SAY HELLO, WAVE GOODBYE

CSI's Fourth Annual Report on Care Homes for Older People in England 2018

Includes a BONUS REPORT that aggregates all activities across the four years CSI has reported - 2015 to 2018

CSI
MARKET INTELLIGENCE

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Welcome...

The first paragraphs of my introduction to the 2017 report read as follows:

> *When compiling Say Hello Wave Goodbye 3, our third annual report on changes across care homes for the elderly in England, I realised that we are all currently awash with social care reports; the marketplace, who pays, and the amount of funding, integration, and the way care is delivered – and of course we look forward to the soon to be published Green Paper.*
>
> *I have therefore reduced this year's report into a bullet point format, with some graphics, that I hope will make it easier and quicker to digest, whilst still reporting key changes over the year.*

Well what do you know – at the time of writing this, I have just read that Mr Hancock's inherited Green Paper will not be ready until at least April - so it looks as though, one year later, Say Hello Wave Goodbye 4 will be published at least 3 months ahead of it.

And this year I am not making allowances for the Green Paper, so rather than the summary format in last year's report, I have gone into more detail and in addition to just throwing you numbers and percentages in stylish charts and tables, I will share my thoughts on what has occurred.

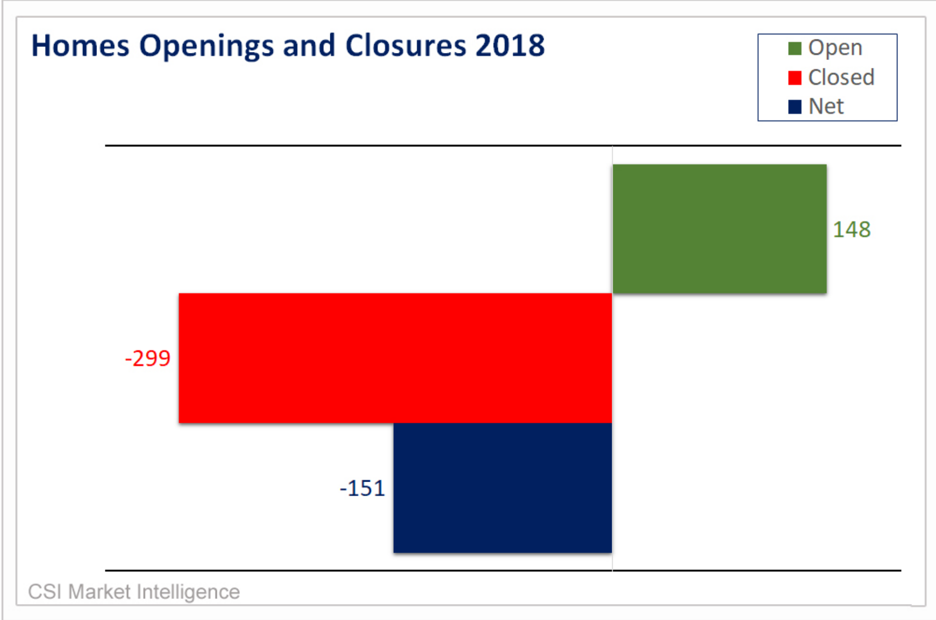
In addition to looking back at what has happened in 2018, I have included a supplementary report that aggregates the four years that my reports have covered since 2015.

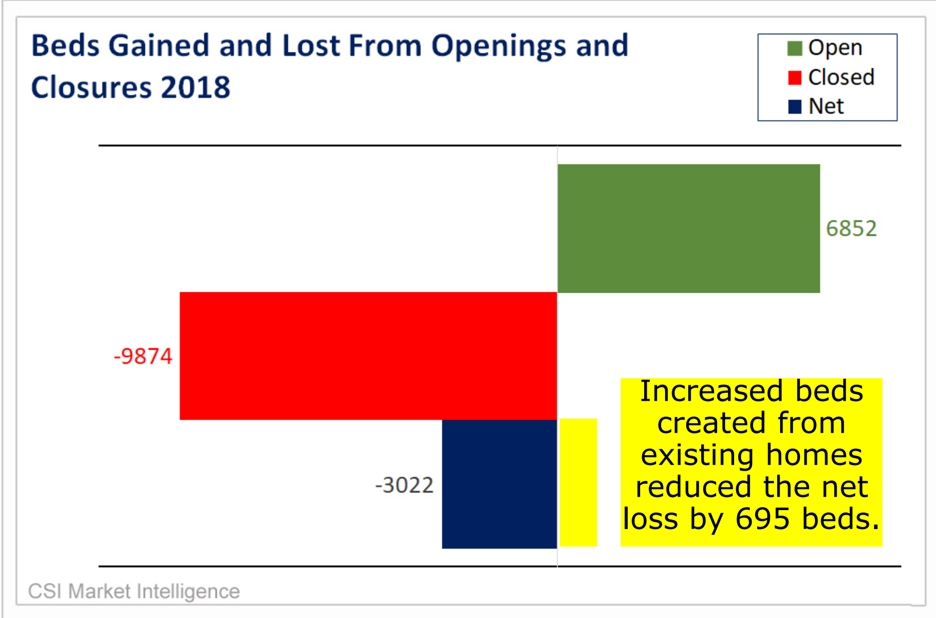
The two charts on this page show what happened overall. In 2018 we gained just 1,140 new homes creating 6,850 new beds, which equates to a 1.5% increase, which is in line with the demand driven by population growth.

However, during the year we lost 299 homes, and with them a total of 9,800 beds, causing disruption and heartache for all those vulnerable residents, and their families, who had to be found a new home.

This means we lost around 3,000 beds, or around 0.75%, albeit extensions to existing homes helped to reduced this by 695 beds.

Dementia beds, by definition beds within a care home registered for dementia, increased by around 1,645.





Unfortunately, if Alzheimer UK's estimates of those living with dementia in care are accurate, the demand for dementia beds would have increased by over 7,000 during the year.

Since the beginning of 2015, we have lost a total of 3,900 dementia beds, compared to a forecast 27,400 growth in people living with dementia in care. So where are they being accommodated?

Was there a surfeit of dementia beds back in 2015? Were Alzheimer's forecasts inaccurate, or have they changed?

Local Authorities have been very much the centre of things - primarily the need for increased funding. In addition to finding the right amount of money, many will also have had problems simply finding a bed for those needing to move into a care home.

In 2018, 78 out of the 150 English local authorities saw a reduction in their beds, with 42 of them already having low supply levels. Since 2015 100 Local Authorities have seen an decrease in beds.

I regularly highlight the variances in supply levels that exist on a local basis – and yet in some areas of low supply we continue to lose more beds, and where there is high supply we seem to keep adding to capacity - more of that later in the report.

Care Quality - or lack of it according to the media - was a big talking point in 2018. So when analysing the various areas, such as sector, region, size of home, I have added in the CQC ratings to gauge what effect this may have had on openings and closures.

Evidently, size does count. Whilst smaller homes were losing beds through closures, larger homes were adding them.

The non for profit sector performed well in 2018 and so we have included a study of the sector in this report.

I hope you find the report informative and interesting, and I would be very pleased to hear any thoughts you may have.

Thank you for your time and interest

Mike Short
CSI Market Intelligence

Around 40% of Local Authorities, who lost beds in 2018 already ad low supply levels, putting further strain on the availability of beds.

Out of 36 Local Authorities that grew their care home beds in 2018, 22 of them already had high supply levels, creating recruitment and retention problems.

Glossary and Source Data

HOMES INCLUDED IN THIS REPORT

From the CQC register (see data sources below) we have included all Care home services, with or without Dementia as a user band, and with Older People as a user band. Homes with 9 or less are excluded as these are predominantly specialist units for things such as Mental Health, Learning Disabilities or Autistic Spectrum Disorder and Physical Disabilities.

GLOSSARY

Residential Only: A care home that is registered on the CQC database as Service Type: Care home service without nursing, and where Dementia *is not* a User band

Residential Dementia: A care home that is registered on the CQC database as Service Type: Care home service without nursing, and where Dementia *is* a User band

Nursing Only: A care home that is registered on the CQC database as Service Type: Care home service with nursing, and where Dementia *is not* a User band

Nursing Dementia: A care home that is registered on the CQC database as Service Type: Care home service with nursing, and where Dementia *is* a User band

Sector: The four care sectors shown above.

Number of Beds: The maximum number of registrations for each home.

Third Sector: Care homes on the CQC register that show a Charity number.

Compliant: A home having either an Outstanding or Good CQC rating.

Non compliant: A home having either a Requires Improvement or Inadequate rating.

Supply Levels (Low or High): CSI bases average supply levels on the number of beds available per thousand population aged 75 and over (who account for around 90% of care home residents) within the care homes for older people sector across England as a whole. Local supply levels are then measured against the England average in percentage terms.

DATA

Care Home data

Taken from the CQC register as explained in the Sample Base above. CQC does not however hold any responsibility for subsequent analysis done from raw data provided as this is seen as creating new information; CQC should not be quoted as the source of the analysis and/or interpretation of transformed data.

Population Data

Office for National Statistics, 2016-based sub-national population projections for local authorities and higher administrative areas in England

Dementia

Alzheimer’s 2014 research forecast propensity to dementia by 5-year age group and gender, and for percentages of those, based on 5-year age group who are cared for in the community, and in a care home. We use this research to calculate the dementia population.

2018

2018 Overview

- The Department of Health added Social Care to its remit, but that didn't seem to make much difference to Jeremy Hunt MP
- His successor Matt Hancock MP, who took over in July, was very visible on social media going "on the road" to visit NHS Hospitals around the country. Probably visited a care home along the way.
- A Green Paper on Social Care that was promised whilst Mr Hunt was in tenure, was delayed a number of times and as far as 2018 is concerned, never saw the light of day
- Something called BREXIT seemed to grab the limelight
- 148 care homes opened, adding around 6,850 new beds, but 299 closed losing 9,874 beds – a creating a net deficit of just over 3,000 beds.
- Only very large homes (over 80 Beds) had more openings than closures, the smaller the home the bigger the losses.
- Residential homes lost 8% of all its beds.
- 8 out of 9 English regions lost beds and over half the 150 Local Authorities lost beds.
- 37% of homes that closed had an Inadequate CQC rating, but 33% were Good.
- The 9,800 care homes on the current CQC register are controlled by around 5,650 different providers.
- In 2018, 277 of them were involved in closures, and of these 177 of them closed their last care home and exited the marketplace. The register also gained 79 new care providers.

2018 in a nutshell?

Once again there were more closures than openings

New homes were larger than those that closed – mitigating the loss of beds

More than half the Local Authorities that gained beds during 2018 have higher than average supply levels.

Likewise, 40% of Local Authorities who lost beds have relatively low supply levels.

At the time of closure, a huge majority of large homes were either Inadequate or Requires Improvement, so lack of care quality was predominantly the reason for closure

Around 40% of smaller homes that closed, especially in the residential sector, were rated Good suggesting other reasons other than poor care quality for closure

Care Homes by Sector

As has always been the case in recent years, openings and closures during 2018 created a slight shift away from residential towards nursing - and especially towards nursing dementia, the only sector to show a net growth in care homes - 61 openings against 36 closures.

The were 58 residential dementia homes opened, almost as many as nursing dementia but residential dementia home closures meant that the sector ended up with a net deficit of 44 homes.

There was very little activity with nursing homes, and the biggest loser was residential with just 18 openings and 136 closures.

