CSI

Market Intelligence

Investigates

Care Homes for Older People in WALES

CSI Investigations

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Introduction

CSI has been compiling and analysing data for the social care sector in England for 15 years and the key outcomes from a majority of our work is that no two areas are the same - be they regions, local authorities, cities or towns - in fact far from it.

High supply levels, low supply levels, too many nursing beds, not enough nursing beds (same for residential and dementia beds) even though at the end of the day people looking for older age care will probably have similar needs across the country.

So we were not surprised when we found the same variable characteristics as we drilled down into the Welsh care home sector. In fact we found some variants that surprised even us as are detailed within the report.

After searching the internet it appears the last report on care homes in Wales was in 2015 and commissioned by the Public Policy Institute for Wales. Since then it has only been single graph lines and bars in UK reports by the sectors' major commentators.

In this report we provide a breakdown of the national, regional and local authority situation using the official Mid-Year Population Estimates, Wales, June 2023 alongside the care home data provided by the Care Inspectorate of Wales in September 2024.

We cover the number of homes and beds by care sector, and provide supply levels based on beds per thousand population 75 and over that make up 90% of all residents in a care home for older people.(See Glossary for more details)

We then analyse the situations within the three company sectors - Private, Not For Profit and Publicly owned.

Occasional comparisons with the same situation in England are included.

If you are a care provider and study this report you will see how any care home's occupancy performance can vary because of the local marketplace, but you will be working in an even smaller arena because within each local authority there will be many local differences.

We would value your comments and questions on the report so please email me at mike@csi-marketintelligence.co.uk

In fact I have a question for one of you that would be great if answered. Please see page 11.

Mike Short

Author and Founder CSI Market Intelligence

Glossary

CARE HOMES FOR OLDER PEOPLE

Registered with the Care Inspectorate for Wales (CIW) as a Care Home Service for Adults, excluding those locations that primarily cater for Younger Adults, LD and Autism and Mental Health - which are normally small specialist locations. At 1st September 2024 this amounted to 606 care homes out of 1,016 registered.

THE CARE SECTORS

NURSING HOME

Those registered with CIW as Care Home Service (for) Adults With Nursing

RESIDENTIAL HOME

Those registered with CIW as Care Home Service (for) Adults Without Nursing

NURSING / RESIDENTIAL DEMENTIA HOME

Nursing and Residential Homes that also cater for people living with dementia. Note this is not included within the CIW registration but has been established by CSI through further research.

SUPPLY - BEDS PER THOUSAND

Care Homes for Older People are normally registered for anyone aged 65 years and over. The 65 to 74 age group accounts for more than half of the 65 plus population, but according to research undertaken by Knight Frank in 2023*, only occupies around 10% of care home beds in Wales.

36% of beds are occupied by those aged 75 -84 and 54% aged 85 plus. So 90% of care home residents are aged 75 plus. This is why CSI Market Intelligence measures supply and demand levels by the number of beds available within a specific area for every one-thousand population aged 75 plus.

CORPORATE SECTORS

Ownership of care homes comes under three main headings:

