



COST OF CARE EXERCISE REPORT 65+ CARE HOMES

14 OCTOBER 2022

Summary

This document aims to summarise how the cost of care estimates presented in Annex A; section 3 was arrived at:

1. Response Rate of The Exercise

Market Engagement

Medway Council made care providers aware of the upcoming Fair Cost of Care exercise in March 2022, with providers being asked to engage in this process within our fee uplift communications. Continued engagement took place during May 2022, making providers aware this exercise was due to take place and that they would need to dedicate time to it in June 2022. This engagement took place through provider forums, postings online on The Medway Care Portal and through engagement with representatives from Medway's Registered Managers Network meeting.

The Fair Cost of Care exercise was formally launched to Residential Care providers on 30 May 2022. The deadline given was 24 June 2022, however this was subsequently extended. Responses from providers continued to be accepted up to 6 July 2022.

Whilst the Fair Cost of Care exercise was live care providers were engaged with through a range of methods, these included:

- Weekly reminder emails
- Weekly articles in our provider newsletter produced and circulated by Adults Partnership Commissioning
- A dedicated page on the Medway Care Portal website, this included various articles and the publication of supporting documents
- Discussions with providers at provider forums, events, and other meetings
- Ongoing support provided (via email, telephone calls and virtual meetings) on request to support providers complete the toolkit

Following submissions being received Medway Council undertook a sense checking exercise to validate responses. During this process a number of

providers were contacted (through the online platform) to review the data they had sent. Towards the end of this process, the online toolkit was amended by the developer meaning providers had to log back in to resubmit their data. These changes to the toolkit part way through the process placed strain on available internal resources to manage this process. This did have an impact on the local authority's ability to individually engage with providers in detail in some areas of their return (due to resource and time constraints).

During the various engagement opportunities outlined above, care providers were reasonably positive, in so far as saying they intended to submit a response. Whilst some concerns were raised about the complexity of the task, only one provider formally reported they would not provide a return within the deadline we had set. The actual response rate received was lower than expected.

2. Response Rate

Of the 45 Care Quality Commission (CQC) registered residential care settings in Medway, 14 were deemed out of scope. This was due to them providing services for working age adults or alternative provisions.

A total of 31 care homes were deemed to be in scope of this exercise as they provide residential and/or nursing care to older people over the age of 65 and are located within Medway. These homes combined are registered with the CQC to provide 1212 beds.

Medway Council received 14 responses in total. One of these responses has been excluded as it was from an out-of-scope provider and two responses were submitted incomplete, however the parts completed have been used as part of the analysis undertaken. Three responses were submitted after the closing date, however, were still considered.

The total number of valid responses was therefore 13. This represents an overall return rate of 41.9%.

For the purpose of this exercise, care homes are broken down into four categories depending on the type of care they are able (registered) to provide; these are as follows:

- Standard Residential
- Dementia Residential
- Standard Nursing
- Dementia Nursing

The table below shows the response rates broken down into these four

Type of Home	Number in Medway*	Responses*	Percentage Response Rate (%)
Standard Residential	23	11	47.8%
Dementia Residential	21	9	42.8%
Nursing Care	11	5	45.4%
Dementia Nursing	5	4	80%

categories. The actual response rate in each category may be higher or lower than the overall return rate.

*Please note that some care homes are dual registered meaning they provide residential care and nursing care and are therefore recorded more than once.

In order to consider the validity of the returns received, the number of care home placements funded/commissioned within each care home needs to be considered.

The total number of registered beds at the 13 care homes who provided a valid response totals 615. This represents 50.7% of the total beds (1212) in Medway.

As of 6 July 2022, Medway Council funded 543 residential and nursing care placements. Within the 13 homes that returned a valid response, Medway Council funded 234 placements. The valid responses received therefore represents 43% of the total number of Medway Council funded placements.

The low representativeness from providers, has recognised considerable interpretations of results in relation to completion of Annex A. Medway Council experienced concerns as to the quality, completeness and reliability of data received from providers, in turn affecting the weight to place on data within the returns. Practical challenges of handling the data received has meant it has not been easy to translate into the breakdowns supplied in Annex A reporting template.

The difficulty in evaluating the data collected is a key barrier to proper representation of the targeted population leading to the possible miscalculation of reliable weekly rates and may have resulted is us not being able to accurately represent the true Fair Cost of Care in Medway.

3. Justification Approach

The return on capital is in line with our LHA rate as suggested as one of the options in the guidance.

