

# Fair Cost of Care in West Sussex

**Briefing 1**

**For Care Providers**



**west  
sussex  
county  
council**

# Introduction

- Although there is a lot of information circulating on the Cost of Care, we thought it best to produce a local briefing for providers working in West Sussex.
- For those who would value a simple and hopefully straight-forward introduction to the Cost of Care, this briefing will give you some background to what's going on, lay out the key facts and point to more guidance and support available nationally and locally.
- **It should just take a few minutes to read.**
- And please look out for dates for your diary on slide 19....

We will soon set up a dedicated email in-box for the cost of care exercise but in the meantime please use [adultscommissioning@westsussex.gov.uk](mailto:adultscommissioning@westsussex.gov.uk)

# Fair Cost of Care: The Big Picture

- Care markets across the UK have struggled as
  - Local authorities (LAs) have needed to ensure rates are affordable due to shrinking budgets
  - Providers have worked in a challenging market with increasing cost pressures
- Self-funders often pay higher rates than those negotiated by LAs and subsidise providers' costs
- The Govt White Paper (December 21) – 'People at the Heart of Care: Adult Social Care Reform' aims to ensure that people who self-fund their care do not have to pay more than local authorities for the same service

# What's happening now?

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- The Govt requires all local authorities to:
  - Carry out a Cost of Care Exercise
  - &
  - Develop a Market Sustainability Plan
- The outcome of the cost of care exercise and a draft plan need to be submitted by **14<sup>th</sup> October 22** (with the developed plan submitted in **February 23**)
- It also introduces a new Market Sustainability and Fair Cost of Care **Fund**
- The fund identifies £600m nationally for *each* of the next two financial years
- Completion of the Cost of Care Exercise is a condition of receiving any funding
- While this is a limited fund and we don't know what allocation we may get in the next two years, any money received will be used to pay for the cost of care in the local market

# What is the Cost of Care exercise?

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It's an evidence-based approach with providers sharing the costs they face in delivering home care & residential or nursing care

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It recognises the real cost pressures facing providers as well as the reasonable returns needed from operations and capital

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It uses cost tools that have been developed in consultation with providers and LAs which ensure a consistent and a balanced approach to establishing a fair cost



# What does it involve?

1. LAs work in partnership with providers to gather the costs of delivering
  - Domiciliary care +18
  - Residential and nursing care +65
  - Special cost tools have been developed for each market to collect the cost info
2. The upper quartile, median and lower quartile costs in each of the markets are submitted to govt, with the median referred to as the Fair Cost of Care
3. Each LA develops a plan to look at the impact of market changes over the next 3 years and how to make local markets more sustainable
4. LAs will also have to set out by February 23 how they will move towards the fair cost of care.

# Who's involved in this?

- The Care Provider Alliance is involved on a national level
- SE Social Care Alliance is working with SE local authorities
- Locally, West Sussex County Council and WSPiC are working in partnership to get the best outcome for the County
- WSCC will work with external support to carry out the analysis of the cost of care exercise
- And hopefully YOU!
- Without solid provider engagement in West Sussex's Cost of Care exercise, the council and WSPiC think it is less likely we will see funding at the level needed to implement the coming reforms
- **So please get involved**
  - To make sure we get a fair and balanced picture of the costs facing all providers working in West Sussex and
  - To help us work towards a fair cost of care



Five Steps to a Fair  
Cost of Care....



# Step 1

## The Tools for the Job

Cost tools have been designed to accurately capture ALL the costs that providers face

These tools have been developed with providers and local authorities across the county so are designed to be fair and balanced

We're using the tools which most LAs in England will use – the **ARCC Dom Care Tool and the iESE Residential and Nursing Tool.** They are freely available and should make it easier for everyone as well as reduce the burden on providers working in different areas

# Step 2

# Understand how to use the tools



## Take a look for yourself

See slides at the end of this briefing for links to the tools and easy to use guidance



Training and information sessions will also be available locally soon...

Look out for announcements from WSCC and WSPiC and see Slide 19 for some events coming soon




The tools are very useful and easy to use. You may even find them a helpful addition to your own financial management tools

### Step 3 – Use the tool

Tools can be used in many ways

For example

- A provider (or an LA) can model the impact of financial pressures (e.g. a proposed increase in the NLW)
- Or look at the impact of new, additional costs e.g. buying PPE during COVID
- In a contractual partnership, an LA and a provider could use the tool to agree a fee uplift by basing this on the evidence of cost pressures in the market




... But for the purposes of West Sussex's Cost of Care ....

