

These are extracts from April 2015's Cordis Briefing. Full versions of the slides are available for subscribers by emailing lucyasquith@cordisbright.co.uk. Please contact Lucy if you would like to receive further information about subscribing.

Cordis Briefing

April 2015

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Today's Briefing

- Introduction and Election Update
- Health and Social Care: How should we vote?
- Cordis Viewfinder: Part One
- Profiling the Not-for profit sector

BREAK

- Profiling the Registered Care Provider Market
- Cordis Viewfinder: Part Two
- Devolution and Integration
- Cordis Viewfinder: Part Three

Cordis Viewfinder 2015





Cordis Viewfinder

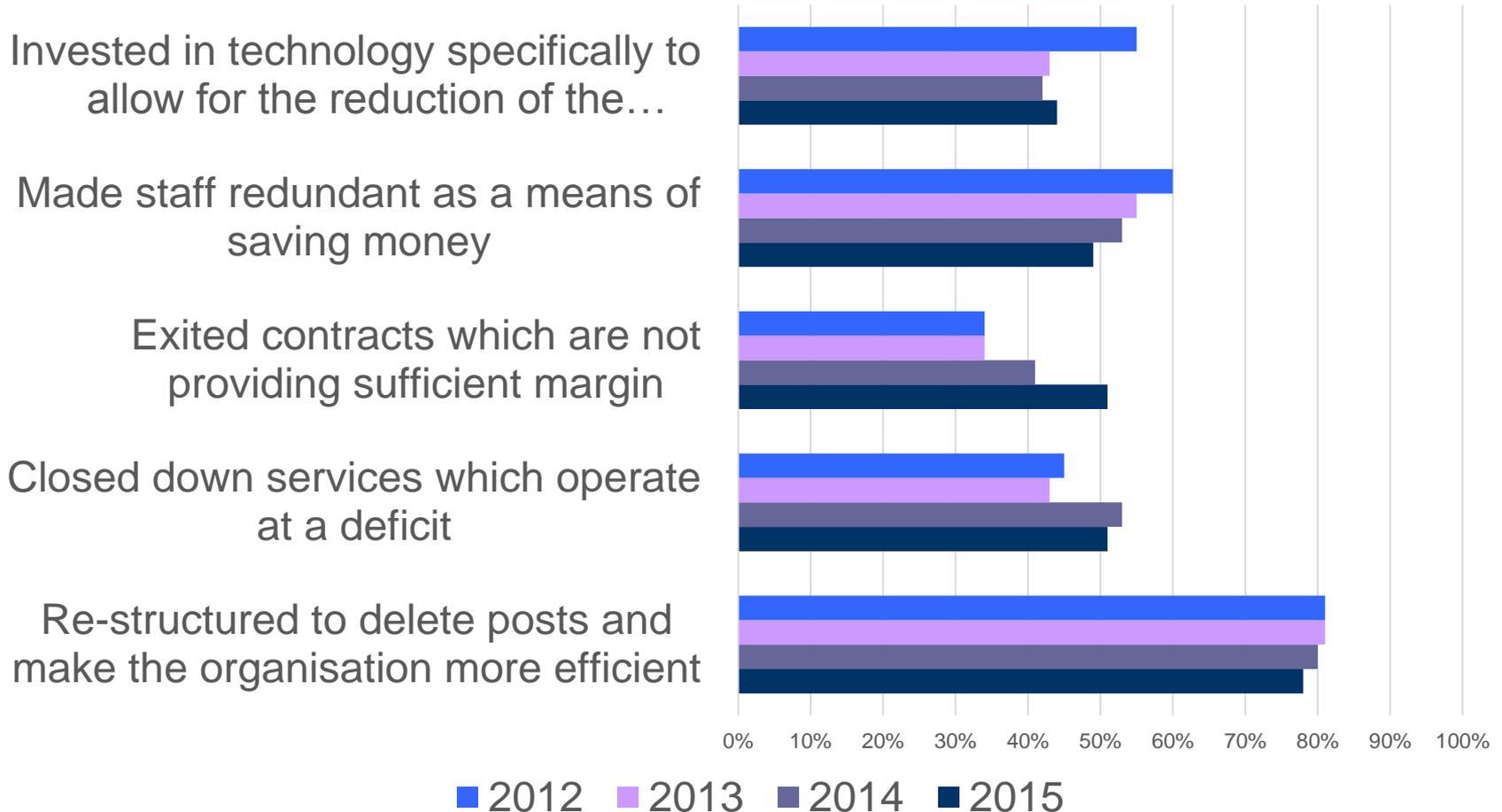
- Been running in its current form since 2008
- Aimed at senior leaders in the sector
- We ask around 120 people to complete it and we get 60% response rate
- Includes providers working with all client groups, all service types
- Provides a high level view of the sector and its trends
- Not going to try and cover everything – been selective but tried to make sure it's a fair picture



Cordis Viewfinder

- This year there have been some noticeable shifts in thinking
- Suspect it is a reflection of coming to terms with a changed and still changing social care and support environment

Managing austerity





Managing austerity

Invested in technology specifically to allow for the reduction of the...

