**Annex B: The Fair Cost of Care Report for Reading Borough Council**

**DOMICILIARY CARE 18+**

**Introduction**

* Reading Borough Council has a strong commitment to working with care providers in the borough to ensure overall market sustainability whilst making effective and efficient use of public funds.
* As part of the Social Care Reforms which have now been delayed by the Government to October 2025, all authorities were asked to carry out fair cost of care exercises across the following markets:
	+ Care homes for older people (65+), and
	+ Regulated domiciliary care for adults (18+).
* This document is the outcome of this exercise for **domiciliary care providers**. The full report is included in Appendix A.

**What did we do?**

* Reading Borough Council commissioned a third-party organisation, CIPFA C.Co Ltd to complete the fair cost of care exercises; analyse information and report on the outcome.
* To support comparability of results across the Southeast, the Council chose to use the nationally recommended data collection tools which were well supported by the Local Government Association (LGA).
* To make sure that all providers had the opportunity to take part, we contacted all regulated domiciliary providers in Reading - including those on the Council’s procurement framework and those who do not presently work with the Council. We also included providers outside of the borough with whom we regularly work.
* Throughout June to September 2022, providers were offered several opportunities to get involved and complete the toolkit to make sure the exercise was as useful as possible. This included remote and face to face groups and 1:1 sessions for providers.
* Providers were encouraged and reminded to participate throughout, and we also worked with the Berkshire Care Association to encourage participation.

**What did we find?**

* **8** providers submitted viable information, **19.5%** of the possible pool of 41 providers. This was disappointing given the activity provided an opportunity for providers to transparently share information on the costs incurred in providing a service. Responses were submitted by some Framework providers and some providers delivering only to the private market. With such a low submission rate it wouldn’t be appropriate to draw any meaningful conclusions from this in terms of fee setting. The number of responses presents a real challenge as to the validity of the outcome.
* The exercise generated a median cost per hour of care of **£24.46** (with a lower quartile of £20.75 and an upper quartile of £32.74)
* In determining the median hourly-rate a decision was taken to use the combined total of component elements.
* The median return on operations (ROO) generated by information provided by providers was 5%.

**How will we use this information?**

* The Council does not consider a median rate generated from a small sample of providers to be a true indication of the fair cost of care and will continue to use a range of information, including the output of this exercise, when setting rates.
* At present (2022/2023) the Council purchases almost all domiciliary care through its framework of 20 providers.
* As a result of the outcome of this exercise, the Council took the decision from 1st December 2022, to increase the hourly rate for home care from £19.72 per hour to **£21.32** for all current and future packages during April 2022 to March 2023. The rate for April 2023 to March 2024 is currently being reviewed.
* The framework was recently reviewed and extended as it has proved effective in meeting needs within the borough.
* Providers who are not on the framework continue to express interest in being part of the framework. When it was last ‘opened for new applicants’ in October 2021, there was significant interest in joining at the advertised rates. The level of interest, effectiveness of the framework in meeting need and overall level of quality are all indications that the Council has been paying a sustainable rate.
* This is kept under regular review throughout the year and the Council continues to support providers with workforce challenges. The Council has for several years expected agencies to pay the real living wage to care staff to support recruitment and retention and it is anticipated that this increase will support this ongoing expectation.
* In terms of the information from the fair cost of care exercise, this will add to the knowledge used by the Council to inform market sustainability. Given the disappointing level of responses, a key aspiration is to identify additional ways of working with the market to improve engagement and build trust - not just with framework providers, but with all providers in the borough.

Lara Fromings

Head of Commissioning

26th January 2023

**Appendix A – Full Report**

1. **Introduction**

This report covers analysis of data collected from homecare providers for the Fair Cost of Care exercise in Reading. Whilst it may inform pricing, it is not a fee setting exercise and there may be a number of reasons why the median cost of care taken from this exercise will not form an appropriate or even sustainable fee rate for individual providers. Fee setting is informed by many factors, not least through competitive procurement on the open market. The individual circumstances of providers need to be considered. Differences in costs for some providers may arise from the location in which they deliver care - in Reading for example, the landscape is urban. Larger providers may benefit from economies of scale which are not accessible to smaller organisations, and some organisations may incur additional costs by providing a level of specialist – and hence more expensive – care which is not provided by other organisations. All of these factors can impact on the costs sustained by providers.

