



ROYAL BOROUGH OF
**WINDSOR &
MAIDENHEAD**
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Fair Cost of Care Report

Annex B

Age 65+ care homes

October 2022

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Introduction

This document is the Fair Cost of Care “Annex B” report for age 65+ care homes.

It has been issued by the Royal Borough of Maidenhead at the end of the Fair Cost of Care exercise and was submitted to the DHSC on the 14 October 2022.

A similar report has been produced for age 18+ domiciliary care.

Document architecture

Department of Health and Social Care (DHSC) required all local authorities to undertake a Fair Cost of Care Exercise. Once exercise concluded local authorities were then required to issue three linked documents.

1. **Annex A: Cost of Care Table.** This is a table of data generated through the Fair Cost of Care exercise. Annex A has been submitted to DHSC and will not be published.
2. **Annex B:** This is the report on the Fair Cost of Care exercise that local authorities are required to write. Annex B (this document) has been submitted to DHSC and will be published during Autumn 2022. Please note another Annex B document has been produced on home care.
3. **Annex C: A Provisional Market Sustainability Plan (MSP).** This plan is the response of local authority to the Fair Cost of Care exercise. It has been submitted to DHSC and will be published at some point in the future.

Note on contents of Annex B

The contents of Annex B report have been set by the DHSC¹. This report includes additional commentary and data that explains the views of the local authority on the success of the exercise. In doing so, the local authority aims to provide clarity on how it will use Annex A in fee-setting and other decision-making.

Annex B is broken down into three main sections

1. **Section 1: How RBWM undertook the FCoC exercise.** This section includes a description of process that was followed, levels of engagement with providers and an assessment of the success of the exercise.
2. **Section 2: Tables.** This section contains the main tables taken from Annex A, Section 3 plus some additional data not included in Annex A that DHCS are requiring local authorities to publish in this report.
3. **Section 3: Analysis and commentary.** This section describes how the data was interpreted and how it will be used.

¹ Guidance Annex B: cost of care reports contents
(<https://www.gov.uk/government/publications/market-sustainability-and-fair-cost-of-care-fund-2022-to-2023-guidance/annex-b-cost-of-care-reports-contents>)

Section 1: How RBWM undertook the FCoC exercise

Description of the process

Preparation

In December 2021 DHSC announced² in a policy document their intention to undertake a national *Market Sustainability and Fair Cost of Care exercise*. Soon after this announcement, RBWM initiated a project to conduct the exercise for the borough and commissioned an external consultant to support the process.

Early engagement

In February 2022, it was confirmed that standard data collection tools would be made available through ADASS (Association of Directors of Social Services) and the Local Government Association (LGA) to help councils undertake the Fair Cost of Care exercise.

Given this announcement and concern about the exercise in the sector, it was decided that early engagement with providers would be prudent. It was recognised that some providers had already become aware of the exercise and there was potential for confusion, which could lead to destabilisation within the local market. To manage this risk, providers were invited to a series of informal on-line briefing sessions. These were held in Late March and early April. The Local Authority also engaged with the Berkshire Care Association.

In total, four informal briefing sessions were held: two for care home providers and two for home care providers. The objective of the sessions was to ensure providers were updated about the Fair Cost of Care exercise and were able to ask questions. The feedback from providers at these sessions included

- Concern that the exercise would be futile. Specifically, that providers would engage in the exercise in good faith, but this would not increase fees
- Concern from smaller providers about the time and resources involved in providing detailed cost information
- Replication, many providers had already provided similar information to RBWM as part of business-as-usual commissioning activity.

In late March, following DHSC publication of the final *Market sustainability and Fair Cost of Care Fund Guidance* it was rapidly decided to use the standard tools and to try to work with local authority partners across East Berkshire to collect the data. In both cases, these decisions were made to minimise the impact on local providers.

East Berkshire FCoC

In May 2022, a coordination group was convened with partners in Slough Borough Council and Bracknell Forest Council. Collectively it was agreed to work together to engage providers and use the standard tools, specifically it was agreed to use *the IESE: CareCubed Fair Cost of Care tool for 65+ Care Homes*.

² Policy paper

Market Sustainability and Fair Cost of Care Fund: purpose and conditions 2022 to 2023(<https://www.gov.uk/government/publications/market-sustainability-and-fair-cost-of-care-fund-2022-to-2023/market-sustainability-and-fair-cost-of-care-fund-purpose-and-conditions-2022-to-2023>)

This coordination group became known as “**East Berkshire FCoC**” and was responsible for

- Managing the formal communication with providers. An **East Berkshire FCoC** email was set up. Through this, regular consistent communication was sent to all providers.
- Hosting on-line briefing sessions. **East Berkshire FCoC** held two sets of two on-line briefing sessions, one covering Home Care and the other Residential Care providers.
- Promoting training sessions by IESE on how to use the tool
- Receiving and collating the Home Care responses.

In total, **East Berkshire FCoC** engaged with providers managing 47 care homes and 73 home care providers. Several providers managed several care homes.

Informal engagement

Each council also took responsibility for managing informal engagement with providers that were located within its borough. In total RBWM informally engaged with 28 care homes and 27 home care providers.

