

# Annex B: North Tyneside Cost of Care Report – Care Homes

## 1.0 Introduction

The cost of care exercise has been completed fully in line with the Department of Health and Social Care (DHSC) guidance and updates and also with the support of the Association of Directors of Adult Social Services (ADASS) and the Local Government Association (LGA).

This includes ensuring that the completion of the cost of care exercise has been:

- **Consistent** – we have used a consistent approach in the work with older persons care homes in North Tyneside by using the IESE toolkit for providers to submit their costs, using a single consultant to analyse the data / costs submitted and having a standard approach to dealing with the costs submitted;
- **Transparent** – the costs submitted are the costs that providers have incurred in 2021/22 and have submitted into the IESE tool. The market sustainability plan sets out our sustainability challenges and how supply will meet demand over the next 1-3 years;
- **Partnership** – care home providers have been given sufficient opportunity to participate in this important work and the engagement into the cost of care work and sustainability plan is referenced. Within this it is noted the difference between sustainability of the market for care home provision against the concept of paying more to retain ALL care homes in the market when there is the potential for oversupply.

## 2.0 Approach

North Tyneside Council commissioned an external consultancy company to undertake its Fair Cost of Care Exercise with the market. The consultants appointed to undertake this Exercise in North Tyneside had worked with one of the National Trailblazer Local Authorities to develop their approach and were also working with a number of other Councils across the North East to complete this exercise. The rationale for appointing external consultants was to:

- Provide specialist expertise and experience on the cost exercise;
- Ensure independence between the Authority and care homes in the process;
- Support with technical issues regarding the tool and calculation of the medians etc;
- Ensure the application of the cost exercise was in line with current and updated DHSC guidance.

Prior to the consultants commencing this work the Local Authority had communicated with all 30 care home providers in the county to advise them of the exercise and to encourage them to engage in the process. The consultancy company worked with the council to prepare communications with all care providers

informing them of the work, the process and that the appointed consultancy company would be in contact with them on behalf of the council. Following the awarding of the contract, the consultancy company contacted all 30 care home providers inviting them to join one of two webinars and outlining the process for collecting data. Providers were able to ask questions, and the consultancy company used this method of engagement to better understand the local situation, pressures and trends. Following the webinars providers were given the option to complete their return directly in CareCubed, or to input into an online survey designed by the consultancy company to break the required information into more manageable and user-friendly sections, making it easier for providers to complete. The questions in the survey mirrored those in CareCubed to ensure consistency. Where providers chose to use the specially designed online survey, the consultancy company took the information from within the survey and entered it into CareCubed to ensure it was input with a high level of consistency.

The consultancy company sent weekly reminder emails, containing a link to their specially designed survey, to all providers that had not yet returned data, either via CareCubed or the online survey. They also contacted the providers directly to offer support with completing the exercise and made numerous telephone calls to each care provider that hadn't submitted information. During the telephone calls providers were offered the chance to complete the survey over the telephone at a convenient time. Providers were supplied with a telephone number and email address to use throughout the process, which they could use to ask questions about the survey or request support in completing it.

Following the submission of responses validation checks were undertaken upon the data supplied by providers and any anomalies or significant outliers were then addressed directly with providers for them to either give confirmation of the current data supplied, along with an explanation regarding why the cost may appear to be an outlier, or changes to the data to correct errors that may have occurred. Following initial validation, the consultancy company shared the data collected from providers with the Council for the assigned commissioners to provide additional checks and raise further queries regarding the points of data that may require further validation, based on their local knowledge. These queries were shared with providers with a request for them to confirm the figure is correct and provide any information they may be able to in respect of why it appears to be an outlier, or amend the figure. There was a significant drop off in engagement from providers in the validation stage, compared to the initial data collection stage, therefore the majority of queries raised with providers by the appointed consultancy company remained unresolved.

The results were collected in July and August 2022. Although the choice of CareCubed and an online survey was offered, all care homes that responded did so by using CareCubed.

From this we believe we have a more than representative sample of providers and costs to support this exercise. This includes a mix of homes:

- Residential and nursing;
- General and dementia;
- Sole traders, small local / regional providers and large national providers;

- Numbers of beds from 20 beds up to 90 beds;
- Mix in relation to building / environment, ie new / purpose built and older converted properties.

The figures used are actual figures for 2021/22 which have then been amended to reflect the LHA methodology for Return on Capital (ROC) and capped at 7% for Return on Operations (ROO). Providers were asked for the percentage uplift they have experienced for each cost item since April 2022. The average uplifts have been calculated and have been used to inform the inflationary uplifts of 5.72% (reflecting adjustments for an NI change anticipated that has been dropped and the early award of NLW uplifts in 2021/22) and that have been applied to the figures in annex A and this report.

Guidance from the DHSC allows authorities to select the most appropriate median value from the survey results. In North Tyneside there was a difference between the median of all the individual provider total costs and the totals of all the medians of individual expenditure items or sub totals as indicated below:

AGGREGATION OF THE SUBTOTAL MEDIANS				
	Residential	Residential Dementia	Nursing	Nursing Dementia
Adjusted FCOC at 2022/23 price	682.40	674.26	890.92	872.57

MEDIAN OF THE TOTAL PROVIDER COSTS				
	Residential	Residential Dementia	Nursing	Nursing Dementia
Adjusted FCOC at 2022/23 price	711.58	710.92	937.34	947.94

North Tyneside has opted for the median of the total provider costs which is higher than the aggregation of the medians of each spend category subtotal as this excluded the impact of anomalies on individual lines where individual providers had chosen to categorise expenditure differently.