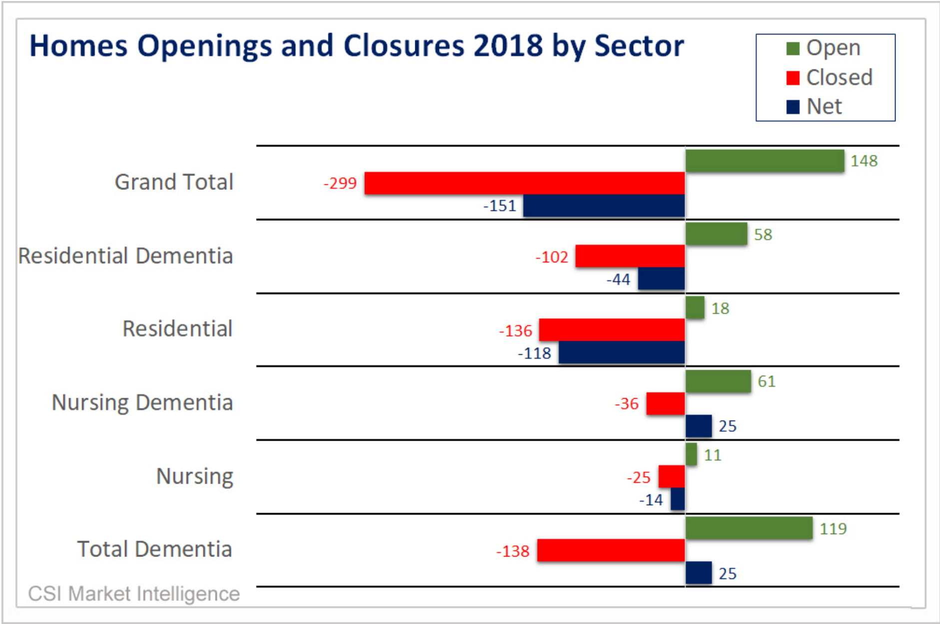
Whilst residential dementia and nursing dementia accounted for 80% of openings, the total dementia sector actually lost beds, due to the large amount of residential dementia closures.

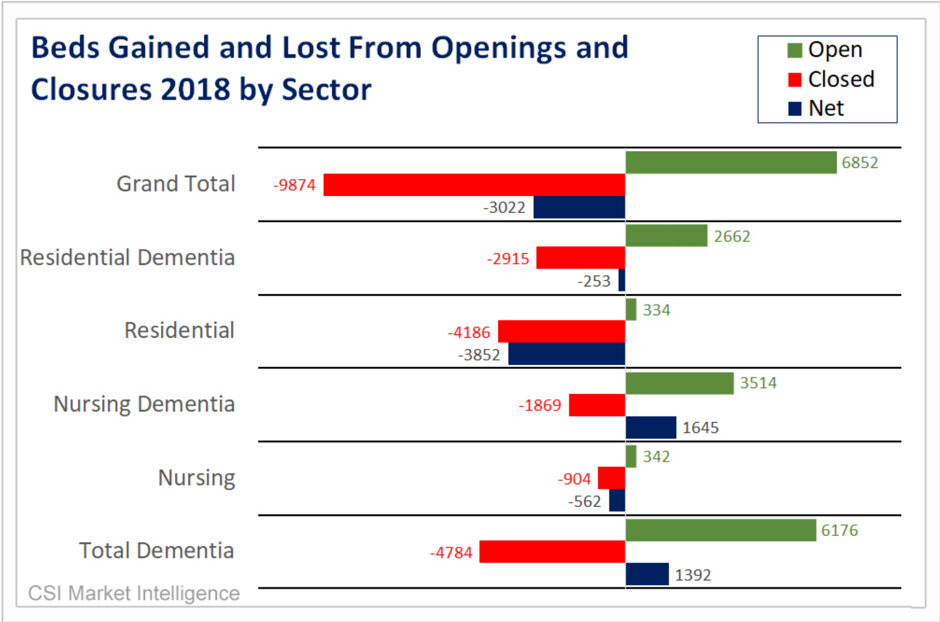
Care homes that open are, on average larger than those that close, and so whilst there were twice as many closures than openings, the 3,022 net loss in beds was only a 30% decrease.

Nursing dementia accounted for around 50% of beds gained from openings, and also meant that despite the net loss of dementia homes, beds within that sector actually grew by just under 1,400.

However those 1,392 beds went little way to accommodating the estimated 7,000 increase in demand for dementia beds.

The net loss of 3,852 residential beds meant that the sector lost around 8% of all its beds.





Closures by CQC rating by Sector

The top chart shows the CQC rating that had been achieved by homes at the point of closure.

The lower chart shows the current CQC ratings for all homes.

Whilst only 2% of all homes are currently inadequate, between 34% of homes that closed were tarnished with that rating.

Residential Dementia: There were as many homes that closed with an Inadequate rating as there were homes rated Good, so care quality was not the only reason for closure.

Residential: Incredibly more than half of residential homes that closed were compliant, which shows the massive pressures to survive within this sector, even when delivering good quality care.

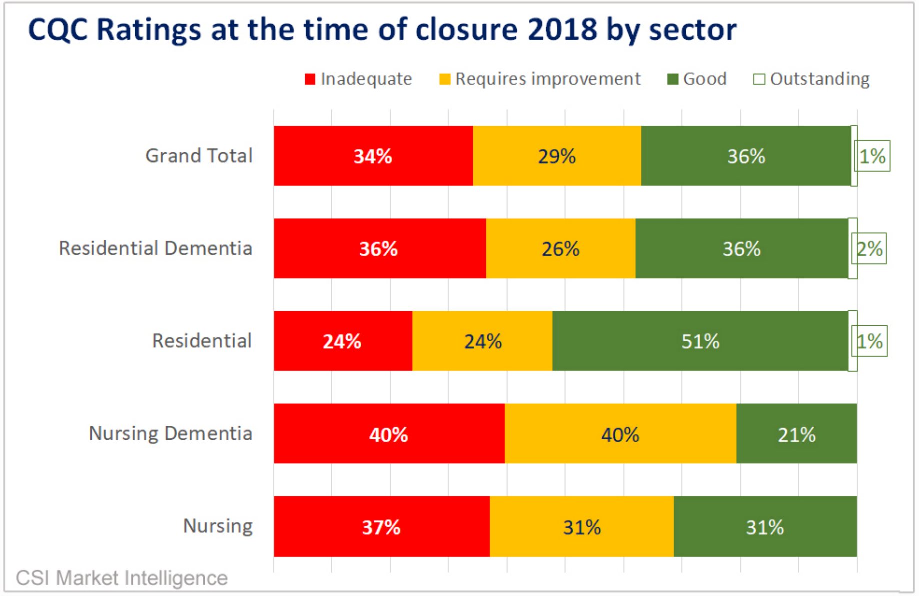
Nursing Dementia: Poor care quality is very much a factor in closures during 2018, 40% Inadequate, 40% Requiring Improvement and only 20% with a Good rating.

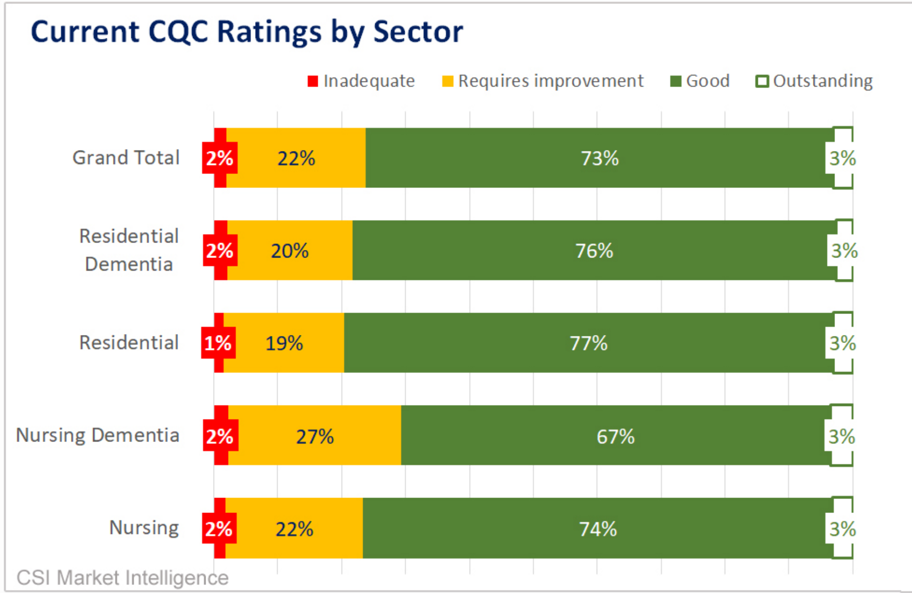
Nursing: Care quality is not so much a factor for closure as nursing dementia, with 1 in 3 homes having a Good rating, suggesting other pressures for closure.

Re Closures of homes with Outstanding CQC ratings, that you will see in all the CQC charts.

CSI has investigated the reasons behind why they closed.

We discovered that there were 2 closures, both in the South West region. Both were deemed "not necessary on a local basis". One home moved residents to another group home, and the other is considering changing to a children's home.





Care Homes by Region

The top chart shows the number of homes in each region that opened or closed, and in every case there were more closures than openings.

The worst performing region was the South West with 51 closures - 3 times that of openings.

Other regions where closures were 3 times that of openings were London and the North East

The most openings came in the South East and the North West, but closures were greater, bringing about large net losses for both regions.

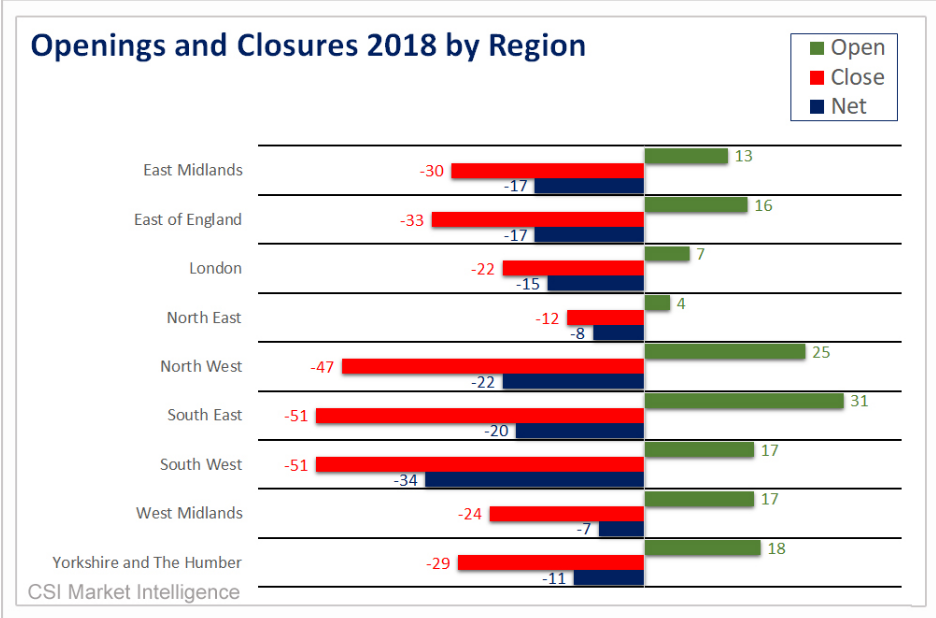
The “best” performing region was the West Midlands, but with 17 openings and 24 closures, still showed a net loss.

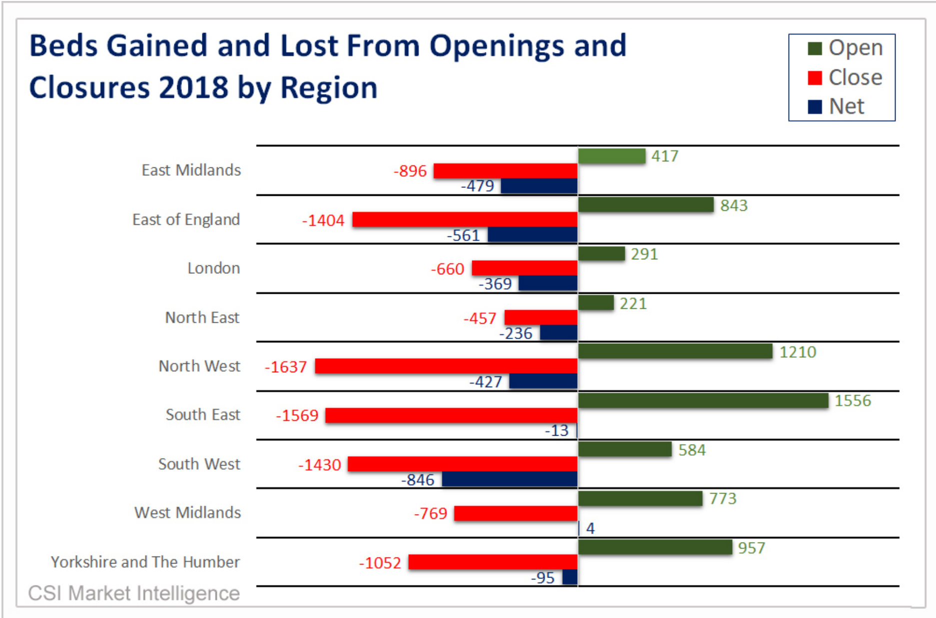
In fact the West Midlands were the only region to gain beds, - but only 4!