PRIVATE

Includes Limited Companies, Partnerships and Sole Proprietors

NOT FOR PROFIT

Housing Associations, Charities

PUBLIC

Local Authorities and Local Health Boards

*Knight Frank UK Care Homes Trading Performance Review 2023

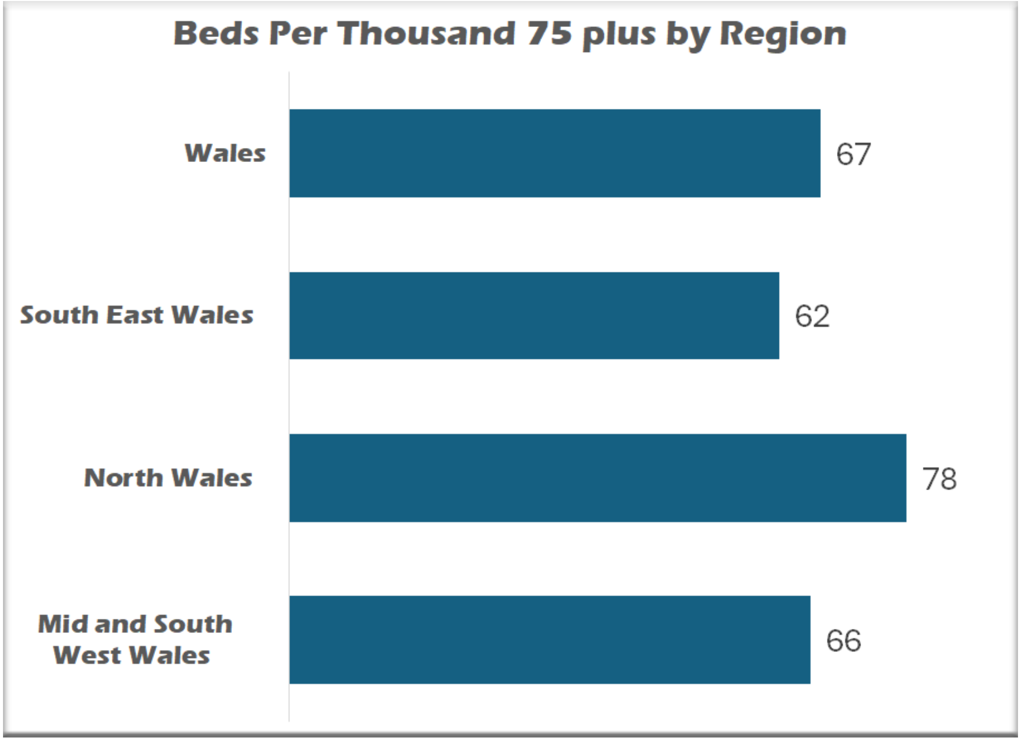
Care Homes and Beds across the country

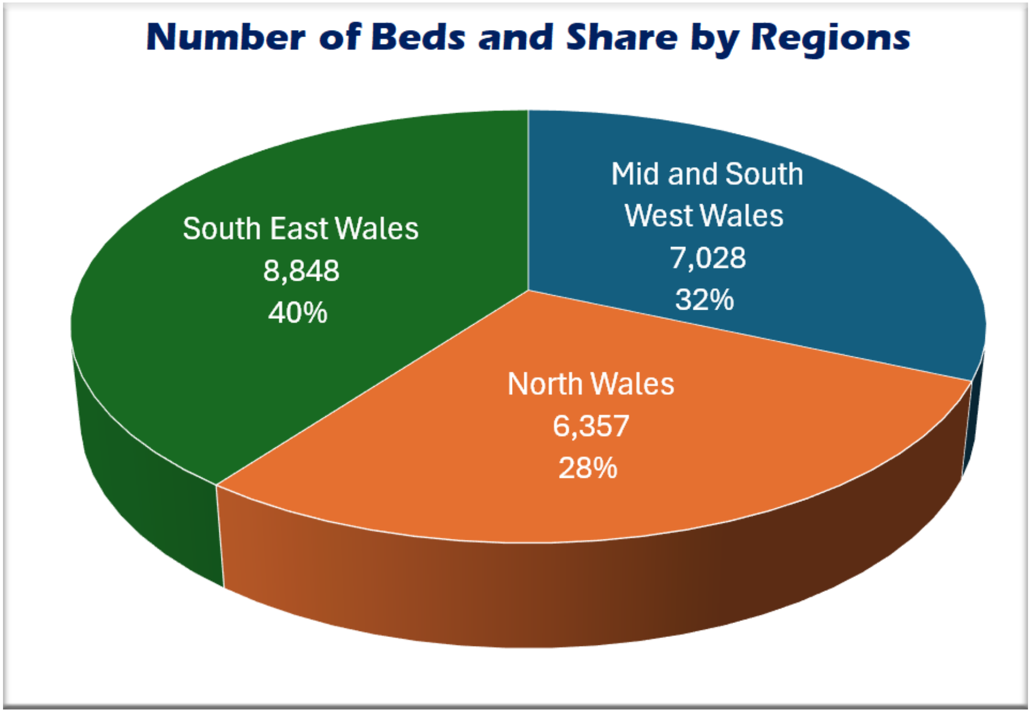
There are 606 care homes for older people with a total of 22,233 beds and working out at 67 beds for every one thousand population 75 plus.

Area	Homes	Beds
Mid and South West Wales	193	7,028
North Wales	201	6,357
South East Wales	212	8,848
Wales	606	22,233

There is a higher supply level in North Wales, Mid and South West Wales is in line with the national average and South East Wales is slightly lower.

