

Stoke on Trent City Council

Annex B

Fair Cost of Care Report – 18+ home care

General

Challenges in the Data

The Fair Cost of Care Exercise required by the DHSC is driven by provider costs and has not enabled commissioners to challenge and interrogate the data in sufficient depth, resulting in a number of issues in relation to data accuracy which need to be taken into account:

Accuracy of data

Although validation has allowed for some interrogation of costs, it is not possible to completely verify that these costs are truly reflective of incurred costings without open book accounting and providers' management accounts

Future approach to inflation

As the rate of inflation is unpredictable and continuously changing, and the inflation rate for 2022/23 is not a reliable benchmark for determining fees in future financial years; the City Council will need to work with providers in more depth as part of local fee setting to better understand actual costs.

Introduction

The Cost of Care exercise undertaken by Stoke on Trent City Council accounts for costs in a full breakdown, and was based on a sample size of home care providers operating across the city.

This was a combination of providers who had a registered office in the city, or who delivered care in the city. Given our small geographic footprint, we have no geographical variation to account for in the returns.

Engagement

Initially at the outset of the engagement we identified 42 home care providers in scope of the Cost of Care; the Council commissions care from 19 of these (45%). In addition, the Council commissions care from 8 providers who have a registered location of Staffordshire but who provide care to Stoke residents.

Fair Cost of Care discussions with home care providers were made easier in relation to this exercise,

as we have sought to address current BAU issues in the sector during 22/23, and have had regular communication with the sector throughout.

The costing model has been co-developed by the Care and Health Improvement Programme (CHIP) with ARCC-HR Ltd and has been recommended for use by the LGA for the cost of care exercise, although it is recognised that this is a voluntary process for providers. We used this tool to gain feedback from local home care providers.

Ongoing engagement with this market has been undertaken since May 2022 when the national toolkit was launched, through webinars, bespoke sessions, individual contact and follow up.

The deadline was extended twice to encourage greater participation in the exercise, and fortnightly Provider E Bulletins have also ensured regular information and updates were provided.

Feedback from home care providers suggested that the completion of the return was time consuming and costly. As a result, an offer was made to providers to support through one to one sessions with key staff.

In addition to the webinars, monthly meetings were held with the Staffordshire Care Association (SARCP) which represent Care Providers across Stoke on Trent, who ensure that their members are given representation in the sector, although they predominantly represent Care Homes.

A meeting with the Chief Executive of the Home Care Association also provided valuable insight into the market and the key issues articulated by home care providers to their national association.

Return Rate

Despite the strong effort to engage the home care market only 16 returns were received from home care providers identified in scope of this exercise, which represents:

- 52% of home care providers in our market
- 57% of commissioned providers
- 70% of commissioned hours.

Supplementary Information

In addition to the information required through the ARCC national toolkit supplementary information was requested to support both the Cost of Care and Market Sustainability planning:

- Funding source
- No of people supported overall in Stoke on Trent
- No of hours of care/support provided per week in Stoke on Trent
- How many of these people receive personal care
- How many of these hours are for personal care

The City Council also asked for any supplementary information that would help us understand their Fair Cost of Care return, and what we might need to consider in terms of our approach to inflation.

Outliers

Following further interrogation one of the returns was identified as a major outlier in relation to costs across all lines, frequent follow ups failed to resolve queries and consequently this provider was discounted from the final Cost of Care table.

Validation of Data and Queries

A significant amount of time was spent on validation of data, (including data omissions, queries on how costs had been attributed, checking of zero values), in order that an accurate reflection of costs consistent across the submissions could be derived.

Temporary additional costs relating to pandemic management have been removed (e.g. those supported by non-recurring grants)

Return on Operations (ROO)

Due to the significant variation in the returns submitted re ROO an allowance at a rate of 3% for return on operations – this is the operator’s ‘reward’ for the effective delivery of the care operation and its associated financial and operational risks. This is the rate recommended by the Home Care Association for 22/23 in their calculations relating to a minimum price for home care.

Inflation

As the returns were submitted as 21/22 prices adjustments for inflation have been made on a line by line basis, using specific inflation uplifts relating to staff and non-staff costs. Uplifts applied have been derived from a mixture of feedback from providers through the supplementary information and comparison with CPI quarterly rates (last published in June 2022).

