Excerpts from the full set of slides which were used at Cordis Briefing on Thursday 22nd April 2021. Full slides are available for subscribers. Please click here to find out more.

Cordis Virtual Briefing

April 2021

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Consulting

Cordis Viewfinder 2021

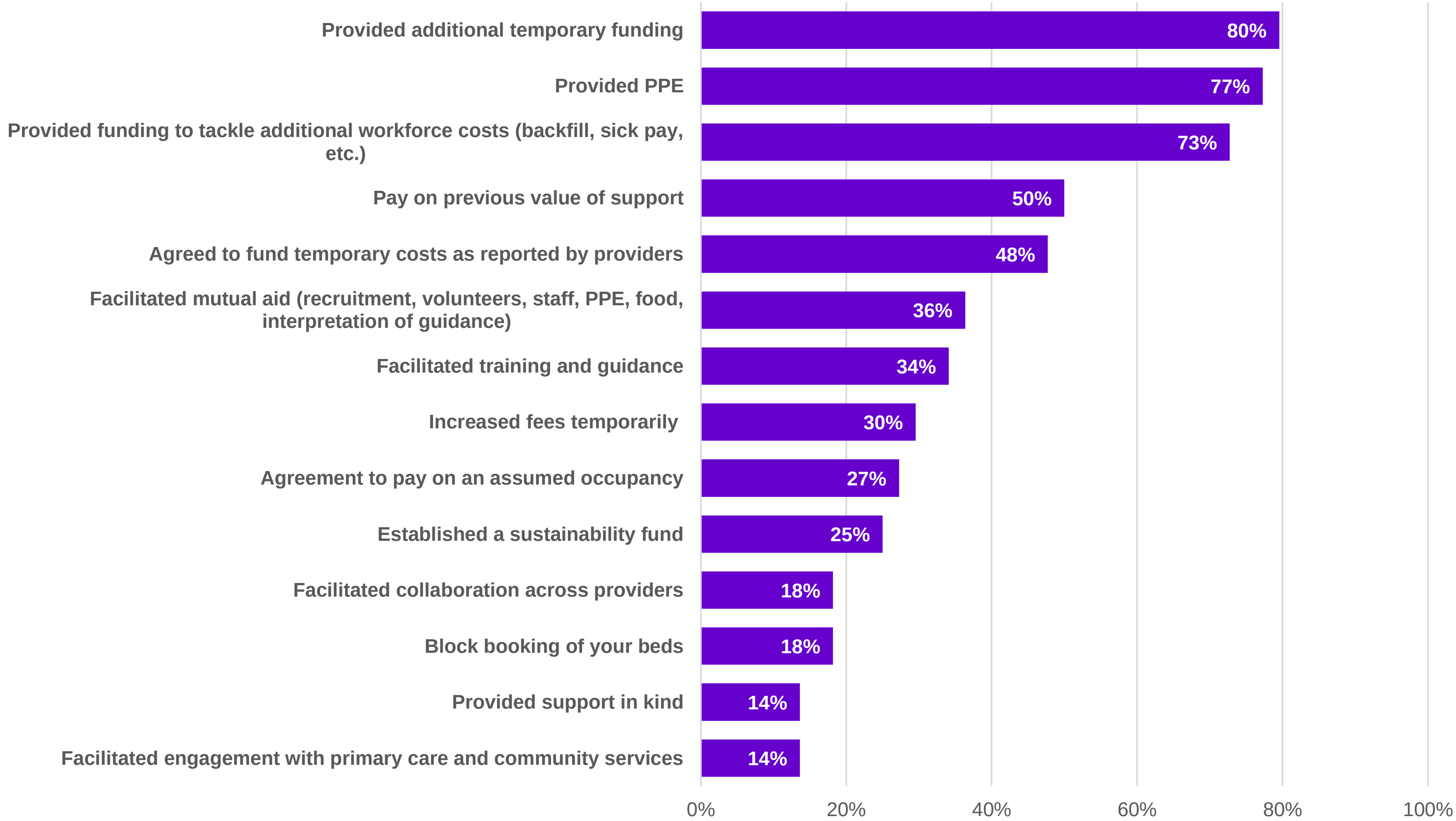
Overview

- 13th year of the survey
- Aimed at senior leaders in the sector
- We ask around 120 people from different organisations to complete it and we get 55% response rate
- Includes providers working with all client groups, all service types
- Provides a high level view of the sector and its trends

Your organisation and the pandemic

- Looked at three main areas:
  - What help you got
  - What money you spent and what you think you will get back
  - Lessons you have learnt

Help from the local authority



What you have spent so far

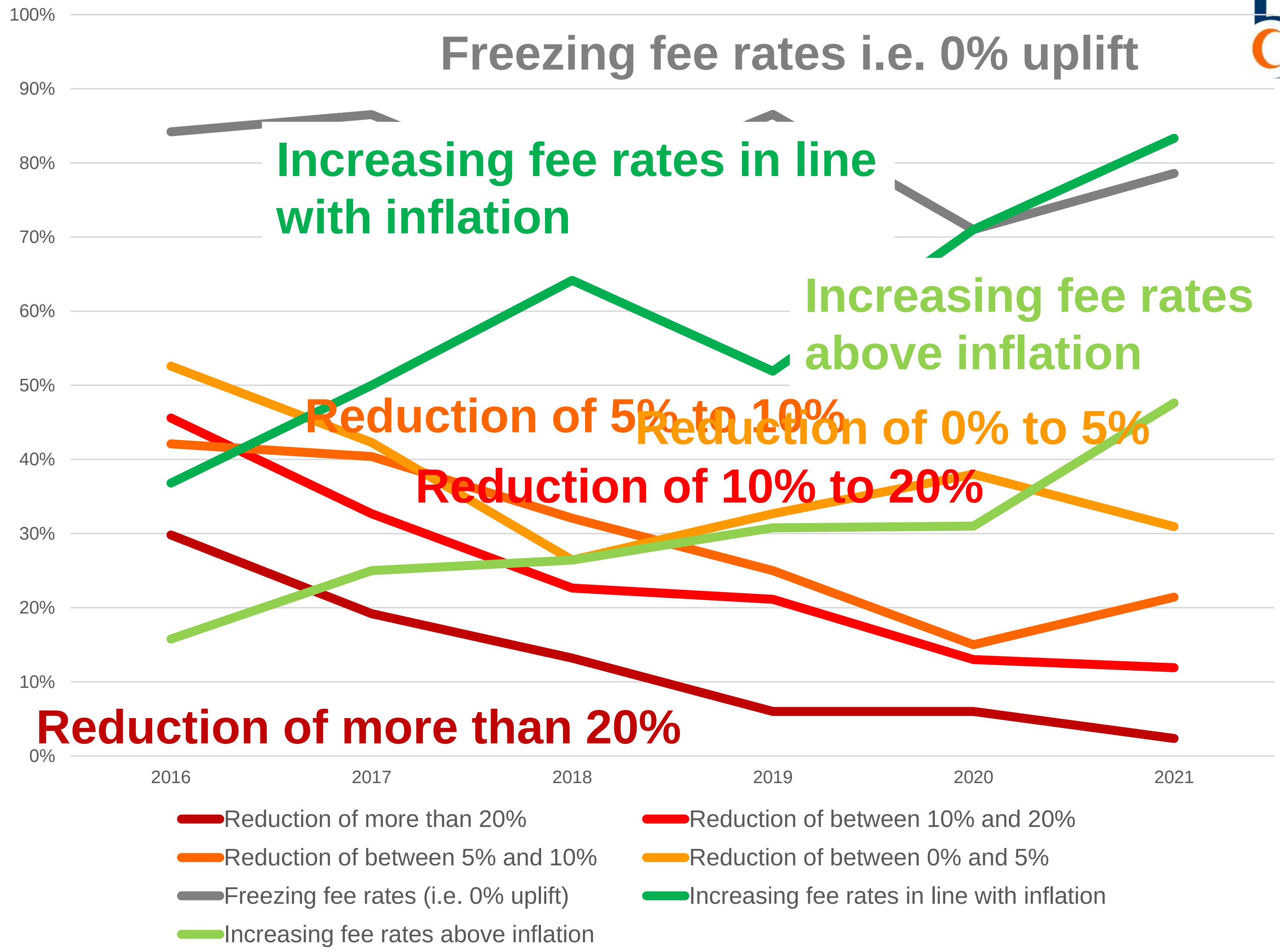
- £57,450,000
- Ranges from £100,000's to several million – scale of organisation and service type main factors.
- Overall the expectation is that you will recover around 88% of your additional costs.
- Again there is a big range of expectations from 0% to 100%

Lessons learnt

- Four main themes:
  - There is very little we would do differently if it happened again, but would hopefully have a better contingency plan ready to go.
  - Invested more and moved more quickly to adopt technology
  - Had a bigger contingency stock of PPE
  - Not waited for guidance or leadership from central or local government
- Some interesting comments
  - Wish we had made more effort to engage directly with frontline staff
  - Wish we had done more to facilitate greater opportunities for the voice of people we support to be heard
  - Just moved more quickly
  - Employed a full-time interpreter of Government guidance

Looking at money

- Have to bear in mind that this year and last year were not typical
- Huge sums of money have been pumped into Adult Social care to keep the show on the road and help pay for all the additional costs of the pandemic.
- As a consequence we see some odd shifts in some trends. We cannot as this stage if they are one off blips driven by exceptional circumstances or if they are the beginning of something new.
- There appear to be some quite contradictory views about potential opportunities and threats.



Freezing fee rates i.e. 0% uplift
Increasing fee rates in line with inflation
Increasing fee rates above inflation
Reduction of 5% to 10%
Reduction of 0% to 5%
Reduction of 10% to 20%
Reduction of more than 20%
100%
90%
80%
70%
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40%
30%
20%
10%
0%
2016
2017
2018
2019
2020
2021
Reduction of more than 20%
Reduction of between 10% and 20%
Reduction of between 5% and 10%
Reduction of between 0% and 5%
Freezing fee rates (i.e. 0% uplift)
Increasing fee rates in line with inflation
Increasing fee rates above inflation

Money

- Hard to know if this picture is an exception or actually a more permeant shift to a fairer and more rational approach to funding.
- Many local authorities have had quite a scare during the pandemic when the fragility of their accommodation based care markets became apparent.
- Many local authorities have had closer contact with providers in the last 12 months then ever before and perhaps some now recognise that under funding brings its own risks.
- Central government also got a scare and based on the health white paper's proposals for mandatary data collection on social care which in theory will provide a much clearer picture of what is happening in the sector.
- All potentially good- but the devil will be in the detail.

Saving money

	What you did in 2019/20	What you plan for 2020/21	What you did in 2020/21	What you plan for 2021/22
Closed down services which operate at a deficit	76%			
Exited contracts which are not providing sufficient margin	76%			
Reduced the level of service provided whilst maintaining the same price	46%			
Made a deficit equivalent to at least 5% of income	34%			
Spent at least 10% of reserves to support under-funded services	12%			

Saving money

	What you did in 2019/20	What you plan for 2020/21	What you did in 2020/21	What you plan for 2021/22
Closed down services which operate at a deficit	76%	87%		
Exited contracts which are not providing sufficient margin	76%	85%		
Reduced the level of service provided whilst maintaining the same price	46%	61%		
Made a deficit equivalent to at least 5% of income	34%	20%		
Spent at least 10% of reserves to support under-funded services	12%	15%		

Saving money

	What you did in 2019/20	What you plan for 2020/21	What you did in 2020/21	What you plan for 2021/22
Closed down services which operate at a deficit	76%	87%	79%	
Exited contracts which are not providing sufficient margin	76%	85%	74%	
Reduced the level of service provided whilst maintaining the same price	46%	61%	33%	
Made a deficit equivalent to at least 5% of income	34%	20%	31%	
Spent at least 10% of reserves to support under-funded services	12%	15%	15%	

Saving money

	What you did in 2019/20	What you plan for 2020/21	What you did in 2020/21	What you plan for 2021/22
Closed down services which operate at a deficit	76%	87%	79%	91%
Exited contracts which are not providing sufficient margin	76%	85%	74%	88%
Reduced the level of service provided whilst maintaining the same price	46%	61%	33%	45%
Made a deficit equivalent to at least 5% of income	34%	20%	31%	15%
Spent at least 10% of reserves to support under-funded services	12%	15%	15%	15%

Saving money in the long term

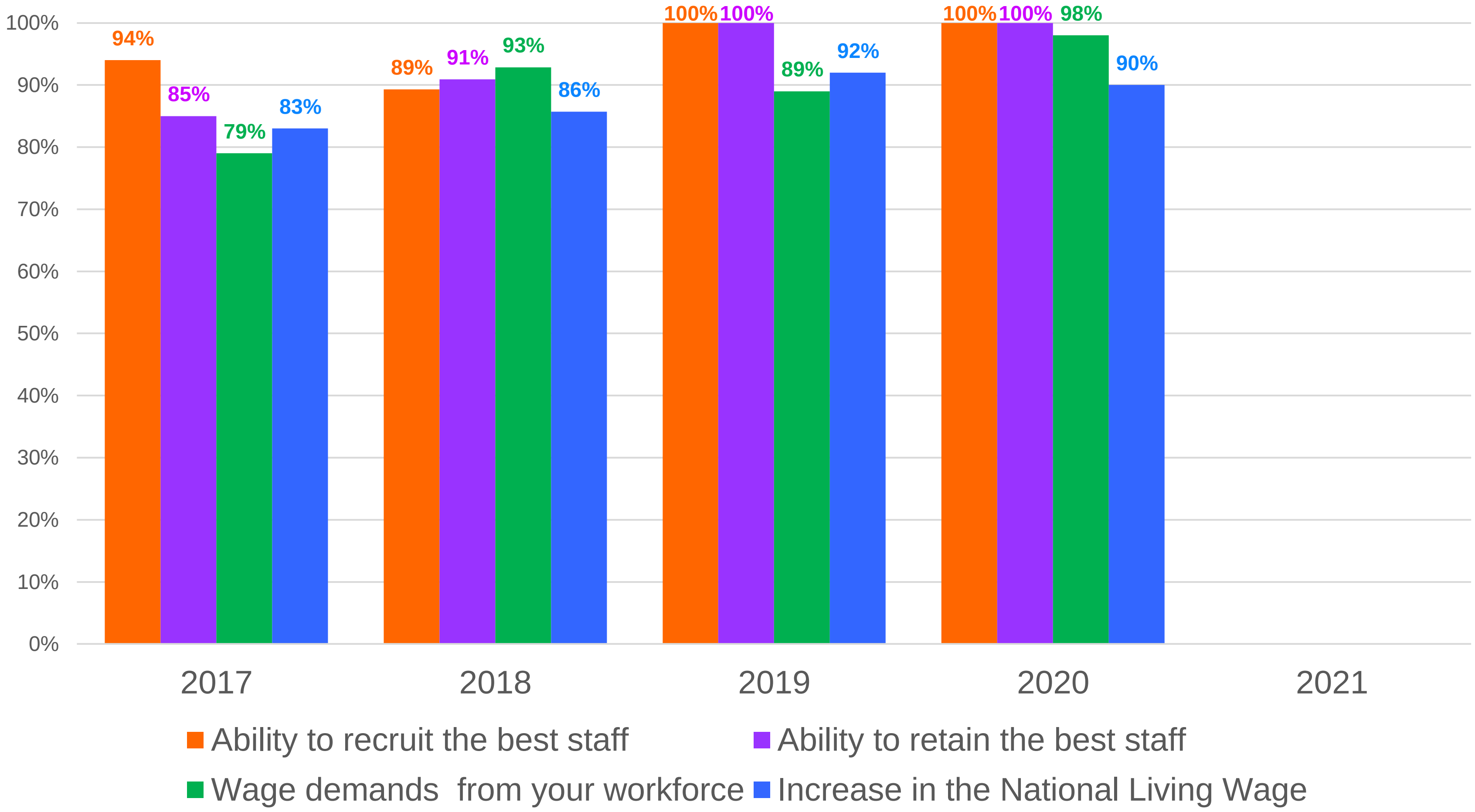
- Providers attitudes have clearly evolved over the last 10 years.
- On the one hand there a much tougher business decisions about service operation
- On the other you are increasingly likely to make a deficit

Saving money in the long term

Workforce

- Your still concerned about recruitment and retention but it appears things are changing, some of it we know about like NLW other changes maybe about the wider shifts in the labour market.

