

FLINTSHIRE'S RESIDENTIAL CARE SECTOR 2015-2020

Contemporary and Projected Challenges, and Options Going
Forward

Flintshire County Council
31 March 2016

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Executive Summary

The purpose of this report is to examine the changes that are facing the residential care sector, locally and nationally, by the year 2020. It will assess the current state of Flintshire's market as well as predict the likely situation in 2020, and offer recommendations to manage and mitigate the forecasted risks.

The report considers three domains to identify current and future challenges; Demand/Supply, Cost and Quality.

Demand and Supply

- Flintshire's older population is rising significantly, thus the number of people with significant health and social care needs is expected to increase (Appendix A).
- Projected need (based on demographic changes) of further 178 beds will be required by 2020; 67 Residential, 52 EMI Residential, 51 Nursing and 8 EMI Nursing (Appendix B).
- The pressure of demand on supply is high in all 3 Flintshire localities and across all categories of care, however this is significantly so in EMI residential provision.
- Above forecasts assume there will be no independent home closures, however there are significant risks with this assumption.
- While there may be a temptation to rely on neighbouring authorities to accommodate the increase in demand, the fragility of the market and the pressure of demand is a regional and national concern, not just a local one. Thus neighbouring authorities are unlikely to be able to integrate our demand into their local residential care market.

Cost

- The national living wage is expected to cost the residential care sector an extra £830million nationally (Joseph Rowntree Foundation, 2015¹), while local estimates suggest an increase care costs in the independent sector by £100 per person per week by 2020 (Appendix C).
- Small homes (30 beds or less) have highest potential for closure due to living wage implementation (Knight Frank, 2015²); this accounts for all residential care homes, and 60% of all category of homes in Flintshire.
- Increase in demand is estimated to cost the Local Authority an extra £30,000 per week by 2020 (Appendix D).
- In House facilities costs approximately a third more for residential care than the Local Authority rate for funded residents in independent sector residential care.

¹ Ingham, H., Bamford, S., & Johnes, G., 2015, *The costs and benefits of paying all the lowest-paid care home workers in the UK the Living Wage*, Joseph Rowntree Foundation: York

² Knight Frank Research, 2015. *2015 Care Homes Trading Performance Review*, London: Knight Frank LLP

Quality

Our Quality Monitoring Tool establishes where homes have good practice and where homes need to improve by scoring them against 9 domains. Reports indicate that all homes in Flintshire (independent and in house) are currently performing well in the areas of relationship based care and financial safeguarding, with EMI homes performing extremely well across all domains. However, there are some significant issues which need to be considered:

- The national concern regarding recruitment and retention of staff is represented locally in Flintshire.
- This has led to an abundant use of agency staff, primarily in independent sector nursing homes, which is not only detrimental to a home financially, but also impedes relationship and person centred practice to benefit residents.
- There are a significant number of registered managers who are reaching retirement age and there are concerns over the ability of the sector to recruit sufficient new managers to replace potential retirements.
- The Quality Monitoring Report suggests that nursing homes have the greatest scope to improve. This combined with a weak retention and recruitment rate and two homes falling in and out of escalating concerns, expresses specific concerns for this category of home in Flintshire.
- A majority of independent homes self-report a need for refurbishment, however state that a lack of finances make this difficult.
- The Quality Monitoring Report identifies a need for improvement in areas of person centred care, creating an enabling environment, and enhancing service user's independence, for in house and independent homes.
- While the above issues relate to both independent and in house provision, Local Authority homes report a good state of repair, are sited geographically well with access to wider community resources and are a service of choice for Flintshire residents with waiting lists for admissions.

Potential Options

The demand/supply, cost and quality analysis leads us to conclude that changes are required within the care sector in Flintshire if future risks are to be mitigated. The risk of inaction could be critical and Flintshire need to consider sustainable solutions for future care models. With regard to the current model of in house provision, six options have been identified for consideration (with evidence of benefits, challenges and risks included page 17 onwards);

1. Keep in house facilities, maintaining current model of provision.
2. Keep in house facilities but consider refocusing the delivered provision to fit with the changing demand and supply i.e. creating an intermediate care facility that focuses on early intervention and prevention, and delayed transfer of care from acute settings, to reduce future demand.
3. Reduce capacity of in house provision.
4. Transfer one or more Local Authority homes to another provider e.g. independent sector provider or social enterprise.

5. Expand our current network of homes in Flintshire
6. Expand our current stock, through a joint investment with another partner e.g. Health Board, Registered Social Landlord.

Given the picture of current demand, it is felt that option 3 presents too many risks for the long term strategy for the sector. Therefore, based on the analysis provided in the body of this report, options 1, 2, 5 and 6 are the viable options, with option 2 being preferred initially due to the prevention and early intervention focus.

While these options address some projected challenges to the sector locally, there remains a number of strategic issues that if not addressed nationally would impede efforts by any local authority to strengthen their residential care market. These include;

1. The effect of the National Living Wage on the sustainability of independent care providers.
2. Reported lack of financial resources available to improve the state of repair of independent care homes, and a decreasing appeal for potential new investors to the sector.
3. Retention and recruitment rates of care staff, with a perceived unclear career pathway and unappealing job conditions, specifically registered managers.
4. A national concern of poorly performing nursing homes.
5. Increasing demand for services with decreasing budgets.

Therefore it is suggested that while Local Authorities are responding to the threats posed to the sector in their areas, it will take national co-ordination, partnership and strategy to prevent the weight of these four factors bearing down on what is, and what will be in 2020, a fragile sector in Wales.

1. Background and Policy Context

This report has been commissioned by the Residential Care Review Board of Flintshire County Council, with the purpose of assessing the market position of residential care in Flintshire. The growing concern nationally regarding the sector's resilience to sustain itself through significant legislative and demographic changes, led for a desire to be proactive in dealing with this potential risk. It was felt that assessing the situation locally, regionally and nationally, would allow the key areas of concern to be identified and could offer strategic solutions to dealing with such concerns

The legislative changes, which are referred to above and throughout this report include;

- The National Minimum Wage (Amendment) Regulations 2016 –The implementation of the “national living wage” which will require employers to pay all those over the age of 25 a minimum of £7.20 per hour, a 50p increase on April 2015. The intention is that annual increases will lead the national living wage to be set at £9 by 2020.
- Social Services and Well-Being (Wales) Act 2014 –
 - Part 9, Section 167 – Allows Local Authorities and Local Health Boards to pool budgets in order to deliver a service in partnership.
 - Part 2, Section 14 – Requires Local Authorities to assess the extent of need for care and support services in their area.
 - Part 2, Section 15 – Requires a “range and level” of preventative services, with the purpose of “preventing or delaying” the development of needs for care and support, or reducing such needs.
- Regulation and Inspection of Social Care (Wales) Act 2016 –
 - Part 1, Section 19 – States that service providers will have to name a responsible individual, which should be the individual who owns a care home or a partner of the group that does. This will ensure that accountability does not stop with frontline staff and managers, but makes those who are making decisions on the resources of homes are held accountable for the service they are providing as a result of such decisions.
 - Part 5, Section 113 – Allows for the provision of monitoring of all social care workers and their professional development by Social Care Wales (Care Council for Wales), not just social workers as is currently the case.