**2.**  **Engagement**
On 26 May Reading Borough Council wrote to all of its homecare providers (along with its residential providers) to advise that one of the first steps in delivering social care reforms was the requirement that councils work with care providers to complete a **Fair Cost of Care exercise** and that **CIPFA C.Co Ltd (C.Co)** had been engaged to carry out the independent review for Reading.

C.Co used the contact list provided by the Council to regularly communicate with the provider market before, during and after the Fair Cost of Care submission deadline. 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 detail and introduce the national templates chosen for the data capture and submission of relevant information. The Council decided to use the ARCC-HR Ltd homecare toolkit (developed with the Local Government Association). Providers were given early access to the toolkit through the provision of weblinks within all communications. C.Co attended the Berkshire Care Association forum on 21 June 2022 to provide information on the overall cost of care process, to introduce the organisation and its previous work on cost of care projects and to champion the benefits of wide participation.

To encourage engagement a mix of face to face and remote workshop sessions were scheduled from 14 June 2022 and a summary of the events is shown below. The Council’s commissioning team were involved throughout the process, making individual provider contact and encouraging maximum possible participation. As many of the invited home care providers also provide care services within the Wokingham area, C.Co and Reading Borough Council committed to work closely with Wokingham Borough Council in order to minimise the impact on shared providers whilst recognising the need for the cost of care exercises to separately reflect each location. All sessions were interactive and gave providers the opportunity to further understand the process, seek technical answers regarding the toolkit 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.

As some providers had expressed concerns about submitting commercially sensitive information directly to the Council, providers were also offered the opportunity to submit data directly to C.Co to remove any barriers to participation.

A full list of workshops is shown below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Time** | **Date** | **Style** | **Focus** | **Venue/Link** |
| 10:00 | 14/6/2022 | Face to Face | Homecare | Civic Offices, Shute End, Wokingham RG40 1BN |
| 14:00 | 14/6/2022 | Face to Face | Residential | Civic Offices, Shute End, Wokingham RG40 1BN |
| 10:00 | 15/6/2022 | Face to Face | Both | Civic Offices, Bridge Street, Reading RG1 7AE |
| 14:00 | 16/6/2022 | Remote | Both | Join on your computer or mobile app  |
| 10:00 | 23/6/2022 | Face to Face | Residential | Civic Offices, Bridge Street, Reading RG1 7AE |
| 13:00 | 23/6/2022 | Face to Face | Homecare | Civic Offices, Bridge Street, Reading RG1 7AE |
| 14:00 | 27/6/2022 | Remote | Both | Join on your computer or mobile app  |
| 10:00 | 28/6/2022 | Face to Face | Residential | Civic Offices, Shute End, Wokingham RG40 1BN |
| 14:00 | 28/6/2022 | Face to Face | Homecare | Civic Offices, Shute End, Wokingham RG40 1BN |
| 9:30 | 29/6/2022 | Face to Face | Homecare | Civic Offices, Bridge Street, Reading RG1 7AE |
| 14:30 | 29/6/2022 | Face to Face | Residential | Civic Offices, Bridge Street, Reading RG1 7AE |
| 10:00 | 5/7/2022 | Remote | Both | Join on your computer or mobile app  |

Although individual sessions had low attendance numbers, over the course of all sessions approximately 30 different providers across both Reading and Wokingham attended in some capacity. It was clear early on, that remote sessions (via MS Teams) were better attended than face to face sessions. A decision was taken, in consultation with Reading Borough Council, to respond and move the face to face sessions scheduled in the last two weeks of June to remote to maximise engagement. Having originally emailed providers with information about these sessions on 31 May 2022, C.Co continued to issue regular communications during June, July and August. These included clear offers to work directly with providers on a one to one basis to increase the overall volume of submissions. Individual providers who had yet to submit a completed the toolkit, were also personally contacted by telephone by Reading Borough Council to offer support and encourage participation.

C.Co hosted in partnership with Care England and the Care Providers Alliance, a series of practical Q&A and help sessions to further support providers. All providers in the Reading and Wokingham, areas were invited to these additional 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 joint C.Co and Care Provider Alliance sessions aimed to help providers with the completion of the tools through a live demo, and open Q & A session to address any provider questions and queries.

The sessions were held remotely for both homecare 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   |

All providers were frequently and regularly offered support and encouraged to get in touch with the Council or C.Co via a dedicated email address, where they could request and access one to one support. As part of its commitment to the completion of the exercise and supporting as many providers as possible to participate, C.Co facilitated 6 one to one sessions with homecare providers to support their submission of data. The deadline for provider submissions was, with agreement from both the Council and Care Association, extended several times to allow for as wide a participation as possible. Due to the complex nature of the sector and recognising the high levels of demands on home care providers (particularly during high pressure Summer months when more care staff want to take annual leave) extensions were supported with a number of ‘ring rounds’ trying to encourage participation and where possible, to address any barriers to engagement.

