

ADULT SOCIAL CARE 2018

Funding, Staffing and
the Winter Crisis

Funding, Staffing and the Winter Crisis

Introduction

Since the launch of our 2017 report, *Funding, Staffing & the Bed Blocking Challenge*, the healthcare sector has remained in the media spotlight. The winter of 2017/2018 was particularly challenging for the NHS with huge demands being placed on the service. Many hospital trusts were forced to cancel non urgent operations with insufficient bed spaces being available to meet patients needs. Aside from the challenges of a cold winter and seasonal flu, a notable contributory factor was the blocking of hospital beds by patients who were well enough to be discharged but required either a care home place or home care support. In a number of cases, discharges were delayed due to a lack of such support being available.

The need for a joined up commissioning strategy between the NHS and adult social care is emphasised by the substantial volume of data which shows that the demand for health services is continuously growing. The 2017 *Competition and Markets Authority (CMA)* report on the sector highlighted a number of issues including the notable difference between local authority and privately funded fee levels. This variation has been evident in our last two reports with a new Green Paper anticipated over the coming months. This will hopefully help to put in place a sustainable funding solution.

Given the increasing demand for healthcare services, the role of the healthcare workforce has never been more important with once again the themes of funding and staffing being inexorably linked. With healthcare being a substantial part of Christie & Co's overall business, my colleagues and I are privileged to observe on a daily basis the exceptional care being provided by a dedicated and compassionate workforce. However, we also note the many challenges which operators face in recruiting and retaining good quality staff with the shortage of nurses brought sharply into focus by the ongoing Brexit negotiations.

It is with this backdrop that we are delighted to publish our fourth research document which looks at the pivotal issues of funding and staffing relative to the social care sector whilst also considering the increasing pressures placed on frontline services. Once again, our research has included a survey of every local authority and over 200 leading operators across elderly and specialist care. We are very grateful to all the operators who have contributed together with the support we have received from Care England and the Royal College of Nursing.



The role of the healthcare workforce has never been more important with the themes of funding and staffing being inexorably linked.

Michael Hodges – Head of Consultancy, Healthcare

Setting the scene – Adult Social Care Report 2018

The Funding vs Staffing Dynamic leading into 2018

Staffing

Key Findings from Christie & Co 2017 Report

Estimated shortfall of 17k FTE UK nurses

Uncertainty around Brexit saw a 35% reduction in new EU nurse registrations with a 23% increase in de-registrations

Following the abolition of bursaries for nursing students, applications to nursing and midwifery courses fell by 23%

Steady decline in District and Community nurse numbers

Agency usage & average staff costs at 59.9% of revenue

Developments since Christie & Co 2017 Report

Uncertainty around Brexit has led to a continued fall in EU nurses

Continued Agency Use & Cost Impact

Living Wage increase

New pay deal for NHS nurses worth c. 6.5% over three years

Easing of immigration rules for overseas doctors and nurses

A new initiative Nurse Degree Apprenticeships

Funding

Key Findings from Christie & Co 2017 Report

5.4% average fee increase for elderly care vs 1.0% for specialist care

37% of all respondent authorities increased fees by 4.0% or above with 18% in excess of 6.0%

20% of respondent authorities increased fees by less than 2.0%

Developments since Christie & Co 2017 Report

Continuation of the Social Care Precept up to 3% - worth £208m

Increase in the Funded Nursing Contribution to £158.16 (effective April 2018) from £155.05 (April 2017)

A further £150m of funding for 2018/19 through the Adult Social Care Support Grant

Proposed Green Paper set for autumn 2018 to provide a longer term sustainable solution

Winter Pressures

Key Findings from Christie & Co 2017 Report

In 2016, there were c. 2.1 million delayed discharge days with over 25% due to people awaiting care home placement

20 local authorities accounted for c. 45% of delayed discharge days with Christie & Co's operator survey showing care home vacancies in all of these areas

A key contributory factor for the bed blocking problem was the increase in hospital A&E admissions for people aged 60 or above. Our analysis showed a 65% increase since 2008 with FTE District Nurse numbers decreasing by 44% for the period 2010-2017

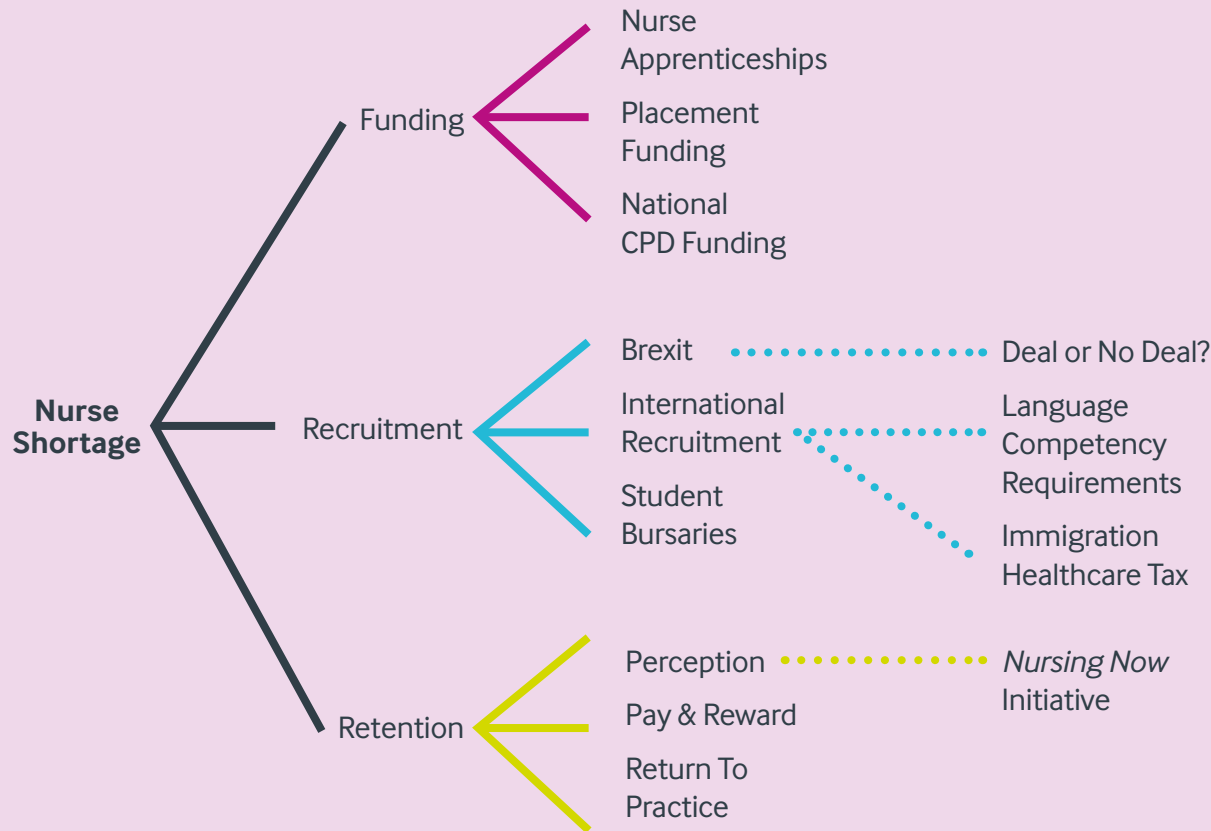
Developments since Christie & Co 2017 Report

2017/2018 winter creating a capacity crisis for the NHS

Bed blocking and the reduction in Community & District Nurses were contributory factors

Recent data highlights greater health challenges in deprived areas

Staffing Backdrop



Staffing shortages affect both the NHS and adult social care with the topic being at the forefront of media attention.

