

Homes under the hammer...



Vic Rayner
Executive Director
National Care Forum

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The CMA has produced the first of what I suspect will be a series of consultations which are looking at various elements of their investigation into the impact of current care home practice on consumers. The first focus has been on the duration and type of fees that care homes operate after a person has died. This has been framed as a consultation exploring their suggestion of a new maximum level of 3 days, and in addition some clear guidelines about the storage and disposal of goods. In addition, it looks at the charging of ongoing fees to those paying third party top ups. This is a consultation, and as such, we are of course very keen to hear your views and to encourage you to comment in your own right.

However, there is a very key area that we will want to feed back to the CMA which relates to their assumptions about the relationships between local authorities and care providers. It states, and this was a perspective relayed to them vociferously in our members meeting with them, that there is a current anomaly between the contractual practice of local authorities and care homes, and that between care homes and self-funding residents. Local authorities pay for a very limited time after the death of a resident, whereas the CMA identified that some care providers were charging for extended periods, up to a month in some cases. It finds no reason to justify these long term continuation of funding, finding instead, as noted above, that three days is a reasonable time to allow both families and care providers to deal respectfully with the death of a resident and the requirements of relatives. Having found this, there seems to be no indication that it will be asking local authorities to address this within their own contracts – i.e. to extend their payment terms to three days after the death of a resident. It is not clear whether they have explored this unintended consequence which essentially appears to put the local authority funded resident, surely still a consumer, but one who has had the service purchased on their behalf, at a significant disadvantage to the consumer who has paid for themselves. Seemingly, whilst trying to reinforce the consumer rights of one set of individuals to have time to respectfully deal with the death of a loved one, it might be sustaining or compounding the limitation of rights of another.

In addition, it makes the statement that local authority existing practice of stopping the funding at the point of death or shortly afterwards as “... an illustration of what a well-informed party, on equal bargaining terms with a care home provider, would agree to.

I think that this is an area where CMA appear to be conflicting with their own evidence produced in the [report](#) at the end of last year which recognised the significant under funding of local authority care provision and the detrimental impact this was having on individuals. In their analysis they stated “*we have estimated that the total gap between LA fees and the total costs for those LA-funded residents across the UK is in the range of £0.9-1.1 billion*”. This does not sound to me like a relationship between two parties on equal bargaining terms.

Please do ensure that you look at the consultation, and make your thoughts on this key issue heard.

The consultation can be found [here](#)

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