

Annex B

Coventry City Council – Cost of Care Report, Care homes 65+

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 suggested by Association of Directors of Adult Social Care (ADASS), Local Government Association (LGA) and the iESE Carecubed Cost of Care Tool was used to undertake this exercise.

1.2 There are 47 older people's homes within Coventry. All of these homes (with the exception of our internally provided service) were invited to participate in the exercise.

2. How was the exercise carried out?

2.1 The exercise was carried out using the iESE Carecubed Cost of Care Tool - the nationally recognised and Government endorsed tool for the exercise. No alternative methods of submission were accepted.

2.2 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.

2.3 2022/23 costs were used for the median calculation in order to represent the more up to date cost pressures faced by providers.

2.4 Providers were given an initial 6-week window to submit responses, commencing upon the release of the tool. Recognising feedback given from the market which expressed difficulties in completing the exercise alongside business as usual and the ongoing release of support and guidance by iESE, providers who requested extensions or submitted after this date were still accepted up to the 9th 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. As this was pending the release of the iESE toolkit, a subsequent care home specific online session was held to go through the tool and reinforce earlier messaging. The resources, information and slides from these sessions were shared with all providers whether or not they were in attendance to ensure all provision had access to the tools needed to complete the exercise.

3.2 Participation in the exercise was also publicised via our care home provider forum, an in person best practice event held quarterly to update the market, inform of best practice, and encourage strong relations. All homes were invited to this event.

3.3 A dedicated Fair Cost of Care inbox (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 dedicated [Fair Cost of Care webpage](#).

- 3.4 The registration link to the iESE toolkit, a step-by-step process to register and guidance on completing the toolkit were circulated upon its release to all care homes; information and links to externally provided online support sessions (such as those provided by CHIP) were also circulated regularly to providers.
- 3.5 Providers received regular correspondence, updates and reminders via email and telephone; communications by Care England were also utilised to assist in our reach to providers.
- 3.6 Resources provided by the toolkit provider were also regularly shared with providers. This included links to webinars and support sessions and FAQ information and was also shared on our website.
- 3.7 Providers were welcome to make submissions from release of the deadline to the 4th July, later extended to the 11th July. To maximise our response rate further, we continued to canvas submissions from homes after this date, giving particular priority to small independent homes who may require additional support or time to complete the return.
- 3.8 Alongside the exercise, a survey was conducted directly with providers to understand their main challenges and risks to sustainability over the next three years and understand how we as a local authority can best support. This survey was sent specifically to registered managers to ensure this captured local challenges, rather than national challenges. The outcome of this report has shaped our Market Sustainability Plan
- 3.9 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 the national capacity tracker).
- 4.2. Information provided within the toolkit was also cross-referenced with information provided in the accounts requested, where available.
- 4.3. Where further information or clarification was needed in respect of the return this was raised on an individual basis as necessary. Common questions raised with providers include:
 - Clarification regarding average care hours per service user per week
 - Inclusion of 2022/23 uplifted rates (many had only input rates for 2021/22)
 - Confirmation all nursing hours have been included in the templates (rather than those funded outside FNC)

- Requests for completion of omitted information

4.4. In respect of outliers, these were initially identified as rates which were significantly higher in comparison to 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 costs and any cost areas within the tool which could be invertedly impacting the overall outcome.

5. Response rate of the exercise

5.1. The response rate from those that provided figures was 18 of a possible 47 Care Homes (38%).

6. What was the justification of the proposed approach to return on capital and return on operations?

6.1. Due to the wide ranging methodologies adopted in the returns, differing business models and some not including rates at all, it was decided to use the figures outlined in the [LaingBuisson Impact Assessment of s18\(3\)](#), which was a combined 11%.

7. What was the base price year and how will they be uplifted for future 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. How were the costs determined?

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

8.2. 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).

8.3. Return on capital and return on operations were calculated as per 6.1 above.

8.4. 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. Calculated Median Costs/Upper/Lower Quartile Results

9.1. Table 1 below shows the resulting medians for the 4 care types. This is followed by care type specific tables showing median, upper quartile and lower quartile figures. Nursing Figures are gross of FNC contributions.

