

2019

Social Care Fees Briefing



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Date: June 2019

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Executive Chairman
National Care Association

Social Care amnesia... but at what cost?

It is five years since the Care Act received Royal Assent and we felt that we were on the brink of a sustained focus on creating a robust and sustainable social care sector which would meet the needs of a growing, demand led, sector – a sector which has evolved considerably over the past three decades bringing with it concern for those who use, commission and provide it.

During this period expectations have been raised to a degree outweighing any sustainable investment from local and central government. Providers are expected to deliver a service which would sit within the proposed integrated model of health care, without any vision of how this should be funded. Regrettably, the integration agenda which was to be a panacea for a joint up health and social care model has failed dismally in most cases.

Social Care providers are responding to the increased expectations of the public based on the shift in government policy at both local and national levels. The result being that Local Authorities feel comfortable commissioning complex care at unrealistically low prices – a patient in an NHS facility with assessed care needs costs the state over £2000 p/w but on discharge the commissioner will expect to purchase the same care in more homely surrounding for about £600 per week. Clearly, there is a disconnect between what we pay for care!

Having chosen to defer the thorny question of the funding models more hopes were raised when in 2017 the government promised the publication of a Green Paper which would look at funding options and create solutions. There was an anticipation that we would be able to see a sustainable framework which would recognise the role of social care within the health care agenda and create pathways towards raising the status of care workers in the field.

Two years later, we have no sight of any paper! We have had promise after promise broken and the sector continues to deliver despite the continued under investment, but at what cost to vulnerable people ..? As we look at the political agenda today, despite the will of ministers who have worked on this, it is unlikely that the Green Paper will see the light of day and if it does the impact may be nominal.

It is widely reported that **between 2017 and 2018 we have seen about 230 care services close across the country**, which equates to a loss of just under 7000 care beds. The reasons cited for these are often varied but the common factor is that the providers can no longer continue to subsidise the state. The business models that providers have had no alternative other than to adopted are not sustainable – expectations rise on delivery standards (quite rightly) but state funding is not negotiable!

Additionally, we are told that:

- Providers cannot improve the service to get them out of a required improvements rating as they do not have the funds to do so,
- The impact of the National Living Wage increases tips the balance of outgoings against income,
- The challenge of recruiting staff in a sustainable way to meet the needs of the people they are caring for – this has been further hampered by the procrastinations over Brexit with no recognition of the social care workforce.

We have had two decades of attempts by successive governments to formulate a tangible strategy to create a response to the challenges faced by the nation and we have had no clear pathway or long term plan! This is one of the greatest failings in modern times for politicians as they continue to neglect the social care sector which remains the bedrock of communities where our frail and vulnerable citizens struggle to maintain health and wellbeing.

There is little or no confidence amongst the general public of a resolution to the funding of social care. The Just Group published a report this month (*June 2019*) in which it highlighted that adults (over 45's) do not believe that any government would prioritise social care in the coming years. (*Care Report 2019, Just Group Plc*).

Data referenced throughout this briefing is extracted from the National Care Association's Member Fees Survey (April 2019).

Commissioner failings....

