Care Sector Election Manifesto 2017

"We are now trying to sell our care home, it is no longer feasible as a business. Because we will not compromise on (the quality of) care we become non profitable."

Published: **May 2017**

NATIONAL CAREassociation
The voice of the nation's independent care sector

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The Conservative manifesto for Social Care will include:

- No-one will have to sell their property in their lifetime to fund residential or home care. Instead, the cost of care will be taken from their estate - if it is worth at least £100,000 - when they die. There will also be an increase in the amount of wealth someone can have - savings and the value of their home - from the current £23,250 to £100,000 before they lose the right to free care.
- The Conservatives plan to do more to integrate the NHS and social care, stop unnecessary stays in hospitals, and examine how to make better use of technology to help people live independently for longer.

The Labour manifesto for Social Care will include:

- Look into creating a National Care Service for social care "rooted in the traditions of our National Health Service". The National Care Service will be built alongside the NHS, with a shared requirement for single commissioning, partnership arrangements, pooled budgets and joint working arrangements.

National Care Association is the most respected independent voice of independent health and social care providers in the country. Our primary membership consists of small and medium sized care providers and supply partners who work with them. The association is the most established of the provider organisations having been founded in 1980. We work, on behalf of our membership, with local and national government to promote quality care services to some of the most vulnerable members of our society.

Nadra Ahmed OBE

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90%

do not feel their fees for care are fair for the service they provide

2%

most providers have been offered a 2% fee increase which will not cover National Minimum Wage and National Living Wage rises.

70%

have not been given the opportunity for consultation on fees with their local authority

54%

do not consider their care business to be profitable

30%

have not been advised of an increased in their commissioned tender price

Care Sector Election Manifesto for all Political Parties - 2017

National Care Association, on behalf of our members, calls for all political parties to commit to social care reform, adequate funding and providing the care services our citizens deserve. The commissioning practice of local authorities throughout the country remains inadequate. Social Care budgets have been cut by £4.6billion since 2010, and providers are walking away from an unsustainable sector. National Care Association calls for all political parties to:

1. Close the care sector funding gap

Currently standing at 8-10%, the average fee increase offered by Local Authorities in England has been around 2% which will not cover the latest wage increases from the NLW and the NMW. We call for Government to commit an additional £1 billion per year up to 2020 to eliminate the potential sector collapse due to current financial deficiencies. Only real commitment will ensure that the increasing demographics of an ageing population and the challenges of caring for them will be met.

2. Deliver agreed funds to the front line

Following LA council tax increases to fund social care [2% (2016) and 3% (2017)] and a central government commitment of £2 billion, we call for Government to ensure these funds reach the front line care services, who to date, have seen no impact of the increased funding. To achieve a robust social care market the additional monies allocated to deliver a sustainable social care provision must be spent on those receiving and delivering the care, not to prop up LA or local NHS budgets.

3. Consult with providers

Over 70% of providers who responded to our fees survey indicated that they had had no fee consultation with their local commissioners. This abuse of a dominant market position remains prevalent in the relationship between providers and commissioners. We call for more productive closer working relationships to ensure that we can develop a sustainable social care market which is fit for the future.

4. Prepare for the changing demographics

The need for social care is set to increase. Over the next 10 years people aged 75+ will increase by just under 2 million. 380 care homes have been declared insolvent since 2010 due to the funding crisis, the number of available beds shrinks whilst demand rises. We call for the Government to look at social care as a growth market and economically important, supporting providers on recruitment and retention of staff.

5. Social Care and the NHS

The Nuffield Trust states the number of patients delayed because they were waiting for a care package to be available at home or in a nursing home had risen 172% and 110% respectively since November 2010. Bed-blocking costs the NHS £800m a year. We call for the government to recognise the pivotal role that social care provision would play in creating sustainable solutions to the challenges faced by the NHS.

National Care Association believes that a successful solution to the crisis faced by social care is achievable only if there is a clear recognition that quality provision must be at the centre of the debate.

National Care Association further calls for the Government to publish their anticipated green paper outlining plans for care fees reform, to which all political parties must make a commitment.