TABLE 1 - Cost of care exercise results - £ 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	£515.34	£551.18	£728.75	£756.55
Nursing Staff			£218.96	£204.99
Care Staff	£343.62	£376.16	£342.21	£381.30
Therapy Staff (Occupational & Physio)				
Activity Coordinators	£10.06	£8.45	£9.79	£9.12
Service Management (Registered Manager/Deputy)	£44.78	£44.08	£52.42	£47.47
Reception & Admin staff at the home	£15.29	£14.72	£14.67	£14.04
Chefs / Cooks	£29.62	£37.03	£23.51	£27.43
Domestic staff (cleaning, laundry & kitchen)	£42.20	£44.86	£50.84	£55.97
Maintenance & Gardening	£11.40	£12.82	£8.72	£8.59
Other care home staffing (please specify)	£18.37	£13.08	£7.64	£7.64
Total Care Home Premises	£63.04	£69.92	£46.43	£58.51
Fixtures & fittings	£10.27	£10.27	£6.01	£22.47
Repairs and maintenance	£39.52	£39.41	£30.38	£25.66
Furniture, furnishings and equipment	£7.05	£9.88	£3.85	£4.18
Other care home premises costs (please specify)	£6.20	£10.36	£6.20	£6.20
Total Care Home Supplies and Services	£103.69	£102.90	£100.59	£106.01
Food supplies	£36.23	£35.78	£29.16	£33.58
Domestic and cleaning supplies	£7.14	£7.39	£6.94	£7.02
Medical supplies (excluding PPE)	£1.49	£1.20	£4.55	£5.94
PPE				
Office supplies (home specific)	£6.46	£4.78	£5.42	£8.11
Insurance (all risks)	£5.27	£4.58	£6.80	£7.52
Registration fees	£3.61	£3.42	£3.65	£4.06
Telephone & internet	£1.41	£0.98	£0.95	£0.99
Council tax / rates	£1.36	£1.45	£1.06	£0.82
Electricity, Gas & Water	£31.54	£32.88	£31.17	£29.24
Trade and clinical waste	£5.35	£5.91	£6.26	£5.90
Transport & Activities	£2.26	£3.11	£3.41	£1.59
Other care home supplies and services costs (please specify)	£1.59	£1.44	£1.24	£1.24
Total Head Office	£83.99	£50.58	£92.96	£105.79
Central / Regional Management	£29.53		£26.93	£26.93
Support Services (finance / HR / legal / marketing etc.)	£51.20	£47.71	£57.21	£68.91
Recruitment, Training & Vetting (incl. DBS checks)	£3.26	£2.87	£6.45	£7.57
Other head office costs (please specify)			£2.39	£2.39
Total Return on Operations	£38.30	£38.73	£48.44	£51.34
Total Return on Capital	£45.96	£46.47	£58.12	£61.61
TOTAL	£850.32	£859.78	£1,075.28	£1,139.81

65+ care home places without nursing	Median	Lower Quartile	Upper Quartile	Count of Observations
Nursing staff				0
Care staff	343.62	286.72	399.07	12
Therapy Staff (Occupational & Physio)				n/a
Activity Coordinators	10.06	7.25	12.58	8
Service Management (Registered Manager / Deputy)	44.78	30.57	51.64	10
Reception & Admin staff at the home	15.29	12.08	17.50	9
Chefs / Cooks	29.62	20.30	46.68	12
Domestic staff (cleaning, laundry & kitchen)	42.20	27.87	52.46	12
Maintenance & Gardening	11.40	8.62	14.17	10
Other care home staffing	18.37	3.12	47.25	11
Care home staffing : Section Total	515.34			
Fixtures & Fittings	10.27	1.55	43.71	7
Repairs & Maintenance	39.52	26.04	46.34	12
Furniture, furnishings and equipment	7.05	2.18	19.06	9
Other care home premises costs	6.20	0.08	46.52	7
Care home premises: Section Total	63.04			
Food supplies	36.23	29.60	43.64	12
Domestic and cleaning supplies	7.14	5.41	8.05	12
Medical supplies excluding PPE	1.49	0.74	6.41	10
PPE				n/a
Office supplies (Home specific)	6.46	3.09	7.35	12
Insurance (all risks)	5.27	3.57	7.63	10
Registration fees	3.61	3.13	3.98	12
Telephone & Internet	1.41	1.25	2.11	11
Council tax / rates	1.36	0.75	2.07	12
Electricity, gas & water	31.54	24.98	37.06	12
Trade and clinical waste	5.35	2.39	6.71	11
Transport & Activities	2.26	0.78	3.20	12
Other care home supplies	1.59	0.93	10.69	11
Care home supplies and services: Section Total	103.69			
Central / regional management	29.53	25.19	44.36	7
Support services (finance / HR / legal / marketing)	51.20	26.06	79.64	11
Recruitment, Training & Vetting (inc. DBS checks)	3.26	1.56	6.24	9
Other head office costs				n/a
Head office: Section Total	83.99			
Care Home : Total exc. ROC & ROO	766.05			
Return on operations	38.30			n/a
Return on capital	45.96			n/a
Return on Capital and Return on Operations: Section Total	84.27			
Care Home Final total	850.32			