Workforce



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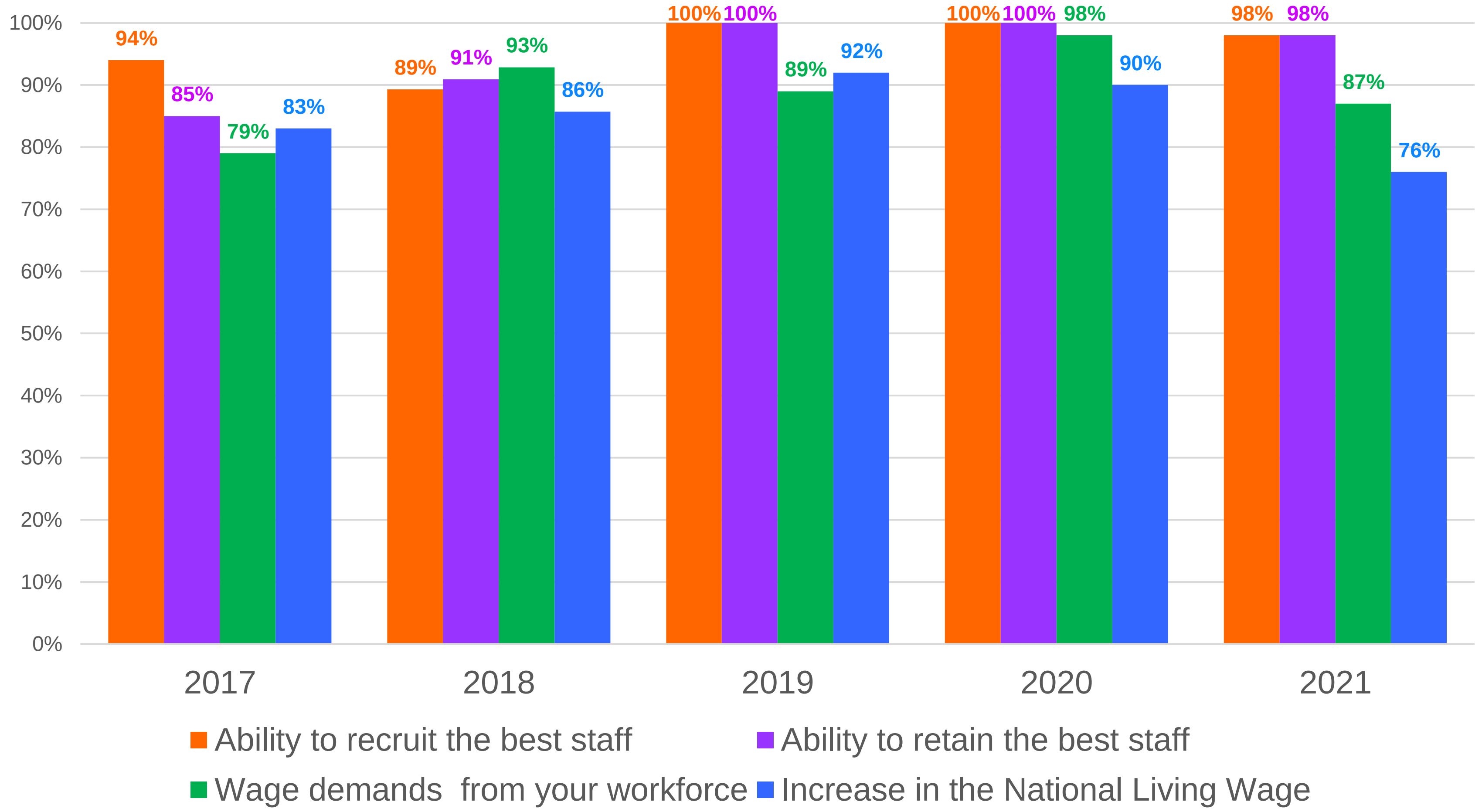
2021
Ability to recruit the best staff
Ability to retain the best staff
Wage demands from your workforce
Increase in the National Living Wage

Workforce



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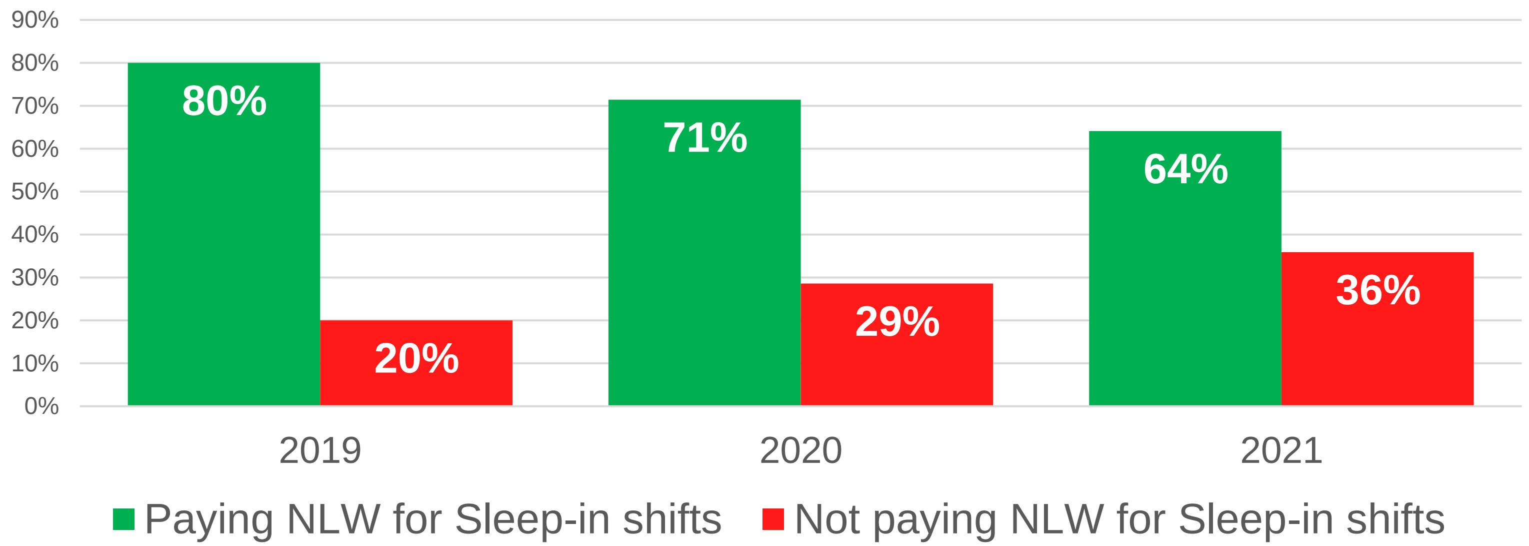
76%
2017
2018
2019
2020
2021
Ability to recruit the best staff
Ability to retain the best staff
Wage demands from your workforce
Increase in the National Living Wage

Workforce

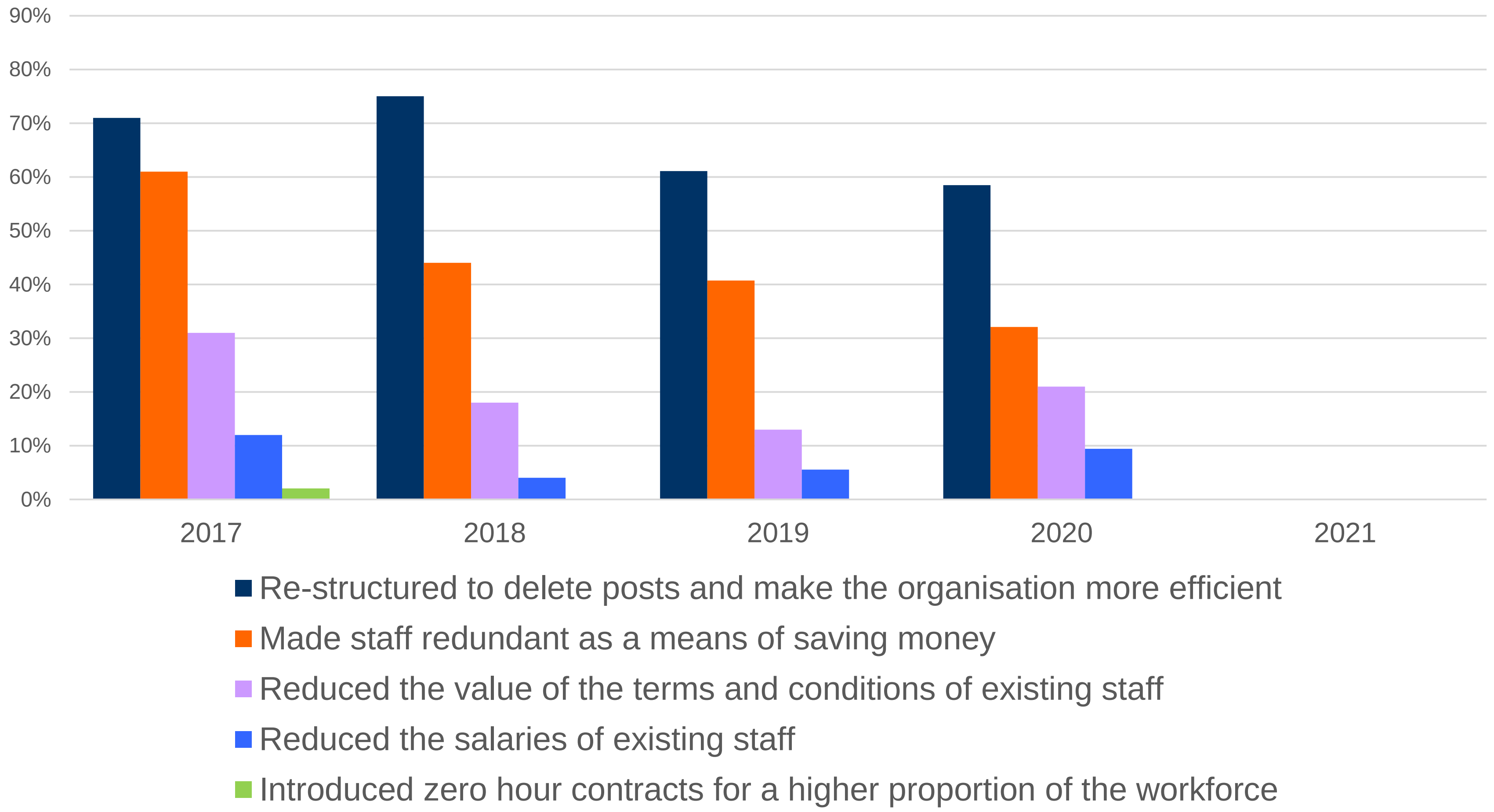
- We have asked about your payment of sleep-in shifts for the last three years - it is an interesting to consider this result in the context of the Supreme Court judgement.
- Around 13% of the respondents don’t use sleep-in shifts at all.
- Of those that do the breakdown is as follows.



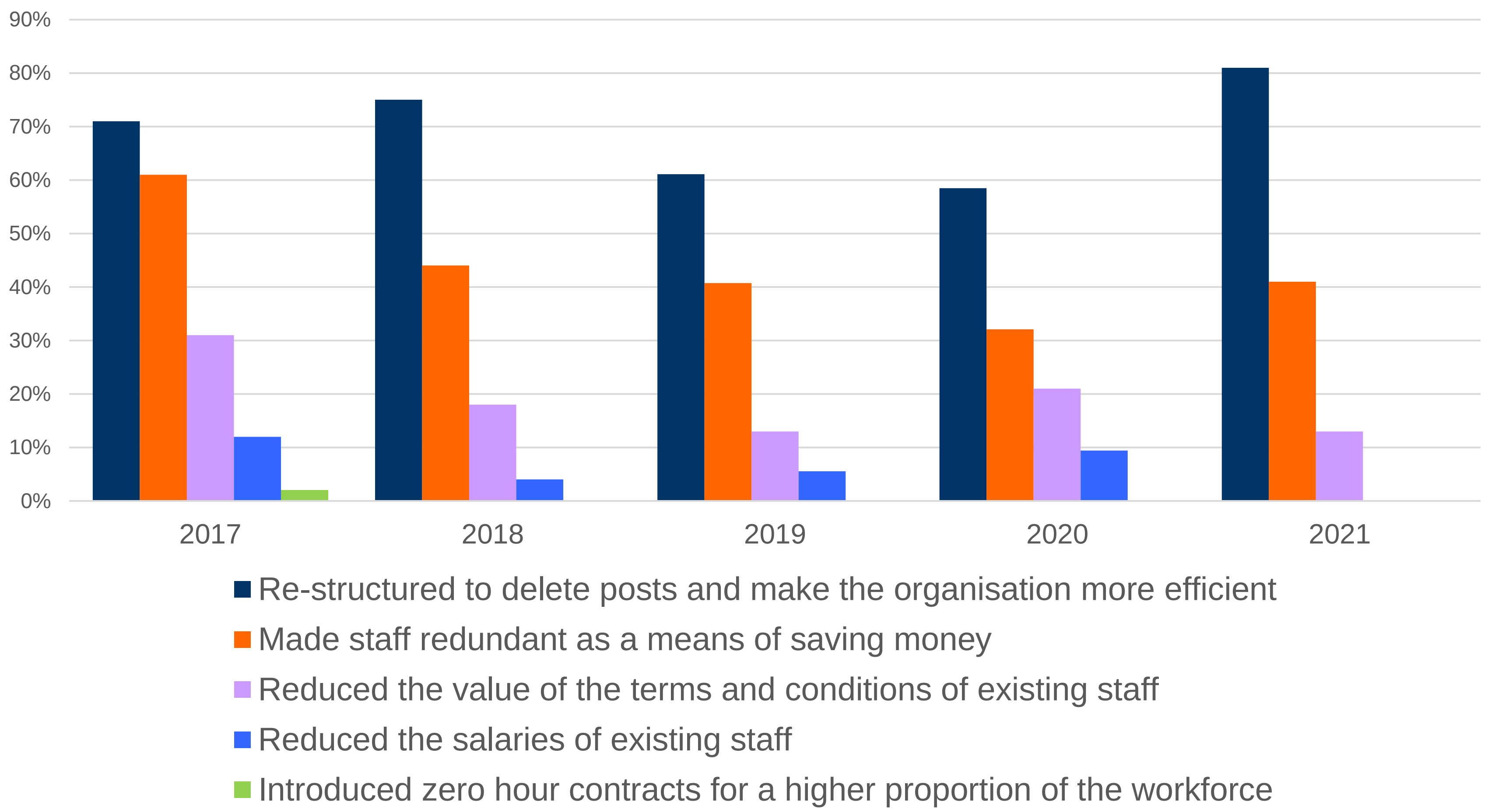
Workforce

- You are still looking to save money around workforce but this years survey shows some changes in approach.

