

Wiltshire Council



Annex B Cost of Care Report - 18+ Domiciliary Care

This document sets out the results of the 18+ domiciliary care cost of care exercise. This exercise uses data submitted by domiciliary care providers in Wiltshire as the cost of care.

On 16 December 2021 the Market Sustainability and Fair Cost of Care Fund was announced. The primary purpose of the fund is to support local authorities to prepare their markets for reform, including the further commencement of Section 18(3) of the Care Act 2014 in October 2023, and to support local authorities to move towards paying providers a fair cost of care. The Government announced £162m of funding in 2022/23 for this purpose.

The grant conditions state each authority must run a cost of care exercise for 65+ care homes and 18+ domiciliary care.

Cost of Care Exercise

A joint decision between Wiltshire Council and the Wiltshire Care Partnership was taken that the cost of care exercise should be carried out by council staff. A significant barrier to provider participation in Wiltshire in previous cost of care exercises undertaken by a third party was the understandable reluctance to share commercially sensitive information, which either could be shared, or be used in negotiations with individual providers, giving the Council an unfair advantage in those negotiations or specific providers disadvantage. A confidentiality agreement, legally binding on the Council was drawn up and sent to all providers. This made it clear that any information provided in the exercise would be held confidentially and not be shared outside of the finance team of the council.

A dedicated email address was set up for provider queries and presentations were given by officers at monthly provider forums to communicate the cost of care exercise, go live dates and provide further clarification and advice. A letter inviting providers to take part in the exercise was sent to all providers detailing the tool to be used, the dates for submission, links to guidance and FAQ materials and contact details for support. Other communications were also sent out via newsletters.

We recognised that completing the CoC exercise would require our providers giving up valuable time and be a new burden on them. To recognise this, we offered a reimbursement of £400 for each provider who completed the CoC exercise and

provided us with details of the volume of self-funders they were providing care to on a given date.

The Care and Health Improvement Programme (CHIP) – jointly delivered through the Association of Directors of Adult Social Services (ADASS) and the Local Government Association (LGA) – commissioned ARCC-HR Ltd, in April 2021, to develop and deliver the Homecare Cost of Care Toolkit. This was an excel based toolkit. The toolkit was made freely available to all councils and providers to support improvements in the level and quality of information about the costs of care. Alongside the tool was online guidance on completion.

This tool collects data and produces an output tab to enable collation and analysis of all data. Providers were required to complete this and submit to Wiltshire Council. The output was analysed, and median rates ascertained. Medians represent the middle value when a distribution (e.g. of fee rates) is ordered by size (e.g. by the amount of the fee rate). The advantage of medians compared to averages is that they are less skewed by high or low outlier values.

22 providers responded to the exercise which covers 20% of the local domiciliary care market in Wiltshire. The data provided by the responses received from providers produces a median hourly rate of £33.49. This is considerably above the 2022/23 UK Home Care Association minimum hourly rate of £23.21.

Providers completed the tool in number of ways, and through conversations we are aware that there are differences in the basis of the submissions, with some having used 2021/22 data, some having used aspirational data and others a snapshot in time. We were not able to completely ascertain which submissions or elements of submission fell into which category so have been prudent and uplifted all costs assuming they are on a 2021/22 base. This means that our median rate could be slightly overstated but in the absence of certainty this was felt to be the most appropriate approach. The uplifts used are detailed in table 1 below using ONS data for the CPI percentage change over 12 months at April 2022. This basket of indices was used for the purpose of this exercise and is not a reflection of future fee setting beyond 2022/23 as this will be part of a separate exercise.

