

Lincolnshire learning disability care home market review 2021-22

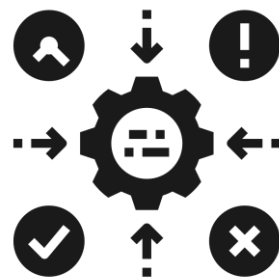
16 November 2021



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Introduction



About

This report details the findings from Care Analytics independent review of the learning disability care home market in Lincolnshire as of the summer 2021. The findings are limited to those we could publish in the public domain without breaching the commercial confidentiality of either the care home providers who supplied data for this review or the council.

Much of the analysis in this report is based on anonymised surveys completed by care home providers. Care Analytics would like to thank all care homes and provider groups who contributed to this review.

The market review was commissioned by Lincolnshire County Council (LCC) as part of its own review of its care home commissioning.

LCC have undertaken similar exercises on a 3-year basis to underpin its commissioning strategy since at least 2008.

The main aims of the market review from a council perspective were:

- To analyse the costs of service delivery in Lincolnshire care homes to inform the weekly fees that will be set by the council.
- To compile an evidence base to inform the development of the council's future commissioning and commercial strategy, including mapping geographical variations in costs, facilities, and services across the county.
- To identify local trends, issues, pressures, and opportunities, including comparisons against national trends.

LCC may use the analysis within this report to create its own cost models to help inform its weekly rates for learning disability care home placements. Care Analytics brief is limited to providing an evidence base to help the council make such decisions.

Whilst the primary aim of this report is to provide an evidence base to support council commissioning, we have tried to make the report as useful as possible for care home providers in Lincolnshire.

Disclaimers

Every effort was taken to ensure the accuracy of the information in this report at the time of writing. However, Care Analytics accepts no responsibility for any errors or omissions contained therein. Care Analytics also accepts no responsibility for actions taken or refrained from by reference to the contents of this and any related documents.

Care Analytics



Cost of care



Fee uplifts



Business cases



Market intelligence

- This project was undertaken by Care Analytics two directors, Jason Hedges and Chris Green, who between them have 30-years of experience working in adult social care and its interfaces.
- We specialise in the financial analysis of care and support services. Underpinning this, we have:
 - ✓ Wide-ranging experience analysing care markets.
 - ✓ In-depth knowledge of the cost of care for all client groups and care settings within adult social care.
 - ✓ Expertise in cost models, financial modelling, and business analysis.
 - ✓ Detailed knowledge of social care policy, regulation, and legislation.
 - ✓ Extensive experience developing business cases in the public, for-profit and voluntary sectors.
- Our customers are councils, CCGs, regional organisations, and care providers.
- More information about our services can be found on our website: <https://careanalytics.co.uk/>

Glossary

LCC	Lincolnshire County Council.
CQC	Care Quality Commission. The CQC is the independent regulator of health and adult social care in England.
FNC	Funded Nursing Care. This is what the NHS pays for the nursing care component of nursing home fees.
Prw	Per resident week (such as food costs of £30 prw or 24.0 care worker hours prw).
Unit cost	The total cost needed to supply one unit of a particular product or service. In this instance, a care home placement per week.
Capital cost	Fixed, one-time expenses incurred on the purchase of land, buildings, construction, and equipment.
'Sunk' capital cost	Capital costs which have already been paid for and for which there is no outstanding finance cost (no loans or mortgage).
Operating profit	Profit but excluding consideration of capital costs (whether funded by loan finance or owner equity).
Percentile	The number below which a certain percentage of values occur. For example, the 10 th percentile of a particular cost means 10% of the sample has lower costs and 90% higher costs.
Median	The middle number of a series ranked high to low. This is a type of average.
Mean	Add up all the numbers and divide by the number of instances. This is usually what people refer to when they talk of average.
Trimmed mean	The mean but ignoring a certain percentage of the highest and lowest values. In this report, unless otherwise stated, the trimmed mean ignores the lowest 10% and highest 10% of costs. This helps ensure outliers and data errors are excluded. It is sometimes necessary to exclude more than 10% of costs to ensure the sample is reflective of standard-rated care.
Independent care home	A provider who operates only one care home. In this report, care homes are grouped based on either brand or provider links in the CQC care directory. This misses many small groups where an owner operates multiple care homes as separate companies.
Provider group	A provider who operates more than one care home.

Evidence used to inform the review

Provider data

- Anonymised provider surveys (discussed on the next page).
- Telephone conversations with four of the largest providers of learning disability care homes in the county.

Public domain data

- Lincolnshire care home CQC inspection reports 2015-2021.
- Wages and terms & conditions from 200+ job advertisements.
- Skills for Care data about Lincolnshire and East Midlands.
- Statutory accounts of main provider groups operating in the county.
- House sales data at the location of each learning disability care home in the county, including 35 properties with the exact address as the care home.
- Provider websites and other online information.
- Various public data sets, such as the CQC care directory, inflation indices, postcode and geospatial data, ASC-FR and other statutory returns.

Council data

- Care home placements data (snapshot as of July 2021).
- FNC data for council-funded placements.
- Resident data based on weekly submissions by care homes to LCC ('Jadu' data).
- Covid-19 funding allocations.
- Semi-structured interviews with leads from each client group, and key staff within LCC's finance and commercial teams.

Care Analytics data

- Care Analytics care home database (which is based on the CQC care directory, but with extensive data cleansing and the addition of analytical fields to extend the range of possible analysis).
- Care Analytics extensive range of evidence about the cost of care.

Survey data quality

Learning disability care home survey responses by national group size (number of care homes in England)

Survey status	<5 homes	5-19 homes	20+ homes	Total homes	<5 homes	5-19 homes	20+ homes	Total Homes
Submitted something	6	17	45	68	50%	85%	75%	74%
Not submitted anything	6	3	15	24	50%	15%	25%	26%
Total care homes in Lincolnshire	12	20	60	92	100%	100%	100%	100%

- The learning disability care home market in Lincolnshire is dominated by medium-to-large provider groups. We were successful in achieving a good level of engagement from these providers, even though most groups in this sector rarely supply data for exercises like this one. In addition to confidentiality concerns, many providers claim that their services cannot be standardised or easily compared to market ‘averages’. This is a view we have sympathy with, in so far as it is difficult to compare cost profiles for (i) large care homes and very small homes, (ii) homes with a shared daytime care rota and homes supplying one-to-one support as standard, and (iii) stand-alone homes versus those with more campus-style arrangements.
- Where we present data in this report, we try to caveat appropriately where results are likely to differ between different ‘types’ of learning disability care home. To give a fuller picture of the market, we also show the distribution of results at various percentiles (minimum, 10th percentile, 25th percentile, median or 50th percentile, 75th percentile, 90th percentile and maximum) in addition to averages.
- Owing to factors like the above, the survey data we have collated is of variable quality depending on the area of analysis. For example, we successfully collated care worker wages and terms and conditions for 72% of the learning disability care homes in the county. By contrast, data in relation to facility standards, staffing levels, and detailed cost breakdowns was more variable and limited.
- One provider group operating in the county supplied a detailed group-level cost breakdown. Another supplied a standardised unit cost template they provide to councils. Their cost data provides a useful contrast to the to other care home-specific cost data submitted. However, even though they collectively account for a large proportion of the care homes in the county, we cannot include the cost data for these two groups in much of the statistical analysis as it would be distorting. Such comparisons are discussed in context in the section on non-staff operating costs.
- Another provider group was happy to talk in detail about their services and costs but could not provide home-level cost data, as it would have entailed a significant accounting exercise for them (as they do not account for many costs at the home level).

Analysis and interpretation

- Much of the analysis in this report is dependent on the accuracy of the information supplied by the respective providers via either a survey or telephone interviews. However, Care Analytics extensive experience working in the sector means we can analyse the data from a critical perspective and provide commentary on how to interpret the data.
- Unlike the larger older adult care home market, for learning disability care homes, there are issues presenting some results based on sub-sets of the data (such as splits of the data by geography, type of provider, or home size). Even where we have excellent data from a good sample of care homes, we cannot give it greater focus in this report as it would risk breaching the confidentiality rules under which care homes have supplied their data. This is unavoidable, particularly given many providers operate in geographical clusters (see pages 31-33).
- Wherever possible, we have provided supporting evidence from other data sources to validate and contextualise the survey data.
- We have also included a range on analysis based on non-survey data to offer the best possible review of the market. However, we have excluded analysis using external datasets which we feel would be unfair for the respective provider to include in a public report. This includes analysis of statutory accounts of key providers in the county which we have shared with the council separately.
- We have also extensively analysed council commissioning data as part of this review. However, we have excluded any analysis which we feel would potentially be commercially confidential to either the council or the respective providers from whom the council buys services.
- Most of the non-survey analysis in this report, including comparisons between Lincolnshire and the rest of England, is based on care homes that Care Analytics have classified as predominantly supporting adults with a learning disability or autism. In practice, many care homes support individuals with a range of needs, including but not limited to combined learning and physical disability, and combined learning disability and mental health needs. This has a small error margin where judgement is required as to the predominant support category. However, this small error margin from classification is necessary, as without it, it is otherwise extremely difficult to compare different care markets across the country.
- We would also note that analysis using Care Analytics care home database varies throughout this report from either January 2021 or April 2021. There are some parts of our database we only update annually at the start of each year, and some quarterly. April was the latest complete quarter when we started this project.
- Finally, we would emphasis that interpreting care home markets is sometimes difficult without an understanding of both supported living and shared lives, as these are crucial alternative types of support for much of the client population. These services are outside of scope of our review. There is also no definitive data source for supported living and shared lives placements to benchmark nationally or regionally.

Overview of the learning disability care home sector

- Care homes deliver support plus board and lodgings as part of a holistic service. Residents are not granted tenancy rights. Care homes are legally and operationally split between those that provide nursing care and those that do not.
- Care homes are regulated and quality assessed by the Care Quality Commission (CQC). However, there is a great deal of discretion in terms of how care and support is delivered. Much of the way the market operates has therefore developed organically.
- Based on Care Analytics care home database, as of January 2021, there are 4,766 care homes in England which predominantly support adults with a learning disability. These homes collectively have a registered capacity of 38,357 beds. However, it should be noted that, for various reasons, registered capacity is often quite a bit higher than operational capacity in many learning disability care homes.
- Only 205 (4.3%) of the 4,766 care homes which predominantly support adults with a learning disability are registered for nursing.
- The sector is a fragmented one, varying from large national groups operating thousands of beds to small businesses with one or two care homes. Across England, the groups with more than 50 homes collectively operate only 25% of beds in the market (Care Analytics database January 2021).
- The vast majority of funding for placements within learning disability care homes are via councils and to a lesser extent CCG's.
- Unlike older adult care homes, only a very small minority of residents are 'self-funders' who pay for their own support in its entirety. Furthermore, public-sector funded placements are rarely supplemented by third-party top-ups from family, friends, and charities to live in preferred facilities.
- The 2019-20 Adult Social Care Finance Return indicates that there are 22,750 adults with a learning disability aged 18-64 and 5,265 adults with a learning disability aged 65+ funded by councils in care homes in England. Although most of the respective care homes will specialise in support for adults with a learning disability, some may be in older adult care homes, or in care homes that mainly support residents with other primary needs.
- Most of the other residents will be placed by NHS Clinical Commissioning Groups (CCGs). There is no statistics available for their numbers.
- A large number of care home residents with learning disabilities could potentially have their needs met in supported living or shared lives placements. The balance of clients in different care settings varies among councils and CCGs depending on commissioning practice and the availability of different services locally. This has also evolved over time with many care homes converting to supporting living.
- In any analysis we have undertaken of care markets for adults with a learning disability, prices drop significantly by age group. There are various reasons for this relating to acuity of need, risks associated with strength/frailty, and decisions about the appropriateness of care settings.