NCA overview

The results of our survey highlights the fact that despite the universal recognition that the social care market is at a 'tipping point' (CQC's State of the Sector Report 2016), the **commissioning practice of local authorities throughout the country remain inadequate.**

Clearly, the fact that over 70% of providers who responded told us that they had **no fee consultation** exercise with their local authority, tells us that the abuse of a dominant position remains prevalent in the relationship between provider and commissioners. This is deeply disappointing at a time when the public interest would dictate that a more productive approach to resolving the issues faced, would be **closer working relationships**.

The average fee increase offered has been around the 2% mark which will not even cover the latest wage increases for our workforce by the NLW and the NMW. **The funding gap remains at an astonishing 8-10%!** This is even more disconcerting when we know that the Local Authorities have been granted leave by central government to raise additional council tax of up to 3% this year, specifically for social care, having also been given the opportunity to raise it by 2% last year. Central government have also now committed a further £2 billion for social care so one should begin to see the sector recovery plan beginning to emerge but what we note is that **front line services have seen no impact** of the increased funding.

It is important to note that the need for social care is set to increase as demographics indicate that over the next 10 years by just under 2 million people over the age of 75+. With this in mind we should be looking at social care as a growth market but most providers from the small and medium sized facilities are feeling unsupported as they face both funding and recruitment issues.

National Care Association surveyed our membership in April 2017 to gain insight into care providers experiences of Local Authority Commissioning Fees and the effect the level of these fees have on their business.

Respondents replied from over 50 different LA commissioning regions throughout the UK.

"The loss of our business will impact around 100 staff and over 50 complex adults with learning disabilities, many who we have transitioned from various specialist hospitals. Closure of our business would therefore cost the tax payer up to 4 times the amount we are paid for some clients we support."

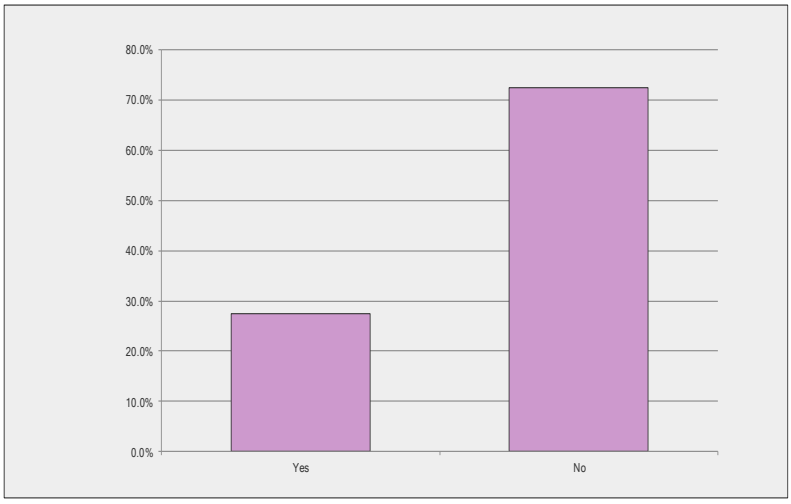
"We are a good rated care home and pay above minimum wage for all our staff. We would probably not survive beyond 2 years. We are looking at alternative options for the building at present."

"So much for the 'adult social care' related increase in council tax that we are all paying. We are not receiving anything on the front line."

"Small providers like myself cannot afford to have more than 25% of beds on the framework fee as they are obviously considerably lower than our true fee rate."

