



# Care News

SPRING 2021



# Welcome

Welcome to the Spring 2021 edition of the Care Newsletter.

A year ago when the pandemic was beginning, we could never have imagined that, a year on, we are still not out of its grip. However the vaccination programme, which began in December, gives hope that we are beginning to see the end of the crisis which has taken over the World. It was welcome news that care home residents, and care staff working both in homes and in the community, were amongst the first to be offered the vaccine.

This edition of the Care Newsletter has a distinctly 'staffing' feel to it, as we have articles on recruitment and retention, and the rise of the online interview – which has become the norm in the past year. We are also keen to support our management teams, the backbone of every care home, and so you'll also find an article about the support available to them. Julie Hopkins also shares her thoughts on what the future holds in the Covid and post-Covid world.

Read on to learn about these and other topics.

*Michelle Ferris*

Head of Charities and Care, Albert Goodman



# THE CARE SECTOR: 2021 AND BEYOND

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*Julie Hopkins, Albert Goodman's Care Sector Business Developer and Consultant, shares her thoughts on what the sector learnt in 2020 and looks ahead to what providers should consider in 2021.*

2020, the year that most of us wish to forget, saw a rampaging Pandemic with a virus continuing to evolve. But science is evolving too and by Spring the most vulnerable in society will at least have been offered their first vaccine, with take up appearing strong in the UK.

At the time of writing this article for the Spring newsletter the Government has announced a further grant for care providers in the form of a 'Staff Capacity Fund,' to increase workforce capacity and testing capabilities. With the usual Winter pressures aggravated by Covid-19 causing staff absenteeism, the news was welcomed by care sector Influencers. Only time will tell if it is enough to help stem a workforce crisis.

The NHS is reaching its limits, seeking to discharge patients deemed medically fit to continue their recovery journey in designated care homes, care hotels, and non-designated care homes for longer stays. Those returning to their own homes will be calling upon family members to help, in the midst of the shortage of NHS step-down assistance and community provision.

As the vaccine roll-out continues with the springing up of vaccination centres and a growing army of fully trained vaccinators, the Government has confirmed a target of September for the first vaccine mission. This will result in a gradual phasing out of the lockdown tier system, with continued R-rate monitoring and the economy and more normal daily routines opening up again.

As we learn more about the virus and its evolution so too we will probably learn to live with it. Lessons have and will be learnt, with businesses continuing to evolve and adapt. The care sector has adapted too, after initially slow and confusing guidance. What is now known will be built into current and future business continuity plans.

## **An increase in occupancy and new businesses**

The pandemic resulted in a decrease in care home occupancy as people had a tendency to seek help from family, and domiciliary and supported living care. However, with care homes a priority in the first vaccine roll-out it is anticipated that there will be a return to the care home setting for the more complex and 24/7 care service. New domiciliary and supported living businesses will start up, and franchise care businesses will evolve, to support an ageing population that seeks to live at home as independently as possible until their last few months/years. Thus, the care home offering will see a continued increase in nursing and dementia services, which reflect the increased complexity of an ageing population in the next decade and beyond.


## **Rethinking design**

Covid-19 has affected the design of existing facilities and new care homes, reinforcing the need to update and

refurbish, consider larger rooms for social distancing, wet rooms, additional storage space, larger corridors, visitor pods, and increased landscaping for outdoor areas.

The retirement village concept continues in its infancy in the UK and is expected to grow over the next decade, as the baby boom generation seeks to retire and downsize.

## **Sales and acquisitions on the rise**

In 2021 we are expecting to see an upturn in sales and acquisitions in the care market, as pent-up demand returns to the table. The pandemic has resulted in increased financial due diligence, and this is expected to continue. If you're looking to exit, it is advisable to look at your current business structure and decide whether it is fit for purpose prior to going to market. On the other hand if, as a provider, you are seeking to grow your service, looking at your business structure in what will be an evolving tax climate in 2021 is also to be recommended. A business restructure can breathe new life into a business environment, and 2021 could see a resurgence of this. 

