South Gloucestershire Council

Market Sustainability Plan

2026

Executive Summary

Rising Demand in Social Care

The 65+ population growth drives increased demand for adult social care services in South Gloucestershire by 2041.

Increasing demand for Live in Care services are putting increasing pressures on social care budgets, with average Live in Care Packages being approximately £600 more per person per week than Extra Care Housing or Residential Care.

Market Challenges

Workforce shortages, rising costs, and uneven access create challenges in sustaining local adult social care markets. However, we currently have good market capacity ensuring delays for care are kept to a minimum. Our new Care and Support in Your Home PDPS is transforming our home care/ support at home, reablement and ECH offers. Our Specialist Framework PDPS' will support development of services for working age adults.

Strategic Market Plan

The Market Sustainability Plan guides commissioning and investment to maintain a sustainable, high quality care market.

- Our strategic intent is for more older people to retain independence in their existing home or through a move to ECH. We know our CBS market including reablement, the use of technology, supply of ECH and social work practice all need to align for this to happen.
- To transform services for adults of working age, including use of 1:1's , shared supported and skill development. Moving to outcome focused delivery.

Data-Driven Insights

Local needs assessments and benchmarking inform decisions to improve care services and market resilience.

- The LGA "Use of Resources" analysis shows not only that our current costs are high but that we are not spending our budget in a way that reflects this intent.

Introduction

This Market Sustainability Plan (MSP) sets out South Gloucestershire Council's approach to ensuring a stable, diverse, and resilient adult social care market. The plan responds to statutory duties under the **Care Act 2014**, national policy priorities, and local commissioning objectives, with a focus on supporting providers to deliver high-quality, person-shaped care that meets the needs of our population.

The MSP builds on insights from:
Population and demand forecasts for older people and working-age adults requiring care and support.
Provider engagement and co-production with stakeholders, including care homes, domiciliary care agencies, voluntary sector partners, and people with lived experience.
Cost of Care analysis and financial modelling to understand the true cost of sustainable provision.
Workforce challenges, digital transformation opportunities, and innovation in service delivery.

Our local care market has historically faced significant pressures, including rising demand, workforce shortages, and financial constraints. This plan outlines the actions we will have taken and will continue to take to:

- Support market stability and provider viability.
- Improve recruitment and retention in the care workforce.
- Promote innovation and integration across health and social care.
- Ensure fair and transparent fee-setting aligned with sustainability principles.

The MSP is a living document and will be reviewed regularly to reflect changing circumstances, emerging risks, and opportunities for improvement. It forms part of our wider commitment to **market shaping**, ensuring that people within our communities have access to high-quality, sustainable care now and in the future.

Local Market Overview

Working-Age Population

61.8% of all residents are aged 18–65,.   Some of that population are facing growing complexities in mental health and learning disabilities.

Older Population Growth

The 65+ cohort is 18.8% in 2021, with 75+ projected to be 11.4% by 2041, highlighting ageing trends.

Tackling Inequalities

South Gloucestershire is experiencing a demographic shift characterized by an increase in the number of people from minority ethnic backgrounds and an aging population. The council launched a strategy to tackle inequalities in 2024, which included specific outcomes relating to quality of care and support provision.. The council's commitment to equality and diversity is evident in our proactive approach to addressing inequalities and ensuring that all community members are met with the needs that matter to them. We aim to grow diversity of provision, as a semi rural area, South Gloucestershire has not been able to offer the range of provision that, eg the neighbouring city is able to. With that in mind we are currently delivering on a project called “Growing Capacity Together” in partnership with Black South West Network, to provide information support and mentoring to small diverse providers who wish to grow their business delivery in our borders. In return commissioners and procurement leads will also take learning from their feedback and where possible ensure our processes support and enable development.

Health and Social Care Needs

Older adults face long-term conditions and many live alone or with disabilities, increasing social care demand. We have invested and successfully grown our care and support in the home offer, including reablement, home care, unregulated support in the home and ECH. One area we have seen an increase in demand for/ offer of, expensive live in care support, and we are looking to work with the market to ensure there are alternative offers (eg our ECH specification is now “Home for Life”) and cost effective offers where assessments identify live in care as appropriate.

Over recent 2 years we have seen an increase in demand both for supported living generally but also for supported living placements for people with more complex needs. We are working with markets to develop appropriate and innovative “modes of care and support” rather than supporting via expensive increases in 1to 1 and sometime 2 to 1 ratios that do not offer improved outcomes.

