

## WARRINGTON BOROUGH COUNCIL

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**Title of report:** Annex B - Residential and Nursing Fair Cost of Care Report – October 2022

### 1. PURPOSE

- 1.1 The purpose of this report is to communicate the outcome of Warrington Borough Council's Residential and Nursing Care Fair Cost of Care exercise in response to the Department for Health and Social Care's (DHSC) requirement.
- 1.2 The report will also advise DHSC on the process undertaken in relation to engaging and calculating the Fair Cost of Care.

### 2. INTRODUCTION AND BACKGROUND

- 2.1 Approximately £23.4 million is currently spent annually by Warrington Borough Council on residential and nursing placements across the four main categories of care in the borough of Warrington. Around 521 residents live in homes that accept the standard fee rates (with or without an additional contribution paid by a 1<sup>st</sup> or 3<sup>rd</sup> party, known as a 'top-up'), a further 148 residents live in other homes via single purchase arrangements in Warrington or other local authority areas.
- 2.2 The current Warrington Borough Council fee structure for Residential and Nursing Care is as follows:

Table 1:

Current WBC Care Category	Standard Fee Rate 2022/23	Care Category as confirmed by DHSC
Residential	£561	Standard Residential Care
Residential Dementia	£638	Residential Care for enhanced needs
Nursing	£641*	Standard Nursing Care
Nursing Dementia	£678*	Nursing Care for enhanced needs

\* excluding NHS Funded Nursing Care (currently £209.19 per week)

### **3. RESOURCES**

- 3.1 In order to meet the requirements of the DHSC Fair Cost of Care, the Council utilised its own Adult Social Care Contracts and Commissioning Team to undertake the exercise. This decision was made as it was felt the relationship between the team and the providers would positively impact on the numbers of providers willing to participate. This has been evidenced in our return rates detailed below. It is also important for the team to understand the costings of the care homes when fee setting processes are undertaken annually and provides market insight to inform the market position statements for the services.
- 3.2 In addition, the Council commissioned a specialist consultancy company from ARCC Consulting Ltd to engage providers regarding the Draft Market Sustainability Plan and also provide advice, guidance and data review as the cost of care exercise progressed.

### **4. COST OF CARE APPROACH**

#### **4.1 Provider Engagement**

- 4.1.1 ARCC Consulting Ltd were commissioned to engage with providers and provide independent feedback in relation to the local market and sustainability. The information contained in the report from ARCC was utilised to inform the Draft Market Sustainability Plan.
- 4.1.2 Warrington Borough Council held an initial provider engagement session on 6 May 2022. We provided an overview of the exercise including DHSC requirements, timescales, resources, support and information.
- 4.1.3 On 9 May 2022 we sent a letter to all care home providers fully explaining the process and requirements with an invite to a further engagement session.
- 4.1.4 The second engagement session was held on 13 June 2022, providers were fully informed of the tool in which we intended to utilise and the requirements of the provider. Training and guidance information from IESE was provided. This was followed up with a further email to all providers which included the presentation slides, links to join CareCubed drop in sessions, CareCubes registration process and a link to the IESE step by step provider guide. We set up a new email address for cost of care to enable providers to communicate directly with those involved in the process if they required support or guidance.
- 4.1.5 On 30 June 2022 a further email was sent to all providers with further links to CPA demonstrations and FAQ sessions.
- 4.1.6 Email reminders were sent to providers on 5 July 2022 who had not registered on IESE, the links and guidance were reissued.
- 4.1.7 FAQ information was issued to all providers on 7 July 2022.
- 4.1.8 Follow up individual emails we sent to homes which had registered but not responded, deadline to respond on the CareCubed tool was extended to accommodate and we offered any support required.
- 4.1.9 A further extension to the deadline for receipt of data was provided.

4.1.10 Provider presentation of findings from the cost of care exercise prior to reporting to DHSC took place on 30 September 2022, this did not detail costings, and this was an overview of our approach.

