



Older People's Residential and Nursing Care

**Market Positioning Statement:
Updated October 2024**



SURREY
COUNTY COUNCIL

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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 a community care setting or 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 725 units of Extra Care Housing and make greater use of Home-Based Care services, we no longer need to commission low level residential care for Older People 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 does SCC 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 in line with [Surrey's Community Vision 2030](#) that will help us to ensure Surrey is a place where no one is left behind. When developing the strategy, 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, as well as engagement with Healthwatch and Age UK Surrey. 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).

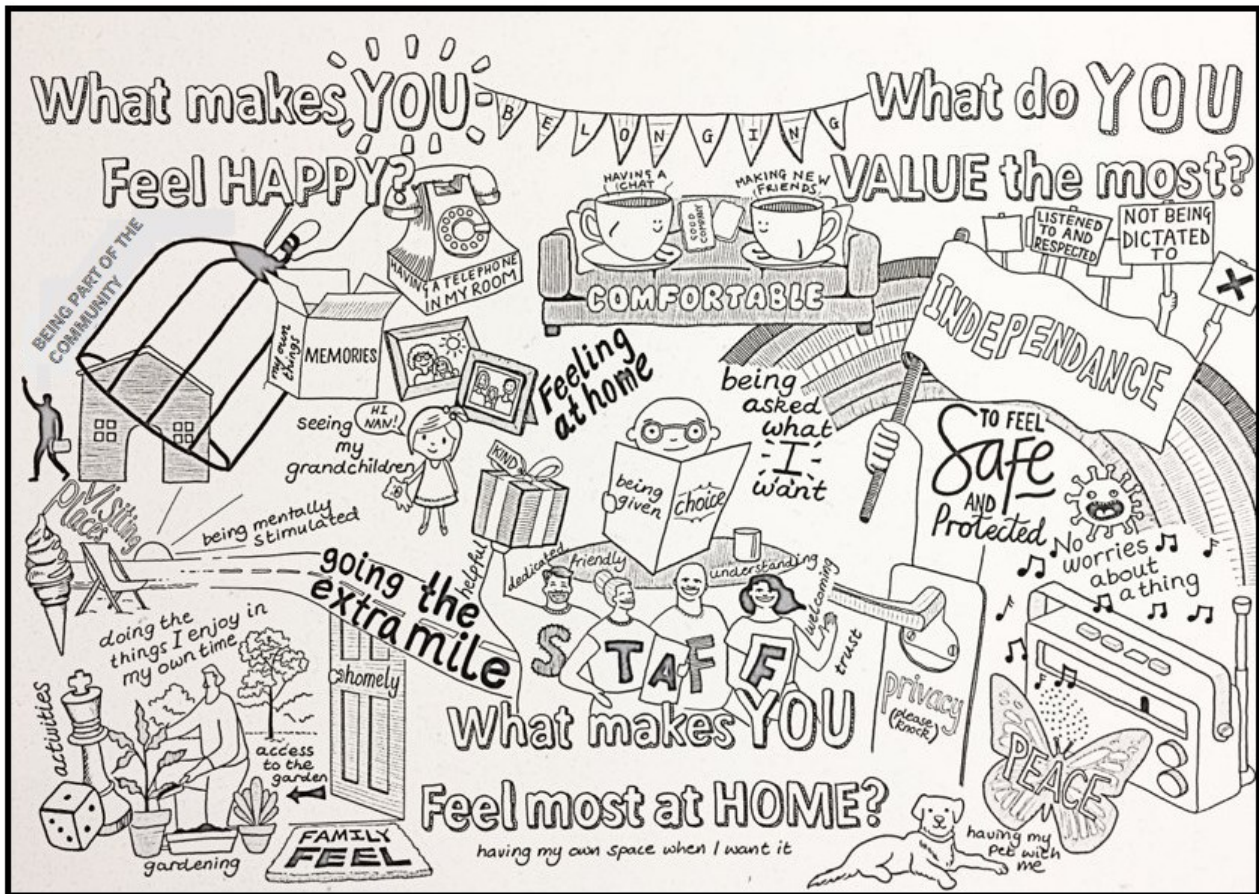


Image 1: What makes a good care home?

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 (Adult Social Care) 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 survey 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 270,000 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.

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 68 for men and 70 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 November 2022, approximately 350 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 57% 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 (22%) of referrals are declined by care home providers because of the individual's needs being too high, with 24% 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 ((between July 2022 and July 2023) |
|--------------------|--|
| Tandridge | 36% |
| Elmbridge | 33% |
| Surrey Heath | 32% |
| Mole Valley | 31% |
| Guildford | 26% |
| Waverley | 27% |
| Spelthorne | 43% |
| Reigate & Banstead | 35% |
| Woking | 37% |
| Runnymede | 35% |
| Epsom & Ewell | 22% |

N.B. The figures in table 1 do not include referrals made by centralised teams which are not associated with individual D&Bs.

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 21%, from 17,700 to 21,428 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 leading to a hospital admission, 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 2024, 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.