Throughout the data collection and analysis period, C.Co continued to work directly with providers via email, telephone and meetings, to support the submission process and to resolve questions, queries, anomalies and obvious errors within the data. Despite the time invested in this, many providers still chose not to participate, citing reasons such as, time constraints and perceived complexity of the task.

1. **Data Collection**

Domiciliary data collection was done using the standard Homecare Cost Toolkit developed by ARCC-HR Ltd. Nine returns were received from providers who provide services in the Reading area, including returns shared across neighbouring authorities. Submissions were received from some framework providers as well as providers primarily supporting the private market. Submissions were from both local and national providers and included one provider delivering across diverse markets - including home care, extra care housing and supported living. One of these returns was removed from the analysis due to concerns over the data quality and a lack of engagement from the provider to provide resolution.

Providers were asked to supply cost data as at April 2022. This should therefore have included as a minimum:-

* National minimum wage at £9.50, giving a minimum carer hourly rate of at least £9.50
* Employer’s national insurance threshold of £9,100
* Employer’s national insurance percentage of 15.05%
* The effects of inflation as at April 2022

Please note that the April 2022 data collection and subsequent analysis does not reflect in-year changes to NI contribution (November 2022).

1. **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, both at a national level and evident in the Reading Borough Council returns, included:

* Excessively high or non-existent PPE costs
* Incorrect Employer’s National Insurance (ENI) Threshold used
* Incorrect holiday on cost percentage (below the national minimum which equates to 12.07%)
* Excessive or non-existent training days per employee
* No entries for other non-contact time (e.g. no sick leave)
* Incorrect allocation of direct care hours across different grades of care staff
* Incorrect calculations of FTE for back office staff/no entries
* Blank entries where data was required for calculations
* Excessively high or non-existent figures for return on operations

In addition, the master data collection form contained an error relating to the calculation of Employer’s NI contributions. A correction for this error was later agreed with Care England, but had to be applied to all returns.

Where no response has been received from the provider, such data as was useable in a meaningful way was incorporated in the analysis. In general, if the correction was either obvious or the data was plausible, it was used in analysis and otherwise it was excluded.

1. **Corrective Action**

All returns were recalculated, ensuring the correct Employer’s NI threshold and rates, along with the agreed calculation correction. Where responses had been received from providers the corrected figures were incorporated in the recalculations. Where no response was received from the provider if the correction was obvious (e.g. holiday percentage oncost) then the correction was made, and the data was included in analysis. If the issue was plausible, (e.g. low mileage per hour, or no payment for travel time) it was assumed to be correct. Failing either of the above scenarios, the data for that element of costs only was excluded from the analysis, but other elements were included and used wherever possible.

1. **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 homecare per hour care provided.

C.Co agreed with Reading Borough Council that the median would be calculated by using the median for each cost category as defined by Annex A, Section 3 of the government guidance. This allows the maximum amount of data to be included in the overall calculation.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Lower Quartile** | **Median** | **Upper Quartile** |
|  | **£ per care hour** | **£ per care hour** | **£ per care hour** |
| **Figures taken from the sum of each defined cost area** | 20.75 | 24.46 | 32.74 |

As the Fair Cost of Care exercise is built on trust, it relies on providers to submit reflective costs of their homecare provision. There are considerable variances in each provider’s cost lines which leads us to believe that there are different levels of interpretation of each cost line. This may have affected the quality of data and submissions received across the sample.

It is important to put into context the Reading Borough Council commissioning process when analysing the Fair Cost of Care exercise. The Council has a framework of 20 Providers for the delivery of homecare. This framework was competitively tendered and providers must demonstrate quality and commitment to costs to join the framework. All framework providers are then offered the opportunity to pick up homecare packages for the Council. Providers are tiered following an annual quality assessment and the intention is that the tiering will in future be used to encourage ongoing quality improvement. At the moment, however, all providers are approached when packages of care are needed. The current framework price is £19.72 for 2022 to 2023 (up until 1st December 2022). The price has been increased each year in line with inflation and the real living wage (the Council is a signatory to the Ethical Care Charter and promotes payment of the Foundation Real Living Wage although cannot universally require it). In August 2022, the framework was reviewed and extended for two years as it successfully meets most need. There are occasional spot purchase off the framework if providers are not able to provide a particular homecare package. These occasions are minimal, most often during periods of peak pressure e.g. winter.