Workforce: Saving money



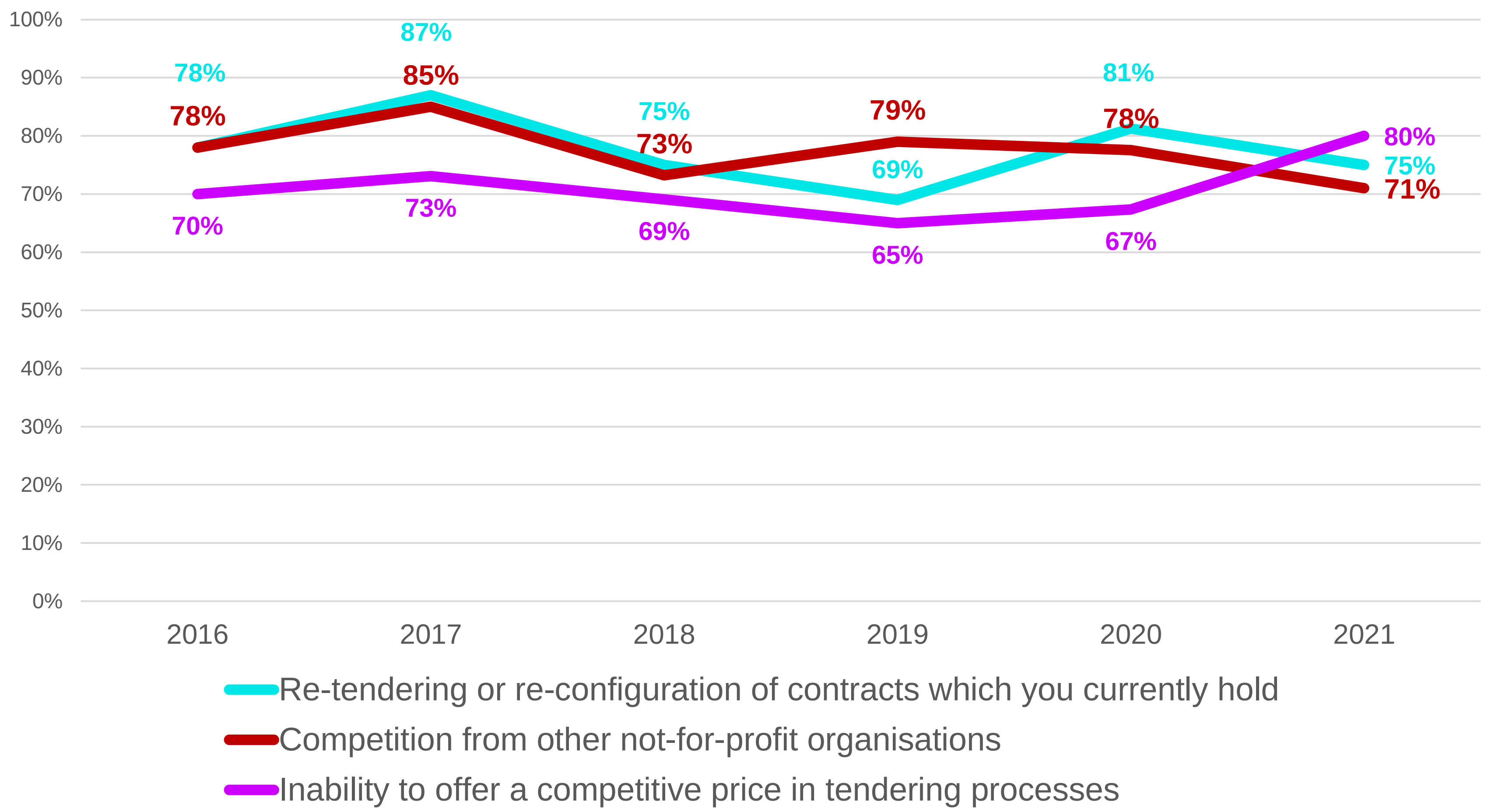
Workforce: Saving money



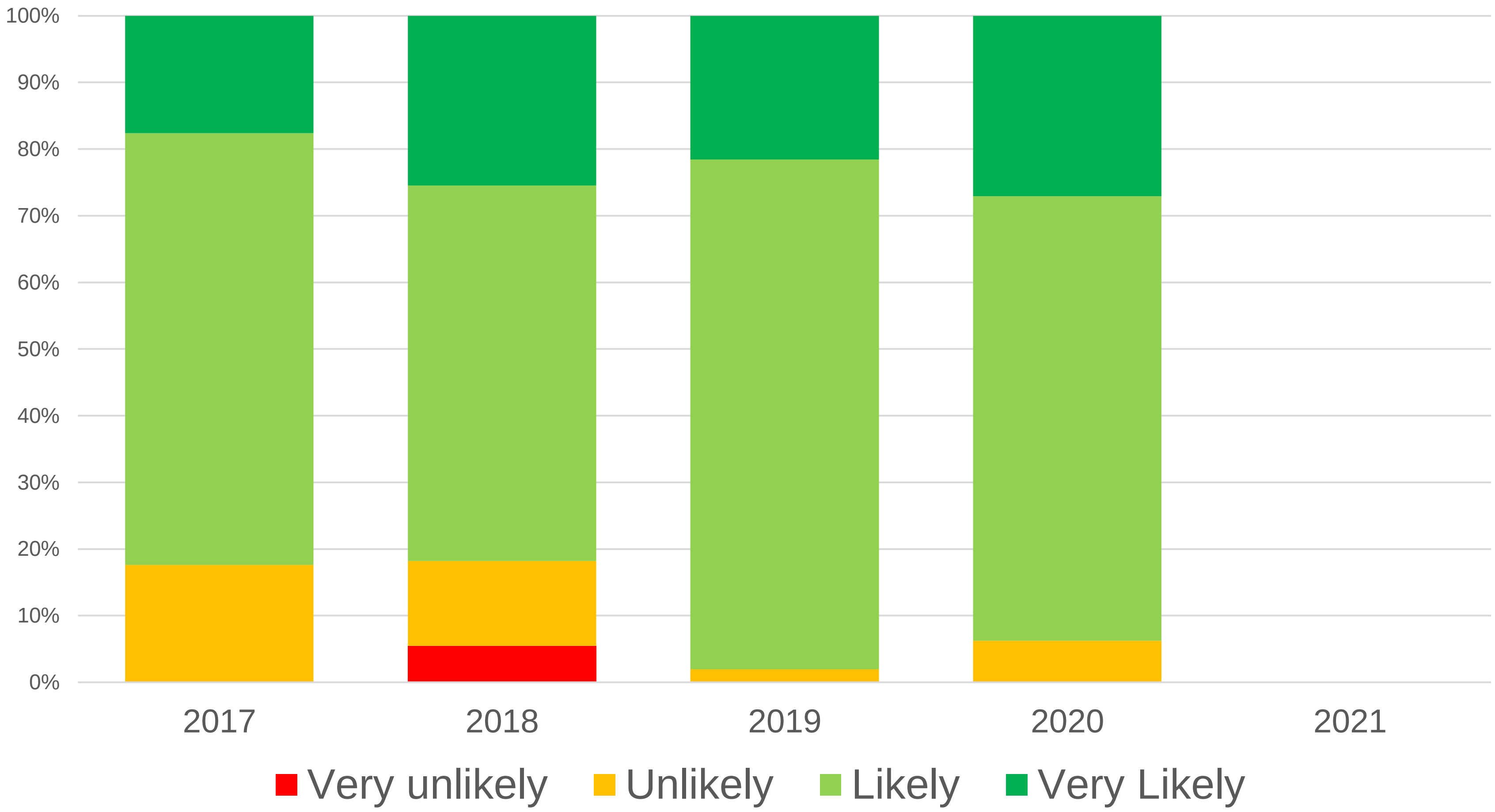
Competition

- You are still concerned about competition on a number of levels.
- You see other not for profit providers as your greatest competitors, you are concerned about re-tendering and your ability to come up with a competitive price.

