



South Gloucestershire Council

# Fair Cost of Care – Residential Report

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Date: 12<sup>th</sup> October 2022

## South Gloucestershire Council Foreword

This foreword reflects South Gloucestershire's analysis and interpretation of the information returned to use from the Cost of Care Exercise conducted in partnership with and as reported by C.Co who were commissioned to support the exercise.

### Context

The Cost of Care exercise was not intended to be a fee setting exercise, but an exercise that would inform any fee setting process in support of the Social Care Reform changes that will enable self-funding individuals to ask the Council to arrange their care. This is to ensure that care provider organisations continue to be sustainable as and when the balance of self-funding clients versus LA funded clients begins to shift. Accordingly South Gloucestershire will take account of the information returned from the exercise during future pricing exercises. It is anticipated that some organisations will require increases, some will not, and some organisations and their service models will be outside the affordability for the Council altogether. It is recognised that some fees are already beyond the sustainable price point for the Council.

South Gloucestershire Council respected care providers' requests to access only amalgamated data from the exercise and have not been able to interrogate or validate the underlying data themselves. During future fee setting negotiations between the Council and providers, a greater understanding of providers' individual costs is likely to be necessary to ensure that fees are sustainable for both parties.

### Analysis

C.Co has set out in their report several different ways of calculating median rates. The method described as Option 4 is considered to offer a much more robust and reliable interpretation of the data and is the Option that the Council has used.

In taking account of the results of the exercise, the Council must ensure that public funds are used appropriately, and because of this the Council will be reviewing the rate of Return On Operations (ROO) and Return On Capital (ROC) that it feels is appropriate.

The tables in the main body of this report reflect the complete data analysis without any adjustments. The following tables in this Foreword prepared for us by C.Co reflect the adjustment if ROO were to be calculated at 5% based on the median operating costs, and if ROC were to be set at 5% of the median freehold value per bed per week. No freehold valuation per bed was available for care with nursing with dementia and so the valuation has been equated to the valuation for care with nursing without dementia. 5% is likely to be the minimum point for consideration, and so this represents the lowest median value versus the higher median values elsewhere in the report.

#### Changes to ROO and ROC for Residential Care Option 4

Changes to ROO and ROC (based on Option 4)	Without Nursing Without Dementia	Without Nursing With Dementia	With Nursing Without Dementia	With Nursing With Dementia
<b>Without Changes</b>				
Operating Costs	709.92	800.32	1,015.81	918.47
ROO	77.18	87.01	99.53	89.99
ROC	194.60	194.60	113.00	113.00
<b>Total Cost per bed per week</b>	<b>981.70</b>	<b>1,081.93</b>	<b>1,228.34</b>	<b>1,121.46</b>
Freehold valuation per bed	105,069	91,291	100,000	100,000
ROO%	10.9	10.9	9.8	9.8
ROC%	9.6	11.1	5.9	5.9
<b>With changes</b>				
Operating Costs	709.92	800.32	1,015.81	918.47
ROO at 5%	35.50	40.02	50.79	45.92
ROC at 5%	101.03	87.78	96.15	96.15
<b>Total Cost per bed per week</b>	<b>846.44</b>	<b>928.12</b>	<b>1,162.75</b>	<b>1,060.55</b>

#### Changes to ROO and ROC for Residential Care Option 3

Changes to ROO and ROC (based on Option 3)	Without Nursing Without Dementia	Without Nursing With Dementia	With Nursing Without Dementia	With Nursing With Dementia
<b>Without Changes</b>				
Operating Costs	718.00	893.18	1,104.27	1,026.25
ROO	104.64	110.67	97.89	94.28
ROC	194.60	194.60	113.00	113.00
<b>Total Cost per bed per week</b>	<b>1,017.24</b>	<b>1,198.45</b>	<b>1,315.16</b>	<b>1,233.53</b>
Freehold valuation per bed	105,069	91,291	100,000	100,000
ROO%	14.6	12.4	8.9	9.2
ROC%	9.6	11.1	5.9	5.9
<b>With changes</b>				
Operating Costs	718.00	893.18	1,104.27	1,026.25
ROO at 5%	35.90	44.66	55.21	51.31
ROC at 5%	101.03	87.78	96.15	96.15
<b>Total Cost per bed per week</b>	<b>854.92</b>	<b>1,025.62</b>	<b>1,255.63</b>	<b>1,173.72</b>

The number of submissions for care homes was reasonable and believed to reflect a moderately representative section of the market, but weighted towards the higher end of the market and without any very small care homes represented.

## **Conclusion**

The cost of care exercise has provided some valuable information on providers' costs that will help to inform fee negotiation processes going forward.

South Gloucestershire would like to thank all organisations that participated in the Cost of Care exercise and would like to thank C.Co for their analysis and support during this exercise.

## **South Gloucestershire Council**

## 1. Introduction

This report covers analysis of data collected from Care Home providers for the Fair Cost of Care exercise. Whilst it may inform such, it is not a fee setting exercise. There are a number of reasons why a median cost of care taken from this exercise may not form an appropriate fee, or even a sustainable fee rate for individual providers. When setting fees, particular circumstances of the provider may need to be taken into account. In particular, there may be economies of scale for larger providers which are not accessible to smaller organisations, or providers may be significantly affected by differing recruitment markets or occupancy rates.

## 2. Engagement

From its appointment as third-party support in May 2022, C.Co worked collaboratively with the Council and Care and Support West to communicate and engage with Providers at all stages of the cost collection and analysis process. Early feedback from Providers indicated a reticence to participate in the process. This was due to concerns about submitting commercially sensitive data to the Council directly, fearing that the information would be used, in some way, to drive down the fee rates being paid. Despite assurances to the contrary, the Council agreed to step back from the collection process allowing Providers to submit domiciliary care direct to C.Co and residential data to the CareCubed system, for which C.Co was the designated 'Primary User'.

C.Co used the contact list provided by the Council to regularly communicate with the provider market. C.Co committed to working collaboratively and directly with all providers to inform the process and hosted a series of face to face and remote workshops to explore the process in greater detail and introduce the national templates chosen for the capture and submission of relevant information. Providers were given early access to the toolkits through the provision of weblinks within all communications.

As well as attending the Care & Support West conference in June, C.Co were able to offer a mix of face to face and remote Provider workshop sessions. All sessions were interactive, attended by representatives of Care & Support West and gave providers the opportunity to further understand the process, seek technical answers regarding the toolkits and to clarify interpretation of the data requested. Providers were encouraged to attend the most convenient workshop to them, regardless of which local authority was hosting.

Although individual sessions had relatively low attendance numbers, over the course of all sessions approximately 30 different providers across South Gloucestershire did attend in some capacity. It was also clear early on that remote (via Teams) attendance was better attended than face to face. Some face to face sessions had no attendees at all.

To further support Providers in their participation in the Fair Cost of Care exercise, C.Co jointly with the Care Provider Alliance – which includes Care England, also hosted a series of practical Q&A and help sessions.

The Care Provider Alliance actively promoted provider participation in the exercise as a once in a lifetime opportunity for care providers to influence how social care services are to be funded.

The sessions aimed to help providers with the completion of the tools and to address any questions and queries you may have.

The sessions were held remotely for Home Care and Residential Care Providers on the following dates:

Time	Date	Style	Focus	Host
12:30pm – 13:30pm	12/07/2022	Remote	Home Care (Domiciliary Care)	C.Co & The Care Provider Alliance
13:30pm – 14:30pm	12/07/2022	Remote	Care Home (Residential Care)	C.Co & The Care Provider Alliance
12:00pm – 13:00pm	20/07/2022	Remote	Home Care (Domiciliary Care)	C.Co & The Care Provider Alliance
15:00pm – 16:00pm	20/07/2022	Remote	Care Home (Residential Care)	C.Co & The Care Provider Alliance

As part of its commitment to the completion of the exercise and supporting as many providers as possible to participate, C.Co also facilitated a number of one to one sessions with providers to support their submission of data through the relevant collection tool.

Throughout the data collection and analysis period, C.Co continued to work directly with Providers to support the submission process and to resolve questions, queries, anomalies and obvious errors within the data.

### 3. Data Collection

Residential data collection was done using the Carecubed tool completed by providers, with one entry per home. There are 58 Care Home locations in the South Gloucestershire area, of which 15 are marked as Out of Scope and not included in the analysis. Of the remaining 43 locations, a further 17 are not registered with the Carecubed tool, meaning that there are 26 registered locations in scope which could submit data. Of these 26, 19 have completed returns, a response rate of 73%.