## **4.2 Tool**

4.2.1 Warrington Borough Council used the CHIP Cost of Care Tool via CareCubed and did not ask further information of providers, nor use any other data collection template.

4.2.2 The tool calculated a Cost of Care price per bed per week figure. Providers are requested, within the tool, to identify if data related to 21/22 or data as of April 2022. Providers could also choose to attribute estimated inflationary uplifts.

4.2.3 The tool utilised defines Care Categories for beds:

- (i) Without nursing;
- (ii) Without nursing with dementia;
- (iii) With nursing; and
- (iv) With nursing with dementia.

4.2.4 The tool considered the following cost headings:

- (i) Expenditure;
- (ii) Return on Capital/Return on Operations;
- (iii) Occupancy Rates;
- (iv) Staffing Hours; and
- (v) Direct Staffing Costs.

## **4.3 Response Rate**

4.3.1 A total of 30 residential and nursing care homes were within the scope of this exercise in Warrington.

4.3.2 Warrington Borough Council received 22 provider submissions which is 73% of the market. This is equal to 1234 beds out of a possible 1607 in scope for the exercise and therefore 77% of the beds available in the local market.

4.3.3 Of the 22 submission 7 were placed in query on the cost of care tool. Follow up emails were sent to providers asking them to review the queries and to date all 7 providers have not responded.

4.3.4 The reasons for provider's submission being put in query are as follows:

- (i) Missing staff cover costs (1);
- (ii) Very high Return on Capital costs (3);
- (iii) Nil return for Return on Capital and/or Return on Operations (3);

4.3.5 A total of 6 homes did not register on the cost of care tool, information and support was offered on a number of occasions, 5 providers confirmed they were not intending to submit returns and 1 provider did not respond or engage. Just one provider stated a reason for not submitting and related to a Covid Outbreak within the home at the time the exercise was undertaken.

- 4.3.6 A total of 2 homes registered but did not submit a response, information and support was offered, both homes confirmed they intended submit however to date have not provided data.
- 4.3.7 One organisation with a number of homes within the Borough of Warrington submitted just expenditure data. CareCubed worked on the data of the wider organisation to ensure the data which was submitted can be utilised. We have included their data in our calculations.

#### 4.4 Summary of Provider Fair Cost of Care Returns

- 4.4.1 The table below summarises the cost of care data we received from providers. Please note, any returns which had a nil cost/zero within the individual cost lines were removed to ensure this did not skew the median calculation. The data below also includes the provider's data for return on capital (RoC) and return on operations (RoO) if it was provided to us:

Table 2:

Care Category	Number of Returns	Cost of Care Min (£)	Cost of Care Median (£)	Cost of Care Max (£)
65+ care home places without nursing	14	£399.17*	£959.23	£1,581.55
65+ care home places without nursing, with dementia	15	£399.17*	£909.22	£1,992.95
65+ care home places with nursing	12	£832.08	£1,502.44	£2,237.22
65+ care home places with nursing, with dementia	10	£848.78	£1,357.99	£2,182.09

\* provider returned zero for RoC and RoO and did not provide an inflationary uplift figure for 2022/23.

- 4.4.2 The table below details the number of homes by category that did not provide a return on capital (RoC) and/or return on operations (RoO) figure:

Table 3:

Care Category	Number of homes that did not provide RoC figure	Number of homes that did not provide RoO figure
65+ care home places without nursing	3	3
65+ care home places without nursing, with dementia	4	3
65+ care home places with nursing	3	3
65+ care home places with nursing, with dementia	2	3

4.4.3 The table below summaries the range of return on capital and return on operations which were received by providers by care category:

Table 4:

Care Category	Return on Capital			Return on Operations		
	Min	Max	Median	Min	Max	Median
65+ care home places without nursing	£50.87	£198	£110	£45.38	£170	108.41
65+ care home places without nursing, with dementia	£50.87	£211	£108.70	£36.17	£221.78	£109.14
65+ care home places with nursing	£50.87	£198	£140	£45.38	£170	£113.03
65+ care home places with nursing, with dementia	£50.87	£565.99	£140	£36.17	£170	£103.17

4.4.4 Return on Operations returns ranged from 4.27% to 18.51% with a median of 8.09%.

4.4.5 Return on Capital returns ranged from 3.20% to 40.97% with a median of 9.83%.

#### 4.5 Caveats to the data

4.5.1 Continuing Health Care placements are made with nursing providers however this is not taken into account in this fair cost of care exercise however, providers have included the costs related to all beds within the home.