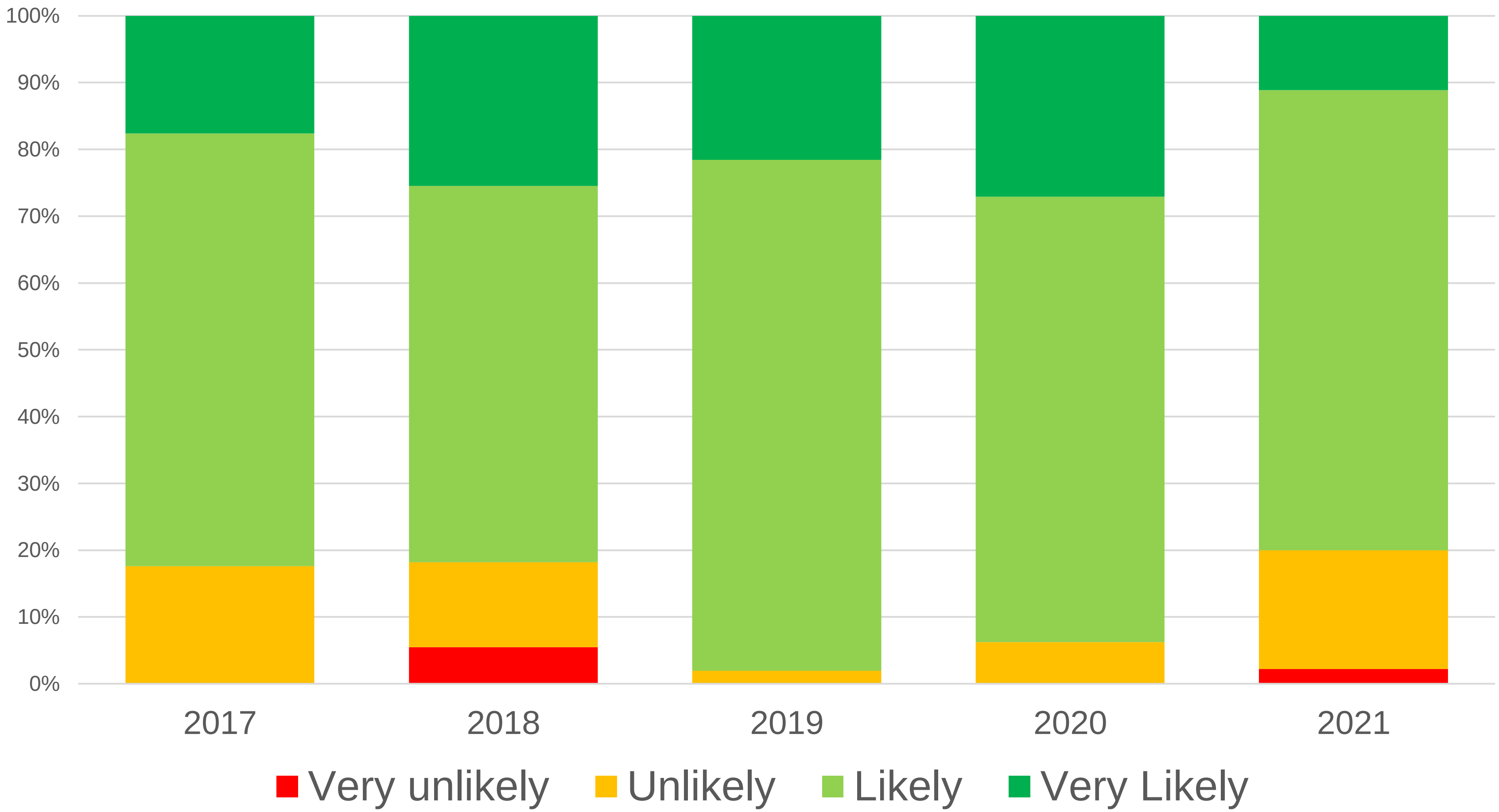
Competition



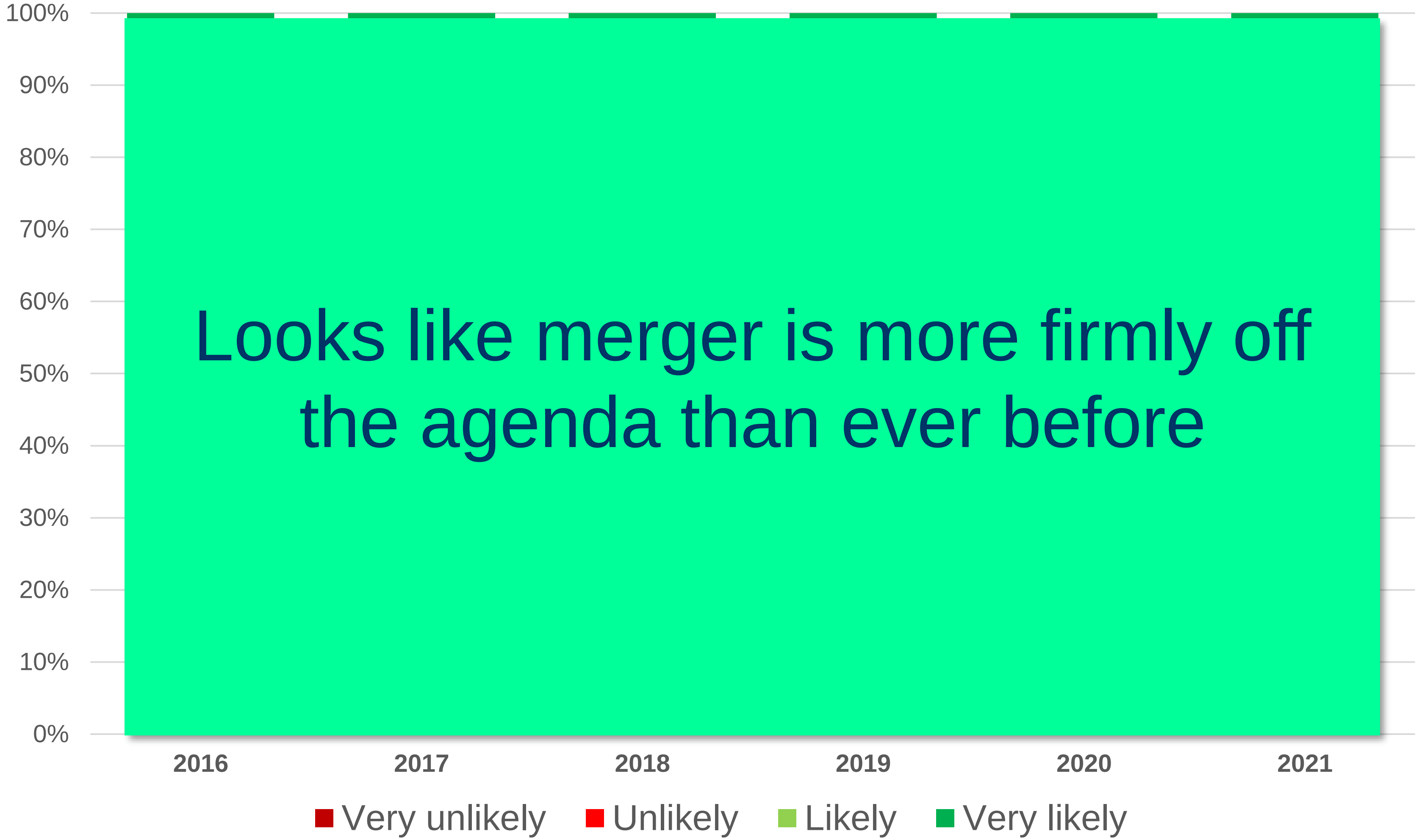
Confidence in contract retention



Confidence in contract retention



Merger: How likely in the next 3 years?



Looks like merger is more firmly off the agenda than ever before

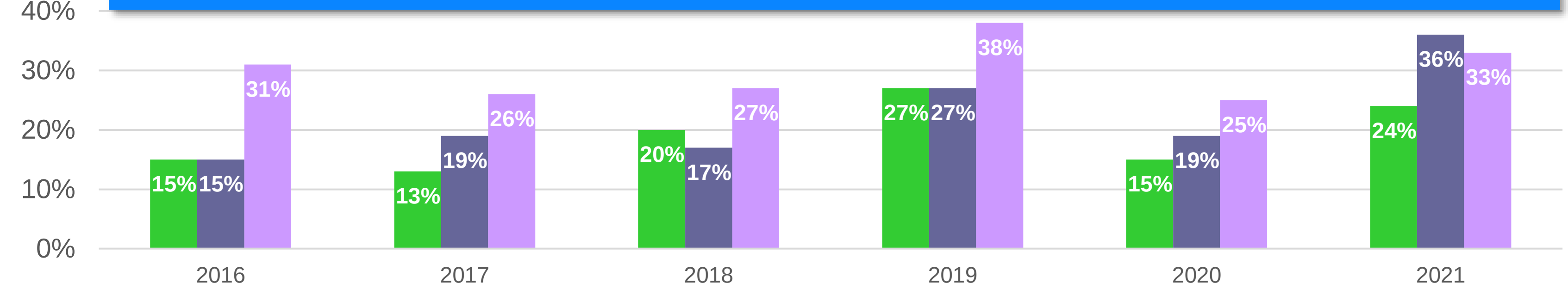
Your relationship with statutory sector commissioners

- This is mainly a comment on your relationship with local government.
- Last year we summed it up in two graphs, mainly because not much changes…………
- Still sum it up the same way.

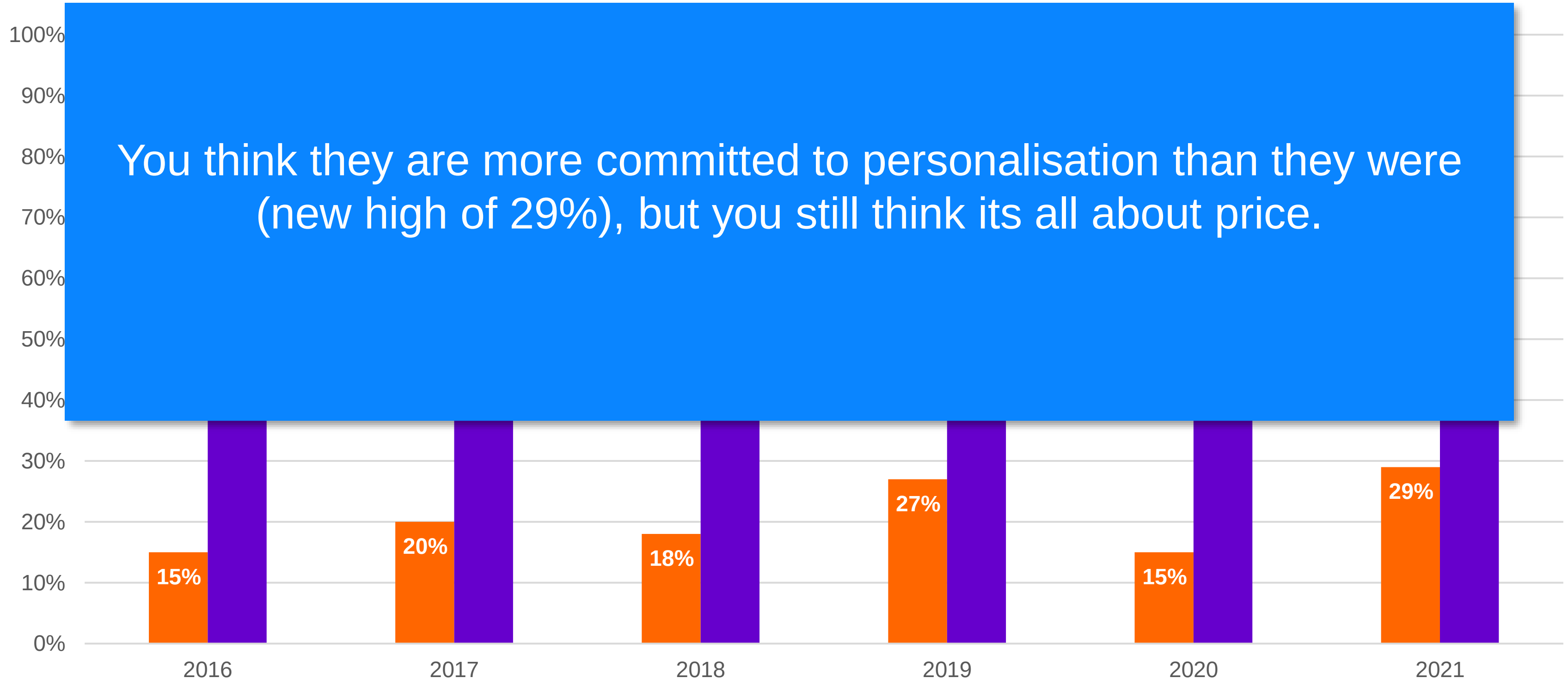
Your relationship with the statutory sector - summed up in two graphs – Graph 1

You still don’t think they really understand what you do (but a bit more than they did) and you think they are better judges of the quality of what you provide. Could be a reflection greater contact.

Levels of trust still not great but again improved on last year – may also be a reflection of what has happed during the pandemic.



Your relationship with the statutory sector - summed up in two graphs – Graph 2



You think they are more committed to personalisation than they were (new high of 29%), but you still think its all about price.

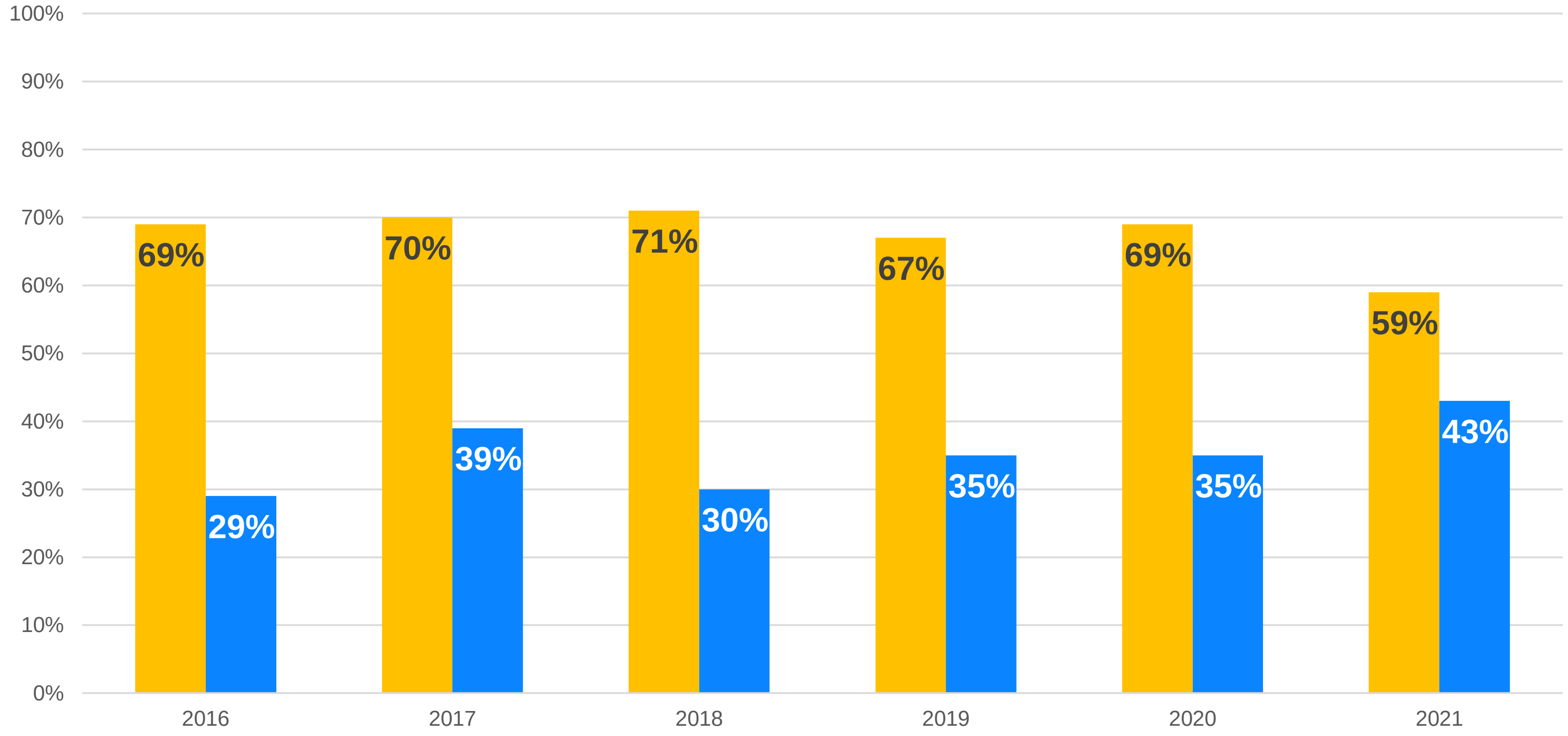
Your relationship with statutory sector commissioners

- Most providers have had more contact with the statutory sector in the last 12 months than ever before.
- Greater interaction can lead to greater understanding
- This cuts both ways
- The challenge of the next 12 months is for this additional understanding to be built on rather than allow things to slip back.

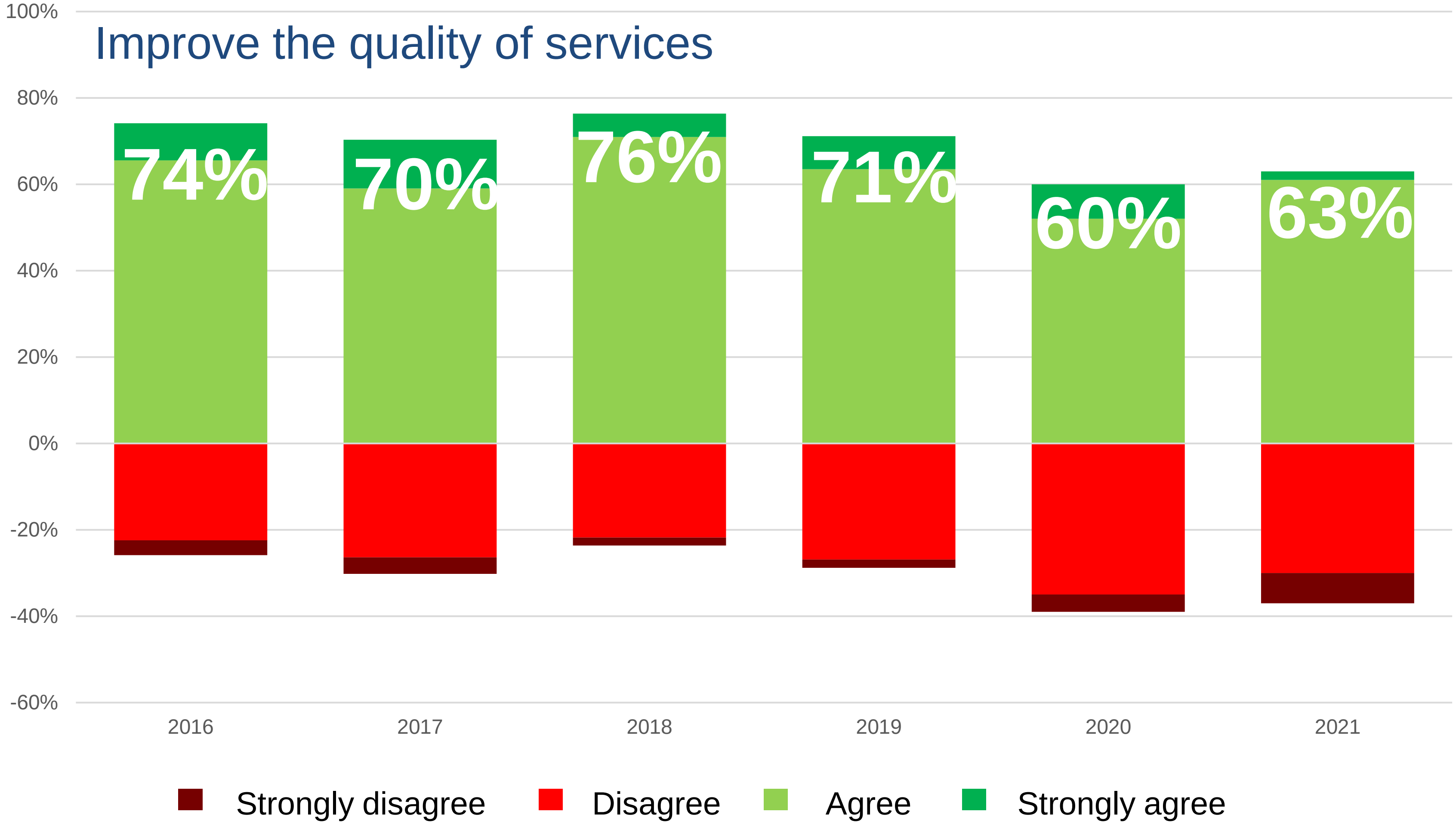
Your relationship with CQC

- This was always going to be a slightly different outcome from the last five years when you held very positive views of CQC.
- This result is hard to interpret.