The mathematical impact of selecting the median as the median of the provider total is that all of the lines shown are individual medians which do not aggregate to the sub totals which are also medians of subtotal lines. The provider total line is also a separate median and not the aggregation of subtotals.

### 3.0 Response Rate

There were 26 completed surveys of the 30 providers within scope of the 65+ Residential Care FCOC exercise. This represents a **completed response rate of 87%** of those invited to complete the survey.

### 4.0 Return on Capital

The Return on Capital is £72.26 per resident per week.

This figure comes from using the Local Housing Allowance (LHA) methodology described in the DHSC guidance. The LHA rate for a band B one-bedroom dwelling in the North Tyneside BRMA area is £97.81/week for 22/23. The average cost of fixtures/fittings/maintenance is £25.55 per week as shown in the submission data. Therefore, the return on capital is £72.26 per resident per week using this methodology.

The reason for this is the wide range of different responses that were seen across provider submissions and the strong likelihood that capital figures have been duplicated and shown in both the premises section of the return as expenditure and accounted for within the return on capital figure by a number of providers. There is also evidence that regional and national providers have included blanket rates for ROC for all homes within their portfolio, which does not account for local authority variances.

Moving to the approved LHA methodology leads to greater consistency of data and a more accurate calculation of return on capital for care homes in the North Tyneside area.

For transparency, analysis of the submission data for 2021/22 through the Care Cubed tool revealed median rates for Return on Capital as follows:

	Residential	Residential with EMI	Nursing	Nursing with EMI
Return on Capital	£110.00	£104.67	£235.74	£235.74

## 5.0 Count of Observations

The Council has used the median of the total cost, submitted by providers throughout this cost of care exercise.

### 5.1 65 plus Care Homes Places without Nursing (£/resident/week)

The following table represents the raw data submitted by providers for 21/22 with an inflationary uplift for 22/23 and the following four amendments.

- **Return on Capital** – the LHA methodology will be used as described in section 3.
- **Return on Operations** – The return on operations has been amended to be 7% of total operational costs of providers. This is again due to the high levels of inconsistency in returns from providers with 7% representing a fair rate following guidance from DHSC and the LGA. This is also aligned to occupancy support payments made by the Council to Providers in 2020 and 2021 where the gross cost was reduced by 7% to take out profit element.
- **Occupancy** – figures have been amended to represent each home operating at a minimum of 90% occupancy. Annex C, the Market Sustainability Plan provides more details of how we will work with the market to ensure at least this level of occupancy. The higher the occupancy, the more efficiently a

home is run from a cost perspective and 90% provides a good target to balance high occupancy and inevitable vacancies. This was calculated by amending individual entries to 90%. Research by the consultancy company we worked with showed that across the 13 local authority regions they were working with, a change of 1% occupancy resulted in a change of £8.40 to the cost of care for residential care and £10.80 for nursing care. This has been applied to provider results where there was an occupancy of less than 90%.

- **Covid Costs** – a further amendment has been made to reflect covid grants and costs less an amount for continued PPE and Infection Control costs. This has resulted in the following amendments:
  - General care - £56.04 less £15.00 = £41.04
  - Dementia care - £59.24 less £15.00 = £44.24

After taking the above adjustments into account, the table below sets out the results of the exercise for this setting

	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
<b>Staff Total</b>	<b>24</b>	<b>349.82</b>	<b>391.72</b>	<b>428.71</b>
Nursing Staff	24	0.00	0.00	0.00
Care Staff	24	247.38	270.64	298.64
Therapy Staff (Occupational & Physio)	24	0.00	0.00	0.00
Activity Co-ordinators	24	4.35	6.84	9.82
Service Management (Registered Manager/Deputy)	24	27.10	30.98	39.16
Reception & Admin staff at the home	24	7.58	9.57	12.39
Chefs / Cooks	24	18.05	26.42	35.91
Domestic staff (cleaning, laundry & kitchen)	24	36.43	47.77	51.27
Maintenance & Gardening	24	5.95	8.37	10.10
Other care home staffing (agency)	24	0.00	0.00	0.00
<b>Premise Total</b>	<b>24</b>	<b>25.34</b>	<b>37.22</b>	<b>68.82</b>
Fixtures and Fittings	24	0.61	6.43	13.46
Repairs and Maintenance	24	10.61	17.32	20.21
Furniture, Furnishings and Equipment	24	0.71	4.95	8.08