4.5.2 NHS Funded Nursing Care (FNC) is currently £209.19 per bed per week and is not accounted for in the tool used.

4.5.3 During the requested data collection period (2021/22) Covid-19 grants were paid to providers. Some provider have treated the grants as income and used the vacant rooms for Covid-19 testing, visiting or related activities. The tool does not account for the additional grant income paid.

4.5.4 In addition to Covid-19 related grants providers also received a share of the Workforce Development Grant, this may temporary inflate their costs to account for the additional funding however the funding has now ended so costs may reduce in future years.

4.5.4 Out of Area placements are not included.

4.5.5 Occupancy levels provided by homes related to a period which was impacted by Covid-19, since the pandemic occupancy in homes has considerably recovered. Average occupancy reported in the cost of care exercise is 85%, current occupancy is 89%.

4.5.6 Some providers are still receiving PPE through the Covid-19 supply portal whilst some are sourcing their own PPE at cost to themselves. The duration of the continued supply of PPE through the portal ends on 31 March 2023 and therefore may impact costs.

4.5.7 Since the Cost of Care data was provided by organisations a number of fiscal policy changes have been announced by Government in their Growth Plan 2022, the changes which impact this data exercise are as follows:

- (i) New 6 month Energy Bill Relief Scheme for businesses, providing discounted energy prices, a three month review is expected to inform policy from March 2023;
- (ii) Cuts to National Insurance contributions from November 2022;
- (iii) Cancelled the Health and Social Care Levy; and
- (iv) Cancelled the planned rise in Corporation Tax to 35%, maintaining it at 19%.

#### 4.6 Justification of the Proposed Approach to Return on Capital and Return on Operations

4.6.1 As detailed in tables 3 and 4 above, a number of providers did not submit a return on capital and/or return on operations. In addition the range between the data which was submitted was vast.

4.6.2 The tool allowed providers to enter return on capital data as a percentage of the homes valuation figure or in £'s per resident per week. Of the returns received by Warrington Borough Council, 3 homes did not provide a return on capital, 8 homes provided a percentage of the homes valuation and 14 homes provided a price per resident per week.

##### Return on Operations:

4.6.3 To ensure a fair cost of care across all providers Warrington Borough Council has applied a 6% return on the operating costs submitted by providers as part of their return (excludes care home premises costs).

##### Return on Capital:

4.6.4 As per Annex E (25 August 2022) Potential Approach 1 - Warrington Borough Council has applied a 6% return on capital to all providers using the median freehold property value of 11 providers that submitted property valuations within the tool, the following table provides the details:

Table 5:

Home*	Number of beds	Freehold Valuation
A	25	£520,000
B	37	£550,000
C	53	£1,260,000
D	41	£1,400,000
E	27	£1,400,000
F	65	£2,100,000
G	61	£2,800,000
H	63	£3,168,000
I	39	£3,275,000
J	150	£3,500,000
K	67	£3,850,000
<b>MEDIAN</b>	<b>53</b>	<b>£2,100,000</b>

\* One submission was excluded as this was deemed an outlier as the property valuation did not just relate to residential and nursing care and related to supported living apartments too.