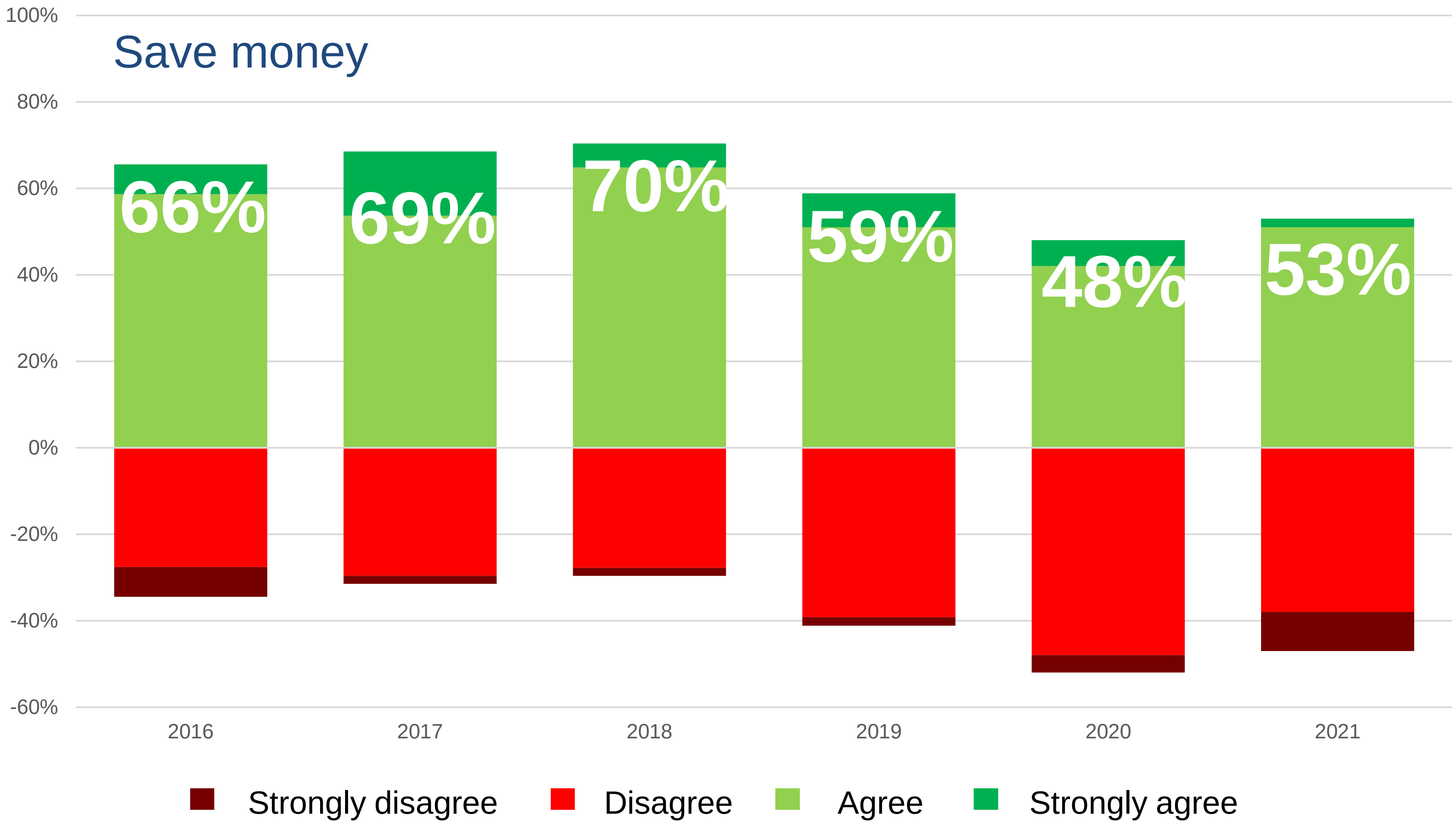
Your relationship with CQC



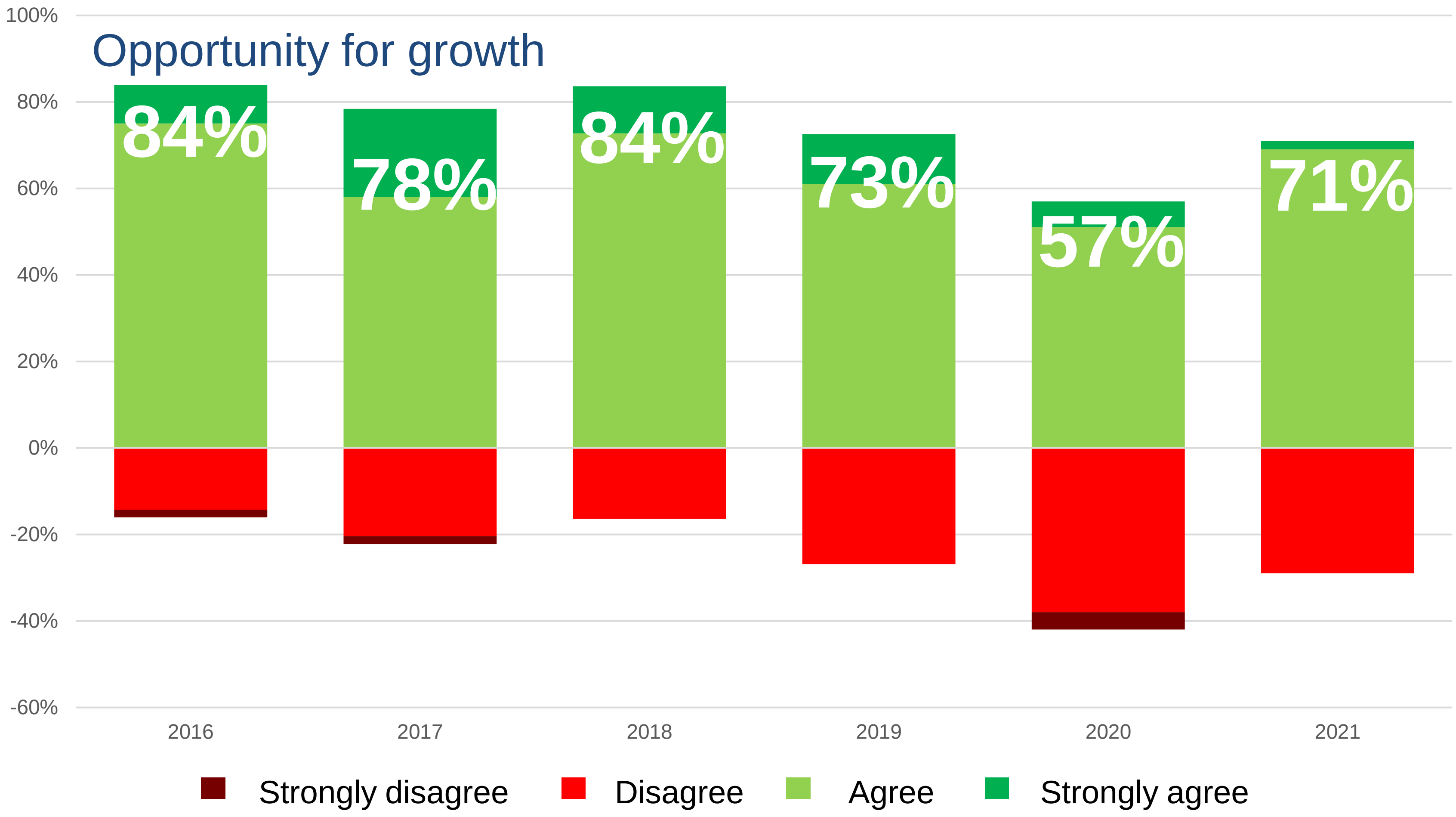
Integration of health and social care



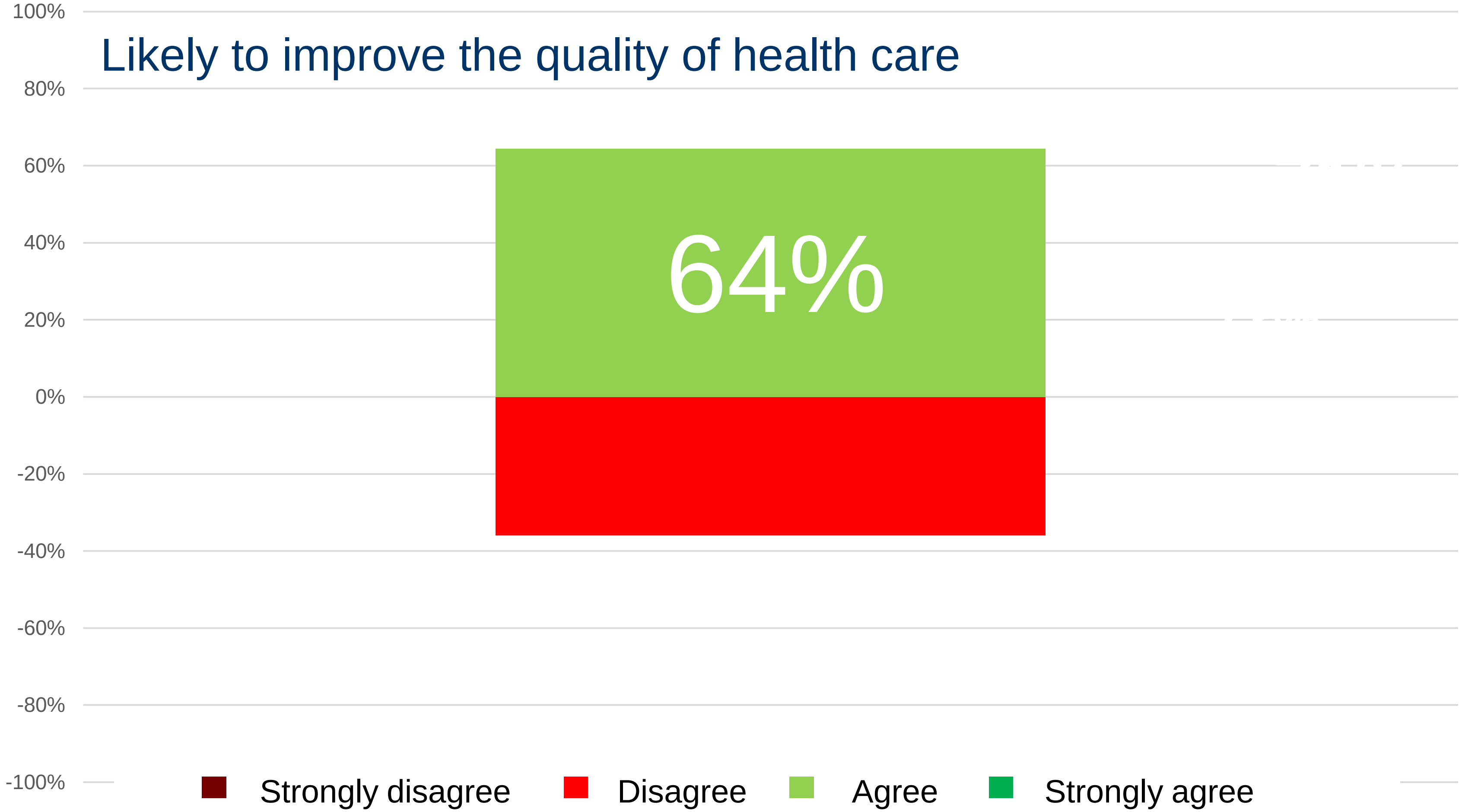
Integration of health and social care



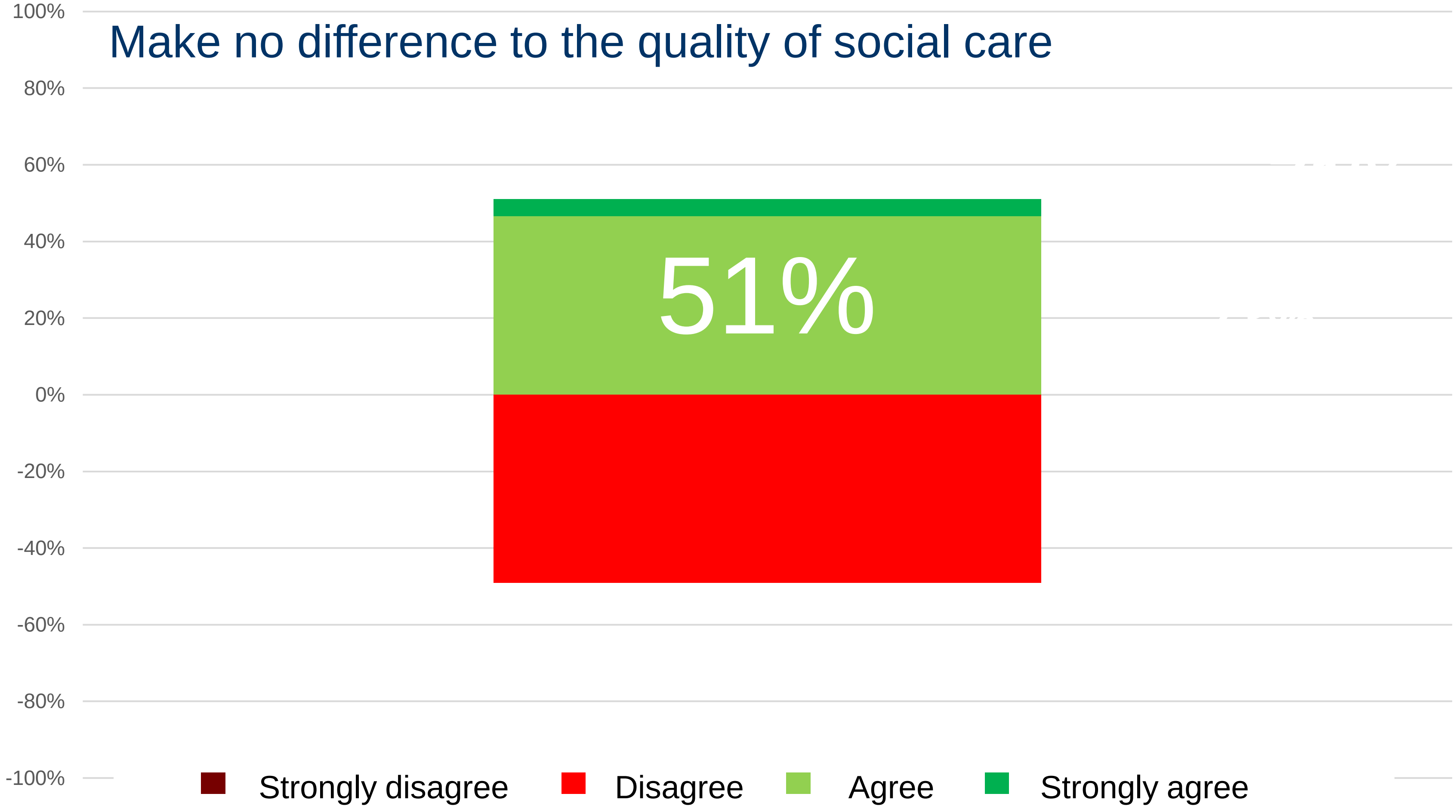
Integration of health and social care



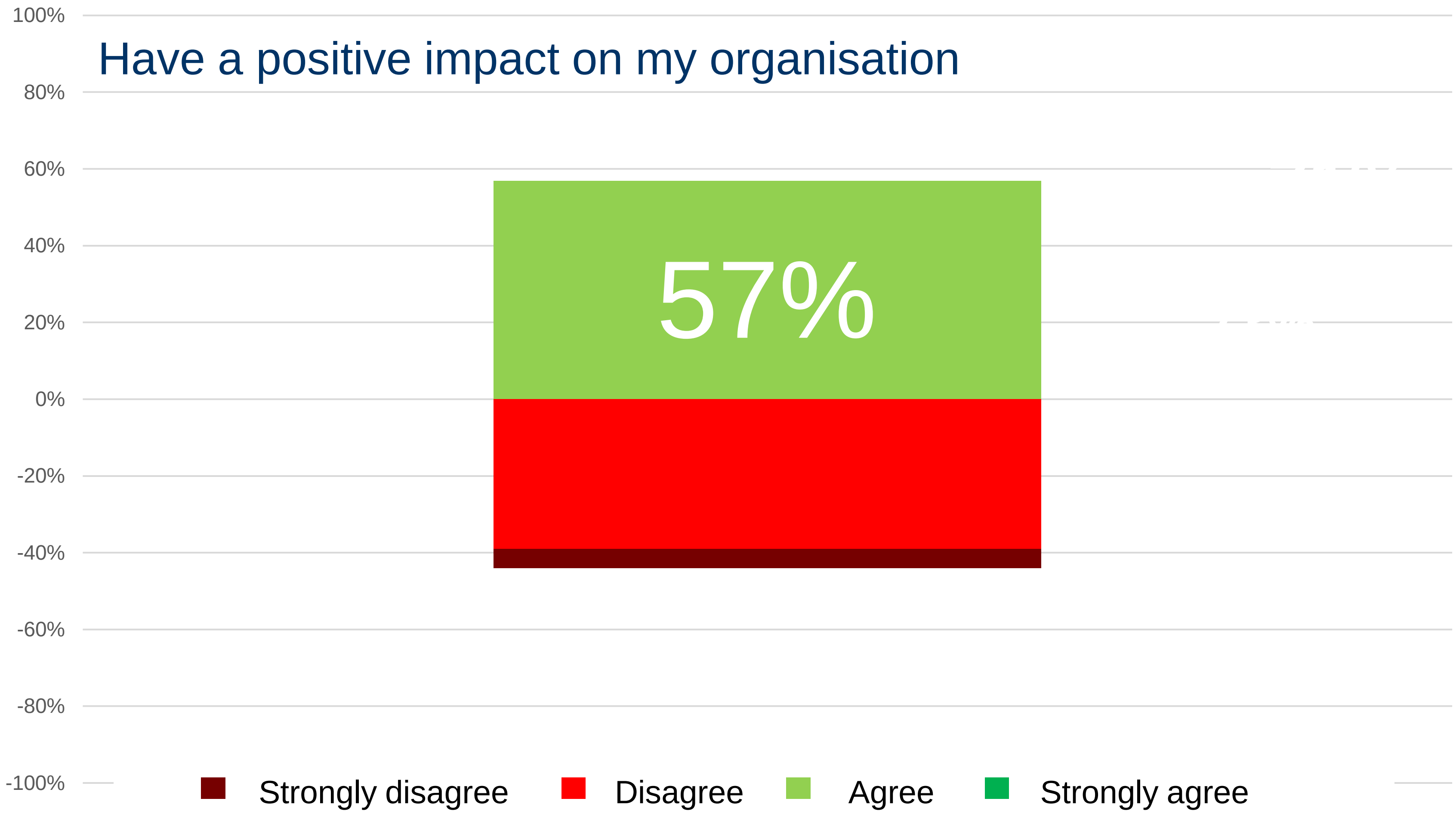
Integrated Care Systems



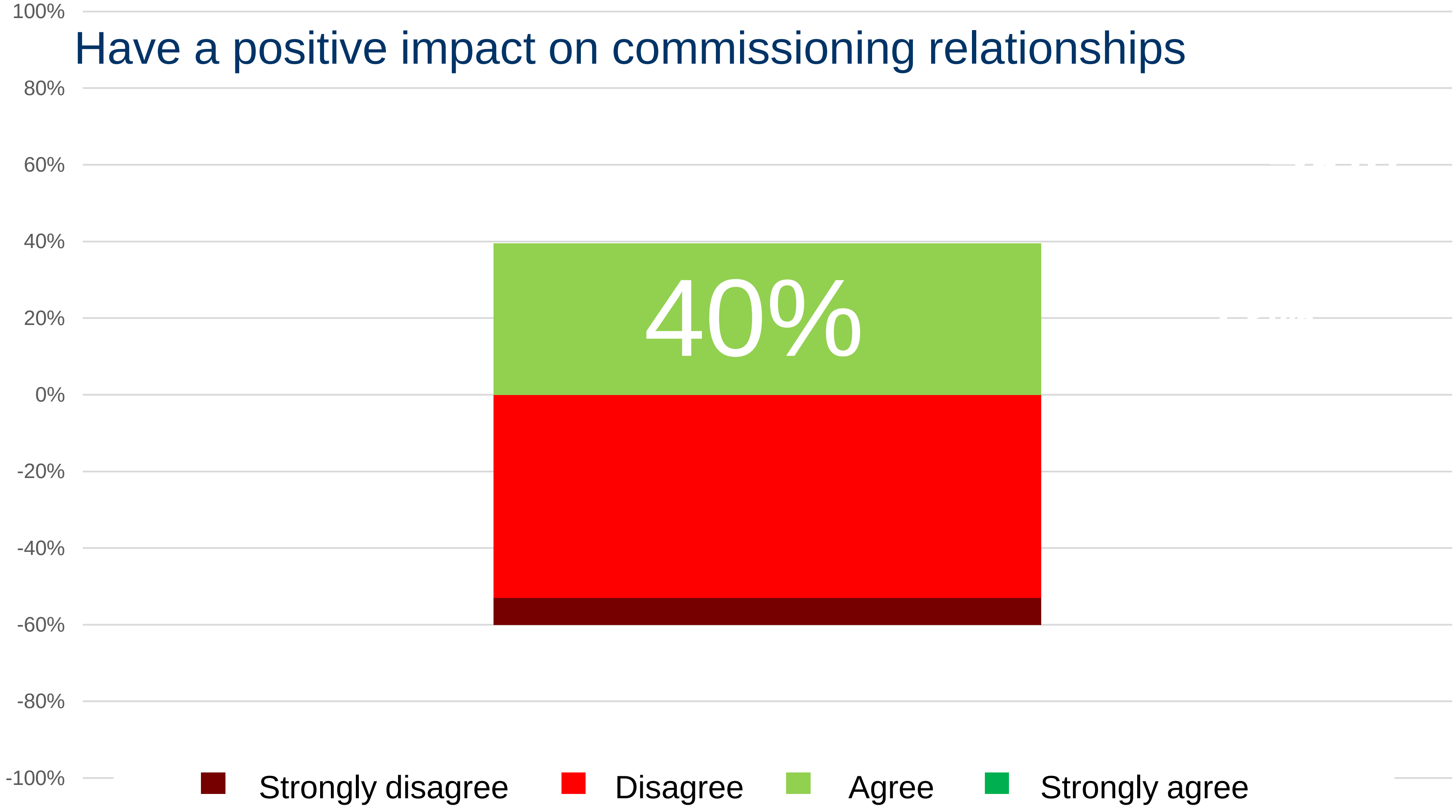
Integrated Care Systems



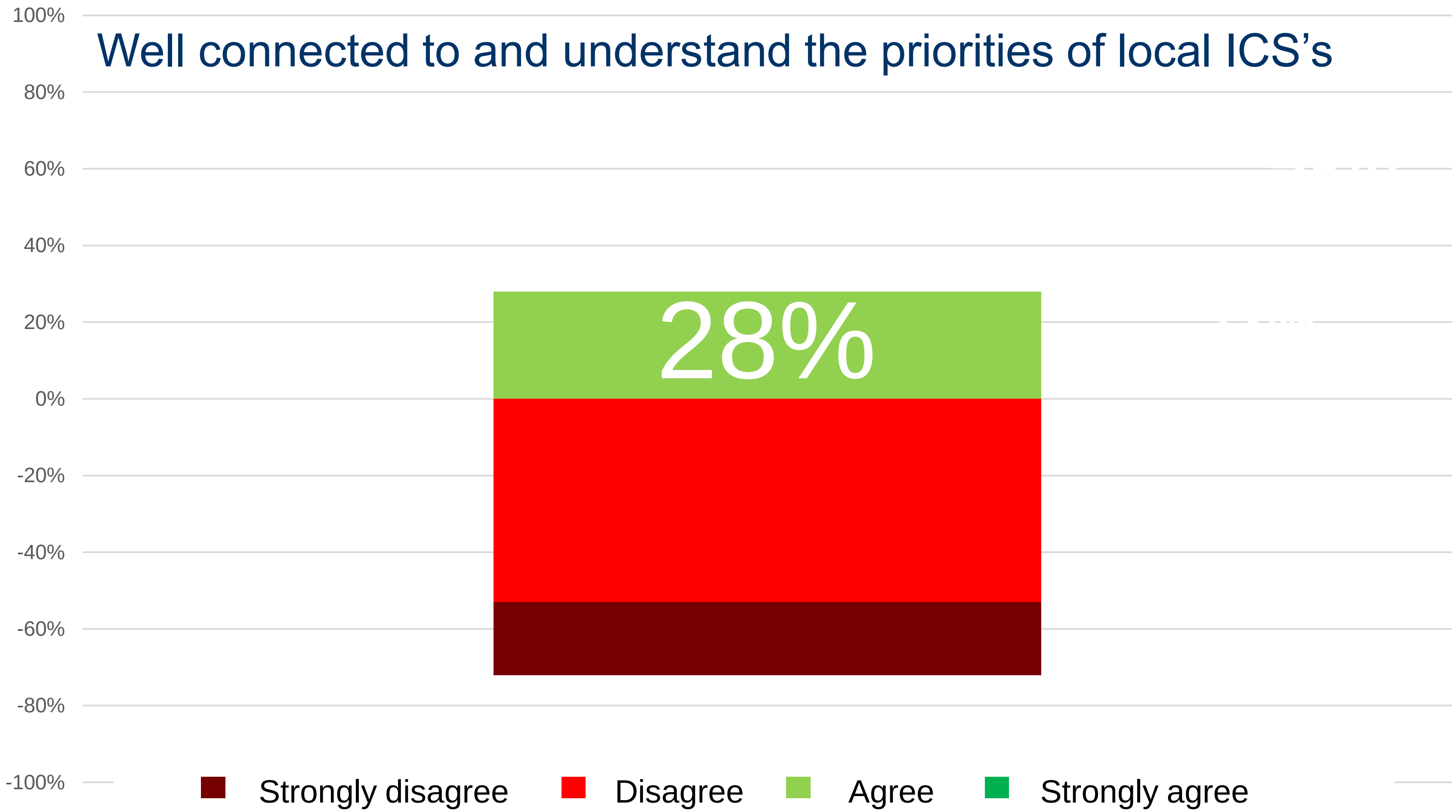
Integrated Care Systems



Integrated Care Systems



Integrated Care Systems



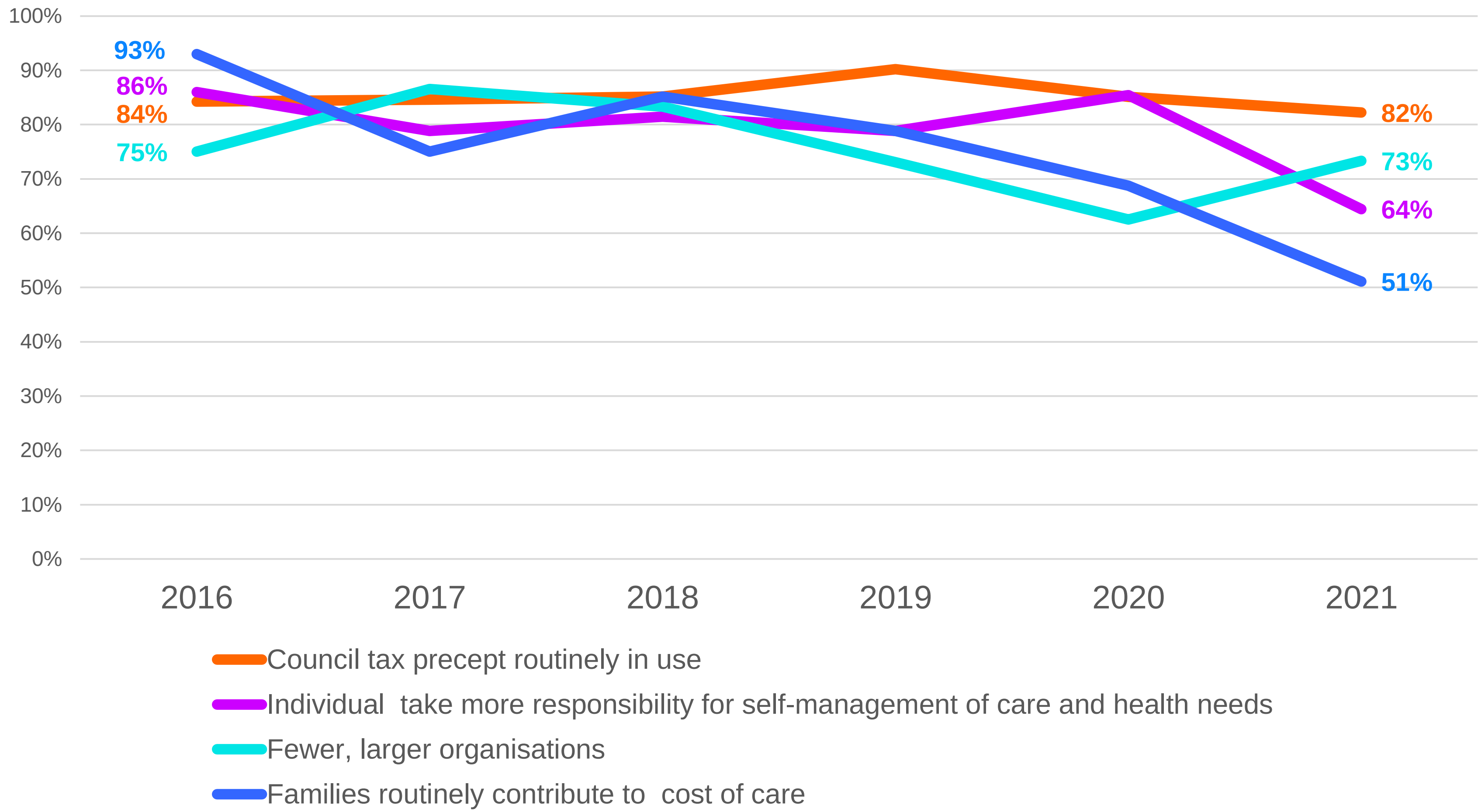
Integrated Care Systems

- There is a clear appreciation of the potential that these new arraignments might offer
- There is also a very appreciation that you are currently not well sighted or connected to the development of ICS's