## Planning for every eventuality

A further impact of the pandemic is a strengthening of risk governance and Board resilience and scenario planning, discussing and having evolving plans ready for any scenario. It is recommended that risk and contingency planning are revisited on a monthly basis alongside updated real-time cash flow forecasting, so that business agility can be actioned at short notice. The availability of multiple supply lines is an example of this. 2020 has given providers the impetus to review staffing structures within a business, and to enhance and create roles such as champions and heads of hospitality and testing. Team well-being is another area which continues to be enhanced not only in the care sector but in society as a whole, alongside environmental improvements as we look towards a greener and more sustainable socio-economic society.

## Recruitment and funding

Recruitment, being values driven, remains a constant challenge. The sector needs to attract the right people and to offer a professional, career-driven and well-remunerated job for life. With this in mind we are back to the 'funding of social care' debate, which has been kicked into the long grass by successive governments as a topic

too toxic to handle. But it will not go away, and on top of all the other challenges that 2021 will bring, the funding of social care does need to be addressed. Whether the funding of social care will be put on the same footing as the NHS, free at the point of delivery, is a question to be debated, with various funding models ranging from a ring fenced care tax (with its origins being the current council precept tax) to an increase in national insurance and/or a further income tax or insurance model. Generations across the decades will no doubt be affected by this debate.

## Regulation and inspection

To draw this article to a close I must refer to the regulator. The Care Quality Commission (CQC), whilst currently focussing on safety at inspection, is compiling its themes for its new strategy and opened consultations on its future direction in January. Just as the pandemic has accelerated change in the care sector, the CQC is evolving to govern the next step for the provision of care. There will be an increase in information gathering outside of the care provision, and together with greater use of technology to carry out its audits, there will be greater focus on safety and infection and control measures.

**Care providers will continue to adapt, with support from professionals in the sector, ensuring a sustainable and viable offering that will be fit for purpose for a growing social care sector in the decades to come.**



# Care England 2020 Conference:

## Cut short, but still encouraging!



*Care England held its virtual Conference on 12th November. Whilst it was unfortunately cut short due to technical difficulties, delegates were able to hear from Rt Hon Jeremy Hunt MP, Chair of the Health and Social Care Select Committee.*

Mr Hunt reflected that during the pandemic people who didn't know about social care were able to see its work and understand its importance, and that he hoped the legacy of the pandemic on the sector would be one of long-lasting reform.

He said that the first step in this reform was funding. Increasing the social care budget by £7bn would only be 40% of what was required, and would not improve the quality of or access to social care. He felt that reform needed to be patient-focused, with a single health record which could move with a patient into social care.

Mr Hunt also spoke about the need for a 10-year plan for social care, as there is for the NHS, as this will help with career and staff planning. He finished by speaking about the historic links between the NHS and social care, and said that when the NHS was set up, people knew that they could get help if they were ill regardless of their income. The challenge for this country now, he said, was an ageing population; and that if the country is to stay true to its values then the Government would need to do for the sector what it did for the NHS in 1948.

# Reviewing your Commercial Mortgage Options with Chandler & Co

*At the time of writing the vaccine rollout is in full swing, and we all hope this will be the beginning of the end of the Covid pandemic.*

Chandler & Co are Independent Mortgage Brokers in the Care Sector and have been specialising in arranging mortgages for the care sector for over 25 years. We can provide impartial advice in all aspects, and working with us will give you access to some of the most competitive funding available in the market.

2020 was definitely the most challenging time for the sector during my career, which brought a lot of fear and uncertainty. However, during these challenging times Chandler & Co has continued to deliver deals for its customers and we truly believe the care home market will continue to be a sector which the banks will continue to support. There are a number of reasons for this including: the demand for care homes remain strong, care home relatives and staff members have received the vaccination, and a number of care homes who have had cases of Covid have proven to be quite resilient, which is a testament to the staff and operators who are a credit to the sector.

If you are considering reviewing your current financial position, or are planning on expanding your portfolio in 2021, presentation to the lenders is absolutely key – namely, what are your Covid action plans, is your management information updated during the pandemic, and what is your current CQC rating?

To arrange a discussion please contact Mark Hickman, Director at Chandler & Co on 01622 817484 or 07500 056193, or by email [mark@chandlerandco.co.uk](mailto:mark@chandlerandco.co.uk)



## *Staff recruitment and retention in the care sector*

The pandemic offers the care sector an opportunity to reduce its staffing shortage. Julie Hopkins, Albert Goodman's Care Sector Business Developer and Consultant, highlights some of the key areas which care employers should think about to retain current staff and recruit new ones.