Of these 19 returns, there five where very limited data has been provided. The data that is available from these homes has been used as far as possible to inform the analysis. There are also two homes where only 2021-22 financial data has been provided and this has been uplifted to April 2022 figures based on the principles in the Future Uplift section below.

For the total data sample, sample sizes are shown below (some homes will be in more than one category):

	No of Homes	No of Beds
<b>Occupied beds without Nursing, without Dementia</b>	7	265
<b>Occupied beds without Nursing, with Dementia</b>	9	199
<b>Occupied beds with Nursing, without Dementia</b>	5	353
<b>Occupied beds with Nursing, with Dementia</b>	3	70

The figures in this report are also likely to be significantly higher than current South Gloucestershire fee rates for a number of reasons.

- They are based on April 2022 figures, taking into account likely inflationary cost increases and pay rises
- They incorporate the effect of increases in Employer's National Insurance contributions
- Actual occupancy levels may be very different from assumptions in South Gloucestershire's fee setting process
- They take into account desired levels of return, both for Return on Operations and Return on Capital, rather than achieved levels, or any assumptions made in South Gloucestershire's fee setting process
- It is currently common for self funded residents to cross subsidise local authority funded residents, which means that costs per resident are higher than local authority fee rates anyway
- They are based on current/prior year occupancy rates, which are likely to be lower than rates incorporated in any fee setting process

#### 4. Common Errors

Each return was checked both for obvious errors and for areas where the data seemed out of line with other returns. Providers were given the opportunity to provide corrections. Common issues included:

- Nursing beds with no nursing staff costs and vice versa
- Issues with inconsistent bed type allocations
- Significant amounts of missing data preventing accurate calculations, in particular missing figures for PPE, return on operations and return on capital
- Incorrect entries for national insurance contributions
- Incorrect entries for holiday, sickness, training and other cover cost values

Providers were given the both the opportunity and the support to make corrective action. Where no response was received, any data which could be used in a meaningful way to support the analysis was included.

Where analysis is separated into care types, this is based on homes which provide that particular care type (possibly alongside other care types). It is not based on homes which provide that care type exclusively.

## 5. Conceptual Data Analysis

The government guidelines require the assessment of the lower quartile, median and upper quartile figures for a range of cost areas which make up the overall cost of Care Homes per bed per week. They do not require sub totals to be the sum of the component parts, nor totals to be the sum of sub totals.

This allows local authorities to choose their approach as totalling the median figures for each cost area will give a different total median cost than taking the median of the total cost for each individual return.

The table below shows a considerable variance in the median cost of care per bed per week depending on the approach taken. Note that these figures are based on the returns only from those homes that provide that particular type of care, but that such homes may also provide different types of care.

<b>Option Summary</b>	<b>Occupied beds without Nursing, without Dementia</b>	<b>Occupied beds without Nursing, with Dementia</b>	<b>Occupied beds with Nursing, without Dementia</b>	<b>Occupied beds with Nursing, with Dementia</b>
<b>Option 1</b>	1,039.11	1,249.82	1,375.04	1,336.13
<b>Option 2</b>	1,075.49	1,253.19	1,288.62	1,336.13
<b>Option 3</b>	1,017.24	1,198.45	1,315.16	1,233.53
<b>Option 4</b>	981.70	1,081.93	1,228.34	1,121.46

The first row of figures takes the median of the total cost per bed per week from each return. The second row of figures adds together the median of the five key cost areas from each return – careworker costs, premises costs, supplies and services costs, head office costs and return on operations/capital. The third row of figures is the sum of the median for each cost category as defined by Annex A, Section 3 of the government guidance.

However, there is a further approach (option 4), which is likely to :

- produce a more realistic cost of care
- minimise the impact of outliers and inaccurate data issues
- reflect the actual cost drivers
- allow for easy updating of the results as driver data (such as Employer’s NI rates and thresholds) changes
- allow an authority to incorporate matters of principle (such as NLW, LLW) into the calculations

This approach is covered under the Recommended Approach section below. South Gloucestershire has chosen to use Option 3 for the preparation of government returns, but to give consideration to Option 4 also.



## 6. Option Three – Sum of Each Defined Cost Area

In this option, the median figures from each cost area are identified, and totalled to give a total cost per bed per week for each care type. They show, as expected, that nursing care costs more than residential care. At the residential level, dementia care costs more than non dementia care, but this is not the case for nursing care. This is likely due to small samples sizes, which means that figures can be dominated by the returns from individual homes.

<b>Option 3 Summary</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>	<b>Minimum</b>	<b>Maximum</b>
<b>Occupied beds without Nursing, without Dementia</b>	708.17	1,017.24	1,349.40	452.85	2,187.60
<b>Occupied beds without Nursing, with Dementia</b>	847.55	1,198.45	1,470.25	464.21	2,619.38
<b>Occupied beds with Nursing, without Dementia</b>	1,098.70	1,315.16	1,585.19	937.24	1,871.50
<b>Occupied beds with Nursing, with Dementia</b>	1,123.58	1,233.53	1,521.29	1,013.63	1,809.05

A detailed breakdown of the elements of the median for each care type is shown in Appendix A and discussed further below.

The underlying data required by the government returns is shown below.

	<b>Occupied beds without Nursing, without Dementia</b>	<b>Occupied beds without Nursing, with Dementia</b>	<b>Occupied beds with Nursing, without Dementia</b>	<b>Occupied beds with Nursing, with Dementia</b>
Number of Responses	9	11	8	3
Number of residents covered by the responses	265	199	353	70
Number of carer hours per resident per week	27.3	27.3	26.5	26.5
Number of nursing hours per resident per week	n/a	n/a	6.5	8.3
Average carer basic pay per hour	10.90	10.84	10.32	9.85
Average nurse basic pay per hour	n/a	n/a	19.40	18.21
Average occupancy as a percentage of active beds	91.7	90.6	96.0	98.4
Freehold valuation per bed	105,069	91,291	100,000	n/a

## 7. Recommended approach (Option 4)

The recommended approach to establishing a fair cost of care is as follows (for median also read lower and upper quartiles):

### Care Home Staffing – Nurses and Care Staff

- a. Basic Pay : The returns provide the average hourly pay rates for each of these staff types, along with the hours per resident per week. This approach uses the medians of these figures to calculate the pay cost per hour. This is then adjusted for oncosts as shown below.
- b. All non contact time : Use the median percentage oncost/statutory minimum percentage oncost multiplied by the hourly rate. Where the data is available this is based on the median days per full time employee, as collected in the data collection tool. Where a provider has given figures for some of these categories but not all, it is assumed that the entry for the other categories is zero.
- c. National Insurance : Calculate from first principles, assuming full time staff and April 2022 contribution rates and thresholds. This gives a higher figure than is likely, but gives a sufficient cost of care that providers are not constrained in employment options.
- d. Pension : Calculate from first principles, assuming a contribution rate of 3% and 100% take up. This gives a higher figure than is likely but again ensures that providers are not constrained in employment options.
- e. Agency Cost Adjustment : The data collection tool provides details of agency rates and weekly hours from which the median figures can be calculated. Employed staff pay costs are then reduced as appropriate.

### Care Home Staffing – Other Staff

For other staff the data collection tool does not provide pay rates nor working hours. It is recommended that the median figure for each element of the other staff costs is identified, with outliers removed, and all blanks treated as zeros.

### Care Home Premises

It is recommended that the median figure for each element of premises costs is identified, with outliers removed, and all blanks treated as zeros. However, the median used for the Fair Cost of Care should be the median of the totals from each return (as in Option 2). This should minimise the impact of any differences in definition and how costs are treated by individual providers.

### Care Home Supplies and Services

It is recommended that the median figure for each element of supplies and services costs is identified, with outliers removed, and all blanks treated as zeros. However, the median used for the Fair Cost of Care should be the median of the totals from each return (as in Option 2). This should minimise the impact of any differences in definition and how costs are treated by individual providers.

### Care Home Head Office Costs

It is recommended that the median figure for each element of head office costs is identified, with outliers removed, and all blanks treated as zeros. However, the median used for the Fair Cost of Care

should be the median of the totals from each return (as in Option 2). This should minimise the impact of any differences in definition and how costs are treated by individual providers.