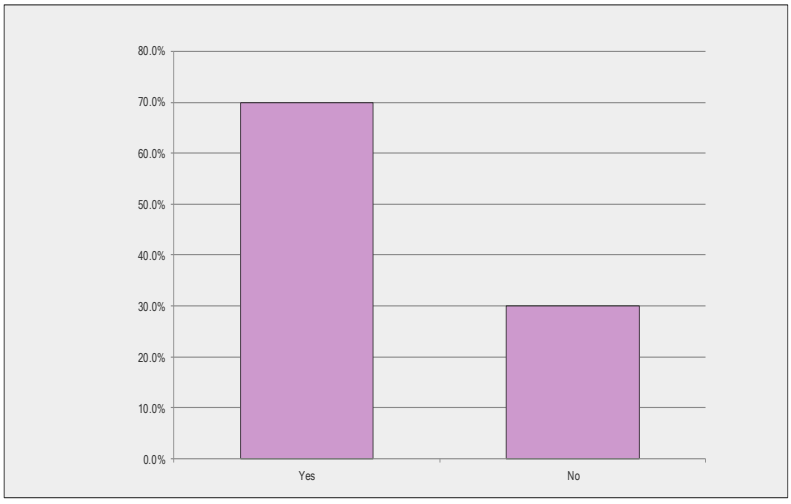
"I think smaller providers have no future in this industry and we are constantly under pressure by the banks despite over 90% occupancy rates."

Responses



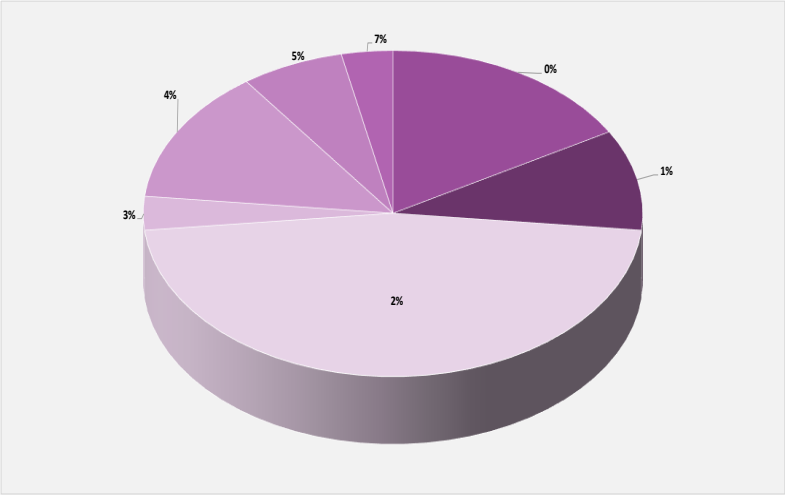
Do you have regular meetings with your commissioners?

"For the quality of care that is required to have a service user's needs met, the fees paid are not close to what is required." "It is immoral that self funded clients have to subsidise LA funding clients."

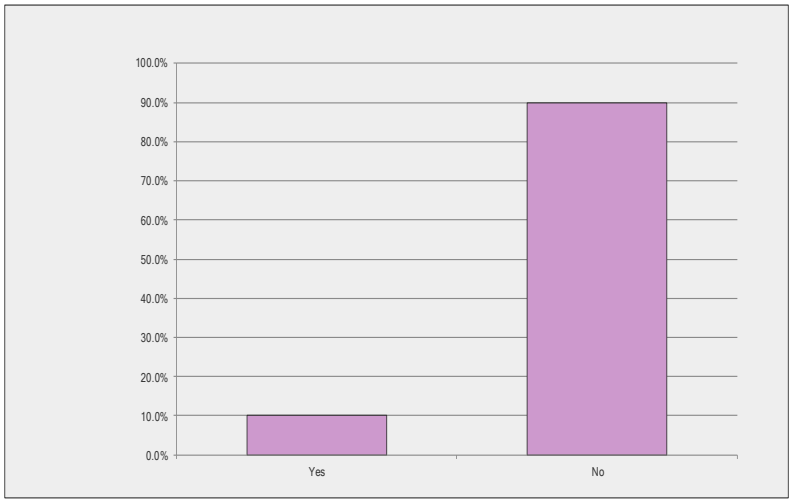


Have you been advised of an increase in your commissioned tender price?

"We could not provide the quality of care we do on the LA rate alone, we would be out of business." "We only just about make ends meet by having other income streams."