In the current and ongoing furlough world the employment market is at a crossroads, whereby there remains a need for urgent skills and talent with an increasing need to upskill and/or change careers. IT and digitisation have been accelerated by the pandemic, with business agility being put to the test.

The care sector is a growth area, and continues to be of interest to investors in the UK and overseas. With the retail, leisure and travel sectors severely affected by the pandemic and releasing employees, social care could be a sector which sees people apply their existing skills to different roles.

Cross-skilling into the care sector by demonstrating the right values could be an excellent career choice for many people seeking alternative careers, both currently and in the future.

With the care sector constantly evolving, the next generation of carers will be getting used to the accelerated digital environment (see our article on Technology in Care in this issue), enhancing the care service and unlocking new upward career paths.

As the world of employment changes, being an employer of choice in the care sector means having the ability to adapt to employee needs. Employees are seeking key areas within their employment package: Job security, a career path, benefits, fitness & health benefits, life insurance, and pension incentives.

Health and wellbeing is becoming, more than ever, an area for an employer to focus on when considering staff retention. The goodwill that this brings also results in employee recommendations, which is always a sign of a well-led business. This in turn results in stronger employee engagement, consistency of care and good to outstanding KLOE's with particular emphasis on 'Well Led' and 'Safe'.

As we move through the pandemic waves, employers can increase staff morale and motivation to stand resilient by using benefits available to them. Community giving, as seen by care homes providing packed lunches for children during the Autumn half-term, is another way to showcase your care offering to current and future staff and residents (ensuring that infection control is managed at all times).



# PAYROLL

## Safeguarding your employees' financial future

*Protecting their futures and those of their families will continue to be an increasing area of importance for current and future employees. Paul Holt, a Chartered Financial Planner within Albert Goodman Financial Planning, gives his thoughts on the subject.*

### *Pensions*

For most employers, a Workplace pension is the traditional route to address retirement savings for employees. Pensions have always been a way to gain greater employee engagement, with the ability to build pension benefits over and above the statutory state pension. They have also been an established way of supporting future succession planning for staff.

However, it is important to think about each employee as an individual. Younger staff will have different needs to those in their thirties to fifties, and those nearing retirement. Having the ability to offer bespoke packages is a clear way to add value for staff and their financial wellbeing, with pensions being more personalised to the individual's needs.

Pension contributions made by the employer are treated as a trading expense, with the ability for corporation tax relief and reduced National Insurance. Similarly, the employee also benefits from the prospect of reduced tax and National Insurance costs.

### *Life assurance*

The provision of a lump sum will provide peace of mind for employees in that should they die, their loved ones will have a degree of greater financial security. This benefit could be extended to that of critical illness, which will provide a lump sum in the event of a serious health condition arising.

Life assurance is something that many employees now expect to see as part of their remuneration package. For larger employers, a group life assurance policy, otherwise

known as a Death in Service scheme, can make provision for staff on a block basis. However, there is scope to allow life assurance benefits to be more personalised using tax advantageous arrangements such as Relevant Life Plans (typically used in the context of bespoke planning for senior staff members).

It should also be recognised that pension arrangements, Death in Service schemes and Relevant Life Plans can, subject to the appropriate planning and advice, have the prospect to remain outside of the individual's estate at point of death. This could help when addressing a potential future inheritance tax cost.

### *Creating a solution*

Using both pension and life assurance benefits as part of an employee's total remuneration will allow the employer to create a benefits package to both attract and retain staff.

Using these key areas will also allow for better integration with staff, ensuring that the benefits offered reflect the employee's intrinsic value to the business whilst comparing favourably with the open market.

The best advice I can give is for you to speak to a suitably qualified chartered financial planner who will guide you through the options available. Albert Goodman specialise in this area and our team will listen to your needs, designing a life and pension benefit package that your employees will truly value.

**For more information on setting up a workplace pension scheme contact Andrew Hopper, Workplace Pensions Consultant, on 01823 286096 or email [andrew.hopper@albertgoodman.co.uk](mailto:andrew.hopper@albertgoodman.co.uk)**



# Market Outlook: Transactional Market remains buoyant

*Rachel Seward MRICS, Director of Christie & Co says that, regardless of the challenges presented by the pandemic, there has been a promising start to the care home market in 2021.*

Despite all the challenges of 2020, the care sector has demonstrated admirable strength and resilience. Operationally, the sector has had to trade through an unprecedented situation caused by Covid-19, with care home operators and their staff doing an exceptional job in the circumstances.