And whilst the South East (the largest region with around 19% of care homes and 18% of care home beds) had a net loss of 20 care homes, this only equated to a net loss of 13 beds.

Yorkshire and The Humber also only lost 95 beds from ante loss of 11 homes.

Again the South West performed worst, losing 846 beds - which is around 2% of all the beds in that region.





Closures by CQC rating by Region

The top chart shows the CQC rating that had been achieved by homes at the point of closure. The lower chart shows the current CQC ratings for all homes.

East Midlands: One of the best regions with regard to overall CQC ratings, but with 45% of closures having a Good rating there will obviously have been other pressures to close than care quality.

East of England: With 80% of homes compliant, and yet 55% of closures non compliant, care quality seems to have been a major influence on closures.

London and North East: Similar in both overall CQC ratings, and ratings at time of closure, over 40% of closures were homes with a Good rating, suggesting other pressures.

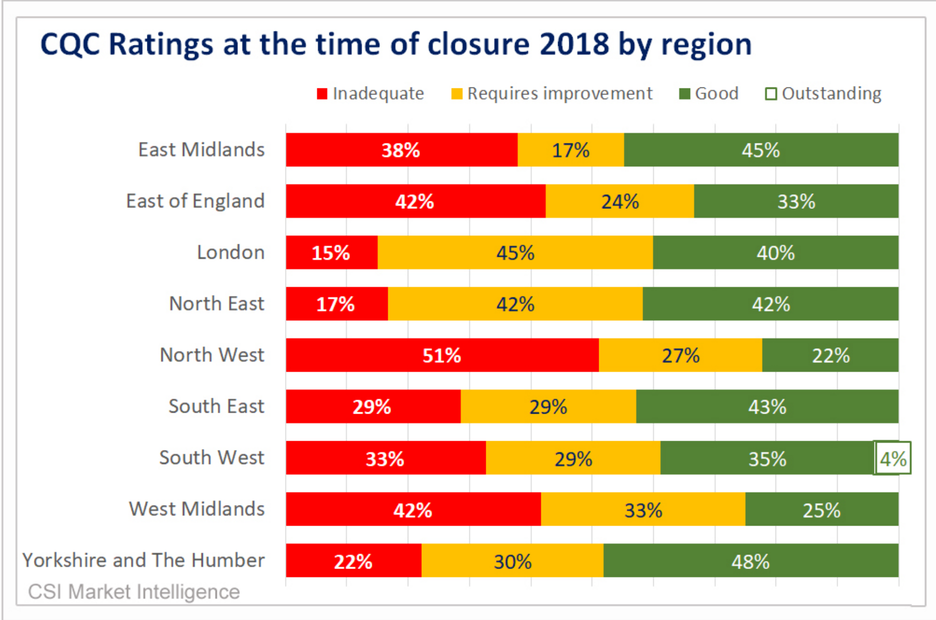
North West: Care Quality was very much an issue with regards to closures, where 78% of closures were non complaint, whilst overall CQC performance in line with most other regions.

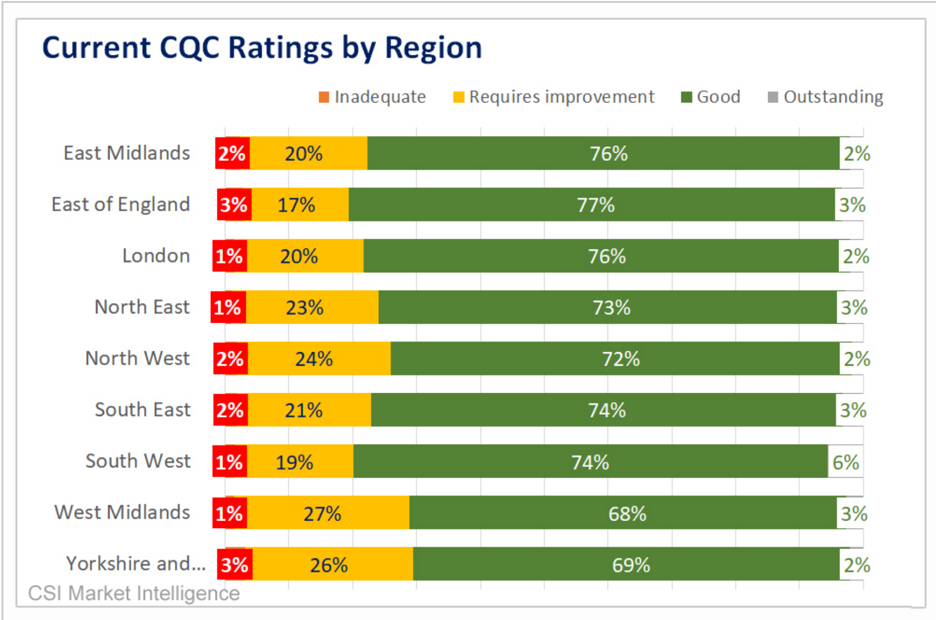
South East: With over 40% of closures being homes with a Good rating, it suggests other pressures for closure other than just care quality - albeit 29% of closures were Inadequate.

South West: The “worst performer” with regards to net loss of beds, interesting to note that 2 homes (4% of closures) had Outstanding ratings.

West Midlands: 75% of homes that closed were not compliant, in one of the worst performing regions with regard to CQC ratings.

Yorkshire and Humberside: Similar CQC performance to West Midlands and yet only around half the closures were non compliant.





Care Homes by Size of Home

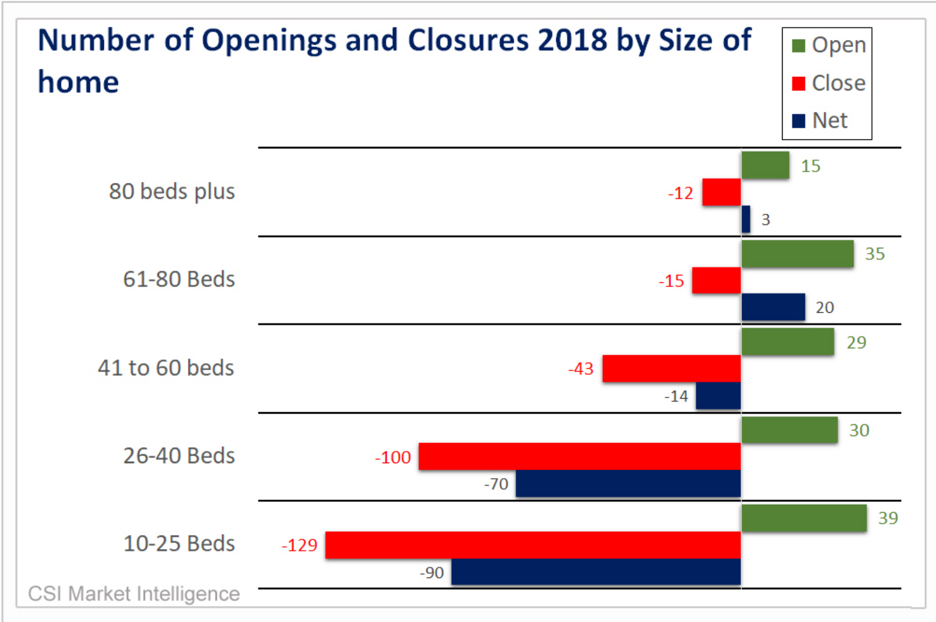
Most activity in 2018 was in the closure of smaller, 10 to 25 bed care homes. (top chart) - accounting for 229 out of 299 closures, or 75%.

There were even 100 closures in the 25 to 40 bed category, with only 30 openings creating a loss of 70 homes.

The trend is clear; as you move up from small to large homes the closures decrease. The 61-80 bed category gained 20 homes, and homes of over 80 beds added 3 homes.

However, are 50 new care homes of 60 or more beds enough across the whole country and throughout a whole year? That is only one for every three local authorities.

If the larger care home is the future for new builds then surely there needs to be a lot more of them to meet future demand. Hopefully there are a number of them in development stages.



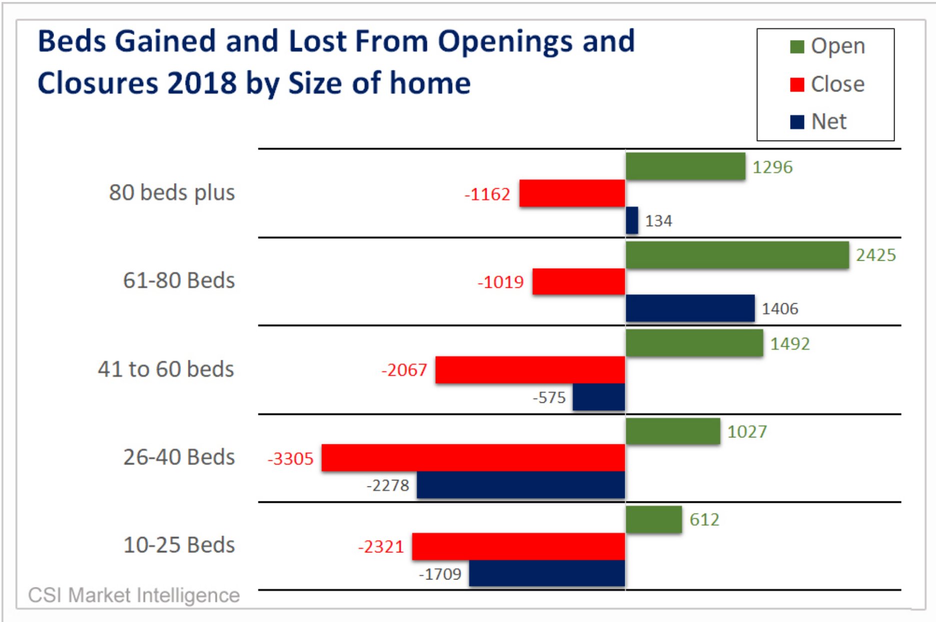
All beds losses incurred during 2018 were from the small to medium homes, from 10 to 60 beds.

Whilst losses in the smaller two categories are to be expected, the mid sized home, 41-60 beds that accounts for around 5% of all homes, lost over 2,000 beds from closures.

The category did see 1,500 beds gained from openings reducing the net loss to around 575 beds.

Best performing category was 61-80 beds, with 2,425 beds gained from openings and a net gain of 1406 beds.

And for all the large 80 plus homes that opened, closures meant that only 134 beds were gained within this category over the year. The equivalent of less than two homes



Closures by CQC Size of Home

What is evident when we compare home closures by size of home and their CQC ratings, is that the larger the home, the harder it is to be complaint, and there is a higher percentage of non compliance involved with the homes that closed.

80 beds plus: With a 2 to 1 ratio between compliance and non compliance (against 3 to 1 overall) 83% of all homes that closed within this sector had a compliance issue.

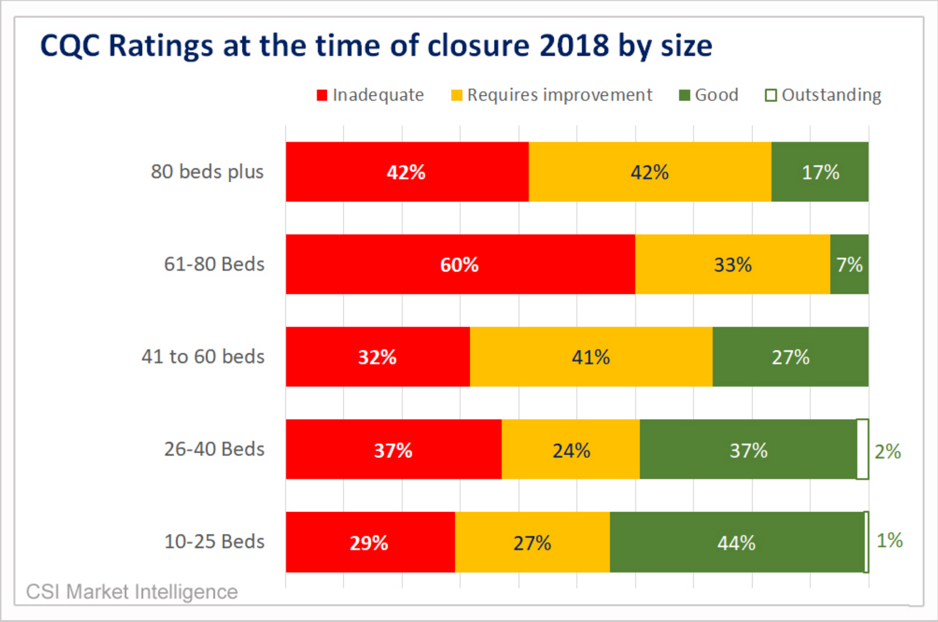
61-80 beds: Despite a slightly better CQC performance, 93% of all homes that closed were non - compliant with a massive 60% being Inadequate.

