

## Care Home Sustainability

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Chairman, Renaissance Care

### SCOTLAND - CARE OF THE ELDERLY

It simply cannot be right that someone is paid more for stacking supermarket shelves than for looking after our vulnerable elderly relatives.

I fully welcome and support the Scottish Government's introduction (on 1<sup>st</sup> October 2016) of the Scottish Carers Living Wage (SCLW) now £8.45p an hour for all carers in Scotland over 18 years of age. I genuinely believe that our hard working care staff deserve to be paid more for the excellent job that they do. I am also hopeful that the introduction of the SCLW will help care homes to improve both staff recruitment and staff retention and that it will help reduce the requirement for expensive agency staff.

However, as generally about 75% of our residents are local authority funded and between 60 - 65% of our fee income goes on staff costs, it is only fair that our main customer, the Scottish Government, properly funds (including acknowledgement of differentials) this welcome and progressive move that they have made.

I feel very strongly that the independent sector provides good quality of care and very good financial value for taxpayer's money. However, after several really tough years, there is simply no fat left in the sector to absorb the significant increases in costs involved in these increases in pay, even if they are welcomed and deserved. I am seriously worried that we are very close to reaching a tipping point for the care home sector in Scotland.

If funding is not improved, and quickly, I believe that many more care homes will close in Scotland and fewer new care homes will be built. This will worsen the already growing net annual loss of care home beds in Scotland. This is causing increased NHS bed blocking, increased NHS costs and more cancelled operations. This is all happening at a time when the demographics are showing that there is actually a need for more elderly care beds not less.

There are a number of other issues and problems that the Scottish care home sector is facing at the moment.

I am hearing from both within Renaissance Care and from other operators, increasing incidents of Scottish local authorities attempting to place nursing care clients at residential care fee rates with the placement going to the first one to say yes. Both very unfair to the clients concerned and to the care homes and really unconscionable behaviour by the councils concerned.

In Scotland, we currently have the National Care Home Contract (nursing £667 a week - residential £574 a week) which is negotiated annually between Scottish Care, all 32 Scottish local authorities and the new 32 Integrated Joint Boards (IJB), an arrangement which has to date served everyone fairly well. However, it is increasingly creaking under enormous pressures from all sides. I hope that it does not fall away but if it does then it would likely lead to 32 different negotiations and agreements having to be reached - a very backward step. In April 2016, the new IJB's went live after a shadow year preparing but it is still too early to tell how effective they will be in delivering their main task - the strategic planning of the provision of all health and social care services in Scotland - no small job although the signs to date are sadly not good.

I also have grave concerns about the new Apprenticeship Levy that came in this April. Although it is being raised as a UK wide payroll tax of 0.5% of total payroll costs above £3m pa, how companies can clawback their payments made towards qualifying training programmes is fully devolved and we have yet to find out what the Scottish Government intend to do with this money and how we might claim some of it back. Renaissance Care have greatly increased its training budget in recent years but I object to facing a stiff new tax which might force us to actually cut our training budget going forward to meet the cost of paying this new tax!

The continued shortage of nurses is a UK wide problem and the Scottish Government is trying its best to improve things by increasing training places and by sticking with the old system of grants for nurse training as opposed to the recent switch from grants to loans for nurse training in England. Whichever system is used, the fact is that we are simply still not training enough nurses. The situation is further worsened by too many nurses leaving the profession completely, either retiring early or simply leaving and doing something completely different.

The Scottish Care Inspectorate apply strict qualified and unqualified staffing ratios through 'agreed' staffing notices to all care homes in Scotland. They are however slowly agreeing to the use of SVQ3 and above qualified senior carers instead of nurses in some cases subject to negotiation and certain conditions and on the quality grades of the care homes concerned.

I am very supportive of the Scottish Care Inspectorate (SCI) and their understandable desire and drive to improve standards of care in care homes. Current areas of special interest with the SCI include lighting, ventilation, dementia care, sluice machines and laundry room layouts. However, regional variations and inconsistencies still exist. It recently took Renaissance Care nine months after our cheque was cashed for a home transfer to be completed from one of our wholly owned subsidiaries to another!

Staff vacancy banners outside homes, nice colour home brochures and home adverts in local community magazines still have their place and value. However, care homes need to become wireless and make full use of social media to promote all their activities. There are also some really exciting 'new tech' ideas emerging like 'storiicare' (I have just invested in this business and become a Director) and 'care sourcer' which we are just about to trial.

I was a firm remainer during the recent EU referendum campaign but as a democrat and an entrepreneur I have accepted the result and am rolling up my sleeves and getting stuck into the task in hand.

Renaissance Care has recently carried out a full staff audit of our nearly 800 staff and we have found that 72.5% of our staff are from the UK, 12.5% from the rest of the current EU and 15% from the rest of the world. We are considering setting up an overseas staff helpline at our HQ to help and assist our existing overseas staff with any worries and concerns that they may have re work residency going forward and to help them with any required paperwork. I am concerned about our future recruitment prospects but I am also hopeful that some improvements will also come along post-Brexit.

Current EU freedom of movement has meant that although bringing nurses over from other EU countries is not too costly, it can be a very short lived experience as very quickly they tend to move away to work for the NHS!

We are working on (under a Tier 2 Home Office Sponsor Licence) bringing over ten/twelve nurses from the Philippines and India later this year at a not insignificant cost. This would be for an initial

work visa period of three years where they would have to work for us and we see the Commonwealth as a good source of nurses for us going forward despite the new Immigration Skills Charge of £1k per person pa that comes in this April. This may also be the way forward too for bringing nurses over from the EU post-Brexit where any nurses brought over under a work visa would have to stay working for the company that brings them over.

Finally, I would also be very keen for the Scottish Government to carry out, as a matter of urgency, an extensive all sector cost of elderly care review covering all NHS, Local Authority, Voluntary and Independent sector provision so as to benchmark current costs and to enable better targeting of scarce taxpayer resources going forward.

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