2. Demand and Supply: What are the Challenges

The residential care market in Flintshire is due to face a difficult period over the next 4 years. The older population in Flintshire is increasing, the highest rise in Wales for 80 and over's, and the number of those with dementia is expected to rise significantly. This will inevitably increase those with needs that are appropriate for residential and nursing care under the current model of provision, propelling demand well above the present supply in Flintshire.

2.1 Forecast for Flintshire

Using the number of those with dementia combined with the number of those 80 and over, we can formulate a "risk population"; those most at risk of going into residential care. Evidently in 2020, this will be higher than it currently is, increasing forecasted demand by 22%. If all homes within our areas are consistently low on vacancies, as bed mapping figures, care providers and locality's managers testify, then the demand for residential and nursing care will exceed supply significantly. The following table projects the number of additional residential care beds needed in line with the increase in risk population (Appendix A and B);

<i>Increase in Beds Required by 2020</i>	
Residential	67
EMI	52
Nursing	51
EMI Nursing	8

These figures were presented with the assumption that there would be no closures in the independent sector, however with the increasing financial pressures, structural challenges and current public policy, the likelihood of this assumption diminishes (Allan and Forder, 2012)³, with the case of the collapse of Southern Cross illustrating the instability of the market. Furthermore some social work managers have stated that this increase in demand for beds is understated, based on their experiences of need and the substantial increase of those with dementia related needs. This has been reiterated by locality team managers, who state, in their experience, that demand for EMI nursing provision in Flintshire is currently higher than supply, and that the estimates do not portray a real picture of the situation, which is supported by the high numbers of EMI out of county placements commissioned. Finally comparative work on the number of nursing beds for over 85's in the BCUHB region suggests that Flintshire is second in the region for having the least amount of relative supply.

³ Allan S., Forder J., 2012, *Care Markets in England: Lessons from Research*, PSSRU Discussion Paper 2815. PSSRU: Canterbury

2.2 Demand vs. Supply in the Region

What is evident from comparative work across the North Wales region is that Flintshire has a significant higher level of demand to supply of EMI Nursing and Residential provision (Appendix E). Furthermore Projections suggest that Flintshire is due a larger rise in those over 80 than anywhere else in North Wales.

Other Local Authorities have adopted strategies that have led to their in-house provision being closed, however they still have sufficient residential supply. Removal of any capacity in Flintshire currently, or more-so in the near future, could not be supported by this reasoning. Furthermore, while it is currently evident that some excess demand can be accommodated in neighbouring authorities, it is clear that this rise in demand is a regional concern and it cannot be assumed that other North Wales authorities will be able to absorb this excess in the future.

2.3 Demand and Supply Conclusion

In conclusion it is anticipated that demand will significantly exceed supply by 2020 across Flintshire, with specific concerns in regards to the demand of both EMI and EMI nursing care. This has been expressed by quantitative statistics, care providers (in regards to EMI), and social work managers (in regards to EMI nursing). The Older People's Commissioner for Wales⁴ expects there to be a sufficient amount of provision appropriate for the populations needs in the future, and it is the responsibility of the Local Authority to consider such demand projections carefully to strategically plan to ensure this is the case in 2020.

Currently the pressure of demand is high across all categories of care in Flintshire, with residential demand being vastly higher than any other authority in North Wales. This provides sound evidence that any removal of in-house capacity would be extremely detrimental. Furthermore EMI nursing provision is only accommodated by two homes in the area, with Flintshire having the lowest level of supply to demand in this category. This, combined with the fact that one of the two homes is consistently struggling to remain viable (as is covered in the Quality section) it is plausible to suggest that this will become the significant point of pressure within the sector by 2020. A recent report commissioned by Welsh Government, and undertaken by Institute of Public Care, emphasises the importance of the diminishing boundaries between residential and nursing care in the future⁵. This is increasingly an issue locally in Flintshire, with opportunity within the Change Model option to remodel the specialism and focus of in house provision.

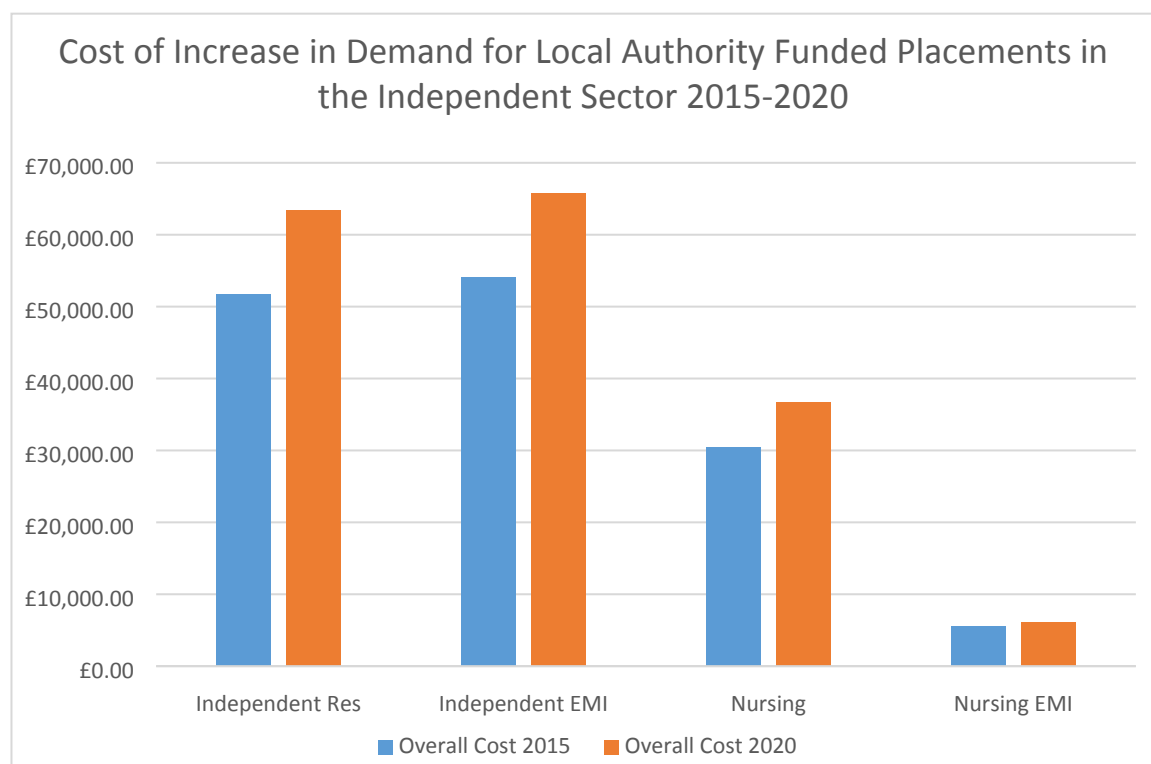
⁴ The Older People's Commissioner for Wales, 2015, *A Place to Call Home: A Review into the Quality of Life and Care of Older People living in Care Homes in Wales*, OPCW: Cardiff.

