

## **Coventry City Council Home Support (Domiciliary Care) Cost of Care Report – Annex B**

### **1. Introduction**

- 1.1 Coventry City Council (CCC) have undertaken the Fair Cost of Care (FCOC) exercise as required under the People at the Heart of Care white paper. The approach detailed by the Department of Health and Social Care (DHSC), Local Government Association (LGA) and the Care and Health Improvement Programme (CHIP) was used to undertake this exercise.

### **2. How was the exercise carried out?**

- 2.1 The exercise was carried out using the CHIP HomeCare Cost of Care Toolkit - the nationally recognised and government endorsed tool for the exercise. Alongside completion of the toolkit, CCC also requested providers submit their previous two years financial accounts to support their submission and provide additional context in understanding costs.
- 2.2 CCC pre-populated the 2022/23 variables for national insurance and visit lengths (15 mins, 30 mins, 45 mins, 60mins, 60+ mins, however, providers were able to amend this as necessary). No other elements of the toolkit were amended by CCC.
- 2.3 Providers were given an initial 6-week window to submit responses. Recognising feedback given from the market which expressed difficulties in completing the exercise alongside business as usual, providers who requested extensions or submitted after this date were still accepted up to the 9<sup>th</sup> September 2022.

### **3. How were providers engaged?**

- 3.1 Introductory information was made available to home support and care home providers which outlined the purpose of the exercise and reforms, how to participate and FAQs.
- 3.2 A [Fair Cost of Care webpage](#) was set up on Coventry City Council's website outlining information on the following:

- Links to legal guidance and People at the Heart of Care white paper
- Links to the toolkit
- Links to guidance
- Overview of the importance of participating
- Deadline
- FCOC contact details

The webpage was updated throughout the exercise and as additional information or guidance was received.

- 3.3 A dedicated Fair Cost of Care inbox ([FairCostofCare@coventry.gov.uk](mailto:FairCostofCare@coventry.gov.uk)) was established for providers to contact should they have any questions or require support. This contact was publicised in all correspondence and on our website.
- 3.4 The CHIP FCOC toolkit was circulated to all home care providers alongside guidance to complete the toolkit, links to externally provided online support sessions (such as

those provided by CHIP) and stating the deadline for completion. The toolkit was sent to all contacts held for that organisation to ensure maximum audience capture and exposure.

- 3.5 As part of our ongoing support offer and to utilise our established relationships, contract officers also engaged with providers to complete their FCOC template by way of targeted calls to understand their intentions in respect of participating, check for any barriers or challenges preventing participation, encourage a response and offer additional support.
- 3.6 Contracted provision also received reminders via our monthly Adult Social Care Provider Bulletin (note this was the same information which was available on our website so were not provided any additional information to non-contracted provision).
- 3.7 Support was offered to all providers through ongoing correspondence and communications. The offer of one-to-one sessions support sessions with providers was also communicated to providers.
- 3.8 Participation in the exercise was also encouraged at CCC Home Support Provider event for commissioned provision, led by home supports Commissioning Manager.
- 3.9 Alongside the exercise a survey was conducted directly with providers to understand their main challenges and risks to sustainability over the next three years apart from fee rates, and how we as a local authority can best support. This survey was sent specifically to the registered managers to ensure this captured local challenges, rather than national challenges. The outcome of this report has shaped our Market Sustainability Plan.
- 3.10 Additional engagement is planned with the whole market to inform providers on the outcome of the exercise and understand the actions we as a local authority can take to best support the market through this particularly challenging time, once the DHSC review has been completed and we have been instructed to publish the results.

#### **4. How was information validated?**

- 4.1 All returns were reviewed individually to check for inputting errors and to cross reference data provided against that already held by CCC (for example, number of service users and hours delivered).
- 4.2 Information provided within the toolkit was also cross-referenced with information provided in the accounts requested, where available, and prepared at a local level.
- 4.3 Where further information or clarification was needed in respect of the return this was raised on an individual basis. Common questions raised with providers include:
  - Breakdown of proportions of local authority and non-local authority clients
  - Clarification regarding travel time
  - Average staff working days based on the staff count
  - Training days (where showing as excessively high or low)
  - Reason for hourly rates above NLW or weekend enhancements (as to further understand business model)

4.4. In respect of outliers, these were initially identified as rates which were significantly higher or lower when compared against other submissions or existing contracted rates. Once identified, additional questioning and clarifications were made with such providers to further understand their business model, reasons for the unit rate and any cost areas within the tool which could be inadvertently impacting the unit rate.