- Until we see the actual legislation it will be difficult to judge how important it will be for you to rectify this.
- If social care remains largely place based then it may not matter that much, but if some elements of social care (particularly high cost specialist elements) move to system level commissioning it may become more critical.
- Also you think integration is potentially good for your organisation but the vast majority have some doubts about the pace of this change.

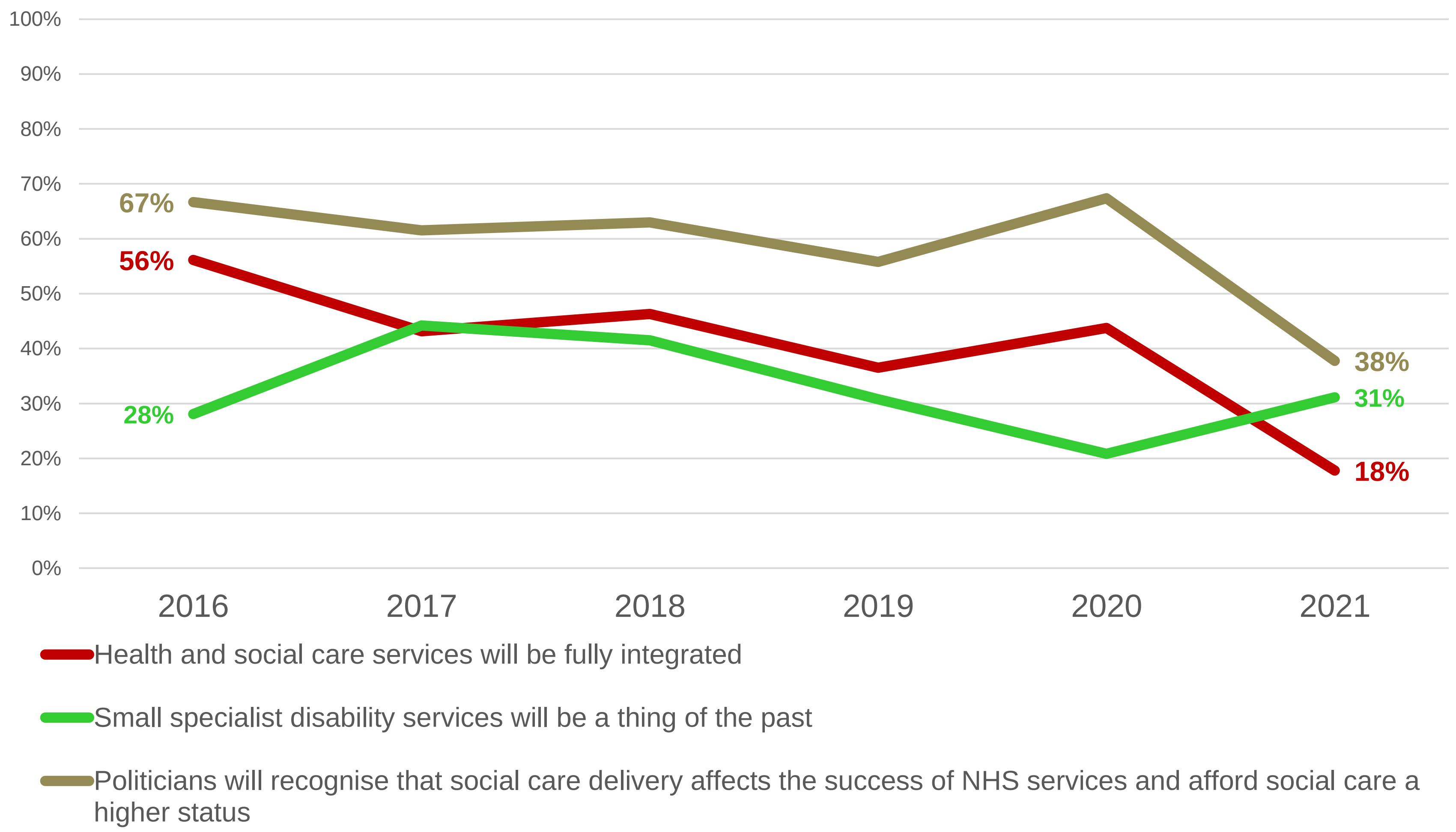
Your predictions

- We have looked back over the last six years and what you thought were the most and least likely things to change over the next five to ten years.
- Your consistency has been striking but a clear trend is present.

