

# The Private Sector Market

Shropshire Council Information Sheet  
2016



## Summary

This information sheet summarises private sector service provision within the field of health and social care in Shropshire. A second information sheet explores Voluntary, Community and Social Enterprise (VCSE) sector provision. Considering the role of the different sectors, private, voluntary and public is important in building an overall picture of the Provider Market in Shropshire. Key findings are summarised at the end of the information sheet.

Please note that the data sources used to form this view of the market are not as robust as Shropshire Council would like. Therefore we will aim to develop the tools required to provide a more comprehensive view of the market in future years.

## Market Context

Shropshire's rural characteristics are fairly well known and these have played a role in influencing the development of the market. Public sector provision is not significantly different from other areas, however the private sector in Shropshire is predominantly made up of small and medium enterprises. In March 2013 there were 14,185 VAT or PAYE businesses operating in Shropshire and more than 9 out of ten had fewer than 10 employees<sup>i</sup>. The largest employment sector in Shropshire is health, which accounted for 17.6% of employment in 2012. This includes jobs in hospitals and social work as well as residential care. Shropshire's ageing population makes the latter a major growth sector in the county.<sup>ii</sup> Despite the increase in demand for care, there are some characteristics that suggest the provider market will not see rapid development. Evidence shows that within Shropshire a higher proportion of Shropshire businesses have been trading for 10 years or more than is the case regionally or nationally. As a county we have a low rate of business start-ups.

Private sector care services, the public sector and the local Voluntary, Community and Social Enterprise (VCSE) sector are all essential elements of the market for Adult Social Care Services. Bodies do not need to be commissioned by Shropshire Council in order to play an important and essential role in the health and social care system within the county. Shropshire Council recognises that it only has limited resources and can only commission a proportion of support people need. However, in addition to commissioning activity, partnership working and local policy development mean that the influence of Shropshire Council upon the provider market extends beyond its role as a commissioner of services.

## The Private Sector

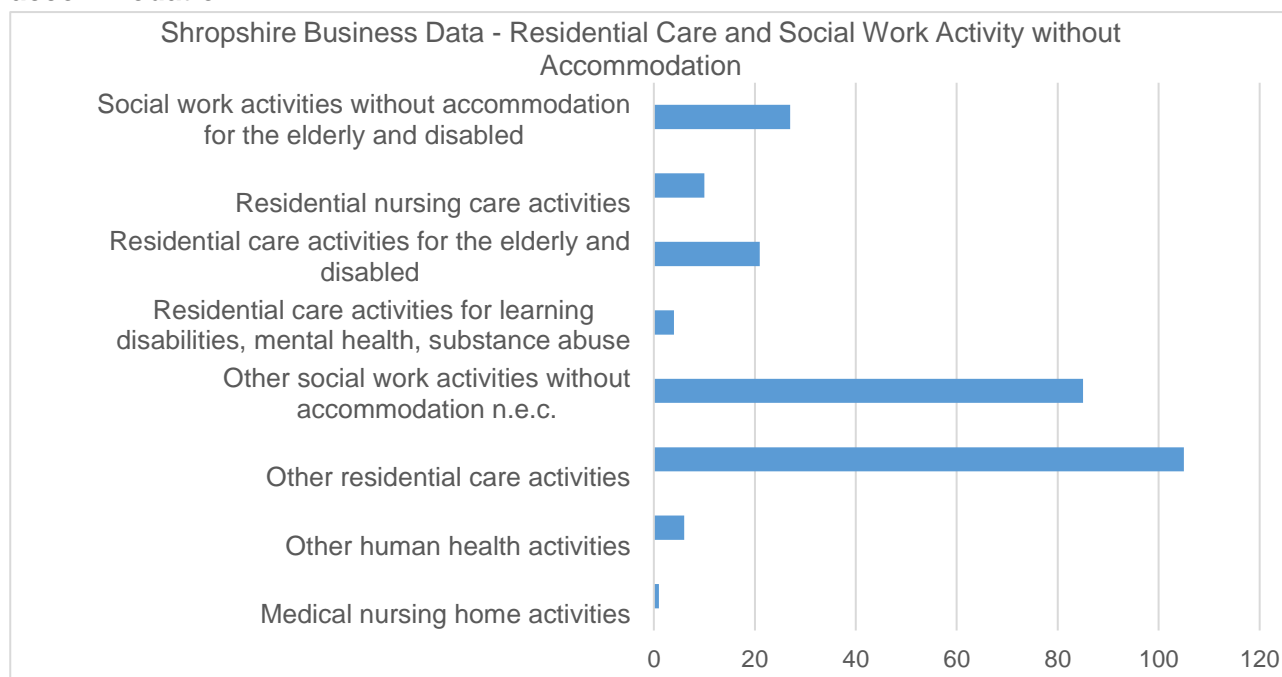
2016 Mint UK data for Shropshire (a business database) records 261 organisations based in Shropshire under the categories 'residential care' and 'social work activities without accommodation'. Within those categories there are sub categories of organisational type and this information is shown below in chart 1 and table 1.

