RNHA

REGISTERED NURSING HOME ASSOCIATION

Annual Report 2004

Registered Nursing Home Association

representing the nursing home sector in the UK

Nurses play a pivotal role in monitoring the health of patients.

Registered Nursing Home Association

Formed in 1968, the Registered Nursing Home Association (RNHA) campaigns for high standards in nursing home care. Its members are nursing home owners committed to delivering 'quality services' to their patients.

At a national level, the RNHA strives to make Government and policy-makers aware of the key factors which will help or hinder nursing homes in meeting their patients' needs.

Given that the association is made up of people with practical experience in the delivery of nursing home care, the association believes that its views are essentially grounded in what is or is not feasible.

The RNHA is also a source of valuable information about nursing homes, not only for its own members but also for the general public. Through an active communications programme, it strives to foster an informed debate about the most effective ways of raising and maintaining standards of nursing home care.

Nursing homes care for very dependent people, many with multiple health needs that require a high level of professional expertise and understanding. With this in mind, the RNHA encourages its members to ensure that all staff working in their nursing homes enjoy opportunities for improving and updating their skills.

The association also promotes and supports research into the effectiveness of different approaches to caring for older people and those with disabilities.

For further information about the work of the RNHA, please contact its head office in Birmingham (see back page for full address) or log on to its website: www.rnha.co.uk

Campaigning for high standards of care

Representing the nursing home sector

Education, training and research

Advice and support to nursing homes

Keeping nursing homes abreast of key issues

A key source of information about nursing homes

WORKING FOR PATIENTS AND THOSE WHO CARE FOR THEM

Dare we say that these are challenging times for nursing homes in the UK? The same could be said about the past nine or ten years.

It seems that politicians often overlook the absolutely indispensable contribution made by the UK's 5,000 or so nursing homes to the health and well-being of older people.

It seems also that they constantly under-estimate the level of dependency of the people we look after, who invariably have complex, multiple needs that would be extremely difficult, if not virtually impossible, to meet in anything other than a residential setting.

The RNHA has campaigned, and will continue to campaign, tirelessly to correct misperceptions about the role of nursing homes in our society.

We shall also campaign to get a fairer deal for older people when they and their carers agree that the best option for them is to come into a nursing home. Having contributed during their working lives through their national and council taxes, they have a right to expect a higher level of financial support from the government and from social services at that moment in their lives when they need help most.

RNHA Chief Executive Officer, Frank Ursell

Over recent years, independent analysis has shown consistently that those patients who qualify for public funding towards their care are being short-changed - possibly to the tune of £80 to £100 a week on average. This is scandalous. It hampers the best efforts of nursing homes to provide the very best level of care. It also reflects how low in the pecking order older people come when governments and councils determine their financial priorities.

RNHA Chairman, Ian Turner

This annual report, which covers the activities of the Registered Nursing Home Association during 2004, highlights the continuing debate about resources for older people. We, in the RNHA, consider the under-funding of their care to be a form of institutional abuse.

As this report shows, those of us in the nursing home sector also harbour concerns about the way in which some care standards are set and applied. We believe the focus should be on monitoring those aspects of care which will have the greatest impact on the health and well-being of our patients.

In the current raft of standards we are expected to meet, there are too many which are about administration and process rather than the delivery of good care. There is a balance to be struck and we are not there yet.

As we have said, these are challenging times. The RNHA is there to help nursing homes meet the challenge at national and local levels.

Ian Turner, Chairman
Frank Ursell, Chief Executive Officer

Relaxing in the garden of a nursing home. Recreational pursuits are an integral part of the total care package provided.

PROMOTING HIGH STANDARDS OF CARE

Continued contact with family members and friends is positively encouraged.

FACTFILE

Nursing homes are required to meet 247 mandatory care standards. They cover everything from record-keeping and financial procedures to nutrition, recreation and respect for patients' privacy and dignity. The RNHA believes that there are too many standards focused on process rather than care outcomes.

FACTFILE

Since April 2004, nursing homes have been regulated by the Commission for Social Care Inspection. Between 2002 and 2004, they were regulated by the National Care Standards Commission and before that by their local Health Authorities. The Government has already announced its intention to merge the CSCI with the Healthcare Commission.

RNHA welcomes review of care standards

In October 2004, the RNHA welcomed the government's pledge to review the care standards introduced in April 2002. The association had previously been pushing for the reform of what it called 'unwieldy, unworkable, bureaucratic rules'.

With 247 separate standards to comply with, many nursing home owners have felt bogged down in unnecessary paperwork that diverted them from getting on with providing good quality care to patients.

RNHA chief executive Frank Ursell commented: "We understand and support the need for regulation as a way of standardising and monitoring care, but some of the current standards merely make important that which can be measured, rather than measuring what is really important. Now that the government has announced a review, we hope that common sense will prevail."

The RNHA has consistently supported the concept of standards, provided they are standards which put patients' health, care and safety at the forefront rather than administrative or 'process' issues.

In particular, the association would like to see standards related to outcomes which:

- are concerned with securing an individual's health and quality of life, and with avoiding harm;
- focus on ways of enhancing the quality of care provided;
- ensure that nursing homes are organised in ways to maximise quality;
- demonstrate financial probity;
- meet patients' needs as effectively as possible.

Survival of the fittest - meeting the challenge of change

Opening the RNHA's annual conference in Chester in June 2004, outgoing national chair Rosemary Strange said the title of the event - Survival of the Fittest - Meeting the Challenge of Change - epitomised how nursing homes were striving to cope with increasing demands.

Rosemary said: "It is to our mutual benefit to be able to work with colleagues, through our association, to raise standards and speak up for the independent nursing home sector."

During the proceedings, RNHA vice-president Derek Whittaker who, unknown to himself was about to receive a lifetime achievement award, presented Rosemary with a gift on behalf the association as a mark of appreciation for her hard work and commitment during her period in office.