Your predictions: Most likely to happen



Your predictions: Least likely to happen



Cordis Viewfinder 2020:Some tentative conclusions

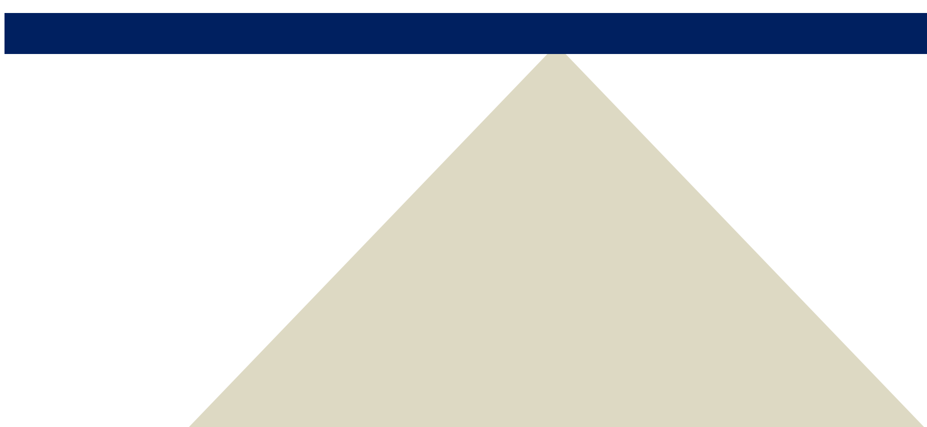
What does it all mean?

- The sector has been through a real trauma.
- Some of the old certainties have gone out the window
- Relationships have been recast, but this may be temporary
- Although you generally feel you have done well during the pandemic there is some lack of confidence.
- You appear keen to engage with the changes to the NHS and positive about its potential, but at the same time seem to be very much on the outside looking in
- Unsurprisingly you seem less certain about what might happen next.
- However in terms of your confidence overall you claim that nothing has changed.

