

Market Sustainability Plan

Two Years On

In March 2023, Local Authorities were required to publish a Market Sustainability Plan outlining their plans to move towards paying the 'fair cost' median rates for their 65+ Care Home and 18+ Domiciliary Care markets by 2025/26.

This document sets out the Council's progress toward its [Market Sustainability Plan](#).

18+ Domiciliary Care Market

Domiciliary Care continues to be one of the main care and support options provided to meet eligible needs - to enable residents to maintain their independence and quality of life in their own home.

The Council is very good at keeping its residents at home - 11% better than the England average and 15% better than its nearest statistical neighbours; and is spending £4.9m less per annum than the median average of its nearest statistical neighbours; and is ranked 1/16 for Value for Money for younger adult users and 3/16 for older adults.¹

Supply and Demand

The Council continues to purchase Domiciliary Care via its ILSS Framework Agreement.

Two-years on, one of the 24 Providers appointed to the Agreement has handed back their contract due to lack of referrals; however, the market remains stable, with 99% of all new referrals being placed via the Agreement - enabling control over spend and Service quality.

The Agreement is due to end on the 12.07.2025, and the Council is currently out to tender (due to close on the 20.03.2025).

Fees

The Council continues to use its rate calculation tool using and paying London Living Wage. The FCoC median rate has been exceeded from 2023/24 onward, as demonstrated in the table below:

ILSS Rate	£
2022/23	19.16
2023/24	20.52
2024/25	22.22

The Council has introduced a new Provider Direct Payment rate, using the ILSS rate calculation tool / methodology.

The new Framework Agreement will have three rates: one for Reablement, one for Long-Term Care (with the Children and Young People's Directorate paying the same as Adults and Health) and one for Domestic Support. These rates are currently being reviewed taking account of London Living Wage inflation and the changes to National Insurance.

¹ LG Futures Adult Social Care Financial Toolkit (January 2024)

Over the next three-years, the Council hopes to have agreed a shared methodology for calculating Domiciliary Care rates across north east London.

Quality

21 of the 23 Providers appointed to the Agreement are CQC rated 'Good'.

In 2024, the Council launched a [Provider Quality Handbook](#) setting out its vision for working in partnership with its local Adult Social Care market to improve and sustain the quality of care and support delivered; and maximise resident outcomes. The Council monitors and evaluates the Agreement in line with the Handbook. In January 2025, one Provider is 'Red', due to their Sponsorship Licence being revoked and one Provider is 'Orange'.

The Trusted Assessor element of the Agreement is now embedded, with regular peer support sessions in place with the Council's Occupational Therapy Service; and supporting the work of the Promoting Independence Review Team.

In 2024, the programme won the Health and Social Care LGC Award, with the judges advising: 'the Newham ILSS Trusted Assessor initiative is the deserving winner, showcasing exceptional creativity in commissioning and partnership collaboration. The judges said their model embodies innovation and sustainability, actively shaping and expanding the care market while paving the way for growth and advancement. Noteworthy is their emphasis on elevating the status of care workers and providing a clear pathway for their professional development. This success story is not just an achievement in itself but a source of inspiration for others in the field.'

Workforce

It is a stipulation of the Agreement that Providers pay their Care Workers London Living Wage and they adhere to the UNISON Ethical Care Charter. Providers continue to report, as a result of this, that they do not have significant difficulty recruiting and retaining Care Workers. The availability of a well-trained and committed Workforce links inextricably to quality.

In 2022/23, there were five Trusted Assessors, two-years on, there are 37 across 22 Providers.

Trusted Assessors have reported improved job satisfaction - recognised in their role and empowered to make a difference to residents lives. To date, three have 'moved on' to other roles within Health and Social Care: one is training to be an Occupational Therapist; one is training to be a Social Worker; and one has become a Manager in another Provider organisation.

On average 75% of Care Workers are Newham residents (the majority of whom are women of ethnic minority heritage), which supports the Council's vision for a local workforce and a locally embedded approach. This percentage has reduced by 10% since 2022/23, in the main due to the local housing crisis.

Resident Feedback

As part of its approach to Quality, the Council has developed an ILSSs-specific resident questionnaire. A random sample of 10% of residents of each Provider are contacted via telephone by the Council on a six-monthly basis to complete the questionnaire.

In 2024/25, 90% of residents contacted were satisfied with their care and support.

As per the Provider Quality Handbook, overall resident satisfaction is embedded in the Council's performance monitoring, with Providers who have an overall resident satisfaction rating of 80% or higher being considered 'Green', and those with less being moved either into 'Orange' or 'Red'.