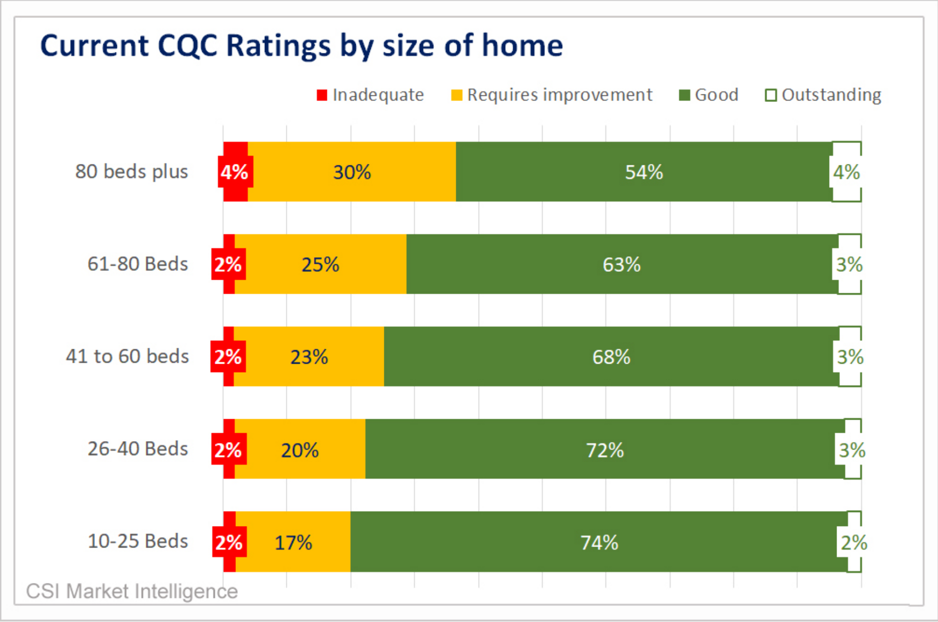
It is obvious that compliance is a major issue within larger homes, and is also a key attribute to closure. Some of those beds lost may well be in low supply areas causing local issues, and of course, the larger the home that closes the more vulnerable people need to be relocated.

41 to 60 Beds: In this category around 73% of homes that closed were non compliant, against 24% overall, meaning that other factors may have affected closure.

26-40 beds: We shift away from non compliance share of closures as the home gets smaller. This category is very much in line with national performance levels when it comes to CQC ratings, and the level of non compliance in closures is 61%. 39% had a Good or Outstanding rating, and would have had other factors behind the closures.

10-25 Beds: The best performing category with the CQC, 45% of its closures were in compliant homes, much higher than the 29% that were inadequate, showing that there are many other factors, especially in this category, forcing closures.





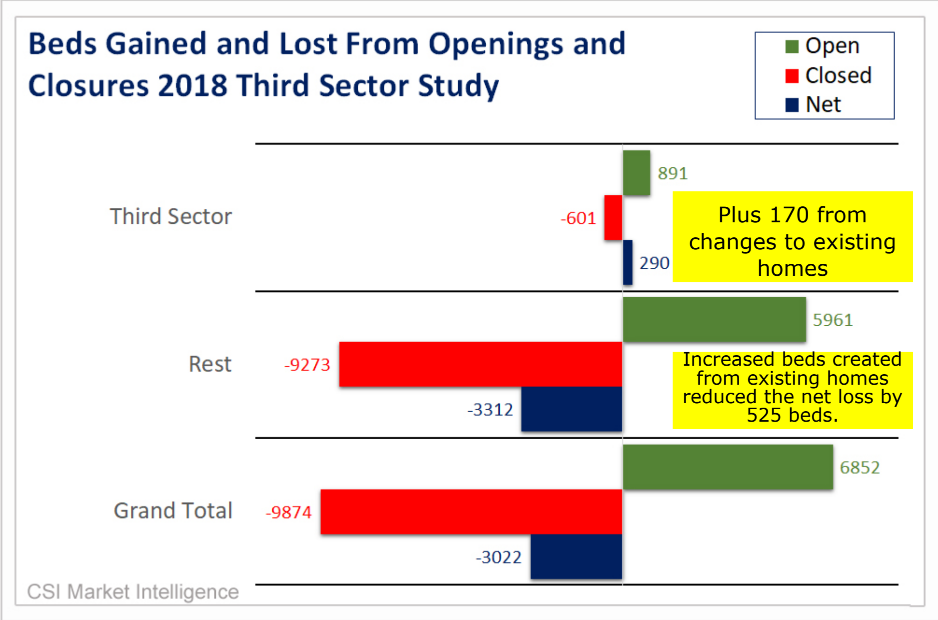
Third Sector Study

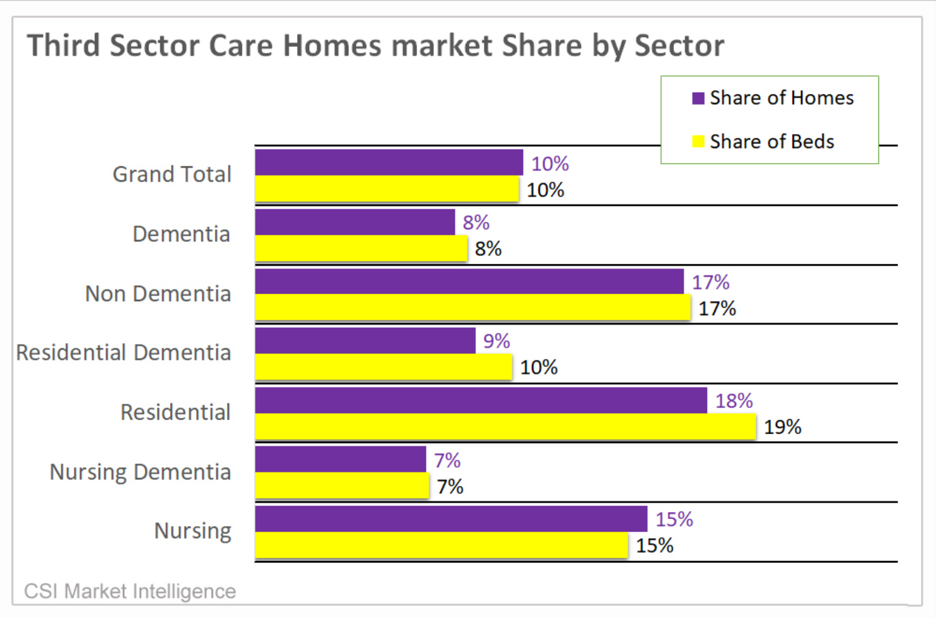
The third, or not for profit, sector accounts for around 10% of all care homes and beds in England.

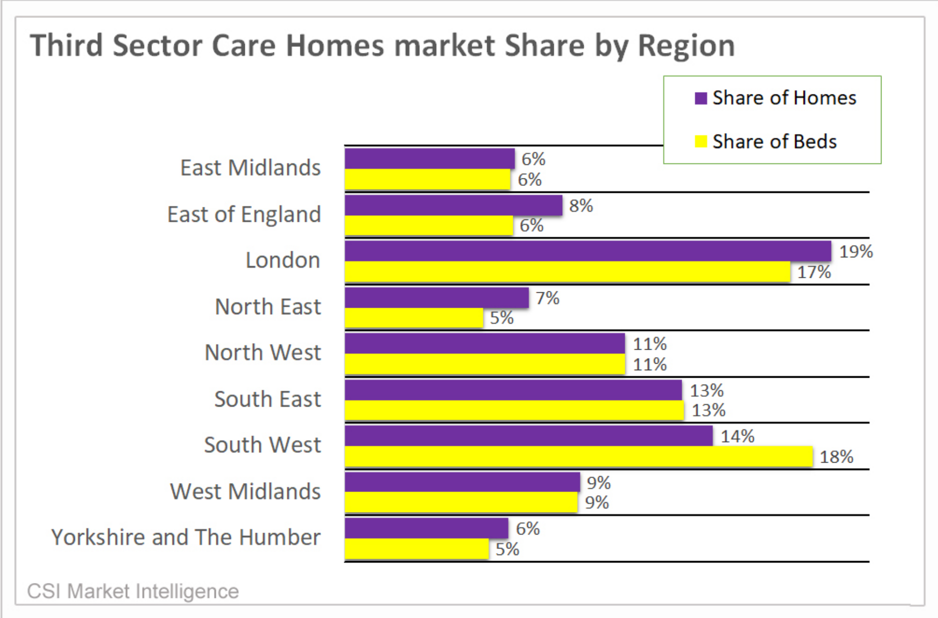
In 2018 they performed better than their commercial counterparts and actually gained 290 beds - 891 gained from openings, less 600 from closures. In real terms they grew the number of beds by 460, as 170 extra beds came from existing homes who increased their number of beds.(See chart right)

At care sector level they have a slightly higher share of the residential sector, as well as a higher share of non-dementia homes.(See chart below)

Their geographical bias is towards London and the South - accounting for nearly one in five homes in the capital, with a much smaller share in Yorkshire Humberside and the North East.(See chart bottom right)





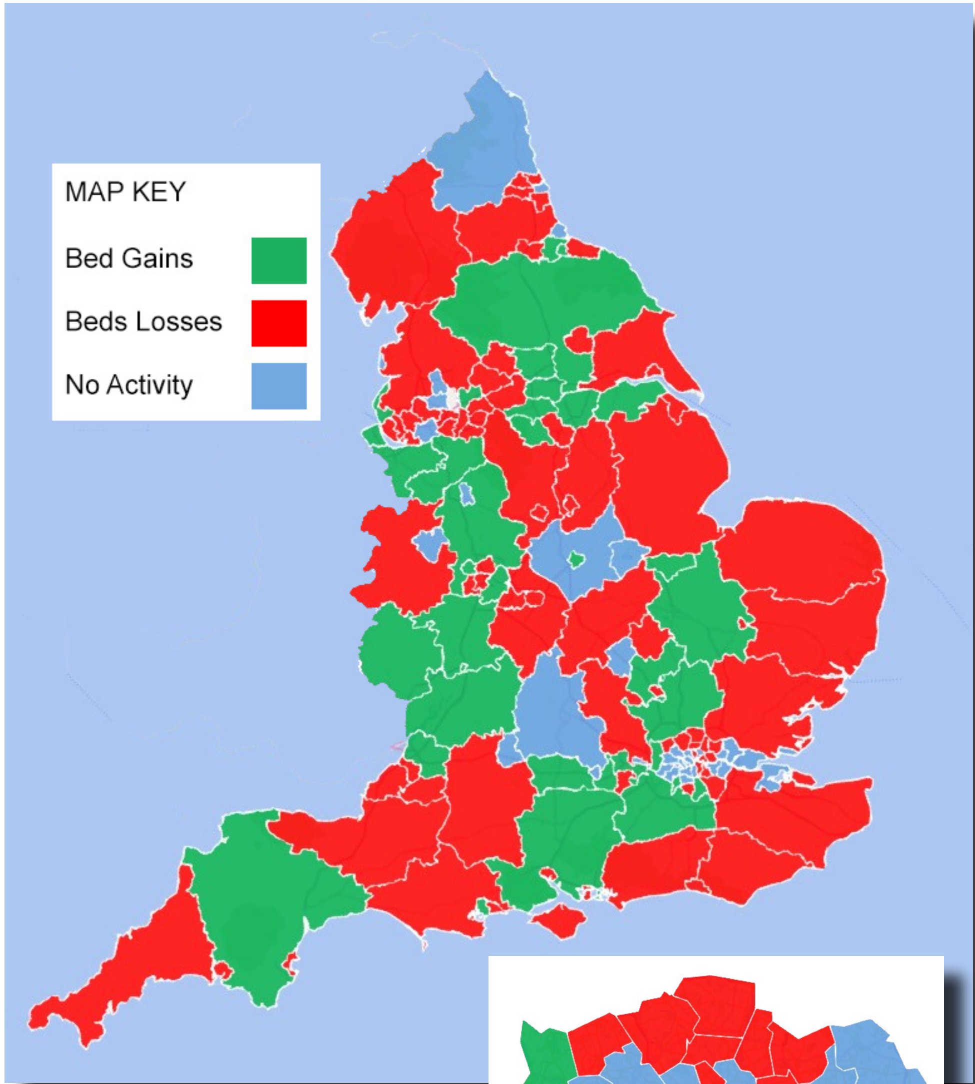


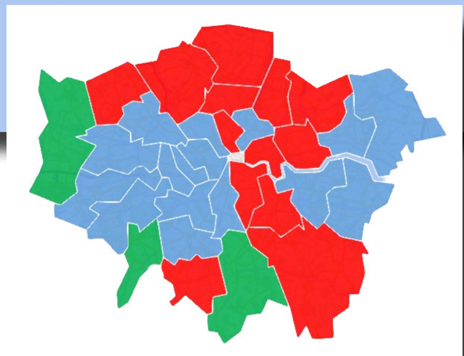
Local Authority Map

Whilst we have seen more closures than openings in all 9 regions of England, it is a very varied story across the 150 Local Authorities (LAs).

