

Cost of Care Report – Trafford Council Residential Care

1.0 Approach

Trafford Council commissioned an external consultancy company to undertake its Fair Cost of Care Exercise with the market. The consultants appointed to undertake this Exercise in Trafford had worked with one of the National Trailblazer Local Authorities to develop their approach and were also working with a number of other Councils across the North West to complete this exercise.

In June prior to the consultants commencing this work the Local Authority had communicated through the weekly newsletter with 30 residential care providers in the borough to advise them of the exercise and to encourage them to engage in the process on 2 occasions. The Local Authority also circulated the dates of the exercise and links to the survey through the same methodology on the 16th and 23rd June. The consultancy company worked with the council to prepare communications with all care providers informing them of the work, the process and that the appointed consultancy company would be in contact with them on behalf of the council. The Local Authority also circulated the dates and times of all webinars to the entire market on the 23rd June and following this, the consultancy company contacted all residential care providers inviting them to join one of two webinars that were held on June 30th and July 6th to maximise participation. Providers were able to ask questions, and the consultancy company used this method of engagement to better understand the local situation, pressures and trends. Following the webinars providers were given the option to complete their return directly in the CareCubed tool, or to input into an online survey designed by the consultancy company to break the required information into more manageable and user-friendly sections, making it easier for providers to complete. Where providers chose to use the specially designed online survey, the consultancy company took the information from within the survey and entered it into CareCubed to ensure it was input with a high level of consistency.

The initial date for completion was the 22nd July and the consultancy company sent weekly reminder emails starting from the first week of July. This contained a link to the survey either via CareCubed or the online survey. As it became evident that the return rate was very low this date was extended by a further two weeks to the 8th August with weekly reminders also continuing. In addition to this providers were called four times between July 20th and August 8th to offer support and provide a reminder to complete the data submission. During the telephone calls providers were offered the chance to complete the survey over the telephone at a convenient time. Providers were also supplied with a telephone number and email address to use throughout the process which they could use to ask questions about the survey or request support in completing it.

Following the submission of responses validation checks were undertaken upon the data supplied by providers and any anomalies or significant outliers were then addressed directly with providers for them to either give confirmation of the current data supplied, along with an explanation regarding why the cost may appear to be an outlier, or changes to the data to correct errors that may have occurred. Following initial validation, the consultancy company shared the data collected from providers with the Council for the assigned commissioners to

provide additional checks and raise further queries regarding the points of data that may require further validation, based on their local knowledge. These queries were shared with providers with a request for them to confirm the figure is correct and provide any information they may be able to in respect of why it appears to be an outlier, or amend the figure. There was a significant drop off in engagement from providers in the validation stage, compared to the initial data collection stage, therefore the majority of queries raised with providers by the appointed consultancy company remained unresolved. The Council therefore had to decide if any data should be excluded from the exercise due to concerns regarding the reliability of the data and its impact on the outcome of the exercise.

The results were originally collected in July and August 2022 using a combination of the CareCubed tool and an online survey. The figures are amended figures for 2021/22 with an inflationary uplift.

2.0 Response Rate

There were 10 completed surveys from the 30 providers eligible. This represents a completed response rate of 33.33% of those invited to complete the survey. Two of the submissions were eventually excluded from the results due to there being too many gaps in the data that was provided. This therefore gave a response rate of 26.67% on survey returns that could be used and 34.93% return based on the number of beds these returns equate to.

3.0 Return on Capital/Operations and Occupancy Levels

Return on capital

The Return on Capital is £96.79 per resident per week.

This figure comes from using the Local Housing Allowance (LHA) methodology described in the DHSC guidance. The LHA rate for a Category B one-bedroom dwelling in the South Greater Manchester BRMA area is £120.82 per week for 22/23. The average cost of fixtures/fittings/maintenance is £24.03 per week as shown in the submission data. Therefore, the return on capital is £96.79 per resident per week using this methodology.

This approach is chosen as it gives greater consistency following the wide range of different responses that were seen across provider submissions, giving a median figure from all 8 homes of £112.50. There was a strong likelihood that capital figures had been included in both the premises section of the return and on the return on capital figure by a few providers. There is also evidence that regional and national providers have included blanket rates for ROC for all homes within their portfolio, which does not account for local authority variances.

Consideration was also given to using the freehold value as a basis, another approach described by DHSC guidance, but this was discounted due to the low returns (2) on this, the median figure for these two was £77.28 at 3.75%.

