



It is the best of times it is the worst of times

Care providers hear a 'Tale of Two Sectors'

For the sixth consecutive year an audience of care home operators, specialist care providers and financiers attended the annual Barclays healthcare panel discussion, held at the banks Canary Wharf head office at the end of September.

As founder and director of LaingBuisson, William Laing is the social care sector's acknowledged facts and figures guru. He titled his presentation 'A Tale of Two Sectors', making the point that, while the private pay market is in 'robust good health', publicly-funded social care is in a state of crisis in many areas.

William said the care sector remained a very fragmented marketplace with Four Seasons Health Care, the UK's biggest operator, representing just 4.5% of the market.

"This means there are lots of opportunities for future acquisition and consolidation," said William who then put up a slide showing an analysis of Care Quality Commission ratings data. He noted that those with the most homes rated 'good' or 'outstanding' tended to be the smaller providers.

"There are very few providers who can manage to give consistent quality across an entire portfolio," he said. "You can throw money at it but this is no guarantee. Also, we looked very hard but couldn't find any correlation between CQC ratings and local authority fee levels."

William Laing said demand for services continued to increase. "The worry with the social care sector is that if there is a shortage of supply, it can take a long time to develop new capacity to meet that demand and, at present, we appear to be in a period of decline in overall capacity."

On State funding, William said average local authority fee levels were down 6% in real terms since 2011/12.

"Private-pay is more than keeping up - it has to because these fees are being used to cross-subsidise public-pay. It appears that private-payers are paying around 43% more than publicly funded people for the same services.

"Many feared 2016/17 would be crunch time because the National Living Wage had now been introduced but the impact of the NLW has been lower than expected. In part this was because of the compression of care workers' pay rates at a level just above the National Living Wage, so margins for people operating in the public-pay sphere are not any worse this year to what they were last year.

"However, there will be further increases in the National Living Wage, assuming the Government keeps to its policy of reaching £9/hour by 2020 so I think there are still tough times to come."



Throughout the discussion Mark, and artist from Scriberia, sketched the themes being explored. Above is an example of Mark's work.

Next to speak was Segun Oladokun, the Care Quality Commission's head of inspection for adult social care for London South. Segun, who is soon to leave the CQC, said he felt very proud to have worked for an organisation which had made such positive changes since David Behan had taken over as chief executive in 2012.

"We have done about 90% of inspections in adult social care and of those, in spite of the pressures on providers, more than 70% of providers are good," said Segun.

"To me this demonstrates that there are basic things we can do to provide good care which are not always dependent on money."

Segun said it was evident that the larger a care home is, the more difficult it was to achieve a good rating.

"But everyone would like to be rated 'outstanding' and the first thing I would say is that it's not about money - there are many, many homes which are doing the basic things well, and they're doing it consistently. I am approached by a lot of providers who have been rated good, but who think they should be outstanding - I think care home managers need to engage with inspectors during the inspection. There may be inspectors who are

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 reports on Barclays'
 sixth annual panel
 debate on social care

not asking the question: 'what is it about your service which makes it outstanding?' - it the responsibility of the inspector to talk about it, but it is also the provider's responsibility to showcase what they believe is outstanding about their service."

Segun confirmed that the sector was losing both nursing and residential beds and that CQC did not frown on the concept of upskilling care staff to undertake nursing activities where appropriate.

Paul Birley, Barclays' head of public sector and healthcare, said social care providers found themselves in operating in a difficult environment.

"We are in volatile, uncertain, complex, ambiguous and uncertain times," he said.

"Four hundred thousand fewer people are receiving care than was the case five years ago and 35% of hospital beds are occupied by people who shouldn't be there because the hospitals cannot get their discharge processes right. Process kills common sense, it seems to remove people's initiative and their ability to make decisions.

"But we are seeing some really encouraging things - the Care Act has at least put some degree of personalisation into social care. We are moving closer to the integration of acute care and social care, technology is playing an ever greater role. The National Living Wage is a good thing - it shows that we value our staff. Why, if you work in a hospice are you seen as an angel, but if you do that same role in a care home, you are not valued so highly."

Paul mentioned that Barclays had won the Health Investors Award six times out of the last eight years and was LaingBuisson's Bank of Year at present.

"At Barclays we like to think we know what we do and as part of that I make a point of visiting many care homes around the country," he said. "At one I recently visited, the care I saw was just inspirational. When they said, as I was leaving, that they couldn't have done it without Barclays, that made me feel really proud." **CT**

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