For example:

- 34 (22% of all LAs) saw no activity with regard to openings or closures in 2018, (Blue on the maps), the largest being Oxfordshire, Leicestershire and Northumberland, and with many in the London regions (see inset).
- 78 (52%) had a net decrease of beds (Red on the maps) of which 42 (28%) were already under supplied.
- 36 (24% had a net increase in beds (Green on the maps) of which 22 (15%) were already over supplied.
- This means that 64 local authorities (43%) are moving away from average supply levels, causing feast and famine within their areas.
- The region with the highest share of non activity or loss of beds is London, where only 3 local authorities (Croydon, Kingston Upon Thames and Hillingdon) showing any net growth.
- (Those of you with eagle eyes will notice a white in the north east of England, this is Bury who had both openings and closures, but ended up with the same amount of beds after all that activity!)





Inset:
London Region

Local Authorities - Winners and Losers

Table top right: Shows the top 10 Local authorities who added the most beds during 2018, Surrey heading them all with 434. Note the far right column that shows the local supply levels as at January 2019. 9 out of the top 10 show higher than average supply levels.

Table centre right: Shows the 10 Local authorities who added the highest percentage increase in beds, again most (8 out of 10) have higher than average supply levels.

Table below: At the other end of the scale this shows the Local authorities that lost the most beds in 2018. Bottom was Essex losing 532 beds. Overall supply levels vary between 49% to 142%

Table bottom right: The biggest losers in percentage terms, what stands out here is that Waltham Forest lost a staggering 25.7% of their beds and now find themselves at around 50% of national supply levels.

What these tables show is that homes are being built and bed numbers increased in areas that do not necessarily need the extra capacity, and some of those areas losing beds cannot really afford to.

What other industries have such a maverick approach to meeting local supply and demand? Where are the local planning departments in all this?

Top 10 Local Authorities by number of beds gained in 2018

Rank	Local Authority	Region	Net Change in Beds	Change as % of Total Beds	Supply Levels Jan 19
1	Surrey	South East	434	3.9%	121%
2	Hertfordshire	East of England	247	2.9%	105%
3	Wirral	North West	169	5.7%	110%
4	Sefton	North West	160	4.8%	127%
5	Leeds	Yorkshire and The Humber	139	2.8%	107%
6	Windsor and Maidenhead	South East	130	9.1%	123%
7	Staffordshire	West Midlands	112	1.6%	95%
8	Birmingham	West Midlands	96	1.6%	102%
9	Cheshire East	North West	81	2.2%	106%
10	Sheffield	Yorkshire and The Humber	80	2.0%	107%

Top 10 Local Authorities by percentage gain in beds in 2018

Rank	Local Authority	Region	Net Change in Beds	Change as % of Total Beds	Supply Levels Jan 19
1	Windsor and Maidenhead	South East	130	9.1%	123%
2	Kingston upon Thames	London	80	8.1%	105%
3	Wirral	North West	169	5.7%	110%
4	Sefton	North West	160	4.8%	127%
5	North Lincolnshire	Yorkshire and The Humber	77	4.4%	129%
6	Peterborough	East of England	50	4.2%	105%
7	Surrey	South East	434	3.9%	121%
8	Middlesbrough	North East	62	3.7%	191%
9	Central Bedfordshire	East of England	50	3.6%	73%
10	Hillingdon	London	45	3.4%	81%

Bottom 10 Local Authorities by number of beds lost in 2018

Rank	Local Authority	Region	Net Change in Beds	Change as % of Total Beds	Supply Levels Jan 19
150	Essex	East of England	-532	-4.8%	92%
149	Kent	South East	-379	-3.0%	102%
148	Northamptonshire	East Midlands	-180	-3.7%	100%
147	Norfolk	East of England	-176	-2.1%	97%
146	Lancashire	North West	-176	-1.6%	118%
145	Bournemouth	South West	-150	-7.2%	142%
144	Suffolk	East of England	-149	-2.3%	94%
143	Nottinghamshire	East Midlands	-149	-1.9%	122%
142	Waltham Forest	London	-144	-25.7%	49%
141	Trafford	North West	-142	-11.1%	77%

Bottom 10 Local Authorities by percentage loss in beds in 2018

Rank	Local Authority	Region	Net Change in Beds	Change as % of Total Beds	Supply Levels Jan 19
150	Waltham Forest	London	-144	-25.7%	49%
149	Tower Hamlets	London	-37	-11.9%	44%
148	Southwark	London	-60	-11.3%	56%
147	Portsmouth	South East	-123	-11.3%	92%
146	Trafford	North West	-142	-11.1%	77%
145	York	Yorkshire and The Humber	-134	-9.5%	92%
144	St. Helens	North West	-94	-9.0%	76%
143	Darlington	North East	-83	-7.9%	127%
142	Bournemouth	South West	-150	-7.2%	142%
141	Sutton	London	-69	-6.6%	84%

What is Local Availability?

As can be seen from our studies on Local Authorities, (and as CSI has been shouting about for years) supply levels vary greatly throughout the country.

And this is at Local Authority level. When you consider the geographical size of most, this does still constitute local supply when it comes to someone trying to find a suitable care home.

New builds in a free economy are bound to create varying levels of supply when compared to local demand, but this needs to be controlled much more.

In retail, at the expense of local high streets, out of town shopping centres have emerged. In this case you will find a concentration in some areas, and none in others, but a single shopping trip to secure a long term purchase is not a problem.

However when "shopping for care", rather than a new settee, its not as simple as that. We need a good choice on a local basis, with a supply level that matches local demand.

But in many areas the supply levels show no relationship to local demand.

To show just how different local supply levels are:-

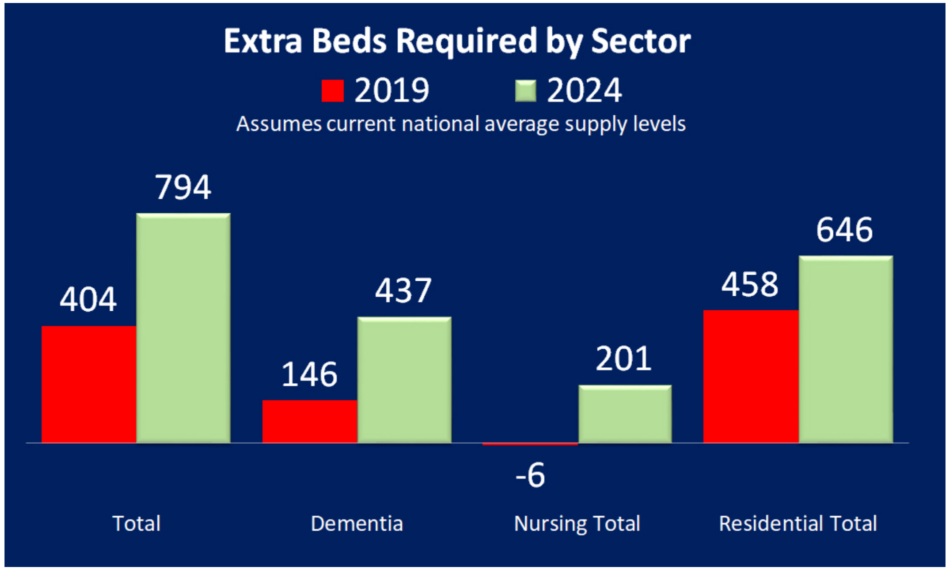
The two charts show data taken from the ***CSI local care home market analysis model**** that can report on local supply levels, population growth, competitor data and demographics, from any postcode in England.

Each of the two examples here work on a 5 mile radius from two different English postcodes, ***where a care home was opened during 2018.*** The figures show the number of beds that are needed to attain the national level of beds per thousand population aged 75 plus within the local area, both currently and in 2024.

The top example proves that opening here was very much needed and helped to go some way to make up a shortage of supply within the area. But the bottom example shows a new home that is just adding to the over supply within the area.

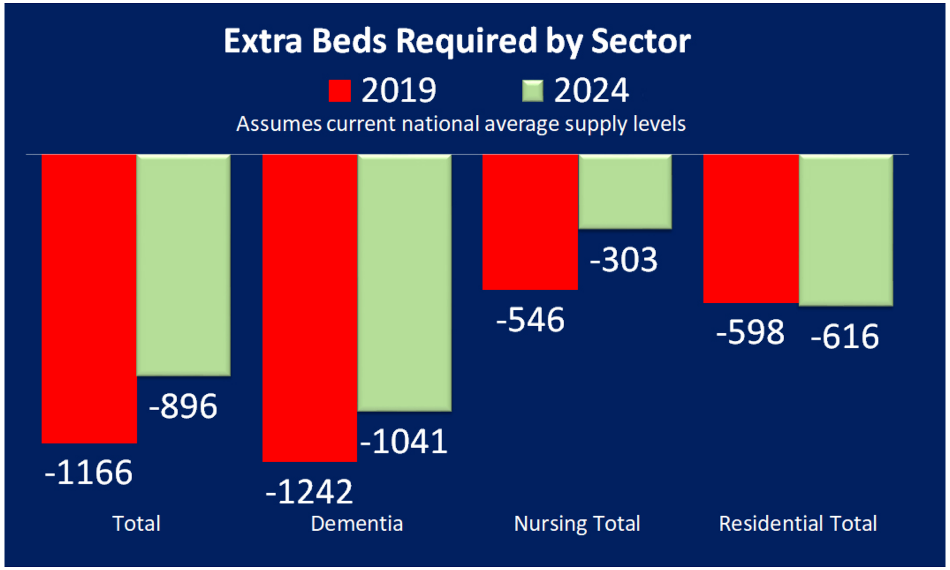
It is no surprise to know that average occupancy levels in this area are around 56% of that enjoyed within the top example!

* To find out more about the CSI local Market Reports please contact us (details on back cover) and quote code **SHWG2018.**



A care home was opened during 2018 in the postcodes depicted by these charts, that show beds required to attain national supply levels.

Needless to say supply is already too high in the area below where average occupancy levels are nearly half that of the area above.



2015 -2018

2015 to 2018 Overview

Over the 4 years I have published the Say Hello Wave Goodbye* reports my charts and commentaries have always been in the negative, with the hope that the following there would be a master plan from the government that turned the industry around and encouraged the investment it needs to grow.

Is 2019 and ahead to be transformed by the Green Paper? I am glad I am not a betting man.

On average each year we have seen around 140 homes open each year, but 280 close down at the same time. That's one opening and two closures per Local Authority.

Luckily each home that has opened is larger than the two that have closed, therefore mitigating the loss of beds.

26,268 new beds have been created, but 34,387 have disappeared for whatever reason, and each of those 30,00 plus residents ha had to be relocated.