(England comparison: There are around 76 beds per thousand, so there is around 12% lower supply in Wales)





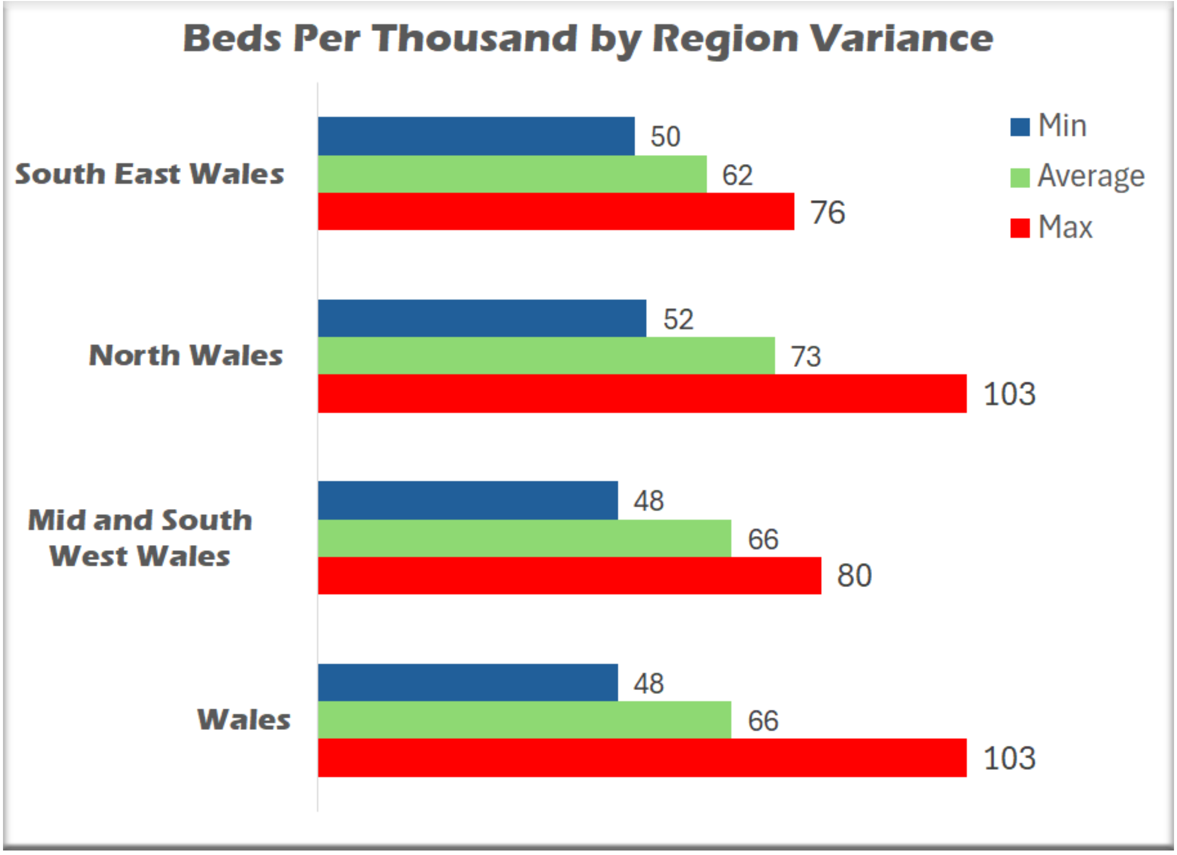
40% of all care home beds are in South East Wales, and despite its higher supply levels North Wales has just 28% of all beds.

Variances in Supply Levels with the Regions

Having identified that supply levels in each region vary, we now drill down deeper to Local Authority level and discover there are great variances at this level.

South East Wales has the smallest variances but there is still a 50% difference in supply levels between the lowest and highest local authority.

In North Wales one local authority has the highest supply levels in the country and twice as many beds per thousand population than another in the same region.



Mid and South West has the local authority with the lowest supply levels.

Across the country the variances are 27% below and 57% above the country average. One wonders how people looking for a care home in the lowest ever find one, and how providers compete against each other where the supply is highest.

If you would like to know more about the individual local authorities please contact the author.

England comparison: The variance between local authorities is 72% below and 75% so by comparison Wales has a relatively level playing field!

However as the study continues we find that is only relative and the playing field is far from level.

