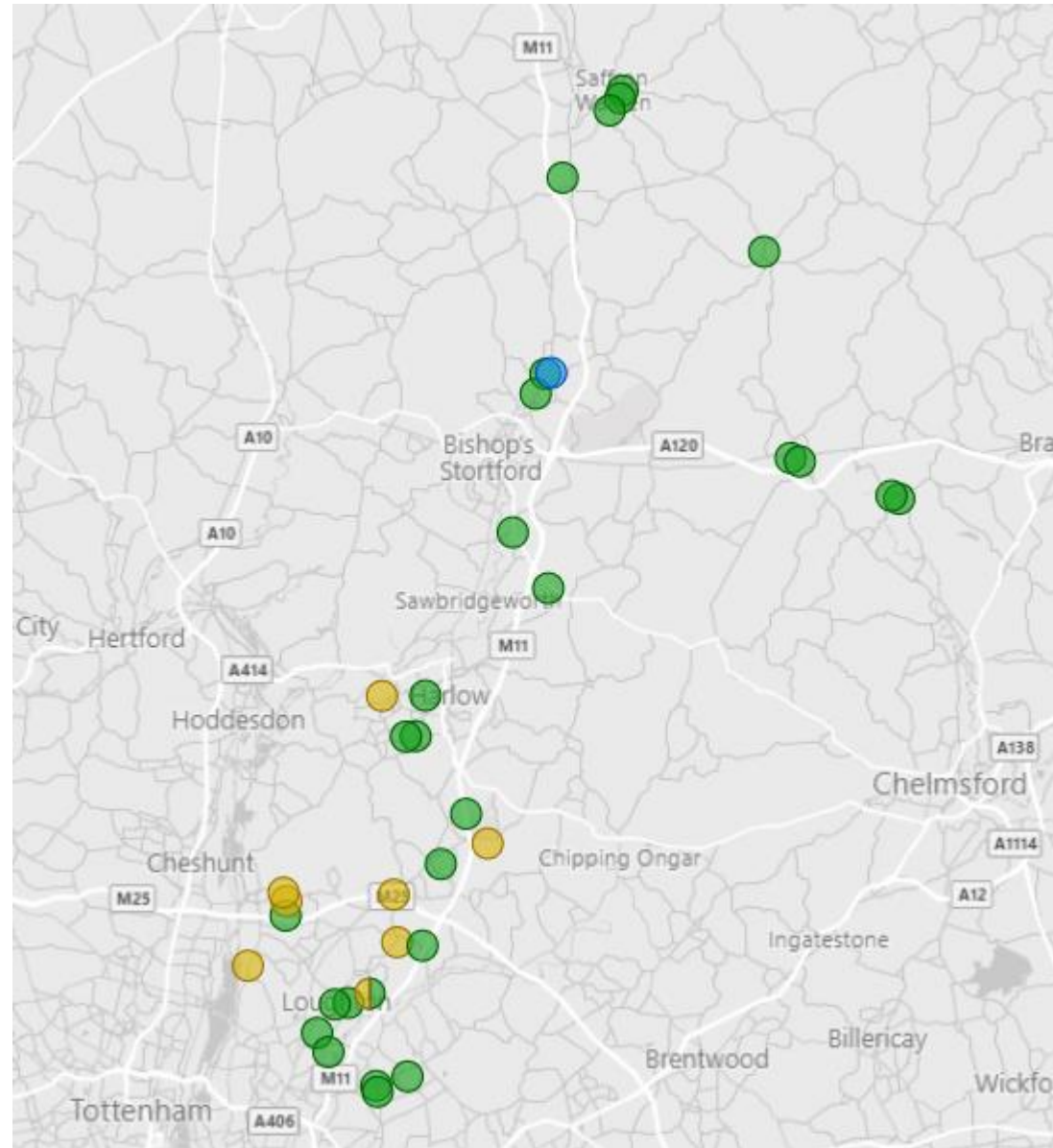
North East Essex Map (as of May 2023)