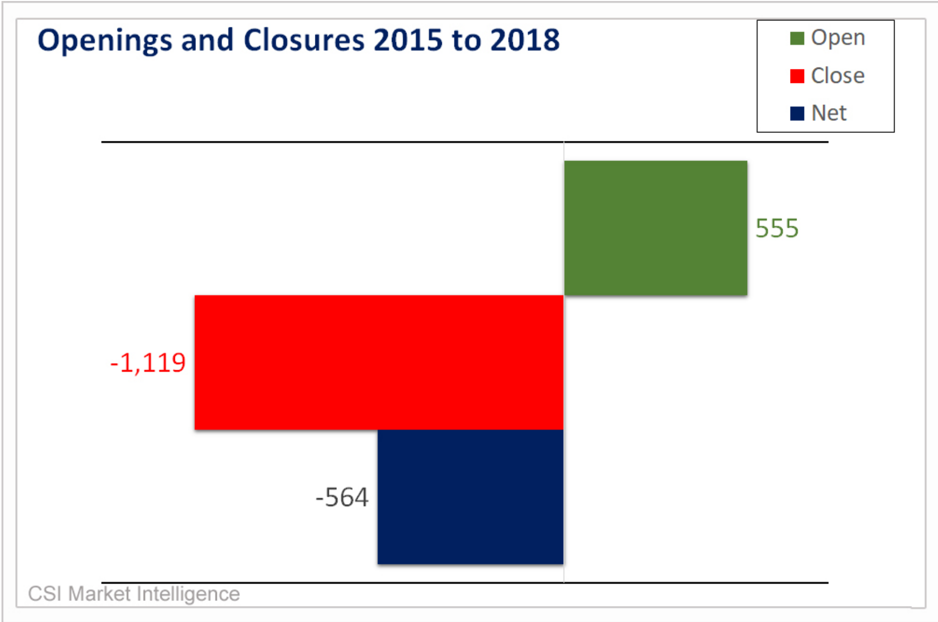
As we know those living with dementia need continuity and the familiarity of the home within which they live, and having to move to a new, strange residence can have a massive negative effect, and bring forward end of life. It is almost too distressing to think about how many would have succumbed to this.

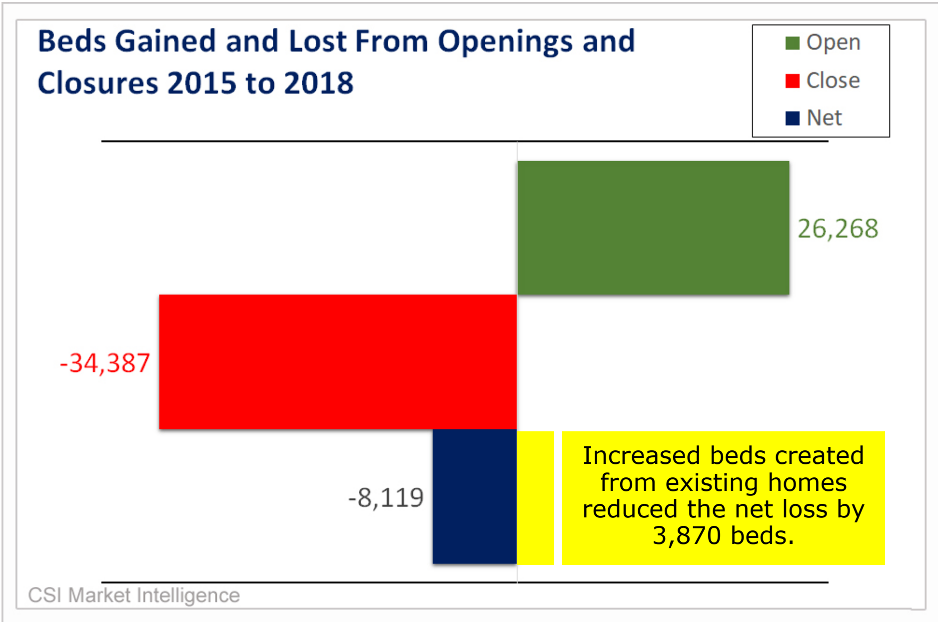
One saving grace is that some existing homes at least consider organic growth through extensions, meaning that what should be an 8,119 loss in beds over years is reduced by nearly 50%, due to 3,870 new beds generated in this way.

What we have seen is that around 100 local authorities have lost beds across the 4 years, and 50 have gained them. The concerning thing is that growth has not necessarily come where it is needed, and losses have been experienced in areas that cannot afford it.

The market is still very much serviced by the small independents, and whilst there have been a few changes since 2015 with regard to the big players, the top 20 Brands have only grown their market share from 25% of beds at the start of 2015 to 27% at the start of 2019.

**The report title is based on a Soft Cell song from 1992, also a different song by the same name was released by David Gray in 1998*

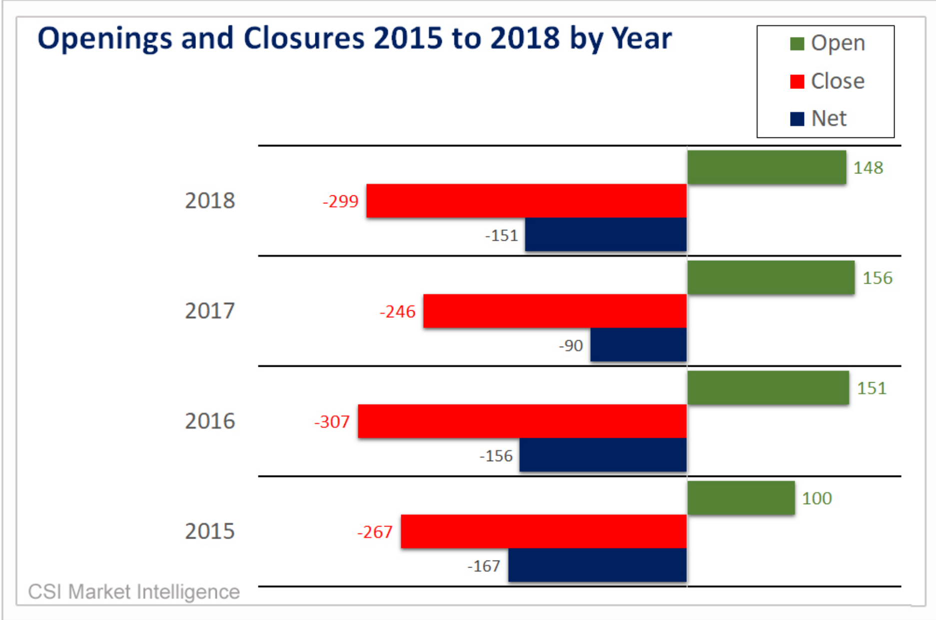




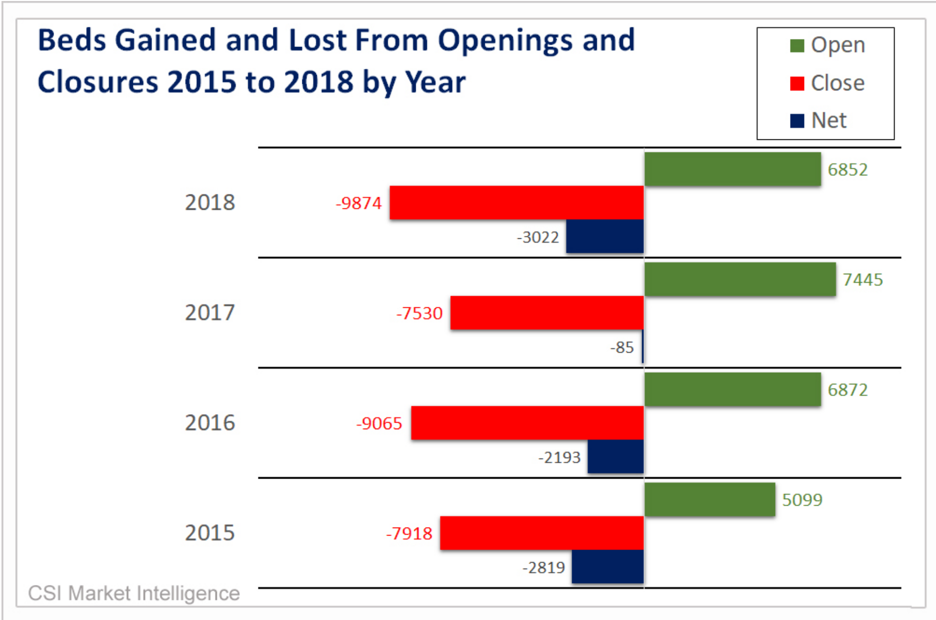
2015 to 2018 Year by Year

In 2018 care home openings were down and closures increased compared with 2017.

This means that 2018 was a disappointment in that openings were increasing year on year, and net loss of homes were reducing.



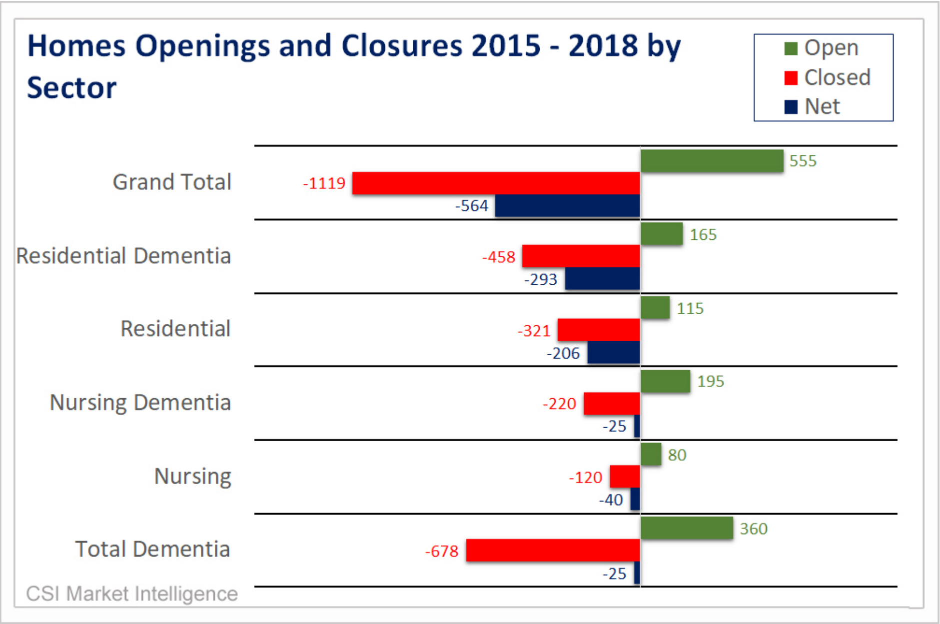
The net loss in beds was also reducing from 2015 to 2017 (which almost broke even) but 2018 has delivered the highest number of beds lost through closures, and the highest net deficit across the 4 year period.



Care homes by Sector

Every individual care sector has lost more homes that it gained over the 4 year period, a majority of the losses coming in the residential sector.

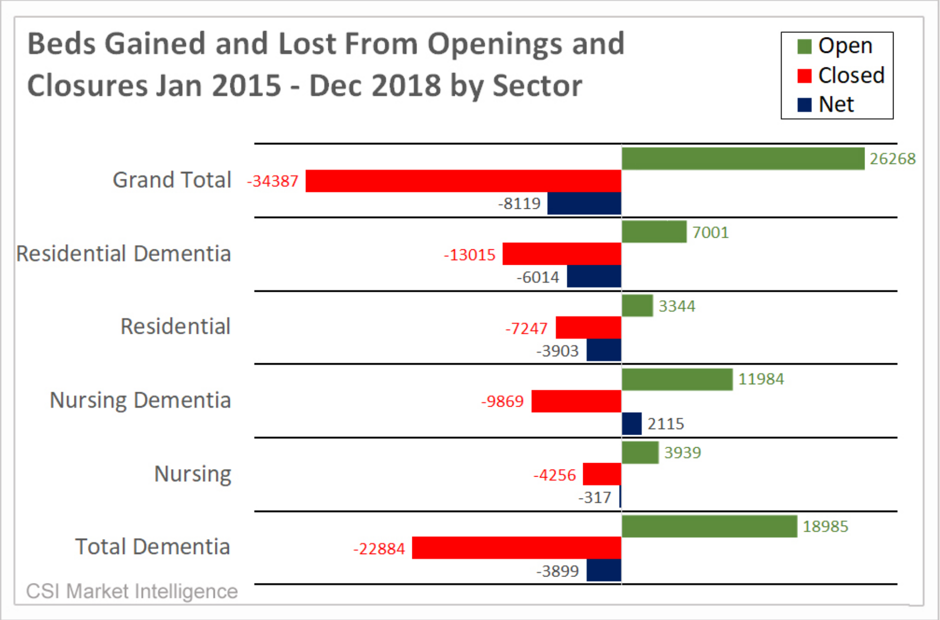
It is worrying to note that whilst the dementia population in care homes has increased over the 4 years, we have 25 fewer homes that are registered for dementia than we did in 2015.



