

## Market Stability Report (MSR) Review

### Introduction

There is a requirement under Section 144B of the Social Services and Wellbeing Act to annually review the Market Stability Report, originally published in February 2022<sup>1</sup>. The purpose of this review document is to consider aspects of the MSR that require updating in the light of developments since the 2022 publication. It does not supersede the MSR, rather it is an addendum to supplement the original document, which can be found here<sup>2</sup>. This review document reflects on recommendations, changes to the context, progress and achievements and confirms ambitions. The document will be updated periodically, to enable active market shaping, risk mitigation and to ensure continued sufficiency of supply in meeting demand.

### Commissioning data portal

This report is a point in time analysis. A data portal is under development that will enable ad-hoc analysis at any point utilising the most up to date data sources. Building on the existing regional older adult care home data collation and reporting, this will incorporate further market capacity (and trajectory) data, together with demand side information including demography (including projections), and numerical and financial information specific to commissioned care and support.<sup>3</sup> The portal will support future MSR review iterations, alongside strategic commissioning and capital planning functions. The point in time data used for this review document can be seen at appendix 1.

### Commissioning Board and Market Stability Programme

This review was undertaken within the remit of the regional Commissioning Board, under the West Wales RPB<sup>4</sup>. The review draws on understandings of changes to demand and supply, alongside reflecting on progress that has been made since 2022. This is described in the sections below.

Following publication of the 2022 MSR, further work was undertaken to refine response implications. This culminated in the development of the regional Market Stability Programme, consisting of a suite of ten projects, supported by the single purpose Market Stability Programme Board. Due to capacity, four projects were taken forward initially<sup>5</sup> - each yielding significant impact and benefit. Residual actions are now being delivered by the Commissioning Board.

**Project A1** focused on establishing whether the strategic commissioning capability within organisations in the region was sufficient, in the light of significant challenges in securing provision. The project focused specifically on complex, high-cost placements. The Outline Business case concluded that there was merit in securing additional strategic commissioning capacity. Following agreement, this work is being implemented, with an initial focus on

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<sup>1</sup> Market stability reports must be reviewed at least annually. If significant changes are identified following the annual review, Local Authorities must produce either a revised report or an addendum, which must be published on local authority websites, and submitted to the Welsh Ministers.

<sup>2</sup> <https://wwrpb.org.uk/wwrpb-market-stability-report-2022/>

<sup>3</sup> Direct provision data will also be included where relevant.

<sup>4</sup> Regional Partnership Board.

<sup>5</sup> A Programme Management approach was adopted: for details see [https://cio-wiki.org/wiki/Managing\\_Successful\\_Programmes\\_\(MSP\)](https://cio-wiki.org/wiki/Managing_Successful_Programmes_(MSP))

understanding complexity for Transitions placements, aged 14-25. The work will culminate in clear options to address the issue (March 2026).

**Project A2** concentrated on children's provision, and a number of actions were taken forward to enhance the approach to strategic planning. A self-assessment was undertaken, based on The National Commissioning Board (NCB) Toolkit: *Integrated commissioning of services for families, children and young people with complex needs*<sup>6</sup>. Data is a key area of development (see data portal section above), alongside the imperative for enhanced engagement with the relatively restricted number of providers in the region. The Welsh Government (WG) Eliminate agenda<sup>7</sup> has given heightened prominence to work in this area, and a regional conference is scheduled for March 2026.

**Project A3** focused on transitions and objectives included the development of a regional transitions policy and the potential establishment of a regional complex needs panel<sup>8</sup>. These objectives are identified for delivery within the Commissioning Board 2025-26 workplan.

**Project A5** considered the feasibility of establishing and running a public sector nursing facility, given concerns over existing nursing home capacity and the need to anticipate future shortages. The work has established that this approach is legal, and staffing options are being worked through. The feasibility study was signed off by the Market Stability Programme Board. Partners are exploring next steps, with this being a key priority for the Commissioning Board 2025-26 workplan.

It is important to reflect on **supporting initiatives** taken forward by the Commissioning Board that have been partially or fully delivered since 2022. Notable examples include the finalisation of the single regional **Pre-Placement Agreement** (PPA) for older adult care homes placements – developed by local authorities, Hywel Dda UHB and the sector,<sup>9</sup> which will provide greater consistency across the Hywel Dda Region. An accompanying **Quality Assurance Framework** (QAF) has been agreed, which underpins an improvement and partnership ethos that is being well received by the sector. Furthermore, a regional approach is now being taken to **escalating concerns** (in advance of WG guidance coming into force).

**Older adult care home data** continues to be collated and analysed, and this is being used as a basis for the expanded data portal for care and support, referenced above. Combining intelligence, management information and a joint approach to quality is contributing positively to a joint commissioning approach across health and local authority partners.

Beyond older adults specifically, a regional **dispute resolution procedure** has been agreed to assist funding decision discussions. This has been accompanied in Carmarthenshire by improved arrangements for **joint funding** between the Local Authority and Hywel Dda UHB, which has significantly reduced the need to invoke the resolution procedure.

Work is underway in relation to the three **Community Equipment Services** in the region. Progress to date includes a single regional approach to the provision of specialist equipment

<sup>6</sup> See: <https://www.wlga.wales/SharedFiles/Download.aspx?pageid=62&mid=665&fileid=1766>

<sup>7</sup> See: <https://www.gov.wales/removing-profit-care-children-looked-after>

<sup>8</sup> In terms of delivery, this project group secured the agreement of a regional definition of complex needs, which is foundational and underpins the identified associated objectives.

<sup>9</sup> This has included significant engagement with Care Forum Wales.

in care homes, and aligned approaches to responding to emergency, urgent and routine requests for equipment<sup>10</sup>. Work has taken place to provide evidence of the positive financial benefit that the provision of equipment makes, particularly in offsetting costs relating to residential care. This justifies investment in the service and helps demonstrate the critical role of community equipment services in protecting scarce residential and residential nursing capacity. To illustrate, during September 2024, 603 people in the region<sup>11</sup> were supported in their own homes by using profiling beds – widely agreed to being pivotal in substituting for a residential or nursing placement.