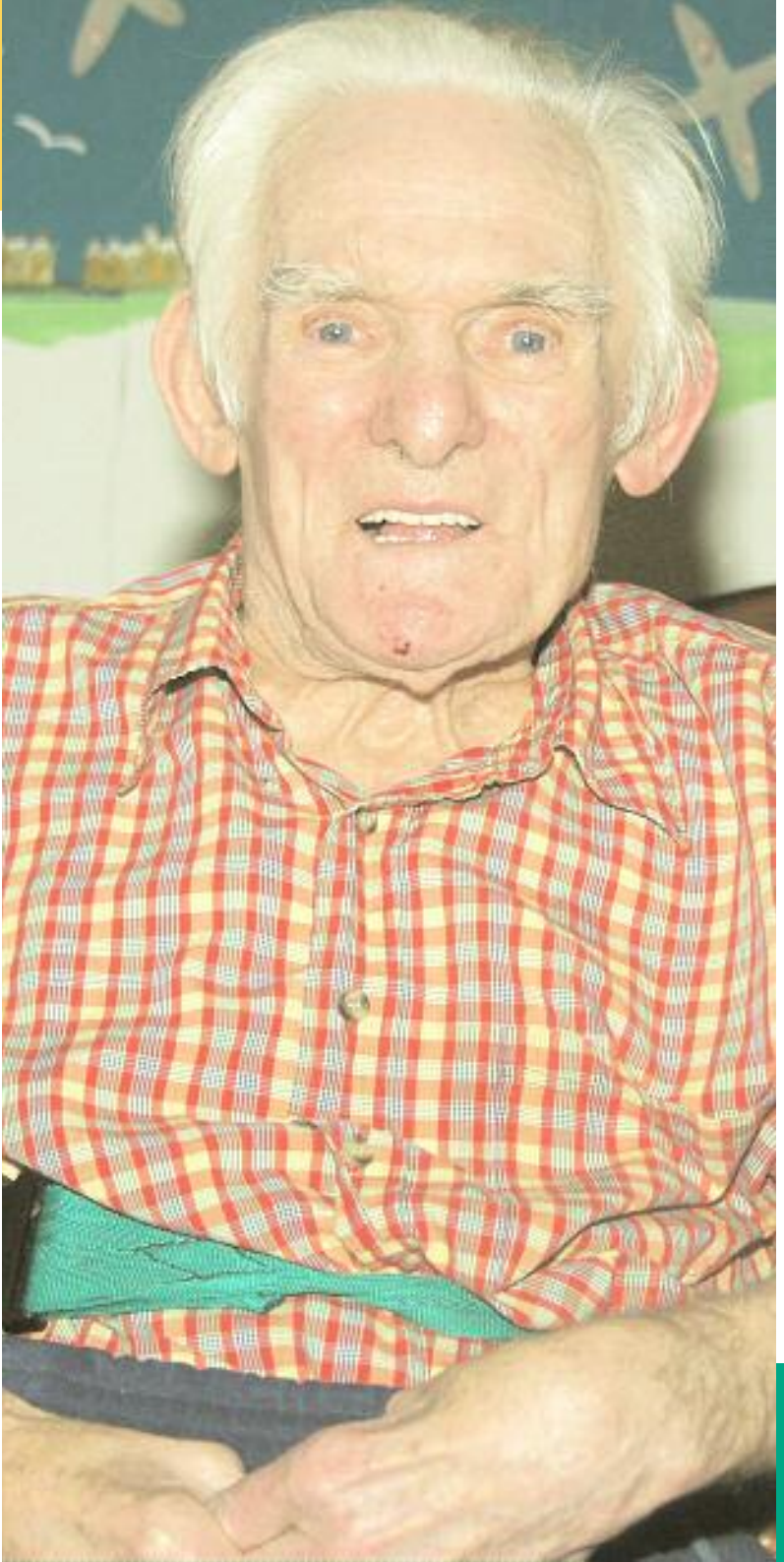
Debate on future of long-term care - need for adaptability

National vice chairman Ian Turner led a debate on the future of long-term care. Looking ahead three or four years to assess likely changes in the size and scope of the market, he said: "If you are a nursing home owner, you need to consider whether you need to reposition yourself in order to take advantage of changes in the demand for health and social care."

During the following debate, several RNHA members stressed the need for the nursing home sector to adapt to the direction of travel within the NHS, arguing that future opportunities might lie more with NHS purchasers than with social services.

One member argued strongly that the association should lobby hard for the implementation of a single assessment process which, if carried out properly, would reveal that there were currently many individuals receiving residential care who really needed nursing care.

Concluding the debate, Ian Turner said local authorities should develop a strategic vision of what services they wanted to purchase in the future.



Services to be judged through the eyes of their users in future

Keynote speaker at the event was Dame Denise Platt, chair of the new Commission for Social Care Inspection (CSCI). She began with a tribute to the skilled workers in social care who 'make a major contribution to the welfare of our communities'.

Dame Denise stressed that CSCI would be driven by the needs of service users. She said a MORI poll commissioned by CSCI had shown that people valued independence, choice, empowerment, dignity, respect, flexibility, consistency, competence, courtesy and safety. "We will judge services by how they reflect these factors," she told RNHA members.

Care homes are not past their sell by date, expert claims

William Laing, from the highly respected Laing & Buisson organisation and a regular contributor to RNHA conferences, took issue with Health Minister Stephen Ladyman. He said: "The Minister seems to think that care homes are past their sell-by date. I disagree. Our ageing population and demographic forecasts suggest a growing level of needs well into the future."

Referring to a previous Joseph Rowntree Foundation report which recommended a fair price for care, Mr Laing said it had probably been a mistake to come up with one set of figures for England, particularly when London operating costs were 20 per cent higher than in the rest of the country. Revised figures for 2004/05 now made a clear distinction between relatively low cost conditions in some regions and the high cost environment of London.