Taking into consideration the Fair Cost of Care exercise, the small sample and Reading Borough Council’s local knowledge as well as their commissioning process, it would be reasonable to say that the current ‘real time’ framework is an indication of the current market. The Fair Cost of Care exercise is a point in time with limited data whilst the framework is built upon provider engagement and increases in line with inflation and the real living wage. The Fair Cost of Care exercise will however contribute to good understanding of homecare costs and expected cost of living pressures.

1. **The Median – Sum of Each Defined Cost Area**

The median figures from each cost area were identified and summed to give a total cost of care per hour. This method of calculating the median uses as much of the data as possible. The minimum and maximum are the figures for each cost line. The totals do not represent a true total cost per hour rather the sum of the minimum and maximum for each cost line.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Figures taken from the sum of each defined cost area** | **Sample Count** | **Lower Quartile** | **Median** | **Upper Quartile** | **Minimum** | **Maximum** |
| **£ per care hour** | **£ per care hour** | **£ per care hour** | **£ per care hour** | **£ per care hour** |
| Direct Care | 8 | 10.45 | 10.75 | 11.48 | 9.81 | 16.20 |
| Travel Time | 8 | 1.30 | 1.80 | 2.42 | 0.00 | 2.71 |
| Mileage | 8 | 0.75 | 0.88 | 1.31 | 0.38 | 1.95 |
| PPE | 8 | 0.31 | 0.47 | 0.74 | 0.17 | 2.08 |
| Training (staff time) | 8 | 0.25 | 0.33 | 0.43 | 0.14 | 0.54 |
| Holiday | 8 | 1.52 | 1.56 | 1.90 | 1.41 | 2.22 |
| Additional non-contact pay costs | 8 | 0.00 | 0.11 | 0.61 | 0.00 | 2.63 |
| Sickness/maternity and paternity pay | 8 | 0.14 | 0.19 | 0.24 | 0.00 | 0.92 |
| Notice/suspension pay | 8 | 0.00 | 0.00 | 0.03 | 0.00 | 1.31 |
| NI (direct care hours) | 8 | 1.20 | 1.25 | 1.79 | 1.05 | 1.96 |
| Pension (direct care hours) | 8 | 0.31 | 0.39 | 0.52 | 0.19 | 0.62 |
| **Care worker Costs** |  | **16.23** | **17.73** | **21.47** | **13.16** | **33.15** |
| Back office staff | 8 | 2.55 | 3.65 | 5.70 | 1.90 | 9.21 |
| Travel costs | 8 | 0.01 | 0.01 | 0.08 | 0.00 | 0.48 |
| Rent/rates/utilities | 8 | 0.40 | 0.59 | 0.71 | 0.29 | 1.81 |
| Recruitment/DBS | 8 | 0.04 | 0.08 | 0.18 | 0.02 | 0.76 |
| Training (third party) | 8 | 0.05 | 0.08 | 0.18 | 0.02 | 0.36 |
| IT | 8 | 0.06 | 0.11 | 0.34 | 0.06 | 0.58 |
| Telephony | 8 | 0.08 | 0.11 | 0.17 | 0.00 | 0.32 |
| Stationery/postage | 8 | 0.05 | 0.08 | 0.15 | 0.00 | 0.17 |
| Insurance | 8 | 0.11 | 0.13 | 0.25 | 0.00 | 0.40 |
| Legal/financial/professional fees | 8 | 0.09 | 0.12 | 0.21 | 0.00 | 1.52 |
| Marketing | 8 | 0.02 | 0.05 | 0.10 | 0.00 | 0.41 |
| Audit and compliance | 8 | 0.00 | 0.03 | 0.05 | 0.00 | 0.08 |
| Uniforms and other consumables | 8 | 0.03 | 0.06 | 0.07 | 0.00 | 0.18 |
| Assistive technology | 8 | 0.00 | 0.00 | 0.01 | 0.00 | 0.07 |
| Central/head office recharges | 8 | 0.00 | 0.32 | 0.86 | 0.00 | 2.26 |
| Other overheads | 8 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| CQC fees | 8 | 0.09 | 0.10 | 0.11 | 0.07 | 0.12 |
| **Business Costs** |  | **3.59** | **5.52** | **9.18** | **2.37** | **18.73** |
| **Return on Operations** | **8** | **0.94** | **1.21** | **2.09** | **0.61** | **3.53** |
| **Total Cost Per Hour** |  | **20.75** | **24.46** | **32.74** | **16.14** | **55.41** |