The data set shows that:

- There are 261 residential and social work businesses.
- 26 of the businesses are charities (more information concerning the voluntary sector market is included in another information sheet in this series).
- There is a relatively good spread of service provision across Shropshire but more services are concentrated in the more urban and highly populated areas (locations are based on organisation main officer and registered address rather than the location of service provision).
- The organisations listed have an average of 21 employees per provider, with the largest organisation employing 552 and the smallest 1.

- The average turnover is £704,000 but there is a significant variation around this average with a small number of very large service providers increasing the average.

**Chart 1 Shropshire Businesses -residential care and social work activity without accommodation**



Source: Extract from Mint UK provided by Shropshire Council, Commissioning Support July 2016.

**Table 1 Location of Shropshire businesses delivering residential care and social work activity without accommodation**

| Town (main office base) | Number of Organisations |
|-------------------------|-------------------------|
| Bishops Castle          | 4                       |
| Bridgnorth              | 20                      |
| Broseley                | 2                       |
| Church Stretton         | 4                       |
| Craven Arms             | 9                       |
| Ellesmere               | 8                       |
| Ludlow                  | 19                      |
| Market Drayton          | 7                       |
| Much Wenlock            | 3                       |
| Oswestry                | 27                      |
| Shifnal                 | 7                       |
| Shrewsbury              | 138                     |
| Whitchurch              | 13                      |
| <b>Total</b>            | <b>261</b>              |

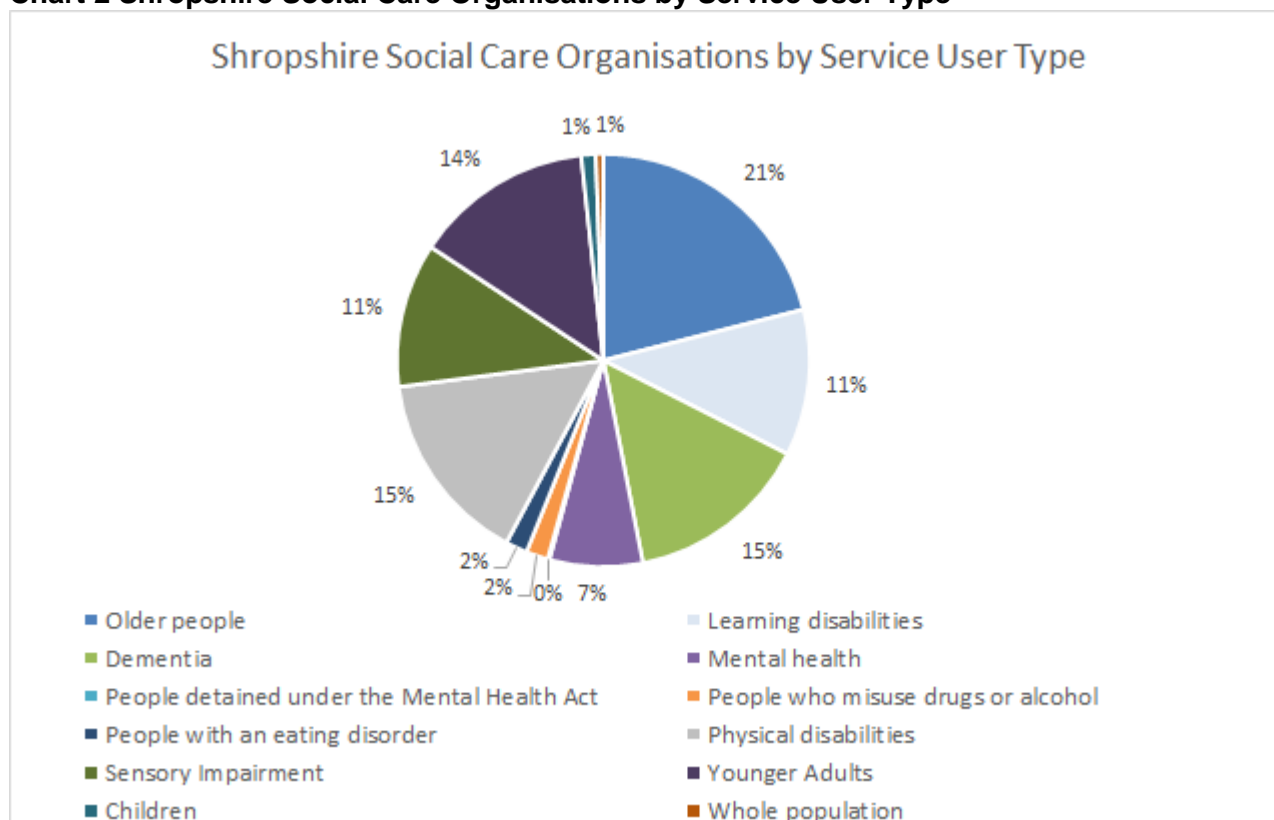
Source: Extract from Mint UK provided by Shropshire Council, Commissioning Support July 2016.

