



**Full report of the  
KEB Health and Social Care Business Trends  
and Opportunities Consultation**

**Held on Monday 19<sup>th</sup> September 2011**

**2pm – 6pm**

**at**

**East Malling Conference Centre**

**Kent Economic Board hosted this event in partnership with KCC**



[www.kent.gov.uk/business.aspx](http://www.kent.gov.uk/business.aspx)

## **KEB Health and Social Care Business Trends and Opportunities Consultation – 19<sup>th</sup> September 2011**

### **Executive summary.**

95 delegates attended a 4 hours consultation where they listened to 6 speakers:

- Paul Carter positioned this event as one in the series of sector meeting currently undertaken by KCC as a result of their framework for regeneration 'Unlocking Kent's Potential'.
- Graham Gibbens, stressed the keenness that Kent has always had in embracing and developing new technologies especially in this field.
- Tom Noon, gave an update on statistics explaining that there would be 2.6 million extra users of health and care provision within the next 16 years.
- Colin Tomson, described the changes resulting from the recent government White Paper on NHS reform, which would lead to fragmenting of the sector and many more small providers.
- Cedric Frederick, focused on Avante Partnership, they recognised that the staff were there key strength. He saw that the barriers to growth as; capital funding; and difficulties attracting new staff.
- Kevin Lynes, examined the emerging area of personalized budgets, and how KCC would need to change to deal with this fragmenting market.

The Q&A session dealt with low pay and high staff turnover issues; lack of guaranteed income in domiciliary care; and difficulties in employing 16-18 year olds.

#### Key Recommendations.

- Encourage more investment in telehealth and telecare technologies.
- Identify and develop new delivery models to take full advantage of personalized budgets.
- Seek out capital funding to improve and develop existing environments to meet the demands of increasing numbers.
- Develop a strategy to improve the image of the sector and its skills base.
- Resolve the issues surrounding employing 16-18 year olds.
- Develop a system to monitor quality of agency workers.
- Ensure KCC procurement changes are widely understood by the care community.
- Promote the 'Kent Card' and develop its capabilities.

Feedback forms highlighted these issues (in order of importance):

1. Coping with rising demand.
2. Encouraging innovation and creativity.
3. Availability of skilled staff.
4. Worries over reductions in public spending.
5. Need to understand and take advantage of procurement opportunities.
6. Burden of regulation.

### **Event Report**

The Kent Economic Board (KEB) hosted this event at East Malling Conference Centre, in partnership with Kent County Council.

More than 95 delegates attended, 80% of whom were from health and care related businesses.

The Speakers were Paul Carter, Leader of Kent County Council; Graham Gibbens, KCC Cabinet Member for Adult Social Care and Public Health; Tom Noon, Chairman of Cordis Bright; Colin Tomson, Chairman of NHS Kent and Medway; Cedric Frederick, Chief Executive Avante Partnership – with concluding remarks from Kevin Lynes, KCC Cabinet Member for Regeneration and Enterprise.

The conclusions will inform KEB and the KCC Business Growth Programme. (full presentations can be viewed on the KEB website at [www.keb.org.uk](http://www.keb.org.uk) )

## Speakers' Headline Points

### Paul Carter, Leader Kent County Council



Paul began by pointing out that this meeting was one of a number of Sector Conversations that KEB and KCC had held over the past months. He stated that the aim of these consultations was to get a better understanding between the public and private sector to assist and support the growth of businesses.

The health and social care sector employs a considerable number of Kent residents. 'We in the public sector need to know how to support you in the private sector, to facilitate growth and enable you to expand your businesses', he said. Most importantly, Paul asked the conference to focus on future training, skills needs of individuals, and particularly those young people that might be interested in coming into this industry. The rise in unemployment among young people in Kent was a worrying trend, and there appears to be a dependency, particularly in the Health and Social Care industry, of bringing in employees from outside Kent and this country. 'We should be training and skilling our young people to take up these posts,' he continued.