The government returns also require underlying data which is shown below:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Figures taken from the sum of each defined cost area** | **Sample Count** | **Lower Quartile** | **Median** | **Upper Quartile** | **Minimum** | **Maximum** |
| Carer basic pay per hour (£) | 8 | 10.00 | 10.05 | 11.13 | 9.55 | 14.45 |
| Minutes of travel per contact hour (mins) | 8 | 7.87 | 9.98 | 12.58 | 0.00 | 15.10 |
| Mileage payment per mile (£) | 8 | 0.28 | 0.34 | 0.36 | 0.20 | 0.40 |
| Total direct care hours per annum (Hours) | 8 | 32,669 | 50,804 | 66,001 | 23,348 | 139,256 |

1. **Visit Lengths**

The returns showed a range of visit lengths besides the common 15/30/45/60 minute visits.

The table below shows the median and quartile weekly number of each of these four visit lengths which form the majority of visits both by number (94%) and by time (83%).

This table shows that the median provider is likely to provide 13 quarter hour visits, 653 half hour visits, 288 three quarter hour visits, and 154 hour long visits per week, along with a small number of visits of other lengths.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Visit Lengths** | **Sample Count** | **Lower Quartile** | **Median** | **Upper Quartile** |
|  |  | **Visit Numbers** | **Visit Numbers** | **Visit Numbers** |
| **15 minutes** | 8 | 0 | 13 | 70 |
| **30 minutes** | 8 | 384 | 653 | 1,044 |
| **45 minutes** | 8 | 15 | 288 | 410 |
| **60 minutes** | 8 | 58 | 154 | 362 |

The table below shows the total number of visits and care hours by length across the returns.

|  |  |  |
| --- | --- | --- |
| **Visit Lengths** | **Total Number of Visits** | **Total Care Hours** |
| **15 minutes** | 410 | 103 |
| **30 minutes** | 5,974 | 2,987 |
| **45 minutes** | 2,694 | 2,021 |
| **60 minutes** | 2,297 | 2,297 |
| **Other Visit Lengths** | 692 | 1,528 |
| **Totals** | 12,067 | 8,935 |

This shows clearly that most visits are 30 minutes long (50%). The next most common length is 45 minutes (22% by call number), with a further 19% by call numbers which are 60 minutes long. This means that over 90% of visits are in the 30-60 minute length bracket.

The weighted average visit length is calculated by the data collection tool and gives a median weighted average visit length of 37.1 minutes, which supports the total data shown above. This is not the overall average visit length but the median of the average visit length for each provider.

The graph below, which shows the range of weighted average visit length, also shows that, with a small number of exceptions, this pattern of delivery is likely common to most providers.

1. **Care Worker Costs**

Acknowledging Reading Borough Council’s commitment to encouraging and supporting take up of the real living wage, care worker costs are significantly impacted by the basic hourly rate actually paid to care workers.

From the returns, all providers pay a minimum of £9.55 as a basic hourly rate rising to a maximum of £14.45 (higher as this provider does not pay for travel time), with a median figure of £10.05. There will be providers who pay a higher rate but do not pay for travel time. The pay cost per hour of direct care will be higher than the basic hourly rate as this will encompass some care provided more senior staff at higher rates.

This shows that most care is provided by care workers rather than more senior staff. The median ratio between basic hourly pay and the pay cost per direct care hour is that the pay cost per direct care hour is 7.0% higher than basic hourly pay.

1. **Business Costs**

Many providers will define these costs differently. They will also experience different levels of expenditure on each cost area within business costs depending on their particular circumstances. For example, a member of a larger group may have group/head office costs, while an independent provider may have higher back office or professional support costs.

1. **Return on Operations**

The returns asked for a percentage Return on Operations (ROO) which is normally calculated as a percentage of the total of Care worker and Business Costs. These range from 2% to 12% with a median figure generated through the cost of care exercise of 5%.

1. **Costs per visit type**

It is not possible, given the data collected by this collection tool, to fully separate out the costs for visits of different lengths. Logically, shorter visits will cost more per care hour. For example, travel distances, time and hence costs are not necessarily shorter for shorter visits, and so proportionately are more per care hour for shorter visits. Similarly, PPE costs will be greater per hour for shorter visits. These are the only two costs that can be separated out per visit rather than per hour to identify separate cost rates for shorter visits.