Funding has been at the epicentre of discourse although, positively, a new pay deal has been announced for the NHS workforce following public sector pay restraint since 2010.

The position for social care providers is more challenging depending upon the degree of reliance which the operator has on local authority funded residents. Once again a key focus has been on whether local authority fee rate increases will be sufficient to compensate for the NLW increase which became effective in April.

Other critical issues relate to staff retention, recruitment and the overall size of the nursing workforce relative to demand. The retention challenge also relates to the non nursing workforce with alternative employment opportunities available in other industries, including supermarkets which often provide superior pay rates.

For the nursing workforce, retention issues have seen more nurses and midwives leaving the profession before retirement.

Furthermore, the impact of Brexit and uncertainty around settlement status has seen more EU nurses leaving the register than joining.

Nursing Shortage

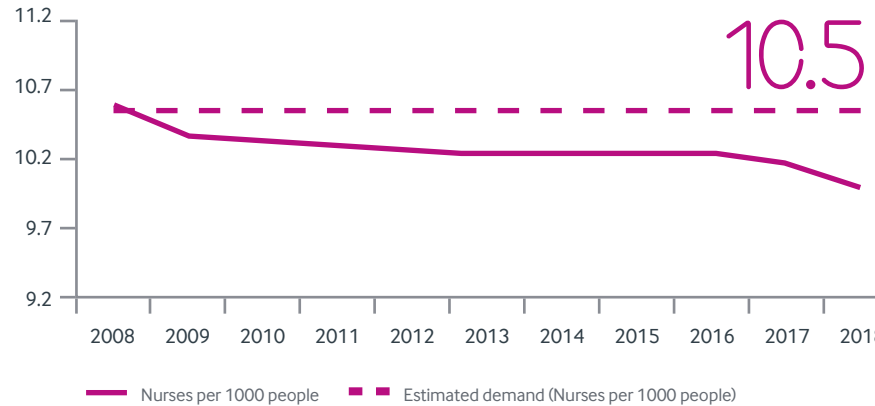
In our 2017 report *Funding, Staffing and the Bed Blocking Challenge*, we highlighted that uncertainties over implications of the Brexit vote, funding cuts to nurse training and the abolishment of student bursaries were all key issues exacerbating the nursing shortage. Over the course of the last 12 months, attempts to plug the outflow of nurses have fallen short leaving policy makers struggling to meet the increasing demand.

The adjacent graph shows the number of nurses per 1,000 people. Our previous reports have referenced estimated demand of 10.5 nurses per 1,000 people with the graph showing that the number of nurses in the UK has fallen below this level since 2008.

Brexit has exacerbated the shortage of nurses.

There are currently just less than c. 647,000 registered nurses compared to c. 659,000 in 2016.

Number of registered nurses in the UK (000's) vs nurses per 1,000 people

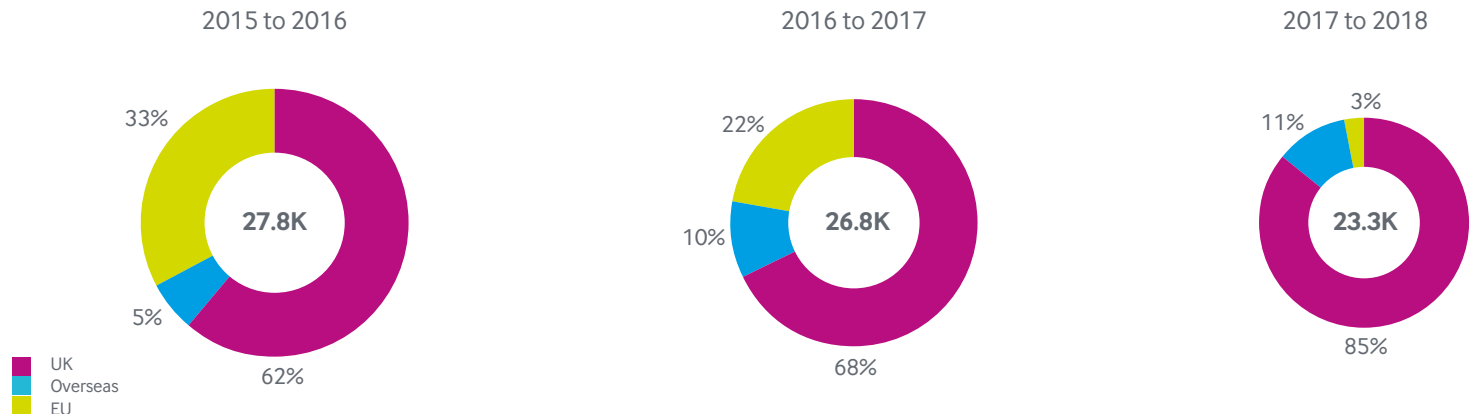


WE ESTIMATE A REVISED CURRENT SHORTAGE OF **20,000 FTE NURSES**

Source: Christie & Co (2018), NMC (2018)

Number of new nurse registrations in the UK (000's) by origin

13%
Fall in new nurse registration numbers



Source: Christie & Co (2018), NMC (2018), RCN (2018)

Brexit

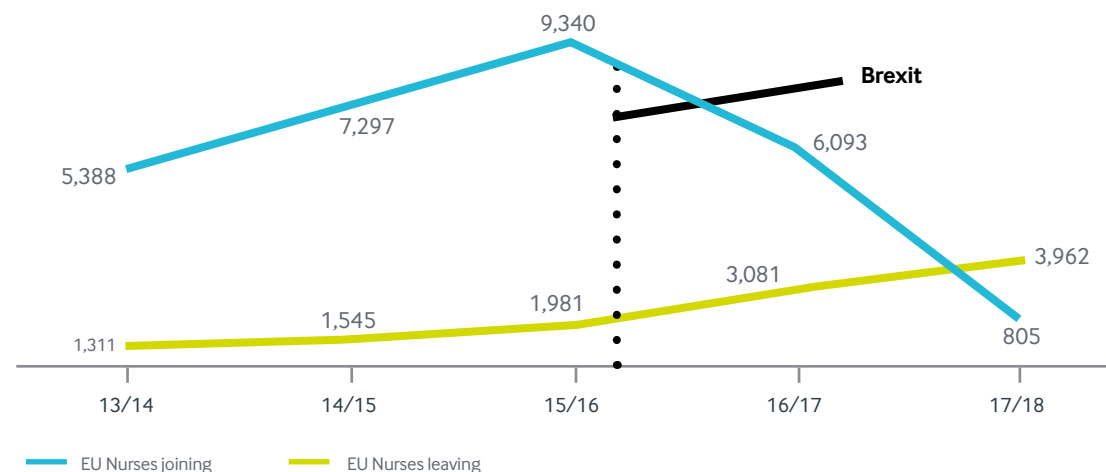
Two years on from the Brexit vote, several important questions around securing the supply line of EU nurses have yet to be answered. Now less than one year away from the scheduled date for the UK to leave the EU, the proposition of a 'No Deal' scenario will do little but compound uncertainty. Over the last three years, our research reports have highlighted the crucial role played by EU nurses in filling vacancies caused by a shortage of UK nurses. The graph below provides a stark illustration on the impact of Brexit with more EU nurses now leaving the register than joining.