Registering the right to support

- Since their relatively new policy – Registering the right support – was introduced in 2017, the CQC have considered larger care homes supporting adults with a learning disability or campuses comprised of different units to be poor practice. The general intention appears to be that learning disability care homes should be indistinguishable, as far as practically possible, from general-purpose housing.
- New care home registrations in this client group must generally have 9 beds or fewer. The CQC policy also limits the ability of providers to expand the capacity of existing homes based on the same principles. This was mentioned in a few surveys submitted by providers as limiting options.
- The nine-bed rule is an informal rule of thumb, rather than an official policy. The CQC state it is about a care home being able to offer person-centred care. The average size of registrations since April 2018 is 4.75 beds. Of the homes registered since 2018, only 48 out of 319 have more than 6 beds and only 3 more than 9 beds. In the preceding 3 years, the average size was 6.15 beds, and more importantly 29 out of 354 home were over 9 beds.
- While the new rules have had a positive impact on preventing inappropriately large and non-personalised care homes, the rules around registering the right to support, in combination with the requirements for new registrations in the Care Standards Act, has implications for market incentives.
- First, few providers will build new care homes for working-age adults with more than nine beds, as CQC refusal of registration would be considered a catastrophic financial risk for any business case. At best, the site would have to have a subsequent (and costly) conversion to supported living. Indeed, a number of providers have indicated that the ‘safe’ size for registration is only six beds.
- Second, large existing facilities will likely stay in the market for longer than they would otherwise do as they will not be replaced.
- Third, the business case for building supported living flats is much strengthened as the CQC rules are less strict, with no restriction on the size of a facility, as registration is only for the delivery of personal care. Registration can also be for multiple sites, reducing management costs.
- Fourth, new-build care homes for adults with a learning disability are now mostly aimed at the high-need / high-cost market, essentially providing one-to-one support throughout the day as standard. Not only are the potential financial returns based on shared care models in smaller care homes much lower than one-to-one models, but the risks associated with reduced occupancy are much greater.
- Care Analytics believe the CQC policy is, at least to some extent, counterproductive. One-to-one care home models often offer limited prospects for increasing independence as there are unlikely to be other residents to share any reduced support. In turn, the policy may lead to people with a learning disability being permanently ‘trapped’ in small homes owing to the challenges involved in moving home to a service with lower support levels. Care Analytics view is that care homes with additional or nearby stepdown flats are supportive of enablement models of support, and we hope there will be more flexibility in this area in the future.

The Covid-19 pandemic and care homes

- The first national Covid-19 action plan was announced on 3rd March 2020, the first guidance for reducing the risk of transmission in residential settings (including care homes) was published on 13th March 2020, and the first national 'lockdown' started on 23rd March 2020.
- Initially, compared to older adults, there was not much focus on risks to people with a learning disability. Public Health England research in November 2020 and July 2020 flagged that people with a learning disability were between 4 and 8 times more likely to die of Covid than the general population.
- Within Lincolnshire, occupancy in learning disability care homes was reported at 90% in the 2017 analysis. Our analysis (see page 21) indicates an average occupancy of 80% now, though this likely exaggerates the true level of vacancies as some unoccupied beds will be non-operational. The comparison is also imperfect as the samples used in 2017 to calculate occupancy may not be commensurable to 2021. Our judgement is that there has been a fall in occupancy compared to 2017, though this may have happened prior to the Covid-19 pandemic.
- No learning disability care home provider mentioned that Covid-19 had materially affected their occupancy.
- It is believed that deaths in learning disability homes have remained lower than older adults both because of less susceptibility to the virus, and because homes are much smaller and there is therefore less risk of an infection outbreak.
- People with a learning disability in care homes were slightly less likely to die of Covid than those living in the community.
- New stringent, infection control measures are now in place. There are also additional testing requirements. Now much of the population is vaccinated, it is hoped the sector will return to largely standard operation by spring 2021, post the winter flu season. However, the impact of the requirement for care workers to be double vaccinated from November 2021 rightly concerns many stakeholders.
- Given Covid-19 is now certain to remain an ongoing feature of the 'new normal', it is extremely likely the 'new normal' will require use of PPE and other infection control measures more stringent than historic practice. This will add additional cost to standard care home operations.
- Additional central government funding, currently extended to the 31st March 2022, is likely to reduce/stop at some point in the future, so residual costs will fall on councils, CCG's and self-funders.
- Such costs need to be considered at the point additional central government funding is withdrawn. However, it is not currently possible to reliably estimate the additional costs associated with the 'new normal', as it will depend on the requirements stipulated in government guidance (or what is deemed best practice) at the time. However, as indicated by requests for government funding, additional ongoing Covid-19 costs in the learning disability care home sector are likely to be material but not highly significant cost moving forward.

Care home market



Market capacity across England

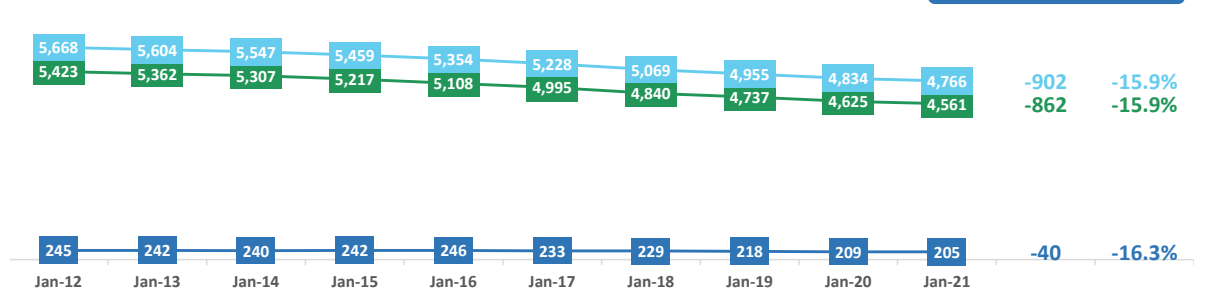
Registered beds in learning disability care homes (Apr 21)

Area	Beds	Beds per 1,000 population	
		Aged 15-64	Aged 15+
London	3,452	0.6	0.5
North West	2,809	0.6	0.5
North East	1,586	0.9	0.7
England	38,357	1.1	0.8
East of England	4,330	1.1	0.8
West Midlands	4,300	1.1	0.9
Yorkshire and The Humber	3,992	1.1	0.9
Shire Counties	21,471	1.3	1.0
East Midlands	4,424	1.4	1.1
South East	8,302	1.4	1.1
South West	5,162	1.5	1.1
Lincolnshire	933	2.0	1.5

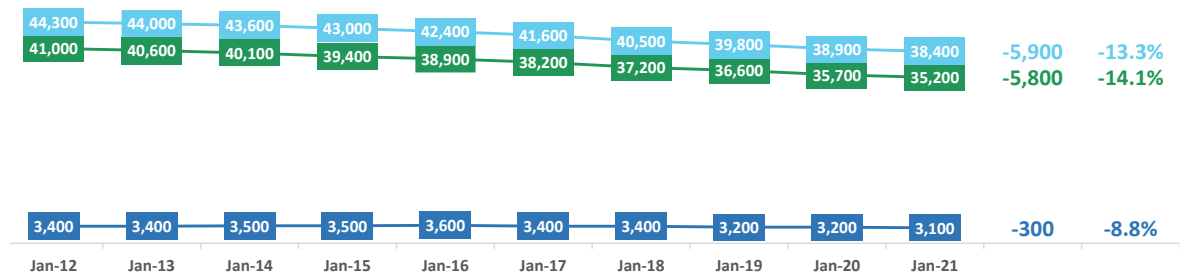
Data: Care Analytics care home database and ONS population data (2020)

- Per capita, Lincolnshire has a very large learning disability care home market, almost twice the national average and roughly 50% bigger than the average for Shire Counties.
- LCC buys almost all its placements in learning disability care homes in county (p. 24). As such, the county is a large net importer of placements (p. 20), particularly in the high-need high-cost end of the market.
- Across England, the number of learning disability care home beds is reducing (down 13% since January 2012). However, our understanding, partly based on analysis elsewhere in other parts of the country, is that this is more a result of the growth in the supported living sector (and to a lesser extent shared lives), rather than any fundamental scaling back of capacity for placements providing 24-hour support.

Learning disability care homes in England at the start of each year



Beds in learning disability care homes in England at the start of each year



Data: Care Analytics care home database

Market capacity across Lincolnshire

Learning disability care home market capacity across Lincolnshire (Apr 2021)

Learning disability care home market capacity across Lincolnshire (Apr 2021)										
Category	East	West	South	Total	East		West		South	
					Boston & Skegness	Louth	Lincoln & Hykeham	West Lindsay	Grantham, Bo.&Stam.	Spalding & Sleaford
Care homes										
Nursing homes	1	6	1	8	-	-	2	5	-	1
Residential home	35	31	18	84	16	17	13	11	9	18
Care homes (total)	36	37	19	92	16	17	15	16	9	19
Registered beds										
Nursing homes	35	87	27	149	-	-	25	97	-	27
Residential homes	361	264	163	788	160	173	108	112	75	160
Care homes (total)	396	351	190	937	160	173	133	209	75	187
Beds per 1,000 people aged 18-64										
Nursing homes	0.3	0.6	0.2	0.3	-	-	0.2	1.8	-	0.3
Residential	2.9	1.8	1.0	1.8	2.3	3.7	1	2.1	0.9	2
Care homes (total)	3.2	2.4	1.2	2.2	2.3	3.7	1.3	3.9	0.9	2.3

Data: Care Analytics care home database combined with team postcodes supplied by LCC

- The boundaries for the six area teams do not precisely match the three broad areas (East, West, and South). This causes differences in results as shown.
- Per capita analysis is not always a good indication of supply and demand for learning disability care homes. However, there is a much lower registered bed capacity in Grantham, Bourne & Stamford compared to the other team areas.
- Capacity in learning disability nursing homes is predominately located in the west of county (6 out of 8 homes). The two nursing homes in the south and east are large with 35 and 27 beds respectively. It is unclear why there are so many nursing homes in the west of the county. They are a mix of providers with one or two nursing homes.