Other data sources can help provide a clearer view of the market in Shropshire. Data from the Care Quality Commission published in May 2016 has been used below<sup>iii</sup>. The data highlights that there are:

- 194 organisations listed in Shropshire and categorised as social care organisations.
- 128 of those organisations are care homes.
- The 128 care homes have a total number of 3615 beds.
- There is some provision for most service user types with many organisations providing services for multiple service user types. There is only one provider for the category 'people detained under the mental health act', categories with the least support are 'whole

population' and 'children' (some organisations provide a range of services and may also have a service for children').

**Chart 2 Shropshire Social Care Organisations by Service User Type**



Source: Care Quality Commission, Health and Social Care Active Locations, May 2016

**Table 2 Location of providers with number of beds per location**

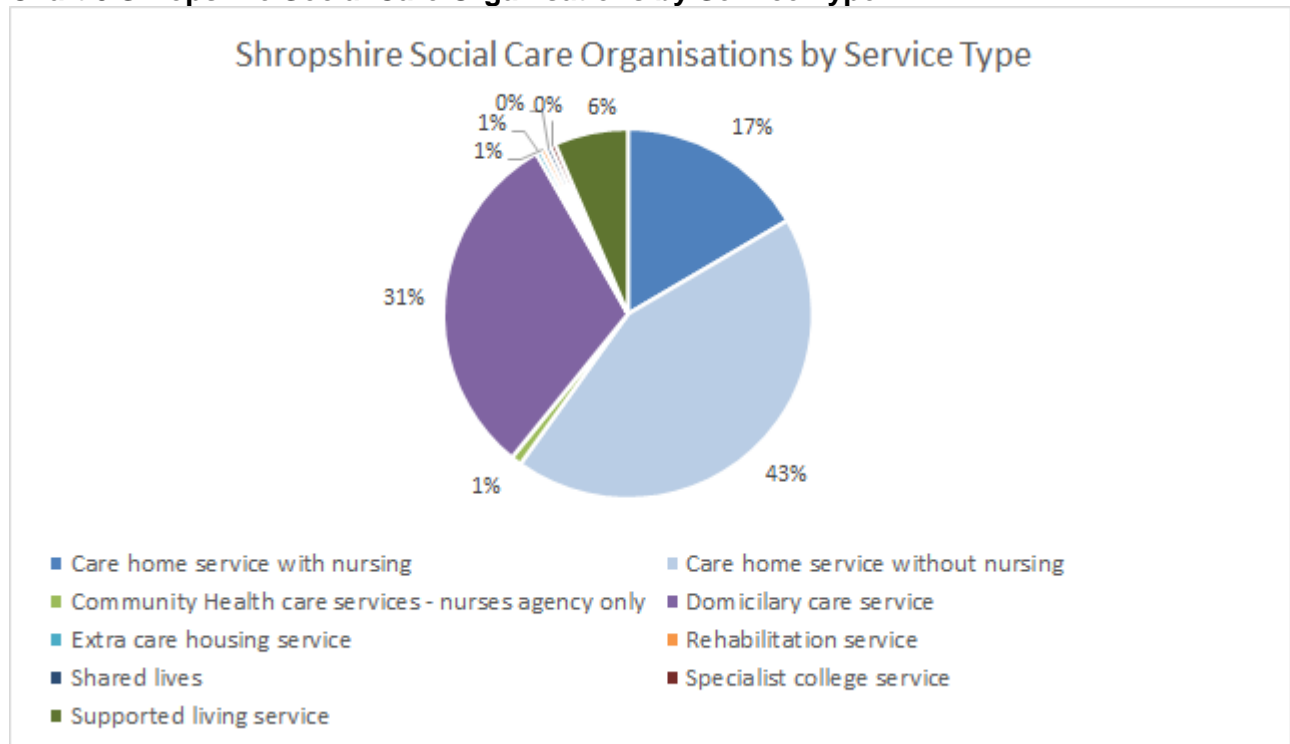
|                   | Number of organisations<br>(registered location) | Number of care home beds |
|-------------------|--|--------------------------|
| Albrighton        | 1  | 0                        |
| Bewdley           | 1  | 40                       |
| Bishops Castle    | 5  | 96                       |
| Bridgnorth        | 13   | 431                      |
| Broseley          | 2  | 14                       |
| Church Stretton   | 3  | 105                      |
| Cleobury Mortimer | 1  | 41                       |
| Craven Arms       | 3  | 28                       |
| Dudleston Heath   | 1  | 0                        |
| Ellesmere         | 4  | 47                       |
| Kidderminster     | 2  | 0                        |
| Ludlow            | 17   | 255                      |
| Market Drayton    | 11   | 265                      |
| Much Wenlock      | 3  | 86                       |
| Oswestry          | 20   | 484                      |
| Shewsbury         | 1  | 14                       |
| Shifnal           | 2  | 31                       |
| Shrewsbury        | 86   | 1314                     |
| Tenbury Wells     | 1  | 0                        |
| Whitchurch        | 13   | 291                      |
| Wolverhampton     | 4  | 73                       |