Appendix1: Table showing Number of Appointments per week

| Visit Length/mins | Lower Quartile | Median | Upper Quartile |
|--------------------------|-----------------------|---------------|-----------------------|
| 15 | 205 | 252 | 355.5 |
| 30 | 528.25 | 1044.5 | 1339 |
| 45 | 145 | 189 | 239 |
| 60 | 21.75 | 59 | 94 |
| 90 | 5.5 | 11.5 | 18.25 |
| 120 | 1.75 | 2 | 3.75 |
| 150 | 5 | 7 | 10 |

Appendix 2: Table showing Cost per Visit

| Visit Length/mins | Cost per Hour | Cost per Visit |
|--------------------------|----------------------|-----------------------|
| 15 | £35.32 | £8.83 |
| 30 | £25.65 | £12.83 |
| 45 | £22.42 | £16.82 |
| 60 | £20.81 | £20.81 |
| 90 | £19.20 | £28.80 |
| 120 | £18.39 | £36.78 |

Appendix 3: Median and Quartiles - Annex A section 3

| £ per contact hour | Count of Observations | Lower Qtle | Median | Upper Qtle |
|------------------------------------------------|-----------------------|---------------|---------------|---------------|
| Total Careworker Costs | 15 | £17.15 | £19.62 | £22.81 |
| Direct care | 15 | £10.58 | £11.07 | £11.96 |
| Travel time | 14 | £1.82 | £2.25 | £3.14 |
| Mileage | 14 | £0.76 | £1.15 | £1.45 |
| PPE | 15 | £0.46 | £0.74 | £0.92 |
| Training (staff time) | 11 | £0.14 | £0.24 | £0.38 |
| Holiday | 15 | £1.50 | £1.65 | £1.85 |
| Additional noncontact pay costs | 7 | £0.18 | £0.33 | £0.58 |
| Sickness/maternity and paternity pay | 14 | £0.23 | £0.34 | £0.49 |
| Notice/suspension pay | 9 | £0.03 | £0.04 | £0.05 |
| NI (direct care hours) | 15 | £1.03 | £1.34 | £1.47 |
| Pension (direct care hours) | 15 | £0.42 | £0.47 | £0.52 |
| Total Business Costs | 15 | £3.67 | £4.89 | £6.71 |
| Back office staff | 15 | £2.62 | £3.04 | £3.24 |
| Travel costs (parking/vehicle lease et cetera) | 6 | £0.09 | £0.12 | £0.21 |
| Rent/rates/utilities | 15 | £0.19 | £0.42 | £0.61 |
| Recruitment/DBS | 15 | £0.08 | £0.15 | £0.24 |
| Training (third party) | 13 | £0.05 | £0.11 | £0.12 |
| IT (hardware, software CRM, ECM) | 15 | £0.11 | £0.20 | £0.33 |
| Telephony | 15 | £0.04 | £0.14 | £0.30 |
| Stationery/postage | 15 | £0.02 | £0.05 | £0.11 |
| Insurance | 15 | £0.09 | £0.13 | £0.19 |
| Legal/finance/professional fees | 15 | £0.06 | £0.10 | £0.28 |
| Marketing | 14 | £0.04 | £0.05 | £0.09 |
| Audit and compliance | 14 | £0.01 | £0.03 | £0.06 |
| Uniforms and other consumables | 15 | £0.03 | £0.04 | £0.08 |
| Assistive technology | 6 | £0.02 | £0.03 | £0.03 |
| Central/head office recharges | 6 | £0.03 | £0.07 | £0.56 |
| Other overheads | 1 | £0.12 | £0.12 | £0.12 |
| CQC fees | 15 | £0.07 | £0.09 | £0.14 |
| Total Return on Operations | 15 | £0.60 | £0.71 | £0.84 |
| TOTAL | 15 | £21.42 | £25.22 | £30.36 |

| Supporting information on important cost drivers used in the calculations: | 18+ domiciliary care |
|---------------------------------------------------------------------------------------------|----------------------|
| Number of location level survey responses received | 16 |
| Number of locations eligible to fill in the survey (excluding those found to be ineligible) | 31 |
| Carer basic pay per hour | £10.45 |
| Minutes of travel per contact hour | 12 |
| Mileage payment per mile | £0.30 |
| Total direct care hours per annum | 56455 |