Current supply and demand

Our Market includes partner providers who deliver services largely, or even exclusively, for local authority funded people, particularly for domiciliary care. There is also a thriving self-funder market offering much more expensive services. As a result of our PDPS and a strong VCSE community we are building a broader range of both regulated and non-regulated services, reflecting our changing demographic. We have also incorporated more community based VCSE provision, growing the offer for people with eligible needs, and a sustainable business opportunity for VCSE providers. We are working with South Glos CVS to support more engagement from that sector of the market and learn lessons on how we best support.

Overall Service Quality:

Number of CQC Rated Services in South Glos.	Outstanding	Good	Requires Improvement	Not Yet Rated
Care Homes (81)	10 (12.35%)	62 (76.54%)	4 (4.94%)	5 (6.17%)
Home Care Providers (81)	8 (9.88%)	44 (54.32%)	2 (2.47%)	27 (33.33%)

88.9% of Care Homes are 'GOOD' or above and 64% Home Care Services are GOOD or above, but there are currently a large proportion of services currently unrated in South Glos.

- Workforce recruitment issues, agency staffing levels and rates of turnover are considered to be significant factors where services require improvement.
- Quality improvements have been required in a small number of residential and joint residential and nursing homes with lower fees, and in response to this we have proactively worked with some providers on their fee rates.
- We work with providers to encourage continual improvement in quality and are developing our use of PAMMS tool to support.
- We are working with CQC to highlight the number of services unrated and the risks this poses to those buying services within South Glos in particular self funders.
- In line with demand and individual's aspirations, there is an increase in the delivery of supported living in our boundaries. As this is unregulated, this poses some challenges in terms of quality, and we are working with partner providers to develop quality and innovative models of care. Not all such provisions have been commissioned or used by this council, and we are taking stock of the quality and safeguarding issues inherent in this.

Commissioning Transformation

- In 2024 we carried out, alongside our South Glos Public Health dept, an Ageing Well Needs Assessment in South Glos to model and quantify the impact of aging population. This included a heat map identifying the more rural area with the highest % of older people (as opposed to highest number overall) given differences in population density, At that point it was the area ith fewest services.
- ONS data, based on current trend assumes that between 2020-2040 the South Glos population aged 65 and over living in a care home with or without nursing will grow from 1,687 to 2,594. Whilst our aim is to reduce, relatively, the use of residential care, we expect the current increasing demand for complex nursing care, end of life care, and specialist residential care such as dementia to continue, but will continue to source community services to maintain people in their own homes for as long as possible.

The type of support needed:

- Increasing acuity of need, in particular post discharge, and moving towards integrated intermediate care systems, will require enhanced skills and different responses than traditional care.
- Use of Technology Enabled Care will increase, allowing for more efficient use of resources but requiring different types of contracts and workforce.
- More flexible use of Extra Care that can respond to both increased levels of need, and place-based local solutions will be needed so that this becomes the preferred option before care homes (South Gloucestershire currently has 6 ECH schemes). Capacity is well used in these schemes at 98% occupancy and we are tendering for a 7th scheme during 2025/26 to be delivered by 2029.
- The same approaches will be needed for specialist LD and MH care markets, with developments looking to focus on opportunities for skill development, transitional services not only for 16-25, shared support and own front doors in addition we would like to maximise the conditions within the Specialist Framework to Commission more outcome based services.
- Current trends of workers exiting the sector are likely to continue unless there is a very different approach to workforce terms and conditions, career progression options, and perception of status and recognition. Our work with Proud to Care continues to be instrumental in this approach.

Services for 65+

Market Sufficiency: 65+ Care Homes

- 81 care homes in total.
- SGC framework contract for care home provision, includes
- 46 care homes supporting the 65+ market, in the area, run by 34 organisations, total of 2,079 beds.
- 25 are care homes for 65+ and 21 are care homes for 65+ with nursing.

Overall this represents a market growth this does include some changes to the residential market for self funders, but predominantly in the nursing care provision.

Market Diversity

- Largely traditional, generic care home model. One purpose built reablement provision.
- Range of ownership including national providers, local groups, independent, charities and local authority, with a range of sizes from 10 beds per home to 78.
- New provision is increasingly at the higher cost range , to target the self-funder market. Placement costs not affordable for the local authority. Cost of Care exercise indicated this partly due to a higher return on capital and operations.