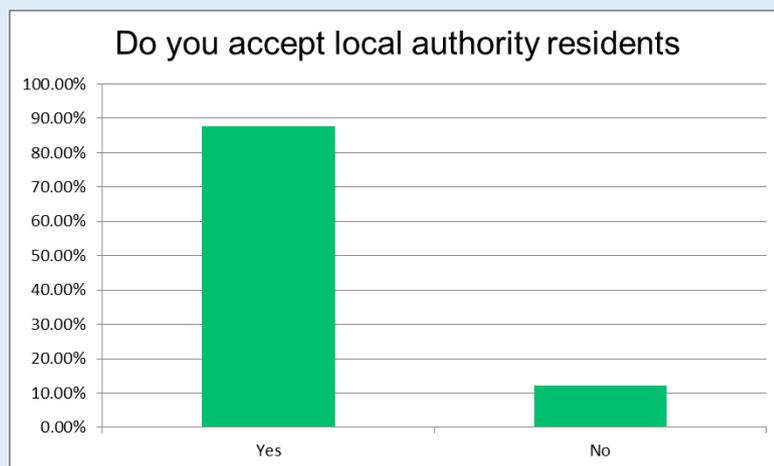
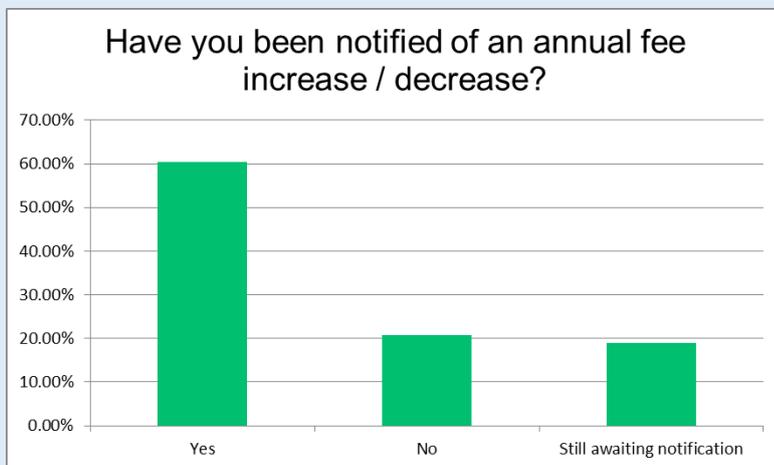
Our survey showed that 87% of members surveyed had contracts with Local Authorities and only 60% of them had been notified of an increase for 2019/20 in April!

It seems reckless and a dereliction of duty by LA's to fail to notify providers about any increases they can expect, or not, at the start of the financial year when the National Living Wage, Regulatory Fees other increases will be kicking in.

Those who contract with the NHS fared much worse with only 38% being advised of any increases, or not!

What is of concern now is that we have areas of the country where there is a **shortage of care and nursing beds** which will have a devastating impact on the ability of the NHS to discharge people into home or care services in a timely manner. It is worth noting that the NHS has recognised this and launched their Health for Care Campaign earlier this year.

We know that just under 1,500,000 million people are not getting the care that they require. How sustainable is this going forward? As a country which prides itself on caring for those in need this is a **shame on our nation.**



Contracting with the NHS

NHS Continuing Health Care

Individuals with significant and complex health care needs should be funded through NHS Continuing Health Care (CHC) but despite guidance from the DHSC outlining national eligibility criteria there is still significant local and regional variation in whether individuals are awarded this funding for their care. Significantly Continuing Health Care is not means tested and is free at the point of delivery. Too many individuals are being refused Continuing Health Care on spurious grounds in what looks too many outside the CCG system as a method of controlling NHS expenditure.

For care providers who provide this essential complex care the role of Clinical Commissioning Groups (CCGs) in managing the market is causing growing disquiet as commissioners' lack of knowledge of the health and care sector outside of the NHS seems limited. CCGs are reluctant to engage with care providers and often see care providers as marginal in their local health and care system.

Providers are seeing growing pressures on fees; which should reflect the individual needs of the citizen requiring CHC support, with CCGs capping payments and often linking them to Local Authority fee levels without any consideration as to the actual costs of providing care; and refusing to apply any inflationary uplifts to longer term placements. In addition, many CCGs now expect providers to demonstrate year on year "efficiencies" which in affect drive fees downwards.



Our members' care services

What our members say

“Fees in Tameside are now geared around obtaining a 'Good' or 'Outstanding' CQC report. If a care homes fails to achieve either of these categories then the fee level reduces by a substantial margin.”

“Care fees and recruitment plus occupancy a **constant headache**”

“There has been a **fee "freeze"** on LA funded residents. We have had, in the past, to go cap in hand to negotiate a better rate. **There is nobody at the LA to discuss fee increases with this year.**”

“Staffing and agency **costs have increased astronomically** - everyone wants better care and more quality. This costs more money. Basically operators are eating into the small profit margins we make - we are not a non-profit organisation - something has to give. It won't be the LA or Government. My fear is the small, homely homes will go out of business - **just not enough money coming in per bed.**”