Source: Care Quality Commission, Health and Social Care Active Locations, May 2016

The location of services indicates where care home beds are by area, however the organisation location is the registered address and this does not necessarily match the location of the service. As a result there are some locations included that fall outside of the county boundary but are listed as Shropshire services by the Care Quality Commission.

Considering the type of services helps to explain the allocation of support across service user types. The services include one provider in Shropshire for each of the following categories: extra care housing service, rehabilitation service, shared lives and specialist college service. There are 94 providers of care home support without nursing and 36 providers of care home support with nursing care. ^& organisations are providers of domiciliary care.

**Chart 3 Shropshire Social Care Organisations by Service Type**



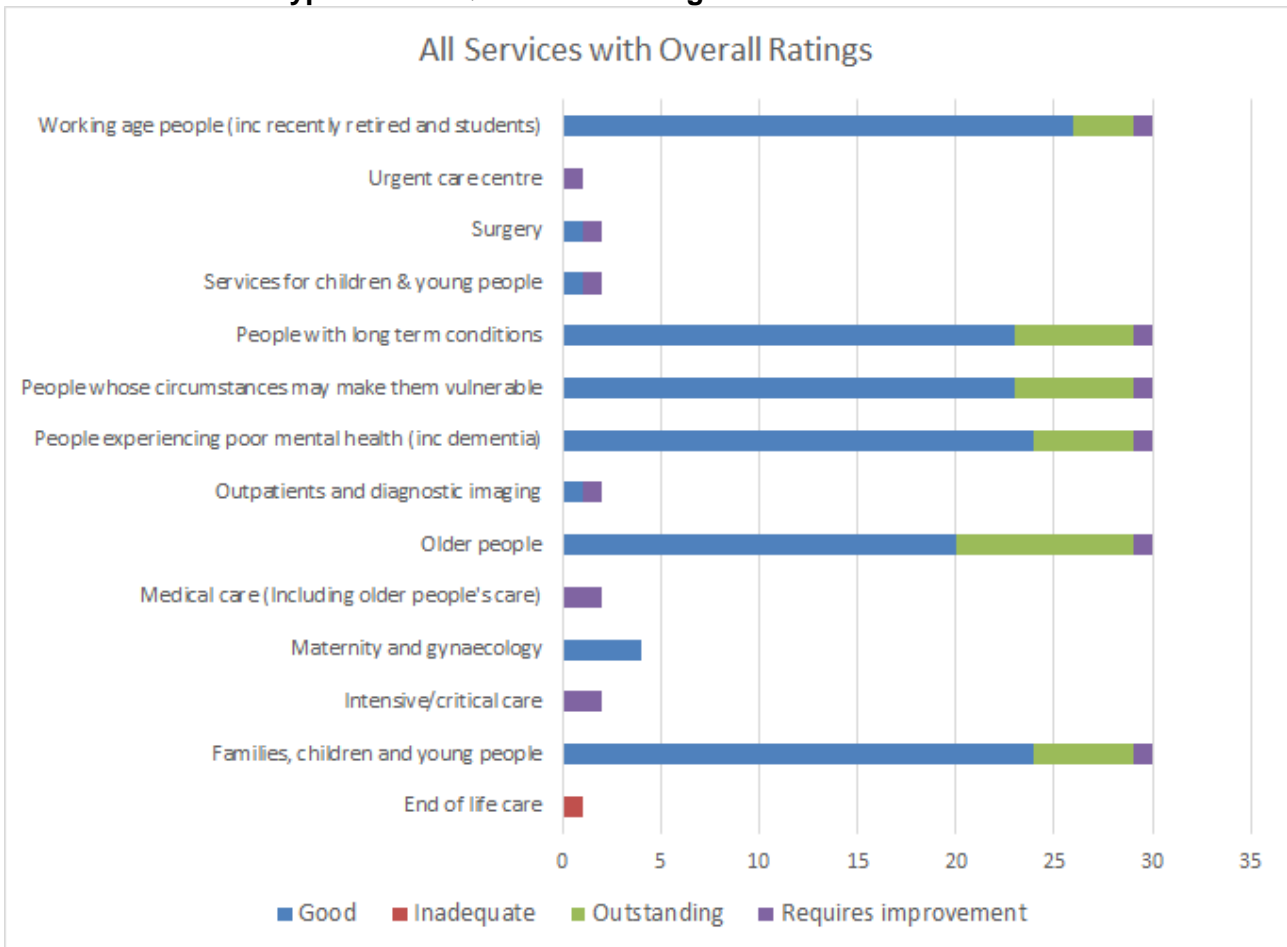
Source: Care Quality Commission, Health and Social Care Active Locations, May 2016