⁵ Welsh Government, 2015, *A Working Vision for the Care Home Sector in Wales*, Institute of Public Care: Oxford

3. Financial Considerations up to 2020

3.1 Financial Impact of Increase in Demand

On the assumption that the local authority would be funding as many placements in 2020 as it is now, 48% residential and 25% nursing, independent residential and nursing care provision is estimated to cost an extra £30,000 per week for the local authority to fund, regardless of any alteration to the Local Authority rate for independent sector provision (Appendix D).



3.2 National Living Wage

The impact of the National Living Wage implementation, set at over £9 per hour by 2020, is going to be profound within the care sector. This could see some care staff's wages rise by over £2.30 per hour over the course of 5 years, with the majority of staff in the independent sector being paid close to minimum wage. Nationally, a Joseph Rowntree Foundation study has estimated that the increase in wage will cost the industry an extra £830 million a year⁶.

Estimates are provided on how the implementation of the National Living Wage is predicted to effect the cost of care in the independent sector locally. On the presumption that every member of staff was originally on minimum wage, and factoring in inflation at 1% per year, it is estimated that the cost for providing one person with one week's care

⁶ Ingham, H., Bamford, S., & Johnes, G., 2015, *The costs and benefits of paying all the lowest-paid care home workers in the UK the Living Wage*, Joseph Rowntree Foundation: York

will increase by £100 (based on the minimum wage rate of £6.70 in Sept 2015) by 2020, regardless of type of care;

Care Home	2015	Living Wage Increase	Compounded inflation	2020 Total
Residential	£465.90	£536.45	1.00%	£563.81
EMI Residential	£509.72	£588.60	1.00%	£618.62
Nursing	£523.83	£599.28	1.00%	£629.85
EMI Nursing	£549.00	£617.58	1.00%	£649.08

As set out by a report commissioned by the Association of Directors for Social Services Cymru (ADSSC)⁷, the increase in financial reward for care workers is a much aspired to principle, and may act as a much needed encouragement for those interested in a career in the sector. However the independent sector may await Local Authority support with this increase in cost, in the form of increased rates, which ADSSC state will be virtually impossible for any Local Authority to absorb. The consequences of some authorities raising their fees while others don't, is that those areas with low fees will struggle to retain providers and thus capacity. Also low Local Authority rates may lead to providers turning down state funded packages of care, with preference for self-funders whom they can charge what they feel would be a true cost of care.

3.3 The Self-Funding Market

Flintshire is an asset rich community, having the highest proportion of owner occupied dwellings in North Wales (StatsWales, 2015). The implications of this are that more people are able to fund their own care within Flintshire than other local authorities. According to our estimates on the number of self-funders in our area the Local Authority is still the main funder of residential care packages (51%, in comparison to 44.5% of self-funders), however the difference between state funded and self-funded is not substantial. To put this into context, estimates in England⁸ consider the proportion of self-funders in care to be 39%, which is 5% less than estimates for our area.

3.4 In House Provision Cost

Our in house provision is more expensive than the rate at which we pay for independent sector residential care; £115-£185 more per resident per week for residential care. This discrepancy is due to a number of factors such as higher wages for care staff, more hours for domestic staff and increased catering costs. However the implementation of the living wage should see the gap in some staff costs diminish. Despite this and given the higher cost of providing in house provision, further consideration could be given to providing more specialist care in order to gain better value for money.

⁷ Association of Directors for Social Services Cymru, 2016, *The Impact of the National Living Wage on the care sector in Wales*, Abercynon.

⁸ Miller, C., Bunnin, A., & Rayner, V., 2013, *Older people who self-fund their social care: A guide for health and wellbeing boards and commissioners*, OPM: London.

3.5 Costing Conclusion

Summarising, there is a growing cost of providing residential care on a national basis. The issue of the National Living Wage, the rise of the National Minimum Wage and the automatic enrolment of employees on a pension scheme (with minimum contributions required from employers) combine to further increase the highest cost in all care homes: staffing. Inevitably this increases the true cost of care, and conflict between this and the budget Local Authorities have to provide care is foreseen. In house provision currently provides the Local Authority a stake in the market, and a vantage point to negotiate fees, but without this it can be argued that the Local Authority's position would suffer with fees rising, as can be seen in children's residential care currently.

The concern regarding cost also has an impact on demand and supply. Care home owners have stated their expectation that more homes will close without support from national government, or rising local authority fees. The Care Homes Trading Performance Review 2015⁹ reiterates this fear, expecting homes with 30 beds or less to become unviable with such legislation changes. This is significantly worrying in Flintshire as all residential homes, all bar two EMI homes, and 60% of homes overall have 30 beds or less. This may lead to an increase in hospital admissions or family carer breakdown, as lack of capacity causes delays in finding placements. Similarly, an increase in delayed hospital discharges would be predicted, causing pressure on both Health and Social Care services.

⁹ *Knight Frank Research*, 2015. 2015 Care Homes Trading Performance Review London: Knight Frank LLP

4. Securing a High Quality Home Sector

The final element that has been focused on in terms of market positioning is quality. Going forward with the challenges in regards to demand and supply and lack of financial investment, there is a fear that quality can suffer as a result. Providers have stated that with the higher complexity of needs, growing numbers of older people with dementia, and the increase in paperwork demands, staff feel unable to dedicate the time needed for residents to provide a good quality of care.

4.1 Recruitment and Staffing

There is evidence that recruiting and retaining sufficient numbers of staff is extremely challenging across the sector. This is specifically relevant within the elements of person centred care, in that home managers have stated that while they recognise the good practice this brings, an environment of needs that are ever more complex and a staffing level that is declining (with an increasing use of agency staff) means that time and resources are sparse to release staff to learn new skills in this area. Furthermore, there is an ageing population of managers, where concerns are expressed that replacing any retirements could become challenging. The Care Council for Wales¹⁰ suggests this a national concern, and the low numbers of registered assistant managers illustrates the lack of planning undertaken to replace the ageing leadership.