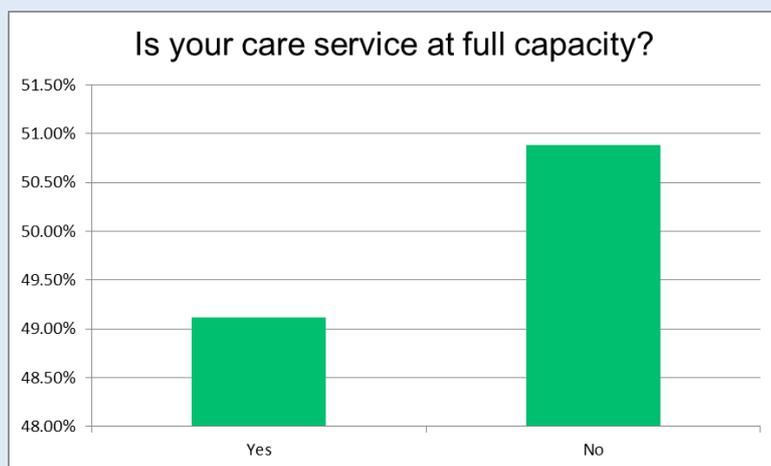
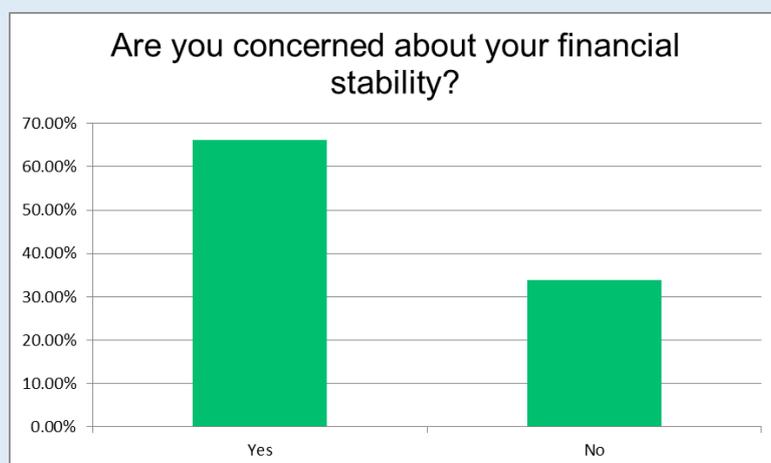
“The CQC expect more and more from us in the form of paperwork, health & safety etc. Wages, food and utilities are increasing however our fees are not. **How can this be sustainable?**”

“We appear trapped in a **'race to the bottom'** where fees are concerned, I fear for homes that are reliant upon social services and LA fees, who with their restricted budgets are finding **cheapest available rather than best.**”

“The billions of pounds released at the last budget for social care have not darkened our door, what happened to that?”

“When a **Premier Inn costs £530/week** for nothing more than a room with a bed, why are we being asked to accept Social Service rates of c.£480/wk. residential and £590/wk. nursing care to include 24hr care, food, activities, laundry?”

“With funding split across health & social we are seeing hospitals rammed and at crisis levels, while in contrast most care homes are showing empty beds and availability - centralise this pot of funds



and thus *stop the clear safeguarding and protectionism of budgets that is detrimental to the care of our elderly.*"

"Fee uplifts are not representative of our costs. It puts stress on the care the business"

"Local authority fees are not sufficient to be able to provide the quality required by residents or by compliance. We are not serving the most vulnerable in society in a manner that befits our society."

"We are only able to take LA funded [residents] because we are a Charity and can draw on other income to bridge the deficit between care costs and LA fees."

"With no increases for the last few years and rising costs in all areas it makes it difficult for independents to sustain a viable service."

"We can only survive as a viable business because of private funders. If we had to rely on Local Authority rates we would have closed years ago. Several local homes have gone under recently."

"We have not been notified by either the County Council or the CCG regarding fee increases. This is disappointing and makes budget planning and staff salaries difficult to manage."

The messages from our survey are very clear, the survival and viability of the services provided are at the very brink of collapse. The businesses are in distress and the 'partnership' delivery models with local authority funding is not recognisable through any of the comments. With endless talk about integration it is disappointing to note that there is no marked difference in the way that the NHS and local authorities are commissioning in consultation with the sector.