	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
Other Care Home Premise Costs	24	0.00	2.76	8.54
<b>Supplies and Services Total</b>	<b>24</b>	<b>78.63</b>	<b>84.25</b>	<b>91.35</b>
Food Supplies	24	25.90	27.30	32.65
Domestic and Cleaning Supplies	24	5.54	6.14	7.85
Medical Supplies (excluding PPE)	24	0.72	1.71	2.62
PPE	24	0.00	0.06	2.18
Office Supplies	24	1.59	2.18	2.95
Insurance	24	5.53	6.12	7.37
Registration Fees	24	2.97	3.39	3.70
Telephone and Internet	24	1.04	1.58	2.17
Council Tax / rates	24	0.63	0.79	0.95
Electricity, gas, water	24	16.44	20.72	26.91
Trade and Clinical Waste	24	3.28	5.16	6.11
Transport and Activities	24	0.47	0.78	1.58
Other care home supplies and services costs	24	3.69	5.41	9.87
<b>Head Office Total</b>	<b>24</b>	<b>34.91</b>	<b>53.15</b>	<b>84.94</b>
Central / Regional Management	24	0.00	17.33	25.50
Support Services (finance / HR / legal / marketing etc.)	24	2.76	5.95	25.42
Recruitment, Training & Vetting (incl. DBS checks)	24	1.52	5.25	9.54
Other head office costs (please specify)	24	0.42	10.26	21.99
<b>Return on Operations</b>		<b>41.44</b>	<b>43.80</b>	<b>52.52</b>
<b>Return on Capital</b>		<b>72.76</b>	<b>72.26</b>	<b>72.76</b>
<b>TOTAL</b>		<b>595.84</b>	<b>711.58</b>	<b>804.76</b>
Number of location level responses received	24			

	Count of Observations	Lower Quartile	Median	Upper Quartile
Number of locations eligible to fill in the survey	24			
Number of residents covered by the responses	24	502	502	502
Number of carer hours per resident per week	24	21.19	23.69	25.43
Number of nursing hours per resident per week	24			
Average carer basic pay per hour	24	£9.53	£9.94	£10.00
Average nurse basic pay per hour	24			
Average occupancy as a percentage of active beds	24	82%	90%	95%
Freehold valuation per bed	24	£53,674.06	£77,794.12	£101,581.00

## 5.2 65 + Care Homes Places without Nursing, Enhanced Needs (£/resident/week)

The following table represents the raw data submitted by providers for 21/22 with an inflationary uplift for 22/23 and the following four amendments.

- **Return on Capital** – the LHA methodology will be used as described in section 3.
- **Return on Operations** – The return on operations has been amended to be 7% of total operational costs of providers. This is again due to the high levels of inconsistency in returns from providers with 7% representing a fair rate following guidance from DHSC and the LGA. This is also aligned to occupancy support payments made by the Council to Providers in 2020 and 2021 where the gross cost was reduced by 7% to take out profit element.
- **Occupancy** – figures have been amended to represent each home operating at a minimum of 90% occupancy. Annex C, the Market Sustainability Plan provides more details of how we will work with the market to ensure at least this level of occupancy. The higher the occupancy, the more efficiently a home is run from a cost perspective and 90% provides a good target to balance high occupancy and inevitable vacancies. This was calculated by amending individual entries to 90%. Research by the consultancy company we worked with showed that across the 13 local authority regions they were working with, a change of 1% occupancy resulted in a change of £8.40 to the cost of care for residential care and £10.80 for nursing care. This has been applied to provider results where there was an occupancy of less than 90%.

- **Covid Costs** – a further amendment has been made to reflect covid grants and costs less an amount for continued PPE costs. This has resulted in the following amendments:
  - General care - £56.04 less £15.00 = £41.04
  - Dementia care - £59.24 less £15.00 = £44.24

After taking the above adjustments into account, the table below sets out the results of the exercise for this setting

	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
<b>Staff Total</b>	<b>23</b>	£345.40	£392.36	£433.13
Nursing Staff	23	£0.00	£0.00	£0.00
Care Staff	23	£253.52	£272.42	£292.96
Therapy Staff (Occupational & Physio)	23	£0.00	£0.00	£0.00
Activity Co-ordinators	23	£2.84	£6.50	£9.20
Service Management (Registered Manager/Deputy)	23	£26.33	£30.17	£40.22
Reception & Admin staff at the home	23	£8.12	£9.57	£12.38
Chefs / Cooks	23	£17.31	£27.21	£33.93
Domestic staff (cleaning, laundry & kitchen)	23	£34.80	£46.62	£50.49
Maintenance & Gardening	23	£5.97	£8.42	£10.32
Other care home staffing (agency)	23	£0.00	£0.00	£0.00
<b>Premise Total</b>	<b>23</b>	£24.09	£34.20	£61.40
Fixtures and Fittings	23	£1.43	£5.69	£11.11
Repairs and Maintenance	23	£11.70	£17.38	£20.15
Furniture, Furnishings and Equipment	23	£0.54	£4.25	£7.31
Other Care Home Premise Costs	23	£0.00	£2.42	£8.45
<b>Supplies and Services Total</b>	<b>23</b>	£76.36	£83.55	£91.60
Food Supplies	23	£25.95	£27.64	£31.68
Domestic and Cleaning Supplies	23	£5.47	£6.02	£8.04
Medical Supplies (excluding PPE)	23	£0.70	£1.73	£2.70