Confidence in the next 12 months

Confident/ Very Confident

Cordis Bright Corporate Confidence Seesawometer®

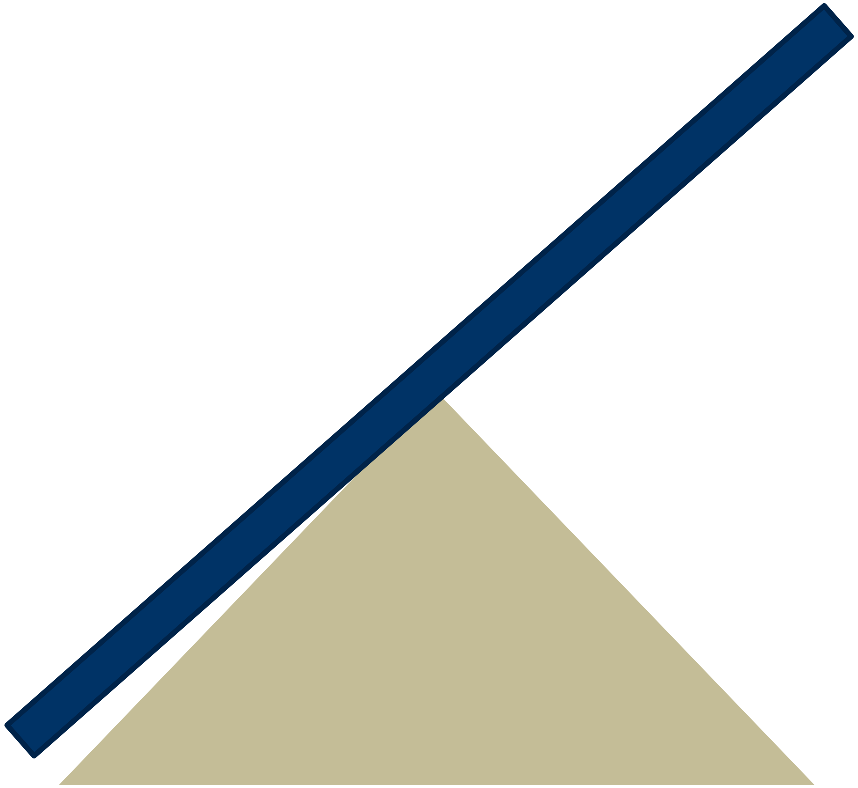


Very Unconfident/ Unconfident

2013

97%

Confident/ Very Confident



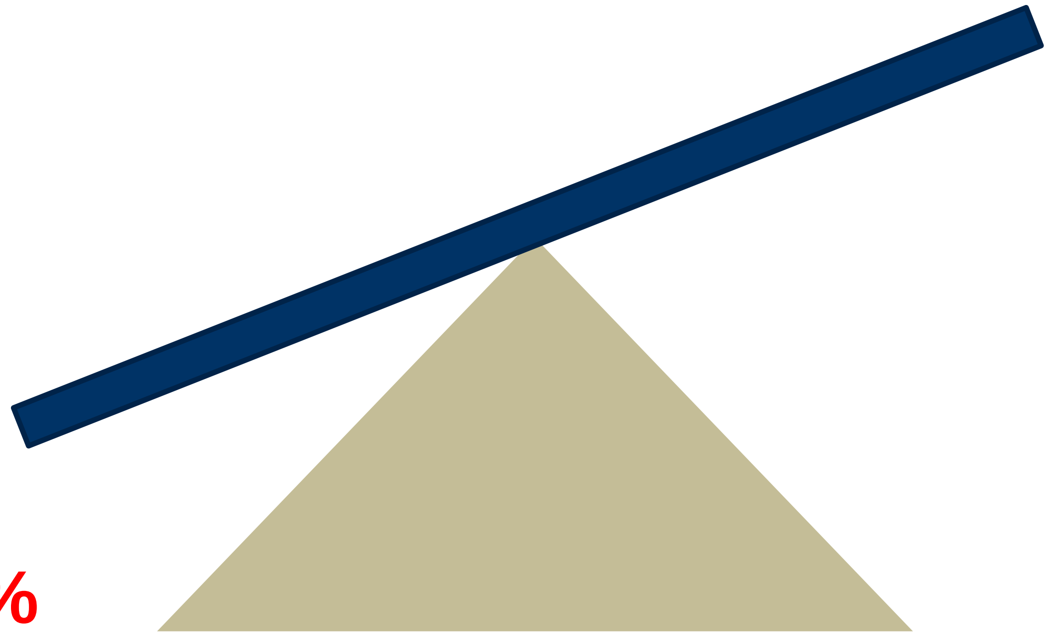
3%

Very Unconfident/ Unconfident

2014

76%

Confident/ Very Confident



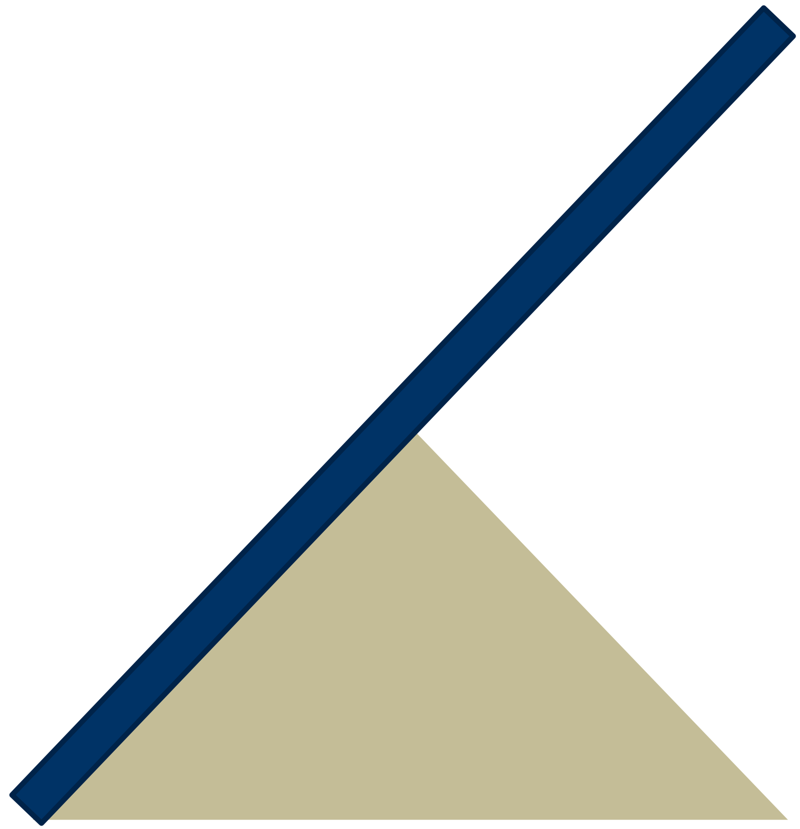
23%

Very Unconfident/ Unconfident

2015

Confident/ Very Confident

100%



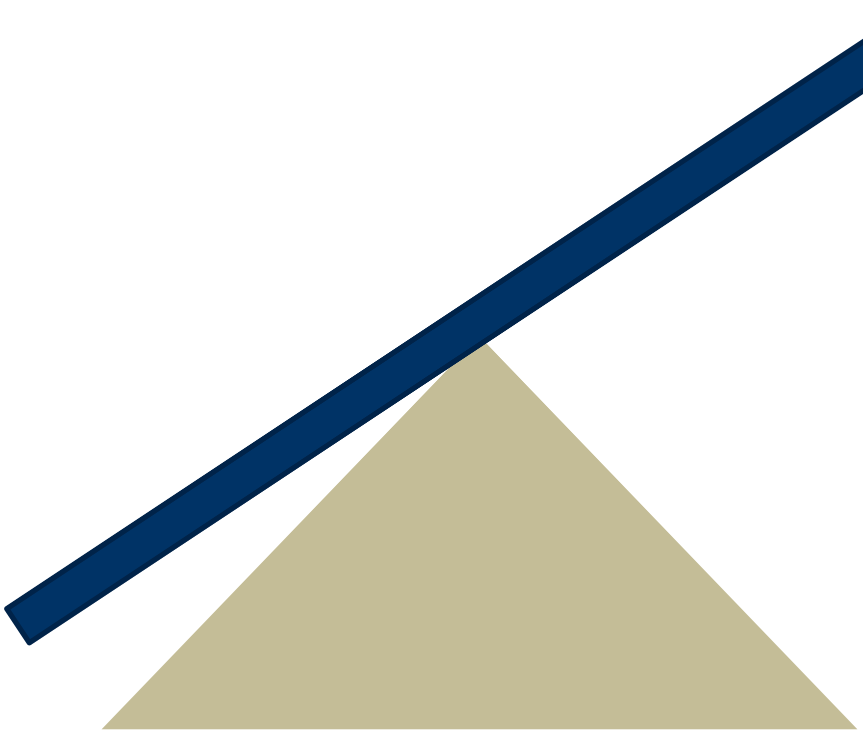
0%

Very Unconfident/ Unconfident

2016

86%

Confident/ Very Confident



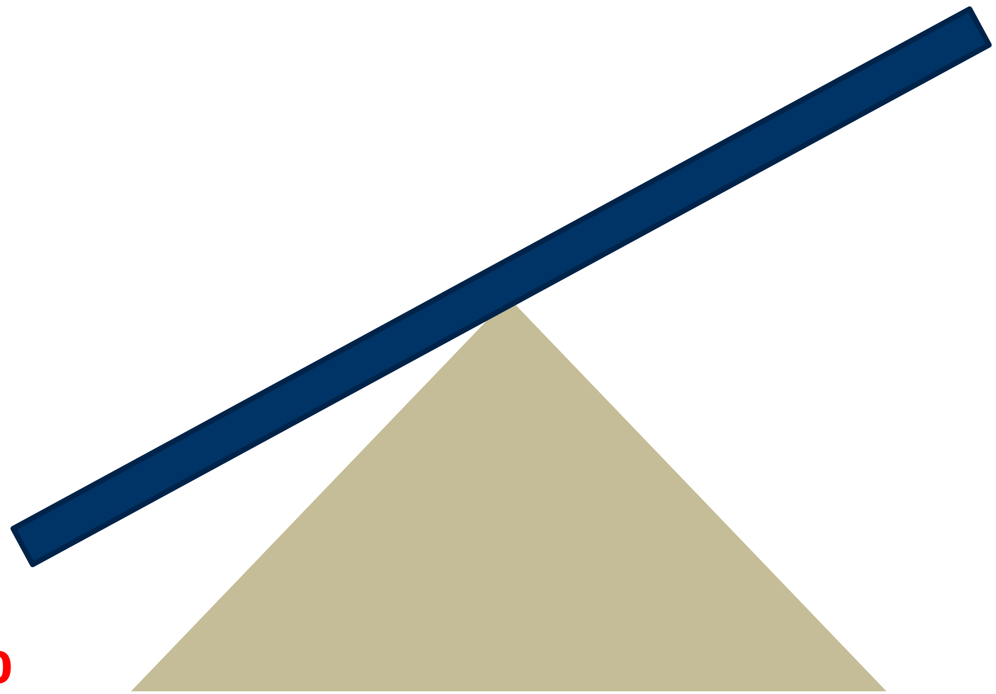
14%

Very Unconfident/ Unconfident

2017

85%

Confident/ Very Confident

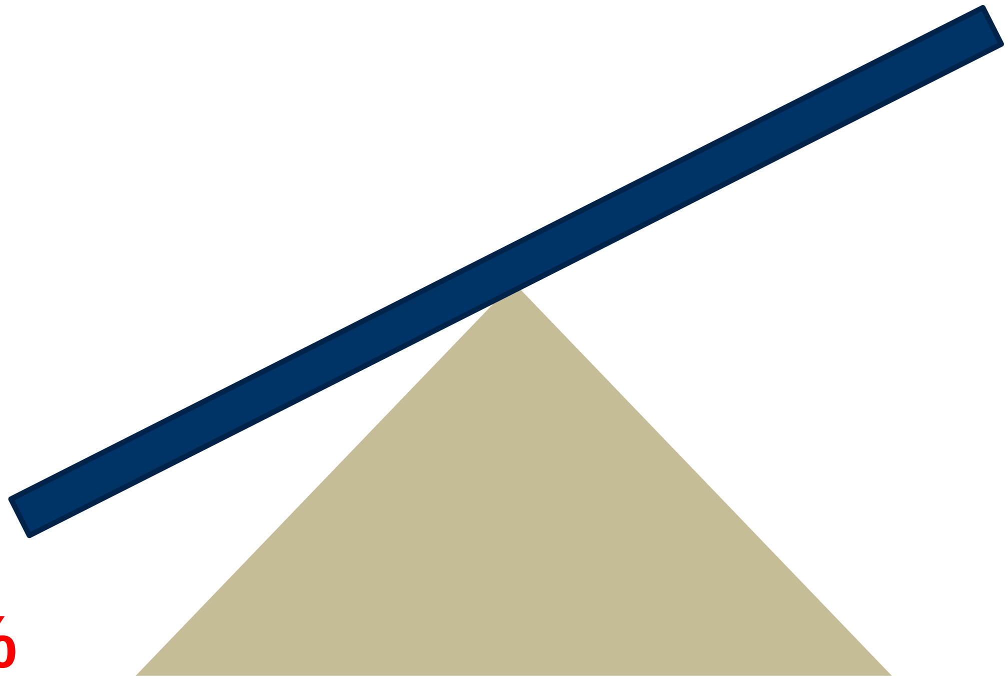


15%

Very Unconfident/ Unconfident

2018

82% **Confident/ Very Confident**



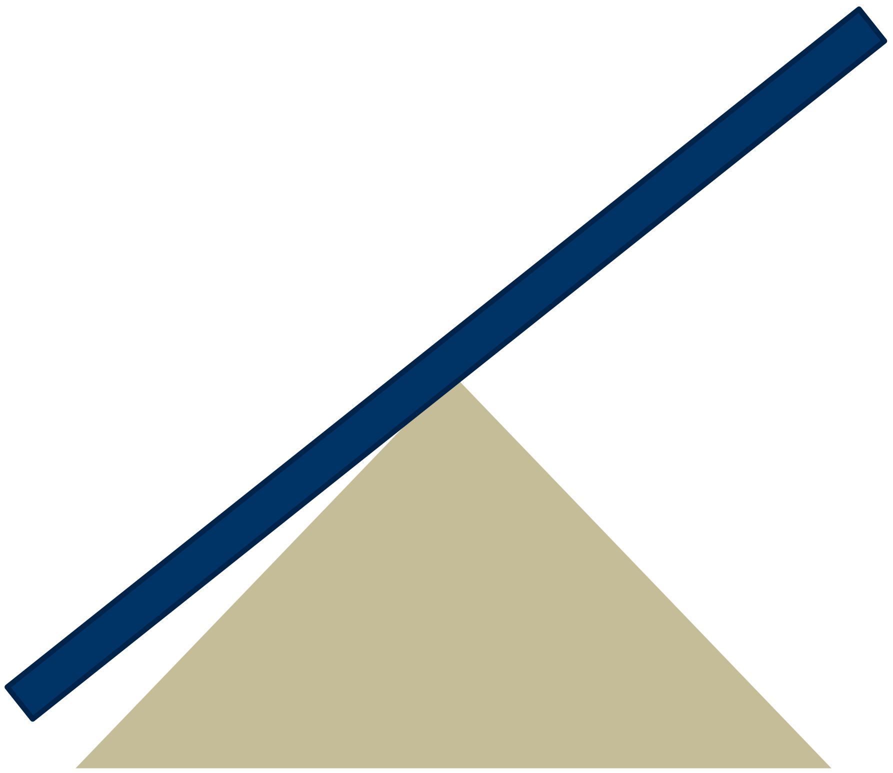
18%

Very Unconfident/ Unconfident

2019

90%

Confident/ Very Confident



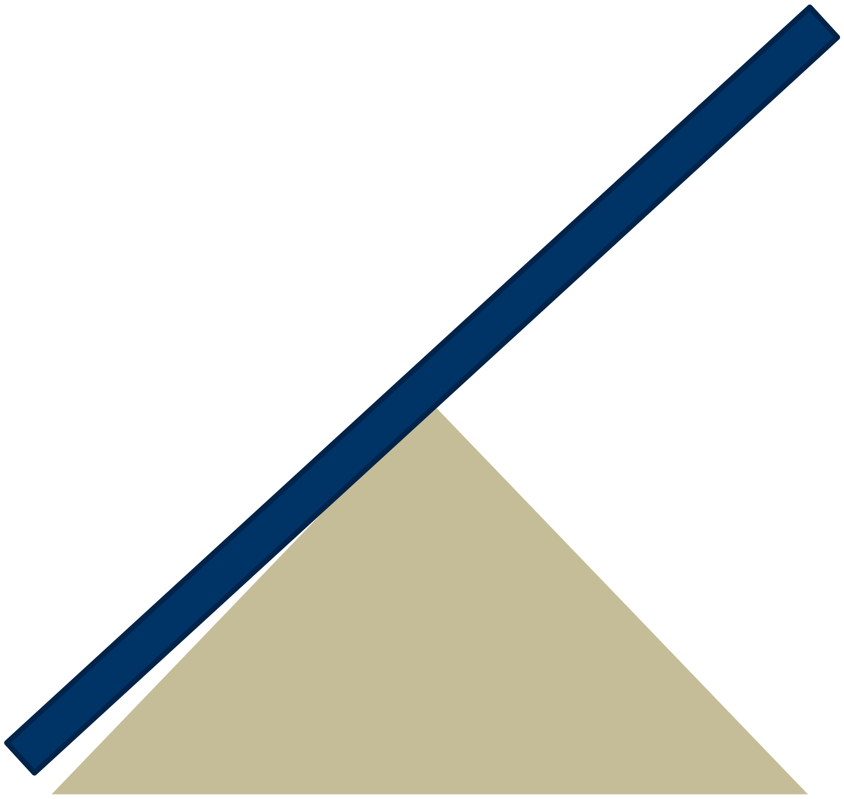
10%

Very Unconfident/ Unconfident

2020

Confident/ Very Confident

94%



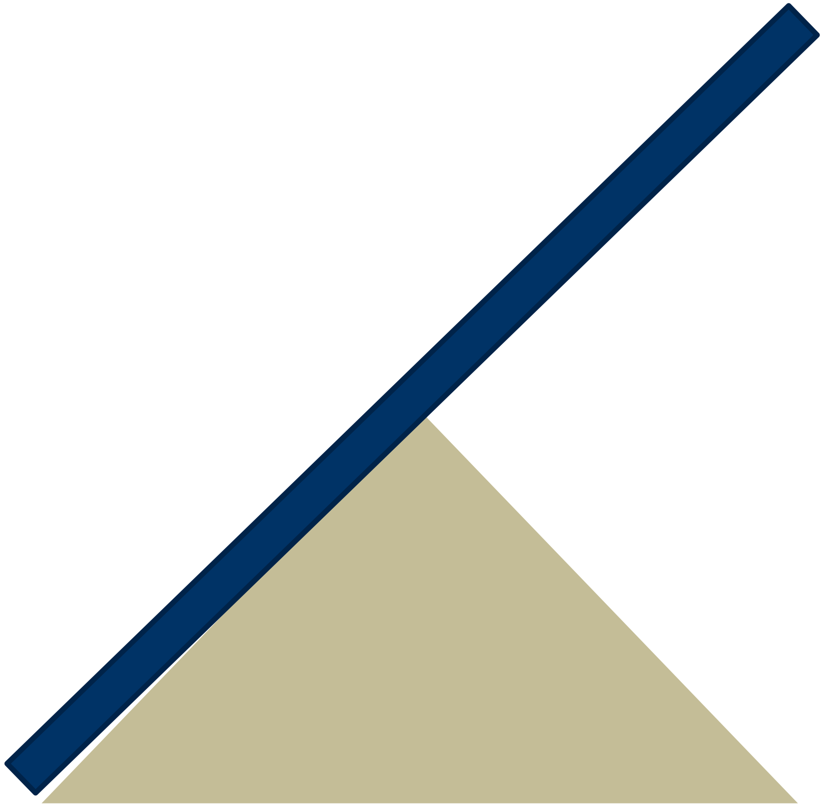
6%

Very Unconfident/ Unconfident

2021

96%

Confident/ Very Confident



4%

Very Unconfident/ Unconfident

Confidence in yourselves

- You know more now about the capacity, capability and resilience of your organisations than ever before.
- One interpretation of this is that you have the evidence of real experience to feel this level of confidence.
- However there are a number of key areas where you actually appear less sure, of both your abilities in terms of retention of contracts but also in what may happen next.

Future Briefing Dates

- **Thursday 15 July 2021 - virtual**
- **Thursday 21 October 2021 – possibly in person**

10.30am start

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