He summed up that KCC was here to listen, learn and help you to expand and grow your business in this difficult and challenging economic climate.

### Graham Gibbens, KCC Cabinet Member for Adult Social Care and Public Health

Graham, in his introductory comments, thanked the Kent Economic Board and its partners for making this event possible. These sector consultations cover a wide diversity of key business sectors and he was grateful that the Adult Health and Social Care market had the opportunity to get involved, and to play an important part in thinking through how KCC can help.



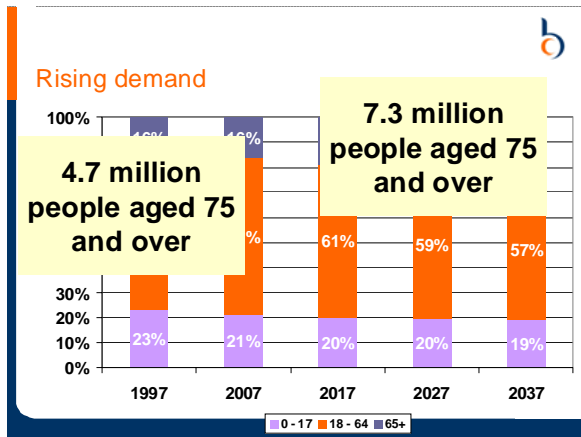
Graham explained he had spent his entire working life assisting small businesses to develop their own activities relating to enterprise. He highlighted:

- The very long-standing relationship that exists between the County Council's Adult Social Care and Public Health teams.
- The focus on change and innovation and how we can make our businesses and activities readily available for all the residents of Kent.
- That Kent had always played a part in new developments; KCC had been at the forefront to act as test-bed for government projects and pilots.

### Tom Noon, chairman of Cordis Bright, a Health and Social Care consultancy

Tom spoke about the big picture within the Health and Social Care market, highlighting the opportunities for business development, indicating the barriers to entry, and ending with his top tips for businesses and how to share good ideas.

He began by explaining that the Social Care market needed to respond to rising demand driven by greater life expectancy. He coupled with this with the fact that the working population is also shrinking. Traditionally people start using care services from the age of 75. With increasing use of technology this age is rising, but the demands on the services are becoming more acute. He explained that within the next 16 years there would be 2.6 m extra customers. The response from government is to give individuals control over their resources through personalisation and individualisation of budgets. According to current research 339,000 people have Personal Budgets, with around 111,000 taking these as direct payment, and this number is due to rise, which in future will change the dynamics of the market.



Tom went on to describe the use of new technology, which could be seen as a methodology to reduce costs and meet some of these demands. ‘Telecare, CCTV, sensors and rapid responses to deliver human input can cut costs, but are these what the market wants or needs?’ he asked.

Tom pointed out that this is an industry of small businesses, with a highly fragmented market. With customers holding their own budgets, more care will be required to demonstrate value for money, whilst maintaining a focus on customer care and a strong service ethos. Providers who can offer multiple areas of assistance as well as care and support will have an opportunity to grow, as we maintain more people living independently in their own homes.

He described the main barriers to growth as a weak and under-skilled workforce, with too much dependence on immigration. He also highlighted the lack of investment in modern facilities.



He ended with his top tips:

- Do your homework
- Be competitive on price
- Offer a full range of support
- Don't waste time on 'partnerships' unless there is a clear commercial need
- Social care is a matter of life and death – always remember this.

## Colin Tomson, chairman of NHS Kent and Medway

Colin began by explaining the changes that PCTs were currently facing: 3 have been clustered together in Kent and Medway, and in total they commission £2.3bn in healthcare. This equated to approx £1600 per person, per year. By April 2013, subject to legislation, this will be replaced by a series of clinical commissioning groups (spending £1.7bn). Additionally in Kent there will be a Health and Wellbeing board, run and serviced by KCC. Its job will be to ensure local plans address health needs and they will have £300 M to distribute. The balance of funds will be distributed by a new national board, called the National Commissioning Board.



