

Taking Care of Business

Tackling the trends driving up care home costs





This ebook is for residential care professionals and administrators who need to find savings and improvements fast.

All 100 beds are filled at your care home, which should be a good thing. But two of your carers are sick, one of your kitchen staff is in isolation, and the CQC is assessing your facility next week. On top of that, your lead nurse is resigning.

You can feel the bills rolling in and your anxiety rising.

Squeezed between the demands of the pandemic, funding pressures, and staff shortages, care home operators need every advantage they can get.

Read on to explore the trends shaping costs at care homes — and discover ways to get ahead.

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The four factors driving costs and impacting care home finances

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Best practices forward-looking operators suggest for cutting costs

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Simple tips for attracting and retaining staff

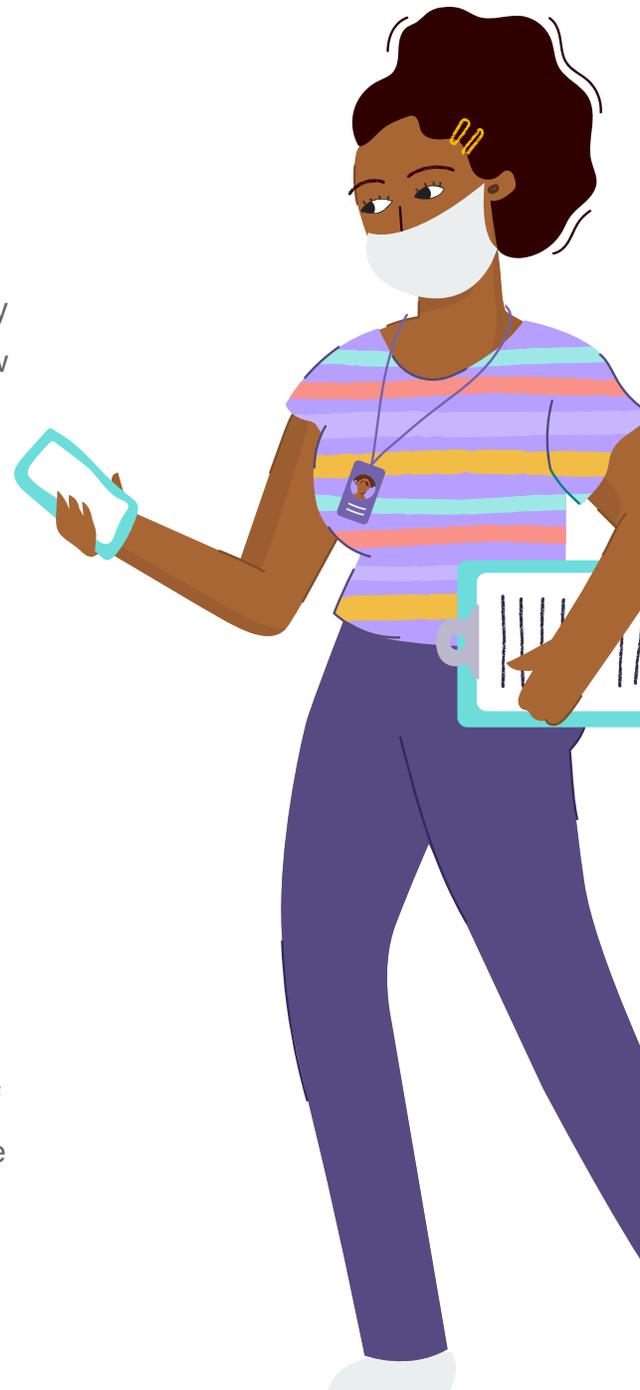
Filling the staffing gap

Residential care runs on people. Yet [7.3% of jobs are currently vacant](#) — three times the UK average. That's 112,000 vacancies. And that means fewer staff to deliver medicine, clean the facilities, and generally provide quality care.

But as demand for adult social care staff is rising, supply could be moving in the opposite direction. The UK's new points-based immigration system, in force from January 2021, has no provision for care workers. And despite pressure from the NHS Confederation, they're still not on the "[shortage occupation list](#)," which makes post-Brexit immigration possible.

Eight out of 10 EU care workers currently employed in the UK would not [have been eligible to work here](#) under the new system. And when [17% of adult social care staff](#) in England are non-British nationals (rising to 38% in London), the pressure is on for you to [recruit new staff](#) domestically.