- 4.6.5 The median number of beds and the median freehold valuation was then used to calculate a freehold valuation per bed of £39,622.64. 6% return on capital per bed per week provides a return on capital cost of £45.72 per bed per week ( $6\% * £39,622.64 / 52 \text{ weeks} = £45.72$ ).
- 4.6.6 The Council used 6% return as we are aware that current interest rates on borrowing have increased recently.
- 4.6.7 Approach 1 was adopted instead of Approach 2 of Annex E as the calculated rate using the median freehold valuation was more reasonable and would aid continued investment in residential and nursing care. Approach 2 provided a return on capital cost of £32.36 per bed per week. This was calculated using the Warrington LHA rate for a one bedroom flat which is £97.81 per week and then subtracted the median premise costs of £65.45 from the cost of care data provided.

#### 4.7 Fair Cost of Care (Return on Capital 6% and Return on Operations 6%)

- 4.7.1 The following table details the Fair Cost of Care with the amendments detailed above in relation to return on capital and return on operations. Please note, median calculations were taken from each individual cost line rather than on subtotal basis and we did not remove any outliers:

Table 6:

Care Category	Number of Returns	Cost of Care Min (£)	Cost of Care Median (£)	Cost of Care Max (£)
65+ care home places without nursing	14	£466.83	£804.09	£1,328.27
65+ care home places without nursing, with dementia	15	£466.83	£801.94	£1,328.27
65+ care home places with nursing	12	£740.35	£1,257.59	£1,687.66
65+ care home places with nursing, with dementia	10	£740.35	£1,096.98	£1,602.78

- 4.7.2 Detailed below are tables by service type with each showing the count of observations, lower quartile, median and upper quartile of all items in Annex A, Section 3:

Table 7:

Without Nursing Resident Per Week	Count of Observations	Lower Quartile	Median	Upper Quartile
<b>Total Care Home Staffing Section</b>		<b>£369.22</b>	<b>£483.36</b>	<b>£1,714.42</b>
Nursing Staff	0	£0.00	£0.00	£0.00
Care Staff	12	£236.84	£284.53	£539.98
Therapy Staff (Occupational & Physio)	1	£7.95	£7.95	£7.95
Activity Coordinators	13	£7.10	£9.66	£33.32
Service Management (Registered Manager/Deputy)	13	£30.93	£42.87	£149.72

<b>Without Nursing Resident Per Week</b>	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
Reception & Admin staff at the home	12	£12.62	£18.41	£107.66
Chefs / Cooks	14	£18.81	£37.24	£263.88
Domestic staff (cleaning, laundry & kitchen)	14	£36.03	£51.31	£362.03
Maintenance & Gardening	13	£9.63	£15.95	£92.63
Other care home staffing (please specify)	10	£9.31	£15.45	£157.25
<b>Total Care Home Premises</b>		<b>£29.47</b>	<b>£65.45</b>	<b>£252.95</b>
Fixtures & fittings	9	£3.83	£7.93	£45.10
Repairs and maintenance	15	£12.52	£26.44	£71.35
Furniture, furnishings and equipment	14	£2.13	£6.06	£28.41
Other care home premises costs (please specify)	6	£10.99	£25.02	£108.09
<b>Total Care Home Supplies and Services</b>		<b>£83.50</b>	<b>£115.78</b>	<b>£313.96</b>
Food supplies	15	£31.51	£36.62	£65.65
Domestic and cleaning supplies	14	£5.49	£7.74	£15.01
Medical supplies (excluding PPE)	14	£3.02	£4.05	£22.37
PPE	9	£1.61	£2.50	£27.04
Office supplies (home specific)	15	£0.81	£1.28	£23.70
Insurance (all risks)	14	£4.80	£6.00	£12.70
Registration fees	15	£3.46	£3.74	£12.95
Telephone & internet	15	£0.91	£1.49	£8.22
Council tax / rates	15	£0.68	£0.90	£3.85
Electricity, Gas & Water	15	£27.91	£43.03	£83.02
Trade and clinical waste	15	£2.07	£6.10	£21.59
Transport & Activities	13	£0.76	£1.13	£4.70
Other care home supplies and services costs (please specify)	14	£0.50	£1.20	£13.16
<b>Total Head Office</b>		<b>£33.22</b>	<b>£52.19</b>	<b>£331.36</b>
Central / Regional Management	12	£5.75	£8.74	£112.16
Support Services (finance / HR / legal / marketing etc.)	14	£12.48	£18.65	£51.08
Recruitment, Training & Vetting (incl. DBS checks)	14	£1.69	£6.40	£25.54
Other head office costs (please specify)	10	£13.32	£18.40	£142.58
<b>Total Return on Operations</b>		<b>£29.16</b>	<b>£41.61</b>	<b>£141.58</b>
<b>Total Return on Capital</b>		<b>£45.72</b>	<b>£45.72</b>	<b>£45.72</b>
<b>TOTAL</b>		<b>£557.06</b>	<b>£804.09</b>	<b>£2,468.63</b>