This process will be quite disruptive as it unfolds because it will take time for these new systems to mature and become effective. However, demand will be increasing over time as the population gets older, but budgets are set to stabilise or decrease, which will be difficult for new services to manage.

**Social care market**

- One last point on the market
- Highly fragmented market.
  - Top 10 largest providers of residential/nursing care market control 23% of total beds.
  - Top 50 largest providers control 34%
  - Top 80 largest providers control 38%

Colin then used dementia as an example to indicate how the new system might work. There are over ½ million dementia sufferers in the UK today, with costs rising to over £50bn in treatment for these patients over the next 30 years. Currently default care is provided by hospitals; this is expensive and in many cases inappropriate with the average stays 3 times longer than might be clinically necessary. There are opportunities for community provision to step up and take on some of this provision. Also the use of new technology in the home, such as alarms and memory prompts would help, as would better housing if designed as safe and adaptable. Here in Kent and Medway he explained we have had experience in the telehealth / telecare pilot and with personal healthcare budgets. The full evaluation of these pilots will not be available until November 2012.

## Cedric Frederick, Chief Executive Avante Partnership

Avante Partnership is a registered charity based in Faversham that works right across Kent. They deliver a full range of services for older people and children and families. Avante operate through 3 distinct brands which service some 1400 people in 15 care homes, and additionally 1100 people receive support in the community. Cedric explained they had a mixture of 1300 full and part time staff, who were offered continued support through career and personal development training. Avante are committed to support people to remain as independent as possible in their own homes for as long as possible.



Cedric explained the major challenges he perceived as they navigated through the proposed changes of the next few years: public funding cuts increasing the pressure on services; new and different demands and expectations from service users as personalised budgets become more common; increased and growing competition as the market fragments, and difficulties in recruiting and retaining the 'right' staff. In the future he identified and described 14 strategic challenges, which would enable the elderly to differentiate between the providers. As an organisation he believed Avante's key strength would lie in the quality of the staff that they employed, and the quality of the care home environment, which was under constant modernisation, delivering homes fit for the future. As the needs of service users were becoming more and more complex, it was essential to meet these needs through high quality provision.

Summing up, Cedric highlighted what he saw as the barriers to growth:

- Appointing staff with the necessary qualities.
- Continuing to access long term capital funding.
- Responding to changes in the market.
- Finding efficiencies whilst maintaining quality.

His enablers for growth would be:

- Improving the image of social care as a profession/career to enable access to a skilled and committed workforce.
- More certainty about 'who pays' for long term care
- A 'hypothecated tax' to pay for long term social care.
- Lower VAT on care home construction costs thus enabling more developments.

## The Future?



## Q and A session with speakers

Q. This is generally a low pay low skills environment, with high staff turnover. How can it be motivated to professionalise?

Answers. The challenge of professionalization is that it usually comes with a price tag of increased staff costs. The NHS was built on a model of a low wage economy; to change this quickly would be difficult. Early evidence seems

to suggest that the end user - the consumer, is more concerned over human qualities, rather than qualifications. The staff are the greatest asset of any business, and showing that they are valued is important if you are to retain them and reduce staff turnover. KCC is trying to raise the profile of this sector as an important career choice. By consulting with the young people, and asking them how we should be making this a career choice that is more attractive might lead to a greater take up of local people for these jobs.

Q. Do you think that one of the disincentives for mature staff in the social care sector is that there is no guaranteed income? In a care home or hospital setting you have assigned shifts, and known pay rewards, however, in the community care setting this is not so. With the new funding propositions, might there be more staff in this situation?

*Answers.* It is in the nature of how domiciliary care is managed and commissioned, a judgement must be made about whether there is enough work to ensure staff are fully employed. Travel to work is another factor, all staff would like to have their rounds close to where they live. The financial risk is too high to have salaried staff, and to hope the work would be there for them.

In the future employees will be able to move more freely to where work is offered.

One solution has been to look at how staff in domiciliary care and those working in care homes can move between these 2 environments, to maintain their hours so as to address this issue.