Supply

- 297 admittable vacancies reported on the capacity tracker at December 2025 a small proportion of which are in nursing care homes.
- Occupancy levels in nursing homes average 90%, compared to residential homes that average 85%.
- Most homes in South Gloucestershire are in the urban areas and market towns but four are in more rural locations.
- Providers in the more rural areas experience more issues with recruitment (public transport is also poor).
- Lack of nursing home beds available to the Local Authority in the Thornbury area, developments in this area aim to deliver to the self funder market.

Current Fee Rates 65+

- Residential prices range from 755.00 to £1787.84
- Average Residential £1142.35
- Nursing home care prices range from £927.89 to £1940.00
- Average rate £1250.04

The market is relatively expensive due to local conditions, inc accommodation and recruitment.

- Currently use a PDPS approach to new placements: negotiate on a placement-by-placement basis, purchasing the appropriate service to meet individual need.
- Some providers do charge differential rates with a lower local authority rate and a self-funder rate which is approximately 35% higher.
- These providers (according to their own feedback) have grown the self-funding proportion of business to 50/50% of business over recent years.
- Significant % beds currently priced higher than authority can afford, LA funding some people in “self funder” market, due spend downs or Best Interests.

Age Friendly Housing with Care

We currently have 6 schemes within South Gloucestershire offering a mixture of 1 and 2 bedroomed flats with a further scheme currently progressing in the north of the county.

The Councils vision is for age-friendly Housing with Care to be:

- A ‘Home for Life’- a place where people can grow older with confidence, knowing they will be supported through every stage of life, including if their physical or mental health needs become more complex. Age-friendly HwC will offer dedicated, 24/7 care and support, helping to prevent unnecessary hospital or residential care admissions wherever possible.
- A vibrant community hub, reaching out to people living in the wider community enabling them to benefit from the facilities, thus reducing social isolation and promoting active health and wellbeing through outreach and in-reach support

- Our Cabinet have recently endorsed a vision and programme for development of our Supported accommodation which will be published shortly.

Services for 18+

South Gloucestershire Council

Market Sufficiency.

Home Care 18+:

- 81 Providers registered with the Care Quality Commission in South Glos. Includes some specialist provision, and some expensive end currently exclusive self funder market
- 52 providers deliver predominantly standard domiciliary care to the Council.

SGC Contract Approaches:

- The Care and Support in Your Home PDPS is suitable for all ages to receive services into their own homes, it is recognised that the largest users of these types of services are over 65. The new model offers the opportunity for both regulated and non-regulated providers to be commissioned within the same space and optimise partnerships approaches to meet needs. The tiered system promotes sustainable development of quality services and fixed rates ensure choice and control of the individual and service quality are the focus. The PDPS gives opportunities to the third sector to move into the non-regulated space, collaborating with other providers while creating opportunities for more sustainable incomes.

- The Specialist Framework PDPS is aimed to meet the needs of working aged adults offering a range of services including complex regulated support including Positive Behavioural Support, but also services such as mentoring and enabling. The PDPS is designed to be an outcomes based framework and its Key Performance indicators and quality assurance are driven by this.

Care Homes 18+

- 35 specialist care homes with a total of 338 beds.

Market Diversity

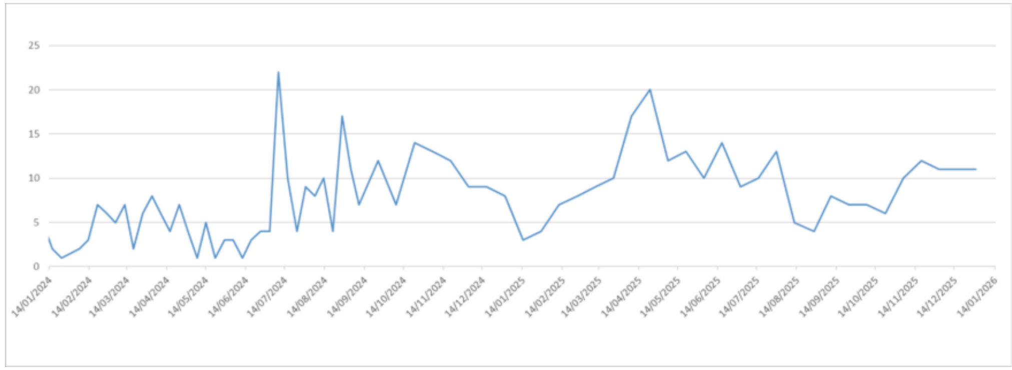
- Diverse range business models: small local family-owned, some local franchises, some medium sized providers that operate in other neighbouring areas, and a small number of national organisations.
- Buoyant "self funder" market, providers not accredited with council or not taking packages, at higher fees.
- Provider led reablement service delivering sustainable outcomes to be recommissioned as a call off from our Care and Support in Your Home PDPS, offering sustainable growth to existing providers within our partnership lot. Previous model was "maximising independence" built into all contracts, but ultimately delivered by two lead providers as a pilot.
- Providers reported issues of economies of scale and the challenge of developing businesses effectively (including value for money) as recruitment issues make it harder to warrant additional management and other overheads. Particularly issue for smaller local businesses and VCSE. This was considered within our commissioning transformation programme and lead to the development of the Care and Support in Your Home PDPS.
- The Council has a well-developed approach to use of TEC with individuals, based on personalised expert input. Developing work with providers in particular building it into reablement, and from there ongoing packages. Some providers have been looking at the use of technology to support capacity data, and this will be key in our commissioning transformation programme. We recognise this continues to require further focus.

