

“PROMOTING **QUALITY CARE** THROUGH THE **NOT-FOR-PROFIT** SECTOR”



counsel + care   
for older people, their families and carers

The logo for Counsel + Care consists of four colored circles (blue, pink, green, yellow) arranged in a 2x2 grid.

National Care Forum survey report  
in partnership with Counsel and Care



**The real  
cost of  
quality care  
and support**  
November 2009

## Summary introduction

The debate regarding the relationship between quality and cost remains central and ever relevant within our dynamically changing social care sector. It is a complex and sometimes controversial area. In the context of the discussions stimulated by the Green Paper 'Big Care Debate' (Shaping the Future of Care Together, 2009) about future funding for adult long term care and support services, understanding the cost of care and quality is a crucial issue for government, policymakers, providers and the wider ageing population alike. As the sector embraces the transformation and change heralded by the policy of personalisation to ensure choice, control and flexibility, the need for public confidence around quality and value for money has never been greater.

A survey of National Care Forum (NCF) member organisations, in partnership with Counsel and Care, sought to explore the issues of quality and cost in the provision of care and support services. The findings of a survey by NCF can be grouped into the following key themes:

- The views of people who use services and their families
- Putting relationship-centred care into practice
- Effective leadership and management
- Learning and development
- Valuing and rewarding staff
- Service innovation and new ways of working
- Income and costs

NCF members who responded covered an even spread geographically across England. 189 Care Homes (Nursing/Personal care/Dementia and Young Adults/Learning Disability) of which 24% are 3 star; 70% are 2 star and 6% are 1 star. This compares favourably with the most recently published data from the regulator which showed the sector average as 12% 3 star, 55% 2 star and 28% 1 star for care homes for older people.

In addition, 21 Home Care Services (for Older People and People with a Learning Disability) also submitted information, of which 19% are 3 stars; 71.5% are 2 star and 9.5% are 1 star, which again compares well with the national average scores of 6% 3 star, 58% 2 star and 20% for 1 star. Furthermore quality ratings for not-for-profit providers show 80% achieving 'good' or 'excellent' compared to 66% in the for-profit sector (The state of social care in England 2007-08, CSCI published in January 2009).

## What we found

### The views of people who use services and their families



●● It is often the 'little' things that count... ●●

Residents and their families identified the following areas as being important to their well-being and quality of life:

- Information received pre-admission to assist in exercising choice and decision making
- The quality of relationships between residents and staff
- Families being kept fully informed and involved about their relatives care

- Good care and medicine management
- A clean and safe environment
- Good management and administration
- The choice of meaningful activities

The findings are consistent with such programmes as ‘My Home Life’ which have researched and evaluated quality of life in care home settings. They support the view that expectations by consumers are rising but that the factors that influence, and improve quality of life, should not be difficult for providers to ensure.

●● It is often the ‘little’ things that count, such as staff having the time and skills to stop and have meaningful conversation one to one. Activities not just in groups but again one to one. Lazy, long daily soaks in the bath (not hurried). Help with learning new things like I.T./new technology... trips out of the home are frequently highlighted as an important need from residents and family. (with staff and transport costs). ●●

## Putting relationship-centred care into practice



The vision of ‘relationship-centred care’ emphasises the importance of positive relationships between and across residents, relatives and staff as the essential basis for quality of life. Each of the respondents in the survey clearly placed the relationship between the resident and staff as key to achieving quality outcomes for the person using the service. Innovations in helping staff to have time, developing and putting into practice the right values and beliefs as well as equipping staff to do their jobs to the best of their abilities are all evident in the responses received. Understanding the individual and meeting the individual needs came across as being paramount to good quality service delivery.

●● The factors that most affect quality in our experience are sufficient staff to meet customer expectations, appropriate training and supervision, management skills of senior staff. All these are affected by cost in terms of pay rate to attract and motivate and retain sufficient staff. ●●

## Effective leadership and management

Effective leadership is central to good quality care and support services. It was clear from the responses that organisations have chosen to invest in managers and senior staff. Some organisations have developed, in conjunction with local universities or other training providers, their own leadership programmes to ensure that leadership is not just a theoretical exercise but is something that helps to develop the individual in ways which gives them the ability to make real differences to the lives of people with whom they work and to the organisations they serve. Member organisations have recognised that self belief and empowerment from a senior level releases potential and as such has a positive impact upon the services provided. Data from a NCF-led survey into leadership and management development undertaken in January 2009 found that an

average of £1038 per head was invested by larger providers in leadership development. Only 46% reported being able to access funding to support leadership and management training.