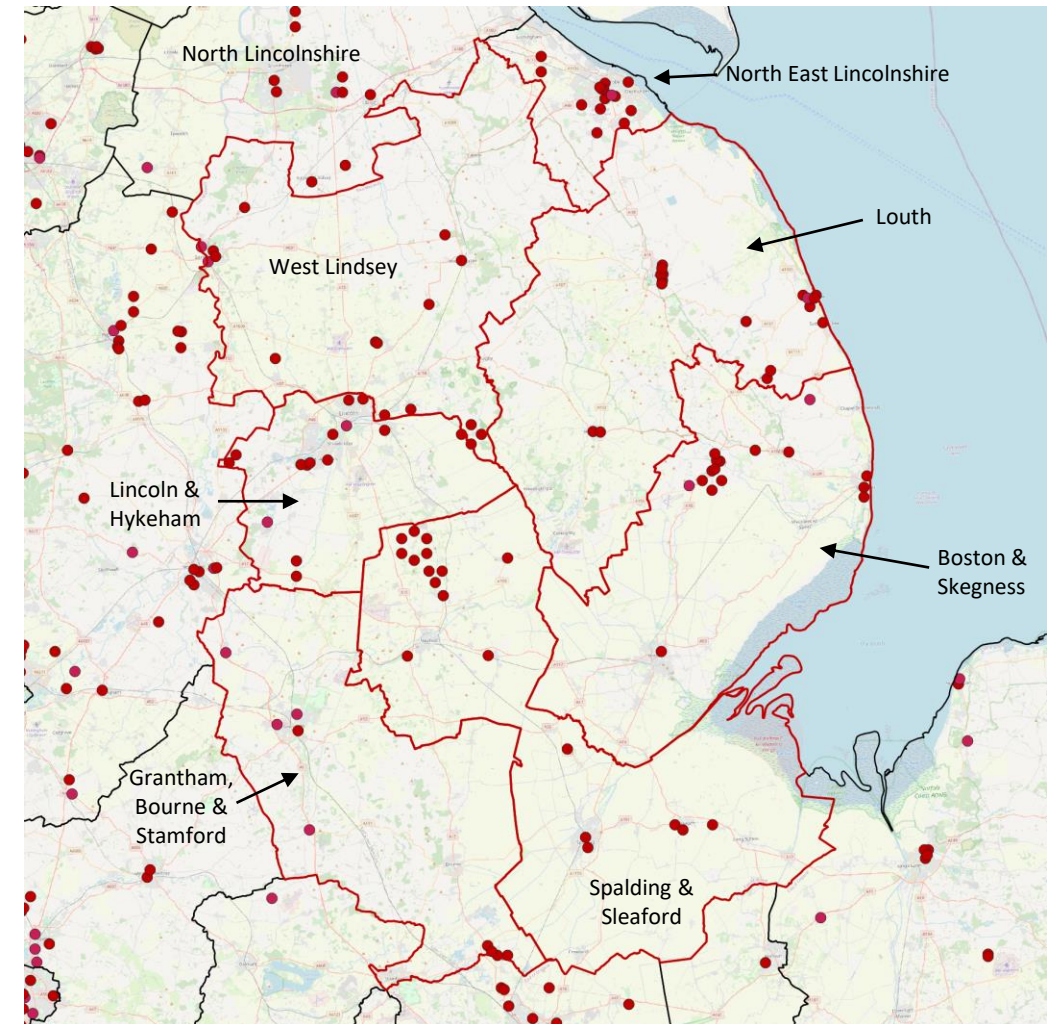
Learning disability care homes

Learning disability care homes in Lincolnshire (Apr 2021)

	East		West		South		
Category	Boston & Skegness	Louth	Lincoln & Hykeham	West Lindsey	Grantham, Bo.&Stam.	Spalding & Sleaford	Total
Care homes	16	17	15	16	9	19	92
Beds	160	173	133	209	75	187	937
Beds per 1k 18+	1.6	2.4	1.0	2.7	0.7	1.6	1.5
LCC placements	77	89	42	90	34	81	413
LCC % of beds	48%	51%	32%	43%	45%	43%	44%

Data: Care Analytics care home database combined with LCC commissioning data

- Team area boundaries on the map are approximate in some locations owing to postcodes allocated to a team outside of administrative boundaries.
- Some care homes on the map have point displacement (moved so they show up) as many homes operate at same postcode or nearby locations.
- Learning disability care homes are often clustered together. This relates to: (i) the location of towns, (ii) areas with large detached homes, (iii) providers concentrating services seeking operational synergies (see pages 31-33).
- There are clear differences in levels of supply throughout the county. This appears to often relate to where specific providers have chosen to operate, rather than anything more fundamental. However, Boston stands out as only having one learning disability care home.
- Local knowledge of supported living provision is often needed to make sense of patterns of learning disability care home supply.



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Care home size

Comparison of registered bed capacity between Lincolnshire and other parts of England

Category	Registered bed capacity									Total
	1-2	3-4	5-6	7-8	9-10	11-15	16-25	26-40	41+	
Lincolnshire homes	4	4	20	20	15	15	10	4	-	92
Lincolnshire beds	7	15	115	154	142	192	186	126	-	937
Percentage of beds										
England	1%	8%	21%	18%	13%	16%	13%	5%	5%	100%
East Midlands	1%	5%	18%	14%	12%	17%	19%	11%	3%	100%
Shire Counties	1%	8%	21%	16%	14%	15%	13%	6%	7%	100%
Lincolnshire	1%	2%	12%	16%	15%	20%	20%	13%	-	100%

Data: Care Analytics care home database

- There are few small learning disability care homes in Lincolnshire. Only 9% (8 of 92) of homes have 1-4 registered beds, whilst only 30% (28 of 92) of homes have registered capacity of six beds or fewer. These homes only account for 3% and 15% of beds respectively in Lincolnshire. In this respect, Lincolnshire is an outlier compared to averages for England (30% of beds in home with fewer than 6 beds), the East Midlands (24%), and Shire counties (30%).
- Lincolnshire mirrors the East Midlands in having large learning disability care homes compared to averages for England and the Shire Counties.
- Some larger care homes will likely operate much like older adult care homes. In such homes, costs should correspond quite well. This said, home size is not always a reliable indicator of operational realities, as some of the larger care homes in the county are comprised of two or more buildings.
- New care home registrations in this client group must generally have fewer than 7-9 beds. See page 11 for a fuller discussion of the CQC policy: Registering the right support. A good proportion of the current care homes in the county would likely not be allowed to register if they were new.
- Care homes with materially different sizes are also likely to have qualitatively different staffing and cost profiles to varying extents. These are discussed in context in later sections throughout this report.

Changes in registered bed capacity

Changes in registered bed capacity by type of change: January 2014 to January 2021

Category	Lincolnshire	England	East Midlands	Shire Counties	Unitary Authorities	Metropolitan Districts
Beds as of January 2014	909	43,578	4,698	24,142	7,764	7,444
Beds in newly registered homes	71	4,412	622	2,308	798	986
Increased beds in same home	12	895	103	523	106	210
Beds in deregistered homes	-46	-9,728	-929	-5,017	-1,739	-1,895
Reduced beds in same home	-13	-800	-70	-485	-130	-110
Beds as of January 2021	933	38,357	4,424	21,471	6,799	6,635

Beds as a percentage of registered capacity as of January 2014

Beds in newly registered homes	1.1%	1.1%	1.7%	1.1%	1.2%	1.2%
Increased beds in same home	0.2%	0.2%	0.3%	0.2%	0.2%	0.3%
Beds in deregistered homes	-0.7%	-2.5%	-2.6%	-2.3%	-2.6%	-2.3%
Reduced beds in same home	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.1%

Net change

Net change in registered beds	24	-5,221	-274	-2,671	-965	-809
% net change	2.6%	-12.0%	-5.8%	-11.1%	-12.4%	-10.9%

Data: Care Analytics care home database

- This analysis is based on 'linking' new CQC location IDs in Care Analytics care home database (so a new registration of an existing home is not counted as new).
- Despite its large number of beds per capita, Lincolnshire's market is growing in terms of net change in registered bed capacity (+2.6% since January 2014). This compares to significant falls in capacity England, the East Midlands and all types of council grouping.
- This is a likely a consequence of lower property prices in the county compared to other nearby areas, making it attractive to register here.
- Another factor in local market growth is that the switch of care homes to supported living, which is common in wealthier areas of the country, does not appear to be occurring in Lincolnshire.

Changes in learning disability care homes

					East		West		South	
Category	East	West	South	Total	Boston & Skegness	Louth	Lincoln & Hykeham	West Lindsey	Grantham, Bo.&Stam.	Spalding & Sleaford
Care homes										
Deregistered homes	3	3	4	10	2	1	1	2	2	2
Newly registered homes	2	12	2	16	2	-	5	5	2	2
Net change	-1	9	-2	6	-	-1	4	3	-	-
Registered beds										
Deregistered homes	14	29	14	57	9	5	15	14	7	7
Newly registered homes	10	67	12	89	10	-	28	25	12	14
Net change	-4	38	-2	32	1	-5	13	11	5	7
Current beds	396	351	190	937	160	173	133	209	75	187
Net change as a %	-1%	11%	-1%	3%	1%	-3%	10%	5%	7%	4%

Data: Care Analytics care home database combined with team postcodes supplied by LCC

- The boundaries for the six area teams do not precisely match the three broad areas (East, West, and South). This causes differences in results as shown.
- Of the 10 deregistered homes, there are 2 homes from Voyage, Linkage and Sense respectively, plus 3 independents and one other group.
- 5 of the 16 newly registered homes are Home from Home Care, and 2 each from Boulevard, Kisimul, Elysium Healthcare, and Hopskotch Solutions.
- The market has disproportionately grown in the west of the county. Part of the reason is that Home from Home care is based in this region.
- This data should be cautiously interpreted. Learning disability care homes can register and deregister for various reasons. The data is also not necessarily indicative of care home closures as many care homes may have converted to supported living.

Resident mix

Resident mix in Lincolnshire learning disability care homes (excludes 13 care homes with no data) – LCC placements are by all client groups

Category	LCC (inc. joint)	Other council	Lincs CCG	Other CCG	CCG unspecified	Self funder	Other funder	Total residents	Registered capacity	Mean occupancy
Nursing homes	95	11	-	-	10	3	-	119	149	80%
Residential homes	322	240	13	19	18	4	5	621	788	79%
Care homes (total)	417	251	13	19	28	7	5	740	922	79%
% of residents	56%	34%	2%	3%	4%	1%	1%	100%		
% of beds	45%	27%	1%	2%	3%	1%	1%	80%	100%	

Data: Surveys and latest weekly Jadu data submissions to LCC (if no survey), June/July 2021

- There are 11 care homes where we have no survey or Jadu data. These include 4 Sense homes, 4 Kisimul homes, and 3 others. These appear to be mostly small homes supporting individuals with high needs and associated costs.
- A further 2 Linkage care homes with a total of 15 beds have no residents within their latest Jadu submission and so are excluded from the analysis on this page. This is likely a data error as LCC finance data suggest the council has a few placements in these homes.
- The exclusion of these 13 care homes distorts the analysis on this page a little as LCC's true market share in terms of the proportion of beds commissioned is lower than indicated.
- LCC (including joint funded) buy a greater proportion of beds in nursing homes (80% of residents compared to 52% in residential homes).
- There is geographical variation in resident mix, with many more CCG-funded placements in the west of the county (if the data is accurate). However, this may relate to the location of suitable providers more than anything else.