The return on operations is the median of the eligible returns for each category.

4. Findings

We received responses from providers using the toolkit referred to in section 6. On receiving the responses, we sense checked and queried values we believed to be outliers, where providers provided updated values, we included those in the analysis.

Given the values submitted for Nursing care we have decided to use the Funded Nursing Care rate as the figure included in our nursing returns as there were only a couple of figures submitted on which to base our return. We did not feel comfortable with the costs provided compared with the hrs of nursing care provided and as a result have decided to use the FNC rate

The results from the exercise are shown in the tables below, showing the count of observations, lower quartile, median and upper quartile (where relevant) of all items in Annex A, Section 3

Standard Residential	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Count of responses
Care staff: Care Home occupied beds without nursing	294.96	338.29	491.90	6
Therapy Staff (Occupational & Physio)	0.00	0.00	0.00	0
Activity Coordinators	14.45	15.56	16.22	4
Service Management (Registered Manager / Deputy)	34.26	44.58	116.03	6
Reception & Admin staff at the home	10.99	21.52	36.61	5
Chefs / Cooks	31.80	60.52	87.34	5
Domestic staff (cleaning, laundry & kitchen)	22.70	54.55	72.66	6
Maintenance & Gardening	8.70	12.37	32.23	5
Other care home staffing	0.00	0.00	0.00	0
Fixtures & Fittings	3.00	6.14	28.02	3
Repairs & Maintenance	8.59	10.33	19.35	5
Furniture, furnishings and equipment	6.62	12.74	23.05	5
Other care home premises costs	6.50	17.03	46.28	4
Food supplies	27.89	31.08	37.31	6
Domestic and cleaning supplies	3.31	8.72	12.71	6
Medical supplies excluding PPE	0.70	1.99	13.05	4
PPE	2.27	2.45	3.64	3
Office supplies (Home specific)	0.59	1.15	4.11	6
Insurance (all risks)	2.61	6.14	9.01	5
Registration fees	2.76	3.58	3.99	6
Telephone & Internet	1.15	2.57	7.11	6
Council tax / rates	0.59	0.94	3.12	6
Electricity, gas & water	26.37	32.93	40.82	6

Trade and clinical waste	1.60	2.52	3.64	4
Transport & Activities	0.77	2.27	6.34	5
Other care home supplies	0.00	16.88	0.00	1
Central / regional management	22.41	32.56	198.37	3
Support services (finance / HR / legal / marketing)	14.31	36.75	50.74	6
Recruitment, Training & Vetting (inc. DBS checks)	2.30	3.16	7.79	6
Other head office costs	2.05	6.24	17.23	3
Return on operations	136.92	136.92	136.92	0
Return on capital	98.50	108.81	544.57	5
Total cost per week	789.62	1,031.25	2,070.11	

Enhanced Residential	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Count of responses
Care staff: Care Home occupied beds without nursing with dementia	325.29	369.49	468.79	6
Therapy Staff (Occupational & Physio)	0.00	0.00	0.00	0
Activity Coordinators	9.98	12.86	14.82	6
Service Management (Registered Manager / Deputy)	34.54	37.22	45.41	7
Reception & Admin staff at the home	12.31	14.65	23.60	7
Chefs / Cooks	12.17	35.87	38.09	7
Domestic staff (cleaning, laundry & kitchen)	36.70	47.60	83.74	7
Maintenance & Gardening	12.26	13.18	15.06	7
Other care home staffing	10.10	18.16	43.72	4
Fixtures & Fittings	5.57	23.46	27.46	4
Repairs & Maintenance	13.06	19.32	36.58	6
Furniture, furnishings and equipment	1.51	6.59	15.38	6
Other care home premises costs	7.53	12.88	45.63	4
Food supplies	31.67	35.30	39.55	7
Domestic and cleaning supplies	5.81	6.95	9.74	7
Medical supplies excluding PPE	0.64	3.11	4.47	7
PPE	1.87	2.76	3.31	6
Office supplies (Home specific)	2.10	3.20	3.84	7
Insurance (all risks)	4.33	9.89	11.79	6
Registration fees	3.13	3.44	3.93	7
Telephone & Internet	0.83	1.24	1.46	7
Council tax / rates	0.50	0.91	1.23	7
Electricity, gas & water	26.98	40.66	51.30	7
Trade and clinical waste	2.88	4.10	5.27	7
Transport & Activities	1.37	2.60	4.88	6
Other care home supplies	1.42	3.92	102.45	5
Central / regional management	10.30	22.57	37.82	6
Support services (finance / HR / legal / marketing)	6.93	16.13	53.51	7

