



The National Living Wage and working with it in care homes

The National Living Wage (NLW) was announced by the government in July 2015, seeing the introduction of a £7.20 minimum hourly wage for workers over 24 in April 2016. The NLW is essentially a “premium” of 50p per hour on top of the National Minimum Wage (NMW) for qualifying workers.

Received positively by workers across the country, with an estimated 3 million workers expected to benefit directly from its introduction, this mandatory increase was a significant concern for many employers and in particular those within the social care sector already under pressure from social care spending.

Within care homes, staffing costs are the single largest cost of care and it is often difficult to maintain consistent staffing levels with factors such as holiday or sickness and the often transient nature of the workforce. The introduction of the NLW became a further headache for the care home industry.

Care home services have a duty to ensure that its residents and those under its care are looked after to the highest standards and the CQC regulatory body carries out inspections to ensure this, taking action against providers who fall short of regulations.

Like so many mandatory aspects of business, the introduction NLW should be embraced by employers and whilst the payment of this rate to employees will not differentiate one employer from another, it may be better to embrace this cost increase and focus on areas that can be influenced and managed effectively.

So with rising employment costs, high competition in many areas for admissions and challenges from local authorities with fee levels, what can care providers do to improve their financial stability?

A care home must balance the provision of quality care with the need to achieve stable financial performance. There are many things that a care home can do to improve its marketability, with the consequence being the ability to increase occupancy levels and improve fee income. Focusing on presentation does not have to be a costly exercise and will provide visitors with a positive experience whether these visitors are prospective residents, visiting professionals or external bodies.

B4M Group offer a robust marketing audit that can be delivered to care homes of all size. Our auditor will attend your site and carry out an extensive, unbiased and robust assessment of your facility. Following the audit we will provide you with a detailed action plan, highlighting areas of potential improvement. We can carry this out either as a one-off review or regularly to suit your needs. The effectiveness of this audit is guaranteed and will not only pay for itself, will enable you as a provider to benefit from longer term benefits.

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