South Essex Map (as of May 2023)



West Essex Map (as of May 2023)

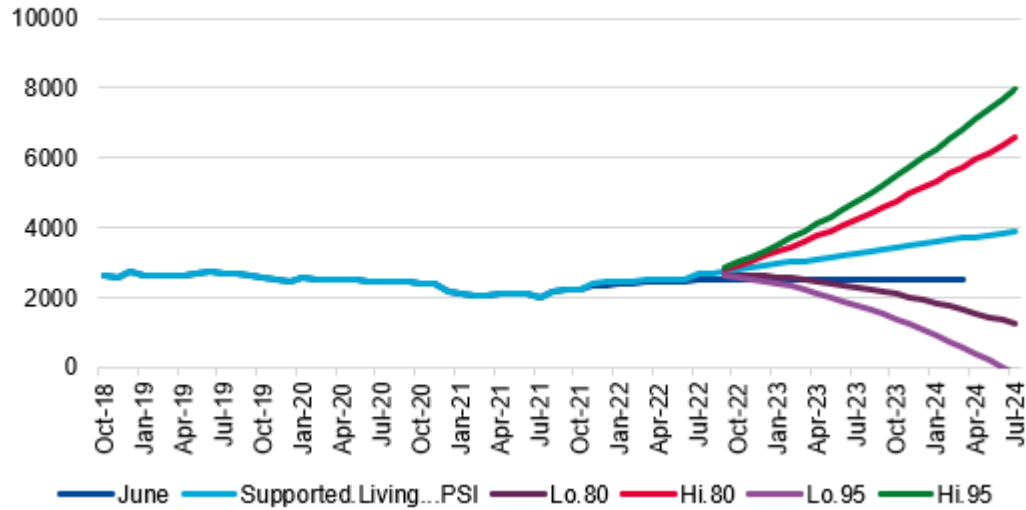


Possible Opportunities

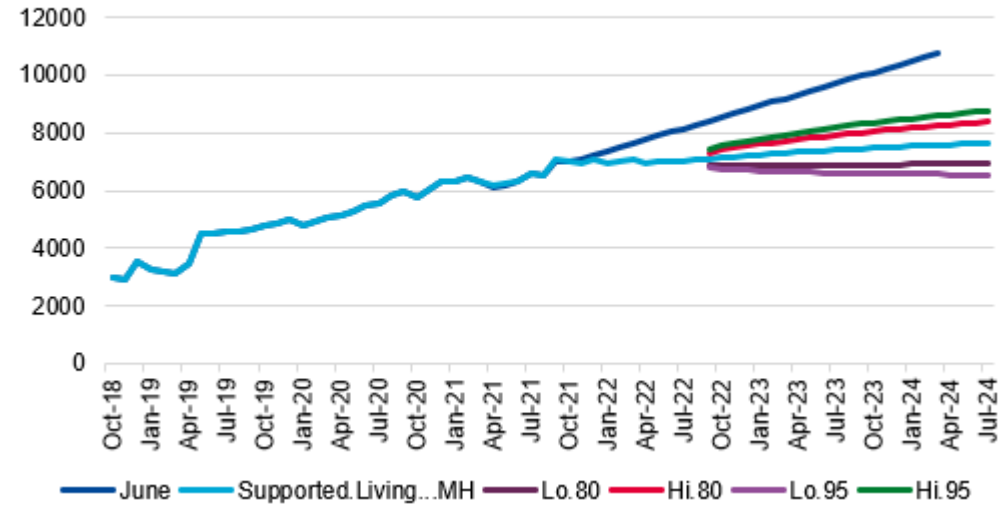
Different cohort	<ul style="list-style-type: none">• Independent living• Supported living• AWD residential• Contact with sector specialist
Re-development	<ul style="list-style-type: none">• Property re-development - housing• Modernise/adapt to meet criteria of care needs
Staff Development	<ul style="list-style-type: none">• Train staff to be able to meet care needs i.e. convert to complex/high dementia Nursing• Funding training
Home closure	Fully supported through the transition by Essex County Council