65+ care home places without nursing, enhanced needs	Median	Lower Quartile	Upper Quartile	Count of Observations
Nursing staff				0
Care staff	376.16	283.68	426.08	10
Therapy Staff (Occupational & Physio)				n/a
Activity Coordinators	8.45	7.64	12.20	9
Service Management (Registered Manager / Deputy)	44.08	40.91	56.70	10
Reception & Admin staff at the home	14.72	13.64	16.05	8
Chefs / Cooks	37.03	24.35	42.20	10
Domestic staff (cleaning, laundry & kitchen)	44.86	36.18	70.05	10
Maintenance & Gardening	12.82	8.17	39.73	10
Other care home staffing	13.08	0.84	23.15	7
Care home staffing : Section Total	551.18			
Fixtures & Fittings	10.27	1.55	13.41	3
Repairs & Maintenance	39.41	31.95	54.23	10
Furniture, furnishings and equipment	9.88	2.33	19.99	8
Other care home premises costs	10.36	8.63	45.36	7
Care home premises: Section Total	69.92			
Food supplies	35.78	29.37	45.90	10
Domestic and cleaning supplies	7.39	6.46	12.35	10
Medical supplies excluding PPE	1.20	0.85	2.27	9
PPE				n/a
Office supplies (Home specific)	4.78	2.68	7.17	10
Insurance (all risks)	4.58	3.57	6.60	10
Registration fees	3.42	3.00	5.95	10
Telephone & Internet	0.98	0.90	1.56	10
Council tax / rates	1.45	0.96	4.24	7
Electricity, gas & water	32.88	26.87	62.20	10
Trade and clinical waste	5.91	2.29	7.12	10
Transport & Activities	3.11	2.78	4.41	10
Other care home supplies	1.44	1.16	4.41	6
Care home supplies and services: Section Total	102.90			
Central / regional management	0			n/a
Support services (finance / HR / legal / marketing)	47.71	20.47	67.27	6
Recruitment, Training & Vetting (inc. DBS checks)	2.87	1.76	4.39	9
Other head office costs				0
Head office: Section Total	50.58			
Care Home : Total exc. ROC & ROO	774.58			
Return on operations	38.73			n/a
Return on capital	46.47			n/a
Return on Capital and Return on Operations: Section Total	85.20			
Care Home Final total	859.78			