Moving to the approved LHA methodology leads to greater consistency of data and a more accurate calculation of return on capital for care homes in the Trafford area. This has been used for all four categories of care

Return on Operations

The return on operations has been amended and standardised at 5% of total operational costs representing a fair rate as per LaingBuisson. This is again due to the high levels of inconsistency in returns from providers with a range of between 6-15%.

Occupancy

- In the returns not all homes were at 90% occupancy levels which is the council's aspiration and the Market Sustainability Plan will provide more details of how we will work with the market to ensure at least this level of occupancy is reached. The higher the occupancy, the more efficiently a home is run from a cost perspective and levels of at least 90% provides a good target to balance high occupancy and inevitable vacancies. Providers stated during qualitative research that when occupancy is low, they are retaining a staff team geared up for a higher level of occupancy due to difficulties and costs in recruiting new staff and unable to provide the staffing ratios. This further compounds the cost of low occupancy levels. Therefore the costs for these homes were amended as follows:-
 - Carer cost were excluded from the data
 - For all other costs an analysis as to whether they were fixed or variable was undertaken and for fixed costs eg gardener these were amended to a rate per resident at 90% occupancy and for variable costs eg food supplies these remained as provided.

3.0 Count of Observations

These are provided in each of the tables

3.1 65 plus Care Homes Places without Nursing (£/resident/week)

	Count of Observations	Lower Quartile	Median	Upper Quartile
Care Home Staffing				
Nursing Staff	7	£0.00	£0.00	£0.00
Care Staff	5	£283.84	£301.71	£366.07
Therapy Staff (Occupational & Physio)	8	£0.00	£0.00	£0.00
Activity Co-ordinators	8	£13.26	£18.12	£19.65
Service Management (Registered Manager/Deputy)	8	£42.16	£52.76	£59.02
Reception & Admin staff at the home	8	£0.00	£0.00	£0.00
Chefs / Cooks	8	£20.99	£25.08	£30.97

Domestic staff (cleaning, laundry & kitchen)	6	£30.09	£51.50	£75.85
Maintenance & Gardening	8	£8.46	£13.35	£17.00
Other care home staffing (agency)	8	£0.00	£0.00	£0.00
Staff TOTAL		398.80	462.52	568.56
Care Home Premises				
Fixtures and Fittings	5	£3.39	£4.88	£8.95
Repairs and Maintenance	8	£15.86	£19.15	£26.02
Furniture, Furnishings and Equipment	5	£0.59	£3.98	£4.74
Other Care Home Premise Costs	8	£1.60	£7.32	£21.82
Premise Total		£21.44	£35.33	£61.53
Care Home Supplies and Services				
Food Supplies	8	£39.42	£45.24	£51.81
Domestic and Cleaning Supplies	8	£8.15	£11.14	£12.84
Medical Supplies (excluding PPE)	7	£3.00	£4.14	£11.37
PPE	6	£1.64	£2.65	£3.79
Office Supplies	8	£1.78	£2.15	£2.40
Insurance	8	£6.25	£7.03	£7.71
Registration Fees	8	£2.54	£2.80	£3.33
Telephone and Internet	7	£1.93	£3.11	£3.40
Council Tax / rates	7	£0.72	£1.38	£1.65
Electricity, gas, water	8	£25.36	£26.60	£28.41
Trade and Clinical Waste	7	£3.02	£3.72	£4.22
Transport and Activities	7	£4.10	£5.08	£8.40
Other care home supplies and services costs	8	£5.94	£20.07	£35.53
Supplies and Services Total		£103.85	£135.11	£174.86
Head Office				
Central / Regional Management	8	£0.00	£3.19	£16.15
Support Services (finance / HR / legal / marketing etc.)	8	£14.53	£27.07	£33.12
Recruitment, Training & Vetting (incl. DBS checks)	7	£2.71	£4.29	£7.61
Other head office costs (please specify)	8	£0.00	£0.00	£4.57
Head Office Total		£17.24	£34.55	£61.45
Return on Operations		£27.07	£33.38	£43.32

Return on Capital		£96.79	£96.79	£96.79
TOTAL		£665.19	£797.68	£1,006.51
Number of location level responses received		8	8	8
Number of locations eligible to fill in the survey		31	31	31
Number of residents covered by the responses		149	149	149
Number of carer hours per resident per week	4	22.1	26.7	28.2
Number of nursing hours per resident per week				
Average carer basic pay per hour		£9.85	£10.23	£10.69
Average nurse basic pay per hour				
Average occupancy as a percentage of active beds		90%	90%	94.01%
Freehold valuation per bed		£98,850.06	£107,443.71	£116,037.35

3.2 65 + Care Homes Places without Nursing, Enhanced Needs (£/resident/week)

Breaking down the staffing between different units and categories proved difficult for providers and the 'units' function on CareCubed either wasn't used or wasn't used correctly. This resulted in the median cost across the two categories of care that would be more for the cost of residential and less for the cost of residential enhanced needs.