Table 1 – Uplifts for Homecare

Line	12 month rate		Percentage Change over 12 months
Direct care	-	EARN01 Average Weekly Earnings - Total Pay - Whole Economy	5.0
Travel time	-	EARN01 Average Weekly Earnings - Total Pay - Whole Economy	5.0
Mileage	-	EARN01 Average Weekly Earnings - Total Pay - Whole Economy	5.0
PPE	D7NO	06.1 Medical products, appliances and equipment	1.3
Training (staff time)	-	EARN01 Average Weekly Earnings - Total Pay - Whole Economy	5.0
Holiday	-	EARN01 Average Weekly Earnings - Total Pay - Whole Economy	5.0
Additional noncontact pay costs	-	EARN01 Average Weekly Earnings - Total Pay - Whole Economy	5.0
Sickness/maternity and paternity pay	-	EARN01 Average Weekly Earnings - Total Pay - Whole Economy	5.0
Notice/suspension pay	-	EARN01 Average Weekly Earnings - Total Pay - Whole Economy	5.0
NI (direct care hours)	-	EARN01 Average Weekly Earnings - Total Pay - Whole Economy	5.0
Pension (direct care hours)	-	EARN01 Average Weekly Earnings - Total Pay - Whole Economy	5.0
Back office staff	-	EARN01 Average Weekly Earnings - Total Pay - Whole Economy	5.0
Travel costs (parking/vehicle lease et cetera)	L7RD	07.2.4.2 Toll facilities and parking meters	5.5
Rent/rates/utilities	D7GQ	04.1 Actual rentals for housing	2.9
Recruitment/DBS	D7NN	All services	4.7
Training (third party)	D7NN	All services	4.7
IT (hardware, software CRM, ECM)	D7GF	08 Communication	2.8
Telephony	D7GF	08 Communication	2.8
Stationery/postage	D7H5	08.1 Postal services	5.5
Insurance	D7HF	12.5 Insurance	11.7
Legal/finance/professional fees	D7NN	All services	4.7
Marketing	D7NN	All services	4.7
Audit and compliance	D7NN	All services	4.7
Uniforms and other consumables	D7NN	All services	4.7
Assistive technology	D7GF	08 Communication	2.8
Central/head office recharges	D7NN	All services	4.7
Other overheads	D7OB	12.7 Other services (nec)	-3.1
CQC fees	D7G7	CPI (overall index)	9

Although the tool was useful a number of providers found it challenging to complete due to the breadth of different business models and the costing of those models. We worked with a number of providers prior to submission to answer queries on completion such as how to reflect their business model in the template and assisted them with following the guidance for completion. Post submission we worked with providers to work through queries to correct errors in submissions and further improve providers understanding of the data requirements. There are likely to be inconsistencies in how the returns have been completed.

Providers were not expected to submit audited accounts to evidence the data submitted in their returns. These could have been requested but we felt that without clear criteria agreed with providers from the offset, this could lead to providers feeling they were being treated unfairly. Therefore, we have accepted in good faith that what the providers have submitted is accurate and appreciate those who have worked with us to resolve any queries. We have not amended any data unless in agreement with a provider.

We appreciate that this was an additional burden for providers to complete this task and are grateful to those that took part.

We have not overridden the figures submitted by providers for Return on Operations, however it is notable that the data is varied with providers applying between 3% and 30%. Providers were not clear in a number of cases as to what they should submit, and in conversations with providers whilst resolving queries, it became clear some used actual data, others budgeted and some aspirational figures. Therefore, we do not feel the data is consistent enough to be relied upon. We have not replaced these figures with a flat rate for all providers as we appreciate this is something we will

need to work through as part of the wider market sustainability work and fee setting using this and other data sources.

When ascertaining an hourly rate from the providers' returns, we have chosen to use the median of the total hourly rates from the providers' submissions. The reason for this is that providers returns haven't been completed consistently, for example the allocation of costs into 'other overheads'. If it had been possible for providers to complete the returns consistently, so that each row had the same meaning for each provider irrespective of their business model, using the cost differences would only be representative of the genuine differences between providers. This would have meant using the total of the medians of each line would be a sensible approach. However as this is not the case, using the median of the totals ensures all costs are encompassed correctly providing less distortion.

We removed zeros where appropriate from the data as leaving them in skewed the median value and given we are aware of inconsistencies in the data this seemed the fairest approach to take when analysing the outputs. We were unable to clarify in some cases where we were not certain if the nil values were genuine or if they were omissions.

As detailed above we received a 20% response rate. This is only a 1/5 of the providers in Wiltshire and if a different 20% of providers responded it could provide a very different data set.

The following tables detail the outputs from the exercise as prescribed in the guidance.