	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
PPE	23	£0.00	£0.12	£2.08
Office Supplies	23	£1.67	£2.25	£2.97
Insurance	23	£5.39	£5.99	£7.10
Registration Fees	23	£3.02	£3.40	£3.78
Telephone and Internet	23	£0.90	£1.39	£2.40
Council Tax / rates	23	£0.63	£0.78	£0.96
Electricity, gas, water	23	£15.88	£20.24	£26.85
Trade and Clinical Waste	23	£3.17	£5.09	£6.03
Transport and Activities	23	£0.48	£0.98	£1.64
Other care home supplies and services costs	23	£3.24	£5.30	£9.40
<b>Head Office Total</b>	<b>23</b>	<b>£34.38</b>	<b>£44.99</b>	<b>£74.71</b>
Central / Regional Management	23	£0.00	£17.72	£27.42
Support Services (finance / HR / legal / marketing etc.)	23	£3.26	£5.27	£20.33
Recruitment, Training & Vetting (incl. DBS checks)	23	£1.33	£4.08	£8.06
Other head office costs (please specify)	23	£0.28	£8.87	£18.45
<b>Return on Operations</b>	<b>23</b>	<b>£41.32</b>	<b>£46.90</b>	<b>£51.49</b>
<b>Return on Capital</b>	<b>23</b>	<b>72.76</b>	<b>72.26</b>	<b>72.76</b>
<b>TOTAL</b>	<b>23</b>	<b>£586.31</b>	<b>£710.92</b>	<b>£790.32</b>
Number of location level responses received	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>
Number of locations eligible to fill in the survey				
Number of residents covered by the responses	23	367	367	367
Number of carer hours per resident per week	23	21.60	26.63	28.52
Number of nursing hours per resident per week				
Average carer basic pay per hour	<b>23</b>	£9.51	9.88	£10.00
Average nurse basic pay per hour				

	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
Average occupancy as a percentage of active beds	<b>23</b>	84%	90%	94%
Freehold valuation per bed	<b>23</b>	£52,000	£93,920	£100,054

### 5.3 65+ Care Home Places with Nursing (£/resident/week)

The following table represents the raw data submitted by providers for 21/22 with an inflationary uplift for 22/23 and the following four amendments.

- **Return on Capital** – the LHA methodology will be used as described in section 3.
- **Return on Operations** – The return on operations has been amended to be 7% of total operational costs of providers. This is again due to the high levels of inconsistency in returns from providers with 7% representing a fair rate following guidance from DHSC and the LGA. This is also aligned to occupancy support payments made by the Council to Providers in 2020 and 2021 where the gross cost was reduced by 7% to take out profit element.
- **Occupancy** – figures have been amended to represent each home operating at a minimum of 90% occupancy. Annex C, the Market Sustainability Plan provides more details of how we will work with the market to ensure at least this level of occupancy. The higher the occupancy, the more efficiently a home is run from a cost perspective and 90% provides a good target to balance high occupancy and inevitable vacancies. This was calculated by amending individual entries to 90%. Research by the consultancy company we worked with showed that across the 13 local authority regions they were working with, a change of 1% occupancy resulted in a change of £8.40 to the cost of care for residential care and £10.80 for nursing care. This has been applied to provider results where there was an occupancy of less than 90%.
- **Covid Costs** – a further amendment has been made to reflect covid grants and costs less an amount for continued PPE costs. This has resulted in the following amendments:
  - General care - £56.04 less £15.00 = £41.04
  - Dementia care - £59.24 less £15.00 = £44.24

After taking the above adjustments into account, the table below sets out the results of the exercise for this setting

	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
<b>Staff Total</b>	<b>13</b>	<b>523.07</b>	<b>579.15</b>	<b>667.91</b>
Nursing Staff	13	181.24	225.26	243.80
Care Staff	13	256.76	266.53	285.20

	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
Therapy Staff (Occupational & Physio)	13	0.00	0.00	0.00
Activity Co-ordinators	13	4.80	7.03	10.18
Service Management (Registered Manager/Deputy)	13	30.79	35.65	38.18
Reception & Admin staff at the home	13	9.69	11.22	12.82
Chefs / Cooks	13	16.85	28.10	33.17
Domestic staff (cleaning, laundry & kitchen)	13	35.53	51.40	53.77
Maintenance & Gardening	13	6.13	8.31	9.62
Other care home staffing (agency)	13	0.00	0.00	0.00
<b>Premise Total</b>	<b>13</b>	<b>27.52</b>	<b>57.71</b>	<b>71.21</b>
Fixtures and Fittings	13	2.66	6.56	17.97
Repairs and Maintenance	13	10.58	16.99	20.40
Furniture, Furnishings and Equipment	13	4.38	6.55	9.53
Other Care Home Premise Costs	13	0.00	3.78	8.46
<b>Supplies and Services Total</b>	<b>13</b>	<b>84.33</b>	<b>86.52</b>	<b>94.81</b>
Food Supplies	13	26.19	27.25	30.95
Domestic and Cleaning Supplies	13	5.97	6.48	8.07
Medical Supplies (excluding PPE)	13	1.85	2.27	3.05
PPE	13	0.00	0.00	1.57
Office Supplies	13	1.60	2.30	2.57
Insurance	13	5.79	6.31	8.56
Registration Fees	13	3.23	3.70	3.83
Telephone and Internet	13	1.30	1.45	2.10
Council Tax / rates	13	0.42	0.68	0.83
Electricity, gas, water	13	21.46	25.45	29.16