**Quality of Provision in Shropshire**

The Care Quality Commission provides information to assist Shropshire Council in its work to obtain an understanding of the market. Quality is an important consideration in any market assessment and the data included below has been obtained from the Care Quality Commission’s dataset covering ‘Active locations, by latest published rating’ and ‘Registered providers, by latest published rating’ for May 2016. The data highlights the following key points:

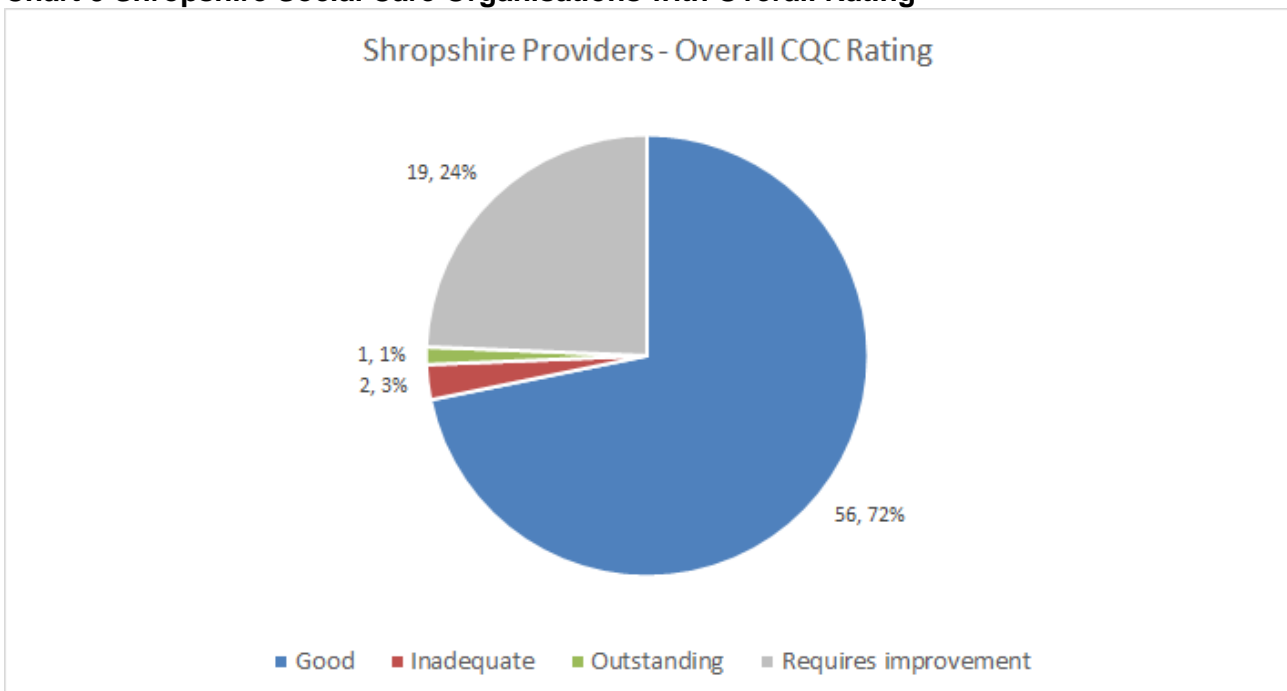
- There are a wide range of services covered within the CQC dataset. All types are shown in Chart 4. This provides an overall view of the quality of health and social care service provision in Shropshire.
- Charts 5 and 6 and Table 3 focus only on social care organisations. Chart 5 highlights that 1% (1 service) is rated outstanding, 72% of social care organisations in Shropshire are rated good, 25% require improvement and 3% are inadequate (2 services).