Life coaches and mentors have been engaged to offer senior teams and individuals the opportunity to grow and develop their skills by understanding their own behaviour and how it impacts upon each other and the service.

## Learning and development



●● Investment in learning and development is absolutely essential to providing a well motivated and valued staff group... ●●

Investment varied according to the size of the organisation. Nevertheless all participants recognised that learning and development was not only a way of valuing staff but also in enhancing the quality of service to residents and clients. The outcomes were explained in terms of more competent and confident staff. Respondents typically went beyond the NVQ level of qualification and invested in bespoke programmes in order to meet the needs of staff and people using the service. All organisations reported utilising funding received from Skills for Care and accessing training in their local areas.

However, over and above this some organisations were investing in excess of £100k a year (and some significantly more).

Staff are undertaking degree courses in health; dementia care and in management. Investment in dementia care was high on all providers' agenda which reflects the way that care and support services are becoming more specialised.

Induction programmes featured strongly as might be expected but NCF members reported providing enhanced programmes which went beyond the statutory requirements.

The concept of 'Training the Trainer' is a key feature of the information received. This allows organisations to achieve far more in-house and allows the investment in learning and development to go much further.

●● Investment in learning and development is absolutely essential to providing a well motivated and valued staff group. Good training enables staff to use their time more effectively; it makes their work make sense and puts what they do for the people they care for into the wider context of the human givens – what residents (and all of us) need to function well... If we are loved and valued we are happy. The investment in training is not as obvious as new furniture but it will provide a higher quality of service. ●●

## Valuing and rewarding staff

The way that staff are treated demonstrates that they are valued. Valuing (and appropriately rewarding) staff is seen as a high priority and crucial to retention and recruitment as well as to on-going professional development. Providers place importance in caring for their staff and relate this to how people using services are cared for on the simple premise that staff who are

valued and well cared for will look after the people using services well.

Information collected from NCF members in 2009 (Pay, Terms and Conditions Survey) care assistants were paid between £5.90 and £7.93 per hour. In addition more is paid for over-time, for working nights and for working weekends. All providers also paid an NVO enhancement on attainment of the qualification. Information from Skills for Care as part of the National Minimum Dataset for Social Care (April 2009) found that the average care assistant hourly rate was £6.56. The NCF average was £6.62 per hour.

Other benefits given to staff are:

- Long service awards e.g. additional holiday after a defined period of unbroken service
- Access to final salary pension scheme
- On-going learning and development opportunities
- Access to health care plans.
- Activity Co-ordinators are paid between £6.64 and £9.02 per hour by NCF member organisations.
- Staff expenditure as a percentage of revenue appeared to be higher than the for-profit sector (Laing and Buisson annual report on the elderly care market). On average staff costs represented at least 66% of revenue costs. The ranges were as follows:
- Care homes (all client groups) Staff costs as a percentage of revenue accounted for 57% - 70% of expenditure.
- Domiciliary care (all client groups) Staff costs as a percentage of revenue accounted for 85% of expenditure.

This is not totally attributable to pay levels being above the minimum wage but appears to be associated with higher staffing ratios, especially in relation to dementia care services, examples given for specialist services were ratios of 1:4. Organisations reported being aware and taking note of the importance of the staff and resident

relationships and residents wanting staff to have time for them. Whilst the assessed needs of people using services are increasing that appears not to be the only reason for having higher staffing ratios.

Investment has been made in full time activities staff and this has had a significant impact upon resident satisfaction. NCF member organisations work with NAPA and staff are encouraged to attend NAPA training events.

Most member organisations also reported having the Investors in People (IIP) award and the benefits this brings to staff teams and the organisation. A reduction in staff turnover was directly attributed to their induction programmes and to having IIP.

A number of organisations pay staff for attending training; for handovers and for writing care plans/ care documentation. The latter is in addition to time spent with people using the service.

## Service innovation



All providers who responded clearly have a strategy for investment in their services. As not-for-profit care providers surpluses are re-invested for the benefit of people using the service.

Areas of innovation described include:

- Design features, facilities and equipment available for service users.
- New ways of working with people who have dementia such as the use of dementia care mapping to enable staff to understand behaviour and the interactions.
- The 'Eden Alternative' – which aims to change practices through a greater awareness of the importance of children, plants and animals to the everyday life of people receiving care and support services and the key role they play in helping to alleviate loneliness, helplessness and boredom.
- Involvement in the 'My Home Life' quality initiative.
- 'Marvellous meal time' and 'Appetite for life' initiatives which seek to protect meal times and give an enhanced dining and social experience. In some of the provider homes staff and residents eat together which has had a positive experience. Many of the providers have received healthy eating awards in recognition of the quality service they provide. Typically the amount spent on food per resident day ranges from £2.82 - £4.45/ resident day. Many invest significantly more. The full cost of the catering service by one provider was estimated to be £12.59 per resident per day.
- The creation of specialist dementia care posts.