Resident mix by broad geographic area (excludes 13 homes with no data)

Broad area	LCC (inc. joint)	Other council	CCG's	Other	Total
East	63%	33%	2%	2%	100%
West	42%	39%	17%	2%	100%
South	70%	25%	5%	0%	100%

Data: As above

Occupancy

Occupancy and vacancies as a percentage of registered beds in learning disability care homes

Category	Occupancy (residents as a percentage of registered bed capacity)											Total
	<40%	40%-59%	60%-64%	65%-69%	70%-74%	75%-79%	80%-84%	85%-89%	90%-94%	95%-99%	100%	
Care homes	1	7	2	2	1	6	9	6	10	1	34	79
Percentage of homes	1%	9%	3%	3%	1%	8%	11%	8%	13%	1%	43%	100%
Theoretical vacancies	7	39	10	4	2	19	20	6	13	1	-	121
Mean vacancies per home	7.0	5.6	5.0	2.0	2.0	3.2	2.2	1.0	1.3	1.0	-	1.5
Percent of vacancies	6%	32%	8%	3%	2%	16%	17%	5%	11%	1%	-	100%

Data: Surveys and latest weekly Jadu data submissions to LCC (if no survey), June/July 2021

- The above analysis excludes 13 care homes where there is no survey or Jadu data. We do not know the occupancy in these homes, although we would note that many of them are small homes operated by providers who tend to support high-need individuals (4 are Kisimul and 4 are Sense).
- Average occupancy in the remaining learning disability care homes is 80% of registered beds (see previous page). This compares to a reported average of 90% in the 2017 analysis, though this was only based on a sample of 17 care homes (rather than the 79 above).
- The average occupancy is also not terribly meaningful because the market is heavily bifurcated.
- 43% of care homes report no vacancies whatsoever. This is similar to the 2017 analysis, where half of the sample of 17 homes reported no vacancies.
- By contrast, there are many learning disability care homes in the county seemingly with many vacancies. However, it is likely that much of this vacant capacity is not operational. For various reasons, it is common in the sector to have registered capacity higher than usual operational capacity.
- Occupancy analysis is also tricky where homes are small. For example, if a 5-bed home loses 2 residents in swift succession, occupancy drops to 60%.
- Multiple surveys explicitly stated that Covid-19 had not had an impact on occupancy, though one provider mentioned disruption to expansion plans.

CQC inspection ratings

Category	Outstanding	Good	Req. Imp.	Inadequate	No info	Total
Latest CQC inspection rating as of April 2021						
LD care homes in Lincolnshire	12	70	6	1	3	92
Lincolnshire % for LD homes	13%	76%	7%	1%	3%	100%
England % for LD care homes	4%	81%	9%	1%	5%	100%
England % of OA homes <20 beds	3%	76%	17%	2%	3%	100%
England % of OA homes 20+ beds	4%	72%	20%	2%	3%	100%
Lincolnshire inspections in LD care homes 2015-2019						
2015	-	93%	7%	-	-	100%
2016	-	82%	16%	2%	-	100%
2017	-	79%	15%	-	-	100%
2018	5%	74%	16%	5%	-	100%
2019	14%	70%	14%	2%	-	100%

Data: CQC care directory as of April 2021, linked to Care Analytics care home database

- The analysis of CQC inspection ratings stops at the end of 2019 owing to the Covid-19 pandemic. The CQC has limited its inspections to largely focus on infection control so later data would be incommensurate.
- The profile of results for learning disability care homes in Lincolnshire are fairly normal.
- However, Lincolnshire is exceptional in that it has a higher proportion of outstanding LD care homes resulting from inspections in 2019. This is unlikely to be just a one-year blip even though 2018 was much closer to national average.
- CQC ratings in learning disability care homes are on average markedly better than older adult (OA) care homes. A partial factor for this is the smaller average size of learning disability care homes. However, much of the difference remains even after this factor is taken into account.

LCC commissioning



LCC placements by location, care home type, and age group

Age group and location of care home placements for the learning disability client group

Location	Age group								Total	Percent
	18-25	26-44	45-54	55-64	65-74	75-84	85-94	95+		
Lincolnshire	24	136	97	88	69	24	1	-	439	90%
North Lincolnshire	1	3	3	4	2	1	-	-	14	3%
NE Lincolnshire	-	1	1	1	-	-	1	-	4	1%
Nottinghamshire	-	1	2	-	-	1	-	-	4	1%
Other	1	11	5	6	2	-	1	-	26	5%
Total	26	152	108	99	73	26	3	-	487	100%

Data: Placements data supplied by LCC finance linked to Care Analytics care home database

Age group and predominant care home type for placements by the learning disability client group

Care home type	Age group								Total	Percent
	18-25	26-44	45-54	55-64	65-74	75-84	85-94	95+		
Older adult	-	7	4	10	11	6	2	-	40	8%
Physical disability	-	1	2	-	1	-	-	-	4	1%
Learning disability	26	138	101	85	58	18	1	-	427	88%
Mental health	-	1	1	1	2	-	-	-	5	1%
Other	-	2	-	3	1	1	-	-	7	1%
Total	26	152	108	99	73	26	3	-	487	100%

Data: Placements data supplied by LCC finance linked to Care Analytics care home database

- LCC placements analysed on this page include those joint-funded with the CCG.
- 90% of LCC care home placements categorised as learning disability are in county.
- Many of the out-county placements are close to the borders. This indicates the county has most of the beds and type of supply LCC needs. Some urban councils we work with commission more than half of their placements in learning disability homes outside their boundaries.
- 88% (427 of 487) of LCC placements by the learning disability client group are – unsurprisingly – in care homes that Care Analytics classifies as predominantly supporting adults with learning disability or autism.
- 8% are in care homes that predominantly support older adults. However, there is one large older adult care home in Boston which is a mixed dementia and learning disability care home. We classify this home as older adult owing to the ratio of beds, and because most of its residents with a learning disability are elderly.
- We found no other evidence of learning disability care units in larger older adult homes in the county.

Price distributions by age group

Price distributions of placements by LCC in learning disability care homes by age group

Category	Percentile									Count	Mean	Mean age
	10	20	30	40	50	60	70	80	90			
All	£691	£749	£749	£749	£870	£990	£1,196	£1,853	£2,494	455	£1,261	49
Age under 30	£820	£990	£1,139	£1,626	£1,971	£2,339	£2,804	£3,104	£3,293	57	£2,002	25
Age 30 to 49	£749	£749	£795	£902	£990	£1,115	£1,591	£2,118	£2,557	179	£1,402	40
Age 50 to 64	£651	£749	£749	£749	£749	£843	£990	£1,087	£1,792	142	£991	56
Age 65+	£651	£697	£749	£749	£749	£749	£749	£749	£990	81	£858	72

Data: Placements data supplied by LCC finance (only includes placements in learning disability care homes, though placements can be made by any client group)

- In every council we have ever analysed learning disability care home placements data, price distributions and mean prices substantially decrease with each progressive age group.
- Among the under 30's, this is because only people with the most complex needs will be in care home placements, as this means family arrangements have broken down when they are young. With greater complexity and physical strength, the cost of support is much higher.
- High-need high-cost clients coming through transition with profound learning disabilities and complex physical disabilities and health conditions tend to die young. As such, this need profile (and the associated cost) is rare in the older age categories.
- Thresholds for entering care homes have also become higher over the years, and therefore many of the older residents with a learning disability would today be supported in the community. It is common to find older learning disability residents who can access the community independently.
- In addition, a mix of finding an appropriate care home, institutionalisation, and lower energy levels through age means the cost of support reduces for most clients as they age. The exceptions are those with progressive health conditions whose physical support needs increase.

Learning disability weekly unit cost comparisons (aged 18-64)

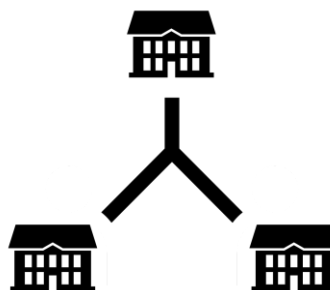
Care home weekly unit costs for learning disability clients aged 18-64

Area	Nursing		Residential	
	2018-19	2019-20	2018-19	2019-20
North Lincolnshire	£724	£749	£886	£749
Lincolnshire	£891	£943	£1,147	£1,187
Doncaster	£1,204	£1,224	£1,273	£1,224
Leicestershire	£960	£1,374	£1,296	£1,351
Norfolk	£1,274	£1,052	£1,064	£1,355
East Midlands	£1,073	£1,064	£1,376	£1,433
Rotherham	£1,056	£1,185	£1,185	£1,446
North East Lincolnshire	£681	£650	£1,474	£1,474
Peterborough	£1,771	£2,126	£1,496	£1,500
Yorkshire and The Humber	£1,638	£1,335	£1,452	£1,517
England	£1,316	£1,276	£1,523	£1,583
Nottinghamshire	£1,612	£1,951	£1,566	£1,618
East of England	£1,369	£1,440	£1,456	£1,620
Rutland	£0	£0	£1,617	£1,826
Cambridgeshire	£1,723	£2,451	£1,667	£2,571

- The Adult Social Care Activity and Finance Report (ASC-FR) is collected annually from councils.
- This is obviously a trailing indicator from 2-3 financial years ago, though comparisons are still informative.
- Numbers are rounded to the nearest £1.
- Nursing costs are shown net of Funded Nursing Contribution (FNC).
- Results are ordered low to high based on the far right column.
- Judgment is needed as specific council figures are not always reliable from year to year. There are also a great many confounding factors.
- The average level of need in care home settings can vary significantly depending on comparative use of supported living and shared lives in an area.
- Unit cost comparisons are also affected by the cost of in-house provision and block contracts (often with ex-council owned facilities) which are included within the numbers. This can be an upward or downward financial impact depending on how the council accounts for the various costs involved.
- Lincolnshire's unit costs are the second lowest. One reason will be the high number of beds per capita in the area, which lowers prices, and the large average size of care homes in the county, which lowers costs.