The fact that 66% of respondents indicated that they are concerned about their business viability is a stark warning for local and national government: add to that the challenges faced by the LA's on their funding we are looking at some very volatile markets. Commissioners are taking little note of the pressures on the sector and not assessing the merits of a more collaborative and integrated approach. This would enable providers to structure the market with them to ensure a cohesive and coherent approach for the future.

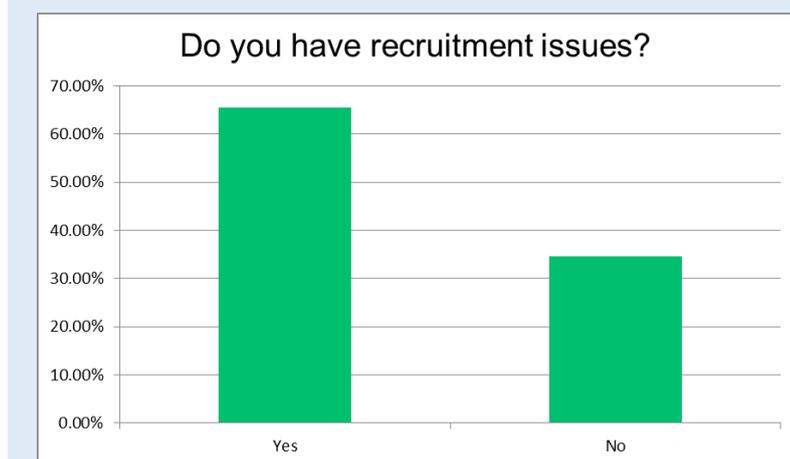
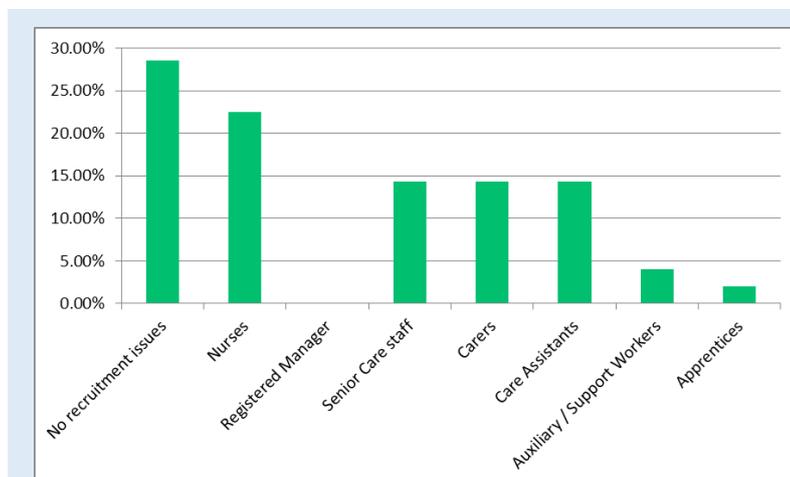
Recruitment Challenges

We know that the recruitment crisis is now cited alongside the funding challenges as a primary cause for concern for care providers across the country.

The recruitment challenge has grown over the past decade but recent uncertainty around the migrant workforce has exacerbated the situation with no sign of recovery or even a sustainable plan to mitigate it. Once again, the Green Paper promises much on this issue but will it just be too little too late?

The Department of Health and Social Care’s recent recruitment campaign is being recognised, however results on take up are yet to be assessed.

We know from research carried out by Skills for Care that we are carrying 110,000 vacancies in the care sector at the current time. This has built up over the years and is now one of the main reasons for people closing their services. We can have all the funding promised but, if we don’t have a workforce to deliver it, we cannot be a sustainable sector.



Our survey showed that 65% of respondents said that they have recruitment issues. One respondent highlighted the challenge by stating that:

“We only recruit via an agency which costs dearly”.

This demonstrates how challenging recruitment has become. The sector continues to struggle with the lack of a strategic qualification pathway, which would draw people towards it. If we were able to engage people at a younger age and offer a **pathway to a career in Health and Social Care** we would be able to start to change the status of the role and create a more valued role for care workers.

The MAC report and Immigration White Paper have once again divorced themselves from the challenges in social care when it comes to the workforce and the impact of their short-sightedness on care delivery in the country. In social care, as in nursing, we have always relied on a migrant workforce, so to ignore this fact is fool hardy.