#### Return on Operations/Return on Capital

Providers may have defined return on operations as a percentage of operating cost, or may have inserted a required return figure. However, the required return figure can be converted to a percentage. The median of these percentages is then applied to the operating costs to model the required return on operations.

Equally, providers may have defined return on capital as a figure per bed per week, or as a percentage of the home valuation. It is not possible to convert these back to a percentage if the provider has not supplied a home valuation. It is therefore recommended that the median of the figure per bed per week is used in this case.

## 8. Summary Results

Using the recommended approach above gives the following summary figures with detailed tables given in Appendix B.

<b>Option 4 Summary</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
<b>Occupied beds without Nursing, without Dementia</b>	613.21	981.70	1,404.93
<b>Occupied beds without Nursing, with Dementia</b>	612.28	1,081.93	1,538.24
<b>Occupied beds with Nursing, without Dementia</b>	835.24	1,228.34	1,862.18
<b>Occupied beds with Nursing, with Dementia</b>	808.82	1,121.46	1,635.74

For the median figures a similar pattern to Option 3 is seen, with nursing care costing more than non nursing care, but nursing dementia care costing less than nursing care without dementia.

In this option, the costs for the non staffing elements are the same as in Option 2. The underlying data is slightly different as staff types, hours and pay rates are separated out further and treated differently from the Carecubed reporting tool used elsewhere.

## 9. Occupancy

The occupancy rates shown below are based only on the homes with those particular care types. Homes with nursing care appear to have higher occupancy rates, particularly those with dementia care, which may in turn affect the median cost for such care. This higher level of occupancy could reduce the median cost as fixed costs will be allocated over a greater proportion of beds.

<b>Occupancy Rates</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>	<b>Minimum</b>	<b>Maximum</b>
<b>Occupied beds without Nursing, without Dementia</b>	87.7	91.7	95.8	56.3	100.0
<b>Occupied beds without Nursing, with Dementia</b>	78.5	90.6	93.6	56.3	100.0
<b>Occupied beds with Nursing, without Dementia</b>	91.3	96.0	97.7	80.3	100.0
<b>Occupied beds with Nursing, with Dementia</b>	89.3	98.4	99.2	80.3	100.0

Occupancy levels affect the weekly cost per bed to the extent that various cost lines do or do not vary as the number of occupants varies. Nursing and Care staff costs are not affected as they are calculated on hours per resident. Equally, for example, food costs are likely to vary only with the number of residents and therefore remain static per resident per week whatever the occupancy level. However, other costs – for example head office costs or repairs and maintenance – will have the same total value however many residents there are. This means that they must be recovered over a greater or lesser number of residents depending on occupancy levels, and so are affected by such. The authority will need to take a view on whether the occupancy levels reported are a fair reflection of future levels or whether figures will need to be adjusted.

If the authority feels that the reported occupancy levels are not representative, then the resulting figures can be adjusted on a line by line basis as necessary to reflect representative occupancy levels. However, in this case the government returns will require justification of changes to the reported occupancy levels. This will have to be based on local knowledge rather than return data.

## 10. Staffing Costs

Based on Option 3, there are some key points to note from the available data.

Key points to note are:

- Basic hourly rate for nursing ranges from £18 to nearly £20 and are noticeably lower in homes with dementia care

Hourly Rates for Nurses	Lower Quartile	Median	Upper Quartile	Minimum	Maximum
Nursing without Dementia Care	18.75	19.40	19.80	18.00	19.80
Nursing with Dementia Care	18.11	18.21	18.61	18.00	19.00

- Nursing hours per resident per week vary from 6 to nearly 11 hours. They are noticeably higher in homes with dementia care.

Nurse Hours Care Per Resident Per Week	Lower Quartile	Median	Upper Quartile	Minimum	Maximum
Nursing without Dementia Care	6.4	6.5	7.6	6.1	10.9
Nursing with Dementia Care	9.6	9.7	9.8	9.5	9.9

- Basic average hourly rate for careworkers ranges from £9.51 to £11.66. Note that this is likely to be higher than minimum wage because it is a weighted average across both careworkers and senior careworkers. There are some variances in the median level with care type, pay being higher in homes without nursing care, and also higher in homes without dementia care.

Hourly Rates for Carers	Lower Quartile	Median	Upper Quartile	Minimum	Maximum
Without Nursing, without Dementia Care	10.62	10.90	11.11	9.85	11.66
Without Nursing, with Dementia Care	10.61	10.84	10.94	9.85	11.66
With Nursing, without Dementia Care	9.77	10.32	10.79	9.51	10.81
With Nursing, with Dementia Care	9.68	9.85	10.27	9.51	10.69

- Total carer hours per resident per week range from 23 to more than 39 hours. The median figure does not vary significantly with care type, although it is slightly lower in homes with nursing care, which is a common pattern. Option 4, and the associated sandbox allow for modelling of different levels of care, and incorporate senior care workers separately.

Carer Hours Per Resident Per Week	Lower Quartile	Median	Upper Quartile	Minimum	Maximum
Without Nursing, without Dementia Care	26.5	27.3	31.1	23.9	35.3
Without Nursing, with Dementia Care	25.5	27.3	31.3	23.8	39.1
With Nursing, without Dementia Care	24.3	26.5	26.6	23.2	29.0
With Nursing, with Dementia Care	25.4	26.5	31.8	24.3	37.0

- For non care staff it should be noted that not all homes have defined staff duties in the same way as they do not hold the data to separate out costs. Nor are hourly rates or weekly hours provided by the data collection tool. The median figures per resident per week are shown below for each care type.

Non Care Staff Weekly Cost Per Resident	Without Nursing Without Dementia	Without Nursing With Dementia	With Nursing Without Dementia	With Nursing With Dementia
Therapy Staff (Occupational & Physio)	0.00	0.00	0.00	0.00
Activity Coordinators	7.59	8.96	17.20	17.20
Service Management (Registered Manager / Deputy)	52.51	50.46	39.03	34.13
Reception & Admin staff at the home	12.92	10.28	10.79	13.48
Chefs / Cooks	26.24	31.92	38.88	31.92
Domestic staff (cleaning, laundry & kitchen)	53.42	82.96	93.93	31.58
Maintenance & Gardening	8.12	18.13	8.12	7.57
Other care home staffing	4.05	4.05	0.00	0.00
<b>Total</b>	<b>164.85</b>	<b>206.76</b>	<b>207.95</b>	<b>135.88</b>

Overall, these indicate that the total costs of non care staff do seem to be affected by care type. At individual cost line level:

- Activity coordinators tend to be higher in nursing care, probably due to a more individual approach
- Service management tends to be lower in nursing care, as these tend to be larger homes with these fixed costs therefore allocated across more beds
- There is no clear pattern in catering or domestic costs suggesting these are particularly influenced by individual homes

## 11. Premises Costs

Not all homes have defined the different categories of premises costs in the same way, or they have not been able to separate out costs to the defined categories. This is why it is recommended that the total for premises costs is used as this will minimise the impact of such differences. They are particularly affected by provider decisions on repairs and maintenance etc during the pandemic – some put these on hold and are now catching up, others took the opportunity to do more work – but these approaches should balance out with use of median figures.

The table below shows the breakdown of figures from Option 3, along with the totals used for Option 4.

	<b>Without Nursing Without Dementia</b>	<b>Without Nursing With Dementia</b>	<b>With Nursing Without Dementia</b>	<b>With Nursing With Dementia</b>
<b>Premises Costs</b>				
<b>Fixtures &amp; Fittings</b>	0.00	0.84	0.37	3.93
<b>Repairs &amp; Maintenance</b>	21.14	24.51	27.70	21.91
<b>Furniture, furnishings and equipment</b>	8.04	14.84	18.31	5.94
<b>Other care home premises costs</b>	0.00	0.00	0.00	0.48
<b>Total</b>	<b>29.18</b>	<b>40.18</b>	<b>46.38</b>	<b>32.26</b>
<b>Option 4 Totals</b>	<b>29.18</b>	<b>40.37</b>	<b>56.42</b>	<b>31.15</b>

There is clearly some variance as to how premises costs are defined, and the lack of pattern again suggests these figures are influenced by individual homes in small sample sizes.

These are costs where the per bed per week figure is likely to be impacted by occupancy levels.