Key Developments

The lack of a definitive Brexit deal (as at the time of writing) has created uncertainty. The announcement of a 'settled status' route for EU nationals, whilst being welcome, does not appear to have sufficiently allayed concerns with the situation compounded by a greater range of opportunities for these workers in their country of residence or other EU nations.

The Nursing & Midwifery Council (NMC) revealed in March 2018 that there were 2,909 fewer EEA health staff on the register compared with March 2017.

Total number of EU nurse registrants vs leavers (2013-2018)



Source: Christie & Co (2018), NMC (2018)

Consequences of a 'No Deal'

The NHS have been working on contingency plans in the event of a no deal Brexit. Aside from securing medicine and equipment supplies, workforce planning will be critical.

One positive initiative announced in April 2018, is a three year partnership with the Jamaican Government which will lead to registered Jamaican nurses undertaking work placements in the NHS.

The Minister of State for Health cited the Jamaican agreement as 'demonstrating the Government's commitment to forging new international relationships in preparation for the UK to leave the European Union'.

NHS has been undertaking measures to prepare for a total shutdown of EU relations.

Source: Christie & Co (2018), NMC (2018), Department of Health and Social Care (2018)

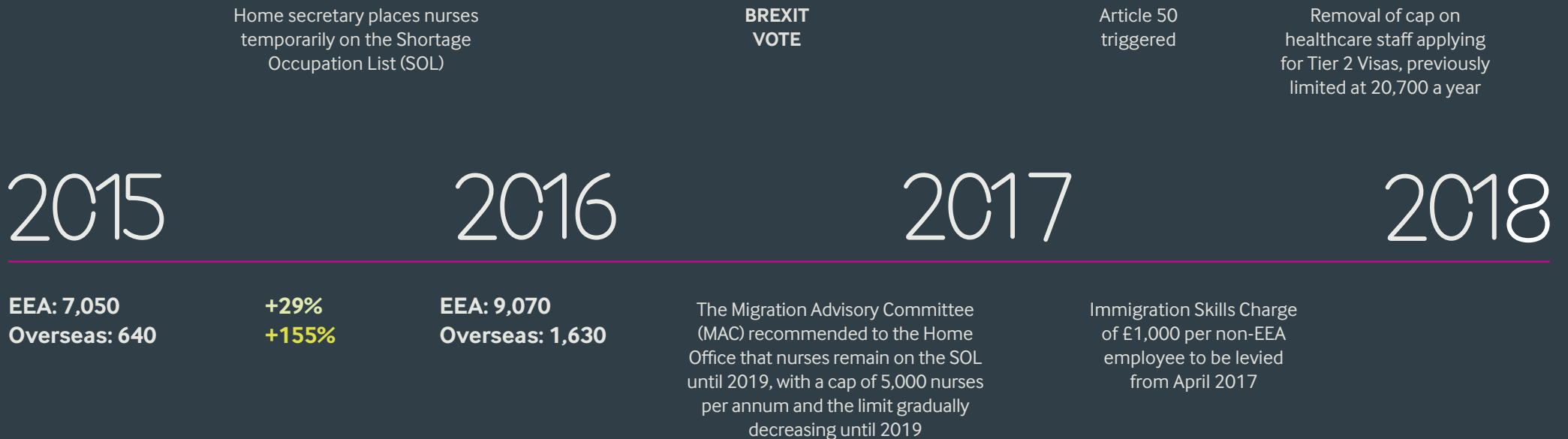


THERE ARE NOW **C. 35,000** EEA NURSES ON
THE NMC REGISTER, ALMOST **3,000 FEWER**
THAN 2016/17

87% DECREASE IN EU NURSE REGISTRATIONS
IN 2017/18 VS 2016/17

Immigration Timeline

Nursing immigration has seen a number of changes over the last few years. Issues around immigration played a key role in the UK's decision to leave the European Union. Our research has shown the importance of being able to recruit from overseas at a time when UK trained nurse numbers were stagnating or falling. Crucially, in early 2018, the Home Secretary announced the removal of the cap on health sector employees applying for Tier 2 visas. Going forward it will be essential to secure this supply line and to ensure there is limited red tape for overseas nurses wanting to work in the UK.



Source: Christie & Co (2018), NMC (2018), MAC (2017)

Immigration 2018

Number of international nurses joining the register in 2017 vs 2018

% Change from 2017 vs 2018

Overseas

Philippines

14% (1,769)

India

12% (631)

Other

-39% (320)

-78%

Other EEA Countries
(190)

-81%

Portugal
(91)

-91%

Spain
(92)

-90%

Italy
(154)

-56%

Poland
(135)

-93%

(143)
Romania

NB: These numbers refer to the number of new nurses trained in the above countries to join the NMC register.

Source: Christie & Co (2018), NMC (2018)

UK Nurse Training

In 2017 the Government introduced a raft of changes to nursing education and training routes in England. The stated purpose of these reforms was to allow expansion of degree education and to introduce new work based, or vocational routes into registered nursing.



Undergraduate Programme
+
Postgraduate Programme



Routes into Registered Nursing



Nurse Degree Apprenticeships
↑
Nurse Associate

HEE implement 'Return to practice' initiative with the aim to bring 2,000 nurses back to work

Tuition fee hike for non-nursing students from £3,000 to £9,000

Announcement of plans to end bursaries for nursing students in England and introduce a Nursing Associate role in 2017

Government consultation confirms decision to end bursaries for nursing students

Announcement of 'Nurse First' Programme

2009

2012

2015

2016

2017

2018

-3,000

+3,000

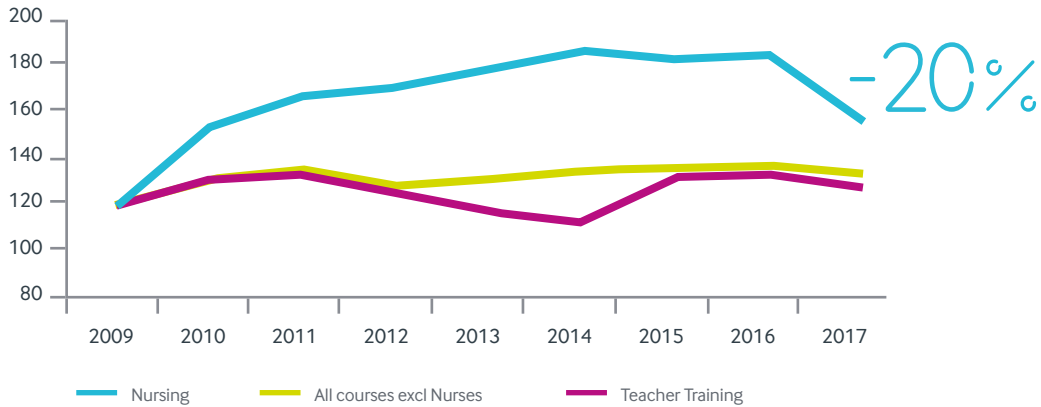
Commissioned nursing student places in England

First 2,000 Nursing Associates begin training

Source: Christie & Co (2018), HEE (2017), RCN (2018)