The Council is exploring its capacity to increase the number of residents contacted in the future (when the new Framework Agreement is live) to:

- 10% for the Providers with 1-150 residents; and
- 20% for the Providers who have 151+ residents.

Gaps and Opportunities

The Council is currently out to tender for a new Framework Agreement. The tender has provided the opportunity to address the gaps and opportunities stipulated in the Market Sustainability Plan, namely, the new Agreement will:

- retain the patch-based model, but reduce the number of Providers appointed to the Approved Provider List;
- continue to have two 'specialist' Leads, but they will be all-age, enabling residents to receive a consistent Service from child to adulthood. This will also enable the Adults and Health Directorate to achieve a more consistent strengths based approach and embed the Trusted Assessor model for under 18 Care Packages;
- have a Reablement Lot - with a Reablement specific specification and KPIs. Providers awarded a contract for Reablement will not be allowed to be awarded a contract for Long Term Care, ensuring there is no disincentive to reduce a resident's Reablement potential to retain them as a Long Term Care;
- have a Domestic Support - enabling residents to have their domestic support delivered by professional Cleaners. This approach also enables the Council to reaffirm its view of Care Workers as equal professionals within Health and Social Care;
- formalise the Trusted Assessor function and activities;
- introduce Carer Empowerment Packages - provision of intensive, time-limited support to a Carer who may lack confidence and / or who may be struggling to care a resident (e.g. around behaviour management, nutrition, sleep, toileting, etc) – with the aim of improving resident / Carer interactions; enhancing Carer confidence; and empowering the Carer to manage independently.

In 2024, the Council re-procured its Electronic Call Monitoring arrangement. The new system will not only provide the Council and Providers with call data (dates, times and durations), but also support the improvement of resident outcomes, via new features such as: family and friends' notifications (e.g. live scheduling updates, care tasks delivered, observations and photos); the ability to easily share resident Support Plans and care records with relevant professionals; and provision of an electronic Medication Administration Record.

65+ Care Home Market

Supply and Demand

Newham continues to have five dual-registered Nursing and Residential Care Homes based in-borough. None of the closed beds (whole units / floors in these Homes) have yet opened, as demonstrated in the table below:

2024/25			
Status	Residential Beds	Nursing Beds	Total
Open	64	260	324
Closed	91	27	118
Total	155	287	442

However, in 2025/26 there are plans to significantly increase capacity by:

- one of the five Care Homes opening an additional 30 Residential beds (by extending the property);
- one of the five Care Homes opening an additional 30 Nursing beds (by re-opening an existing floor which has been shut since the pandemic);
- working in partnership with the Provider who bought one of the Care Homes that closed in 2023 to open a new 80-bed scheme which will be a blend of Residential and Assisted Living (similar to Extra Care but for residents with a higher level of need).

In 2026/27 there are plans to further increase capacity by:

- the Council opening a 24-bed Assisted Living Dementia Scheme (via the purchase of a vacant Care Home);
- one of the five Care Homes opening an additional 30-60 Nursing beds (by re-opening an existing unit which has been shut since the pandemic).

In 2024/25, the Council commissioned 374 placements, with the number of open placements having remained around 400 since 2022/23. This is in contrast to the expected demographic growth, but is likely to be a result of actively using Care Home alternatives such as Extra Care (in particular, a new, purpose-built scheme that opened in 2024/25).

As in 2022/23, of the 374 placements, 48% were sourced out-of-borough (mainly in other North East London boroughs), which is to be expected as in-borough capacity has not yet increased. The Council's Brokerage and Operations Teams regularly report there are concerns sourcing both Residential and Nursing capacity in borough. An estimated 60%² of these out-of-borough placements are a result of resident / family choice, but the remaining 40% are due to lack of in-borough capacity (either available beds or the Homes advising they are unable to meet the resident need).

Fees

The Council has made significant strides to increase its published rates, with the FCoC median rate being exceeded in practice, as demonstrated in the table below:

	FCoC 24/25	2022/23			2023/24			2024/25		
		PR	IB	OB	PR	IB	OB	PR	IB	OB
Residential	£940	£602	£788	£793	£794	£1,078	£996	£914	£1,155	£1,077
Residential Enhanced	£978	£640	£718	£769	£827	£1,028	£970	£951	£1,112	£1,039
Nursing*	£1,220	£861	£1,106	£1,081	£1,040	£1,248	£1,136	£1,187	£1,320	£1,194
Nursing Enhanced*	£1,266	£893	£1,020	£1,054	£1,079	£1,278	£1,317	£1,231	£1,374	£1,345

PR - Published Rate, IB - Actuals (as at 31st December): In-Borough Average, OB - Actuals: Out of Borough Average

* Including FNC

² Based on a sample of all out-of-borough placements made during a six-month period in 2022

Over the last two years, the Council has defined and agreed criteria for the four placement categories above in partnership with North East London allowing for the co-design and implementation of a methodology for annual inflationary uplifts. This was subsequently adopted at the Integrated Care Board.