Building on these successes, the **2025-26 Commissioning Board priorities** include:

- Implementation of the Pre-Placement Agreement and Quality Assurance Framework
- Care and support data portal to support strategic commissioning
- Designing a regional reablement model for older adults
- Strengthening strategic children's commissioning, including provider engagement and a framework for benchmarking costs and performance
- Developing a regional commissioning framework for adult care home placements
- A regional policy for transitions, reflecting agreed principles and standards
- The ambition to establish a regional complex needs panel

### Capital Board and Programme

The Regional Strategic Capital Board oversees a relatively new strategic work programme overseen by the RPB, contextualised by the regional Strategic Capital Plan (SCP). The plan aligns policy commitments in the current Programme for Government with drivers for change referencing specific MSR recommendations:

- **Rebalancing:** in line with statutory requirements relating to business continuity, local authorities must work with existing providers to find solutions if they are in difficulties and act as the provider of last resort if there is a market exit. The need for robust business cases is key to any market intervention alongside clear regard to ensuring continuity of care. Having in-house capacity (and hence capability) will also mean the local authority is better placed to support providers experiencing difficulties and manage potential transfers from private to public provision<sup>12</sup>
- **Reconfiguration:** examples have been identified where existing service models can be reconfigured and expanded into different market segments or ways of delivering services and support. They include developing 'hub and spoke' models that combine residential care with community services, supporting individuals to remain independent in their homes but with the options of residential support. Such approaches could offer staff increased flexibility, - which may boost staff recruitment and retention levels
- **Reprovision:** partners are encouraged to consider re-provisioning existing services into other models of care in response to market opportunities or when faced with potential loss of placements. This could mean diversifying existing bed bases or to convert existing bed spaces into more specialist housing models

The RPB has responsibility for strategically planning this area of work and to support partner organisations with the capital funding application process and more technical aspects of

<sup>10</sup> Additional capacity has been made possible through the use of WG Further Faster funding allocations.

<sup>11</sup> Carmarthenshire 261, Ceredigion 116 and Pembrokeshire 226.

<sup>12</sup> This issue was particularly relevant during Covid.

capital developments, which inherently given the size and scale of specialist accommodation developments are complex to navigate.

Fundamentally, the development of a pipeline of capital schemes will allow commissioners to understand the trajectory of capital developments and whether this is sufficient to meet the demands for specialist accommodation, both within the system from aspects such as progression or through unmet need or future population, including sharp anticipated increased in demand in relation to older people, in particular.

A priority for 2025-2026 outlined in the refreshed SCP is the development of a Capital Benefits Framework. Whilst individual schemes have outlined potential benefits on completion, there is no current collective record of benefits management for the capital programme. This is needed to demonstrate impact of the capital investment to date, progress against the programme objectives set out in the SCP and to assure the regional commissioning board that there is progress against their priorities.

The benefits approach will see the monitoring of key indicators such as:

- No. of high-cost, complex cases supported by capital investment
- Expenditure on whole provision as % of whole
- No. of older people able to live independently for longer
- Number of people requiring reablement, rehabilitation or who are learning to live independently who can access suitable accommodation in the community

Demonstrating an impact on the above indicators means that wider evaluation can evidence the contribution towards:

- Reduction in admissions to hospital and/or residential care
- Reduced length of stay in hospital<sup>13</sup>
- Reduction in the number of out of area placements
- Reduction in the number of placements within the independent sector, with corresponding increases for 3<sup>rd</sup> sector and direct provision

This will be utilised alongside the RIF Outcomes Framework methodology to ensure that benefits are captured from a variety of different perspectives.

Beyond the scope of the Commissioning and Capital Boards, collaborative progress is being made, alongside that of respective individual partners, in responding to the challenges affecting care and support provision. These are referenced in sections below concerned with population groups.

Before considering the MSR review findings, here is a reminder of key overarching issues and recommendations from the 2022 MSR:<sup>14</sup>

- **Demography:** more Looked After Children, more older adults, squeezed working aged population, reducing economic activity rate, workforce shortages

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<sup>13</sup> Albeit care and support availability being only one contributory factor.

<sup>14</sup> Please see the 2022 MSR for full details.

- **Public sector budgets** under strain
- **Market weaknesses** (especially complex and specialist provision), exacerbated by 'Eliminate' (children's provision)
- Even where it is sufficient, there are **issues accessing in-region supply** (including fostering and residential care - children and adults)
- Imperatives to **stimulate the market** (including micro and social enterprises) and provide directly
- Imperatives to **reduce demand** on statutory services: investment in edge of care and preventative services
- **Opportunities to increase** fostering, adult placement and community housing (e.g., supported schemes)
- **Opportunities to achieve savings** by investing in commissioning capacity – especially high cost, low volume
- **Collaboration:** opportunities for providers and commissioners to work more closely, e.g., s16 Fora<sup>15</sup> for social enterprise development

The remainder of this MSR review document consists of two parts:

- Part A, where stability (including sufficiency) is examined for services associated with children, working aged adults and older adults respectively
- Part B, where brief coverage of sufficiency is given for services associated with other relevant population categories

The review draws on the data set out at appendix 1, alongside focus group discussions held on the 14<sup>th</sup> of March 2025<sup>16</sup>. Preliminary findings were also presented to the regional Commissioning Board on 9<sup>th</sup> May, and Integrated Executive Group (IEG) on 6<sup>th</sup> June. Further engagement took place with county Pan-Cluster Planning Groups and Departmental Management Teams during September and early October. The review was signed off at Commissioning Board on the 14<sup>th</sup> of October 2025.

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## **Part A: stability assessments**

For children and young people, working aged adults and older adults, respectively, Part A considers: changes to demand and supply; developments since 2022; and the ambition for future progress. For each of these age groups the following headings are used:

- Changes
- Developments
- The ambition

A key finding across these demographic groups (irrespective of changes in numbers) is that care and support appears to be addressing increasingly complex presenting need. Shortages of specialist provision were highlighted in the MSR and deepening complexity is likely to be exacerbating this previously reported acute challenge.

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<sup>15</sup> See: <https://cwmpas.coop/wp-content/uploads/2024/07/Section-16-Forum-Handbook-2024-English.pdf> for a

<sup>16</sup> Attendees were drawn from each of the partner organisations and included commissioners of services for children, adults and older adults.