Depending on the level of capital investment made in a home and the extent to which it meets the necessary standards, the fair prices recommended by William Laing in his 2004 report are in bands from £420 to £497 per week for a 'low cost' provincial location and from £543 to £620 per week for London.

Preparing for the impact of POVA

Two sessions of the RNHA's Chester conference in June 2004 were devoted to the forthcoming introduction of the Protection of Vulnerable Adults list (POVA).

Raymond Warburton, policy lead on vulnerable adults for the Department of Health, reminded the audience that an obligation to check the POVA list would come into force from 26th July 2004.

Individuals who would need to go through a POVA check were those applying for positions that would bring them into regular contact with vulnerable adults. This could mean that domestics and administrative staff might have to be checked, as well as nurses and designated care staff.

"Nursing home operators will be under a statutory duty to undertake POVA checks, where relevant, on new staff," said Mr Warburton. "However, existing staff are not affected by POVA, unless an individual is transferred from a post that is not covered by the scheme to one that is covered."

Navigating overseas recruitment

Given the degree to which some nursing homes are now having to rely increasingly on recruiting nurses from overseas, and in the light of some of the problems being encountered, the RNHA decided to use its Chester conference to highlight the necessary procedures.

Chief executive officer, Frank Ursell, said the recruitment of overseas staff into the UK was a very 'process-driven' task. Applications for work permits (for those from outside the European Economic Area and other designated countries) have to be completed on the correct forms. It is an offence to employ anyone who has no right to be in the UK. It is also essential to stay within the restrictions specified in work permit documentation.

Addressing the issue of senior care assistants, Frank said that until October 2001 it had not been possible to recruit them into the UK because of official doubts about the need for people at this skill level. Whilst senior carers can now be brought in under certain circumstances, there is still a dilemma about defining the role they are intended to fulfil. To obtain a work permit, the employer has to be able to demonstrate that the skills required are not available in the local labour market.

FACTFILE

It is estimated that a patient in a nursing home receives an average of just over eight hours of qualified nurse time per week and nearly 19 hours of care assistant time per week.

Some highlights from Chester

PHOTO MONTAGE

- *Top right: Ian Turner leading the debate on the future of nursing homes in the UK*
- *Top left: Outgoing national chair Rosemary Strange receives a token of appreciation from Derek Whittaker on behalf of the RNHA*
- *Bottom right: Raymond Warburton from the Department of Health describes what POVA checks will mean for care homes*
- *Bottom left: At the Blue Cross Purchasing Scheme stand in the conference exhibition*

Lifetime achievement award

At its annual conference in Chester in June 2004, the RNHA presented its first-ever 'Lifetime Achievement Award' to Derek Whittaker (pictured right), a former chairman and current senior vice-president of the association.

Derek Whittaker is one of the RNHA's longest serving members, having joined the association some thirty years ago. He was elected to the RNHA National Council in 1982 and has served on the governing body ever since, becoming vice chairman in 1992 and chairman in 1994. Following his four-year term as chairman, Derek was appointed RNHA vice-president in 1998.

Making the presentation to Derek, outgoing national chair Rosemary Strange said it was right to recognise his sterling work for the nursing home sector over such a long period of time. She described him as a 'tower of strength' who had consistently given his time and energy to ensure that the voice of nursing homes was heard.

Handing over the baton

October 2004 saw a hand over of the position of RNHA national chair from Rosemary Strange to Ian Turner, the vice chairman of the association who has played a leading role in marketing the benefits it offers to nursing home owners throughout the United Kingdom.

Rosemary, who had been at the helm of the association for the previous three and a half years and remains an active member of the national management committee, said she had enjoyed every aspect of her experience, particularly the feeling of being part of a team which believed passionately in the value of nurses and nursing.

In recognition of her contribution to the work of the RNHA, it was proposed and unanimously agreed by the national management committee that Rosemary should become a vice president of the association.

Paying tribute to his successor, incoming chair Ian Turner said that under her watch the association had returned to financial stability and that, whilst nursing homes were continuing to close, the RNHA had seen a rise in membership numbers.

Looking to the future, Ian stressed that a very high priority would be the continued drive both to recruit new members and to meet the needs of all members in an increasingly difficult climate for the nursing home sector.

He said: "Information is crucial in today's world to enable the correct decisions to be taken in a timely manner. It is here that the RNHA is second to none in circulating information to every member."

RNHA roadshows prepare the way for new inspection regime

During March and April 2004 the RNHA organised a roadshow of conferences around the country to give its members an opportunity to discuss major issues of concern.

Feedback over recent years from RNHA members is that they find it particularly useful to be able to receive up to date advice and information about care standards and the most effective ways of meeting them.

The 2004 roadshow programme was therefore designed specifically to give participants an insight into the implications of the change from the National Care Standards Commission to the Commission for Social Care Inspection.

Following the tragic deaths by fire in a nursing home in Scotland earlier in the year, RNHA roadshow organisers took the opportunity to include a presentation on fire risk assessment so that valuable lessons could be learned that would help prevent a recurrence.