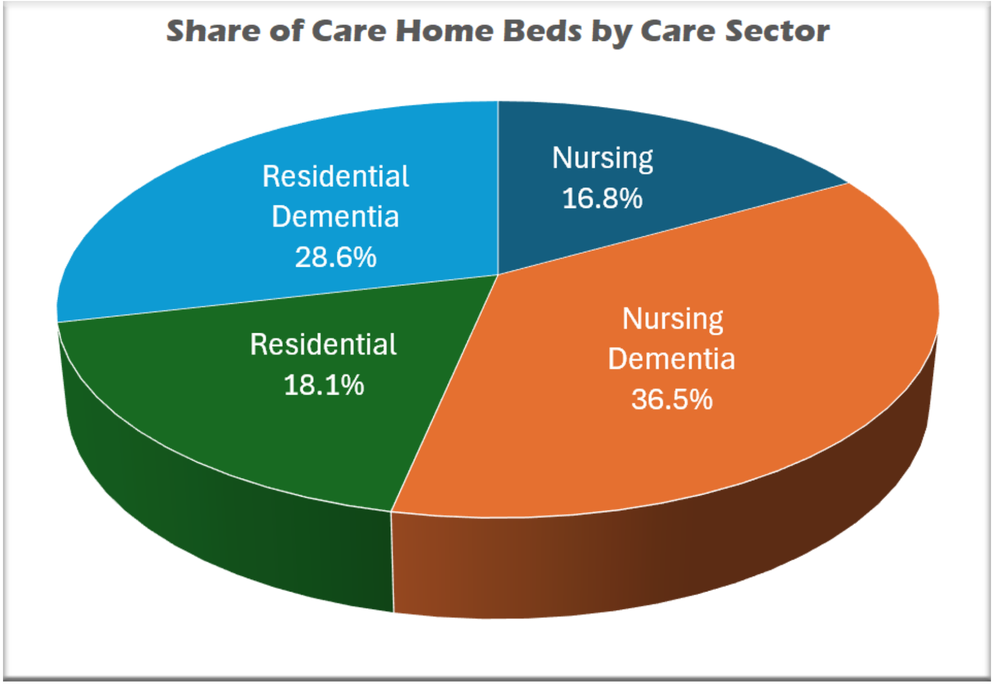
NB: Whilst we appreciate that population density varies greatly in Wales ranging from 26 to 2,720 people per square km dependent upon the local authority, it is important to point out that the measurements we use are supply levels against the relevant 75 plus population and not simply number of beds.

Care Sectors

Broken down across the four key care sectors nursing dementia has a 36.5% share of beds due to the larger average size of each home (it has less than 25% share of homes.)

Residential dementia has the second largest share with 28.6%, although it has the largest number of care homes.

Care Sector	Homes	Beds	Share of Beds	Average Size
Nursing	94	3,742	16.8%	40
Nursing Dementia	145	8,108	36.5%	56
Residential	158	4,016	18.1%	25
Residential Dementia	209	6,367	28.6%	30
Grand Total	606	22,233	100.0%	37



The following table aggregates nursing, residential and dementia and shows that nursing in total has the highest share of beds, and nearly two thirds of all care home beds are in homes that care for people living with dementia.

Care Sector	Homes	Beds	Share of Beds	Average Size
Nursing Total	239	11,850	53.3%	50
Residential Total	367	10,383	46.7%	28
Dementia Total	354	14,475	65.1%	41
Total	960	36,708		38