## Children and young people

### Changes

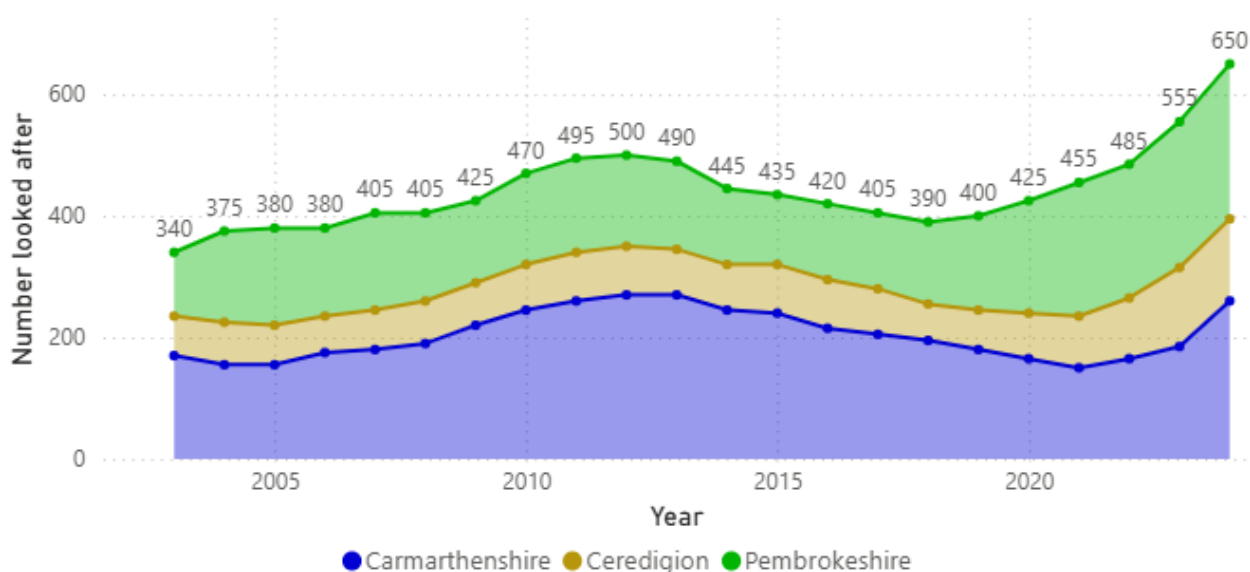
Projections suggest continued decline in the number of children:

#### *Population estimates of people aged 0-15 2025-2035*

Local authority	Aged 0 to 15	% of whole population	2035 estimate	Change	% change
Carmarthenshire	33,182	17.4%	31,388	-1,794	-5.4%
Ceredigion	10,566	14.9%	9,410	-1,156	-10.9%
Pembrokeshire	20,556	16.2%	18,878	-1,678	-8.2%
<b>West Wales</b>	<b>64,303</b>	<b>16.5%</b>	<b>59,676</b>	<b>-4,627</b>	<b>-7.2%</b>

However, the situation continues to be challenging, as reflected in the number of children looked after:

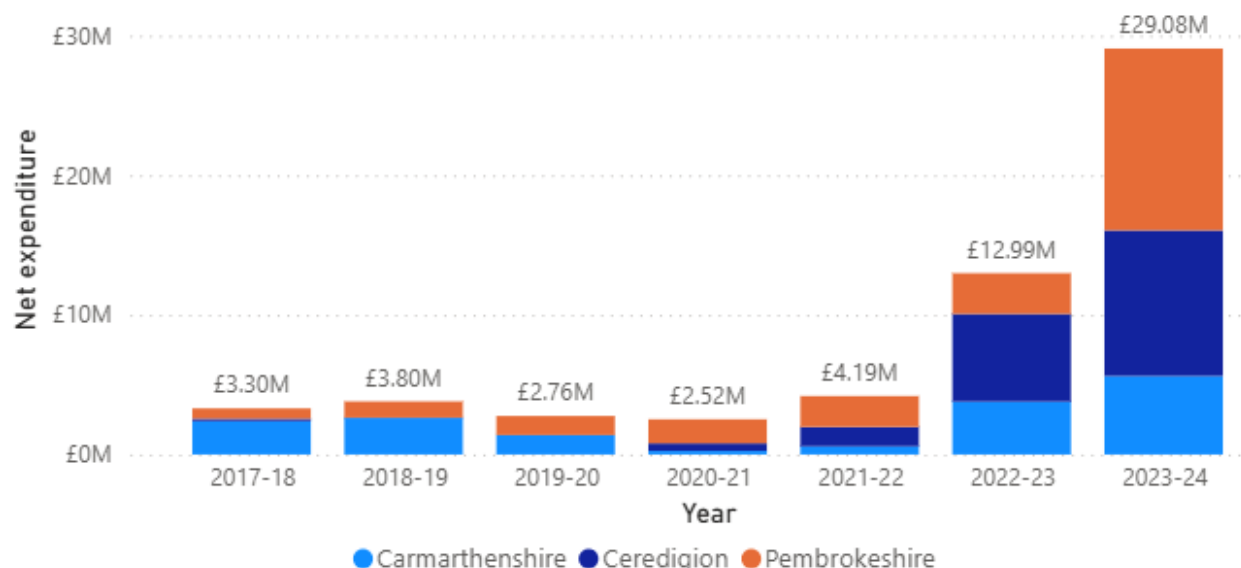
#### *Trend in numbers of looked after children by local authority*



As noted above, the complexity of presenting need appears to be growing. The chart above suggests that preventative action to reduce the need for statutory services has had limited impact. Fostering (in-house, in particular) is being affected by recruitment issues, which is adding increased demand for care home placements – some of which are out of county or region, and some of which are unregulated<sup>17</sup>. To give an indication, expenditure on children's care home placements is shown below:

<sup>17</sup> Operating Without Registration (OWR).

### Total net expenditure on children's residential placements



There are differences in the proportion of looked after children who are in foster care: for Carmarthenshire, it is 81%, for Pembrokeshire 73% and 67% for Ceredigion.

It is noted that Eliminate continues to create significant market uncertainty – and risks for commissioners and providers. The future intent of existing providers is still largely unknown.

#### Developments

Initiatives to address the challenges have included Edge of Care provision, which has had a significant preventative impact: around 75% of children and young people accessing the service are kept at home (albeit demand is still increasing).<sup>18</sup> In addition, capital schemes (often IRCF or HCF funded<sup>19</sup>) have supported the creation of additional care home places<sup>20</sup>. Further investments are being made into supported lodgings for those in transitions. Additional commissioning capacity has been identified in Pembrokeshire and early signs are that this is leading to increased placement in region<sup>21</sup>, enhanced relationship development with the sector, fewer Operating Without Registration (OWR) placements, and improved quality assurance. In addition, a regional commissioning self-assessment was undertaken under the Market Stability Programme Board. Work continues to address identified gaps and areas of development.

Whilst the capital investments referenced contribute positively, the net impact on capacity in the region is presently unclear. The impact of Eliminate on market capacity is not yet known. Better data to support judgements about capacity will become available through the regional data portal.

<sup>18</sup> Benefits realisation work is underway with Regional Integration Fund (RIF) services in Pembrokeshire to better understand the impact of these preventative interventions.

<sup>19</sup> Integration and Rebalancing Care Fund and Housing with Care Fund.

<sup>20</sup> Additional capacity has been added by Pembrokeshire County Council: 4 beds (West Lodge – direct provision) and 4 beds (Action For Children).