	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
Trade and Clinical Waste	13	4.21	6.12	6.69
Transport and Activities	13	0.44	0.77	1.07
Other care home supplies and services costs	13	4.79	5.56	11.05
<b>Head Office Total</b>	<b>13</b>	<b>29.15</b>	<b>40.24</b>	<b>106.95</b>
Central / Regional Management	13	0.00	15.57	23.27
Support Services (finance / HR / legal / marketing etc.)	13	0.00	3.69	24.91
Recruitment, Training & Vetting (incl. DBS checks)	13	2.24	6.66	11.58
Other head office costs (please specify)	13	0.58	10.73	31.70
<b>Return on Operations</b>	<b>13</b>	<b>44.07</b>	<b>55.04</b>	<b>57.84</b>
<b>Return on Capital</b>	<b>13</b>	<b>72.26</b>	<b>72.26</b>	<b>72.26</b>
<b>TOTAL</b>	<b>13</b>	<b>772.95</b>	<b>937.34</b>	<b>1077.31</b>
Number of location level responses received	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
Number of locations eligible to fill in the survey				
Number of residents covered by the responses	13	210	210	210
Number of carer hours per resident per week	13	21.19	24.48	27.24
Number of nursing hours per resident per week	13	9.04	12.04	13.52
Average carer basic pay per hour	13	£9.50	£9.91	£10.00
Average nurse basic pay per hour	13	£17.25	£17.43	£18.38
Average occupancy as a percentage of active beds	13	80%	91%	96%
Freehold valuation per bed	13	82,777.78	100,054.00	103,608.81

#### 5.4 65+ Care Home Places with Nursing, Enhanced Needs (£/resident/week)

The following table represents the raw data submitted by providers for 21/22 with an inflationary uplift for 22/23 and the following four amendments.

- **Return on Capital** – the LHA methodology will be used as described in section 3.
- **Return on Operations** – The return on operations has been amended to be 7% of total operational costs of providers. This is again due to the high levels of inconsistency in returns from providers with 7% representing a fair rate following guidance from DHSC and the LGA. This is also aligned to occupancy support payments made by the Council to Providers in 2020 and 2021 where the gross cost was reduced by 7% to take out profit element.
- **Occupancy** – figures have been amended to represent each home operating at a minimum of 90% occupancy. Annex C, the Market Sustainability Plan provides more details of how we will work with the market to ensure at least this level of occupancy. The higher the occupancy, the more efficiently a home is run from a cost perspective and 90% provides a good target to balance high occupancy and inevitable vacancies. This was calculated by amending individual entries to 90%. Research by the consultancy company we worked with showed that across the 13 local authority regions they were working with, a change of 1% occupancy resulted in a change of £8.40 to the cost of care for residential care and £10.80 for nursing care. This has been applied to provider results where there was an occupancy of less than 90%.
- **Covid Costs** – a further amendment has been made to reflect covid grants and costs less an amount for continued PPE costs. This has resulted in the following amendments:
  - General care - £56.04 less £15.00 = £41.04
  - Dementia care - £59.24 less £15.00 = £44.24

After taking the above adjustments into account, the table below sets out the results of the exercise for this setting

	Count of Observations	Lower Quartile	Median	Upper Quartile
<b>Staff Total</b>	<b>10</b>	<b>£553.71</b>	<b>£592.57</b>	<b>£659.53</b>
Nursing Staff	10	£185.16	£226.37	£256.27
Care Staff	10	£257.03	£268.54	£282.60
Therapy Staff (Occupational & Physio)	10	£0.00	£0.00	£0.00
Activity Co-ordinators	10	£5.25	£6.93	£9.66
Service Management (Registered Manager/Deputy)	10	£29.81	£33.72	£37.14

	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
Reception & Admin staff at the home	10	£9.68	£10.64	£12.65
Chefs / Cooks	10	£16.72	£27.65	£32.93
Domestic staff (cleaning, laundry & kitchen)	10	£39.26	£51.39	£53.53
Maintenance & Gardening	10	£6.30	£8.09	£9.84
Other care home staffing (agency)	10	£0.00	£0.00	£0.00
<b>Premise Total</b>	<b>10</b>	<b>£27.21</b>	<b>£34.76</b>	<b>£68.23</b>
Fixtures and Fittings	10	£5.48	£7.28	£15.56
Repairs and Maintenance	10	£11.16	£15.09	£18.26
Furniture, Furnishings and Equipment	10	£3.77	£6.02	£8.64
Other Care Home Premise Costs	10	£0.45	£4.90	£12.13
<b>Supplies and Services Total</b>	<b>10</b>	<b>£80.45</b>	<b>£85.31</b>	<b>£89.59</b>
Food Supplies	10	£26.16	£27.07	£30.45
Domestic and Cleaning Supplies	10	£5.78	£6.34	£8.02
Medical Supplies (excluding PPE)	10	£1.89	£2.16	£3.02
PPE	10	£0.00	£0.06	£1.24
Office Supplies	10	£1.81	£2.30	£2.56
Insurance	10	£5.63	£6.01	£6.81
Registration Fees	10	£3.25	£3.58	£3.79
Telephone and Internet	10	£1.30	£1.43	£2.20
Council Tax / rates	10	£0.38	£0.62	£0.76
Electricity, gas, water	10	£20.80	£22.22	£27.38
Trade and Clinical Waste	10	£4.52	£5.80	£6.22
Transport and Activities	10	£0.49	£0.77	£1.13
Other care home supplies and services costs	10	£4.90	£6.61	£10.63
<b>Head Office Total</b>	<b>10</b>	<b>£30.93</b>	<b>£39.01</b>	<b>£99.65</b>
Central / Regional Management	10	£8.35	£18.26	£24.94