If you're relying on agency staff to fill the gap, you're not alone. But there's a better — and cheaper — way to staff your care home. So how can you attract the right people while still keeping costs low?



Improve recruitment

- **Focus on efficiency and service.** Potential recruits are attracted to workplaces that have a reputation for being well-run. [Take a cue](#) from Navjot Singh, Director, Mulberry Court Healthcare, whose organisation specialises in bringing underperforming care homes up to the highest CQC standards. “We make it our business to run care homes efficiently and keep occupancy levels high with quality care. As a result, we've seen a significant increase in applications for health care workers coming through to us.”
- **Promote your values.** [Values-based recruitment](#) — hiring people with values aligned to yours — costs less, attracts better-performing staff, and improves retention. With modern workplace tools, you can more easily maintain and promote the positive cultures that are attractive to potential employees. David Tanner, owner at [Ascot Residential Homes](#), confirms that technology can help with this. “We always make sure that potential recruits know that we have an app-based rota and communication system.”
- **Encourage referrals.** One of the best — and cheapest — ways to attract new talent is through social proof. Instead of spending more money with agencies, encourage your team to refer new staff. And to make it more enticing, consider adding a small referral incentive for any employee whose referral accepts the position and stays for a period of time.



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DIRECTOR, MULBERRY COURT HEALTHCARE

Cutting staff turnover

The residential care sector doesn't only have problems attracting people. It struggles to keep them, too.

In fact, the turnover rate is more than **30% year-on-year**.

Think of that nurse who all your residents love. The one who gets everyone laughing, who exudes patience, and who believes in dedicated care for each resident. They're getting recruited by other care homes — for positions with more money and flexible hours.





“You need to remove any impediment to staff happiness. Little things can make the difference between a member of staff staying with you or leaving. If you can focus on those small things, it’s more likely they will stay.”



DAVID TANNER

OWNER, ASCOT RESIDENTIAL HOMES

Otherwise, you’re left hiring less-qualified staff, who leave shortly after starting.

The problem is particularly acute for independent providers, where staff turnover has steadily risen over the last few years, to [33.5%](#). That’s double the rate seen at local authority-funded institutions or those that receive direct payments.

But it’s not all doom and gloom. There are simple measures you can take to increase retention and ultimately drive down the rising costs at your care home.

Innovations to keep good people

- **More flexibility and control.** Use an [app-based tool](#) to make it easier for your team to manage their working lives. The right tool will enable staff to swap shifts or submit timesheets with ease and speed. And when people feel empowered in their work, they're more likely to stay. According to David Tanner of Ascot Care Homes, it's a critical piece for staff retention. "One of my employees has actually said, 'If you took away my workforce management app I'd resign.'"
- **Better communication.** According to a survey of more than 1,400 shift workers, [82% of respondents](#) said they want more communication from their employer. From safety precautions to business updates, [make communication easy](#) with your staff. And remember to celebrate the wins. "At the end of a tough 2020, we reached out to all 600 staff with end-of-year vouchers and gifts, and paid for any unclaimed leave," says Navjot Singh.
- **Learning and career development.** Nearly all low-turnover care homes offer this. At Mulberry Court Healthcare, employees all have a personal learning plan, with performance linked to reward. The provider also sponsors personal development and industry recognition. Platform technology offers a way to manage training and development so everyone's skills are developed efficiently.



Plugging the funding gap

Beyond staff, care home costs are rising due to an increasing funding gap. First, there's a [£200-£300 million shortfall](#) caused by the gap between local authority funding and the actual cost of providing care. In England, the social care funding gap is expected to grow to [£4.4bn by 2023/4](#) without government intervention.