**Chart 4 All Service Types with CQC Overall Rating**



Source: Care Quality Commission, 'Active locations, by latest published rating' and 'Registered providers, by latest published rating' May 2016

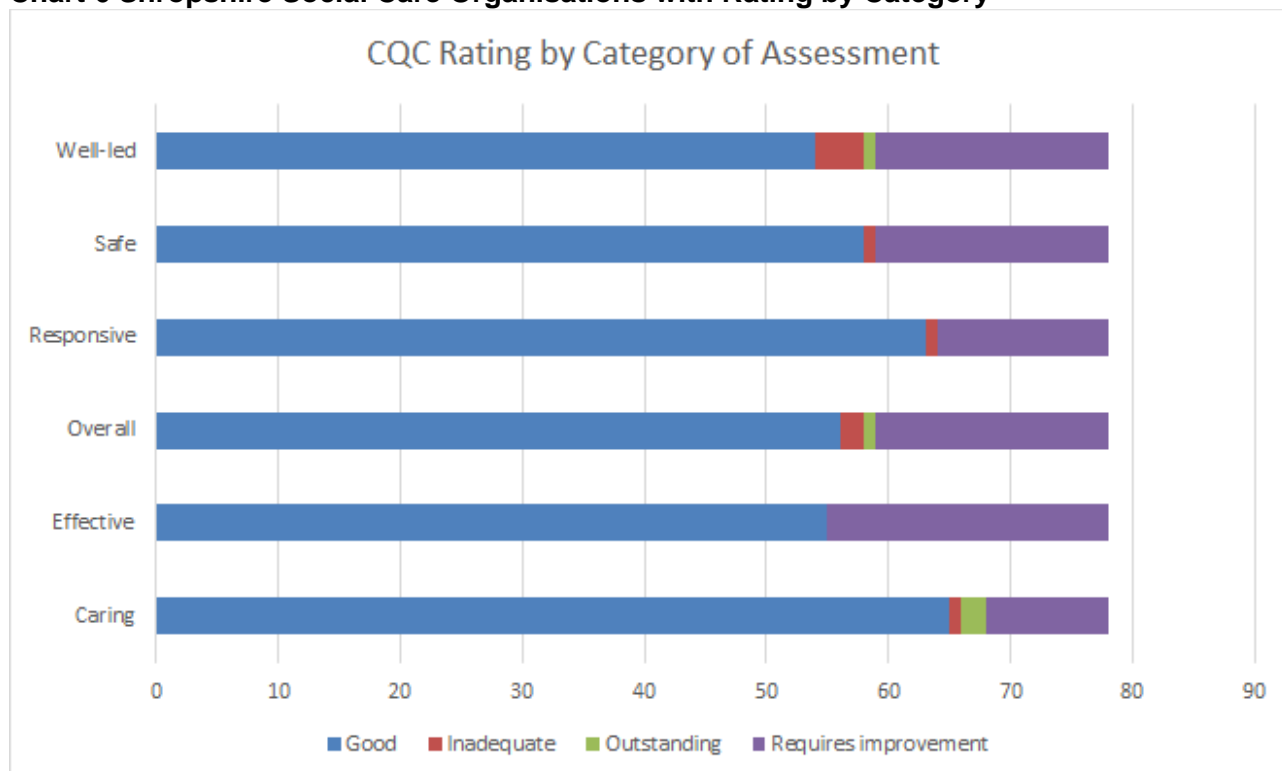
**Chart 5 Shropshire Social Care Organisations with Overall Rating**



Source: Care Quality Commission, 'Active locations, by latest published rating' and 'Registered providers, by latest published rating' May 2016

Chart 6 breaks down overall ratings for social care organisations into rating categories. Caring and Responsive are the categories against which performance is best, with more improvement requires in the categories well-led and effective.

