

**Director: Eddie Fraser**

██  
██

Ref: EF/mp  
Date: 7 November 2017

Health and Sport Committee  
T3.60  
The Scottish Parliament  
EDINBURGH  
EH99 1SP

Dear Committee Members

**Re: Care Home Sustainability**

Further to your correspondence received on 26 October 2017 regarding the above, please find below information in response to the queries raised:

**Q: What impact does the recent announcement of the closer of 12 residential care homes have on your area?**

There is no direct impact for East Ayrshire Health and Social Care Partnership (EAHSCP) as there are no Bield Care homes in the Partnership area.

**Q: Are there concerns regarding the sustainability of residential service provision (in your area)? and if so, how could they be addressed?**

Indirectly the news brings more influencing power to larger providers. In EAHSCP there are two larger providers

- McKenzie Care own four care homes. They have been expressing views about sustainability and reduced profit. They have indicated the possibility of closure of one care home if profit does not increase.

Care home profit is affected by recruitment and retention of care staff including nurses, which is a current issue. Having to use Agency Nursing to provide safe staffing levels is putting added financial pressure.

- Four Seasons own one care home in the area. They are addressing sustainability / profitability by consciously trying to attract privately funded residents with a fair degree of success. They do however wish to sign NCHC to protect those residents whose funds become exhausted.

The care home market in East Ayrshire has a local provider who is indeed investing in the care home and has forged a reputation of partnership working and trust. East Ayrshire has invested in the care home sector over recent years and has a dedicated Service Officer whose role is to support the leadership and development of the care home sector.

Investment in programmes such as 'My Home Life' has been instrumental in developing excellent relationships and partnership working. East Ayrshire takes an inclusive approach to developmental opportunities.

In East Ayrshire there are few care home vacancies which has contributed to sustainability however has shifted the power balance which may be problematic if it were not for the positive relationships between ourselves and providers.

It is common for providers to be paying out around 70% of their income on staffing costs and this can be significantly higher if agency is used often. Whilst costly, agency use does not lend itself to continuity of care. In the past we have been able to link poorer grades with increased agency use due to the reduction in accountability or sustained commitment. Greater investment in the sector would help.

There is no evidence at this early stage that the £8.45 per hour rate of pay, a condition of the NCHC annual fee uplift, has brought about increased quality in carers.

Yours sincerely

A handwritten signature in black ink, appearing to read 'E. Fraser', with a stylized flourish at the end.

**Eddie Fraser**  
**Director**