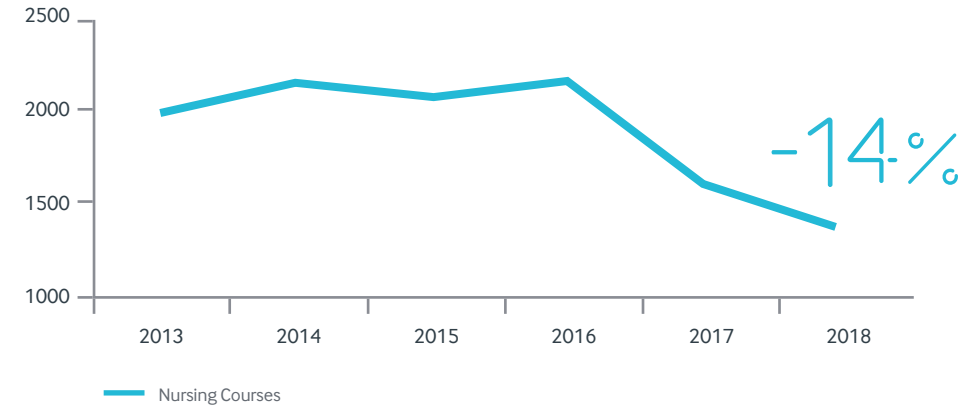
Student Bursaries – Pre registration undergraduate degrees

UK University Course Applications (2017/18)



Source: Christie & Co (2018), UCAS (2018)

UK Undergraduate Course Applications for people aged 25+ (2013-2018)



Source: Christie & Co (2018), UCAS (2018)



c. 51,000
nursing applicants
in 2013



19,815
students accepted
into nursing degrees



18,000
commissioned nurse
training places
in England



14,750 NMC nurse
register entrants
from England
in 2016

Class of 2013

Graduated 2016

30%

Student nurses do not complete course

Data collated by the RCN shows that for students who started in 2012/13 and graduated in 2016, c. 15,000 entered the workforce. This was from a pool of c. 50,000 people who applied for nursing courses in those years and from c. 20,000 admitted students.

Source: NMC (2018), UCAS (2017), RCN (2018), Parliament UK (2018)

Christie & Co Operator Survey – Agency Use in Elderly Care

Christie & Co has conducted a survey across the industry to identify the impact of key issues relating to funding and staffing. As with previous years, our operator survey is split between elderly and specialist care. Our sample for elderly is based on over 95,000 beds (38% of total supply) and nearly 5,200 beds for specialist (16% of total supply). In each case, our survey includes data from most of the leading operators together with key regional providers.

Elderly - Weighted Avg Agency Hours % (of Staff Hours)

7.2%

FY2017

6.5%

YTD2018

Average movement: **-0.9 pps**

Largest increase: **3.3 pps**

Largest improvement: **-6.8 pps**

Elderly - Weighted Avg Agency Costs % (of Staff Costs)

9.7%

FY2017

10.0%

YTD2018

Average movement: **0.0 pps**

Largest increase: **9.0 pps**

Largest improvement: **-4.2 pps**

Our Findings

Approximately 69% of all operators surveyed were able to reduce or maintain their agency cost share, whilst 31% of operators reported an increase in agency expenditure in 2018.

Whilst agency usage has fallen as operators strive to recruit and maintain full time staff, costs on average have slightly increased, indicating that agency staff are becoming more expensive.

Christie & Co Operator Survey – Agency Use in Specialist Care

As highlighted in our 2017 report *Funding, Staffing and the Bed Blocking Challenge* an ever increasing concern for specialist operators is the ability to source staff. This is due to the National Living Wage reducing the pay differential which previously existed between elderly and specialist providers coupled with competition for staff from outside the sector. The situation was compounded by the lack of compensatory fee rate increases for specialist providers in 2017 (1.0% vs 5.4% for elderly). Our specialist operator survey this year covers most of the major providers across a spectrum of learning disability, mental health and other acute services.

Specialist Weighted Avg Agency Hours % (of Staff Hours)

4.6%

FY2017

5.3%

YTD2018

Average movement: **0.1 pps**

Largest increase: **0.5 pps**

Largest improvement: **-0.7 pps**

Specialist Weighted Avg Agency Costs % (of Staff Costs)

8.7%

FY2017

8.4%

YTD2018

Average movement: **-0.2 pps**

Largest increase: **1.2 pps**

Largest improvement: **-2.9 pps**

Our Findings

The findings of the survey show a subtle variation to our 2017 report.

Agency hours have marginally increased by 0.7 pps relative to 2017 although agency costs as a proportion of total staff costs have slightly fallen.

Last year's report detailed that specialist providers were often using agency staff to cover support worker/ non nursing roles. This trend can again be seen this year.

Christie & Co Operator Survey – Overall Staff Costs

The final part of our operator survey measures staff costs as a percentage of revenue. Historically and prior to the implementation of the National Minimum Wage (now the National Living Wage), staff cost ratios were typically at around 50% of revenue before steadily increasing to 60% or above. Please note that the 2018 data reflects the position amongst respondents to this year's survey as opposed to a direct comparison with our 2017 report.

Elderly Staff costs % (of Revenue)

59.5%

FY2017

61.5%

YTD2018

Average movement: **1.8 pps**

Largest increase: **8.0 pps**

Largest improvement: **-9.0 pps**

Specialist Staff costs % (of Revenue)

58.3%

FY2017

58.8%

YTD2018

Average movement: **1.1 pps**

Largest increase: **3.7 pps**

Largest improvement: **-3.2 pps**

Our Findings

The majority of elderly care operators have seen subtle variation in their staff costs; 35% of operators managed to maintain or improve their margins so far this year.

One elderly operator surveyed reduced staff costs by 9.0%.

For specialist operators, the position is more mixed with only 17% managing to maintain or improve their margins. This reflects the lack of a private pay market for specialist providers, with operators reliant upon local authority fee rate increases to offset increased costs.

The Funding Backdrop

Social Care Precept

In 2018 local authorities were able once again to increase Council Tax by up to 3% to provide additional funding for social care.

Private Fee Element

The private fee element in a care home is driven by the number of self funded residents which closely correlates with the level of affluence in the area where the home is located.

Additionally, the private element can include 'top up payments' relative to the local authority rate.

FNC

The Funded Nursing Contribution (FNC) was decreased in 2017 to £155.05 before increasing to £158.16 from 1 April 2018.

Budget & Additional Funding

In the 2017 Budget, an additional £2bn was allocated over the next three years with £1bn available over 2017/18 through the Improved Better Care Fund.

Other funding initiatives include the Adult Social Care Support Grant 2017/18 worth £240m. We await the Autumn Green Paper which is set to be published in autumn 2018.



Care Home Funding – Local Authority Fee Rates

Background

Following the policy initiatives detailed on the previous page, we have undertaken a Freedom of Information Act survey of all local authorities to assess the impact of these policies on base local authority fee rates.

Our survey received responses from 105 local authorities in England (69%). Of these 95 were able to confirm fee levels for 2017/18. We have analysed the fee rate settlements on a regional basis and relative to the type of care being provided.

	Nursing	Nursing Dementia	Residential	Residential Dementia	Overall
East Midlands	2.7%	2.7%	3.8%	3.9%	3.3%
East of England	4.1%	3.0%	3.3%	2.7%	3.3%
London	3.0%	2.0%	2.8%	2.5%	2.6%
North East	4.3%	4.3%	4.4%	4.4%	4.4%
North West	4.1%	3.5%	3.2%	3.7%	3.6%
South East	3.3%	2.3%	2.8%	4.3%	3.2%
South West	3.9%	1.5%	4.3%	2.0%	2.9%
West Midlands	2.5%	2.2%	2.3%	2.4%	2.4%
Yorkshire and The Humber	4.3%	4.0%	4.1%	4.1%	4.1%
Overall	3.5%	2.8%	3.4%	3.5%	3.3%



NB: Fee increases have been weighted by local authority spending on residential and nursing care

NB: Fee increases above 8% have been capped at 8%

Source: Christie & Co (2018)

2018/19 Local Authority Fee Rates by Region

An Overview

England

Average fee rate increases from April 2018 for local authorities in England equated to 3.4% for residential and 3.5% nursing care (compared to 3.9% and 4.1% respectively for 2017).