Examples of the informal engagement RBWM undertook include:

- each provider based in RBWM received courtesy calls to ensure they had received the various emails issued by East Berkshire FCoC.
- Several providers received telephone assistance to support them to complete the tool.

Levels of engagement

- East Berkshire FCoC engaged with providers managing 47 care homes and 73 home care providers
- Of these, RBWM engaged with 21 providers managing 28 care homes and 27 domiciliary care providers
- 9 care home providers and 8 home care providers attended the relevant East Berkshire FCoC
- This resulted in a 38 percent participation rate – 10 out of 28 homes in scope responded.

Assessment of the Fair Cost of Care exercise

What worked well

1. Establishing the project as soon as possible after the DHSC policy announcement. This gave sufficient time to plan and deliver the project.
2. Engaging a consultant to support the work who understood the local adult social care market. This enabled the project to be delivered in the context RBWM health and social care system.

3. Early and consistent engagement with providers. This gave sufficient time to plan and deliver the project.
4. Working collaboratively with Slough Borough Council and Bracknell Forest Council. This enabled consistent messaging to the market and to pool resources.

What worked less well

1. Although the IESE tool had good functionality and was relatively user-friendly, the effort involved in providing and then inputting the detailed cost data was significant. From the outset, small providers would be less likely to respond because of the resources involved.
2. Some providers had made errors completing the form.
3. Surprisingly, there were low responses from several larger providers who choose not to participate in the process. The national provider who delivers two of the council's largest block contracts chose not to respond. We understand that this provider has not engaged in the process where their home includes a significant LA block contracts and this is disappointing.

Conclusion

A satisfactory level of response was received, and the borough would again like to put on record the appreciation of the Local Authority to the providers that took the time and effort to respond.

The distribution of responses, however, did not fully reflect the provider ecosystem that is present in RBWM.

Section 2: tables

Table 1: Fair cost of care data, costs of Care home placements without nursing

| n=8 | Lower quartile | Median | Upper quartile |
|----------------------------------------------------------|----------------|-----------|----------------|
| Total Care Home Staffing | £491.19 | £640.29 | £748.67 |
| Nursing Staff | £- | £- | £- |
| Care Staff | £386.14 | £455.86 | £479.57 |
| Therapy Staff (Occupational & Physio) | £- | £- | £4.66 |
| Activity Coordinators | £7.34 | £14.45 | £21.44 |
| Service Management (Registered Manager/Deputy) | £40.66 | £60.14 | £65.82 |
| Reception & Admin staff at the home | £- | £12.66 | £21.97 |
| Chefs / Cooks | £32.48 | £55.32 | £72.10 |
| Domestic staff (cleaning, laundry & kitchen) | £44.63 | £48.22 | £59.85 |
| Maintenance & Gardening | £9.74 | £14.82 | £23.77 |
| Other care home staffing (please specify) | £- | £- | £- |
| Total Care Home Premises | £39.34 | £46.67 | £66.25 |
| Fixtures & fittings | £1.19 | £6.01 | £10.40 |
| Repairs and maintenance | £18.47 | £29.08 | £39.93 |
| Furniture, furnishings and equipment | £1.03 | £4.30 | £8.02 |
| Other care home premises costs (please specify) | £- | £10.11 | £16.47 |
| Total Care Home Supplies and Services | £127.05 | £153.36 | £171.79 |
| Food supplies | £33.86 | £42.76 | £50.39 |
| Domestic and cleaning supplies | £5.91 | £9.43 | £14.91 |
| Medical supplies (excluding PPE) | £3.88 | £5.60 | £13.87 |
| PPE | £- | £1.36 | £4.82 |
| Office supplies (home specific) | £1.54 | £2.03 | £2.57 |
| Insurance (all risks) | £7.31 | £11.78 | £14.01 |
| Registration fees | £3.79 | £4.22 | £4.70 |
| Telephone & internet | £1.30 | £5.09 | £7.05 |
| Council tax / rates | £0.42 | £0.95 | £1.18 |
| Electricity, Gas & Water | £24.06 | £27.15 | £28.68 |
| Trade and clinical waste | £1.07 | £3.29 | £4.74 |
| Transport & Activities | £0.22 | £1.15 | £2.72 |
| Other care home supplies and services costs | £2.52 | £30.88 | £39.97 |
| Total Head Office | £83.25 | £140.20 | £181.94 |
| Central / Regional Management | £12.73 | £52.79 | £78.34 |
| Support Services (finance / HR / legal / marketing etc.) | £31.51 | £51.47 | £88.39 |
| Recruitment, Training & Vetting (incl. DBS checks) | £2.67 | £11.34 | £17.11 |
| Other head office costs (please specify) | £- | £5.43 | £13.39 |
| Total Return on Operations | £129.81 | £152.59 | £185.95 |
| Total Return on Capital | £64.56 | £81.69 | £106.77 |
| (Median) TOTAL | £895.86 | £1,164.66 | £1,395.12 |