The challenges posed to the social care workforce stem from a very competitive employment market in Flintshire, with industrial and retail opportunities aplenty, combined with the perception of a less attractive nature of care work and low pay it offers. Data provided over the past 12 months illustrates a decline in the overall workforce, significantly so in the nursing sector.

Changes brought by the Regulation and Inspection of Social Care (Wales) Act 2016, will require more staff in social care to be registered and will encourage continuing professional development. It is hoped this will make a more professional, knowledgeable and accountable workforce, and thus make the profession more attractive to potential employees.

4.2 In House Provision Focus

Marleyfield, Croes Atti, and Llys Gwenffrwd are purpose built care homes situated in the towns of Buckley, Flint and Holywell. The managers are all registered with Care & Social Services Inspectorate Wales, and have been in post for a number of years. The buildings require little refurbishment or renovation. Llys Gwenffrwd differs in that provision is provided over three floors, which requires a change in staffing levels to creatively support people with dementia on the top floor, while Marleyfield and Croes Atti are single storey. The home also differs in the fact that both Marleyfield and Croes Atti have separate units for those with dementia related needs, where Llys Gwenffrwd does not have this option. Llys Gwenffrwd houses rehabilitation beds and all three homes provide a number of respite, step up / step down and assessments beds rather than permanent residential.

¹⁰ Care Council for Wales (2015) *The Profile of the Adult Care Home Managers in Wales 2015*. CCW: Cardiff

Marleyfield and Croes Atti have adjoining day-care provision which would be affected with some of the options presented.

4.3 Independent Sector Focus

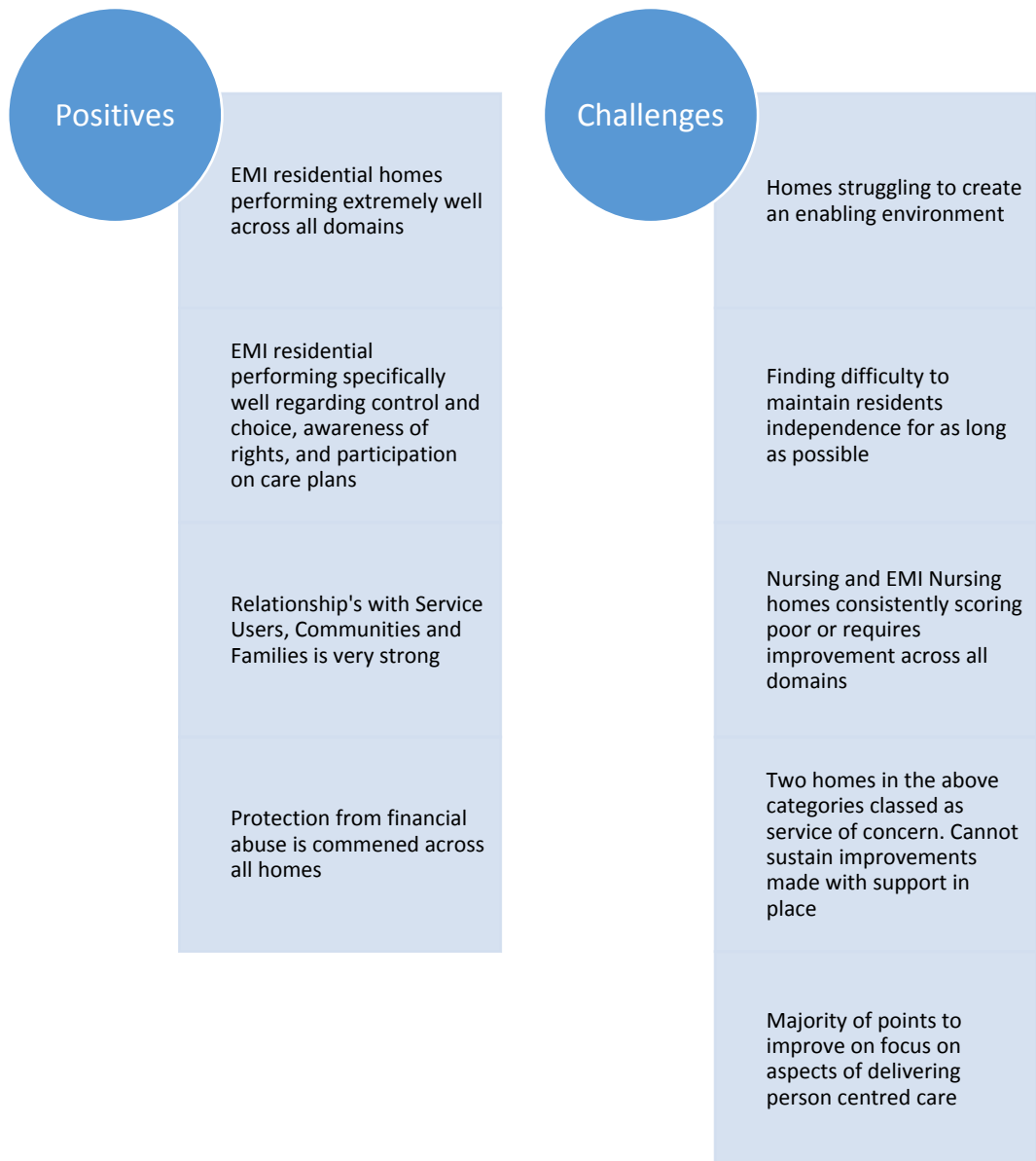
A majority of independent sector homes are in need of refurbishment of some kind. This issue is more common for the nursing care sector. However care homes across all categories have expressed that funds have not been sufficient enough to enable upgrades, and thus it is reported that such buildings will continue to deteriorate.

The majority of care homes in Flintshire are owned by small groups, who own no more than 4 care homes each. Private owners of individual care homes make up the bulk of the rest of the sector within the county, with only two homes being owned by an organization with more than 10 homes. In general, the small group owned homes are self-sustainable, however two homes within a group in the area have become interdependent, and thus the consequences and risks of one home becoming unviable are greater.

4.4 Quality Monitoring Report: Positives and Challenges for In House and Independent Sector Providers

As a commissioner of care home placements it is incumbent on us to monitor, and be satisfied with, the quality of care provided across in house and independent sector provision. We use a quality monitoring tool to identify where good quality of service is, and where improvements can be made, through reviewing 9 domains and reaching a judgement of either 'exemplar', 'good', 'needs improvement' and 'poor'. The framework we use was recently praised as good practice within the Older People's Commissioner's Report (2014) "A Place to Call Home".

The conclusions from our most recent quality monitoring activities are as follows;



Despite these assertions, many of the challenges regarding person centred care are hoped to be diminished by the wide scale take up by homes of two programmes centred on the approach, that are being implemented across Flintshire; the Helen Sanderson “A place to call home.....delivering what matters” Programme, and the 6 Steps accredited end of life care programme.