Table 8:

<b>Without Nursing with Dementia Resident Per Week</b>	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
<b>Total Care Home Staffing Section</b>	<b>17</b>	<b>£355.58</b>	<b>£490.26</b>	<b>£765.36</b>
Nursing Staff	0	£0.00	£0.00	£0.00
Care Staff	14	£233.16	£300.59	£539.98
Therapy Staff (Occupational & Physio)	1	£7.95	£7.95	£7.95
Activity Coordinators	15	£6.96	£9.66	£33.32

<b>Without Nursing with Dementia Resident Per Week</b>	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
Service Management (Registered Manager/Deputy)	15	£30.41	£42.87	£149.72
Reception & Admin staff at the home	13	£9.54	£15.54	£48.58
Chefs / Cooks	15	£19.91	£34.06	£140.03
Domestic staff (cleaning, laundry & kitchen)	15	£30.29	£49.19	£112.52
Maintenance & Gardening	15	£8.74	£15.95	£92.63
Other care home staffing (please specify)	10	£8.64	£15.45	£200.03
<b>Total Care Home Premises</b>	<b>17</b>	<b>£28.70</b>	<b>£65.59</b>	<b>£146.08</b>
Fixtures & fittings	10	£3.48	£16.10	£45.10
Repairs and maintenance	17	£11.88	£22.41	£57.99
Furniture, furnishings and equipment	14	£1.26	£6.06	£28.41
Other care home premises costs (please specify)	8	£12.09	£21.02	£108.09
<b>Total Care Home Supplies and Services</b>	<b>17</b>	<b>£78.97</b>	<b>£109.02</b>	<b>£228.47</b>
Food supplies	17	£30.60	£36.62	£65.65
Domestic and cleaning supplies	17	£5.40	£7.43	£15.01
Medical supplies (excluding PPE)	16	£2.65	£3.71	£22.37
PPE	11	£1.34	£2.07	£8.56
Office supplies (home specific)	17	£0.73	£0.96	£23.70
Insurance (all risks)	17	£4.67	£6.24	£16.13
Registration fees	17	£3.21	£3.58	£12.95
Telephone & internet	17	£0.98	£1.45	£7.01
Council tax / rates	17	£0.67	£0.90	£3.85
Electricity, Gas & Water	17	£25.49	£38.30	£83.02
Trade and clinical waste	17	£2.02	£5.76	£21.59
Transport & Activities	14	£0.72	£0.92	£3.43
Other care home supplies and services costs (please specify)	17	£0.49	£1.09	£15.69
<b>Total Head Office</b>	<b>17</b>	<b>£34.71</b>	<b>£54.43</b>	<b>£342.27</b>
Central / Regional Management	15	£5.75	£10.82	£112.16
Support Services (finance / HR / legal / marketing etc.)	17	£12.91	£19.75	£55.62
Recruitment, Training & Vetting (incl. DBS checks)	17	£1.29	£3.31	£31.91
Other head office costs (please specify)	12	£14.77	£20.56	£142.58
<b>Total Return on Operations</b>		<b>£28.16</b>	<b>£36.92</b>	<b>£80.17</b>
<b>Total Return on Capital</b>		<b>£45.72</b>	<b>£45.72</b>	<b>£45.72</b>
<b>TOTAL</b>		<b>£571.84</b>	<b>£801.94</b>	<b>£1,608.07</b>