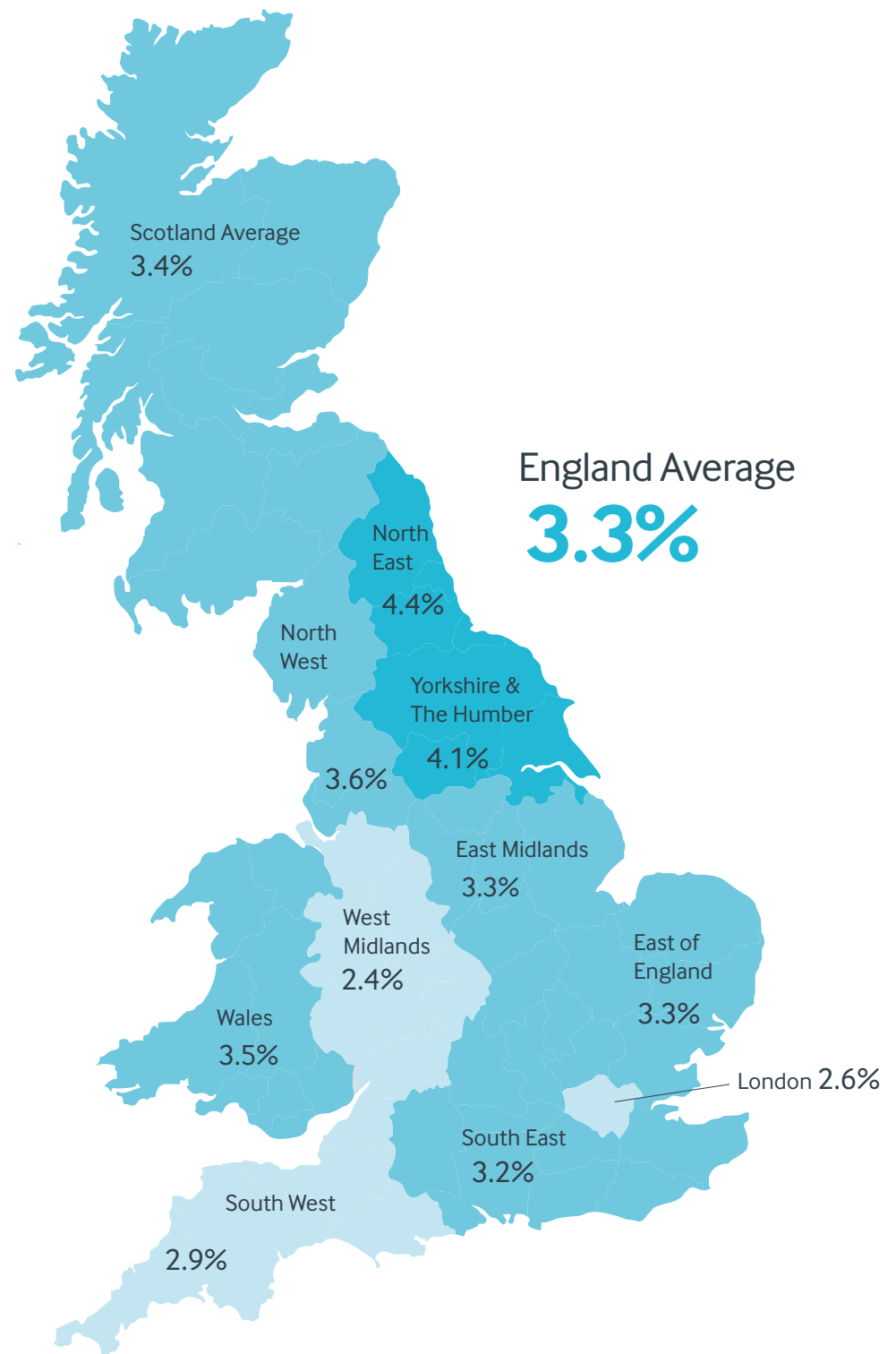
There is ongoing regional disparity with fees in the North and Midlands flagging behind London and the South. That being said, fee increases in these regions are generally encouraging for the current year, albeit a significant gap remains.

Wales

There have been modest fee increases across Wales averaging 3.5% for Residential and Nursing care. The overall trend is mixed, with significant variations by local authority and also by type of care.

Scotland

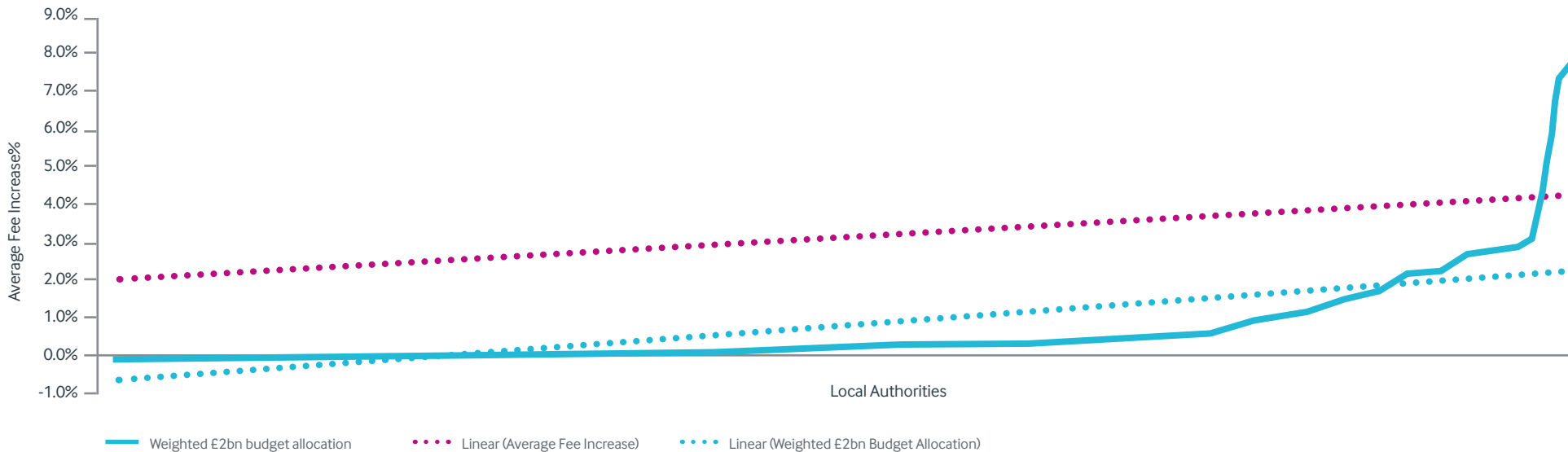
Fee rate increases for Scotland from April 2018 reflect uplifts of c. 3.4% (over a six month period) and are subject to a commitment from operators to remunerate staff at the Scottish Living Wage.



Impact of the additional £1bn funding from the 2017 Budget

In the March 2017 Budget, the Government pledged an additional £2bn for the adult social care sector with £1bn to be available over 2017/18. The graph shows each local authority fee increase (69% of local authorities) against its weighted budget allocation.