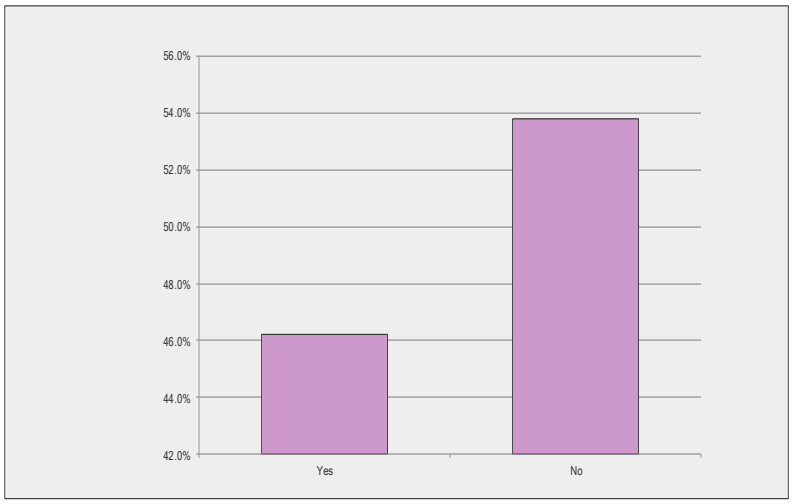


If yes, what percentage increase will you receive?



Do you consider your fees for care fair for the service you provide?

"Our main contract has awarded us 2.4% increase which does not even cover the cost of the living wage and inflation."



Do you consider your service to be profitable?

"If we only took Wiltshire clients and had 100% occupancy our service would not be financially viable."
"If vast improvements are not met in the future the care homes will ineffectively collapse."

Appendix 1

Respondent comments

Do you consider your service to be profitable?

Below are direct quotes from respondents when asked to comment following the question

(Yes) But only because we have a relatively low - LTV
Norfolk CC have their own care homes operated under the Norse banner who are paid considerably more than the private sector. They are able to "cherry pick" the less dependant clients and even move those clients on when their dependency levels increase (where is choice in that particular action). They have carried out a Cost of Care exercise and although they managed to bias the figures still do not even pay what their own survey suggested - Norse are paid above this figure and have a 100% occupancy payment scheme!

(Yes) But only due to self funding clients. I would like to say that Wiltshire are the best area as far as we have seen. We have recently dealt with Hampshire - authority no longer accepted partly due to rates but also due to poor organisation that cost us too much to chase through and our last experience 2 years ago took over a year to get any funds though (sic). Also dealt with Dorset, Islington Summerset (sic) and Norfolk. All of which their rates are below Wiltshire and Wiltshire will negotiate above standard rates where they can see the service is better. Even so if we only took Wiltshire clients and had 100% occupancy our service would not be financially viable.

We have a 2% increase from Norfolk. However, we consider an overall blanket percentage increase to be unfair when the fee for five of our residents is only £350 per week. The lowest rate for new residents from N.C.C. is £451 per week and N.C.C. are unwilling to even put us on the lowest banding rate for these residents.
Suffolk CC increase the fees in line with N.C.C.
Cambridgeshire CC have not given any increase to date and we have not been notified.

For the quality of care that is required to have a service user's care needs met, the fees paid are not close to what it is required. Top ups are required, but obviously some residents' families are not able to pay. And everyone should be treated equally, regardless of their financial status.

We are having to deal with more demanding Residents and We have to provide more staff to maintain the high standard of care and with the minimum wage rising we expect the care fees to increase

Profitability is highly dependent on private payers.

Somerset is giving 1% uplift in fees. Bristol 2.2%. the other areas have not even contacted.
Wages bill increased by 4% in April, Auto enrolment pension going up 1% in October for us.
Electricity gone up between 7.5% and 25%.
Gas prices up 7%.
More admin required to (cope with) increase in paperwork.

Our service is only profitable because of the sound reputation we have built up enabling us to not have to rely upon local authority funded residents to fill our beds which are 95% filled by self funding residents. If we were to rely upon local funding we would not be a profitable business.

like many homes ; our private residents fees are substantially higher than the local authorities & hence the private residents subsidise the council funded residents.

We are trading at below 50 o/o occupancy. We would be unable to carry on the business for too long.