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 that require low care and support. 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 January 2024, CQC data shows that there are currently 213 residential and nursing care homes registered (10468 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 | 129 | 6832 |
| Residential | 84 | 3636 |

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 between 2021 and 2023 as admittable vacancy levels have decreased (demonstrated in Table 7).

Table 7: Surrey market admissible 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% |
| Residential Enhanced | 19% | 17% | 13% |
| General Nursing | 20% | 18% | 14% |
| Nursing Enhanced | 17% | 13% | 10% |

ASC and CHC commissioned services

Approx. 65-70% 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 2024, the council contracts with 180 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 63% of the gross expenditure budget for ASC Older People’s care packages at approximately £134m 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:

Alongside the DPS, 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 enhanced care. The 293 block purchased beds total 2.73% of the overall beds in Surrey care home market. The care homes within the contract and the contracted bed capacity 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 into a 20-year block contract with Anchor 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 were all closed by August 2022. 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).

The other 9 homes within in the Anchor 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).

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 internal 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](#).

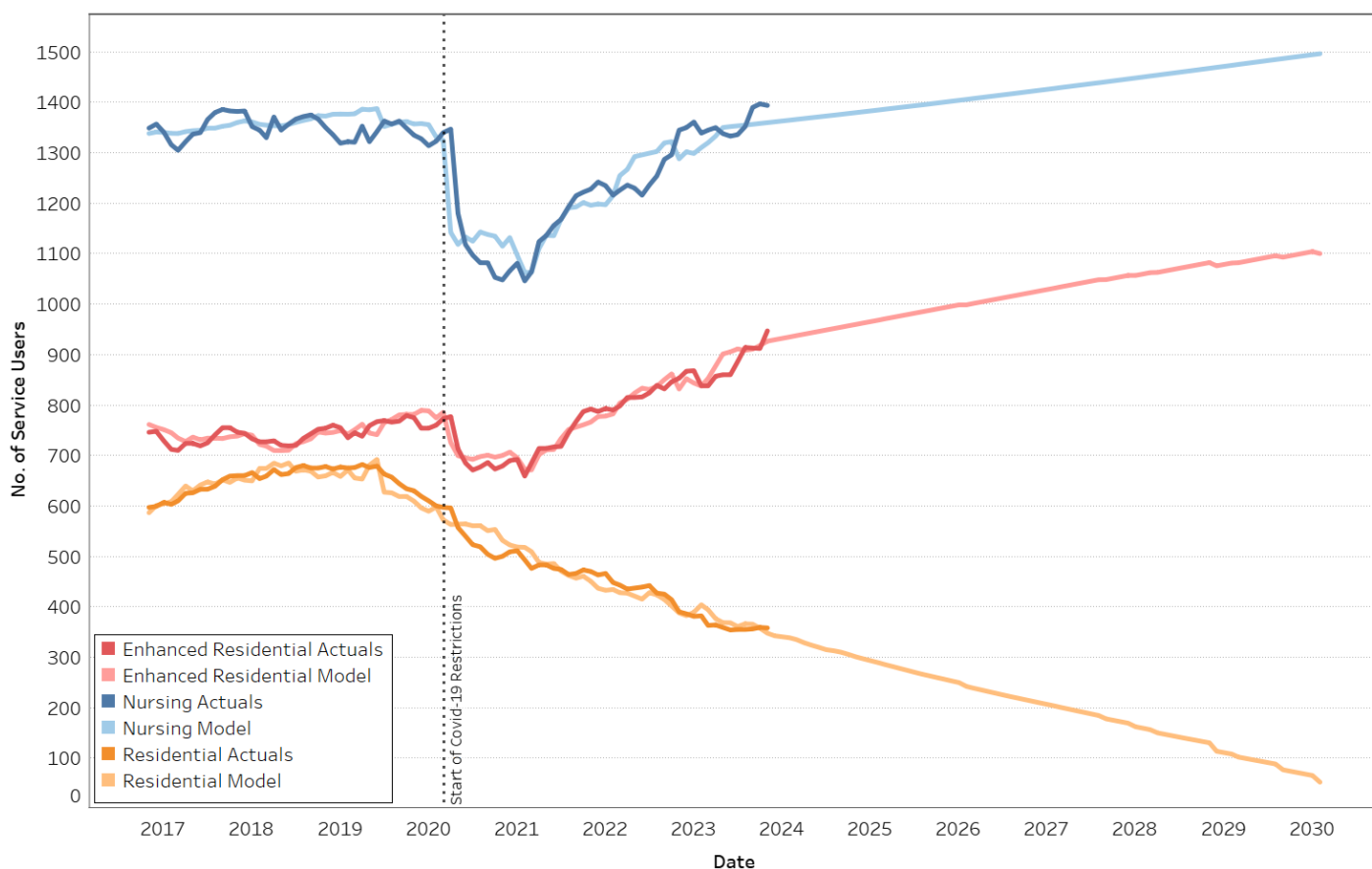
The Area Reports detail current providers, care homes and bed capacity within in the Surrey market, ASC utilisation within homes, placement and pricing trends for nursing, residential enhanced and residential, and reviews referrals, rejection, and additional placement data. This information has been 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.