Flintshire have recently taken part in Working Together for Change with Helen Sanderson Consultants, which is a 6 step programme that aims to inform strategic planning and commissioning by analysing person-centred information from individual reviews, support plans or person-centred plans. We recently conducted a workshop is part of this process which will involve clustering information into key themes, before analysing the information, looking at what is working or not working and why. This analysis can then be used to formulate an action plan to address highlighted considerations. This was done in conjunction with managers of independent care homes to consolidate the methodology

behind this approach, and it is intended the workshop will be repeated to include a wider variety of stakeholders and include better person centred information. Independent managers also expressed desire to complete a similar exercise individually within their own homes, in order to get richer feedback from residents about what matters to them.

4.5 Quality Conclusion

There is a fragility to the residential care sector in Flintshire, which needs significant development. Many of the issues raised within the quality element of this document correlate to issues that the Older People's Commissioner for Wales has raised within her report¹¹, which represents similar concerns nationally. In terms of delivering care, both reports indicate challenges in developing inclusive, enabling, and risk appropriate practice that takes into account resident's preferences. It should be noted however that positive work is being undertaken in Flintshire through the Helen Sanderson and 6 steps programmes, in order to make staff become more confident and competent in delivering practice with such ethos.

The element of staff retention and recruitment offers significant concerns; there are no statutory minimum staffing levels required which creates risks. A joint workforce development programme to address such concerns is being looked at on a regional level. The quality of this care can be affected by staff levels, with some homes citing lack of staff cover for not being able to attend programmes to develop their ability to deliver person entered care. As has been focused on, development of inclusive, enabling, and risk appropriate practice that takes into account residents preferences, is a point to improve on within Flintshire care homes.

¹¹ The Older People's Commissioner for Wales, 2015, *A Place to Call Home: A Review into the Quality of Life and Care of Older People living in Care Homes in Wales*, OPCW: Cardiff.

5. Options Appraisal

5.1 Keep all Our In House Provision

Description

Maintain our current situation regarding provision, and not expand, amend or reduce.

Benefits

No disruption to current residents

Occupancy rates will continue to be high

The model is already established and requires minimal further investment

Retain ability to ensure that residential places are made available for those residents with the greatest care need

Ability to influence the development of quality

Challenges

Demand is forecasted to surpass the current supply

Relies on independent sector investment

Cost of provision will rise, regardless of change in demand

Risks

No reduction on the pressure on budget

Provision not aligned to specialised need

Maintains status quo in a fragile market

5.2 Refocus Provision to Fit with Demand

Description

Retaining the three existing homes but realigning their specialisms and focus to fit with changing demands. There are a range of options that could be considered such as; joint working with Health to provide nursing care in house, or increase in Intermediate Care beds. This area would need further work if the option was to be taken forward

Benefits

Will be suited to the needs of the population if modelled on projections

Can allow for a slight amount of interchangeable beds which means more flexibility

Will be modelled on demand, thus efficient

Can mean more short term care, respite and step up/step down beds with the aim of reducing the need for long term placements and delayed discharges

Can support integrated working between the Local Authority and Health Board

Focus on prevention and early intervention

Challenges

Limited to the current number of beds, which is projected to be insufficient

Short term beds have an adverse effect on long term residents, giving a home a 'hotel' feel

More Intermediate Care beds mean unpredictability for management; there is no consistent level of need that requires a consistent level of staffing

Some of the potential models need strong primary care support, including GP's

Joint running a home with Health may require a new registration, thus would have to upgrade any non-en suite rooms in line with the National Minimum Standards for Care Home for Older People (Standard 35)

Risks

Increase in Local Authority EMI or nursing placements could mean higher costs

5.3 Reduction of In House Capacity

Description

Closure of one or more of our in house homes

Benefits

Less costs as LA owned homes are currently more expensive per placement

Will mean demand exceeds supply further, leaving plenty of opportunity for investors.

Challenges

Disruption to existing service users

Explicit costs such as staff redundancies

Cost of carrying out robust consultation and matching processes

Gives market a stronger position to negotiate fees

Will need increased investment into contract monitoring, to retain capacity to influence quality across the sector

Public Confidence

Demand will be too high even with the homes

Risks of Closing In House Provision

Impact Severity	Catastrophic	Transfer to another home may detrimentally affect residents health (Veale, 2011)	Lack of supply becomes a regional concern; no available placements in neighbouring authorities to rehouse current of accomodate future residents	Coincides with closure of Ind Homes, to accelerate deficit in supply	Potential residents with dementia related needs will have to move out of area, away from families	Emotional Impact - Loss of Networks and Friendships	
	Critical						
	Marginal	Reduces employment opportunities in Flintshire care sector	Will agrieve the local community	Local Authority may have to pay for out of county rates for some residents	Staff Redundancies		
	Negligible						
		Unlikely (5%)	Very Low (15%)	Low (30%)	Significant (50%)	Very High (65%)	Extremely High (80%)
		Likelihood and Percentage of Risk Happening					

¹² Veale, A., 2011, *Enforced relocation of older people when Care Homes close: a question of life and death?* Age and Ageing; 40: 534–537

5.4 Transfer of One or More In House Homes

Description

To consult on the potential of transferring one or more in house homes to an independent provider.

Benefits

Provider may be able to provide care for less

Does not affect demand and supply detrimentally

RSL's – Local Authority can control the type of residents admitted, to prevent residents from other local authorities adding to demand

Challenges

Transfer of Undertakings (Protection of Employment) Regulations 2006 – Currently pay staff higher wage, which is perhaps unviable, so not easy to attract that investment

May have to pay for voids

Attracting investors

Will need increased investment into contract monitoring, to retain capacity to influence quality across the sector

Will be classed as a new building and will therefore have to meet the updated National Standards of Care Homes for Older People (Standard 35), which would require 17 rooms to be upgraded to en suite to comply

RSL's are inexperienced in delivering provision for higher needs residents.

Risks of Transferring In House Provision

Impact Severity	Catastrophic	Lack of demand may lead to extensive cost for voids				No buyer is found	
	Critical		Independent will prioritise self-funders regardless of area; possible influx of out of county residents	Independent Provider decreases hours of care each resident receives	Lose a significant stake in regards to independent sector fee negotiations	Independent Provider does not replace departing staff	
	Marginal		Will agrieve local community	Will disturb and demoralise staff and residents Will agrieve local community	Lose ability to control quality in the sector		
	Negligible						
		Unlikely (5%)	Very Low (15%)	Low (30%)	Significant (50%)	Very High (65%)	Extremely High (80%)
		Likelihood and Percentage of Risk Happening					

5.5 Expansion of Current Network of Homes

Description

To build or buy a new home to add to our existing stock.