Due to the lack of quality data, carer staff costs were equalised across a home if the care home provided more than one type of care, therefore the figures in the table below for residential enhanced needs are the same as those of residential with the median across the two categories presented

	Count of Observations	Lower Quartile	Median	Upper Quartile
Care Home Staffing				
Nursing Staff	7	£0.00	£0.00	£0.00
Care Staff	5	£283.84	£301.71	£366.07
Therapy Staff (Occupational & Physio)	8	£0.00	£0.00	£0.00
Activity Co-ordinators	8	£13.26	£18.12	£19.65
Service Management (Registered Manager/Deputy)	8	£42.16	£52.76	£59.02
Reception & Admin staff at the home	8	£0.00	£0.00	£0.00

Chefs / Cooks	8	£20.99	£25.08	£30.97
Domestic staff (cleaning, laundry & kitchen)	6	£30.09	£51.50	£75.85
Maintenance & Gardening	8	£8.46	£13.35	£17.00
Other care home staffing (agency)	8	£0.00	£0.00	£0.00
Staff TOTAL		398.80	462.52	568.56
Care Home Premises				
Fixtures and Fittings	5	£3.39	£4.88	£8.95
Repairs and Maintenance	8	£15.86	£19.15	£26.02
Furniture, Furnishings and Equipment	5	£0.59	£3.98	£4.74
Other Care Home Premise Costs	8	£1.60	£7.32	£21.82
Premise Total		£21.44	£35.33	£61.53
Care Home Supplies and Services				
Food Supplies	8	£39.42	£45.24	£51.81
Domestic and Cleaning Supplies	8	£8.15	£11.14	£12.84
Medical Supplies (excluding PPE)	7	£3.00	£4.14	£11.37
PPE	6	£1.64	£2.65	£3.79
Office Supplies	8	£1.78	£2.15	£2.40
Insurance	8	£6.25	£7.03	£7.71
Registration Fees	8	£2.54	£2.80	£3.33
Telephone and Internet	7	£1.93	£3.11	£3.40
Council Tax / rates	7	£0.72	£1.38	£1.65
Electricity, gas, water	8	£25.36	£26.60	£28.41
Trade and Clinical Waste	7	£3.02	£3.72	£4.22
Transport and Activities	7	£4.10	£5.08	£8.40
Other care home supplies and services costs	8	£5.94	£20.07	£35.53
Supplies and Services Total		£103.85	£135.11	£174.86
Head Office				
Central / Regional Management	8	£0.00	£3.19	£16.15
Support Services (finance / HR / legal / marketing etc.)	8	£14.53	£27.07	£33.12
Recruitment, Training & Vetting (incl. DBS checks)	7	£2.71	£4.29	£7.61
Other head office costs (please specify)	8	£0.00	£0.00	£4.57
Head Office Total		£17.24	£34.55	£61.45

Return on Operations		£27.07	£33.38	£43.32
Return on Capital		£96.79	£96.79	£96.79
TOTAL		£665.19	£797.68	£1,006.51
Number of location level responses received		8	8	8
Number of locations eligible to fill in the survey		31	31	31
Number of residents covered by the responses		149	149	149
Number of carer hours per resident per week	4	22.1	26.7	28.2
Number of nursing hours per resident per week				
Average carer basic pay per hour		£9.85	£10.23	£10.69
Average nurse basic pay per hour				
Average occupancy as a percentage of active beds		90%	90%	94.01%
Freehold valuation per bed		£98,850.06	£107,443.71	£116,037.35

3.3 65+ Care Home Places with Nursing (£/resident/week)

	Count of Observations	Lower Quartile	Median	Upper Quartile
Care Home Staffing				
Nursing Staff	4	£196.81	£220.17	£222.94
Care Staff	5	£283.84	£301.71	£366.07
Therapy Staff (Occupational & Physio)	8	£0.00	£0.00	£0.00
Activity Co-ordinators	8	£13.26	£18.12	£19.65
Service Management (Registered Manager/Deputy)	8	£42.16	£52.76	£59.02
Reception & Admin staff at the home	8	£0.00	£0.00	£0.00
Chefs / Cooks	8	£20.99	£25.08	£30.97
Domestic staff (cleaning, laundry & kitchen)	6	£30.09	£51.50	£75.85
Maintenance & Gardening	8	£8.46	£13.35	£17.00
Other care home staffing (agency)	8	£0.00	£0.00	£0.00
Staff TOTAL		595.61	682.69	791.50
Care Home Premises				