Our main Contract with Brighton and Hone (sic) City Council has awarded us a 2.4% increase which doesn't even cover the cost of the living wage increase and inflation. Our other out of area contracts have not informed us of any increase yet and wouldn't expect them to offer out of area services an increase without a lot of badgering from us.

Yes (sic) Only because we have high proportion of private residents and all LA funded residents have a top-up arrangement paying a significant sum to top up to our private fee rate. We could not provide the quality of care we do on the LA rate alone, we would be out of business.

Mainly profitable due to higher number of private residents, who pay a fee according to their needs, and the ability to increase this as and when their needs increase. I think it was about 2% but both the residents we have from them also receive a third party top up, and one is on deferred payments.

We only just about make ends meet by having other income streams.
We received no increase in our fee for KCC funded residents because we did not sign the DPS contract on offer in 2014. The reason for this is that there are certain statements on the DPS contract which make it 100% controlled by KCC.
We have 10 KCC funded residents - 6 were already here so should be funded under the former contract arrangements. 4 have been placed since 2014 but as we are not "in contract" we did not get an increase for them either.
We do not have the funds to fight this "blackmail" on our own. I am trying to liaise with KCC procurement to find out if we can have an amended contract which my directors would be happy to sign but they rarely reply so it is painfully slow.
So much for the "Adult Social Care" related increase in council tax that we are all paying. We are not receiving anything on the front line.

The fees we are able to achieve from local authorities are considerably below what we need to reinvest and grow our services. We are now in the position that we have to cross subsidise LA placements from our self funding clients. We do not accept Local Authority funded placements at their "published" rates. We individually negotiate on each placement request
It is immoral that self funded clients have to subsidise Local Authority funding clients
** Please do not forget that many of us also have placements through NHS organisations and in many cases there are NO increases being offered at all.

How can it be profitable with such a low increase in Social Service fees and yet the minimum wage has increased therefore this affects the pension contribution and national insurance without taking into account increase in food, gas, electricity etc. Any increase in fees have to come from the private residents and this is not fair

Yes but barely and it is not really sustainable long term due to all costs increasing we keep getting squeezed more and more. Not great

Very disappointed with 1% rise in fees.
Both the Telegraph and the Guardian have reported the largest increase in deaths amongst the elderly since WW2. This is being attributed to the drastic cuts in social services funding since 2010. Maybe this should be called "The Osborne Effect" after our ex-chancellor?

Wiltshire has awarded a 2.12% uplift on framework and block bed placements. However, spot purchased beds which represent the majority of our beds have not received any uplift at all.
Small providers like myself cannot afford to have more than 25% of beds on the framework fee as they are obviously considerably lower than our true fee rate. Additionally, as we specialize in dementia care the majority of placements are above the framework fee, therefore spot purchase - but no increase!

Profits will reduce a little

Yes (sic) But lack of increases in fees line with the significant increased labour costs means that profits are being eroded, year on year, and reinvestment in capital is suffering. This situation cannot continue.

Norfolk's 'enhanced rate' for dementia care has gone from £495 to £523. This came about through a cost of care exercise brought about by a group of providers challenging the council. The approx. 5.5% increase is made up of approx. 3% inflation and the remainder is a slight move towards meeting the actual cost of care. The council recognises that the returns provided by the increase are still minimal.
Our service is profitable almost entirely through self-funders and top-ups cross -subsidising council funded resident

We are now trying to sell our care home, as it is no longer feasible as a business.
Each year our expenses go up by at least 4 percent, and with the Living Wage and, this year, contributory pensions we can no longer provide the level of care that is required on the funding that we are given. Because we will not compromise on care we become non profitable.
nb. Our increase from Notts Co Co will be 2.8 percent. We have not yet heard from CCG so we are unaware of any increase that might come from them.