Made staff redundant as a means of saving money

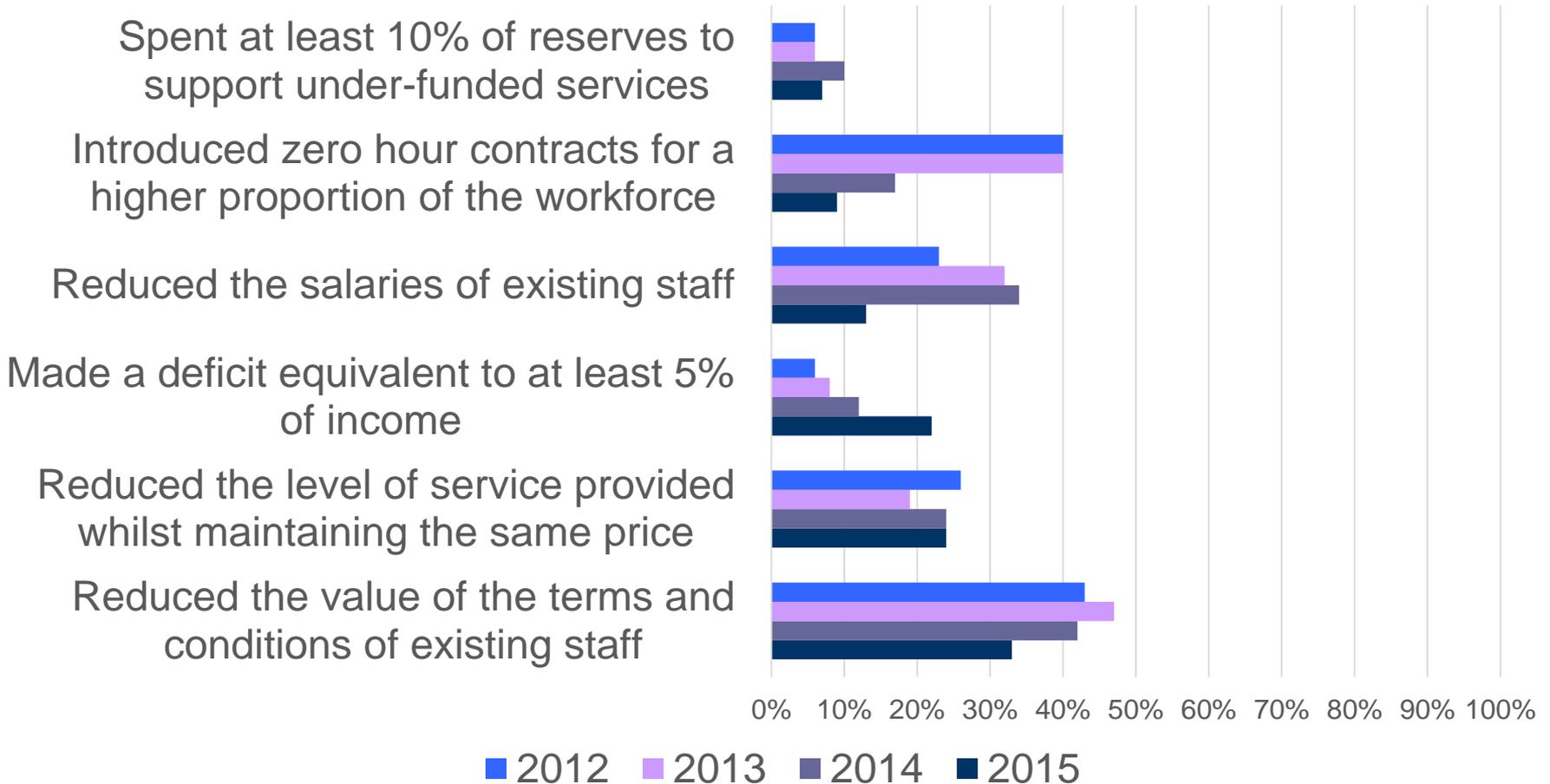
Exited contracts which are not providing sufficient margin