Fixtures and Fittings	5	£3.39	£4.88	£8.95
Repairs and Maintenance	8	£15.86	£19.15	£26.02
Furniture, Furnishings and Equipment	5	£0.59	£3.98	£4.74
Other Care Home Premise Costs	8	£1.60	£7.32	£21.82
Premise Total		£21.44	£35.33	£61.53
Care Home Supplies and Services				
Food Supplies	8	£39.42	£45.24	£51.81
Domestic and Cleaning Supplies	8	£8.15	£11.14	£12.84
Medical Supplies (excluding PPE)	7	£3.00	£4.14	£11.37
PPE	6	£1.64	£2.65	£3.79
Office Supplies	8	£1.78	£2.15	£2.40
Insurance	8	£6.25	£7.03	£7.71
Registration Fees	8	£2.54	£2.80	£3.33
Telephone and Internet	7	£1.93	£3.11	£3.40
Council Tax / rates	7	£0.72	£1.38	£1.65
Electricity, gas, water	8	£25.36	£26.60	£28.41
Trade and Clinical Waste	7	£3.02	£3.72	£4.22
Transport and Activities	7	£4.10	£5.08	£8.40
Other care home supplies and services costs	8	£5.94	£20.07	£35.53
Supplies and Services Total		£103.85	£135.11	£174.86
Head Office				
Central / Regional Management	8	£0.00	£3.19	£16.15
Support Services (finance / HR / legal / marketing etc.)	8	£14.53	£27.07	£33.12
Recruitment, Training & Vetting (incl. DBS checks)	7	£2.71	£4.29	£7.61
Other head office costs (please specify)	8	£0.00	£0.00	£4.57
Head Office Total		£17.24	£34.55	£61.45
Return on Operations		£36.91	£44.38	£54.47
Return on Capital		£96.79	£96.79	£96.79
TOTAL		£871.84	£1,028.85	£1,240.60
Number of location level responses received		8	8	8
Number of locations eligible to fill in the survey		31	31	31

Number of residents covered by the responses		149	149	149
Number of carer hours per resident per week	4	22.1	26.7	28.2
Number of nursing hours per resident per week		6.1	7.6	7.9
Average carer basic pay per hour	3	£9.85	£10.23	£10.69
Average nurse basic pay per hour		£20.40	£20.80	£20.88
Average occupancy as a percentage of active beds		90%	90%	94.01%
Freehold valuation per bed		£98,850.06	£107,443.71	£116,037.35

3.4 35+ Care Home Places with Nursing, Enhanced Needs (£/resident/week)

Breaking down the staffing between different units and categories proved difficult for providers and the 'units' function on CareCubed either wasn't used or wasn't used correctly. This resulted in the median cost across the two categories of care that would be more for the cost of nursing and less for the cost of nursing enhanced needs.

Due to the lack of quality data, nursing staff costs were equalised across a home if the care home provided more than one type of care, therefore the figures in the table below for nursing enhanced needs are the same as those of nursing with the median across the two categories of presented

	Count of Observations	Lower Quartile	Median	Upper Quartile
Care Home Staffing				
Nursing Staff	4	£196.81	£220.17	£222.94
Care Staff	5	£283.84	£301.71	£366.07
Therapy Staff (Occupational & Physio)	8	£0.00	£0.00	£0.00
Activity Co-ordinators	8	£13.26	£18.12	£19.65
Service Management (Registered Manager/Deputy)	8	£42.16	£52.76	£59.02
Reception & Admin staff at the home	8	£0.00	£0.00	£0.00
Chefs / Cooks	8	£20.99	£25.08	£30.97
Domestic staff (cleaning, laundry & kitchen)	6	£30.09	£51.50	£75.85
Maintenance & Gardening	8	£8.46	£13.35	£17.00