Data: Adult Social Care Activity and Finance Report published by NHS Digital

Care home providers



Providers in Lincolnshire by market share

Provider	Homes	Beds	Percent	Cumulative	Group size
Linkage Community Trust	17	158	17%	17%	Group
Prime Life	6	100	11%	28%	Group
Boulevard Care	8	78	8%	36%	Group
Home from Home Care	9	70	8%	44%	Group
Priory Group	3	63	7%	50%	Group
Kisimul Group	8	62	7%	57%	Group
Lifeways Community Care	6	47	5%	62%	Group
Sense	8	43	5%	67%	Group
United Health	1	35	4%	70%	Group
Cygnat Health Care	2	35	4%	74%	Group
Pearl Healthcare Group	1	34	4%	78%	Group
Grantham & District Mencap	1	22	2%	80%	Ind.
National Care Consortium	1	19	2%	82%	Group
Elysium Healthcare	3	17	2%	84%	Group
Voyage	2	16	2%	86%	Group
Kingsway (Clayton House)	1	16	2%	87%	Ind.
The Serenity Care Company	1	15	2%	89%	Ind.
Ayrshire House	1	15	2%	91%	Ind.
Mrs Sara Gibson	1	14	2%	92%	Ind.
Skitini Care Homes	1	11	1%	93%	Ind.
Other homes with <10 beds	10	63	7%	100%	Various
Total	91	933	100%		

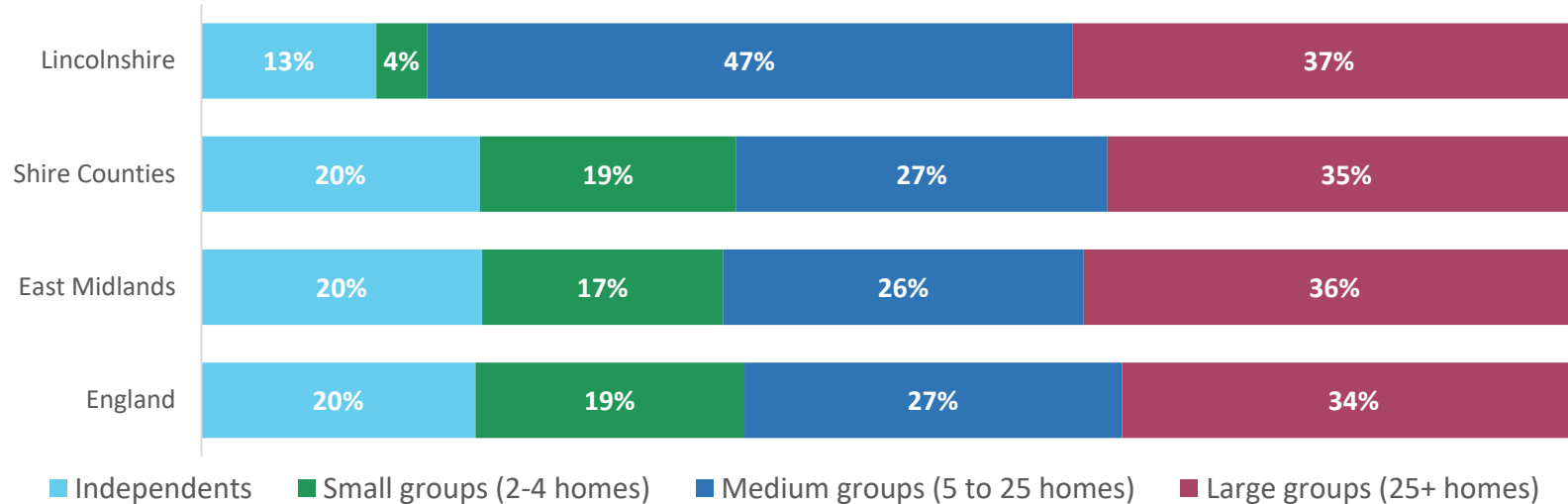
Data: Care Analytics database

- Care Analytics link care homes in our database using brand and provider IDs in the CQC care directory. However, many small and medium groups are not always linked in the directory as, for various reasons, they are registered through separate companies. This means some care homes we classify as independent may in fact be part of a group.
- The learning disability market in Lincolnshire is heavily concentrated among a few groups. 50% of registered beds are operated by only 5 groups, and 80% of beds by only 12 groups.
- The proportion of independent and small group providers is much smaller than regional and national comparisons (see next page).
- This is partly because Lincolnshire has three local providers which qualify as medium-to-large groups: Linkage, Boulevard and Home from Home Care.
- Of the other providers, Prime Life is largely based across the Midlands, whilst the Priory Group is a national provider who also operate mental health and older adult care homes.
- Kisimul, Lifeways and Sense are also national providers.

Market composition by provider group size

Percentage of registered beds in the learning disability care home market by national group size

Data: Care Analytics care home database



Care Analytics link care homes in the CQC care directory using brand and provider ID's. Many small and medium groups are not always linked in the care directory (as they are registered through separate companies for various reasons). This means the number of independent care homes are overstated, and small groups correspondingly understated.

- The learning disability care home market in Lincolnshire is dominated by medium-to-large provider groups.
- Although the demarcation point of 5 care homes is a little arbitrary, only 17% of beds in learning disability care homes are in Lincolnshire are operated by independent providers and small groups. This compares to circa 37-39% for the three regional and national comparisons.
- Marked differences in market composition compared to regional and national patterns is often a consequence of historical commissioning practices within a council. However, we lack a historical understanding of specific drivers of this pattern in Lincolnshire.
- Part of the explanation is that Lincolnshire has a few medium groups that are local to county and its immediate neighbours.
- Another explanation is that Lincolnshire appears to have a high proportion of homes operating one-to-one models of care, which is a largely corporate model of delivery. Most of the residents in these homes are 'imports' from out of county.

Care home sizes by provider

Comparison of registered bed capacity between providers in Lincolnshire

	Registered bed capacity								
Category	1-2	3-4	5-6	7-8	9-10	11-15	16-25	26+	Total
Linkage			2	5	7	2	1		17
Home from Home Care	1		3	1	2	2			9
Kisimul	1		2	1	3	1			8
Sense	1		6	1					8
Boulevard Care		1		3		4			8
Lifeways			2	2	2				6
Prime Life						2	4		6
Priory Group							3	1	3
Other providers	1		1	1	1	4	2		10

Data: Care Analytics care home database

- Differences in care home size between providers highlight different business models (and corresponding cost profiles).
- The Priory Group operates 2 nursing homes of 18 and 27 beds. This sort of minimum size is needed to reasonably efficiently cover the cost of a nurse.
- The main type of care home Prime Life operate are for older adults, though they also operate mental health and learning disability care homes. This may influence the type of provision they offer in their learning disability homes. Their smallest learning disability care home has 11 beds, and across England, their 15 learning disability care homes have an average of 19 beds.
- As far as we are aware, Home from Home Care, Kisimul, and Sense mostly operate high-need business models. As such they would not benefit from economies of scale associated with larger care home sizes.

- Registered bed capacity is not necessarily an accurate reflection of operational realities. Some care homes will have a campus-style set-up, either with multiple buildings and potentially supported living flats on the same site. Supported living 'beds' will not be included in the care home registered capacity. Some care homes are also located very nearby to each other, which allows them to share staff.

Largest learning disability care home providers 1

Linkage Community Trust

17 care homes with 158 beds in Lincolnshire, which is 17% of all LD beds in the county.



Boulevard Care

8 care homes with 78 beds in Lincolnshire, which is 8% of all LD beds in the county.



Prime Life

13 care homes with 347 beds in Lincolnshire. Six of which are learning disability homes with a total of 100 beds.



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Largest learning disability care home providers 2

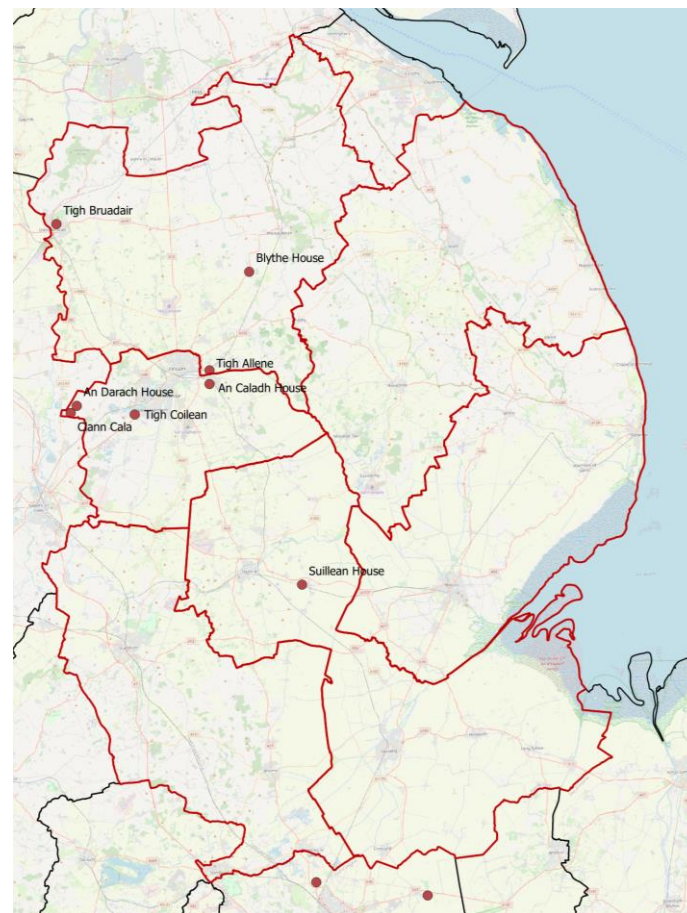
Home From Home Care

9 care homes with 70 beds in Lincolnshire, which is 8% of all LD beds on in the county.



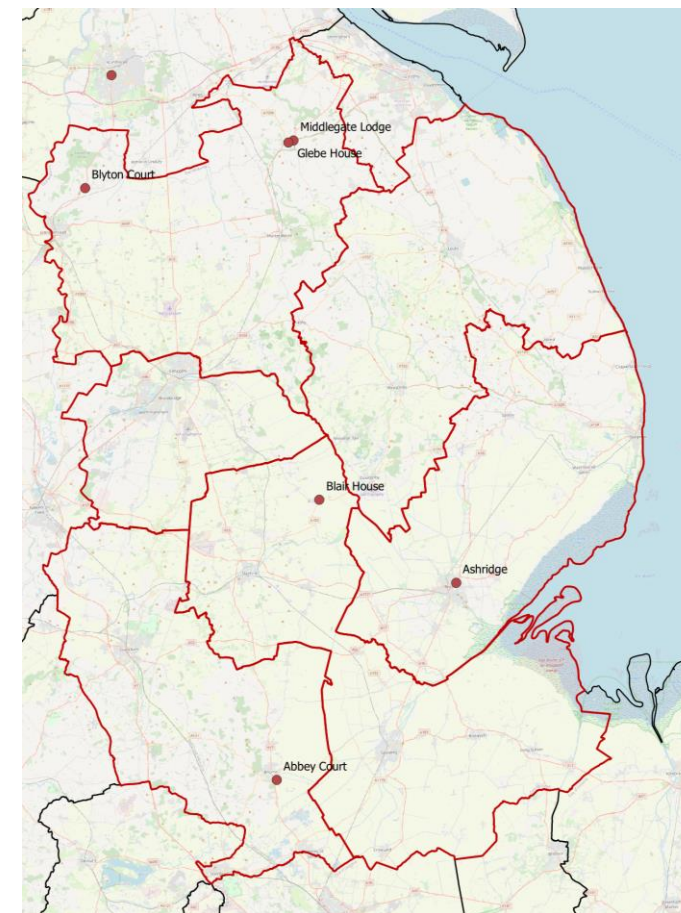
Kisimul Group

8 care homes with 62 beds in Lincolnshire, which is 7% of the LD beds in the county.



