

Norfolk County Council Cost of Care report

Care Homes for adults aged over 65 years

Improving adult social care

The Government published its Adult Social Care White Paper entitled People at the Heart of Care in December 2021. This paper explains how the Government plans to improve adult social care for people who use care and support and for those who provide it.

Adult social care means the care and support for people who need help to live independently and stay safe and well. The plan tells people how it will make adult social care better over the next 10 years and the extra money that will be given to local councils to help improve adult social care.

Some people have to pay for their social care. How much someone has to pay for their care depends on what care and support they need. The Adult Social Care White Paper said that people would only have to pay £86,000 towards the cost of their care and that the Government would pay the rest.

The plan was to make it easier for people to get the care and support that they need and for people paying for their care to pay the same as the local council.

These changes were due to start in October 2023, but they have now been put back until October 2025.

To calculate a cost for care that would mean that people paying for their care would pay the same as the local council, the Government produced another document called the 'Market Sustainability and Fair Cost of Care Fund' guidance. This document asked local councils to work with provider organisations to understand what it costs them to deliver care. Providers sent in details of their costs and local councils used this information to calculate a 'median' (middle number) cost. This report describes how we did this and how we checked that the costs calculated were 'fair'.

Provider responses

There are 211 homes in Norfolk that supply residential or nursing care services for adults aged over 65 years and we received costs for 85 of these homes as part of the fair cost of care review.

To encourage as many providers as possible to engage in the review process:

- We emailed them details of the Fair Cost of Care and Market Sustainability Plan guidance

- We developed, with providers, a set of often asked questions and responses to help them to understand what they needed to do and why it was so important.
- We followed up the emails with phone calls
- We included regular articles about the fair cost of care in provider bulletins sent out from the Council and in the Norfolk Care Association (NorCA) newsletters
- We attended NorCA provider forums throughout the process of the review.

Calculating the median cost

The median costs per client per week calculated using the information sent in by providers were:

Residential	£ 914.59
Residential dementia	£ 960.97
Nursing	£1,328.38
Nursing dementia	£1,474.16

We then spent time looking at the individual median cost lines for example, care staff costs, and compared these with other recognised data sources such as the information that providers send to an organisation called Skills for Care and the pay rates included within local job adverts, to check that the median values looked right. We then met with providers to discuss the median cost line values that we had calculated and asked them if these looked reasonable. Some of the cost lines we thought were too low and we increased them, others we thought were too high and so reduced them.

The biggest adjustment was in relation to care staff hours per resident per week as these came out as being a higher than was calculated in earlier cost of care exercises. We discussed this issue with providers and agreed an approach to review the hours. This change resulted in the following:

- **Residential** a reduction in the median hours from 26.54 to 23.88 hours per resident per week.
- **Residential dementia** a reduction in the median hours from 29.98 to 26.98 hours per resident per week.
- **Nursing** a reduction in the median hours from 31.58 to 28.42 hours per resident per week
- **Nursing dementia** a reduction in the median hours from 36.07 to 32.46 hours per resident per week.

Going through this process we were able to calculate the adjusted median cost values which are as follows:

Residential	£ 888.72
Residential dementia	£ 927.47

Nursing	£1,172.08
Nursing dementia	£1,230.59

So, what does this all mean?

Norfolk County Council has to publish a Market Sustainability Plan in March 2023. This sets out what it is doing to ensure that there are lots of different care and support services in Norfolk that you can choose from and that these services are able to get the money and support needed to deliver good quality care. The plan needs to say how we will move towards paying the median rates calculated above and how long this will take.

The delay in implementing these changes until October 2025 means that money that was promised to support Councils to move towards the median rates calculated is no longer 'ring-fenced' for this purpose. Also cost of living pressures such as increases in pay for care staff, food price increases and the cost of gas and electricity to heat the care homes, means that the majority of money received from the Government and from the increase in Council Tax has been spent supporting these cost increases for providers.

This means that it will take us longer to move to the median rates calculated and will mean that people who pay for their care will continue to pay more for these services than the Council does.

So, what next?

Every year the Council has to present a Fee Uplift report to Cabinet on its proposals for increasing the funding to providers for the next financial year. Cabinet is a committee of 10 councillors, each with responsibility for specific council services such as adult social care, children's services etc. Cabinet is responsible for making decisions about most council services.

This year's Fee Uplift report was presented to Cabinet on 30th January 2023, and it recommended the following:

- To award a £30 million increase in fee levels. This provides an average increase of 9%.
- To commit to moving towards paying the median cost of care within the Government's timescales and within the funding given to the Council for this purpose.
- To continue to lobby the Government to make the case for sustainable fair funding for Norfolk.

The Council will publish its Market Sustainability Plan by 27th March which will set out its plans to help address the current difficulties being experienced by providers so that there will continue to be a good range of services available for people to choose from.