Since 2015 it works out that we have only lost 13 beds for every 10 beds hat have been added.

Nursing dementia with a growth of 2,115 beds the only real positive over the last 4 years.

Yet despite the growth in nursing dementia beds, heavy losses in the residential dementia sector means that we are a little under 4,000 beds higher than we were 4 years ago, whilst the estimated number of people living with dementia and requiring a care home bed will have increased by around 27,000.



Care Homes by Region

Every single region in England has seen more care home closures than it has seen open over the last 4 years.

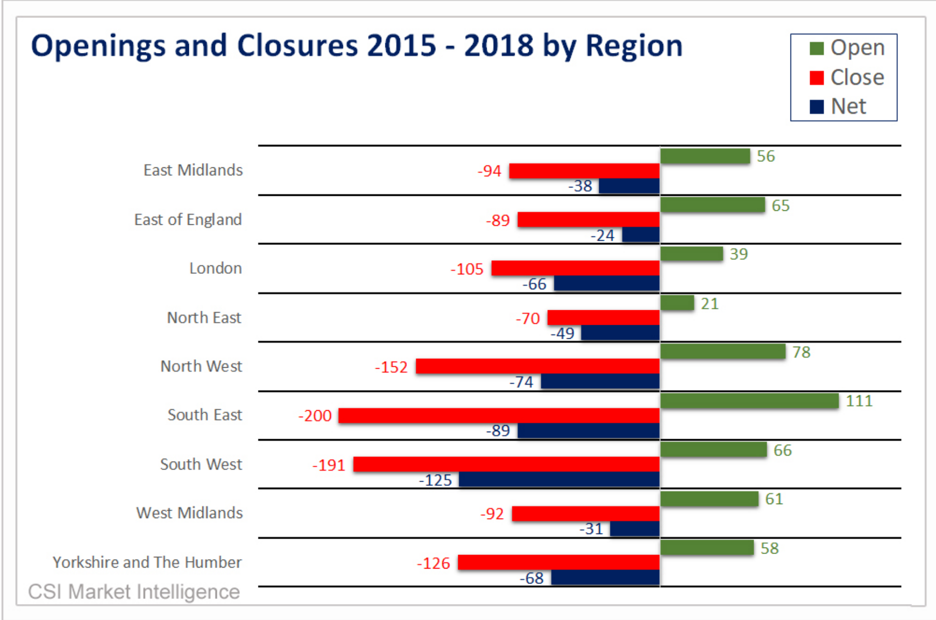
When compared what occurred over the four years there are some interesting regional statistics on beds.

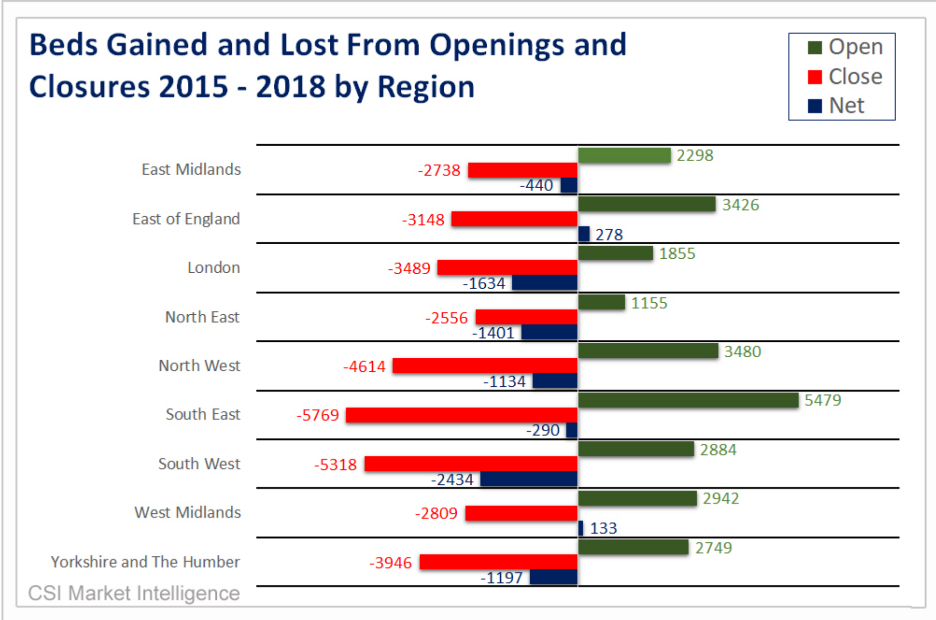
East of England show the highest net increase in beds adding 278 over the 4 year period. However, from very year up to the end of 2017 they had managed a net growth, totalling 839. But they incurred a loss of 561 in 2018, a massive reversal within the region.

The following regions have shown a net loss of beds in each of the last 4 years - London, North East, North West, South West and Yorkshire & The Humber.

East Midlands showed a net growth in 2015, but have experienced reductions in beds for each of the next 3 years.

Conversely their neighbours to the West, lost beds in 2015 and have gained every year since, making West Midlands the only other region to show a net growth over the period.





Care Homes by Size

80 Beds plus: This sector has created a growth in beds over the last 4 years, but whilst only 45 have opened, another 25 have closed.

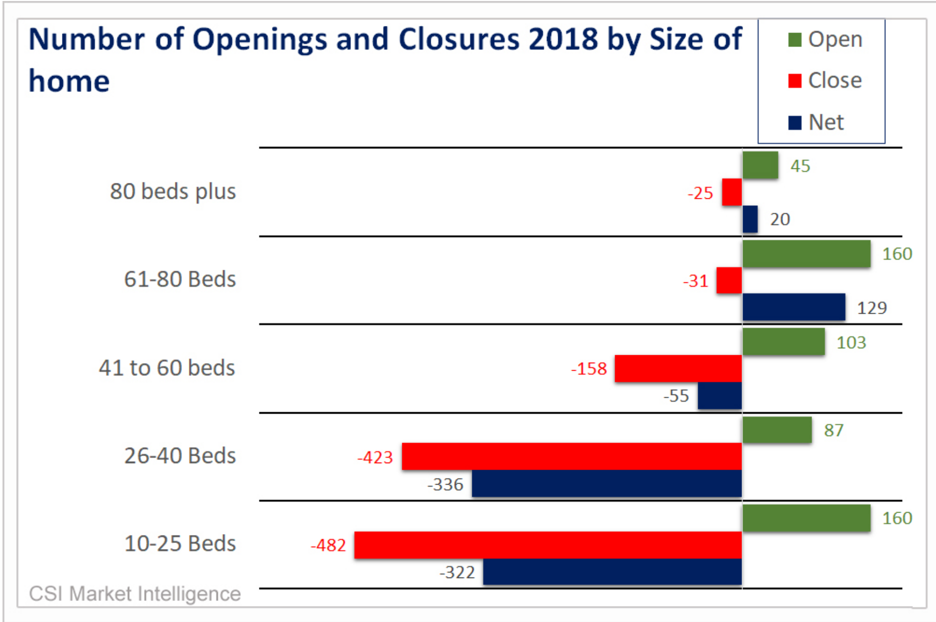
However only one of the closures was of a home that opened during the 2015 to 2018 period, the remainder were opened in 2010 or 2011.

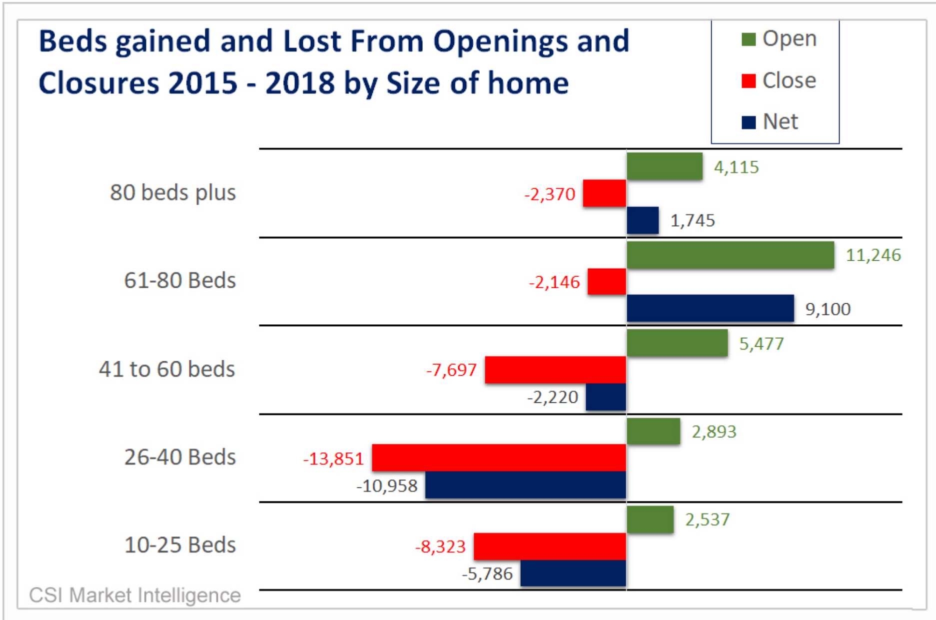
61 to 80 beds: By far the most popular "new build" size for care homes over the last 4 years, producing 160 openings and a net increase in the sector of 129 homes, creating a much needed 9,100 beds.

41 to 60 beds: Whilst this sector accounts for around 1 in 5 openings, closures are greater, with a net loss of 55 homes and 2,220 beds over 4 years.

26 to 40 beds: Closures have outpaced openings in this sector by nearly 4 to 1, with net losses of nearly 11,000 beds over 4 years.

10- 25 beds: In unit terms there were as many new homes up to 25 beds in size, but creating only 2,537 new beds, whilst existing homes of that size closed over 3 times as fast.





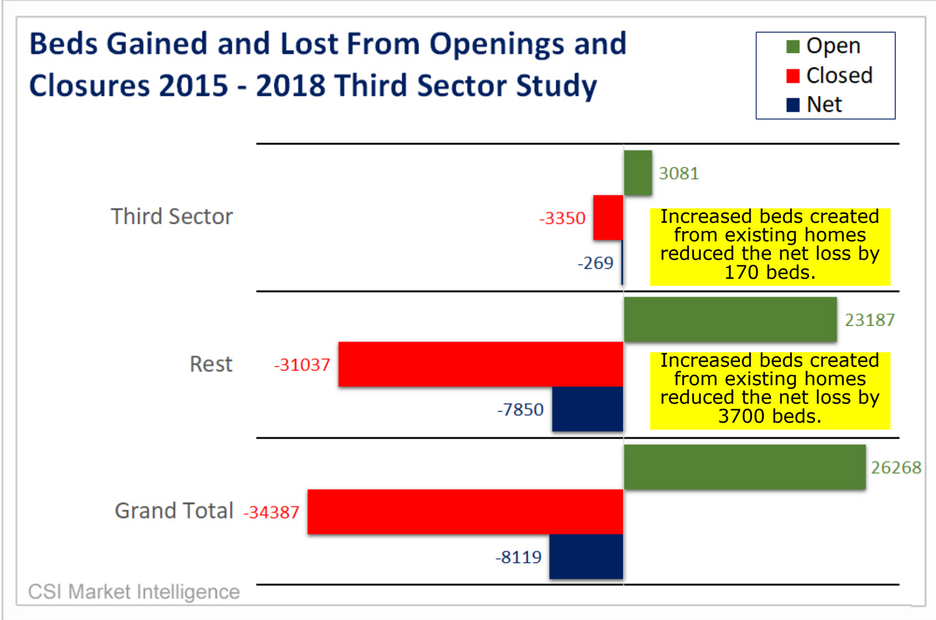
Third Sector Study

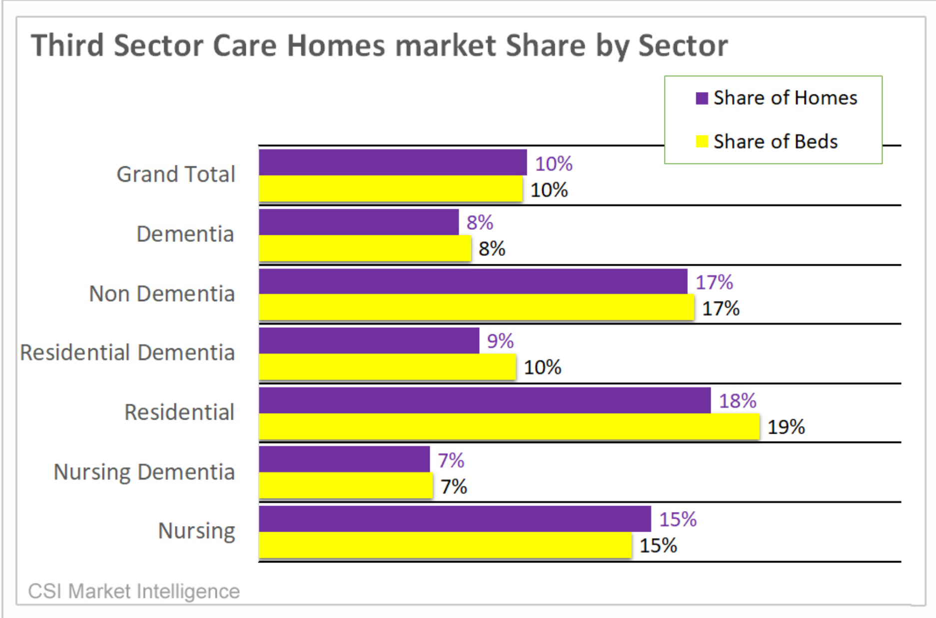
We featured the non for profit sector as it created a net growth in care home beds during 2018. Unfortunately over the last 4 years the sector does show a net loss in the number of beds.