Table 2: Fair cost of care data, costs of Care home placements without nursing, enhanced needs

| n=6 | Lower quartile | Median | Upper quartile |
|----------------------------------------------------------|----------------|-----------|----------------|
| Total Care Home Staffing | £541.12 | £640.29 | £705.05 |
| Nursing Staff | £- | | £- |
| Care Staff | £369.80 | £429.16 | £463.50 |
| Therapy Staff (Occupational & Physio) | £- | £- | £- |
| Activity Coordinators | £10.41 | £13.51 | £16.15 |
| Service Management (Registered Manager/Deputy) | £38.67 | £53.30 | £64.91 |
| Reception & Admin staff at the home | £10.12 | £19.47 | £28.05 |
| Chefs / Cooks | £48.90 | £55.32 | £72.42 |
| Domestic staff (cleaning, laundry & kitchen) | £43.16 | £46.56 | £56.63 |
| Maintenance & Gardening | £10.73 | £14.04 | £15.89 |
| Other care home staffing (please specify) | £- | £- | £- |
| Total Care Home Premises | £33.55 | £42.01 | £56.75 |
| Fixtures & fittings | £2.10 | £6.01 | £8.57 |
| Repairs and maintenance | £16.67 | £22.63 | £29.84 |
| Furniture, furnishings and equipment | £1.76 | £4.03 | £5.55 |
| Other care home premises costs (please specify) | £5.58 | £15.62 | £17.58 |
| Total Care Home Supplies and Services | £131.65 | £142.62 | £157.04 |
| Food supplies | £36.02 | £42.76 | £45.16 |
| Domestic and cleaning supplies | £4.84 | £6.60 | £12.28 |
| Medical supplies (excluding PPE) | £7.83 | £14.50 | £17.58 |
| PPE | £- | £0.39 | £2.23 |
| Office supplies (home specific) | £1.75 | £2.40 | £3.43 |
| Insurance (all risks) | £8.42 | £10.28 | £12.96 |
| Registration fees | £3.85 | £4.04 | £4.54 |
| Telephone & internet | £0.90 | £3.95 | £7.23 |
| Council tax / rates | £0.38 | £0.59 | £1.07 |
| Electricity, Gas & Water | £19.61 | £26.31 | £28.71 |
| Trade and clinical waste | £1.66 | £3.99 | £5.75 |
| Transport & Activities | £0.08 | £1.15 | £3.73 |
| Other care home supplies and services costs | £5.46 | £22.15 | £35.64 |
| Total Head Office | £85.29 | £123.70 | £167.38 |
| Central / Regional Management | £19.82 | £41.47 | £57.88 |
| Support Services (finance / HR / legal / marketing etc.) | £21.18 | £51.47 | £79.75 |
| Recruitment, Training & Vetting (incl. DBS checks) | £8.72 | £16.42 | £17.81 |
| Other head office costs (please specify) | £- | £- | £8.14 |
| Total Return on Operations | £102.88 | £149.95 | £172.63 |
| Total Return on Capital | £60.59 | £68.86 | £89.53 |
| (Median) TOTAL | £955.07 | £1,167.42 | £1,348.38 |

Table 3: Fair cost of care data, Care home placements with nursing

| n=6 | Lower quartile | Median | Upper quartile |
|----------------------------------------------------------|----------------|-----------|----------------|
| Total Care Home Staffing | £735.21 | £876.00 | £1,029.28 |
| Nursing Staff | £248.73 | £266.67 | £311.79 |
| Care Staff | £306.95 | £397.20 | £463.50 |
| Therapy Staff (Occupational & Physio) | £- | £- | £- |
| Activity Coordinators | £10.41 | £13.51 | £16.15 |
| Service Management (Registered Manager/Deputy) | £38.67 | £50.84 | £63.68 |
| Reception & Admin staff at the home | £18.10 | £20.19 | £28.05 |
| Chefs / Cooks | £48.90 | £55.32 | £72.42 |
| Domestic staff (cleaning, laundry & kitchen) | £43.16 | £47.02 | £56.86 |
| Maintenance & Gardening | £11.08 | £15.51 | £21.57 |
| Other care home staffing (please specify) | £- | £- | £- |
| Total Care Home Premises | £33.55 | £37.64 | £47.87 |
| Fixtures & fittings | £3.08 | £8.36 | £9.83 |
| Repairs and maintenance | £16.67 | £18.44 | £25.47 |
| Furniture, furnishings and equipment | £1.76 | £4.03 | £5.55 |
| Other care home premises costs (please specify) | £5.58 | £15.62 | £17.58 |
| Total Care Home Supplies and Services | £149.67 | £165.59 | £170.45 |
| Food supplies | £34.01 | £38.68 | £42.80 |
| Domestic and cleaning supplies | £6.53 | £7.99 | £12.90 |
| Medical supplies (excluding PPE) | £7.83 | £14.50 | £17.58 |
| PPE | £- | £0.39 | £3.79 |
| Office supplies (home specific) | £1.77 | £2.70 | £3.56 |
| Insurance (all risks) | £8.42 | £9.94 | £11.95 |
| Registration fees | £3.98 | £4.22 | £4.56 |
| Telephone & internet | £0.90 | £2.50 | £6.24 |
| Council tax / rates | £0.38 | £0.59 | £1.05 |
| Electricity, Gas & Water | £26.30 | £27.36 | £29.23 |
| Trade and clinical waste | £3.86 | £5.25 | £6.27 |
| Transport & Activities | £- | £0.15 | £3.31 |
| Other care home supplies and services costs | £17.43 | £34.30 | £45.92 |
| Total Head Office | £70.75 | £81.21 | £146.86 |
| Central / Regional Management | £12.24 | £12.98 | £35.20 |
| Support Services (finance / HR / legal / marketing etc.) | £50.18 | £54.06 | £79.75 |
| Recruitment, Training & Vetting (incl. DBS checks) | £6.80 | £17.38 | £18.25 |
| Other head office costs (please specify) | £- | £- | £8.14 |
| Total Return on Operations | £100.29 | £118.42 | £132.64 |
| Total Return on Capital | £79.57 | £91.75 | £107.02 |
| (Median) TOTAL | £1,169.02 | £1,385.49 | £1,634.13 |