	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
Support Services (finance / HR / legal / marketing etc.)	10	£3.57	£3.76	£20.44
Recruitment, Training & Vetting (incl. DBS checks)	10	£2.71	£6.17	£10.75
Other head office costs (please specify)	10	£2.78	£11.17	£26.77
<b>Return on Operations</b>	<b>10</b>	<b>£43.74</b>	<b>£51.66</b>	<b>£56.43</b>
<b>Return on Capital</b>	<b>10</b>	<b>£72.26</b>	<b>£72.26</b>	<b>£72.26</b>
<b>TOTAL</b>	<b>10</b>	<b>£801.34</b>	<b>£947.94</b>	<b>£1,050.73</b>
Number of location level responses received	10			
Number of locations eligible to fill in the survey				
Number of residents covered by the responses	10	79.1	79.1	79.1
Number of carer hours per resident per week	10	6.7	£9.20	13.3
Number of nursing hours per resident per week	10	21.1	£24.79	26.5
Average carer basic pay per hour	10	9.5	£9.69	10
Average nurse basic pay per hour	10	17.25	£17.43	18.19
Average occupancy as a percentage of active beds	10	79.8%	88.5%	93,8%
Freehold valuation per bed	10	0.00	97,000.00	0.00

## 6.0 Median Values (£/resident/week)

This is a summary of the different settings set out in section 5 above.

	<b>Residential</b>	<b>Residential Dementia</b>	<b>Nursing</b>	<b>Nursing Dementia</b>
<b>Staff Total</b>	<b>391.72</b>	<b>£392.36</b>	<b>579.15</b>	<b>£592.57</b>
Nursing Staff	0.00	£0.00	225.26	£226.37
Care Staff	270.64	£272.42	266.53	£268.54
Therapy Staff (Occupational & Physio)	0.00	£0.00	0.00	£0.00
Activity Co-ordinators	6.84	£6.50	7.03	£6.93

	Residential	Residential Dementia	Nursing	Nursing Dementia
Service Management (Registered Manager/Deputy)	30.98	£30.17	35.65	£33.72
Reception & Admin staff at the home	9.57	£9.57	11.22	£10.64
Chefs / Cooks	26.42	£27.21	28.10	£27.65
Domestic staff (cleaning, laundry & kitchen)	47.77	£46.62	51.40	£51.39
Maintenance & Gardening	8.37	£8.42	8.31	£8.09
Other care home staffing (agency)	0.00	£0.00	0.00	£0.00
<b>Premise Total</b>	<b>37.22</b>	<b>£34.20</b>	<b>57.71</b>	<b>£34.76</b>
Fixtures and Fittings	6.43	£5.69	6.56	£7.28
Repairs and Maintenance	17.32	£17.38	16.99	£15.09
Furniture, Furnishings and Equipment	4.95	£4.25	6.55	£6.02
Other Care Home Premise Costs	2.76	£2.42	3.78	£4.90
<b>Supplies and Services Total</b>	<b>84.25</b>	<b>£83.55</b>	<b>86.52</b>	<b>£85.31</b>
Food Supplies	27.30	£27.64	27.25	£27.07
Domestic and Cleaning Supplies	6.14	£6.02	6.48	£6.34
Medical Supplies (excluding PPE)	1.71	£1.73	2.27	£2.16
PPE	0.06	£0.12	0.00	£0.06
Office Supplies	2.18	£2.25	2.30	£2.30
Insurance	6.12	£5.99	6.31	£6.01
Registration Fees	3.39	£3.40	3.70	£3.58
Telephone and Internet	1.58	£1.39	1.45	£1.43
Council Tax / rates	0.79	£0.78	0.68	£0.62
Electricity, gas, water	20.72	£20.24	25.45	£22.22
Trade and Clinical Waste	5.16	£5.09	6.12	£5.80
Transport and Activities	0.78	£0.98	0.77	£0.77
Other care home supplies and services costs	5.41	£5.30	5.56	£6.61



	<b>Residential</b>	<b>Residential Dementia</b>	<b>Nursing</b>	<b>Nursing Dementia</b>
<b>Head Office Total</b>	<b>53.15</b>	<b>£44.99</b>	<b>40.24</b>	<b>£39.01</b>
Central / Regional Management	17.33	£17.72	15.57	£18.26
Support Services (finance / HR / legal / marketing etc.)	5.95	£5.27	3.69	£3.76
Recruitment, Training & Vetting (incl. DBS checks)	5.25	£4.08	6.66	£6.17
Other head office costs (please specify)	10.26	£8.87	10.73	£11.17
<b>Return on Operations</b>	<b>43.80</b>	<b>£46.90</b>	<b>55.04</b>	<b>£51.66</b>
<b>Return on Capital</b>	<b>72.26</b>	<b>72.26</b>	<b>72.26</b>	<b>£68.78</b>
<b>TOTAL</b>	<b>711.58</b>	<b>£710.92</b>	<b>937.34</b>	<b>£947.94</b>
Number of location level responses received	<b>24</b>	<b>23</b>	<b>13</b>	<b>10</b>
Number of locations eligible to fill in the survey				
Number of residents covered by the responses	502	367	210	79.1
Number of carer hours per resident per week	23.69	26.63	24.48	£9.20
Number of nursing hours per resident per week			12.04	£24.79
Average carer basic pay per hour	£9.94	9.88	£9.91	£9.69
Average nurse basic pay per hour			£17.43	£17.43
Average occupancy as a percentage of active beds	90%	90%	91%	88.5%
Freehold valuation per bed	£77,794.12	£93,920	£100,054.00	£97,000.00

## 7.0 Data Collection and Inflation

The results were collected in July and August 2022 using a combination of CareCubed and an online survey. The questions in the survey mirrored CareCubed and provided an alternative method of data input to providers. All providers responded through CareCubed.