Our home has for a long time concentrated on privately funded clients. Indeed I am giving serious thought to cancelling my contracts with the local authorities, who seem to do nothing more than issue variation notices, which in their own right are worded terribly aggressively. As such, increases or decreases to social funded clients fees has little impact on our business. However, as we are subsequently not spoon fed clients by social services, we need to market and attract clients to our service, through reputation, word of mouth and media. Such an approach focusses the provider on quality rather than cost. I wholeheartedly believe we offer a good value service, albeit not at social funded levels, if you like a John Lewis rather than Poundland approach to care - a sentiment echoed by our clients.
In defence of those providers more reliant upon social funding, and in fairness I also believe our service should be more available to those individuals receiving social funding:
National and local press should be more vocal in their challenge to funding levels. A room only single occupancy stay in a Travelodge within 10miles of my homes location is £300/week. The same for a Premier Inn is £530/week. This is ROOM ONLY. No 24/hr care, no food, no laundry, no activities etc. Telford and Wrekin are offering £480/week for residential care, Shropshire are similar. Such a statement should be all that is required to force local authorities to dramatically increase their funding levels. 2% is an insult, 50% is a more realistic starting point given current funding levels, in order to drive quality and subsequent years can then settle at a 2%+ level. We should be shouting from the rooftops to ensure our funding levels are sufficient to provide a good quality, caring environment.
Care in your own home - A lovely sentiment and for a number of individuals a great solution. However I have seen far too many individuals who have stayed in their own homes for far too long and who should have been receiving the care and security that 24hr residential/nursing care affords. This is a dichotomy as under-funding the residential sector doesn't create care homes that any of us would like to stay within!! However, if an individual is not able to manage themselves between care visits in their own home, they should be looking towards care within a care home. Otherwise the inevitable takes place, in most cases, some form of accident, which blocks beds in hospitals and results in a care home admission, albeit months later than should have been the case.
Staffing - UK talent is too few in number. Current plans to increase training may help in the medium/long term but we have to navigate the short term in order to get there!! The UKBA has made attracting and being able to employ overseas talent nigh on impossible. They need to relax their stranglehold on the skilled migrant levels - WE NEED THEM! I employ 2x Filipino nurses, both graduated alongside 40,000 other Filipino nurses. Some are working as nurses in the UK, some in the Philippines, a large number in call centres in the Philippines - unable to find work in the medical profession. Lets get them over here!! In the meantime the UK talent has noted the deficiency in number of medical professionals and so are holding the sector to ransom - I have received 2xrevised rate cards from local staffing agencies, in the past fortnight, who are charging their nurses out at £500/night shift. £500!!!! The RNCC/FNC contributes £155.01/WEEK/client, why bother even offering nursing care!!. The same affords issues within the NHS, who now use their crisis funds to cover up the multi millions of pounds spent on agency staffing. Perhaps an idea could be to use the banding systems already in place to cap costing levels i.e. you pay for the skill level received. It is negligent for the DoH to be paying upwards of quarter of a million pounds to individual Consultants through locum work, as has been publicised. Their pay should be capped in line with their band and the rest spent elsewhere buying equipment etc! They simply are not worth what they are being paid. The same can be said for the CCG structure, which is incentivising GPs to cut costs, while paying over the odds, dramatically so, for locum work. Indeed, pretty much every activity a GP currently does is incentivised, they receive funding to write death certificates, bonuses to cut costs, incentives to construct CHAS reports which are not worth the paper they are printed on and more holidays than you can shake a stick at. Time to redress the balance as those on the coal face are a little sick and tired of being left behind and pushed to the back of the queue. Help us to provide good quality care, in good quality environments!

We are expected to do more for less.
We need to provide facilities/items which were are not paid for otherwise frail older people would go without.

The profit margin is particularly slim to be fair, it is very difficult to put top ups on charges as this can only be done with new residents, which can in turn result in conflict if families talk to each other. this has an effect on staff pay as we can just meet minimum wage, the increase in cost to daily living, utility bills etc., doesn't come in to line with increase in price on beds, so I think if vast improvements are not met in the future the care homes will ineffectively collapse.

It is profitable because we all have to do more for less. The standards go up and the money down. Staff retention is difficult with low wages and we cannot pay more.
CQC are correct in asking for greater accuracy, trips, choices of entertainment food and activities but do not mention how it is to be funded.