Priory Group

6 care homes with 181 beds in Lincolnshire. 3 of which are learning disability homes with a total of 63 beds.



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Largest learning disability care home providers 3

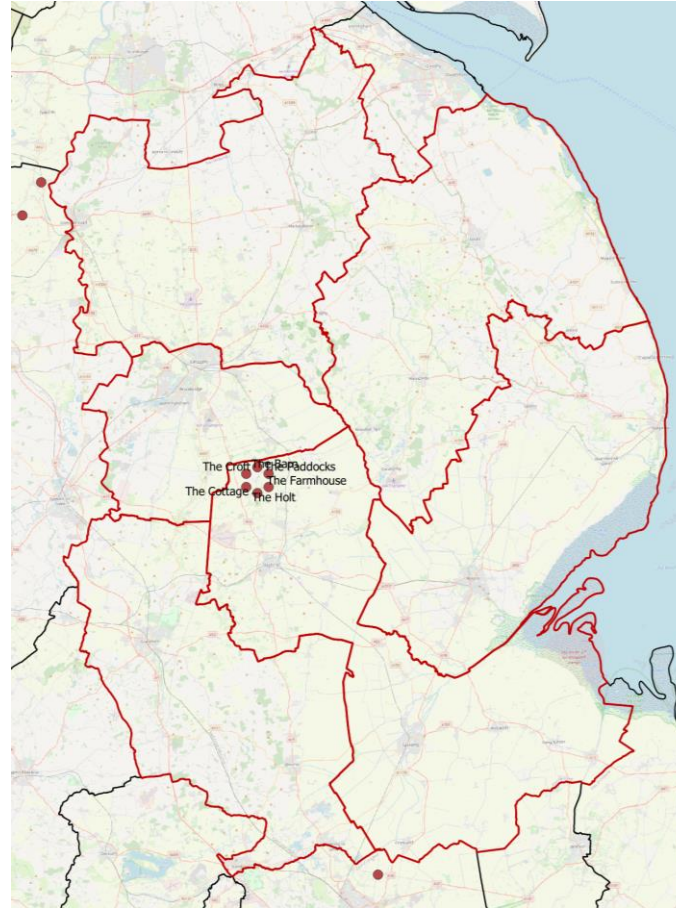
Sense

9 care homes with 50 beds, which is 5% of all LD beds in the county.



Lifeways Community Care

6 care homes with 47 beds, which is 5% of all LD beds in the county.



- The maps on these three pages have point displacement (moved so they show up) as many homes operate at same postcode or nearby locations.
- Lifeways operates 6 care homes, all located on Health Farm.
- Most of Sense's (see left) and Home from Home Care's (p.32) care homes are grouped in two locations. This (at least in theory) allows them to share management, back office functions and bank staff.
- Linkage and Boulevard's care homes are less tightly concentrated but are all grouped in the east of the county. (p.31)
- Kisimul mainly operate in the west of the county. (p.32)
- Priors (p.32) and Prime Life (p.31) both have care homes distributed across the county.

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Staffing, wages and operating practices



Care staffing

Care worker hours prw in learning disability residential care homes

Category	Sample size	Mean	Trimmed mean	Distribution						
				Minimum	10 th percentile	25 th percentile	Median	75 th percentile	90 th percentile	Maximum
All responding care homes	23	33.0	33.0	8.2	11.2	21.4	30.3	40.9	52.3	86.7

- At least from the perspective of care staff, learning disability care homes can be split into two core business models.
- First, the more traditional model of delivery is based on shared staffing during for the day and night, with additional hourly support as required (usually during the day). The core staffing ratio during the day generally ranges between homes from 1 support worker to 8 residents to 1 support worker to 2 residents. The night-time staffing ratio is often lower, particularly when there is a relatively high number of staff to residents in the day. In this model, support at night is sometimes sleep-in but only where the residents have relatively low needs.
- We collected staffing data from 23 care homes offering the first, more traditional model. This data is shown in the table above. Hours varied from 8.2 hours per resident week (prw) to 72.44 hours. This analysis takes into account the occupancy of each home as it is based on the total hours on the weekly rota divided equally between all the residents in the home. Although the very low end of the range could be erroneous, there is nothing surprising about the range of hours as it is simply a function of the core staffing ratios plus sometimes an amount of additional one-to-one hours.
- Some of the homes with relatively low numbers of staff to resident ratios (e.g. one staff member to five or six residents during the day) function similarly to older adult homes. This is particularly the case in Lincolnshire because it has so many large learning disability care homes.
- The second, newer model of care delivery tends to have a default staffing ratio of one-to-one support during the day, with waking staff at night, usually based on some form of shared rota. With extremely high staffing levels, this model is largely designed to supporting residents with significant challenging behaviour. A common issue with this model of support is that there is no realistic prospect of stepdown support within many homes, as the standard (and often minimum) staffing ratio is one-to-one or above. This makes it difficult to offer less intensive support from the same care setting. It would also invariably represent a loss of revenue and profit for the provider.
- In both models, hours per resident are affected by the relative length of the daytime and night shifts. This is discussed on the next page.

Night-time shifts

Night shift length

Status	Homes	Percent
No survey	24	
No info (did not answer)	12	
8 hours	11	20%
9 hours	17	30%
10 hours	9	16%
11 hours	1	2%
12 hours	18	32%
Total responses	56	100%
Grand total	92	

Data: Anonymised surveys

- One provider influenced the above results. It is not common for learning disability care homes to operate 12-hour night shifts, as it is harder to reduce staffing levels when people are awake compared to older adult (mostly nursing) care homes.
- Many learning disability care homes also run multiple overlapping shifts throughout the day, so the definition of the night shift is not always as straightforward as is the case in older adult care homes.
- In most care homes, increasing the length of the night shift lowers costs, as the night staffing ratio is usually materially lower (less support).

Sleep-in night support

- Surveys included sleep-in rates from 20 care homes, though this was only from 6 different providers.
- Many care homes do not use sleep-in care workers.
- One provider paid £78.48 per night in all their homes.
- A national provider operating in the county paid £50.00 per night.
- A local provider paid between £45.00 and £55.00 per night depending on the staff members role / responsibility.
- One provider only paid £28.00 per night (if we have interpreted their survey correctly).

Care worker wages

Category	Care homes	Mean	Minimum	10 th percentile	25 th percentile	Median	75 th percentile	90 th percentile	Maximum
Team Leader	43	£10.20	£9.00	£9.50	£9.55	£9.91	£10.76	£11.67	£12.50
Senior care worker	22	£9.99	£9.32	£9.59	£9.59	£9.61	£10.21	£10.21	£12.50
Standard care worker	66	£9.32	£8.91	£9.00	£9.00	£9.09	£9.62	£10.28	£10.28
Team Leader (night)	9	£11.43	£9.52	£11.24	£11.67	£11.67	£11.67	£11.67	£11.67
Standard care worker (night)	33	£9.53	£8.99	£9.00	£9.39	£9.62	£9.65	£9.96	£9.96

Data: Anonymised surveys (with data confirmed by job advertisements where possible), with each care home counted once

- Hourly rates are inclusive of weekend and public holiday enhancements. Within this sector, there is often a trade-off in that providers sometimes have higher base pay with few enhancements, whilst others have lower base pay and more generous enhancements and other terms & conditions.
- All providers appear to have largely identical pay structures across each of their respective care homes. Distribution analysis by care home (as above) is therefore potentially misleading, as it is heavily influenced by the number of care homes operated by specific providers.
- A weighted average by beds would probably be lower than the overall mean as, on average, smaller care homes tend to be more specialist and pay higher wages. However, any average like this would itself be misleading, as (i) home size is not a good indication of total hours, and (ii) it would be an average of two or more things which are conceptually different.
- This also applies to some extent to the above sample. Many of the wages included in the above analysis in each category are not like for like. Even though all care homes may use 'standard care worker' (or equivalent) as a staffing category, there will be a skill component to some of the high wages, such as to deliver stepdown or for complex behavioural support.
- Any geographical differences we found relate appeared to relate to the providers operating in specific areas. We not found any obvious geographical patterns relating to more general local economic forces.
- The mean is higher than median because wages start to increase considerably past the median.
- As so many care homes supplied wages but not hours, we cannot calculate weighted averages using a large sample size.

Ancillary staff and managers

Category	Care homes	Mean	Minimum	10 th percentile	25 th percentile	Median	75 th percentile	90 th percentile	Maximum
Activity staff	3	£9.22	£9.11	£9.11	£9.11	£9.11	£9.27	£9.38	£9.44
Nurse	3	£18.06	£17.37	£17.58	£17.88	£18.39	£18.41	£18.41	£18.42
Handyperson / Gardener	13	£10.91	£8.91	£8.91	£9.75	£11.83	£11.83	£11.83	£11.83
Cook	10	£11.35	£9.75	£9.97	£11.72	£11.72	£11.72	£11.72	£11.72
Domestic staff	5	£9.49	£9.11	£9.11	£9.11	£9.11	£9.44	£10.18	£10.67
Home Manager	25	£15.60	£12.50	£13.50	£13.88	£13.92	£14.65	£18.11	£31.17
Deputy Manager (non-nurse)	5	£12.86	£9.91	£9.91	£9.91	£9.91	£13.00	£18.15	£21.58
Deputy Manager (nurse)	1	£19.00	£19.00	£19.00	£19.00	£19.00	£19.00	£19.00	£19.00
Administrator	12	£9.55	£8.91	£9.47	£9.47	£9.47	£9.47	£10.12	£10.31

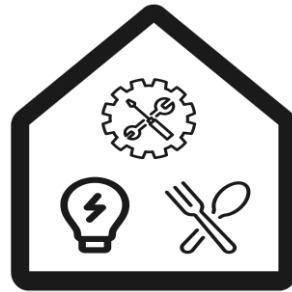
Data: Anonymised surveys (with data confirmed by job advertisements where possible), with each care home counted once

- There were no senior nurses, chef managers, head housekeepers, kitchen assistants, senior admin, or receptionists in any of the surveys.
- The sample sizes above (each care home counted once) are small as most learning disability care homes do not use many of these staff roles. Apart from large homes which operate more like an older adult care home, care workers are multi-functional roles in most learning disability care homes. In order to maximise independence, residents are often encouraged to clean and sometimes cook.
- Even where the sample size looks slightly larger (handyperson and cook), the fact that wages are the same for so much of the distribution is shows this is a single provider.
- Managers often work on the care rota for many of their hours. Depending on the set-up, home managers and deputy managers are often little more than team leaders. A lot of management in the traditional sense of the word will be undertaken centrally.
- Averages for these staff roles can therefore be misleading. In practice, roles with the same job title can be completely different. For example, a manager paid £31.17 per hour is not an equivalent job to a manager paid £12.50 per hour.

