Birmingham City Council

24 September 2025

Market Position Statement 2025 – Older Adult Care Homes

Commissioning intentions and key messages

This document summarises and sets out the Council's main commissioning intentions and key messages for market suppliers. It is intended to act as a quick reference guide and more detailed supporting information including our analysis of the market can be found in the full *Market Position Statement 2025 – Older Adult Care Homes* document.

Commissioning Intentions and actions

This section sets out the Council's commissioning intentions and actions to address market gaps and to further develop market vibrancy and sustainability.

Key messages and actions for suppliers

Market capacity

- Residential care homes:
    - there is sufficient spare market capacity to meet demand now and over the next few years.
- Nursing homes:
    - there is sufficient spare market capacity to meet demand now.
    - in the next 5 years we expect a minimum of 70-80 additional beds, or 1 large new nursing home, will be needed.
- Investment opportunities in the whole older adult care homes market exist where this consolidates existing capacity and improves the accommodation.
- Homes should consider addressing spare capacity or low occupancy rates through temporary placements or providing respite care.

Quality

- Quality of care home provision is a significant sustainability risk.
- The quality of the contracted nursing home market is a particular area of risk.
- Care homes not rated Outstanding or Good must prioritise improvements to service quality.
- Under future contracts the Council's ambition is to use only Silver/Good rated care homes.

Finance

- Scope for future annual fee increases will be severely limited and subject to the closest scrutiny.
- Providers need to increase operational efficiency by innovating, adopting technology enabled care, and making best use of resources.

Workforce

- Care homes should employ a diverse workforce, reflective of the local population.
- Care homes should ensure the delivery of culturally appropriate care.
- Where homes employ international recruits, they must ensure they act within the law.
- All providers must ensure they are ethical employers.
- Heavy reliance on international workers presents business continuity risks and is not sustainable.
- Suppliers should ensure business continuity arrangements and local recruitment strategies are in place.

Strategy, policy and service delivery model

- Care homes should make use of technology enabled care and sensor-based falls technology to maximise citizen independence.

Key actions the Council will take

Market capacity

- Residential care homes:
    - We shall continue to monitor capacity and will act to shape the market if supply cannot meet demand.
- Nursing homes:
    - We expect a minimum of 70-80 additional beds, or 1 new large nursing home, will be needed over the next 5 years.
    - We shall work with providers to build increased capacity.
- Where low occupancy is identified further home specific engagement will take place to assess sustainability risk and determine plans to address.

Quality

- Quality of care provision is a significant sustainability risk for the market.
- Quality of contracted nursing home market is a particular area of risk and is prioritised for action.
- We shall support contracted providers which are not rated Gold/Outstanding or Silver/Good. We shall:
    - Prioritise improvement action plans for Bronze/Requires Improvement rated homes.
    - Provide advice and support where required.
    - Monitor of progress closely
    - Carry out quality monitoring revisits to sign-off improvements and revise ratings.
- Under future contracts we intend to use only Silver/Good care homes.

Finance

- We shall continue to monitor financial pressures facing providers.
- We shall continue to employ the contractual annual fee review and uplift methodology.
- We shall assess the impact of the Employment Rights Bill.

Workforce

- Service continuity risk will be assessed when providers' Skilled Worker VISA licences are suspended or revoked.
- Providers employing high percentages of Skilled Worker VISA holders will have service continuity risk assessed.

Strategy, policy and service delivery model

- We are undertaking further work to assess the benefits and impact of technology, and to determine to the future commissioning arrangements of a Technology Enabled Care service.