<sup>21</sup> The position before the team were in place was 25% - it is now over 40%.



### The ambition

Although complexity is increasing, there remain opportunities that stem from reducing demand through preventative and edge of care initiatives. Furthermore, there are opportunities to further strengthen provision that supports greatest empowerment, such as fostering. Increased psychology support, as put in place in Ceredigion, for instance, is helping prevent foster carer breakdown, which may otherwise have led to care home placement. Where care home placement is necessary, the ambition remains to place as near home as possible – acknowledging this is normally best for the young person while enabling most effective quality assurance and oversight of placements to be put in place. This will include continuing to work with independent sector providers to support transition to social enterprise delivery models, and the further expansion of capacity through direct provision.

It is critical that demand and supply are well understood – underlined by the significant potential impact of Eliminate on supply. The work referenced earlier in relation to the A1 project will support this in terms of regional data; and from the perspective of deepening engagement with providers to understand outlooks and market shaping opportunities. Further work will be taken forward in relation to transitions planning, to help ensure well-planned, outcomes focused arrangements take place.

### **Working age adults**

#### Changes

The table below shows that this population cohort is projected to decline. Whilst this could reduce the number of people who need care and support, this needs to be set against a trend of increasing complexity. From a demographic standpoint, the reductions will have significant consequences in reducing the care and support workforce:

#### *Population estimates of people aged 16-64 2025-2035*

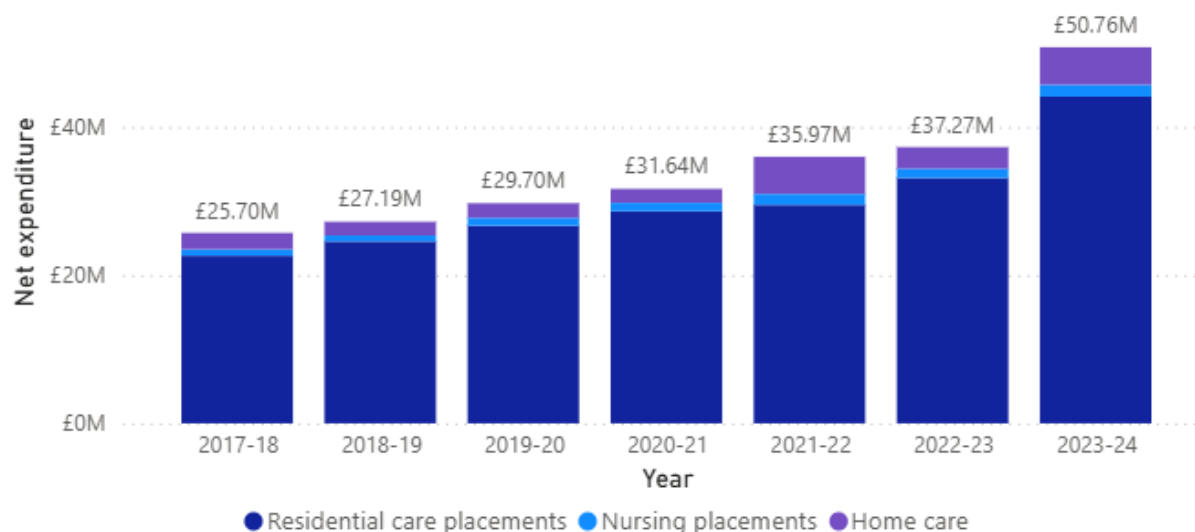
Local authority	Aged 16 to 64	% of whole population	2035 estimate	Change	% change
Carmarthenshire	109,639	57.4%	106,630	-3,009	-2.7%
Ceredigion	40,443	57.2%	38,337	-2,106	-5.2%
Pembrokeshire	70,631	55.6%	67,349	-3,282	-4.6%
<b>West Wales</b>	<b>220,712</b>	<b>56.8%</b>	<b>212,315</b>	<b>-8,397</b>	<b>-3.8%</b>

While people are benefiting from increased life expectancy, the associated unpaid carer cohort (e.g., parents) is also ageing and therefore unlikely to be able to provide support indefinitely. This may lead to an increase in demand for statutory services. Improved relationships with providers have been noted, associated with a greater willingness to place with regional commissioners.

The chart below indicates increased expenditure on domiciliary and care home placements:



### Total net expenditure on home care and residential placements for working age adults



While Eliminate is specific to children's provision, there is some concern about increased market fragility in this sector, where some provision is 'heavily leveraged' (debt financed) – making it vulnerable to financial market corrections (e.g., interest rate changes).

#### Developments

It is noted that opportunities for day activities, supported employment and volunteering are being expanded, which can have the effect of reducing demand for statutory care and support. There is a move to expanding day opportunities<sup>22</sup> across the region. To cite an example, work in Carmarthenshire and Pembrokeshire with people with a learning disability has focused on increasing choice, drawing on community assets and social capital to provide a wide range of wellbeing-supportive digital and in-person activities.<sup>23</sup> The more flexible approach, based on choice, has led to improved personal outcomes and a reduced need for statutory services. Community connector capacity (also known as social prescribing) supports efforts to expand day opportunities through enhancing community resources and activities, and linking these to the wellbeing needs of presenting individuals.

The regional<sup>24</sup> Pathways to Employment project supports people, predominantly with a learning disability, with volunteering, work placement, and, ultimately, supported employment opportunities. This helps people feel valued and purposeful; they report being more independent, having improved support networks and personal confidence. There is also an economic benefit of £5,611 per annum,<sup>25</sup> released where supported people are no longer in receipt of statutory services. Across the region, 464 referrals onto the programme were accepted (September – March 2025).

Other preventative services have been put in place since 2022. This has included the preventative services contract commissioned in Carmarthenshire, with a focus on diverting

<sup>22</sup> Day opportunities are being developed as alternatives to day centre-based day care.

<sup>23</sup> These include, for example: swimming, paddle boarding, walking, cooking and 'speak up' sessions.

<sup>24</sup> The project started in Pembrokeshire, with delivery therefore being at a more mature stage, but impact and reach is incrementally being spread to the other two counties.

<sup>25</sup> Carmarthenshire data.

people from requiring statutory services by establishing strong links and pathways between preventative and early help services, commissioned care, housing related support and informal community support networks to ensure there is a step-up / step-down offer available to citizens. The project incorporates an element of micro-commissioning in response to identified demand. The Carer Breaks initiative ensures unpaid carers can take short breaks from their carer responsibilities, which supports the sustainability of provision. A wide range of options<sup>26</sup> has been developed. This benefited 1775 carer relationships during October-March 2025.<sup>27</sup> Furthermore, the West Wales Strategic Plan for Unpaid Carers has recently been published, with priorities to ensure 1) carers are visible and valued, and 2) supported.<sup>28</sup>

A further development is the launch in 2022 of the single regional Independent Professional Advocacy (IPA) contract, delivered by 3 County Independent Professional Advocacy (3 CIPA).<sup>29</sup> The service is designed for people with needs for care and support or their carers. It is a key preventative service since early support can help prevent the escalation of issues and the need for greater support. The most numerous presenting need in 2024-25 was mental health, followed by learning disability and physical health. A number were also carers.