Market Data – Supported Living

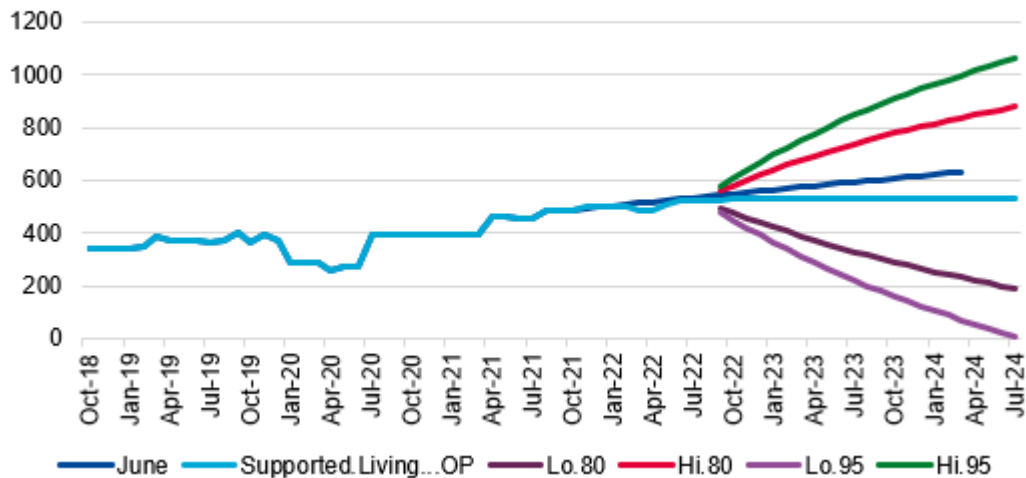
Supported Living PSI



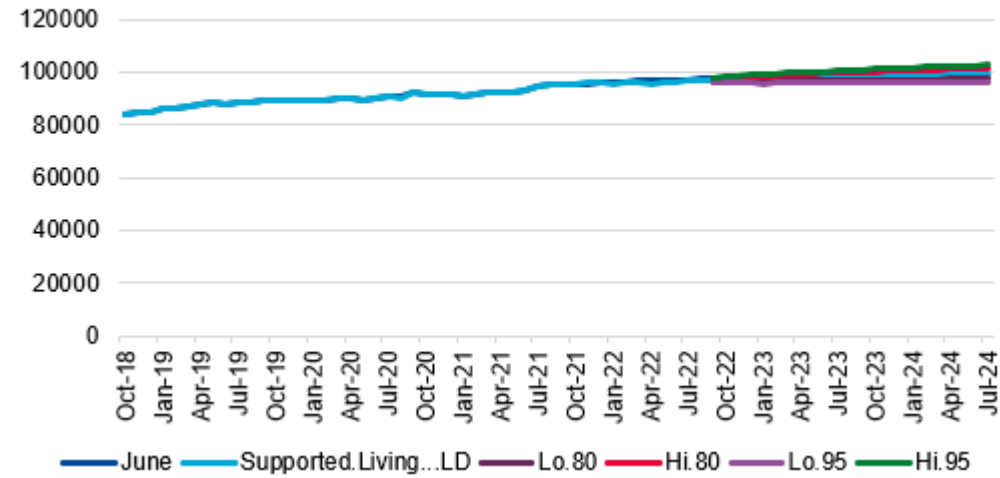
Supported Living MH



Supported Living OP



Supported Living LD



Source:

Next Steps

ECC will hold Locality based meetings, the first one being Tendring on 12th July 2023.

These locality meetings will have specific locality data and an open forum discussions, ideas and feedback afterwards on the market situation.

Following this we will then encourage any provider specific one to one meetings to discuss individual homes.