## 12. Supplies and Services Costs

Again, not all homes will have defined the different categories of costs in the same way, or they may not have been able to separate out costs to the defined categories – a number of homes are unable to separate out PPE costs from medical costs for example. This is why it is recommended that the total for supplies and services costs is used as this will minimise the impact of such differences.

The table below shows the breakdown of figures from Option 3, along with the totals used for Option 4.

<b>Supplies and Services Costs</b>	<b>Without Nursing Without Dementia</b>	<b>Without Nursing With Dementia</b>	<b>With Nursing Without Dementia</b>	<b>With Nursing With Dementia</b>
<b>Food supplies</b>	36.76	39.21	35.26	30.14
<b>Domestic and cleaning supplies</b>	8.74	10.03	14.25	5.41
<b>Medical supplies excluding PPE</b>	1.59	2.21	2.76	5.65
<b>PPE</b>	1.08	0.77	2.17	1.30
<b>Office supplies (Home specific)</b>	2.79	4.70	5.17	5.97
<b>Insurance (all risks)</b>	5.17	6.92	7.76	7.76
<b>Registration fees</b>	4.08	3.56	3.45	3.59
<b>Telephone &amp; Internet</b>	1.77	1.99	1.34	1.34
<b>Council tax / rates</b>	0.68	0.83	0.79	1.64
<b>Electricity, gas &amp; water</b>	31.59	25.06	41.87	53.00
<b>Trade and clinical waste</b>	5.56	6.77	6.77	7.48
<b>Transport &amp; Activities</b>	1.95	3.47	8.75	0.00
<b>Other care home supplies</b>	6.48	4.31	3.66	3.05
<b>Total</b>	<b>108.24</b>	<b>109.83</b>	<b>134.00</b>	<b>126.33</b>

  

<b>Option 4 Totals</b>	<b>113.31</b>	<b>127.71</b>	<b>131.33</b>	<b>131.33</b>
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Both sets of figures show a degree of consistency of these costs overall with nursing care costing slightly more. Option 3 figures will be lower as they do not take into account the impact of differences in cost definition. The biggest elements are food supplies and utilities. Utility costs appear to be higher in homes with nursing care.

These are costs where the per bed per week figure is likely to be impacted by occupancy levels in some but not all cases.



### 13. Head Office Costs

Again, not all homes will have defined the different categories of costs in the same way, or they may not have been able to separate out costs to the defined. This is why it is recommended that the total for head office costs is used as this will minimise the impact of such differences.

The table below shows the breakdown of figures from Option 3, along with the total used for Option 4.

	<b>Without Nursing Without Dementia</b>	<b>Without Nursing With Dementia</b>	<b>With Nursing Without Dementia</b>	<b>With Nursing With Dementia</b>
<b>Head Office Costs</b>				
<b>Central / regional management</b>	49.44	43.88	28.06	37.12
<b>Support services (finance / HR / legal / marketing)</b>	12.99	35.99	65.40	12.99
<b>Recruitment, Training &amp; Vetting (inc. DBS checks)</b>	4.89	8.29	17.76	15.03
<b>Other head office costs</b>	0.00	4.48	0.00	0.00
<b>Total</b>	<b>67.32</b>	<b>92.64</b>	<b>111.22</b>	<b>65.14</b>
<b>Option 4 Totals</b>	<b>74.63</b>	<b>97.53</b>	<b>74.63</b>	<b>74.63</b>

These are impacted by the way in which parent groups allocate costs, and the relative size of homes. There is clearly some variance as to how these costs are defined, and the lack of pattern again suggests these figures are influenced by individual homes in small sample sizes.

These are costs where the per bed per week figure is likely to be impacted by occupancy. Sometimes this is also not just occupancy in the home, but across the parent group as head office cost may be allocated by either total bed numbers or resident numbers.

## 14. Return on Operations/Return on Capital

Again, not all homes have defined these in the same way, with different options also being available within the data collection tool. Some homes (especially charities) have entered figures of zero particularly for return on operations, others have combined the two figures.

Where a percentage figure is available or can be calculated for ROO, it ranges from 4.6% to almost 20%. The overall median figure is 10%. This figure varies little across home types. However, it is very vulnerable to distortion from individual homes and should be treated with care.

The percentage figure for ROC is between 0% and 10% but this can have very different cash values due to different home valuations. In cash terms, this gives a range of £0 to £500, with an overall median of £195.

These are costs where the per bed per week figure is likely to be impacted by occupancy.

## 15. Annex A Section 3 Table

The cost tables for the different options, along with the underlying data table should provide sufficient information to fulfil the government return requirements. A table which complies exactly with the current format of the template is provided below, using the figures from Option 3.

Cost of care exercise results - all cells should be £ per resident per week	65+ care home places without nursing	65+ care home places without nursing, enhanced needs	65+ care home places with nursing	65+ care home places with nursing, enhanced needs
<b>Care home staffing:</b>	<b>£513.26</b>	<b>£650.53</b>	<b>£812.66</b>	<b>£802.52</b>
o Nursing Staff	£0.00	£0.00	£194.38	£221.27
o Care Staff	£348.41	£443.77	£410.33	£445.37
o Therapy Staff (Occupational & Physio)	£0.00	£0.00	£0.00	£0.00
o Activity Coordinators	£7.59	£8.96	£17.20	£17.20
o Service Management (Registered Manager/Deputy)	£52.51	£50.46	£39.03	£34.13
o Reception & Admin staff at the home	£12.92	£10.28	£10.79	£13.48
o Chefs / Cooks	£26.24	£31.92	£38.88	£31.92
o Domestic staff (cleaning, laundry & kitchen)	£53.42	£82.96	£93.93	£31.58
o Maintenance & Gardening	£8.12	£18.13	£8.12	£7.57
o <i>Other care home staffing (please specify)</i>	£4.05	£4.05	£0.00	£0.00
<b>Care home premises:</b>	<b>£29.18</b>	<b>£40.18</b>	<b>£46.38</b>	<b>£32.26</b>
o Fixtures & fittings	£0.00	£0.84	£0.37	£3.93
o Repairs and maintenance	£21.14	£24.51	£27.70	£21.91
o Furniture, furnishings and equipment	£8.04	£14.84	£18.31	£5.94
o <i>Other care home premises costs (please specify)</i>	£0.00	£0.00	£0.00	£0.48
<b>Care home supplies and services:</b>	<b>£108.24</b>	<b>£109.83</b>	<b>£134.00</b>	<b>£126.33</b>
o Food supplies	£36.76	£39.21	£35.26	£30.14
o Domestic and cleaning supplies	£8.74	£10.03	£14.25	£5.41
o Medical supplies (excluding PPE)	£1.59	£2.21	£2.76	£5.65
o PPE	£1.08	£0.77	£2.17	£1.30
o Office supplies (home specific)	£2.79	£4.70	£5.17	£5.97
o Insurance (all risks)	£5.17	£6.92	£7.76	£7.76
o Registration fees	£4.08	£3.56	£3.45	£3.59
o Telephone & internet	£1.77	£1.99	£1.34	£1.34
o Council tax / rates	£0.68	£0.83	£0.79	£1.64
o Electricity, Gas & Water	£31.59	£25.06	£41.87	£53.00
o Trade and clinical waste	£5.56	£6.77	£6.77	£7.48
o Transport & Activities	£1.95	£3.47	£8.75	£0.00
o <i>Other care home supplies and services costs (please specify)</i>	£6.48	£4.31	£3.66	£3.05
<b>Head office:</b>	<b>£67.32</b>	<b>£92.64</b>	<b>£111.22</b>	<b>£65.14</b>