Good providers are responding in innovative ways to develop ever more personalised services with examples such as hand care, varied outings and activities, professional entertainers, the support of local faith leaders and local schools.

●● As an organisation we are doing extensive work on dementia care. We have created a dementia care specialist post, are looking at ways of adapting buildings and investing heavily in training. Whilst this is partly in response to need, we want to run services well for the benefit of residents. ...

It seems to us that whilst purchasers want the best possible services for their clients (and who could argue with that?) there is little in the way of additional funding and so the burden of meeting these costs falls on already stretched providers. The plain truth is that the cost of providing and maintaining services to an acceptable standard, the cost of servicing the data demands of the funder and ensuring awareness and compliance across a raft of regulation means that the future of the purely stand-alone, single user provider in adult, disability with nursing must be in question. The 'cost of quality' does drive the need for economies of scale and will therefore drive out or into the protective arms of a larger entity, the small independent. ●●

## Income and costs



●● ...the personalisation agenda will increase the need for providers to demonstrate and deliver value for money services. ●●

NCF members provided data on typical Local Authorities care home fee rates in England.

The fees are considered inadequate for services provided and do not correlate with cost. One provider stated that the fee paid only represented 74.5% of the actual cost. The range is demonstrated below:

- Care Home (PC) £315 – £613/week (the latter being a London borough)
- Care Home (EMI) £381 - £502/week
- Care Home (N) £455 - £610 /week (inclusive on the NHS contribution to nursing care)
- Care Home (LD) £457 - £1415/week
- All respondents reported increasing cost pressures in relation to:
  - The cost of implementing National Minimum Wage increases and maintaining differentials
  - Rising utility and fuel costs
  - Covering the costs of an increased number of qualified staff
  - Paying for more staff to meet the increasing needs of residents
  - Increases in travel costs especially in rural areas.

●● The highest proportion of cost is in employment and staff are our greatest asset as the residents, their family and visitors will base their opinion of quality on their assessment of how staff and management perform their duties and interact/care for them, their relative or friend. Fees are, for self-funders and third party top ups a major expense and in many cases mean a loss of financial assets and/or savings so our customers and their relatives need to experience that there is value for money. I think the personalisation agenda will increase the need for providers to demonstrate and deliver value for money services. We aim to keep staff ratios above minimum, nursing and care staff, provide supernumery time for paper work and care

planning, invest in training and development. We also put great emphasis on quality in cleanliness, choice of food, meal times as well as a wide and inclusive range of activities, entertainments and outings as these too will influence opinion on value for money as well as making a satisfactory viewing and decision to come into our home rather than another. Ancillary staff influence opinions of quality against cost and add a great deal to the ambiance and friendliness of a home. ●●

### Concluding comment

The National Care Forum (NCF), in partnership with Counsel and Care, were supported to undertake this survey by a grant from Bupa Care Services. The purpose of the survey was to gain a better understanding and describe the real cost of quality care and support services. A request for information was sent to all NCF members asking them to submit their current Care Quality Commission (CQC) ratings and to respond to a questionnaire relating to their experience of how cost and quality are related.

It is clear that providers are looking for ways to continually improve their service offer and to anticipate the individual needs of people using services in line with the principles of personalisation. The survey makes clear that care providers recognise the direct relationship between quality and cost. The Green Paper Shaping the Future of Care Together argues that the future care system needs to be fair and affordable – these are laudable aspirations. However, to ensure that these aspirations are matched by a system of good quality service provision, they will need to be supported by sufficient resources.

We are grateful for the support of Bupa Care Services to undertake this survey.

## About the National Care Forum

The NCF aims to be the leading voice for not-for-profit care providers. NCF members are united in a common social purpose in which a commercial business approach to the provision of services enables reinvestment in services and development. By bringing together the entrepreneurial drive of a business approach with the ethos of public service, not-for-profit organisations offer an innovative model of service delivery to the care sector.



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## About Counsel and Care

Counsel and Care is the national charity working with older people, their families and carers to get the best care and support. The charity reaches around 250,000 people, providing in-depth personalised independent advice over the telephone, through 64 guides and factsheets, and through the website [www.counselandcare.org.uk](http://www.counselandcare.org.uk)



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