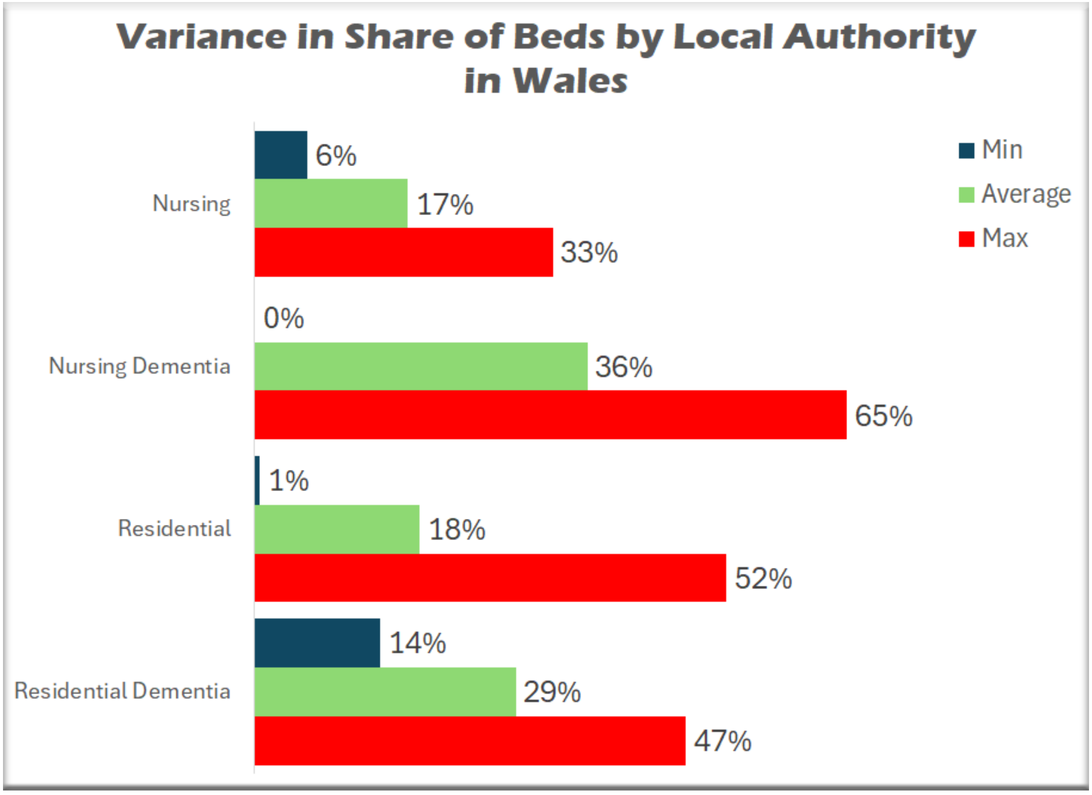
In 2023 it is estimated that around 50,000 people in Wales were living with dementia, of which 40,000 were being cared for in the community and 10,000 at home. This means that there are around 45% more beds than people living with dementia in a care home, but of course a dementia home will not necessarily be exclusively for such residents. Additionally of course the dementia population is unfortunately increasing.

The dementia estimates are from Alzheimer's UK and Public Health Wales. Now as you will guess the share of each sector at regional and local authority level will vary from these numbers......

Care Sectors by Region

As we will see in the next section the care home sector is predominantly privately run. This means that subject to planning developers will build where they want to, and to their own specification, as well as decide on the care sector. There are no supply and demand levels laid down by the local authorities with regard to what type of bed the area needs (perhaps they should be?)

Because of this the variation across the local authorities is massive, despite the fact that one would assume that residents in each area would have a similar need for nursing versus residential, and how many dementia beds they need.



The results, as they say, were amazing (and concerning) especially when you note that in the market leading nursing dementia sector with over a third of all beds, there is one authority, Ceredigion, that cannot boast a single bed in this sector.

Albeit Ceredigion is only a small authority (not the smallest as far as care homes are concerned) and can only boast 5 dementia homes all residential, and three nursing homes, none of which are dementia.

Not sure what a Ceredigion resident with nursing needs and living with dementia is meant to do? Got to a residential dementia home? Or a nursing home that doesn't really cater for people living with dementia?

Company Sectors

Care Home ownership comes under three headings, the private, not for profit and public sectors.

The private sector has 84.3% share of beds, followed by the public sector at 9.5% then not for profit at 6.3%.