Table 4: Fair cost of care data, costs of Care home placements with nursing, enhanced needs

| N=6 | Lower quartile | Median | Upper quartile |
|----------------------------------------------------------|----------------|-----------|----------------|
| Total Care Home Staffing | £744.05 | £834.85 | £1,007.95 |
| Nursing Staff | £212.41 | £259.53 | £330.80 |
| Care Staff | £353.82 | £405.11 | £471.14 |
| Therapy Staff (Occupational & Physio) | £- | £18.64 | £- |
| Activity Coordinators | £9.79 | £14.12 | £14.73 |
| Service Management (Registered Manager/Deputy) | £36.89 | £40.44 | £65.68 |
| Reception & Admin staff at the home | £17.74 | £21.20 | £30.33 |
| Chefs / Cooks | £51.05 | £55.32 | £76.70 |
| Domestic staff (cleaning, laundry & kitchen) | £42.42 | £43.89 | £59.59 |
| Maintenance & Gardening | £9.86 | £14.60 | £16.28 |
| Other care home staffing (please specify) | £- | £20.17 | £- |
| Total Care Home Premises | £33.41 | £42.01 | £50.06 |
| Fixtures & fittings | £1.45 | £7.95 | £8.77 |
| Repairs and maintenance | £16.33 | £17.02 | £27.56 |
| Furniture, furnishings and equipment | £1.37 | £2.91 | £5.15 |
| Other care home premises costs (please specify) | £15.31 | £17.03 | £18.13 |
| Total Care Home Supplies and Services | £139.25 | £143.83 | £160.73 |
| Food supplies | £33.79 | £39.59 | £42.83 |
| Domestic and cleaning supplies | £6.45 | £6.60 | £14.12 |
| Medical supplies (excluding PPE) | £13.23 | £16.98 | £18.18 |
| PPE | £- | £0.77 | £0.77 |
| Office supplies (home specific) | £1.55 | £2.33 | £3.76 |
| Insurance (all risks) | £8.41 | £8.50 | £12.12 |
| Registration fees | £3.91 | £4.05 | £4.66 |
| Telephone & internet | £0.89 | £1.33 | £6.96 |
| Council tax / rates | £0.37 | £0.59 | £0.76 |
| Electricity, Gas & Water | £26.29 | £27.92 | £29.51 |
| Trade and clinical waste | £3.74 | £4.88 | £6.26 |
| Transport & Activities | £- | £3.48 | £4.31 |
| Other care home supplies and services costs | £12.70 | £22.15 | £36.99 |
| Total Head Office | £77.12 | £85.29 | £167.38 |
| Central / Regional Management | £12.98 | £41.47 | £42.60 |
| Support Services (finance / HR / legal / marketing etc.) | £48.88 | £51.47 | £88.31 |
| Recruitment, Training & Vetting (incl. DBS checks) | £16.33 | £16.42 | £18.25 |
| Other head office costs (please specify) | £- | £19.85 | £10.85 |
| Total Return on Operations | £108.92 | £113.82 | £127.92 |
| Total Return on Capital | £76.24 | £86.33 | £89.54 |
| (Median) TOTAL | £1,441.69 | £1,458.02 | £1,573.80 |