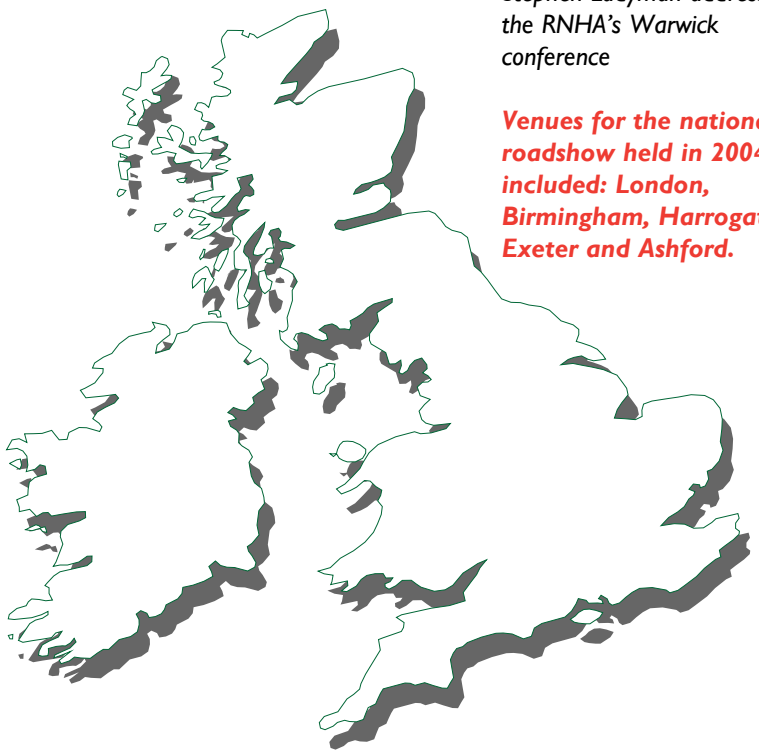
Running in parallel with the roadshow series was a series of *Nursing Matters* and *Business Matters* conferences, each linked to exhibitions of products and services relevant to the delivery of effective nursing home care. Reports received from members attending these events have been very favourable.

Parliamentary Under-Secretary of State for Health, Dr Stephen Ladyman, gave the closing speech at the association's Warwick *Nursing Matters* conference.

In addition to praising the work of nurses in the independent sector, the Minister called for a closer relationship between the providers of healthcare and the Primary Care Trusts which commission services.

The RNHA would strongly endorse that sentiment, whilst remaining sceptical about the extent to which the government will work to turn fine words spoken to please an audience on a given day into a reality on the ground. The association will be watching to see whether political rhetoric has any substance behind it.

Above: Health Minister Stephen Ladyman addressing the RNHA's Warwick conference



Venues for the national roadshow held in 2004 included: London, Birmingham, Harrogate, Exeter and Ashford.

Briefing members and dealing with inquiries

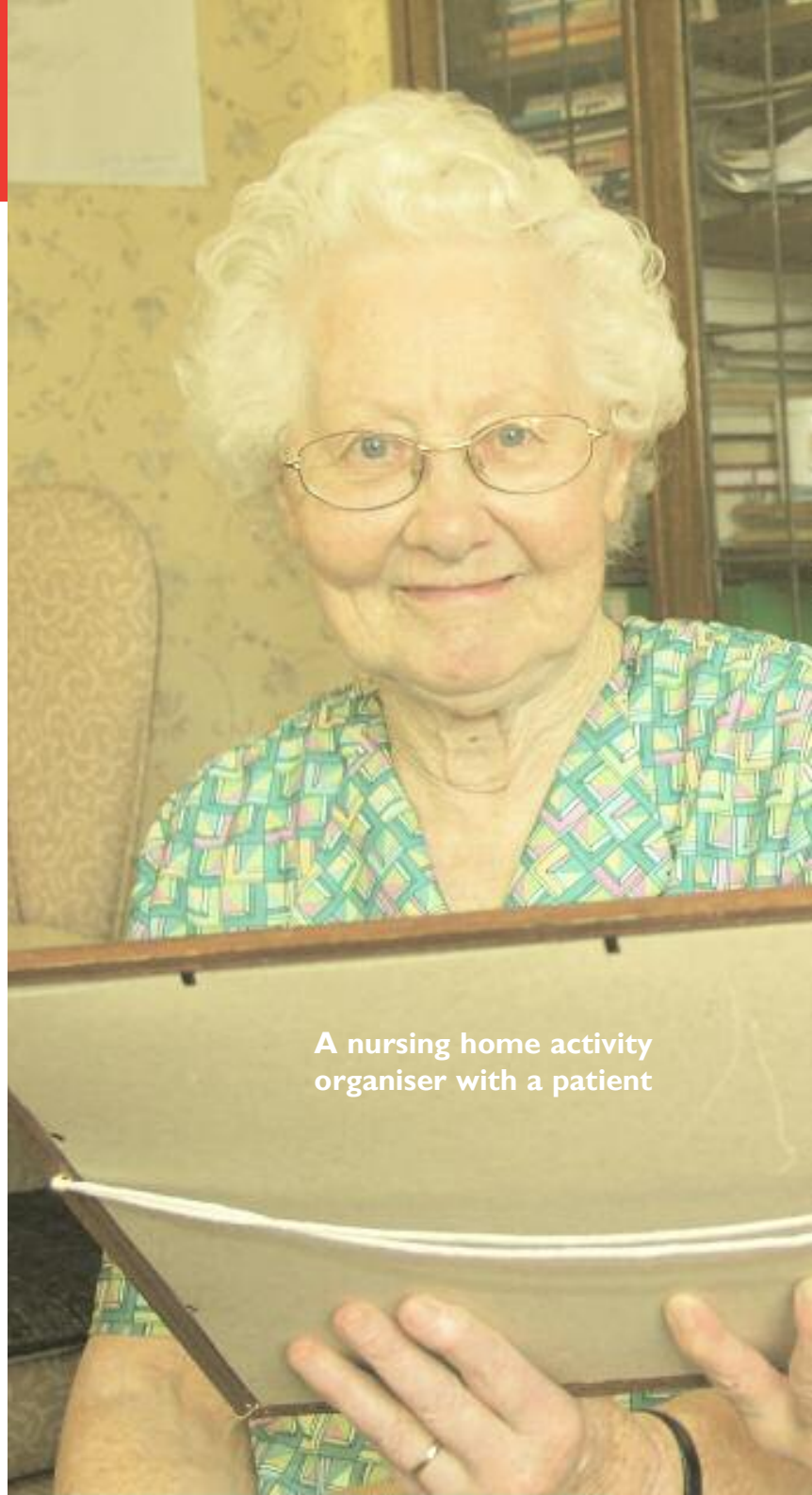
Whist this annual report inevitably focuses on many of the initiatives taken at a national level by the RNHA on behalf of its members, the behind the scenes work undertaken by its head office staff should not be overlooked.