65+ care home places with nursing	Median	Lower Quartile	Upper Quartile	Count of Observations
Nursing staff	218.96	190.40	239.91	4
Care staff	342.21	310.61	373.31	4
Therapy Staff (Occupational & Physio)				n/a
Activity Coordinators	9.79	8.45	17.72	3
Service Management (Registered Manager / Deputy)	52.42	35.58	62.85	4
Reception & Admin staff at the home	14.67	13.52	22.01	4
Chefs / Cooks	23.51	16.69	38.19	4
Domestic staff (cleaning, laundry & kitchen)	50.84	43.26	66.46	4
Maintenance & Gardening	8.72	5.75	24.25	4
Other care home staffing	7.64	0.84	91.02	3
Care home staffing : Section Total	728.75			
Fixtures & Fittings	6.01	0.40	44.53	3
Repairs & Maintenance	30.38	16.08	55.73	4
Furniture, furnishings and equipment	3.85	0.99	6.33	4
Other care home premises costs	6.20	0.06	41.34	3
Care home premises: Section Total	46.43			
Food supplies	29.16	24.71	36.08	4
Domestic and cleaning supplies	6.94	4.62	7.83	4
Medical supplies excluding PPE	4.55	1.51	7.34	4
PPE				n/a
Office supplies (Home specific)	5.42	2.12	10.22	4
Insurance (all risks)	6.80	6.13	8.91	3
Registration fees	3.65	3.07	4.82	4
Telephone & Internet	0.95	0.67	1.22	4
Council tax / rates	1.06	0.65	3.12	4
Electricity, gas & water	31.17	25.30	35.80	4
Trade and clinical waste	6.26	5.86	7.24	4
Transport & Activities	3.41	1.19	6.80	4
Other care home supplies	1.24	0.01	19.32	3
Care home supplies and services: Section Total	100.59			
Central / regional management	26.93	n/a	n/a	2
Support services (finance / HR / legal / marketing)	57.21	14.31	92.75	4
Recruitment, Training & Vetting (inc. DBS checks)	6.45	4.89	12.70	4
Other head office costs	2.39	n/a	n/a	2
Head office: Section Total	92.96			
Care Home : Total exc. ROC & ROO	968.73			
Return on operations	48.44			n/a
Return on capital	58.12			n/a
Return on Capital and Return on Operations: Section Total	106.56			
Care Home Final total	1,075.28			

65+ care home places with nursing, enhanced needs	Median	Lower Quartile	Upper Quartile	Count of Observations
Nursing staff	204.99	167.37	245.76	3
Care staff	381.30	357.48	384.61	3
Therapy Staff (Occupational & Physio)				n/a
Activity Coordinators	9.12	n/a	n/a	2
Service Management (Registered Manager / Deputy)	47.47	31.61	57.37	3
Reception & Admin staff at the home	14.04	13.34	15.29	3
Chefs / Cooks	27.43	15.72	41.77	3
Domestic staff (cleaning, laundry & kitchen)	55.97	42.45	69.95	3
Maintenance & Gardening	8.59	4.80	8.85	3
Other care home staffing	7.64	0.84	91.02	3
Care home staffing : Section Total	756.55			
Fixtures & Fittings	22.47	n/a	n/a	2
Repairs & Maintenance	25.66	12.89	62.61	3
Furniture, furnishings and equipment	4.18	0.15	7.05	3
Other care home premises costs	6.20	0.06	41.34	3
Care home premises: Section Total	58.51			
Food supplies	33.58	24.74	36.91	3
Domestic and cleaning supplies	7.02	6.86	8.10	3
Medical supplies excluding PPE	5.94	3.16	7.80	3
PPE				n/a
Office supplies (Home specific)	8.11	2.73	10.92	3
Insurance (all risks)	7.52	n/a	n/a	2
Registration fees	4.06	3.01	5.07	3
Telephone & Internet	0.99	0.59	1.30	3
Council tax / rates	0.82	0.59	1.29	3
Electricity, gas & water	29.24	23.99	33.09	3
Trade and clinical waste	5.90	5.85	7.45	3
Transport & Activities	1.59	1.06	5.23	3
Other care home supplies	1.24	0.01	19.32	3
Care home supplies and services: Section Total	106.01			
Central / regional management	26.93	n/a	n/a	2
Support services (finance / HR / legal / marketing)	68.91	45.50	100.69	3
Recruitment, Training & Vetting (inc. DBS checks)	7.57	4.75	14.41	3
Other head office costs	2.39	n/a	n/a	2
Head office: Section Total	105.79			
Care Home : Total exc. ROC & ROO	1,026.86			
Return on operations	51.34			n/a
Return on capital	61.61			n/a
Return on Capital and Return on Operations: Section Total	112.95			
Care Home Final total	1,139.81			