**Chart 6 Shropshire Social Care Organisations with Rating by Category**



Source: Care Quality Commission, 'Active locations, by latest published rating' and 'Registered providers, by latest published rating' May 2016

**Table 3 Shropshire Social Care Organisations with Rating by Location**

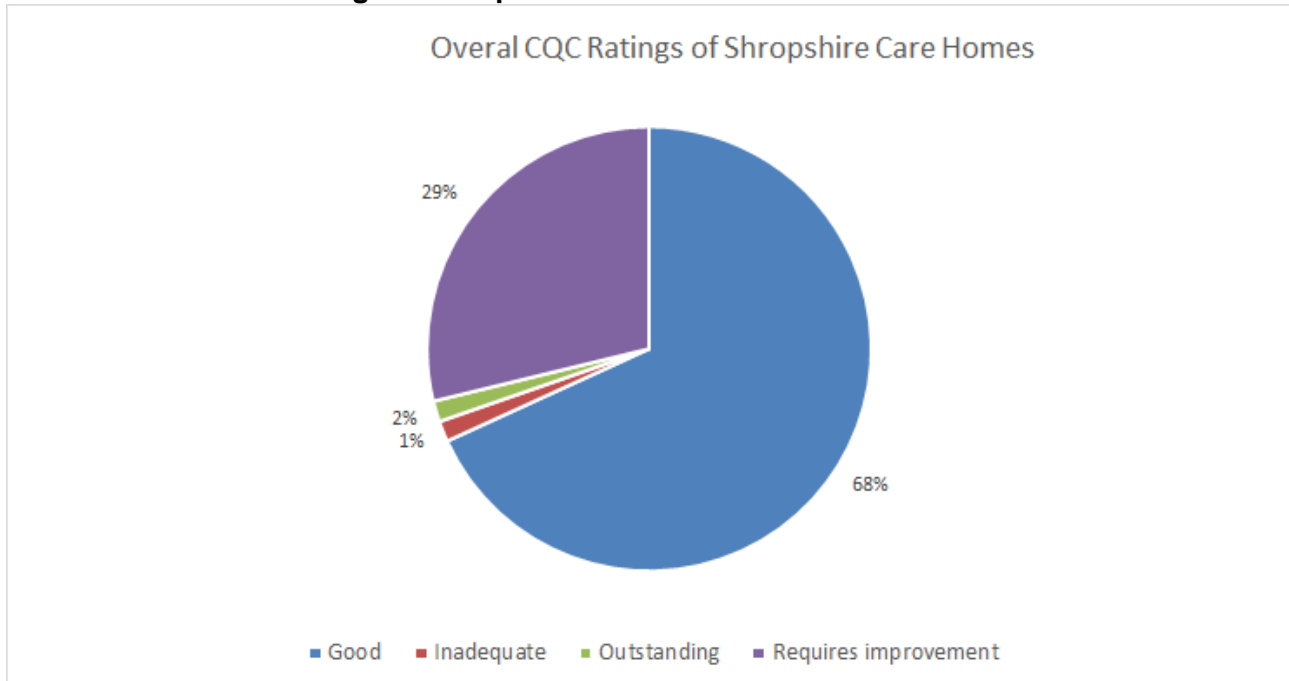
| Row Labels        | Good      | Inadequate | Outstanding | Requires improvement | Total     |
|-------------------|-----------|------------|-------------|----------------------|-----------|
| Bewdley           | 1         |            |             |                      | 1         |
| Bishops Castle    | 1         |            |             |                      | 1         |
| Bridgnorth        | 4         |            |             | 3                    | 7         |
| Broseley          | 1         |            |             |                      | 1         |
| Church Stretton   | 3         |            |             |                      | 3         |
| Cleobury Mortimer |           |            |             | 1                    | 1         |
| Craven Arms       | 2         |            |             |                      | 2         |
| Dudleston Heath   |           | 1          |             |                      | 1         |
| Ellesmere         |           |            |             | 2                    | 2         |
| Ludlow            | 6         |            | 1           |                      | 7         |
| Market Drayton    | 4         |            |             |                      | 4         |
| Much Wenlock      | 1         |            |             |                      | 1         |
| Oswestry          | 9         |            |             | 4                    | 13        |
| Shewsbury         | 1         |            |             |                      | 1         |
| Shrewsbury        | 20        |            |             | 7                    | 27        |
| Whitchurch        | 3         | 1          |             | 2                    | 6         |
| <b>Total</b>      | <b>56</b> | <b>2</b>   | <b>1</b>    | <b>19</b>            | <b>78</b> |

Source: Care Quality Commission, 'Active locations, by latest published rating' and 'Registered providers, by latest published rating' May 2016

Table 3 above highlights overall rating of social care organisations by location. This table indicates that Shrewsbury, Oswestry and Bridgnorth are the areas where the greater number of provider organisations need to make improvements.