Recruitment, Training & Vetting (inc. DBS checks)	6.02	7.66	10.76	7
Other head office costs	5.36	11.74	53.71	4
Return on operations	136.92	136.92	136.92	0
Return on capital	78.01	117.69	213.63	6
Total cost per week	808.08	1,042.03	1,607.84	

Standard Nursing	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Count of responses
Nursing staff: Care Home occupied beds with nursing	221.36	451.06	680.75	2
Care staff: Care Home occupied beds without nursing	370.95	370.95	370.95	1
Therapy Staff (Occupational & Physio)	0.00	0.00	0.00	
Activity Coordinators	6.45	14.65	19.26	5
Service Management (Registered Manager / Deputy)	40.08	45.41	59.94	5
Reception & Admin staff at the home	12.90	14.82	27.67	4
Chefs / Cooks	12.61	25.47	73.24	5
Domestic staff (cleaning, laundry & kitchen)	31.77	43.95	65.42	5
Maintenance & Gardening	6.58	12.90	29.50	5
Other care home staffing	8.06	51.59	83.73	3
Fixtures & Fittings	0.37	6.14	12.59	3
Repairs & Maintenance	10.75	21.99	32.61	5
Furniture, furnishings and equipment	6.97	10.23	43.45	5
Other care home premises costs	1.78	6.04	15.32	4
Food supplies	25.32	37.22	41.73	5
Domestic and cleaning supplies	4.10	10.55	11.24	5
Medical supplies excluding PPE	1.57	4.47	13.17	5
PPE	0.67	2.45	3.20	3
Office supplies (Home specific)	2.65	4.03	6.05	5
Insurance (all risks)	5.40	6.36	9.12	5
Registration fees	2.11	3.71	3.75	5
Telephone & Internet	0.60	1.46	6.83	5
Council tax / rates	0.69	1.90	3.90	5
Electricity, gas & water	27.49	32.88	41.99	5
Trade and clinical waste	2.67	4.66	5.82	5
Transport & Activities	1.60	5.18	7.53	5
Other care home supplies	3.21	10.26	82.73	4
Central / regional management	5.22	17.77	154.59	4
Support services (finance / HR / legal / marketing)	2.99	6.93	35.21	5
Recruitment, Training & Vetting (inc. DBS checks)	3.70	6.02	7.56	5
Other head office costs	2.00	2.05	5.06	3
Return on operations	136.92	136.92	136.92	0
Return on capital	99.45	129.39	214.34	6

Total cost per week	1,058.94	1,499.40	2,305.11	
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Enhanced Nursing	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Count of responses
Nursing staff: Care Home occupied beds with nursing, dementia	250.69	250.69	250.69	1
Care staff: Care Home occupied beds with nursing, dementia	409.24	409.24	409.24	1
Therapy Staff (Occupational & Physio)	2.26	2.26	2.26	1
Activity Coordinators	5.13	13.54	22.15	3
Service Management (Registered Manager / Deputy)	28.94	45.12	67.94	3
Reception & Admin staff at the home	14.98	16.37	17.74	2
Chefs / Cooks	13.04	25.47	35.87	3
Domestic staff (cleaning, laundry & kitchen)	26.84	35.42	80.11	3
Maintenance & Gardening	4.06	9.09	12.26	3
Other care home staffing	20.09	51.91	83.73	2
Fixtures & Fittings	12.59	16.87	21.15	2
Repairs & Maintenance	15.83	21.99	33.04	3
Furniture, furnishings and equipment	0.41	36.70	50.20	3
Other care home premises costs	1.01	1.01	10.01	1
Food supplies	30.94	35.30	43.90	3
Domestic and cleaning supplies	2.07	5.81	11.02	3
Medical supplies excluding PPE	1.55	7.50	9.97	3
PPE	0.00	0.00	0.00	1
Office supplies (Home specific)	4.03	7.18	9.57	3
Insurance (all risks)	3.36	6.36	6.73	3
Registration fees	3.71	3.77	4.14	3
Telephone & Internet	0.60	0.83	10.39	3
Council tax / rates	0.43	0.70	3.70	3
Electricity, gas & water	16.53	30.43	32.88	3
Trade and clinical waste	4.66	5.33	6.36	3
Transport & Activities	0.36	1.49	6.88	3
Other care home supplies	1.63	9.20	11.31	3
Central / regional management	2.86	4.27	23.23	3
Support services (finance / HR / legal / marketing)	2.36	16.13	52.01	3
Recruitment, Training & Vetting (inc. DBS checks)	1.69	5.71	10.76	3
Other head office costs	2.00	33.94	65.87	2
Return on operations	136.92	136.92	136.92	0
Return on capital	79.41	156.04	232.67	2
Total cost per week	1,100.22	1,402.58	1,774.70	