Recruitment

- The survey used a system of default answers about recruitment, i.e. the default was 'no recruitment issues' and required overwriting. This did not work well as most care homes did not complete this part of the survey. There is therefore little structured data to analyse.
- One provider stated that they are currently paying very high weekend premiums on a temporary basis to overcome recruitment difficulties.
- The following are free-text answers about recruitment included in learning disability care home surveys.
 - *"General staff recruitment is becoming more difficult. We currently have 20 vacancies centrally and across all locations."*
 - *"Recruitment is the biggest challenge for staffing the home appropriately. Also, care staff leave after COVID-19 due to burning out and health issues. Staffing cost has been increased disproportionately."*
 - *"Recruiting is a big challenge, and it seems to be so irrespective, within reason, of the amount of hourly rate been offered."*
 - *"It is very difficult to recruit in Louth."*
 - *"All recruitment in Louth is extremely difficult and this has been exacerbated by Covid 19. Although we have introduced the use of a <company> relief team we are forced to use more agency staff than we would choose."*
- Care Analytics would note that there are a disproportionately large number of learning disability care homes in a relatively small geographical area covering the south and east of Louth and the nearby north of the Boston & Skegness team. This may contribute to greater-than-usual difficulties with recruitment in these areas. (see page 16)

Non-staff operating costs



Non-staff operating costs

- Non-staff operating costs are the costs required to operate a care home on a day-to-day basis, excluding staffing and any capital costs or rental considerations. This includes the cost of a corporate function where applicable.
- Providers have different start and end dates for their financial years. As the variation between providers is nearly always greater than cost inflation even over several years, we have simply allocated costs based on the most months in the financial year April to March.
- Some providers only gave data for one financial year, whilst others gave two financial years (so are doubly counted in the data).
- Results for 2019-20 and 2020-21 are shown without uplifts for inflation.
- Covid-19-related funding would have partially offset some non-staff costs in 2020-21. However, the data in this section will not generally include ongoing additional costs associated with Covid-19 as most of the data is historic.
- Owing to the relatively small sample sizes for operating cost data, we have not excluded obvious outliers as this would obfuscate the data we received and prevents the reader from coming to their own judgements.
- Where commensurable, we have also included the results for the 2017 exercise. The results are often different. This is unsurprising as the samples are likely materially different. As discussed elsewhere in this report, learning disability care homes can have very different cost profiles depending on their home size and the type and level of support offered to residents.
- We have only presented data for a few of the significant cost lines as there was insufficient commensurable data to make it worthwhile to cover others. Even the cost lines presented have significant limitations.
- We considered omitting this section from the report. However, in the end we concluded that it was better to show the data as a way of highlighting its limitations. Furthermore, it would not be helpful for future exercise not to have a baseline, however limited.
- Our judgment is that in most respects, the non-staff operating costs reported for the older adult market review offer more reliable benchmarks of minimum cost and will be reasonably appropriate for larger learning disability care homes. However, such benchmarks will not scale well to learning disability care homes with more intensive staffing. For the same reason, there are issues averaging results between different types of learning disability care home.
- We recommend that future exercises should seek to analyse '1-2-1' providers and 'core and additional' providers separately, as this would be a more useful approach to both engaging with the market and analysing their costs.

Food

Food costs prw (single cost line)

Financial year	Sample size	Mean	Distribution							10-90 th percentile	
			Minimum	10 th percentile	25 th percentile	Median	75 th percentile	90 th percentile	Maximum	Sample size	Trimmed mean
2017 exercise	Unknown	£40.15	£21.50						£63.00		
2019-20	19	£24.22	£4.02	£10.72	£17.33	£20.44	£28.59	£41.59	£54.18	15	£23.06
2020-21	21	£24.07	£3.85	£11.32	£17.85	£21.87	£27.29	£42.99	£49.00	17	£23.32

Data: Anonymised care home surveys (2021 unless stated)

- In general, these food costs are much lower than we would expect. This is likely either a combination of providers purchasing food centrally and not allocating in full to specific homes, or food costs being reported net of income for staff meals.
- The two group providers not included in the above analysis had food unit costs of £70-90 per resident week. This only appears to make sense if it includes the cost of feeding staff on 1-2-1 models of care (such that 2-3 people are being fed rather than 1). The only other explanation is that the cost lines include high-cost non-food items.
- On initial consideration the 2017 results appear very different to the data received in 2021. However, if we had included all the care homes of the two high-need / high-cost groups mentioned above, the average results would be in the same ballpark.
- With regard to a suitable cost benchmark for food costs for learning disability care homes, we would suggest the older adult data is more reliable starting point. A variety of different types of older adult care home all had averages between £29-£30 prw at 2020-21 cost levels. This includes care homes below 30 beds. Higher food costs would be appropriate in care homes with intensive staffing who offer free or subsidised food to staff, i.e. the food budget is feeding 2-3 people rather than 1.
- Although higher-than-usual inflation for food costs is likely over the coming years, the impact will not be that material in isolation as a total cost prw. However, it has the potential to add to combined high-than-usual increases across multiple cost lines.

Utilities

Utilities costs prw: Gas, electricity, oil, water, utilities, telephone and internet

Financial year	Sample size	Mean	Distribution							10-90 th percentile	
			Minimum	10 th percentile	25 th percentile	Median	75 th percentile	90 th percentile	Maximum	Sample size	Trimmed mean
2017 exercise	Unknown	£31.78	£13.89						£46.00		
2019-20	19	£21.70	£8.13	£11.37	£13.26	£15.99	£27.76	£36.97	£64.96	15	£19.38
2020-21	22	£27.34	£8.44	£10.48	£12.93	£17.41	£35.77	£60.11	£87.70	16	£22.18

Data: Anonymised care home surveys (2021 unless stated)

- These costs had to be grouped for analysis owing to the level of overlap and the fact that some surveys did not provide more granular cost breakdowns.
- The distribution of utilities costs is quite wide. Some of this will be associated with relative levels of energy efficiency in converted homes and purpose-built homes of various ages.
- Some of the stated utilities costs are extremely low. This indicates the relevant providers either do not reliably account for certain costs at a home level or residents are out of the homes for most of the day.
- Utilities costs in the two excluded group submissions are £40-£65 prw. This ballpark is typically reported for homes operating 24/7 waking hours for staff.
- With regard to a suitable cost benchmark for utilities costs for learning disability care homes, we would suggest the older adult data is more reliable starting point. A variety of different types of older adult care home all had averages between £24-26 prw at 2020-21 cost levels. This includes care homes below 30 beds. Higher costs would be appropriate in learning disability homes with more intensive night staffing as utilities costs can markedly increase if the house effectively does not shut down at night.
- Large gas price increases are in the news at the time of writing. This is potentially a risk area as care homes are not protected from price increases in the same way as domestic properties.

Repairs and maintenance

Repairs and maintenance costs prw: Single cost line

Financial year	Sample size	Mean	Distribution							10-90 th percentile	
			Minimum	10 th percentile	25 th percentile	Median	75 th percentile	90 th percentile	Maximum	Sample size	Trimmed mean
2017 exercise	Unknown	£28.33	£6.50						£58.23		
2019-20	19	£25.31	£8.42	£12.99	£15.22	£21.03	£30.06	£47.00	£59.62	15	£23.11
2020-21	22	£27.58	£1.76	£7.37	£11.88	£16.11	£28.55	£65.27	£116.12	16	£20.76

Data: Anonymised care home surveys (2021)

- Almost all care homes separately reported repairs and maintenance costs but we have grouped as they overlap.
- There is nothing unusual about this distribution of costs, though it is obviously a wide range. A similar wide range is shown in the results for older adult care homes from a much larger sample size.
- Repairs and maintenance costs can vary substantially from year to year depending on whether significant issues arise.
- The quality of facilities have implications for repairs and maintenance in that it costs more to maintain and repair a higher specification facility than lower specification. For example, there is a higher maintenance cost for homes with entirely ensuite showers versus shared bathrooms.
- Good practice is obviously to invest a reasonable amount in ongoing maintenance to minimise the need for future repairs. However, the inevitable temptation for some providers is to minimise repairs and maintenance spend to maximise short-term profits / achieve a breakeven position – especially in times of financial difficulty.

Professional and central costs

Central costs including staff

Financial year	Sample size	Mean	Distribution							10-90 th percentile	
			Minimum	10 th percentile	25 th percentile	Median	75 th percentile	90 th percentile	Maximum	Sample size	Trimmed mean
2019-20	16	£92.90	£46.68	£56.21	£68.33	£83.57	£103.02	£139.75	£222.39	12	£84.90
2020-21	17	£105.53	£0.08	£32.73	£87.18	£95.87	£122.36	£161.84	£293.22	13	£100.29

Data: Anonymised care home surveys (2021)

- Market averages for professional and central costs are somewhat bogus. Any average must be treated with suspicion as it will be calculated on costs varying widely depending on each provider's business model. The wide range of costs presented here is consistent with our expectations.
- The smaller average size means these costs will typically be higher per resident for learning disability care homes than older adult homes.
- If more of the independent care homes who did not submit surveys were included in the above analysis, both the overall averages and distribution would be lower for the overall market. Independent care home providers and small owner-managed groups generally do not incur the same level of cost as groups. The three main reasons are:
 - i. The owner of an independent care home or a small group will often be responsible for many tasks that are managed by central staff in larger groups (procurement, finance, HR, strategy and policy, various admin, etc.). This input is often not an explicit cash cost as owners often primarily use dividends to take money out of the business (though small groups will often incur director remuneration as an equivalent to central costs).
 - ii. Over time, larger groups can fall victim to accumulating bureaucracy and the associated costs. This is rarer among businesses directly managed by the owner(s) as they see the direct effects of bureaucracy on their profits. This is not a care home specific phenomena.
 - iii. Groups have costs for portfolio management and growing their business. There are also costs associated with ensuring the business is structured efficiently for tax purposes. These additional costs can be substantial compared to a stable portfolio with a simple business structure.
- Much of the 'central overhead is incurred per home, rather than per resident. However, for simplicity, central overheads in groups are usually apportioned either per resident or as a percentage of revenue. It should be noted that if overheads are split by resident this increases the price of low-cost residents compared to high-cost residents in a portfolio. While if overheads are split as a percentage of revenue, the opposite is true. There is no 'true' way to split overheads, it is ultimately an accounting decision.

Facilities and capital costs



Care home facility standards

- The Care Standards Act 2000, enacted in 2002, specifies that newly registered care homes must have at least 12m² floor space in each bedroom, plus at minimum an ensuite toilet. Any other ensuite facilities are also excluded from this floor space calculation. New registrations are inclusive of both new-build homes and converted properties.
- The original intention in the Act was that all care homes had to meet this minimum room size by around 2007. However, this requirement was dropped after understandable pushback from the industry that this was unachievable.
- Two decades later, this requirement still does not apply retrospectively to pre-existing care homes. Indeed, a large minority of the care home market nationally remains 'substandard' by new registration room standard requirements. The survey data shows this is also the case in Lincolnshire. Only in a few areas in the country are 'substandard' facilities rare or non-existent.
- It should be noted that for new registrations, the Care Standards Act specified that the minimum room size excluding any ensuite facilities was 15m² for wheelchair users and 16m² for shared rooms.
- Furthermore, newly registered care homes for working-age adults have a higher legal minimum specification than older-adult care homes in some respects. The key difference is that newly registered homes for working-age adults must have one shower and toilet between two people, compared to a 1 shower and toilet to 8 people in older adult care homes.
- In practice, new-build older adult care homes have much higher specifications than the minimum standards in order to attract self-funding residents – ensuite showers or wet rooms have been standard for some time.
- Stakeholders are likely to have differing opinions about the importance of rooms size and the need for ensuite toilets, showers, and wet rooms.
- As we discussed earlier on page 11, the CQC policy Registering the Right Support means that, in practice, new registrations for learning disability care homes are typically 6 beds or fewer.