Q. As an employer we would like to take on 16 and 17 year olds who are keen to work in this industry, however, we are unable to get insurance cover. What can be done to help us?

*Answers.* The functions of these events is to identify blockages and the issue of employing of 16-18 year olds has arisen as a key issue and one that will be looking into locally and with government as a result of this meeting.

## Table Discussions



### 1. How can business support be targeted to encourage business growth to service this market?

- Care Quality Commissions (CQC) are responsible for the accreditation and appointment of care home managers. It was generally felt that there was some inconsistency in this policy across the county – and that some consistent guidance was required over certification.

*Note:*

*With regard to CQC veto for care managers – the standard qualification for a residential care manager used to be NVQ level 4 certification. This is now level 5 under the QCF – but the old Level 4 still counts, people don't have to redo the qualification. CQC doesn't specify the actual qualification of a registered person – 'has the qualifications skills and experience which are necessary for the work to be performed' is the wording.*

- A number of those attending would be interested in sharing their good practice (had received excellent rating from CQC), and would like a forum where this could be facilitated.
- This point was also repeated asking how we could use existing networks more effectively to raise awareness of changes as they developed and to engage even more with the small providers who make up the majority of provision.
- There was a general acceptance that the access afforded by this meeting to a wide range of new contacts and decision makers was of great assistance and that this form of sharing knowledge should be done more frequently.

- A number of delegates in their feedback called for the development of some sort of mentoring programme, maybe through the Kent Care Homes Association. This would enable existing networks to become more effective.
- Some delegates were concerned about succession planning in their organisations and how training could be afforded to meet the demand that these new changes they had heard about today would be bringing into the sector.
- It was felt that there was a real need to identify where current provision is already available, and whether this matches with demographic trends at a more granular level than county. This might give a wider understanding of the particular challenges of delivering home-based services in rural areas.
- It there a proper understanding of the current priorities which will save money – the example given was: reablement services and emergency support, which supports carers to prevent readmission to hospital.
- Delegates queried the use of agency workers, asking how the quantity and quality could be maintained and guaranteed.
- There was concern around the need for a single directory of care, which would be able to raise the awareness of all services available, as personalised budgets become more widely available. One delegate described this as, 'The one life directory for all'.
- Delegates were concerned that they didn't understand the role of the KCC Kent Card, and as new changes are planned they would like to be consulted.

## **2. What are the commercial opportunities that will be presented by the new Personal Healthcare Budgets and integrated health and social care personal budget?**

- There was general agreement that the point made by the speakers about the potential to develop a wider package covering need, – (e.g. gardening) this was something that providers of domiciliary care should be considering if they are to compete in a more challenging market.
- It was felt that there could be a need for more brokerage services that would remove the responsibility of being an employer from the person in receipt of direct payments. These are proving difficult to sustain at the moment, but as direct payments increase there will be more demand.
- Businesses that support the growth of telecare and assistive technologies.
- The adding of extras to existing base care packages (see above) to enable small providers to differentiate themselves from competitors, was seen as helpful. For example, changing a light bulb, basic maintenance and help with using sub-contractors.
- Market for 'scaleable' interventions from help with housework and shopping through to intensive service within the same company – as needs increase people want to stay with a company they know and trust.
- Again the question was raised here regarding how the development of the Kent Card was moving. Delegates felt that there is a need to understand where this is going, and how (small) business can engage.

## **3. How can the market respond to the rising demand for services and choice, and where do businesses' growth opportunities lie? (for example)**

- **For new financial products,**
- **Commercial property developments,**
- **Shared public and private funded care packages ,**

### **and how can businesses in Kent better respond to this dynamic market?**

- With the development of personalised budgets delegates felt there would be a divergence of the offers available (depending on your affluence).
- There was general consensus around the issue of getting insurance for 16 - 18 year olds. Solving this would help with apprenticeship numbers and naturally introduce younger people into this sector. There was a strong feeling that KCC and this group should be lobbying to make changes.