Other care home staffing (agency)	8	£0.00	£0.00	£0.00
Staff TOTAL		595.61	682.69	791.50
Care Home Premises				
Fixtures and Fittings	5	£3.39	£4.88	£8.95
Repairs and Maintenance	8	£15.86	£19.15	£26.02
Furniture, Furnishings and Equipment	5	£0.59	£3.98	£4.74
Other Care Home Premise Costs	8	£1.60	£7.32	£21.82
Premise Total		£21.44	£35.33	£61.53
Care Home Supplies and Services				
Food Supplies	8	£39.42	£45.24	£51.81
Domestic and Cleaning Supplies	8	£8.15	£11.14	£12.84
Medical Supplies (excluding PPE)	7	£3.00	£4.14	£11.37
PPE	6	£1.64	£2.65	£3.79
Office Supplies	8	£1.78	£2.15	£2.40
Insurance	8	£6.25	£7.03	£7.71
Registration Fees	8	£2.54	£2.80	£3.33
Telephone and Internet	7	£1.93	£3.11	£3.40
Council Tax / rates	7	£0.72	£1.38	£1.65
Electricity, gas, water	8	£25.36	£26.60	£28.41
Trade and Clinical Waste	7	£3.02	£3.72	£4.22
Transport and Activities	7	£4.10	£5.08	£8.40
Other care home supplies and services costs	8	£5.94	£20.07	£35.53
Supplies and Services Total		£103.85	£135.11	£174.86
Head Office				
Central / Regional Management	8	£0.00	£3.19	£16.15
Support Services (finance / HR / legal / marketing etc.)	8	£14.53	£27.07	£33.12
Recruitment, Training & Vetting (incl. DBS checks)	7	£2.71	£4.29	£7.61
Other head office costs (please specify)	8	£0.00	£0.00	£4.57
Head Office Total		£17.24	£34.55	£61.45
Return on Operations		£36.91	£44.38	£54.47
Return on Capital		£96.79	£96.79	£96.79
TOTAL		£871.84	£1,028.85	£1,240.60

Number of location level responses received		8	8	8
Number of locations eligible to fill in the survey		31	31	31
Number of residents covered by the responses		149	149	149
Number of carer hours per resident per week	4	22.1	26.7	28.2
Number of nursing hours per resident per week	3	6.1	7.6	7.9
Average carer basic pay per hour		£9.85	£10.23	£10.69
Average nurse basic pay per hour		£20.40	£20.80	£20.88
Average occupancy as a percentage of active beds		90%	90%	94.01%
Freehold valuation per bed		£98,850.06	£107,443.71	£116,037.35

4.0 Median Values (£/resident/week)

	+65	+65 Enhanced Needs	+65 Nursing	+65 Nursing, Enhanced Needs
Nursing Staff	£0.00	£0.00	£220.17	£220.17
Care Staff	£301.71	£301.71	£301.71	£301.71
Therapy Staff (Occupational & Physio)	£0.00	£0.00	£0.00	£0.00
Activity Co-ordinators	£18.12	£18.12	£18.12	£18.12
Service Management (Registered Manager/Deputy)	£52.76	£52.76	£52.76	£52.76
Reception & Admin staff at the home	£0.00	£0.00	£0.00	£0.00
Chefs / Cooks	£25.08	£25.08	£25.08	£25.08
Domestic staff (cleaning, laundry & kitchen)	£51.50	£51.50	£51.50	£51.50
Maintenance & Gardening	£13.35	£13.35	£13.35	£13.35
Other care home staffing (please specify)	£0.00	£0.00	£0.00	£0.00
Staff TOTAL	£462.52	£462.52	£682.69	£682.69
Fixtures and Fittings	£4.88	£4.88	£4.88	£4.88

Repairs and Maintenance	£19.15	£19.15	£19.15	£19.15
Furniture, Furnishings and Equipment	£3.98	£3.98	£3.98	£3.98
Other Care Home Premise Costs	£7.32	£7.32	£7.32	£7.32
Premise Total	£35.33	£35.33	£35.33	£35.33
Food Supplies	£45.24	£45.24	£45.24	£45.24
Domestic and Cleaning Supplies	£11.14	£11.14	£11.14	£11.14
Medical Supplies (excluding PPE)	£4.14	£4.14	£4.14	£4.14
PPE	£2.65	£2.65	£2.65	£2.65
Office Supplies	£2.15	£2.15	£2.15	£2.15
Insurance	£7.03	£7.03	£7.03	£7.03
Registration Fees	£2.80	£2.80	£2.80	£2.80
Telephone and Internet	£3.11	£3.11	£3.11	£3.11
Council Tax / rates	£1.38	£1.38	£1.38	£1.38
Electricity, gas, water	£26.60	£26.60	£26.60	£26.60
Trade and Clinical Waste	£3.72	£3.72	£3.72	£3.72
Transport and Activities	£5.08	£5.08	£5.08	£5.08
Other care home supplies and services costs	£20.07	£20.07	£20.07	£20.07
Supplies and Services Total	£135.11	£135.11	£135.11	£135.11
Central / Regional Management	£3.19	£3.19	£3.19	£3.19
Support Services (finance / HR / legal / marketing etc.)	£27.07	£27.07	£27.07	£27.07
Recruitment, Training & Vetting (incl. DBS checks)	£4.29	£4.29	£4.29	£4.29
Other head office costs (please specify)	£0.00	£0.00	£0.00	£0.00
Head Office Total	£34.55	£34.55	£34.55	£34.55
Return on Operations	£33.38	£33.38	£44.38	£44.38
Return on Capital	£96.79	£96.79	£96.79	£96.79
TOTAL	£797.68	£797.68	£1,028.85	£1,028.85
Number of location level responses received	8	8	8	8