Average care home occupancy in the UK was reported to have dropped to circa 80% during the first wave, followed by a slow increase during the summer months. The increase in cases in December had a further detrimental effect on occupancy levels, but operators have been quick to adapt and many have benefitted from support from the local authorities. Staffing has become very difficult, with increasing numbers of positive cases being detected through the testing programme.

The 2020 care home market was characterised by a lack of new stock coming to the market in the region, understandably. However, the transactional market remains surprisingly buoyant; Christie & Co sold over 145 care home businesses last year, and agreed deals on over 200 individual care homes. The robust demand and limited supply of businesses resulted in only a very limited decline in price movements for care homes of 1.50%, following an increase of over 5% in 2019, according to our annual Business Outlook report.

The funding market remains challenging and as a result over 50% of the deals we concluded in 2020 were on a cash basis, with operators then seeking to refinance in the medium term. Encouragingly, those care homes coming to the market with no negative trading impact are generally seeing offers at pre-pandemic levels. Local deals concluded recently include the sale of Mavern Care Home in Melksham on a sale and leaseback basis with Impact REIT funding the purchaser, The Larches in Tiverton, and Whitelodge in Bristol.

Even though the country remains in lockdown, buyer demand shows no sign of waning; 2021 has started very positively with over 23 new deals agreed in January, which is ahead of the same period last year by over 25%. It seems that investor demand remains undiminished, despite one of the most difficult periods the sector has ever faced.

**You can read our full business outlook for the healthcare sector, including the results to our Sentiment Survey, on our website, [www.christie.com](http://www.christie.com), under News & Resources.**

**For advice from Christie & Co,  
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# RECRUITMENT POST-COVID: ARE ZOOM INTERVIEWS HERE TO STAY?



Throughout 2020, care providers had to embrace technology as never before. From virtual meetings to helping residents with FaceTime, Zoom, and MS Teams to keep in touch with their families, everyone has become more IT-savvy.

In November, social care outsourcing agency Cohesion Recruitment held a webinar entitled 'Has the pandemic launched recruitment into Tomorrow's World?' Using the case study of Fairlie Healthcare it discussed how the recruitment process has altered as a result of the pandemic, and whether some or all of these changes are here to stay.

One of the main points of discussion was carrying out interviews 'virtually' instead of candidates visiting the home, which could not happen during lockdown as homes were closed to visitors. Cohesion found that ¾ of the candidates booked for a virtual interview attended, compared with a 'no-show' rate for a face-to-face interview which can be as high as 50%. The subject of online interviews was picked up later in the webinar, where the disadvantages were discussed:

- Candidates cannot see the home or meet the residents.
- It can be difficult for the interviewer to pick up on non-verbal cues/body language.
- It can be more awkward to interview this way, due to people talking over each other and possible connectivity issues.

Cohesion Recruitment advised supporting candidates by showing them how to use the technology pre-interview, and reported that many care providers were planning to continue offering interviews online as it speeded up the recruitment process.

## OTHER POINTS WHICH AROSE DURING THE WEBINAR WERE:

- People were generally accepting offers of employment more quickly, possibly related to general economic uncertainty and the need to be employed.
- Use 'stay' interviews to lower staff turnover rate, by asking new staff what would be required to keep them in their roles.
- In the first 90 days of employment, it is important to arrange peer mentoring and to show appreciation of your staff (see Elaine Grose's piece in our Winter 2020 edition for ideas on how to do this!)
- Promote different opportunities in your organisation (career progression or specialising), with different adverts to appeal to different audiences (gender, age, etc.)
- Early findings from a survey carried out by Cohesion show that 90% of care providers expect to continue using online interviews, and 75% would like to see more automation in the recruitment process.

IN CONCLUSION IT APPEARS THAT, DESPITE THE CHALLENGES, ONLINE RECRUITMENT IS WORKING - AND IS HERE TO STAY!