Table 2 – the full table in Annex A, Section 3, with one column of median values for each care type

Cost of care exercise results - all cells should be £ per contact hour, MEDIANS.	18+ domiciliary care
Total Careworker Costs	£21.33
Direct care	£12.22
Travel time	£2.19
Mileage	£1.81
PPE	£0.59
Training (staff time)	£0.51
Holiday	£1.81
Additional noncontact pay costs	£0.43
Sickness/maternity and paternity pay	£0.28
Notice/suspension pay	£0.04
NI (direct care hours)	£1.04
Pension (direct care hours)	£0.48
Total Business Costs	£10.65
Back office staff	£6.44
Travel costs (parking/vehicle lease et cetera)	£0.06
Rent/rates/utilities	£0.60
Recruitment/DBS	£0.28
Training (third party)	£0.10
IT (hardware, software CRM, ECM)	£0.33
Telephony	£0.17
Stationery/postage	£0.08
Insurance	£0.09
Legal/finance/professional fees	£0.24
Marketing	£0.12
Audit and compliance	£0.08
Uniforms and other consumables	£0.09
Assistive technology	£0.09
Central/head office recharges	£1.64
Other overheads	£0.30
CQC fees	£0.14
Total Return on Operations	£1.80
TOTAL	£33.49

Table 3 - the count of observations, lower quartile, median and upper quartile (where relevant) of all items in Annex A, Section 3

	Count of Observations	Lower Quartile	Median	Upper quartile
Total Careworker Costs	22	7.61	21.33	22.56
Direct care	22	11.61	12.22	12.44
Travel time	21	1.67	2.19	2.85
Mileage	22	1.34	1.81	2.59
PPE	20	0.46	0.59	0.76
Training (staff time)	18	0.37	0.51	0.77
Holiday	22	1.67	1.81	1.95
Additional noncontact pay costs	10	0.40	0.43	0.62
Sickness/maternity and paternity pay	21	0.24	0.28	0.53
Notice/suspension pay	9	0.03	0.04	0.08
NI (direct care hours)	22	0.76	1.04	1.25
Pension (direct care hours)	22	0.35	0.48	0.53
Total Business Costs	22	19.92	10.65	13.15
Back office staff	22	4.20	6.44	7.64
Travel costs (parking/vehicle lease et cetera)	13	0.05	0.06	0.10
Rent/rates/utilities	20	0.46	0.60	1.16
Recruitment/DBS	19	0.10	0.28	0.52
Training (third party)	17	0.07	0.10	0.17
IT (hardware, software CRM, ECM)	20	0.22	0.33	0.50
Telephony	20	0.09	0.17	0.28
Stationery/postage	20	0.03	0.08	0.12
Insurance	20	0.11	0.09	0.29
Legal/finance/professional fees	18	0.14	0.24	0.29
Marketing	19	0.06	0.12	0.21
Audit and compliance	17	0.04	0.08	0.15
Uniforms and other consumables	19	0.06	0.09	0.13
Assistive technology	5	0.04	0.09	0.10
Central/head office recharges	8	1.16	1.64	4.61
Other overheads	12	0.27	0.30	0.91
CQC fees	22	0.11	0.14	0.16
Total Return on Operations	22	1.46	1.80	3.34
TOTAL	22	31.77	33.49	37.73

Table 4 - the lower quartile/median/upper quartile of number of appointments per week by visit length

	Visit Length (mins)
Lower Quartile	30
Median	30
Upper Quartile	60

Wiltshire Council do not commission 15 minute visits.

Table 5 - consistent with the identified cost per contact hour, the cost per visit for each of 15, 30, 45 and 60 minute visits.

Visit Length (mins)	Cost (£)
60	33.49
45	26.79
30	16.75
15	15.07

We will continue to engage with the market through our work on Market Sustainability to better understand data submitted from providers and what the Fair Cost of Care should be on the basis of what is a suitable rate for providers to cover the cost of delivery and make a reasonable return on operations and what is affordable for the local authority, recognising our responsibility to steward public money and will be influenced by the amount of funding made available by government and its conditions.

The cost of care exercise is a data gathering exercise undertaken by the Council on behalf of the DHSC, it is not a replacement for the commissioning fee setting process. We want to work towards a fair cost of care that is built on sound judgement, evidence and negotiation and critically one that is affordable through the funding provided by Government to implement and manage the Adult Social Care reforms, which have now been delayed until October 2025.