Number of locations eligible to fill in the survey	31	31	31	31
Number of residents covered by the responses	149	149	149	149
Number of carer hours per resident per week	26.7	26.7	26.7	26.7
Number of nursing hours per resident per week	7.6	7.6	7.6	7.6
Average carer basic pay per hour	£10.23	£10.23	£10.23	£10.23
Average nurse basic pay per hour			£20.80	£20.80
Average occupancy as a percentage of active beds	90%	90%	90%	90%
Freehold valuation per bed	£107,443.71	£107,443.71	£107,443.71	£107,443.71

5.0 Data and Inflation

In reviewing the data provided the following are also reflected in the above figures:-

- The data provided was utilised from all care homes irrespective of the type of care delivered. The reason for this was threefold:-
 - 1) a low return rate,
 - 2) for non-staffing costs a reasonable assumption that these costs are inherent within a setting and not determined by the type of care delivered
 - 3) Issues for providers in using the costing tool e.g. apportionment of nursing assistants across res and nursing and also carers across with or without enhanced needs?
- The median is on a line by line basis for the following reasons
 - ✓ The ethos of the exercise was to include as much data as possible and the line by line analysis facilitated this approach.
 - ✓ The line by line analysis enabled examination and comparison between each of the returns received. Further clarification could then be followed up for outliers, both low and high amounts and amendments made. In instances where no responses were received after seeking clarification this data was excluded.
 - ✓ The line by line analysis also allowed for the review of Zero figures. These were analysed to assess if they were appropriate to be a zero or should be excluded so that the median was based on actual figures for example PPE. The overall median was £1.88 but upon review and felt that there should be some costs in here the zeros were excluded which then gave a median of £2.65. For head office cost some privately owned homes had in zero which was appropriate for these homes and therefore left in.

- ✓ The use of a line-by-line analysis also aided the application of different inflation rates to the individual 21/22 figures.
- The data was provided on a 21/22 basis and required an inflationary uplift to move to 22/23 figures. The approach to the inflationary uplift was to take the median from information provided by 3 out of the 8 providers. The different rates for individual lines varied to those in the 12 month CPI index as at April 22, some being higher and some being lower. Most notably was in care staff costs, the national living wage increase was 6.6% and the median return from providers was an 11% increase.
- Breaking down the staffing in smaller homes where staff multitasked and performed a variety of roles instead of one proved difficult for providers and was evident on the service management and reception and admin lines. Therefore, these two lines were combined and the median for this is reported on the service management line.

Overall

There are significant concerns and limitations regarding the cost data received from providers that impact on the confidence that the fair cost of care rates accurately represents the likely actual average cost of providing care in Trafford. This will later influence on the weight that is appropriate to place on this in subsequent fee setting. Some of these are outlined below and mentioned in previous sections: -

- Response rates have been received from a relatively small number of providers, leading to concerns that this is not a true representation of the market and therefore the calculated fair cost of care rates may not accurately reflect the likely actual average cost of care.
- Regional variation

During the undertaking of the fair cost of care exercise, localities across Greater Manchester and the North-West have engaged in collaborative discussion to inform our approaches to the treatment of cost items and interpretation of fair cost of care guidance.

This work has highlighted a variation in costs above what would be expected or that can be explained through local differences. This adds further to concerns regarding the overall quality and representativeness of the cost information received through the exercise.

- Failure to take account for the benefit of recent Government announcements

Changes in UK fiscal policy announced since the exercise was undertaken will help to reduce provider costs. However, these benefits have not been reflected in the cost information submitted. This includes recent announcements regarding the reversal of the additional 1.25% on employers national insurance payments and the energy bill relief scheme.

Further work is required in partnership with the local care market to understand the extent that these announcements will positively impact on care costs.

