

# RESIDENTIAL

# FORUM

## FINANCIAL CHALLENGES FACING THE RESIDENTIAL CARE SECTOR

### **Identifying the scale of the challenge**

It cannot be disputed that the financial challenges facing the residential care sector pose a huge threat to standards of care and support.

Residential care is of course not alone in facing financial challenges but it is a service that is absolutely people-centred and it will not be possible to compromise on standards.

At this time of financial constraint it is essential that all those involved in the provision of residential care decide what we want the service to do.

Residential care homes need to clarify their purpose and what they do best.

The fundamental issue of there being insufficient funds in the social care system must be addressed.

The Residential Forum believes the following questions and issues need to be considered:

- Can we afford not to fund residential care with all that is implicit for an ageing population?
- Is there a fundamental mistrust about how finance is spent?
- Is there a moral dilemma in relation to honesty of what can be provided in relation to expectation?
- Who is the customer - is it the commissioner or the resident?
- Can we move realistically towards consumer-led quality?
- Is there meaningful dialogue between providers and commissioners?

- Why does residential care not have the same positive image as, for instance, hospice care when it comes to funding?

The Residential Forum also believes that the following issues need urgent consideration:

- The considerable impact on staff in this time of financial restraint
- Involving the family in maintaining good health and avoiding residential care is insufficiently incentivised
- The true costs of residential care are not recognised
- The financial language used between health and social care is confusing
- The present financial position demands real leadership from government, senior figures in residential care, providers and managers of homes
- There is a real danger of the service moving in the direction that would mean the better off could gain better quality care and the poorer of the population would receive a lower standard of care

### **The need for leadership**

There are no easy answers. Whilst it is often thought that only care services for older people will be significantly affected by the financial challenges to be faced there will, of course be far reaching effects for social care services for children and younger adults.

The Residential Forum offers some comments on issues that should be considered by all those who have a responsibility for the service,

- In the current financial crisis words are being used in the residential sector with which that sector is not always familiar and we need to ensure a better understanding of the language used particularly in respect of value for money, investment and competition
- There needs to be stronger financial planning in the residential care sector
- The true costs of residential care must be established
- There is a strong case for the teaching of social care economics particularly for front line managers
- The public must be helped to understand the real costs of residential care so it can be enabled to make decisions about how its taxes should be spent
- There should be more stringent financial tests undertaken by regulators to ensure the financial viability of providers by inspectors qualified to undertake such tests
- Further consideration should be given to Social Care Banks, credit unions and Social impact bonds
- There needs to be an examination of the public's attitude to profit in residential care

- There is a need to demonstrate that good quality care can alleviate funding in other areas
- There needs to be greater applied research to underpin financial arguments
- The residential care sector should consider developing a mechanism to provide information, intelligence and evidence about how the service should be utilised to inform Health and Wellbeing Boards
- The financial crisis is an opportunity for a pilot scheme in a local authority (s) using a different and more transparent approach to the residential care market
- We need a better understanding of how other countries' are dealing with the financial issues alongside maintaining good practice in social care and particularly examine the experiences in Canada and Australia in respect of licensing and in Wales in respect of mandatory qualifications for managers in residential services.
- The Government should be asked to take a stronger lead on collating data to underpin financial policy in respect of residential care
- There is an opportunity for an examination of some of the non- financial issues in residential care practice that might improve the service, make a real difference and lead eventually to increased investment
- The sector needs to offer information to the Government and regulators more stringently about where it identifies a duplication of effort
- An urgent examination of how to simplify commissioning arrangements needs to be undertaken which takes into account personalisation and quality outcomes in ways that are 'people' driven
- There is an opportunity to work with commissioning groups on the basis of ordinary life values
- The public need to have the opportunity to gain independent professional advice about best quality and value for money in residential care
- Public awareness of residential care is growing and we need to reiterate that residential care is still a positive choice
- We need to get a greater involvement of the public on the question of how it wants its money spent and what part of it on social and residential care
- Staffing of residential care homes will always be the greatest cost and we need to ensure that staff skills are best used and that staff are able to recognise their value
- There is an opportunity in the current employment context to introduce new people to the workforce via apprenticeships and volunteering
- The use of a petition on the 10 Downing Street website would be a useful way of opening up the residential care/finance debate.

## **Leading debate on the purpose of residential care services**

The residential sector needs to lead a debate on how we define residential care alongside other social care provision to determine a strategy for the future. The residential sector needs to lead the approach to best value care. The sector needs to take far more responsibility for how it portrays itself. We know the message we want to give but must improve our ability to do so. If we are confident about the benefits of residential care we have no need to argue in isolation and we should work with other sectors to promote the best value, improve quality and standards.

Justifying investment in our service can be attractive to policy makers and advisors when it provides value for money and saves money in other areas but the residential care sector needs to show that it is not afraid of financial scrutiny which seeks to better target resources. The Residential Forum acknowledges that a higher price does not always mean better quality.

## **Redefining the purpose of residential care services**

We need to show, with examples, residential care homes that have been creative with resources and use those examples as a basis for costing models. Showing what residential care services do best given a clear purpose and appropriate funding.

As ever in times of crisis there is an opportunity to gain a properly organised overall social care system of which residential care is a major part. The Residential Forum believes that we must get over the message loud and clear that for some people residential care is the most appropriate option and within that resource positive choices are essential. For others residential care may be part of a spectrum of care and support. The use of residential care services comes as a community resource is much understated.

The residential care sector cannot expect to be immune to the economic context but there is, however, a line under which we must not go. Standards of care for vulnerable people must be maintained and, in some cases, improved. The Residential Forum will seek, alongside those in the sector, to engage with people not directly involved in residential care sector to gain their views. The Residential Forum is committed to working, within its resources, to enable the debate and promoting positive, good value and creative residential care provision.

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