The 2022 MSR referenced the significant contribution that an expanded Shared Lives (adult placement) scheme could make in supporting independence and reducing demand for care home placement. The service now has a full staff complement and is reporting comprehensive data – although it is considered that the full benefits of this investment are yet to be realised.

Supporting step down from residential care, the Progression to Independent Living Project,<sup>30</sup> has been operational for three years and is a collaboration between Ceredigion, Pembrokeshire and Carmarthenshire County Councils, and Hywel Dda UHB. It was established to address the over-reliance on commissioned residential care and limited flow through services, enabling individuals to transition to more appropriate levels of support and freeing up placements for those with higher needs. Joint working across the partners ensures coordinated reviews and the project relies on access to supported living services as a key part of individuals progression pathway. In 2024/25, the project supported 116 individuals<sup>31</sup> to achieve progression, resulting in a full-year equivalent cost reduction of £2,378,219, which equates to an average annual reduction of £6,325 per participant or £20,680 per individual progression achieved.

Considering where care home placement continues to be appropriate, it is noteworthy that a regional approach to the development of a consistent cost model is underway, as a priority under the Commissioning Board. Whilst driving consistency, an aim will be to ensure that placements are made only in accordance with assessed need. Some expansion of supported accommodation since 2022 is acknowledged. For example, Pembrokeshire has

<sup>26</sup> These include access to leisure and social activities, hotel stays, events – alongside more traditional provision, including the use of respite beds for people cared for.

<sup>27</sup> It is understood that carers, and people who are cared for, will include children, working aged adults and older adults.

<sup>28</sup> See: [https://www.canva.com/design/DAGqtAGdJBQ/Z9pYrCLbwil\\_xg\\_9wyusow/edit](https://www.canva.com/design/DAGqtAGdJBQ/Z9pYrCLbwil_xg_9wyusow/edit)

<sup>29</sup> 3 CIPA consists of: Advocacy West Wales-Eiriolaeth Gorrlewin Cymru (takes a lead on the service), Dewis CIL, Age Cymru Dyfed, Carmarthenshire People First, and Carers' Trust Crossroads West Wales.

<sup>30</sup> funded through the Regional Integration Fund.

<sup>31</sup> Of a total of 376 service users.

accessed capital funding to develop and refurbish supported accommodation, including at South Quay.

There have been some changes in residential care capacity. In Pembrokeshire, one four bed home closed due to owner operator retirement. There is interest from the market to increase capacity, however, this is not supported, given there is current over-reliance on residential care (compared to the Wales average) and a growth in demand is not anticipated.

Each local authority has re-commissioned supported living services, based on a unit cost model which promotes fair work practices, removes price competition and supports a focus on outcomes. Whilst these exercises were undertaken separately, shared learning including opportunities for benchmarking, was possible. In Ceredigion, the intention is for this to enable shared cojoined support across some properties and the sharing of communal activities.

In addition, Health Board workforce capacity and skills, (including specialist expertise) in relation to complex needs, are being strengthened. Digital transformation investment<sup>32</sup> is supporting care co-ordination, enabling remote support, and empowering adults to manage care needs more independently. Funding core services enables a move away from traditional residential care towards more community-based, preventative, and person-centred models. There is recognition that early and sustained investment in core services can delay or reduce the need for more intensive (and expensive) long-term care, benefiting both individuals and the wider health and care system.

### The ambition

Unsurprisingly, the ambition remains to reduce the use of care homes (particularly out of area), where supported living or Shared Lives are viable options. Where possible, locally anchored providers will be supported, as these also assist the foundational economy. Provider engagement will be necessary more generally to secure in-region supply (both long term and respite), and opportunities to act jointly across regional commissioners will be explored.

Solutions that address workforce challenges, and the maximisation of personal independence, will be promoted. This will include technology enabled care, digital solutions and improved data systems. Maintaining a focus on outcomes-based working will assist more flexible models that give greater autonomy to users and providers in responding to needs. Work will also continue to 'step down' people where appropriate, from care homes to supported living, and from supported living to living independently in the community.

In reducing demand, ambitions include improvements to transitions arrangements, improvements to support for unpaid<sup>33</sup> and Shared Lives carers, continued provision of day opportunities and of supported employment. Further actions include the recommissioning of residential care for adults and the continuation of the programme of progression reviews<sup>34</sup>.

## **Older adults**

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<sup>32</sup> For example, electronic records and telehealth.

<sup>33</sup> Ceredigion retendered for Carers support services, with the contract commencing April 2024. This brings together the support for unpaid adult and young carers.

<sup>34</sup> Care and support needs are dynamic and should be reflected in commissioned care and support arrangements.

## Changes

The 2022 MSR highlighted the pending increase in the number of older adults. The latest projection is presented numerically below:

### Population change estimates 2025 - 2035

Local authority	65 to 74	75 to 84	85 and over	All ages
Carmarthenshire	+4,479	+1,442	+2,351	<b>+8,272</b>
Ceredigion	+1,132	+248	+1,099	<b>+2,479</b>
Pembrokeshire	+3,341	+1,069	+2,288	<b>+6,697</b>
<b>West Wales</b>	<b>+8,952</b>	<b>+2,759</b>	<b>+5,738</b>	<b>+17,449</b>