Supply

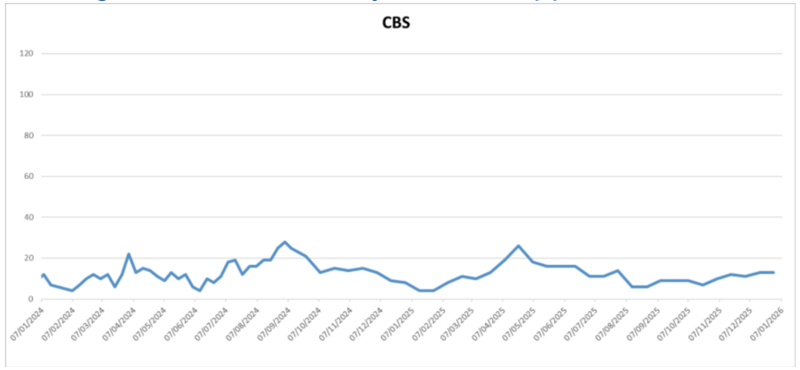
- 40 admittable vacancies reported on the capacity tracker at December 2025 within specialist Care Homes.
- Occupancy levels therefore represent 88% however these typical are more difficult to fill due to the importance of matching and complexity of need in these smaller specialist homes.

Demand Data

Referral numbers for Community Based Support



Waiting List for Community Based Support



As you can see from the data above our referrals for community based support have been steadily increasing over the past two years. We can contribute this both to an increase in demand as described earlier in this document, but also in line with our vision to keep people at home for as long as they wish. The data above also shows that our current home care market can meet the demand and has been responsive to the increase allowing us to sustain minimal waiting lists.

Challenges sourcing home care in rural areas and near the Gloucestershire border continue. To address this, we have started to explore a hyper local approach to commissioning home care services in these areas with our Partnership Providers and anticipate being able to develop these further as a sustainable option for both our communities and our providers.

Lack of supply of services that can meet the physical care needs of people with more complex needs, in particular people with early onset dementia.

Impact of Supply Issues.

- Geographical challenges reliance on several higher-cost providers, beyond acceptable budget for council, Typically able recruit and retain staff more easily due to charging high rates to self-funders a higher rate/ different terms of business. Differences sometimes allow for more favourable staff terms and conditions than those who rely predominantly on LA funded placements. New placements with these providers declining now, as other providers have increased supply.
- The hyper local approach allows us to commission small guaranteed hour blocks in rural areas enable providers to pay for full shifts: arrangement supports improved terms and conditions for worker and gives greater stability to providers delivering services within these rural areas.
- Strategy to support our community and partnership providers through sustainable commissioning approaches, with transparent rates which enable them to also recruit, and to move to a generalised commissioning strategy based on a those approaches.

Impact of Living Wage Increases

- Increases for 26/27 have taken account of these pressures. We have used benchmarking within the southwest and the UKHCA rate as a guide for those increases.
- Due to recruitment and retention issues, many of our providers will already be paying above that rate.
- Some providers have a commitment to the Real Living Wage. Providers tell us impact of increases is not only on lowest paid staff but also on other pay rates in order to maintain required differentials.

Current Fee Rates 2026/27

Care and Support in Your Home PDPS sets out clear and transparent rates for providers with clear expectations they should improve conditions for workers and facilitate recruitment. Including shift payments, travel and training payments.