During the 12 months from January to December 2004, it is estimated that the Highfield Road team received and dealt with approximately:

- 16,000 telephone inquiries from member nursing homes;
- 1,250 written requests for information from member nursing homes;
- 30,000 requests for Criminal Records Bureau checks.

Also during the year, the RNHA head office issued some 25 information bulletins to its members with the aim of ensuring that they were kept fully briefed on key developments likely to affect the running of their nursing homes.

RNHA chair Ian Turner commented: "On behalf of the association, I should like to express thanks to our dedicated, hard-working team for their consistent efforts over the year. By any standards our administrative back up is small, especially in relation to the volume of work undertaken. But from the feedback I receive from our members, I know they appreciate the instant help and advice available to them on a one to one basis."



A nursing home activity organiser with a patient

Legal and public relations advice and support

Running a nursing home is a complex and demanding business. As a service to its members, the RNHA provides centralised legal and public relations advice and support - 24 hours a day, seven days a week.

It is estimated that, during 2004, many member nursing homes took advantage of the RNHA's legal advice line to obtain interpretation or guidance on operational issues.

Over the same period, several nursing homes also contacted the RNHA for specialist public relations advice and support, often in circumstances where they felt they had been, or were about to be, unfairly reported in the news media.

For example, one nursing home in South Wales felt it was being wrongly criticised by a former employee recruited from overseas, who had approached BBC television with his alleged grievances over disciplinary action taken against him.

Another nursing home in Yorkshire wished to defend itself against an inaccurate report by a local newspaper, which had wrongly accused it of failing to conduct Criminal Records Bureau checks. In fact, the checks had been made but, as many homes found in the early days of the scheme, the responses from the CRB had been slow in coming.

A nursing home in the South East of England requested advice on the potential media implications of an employment tribunal case involving a care assistant who was claiming unfair dismissal despite not having been dismissed. In the event, the complaint was rejected by the tribunal. Nevertheless, the home in question had prepared itself for any media inquiries that might be received in the light of all possible scenarios.

Call to curb financial abuse of older people by failure to fund care

The RNHA broadly welcomed recommendations from the House of Commons Health Committee's report, published in April 2004, on ways of tackling elder abuse, whilst at the same time calling for decisive action to curb what it described as the 'financial abuse' of older people by the government.

The RNHA, which had given evidence to the Health Committee during its formal hearings, claimed that older people were still being cheated out of their rightful access to nursing home care, pointing to the Appeal court's judgement in the Coughlan case that the NHS had a responsibility for meeting the total cost of a nursing home placement when a person's need was primarily for health care.

Nothing had been done, said the RNHA, to abide by the decision. As a result, tens of thousands of patients were being forced to fund their own care, apart from a relatively small contribution from NHS funds.

For those who qualified on income grounds for social services funding support, the RNHA argued that a very high proportion of local authorities were continuing to offer a less than economic fee to nursing homes providing the care. This had 'knock on' effects, making it difficult for nursing homes to recruit and retain staff.

The RNHA chief executive officer, Frank Ursell, commented: "We have no doubt that the Health Committee's recommendations, if acted upon, will go some way to rooting out elder abuse wherever it occurs. But it could be argued that, in many ways, the Government itself is abusing older people by putting them at the bottom of the pecking order in the allocation of resources."

He added: "Ageism itself is an insidious form of abuse. The lack of priority given to meeting the needs of Britain's elderly reflects this. To that extent, the Health Committee's definition of abuse is too narrow."

Pressing for greater balance in ITV News programme on abuse

During September 2004, ITV News transmitted a series of specially made features about abuse of older people. The RNHA responded by writing to the editor of ITV News to call for a greater balance in the focus of the programmes.

Whilst the RNHA is anxious to see abuse of older people stamped out wherever and whenever it occurs, in its letter to ITV News the association said it was alarming and disappointing that the company was apparently seeking only bad experiences of care. Specifically, the RNHA asked whether ITV News was interested in positive stories or praise for care homes and their staff.

The RNHA also took issue with the use and presentation of data by ITV News, which had claimed that 97% of a sample of homes were not even meeting national minimum standards. However, on its website, the company was saying that from the sample of 100 reports it had analysed, 97% of homes had failed to meet at least *one* of the 38 standards. That, as the RNHA was quick to point out, was very different from implying, as the programme had done, that they were failing to meet *all* of the standards.

As the RNHA explained, the National Care Standards Commission's report on its first year of inspections (2002/03) had said that 26% of care homes for older people met all of the standards. A preliminary report on 2003/04 inspections had said that all standards were now being met by 48% of care homes for older people.

Whilst, as the RNHA acknowledged, these statistics did not point to perfection, they nevertheless presented a more accurate and authoritative picture than the limited survey carried out by ITV News.

FACTFILE

According to figures published by the National Care Standards Commission, the number of care homes adjudged to be meeting all care standards nearly doubled between the first and second years of their implementation.

Support for level playing field on CRB checks

The RNHA welcomed the Department of Health's announcement in October that, from early in 2005, Criminal Records Bureau (CRB) checks would apply to the NHS as well as to independent providers of health care.

In a statement the RNHA said: "It is absolutely right that NHS staff should be checked out in exactly the same way as nursing home staff have had to be checked out for the past two years. What is puzzling is the fact that the NHS did not have to start doing the checks at the same time as nursing homes or the independent sector generally."

The RNHA also expressed concern that nothing had yet been said by the Government about the need for the NHS to comply with the new POVA (Protection of Vulnerable Adults) requirements which, from July 2004, placed obligations on nursing homes, residential care homes and domiciliary care agencies to carry out additional checks on new staff.

The RNHA urged the Government to tackle this discrepancy with the utmost urgency in order to ensure that would-be abusers were kept away from older people receiving residential or domiciliary care from any provider.