Local Authority Weighted Budget Allocations (£2bn from 2017-2020) vs Average Fee Increase Trend Line



NB: Budget Allocations have been weighted by local authority spending on residential and nursing care



When we observe the trend of fee increases against budget allocation, there is a positive correlation, suggesting that councils receiving the highest budget allocations are generally implementing larger fee increases.

Christie & Co Operator Survey – Average Fee Increases

For the purpose of comparing fee increases which care home providers are receiving relative to the base local authority levels, we asked respondents of our operator survey to provide data on average fee rate levels being achieved. This is split between elderly and specialist care with operators in the elderly care sector also asked to provide comparative figures for local authority and private residents.

Average Fee Increase 2018 Specialist vs Elderly Care

Specialist care		Elderly Care	
12.1%	-£	13.9%	High
4.2%		3.9%	Average
0.5%		0.8%	Low

Elderly Care Fee Increase 2018 LA vs Private

LA		Private	
6.7%	-£	6.6%	High
3.1%		3.9%	Average
0.5%		2.2%	Low

Source: Christie & Co FOI (2018)

Commentary

Elderly Care

The average local authority increase reported by operators of 3.1% compares with the base increase in our local authority survey of 3.3% (for England) and 5.2% in our 2017 operator survey.

As with 2017, the data shows that the larger operators, in particular, are achieving reasonable levels of success in negotiations with local authorities. A number of the higher fee rate increases reflect adjustments due to the acuity needs of residents. We should also acknowledge that the fee tone across some portfolios has changed as a consequence of the divestment of weaker performing homes.

Specialist Care

Specialist care operators are almost exclusively reliant upon local authority funding with fee rates for residents usually determined on an individual basis. As a consequence, there is significant variation in the fee levels achieved, reflective of the wide range in acuity levels.

This year, there have been some notable changes in the make up of the operators who have contributed to our survey. Furthermore, operators have been very focused on seeking to ensure that the fee rate levels being achieved are reflective of the care packages being delivered.

Our research for 2016 and 2017 highlighted a trend of weak and deteriorating specialist fee rate increases when compared to elderly. This situation was compounded due to staff recruitment and retention challenges, with the pay rate differential relative to elderly being eroded as a consequence of the living wage increases.

The more positive fee rate increase which we report for 2018 should be considered relative to these points. Whilst being encouraging, it falls below the level needed to compensate for two years of nominal increases which were below the rate of inflation.

The Winter Crisis

2006
2007

13,602,589
ATTEND MAJOR A&E
DEPARTMENTS



78%
of patients (10,625,259) sent home
from A&E without needing admission

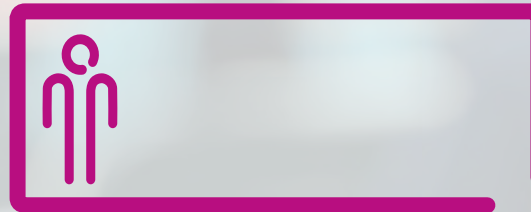


22%
of patients (2,977,330)
admitted from A&E

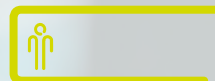


2017
2018

15,379,166
ATTEND MAJOR A&E
DEPARTMENTS



71%
of patients (10,977,909) sent home
from A&E without needing admission



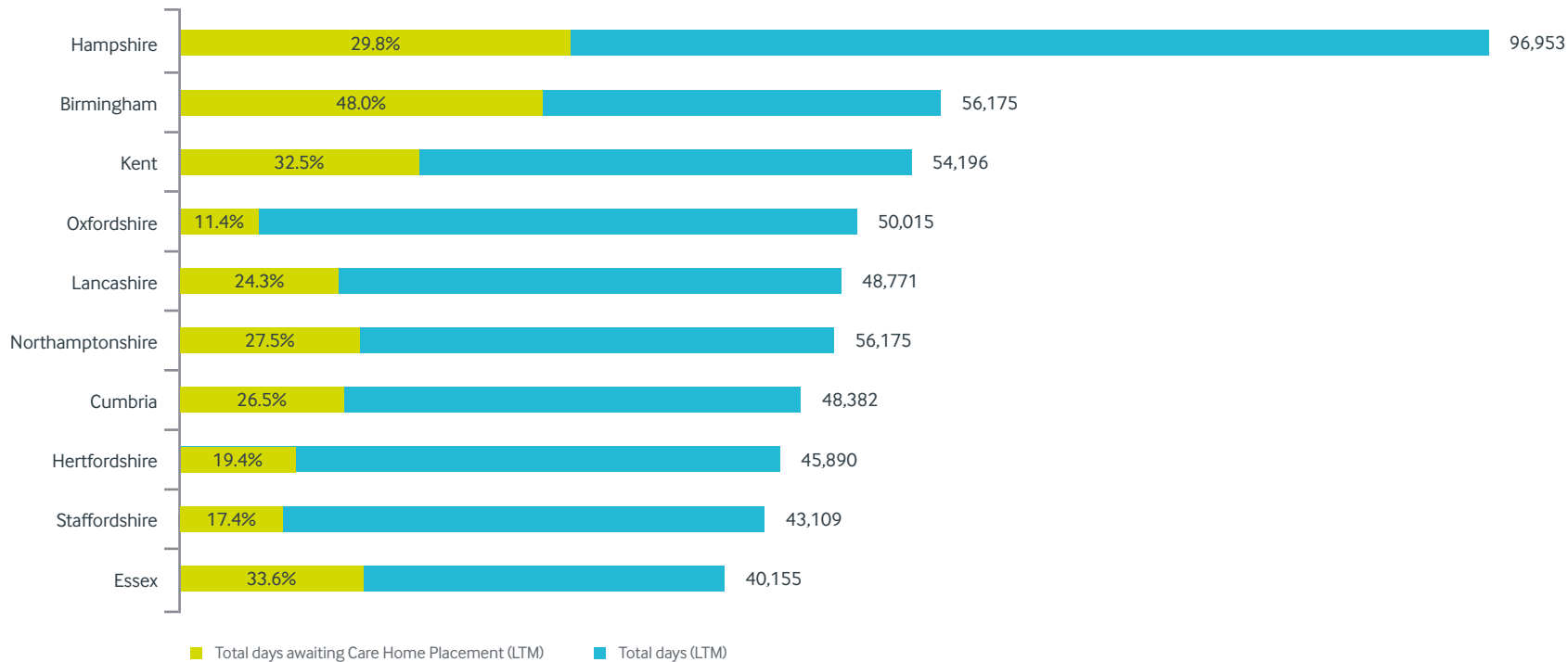
29%
of patients (4,401,257)
admitted from A&E



Top Ten Local Authorities for Bed Blocking 2018

In last year's report we detailed how the issue of bed blocking in NHS hospitals was one of the key challenges facing the UK's health and social care system. This analysis was confirmed over the winter of 2017 with many hospitals experiencing unprecedented levels of demand but with an acute shortage of beds, a position which was exacerbated by delays in discharging patients due to a lack of suitable care home places or home care support packages. Our 2017 report also drew attention to the marked increase in A&E admissions for people over 65 years as a consequence of insufficient community based support, with a 44% reduction in Community and District Nurses between 2010-2017.