A cost of care survey was carried out with the Council's 18-64 Care Homes, allowing for the building of a robust cost model based on median costs for each line. This has provided detailed evidence to ensure annual uplifts are only awarded to those placements falling under the median cost, and are not awarded to over-valued placements. Thereby allowing more funding to be directed to Providers under the median cost, rather than blanket uplifts which were used previously (which, perversely, rewarded Providers for being more expensive).

The Fair Cost of Care work over the past two years has given the Council an excellent understanding of Care Home fees and as such the opportunity to explore different delivery models such as Assisted Living for Older Adults.

Quality

There have been improvements in this area, with four out of the five 65+ Care Homes now rated 'Good' by the CQC. Only one Home (number 1) is still of concern for the Council following a change in its management team and other staffing during 2024/25; however, it is already making significant progress on its Improvement Plan. The borough is now on course to have all its Homes rated 'Good' for the first time in several years.

Home	Overall CQC Rating							
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1 (Medium)	RI	RI	RI	G	G	G	G	RI
2 (Large)	G	G	G	G	G	RI	RI	G
3 (Large)	G	RI	I	I	RI	RI	G	G
4 (Large)	I	RI	I	RI	RI	I	RI	G
5 (Large)	RI	RI	RI	RI	G	G	G	G

As above, the Council monitors and evaluates its Homes in line with the [Provider Quality Handbook](#). In January 2025, one Provider is 'Red', due to requiring completion of its Improvement Plan and the rest are 'Green'.

During 2024/25, the Council has developed an outcomes-based specification for Care Homes which will be used in 2025/26 onwards. It has also launched an automated Power Bi Dashboard which displays information on residents and placements in real-time, reducing the burden on Providers from quarterly returns used previously. Commissioning and Procurement have also developed a category for Care Homes and Assisted Living within the Supported Accommodation Dynamic Purchasing Vehicle, which is planned to go live in 2025/26.

Workforce

Market conditions do not support development of the workforce at present - the turnover rate across all Care settings in Newham is 23.2%, up from 22.0% two years ago (Source: Skills for Care), which was higher than the London average of 19.0%. The vacancy rate has also worsened and stands at 17.0%, up from 10.0% two years ago. Turnover is likely to negatively affect levels of retained knowledge and experience in the workforce which in turn reduces quality of care and sustainability of the local market.

The average rate of pay for Care staff in Newham's Homes reflects the National Living Wage. 46% of Workers are on zero-hour contracts, down from 52% two years ago.

Resident Feedback

In 2024/25, every Care Home was visited and every resident was invited to take part in a face-to-face survey to gain a baseline understanding of satisfaction and day-to-day experience of their Home. To date, over 300 residents have been surveyed with 74% saying they are happy living in their Home.

Quality Assurance Officers have started a programme of themed audit visits (the first being mealtimes) whereby they accompany residents for meals and ask about their experience.

The expectation of a bespoke experience for each resident is now embedded in the specification and is monitored by Quality Assurance Officers. Resident preferences (e.g. music, hobbies, food, clothes, daily news, contact with family, use of technology, etc) must be recorded in their Care Plan to make their living arrangements as individualised as possible so that they have choice and control over their daily lives.

Gaps and Opportunities

Dementia - sourcing Dementia placements (particularly advanced Dementia) continues to be a challenge. The Council is in the process of acquiring a vacant 24-bed Care Home in which to open as Assisted Living for Dementia.

Learning Disability / Mental Health - the Council is working with two Providers to deregister their Residential schemes into Supported Living and have ambitions to roll out this model further if successful. Also, to open new Supported Living schemes in partnership with L&Q who have exited the Care market but still have a large property portfolio.

Step Down – apart from East Ham Care Centre (run by ELFT), there is no dedicated step-down provision in Newham. Placements are sourced in- and out- of borough, however residents often do not 'move on' from standard Nursing accommodation and placements become long-term. Some models were explored, including delivering Step Down in Extra Care, but were not progressed due to the cost. Instead, the Council is working with the owner of a vacant 80-bed Care Home in the borough in an attempt that some of the beds could be used for Step Down (as part of a larger Residential scheme).

Respite Breaks for Carers - dedicated respite break provision remains a gap. However, some units in the 24-bed Home the Council is acquiring could be used for this purpose.