Chart 7 below considers care homes. It shows that 2% of care homes in Shropshire are outstanding, 68% of care homes in Shropshire are rated good and 30% need to improve.

**Chart 7 Care Home Ratings in Shropshire**



Source: Care Quality Commission, 'Active locations, by latest published rating' and 'Registered providers, by latest published rating' May 2016

The information from the CQC is valuable in obtaining a better understanding of the scale and quality of the provider market within Shropshire.

### Private and Independent Sector Engagement in Shropshire

Some of Shropshire's private sector care providers are closely linked with Shropshire's Business Network and with Shropshire Council's Business Board and communication channels. More recently networks have changed and grown through investment in business support and Growth Hubs under the Local Enterprise Partnership. Overall there are robust engagement mechanisms in place for private sector organisations to engage with Shropshire Council and public sector partners. More specific engagement takes place through a number of partnership activities led by Shropshire's Social Care and Health leads. In particular the care sector is well represented through Shropshire Partners in Care.

Shropshire Partners in Care is a not for profit organisation representing over 240 independent Nursing, Residential, Supported Living and Domiciliary Care companies in Shropshire and Telford & Wrekin with responsibility for providing a wide range of care services and support for those most in need. SPIC has been successful in growing a robust membership base. SPIC regularly undertakes important research within the county and a 2016 survey considering the implementation of the Care Bill in Shropshire has highlighted:

Shropshire capacity of provision is:

- 3,146 registered beds in Shropshire (a slightly different figure to the 3,615 reported by the CQC in May 2016).
- 1,124 residential beds in care homes for older people (377 Shropshire Council funded).
- 790 older people nursing beds (267 Shropshire Council funded).

- 526 EMI residential beds. (Elderly Mentally Infirm (dementia and mental health care) (246 Shropshire Council funded).
- 330 nursing EMI registered beds (118 Shropshire Council funded).
- 313 younger adults (18 to 65 years old) registered beds (191 Shropshire Council funded).

This data suggests that approximately 39% of the beds available in Shropshire are funded by Shropshire Council. More detailed information from SPIC has been included in the Adult Services Market Position Statement for 2016.

### Key Findings

Shropshire's private and independent sector care providers play an important role in the provision of health and social care in Shropshire. A significant proportion of support is commissioned by Shropshire Council but understanding non-commissioned activity is equally important when considering the potential market.

- Shropshire is home to a large number of small businesses with low rates of business start-up. This can lead to a fairly static market and limit competition and innovation but it can have advantages in building relationships and networks between commissioners and providers.
- 194 organisations listed in Shropshire and categorised as social care organisations and 128 of those organisations are care homes.
- The 128 care homes have a total number of 3,615 beds.
- Although there is a good spread of social care service provision across Shropshire, more services are based in the larger urban areas.
- 73% of CQC rated social care organisations providing services in Shropshire are rated good or outstanding.
- SPIC data suggests that 39% of beds available in Shropshire are funded by Shropshire Council.

### Find out more

To find out more about private sector care providers in Shropshire contact Shropshire Partners In Care:

📄 **Website:** <http://www.spic.co.uk/>

✉ **Email:** [VCSAssembly@shropshire.gov.uk](mailto:VCSAssembly@shropshire.gov.uk) 📞 **Telephone:** 01743 252740

### Contact Us

For more information please contact Shropshire Council's Commissioning Support Unit.

📄 **Website:** <http://www.shropshire.gov.uk>

✉ **Email:** [commissioning.support@shropshire.gov.uk](mailto:commissioning.support@shropshire.gov.uk) 📞 **Telephone:** 01743 258524

<sup>i</sup> Shropshire Council's Facts and Figures, Employment and Economy: <http://www.shropshire.gov.uk/facts-and-figures/employment-and-economy/businesses-and-jobs/business-base/>

<sup>ii</sup> Shropshire Council (2012) Facts and Figures, Shropshire Employment by Sector. See: <http://www.shropshire.gov.uk/media/736692/shropshire-employment-by-sector-2012.pdf>

<sup>iii</sup> Care Quality Commission data May 2016 Source: <http://www.cqc.org.uk/content/how-get-and-re-use-cqc-information-and-data>