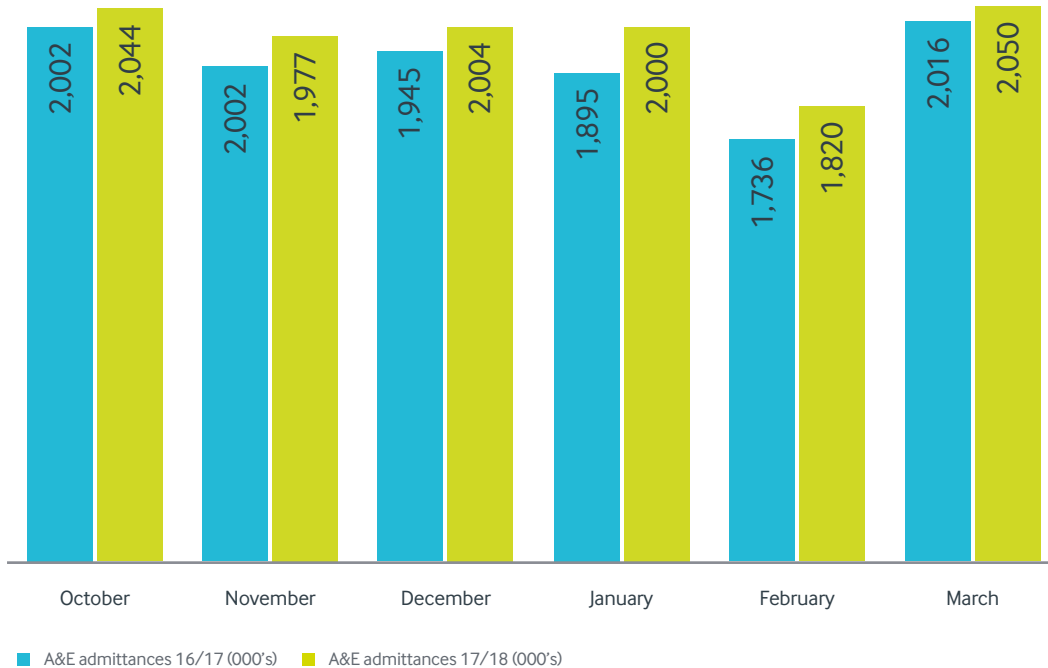
Top Ten Local Authorities contributing to England's Bed Blocking Challenge (vs proportion due to awaiting care placement)



Bed Blocking & Winter Crisis

The winter of 2017 saw hospitals under intense pressure due to the extreme weather conditions and seasonal flu outbreaks, both of which have a disproportionately higher impact on the elderly. NHS England data shows that this year the country had the biggest flu outbreak since 2010/11 resulting in an increase in A&E admissions and a material knock on impact across hospital departments due to a lack of available beds. With the challenges of delayed patient discharges as already detailed, NHS England was forced to issue a directive in January 2018 cancelling all non urgent operations with 24 hospital trusts at 'black alert', the highest level of pressure. The chart below compares A&E admissions this winter to last year. In winter 2016/2017 there were c. 1.4 million emergency admissions to hospitals in England compared to c. 1.5 million for 2017/2018. NHS England have stated that 24% of the emergency admissions this winter were avoidable if people had more effective community health solutions.

Total A&E Admissions Winter 16/17 vs 17/18



Emergency admissions have grown particularly rapidly for older patients, increasing by 58.9% since 2006/07 for people aged 85 years or older

39%

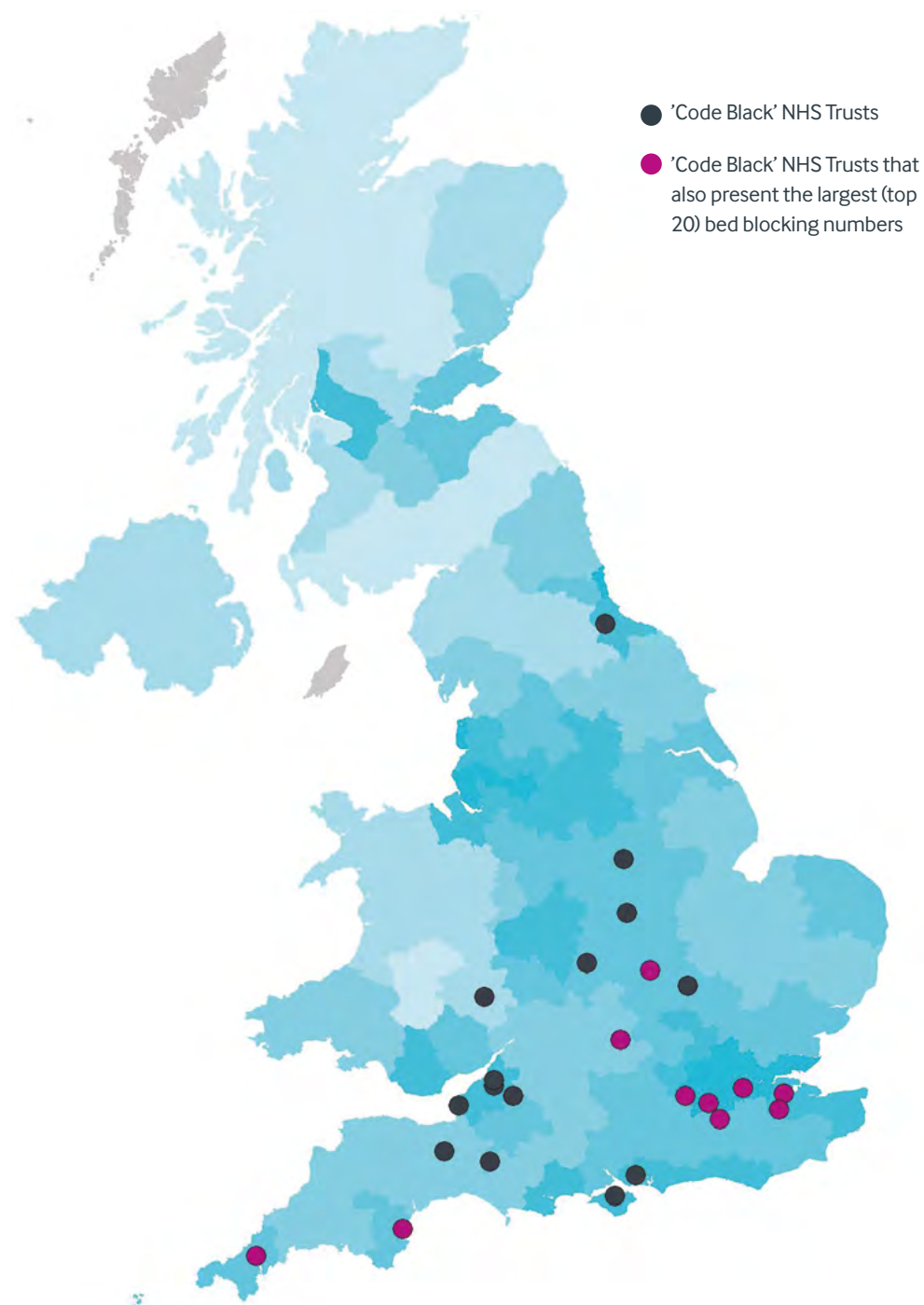
CAGR 10yr in 65+ A&E admissions

Source: The Health Foundation (2018), NHS England (2018)

Bed Blocking & Winter Crisis Cont'd

In the adjacent map we have identified the 24 hospital trusts that declared a 'Code Black' crisis this winter. The trusts are overlaid on a heat map showing the density of people aged 65 and above per sq m. The pink dots indicate those trusts that also fall within the top 20 bed blocking trusts. Four of the hospital trusts fall within Kent which is ranked the 3rd worst local authority for bed blocking.