<b>Cost of care exercise results - all cells should be £ per resident per week</b>	<b>65+ care home places without nursing</b>	<b>65+ care home places without nursing, enhanced needs</b>	<b>65+ care home places with nursing</b>	<b>65+ care home places with nursing, enhanced needs</b>
o Central / Regional Management	£49.44	£43.88	£28.06	£37.12
o Support Services (finance / HR / legal / marketing etc.)	£12.99	£35.99	£65.40	£12.99
o Recruitment, Training & Vetting (incl. DBS checks)	£4.89	£8.29	£17.76	£15.03
o <i>Other head office costs (please specify)</i>	£0.00	£4.48	£0.00	£0.00
<b>Return on Operations</b>	<b>£104.64</b>	<b>£110.67</b>	<b>£97.89</b>	<b>£94.28</b>
<b>Return on Capital</b>	<b>£194.60</b>	<b>£194.60</b>	<b>£113.00</b>	<b>£113.00</b>
<b>TOTAL</b>	<b>£1,017.24</b>	<b>£1,198.45</b>	<b>£1,315.16</b>	<b>£1,233.53</b>
<b><i>Supporting information on important cost drivers used in the calculations:</i></b>	NA	NA	NA	NA
o <i>Number of location level survey responses received</i>	7	9	5	3
o <i>Number of locations eligible to fill in the survey (excluding those found to be ineligible)</i>	25	25	18	18
o <i>Number of residents covered by the responses</i>	265	199	353	70
o <i>Number of carer hours per resident per week</i>	27.3	27.3	26.5	26.5
o <i>Number of nursing hours per resident per week</i>	n/a	n/a	6.5	8.3
o <i>Average carer basic pay per hour</i>	10.90	10.84	10.32	9.85
o <i>Average nurse basic pay per hour</i>	n/a	n/a	19.40	18.21
o <i>Average occupancy as a percentage of active beds</i>	91.7	90.6	96.0	98.4
o <i>Freehold valuation per bed</i>	105,069	91,291	100,000	n/a

This second table is also compliant with the required format for Annex A Section 3, but is based on Option 4. Note that in this case the sub totals are not the mathematical total of each line.

Cost of care exercise results - all cells should be £ per resident per week	65+ care home places without nursing	65+ care home places without nursing, enhanced needs	65+ care home places with nursing	65+ care home places with nursing, enhanced needs
<b>Care home staffing:</b>	<b>£492.80</b>	<b>£534.71</b>	<b>£753.43</b>	<b>£681.36</b>
o Nursing Staff	£0.00	£0.00	£183.54	£183.54
o Care Staff	£327.95	£327.95	£361.94	£361.94
o Therapy Staff (Occupational & Physio)	£0.00	£0.00	£0.00	£0.00
o Activity Coordinators	£7.59	£8.96	£17.20	£17.20
o Service Management (Registered Manager/Deputy)	£52.51	£50.46	£39.03	£34.13
o Reception & Admin staff at the home	£12.92	£10.28	£10.79	£13.48
o Chefs / Cooks	£26.24	£31.92	£38.88	£31.92
o Domestic staff (cleaning, laundry & kitchen)	£53.42	£82.96	£93.93	£31.58
o Maintenance & Gardening	£8.12	£18.13	£8.12	£7.57
o <i>Other care home staffing (please specify)</i>	£4.05	£4.05	£0.00	£0.00
<b>Care home premises:</b>	<b>£29.18</b>	<b>£40.37</b>	<b>£56.42</b>	<b>£31.15</b>
o Fixtures & fittings	£0.00	£0.84	£0.37	£3.93
o Repairs and maintenance	£21.14	£24.51	£27.70	£21.91
o Furniture, furnishings and equipment	£8.04	£14.84	£18.31	£5.94
o <i>Other care home premises costs (please specify)</i>	£0.00	£0.00	£0.00	£0.48
<b>Care home supplies and services:</b>	<b>£113.31</b>	<b>£127.71</b>	<b>£131.33</b>	<b>£131.33</b>
o Food supplies	£36.76	£39.21	£35.26	£30.14
o Domestic and cleaning supplies	£8.74	£10.03	£14.25	£5.41
o Medical supplies (excluding PPE)	£1.59	£2.21	£2.76	£5.65
o PPE	£1.08	£0.77	£2.17	£1.30
o Office supplies (home specific)	£2.79	£4.70	£5.17	£5.97
o Insurance (all risks)	£5.17	£6.92	£7.76	£7.76
o Registration fees	£4.08	£3.56	£3.45	£3.59
o Telephone & internet	£1.77	£1.99	£1.34	£1.34
o Council tax / rates	£0.68	£0.83	£0.79	£1.64
o Electricity, Gas & Water	£31.59	£25.06	£41.87	£53.00
o Trade and clinical waste	£5.56	£6.77	£6.77	£7.48
o Transport & Activities	£1.95	£3.47	£8.75	£0.00
o <i>Other care home supplies and services costs (please specify)</i>	£6.48	£4.31	£3.66	£3.05
<b>Head office:</b>	<b>£74.63</b>	<b>£97.53</b>	<b>£74.63</b>	<b>£74.63</b>
o Central / Regional Management	£49.44	£43.88	£28.06	£37.12
o Support Services (finance / HR / legal / marketing etc.)	£12.99	£35.99	£65.40	£12.99

<b>Cost of care exercise results - all cells should be £ per resident per week</b>	<b>65+ care home places without nursing</b>	<b>65+ care home places without nursing, enhanced needs</b>	<b>65+ care home places with nursing</b>	<b>65+ care home places with nursing, enhanced needs</b>
o Recruitment, Training & Vetting (incl. DBS checks)	£4.89	£8.29	£17.76	£15.03
o <i>Other head office costs (please specify)</i>	£0.00	£4.48	£0.00	£0.00
<b>Return on Operations</b>	<b>£77.18</b>	<b>£87.01</b>	<b>£99.53</b>	<b>£89.99</b>
<b>Return on Capital</b>	<b>£194.60</b>	<b>£194.60</b>	<b>£113.00</b>	<b>£113.00</b>
<b>TOTAL</b>	<b>£981.70</b>	<b>£1,081.93</b>	<b>£1,228.34</b>	<b>£1,121.46</b>
<b>Supporting information on important cost drivers used in the calculations:</b>	NA	NA	NA	NA
o <i>Number of location level survey responses received</i>	7	9	5	3
o <i>Number of locations eligible to fill in the survey (excluding those found to be ineligible)</i>	25	25	18	18
o <i>Number of residents covered by the responses</i>	265	199	353	70
o <i>Number of carer hours per resident per week</i>	23.0	23.0	23.0	23.0
o <i>Number of nursing hours per resident per week</i>	n/a	n/a	6.7	6.7
o <i>Average carer basic pay per hour</i>	10.90	10.84	10.32	9.85
o <i>Average nurse basic pay per hour</i>	n/a	n/a	19.40	18.21
o <i>Average occupancy as a percentage of active beds</i>	91.7	90.6	96.0	98.4
o <i>Freehold valuation per bed</i>	105,069	91,291	100,000	n/a

## 16. Future Uplifts

For assessing the hourly cost of residential care in future years it is either necessary to repeat this exercise or agree the way in which the median value can be uplifted. The following are recommendations for uplift:

- a. All staffing costs: increase annually by the same percentage increase as the national living wage. Note that the recommended option will also allow for incorporating changes in employers national insurance rates and thresholds and for incorporating changes in the required employer pension contribution.
- b. Premises costs with the exception of those detailed below: increase annually by CPI figure for category 05, Furniture, Household Equipment, and Maintenance
- c. Supplies and Services Costs with the exception of those detailed below: increase annually by CPI figure for category 12, Miscellaneous Goods and Services
- d. Food Supplies: increase annually by CPI figure for category 01, Food and Non Alcoholic Beverages
- e. Domestic and cleaning supplies: increase annually by CPI figure for category 05.6.2, Domestic and Household Services
- f. Medical supplies excluding PPE: increase annually by CPI figure for category 06.1, Medical Products, Appliances, and Equipment
- g. PPE: increase annually by CPI figure for category 03, Clothing and Footwear (alternatively combine with medical supplies)
- h. Insurance: Increase annually by CPI figure for category 12.5, Insurance
- i. Telephone and Internet : increase annually by CPI figure for category 08.2/3, Telephone and Telefax Equipment and Services
- j. Electricity, Gas and Water : Increase annually by CPI figure for category 04.5, Electricity, Gas and Other Fuels
- k. Transport and Activities: Increase annually by CPI figure for category 07, Transport
- l. Head Office Costs: increase annually by CPI figure for category 12, Miscellaneous Goods and Services
- m. Return on Operations and Return on Capital: Either define as a percentage (Option 4) or increase by weighted average of above figures.

Using the proportions of each cost line from the median cost figures allows a specific care home price index basket to be developed in the same way as the CPI is prepared. A spreadsheet model can be provided which can then be populated with the relevant data from the CPI breakdown when available.