# TECHNOLOGY IN CARE

An undoubted positive outcome of the pandemic is the increased use of technology within the care sector. In our Winter 2020 edition we discussed the use of mediums such as FaceTime, Zoom and Microsoft Teams to enable residents to communicate with their family and friends; and the rise in virtual tours for prospective residents.

During November the National Care Forum hosted a webinar on their Hubble Project, which is about implementing digital technology. Three care provider groups spoke about the different ways in which they are using technology in their facilities, which gives a fascinating insight into the potential uses of new innovations:

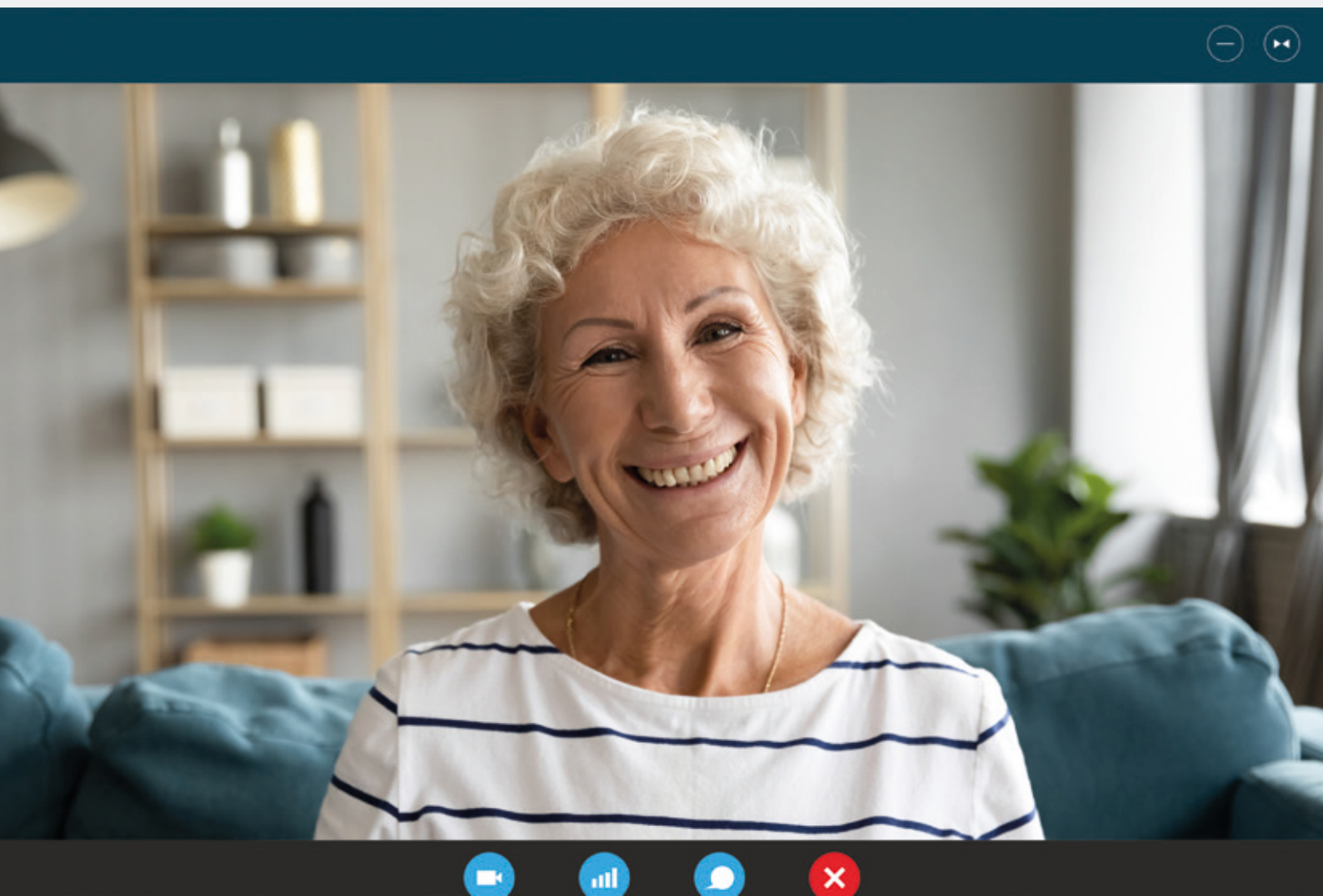
**Parkhaven Trust** are using three types of technology in one of their dementia nursing homes, with lighting, audio and care planning all managed electronically.