Members urged to respond on regulation of health care support workers

During 2004, the RNHA welcomed consultation on the future regulation of health care support workers and urged its members to contribute to the debate.

In its own response to government proposals, the association agreed that regulation was long overdue. However, it queried why the consultation document focused on the NHS, making it unclear whether the private sector would be involved.

In fact, the RNHA went on to question both the cost and the logistics of the government's preferred option to set up a Health Occupations Committee under the Health Professions Council (HPC) regulations. Unnecessary duplication could be avoided, the RNHA argued, if the regulation of health care support workers was carried out by the General Social Care Council.

Commented RNHA chief executive officer Frank Ursell: "The roles of healthcare assistants and social care support workers often overlap and the GSCC already has the regulatory infrastructure in place. It doesn't seem sensible or cost-effective to set up yet another regulatory body."

Warning on delayed hospital discharges

During 2003/04, local authorities throughout the UK were urged by the RNHA to be more 'up front' about their winter planning arrangements for the care of their frailest elderly residents.

According to the association, few councils had bothered to include independent sector nursing home providers in discussions about how best to manage demand for care during the coldest period of the year.

With care homes reported to be closing at the rate of almost two a day, the RNHA issued a stark warning that the continuing loss of beds in independent nursing homes made it likely that some councils would find it difficult to arrange patients' discharge from hospital quickly enough to avoid government fines.

Responding to claims by University College London researchers that older people might be forced by the new system into accommodation they did not want to go to, the RNHA insisted that it would be unacceptably bad practice to allow this to happen at any time.

Whilst dismissing the claims as 'scare-mongering', the association acknowledged the importance of prompt hospital discharges of older patients once they have recovered from the acute phase of their illness in hospital.

In a statement issued in January 2004, the RNHA said: "Hospital is the most inappropriate environment in which to provide older patients with continuing care during their recovery. It is also the riskiest for their health. There are around 5,000 deaths each year from hospital acquired infections, with older people being a particularly vulnerable group."

During 2004, the RNHA stepped up its efforts to persuade local authorities and the NHS to engage more effectively with the independent sector, which provides the majority of long-term nursing and residential care to older people.

The RNHA's message to local authorities and the NHS is clear: they need to be more open in their dealings with their local nursing homes, to share information and to draw up workable contingency plans with nursing homes for dealing with potential pressures in demand.

FACTFILE

Figures suggest that there are approximately 5,000 deaths per annum attributable to hospital acquired infections. Older people are especially vulnerable. Prompt discharge from acute hospital wards is therefore important.

RNHA backs greater transparency and collaboration

A report calling on local councils and independent providers of care for older people to create 'more transparent and collaborative partnerships at local level' received full backing from the RNHA during the year.

Published by the Association of Directors of Social Services, *Implementing Building Capacity and Partnership in Care* sought to identify measures which could be taken to bring stability to a sometimes turbulent care home market, including:

- the need for a pooling of knowledge and expertise across the different sectors and between commissioners and providers of care;
- the involvement of independent health and social care providers in the planning, delivery, monitoring and review of services;
- the mapping of local services to ensure that providers are clearer about the level of need for particular services and the availability of funding to support those services.

In welcoming the report, the RNHA expressed its hope that members of the Association of Directors of Social Services would implement its recommendations in their own local authorities.

FACTFILE

Around two thirds of patients in registered nursing homes qualify for financial support from their local authority's social services department. Councils are therefore the most significant purchaser of nursing home care.

Questions for nursing home owners and managers:

- **Do your local authority and primary care trust ever invite you to join or advise them in the planning of services to meet the needs of older people?**
- **Do your local authority and primary care trust ever send you information about their plans for developing and improving services for older people?**

Older people lose out from government cap on nursing contribution

Older people were yet again being short-changed by the government, claimed the RNHA, following an announcement in December 2004 of the amounts to be paid by the NHS towards the cost of nursing provided in care homes from April 2005.

A statement issued by Health Minister Stephen Ladyman on the Registered Nurse Care Contribution (RNCC) was described by the RNHA as 'extremely disappointing, verging on the unbelievable'. The association said it could see no justification at all for freezing the lowest payment band at its current level of £40 per week.

With figures in the middle and upper bands scheduled to rise in England by only £3.50 to £4 per week (from £77.50 to £80 and from £125 to £129), the RNHA said the tone of the Government's announcement was as if it expected older people to be humbly grateful for the paltry sums they were being offered.

Said the RNHA: "For the many tens of thousands of patients who have to fund their own care in nursing homes - and for whom the NHS contribution to their costs is therefore extremely important - the proposed increases are a kick in the teeth. It will make virtually no difference to the amounts they have to find out of their own pockets. Nor will it help to meet the actual rises in costs faced by nursing homes.

"Local authorities claim poverty on the one hand, whilst the NHS will be saying its hands are tied to either no increase at all for some patients or a minuscule increase for others. This does not bode well for the Government's much proclaimed belief in partnership between the bodies which fund care, the organisations which provide it, and the people who receive it."

Since NHS contributions towards care costs were introduced, the RNHA has argued consistently that the amount of money did not adequately reflect the degree of nursing input to patients' care.

FACTFILE

By October 2005, the national minimum wage will have increased by 40 per cent since its introduction in April 1999.

Over the same period, the average amount received by nursing homes per patient per week for publicly funded patients has risen by approximately 23 per cent.

Councils no longer able to maintain their 'cheap hotel' rate

Reacting to the Chancellor of the Exchequer's pre-budget report in December 2004, the RNHA said the £1 billion extra spending power being made available to local authorities in the following year would give social services departments no excuse for shirking their responsibilities to older people.

The association called on local authorities to review their spending plans on services for older people, particularly those requiring long-term care.

No council could hide any longer, it said, behind the claim that providing a decent level of funding to people in nursing homes would result in excessive rises in council tax.