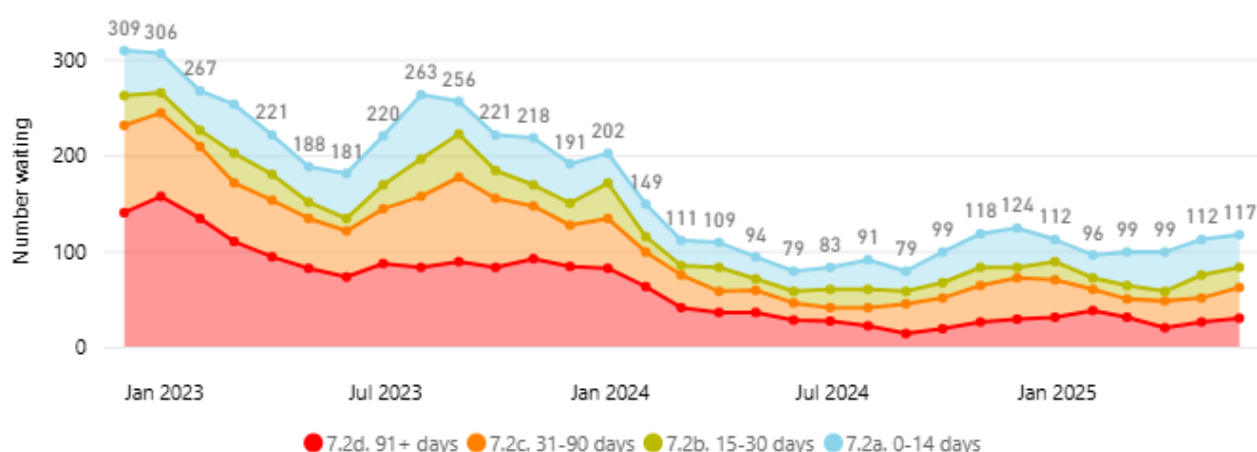
These numerical increases are brought into sharper focus by the following table that shows **proportionate** increases. Taken together, the tables show that the 85 and over age group is projected to increase by 5,738 (or 43%) from 13,482 to 19,220 by 2035. Dementia is closely associated with age, and the regional rate for advanced<sup>35</sup> dementia is forecast to increase 36% by 2035.<sup>36</sup> Workforce challenges remain and are exacerbated by a reduction in working aged people, as seen earlier in the report.

### Population change estimates 2025 - 2035

Local authority	65 to 74	75 to 84	85 and over	All ages
Carmarthenshire	+18.1%	+8.2%	+41.0%	<b>+17.2%</b>
Ceredigion	+11.6%	+3.5%	+39.3%	<b>+12.6%</b>
Pembrokeshire	+18.9%	+8.1%	+46.3%	<b>+18.7%</b>
<b>West Wales</b>	<b>+17.2%</b>	<b>+7.3%</b>	<b>+42.6%</b>	<b>+16.8%</b>

Since the 2022 MSR, there has been a general improvement in domiciliary care waiting times – overall, and by length of wait<sup>37</sup>, as can be seen below:

### Number of adults waiting for domiciliary care by wait time



<sup>35</sup> This is described as severe dementia by Stats Wales (data source).

<sup>36</sup> Further details and county figures can be seen at the technical appendix, page 5.

<sup>37</sup> There is evidence of greater domiciliary care capacity. In Ceredigion for example, following retendering in 2023, several applications to join have come forward following commencement.

There is evidence of a trend towards greater complexity in domiciliary care,<sup>38</sup> The cost of providing local authority older adult domiciliary care has risen from £25.7 million in 2017 to £38 million in 2023 (see technical appendix page 8).

Increasing complexity is also acknowledged in relation to each of the classes of care home placement<sup>39</sup>. Demand pressures are increasingly affecting Nursing and Nursing Dementia care home placements<sup>40</sup>, which is concerning since demand is almost certain to increase. Whilst residential care expenditure grew year on year, except 2023, overall local authority spend on nursing care has increased significantly, increasing by 131% in 2023:

#### *Expenditure on older people's nursing care*

Financial Year	Own provision (including joint arrangements)	Provision by others (including joint arrangements)	Gross expenditure	Net expenditure	Own provision as % Gross	Change in net spend
2017	£0	£11,987,320	£12,462,867	£5,132,961	0.00%	
2018	£0	£13,819,432	£14,266,123	£6,113,636	0.00%	19.11%
2019	£0	£14,591,892	£15,661,686	£4,334,880	0.00%	-29.09%
2020	£0	£16,420,064	£18,051,701	£7,528,241	0.00%	73.67%
2021	£0	£17,521,952	£19,251,047	£9,479,725	0.00%	25.92%
2022	£0	£19,270,374	£21,491,931	£11,584,660	0.00%	22.20%
2023	£0	£44,970,196	£47,301,633	£26,809,877	0.00%	131.43%

Commissioners have noticed increased requests for Additional Cost Contributions (ACCs) by providers. Whilst this partly reflects cost pressures, ACCs have a negative impact on the financial positions of commissioners and families. It is suggested that acuity is increasing amongst care home placements. It is noted that positive relationships between providers and commissioners exist, supported by regular constructive engagement.

The chart below shows the level of spend and aggregate growth in net local authority expenditure on domiciliary and care home placement:

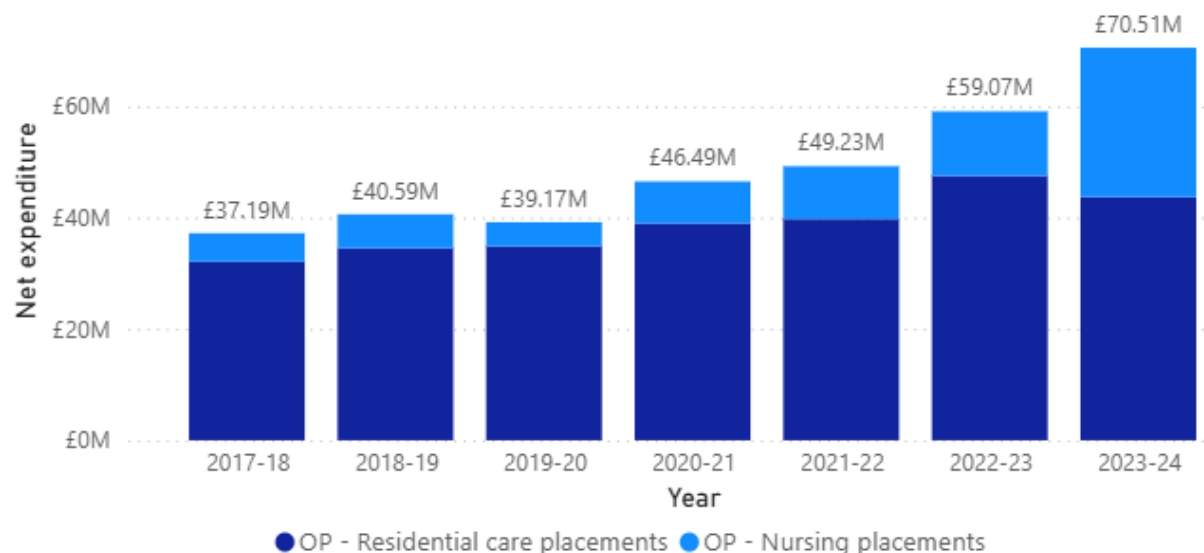
<sup>38</sup> Albeit that the average weekly hours per person remains in the range 11.2-12.4 (see technical appendix, page 7).

<sup>39</sup> Residential, Residential Dementia, Nursing and Nursing Dementia.