Later in late 2023, a demand modelling project was carried out which has produced a forecast model of the number of SCC Older People funded placements in Residential and Nursing homes up to 2030. The chart below shows the forecast models produced and splits the service users into "Residential," "Enhanced Residential" and "Nursing" subject categories. Also shown are the actual recorded numbers of each of the respective subject categories.

ASC Residential placements have fallen since 2016. Between 2016 and mid-2019 there was a rise of 79 service users, but from mid-2019 to December 2023 there was a continued decline, from 679 to 343 (49%). This is in direct contradiction to the rising older population and the start of this decline coincides with the push to helping older and disabled people live in their own homes independently for longer. This decline is predicted to continue to 2030, with circa 100 Residential service users left in Surrey by 2030 (a 70% decrease on December 2023 figures).

ASC Residential Enhanced placements (where the resident has a diagnosis of dementia) have seen the greatest percentage rise, with a 31% increase in placements between 2016 and 2023. The rate of increase has accelerated post covid, with 659 placements at the height of Covid restrictions, to 978 in December 2023 (48% increase). The model forecasts Residential Enhanced placements to reach 1130 by 2030 (a 15% increase on December 2023 figures).

Between October 2016 and December 2023, there has been a 3% increase in the number of ASC Nursing placements. The Covid-19 pandemic caused a 22% drop in the number of Nursing placements between March 2020 and January 2021, but since that time, there has been a rapid climb in the number of nursing placements (rising from 1046 in January 2021 to 1397 in September 2023) and numbers have recently reached pre-pandemic levels. By 2030 the number of service users is predicted to be approximately 1500 (an 8% increase on December 2023 figures).



The following tables divide the projections between each of the 11 district and boroughs to give more localised forecasts. To achieve this, the proportion of ASC clients in each D&B needed to be estimated. Proportions could be estimated from POPPI forecasts for each D&B, but this would ignore the inherent bias that arises from where care homes are currently placed (i.e. a greater number of care homes in Elmbridge that work with SCC will naturally result in a higher proportion of service users in Elmbridge, regardless of what population projections suggest). For this reason, the D&B proportions are based on the current division of ASC service users in each district, for each subject category.

Table 8: Future Capacity Needs – East Surrey

| Localities in East Surrey | Service Category | No. of ASC Service Users in January 2024 (Actuals) | No of ASC Service Users in January 2030 (Forecast) |
|---------------------------|----------------------|--|--|
| Reigate and Banstead | Residential | 42 | 10 |
| Reigate and Banstead | Residential Enhanced | 115 | 132 |
| Reigate and Banstead | Nursing | 137 | 148 |
| Tandridge | Residential | 27 | 7 |
| Tandridge | Residential Enhanced | 72 | 83 |
| Tandridge | Nursing | 101 | 109 |

Table 9: Future Capacity Needs – Mid Surrey

| Localities in Mid Surrey | Service Category | No. of ASC Service Users in January 2024 (Actuals) | No. of ASC Service Users in January 2030 (Forecast) |
|---------------------------------|-------------------------|---|--|
| Mole Valley | Residential | 33 | 8 |
| Mole Valley | Residential Enhanced | 70 | 81 |
| Mole Valley | Nursing | 136 | 147 |
| Elmbridge | Residential | 34 | 8 |
| Elmbridge | Residential Enhanced | 154 | 177 |
| Elmbridge | Nursing | 77 | 83 |
| Epsom and Ewell | Residential | 10 | 2 |
| Epsom and Ewell | Residential Enhanced | 37 | 43 |
| Epsom and Ewell | Nursing | 33 | 36 |

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

| Localities in North-West Surrey (and Surrey Heath) | Service Category | No. of ASC Service Users in January 2024 (Actuals) | No. of ASC Service Users in January 2030 (Forecast) |
|---|-------------------------|---|--|
| Runnymede | Residential | 12 | 3 |
| Runnymede | Residential Enhanced | 34 | 39 |
| Runnymede | Nursing | 94 | 102 |
| Spelthorne | Residential | 16 | 4 |
| Spelthorne | Residential Enhanced | 44 | 51 |
| Spelthorne | Nursing | 110 | 119 |
| Woking | Residential | 28 | 7 |
| Woking | Residential Enhanced | 61 | 70 |
| Woking | Nursing | 70 | 76 |
| Surrey Heath | Residential | 20 | 5 |
| Surrey Heath | Residential Enhanced | 91 | 105 |
| Surrey Heath | Nursing | 123 | 133 |

Table 11: Future Capacity Needs – South-West Surrey

| Localities in South-West Surrey | Service Category | No. of ASC Service Users in January 2024 (Actuals) | No. of ASC Services Users in January 2030 (Forecast) |
|--|-------------------------|---|---|
| Guildford | Residential | 32 | 8 |
| Guildford | Residential Enhanced | 45 | 52 |
| Guildford | Nursing | 100 | 108 |
| Waverley | Residential | 43 | 11 |
| Waverley | Residential Enhanced | 160 | 184 |
| Waverley | Nursing | 165 | 179 |