Once these have been identified per visit, the median (and lower and upper quartile) figures can be applied to the calculation of a fair cost of care to identify the separate median costs for 15, 30, 45 and 60 minute length calls as required. The median, lower and upper quartile figures are shown below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **15 min calls** | **30 min calls** | **45 min calls** | **60 min calls** | **Per Direct Care Hour** |
| **Costs per Call Length** | **Cost per call** | **Cost per call** | **Cost per call** | **Cost per call** |  |
| **Results** | 7.93 | 13.26 | 18.59 | 23.92 | 24.46 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Cost Per Call Length** | **Lower Quartile** | **Median** | **Upper Quartile** |
| **15 Minute Calls** | 6.36 | 7.93 | 9.60 |
| **30 Minute Calls** | 10.96 | 13.26 | 16.69 |
| **45 Minute Calls** | 15.56 | 18.59 | 23.77 |
| **60 Minute Calls** | 20.15 | 23.92 | 30.86 |
| **Per Care Hour** | 20.75 | 24.46 | 32.82 |

1. **Annex A Section 3 Table**

|  |  |
| --- | --- |
| **Cost of care exercise results - all cells should be £ per contact hour, MEDIANS.** | **18+ domiciliary care** |
| **Total Care worker Costs** | **£17.73** |
| Direct care | £10.75 |
| Travel time | £1.80 |
| Mileage | £0.88 |
| PPE | £0.47 |
| Training (staff time) | £0.33 |
| Holiday | £1.56 |
| Additional noncontact pay costs | £0.11 |
| Sickness/maternity and paternity pay | £0.19 |
| Notice/suspension pay | £0.00 |
| NI (direct care hours) | £1.25 |
| Pension (direct care hours) | £0.39 |
| **Total Business Costs** | **£5.52** |
| Back office staff | £3.65 |
| Travel costs (parking/vehicle lease et cetera) | £0.01 |
| Rent/rates/utilities | £0.59 |
| Recruitment/DBS | £0.08 |
| Training (third party) | £0.08 |
| IT (hardware, software CRM, ECM) | £0.11 |
| Telephony | £0.11 |
| Stationery/postage | £0.08 |
| Insurance | £0.13 |
| Legal/finance/professional fees | £0.12 |
| Marketing | £0.05 |
| Audit and compliance | £0.03 |
| Uniforms and other consumables | £0.06 |
| Assistive technology | £0.00 |
| Central/head office recharges | £0.32 |
| Other overheads | £0.00 |
| CQC fees | £0.10 |
| **Total Return on Operations** | **£1.21** |
| **TOTAL** | £24.46 |
|  |  |
| **Supporting information on important cost drivers used in the calculations:** | **18+ domiciliary care** |
| Number of location level survey responses received | 8 |
| Number of locations eligible to fill in the survey (excluding those found to be ineligible) |  41 |
| Carer basic pay per hour  | £10.05 |
| Minutes of travel per contact hour | 10.0 |
| Mileage payment per mile | £0.34 |
| Total direct care hours per annum | 32,669 |

1. **Future Uplifts**

For assessing the hourly cost of domiciliary care in future years it will either be necessary to repeat this exercise - preferably increasing the reach - or agree the way in which the median value can be uplifted. The following may be considered for uplift by the Council. The April 2022 figures are shown in brackets for information:

1. All Care worker costs except for those detailed below: increase annually by the same percentage increase as the national living wage (6.6%) or real living wage (10.1% - September 2022).
2. Mileage: Increase by April CPI figure for category 07, Transport (13.5%)
3. PPE: Increase by April CPI figure for category 03, Clothing and Footwear (8.3%) (alternatively CPI figure for category 06.1, Medical Products, Appliances, and Equipment)
4. National Insurance: Increase by the same percentage increase as the national living wage and by the percentage change in employer’s NI contribution rate
5. Pension: Increase by the same percentage increase as the national living wage and by any percentage change in the minimum required employer’s pension contribution
6. All Business costs except for those detailed below: increase annually by the increase in CPI (9.0%)
7. Travel: Increase by April CPI figure for category 07, Transport (13.5%)
8. Rents, Rates and Utilities: Increase by April CPI figure for category 04.5, Electricity, Gas and Other Fuels (69.6%)
9. Insurance: Increase by April CPI figure for category 12.5, Insurance (11.3%)
10. Return on Operations: Weighted average based on the above figures.

Using the proportions of each cost line from the median cost figures allows a specific home care price index basket to be developed in the same way as the CPI is prepared.