## **17. Fee Setting/Cost Calculation Model**

A spreadsheet based fee setting/cost calculation model will be provided as part of this exercise. The model includes recommended inputs based on the information and analysis above. However, within this model, inputs can be varied to show the impact on costs and fees. Inputs can be agreed with providers as part of a fee setting exercise, and can also be updated as the situation, or statutory requirements change. Details of this model will form part of a separate report.



APPENDIX A  
OPTION 3 DETAILED TABLES

<b>Option 3 Occupied beds without Nursing, without Dementia</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>	<b>Minimum</b>	<b>Maximum</b>
<b>Care Home Staffing</b>					
Care Staff	244.36	348.41	466.53	191.13	494.04
Therapy Staff	0.00	0.00	0.00	0.00	0.00
Activity Coordinators	2.05	7.59	14.76	0.00	19.65
Registered manager/deputy	40.16	52.51	66.36	36.80	99.13
Reception & Admin staff at the home	4.37	12.92	19.87	0.00	47.45
Chefs/Cooks	23.14	26.24	31.12	20.16	60.63
Domestic Staff	37.88	53.42	68.56	23.39	111.20
Maintenance & Gardening	7.61	8.12	21.26	7.15	75.59
Other care home staffing	3.36	4.05	16.88	0.00	85.03
<b>Total Care Home Staffing</b>	<b>362.92</b>	<b>513.26</b>	<b>705.33</b>	<b>278.63</b>	<b>992.72</b>
<b>Care Home Premises</b>					
Fixtures and Fittings	0.00	0.00	1.96	0.00	10.64
Repairs and Maintenance	15.78	21.14	23.13	7.85	29.77
Furniture, furnishings and equipment	3.35	8.04	10.30	0.78	26.79
Other care home premises costs	0.00	0.00	0.73	0.00	3.52
<b>Total Premises Costs</b>	<b>19.12</b>	<b>29.18</b>	<b>36.12</b>	<b>8.63</b>	<b>70.72</b>
<b>Care Home Supplies and Services</b>					
Food Supplies	33.48	36.76	41.45	30.14	49.17
Domestic and Cleaning Supplies	7.41	8.74	9.85	4.81	13.88
Medical Supplies (excluding PPE)	0.69	1.59	2.48	0.00	5.88
PPE	0.09	1.08	2.97	0.00	4.10
Office supplies (home specific)	1.44	2.79	4.63	0.39	5.97
Insurance (all risks)	4.74	5.17	9.09	4.12	20.37
Registration Fees	3.24	4.08	4.76	0.00	5.89
Telephone and Internet	1.15	1.77	1.94	0.49	4.82
Council tax/rates	0.63	0.68	1.92	0.56	6.28
Electricity, Gas & Water	25.04	31.59	39.01	17.26	53.00
Trade and Clinical Waste	4.38	5.56	6.84	3.54	16.58
Transport & Activities	0.99	1.95	6.37	0.00	13.54
Other supplies and services	4.56	6.48	10.35	2.76	54.38
<b>Total Supplies and Services Costs</b>	<b>87.83</b>	<b>108.24</b>	<b>141.64</b>	<b>64.07</b>	<b>253.86</b>
<b>Head Office Costs</b>					
Central/Regional Management	46.66	49.44	66.72	38.83	104.25
Support Services (Finance/HR/legal/marketing etc)	3.66	12.99	30.63	0.53	36.80
Recruitment, Training & Vetting	1.53	4.89	8.64	0.67	17.76
Other head office costs	0.00	0.00	3.67	0.00	6.86
<b>Total Head Office Costs</b>	<b>51.85</b>	<b>67.32</b>	<b>109.65</b>	<b>40.03</b>	<b>165.67</b>
<b>Return on Operations</b>	<b>73.44</b>	<b>104.64</b>	<b>143.31</b>	<b>61.48</b>	<b>197.63</b>
<b>Return on Capital</b>	<b>113.00</b>	<b>194.60</b>	<b>213.36</b>	<b>0.00</b>	<b>507.00</b>

<b>Total Costs</b>	<b>708.17</b>	<b>1,017.24</b>	<b>1,349.40</b>	<b>452.85</b>	<b>2,187.60</b>
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<b>Option 3 Occupied beds without Nursing, with Dementia</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>	<b>Minimum</b>	<b>Maximum</b>
<b>Care Home Staffing</b>					
Care Staff	366.53	443.77	487.69	256.36	526.30
Therapy Staff	0.00	0.00	0.00	0.00	1.60
Activity Coordinators	0.00	8.96	12.60	0.00	19.65
Registered manager/deputy	42.70	50.46	56.64	39.03	99.13
Reception & Admin staff at the home	0.00	10.28	12.92	0.00	47.45
Chefs/Cooks	29.96	31.92	48.78	25.91	60.63
Domestic Staff	33.64	82.96	93.93	23.39	118.81
Maintenance & Gardening	8.84	18.13	24.78	7.28	75.59
Other care home staffing	3.33	4.05	12.17	0.00	37.07
<b>Total Care Home Staffing</b>	<b>485.00</b>	<b>650.53</b>	<b>749.51</b>	<b>351.97</b>	<b>986.23</b>
<b>Care Home Premises</b>					
Fixtures and Fittings	0.00	0.84	8.31	0.00	12.76
Repairs and Maintenance	22.33	24.51	46.35	20.16	54.84
Furniture, furnishings and equipment	8.69	14.84	17.78	3.27	34.28
Other care home premises costs	0.00	0.00	0.00	0.00	0.48
<b>Total Premises Costs</b>	<b>31.02</b>	<b>40.18</b>	<b>72.43</b>	<b>23.43</b>	<b>102.36</b>
<b>Care Home Supplies and Services</b>					
Food Supplies	33.62	39.21	41.50	0.04	55.60
Domestic and Cleaning Supplies	7.90	10.03	15.59	4.81	19.11
Medical Supplies (excluding PPE)	0.00	2.21	2.76	0.00	3.89
PPE	0.00	0.77	3.22	0.00	4.10
Office supplies (home specific)	0.81	4.70	5.17	0.39	5.97
Insurance (all risks)	5.87	6.92	11.58	4.89	20.37
Registration Fees	3.36	3.56	4.19	0.00	5.89
Telephone and Internet	1.72	1.99	2.47	0.64	4.82
Council tax/rates	0.70	0.83	1.51	0.67	6.28
Electricity, Gas & Water	18.72	25.06	40.95	7.88	53.00
Trade and Clinical Waste	5.56	6.77	7.48	0.39	16.58
Transport & Activities	1.78	3.47	10.01	0.00	13.54
Other supplies and services	2.92	4.31	11.13	0.00	54.38
<b>Total Supplies and Services Costs</b>	<b>82.96</b>	<b>109.83</b>	<b>157.54</b>	<b>19.71</b>	<b>263.54</b>
<b>Head Office Costs</b>					
Central/Regional Management Support Services (Finance/HR/legal/marketing etc)	28.06	43.88	49.44	0.00	104.25
Recruitment, Training & Vetting	12.99	35.99	43.70	5.37	96.16
Other head office costs	4.89	8.29	17.76	2.24	21.35
	0.00	4.48	4.81	0.00	7.86
<b>Total Head Office Costs</b>	<b>45.94</b>	<b>92.64</b>	<b>115.71</b>	<b>7.61</b>	<b>229.62</b>
<b>Return on Operations</b>	<b>96.81</b>	<b>110.67</b>	<b>143.31</b>	<b>61.48</b>	<b>197.63</b>

<b>Return on Capital</b>	<b>105.82</b>	<b>194.60</b>	<b>231.74</b>	<b>0.00</b>	<b>840.00</b>
<b>Total Costs</b>	<b>847.55</b>	<b>1,198.45</b>	<b>1,470.25</b>	<b>464.21</b>	<b>2,619.38</b>