There is no doubt that we should be trying to train and recruit from within the UK but the reality is that we have side-lined social care so much that it appears to have lost any value base. The media

continue to vilify poor care in social care (quite rightly) but ignore the excellent care that our workforce is delivering despite the challenges they face: delivering care and support around the clock. What is crucial is that we start to create a framework which will bring us to a point where being a trained care worker should be considered an accolade in itself and so we will create a role which people aspire to.....

What our members say

*“Staffing is difficult to manage. We **need overseas Care Assistants** to be allowed to work in the UK. The calibre of nurses is the worst I have seen in years. They are demanding a manager’s salary but for this we get incompetence, **no passion and sadly no care.**”*

*“**Recruitment has been a horrendous issue for the past 24 months** and is increasingly so. I have advertised continually for a Registered Nurse for the past 12 months, used recruitment consultants and professionals to drive recruitment campaigns and engaged with social media - the results being - nothing! **We fall back onto agency use, which costs a fortune** and thus pushes our costs and thus fee levels up. My only solution looking forwards is to de-register nursing and shift towards residential only.”*

*“**Individuals are not wanting to join the profession.** Why? There are easier jobs out there, the pay is nothing to write home about - I would like to make the minimum care wage £12/hour but who is going to pay for it? I would like to cut the red tape so that carers actually spend their day caring and not writing. I don't want them frightened out of the industry for the consequences of a mistake - try going through a safeguarding trial and ask yourself whether there are easier ways to make a living!”*

*“In other industries staff are paid far better than care and nursing staff. **More needs to be done to pay nurses and care staff their worth.**”*

*“We can only recruit via an agency which **costs dearly**”*

*“Recruitment has become difficult at all calibre of staff from carers to Managers. The industry is **underfunded and attracts low wages which are no commensurate with the responsibility** of the demands and challenges that employees are faced with in this industry.”*

*“Staff are **demotivated with low wage but increasing responsibility and accountability**, no real status for the job role they do. Unable to pay a higher wage due to low fees and minimal yearly increases.”*

*“Since Brexit we have seen a **dramatic decrease in applicants applying for jobs**. We have had to use agency staff for the first time last year we have not had to do this for over 20 years.”*

The Social Care Market

Respondents were definitive in their responses when we asked about the market – it is definitely tougher than it has been.

The way in which social care is delivered has been transformed over the past four decades – indeed the service itself bears little resemblance to the premise under which it was set. The social care sector is no longer the retirement option of tired but reasonably able individuals who are being challenged my memory and mundane everyday tasks, but the service

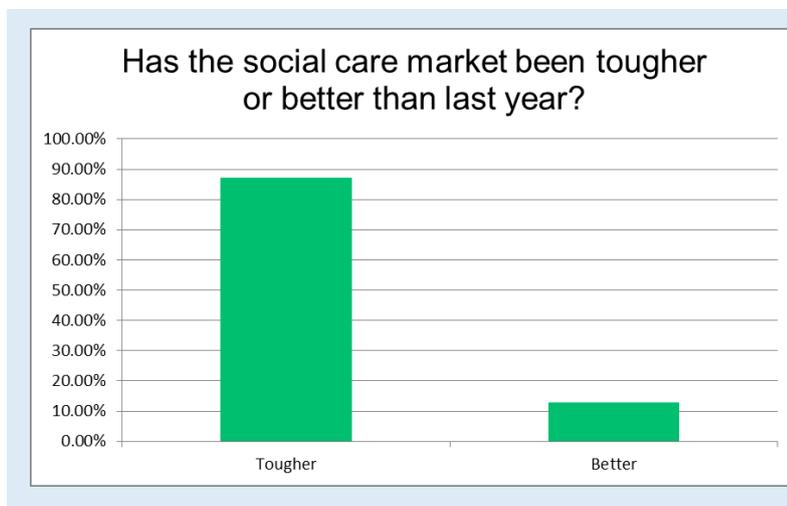
which looks after people with complex health care needs to end of life care. The shift in the perceptions has evolved during a period when local authorities closed their own services and the NHS moved away from long stay geriatric wards. When these services were provided in the statutory and public sector the funding was over 60% more than the offer to the independent sector for delivering the same care.