Table 5: Annex A, Section 3 main table, median costs

| | CH | CH+E | CHWN | CHWN+E |
|----------------------------------------------------------|-----------|-----------|-----------|-----------|
| Total Care Home Staffing | £640.29 | £640.29 | £876.00 | £834.85 |
| Nursing Staff | £0.00 | £0.00 | £266.67 | £259.53 |
| Care Staff | £455.86 | £429.16 | £397.20 | £405.11 |
| Therapy Staff (Occupational & Physio) | £0.00 | £0.00 | £0.00 | £18.64 |
| Activity Coordinators | £14.45 | £13.51 | £13.51 | £14.12 |
| Service Management (Registered Manager/Deputy) | £60.14 | £53.30 | £50.84 | £40.44 |
| Reception & Admin staff at the home | £12.66 | £19.47 | £20.19 | £21.20 |
| Chefs / Cooks | £55.32 | £55.32 | £55.32 | £55.32 |
| Domestic staff (cleaning, laundry & kitchen) | £48.22 | £46.56 | £47.02 | £43.89 |
| Maintenance & Gardening | £14.82 | £14.04 | £15.51 | £14.60 |
| Other care home staffing (please specify) | £0.00 | £0.00 | £0.00 | £20.17 |
| Total Care Home Premises | £46.67 | £42.01 | £37.64 | £42.01 |
| Fixtures & fittings | £6.01 | £6.01 | £8.36 | £7.95 |
| Repairs and maintenance | £29.08 | £22.63 | £18.44 | £17.02 |
| Furniture, furnishings and equipment | £4.30 | £4.03 | £4.03 | £2.91 |
| Other care home premises costs (please specify) | £10.11 | £15.62 | £15.62 | £17.03 |
| Total Care Home Supplies and Services | £153.36 | £145.98 | £165.59 | £143.83 |
| Food supplies | £42.76 | £42.76 | £38.68 | £39.59 |
| Domestic and cleaning supplies | £9.43 | £6.60 | £7.99 | £6.60 |
| Medical supplies (excluding PPE) | £5.60 | £14.50 | £14.50 | £16.98 |
| PPE | £1.36 | £0.39 | £0.39 | £0.77 |
| Office supplies (home specific) | £2.03 | £2.40 | £2.70 | £2.33 |
| Insurance (all risks) | £11.78 | £10.28 | £9.94 | £8.50 |
| Registration fees | £4.22 | £4.04 | £4.22 | £4.05 |
| Telephone & internet | £5.09 | £3.95 | £2.50 | £1.33 |
| Council tax / rates | £0.95 | £0.59 | £0.59 | £0.59 |
| Electricity, Gas & Water | £27.15 | £26.31 | £27.36 | £27.92 |
| Trade and clinical waste | £3.29 | £3.99 | £5.25 | £4.88 |
| Transport & Activities | £1.15 | £1.15 | £0.15 | £3.48 |
| Other care home supplies and services costs | £30.88 | £22.15 | £34.30 | £22.15 |
| Total Head Office | £140.20 | £123.70 | £85.29 | £90.29 |
| Central / Regional Management | £52.79 | £41.47 | £12.98 | £41.47 |
| Support Services (finance / HR / legal / marketing etc.) | £51.47 | £51.47 | £54.06 | £51.47 |
| Recruitment, Training & Vetting (incl. DBS checks) | £11.34 | £16.42 | £17.38 | £16.42 |
| Other head office costs (please specify) | £5.43 | £0.00 | £0.00 | £19.85 |
| Total Return on Operations | £152.59 | £149.95 | £118.42 | £113.82 |
| Total Return on Capital | £81.69 | £68.86 | £91.75 | £86.33 |
| (Median) TOTAL | £1,164.66 | £1,167.42 | £1,385.49 | £1,458.02 |

Table 6: Fair cost of care data, cost drivers

| Supporting information on important cost drivers used in the calculations: | 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 |
|---------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------|-----------------------------------|--------------------------------------------------|
| Number of location-level survey responses received | 8 | 6 | 6 | 6 |
| Number of locations eligible to fill in the survey (excluding those found to be ineligible) | 26 | 26 | 26 | 26 |
| Number of residents covered by the responses | 92 | 93 | 195 | 136 |
| Number of carer hours per resident per week | 268 | 198 | 239 | 199 |
| Number of nursing hours per resident per week | | | 70 | 46 |
| Average carer basic pay per hour | £9.73 | £9.73 | £9.73 | £9.73 |
| Average nurse's basic pay per hour | | | £14.24 | £14.24 |
| Average occupancy as a percentage of active beds | 88% | 88% | 88% | 88% |
| Freehold valuation per bed | £44,982.19 | £44,982.19 | £44,982.19 | £44,982.19 |

Section 3 Analysis and commentary

Tool for collecting data

The tool RBWM used to collect Care Home data was the online web portal created by IESE: *CareCubed Fair Cost of Care tool for 65+ Care Homes*³. This was commissioned by CHIP (Care and Health Improvement Programme) and made available through ADASS (Association of Directors of Social Services) and the Local Government Association (LGA).

Approach to handing the data

All the data contained in the responses was reviewed and as much raw data as supplied as possible has been included in the analysis. The Local Authority believes that the providers that took part acted in good faith in responding to the exercise. RBWM would like to place on record gratitude to all providers that took part in the Fair Cost of Care exercise.

There were a limited number of exceptions when it was deemed necessary to intervene and amend the data. This was only done when it was clear that a figure given was an error, an extreme statistical outlier, or the provider had supplied information but also indicated that the data provided did not cover a full year.

Common sense has been applied in dealing with these issues

1. If providers made an obvious error input error, this was corrected; four corrections were made. An example of a correction was that a figure supplied was exactly 100,000 larger than an expected value.
2. The general position on both Return on Capital (ROC) and Return on Operations (ROO) was to use the figures provided. If a provider took what RBWM considered an extreme position on either ROC and/or ROO in comparison with other providers, the figures given were altered to a reasonable level. Specifically, RBWM took the figure given and replaced it with the statistical median (excluding extreme positions). RBWM defined an extreme position as ROC and ROO individually or collectively exceeding 25 percent.
3. When a provider indicated that data only covers a part year, relevant data was extrapolated to cover the full year.

Local context

RBWM is in an extremely challenging financial position. In the spring of 2020, it was widely reported⁴ that the council may need to take the extreme step of issuing a Section 114 notice because of a fall in income as a direct result of the COVID 19 pandemic. Although this was averted the financial position remains perilous.

³ <https://iese.org.uk/cost-of-care-tool-awareness-pack-local-authorities>

⁴ <https://www.lgcplus.com/finance/exclusive-unitary-chief-no-confidence-s114-notice-can-be-avoided-20-04-2020/>

Use of FCoC data

The Local Authority believes the FCoC exercise was valuable as it increased understanding of the local market.