Closed down services which operate at a deficit

Re-structured to delete posts and make the organisation more efficient



Managing austerity





Managing austerity

Spent at least 10% of reserves to support under-funded services

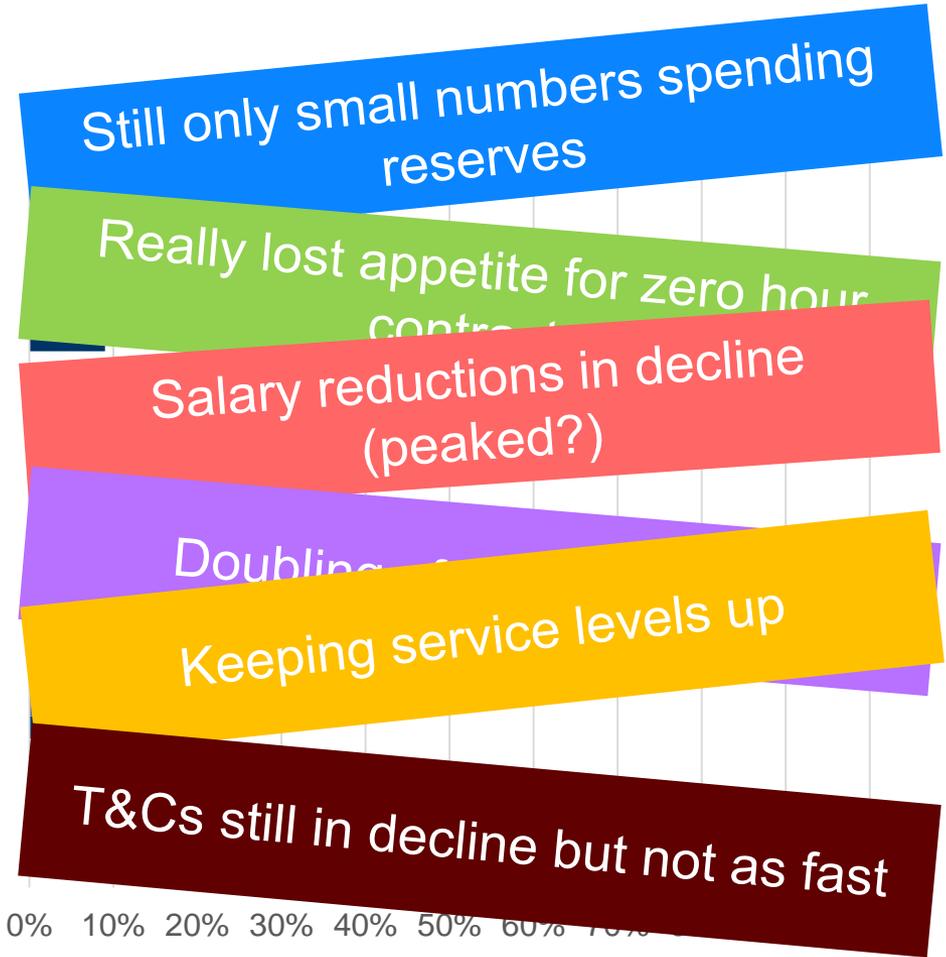
Introduced zero hour contracts for a higher proportion of the workforce

Reduced the salaries of existing staff

Made a deficit equivalent to at least 5% of income

Reduced the level of service provided whilst maintaining the same price

Reduced the value of the terms and conditions of existing staff



■ 2012 ■ 2013 ■ 2014 ■ 2015

Managing austerity

- The growth in planned deficits has to be a worry unless the result is a marked turnaround
- We currently can not see this pattern in a high level view of the market.



Profiling the Registered Care Provider Market

Providers, Brands and Scale

Introduction

- This data is drawn for some analysis we have been undertaking on the CQC Registered Provider market in England, to support the development of Care Act guidance on Provider Failure for the DH
- Here, we use CQC data to look in a bit more detail about what the provider market looks like across England, looking in particular at:
 - The scale of providers
 - Provider Brands
 - Number of providers per Authority
- The data highlight the complexity of the English provider market, with considerable variation in both the scale and number of providers across the country
- We consider how far LAs can shape their local markets and what the implications of the Care Act might be



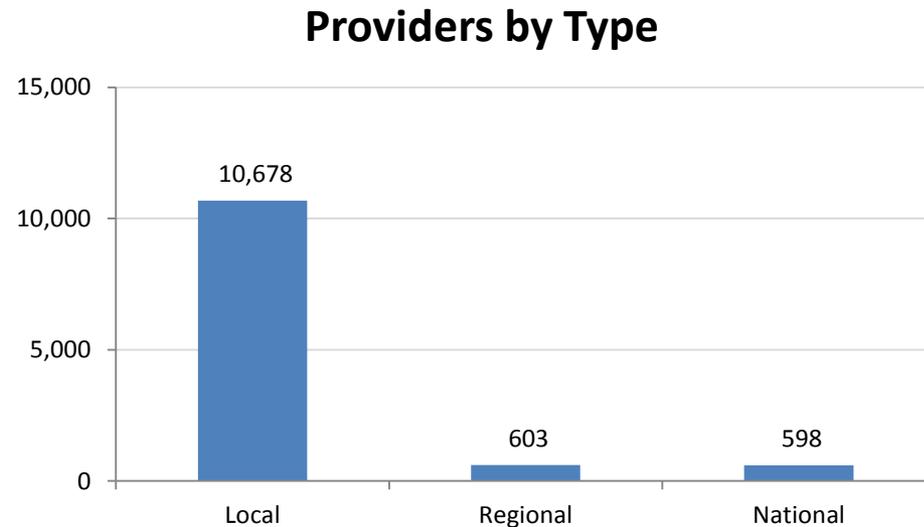
Definitions

- Provider Scope (geographical reach)
 - **Local provider**—a provider operating in a single local authority area
 - **Regional provider**—a provider operating in two more local authority areas in a single region
 - **National provider**—a provider operating across two or more regions.
- Provider Scale (Size)