The sector has around a 10% market share of both homes and beds in England, and yet over the last 4 years it has accounted around 11.7% of beds created from openings and the loss of just 269 beds is only 3.3% of all net losses.

If we add back the 170 beds that were gained through an increase in beds within existing homes, the real net loss is only around 1%.

This is due to the fact that the average size of home that it has opened during that period is 50 beds, and the average closure is only 30 beds.





Local Authority Map

As can be seen from the England map, there are many more local authorities that have lost beds over the last 4 years (Red) than have increased them (Green).

In fact 99 out of 150 local authorities have lost beds, and only 48 have seen an increase. (3 have had absolutely no openings or closures in the last 4 years)

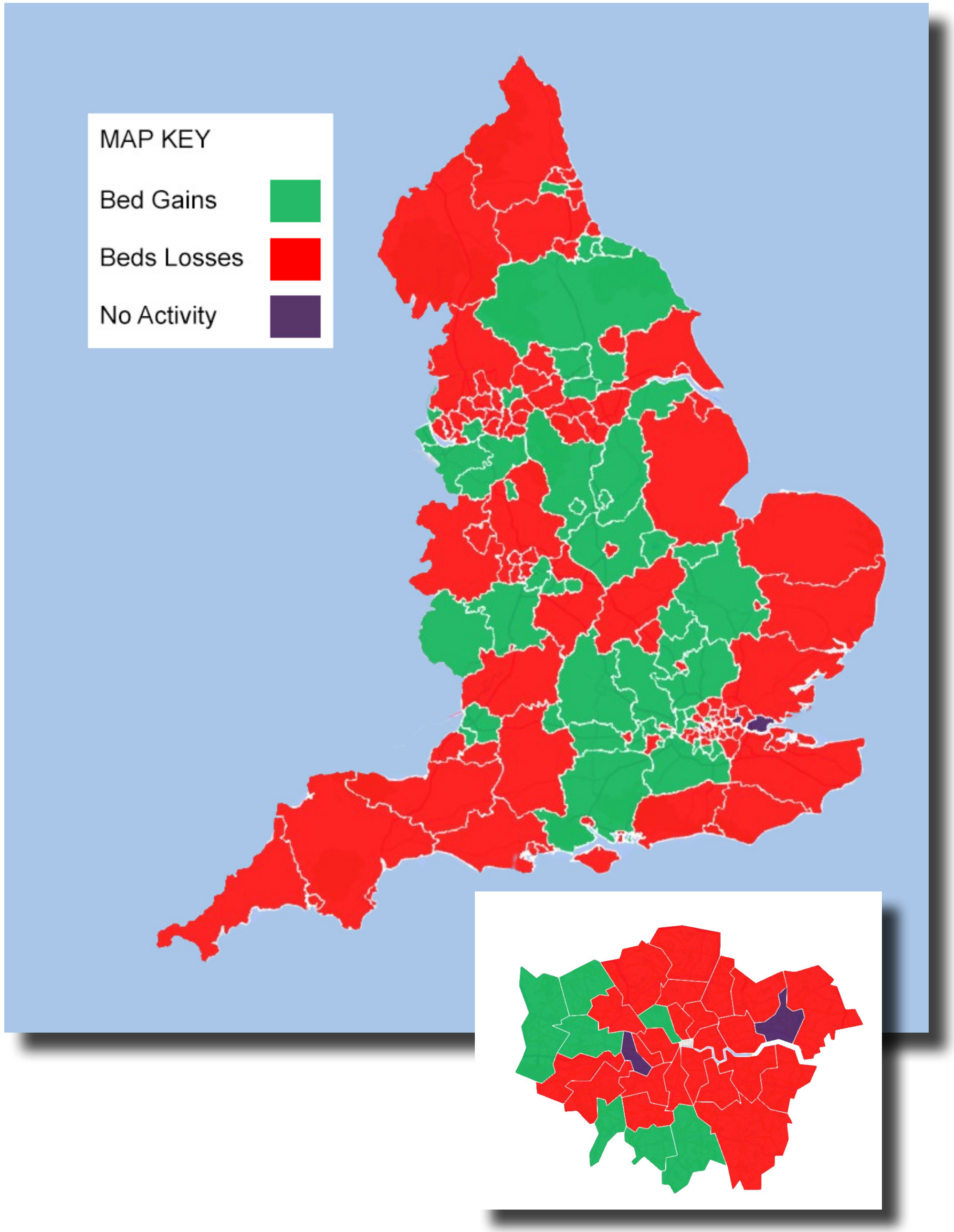
Notice how those local authorities than have gained in beds are predominantly land-locked, and those losing beds are predominantly coastal?

This is partially due to the fact that coastal areas have a strong bias towards residential homes that were opened to cater for the increased demand for a care home bed in the "retirement" areas on the coasts.

CSI has undertaken many local market reports for clients and are never surprised to see and report high levels of residential homes in coastal areas, and conversely a bias towards nursing inland.

As residential homes are losing beds faster than nursing homes, it is no surprise that the map looks the way it does.

London is also losing beds in a majority of its boroughs, most of which have low supply levels.



Local Authorities

Table top right: Shows the top 10 Local authorities who added the most beds during 2016, Hertfordshire heading them all with 490. *(It is interesting to see Surrey in 2nd place with 443 extra beds, 434 of which were gained in 2018!)*

Note the far right column that shows the local supply levels as at January 2019. 8 out of the 10 show higher than average supply levels.

Table centre right: Shows the 10 Local authorities who added the highest percentage increase in beds, unlike 2018, here most had higher than average supply levels, 7 have lower supply levels.

Table below: At the other end of the scale this shows the Local authorities that lost the most beds with Devon losing 906 beds. Overall supply levels vary between 83% to 16%

Table bottom right: The biggest losers in percentage terms, what stands out here is that Waltham Forest lost a staggering 46.8% of their beds and now find themselves at around 50% of national supply levels, as do Hounslow who have lost 29% of their beds over the last 4 years.

Top 10 Local Authorities by number of beds gained in 2018

Rank	Local Authority	Region	Net Change in Beds	Change as % of Total Beds	Supply Levels Jan 19
1	Hertfordshire	East of England	490	5.7%	105%
2	Surrey	South East	443	3.9%	121%
3	Birmingham	West Midlands	370	6.1%	102%
4	Oxfordshire	South East	347	6.9%	100%
5	Leeds	Yorkshire and The Humber	221	4.4%	107%
6	Sefton	North West	195	5.8%	127%
7	Peterborough	East of England	194	16.3%	105%
8	Windsor and Maidenhead	South East	190	13.4%	123%
9	Hampshire	South East	173	1.5%	98%
10	South Gloucestershire	South West	167	9.8%	79%

Top 10 Local Authorities by percentage gain in beds in 2018

Rank	Local Authority	Region	Net Change in Beds	Change as % of Total Beds	Supply Levels Jan 19
1	Peterborough	East of England	194	16.3%	105%
2	Wokingham	South East	154	14.1%	94%
3	Windsor and Maidenhead	South East	190	13.4%	123%
4	Harrow	London	123	13.1%	60%
5	West Berkshire	South East	67	10.8%	55%
6	Central Bedfordshire	East of England	139	10.1%	73%
7	South Gloucestershire	South West	167	9.8%	79%
8	Rutland	East Midlands	30	8.5%	90%
9	Hillingdon	London	105	7.9%	81%
10	Oxfordshire	South East	347	6.9%	100%

Bottom 10 Local Authorities by number of beds lost in 2018

Rank	Local Authority	Region	Net Change in Beds	Change as % of Total Beds	Supply Levels Jan 19
150	Devon	South West	-906	-12.7%	91%
149	Northamptonshire	East Midlands	-539	-11.0%	100%
148	Essex	East of England	-458	-4.2%	92%
147	Kent	South East	-427	-3.4%	102%
146	Cornwall	South West	-380	-8.8%	83%
145	East Sussex	South East	-355	-5.1%	120%
144	County Durham	North East	-335	-6.9%	121%
143	Barnet	London	-304	-13.9%	97%
142	Torbay	South West	-299	-15.5%	136%
141	Bradford	Yorkshire and The Humber	-281	-7.2%	130%

Bottom 10 Local Authorities by percentage loss in beds in 2018

Rank	Local Authority	Region	Net Change in Beds	Change as % of Total Beds	Supply Levels Jan 19
150	Waltham Forest	London	-262	-46.8%	49%
149	Hounslow	London	-177	-29.0%	50%
148	Slough	South East	-72	-21.0%	62%
147	Southwark	London	-99	-18.6%	56%
146	Bracknell Forest	South East	-67	-18.2%	58%
145	Darlington	North East	-183	-17.4%	127%
144	Halton	North West	-122	-17.4%	88%
143	Torbay	South West	-299	-15.5%	136%
142	North Tyneside	North East	-230	-15.2%	98%
141	Hackney	London	-37	-15.0%	33%

The Big Brands

The table right shows the top 20 Brands ranked by the number of beds they control at the start of this year, compared with their portfolios at the start of 2015.

HC-One has taken top spot from Four Seasons, whilst Barchester and Care UK have both moved up a place, at the expense of BUPA who have moved down from number two slot, primarily due to selling homes, including those sold to HC-One that have helped them move to top place.

The accumulative share of the top 20 has increased by 2% from 25% in 2015 to 27% today.

(Please note these figures do not include every care home under those brand names, only those that come under the care homes for older people category as detailed at the start of this report.)

Snapshot January:	2019			2015		
Brand	Homes	Beds	Accum Share	Homes	Beds	Accum Share
HC-One Limited	283	17427	4%	167	8894	2%
Four Seasons	216	11966	7%	323	17646	7%
Barchester Healthcare	165	10548	10%	166	10549	9%
Care UK	110	7391	12%	108	6723	11%
BUPA Group	117	6926	14%	222	16551	15%
Anchor Trust	118	5949	15%	87	4058	16%
Sanctuary Care Limited	91	4696	16%	62	3166	17%
Methodist Homes	84	4480	17%	84	4212	18%
Maria Mallaband Care Group	72	4230	19%	50	2500	19%
Avery	53	4043	20%	32	2174	19%
Runwood	59	3970	21%	52	3422	20%
Sunrise Senior Living	45	3895	22%	38	3348	21%
Orders of St John Care Trust	72	3755	22%	70	3447	22%
Healthcare Management Solutions	58	3007	23%	0	0	22%
Caring Homes	53	2949	24%	49	2515	22%
Minster Care Group	58	2599	25%	28	1339	23%
Orchard Care Homes	37	2144	25%	92	4944	24%
Excelcare Holdings	32	2091	26%	31	1987	24%
Advinia Healthcare	23	2047	26%	13	454	25%
Abbeyfield Society	64	1980	27%	70	2083	25%

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