Benefits

Dilutes future demand concerns

Quality of home is in Local Authority's control

Makes market more resilient in the case of independent sector closures

New build would improve the current stock of care homes in Flintshire

Challenges

Local Authority could not afford to staff a purpose built home

Securing funding to purchase or build a home

Risks

Aggrieve communities whose services have been cut

Cause an unsustainable level of debt

May conflict with current initiatives to support independent living such as Homes for Life and Extra Care

5.6 Expansion of Current Network of Homes through Joint Partnership

Description

To co-invest in expanding the stock of centrally managed care homes. This could represent taking control of the lease of a care home, which has either been closed or is in danger of doing so, and co-delivering a residential/nursing care service with the Local Health Board.

Benefits

Dilutes future demand concerns

Quality of home is in Local Authority's control

Makes market more resilient in the case of independent sector closures

New build would improve the current stock of care homes in Flintshire

Not so financially demanding as lone investment

Challenges

Local Authority could not afford to staff a purpose built home alone, and may still struggle with joint investment

Relies on relationships with, and resources of, partners

Risks

Aggrieve communities whose services have been cut

May conflict with current initiatives to support independent living such as Homes for Life and Extra Care

6. Conclusion

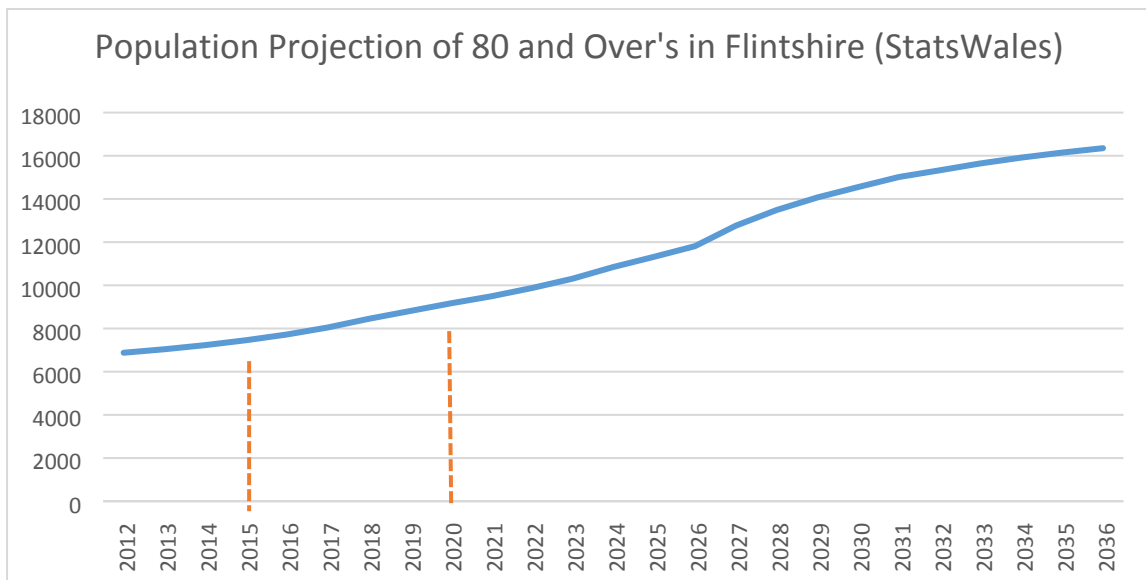
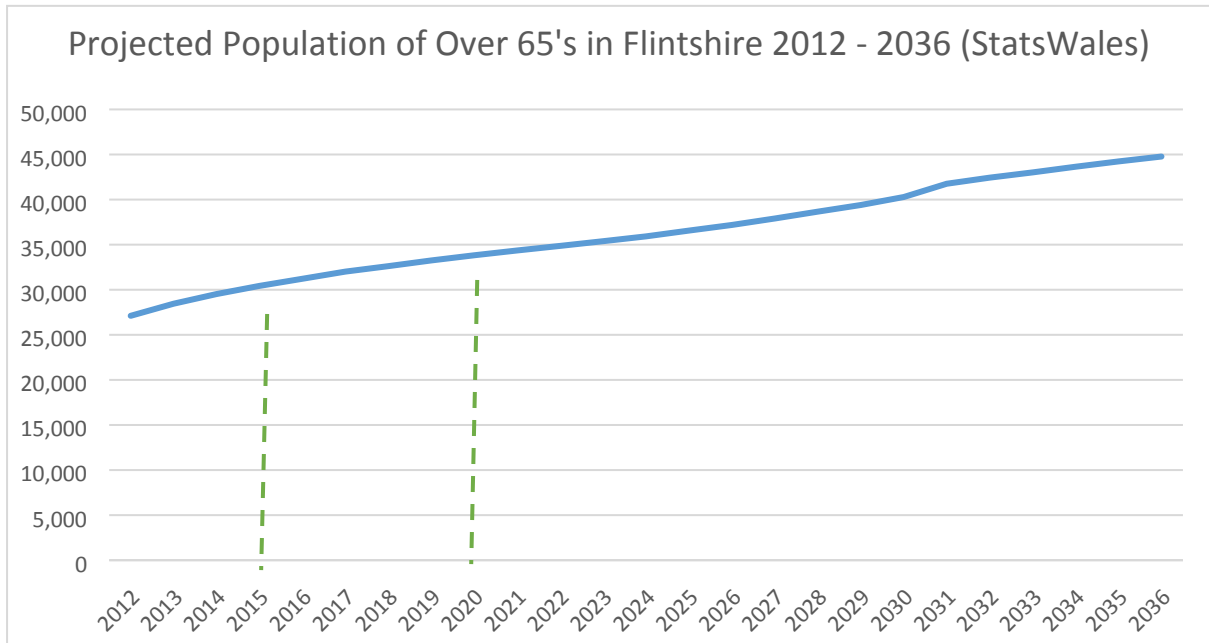
As is evident through the narrative of this report there is a fragility within the sector heading to 2020, both locally and nationally. The increase in the ageing population is especially potent for Flintshire and will increase demand beyond the current capacity of care homes in the area. The implementation of the national living wage is likely to create gap in the cost of care and the rate at which local authorities can afford to fund care in consideration of austerity, which creates further risk for the long term viability of some, specifically smaller, independent residential care providers. Fears have been expressed that the increase in the pressure of demand and the increased cost of providing care will mean reduced numbers of staff will have less time to undertake their care role for a similar number of residents, therefore affecting the quality of care in the future.