- Many discussed whether the existing model of mainly small residential businesses could be revised to include more 'retirement villages' and 'managed living' (Similar to the USA model of retirement villages).
- Delegates felt that help with financial planning for downsizing, (Equity Release) would be something more people would need as the cost of care rises.
- There was a strong feeling that a smooth procedure for transition on hospital discharge was necessary. It was suggested that it might be advantageous to use carers, plus technology like telecare / telehealth on discharge to help clients back to independence.

#### **4. How can businesses in Kent exploit the commercial opportunities associated with Telecare and telehealth?**

- Delegates were encouraged by the potential for many new careers as technology moved through to more uptake in telehealth and telecare (career in a monitoring role).
- There was agreement that a growth in the market would come as more providers were supplying "on-call" services (beyond their existing customers). This growth would come as providers become the responders to lifeline calls from telehealth, rather than 3<sup>rd</sup> parties.
- It was felt that in Kent there should be recognition of the strength of experience the county had achieved though piloting Telecare + Telehealth services. These have proved very beneficial in retirement, and do seem to promote longer independency.
- Kent is already in a better position than some with utilization and understanding of telecare potential. However, businesses may need help in how to choose systems – not a recommendation of a particular company, but a guide to what's best in telecare solutions and how to choose something fit-for-purpose.
- There is a need for more networking opportunities for the new developing companies in this field.
- Delegates were keen to see how they could take full advantage of the research & development opportunities as new integrated care technology develops – Facetime, Ipad, Apps etc.
- There was also a recognition that anything that keeps people at home may also lead to isolation – and thought was needed as to how we can manage this. (An examples was given of Paul Twivy, in his publication 'One square mile'. <http://www.yoursquaremile.co.uk/> . This is a web site that links services together; it does not yet have a role within this sector but could easily be developed to address this potential question of isolation.)

#### **5. What form of alliance or joint ventures could the sector pursue with development and diversification in mind?**

- There was a suggestion that companies might develop sub-contracting agencies (similar to vets) – offering out of hours service.
- Delegates suggested developing networks of established care providers to supporting new providers as they entered the market
- It was felt that care providers already are working closely to avoid people being hospitalised unnecessarily. But that more training is required to upskill care-workers to take on this role as numbers are increasing.
- Delegates were confused as to whether there was an opportunity to make Telecare / telehealth available on Kent card.
- A real need for better research and development of commercial products – links between universities, social care providers and regeneration-type activities. Also much better links between acute care and social care – that could lead to shared training and development.
- Questions were raised as to whether there was a role for the Big Society to help form new alliances amongst providers and what KCC's role in this process would be.
- When consumers have the money through personalised budgets – delegates were concerned about who would be advising them. Where would the independent advice and guidance come from? Who will be 'holding the sky' for independent guidance? There is no funding to monitor quality.

## Summing Up

### Kevin Lynes, KCC Cabinet Member for Regeneration and Enterprise

Kevin began by thanking all the panel and presenters for their hard work in preparation for their presentations and their thoughtful comments in the following Q and A session.

He went on to examine how in the new era of personalised budgets and the implicit cost of increasing choice as the market fragments, we in KCC would be dealing with an increasing number of suppliers who provide excellent service, but at greater cost. We will have to manage without the economy of scale a few large providers would afford us. 'Individualised budgets will mean that users will demand more sophisticated products, and the sector needs to recognise this in the new provision it designs in years to come,' he said.



Kevin summed up by explaining that KCC is currently looking at its charging structures and has undertaken a consultation with users prior to any decisions. From the comments received so far it is clear that we should not lose sight of maintaining a service full of compassion, as ultimately we are designing a service that we will all need at some point.

## Conclusions / Action Points

### Investment.

- Encourage new investment in innovative Telehealth and telecare products.
- HE/FE institutions should be encouraged to take up the R&D challenge to develop new products enabling the elderly to stay at home longer.
- Businesses will need help to develop new products as this market expands through the introduction of personalised budgets.
- Investment will be required to develop better Information, Advice and Guidance for elderly clients as the increased introduction of personalised budgets lead to greater choice.
- Capital funding will be required to maintain and uplift existing care home environments to meet the higher expectations of future users.
- New models of elderly care, like retirement villages, maybe required to meet the aspirational choices that personalised budgets will bring.