**Elizabeth Finn Homes** spoke about their journey to storing both care plans and medication records electronically, to reduce the risks which can arise with a 'hybrid' system of some paper records and some digital records.

The companies also spoke about how their increased use of technology helped them during the pandemic. **Johnnie Johnson Housing Trust** felt that they were able to adapt some of their services to be contactless, whilst all agreed that professionals responded more quickly when they were able to carry out virtual assessments.

An additional benefit was that the process of writing new care plans for a digital system meant that staff were able to 'go back to the beginning' of the resident's admission and add in new data, ensuring more comprehensive records for the future.

In our Winter 2020 newsletter we also told you about a new holistic care management system which would soon be available, and which was powered by Artificial intelligence to provide an 'early warning' system. PredicAire went live in two care homes run by KRG Healthcare during February. If you would like a demonstration of the system visit [www.predicaire.ai](http://www.predicaire.ai)



*Top tip:*

## Increasing occupancy in Covid times

Families tend to search for care at the point of need and often in a time-critical situation, and this is no different during the pandemic. However what is different is the family's areas of focus, which currently tends to include: how is care and support managed during the pandemic? What are the home's infection prevention and control practices? Does the care home's safe and clean environment stand out in reviews? Is there sufficient staffing to cope with absences? Is the home's website up to date regarding covid-19 guidelines and practices? Does the home clearly demonstrate its safety protocols and are visitor policies clear?

These are common themes when families carry out a search for a care home, and a website and 'live-chat' function providing a timely response in these areas assist families to make the much-needed care placement.



## Registered Managers - Available Support

***In every care facility is a management team leading the way, and during the past year the pandemic has tested their leadership like never before.***

It is vital to ensure that the senior team feel supported as the months go on, as they will still be facing the usual challenges of running a care home alongside the 'unusual' challenges of PPE, vaccinations, self-isolating staff, the list goes on.

Skills for Care has many resources for Registered Managers on their website, including an Advice Line, Facebook group, and webinars.

**Visit [www.skillsforcare.org.uk](http://www.skillsforcare.org.uk) for more information.**

# CQC CONSULTS ON ITS FUTURE DIRECTION

As we mentioned in 'The Care Sector: 2021 and beyond', the Care Quality Commission launched two consultations during January. The first was on its future strategy, whilst the second was on proposed changes to introduce more flexible regulation. The closing date for comments on the former was 4th March, for the latter comments are invited until 23rd March.

**To read the consultation documents and have your say visit [www.cqc.org.uk/get-involved/consultations](http://www.cqc.org.uk/get-involved/consultations)**

# End note

As we reach the end of another Newsletter in what has been an unprecedented 12 months, it is clear that life in the care sector, and across the World, has changed. However these changes appear largely positive, with social care enjoying a new-found respect and regulators seeking more flexibility in the future.

Whether your challenges are related to staff, buildings, occupancy, or a mixture of the three, we hope that our articles have given you some helpful ideas. Until the next time, I wish you a Happy Easter and look forward to sharing more news and ideas in the Summer.

*Michelle Ferris*

Head of Charities and Care, Albert Goodman

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## Dates for your diary

**15th - 16th September 2021**

DEMENTIA, CARE AND NURSING HOME EXPO (NEC BIRMINGHAM)

**13th - 14th October 2021**

THE CARE SHOW (NEC BIRMINGHAM)

## DID YOU KNOW...? **Albert Goodman can provide your care business with:**

- Accounts and Audit compliance (Peter Strong and Michelle Ferris)
- Consultancy for business development/growth (Julie Hopkins)
- Acquisition and sales advice (Elaine Grose and Richard Bugler)
- Property Capital Allowance reviews (to release 'hidden' tax reliefs) (Kelly Di Notaro)
- Corporate and personal tax services for owners (compliance, advisory, restructure, succession and exit planning) (Tax Team)
- Later Life Care funding solutions (Louise Osborne)
- Corporate Finance including valuations and due diligence for acquisitions and sales (Neil Hutchings)
- Workplace pensions (Andrew Hopper)
- Payroll (Michael Evans)
- Bookkeeping Outsourcing (Clare Blackmore)
- App Advisory (Tom Hawes)



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