## 8.0 Approach to 2022 Uplifts

Providers were asked if they would like to include percentage uplifts to bring their 2021/22 actual costs in line with inflation such as NLW and CPI as of April 2022. There were large inconsistencies with percentage uplifts being applied, which may be explained by providers inputting cost increases being seen at the time of data entry as at August 2022 rather than April 2022, or providers being at varying stages of negotiation with providers of insurance and / or utility services.

An uplift of 5.72% has been applied to the 2021/22 figures to bring them to an April 2022 price level. This is calculated in line with the standard approach to fee increases with a 70:30 split between national living wage increase and cost of living increase.

<b>Inflator</b>	<b>Proportion of cost</b>	<b>% increase</b>	<b>Total increase</b>
Living wage (November 2021)	0.70	4.32%*	3.02%
Consumer price index (April 2022)	0.30	9.00%	2.7%
<b>Total</b>			<b>5.72%</b>

\* note this is an adjusted figure from 6.62% as NLW increase was brought forward to 1 December 2021 so the 4.32% represents the full year effect into 2022/23.

## **9.0 Further Considerations**

### *National Insurance:*

The UK Government raised National Insurance contributions by 1.25% in April 2022. The data collection period of 2021/22 does not include this increased cost. However, since FCOC data was gathered the Government have announced that the 1.25% rise will be revoked in November 2022, meaning a cost-saving for providers on staffing costs. We have not made any adjustments within this exercise to reflect NI rate changes as these have now been reversed. However the actual inflation rate given by the Authority for 2022/23 did give an allowance for this increase and adjustments could be considered looking forward to 2023/24 fee setting.

### *2021/22 Government Grants:*

The Fair Cost of Care exercise asks providers to submit full cost information for care delivered in the calendar year 2021/22. Various government grant schemes were still in operation during this period, including IPC funding which was passported directly to providers by the local authority to cover costs incurred through the implementation of infection prevention and control measures in line with grant criteria. Providers have not been asked to deduct funding received from central government prior to submitting data. It is reasonable to assume that some of this funding may fall within the scope of the costs that providers have been asked to submit for the Fair Cost of Care exercise. See also paragraph 5 above.

### *FNC Payments:*

Any bed rates for nursing or nursing dementia contained within this document are inclusive of costs incurred by providers related to funded nursing care (FNC). We have done this to give a true reflection of provider costs submitted for nursing provision as at April 2022.

## **10.0 Questions Asked**

- 1.) What is the name of your care home?
- 2.) Are you part of a wider group?
- 3.) Name of the group?
- 4.) Do you provide? (tick all that apply)
  - a. +65 Residential Care
  - b. +65 Residential Care, Enhanced Needs
  - c. +65 Residential Care with Nursing
  - d. +65 Residential Care with Nursing, Enhanced Needs
- 5.) What is your total expenditure for the following areas for the year 2021-22, including staff on-costs and agency staff costs
  - a. Registered Nursing Staff
  - b. Nursing assistants, associates, or equivalents (non RGN)
  - c. Senior Carer (or equivalents)
  - d. Carer
  - e. Therapy staff (Occupational and Physio)
  - f. Activity Coordinators
  - g. Registered Manager
  - h. Deputy
  - i. Reception & Admin staff at the home
  - j. Chefs/Cooks
  - k. Domestic staff (cleaning, laundry & kitchen/catering not included above)
  - l. Maintenance & Gardener
  - m. Other care home staffing (please specify)
- 6.) What is the percentage increase in costs for each of these staff roles you have seen since April 2022? (answer as a percentage)
  - a. Registered Nursing Staff
  - b. Nursing assistants, associates, or equivalents (non RGN)
  - c. Senior Carer (or equivalents)
  - d. Carer
  - e. Therapy staff (Occupational and Physio)
  - f. Activity Coordinators
  - g. Registered Manager
  - h. Deputy
  - i. Reception & Admin staff at the home
  - j. Chefs/Cooks
  - k. Domestic staff (cleaning, laundry & kitchen/catering not included above)
  - l. Maintenance & Gardener