<b>Option 3 Occupied beds with Nursing, without Dementia</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>	<b>Minimum</b>	<b>Maximum</b>
<b>Care Home Staffing</b>					
Nursing Staff	186.03	194.38	196.06	153.03	297.02
Care Staff	387.58	410.33	417.86	380.08	445.37
Therapy Staff	0.00	0.00	1.34	0.00	1.60
Activity Coordinators	12.60	17.20	19.60	10.90	20.17
Registered manager/deputy	34.13	39.03	42.70	24.76	50.26
Reception & Admin staff at the home	10.28	10.79	10.88	8.74	13.48
Chefs/Cooks	31.92	38.88	41.93	21.54	48.78
Domestic Staff	35.21	93.93	108.31	31.58	118.81
Maintenance & Gardening	7.57	8.12	20.53	0.00	24.78
Other care home staffing	0.00	0.00	10.23	0.00	12.17
<b>Total Care Home Staffing</b>	<b>705.32</b>	<b>812.66</b>	<b>869.44</b>	<b>630.63</b>	<b>1,032.44</b>
<b>Care Home Premises</b>					
Fixtures and Fittings	0.00	0.37	8.35	0.00	14.85
Repairs and Maintenance	22.69	27.70	51.15	17.93	54.84
Furniture, furnishings and equipment	17.29	18.31	27.40	3.27	38.95
Other care home premises costs	0.00	0.00	0.24	0.00	1.35
<b>Total Premises Costs</b>	<b>39.98</b>	<b>46.38</b>	<b>87.14</b>	<b>21.20</b>	<b>109.99</b>
<b>Care Home Supplies and Services</b>					
Food Supplies	32.51	35.26	39.21	30.13	60.35
Domestic and Cleaning Supplies	5.41	14.25	19.04	4.81	19.11
Medical Supplies (excluding PPE)	2.53	2.76	3.04	1.90	5.65
PPE	1.30	2.17	2.43	0.18	3.22
Office supplies (home specific)	4.70	5.17	5.83	1.28	5.97
Insurance (all risks)	6.84	7.76	17.12	1.93	36.24
Registration Fees	3.36	3.45	4.02	3.00	4.49
Telephone and Internet	0.79	1.34	1.80	0.31	2.45
Council tax/rates	0.70	0.79	1.28	0.00	6.28
Electricity, Gas & Water	29.04	41.87	50.22	18.73	53.00
Trade and Clinical Waste	5.88	6.77	7.48	2.57	9.47
Transport & Activities	0.00	8.75	10.01	0.00	10.47
Other supplies and services	3.05	3.66	4.31	2.76	10.44
<b>Total Supplies and Services Costs</b>	<b>96.11</b>	<b>134.00</b>	<b>165.78</b>	<b>67.61</b>	<b>227.14</b>
<b>Head Office Costs</b>					
Central/Regional Management	26.65	28.06	37.12	7.89	43.88
Support Services (Finance/HR/legal/marketing etc)	12.99	65.40	91.31	10.99	96.16
Recruitment, Training & Vetting	15.03	17.76	20.28	0.00	21.35

Other head office costs	0.00	0.00	4.48	0.00	4.72
<b>Total Head Office Costs</b>	<b>54.67</b>	<b>111.22</b>	<b>153.19</b>	<b>18.88</b>	<b>166.11</b>
<b>Return on Operations</b>	<b>96.81</b>	<b>97.89</b>	<b>104.64</b>	<b>94.28</b>	<b>110.67</b>
<b>Return on Capital</b>	<b>105.82</b>	<b>113.00</b>	<b>205.00</b>	<b>104.64</b>	<b>225.14</b>
<b>Total Costs</b>	<b>1,098.70</b>	<b>1,315.16</b>	<b>1,585.19</b>	<b>937.24</b>	<b>1,871.50</b>

<b>Option 3 Occupied beds with Nursing, with Dementia</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>	<b>Minimum</b>	<b>Maximum</b>
<b>Care Home Staffing</b>					
Nursing Staff	203.65	221.27	259.15	186.03	297.02
Care Staff	416.48	445.37	537.93	387.58	630.48
Therapy Staff	0.00	0.00	0.00	0.00	0.00
Activity Coordinators	8.60	17.20	18.40	0.00	19.60
Registered manager/deputy	33.61	34.13	36.58	33.08	39.03
Reception & Admin staff at the home	11.11	13.48	14.56	8.74	15.63
Chefs/Cooks	23.14	31.92	35.40	14.35	38.88
Domestic Staff	31.48	31.58	33.40	31.38	35.21
Maintenance & Gardening	6.29	7.57	7.85	5.00	8.12
Other care home staffing	0.00	0.00	0.98	0.00	1.95
<b>Total Care Home Staffing</b>	<b>734.34</b>	<b>802.52</b>	<b>944.22</b>	<b>666.16</b>	<b>1,085.92</b>
<b>Care Home Premises</b>					
Fixtures and Fittings	1.97	3.93	9.39	0.00	14.85
Repairs and Maintenance	19.13	21.91	22.69	16.35	23.47
Furniture, furnishings and equipment	4.61	5.94	12.13	3.27	18.31
Other care home premises costs	0.24	0.48	0.92	0.00	1.35
<b>Total Premises Costs</b>	<b>25.94</b>	<b>32.26</b>	<b>45.12</b>	<b>19.62</b>	<b>57.98</b>
<b>Care Home Supplies and Services</b>					
Food Supplies	30.14	30.14	34.21	30.13	38.27
Domestic and Cleaning Supplies	5.11	5.41	12.15	4.81	18.88
Medical Supplies (excluding PPE)	4.21	5.65	7.27	2.76	8.89
PPE	0.74	1.30	1.86	0.18	2.42
Office supplies (home specific)	5.90	5.97	6.00	5.83	6.02
Insurance (all risks)	7.75	7.76	10.29	7.74	12.82
Registration Fees	3.52	3.59	4.04	3.45	4.49
Telephone and Internet	0.99	1.34	2.55	0.64	3.75
Council tax/rates	0.82	1.64	3.96	0.00	6.28
Electricity, Gas & Water	52.90	53.00	70.12	52.80	87.24
Trade and Clinical Waste	6.68	7.48	7.49	5.88	7.50
Transport & Activities	0.00	0.00	1.54	0.00	3.07
Other supplies and services	2.91	3.05	6.98	2.76	10.91
<b>Total Supplies and Services Costs</b>	<b>121.66</b>	<b>126.33</b>	<b>168.44</b>	<b>116.98</b>	<b>210.54</b>
<b>Head Office Costs</b>					
Central/Regional Management	29.10	37.12	40.50	21.07	43.88

Support Services (Finance/HR/legal/marketing etc)	11.99	12.99	48.16	10.99	83.33
Recruitment, Training & Vetting	12.15	15.03	16.40	9.26	17.76
Other head office costs	0.00	0.00	0.00	0.00	0.00
<b>Total Head Office Costs</b>	<b>53.23</b>	<b>65.14</b>	<b>105.06</b>	<b>41.32</b>	<b>144.97</b>
<b>Return on Operations</b>	<b>76.92</b>	<b>94.28</b>	<b>99.46</b>	<b>59.55</b>	<b>104.64</b>
<b>Return on Capital</b>	<b>111.50</b>	<b>113.00</b>	<b>159.00</b>	<b>110.00</b>	<b>205.00</b>
<b>Total Costs</b>	<b>1,123.58</b>	<b>1,233.53</b>	<b>1,521.29</b>	<b>1,013.63</b>	<b>1,809.05</b>