RNHA chief executive officer Frank Ursell said: "With an extra £1 billion available to them, councils can turn their attention to the needs of those frail senior citizens requiring 24-hour nursing care, who currently receive a cinderella service."

He added: "As things stand, most councils are only paying nursing homes an amount per patient that wouldn't get you a bed in a fairly cheap hotel. Yet nursing homes have to employ qualified nursing staff and provide round the clock care. But with their windfall from the government, it is to be hoped that local authorities will honour their obligations to some of the country's most needy and vulnerable people."

National minimum wage increase

Following an announcement by the government of a rise in the national minimum wage from £4.50 to £4.85 an hour with effect from October 2004, the RNHA called publicly for extra resources to be made available to the independent care sector to cover the additional cost.

Reflecting concern among nursing home providers about the impact of the wage increase on their efforts to provide high levels of care whilst remaining in financial balance, the RNHA said proportionately higher fees would need to be paid by local authorities and the NHS for publicly funded patients.

According to the RNHA, most of the local authorities which had already decided on the fees they would pay for nursing home care from April 2004 were offering increases of between 3% and 5%, with some settlements as low as 1.5%.

These figures, claimed the association, would be inadequate to cover the 8% rise in the national minimum wage, as staffing costs represented the biggest single slice out of nursing homes' budgets.

In a statement the RNHA said: "The government cannot push up wage costs without considering the cost consequences for employers. We support the principle that everyone should have a decent wage. As most of our income comes from local authorities and the government, we look to them to find the necessary resources."

One law for them and one law for us: RNHA criticises OFT decision

Surprise and concern were expressed by the RNHA at a finding by the Office of Fair Trading, published in January 2004, that it is not a breach of the Competition Act for a public body to pay lower fees to an independent provider for elderly residential care than it spends on providing the same type of care in its own homes.

The RNHA said it could accept neither the logic nor the justice of the OFT's decision, which overrode a previous decision by a Competition Commission Appeal Tribunal that the practice was discriminatory under the Act.

Challenging the OFT's reasoning, the RNHA claimed it was inconsistent to argue that public bodies which themselves operate care homes were not economic undertakings in law.

The RNHA believes that public sector care providers are just as much engaged in economic activity as private care providers. In its January 2005 statement, the association claimed that the OFT judgement appeared to hinge on an interpretation of finer points of law rather than the general principles embedded in the Competition Act.

As the RNHA pointed out, local authorities are the single largest purchasers of residential and nursing home care in their respective areas. Collectively, they purchase between 60% and 70% of all care in care homes and are in a very powerful position to dictate the price.

Commented RNHA chief executive officer Frank Ursell: "If a public body which runs homes is not engaging in economic activity, then what exactly does the OFT think is going on? Providing care to older people costs money, whether you happen to be a private operator or a public organisation."

Independent organisations such as Help the Aged and the King's Fund have repeatedly identified that local authorities pay care homes much less than the true cost of care, thus forcing the owners to make up the shortfall by increasing the fees of those who pay for their own care.

This led to the Consumers Association lodging a so-called 'super complaint' with the OFT in order to prevent the need for cross-subsidies between different groups of people receiving care.

On the issue of discrimination and fairness, Mr Ursell questioned the OFT's interpretation of the Competition Act. "How can it be fair," he asked, "for an organisation to expect others to deliver a service for significantly less than it costs that organisation to do the same thing?"

He concluded: "This decision comes as a bitter blow to care homes throughout the UK. It sends a signal to them all that, in the eyes of the OFT, there is one law for the public sector and one law for the private sector. In the eyes of many independent commentators, local authorities are abusing their dominant position in the care market. The OFT exists to prevent such abuse. One is forced to ask why it is reluctant to act in this case."

‘Flawed report’ by NCSC on medicines in care homes

A scoring system used by the National Care Standards Commission (NCSC) to rank the competence of care homes in managing medication was described as ‘seriously flawed’ by the RNHA.

Responding to a report entitled *The Management of Medication in Care Homes*, which was published in March 2004 by the Commission, the RNHA claimed that a home could technically ‘fail’ to meet the standard simply by not having the most recent copy of the British National Formulary on its premises.

This, said the association, was yet another example of how the focus on process, rather than performance, by the NCSC over the previous two years had been failing the patients they sought to protect.

The RNHA argued that, whilst it did not condone poor practice and accepted the critical importance of sound management of patients’ drugs, the way the report was compiled made it liable to exaggerate the position and portrayed some homes in a worse light than they deserved. As a result, unnecessary fears might have been raised among older people in care homes or those about to enter care homes.

The RNHA also pointed to the difficulties which had faced the NCSC in producing a report that covered homes providing nursing care and those providing personal care.

Care homes which offered nursing had qualified nurses on duty 24 hours a day to supervise the delivery of what was essentially health care, including the administration of patients’ medicines. Care homes offering personal care did not have the benefit of round the clock nursing expertise.

The RNHA said it was not surprising, therefore, that in the report nursing homes were identified as better performers in medicines management.

That raised another key question about whether some of the people cared for in residential care homes ought more appropriately to be under the care of qualified nursing staff. Unfortunately, many social services departments opted for cheaper placements in residential care homes when an individual’s needs really demanded a higher level of care.

The RNHA formally objected when the Government originally decided to blur the distinction between nursing homes and residential care homes and to refer to all of them simply as ‘care homes’.

This error of judgement, the association believes, has helped to create the current illusion that all care homes are similar when, in fact, they are very different in terms of their expertise and levels of understanding of people’s health.

FACTFILE

In 2004 there were some 4,400 independent care homes registered in England to provide nursing care. Between them, they offer around 164,000 places (NCSC report).