<sup>40</sup> In Ceredigion as of April 2024 providers were advised an ACC (Additional Cost Contribution) of up to £25 was being reintroduced for ensuite rooms if requested.



### Net expenditure on placements for older people



In terms of changes to residential market provision, in Ceredigion, one nursing home closed in 2022 (27 beds) and there have been some changes to ownership (though net local authority provision is static). In terms of extra care, a 56-apartment opened in 2021, adding valuable additional capacity.

The following information relates to regional reductions in capacity within dual registered or Nursing care homes:

- 2019 - loss of 37 beds – (care home closure Ceredigion)
- 2022 – (care home closure and deregistration of beds):
  - Pembrokeshire: 47 beds loss mix of res and nursing due to home closure
  - Ceredigion: 24 beds loss mix of res and nursing due to home closure
  - Carmarthenshire: 34 beds loss however this was part of a bigger home that deregistered nursing beds
- 2023 Carmarthenshire: 29 beds loss mix of res and nursing due to care home closure
- 2024 Ceredigion: 30 care home beds loss mix of res and nursing

### Developments

Arguably, greater steps have been taken with older adults in relation to prevention. A range of projects and initiatives, such as community wellbeing hubs have been established. Community connector services have been set up to help (older) people take advantage of the range of opportunities and activities that support wellbeing. There has also been a notable shift away from providing day centres, to day opportunities – with provision based on outcomes that matter to people. Recommissioning of domiciliary care has facilitated improved availability of care, including harder to reach rural areas.<sup>41</sup>

Micro and social enterprises are establishing, with support from projects such as Catalysts for Care. These enterprises can provide greater choice and flexibility and form an important part

<sup>41</sup> For instance, work in Pembrokeshire on a unit cost model incorporates a tiered approach to reflect degrees of rurality, which has significantly increased market capacity. This is associated with a reduced waiting list in the county, from 180 in August 2022 to around 25 cases in May and June 2025.

of developing a mixed economy of care - and may obviate the need to statutory care and support. There are now 184 supported micro enterprises in the region, of which 120 can provide personal care.<sup>42</sup> These provide support to 836 users.<sup>43</sup> Further work is underway, but initial calculations suggest cost avoidance being in the region of £2.5 million. It is noted that the increased provision is supporting the strategic aim to increase the uptake of Direct Payments.

As referenced under the *Adults* section, several preventative initiatives are now in place. A further example is the Connecting with Strong Communities project in Pembrokeshire. This project aims to support active, connected, resourceful and sustainable communities. Elements include creating community-based pathways to help people get the right support, developing collaborative partnerships for community-based solutions and mobilising strengths-based approaches that build on assets and resources. The project is addressing loneliness and strengthening connections and relationships, building resilience and reducing the need for statutory services.

Dementia generally affects older adults and projects are now in place that support delivery of the West Wales Regional Dementia Strategy Dementia Action Plan. The introduction of the Dementia Connectors to individuals with a diagnosis from the Dementia Diagnostic Team (Memory Assessment Service) following diagnosis, along with the Admiral nurses, ensures the people living with dementia and unpaid carers are supported and offered individualised care and wellbeing plans.<sup>44</sup>

In terms of care homes, Welsh Government's Rebalancing Care and Support policy has encouraged commissioners to consider the balance of market provision – independent, 3<sup>rd</sup> sector and direct. The feasibility of developing and running a public sector nursing home was referenced earlier in this document (with proposals for Plas y Bryn, Cwmgwili at an advanced stage), but other schemes are under consideration, or underway, to increase direct provision capacity. For example, Pembrokeshire's recently agreed Strategic Commissioning Plan sets out an intent to develop and directly operate five care homes, some co-located with other services such as extra care and Health Board Primary Care services.

### The ambition

The issues and challenges cited in the 2022 MSR remain unchanged, though it is clear from the section above that mitigating activity is underway in earnest. Together with taking this forward, a number of other actions will be needed. For instance, clear strategic intent can be used to help shape the market with providers as partners, and different contract models, sharing risks across partners, can be explored to secure provision. There is potential to expand the take up of Direct Payments and exploit greater collaboration with the 3<sup>rd</sup> sector (for example, through the Innovation Forum) to support the development of new models for meeting needs. The potential use of technology in enabling the most efficient utilisation of scarce workforce responses must be fully explored and utilised, building on initiatives like CONNECT in Carmarthenshire and Pembrokeshire, and the Penmorfa Centre for Independent Living (PenCIL) in Ceredigion.<sup>45</sup>

<sup>42</sup> Carmarthenshire 63 (46 personal care), Ceredigion 28 and Pembrokeshire 93 (74 personal care).

<sup>43</sup> Carmarthenshire 298, Ceredigion 72 and Pembrokeshire 566.

<sup>44</sup> Due to the numbers and ageing population, it is expected that this provision is only able to reach 20% of the population living with dementia in West Wales and continued investment is required.

<sup>45</sup> 1400 people visited PenCIL in 2024-25 – its first year of operation.



There is merit in considering trialling hub and spoke approaches, where care homes provide services to older adults in the community and act as a base for domiciliary care outreach. Similarly, Care Campuses will be considered.<sup>46</sup> These are sites consisting of Care Homes (Residential and Nursing) which are co-located with extra care/ retirement ready accommodation and other related services (site dependent) and integrated within their local communities. The Pentre Awel development in Llanelli is at an advanced stage, with other proposals under consideration.

The overall goal must be to ensure a sustainable provider sector, underpinned by a suitable business model, where market exit of quality providers is minimised.

### **Part B: sufficiency assessments – what has changed?**

This section gives updated summary information for the specified population groups<sup>47</sup>. The information draws upon the most recent (2022) Population Needs Assessment (PNA) and any subsequent notable developments.

<b>Implications</b>	<b>Data and county variations (where relevant)</b>
<b>Children</b>	
The number of children 0-15 is expected to decline 8% over the next decade (to 2031). There are therefore likely to be sufficient universal services, however, demand for specialist support and services such as CAMHs and residential care which are already hard to source locally may increase. User voice, co-production, and integration, including more seamless transitions to adult services, remain key areas for development.	There is a decline in all counties, with variation as follows: Carmarthenshire=6% Ceredigion=11% Pembrokeshire=10%
<b>Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV)</b>	
Incidents of violence against women have increased whilst victims may have found it harder to access services. The complex funding arrangements are a significant risk to ensuring sufficiency of support <sup>48</sup> . There is a growing issue of supporting older victims of domestic abuse. There was a 54% increase in the	2994 incidents were reported across the region in 2018: Carmarthenshire=1215 Ceredigion=1062 Pembrokeshire=717

<sup>46</sup> These are specifically referenced in Pembrokeshire County Council's Strategic Commissioning Plan

<sup>47</sup> As defined under the regulations.