Local Authority	Average Fee Increase (17/18)	Number of 'Code Black' Trusts
Bath and North East Somerset	1.0%	1
Bristol	TBD	2
Central Bedfordshire	4.0%	1
Cornwall	2.5%	1
Devon	3.2%	1
Herefordshire	1.5%	1
Isle of Wight Council	2.0%	1
Kent	1.5%	4
Leicester	TBD	1
North Somerset	TBD	1
Northamptonshire	0.0%	1
Nottingham	3.0%	1
Oxfordshire	4.0%	1
Portsmouth	2.0%	1
Somerset	5.8%	2
Stockton on tees	TBD	1
Surrey	8.0%	2
Warwickshire	TBD	1



Conclusions

The healthcare sector is driven by need and, as the difficult winter of 2017/18 has shown, demand for care in the UK will continue to grow as a consequence of the population growing older and living longer with an ever increasing range of more complex conditions. These key demand drivers create a compelling case for the Government to respond through the forthcoming Green Paper with strategies relating to funding, the workforce and a partnership approach between the NHS and adult social care.

The three themes of funding, workforce and commissioning are closely linked albeit further complicated by the uncertainty of Brexit which has led to a notable increase in the number of EU nationals leaving the NMC nurse register. Overall, our report this year shows that the shortage of nurses in the UK has increased and a sustainable solution will require a comprehensive strategy to address a wide range of different variables. In the short term, the relaxation in the Tier 2 immigration rules will enable providers to fill gaps through recruiting overseas nurses with it being essential that the route to this labour market is maintained whilst more home grown talent is developed. Whilst the pay review for NHS workers is a very welcome development, there is concern that this may lead to retention challenges for social care providers.

Our analysis of the winter hospital crisis shows that some of the most acute challenges occurred in areas with the highest concentration of people aged 65 years or above. 10 of the 'Code Black' trusts were also in regions with the highest proportion of delayed discharge days. Assuming appropriate funding is put in place, there is a great opportunity for social care providers to ease the pressure on the NHS as part of an integrated strategy where the role of district nurses is also an important component.

Our 2017 report drew attention to a 44% decline in District nursing numbers between 2010 -2017. The shortage of such community based support and pressure on GP surgeries were undoubtedly key factors leading to the 'Code Black' problems.

Whilst it is positive that reasonable local authority fee rate increases were achieved this year across the elderly and specialist sectors, operators continue to state that the fee rates being paid in many areas are insufficient relative to the acuity needs of the residents. This was acknowledged by the recent CMA report and is illustrated starkly by development activity for new care homes, nearly all of which are being constructed in more affluent areas whereby the majority of residents will be privately funded.

Positively, despite these headwinds and challenges, we must acknowledge that the transactional market environment for health and social care remains vibrant. Investors are taking a longer term view with there being a good opportunity for the Government to embrace this as it seeks to put in place a sustainable long term solution.

Christie & Co is proud to be involved at the forefront of this incredibly important sector and will be delighted to assist policy makers with insight we have gained from the research which we have undertaken over the last four years.

Christie & Co Contacts

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Richard joined Christie & Co in 1989 from a major retirement housing developer. He has specialised in healthcare throughout his career and was appointed Christie & Co Head of Healthcare in 1999. Richard is acknowledged as one of the UK care sectors leading transactional specialists and has consistently featured in HealthInvestor's 'Power 50' since its inception. Richard has an extensive network of relationships with the top healthcare operators and financiers, including US REITS, hedge funds and Special Opportunity buyers. Overall, Richard's team is responsible for more than 50% of all individually transacted deals in the UK market.

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Karun is a Senior Consultant on the Healthcare Consultancy team. As well as being heavily involved in this project, he supports Christie & Co's major healthcare advisory outputs. His experience is centred around real estate with a focus on market research and data analysis. Prior to Christie & Co, Karun was a senior analyst on the capital markets team at Cushman & Wakefield. While his remit covered transactional trends within the European commercial market he also provided research and strategy insight to major flagship reports. He also has experience within private equity. As a History graduate from University College London, Karun has extensive research and qualitative capabilities and will be working on developing our outputs going forward.

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Michael was appointed a Director of Christie & Co in 2005 and is a qualified Chartered Surveyor with 21 years' experience within the care sector, providing consultancy, valuation and landlord and tenant advice to substantial portfolios and single asset properties. His market knowledge spans elderly and specialist care, as well as children's homes, day nurseries and schools in the UK and also Germany. Michael has also developed particular expertise in business turnaround, re-positioning studies and recovery having spent 22 months as a seconded resource to the restructuring team in RBS. Michael leads Christie & Co's Healthcare Consultancy business with a client base which includes a number of leading private equity companies, hedge funds, operators and specialist investors.

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Sophie is a Consultant in Christie & Co's Healthcare team. She holds a degree in Mathematics from the University of Reading and specialises in statistical modelling and data analysis. Sophie is integrally involved in most of our major assignments covering both transactional and advisory mandates and assisting with the further development of our data analysis systems and outputs.



Christie & Co (2017) – *Adult Social Care 2017; Funding, Staffing and the Bed Blocking Challenge*

Christie & Co FOI (2018) – *Christie & Co's survey and freedom of information (FOI) requests from 151 London boroughs, counties, metropolitan districts and unitaries in England, as well as the Authorities for Northern Ireland, Scotland and Wales for fee rate levels and increases for 2017/18*

Christie & Co Operator Survey (2018) – *Christie & Co's Operator Survey of 194 elderly and specialist care home operators*

Department of Health and Social Care (2018) – *UK to establish global nursing partnership with Jamaica*

Health and Social Care Information Centre (HSCIC) (2016) – *Local Authority Spending on Residential and Nursing Care 2015-2016*

HM Treasury (2017) – *The Spring budget 2017; Philip Hammond's Speech*

The Health Foundation (2018) – *A Fork in the Road; Next Steps for Social Care Funding Reform*

The Health Foundation (2018) – *Emergency hospital admissions in England: which may be avoidable and how?*

The Kings Fund (2018) – *NHS Winter Crisis; When a plan is not a plan*

The Nuffield Trust (2018) – *Code Black? Or many shades of OPEL*

Nurse & Midwifery Council (NMC) (2018) – *All data from the NMC has been obtained via a Freedom of Information Request*

Nurse & Midwifery Council (NMC) (2018) – *The NMC Register*

Parliament UK (2018) – *The nursing workforce*

Skills for Care (2017) – *The state of the adult social care sector and workforce in England*

Royal College of Nursing (2018) – *The Briefing: The effect of Brexit on the NHS*

Royal College of Nursing (2018) – *Left to Chance; The Health and Care Nursing Workforce Supply in England*

Royal College of Nursing (2017) – *Safe and Effective Staffing: the Real Picture*

Migration Advisory Committee (MAC) (2017) – *Partial review of the shortage Occupation list- Review of Nursing*

NHS England (2018) – *A&E Attendances & Emergency Admissions 2016/17 & 2017/18*

NHS; Health Education England (2018) – *Commissioning & Investment Plan 2017/18*

NHS (2016) – *The Framework for Enhanced Health in Care Homes*

NHS Hospitals & Community Health Service (HCHS) (2018) – *Provisional Monthly Workforce Statistics*

UCAS (2018) – *End of Cycle 2017 Data Resources*