Its direct use in setting fees will however be limited.

This is because:

1. The providers who chose to take part in the FCoC exercise only represent a segment of the local market and RBWM believes they are not a representative sample. The responses they have provided, therefore, do not reflect the whole of the market.
2. RBWM believes that the costs described may reflect commercial models developed in response to the fact that self-funders and out-of-borough placements dominate the local market. In February 2022, RBWM undertook a census of who funded care home beds in the borough to which all providers responded in full. This showed that RBWM only commissioned 24% of the beds available. It also highlights a very significant number of voids that are in care homes with which the borough does not usually use due to them catering to the self-funder market.

Table 6: Who buys care home beds in RBWM - census February 2022

| Funder | Number | Percentage of beds |
|-------------------------|--------|--------------------|
| RBWM | 307 | 24% |
| Other local authorities | 121 | 9% |
| NHS | 87 | 7% |
| Self-funded | 502 | 39% |
| Voids | 278 | 21% |
| Total | 1295 | 100% |

3. RBWM commissions into an active and dynamic residential social care market, and is currently, as of October 2022, able to routinely commission spot purchase placement within each of the categories significantly lower than the medians costs identified through the FCoC exercise.

Table 7: RBWM “fees” vs FCoC “costs” (not including FNC)

| | RBWM Spot median (not including FNC) | FCoC Median (not including FNC) | Gap |
|----------------------------------------|--------------------------------------|---------------------------------|---------|
| 65+ CH without nursing | £950.00 | £1,164.66 | £214.66 |
| 65+ CH without nursing, enhanced needs | £960.00 | £1,167.42 | £207.42 |
| 65+CH with nursing | £1,080.00 | £1,176.30 | £96.30 |
| 65+ CH with nursing, enhanced needs | £1,030.00 | £1,248.83 | £218.83 |

Inflation

Results were collected in 2022, we have used FCoC data from the April 2022 in our analysis.

The Local Authority believes that it is not prudent given the current inflationary environment to assign a specific inflation index to this analysis.



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Fair Cost of Care Report

Annex B

18+ domiciliary care

October 2022

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Introduction

This document is the Fair Cost of Care “Annex B” report age for 18+ domiciliary care.

It has been issued by the Royal Borough of Maidenhead at the end of the Fair Cost of Care exercise and was submitted to the DHSC on 14 October 2022.

A similar report has been produced for age 65+ care homes.

Note on terminology: “18+ domiciliary care” and “Home Care” have been used interchangeably by the Department of Health and Social Care (DHSC) and various organisations and agencies involved in this process. For clarity, the term “Home care” will be used throughout this report.

Document architecture

DHSC required all local authorities to undertake a Fair Cost of Care Exercise. Once the exercise concluded local authorities were then required to issue three linked documents.

4. **Annex A: Cost of Care Table.** This is a table of data generated through the Fair Cost of Care exercise. Annex A has been submitted to DHSC and will not be published.
5. **Annex B:** This is the report on the Fair Cost of Care exercise that local authorities are required to write. Annex B (this document) has been submitted to DHSC and will be published in Autumn 2022. Please note a separate Annex B document has been produced for age 65+ care homes.
6. **Annex C: A Provisional Market Sustainability Plan (MSP).** This plan is the response of the Local Authority to the Fair Cost of Care exercise. It has been submitted to DHSC and will be published at some point in the future.

Note on contents of Annex B

The contents of this Annex B report have been set by the DHSC⁵. This report includes additional commentary and data that explains the views of the local authority on the success of the exercise. In doing so, the local authority aims to provide clarity on how it will use Annex A in fee-setting and other decision-making.

Annex B is broken down into three main sections

4. **Section 1: How RBWM undertook the FCoC exercise.** This section includes a description of the process that was followed, levels of engagement with providers and an assessment of the success of the exercise.
5. **Section 2: Tables.** This section contains the main tables taken from Annex A, Section 3 plus some additional data not included in Annex A that DHSC are requiring local authorities to publish in this report.

⁵ Guidance Annex B: cost of care reports contents
(<https://www.gov.uk/government/publications/market-sustainability-and-fair-cost-of-care-fund-2022-to-2023-guidance/annex-b-cost-of-care-reports-contents>)

6. **Section 3: Analysis and commentary.** This section describes how the data was interpreted and how it will be used.

Section 1: How RBWM undertook the FCoC exercise

Description of the process

Preparation

In December 2021, the DHSC announced⁶ in a policy document their intention to undertake a national *Market Sustainability and Fair Cost of Care exercise*. Soon after this announcement, RBWM initiated a project to conduct the exercise and then commissioned an external consultant to support the process.

Early engagement

In February 2022, it was confirmed that standard data collection tools would be made available through ADASS (Association of Directors of Social Services) and the Local Government Association (LGA) to help councils undertake the Fair Cost of Care exercise.

Given this announcement and concern about the exercise in the sector, it was decided that early engagement with providers would be prudent. It was recognised that some providers had already become aware of the exercise and there was potential for confusion, which could lead to destabilisation within the local market. To manage this risk, providers were invited to a series of informal on-line briefing sessions. These were held in Late March and early April. The Local Authority also engaged with the Berkshire Care Association.