- m. Other care home staffing (please specify)
- 7.) Please provide the following annual cost information about your care home overheads for 2021/22
- a. Food Supplies
  - b. Domestic and cleaning supplies
  - c. Medical supplies excluding PPE
  - d. PPE
  - e. Office supplies (home specific)
  - f. Insurance
  - g. Registration fees
  - h. Telephone and internet
  - i. Council tax / rates
  - j. Electricity
  - k. Gas / Oil / LPG
  - l. Water
  - m. Trade and clinical waste
  - n. Transport and activities
  - o. Other care home supplies and services
- 8.) What is the percentage increase in costs for each of these areas you have seen since April 2022? (answer as a percentage)
- a. Food Supplies
  - b. Domestic and cleaning supplies
  - c. Medical supplies excluding PPE
  - d. PPE
  - e. Office supplies (home specific)
  - f. Insurance
  - g. Registration fees
  - h. Telephone and internet
  - i. Council tax / rates
  - j. Electricity
  - k. Gas / Oil / LPG
  - l. Water
  - m. Trade and clinical waste
  - n. Transport and activities
  - o. Other care home supplies and services
- 9.) Please provide information on the total expenditure on your premise for 2021/22
- a. Fixtures and Fittings
  - b. Repairs and Maintenance (excluding any employee costs)
  - c. Furniture, Furnishings and Equipment
  - d. Other premises costs
- 10.) What is the percentage increase in costs for each of these areas you have seen since April 2022? (answer as a percentage)
- a. Fixtures and Fittings
  - b. Repairs and Maintenance (excluding any employee costs)
  - c. Furniture, Furnishings and Equipment

- d. Other premises costs
- 11.) What is your total expenditure for 2021/22 for the following Head Office costs? (For some smaller providers, the home manager may fulfil a number of these functions and therefore these costs are already included in management costs)
  - a. Central / Regional Management (Directors' costs and operational management above registered manager level)
  - b. Support Services (finance / HR / legal / marketing etc.)
  - c. Recruitment, Training & Vetting (incl. DBS checks)
  - d. Other head office costs (please specify)
- 12.) Please tell us the following financial information for your care home for the latest full financial year?
  - a. Total Turnover
  - b. Total Overhead
  - c. Profit / Surplus (before tax)
- 13.) What is your approach to Return on Operations?
  - a. % markup on operating costs
  - b. total value for the home per annum Total salary cost
- 14.) What is your percentage markup applied to operating costs (%)
- 15.) What is your total Return on Operations (£) for the Care Home per annum
- 16.) Is the property rented?
- 17.) If YES, Rental amount p/a (£)
- 18.) Do you wish to provide your Return on Capital figure as a per resident per week value for the care home OR as a % of property valuation?
  - a. Per resident per week ROCE value
  - b. % of property valuation
- 19.) What is your Per resident per week ROCE value?
- 20.) What is your Return on Capital %?
- 21.) What is the freehold valuation of your Care Home?
- 22.) What year was the valuation made?
- 23.) Was the valuation an official RICS red book evaluation?
- 24.) Is the home purpose built?
- 25.) What year was the home built (approx)
- 26.) How many rooms are en-suites? (includes just a w/c and basin, through to a full wet room)
- 27.) How many rooms are wet-rooms?
- 28.) What is the average room size? (in m2)
- 29.) How many active beds does your care home have in total?
- 30.) How many active beds out of commission does your care home have? (Beds that are not de-registered that you cannot fulfil)
- 31.) Please provide average resident occupancy for 2021-22 for the different categories below:
  - a. +65 Residential Care
  - b. +65 Residential Care, Enhanced Needs
  - c. +65 Residential Care with Nursing
  - d. +65 Residential Care with Nursing, Enhanced Needs

- 32.) Please provide average resident occupancy by funding source
  - a. Number of Local authority funded (in area and out of area)
  - b. Number of Joint funded residents (LA and Health /NHS)
  - c. Number of self funders / privately funded
  - d. Number of Continuing Health Care (CHC) funded beds (NHS)
  - e. Other
- 33.) Please can you tell us your weekly charge for self-funders for the following categories that you provide service to? (in £/week, use an average charge if it varies by room size)
  - a. +65 Residential Care
  - b. +65 Residential Care, Enhanced Needs
  - c. +65 Residential Care with Nursing
  - d. +65 Residential Care with Nursing, Enhanced Needs
- 34.) What is the the average number of Registered Nursing staff hours per week?
- 35.) What is the average number of Nursing assistant staff hours / week?
- 36.) What is the average number of Senior Carer staff hours per week?
- 37.) What is the average number of Carer staff hours / week?
- 38.) Please tell us your average basic rates of pay for the following roles as of April 2022 (£/hour)
  - a. Registered Nursing Staff
  - b. Nursing assistants, associates, or equivalents (non RGN)
  - c. Senior Carer (or equivalents)
  - d. Carer
- 39.) What is your current employers NI contribution as a % on direct staff payroll costs as of April 2022?
- 40.) What is your current employers pension contribution as a % on direct staff payroll costs as of April 2022?
- 41.) What is your average apprenticeship levy contribution % as of April 2022
- 42.) What is the average number of holiday days per year per FTE?
- 43.) What is the average number of training/supervision days per year per FTE
- 44.) What is the average number of sickness days per year per FTE?
- 45.) What is the average number of maternity/paternity/adoption allowance days per year per FTE
- 46.) What is the average number of suspension allowance – days per year per FTE.
- 47.) Please tell us the average agency costs for the following roles as of April 2022 (£/hour)
  - a. Registered Nursing Staff
  - b. Nursing assistants, associates, or equivalents (non RGN)
  - c. Senior Carer (or equivalents)
  - d. Carer
- 48.) Please tell us the average weekly agency hours for the following roles as of April 202 (£/hour)
  - a. Registered Nursing Staff
  - b. Nursing assistants, associates, or equivalents (non RGN)

- c. Senior Carer (or equivalent)
  - d. Carer
- 49.) Address

END...