Finance

Balance Sheet as at 31st December 2004

	31st December 2004		31st December 2003	
	£	£	£	£
Fixed Assets				
Tangible assets		41,635		63,894
Current Assets				
Debtors	66,902		62,403	
Cash at bank and in hand	417,909		400,196	
	484,811		462,599	
Creditors				
Amounts falling due within one year	285,048		332,468	
Net Current Assets		199,763		130,131
Total Assets Less Current Liabilities		241,398		194,025
Creditors				
Amounts falling due after more than one year		12,875		24,749
		£228,523		£169,276
Reserves		228,523		169,276
Profit and loss account				
		£228,523		£169,276

Registered Nursing Home Association Limited (A Company Limited By Guarantee)
Profit and Loss Account For The Year Ended December 31 2004

	2004		2003	
Income	£	£	£	£
Subscriptions - Existing	368,141		374,876	
Subscriptions - New	16,192		14,023	
Total Subscriptions		384,333		388,899
Sponsorship	138,827		137,538	
Interest Receivable	10,816		6,679	
Stationery Sales	1,101		1,238	
Quality Assurance (Net of Expenses)	6,606		20,861	
Conferences (Net of Expenses)	9,215		10,528	
Criminal Records Bureau (Net of Expenses, Before Payroll)	43,660		18,502	
Business Plan Manuals (Net of Expenses)	250		373	
Education Grant Income - TOPSS	12,000		0	
Other Income	5,897		1,126	
		228,372		196,845
Net Income carried forward to page 26		612,705		585,744
Expenses:				
Organisation				
Chairman & Vice	7,045		8,182	
Chief Executive Officer	7,772		5,304	
Council	1,763		3,101	
European Costs	-1,244		2,232	
Committee Projects	4,106		0	
National Management Committee	3,830		4,750	
AGM Annual Conference & Other Meetings	-8,616		-4,482	
Membership Recruitment	3,715		2,369	

Continued on next page

Finance

Registered Nursing Home Association Limited (A Company Limited By Guarantee)
Profit and Loss Account For The Year Ended December 31 2004 (continued)

Continued from previous page

	2004		2003	
	£	£	£	£
Administration				
Head Office Staff Costs	217,849		200,046	
Other Staff Costs	10,318		10,207	
Property Costs	57,113		56,585	
Equipment Costs	10,306		10,998	
Communication Costs	67,581		60,923	
Audit & Accountancy	10,561		10,506	
Bank Charges & Interest	6,309		4,540	
Other Office Costs	2,664		2,320	
RMA Project	8,493		0	
		391,194		356,125
Services To Members				
Branch Meetings	0		698	
Lobbying & Representation	17,526		17,674	
Legal Support	25,129		22,790	
Marketing & P.R.	33,518		41,057	
Other Services	0		3,643	
		76,173		85,862
Other Expenses				
Vat on Inputs Irrecoverable	27,290		25,814	
Depreciation	25,021		24,584	
Bad Debt Provision	264		7,473	
		52,575		57,871
Total Expenses		538,313		521,314
Net Income Brought Forward from Page 25		612,705		585,744
Profit Before Taxation		74,392		64,430

Financial Report on the Accounts for the year to 31st December 2004

It was pleasing to see that the Registered Nursing Home Association returned a surplus for the year ending 31st December 2004, continuing the trend of recent years.

It is important to identify, however, that this continued profitability is achieved at a time when the sector is contracting but when membership numbers are remaining static (a 1% reduction in membership income on last year).

Buoyancy in our trading and a keen eye on expenditure both have a part to play in keeping on the right side of the balance sheet. Overall, income showed an increase of a little under £27,000 (4.6%), whilst expenditure was up by £17,000 (3.2%).

There were no major variations from our results for 2003. Most of the changes were expected. These included an increase in our income from processing Criminal Records Bureau checks, which also resulted in an increase in staff costs to meet the higher demand.

Those areas of expenditure which reflect our services to members continue to receive significant amounts of expenditure, in particular communications, lobbying and representation, legal support and marketing and PR.

The Registered Nursing Home Association continues to communicate directly with all of its members, ensuring that accurate, timely information - crucial to their performance - is always available.

The success of the past year has enabled the Registered Nursing Home Association to increase its reserves and ensures that the stability of the association continues.

Frank Ursell,
Chief Executive Officer

RNHA Officers and National Management Committee Members

Vice Presidents	Rosemary Strange, Derek Whittaker, Clifford Davison
Chair	Ian Turner
Vice Chairman	Jim Byrom
Finance Director	David Zirker
Committee Members	Nigel Adams, Alan Colville, Kevin Dannatt, Emlyn Davies, Tim Leadbeater, Robert Newton, John O'Dea, Eiddon Rees, Clive Neil-Smith, Ian Turner, David Zirker
Community Care Representatives	England: John O'Dea, Clive Neil-Smith Wales: Emlyn Davies Northern Ireland: Rosemary Strange Scotland: Clifford Davison

RNHA Head Office

Cathy Garvey
CRB Administrator

Geoff Cook
CRB Adviser

Frank Ursell
Chief Executive Officer

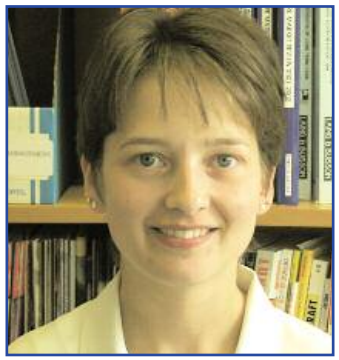
Deirdre Kowalski
Deputy to the Chief Executive Officer and Information Services Manager

Michael York
Business Development Manager

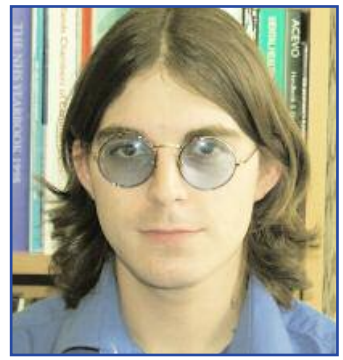
Gillian Tack
Membership Administrator

Irene Hunt
Secretary

Gill Evans
Receptionist



Helen Archer
Admin Support



Benjamin Prentice
Researcher

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