The table below is what has been submitted in Annex A

Cost of care exercise results - all cells should be £ per resident per week, MEDIANS.	65+ care home places without nursing	65+ care home places without nursing, enhanced needs	65+ care home places with nursing	65+ care home places with nursing, enhanced needs
Total Care Home Staffing	£547.39	£549.03	£788.93	£817.61
Nursing Staff	£0.00	£0.00	£209.19	£209.19
Care Staff	£338.29	£369.49	£370.95	£409.24
Therapy Staff (Occupational & Physio)	£0.00	£0.00	£0.00	£2.26
Activity Coordinators	£15.56	£12.86	£14.65	£13.54
Service Management (Registered Manager/Deputy)	£44.58	£37.22	£45.41	£45.12
Reception & Admin staff at the home	£21.52	£14.65	£14.82	£16.37
Chefs / Cooks	£60.52	£35.87	£25.47	£25.47
Domestic staff (cleaning, laundry & kitchen)	£54.55	£47.60	£43.95	£35.42
Maintenance & Gardening	£12.37	£13.18	£12.90	£9.09
Other care home staffing (please specify)	£0.00	£18.16	£51.59	£51.91
Total Care Home Premises	£46.24	£62.24	£44.40	£76.57
Fixtures & fittings	£6.14	£23.46	£6.14	£16.87
Repairs and maintenance	£10.33	£19.32	£21.99	£21.99
Furniture, furnishings and equipment	£12.74	£6.59	£10.23	£36.70
Other care home premises costs (please specify)	£17.03	£12.88	£6.04	£1.01
Total Care Home Supplies and Services	£113.20	£118.08	£125.13	£113.90
Food supplies	£31.08	£35.30	£37.22	£35.30
Domestic and cleaning supplies	£8.72	£6.95	£10.55	£5.81
Medical supplies (excluding PPE)	£1.99	£3.11	£4.47	£7.50
PPE	£2.45	£2.76	£2.45	£0.00
Office supplies (home specific)	£1.15	£3.20	£4.03	£7.18
Insurance (all risks)	£6.14	£9.89	£6.36	£6.36
Registration fees	£3.58	£3.44	£3.71	£3.77

Telephone & internet	£2.57	£1.24	£1.46	£0.83
Council tax / rates	£0.94	£0.91	£1.90	£0.70
Electricity, Gas & Water	£32.93	£40.66	£32.88	£30.43
Trade and clinical waste	£2.52	£4.10	£4.66	£5.33
Transport & Activities	£2.27	£2.60	£5.18	£1.49
Other care home supplies and services costs (please specify)	£16.88	£3.92	£10.26	£9.20
Total Head Office	£78.70	£58.09	£32.77	£60.05
Central / Regional Management	£32.56	£22.57	£17.77	£4.27
Support Services (finance / HR / legal / marketing etc.)	£36.75	£16.13	£6.93	£16.13
Recruitment, Training & Vetting (incl. DBS checks)	£3.16	£7.66	£6.02	£5.71
Other head office costs (please specify)	£6.24	£11.74	£2.05	£33.94
Total Return on Operations	£136.92	£136.92	£136.92	£136.92
Total Return on Capital	£108.81	£117.69	£129.39	£156.04
TOTAL	£1,031.25	£1,042.03	£1,257.54	£1,361.09

Occupancy as a percentage of active/usable beds (April 2022):

(13 Responses, 1 did not complete this section)

Occupancy = 94.6%

Average Occupancy (2021 to 2022) as a percentage of active beds:

(13 Responses)

Average Occupancy = 90.1%

5. Result Collection

The results were collected with 2022/23 as the base price year. We will aim to uplift during future years by giving consideration to the impact of the National Living Wage and CPI. We will also need to consider the level of funding available to enable us to meet these aims as far as we able to.

6. Template

This toolkit was published by the Local Government Association and shared with Councils for use as part of this Fair Cost of Care exercise.

The toolkit sent to providers was unaltered. A copy of it can be found here:

<https://fcoc.carecubed.org/>