- Impact of extraordinary costs in 2021/22 during the COVID pandemic

Reported costs on some lines will have been impacted by the extraordinary costs incurred by providers during 2021/22 due the Covid pandemic, supported by one off funding. It has not always been possible through the fair cost of care exercise to identify and isolate these costs, meaning that the reported current cost of providing care risks being distorted and overstated.

- Challenge of isolating costs to local authority eligible support or care in scope

It needs be recognised that care homes often provide a mix of support across a broad range of support types and complexity of need. This includes homes who also provide more specialist provision, where services and staffing ratios can be significantly above what is usually required within the four categories identified for the fair cost of care exercise.

It has not always been possible for providers to separately identify, accurately assign or exclude such costs and the additionality. Therefore, for homes who also provide more specialist provision, there is risk that the comparison of reported costs against the fees required from local authorities across the four care categories, are overstated.

Often more specialist provision, including one-to-one support, is paid separately and in addition to usual fees.

- Inconsistent approaches of providers to inflation and the re-basing of 2021/22 costs and how they compare to the 12 month CPI index as at April 22.
- The extent that available costing tools may have overstated reported costs. This may include:
 - Potential over-allowance for sick pay cover costs as most providers do not operate enhanced sick pay schemes.
- Gaps in property valuations received from providers, distorting return on capital calculations or meaning that alternative methods of calculating a reasonable amount had to be adopted.

Appendix 1 : Questions Asked

- 1.) What is the name of your care home?
- 2.) Are you part of a wider group?
- 3.) Name of the group?
- 4.) Do you provide? (tick all that apply)
 - a. +65 Residential Care
 - b. +65 Residential Care, Enhanced Needs
 - c. +65 Residential Care with Nursing
 - d. +65 Residential Care with Nursing, Enhanced Needs
- 5.) What is your total expenditure for the following areas for the year 2021-22, including staff on-costs and agency staff costs
 - a. Registered Nursing Staff
 - b. Nursing assistants, associates, or equivalents (non RGN)
 - c. Senior Carer (or equivalents)
 - d. Carer
 - e. Therapy staff (Occupational and Physio)
 - f. Activity Coordinators
 - g. Registered Manager
 - h. Deputy
 - i. Reception & Admin staff at the home
 - j. Chefs/Cooks
 - k. Domestic staff (cleaning, laundry & kitchen/catering not included above)
 - l. Maintenance & Gardener
 - m. Other care home staffing (please specify)
- 6.) What is the percentage increase in costs for each of these staff roles you have seen since April 2022? (answer as a percentage)
 - a. Registered Nursing Staff
 - b. Nursing assistants, associates, or equivalents (non RGN)
 - c. Senior Carer (or equivalents)
 - d. Carer
 - e. Therapy staff (Occupational and Physio)
 - f. Activity Coordinators
 - g. Registered Manager
 - h. Deputy
 - i. Reception & Admin staff at the home
 - j. Chefs/Cooks
 - k. Domestic staff (cleaning, laundry & kitchen/catering not included above)
 - l. Maintenance & Gardener
 - m. Other care home staffing (please specify)
- 7.) Please provide the following annual cost information about your care home overheads for 2021/22

- a. Food Supplies
 - b. Domestic and cleaning supplies
 - c. Medical supplies excluding PPE
 - d. PPE
 - e. Office supplies (home specific)
 - f. Insurance
 - g. Registration fees
 - h. Telephone and internet
 - i. Council tax / rates
 - j. Electricity
 - k. Gas / Oil / LPG
 - l. Water
 - m. Trade and clinical waste
 - n. Transport and activities
 - o. Other care home supplies and services
- 8.) What is the percentage increase in costs for each of these areas you have seen since April 2022? (answer as a percentage)
- a. Food Supplies
 - b. Domestic and cleaning supplies
 - c. Medical supplies excluding PPE
 - d. PPE
 - e. Office supplies (home specific)
 - f. Insurance
 - g. Registration fees
 - h. Telephone and internet
 - i. Council tax / rates
 - j. Electricity
 - k. Gas / Oil / LPG
 - l. Water
 - m. Trade and clinical waste
 - n. Transport and activities
 - o. Other care home supplies and services
- 9.) Please provide information on the total expenditure on your premise for 2021/22
- a. Fixtures and Fittings
 - b. Repairs and Maintenance (excluding any employee costs)
 - c. Furniture, Furnishings and Equipment
 - d. Other premises costs
- 10.) What is the percentage increase in costs for each of these areas you have seen since April 2022? (answer as a percentage)
- a. Fixtures and Fittings
 - b. Repairs and Maintenance (excluding any employee costs)
 - c. Furniture, Furnishings and Equipment
 - d. Other premises costs

