Advinia takes the high road in care home acquisition plan

Becoming a top 10 player in the care home market is not enough to keep Advinia Health Care from wanting more, company chairman Dr Sanjeev Kanoria tells CHM editor Ailsa Colquhoun

By the end of this year the care home market will know Advinia Health Care as more than just an acquisitive care home operator. Not content with buying 22 former Bupa care homes and adding around 2,700 beds to its care home operation, the company is busy developing new tech that will support care home managers in resident care. Innovations such as medicines management software – perhaps, only three to four months away from market launch – aim to support staff with medicines compliance and reduce administration errors. Another project - possibly to be trialled in the company's first ever home later this year – will see the introduction of culturally-sensitive robots. These aim to reduce agitation among dementia patients by offering culturally-appropriate care support,

Braemount, Paisley: one of the newly-acquired Scottish Bupa homes

for example, relating to a resident's religion.

Around two decades after starting in a shed at the back of the Roseacres care home in Barnet, Advinia Health Care is now a top 10 UK care home provider with a bed count of around 3,250 and 38 homes in its portfolio. But that does not mean that the company is done buying care homes, promises company chairman Dr Sanjeev Kanoria, who founded the company with his wife Sangita from that first care home in north London after mortgaging the family home.

Dancing in the Scottish market

In the latest Bupa deal, half of the acquired homes are located in Scotland, bringing the total number of beds operated there to around 1,000. Dr Kanoria describes the market north of the border as very "interesting" for future acquisitions, due to what he considers the significant barriers to competition, as well as the financial quality incentives for those who can meet the regulatory bar.

However, for Dr Kanoria, who named the company Advinia Health Care - 'a divine entity' - to communicate a search for perfection, there will not be expansion for its own sake. In his view, 10,000 beds is about the limit for a single management structure if it is to avoid becoming too corporate and unable to innovate freely – to the detriment of care home quality standards. But with financial economies of scale coming into play from around 20,000 beds, he says, it takes organisational nous to achieve both. "Investors like big things, but the 'mum-test' can be hard to square with the need for economies of scale."

Accepting that residential care is a tough business, he understands why the market will continue to see home closures: managerial talent is hard to recruit and retain in a competitive market and there is an ever rising, and ever more costly regulatory environment. But, he says, the biggest problem facing care homes is workforce waste. Poor planning of leave or excessive sickness rates combine to escalate a home's agency costs – but he believes this is something that good management should be able to minimise. "Staff sickness is the first sign that something is going wrong," he says.

Some 20 years on from acquiring Roseacres (pictured below), the liver surgeon and former McKinsey business

consultant company founder is proud that Advinia Health Care's first home should have a current CQC rating of good. And, he is already looking to resolve the quality issues in some of the homes inherited from Bupa. An example is the Bedford Care Home in Leigh, Lancashire, which has seen its CQC rating drop from good on all five measures in June 2017 to requires improvement on four measures by January 2018. He says he believes this is due to some of the divested homes not receiving the investment they need. He says: "It's not our strategy to buy failing homes, nor do we buy with a view to close." Quality management is already underway, he says. "Most issues are around training, so that's where all our attention is focused."

Supportive business interests

Back at head office, as well as preparing for an office move to accommodate the newly-expanded

care home business, plans are afoot in the company's other commercial activities. As well as specialist dementia residential care – currently, Advinia Health Care's largest area of business – the company also trades in home care, healthcare (which specialises in developing public-private healthcare partnerships) and home health and care (health technology).

With NHS finances facing "crunch point" Dr Kanoria believes his company needs a holistic model of health and social care service – something that he now sees as embedded in health and social care politics, with the formation of the Department of Health and Social Care, and the launch of the joint health and social workforce strategy. At the company's level, the non-care home business arms are considered vital elements in building capacity and in achieving efficiencies. And in the same vein, health and social care also need to be viewed as a continuum: "Social care is often a health issue, and the vision has to offer the potential to allow both sectors to work more efficiently. But it is important that sufficient money is allocated to social care. The whole political process will have to be managed well."

Largest UK private care operators by beds and homes

Company	Homes	Beds
FSHC	524	25,508
Bupa Care Homes	300	21,229
Barchester Healthcare	196	11,520
HC-One	241	c10,000
Priory Group	256	7,081
Craegmoor	204	4,221
Orchard Care Homes	69	3,868
Minster	119	3,843
Caring homes	112	3,265
Advinia Health Care	38	3,250

Advinia Health Care's new Bupa deal homes:

Town/City	Beds	Care homes
Barrhead	94	Millview, Norwood
Clydebank	150	Hill View
Falkirk	116	Newcarron
Glasgow	297	Craigbank, Deanfield Golfhill, Haydale
Paisley	240	Braemount, Elderslie
Rutherglen	225	Rutherglen
Liverpool	330	Arncliffe Court Stonedale Lodge
Leigh	180	Bedford
Bury	120	Burrswood House
Manchester	143	Gorton Parks
Bolton	180	Mill View
Staffordshire	39	Burntwood
Dudley	260	Netherton Green Ryland View
Walsall	162	Parklands Court
Leeds	178	West Ridings

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