- **We are asking all providers in West Sussex to complete the tool**
  - If you are a provider of 18+ home care or 65+ residential/nursing homes ...
  - ... Regardless of whether or not you are currently providing services commissioned by West Sussex County Council
- **This will help to get a wide picture of the real costs facing providers in the region**
  - And make sure that the information we base our plans on is accurate
- **We want providers to complete the tool:**
  - To show the whole costs of providing care based on current costs at April 22
  - Each care home will have different costs so will need to be submitted separately
  - Each home care branch will have different costs so will need to be completed separately
- **We are in the process of appointing an independent analysis team for the cost of care exercise**
  - And to give you support and guidance in using the tools



## Step 4

# Share your cost information



- We will be asking you to complete the tool relevant to your business from the end of June ...
- ...And submit your information by the end of July.
- We will confirm the timetable in the next Provider Briefing later in June
- Confidentiality
  - There is a duty on all LAs to treat cost and operational data as confidential.
  - The external organisations supporting WSCC will manage the information it in accordance with legislation and will maintain the confidentiality of the commercially sensitive data and information.
  - We will not share the details of your costs with other providers and we will not use the data for any other purpose than to support the financial modelling for the Cost of Care Exercise.
- Gathering your cost information will mean that we will get a more accurate picture of the costs facing providers in West Sussex ...
- ... Which will increase the potential for getting a reasonable allocation for West Sussex from the Fair Cost of Care Fund

# Step 5

Get involved  
in the West  
Sussex  
Market  
Sustainability  
Plan

## Managing pressures in a challenging market



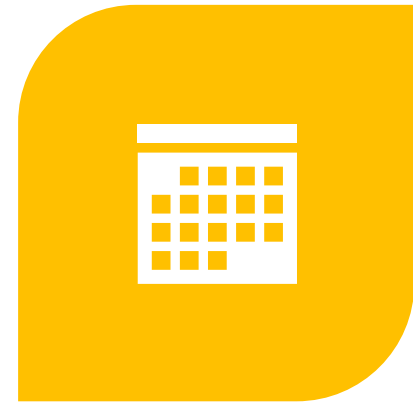
# What's a Market Sustainability Plan?



IDENTIFYING THE ISSUES WHICH MAKE  
LOCAL CARE MARKETS DIFFICULT TO  
OPERATE IN



AGREEING ACTIONS TO IMPROVE  
SUSTAINABILITY  
SHORT, MEDIUM AND LONG TERM



AGREE THE OUTLINE OF THE PLAN FOR  
MID-OCTOBER AND  
FINALISE IT BY FEB 23

# The West Sussex Care Market Sustainability Plan

Key questions  
to answer ....

## Improve West Sussex Markets

What's  
needed to  
**sustain** the  
business of  
caring in  
West  
Sussex?

## Issues

What are  
the key  
issues that  
need to be  
tackled?

- Recruitment and retention?
- WSCC sharing information about customer needs and complexity and/or information & data on county demographics?
- Commissioning with the council?
- Agreeing the direction of travel market needs to take e.g. stronger focus on reablement?

## Agree

How  
should we  
support  
local care  
markets  
and tackle  
the key  
issues?



# Co- Design

The Plan will be designed and delivered in partnership with providers

- ✓ Outline Plan by mid-October
- ✓ Full Plan by February 23
- ✓ Published on WSCC website
- ✓ Submitted to Govt

# Who is involved in the Plan?

- West Sussex County Council
- WSPiC
- And hopefully YOU!
  
- We'll be arranging ways to talk to you and get your views in September ...
- ... and share the headlines from the cost of care information which has been gathered
- Look out for details of how to get involved in the next Briefing

# For your calendar:

## West Sussex Events, guidance and support

### **Home Care Provider Forum:**

Thursday 16<sup>th</sup> June 10 – 11am

### **WSPiC Managers Forum**

14th July 09:30-12:30

Field Place, Worthing <https://goo.gl/maps/8UV729nfTrrYMusk8>

### **Residential and Nursing Cost of Care Provider Briefings:**

Tuesday 21<sup>st</sup> June 10.30am – 12

Tuesday 28<sup>th</sup> June 3.30 – 5pm

### **Home Care Cost of Care Provider Briefings:**

Friday 24<sup>th</sup> June 2 – 3.30pm

Monday 27<sup>th</sup> June 2.30 – 4pm

# Frequently Asked Questions

# Who is this aimed at?

- Home care/dom care providers across England (+18 services)
- Residential and nursing homes (+65) across England
- All other services (e.g. supported living, extra care) are **excluded** ....
- .... Unless you provide home care within an extra care scheme

# What's the goal of all this?

- The govt would like to
  - Reduce the differential between the LA rate and the self-funder rate
  - Bolster market sustainability – including funding, investment, support and training for staff
- Local authorities would like to receive more funding to be able to pay sustainable rates in the care market
- Providers would like to have a sustainable business and be able to charge rates that cover their costs and a return on investment

# How have other providers responded to this?

The **Care Provider Alliance** has said

- “it is critical that providers engage in the **Fair Cost of Care data collection exercise** to determine the actual cost of providing ‘high quality’ care nationally to see the appropriate level of funding from the government. This is a **one-off chance** to evidence the cost of provision locally and nationally to compensate providers appropriately against the reforms to be introduced ... which will see those self-funding their own care to access the local authorities rate paid for care.”

Professor Martin Green, Chief Executive of **Care England** & Dr Jane Townson, Chief Executive of the **Homecare Association**

- are encouraging all providers to take part in this national cost of care exercise and inform their local authorities of the true costs of delivering social care.