With careful consideration to these points, the option of reducing our in house provision presents some serious and significant risks to the sector and future residents, and therefore appears unviable. The option of increasing the number of in house homes is also considered unviable, due to the time needed to secure such investment, and the budgetary pressures facing the council. Therefore the maintenance of the current level of provision, through options 1, 2 or 4 are concluded to be the most appropriate courses of action. However to adapt our current model of provision (option 2) to suit the changing demands of the sector, in developing an intermediate care hub focused on preventative and early intervention work, is hypothesised to be the most efficient solution to dealing with demand pressures in the future. This would satisfy requirements of both Part 2, Section 15, and Part 9, Section 16 of the Social Services and Well-being (Wales) Act 2014, in providing a “range and level” of preventative/early intervention service, and establishing a pooled fund to co-deliver services with its partners.

What is also clear is that a number of issues presented in the content of this report are not unique to Flintshire, but are present in Local Authorities across Wales. Concerns such as the National Living Wage, poor performances of nursing homes, worrying recruitment and retention of care staff, and a depreciating capital state of homes with little room for investment, are all issues that individual authorities will find challenges with to address individually. Therefore, along with utilising our own methods to deal with such future demands, a national co-ordination, partnership and strategy must be a priority in order to strengthen what is a potentially fragile market.

Appendices

Appendix A – Population Increase



¹³ StatsWales, 2015, 2011 based local authority population projections for Wales: 2011 to 2036. Welsh Government: Cardiff.

Appendix B – Demand Forecasts Based on Population Increase

	<u>2015</u>	<u>2020</u>	<u>Increase</u>	<u>Increase (%)</u>
<u>Population 80+</u>	7457	9160	1703	23%
<u>Overall Dementia</u>	2049	2451	402	20%
<u>Under 80 with Dementia</u>	698	787	89	13%
<u>Risk Population</u>	8155	9947	1792	22%
<u>Demand for All Residential</u>	544	664	120	22%
<u>Demand for EMI Residential</u>	238	290	52	22%
<u>Demand for General Residential</u>	306	373	67	22%
<u>Demand for General Nursing Care</u>	230	281	51	22%
<u>Demand for EMI Nursing Care</u>	38	46	8	22%
<u>Overall Demand</u>	812	990	178	22%

The above forecasts for future demand are based on future demographic projections. This has incorporated StatsWales population projections, to estimate the number of those aged 80+ would be living in Flintshire in 2020, and dementia prevalence figures¹⁴ to estimate the number of those aged 65-79 with dementia. These two factors combined give what is defined as risk population; the demographic most at risk of having significant health and social care needs.

The increase in the risk population from 2015 to 2020 is 22%. Therefore the estimated increase in demand for residential placements for that period is 22% which, assuming that all homes operate at full capacity, leaves a gap of 178 care beds needed to satisfy demand in Flintshire by 2020.

Appendix C – Increase in Cost of Care

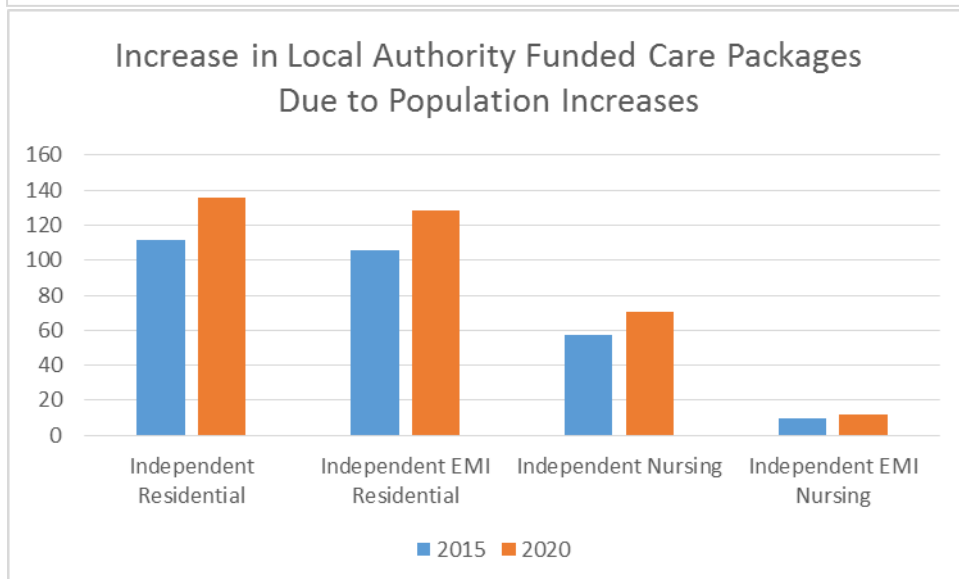
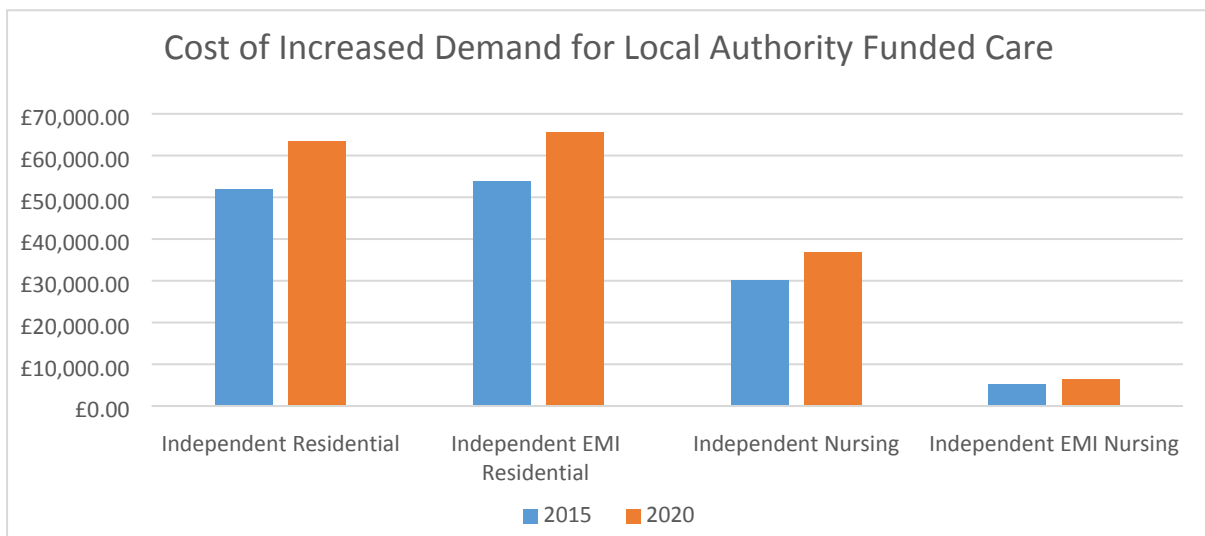
<u>Home Category</u>	<u>Average hours of care per resident per week</u>	<u>Living wage increase by 2020</u>	<u>Extra cost of care per resident per week</u>
<u>Independent Residential</u>	28.22	£2.50	£70.55
<u>EMI Residential</u>	31.55	£2.50	£78.88
<u>Nursing</u>	30.18	£2.50	£75.45
<u>EMI Nursing</u>	27.43	£2.50	£68.58