In total, four informal briefing sessions were held: two for care home providers and two for home care providers. The objective of the sessions was to ensure providers were updated about the Fair Cost of Care exercise and were able to ask questions. The feedback from providers at these sessions included

- Concern that the exercise would be futile. Specifically, that providers would engage in the exercise in good faith, but this would not increase fees
- Concern from smaller providers about the time and resources involved in providing detailed cost information
- Replication, many providers had already provided similar information to RBWM as part of business-as-usual commissioning activity.

In late March, following DHSC publication of the final *Market sustainability and Fair Cost of Care Fund Guidance* it was rapidly decided to use the standard tools and to try to work with local authority partners across East Berkshire to collect the data. In both cases, these decisions were made to minimise the impact on local providers.

⁶ Policy paper

Market Sustainability and Fair Cost of Care Fund: purpose and conditions 2022 to 2023(<https://www.gov.uk/government/publications/market-sustainability-and-fair-cost-of-care-fund-2022-to-2023/market-sustainability-and-fair-cost-of-care-fund-purpose-and-conditions-2022-to-2023>)

East Berkshire FCoC

In May 2022 we convened a coordination group with our partners in Slough Borough Council and Bracknell Forest Council. Collectively we agreed to work together to engage providers and use the standard tools, specifically it was agreed to use *the [Home care cost of care toolkit](#)⁷ issued by ADASS and developed by ARCC-HR Ltd.*

- This coordination group became known as “**East Berkshire FCoC**” and was responsible for
- Managing the formal communication with providers. An **East Berkshire FCoC** email was set up. Through this, regular consistent communication was sent to all providers.
- Hosting on-line briefing sessions. **East Berkshire FCoC** held two sets of two on-line briefing sessions, one covering Home Care and the other Residential Care providers.
- Promoting training sessions by IESE on how to use the tool
- Receiving and collating the Home Care responses.

In total **East, Berkshire FCoC** engaged 73 home care providers

Informal engagement

Each council also took responsibility for managing informal engagement with providers that were located within their borough. In total RBWM informally engaged with 28 care homes and 27 home care providers.

Examples of the informal engagement RBWM undertook include

- each provider based in RBWM received courtesy calls to ensure they had received the various emails issued by East Berkshire FCoC.
- Several providers received telephone assistance to support a provider completing the tool.

Levels of engagement

- East Berkshire FCoC engaged with providers managing 47 care homes and 73 home care providers
- Of these, RBWM engaged with 21 home care providers managing 28 care homes and 27 home care providers
- 9 care home providers and 8 home care providers attended the relevant East Berkshire FCoC
- This resulted in a 19 percent participation rate – 5 out of 27 home care providers in scope responded.

⁷ <https://www.local.gov.uk/our-support/sector-support-offer/care-and-health-improvement/commissioning-and-market-shaping/cost-of-care-toolkit>

Assessment of the Fair Cost of Care exercise

| What worked well |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none">5. Establishing the project as soon as possible after the DHSC policy announcement. This gave sufficient time to plan and deliver the project.6. Engaging a consultant to support the work who understood the local adult social care market. This enabled the project to be delivered in the context RBWM health and social care system.7. Early and consistent engagement with providers. This gave sufficient time to plan and deliver the project.8. Working collaboratively with Slough Borough Council and Bracknell Forest Council. This enabled consistent messaging to the market and to pool resources. |
| What worked less well |
| <ol style="list-style-type: none">4. The home care cost of care toolkit was initially cumbersome to use and involved a significant level of bureaucracy to send out to providers and then chase returns. Several providers who had committed to returning did not do so as they found it difficult to use.5. It was clear from the outset that small providers would be less likely to respond because of the resources involved. |

Conclusion

A relatively low level of responses was received, and the borough would again like to put on record our appreciation to the providers who took the time and effort to respond.

The distribution of responses, however, did not fully reflect the provider ecosystem that is present in RBWM.

Section 2: tables

Table 1: Visit lengths

| | Lower quartile | Median | Upper Quartile |
|-------------------|----------------|--------|----------------|
| 15 minutes | 133 | 154 | 968 |
| 30 minutes | 296 | 678 | 1,977 |
| 45 minutes | 880 | 1,155 | 605 |
| 60 minutes | 36 | 56 | 17 |