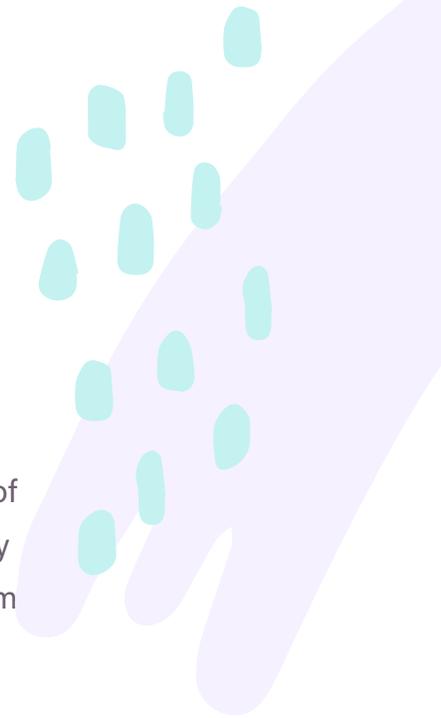
The same Health Foundation study sees projected demand dramatically outstripping available funding. According to the [Competition and Markets Authority](#), "The current model of service provision cannot be sustained without additional public funding."

And then there's a global pandemic. While you may rely on government funding to cover part of your costs, it's likely that you're also counting on payments from self-funded residents. Unfortunately both occupancy levels and admission of self-funded residents dropped in 2020. In fact by September 2020, residential homes in the UK incurred [£6.6 billion in extra costs and cut revenues by £714 million](#).

This is where you, as a care home leader, need to get savvy. The secret to closing that funding gap might be in places you haven't thought of looking.

Mind the (funding) gap

- **Reduce the need for agency staff.** What if you weren't aware that you had employees who were free to fill open shifts? One of the UK's largest residential care providers reduced their agency costs by 15% by implementing a workforce management system making it easier to make changes to schedules and fill empty shifts with little notice.
- **Ensure pay reflects hours worked.** Paper or spreadsheet-based systems for reconciling hours with pay not only consume valuable time – they can create significant added cost. For example, [Aspen Hill Village](#) care home saved £2,000-£5,000 per month just by switching to a tool that helps them record accurate timesheets.
- **Take away admin costs.** Whether you oversee one care home or multiple sites, your staff should be focusing on providing the best care. “When you're ‘all hands on deck’ and dealing with different issues across the business, it's very disruptive to be tied up doing admin tasks the old-fashioned way,” says Navjot Singh. [Tools that can automate your rota](#), for example, will save time on admin time.



Using CQC ratings as a marketing tool

The Care Quality Commission (CQC) ensures care homes and services provide people with safe, effective, compassionate, high-quality care. From access to quality medical care to engaging social activities, you're being assessed on not just what you deliver — but how well you deliver it.

Do it well, and that can mean better retention and lower costs. Do it poorly, and that can mean empty beds and more money struggles.



For the residents who are currently self-funded, a care home's CQC rating has a strong influence on their choice. [Research across England and Scotland](#) shows that an "Outstanding" rating can attract self-funded fees that are 12-24% higher than for homes rated "Good". However, the pace of improvement has been slow, with only a 2% increase over the last two years.

Working to achieve a higher CQC rating offers a route to higher revenues for care homes battling escalating costs.

One way to achieve this is to put in place systems that improve safety, effectiveness and care. The regulator's [2021 consultation on its strategy](#) emphasises both technology and "smarter," more dynamic regulation, so good performance will depend on your ability to easily collect and provide evidence.

Luckily, there are some simple steps you can take right now to boost your CQC ratings and ultimately help cut costs at your care home.



Innovations for better CQC ratings

- **Demonstrate good staffing.** To be CQC-compliant, operators must show that they have a system for putting the right people with the right skills and experience onto the right shifts. By keeping staff and shift data in one place, staff management tools can make it easy to provide reports on demand.
- **Provide ongoing training and support.** The CQC requires that your employees' training and learning should be regularly reviewed, with staff supervised where appropriate. If you can centrally record training and development and individual training levels, it's much easier to meet this requirement
- **Remove the admin burden.** Whether an operator is effective and caring are two key questions in the CQC process. Equipping employees with tools to eliminate paperwork and admin means they can focus all of their time supporting and providing high-quality care.



Low-cost improvement

Cutting costs, providing a superb service, and impressing the regulator. All with minimal investment in money and time. It seems impossible — something has to give.

Fortunately, it doesn't have to be so hard. With the right care home scheduling tool, you can simplify rotas, communication, timesheets, and budget tracking. That means you can organise your staff as effectively as possible, automate time-consuming admin, and handle unexpected changes in patient volumes or staff availability.

[Contact us](#) to learn how Deputy can help you simplify your workday — and cut costs at the same time.