Facilities: Room size

Category	East	West	South	Total	<5 homes	5-24 homes	25+ homes	Total
Rooms								
Smaller than 12m ²	24	2	7	33	7	6	20	33
12-18m ²	33	38	39	110	38	35	37	110
18-24m ²	29	5	26	60	46	11	3	60
Larger than 24m ²	20	61	10	91	2	88	1	91
Total rooms in survey	106	106	82	294	93	140	61	294
Room size known (survey)	27%	31%	45%	32%	50	33%	18%	32%
Care homes								
Care homes with room data	9	12	5	26	6	16	4	26
Homes with 1+ undersized room	3	2	2	7	2	2	3	7
Homes with some undersized rooms	33%	17%	40%	27%	33%	13%	75%	27%

Data: Anonymised care home surveys (2021)

- The survey data only comes from circa a third of the market both in terms of beds and homes. While this represents a substantial proportion of the market, the differences between types of care home means this cannot be assumed to be representative.
- Within the survey sample, only 11% of rooms are smaller than the minimum standard for new care homes of 12m².
- By contrast, 51% of rooms are larger than 18m². Given younger adults in this client group are more likely to be mobile and their care home is in many cases likely to be in their long-term home, it is good news that a large proportion of bedrooms are large. Obviously, larger rooms have implications for appropriate rents.
- As the sample is self-selecting, it is possible that homes with better quality facilities are more likely to have answered this question. If this is the case, this means that the number of homes with smaller rooms would make up a larger proportion of the market.

Facilities: Bathroom facilities

Category	East	West	South	Total	<5 homes	5-24 homes	25+ homes	Total
Rooms								
Room with communal bathroom facilities	132	46	39	217	52	106	59	217
Toilet & basin only	13	36	22	71	16	53	2	71
Ensuite bath and/or shower	34	107	15	156	10	102	44	156
Separate private bathroom	9	6	1	16	1	12	3	16
Total rooms	188	195	77	460	79	273	108	460
Bathroom facilities known (survey)	48%	56%	42%	50%	64	64%	31%	50%
Care homes								
Care homes with bathroom data	18	12	5	35	5	31	10	46
Care homes with 'room only' rooms	15	7	2	24	3	14	7	24
Care homes with no ensuite toilet	83%	58%	40%	69%	60%	45%	70%	52%

Data: Anonymised care home surveys (2021)

- The survey data comes from circa half the market both in terms of beds and homes. Some surveys included answers about bathrooms facilities but not room sizes (see previous page).
- While this represents a substantial proportion of the market, the differences between types of care home means this cannot be assumed to be representative.
- Within the survey sample, 47% of rooms do not have an ensuite toilet. This a requirement for newly-registered facilities.
- As the sample is self-selecting, it is possible that homes with better quality facilities are more likely to have answered this question. If this is the case, this means that that the number of homes without ensuite toilets would make up a larger proportion of the market.

Facilities: 'Substandard' rooms

Category	East	West	South	Total	<5 homes	5-24 homes	25+ homes	Total
Rooms								
Max of undersized rooms and no ensuite toilet	133	47	46	226	59	106	61	226
% of rooms 'substandard'	71%	24%	51%	48%	63%	39%	56%	48%
Care homes								
Care homes with 'substandard' rooms	16	8	4	28	5	14	9	28
% homes with 'substandard' rooms	89%	35%	67%	60%	83%	45%	90%	60%

Data: Anonymised care home surveys (2021)

- A 'substandard' room relates solely to the requirements for newly-registered care homes as defined in the Care Standards Act 2000. No value judgement is inferred for the quality of care, or indeed the quality of facilities (other than that the rooms do not meet these specific standards).
- Based on the survey sample, 11% of rooms in learning disability care homes have less than 12m² usable floor space (sometimes called 'undersized'), whilst 47% of rooms do not have an ensuite toilet. Combining the above metrics (the maximum of each result in all care homes), *at least* 48% of the rooms in the survey sample are either 'undersized' and/or rooms with no ensuite toilet. Some rooms will fail on both criteria.
- Stakeholders are likely to have differing opinions about the importance of rooms size and the need for ensuite toilets, showers, and wet rooms.
- In our judgement, the requirement for an ensuite toilet is far less important where residents do not have mobility issues. This is typical for a large proportion of residents in learning disability care homes. As such, we find it unsurprising that a large proportion of homes have shared bathrooms.

Types of building

Category	East	West	South	Total	<5 homes	5-24 homes	25+ homes	Total
Converted property	10	7	1	18	1	16	1	18
Converted property with extension(s)	6	10	4	20	4	12	4	20
Purpose-built care home	6	7	1	14	1	6	7	14
Purpose-built with later extension(s)	-	-	-	-	-	-	-	-
Total responses	22	24	6	52	6	34	12	52
Building type known (survey)	61%	65%	32%	57%	55%	74%	35%	57%
Converted properties	73%	71%	83%	73%	83%	82%	42%	73%
Purpose built properties	27%	29%	17%	27%	17%	18%	58%	27%

Data: Anonymised care home surveys (2021)

- Whilst 52 out of 92 homes is a large proportion of the market, there is no guarantee it is representative. This is particularly the case given that, as discussed elsewhere, the sample is disproportionately skewed towards medium-to-large provider groups.
- 73% of care homes in the sample are in converted properties, although more than half of these have extensions.
- Given independent care homes are largely outside this sample, the proportion of homes in converted properties would likely increase with a full picture of all care homes.

Indicative property value variation based on house sale data

Value of per bedroom of general-purpose housing at learning disability care home locations in Lincolnshire

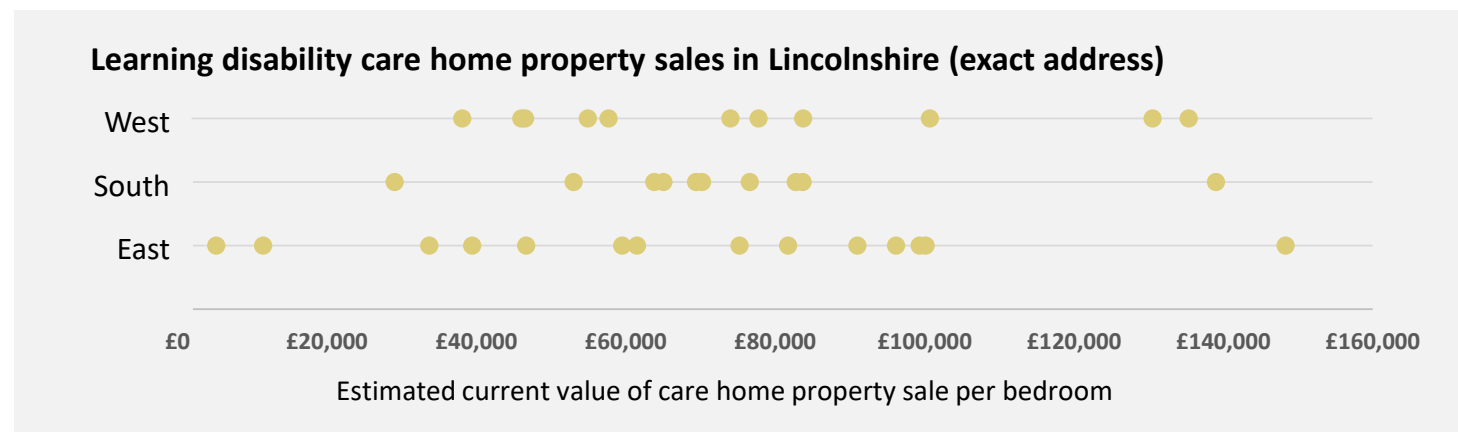
Category	East	West	South	Total	East		West		South	
					Boston & Skegness	Louth	Lincoln & Hykeham	West Lindsey	Grantham, Bourne & Stam.	Spalding & Sleaford
Minimum	£28k	£21k	£44k	£21k	£28k	£31k	£39k	£21k	£44k	£38k
1st quartile	£56k	£52k	£62k	£58k	£46k	£65k	£73k	£64k	£60k	£45k
Median	£65k	£67k	£78k	£66k	£58k	£66k	£81k	£66k	£85k	£62k
3rd quartile	£74k	£84k	£103k	£81k	£69k	£79k	£96k	£74k	£131k	£80k
Maximum	£153k	£133k	£145k	£153k	£153k	£127k	£133k	£97k	£145k	£131k

Data sources: Online property valuation service, linked to Care Analytics care home database

- We collated sale data for general-purpose housing as close as possible to all learning disability care homes in Lincolnshire.
- Based on the estimated current value of each property (using the website's uplift algorithm for property price inflation since the sale date), we then calculated an estimated capital cost per bedroom for each location. This analysis is not necessarily intended to be reflective of care home capital costs, but good enough to identify large geographical differences in property valuations.
- For many learning disability care homes in converted general-purpose housing, the property valuations will offer a good indication of opportunity costs for selling the respective home as a bricks and mortar asset.
- It is usual to see a range of property values for general-purpose housing. However, the most important point thing is that all localities have high- and low- value property at care home locations.
- This data is sufficient to demonstrate that there will be a large of range of legitimate 'rental' costs for learning disability care homes in the county, although the precise circumstances of individual care homes will generally be more important than any broad geographic location.

Care home and property sales

- The graph right shows 35 examples of learning disability care home property sales (exact address), with an algorithm-driven estimated current value per bedroom. The website's algorithm adjusts for property price inflation since the sale date.



- Each horizontal line represents the broad location of each care home.
- The property sale value per bedroom may be misleading if the sale is to a related party, the sale includes goodwill, or if the home had twin rooms.
- As with the previous page, these property sales show a wide range of property costs, and therefore wide range of legitimate 'rents' for placements.
- As shown in the table below, we only found four learning disability care home sales in and around the East Midlands. It is much rarer for sales to be made and advertised online compared to older adult care homes.
- Given the EBITDA and adjusted net profit levels in the below retirement sales, the bricks and mortar value of the properties must be quite low.

Learning disability care home sales found on various websites in and around the East Midlands

Location	Date	Beds	Guide Price	Per bed	Notes
Nottinghamshire	04/06/2019	17	£950,000	£55,882	No significant details provided.
Chesterfield	07/09/2020	8	£475,000	£59,375	Retirement sale. Modern-detached property. High occupancy. EBITDA of 39%.
East Midlands	08/07/2020	12	£950,000	£79,167	Retirement sale. 90%+ occupancy. Mean fees £900+. Net profit of 35%.
West Midlands	04/06/2019	4	£449,950	£112,488	Retirement sale. High EBITDA.



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