4.5. Where providers were unable to provide clear reasoning or evidence for outlier rates, these were excluded from the median calculation. On this basis 2 submissions were excluded, one of which was significantly higher and the other significantly lower.

## 5. Response rate of the exercise

5.1 The response rate for the exercise was 23% useable returns. As described above 2 were excluded from the process)

## 6. Return on Operations

6.1 The Return on operations was based on the median % return provided in the responses.

## 7. What was the base price year and how will they be uplifted for inflation?

7.1 To ensure the costs submitted were as reflective as possible providers were requested to complete the toolkit in line with (current) 2022/23 costs.

7.2 The above view was taken recognising the substantially different financial climate of 2022/23 in comparison to the previous financial year or pre-pandemic costs.

7.3 The local authority already has a methodology for calculating annual inflationary uplifts (including NLW). This will continue to be used as a reference for updating the FCOC value. This reflects that a proportion of the costs are influenced by the NLW, which are increased by the prevailing NLW increase (including oncost). The balance of costs are then subject to an inflationary increase.

## 8. What were the Results per visit length?

Visit length	Cost per visit
15 min	£6.44
30 min	£11.53
45 min	£16.62
60 min	£21.72

Visit length	Number of Appointments per week		
	Median	Lower Quartile	Upper Quartile
15 min	428	274	842
30 min	1,291	710	1,691
45 min	255	142	512
60 + min	174	82	333

## **9. How were the costs determined?**

9.1 The median was calculated on a line by line cost basis with zeros excluded from the calculation.

9.2 Where less than 30% of providers who returned data had included costs on a cost line, to avoid these influencing overall costs disproportionately, these amounts were added to a similar line (maintaining the overall cost). Where providers indicated that they paid travel costs within their hourly pay the relevant pay and travel rates were excluded from the calculation as this would have artificially increased the median pay cost and similarly reduced the travel cost.

9.3 Return on operations was calculated as per 6.1 above.

9.4 Where providers submitted costs for PPE, these were removed from the calculation on the basis PPE is currently provided free of charge and the exercise is based on current cost.

9.5 To calculate the cost per visit based on times, the travel, mileage cost and return on operation elements were removed from the median rate calculated which is then divided into the relevant minutes. The median actual travel time cost and mileage cost was then added back to each of the rates and the return on operations calculated.

## 10. Median Costs/Upper/Lower Quartile Results

### 18+ Domiciliary Care

	Median	Lower Quartile	Upper Quartile	Count of Observations
<b>• Careworker costs:</b>	<b>£15.51</b>			
o Direct care	£10.34	10.04	10.92	7
o Travel time	£1.13	0.95	1.98	7
o Mileage	£0.48	0.33	0.90	7
o PPE				n/a
o Training (staff time)	£0.57	0.34	0.62	7
o Holiday	£1.49	1.36	1.71	7
o Additional noncontact pay costs	£0.00			n/a
o Sickness/maternity and paternity pay	£0.17	0.14	0.51	7
o Notice/suspension pay	£0.04	0.02	0.06	4
o NI (direct care hours)	£0.89	0.71	1.02	7
o Pension (direct care hours)	£0.40	0.39	0.48	7
<b>• Business costs:</b>	<b>£5.11</b>			
o Back office staff	£3.05	2.47	4.12	11
o Travel costs (parking/vehicle lease et cetera)	£0.03	0.02	0.17	6
o Rent/rates/utilities	£0.37	0.26	0.59	11
o Recruitment/DBS	£0.14	0.11	0.38	10
o Training (third party)	£0.07	0.03	0.18	7
o IT (hardware, software CRM, ECM)	£0.20	0.11	0.36	10
o Telephony	£0.07	0.04	0.14	11
o Stationery/postage	£0.07	0.02	0.08	11
o Insurance	£0.10	0.05	0.10	7
o Legal/finance/professional fees	£0.11	0.06	0.19	6
o Marketing	£0.10	0.05	0.15	7
o Audit and compliance				n/a
o Uniforms and other consumables	£0.04	0.02	0.06	8
o Assistive technology				n/a
o Central/head office recharges	£0.67	0.37	0.88	6
o Other overheads				n/a
o CQC fees	£0.10	0.08	0.12	11
<b>• Return on Operations</b>	<b>£1.48</b>			
<b>TOTAL</b>	<b>£22.10</b>			