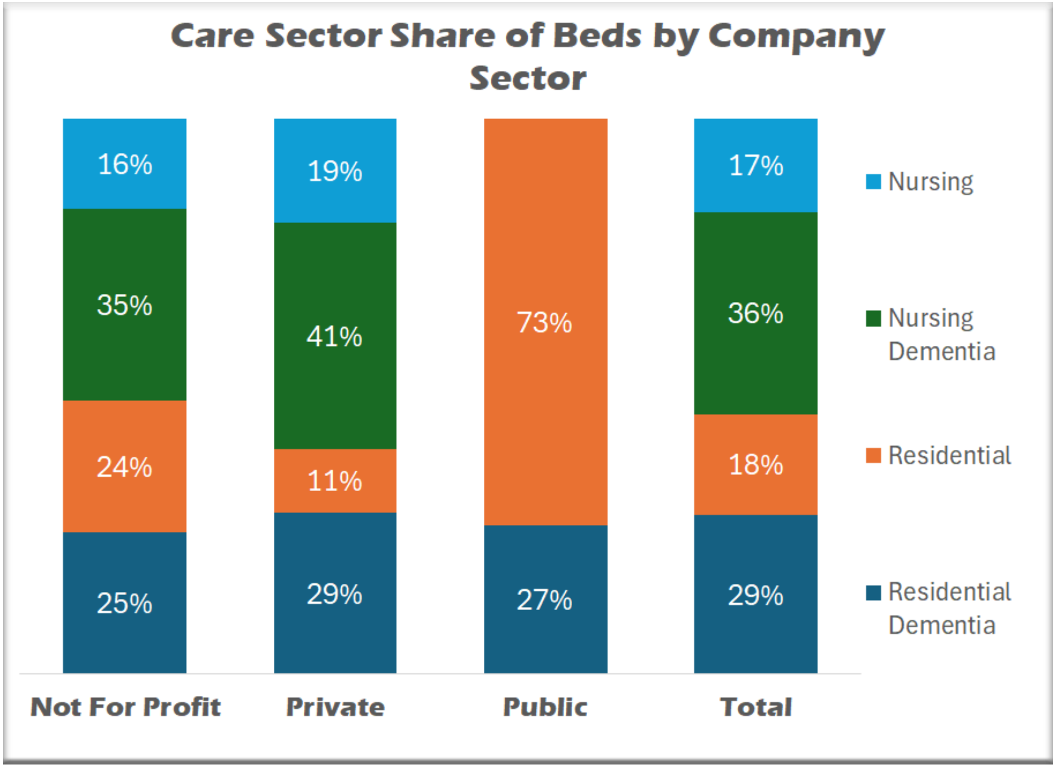
Company Sector	Homes	Beds	Share of Beds	Average Size
Nor For Profit	32	1393	6.3%	44
Private	503	18737	84.3%	37
Public	71	2103	9.5%	30
Grand Total	606	22233	100.0%	3

Whilst the private sector has a similar share in England second and third placing is reversed with only 1.9% (and shrinking) share for public ownership yet not for profit enjoys a 14.6% share.

Share of Beds	Wales	England
Nor For Profit	6.3%	14.6%
Private	84.3%	83.5%
Public	9.5%	1.9%

Another difference within the company sectors is their focus on care sectors.

The chart below shows the breakdown of care sectors by company sectors and shows that public homes are 100% residential they have no nursing beds within their portfolio.



The private sector has a higher share of nursing beds and also dementia beds than the not for profit care homes. The share of residential only beds is around half that of not for profit within the private sector.

The next sections focus individually on the three company sectors. Again some eye openers.

The Private Sector

The 503 care homes within the private care sector are owned by 393 different providers, an average of 1.3 homes each.

The largest provider is Shaw Healthcare with 16 homes, followed by HC One with 14, and Caron Group with 13.

However the provider with the most beds is Caron Group with 840 beds and a 4.5% market share.

The top 10 providers have a 23.4% share of the private market between them and 19.7% of the total market.

Provider	Homes	Beds	Accum. Share of Beds	Average Size of Home
Caron Group	13	840	4.5%	65
HC One	14	674	8.1%	48
Hallmark Care Homes	7	592	11.2%	85
Shaw healthcare	16	464	13.7%	29
Pendine Park Care	6	450	16.1%	75
Barchester Healthcare Home	5	368	18.1%	74
Fairways Care	6	343	19.9%	57
Silvercrest Care	5	279	21.4%	56
Fieldbay	7	196	22.4%	28
Care UK	2	174	23.4%	87