Table 9:

<b>Without Nursing with Dementia Resident Per Week</b>	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
<b>Total Care Home Staffing Section</b>		£699.17	<b>£842.16</b>	£2,255.24
Nursing Staff	10	£216.64	£254.09	£659.48

<b>Without Nursing with Dementia Resident Per Week</b>	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
Care Staff	10	£316.29	£370.83	£546.93
Therapy Staff (Occupational & Physio)	1	£7.95	£7.95	£7.95
Activity Coordinators	8	£7.69	£13.74	£19.56
Service Management (Registered Manager/Deputy)	9	£38.90	£42.87	£54.99
Reception & Admin staff at the home	10	£14.74	£19.13	£107.66
Chefs / Cooks	10	£35.97	£48.94	£263.88
Domestic staff (cleaning, laundry & kitchen)	10	£41.05	£49.23	£362.03
Maintenance & Gardening	11	£10.22	£15.03	£32.73
Other care home staffing (please specify)	10	£9.73	£20.36	£200.03
<b>Total Care Home Premises</b>		<b>£32.74</b>	<b>£81.96</b>	<b>£189.30</b>
Fixtures & fittings	9	£7.24	£19.99	£27.61
Repairs and maintenance	12	£17.69	£30.81	£71.35
Furniture, furnishings and equipment	10	£1.26	£4.89	£22.62
Other care home premises costs (please specify)	4	£6.55	£26.28	£67.72
<b>Total Care Home Supplies and Services</b>		<b>£96.33</b>	<b>£130.80</b>	<b>£278.73</b>
Food supplies	12	£35.78	£40.02	£54.48
Domestic and cleaning supplies	11	£7.74	£8.38	£17.29
Medical supplies (excluding PPE)	12	£3.75	£6.68	£22.37
PPE	7	£2.89	£3.76	£27.04
Office supplies (home specific)	12	£0.86	£3.83	£11.05
Insurance (all risks)	11	£5.72	£6.48	£13.57
Registration fees	12	£3.59	£3.85	£5.99
Telephone & internet	12	£0.93	£1.52	£8.22
Council tax / rates	12	£0.53	£0.82	£2.40
Electricity, Gas & Water	12	£26.20	£44.27	£83.02
Trade and clinical waste	12	£6.33	£7.87	£12.91
Transport & Activities	10	£0.84	£1.68	£4.70
Other care home supplies and services costs (please specify)	11	£1.20	£1.66	£15.69
<b>Total Head Office</b>		<b>£43.04</b>	<b>£85.17</b>	<b>£304.97</b>
Central / Regional Management	9	£5.93	£21.07	£112.16
Support Services (finance / HR / legal / marketing etc.)	11	£18.46	£32.91	£74.53
Recruitment, Training & Vetting (incl. DBS checks)	11	£6.40	£9.57	£31.91
Other head office costs (please specify)	7	£12.26	£21.62	£86.37
<b>Total Return on Operations</b>		<b>£50.31</b>	<b>£71.78</b>	<b>£170.34</b>
<b>Total Return on Capital</b>		<b>£45.72</b>	<b>£45.72</b>	<b>£45.72</b>
<b>TOTAL</b>		<b>£967.31</b>	<b>£1,257.59</b>	<b>£3,244.30</b>

Table 10:

<b>Without Nursing with Dementia Resident Per Week</b>	<b>Count of Observations</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Upper Quartile</b>
<b>Total Care Home Staffing Section</b>		£653.36	<b>£755.15</b>	£1,659.25
Nursing Staff	9	£185.91	£234.90	£659.48
Care Staff	9	£336.96	£348.08	£546.93
Therapy Staff (Occupational & Physio)	2	£5.64	£6.41	£7.95
Activity Coordinators	9	£6.81	£7.89	£19.56
Service Management (Registered Manager/Deputy)	9	£29.82	£38.90	£54.99
Reception & Admin staff at the home	9	£8.49	£13.62	£26.00
Chefs / Cooks	9	£29.71	£34.70	£58.23
Domestic staff (cleaning, laundry & kitchen)	9	£32.77	£40.75	£53.35
Maintenance & Gardening	11	£7.28	£10.81	£32.73
Other care home staffing (please specify)	7	£9.98	£19.09	£200.03
<b>Total Care Home Premises</b>		£22.60	<b>£59.48</b>	£138.56
Fixtures & fittings	9	£3.83	£19.99	£27.61
Repairs and maintenance	11	£11.30	£26.44	£53.30
Furniture, furnishings and equipment	8	£1.44	£5.76	£12.74
Other care home premises costs (please specify)	4	£6.03	£7.29	£44.91
<b>Total Care Home Supplies and Services</b>		£93.08	<b>£111.38</b>	£265.47
Food supplies	11	£37.54	£40.09	£54.48
Domestic and cleaning supplies	11	£7.46	£8.20	£17.29
Medical supplies (excluding PPE)	11	£3.27	£5.36	£22.37
PPE	6	£1.66	£2.89	£6.15
Office supplies (home specific)	11	£0.76	£2.02	£11.05
Insurance (all risks)	11	£5.47	£6.48	£15.16
Registration fees	11	£3.37	£3.63	£5.99
Telephone & internet	11	£0.89	£1.49	£1.98
Council tax / rates	11	£0.53	£0.73	£1.66
Electricity, Gas & Water	11	£24.21	£30.30	£83.02
Trade and clinical waste	11	£6.25	£7.44	£10.02
Transport & Activities	9	£0.76	£1.09	£6.33
Other care home supplies and services costs (please specify)	11	£0.94	£1.66	£29.97
<b>Total Head Office</b>		£42.42	<b>£68.04</b>	£286.06
Central / Regional Management	10	£7.42	£16.73	£112.16
Support Services (finance / HR / legal / marketing etc.)	11	£17.53	£21.06	£55.62
Recruitment, Training & Vetting (incl. DBS checks)	10	£5.87	£10.78	£31.91
Other head office costs (please specify)	8	£11.60	£19.47	£86.37
<b>Total Return on Operations</b>		£47.33	<b>£57.21</b>	£132.65
<b>Total Return on Capital</b>		£45.72	<b>£45.72</b>	£45.72
<b>TOTAL</b>		£904.51	<b>£1,096.98</b>	£2,527.71

4.7.3 Detailed below is the full table as presented in Annex A, Section 3, this includes one column of median values for each care type:

Table 11:

<b>Cost of care exercise results - all cells should be £ per resident per week, MEDIANS.</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>
<b>Total Care Home Staffing</b>	<b>£483.36</b>	<b>£490.26</b>	<b>£842.16</b>	<b>£755.15</b>
Nursing Staff	£0.00	£0.00	£254.09	£234.90
Care Staff	£284.53	£300.59	£370.83	£348.08
Therapy Staff (Occupational & Physio)	£7.95	£7.95	£7.95	£6.41
Activity Coordinators	£9.66	£9.66	£13.74	£7.89
Service Management (Registered Manager/Deputy)	£42.87	£42.87	£42.87	£38.90
Reception & Admin staff at the home	£18.41	£15.54	£19.13	£13.62
Chefs / Cooks	£37.24	£34.06	£48.94	£34.70
Domestic staff (cleaning, laundry & kitchen)	£51.31	£49.19	£49.23	£40.75
Maintenance & Gardening	£15.95	£15.95	£15.03	£10.81
Other care home staffing (please specify)	£15.45	£15.45	£20.36	£19.09
<b>Total Care Home Premises</b>	<b>£65.45</b>	<b>£65.59</b>	<b>£81.96</b>	<b>£59.48</b>
Fixtures & fittings	£7.93	£16.10	£19.99	£19.99
Repairs and maintenance	£26.44	£22.41	£30.81	£26.44
Furniture, furnishings and equipment	£6.06	£6.06	£4.89	£5.76
Other care home premises costs (please specify)	£25.02	£21.02	£26.28	£7.29
<b>Total Care Home Supplies and Services</b>	<b>£115.76</b>	<b>£109.02</b>	<b>£130.80</b>	<b>£111.38</b>
Food supplies	£36.62	£36.62	£40.02	£40.09
Domestic and cleaning supplies	£7.74	£7.43	£8.38	£8.20
Medical supplies (excluding PPE)	£4.05	£3.71	£6.68	£5.36
PPE	£2.50	£2.07	£3.76	£2.89
Office supplies (home specific)	£1.28	£0.96	£3.83	£2.02
Insurance (all risks)	£6.00	£6.24	£6.48	£6.48
Registration fees	£3.74	£3.58	£3.85	£3.63
Telephone & internet	£1.49	£1.45	£1.52	£1.49
Council tax / rates	£0.90	£0.90	£0.82	£0.73
Electricity, Gas & Water	£43.03	£38.30	£44.27	£30.30
Trade and clinical waste	£6.10	£5.76	£7.87	£7.44
Transport & Activities	£1.13	£0.92	£1.68	£1.09
Other care home supplies and services costs (please specify)	£1.20	£1.09	£1.66	£1.66
<b>Total Head Office</b>	<b>£52.19</b>	<b>£54.43</b>	<b>£85.17</b>	<b>£68.04</b>
Central / Regional Management	£8.74	£10.82	£21.07	£16.73
Support Services (finance / HR / legal / marketing etc.)	£18.65	£19.75	£32.91	£21.06
Recruitment, Training & Vetting (incl. DBS checks)	£6.40	£3.31	£9.57	£10.78
Other head office costs (please specify)	£18.40	£20.56	£21.62	£19.47
<b>Total Return on Operations</b>	<b>£41.61</b>	<b>£36.92</b>	<b>£71.78</b>	<b>£57.21</b>

Cost of care exercise results - all cells should be £ per resident per week, MEDIANS.	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>Total Return on Capital</b>	<b>£45.72</b>	<b>£45.72</b>	<b>£45.72</b>	<b>£45.72</b>
<b>TOTAL</b>	<b>£804.09</b>	<b>£801.94</b>	<b>£1,257.59</b>	<b>£1,096.98</b>

4.7.4 The data was provided for 2021/22 and costings are therefore potentially skewed due to Covid-19 grants and the way providers utilised the grants differed by setting. Providers were also asked for a percentage uplift to ensure the fee rates are applicable to 2022/23 therefore this is an estimate/assumption from the provider.

4.7.5 Occupancy levels need to be considered, particularly during the pandemic when occupancy levels decreased.

4.7.6 The costs of providing dementia care are lower than delivering standard care and we may then conclude that there is no additional costs for providing dementia care as average staff per resident figures are comparable.

#### 4.8 Cost of Care Summary

4.8.1 The median cost of care per bed per week is as follows

- 65+ beds without nursing: **£804.09** per bed per week
- 65+ beds without nursing with dementia: **£801.94** per bed per week
- 65+ beds with nursing: **£1,257.59** per bed per week
- 65+ beds with nursing with dementia: **£1,096.98** per bed per week

#### 4.9 Fee Setting Process

4.9.1 Each Autumn WBC undertakes consultation with providers in relation to cost pressures. Providers return a cost pressures survey, results are collated and then utilised to inform the fee levels set for the following year. As part of this process, dependant on receiving increased government funding/settlement, we will ensure that an additional uplift is applied to enable us to work towards to the agreed fair cost of care.

4.9.2 Providers were informed at the session on 30<sup>th</sup> September 2022 that the fair cost of care will not automatically apply upon completion of this process and will be dependent on receiving additional government funding.