Provider size	Range in location numbers	Range in bed numbers
Small	1 – 3 Locations (homes)	1 – 60 beds
Medium	4 – 10 Locations	61 – 499 beds
Large	11 Locations or more	500 beds or more

Provider Scope

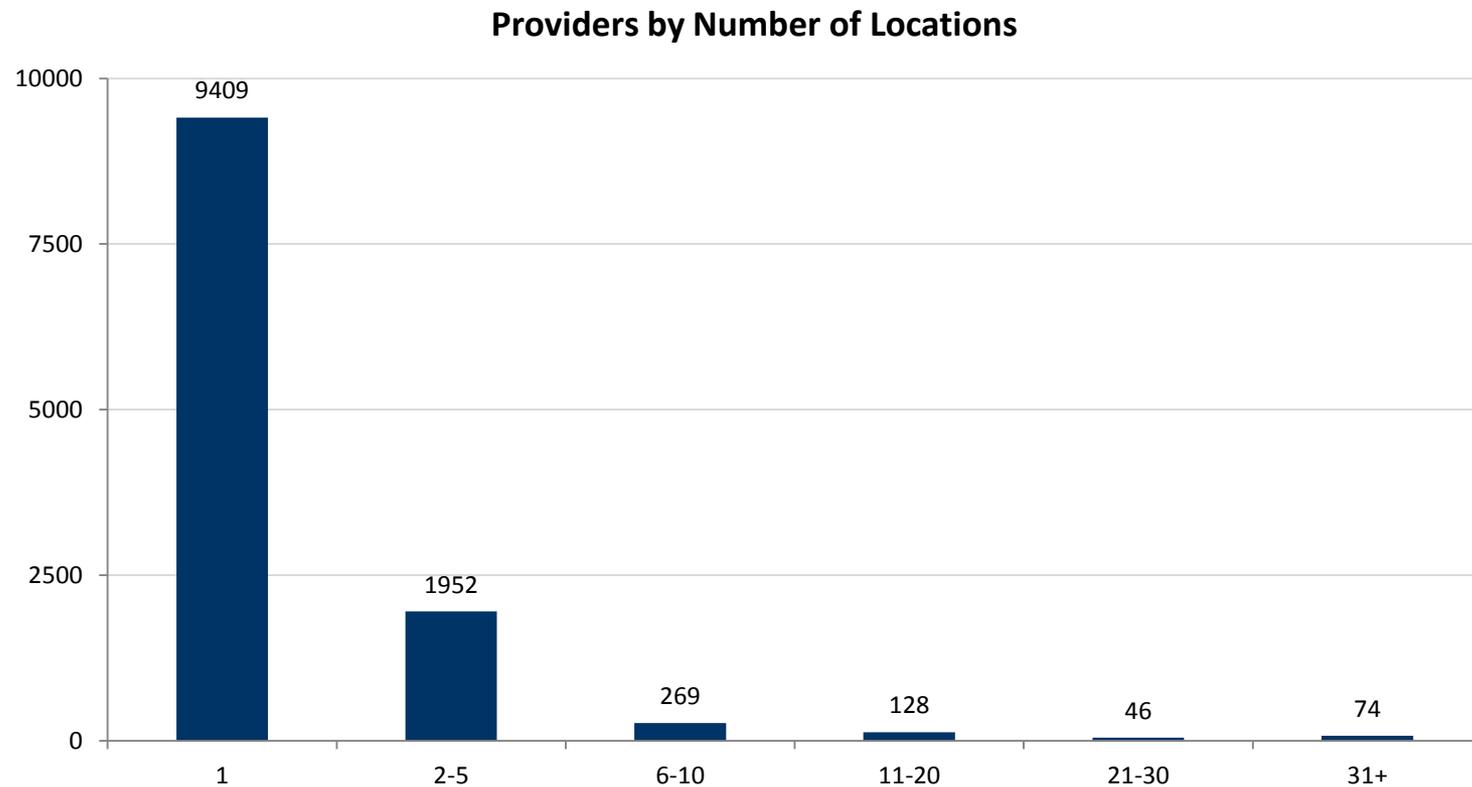
- Provider scope reflects the operating area of providers.
- Most providers are local, and only operate in the local authority they are based in:



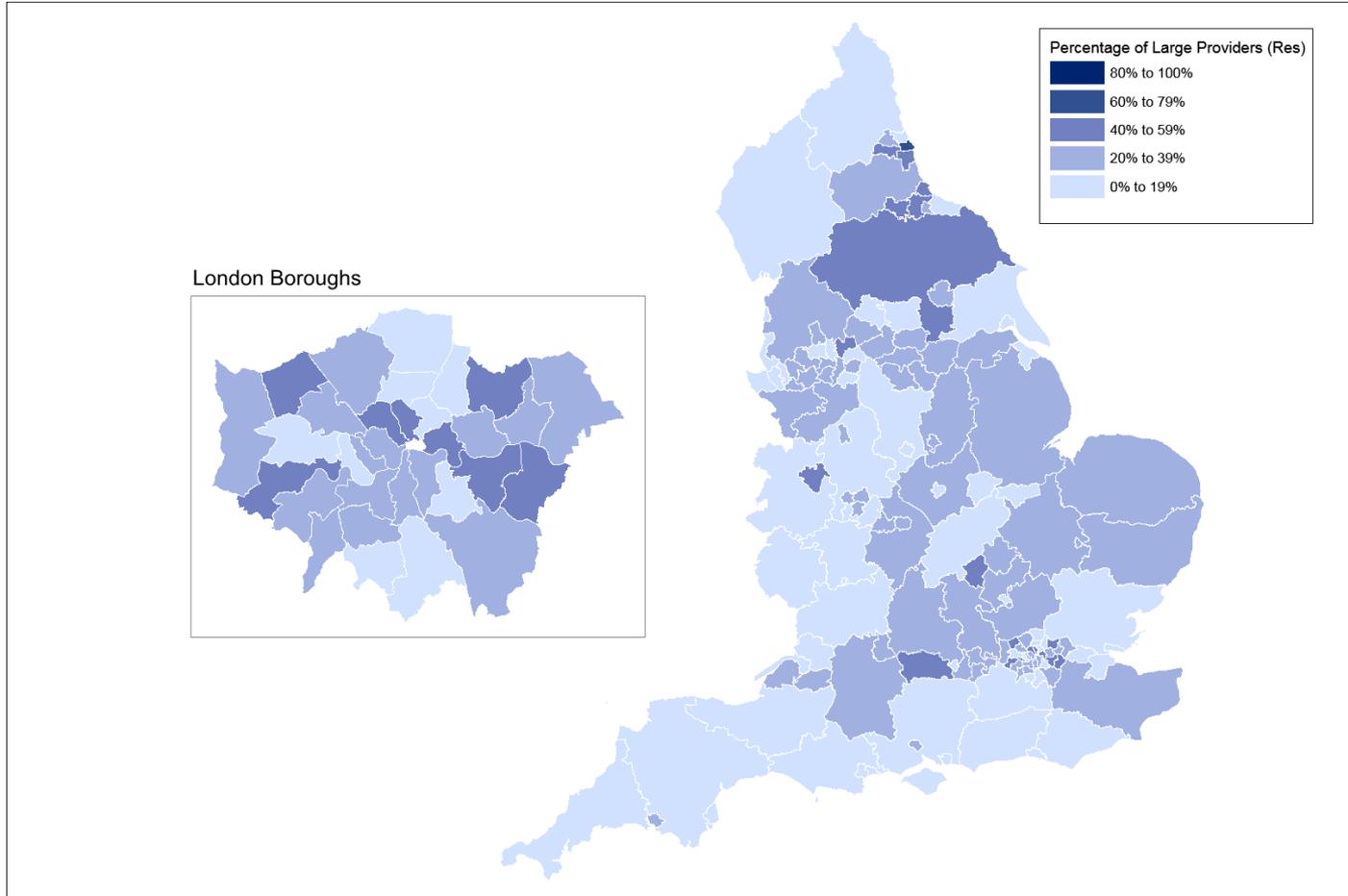


Provider Size

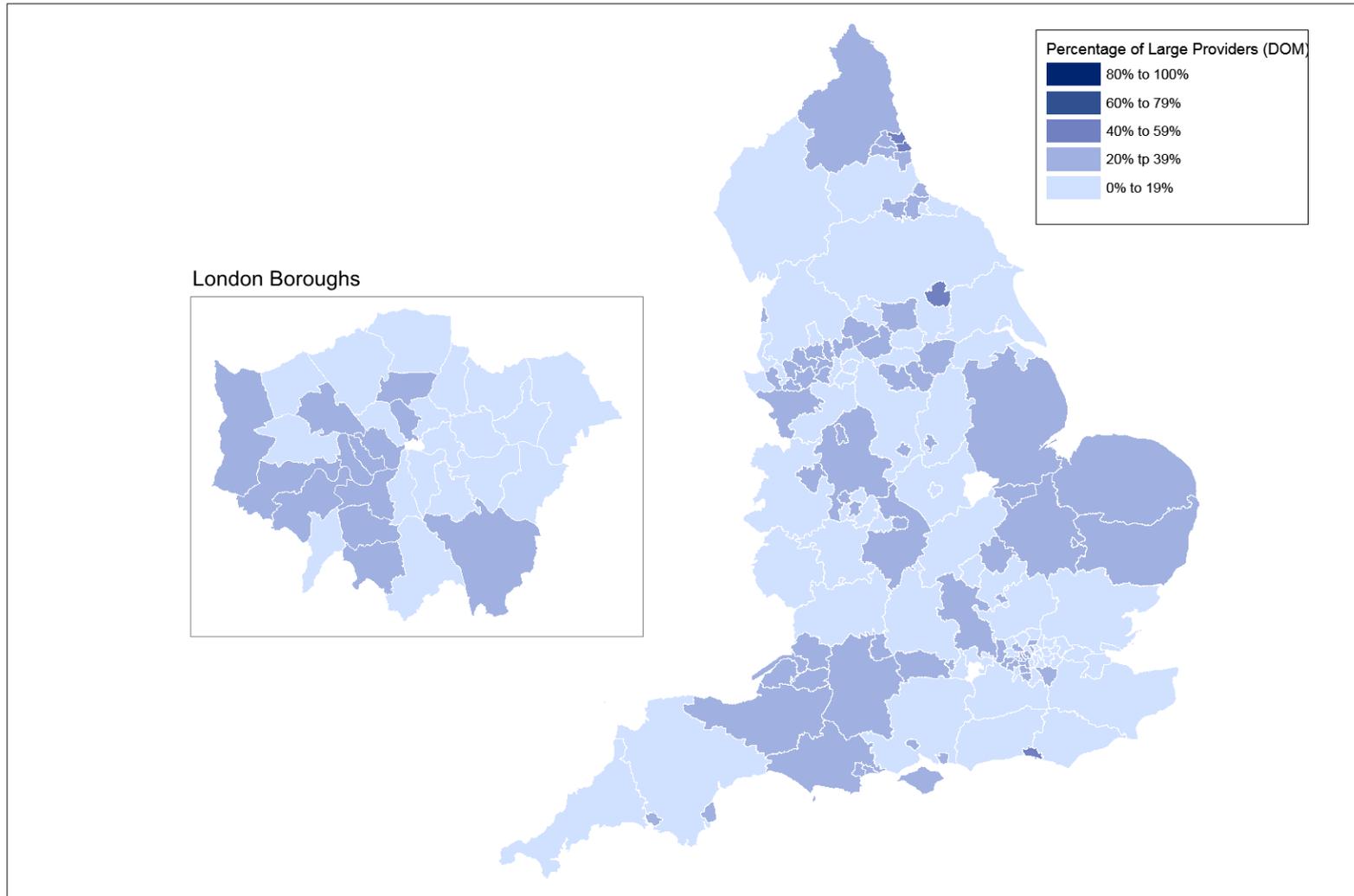
- Most providers are small, with just one location / home:



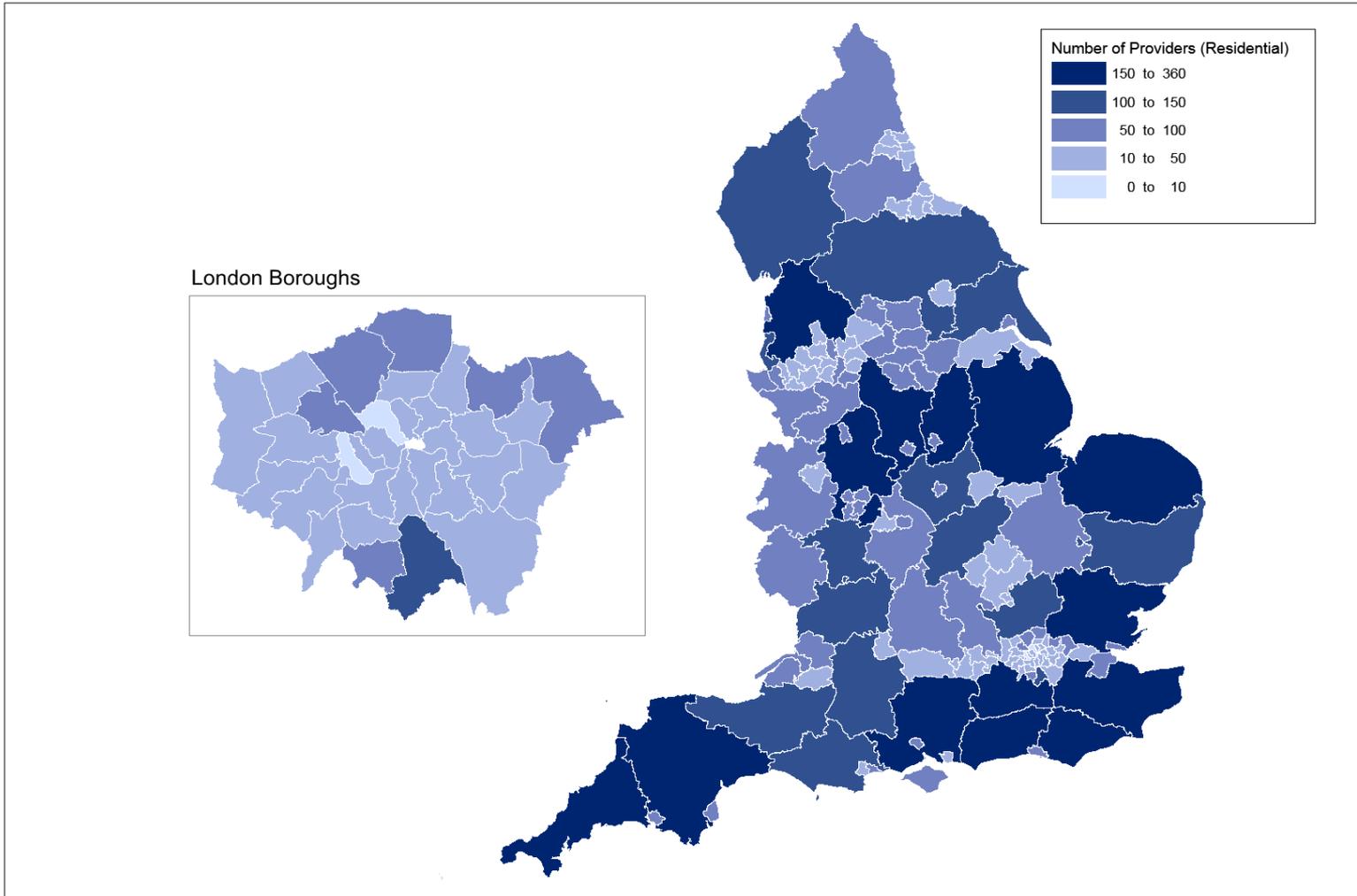
Res Care Market – Large Providers



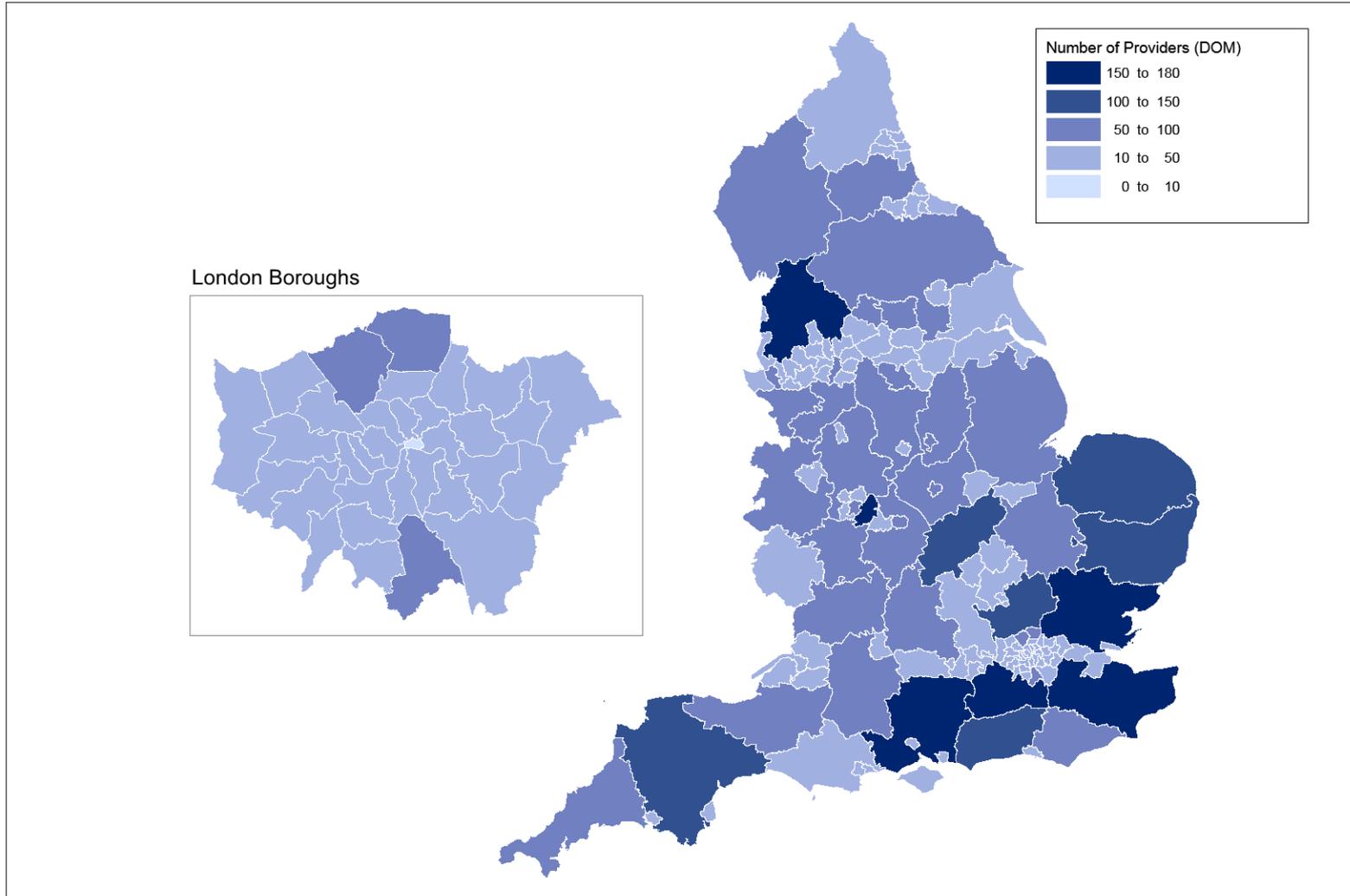
Dom Care Market – Large Providers



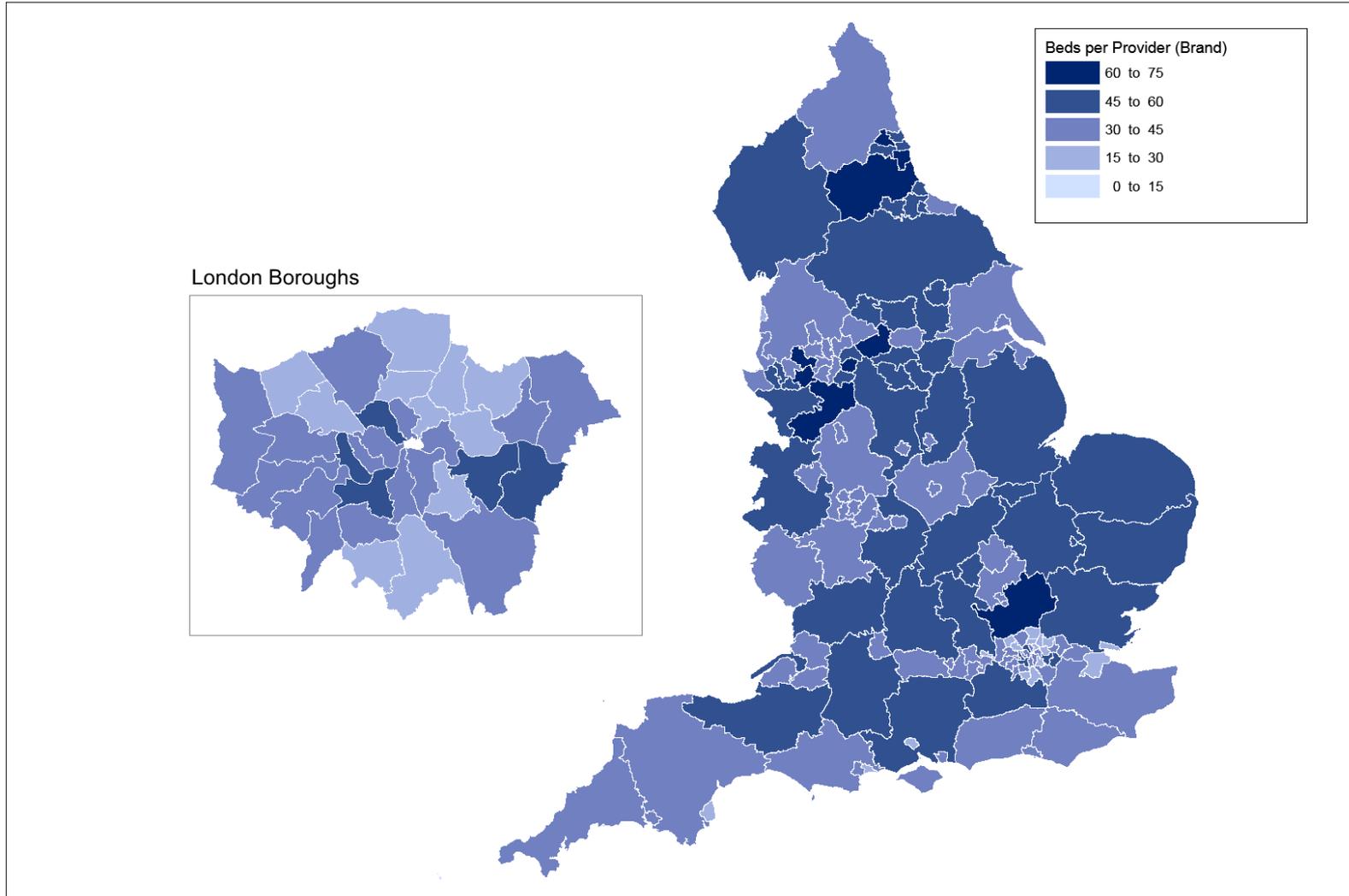
Number of Providers - Residential



Number of Providers - Domiciliary



Beds per Residential Provider



Conclusions

- The provider market is complex and is dominated by small providers
- Many providers do not provide commissioned services, so local authorities do not have intelligence about them
- The Care Act and the implementation of the Care Cap in 2016 is likely to have considerable implications for providers and LAs:
 - The market knowledge of the LAs is likely to increase as users of social care services ensure that their payments go towards their caps
 - The LA may have a greater ability to control markets through setting their local rates for social care services, particularly residential and nursing care
- Where there is no active market management, the natural state for social care appears to be many small providers – there is little evidence of large scale consolidation



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