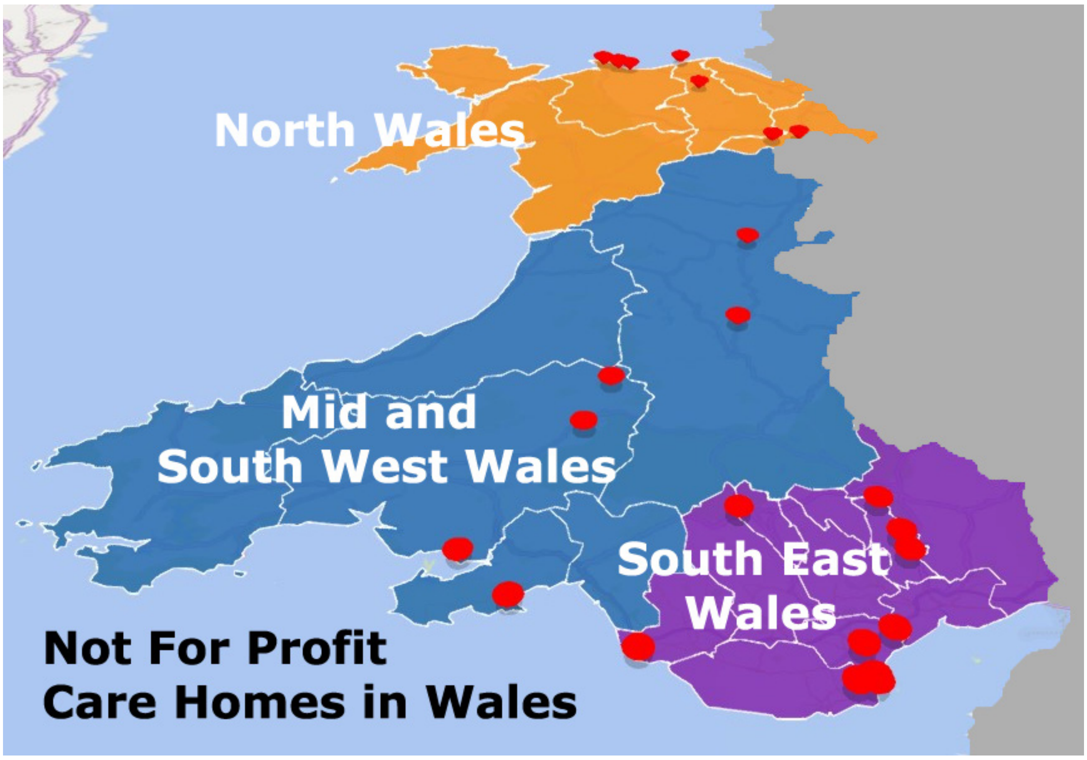
95% of the private providers are Limited companies or LLPs, but 5% are either sole proprietorships or partnerships.

The Not For Profit Sector

The probable reason the Not For Profit (NFP) share of the market is so low it is that is reliant on regional organisations, and does not have any national presence.

In England BUPA, Anchor and Sanctuary Care have around 350 care homes between them and are in the top seven providers. (Only BUPA* has a presence in Wales, and that is literally one home)

This has resulted in clusters of homes (shown below in red) being predominantly on the eastern side of the country. None of the local authorities with a western coastline can boast a single NFP care home.



The 32 NFP care homes are run by 22 different organisations with the top six making up two thirds of all beds.

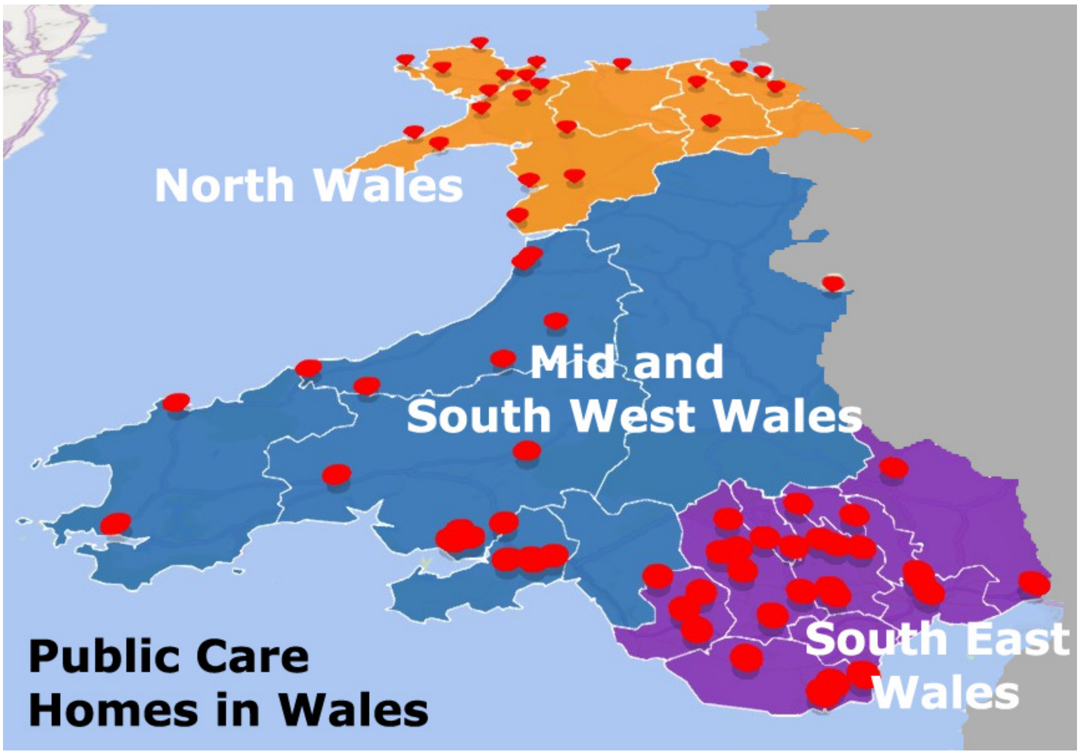
Provider	Homes	Beds	Accum. Share of Beds	Average Size of Home
Hafod Housing Association Ltd	6	333	23.9%	56
The Royal Masonic Benevolent Institution Care Company	2	138	33.8%	69
Linc Cymru Housing Association	2	133	43.4%	67
Methodist Homes	3	126	52.4%	42
ClwydAlyn Housing Limited	2	120	61.0%	60
Leonard Cheshire Disability	2	73	66.3%	37