<sup>48</sup> However, initiatives are in place. For example, the Target Hardening Project "My Safe Place" supports victims to remain at home through a home assessment and bespoke package of information, technology and equipment to secure the property and maintain safe practices within the home environment. This is particularly advantageous for people who have mobility or sensory needs and who live in an adapted home enabling them to remain safely in a home that is conducive to their needs if suitable to do so. Furthermore, CCC has commissioned dispersed refuge accommodation to compliment the shared refuge provision, to ensure diverse needs can be accommodated.

number of domestic abuse related incidences reported across the Mid & West Wales between 2017-2023 <sup>49</sup> .	
<b>Unpaid carers</b>	
The amount of care and support given by unpaid carers is projected to increase significantly over the next 10 years as the population grows older. Key issues for the region include improving digital inclusivity of unpaid carers and access to all-age unpaid carer support services and support <sup>50</sup> , especially within rural communities. Young carers need more mental health and emotional support and services. The pandemic has had a significant negative impact upon young carers in terms of increased isolation and mental health / emotion stress.	<ul style="list-style-type: none"> <li>-Total of 9,732 unpaid carers have been supported<sup>51</sup> in 2024-25 (25% increase on 23-24):</li> <li>-Joint commissioned services (4,189, up 10%)</li> <li>-Hospital Discharge &amp; Community Outreach Support Service (1,578, up 46%)</li> <li>-Carers Breaks (3965, up 38%). Of these, 2019 young carers were supported via commissioned services in 24-25.</li> <li>-187,687 visits to the Carers Support West Wales website (up 294% on 2023-24)</li> </ul>
<b>Learning Disability (LD)</b>	
The numbers of people with LD who are more likely to present themselves to health and care services is predicted to remain relative consistent going forwards over the next 10 years – although the number of older people with LD is expected to increase significantly reflecting an improvement in life expectancy. There will be demand for more Shared Lives and supported living accommodation.	-Prevalence is estimated at 0.5% across the Region
<b>Neuro-divergence<sup>52</sup></b>	
The PNA identified many neuro-divergent people had a general feeling of being unsupported with a need for improved and accessible signposting across the	-It is estimated that there are around 4,000 people with Autism in the region, broken down as follows: Carmarthenshire=2,000 Ceredigion=750

<sup>49</sup> Includes Powys.

<sup>50</sup> Recommissioned services in Carmarthenshire have been developed with the growing demand profile in mind. Supporting carers to be prepared and resilient for the future has been a primary goal. Services seek to support Carers to maintain their wellbeing alongside the caring role, whilst also building resilience through sustainable developments. This includes enhanced income maximisation services and financial competency, bespoke information services that respond to the immediate requirements and future planning and environmental support to ensure the care delivery environment is safe and suitable.

<sup>51</sup> WG funded projects.

<sup>52</sup> The 2022 MSR used the category of autism.

region <sup>53</sup> . Issues include significant waiting times for diagnosis and limited access to subsequent services and support. The Housing LIN report identified significant demand for specialist housing in the region for people with learning disability and neuro-divergence. More generally, demand is exceeding the capacity of support services in the region for both children and adults.	Pembrokeshire=1,500
<b>Mental Health</b>	
There is a significant risk that there will be a legacy of increased mental health problems because of the pandemic <sup>54</sup> . The housing needs assessment identifies a need for significant additional units of accommodation over the next two decades.	
<b>Physical disability</b>	
Ensuring access to specialist services for people with a range of more complex needs is particularly challenging in rural areas. This is compounded by existing barriers relating to design and accessibility. Evidence about the sufficiency of specialist services and services for conditions and needs is limited and further work is needed to identify and tackle gaps.	
<b>Sensory impairment</b>	
The numbers are expected to grow significantly in line with an ageing population. A range of support will be needed, including specialist services and equipment, to enable people to access opportunities, including (for those working age) employment.	
<b>Dementia</b>	
The number of people living with dementia is expected to increase significantly with impacts on care and support services. <sup>55</sup> According to the General practice disease register: interactive dashboard July 2024, <sup>56</sup> there are 3210 people with a dementia diagnosis in Hywel Dda University Health Board and 2951 people	-There is a projected regional increase of 41% to 2030 (advanced <sup>58</sup> dementia), with variation as follows: Carmarthenshire=41%

<sup>53</sup> Recommissioning has recognised the need for specific autism and neurodiversity services. The Community Preventative Service model has a specific Autism contract, delivered by a specialist third sector partner. This has resulted in a dedicated focus on services and opportunities that are developed and delivered specifically for Autistic Adults and Adults who are Neurodiverse. This has enabled people with Autism or those who are Neurodiverse to access services and opportunities that are suitable for their requirements and enable successful achievement of personal aspirations.

<sup>54</sup> The recommissioning of Community Preventative Services in Carmarthenshire highlighted the need for additional emotional support, with loneliness and isolation, anxiety, stress and depression prevalent across the County. In addition to commissioning services that respond directly to these needs, findings identified that most services identify emotional needs within the services demand profile. Partnership and collaborative approaches to commissioning preventative services enabled joined up working so that multiple expertise can work together to respond to the whole person and take a person-centred approach.

<sup>55</sup> Including support services for unpaid carers.

<sup>56</sup> <https://www.gov.wales/general-practice-disease-registers-interactive-dashboard>

<sup>58</sup> Referred to as severe dementia by the data source.

<p>undiagnosed based on prevalence rates and general population data.</p> <p>There are 3707 people aged 64 and over identified as care home residents.<sup>57</sup> It has been estimated that 70% of care home residents have dementia on admission or develop it after admission, but that many do not have or receive a formal diagnosis of dementia (Aldridge et al 2024).</p> <p>Locally available bespoke support for early onset dementia may needed.</p>	<p>Ceredigion=37%</p> <p>Pembrokeshire=44%</p>
<p><b>Older people</b></p> <p>The ageing population means that there will be an increasing demand for care and support services including a range of housing options. The complexity of needs will also continue to grow as the number of people living with dementia and multiple co-morbidities increases. The need to grow community support<sup>59</sup> is even greater given the fragility of the markets for regulated services highlighted in the stability assessments.</p>	<p>-There is a projected regional increase in those 85 and over of 28% by 2030, with variation as follows:</p> <p>Carmarthenshire=25%</p> <p>Ceredigion=26%</p> <p>Pembrokeshire=33%</p>

<sup>57</sup> Office of National Statistics the Care home resident population Wales: Census 2021.

<sup>59</sup> Including strengthening support for unpaid carers.