- Regulated Services are paid at £29.88 per hour for spot purchase with different rates being agreed for any call off block contracts.
- Non-Regulated Services paid at £26.90 per hour for spot purchase with different rates being agreed for any call off block contracts.

For Services procured through the Specialist Framework PDPS, South Gloucestershire currently pays an average of £27.68 per hour.

We use a PDPS approach to new placements both for specialist Care Homes and Supported Living: negotiating on a placement-by-placement basis, purchasing the appropriate service to meet individual need. We use benchmarking tools to ensure fair cost and sustainability of service.

South Gloucestershire Council

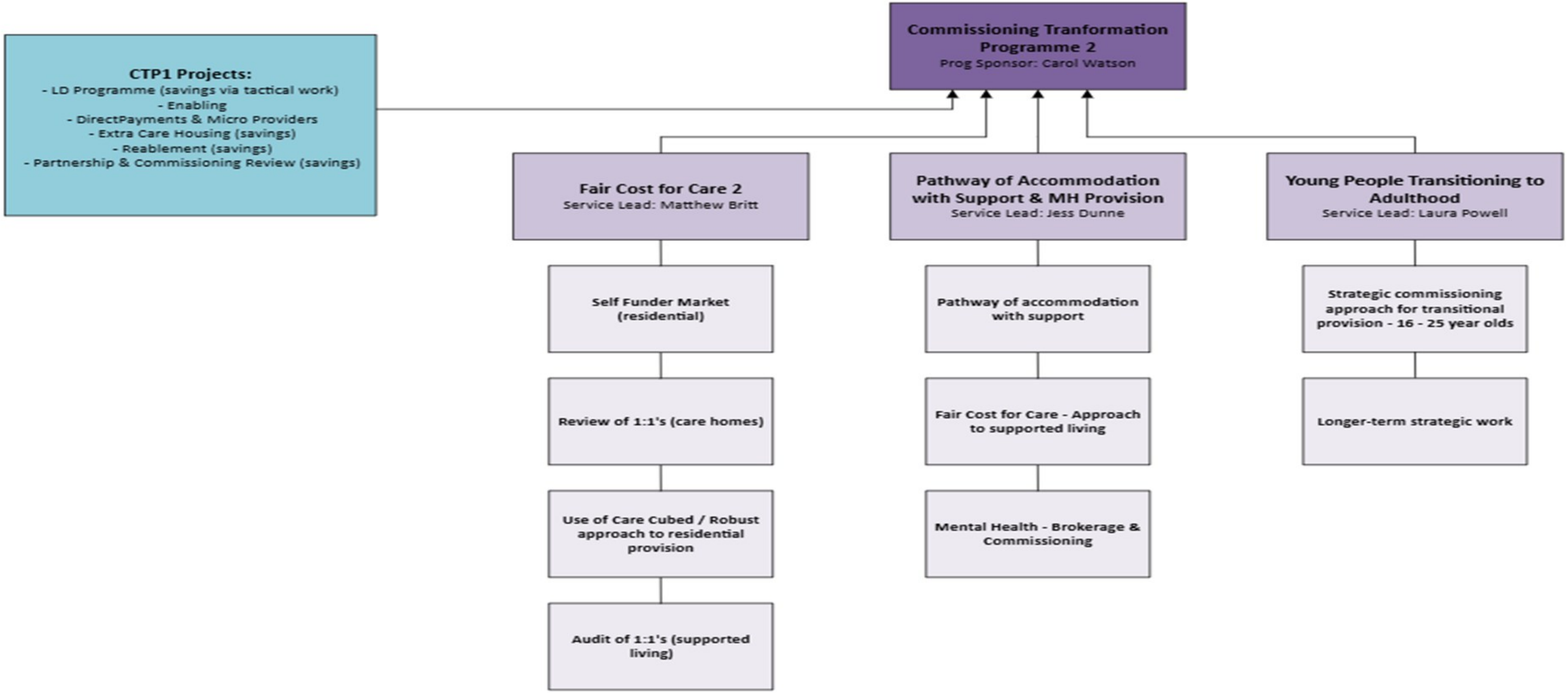
Market Sustainability Actions

Actions for 65+	Progress in Delivery	Future Vision
Home First Approach Promoting a Home First Strategy helps older adults live independently and reduces the need for residential care facilities.	The success of the South Glos Reablement Service is supporting individuals to return home and increase and or maintain their independence, averaging around 68% effectiveness over the past 2 years. We are also utilising Reablement Respite beds as part of the discharge pathway which is offering success in terms of avoiding admittance to longer term care. Positive signposting through third sector services such as link works, Welcome Home Service, Village agents and Age UK befriending and safer Homes initiatives all play a big part in this.	To recommission Reablement Service with one provider to deliver both community Reablement and to respond to Pathway referrals from hospital. To use the Care and Support in your Home PDPS to support sustainability of third sector services.
Dementia-Friendly Care Models Developing dementia-friendly care models enhances diagnosis, support and quality for life for individuals affected by dementia.	Joint work with the 'Connected Project' to create an Extra Care Housing checklist to support Dementia friendling services was built into our Recommissioning of Extra Care during 2025. The Dementia Strategy has been co-produced.	To work with partners to develop dementia services including services for those with early onset dementia.
Housing with Care To ensure that Extra Care Housing is seen is a positive alternative to residential care offering greater choice and control for our citizens.	The new Extra Housing Specification includes a vision for a community hub approach, increasing visibility within communities and giving greater sustainability to services such as the café and community groups which will become outward facing. To ensure that Extra Care can offer a home for life where possible, up until the requirement of nursing care.	For the schemes to become more balanced in terms of the level of needs leading to mixed communities and increased confidence of tenants that this can be a home for life. For schemes to have a greater offer and understanding of services that meet equality needs and be able to delivery a broader range of services.

Market Sustainability Actions

Actions for 18+	Progress in Delivery	Future Vision