## APPENDIX B

### OPTION 4 DETAILED TABLES

	Without Nursing without Dementia			Without Nursing with Dementia		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
<b>Direct Care Staff</b>						
Senior Carers Inc Agency	0.00	51.75	130.73	0.00	51.75	130.73
Carers Inc Agency	139.42	276.19	369.86	139.42	276.19	369.86
<b>Total Direct Care Staff</b>	<b>139.42</b>	<b>327.95</b>	<b>500.59</b>	<b>139.42</b>	<b>327.95</b>	<b>500.59</b>
<b>Non Direct Care Staff</b>						
Therapy Staff (Occupational & Physio)	0.00	0.00	0.00	0.00	0.00	0.00
Activity Coordinators	2.05	7.59	14.76	0.00	8.96	12.60
Service Management (Registered Manager / Deputy)	40.16	52.51	66.36	42.70	50.46	56.64
Reception & Admin staff at the home	4.37	12.92	19.87	0.00	10.28	12.92
Chefs / Cooks	23.14	26.24	31.12	29.96	31.92	48.78
Domestic staff (cleaning, laundry & kitchen)	37.88	53.42	68.56	33.64	82.96	93.93
Maintenance & Gardening	7.61	8.12	21.26	8.84	18.13	24.78
Other care home staffing	3.36	4.05	16.88	3.33	4.05	12.17
<b>Total Non Direct Care Staff</b>	<b>118.56</b>	<b>164.85</b>	<b>238.80</b>	<b>118.47</b>	<b>206.76</b>	<b>261.82</b>
<b>Total Staffing Costs</b>	<b>257.99</b>	<b>492.80</b>	<b>739.39</b>	<b>257.89</b>	<b>534.71</b>	<b>762.41</b>
<b>Premises Costs</b>	<b>24.29</b>	<b>29.18</b>	<b>33.68</b>	<b>32.34</b>	<b>40.37</b>	<b>70.23</b>
<b>Supplies and Services Costs</b>	<b>101.74</b>	<b>113.31</b>	<b>130.72</b>	<b>96.28</b>	<b>127.71</b>	<b>140.21</b>
<b>Head Office Costs</b>	<b>69.50</b>	<b>74.63</b>	<b>96.74</b>	<b>74.63</b>	<b>97.53</b>	<b>124.18</b>
<b>Total Operations Costs</b>	<b>453.52</b>	<b>709.92</b>	<b>1,000.52</b>	<b>461.14</b>	<b>800.32</b>	<b>1,097.03</b>
<b>Return on Operations</b>	<b>46.70</b>	<b>77.18</b>	<b>191.05</b>	<b>45.32</b>	<b>87.01</b>	<b>209.47</b>
<b>Return on Capital</b>	<b>113.00</b>	<b>194.60</b>	<b>213.36</b>	<b>105.82</b>	<b>194.60</b>	<b>231.74</b>
Cost Per Bed Per Week	613.21	981.70	1,404.93	612.28	1,081.93	1,538.24

	Without Nursing without Dementia			Without Nursing with Dementia		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
ROO as % of Operating Costs	10.3	10.9	19.1	9.8	10.9	19.1
Carer Hours per resident per week	12.2	19.3	22.9	12.2	19.3	22.9
Carer Basic Pay	9.96	10.49	10.73	9.96	10.49	10.73
Senior Carer hours per resident per week	0.0	3.7	9.2	0.0	3.7	9.2
Senior Carer basic pay	10.37	12.45	12.60	10.37	12.45	12.60
Holiday Days per FTE per year	28.0	28.0	28.0	28.0	28.0	28.0
Training Days per FTE per year	2.3	4.0	8.4	2.3	4.0	8.4
Sick Days per FTE per year	4.0	5.0	9.3	4.0	5.0	9.3
Other Non Contact Days per FTE per year	0.0	0.0	1.3	0.0	0.0	1.3
Percentage Carer Hours supplied by Agency	4.6	31.9	48.9	4.6	31.9	48.9
Percentage Senior Carer Hours supplied by Agency	0.0	0.0	0.0	0.0	0.0	0.0
Senior Carer Agency Hourly Rate	23.50	25.24	27.74	23.50	25.24	27.74
Carer Agency Hourly Rate	18.50	20.00	20.59	18.50	20.00	20.59
NI Threshold	9,100	9,100	9,100	9,100	9,100	9,100
NI Percentage	15.05	15.05	15.05	15.05	15.05	15.05
Pension Percentage	3	3	3	3	3	3

	With Nursing without Dementia			With Nursing with Dementia		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
<b>Direct Care Staff</b>						
Nurses Inc Agency	154.66	183.54	300.63	154.66	183.54	300.63
Nursing Assistants inc Agency	0.00	0.00	30.37	0.00	0.00	30.37
Senior Carers Inc Agency	0.00	60.34	159.52	0.00	60.34	159.52
Carers Inc Agency	158.98	301.59	400.68	158.98	301.59	400.68
<b>Total Direct Care Staff</b>	<b>313.65</b>	<b>545.48</b>	<b>891.20</b>	<b>313.65</b>	<b>545.48</b>	<b>891.20</b>
<b>Non Direct Care Staff</b>						
Therapy Staff (Occupational & Physio)	0.00	0.00	1.34	0.00	0.00	0.00
Activity Coordinators	12.60	17.20	19.60	8.60	17.20	18.40
Service Management (Registered Manager / Deputy)	34.13	39.03	42.70	33.61	34.13	36.58
Reception & Admin staff at the home	10.28	10.79	10.88	11.11	13.48	14.56
Chefs / Cooks	31.92	38.88	41.93	23.14	31.92	35.40
Domestic staff (cleaning, laundry & kitchen)	35.21	93.93	108.31	31.48	31.58	33.40

Maintenance & Gardening	7.57	8.12	20.53	6.29	7.57	7.85
Other care home staffing	0.00	0.00	10.23	0.00	0.00	0.98
<b>Total Non Direct Care Staff</b>	<b>131.71</b>	<b>207.95</b>	<b>255.52</b>	<b>114.22</b>	<b>135.88</b>	<b>147.15</b>
<b>Total Staffing Costs</b>	<b>445.36</b>	<b>753.43</b>	<b>1,146.72</b>	<b>427.86</b>	<b>681.36</b>	<b>1,038.35</b>
<b>Premises Costs</b>	<b>41.23</b>	<b>56.42</b>	<b>81.44</b>	<b>26.72</b>	<b>31.15</b>	<b>43.79</b>
<b>Supplies and Services Costs</b>	<b>107.45</b>	<b>131.33</b>	<b>138.02</b>	<b>126.97</b>	<b>131.33</b>	<b>165.63</b>
<b>Head Office Costs</b>	<b>73.30</b>	<b>74.63</b>	<b>142.72</b>	<b>68.89</b>	<b>74.63</b>	<b>94.15</b>
<b>Total Operations Costs</b>	<b>667.33</b>	<b>1,015.81</b>	<b>1,508.90</b>	<b>650.43</b>	<b>918.47</b>	<b>1,341.91</b>
<b>Return on Operations</b>	<b>62.10</b>	<b>99.53</b>	<b>148.28</b>	<b>46.89</b>	<b>89.99</b>	<b>134.83</b>
<b>Return on Capital</b>	<b>105.82</b>	<b>113.00</b>	<b>205.00</b>	<b>111.50</b>	<b>113.00</b>	<b>159.00</b>
Cost Per Bed Per Week	835.24	1,228.34	1,862.18	808.82	1,121.46	1,635.74

	With Nursing without Dementia			With Nursing with Dementia		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
ROO as % of Operating Costs	9.3	9.8	9.8	7.2	9.8	10.0
Nursing Hours Per Resident Per week	6.29	6.67	9.54	6.29	6.67	9.54
Nursing Basic Pay	18.205	19.4	19.94	18.21	19.40	19.94
Carer Hours per resident per week	12.2	19.3	22.9	12.2	19.3	22.9
Carer Basic Pay	9.96	10.49	10.73	9.96	10.49	10.73
Senior Carer hours per resident per week	0.0	3.7	9.2	0.0	3.7	9.2
Senior Carer basic pay	10.37	12.45	12.60	10.37	12.45	12.60
Nursing Assistant hours per resident per week	0.0	0.0	1.6	0.0	0.0	1.6
Nursing Assistant basic pay	13.21	13.48	13.74	13.21	13.48	13.74
Holiday Days per FTE per year	28.0	28.0	28.0	28.0	28.0	28.0
Training Days per FTE per year	2.3	4.0	8.4	2.3	4.0	8.4
Sick Days per FTE per year	4.0	5.0	9.3	4.0	5.0	9.3
Other Non Contact Days per FTE per year	0.0	0.0	1.3	0.0	0.0	1.3
Percentage Nursing Hours supplied by Agency	5.0	13.8	31.4	5.0	13.8	31.4
Percentage Nursing Assistant Hours supplied by Agency	0.0	0.0	0.0	0.0	0.0	0.0
Percentage Carer Hours supplied by Agency	4.6	31.9	48.9	4.6	31.9	48.9
Percentage Senior Carer Hours supplied by Agency	0.0	0.0	0.0	0.0	0.0	0.0
Nursing Agency Hourly Rate	36.78	37.81	39.50	36.78	37.81	39.50
Nursing Assistant Agency Hourly Rate	0.00	0.00	0.00	0.00	0.00	0.00
Senior Carer Agency Hourly Rate	23.50	25.24	27.74	23.50	25.24	27.74
Carer Agency Hourly Rate	18.50	20.00	20.59	18.50	20.00	20.59
NI Threshold	9,100	9,100	9,100	9,100	9,100	9,100

NI Percentage	15.05	15.05	15.05		15.05	15.05	15.05
Pension Percentage	3	3	3		3	3	3