Of the top six, three are housing associations.

* Further investigation found that BUPA did have another 22 care homes in Wales that it sold to Advinia Healthcare in 2018. Advinia had subsequent finance issues but we cannot currently establish whether these homes closed or were sold. The author would welcome any insight into this situation.

The Public Sector

The public sector market share is obviously dependent upon each local authority's commitment to providing care for its residents. And it is clear that whilst some are really committed, there are others who do not have any homes.



Those local authorities without a single care home are Neath Port Talbot, Wrexham, Cardiff and Torfaen, with just one home in Powys although that is owned by the local health board and not the local authority.

Even though there are disparities within this sector at Local Authority level, it is interesting to note that the regional share of beds in public homes is almost the same as their total market share.

It is also interesting to see that the local authorities with the highest public market shares are ignored by the Not For Profit sector. The table below shows the market shares in those local authorities.

Local Authority	NFP	Private	Public
Ceredigion	0.0%	59.0%	41.0%
Gwynedd	0.0%	67.9%	32.1%
Isle of Anglesey	0.0%	77.1%	22.9%
Caerphilly	0.0%	80.5%	19.5%
Rhondda Cynon Taf	0.0%	82.0%	18.0%
Flintshire	0.0%	85.7%	14.3%

About the Author

Mike Short founded CSI in 2009 having entered the social care sector via an Interim Management role, after which he decided to stay in the industry.

Initially set up to support care providers with their marketing Mike devised a database of care sector data that was originally meant to support his proposals to clients.

“I thought that as I was new to the industry it would be wrong to just use standard marketing techniques before I investigated what the sector was all about.

A long period of learning amassed a large amount of statistical data and market reports, so I was then able to measure not only the national picture but also local market shapes and characteristics which is obviously so important in what is basically a local market, with thousands of smaller providers interested only in what was going on around them and not any other part of the country”

This data became a product in itself with MIDAS (Market Intelligence Designated Area Study) a model that can measure the market from any location and within any working radius and report on population trends, the supply and competition and demographics. The report has been commissioned by a wide number of providers and across hundreds of postcodes.

In addition to MIDAS, CSI has been commissioned to “privately” investigate a number of specialist subjects from providers who were looking to expand, move into new markets or just to analyse their existing local markets. CSI has also worked with the national and some regional care associations.

Mike has written and published many free reports, insights and press editorials and many LinkedIn posts.

Up until now CSI has worked within England, but has now repeated its learning programmes and built up a market model for Wales, an overview of which is within this report.

Mike and his family currently live in West Sussex on the south coast of England, but for a brief period lived with his wife and one young child in North Wales. His second son was born in Wales. Unfortunately the job for which they moved disappeared when the company was sold, and with no other similar jobs available in the area they moved back the England.

“We certainly enjoyed our time in Wales, and who knows what would have happened if the job had not disappeared but developed?

Over the 15 years in the sector Mike has not only used his data analytical skills but also built a thorough knowledge and understanding of the care sector and his thoughts are well respected and requested by key personnel across the industry.

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