This is about  
reducing the  
price providers  
can charge,  
isn't it?

- This isn't about price
- It's about costs
  
- This is about making sure that the costs of care are acknowledged by local authorities
- Local authorities will need to develop plans for how to move to a rate which is more reflective of those costs.
- The govt will help to resource this from a national fund
  
- *The govt pot is limited by time (2 years) and resources (£600m per year) and won't make markets more sustainable overnight*



# Why should we share our costs with the council?

- The govt is trying to ensure that providers have their actual costs covered – in the rates paid by local authorities as well as self-funders
- **Providers have often said that local authorities aren't considering the full costs that they have to pay ...**
- ... so this is a **major opportunity** to make sure that the real costs of care are known and taken seriously

# Shouldn't I be suspicious of how this data is going to be used?

- Data won't be used by West Sussex to challenge your business model or force you to accept something different
- Data will be used to find the **median cost** in each market – rather than any particularly high or low costs being presented
- In the analysis of the data, WSCC can remove any outliers in the process of establishing the median
- The govt wants all local authorities to work towards paying the median in their standard fees to providers

# Can I just put in *general* cost information?

- The tool is designed to be completed with **details** of costs
  - Not just generic staffing costs
  - But costs of senior carers, carers, nursing staff etc
- This helps to make sure that the West Sussex Cost of Care exercise is real and based on actual costs, not generalised information

# If I submit my costs, will the council start to pay them?

- This exercise is about gathering the real costs that providers face in delivering their business
- It doesn't immediately establish a new price
  
- We're hoping that providers not currently being commissioned by the council will also submit their costs
  
- We'll be looking at the median costs of delivering care. This median is referred to by govt as the *fair cost of care*.
  
- We are able to remove outliers that are likely to skew the median
  
- The government will be asking (via our Market Sustainability Plan) how we plan to move towards the fair cost of care over a period of time

# What if I struggle to know how to use the cost tools?

- There is a range of support and guidance available
- **National** – see the slides at the end of this briefing with links to available support, information and guidance
- **Local** – WSCC are in the process of appointing an independent provider who will work with care providers in West Sussex to support them to use the cost tools. We'll make an announcement hopefully next week.
- **Support from providers** – links to support from the Care Provider Alliance can be found in the slides at the end. The Homecare Association also offers a range of information and guidance on the fair cost of care.

# Who needs to complete the information?

- Each provider can decide who completes the cost information
- We're assuming that owners/proprietors as well as managers are likely to get involved
- If you're a manager – please make sure that the owner of the business is aware of this .....

# How can I get hold of the cost tools?

## **Home Care Tool – Excel tool**

Download the tool from [here](#)

## **Residential and Nursing Tool – Web based tool**

Care providers need to register first

Use this link to register : <https://fcoc.carecubed.org/register>

Any problems? Check this [‘How To’ video guide for registration and creating an account](#)



# Valuable Sources of Help and Information 1

## General info

### General Guidance on the Cost of Care

- Email WSCC with any queries at [adultscommissioning@westsussex.gov.uk](mailto:adultscommissioning@westsussex.gov.uk)
- Guidance and FAQs relating to the Fair Cost of Care process or if have any questions or concerns, please email: [FCC@CareProviderAlliance.org.uk](mailto:FCC@CareProviderAlliance.org.uk)
- DHSC publication [Market Sustainability and Fair Cost of Care Fund](#)
- Latest DHSC Guidance on the [Market sustainability and fair cost of care fund 2022 to 2023](#)





# Valuable Sources of Help and Information 2

## Home Care tool

### **How to access the Home Care Tool**


Download the Excel based tool from [here](#)

### **Support and guidance on the Home Care Tool**

FAQs, instruction videos, demo recordings and other support [Support Website](#)

**If you have any questions** please contact:

- [support@costofcaretoolkit.co.uk](mailto:support@costofcaretoolkit.co.uk) – Helpdesk for technical queries about the Tool.
- [marketsandcommissioning@local.gov.uk](mailto:marketsandcommissioning@local.gov.uk) - for any policy or DHSC guidance related questions.
- [fcc@careprovideralliance.org.uk](mailto:fcc@careprovideralliance.org.uk) - for any provider queries.



# Valuable Sources of Help and Information 3

# Residential and Nursing tool

## How to access the Residential and Nursing Tool

- Care providers need to register for this web-based tool via this link: <https://fcoc.carecubed.org/register>
- [‘How To’ video guide for registration and creating an account](#)
- [An Overview of the Fair Cost of Care Tool for Care Providers - YouTube](#)

## Support and guidance

- The provider’s awareness pack is available by [clicking here](#)

## If you have any questions please contact:

- [carecubed@iese.org.uk](mailto:carecubed@iese.org.uk) – Helpdesk for any tool related queries or registration issues.
- [marketsandcommissioning@local.gov.uk](mailto:marketsandcommissioning@local.gov.uk) - for any policy or DHSC guidance related questions.
- [fcc@careprovideralliance.org.uk](mailto:fcc@careprovideralliance.org.uk) - for any provider queries.