- 11.) What is your total expenditure for 2021/22 for the following Head Office costs? (For some smaller providers, the home manager may fulfil a number of these functions and therefore these costs are already included in management costs)
 - a. Central / Regional Management (Directors' costs and operational management above registered manager level)
 - b. Support Services (finance / HR / legal / marketing etc.)
 - c. Recruitment, Training & Vetting (incl. DBS checks)
 - d. Other head office costs (please specify)
- 12.) Please tell us the following financial information for your care home for the latest full financial year?
 - a. CTotal Turnover
 - b. Total Overhead
 - c. Profit / Surplus (before tax)
- 13.) What is your approach to Return on Operations?
 - a. % markup on operating costs
 - b. total value for the home per annum Total salary cost
- 14.) What is your percentage markup applied to operating costs (%)
- 15.) What is your total Return on Operations (£) for the Care Home per annum
- 16.) Is the property rented?
- 17.) If YES, Rental amount p/a (£)
- 18.) Do you wish to provide your Return on Capital figure as a per resident per week value for the care home OR as a % of property valuation?
 - a. Per resident per week ROCE value
 - b. % of property valuation
- 19.) What is your Per resident per week ROCE value?
- 20.) What is your Return on Capital %?
- 21.) What is the freehold valuation of your Care Home?
- 22.) What year was the valuation made?
- 23.) Was the valuation an official RICS red book evaluation?
- 24.) Is the home purpose built?
- 25.) What year was the home built (approx)
- 26.) How many rooms are en-suites? (includes just a w/c and basin, through to a full wet room)
- 27.) How many rooms are wet-rooms?
- 28.) What is the average room size? (in m2)
- 29.) How many active beds does your care home have in total?
- 30.) How many active beds out of commission does your care home have? (Beds that are not de-registered that you cannot fulfil)
- 31.) Please provide average resident occupancy for 2021-22 for the different categories below:
 - a. +65 Residential Care
 - b. +65 Residential Care, Enhanced Needs
 - c. +65 Residential Care with Nursing
 - d. +65 Residential Care with Nursing, Enhanced Needs

- 32.) Please provide average resident occupancy by funding source
 - a. Number of Local authority funded (in area and out of area)
 - b. Number of Joint funded residents (LA and Health /NHS)
 - c. Number of self funders / privately funded
 - d. Number of Continuing Health Care (CHC) funded beds (NHS)
 - e. Other
- 33.) Please can you tell us your weekly charge for self-funders for the following categories that you provide service to? (in £/week, use an average charge if it varies by room size)
 - a. +65 Residential Care
 - b. +65 Residential Care, Enhanced Needs
 - c. +65 Residential Care with Nursing
 - d. +65 Residential Care with Nursing, Enhanced Needs
- 34.) What is the the average number of Registered Nursing staff hours per week?
- 35.) What is the average number of Nursing assistant staff hours / week?
- 36.) What is the average number of Senior Carer staff hours per week?
- 37.) What is the average number of Carer staff hours / week?
- 38.) Please tell us your average basic rates of pay for the following roles as of April 2022 (£/hour)
 - a. Registered Nursing Staff
 - b. Nursing assistants, associates, or equivalents (non RGN)
 - c. Senior Carer (or equivalents)
 - d. Carer
- 39.) What is your current employers NI contribution as a % on direct staff payroll costs as of April 2022?
- 40.) What is your current employers pension contribution as a % on direct staff payroll costs as of April 2022?
- 41.) What is your average apprenticeship levy contribution % as of April 2022
- 42.) What is the average number of holiday days per year per FTE?
- 43.) What is the average number of training/supervision days per year per FTE
- 44.) What is the average number of sickness days per year per FTE?
- 45.) What is the average number of maternity/paternity/adoption allowance days per year per FTE
- 46.) What is the average number of suspension allowance – days per year per FTE.
- 47.) Please tell us the average agency costs for the following roles as of April 2022 (£/hour)
 - a. Registered Nursing Staff
 - b. Nursing assistants, associates, or equivalents (non RGN)
 - c. Senior Carer (or equivalents)
 - d. Carer
- 48.) Please tell us the average weekly agency hours for the following roles as of April 202 (£/hour)
 - a. Registered Nursing Staff

- b. Nursing assistants, associates, or equivalents (non RGN)
 - c. Senior Carer (or equivalents)
 - d. Carer
- 49.) Address