Specialist Supported Living and Home Care Services Plans include developing specialist supported living and home care to meet diverse needs of working-age adults.	We have recommissioned both our specialist framework and Care and Support in Your Home during 2024/2025, both are open at a minimum of every 6 months through the pro-contract portal. Care and Support in Your Home offers an innovative approach to ensuring both our regulated and VCSE partners can deliver sustainable, meaningful services with locality clusters, maximising on a neighbourhood approach to care. Whilst our Specialist Framework moves our providers into Outcome Focused Commissioning, where we can deliver services that priortise outcomes over traditional time and task provision.	To use the PDPS to develop services that can meet out goals for 'tackling inequalities' within South Glos and to use the procurement arrangements to create opportunities for call off contracts which support sustainability of Community and Partnership Providers. To work with our Housing Enabling Colleagues in development support living solutions including services that support transitions to independence for 16-25.
Employment and Housing Support Focus on improving pathways to adulthood through employment assistance and easier access to housing.	We have reviewed our housing related support offer and are currently co-producing an enablement service for working aged adults.	To commissioning an enablement service which focuses on the following three areas: • Employment • Independent Travel • Meal preparation skills
Reducing Support Waiting Times A key objective is to reduce long waiting times for specialist community-based support and supported living.	A new Supported Living scheme was opened this year, with a 2nd planned for 2026. Personal Commissioning Team have been completing case discussions around longest waits to try and review search criteria and explore changes in the Market to meet needs more quickly. The Specialist Framework has bought forward new providers with the means to secure alternative single person housing options.	To development support living solutions including services that support transitions to independence for 16-25. To build on the insights gained from a co production session held in 2025 around supported living accommodation and aim to pilot Outcome based services with greater flexibility in Core support as well as services with increased TEC to promote independence, skill and safety.

Commissioning Transformation Programme 2



Transformation and Innovation

Relationship-Based Commissioning

This approach fosters strong partnerships between commissioners and providers to enhance market sustainability and service quality.

Fair Pricing Tools

Tools like Care Cubed are used to establish fair pricing, ensuring transparent and sustainable funding for care services.

Locality-Based Rural Models

Village agents and locality-focused models address rural service gaps, improving care accessibility in remote areas, supported by a hyper local approach to commissioning care and support.

Workforce Development Initiatives

Incentives like Proud to Care and specialized training enhance workforce skills and retention in the care sector.

Monitoring and Review

Data driven insights and engagement
Utilisation of dashboards and Power BI to understand demand and support effective market shaping.

Development of our quality assurance framework for increased transparency and support the market in sustainable growth.

Equality Tracking
Tracking equality across protected characteristics ensures fair and inclusive service delivery for all community members.

Community Engagement
Engaging residents and providers in co-design fosters collaboration and aligns with Age Friendly Communities.

End