



Risk control

The Viability of Care Homes



In partnership with



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Overview

In its most recent report, the Care Quality Commission (CQC) described the health and care system as 'gridlocked'. They go on to suggest that, the heart of these problems lay "staff shortages and struggles to recruit and retain staff right across health and care."

These concerns were also identified within a House of Commons Health and Social Care Committee Report (2022) which suggested that "the National Health Service and the social care sector are facing the greatest workforce crisis in their history."² The same report served to highlight the acute problems in social care by suggesting that 33% of care workers left their job in 2020–21.

Finances is also a significant issue. A report published by national learning disability charity Hft and Care England focused upon the finances and workforce in the adult social care sector in 2022.³ They highlighted the cost of living crisis, including dramatically increasing energy prices, as one of the factors that had sent 82% of providers across the sector into deficit or surplus decrease in 2022. Other factors identified in the report include:

- The most significant cost pressure facing providers was workforce pay, influenced by annual increases to the National Living Wage
- 81% of providers report that Local Authority fee increases did not cover the increasing cost of workforce pay in 2022
- Utility costs increased by as much as 500% for some providers
- Approximately 33% of providers considered exiting the market in 2022. That figure increased to 50% for small providers.

The wider issue of a lack of care provision was laid bare in a news article that highlighted that some vulnerable children were being placed in care homes a significant distance, sometimes 300 miles, from the areas in which they grew up.⁴

Government Response

Building on the People at the Heart of Care white paper published in December 2021, the Government has set out plans to further digitise the social care sector and bolster the workforce. Alongside the published plan, the Better Care Fund framework, published in April 2023, is intended to ensure that at least £16.8 billion is spent to make sure people receive the right care in the right place at the right time.⁵

The Government announcement attracted immediate criticism as it indicated that it was holding back £250m of the £500m previously earmarked to address staffing issues within adult social care.⁶

Key Recommendations

There are a number of critical activities that Local Authority must undertake, to fulfil their duty of care. These include:

- oversight of the financial viability of care home providers
- financial oversight arrangements are augmented by working with other Local Authorities to annually monitor the financial viability of the service providers
- independent monitoring of the standard of care
- care home managers ensure staff are sufficiently trained to provide appropriate levels of care
- care home providers produce timely information and bills to residents
- owners and operators demonstrate a drive for continued improvements in care standards

The Care Act Statutory Guidance⁷ places a duty on the Local Authority in arranging and funding of social care in the authority's area of responsibility.

Local Authorities should continue to develop plans that will prevent or mitigate potential for disruptions to social care provision.

Conclusion

Clearly the health and care system is currently under a great deal of pressure to deliver much needed services to those who most need them, with little respite to look forward to in the immediate future. The pressures come in many forms, including a legacy of service disruption carried over from the recent pandemic, significant funding issues and continuing challenges to recruit and retain staff.

Local Authorities must persevere in their commitment to overcome these challenges in order to offer the care that people require. Authorities should continue to find innovative and creative solutions where possible, whilst also considering and developing contingency plans should existing care providers fail or exist the market.

References

- 1 Care Quality Commission, State of Care 2021/22, available at: <https://www.cqc.org.uk/publication/state-care-202122/summary>
- 2 UK Parliament, Workforce: recruitment, training and retention in health and social care, available at: <https://publications.parliament.uk/pa/cm5803/cmselect/cmhealth/115/report.html>
- 3 Hft and Care England, Sector Pulse Check, available at: <https://www.careengland.org.uk/wp-content/uploads/2023/03/Hft-Sector-Pulse-Check-2022-Single-Pages-Digital.pdf>
- 4 The Guardian, Britain's care homes crisis: children sent to live hundreds of miles away, available at: <https://www.theguardian.com/society/2023/apr/01/care-homes-crisis-children-sent-to-live-hundreds-of-miles-away>
- 5 UK Government, Government sets out next steps to support social care, available at: <https://www.gov.uk/government/news/government-sets-out-next-steps-to-support-social-care>
- 6 BBC, Vulnerable to lose out as care funding held back - council chiefs, available at: https://www.bbc.co.uk/news/uk-65171795?at_bbc_team=editorial&at_campaign_type=owned&at_format=link&at_link_id=FE991468-D2A1-11ED-AB1B-3CFC4744363C&at_link_origin=BBCNews&at_link_type=web link&at_ptr_name=twitter
- 7 Department for Health and Social Care, Care and support statutory guidance, available at: <https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance>

Further information

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