

Comments on Update Paper – Avery Healthcare Group

General

1. We broadly agree with your analysis but would emphasise that Local Authorities and CCGs are increasingly dominating the non-private pay sector of the market. We outlined in our note to Douglas our main observations.
 - Local Authorities have not kept pace with inflation and because of the buoyancy of the private pay market supported by strong property values, the slack in funding care home places has been met by overcharging the private pay resident. As the dominant purchasers they control where those reliant on Local Authority support will find a home and our experience is that they purchase wholly on price without any reference to the needs of individuals. We further referred in our reply to the Sprocknet system which regrettably is now making a strong statement that if you require Government support then you will have no choice and we will direct you to the care home that we choose.
2. Nothing further to comment. It is for CMA to determine what aspects of the care home sector require attention. What we would say is that we hope you will consult on your findings.

Choosing care homes

3. We believe there is sufficient information available in the public domain through the CQC website and carehome.co.uk to enable comparisons to be made and to be aware of alternative providers. We pride ourselves on sign posting other providers on the basis that our managers are encouraged to offer comparable alternative care homes because it is important that residents are happy and settled and in choosing a care home they have the opportunity to compare care homes. We also offer “try before you buy” , which is not a phrase we are happy with but is an appropriate way to describe the opportunities we offer. We do however caution individuals with putting too much reliance on the CQC ratings, I can provide numerous illustrations where the subjectivity of inspection reports can be misleading and may deter prospective residents from taking a place.
4. The events which may require care in a care home are unpredictable and because of the data published by CQC on levels of safety, people regrettably consider it a service of last resort. There is a lack of understanding by the public that social care is means tested, a blurred boundary of what is health and social care and a lack of incentive or appropriate social care insurance schemes on the market. This requires a UK political debate and solution.
5. We have no evidence that people need greater support but we do encourage managers to give guidance and there is sufficient local community advice available. There is a wealth of independent documents available online e.g from charities providing guidance on what to look for when choosing a care home.

Complaints and redress

6. We do not feel that this is an issue from our perspective as we encourage open feedback on all aspects of our service. There may be a case for improved access to advocacy services for those without any relatives or significant others.
7. We, like most of the large operators, operate a standard complaints process and we are required to illustrate its transparency and independence through the CQC registration process. There are a wide variety of guidance documents including from the ombudsman on effective and model complaints policies.
8. We have no evidence that sign posting complainants to the Ombudsmen adds any benefit. In fact there are inherent disadvantages in that immediately a complaint is lodged with them they publish it on their website for everyone to see, even before they have assessed the complaint or its validity. The majority of providers have effective complaints processes and it is essential that complaints are resolved at a local level. This already has regulatory oversight via CQC and other commissioners eg. LA, CCG.
9. We believe the role of the regulator adequately covers this point.

Consumer protection

10. This is not a question we are able to comment on.
11. This is not a question we feel able to comment on.
12. This is not a question we are able to comment on.
13. We believe the role of CQC the regulator is being expanded too widely already, we consider their remit is at the limit of their capability.
14. We do not feel able to comment on this question. Residents guides and Statements of Purpose are well understood as an assistance to people determining where they would choose to purchase care. We rarely take deposits apart from residents who wish to secure a room of their choice in a yet to be opened care home. However we would emphasise that Avery when taking a deposit does so on the basis that they are fully refundable and are not regarded as additional income. We are also regulated by law through the Health and Social Care Act to provide clear, timely and comprehensive information for people choosing a care home.

State procurement

15. Our experience is that the purchasing practices of public bodies is purely reactive as we have outlined above. You have correctly identified that there are perversities in the system which prevent residents with financial means to

support placements through third party contributions and this often denies places in good quality care homes unnecessarily.

16. You have correctly identified the differentials which are well known within the sector and are a principal factor in declining choice and declining quality. Laing and Buisson among others publish regularly the fair cost of care which illustrates the difference but this is very much an averaging and specifically does not take account of the high cost of funding new facilities.

Investment in future capacity

17. This is a complex question as there are many barriers, planning constraints and availability of suitable land are some of the greatest, together with an increasing awareness by the banks that Local Authorities play a part in the matrix of funding and with falling Local Authority fees are less likely to support business models without a continued material element of Local Authority fees.
18. From our own experience I would strongly counsel against giving powers and a role to Local Authorities and commissioning bodies in managing the market. They have a poor history of incentivising providers with supplements and contracts and then promptly withdrawing them due to “local financial constraints” we believe that the market is best left to the normal supply and demand – Avery will seek sites in areas where there is an under supply of capacity for instance. Where we have experience of market shaping the funding support to support the market shaping from the authorities is not enough to achieve the desired outcome both in terms of fees and quality.
19. We would strongly advise against going down this route.
20. Our experience of 30 years is that Local Authorities are incapable of providing long term planning, it is rare that commissioners have any influence over the planning sections – they all operate quite independently and where planning authorities seek to capitalise section 106 agreements in return for a planning consent the conditions when related to fees and reserved beds often make the project marginal. To repeat, Local Authorities are driven by price only decisions in our experience. There may be a role for inspection of commissioning practices, particularly where systems such as Sprocknet are in place where resident choice is limited to the lowest online bid. This ultimately reduces the quality of care provision.
21. This has been considered in the past and the Government in its various guises is incapable of managing such a process. Local Authorities disregard most if not all central directives because they are given considerable independence. We continue to subscribe to the view that market forces must prevail and it is economically unsafe to “prop up” non-viable services through pricing management.
22. This would be valuable and would provide massive transparency which would be much needed by the sector. Whilst the Authorities ask Providers to submit their cost of care it is rarely that they share or are open about their final

calculation of fees following the exercise. It would also be useful to have transparent information about the fees paid by the authorities in their own council owned services which are known to generally be above those fees paid to the independent sector. For instance, in [REDACTED], it is widely known that the council committed to a very lengthy contract when externalising care services and the fees to run them are over 250% higher than the EPR paid to private providers.

23. This is a short question which would require a massively detailed and lengthy response and is an interesting question coming from the CMA when the focus of your market study are based on consumer rights etc.