Table 2: Fair cost of care data, costs Home care, count of observations

| | N=5 | Lower Quartile | Median | Upper Quartile |
|------------------------------------------------|-----|----------------|--------|----------------|
| Travel time | | £0.93 | £1.03 | £1.09 |
| Mileage | | £0.67 | £0.84 | £0.95 |
| PPE | | £0.21 | £0.25 | £0.28 |
| Training (staff time) | | £0.07 | £0.15 | £0.28 |
| Holiday | | £1.47 | £1.48 | £1.52 |
| Additional noncontact pay costs | | £0.12 | £0.23 | £0.24 |
| Sickness/maternity and paternity pay | | £0.12 | £0.27 | £0.36 |
| Notice/suspension pay | | £0.00 | £0.01 | £0.06 |
| NI (direct care hours) | | £0.83 | £0.95 | £1.22 |
| Pension (direct care hours) | | £0.05 | £0.19 | £0.23 |
| Back office staff | | £3.77 | £3.92 | £4.95 |
| Travel costs (parking/vehicle lease et cetera) | | £0.00 | £0.04 | £0.12 |
| Rent/rates/utilities | | £0.35 | £0.48 | £0.52 |
| Recruitment/DBS | | £0.04 | £0.08 | £0.10 |
| Training (third party) | | £0.03 | £0.07 | £0.18 |
| IT (hardware, software CRM, ECM) | | £0.21 | £0.47 | £0.60 |
| Telephony | | £0.08 | £0.11 | £0.22 |
| Stationery/postage | | £0.03 | £0.03 | £0.06 |
| Insurance | | £0.08 | £0.11 | £0.19 |
| Legal/Finance/professional fees | | £0.09 | £0.09 | £0.11 |
| Marketing | | £0.03 | £0.04 | £0.05 |
| Audit and compliance | | £0.02 | £0.04 | £0.06 |
| Uniforms and other consumables | | £0.03 | £0.05 | £0.08 |
| Assistive technology | | £0.00 | £0.01 | £0.02 |
| Central/head office recharges | | £0.00 | £0.00 | £0.00 |
| Other overheads | | £0.00 | £0.00 | £0.00 |
| CQC fees | | £0.07 | £0.07 | £0.09 |

Table 3: Fair cost of care data, Annex A, section 3 table 1

| | Median |
|------------------------------------------------|---------------|
| Total Careworker Costs | £15.93 |
| Direct care | £10.53 |
| Travel time | £1.03 |
| Mileage | £0.84 |
| PPE | £0.25 |
| Training (staff time) | £0.15 |
| Holiday | £1.48 |
| Additional noncontact pay costs | £0.23 |
| Sickness/maternity and paternity pay | £0.27 |
| Notice/suspension pay | £0.01 |
| NI (direct care hours) | £0.95 |
| Pension (direct care hours) | £0.19 |
| Total Business Costs | £5.61 |
| Back office staff | £3.92 |
| Travel costs (parking/vehicle lease et cetera) | £0.04 |
| Rent/rates/utilities | £0.48 |
| Recruitment/DBS | £0.08 |
| Training (third party) | £0.07 |
| IT (hardware, software CRM, ECM) | £0.47 |
| Telephony | £0.11 |
| Stationery/postage | £0.03 |
| Insurance | £0.11 |
| Legal/Finance/professional fees | £0.09 |
| Marketing | £0.04 |
| Audit and compliance | £0.04 |
| Uniforms and other consumables | £0.05 |
| Assistive technology | £0.01 |
| Central/head office recharges | £0.00 |
| Other overheads | £0.00 |
| CQC fees | £0.07 |
| Total Return on Operations | £1.27 |
| TOTAL | £22.81 |

Table 4: Fair cost of care data, Annex A, section 3 table 2

| Supporting information on important cost drivers used in the calculations: | |
|---------------------------------------------------------------------------------------------|---------|
| Number of location-level survey responses received | 5 |
| Number of locations eligible to fill in the survey (excluding those found to be ineligible) | 26 |
| Carer basic pay per hour | £10.06 |
| Minutes of travel per contact hour | 8 |
| Mileage payment per mile | £0.29 |
| Total direct care hours per annum | 255,237 |

Section 3 Analysis and commentary

Tool for collecting data

The tool RBWM used to collect Care Home data was the LGA's *Homecare cost of care toolkit*⁸ developed by ARCC-HR Ltd.

Approach to handing the data

All the data contained in the responses has been reviewed and the Local Authority aimed to include all data as supplied in the analysis. The Local Authority believes that the providers that took part acted in good faith in responding to the exercise. RBWM would like to place on record gratitude to all providers who took part in the Fair Cost of Care exercise.

Use of FCoC data

The Local Authority believes the exercise was interesting and has increased understanding of the local market but its use in setting fees will be limited. The primary reason for this is the Local Authority concluded the successful recommissioning of outcome-based home care in 2022.

In August 2022, new care home contracts came into effect; the aim of the contracts are to deliver the best possible care for people in the community by procuring the domiciliary care packages most effectively, delivering the best value from the public funds available. To achieve this, a Dynamic Purchasing System (DPS) was established.

RBWM awarded 5-year contracts to a range of providers who can deliver Home Care on behalf of the local authority to the expected number of people who require Home Care.

This award was made following a comprehensive tender exercise that required providers

- to demonstrate they hold a Care Quality Commission rating of “Good” or “Outstanding” in the local office this the service operates from
- Passed appropriate references regarding their financial standing and status

⁸ <https://www.local.gov.uk/our-support/sector-support-offer/care-and-health-improvement/commissioning-and-market-shaping/cost-of-care-toolkit>

The contracts were let at a per-hour contract price of £19.40. This is significantly below the median per-hour contract price of £22.50 cost arrived at through the Fair Cost of Care exercise.

At the commencement of the contract 7 providers had joined the DPS, a further 2 joined in September and 1 is in the application process.

Inflation

The new contracts commenced in August 2022. The contract includes inflation to be applied from April 2024 and this is what providers have signed up to. The Local Authority believes that it is not prudent given the current inflationary environment to assign a specific inflation index to any costing line and of the response data.