¹⁴ Alzheimer's Society, 2007, *Dementia UK – The Full Report*, PSSRU: London

Care Home	2015	Living Wage Increase	Compounded inflation	2020 Total
Residential	£465.90	£536.45	1.00%	£563.81
EMI Residential	£509.72	£588.60	1.00%	£618.62
Nursing	£523.83	£599.28	1.00%	£629.85
EMI Nursing	£549.00	£617.58	1.00%	£649.08

The above table shows that if the average number of hours of care given to a resident per week is maintained, the £2.50 increase for the living wage (based on the national minimum wage in September 2015), means the cost of care for each resident would have increased by £68-79 per week by 2020. With compounded inflation considered, this contributes to approximately £100 increase for all categories of care.

Appendix D – Increased Cost of Local Authority Funded Care Packages in the Independent Sector Due to Demand Increase

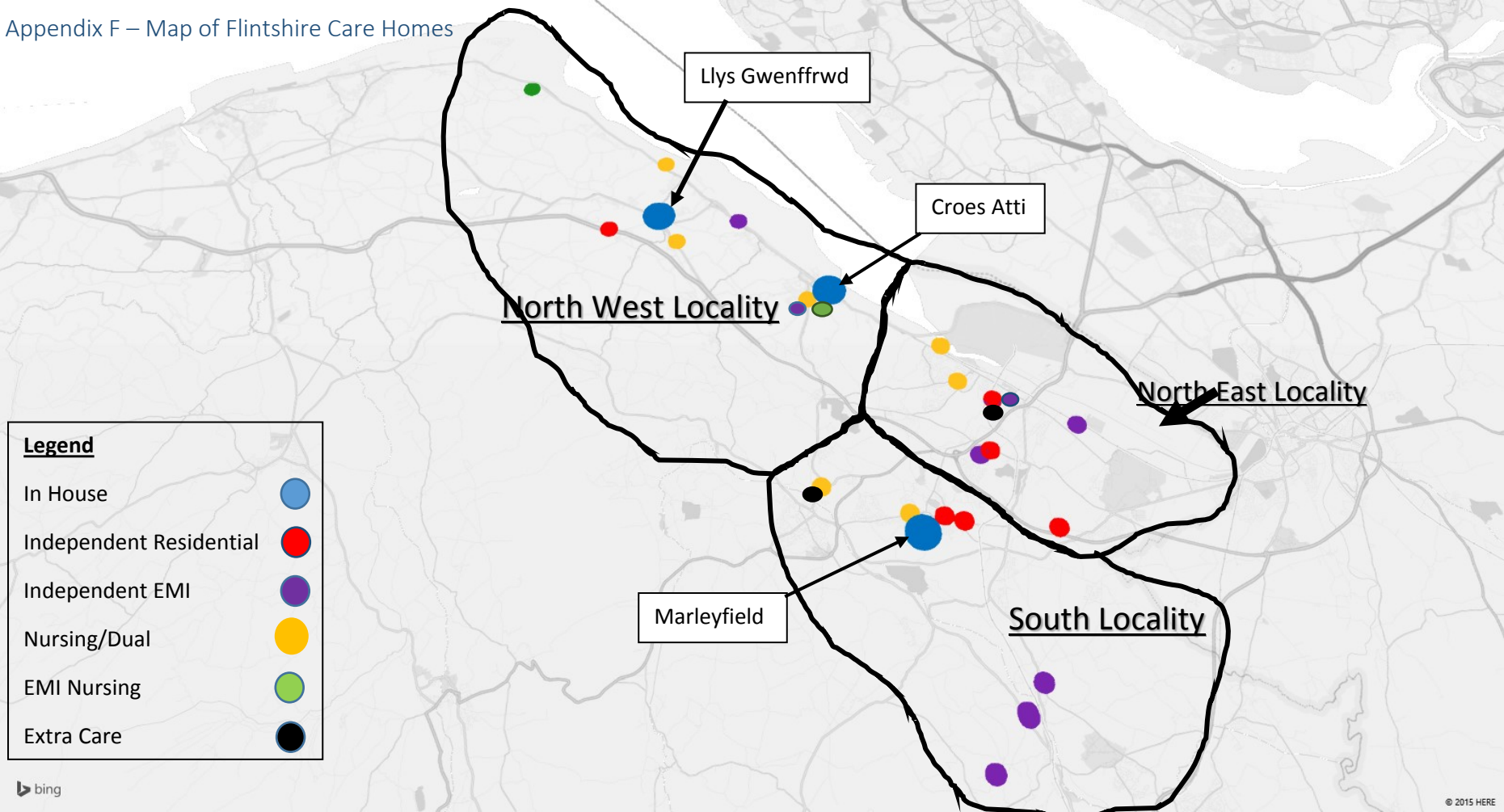


The number of care packages funded by the Local Authority is estimated in the first graph using current proportions of those in residential care that are supported by the Local Authority (48% residential, 25% nursing), and increasing the demand by 22% (as done in appendix B). Using 2015 rates that the Local Authority provide for independent care, only factoring the increase in demand, this equates to an extra £30,000 as illustrated in the latter graph.

Appendix E – Number of People in the Risk Population to Care Beds by Local Authority

LA	Residential	EMI Residential	Nursing	EMI Nursing
Conwy	17		39	59
Denbighshire	11		20	44
Flintshire	26		33	207
Gwynedd	15		86	109
Isle of Anglesey	20		42	84
Wrexham	14		25	41
Average	17		41	91

Appendix F – Map of Flintshire Care Homes



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List of Consultees

Dialogue, Information and Intelligence

The following people have contributed to this document through either dialogue, giving their perception and opinions on the care sector nationally and locally, or through factual information and intelligence;

- Steve Vaughan, Welsh Government
- Reena Cartmell, Betsi Cadwaladr University Health Board
- Mary Wimbury, Care Forum Wales
- John Williams, Regional Collaboration Team
- Maria Bell, North Wales Social Services Improvement Collaborative
- Managers of Independent and In House Care Homes in Flintshire

Direct Feedback on Written Product

The following people have given a critique to a final draft of this document, offering advice on the areas covered, the conclusions that have been drawn, or any amendments that they feel should be made;

- Vicky Poole, CSSIW
- Reena Cartmell, Betsi Cadwaladr University Health Board
- Maria Bell, North Wales Social Services Improvement Collaborative