My service is profitable because we do not have Business loan to repay.

If reliant on Local Authority funding we would definitely go out of business.
We have regular meetings with Leeds but little or not (sic) discussion with other authorities

We are effectively running at little above cost from 1st April 2017 - less than 1% margin, which could easily be wiped out by any issue that may crop up. There is little point in continuing for a prolonged period and from 2018 we will be running at a loss if nothing changes. Following the announcements of the extra funding, to alleviate the recruitment challenges we all face, we increased our staff's wages on the basis we were assured this money would reach the front line. This now appears to be highly unlikely given our own research. We remain a very efficient model with no operational borrowing to speak of and therefore I feel if we are in this state then the rest of the sector must be about to fall off a cliff or the care they are providing is in breach of regulation! Our only hope as a company is this happens sooner rather than later and a state of emergency is signalled by the government to rectify immediately. In my view that is no way to run a business strategy.
As owners/directors we will can command around 3 times the amount of drawings we are currently taking (salary and dividends included) outside of care in industries we came from (including the NHS).
The loss of our business will impact around 100 staff and over 50 complex adults with learning disabilities, many who we have transitioned from various specialist hospitals. Closure of our business therefore could cost the tax payer up to 4 times the amount we are paid for some clients we support.
Looking at this purely economically; to allow this to happen in my view, these people must be held responsible and should be sacked for gross misconduct for the mismanagement of tax payer money - maybe they can then give me their job as I'm doing a far better job on the misery pickings they are giving us?
On a human basis our clients lives are likely to be more akin to situations once described as horrific within institutions like Winterbourne. Our own area has just sounded a suspension of contracts with a view to "pushing" clients into their voids - in complete breach of the Transforming Care Agenda and The Care Act - but hey who cares, the legal system cannot fund any actions against them as that was demolished 4 years ago.
The local authority and government are not even working within their own laws and regulation. There is little cohesion and coordination at government and local authority leading to an absolute car crash that I'm not even sure can now be avoided.

Despite increase in wages, food and utility the Borough we are based in (London Borough of Sutton) has not increased. Currently residential fee for dementia is set at £445 per week. We have not accepted Sutton residents for the last 18 months. We are barely surviving. Our beds are filled by neighbouring boroughs and by continuing care. None of which guarantee sustainability. We are a good rated care home and pay above minimum wage for our staff. We probably would not survive beyond 2 years. We are looking at alternative options for the building at present.
Local authorities seems to favour larger multimillion corporate ventures. I think smaller providers have no future in this industry and we are constantly under pressure by the banks despite over 90% occupancy rates.
Personalised care is a myth that everyone talks about. CQC, government and local authority all seems to be in favour of larger organisation.

This is a new organisation and it is still developing within its first two years.

I am happy that an increase has been offered but it still only just about break-even for us & we request a top up is made

Only because I do not take Basic Residential rate.
I also minimise how many Council funded beds I am able to provide.
Private fee paying Residents will always take priority.

Like many other Kent providers, we were told we could only "apply" for an increase if we were prepared to complete a cost matrix showing where we needed the increase. Our residents are on vastly different fees due to various commissioning systems put in place through the years by kcc and some of our residents effectively subsidise many of the others. We were informed that even on completion of the matrix, (supposedly showing the impact of the NWL and pension contributions) there was no guarantee that we would be given a fee increase. This despite last year receiving our first fee increase in about 5 years- (1.05% I think). we still give our staff 1% rise a year, plus this year, we have an additional 1% in pension contributions, and in order to bring our lowest paid staff up to new minimum wage, we had to increase everyone's pay by 1.5%! So in addition to inflation etc, we have had to budget for an additional 2.5% on our wages bill. I was not prepared to undertake the matrix required, because all that would probably happen is that the authority would reduce the fees of the higher rate residents, without increasing proportionately the fees of the lower rate people. Couple this together with the pressure on us to deregister some or all of our rooms and move over to providing supported living, so that housing benefit picks up the tab, and I can see why so many providers are shutting up shop! This is not the caring industry we went into 25 years ago!