It is important to note that the term *‘social care’* relates to personal and practical care, but those in *social care* settings have significant health care needs which must be met. In order to provide the best support and care, providers have been put in a position which requires them to have greater staff numbers, all of whom are competent in caring for people with complex health, as well as social care needs which are assessed as not being acute – something that is not recognised at all by politicians.

By 2040 we expect to see an increase of more than 40% in people aged over 65 – a fact which appears to be completely neglected as we look towards the funding challenges this is likely to bring. In the past 20 years we have had 12 White/Green Papers in addition to 5 independent reviews. Clearly, the challenge is seen as one that can continue to sit in the ‘too hard to handle’ tray on the desks of decision makers, but if they continue to be negligent and silent on the topic we will face catastrophic consequences.

The irony is that the demographics are not a surprise, they have been predicted for decades, well researched and commented on. The main challenges which have led to the crisis we face are related to business sustainability, borne out of inadequate funding and the impact on choice for consumers and the chronic situation of recruitment which has been further heightened by Brexit.

Clearly, and rather clumsily there has been a deliberate move to reduce the need for long term care, without ensuring that critical support services in communities would be in a position to pick up the preventative actions required to sustain the policy. National policy was implemented at a local level in such a way that it neglected to support the prevention agenda in any meaningful way. We started to create a system built on a rationing of care which was needs assessed (2014 Care Act) but omitted



to acknowledge that the people we were now caring for had recognised health care needs which the state would not fund. Based on a NAO estimate, it was assumed that 20% of all hospital admissions could be avoided and managed within the community or by primary services.

It is important to note that public funding for Social Care in England has been falling since about 2006 – Age UK collated data which showed that moderate care needs being met has reduced from 40% in 2005/6 to 18% by 2011/12. Based on the ever decreasing funding for social care the private funded market continues to grow and so we find ourselves in the midst of the creation of a two tier system which will see LA's struggle to find appropriate places for those who are most in need but unable to fund themselves.

What needs to be acknowledged, against the background of systematic negligence on the part of both local and national politician to address the challenges which have brought the sector to the brink of collapse, is that the responsible providers of Social Care continue to deliver exceptional services to hundreds of thousands of vulnerable people every day. The Social Care workforce, under microscopic scrutiny from the media, delivers care and support for people who the politicians have chosen to forget.

This survey highlights the challenges providers face, their comments demonstrate the frustrations which underpin their commitment to delivering exceptional care all of the time and the desire to have a competent and confident workforce to deliver it.

National Care Association is calling for:

- Immediate action by government to align the status of Social Care to the NHS
- Acknowledge the role of Social Care workers within the Immigration Bill as a protected role and enable us to continue to recruit a migrant workforce to bridge the recruitment gaps faced by the sector.
- Align the role of Nurses working in Social Care with those employed by the NHS

Survey with Channel 4 Dispatches

What percentage of your workforce are EU nationals?

- 13.04% said more than 50%

To what extent do you think the end to European freedom of movement would have a negative impact on your business?

- 88.7% said it would have a **negative** impact
- 29.57% said it would be **severely negative**

Has it become easier or harder to fill staff vacancies since the referendum, or stayed the same?

- 59.48% it has become harder
- 34.48% says much harder

How many EU staff have you lost since the referendum?

- One care home lost 60 staff members

Do you anticipate employing more foreign workers from outside the EU after Brexit?

- 31.62% said yes

Are you able to recruit sufficient British workers to fill the roles you have?

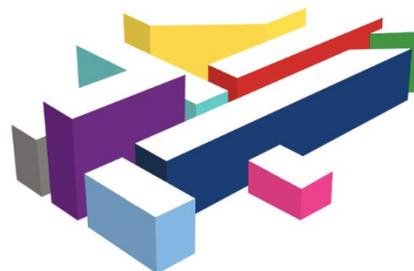
- 66.38% say no

Do you agree or disagree with the government definition that care workers are 'low-skilled'?

- 89.75% say disagree
- 70.09% say strongly disagree

Will 12 month visa make it harder to get the staff you need?

- 75% say harder
- 46.55% much harder





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National Care Association remains the most respected and established of the trade bodies due to our strong ethos of putting members at the heart of all that we do.



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