### Communications.

- Promote an improvement of the image that the profession has as a career to attract suitably highly qualified staff.
- Develop an active networking 'action forum' to share best practice, as new policy emerges.
- Promote apprenticeships as an appropriate entry into this sector and thus increase its take up.
- Working with young people develop promotional materials that make this a career of choice.

### Skills and Training.

- Resolve the insurance issues that can preclude 16-18 year olds being employed in the health and social care sector.
- Ensure that the new progressive qualifications structure is widely disseminated.
- Ensure that the industry is aware of current Workforce Development Funding.  
[www.sekgroup.org.uk/social-care/workforce-development-fund](http://www.sekgroup.org.uk/social-care/workforce-development-fund)

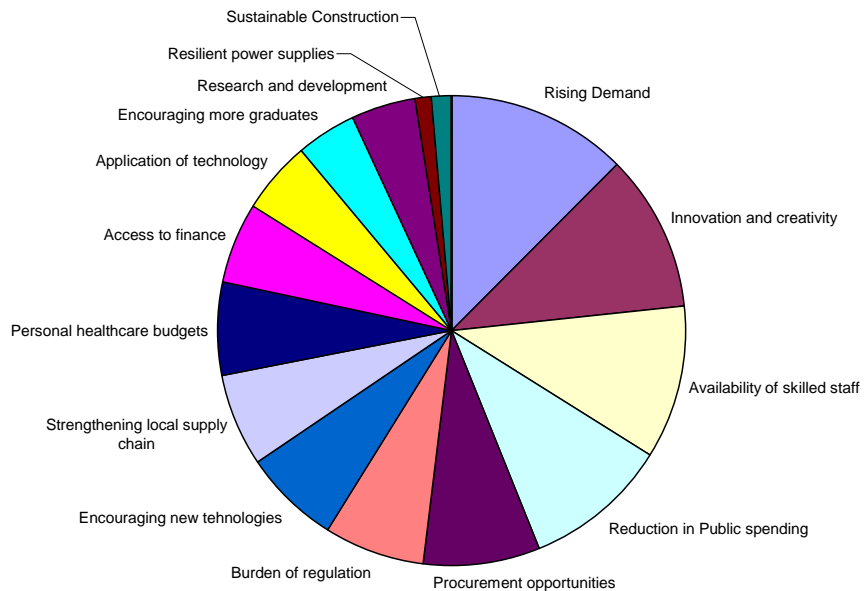
- Up skill care staff from the nursing home environments to alleviate delays in hospital discharge.
- Develop a system to monitor the quality of agency workers.
- As new technologies are integrated in this sector ensure the qualification structure remains relevant.
- Key issues with apprenticeship skills (especially getting employers on board – there are a lot of myths about this in the social care sector) and workplace ready skills which are equally very important.
- It would be a real success if social care was promoted as a career of choice, not of last resort as it's sometimes portrayed by recruitment agencies (including JCP according to employers).
- Encourage R&D into integrated care technologies.

#### **Public Sector Assets.**

- Ensure that any procurement changes made by KCC are widely known to the wider care community business sector.
- Continue to develop and maintain a clear dialogue between KCC and the private sector as more (smaller) providers enter the market.
- Working with partners generate a forum to share good practice.
- Explain and promote the 'Kent Card'. Continue to develop new and innovative uses as technology allows.
- Promote the development of 'sub contracting agencies' (similar to vets and doctors) that might offer out of hours services for the elderly.

## Summary of key points from the feedback forms

Delegates were asked to choose their six most important priorities from a short list. Below is a pie chart indicating these choices:



Delegates were asked to consider some priorities that Kent Economic Board might consider for future events. Below is a pie chart indicating these choices:

