

Residential Care Report – Lancashire Council

1.0 Approach

Lancashire County 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 Lancashire 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.

Prior to the consultants commencing this work the Local Authority had communicated with all 315 care home providers in the county to advise them of the exercise and to encourage them to engage in the process. 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.

Following the awarding of the contract the consultancy company contacted all 315 care home providers inviting them to join one of two webinars and outlining the process for collecting data. 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 CareCubed, 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.

The questions in the survey mirrored those in CareCubed to ensure consistency. 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 consultancy company sent weekly reminder emails, containing a link to their specially designed survey, to all providers that had not yet returned data, either via CareCubed or the online survey.

They also contacted the providers directly to offer support with completing the exercise and made numerous telephone calls to each care provider that hadn't submitted information. During the telephone calls providers were offered the chance to complete the survey over the telephone at a convenient time. Providers were 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 most queries raised with providers by the appointed consultancy company remained unresolved.

The results were collected in July and August 2022 using a combination of CareCubed and an online survey. The questions in the survey mirrored CareCubed and provided an alternative method of data input to providers. Results from the survey were inputted into CareCubed to ensure a consistent approach to calculation.

The figures collected are actual figures for 2021/22 which have then been amended to reflect 90% occupancy levels, the LHA methodology for ROC and capped at 6% for return on operations. Providers were asked for the percentage uplift they have experienced for each cost item since April 2022. The average uplifts have been calculated and have been used to inform the inflationary uplifts that have been applied to the figures in annex A and this report.

2.0 Response Rate

There were 81 completed surveys of the 315 provider names we were given. This represents a **completed response rate of 26%** of those invited to complete the survey.

Validation questions were asked of 34 of the providers that submitted a return, and 11 data sets were changed as a result of validation. Questions were asked through CareCubed for those that submitted that way and by email for those providers that used the survey.

3.0 Return on Capital

The Return on Capital is £65.28 per resident per week.

The ROC was calculated using the Local Housing Allowance (LHA) methodology. The LHA rate for a category B one-bedroom dwelling in the Central Lancashire BRMA area is £90.90/week for 22/23. The average cost of fixtures / fittings / maintenance is £25.62 per week. Therefore, the return on capital is £65.28 per resident per week using this methodology.

This methodology was chosen to given consistency across a wide range of different returns from providers and to provide consistency to other local authorities in the region.

4.0 Count of Observations

4.1 65 plus Care Homes Places without Nursing (£/resident/week)

The following table demonstrates the raw data for residential homes with an inflationary uplift of 6.4%. See section 6 for more information on the inflationary uplift. Three further amendments have also been made to the raw data:

Return on Capital – the LHA methodology will be used as described in section 2. This gives a return on capital of £65.25 as opposed to £85.00

Return on Operations – The return on operations will be amended to be 6% of total operational costs of providers. This is again due to the high levels of inconsistency in returns from providers with 6% representing a fair rate following guidance from DHSC and the LGA. This will reduce the ROO from £76.12 to £41.76.

Occupancy – figures have been amended to represent an average of 90% occupancy. Annex C, the Market Sustainability Plan provides more details of how we will work with the market to ensure at least this level of occupancy. The higher the occupancy, the more efficiently a home is run from a cost perspective and 90% provides a good target to balance high occupancy and inevitable vacancies. This will reduce the total by £39.73. This is calculated by adjusting each home that reported less than 90% occupancy by £8.40 / 1% occupancy. This figure comes from research from the consultancy company we worked with that showed this was the impact of under occupancy when looking across the 13 council regions they were working.

	Count of Observations	Lower Quartile	Median	Upper Quartile
Care Home Staffing				
Nursing Staff	60	£0.00	£0.00	£0.00
Care Staff	60	£237.09	£277.23	£318.53
Therapy Staff (Occupational & Physio)	60	£0.00	£0.00	£0.00
Activity Co-ordinators	60	£6.13	£10.13	£12.77
Service Management (Registered Manager/Deputy)	60	£24.75	£37.05	£49.41
Reception & Admin staff at the home	60	£7.59	£11.75	£15.99
Chefs / Cooks	60	£18.09	£24.26	£30.82
Domestic staff (cleaning, laundry & kitchen)	60	£31.25	£44.12	£57.29
Maintenance & Gardening	60	£7.44	£10.87	£15.79
Other care home staffing (agency)	60	£0.00	£0.00	£0.07
Staff TOTAL	60	£332.34	£415.41	£500.67
Care Home Premises				

Fixtures and Fittings	60	£1.84	£6.09	£15.16
Repairs and Maintenance	60	£15.13	£19.55	£26.39
Furniture, Furnishings and Equipment	60	£0.88	£5.43	£13.65
Other Care Home Premise Costs	60	£0.00	£0.86	£6.09
Premise Total	60	£17.85	£31.93	£61.29
Care Home Supplies and Services				
Food Supplies	60	£28.21	£32.99	£38.86
Domestic and Cleaning Supplies	60	£5.23	£6.40	£8.60
Medical Supplies (excluding PPE)	60	£0.74	£2.07	£5.62
PPE	60	£0.00	£0.00	£0.88
Office Supplies	60	£1.27	£2.16	£3.81
Insurance	60	£3.14	£4.95	£6.82
Registration Fees	60	£3.33	£3.80	£4.56
Telephone and Internet	60	£1.20	£2.80	£4.87
Council Tax / rates	60	£0.68	£0.93	£1.31
Electricity, gas, water	60	£17.16	£23.04	£28.31
Trade and Clinical Waste	60	£2.31	£3.98	£5.73
Transport and Activities	60	£0.67	£1.22	£2.47
Other care home supplies and services costs	60	£1.41	£3.57	£7.83
Supplies and Services Total	60	£65.35	£87.91	£119.67
Head Office				
Central / Regional Management	60	£0.00	£8.08	£26.21
Support Services (finance / HR / legal / marketing etc.)	60	£5.88	£15.61	£34.56
Recruitment, Training & Vetting (incl. DBS checks)	60	£3.20	£5.56	£11.45
Other head office costs (please specify)	60	£0.00	£0.00	£3.49
Return on Operations	60	£36.71	£41.81	£48.18
Return on Capital	60	£65.28	£65.28	£65.28

Head Office Total	60	£9.08	£29.25	£75.71
TOTAL	60	£526.61	£671.59	£870.80
Number of location level responses received	60	60	60	60
Number of locations eligible to fill in the survey	317	317	317	317
Number of residents covered by the responses	60	1059.3	1059.3	1059.3
Number of carer hours per resident per week	60	19.6	23.8	26.3
Number of nursing hours per resident per week	60			
Average carer basic pay per hour	60	£9.70	£9.90	£10.20
Average nurse basic pay per hour	60			
Average occupancy as a percentage of active beds	60	£0.74	£0.85	£0.91
Freehold valuation per bed	60	£29,103.75	£40,541.50	£62,284.00

4.2 65 + Care Homes Places without Nursing, Enhanced Needs (£/resident/week)

The following table demonstrates the raw data for residential homes with an inflationary uplift of 6.4%. See section 6 for more information on the inflationary uplift. Three further amendments have also been made to the raw data:

Return on Capital – the LHA methodology will be used as described in section 2. This gives a return on capital of £65.25 as opposed to £90.00

Return on Operations – The return on operations will be amended to be 6% of total operational costs of providers. This is again due to the high levels of inconsistency in returns from providers with 6% representing a fair rate following guidance from DHSC and the LGA. This will reduce the ROO from £74.01 to £42.86.

Occupancy – figures have been amended to represent an average of 90% occupancy. Annex C, the Market Sustainability Plan provides more details of how we will work with the market to ensure at least this level of occupancy. The higher the occupancy, the more efficiently a home is run from a cost perspective and 90% provides a good target to balance high occupancy and inevitable vacancies. This will reduce the total by £37.92. This is calculated by adjusting each home that reported less than 90% occupancy by £8.40 / 1% occupancy. This figure comes from research from the consultancy company we worked with that showed this was the

impact of under occupancy when looking across the 13 council regions they were working.

	Count of Observations	Lower Quartile	Median	Upper Quartile
Care Home Staffing				
Nursing Staff	32	£0.00	£0.00	£0.00
Care Staff	32	£252.64	£289.39	£333.42
Therapy Staff (Occupational & Physio)	32	£0.00	£0.00	£0.00
Activity Co-ordinators	32	£3.54	£9.93	£12.70
Service Management (Registered Manager/Deputy)	32	£24.86	£36.15	£45.85
Reception & Admin staff at the home	32	£8.38	£12.84	£18.54
Chefs / Cooks	32	£14.79	£25.61	£35.52
Domestic staff (cleaning, laundry & kitchen)	32	£36.73	£44.45	£56.45
Maintenance & Gardening	32	£6.97	£11.28	£16.39
Other care home staffing (agency)	32	£0.00	£0.00	£0.00
Staff TOTAL	32	£347.91	£429.65	£518.87
Care Home Premises				
Fixtures and Fittings	32	£1.89	£10.45	£15.56
Repairs and Maintenance	32	£13.83	£18.65	£24.72
Furniture, Furnishings and Equipment	32	£1.67	£5.45	£18.66
Other Care Home Premise Costs	32	£0.00	£0.00	£5.73
Premise Total	32	£17.39	£34.55	£64.67
Care Home Supplies and Services				
Food Supplies	32	£25.53	£31.63	£35.71
Domestic and Cleaning Supplies	32	£5.14	£6.32	£7.79
Medical Supplies (excluding PPE)	32	£0.57	£2.08	£6.06
PPE	32	£0.00	£0.00	£0.82
Office Supplies	32	£1.21	£2.17	£4.26
Insurance	32	£3.15	£4.37	£6.06
Registration Fees	32	£3.33	£3.80	£4.64
Telephone and Internet	32	£1.31	£3.23	£5.06
Council Tax / rates	32	£0.68	£0.91	£1.30

Electricity, gas, water	32	£18.45	£23.01	£27.53
Trade and Clinical Waste	32	£3.00	£4.21	£5.69
Transport and Activities	32	£0.67	£1.22	£2.81
Other care home supplies and services costs	32	£0.97	£2.93	£7.14
Supplies and Services Total	32	£64.01	£85.88	£114.87
Head Office				
Central / Regional Management	32	£0.00	£7.28	£21.51
Support Services (finance / HR / legal / marketing etc.)	32	£6.96	£16.15	£31.71
Recruitment, Training & Vetting (incl. DBS checks)	32	£3.22	£6.78	£11.95
Other head office costs (please specify)	32	£0.00	£0.00	£5.74
Return on Operations	32	£36.87	£43.09	£48.38
Return on Capital	32	£65.28	£65.28	£65.28
Head Office Total	32	£10.18	£30.21	£70.91
TOTAL	32	£541.64	£688.66	£882.98
Number of location level responses received	32	32	32	32
Number of locations eligible to fill in the survey	317	317	317	317
Number of residents covered by the responses	32			
Number of carer hours per resident per week	32	5.8	10	19
Number of nursing hours per resident per week	32	21.1	24.2	26.4
Average carer basic pay per hour	32			
Average nurse basic pay per hour	32	9.64	9.8	10.24
Average occupancy as a percentage of active beds	32	£0.75	£0.85	£0.93
Freehold valuation per bed	32	£35,118.75	£41,667.00	£78,633.25

4.3 65+ Care Home Places with Nursing (£/resident/week)

The following table demonstrates the raw data for residential homes with an inflationary uplift of 6.4%. See section 6 for more information on the inflationary uplift. Three further amendments have also been made to the raw data:

Return on Capital – the LHA methodology will be used as described in section 2. This gives a return on capital of £65.25 as opposed to £88.75

Return on Operations – The return on operations will be amended to be 6% of total operational costs of providers. This is again due to the high levels of inconsistency in returns from providers with 6% representing a fair rate following guidance from DHSC and the LGA. This will reduce the ROO from £83.27 to £47.04.

Occupancy – figures have been amended to represent an average of 90% occupancy. Annex C, the Market Sustainability Plan provides more details of how we will work with the market to ensure at least this level of occupancy. The higher the occupancy, the more efficiently a home is run from a cost perspective and 90% provides a good target to balance high occupancy and inevitable vacancies. This will reduce the total by £53.95. This is calculated by adjusting each home that reported less than 90% occupancy by £8.40 / 1% occupancy. This figure comes from research from the consultancy company we worked with that showed this was the impact of under occupancy when looking across the 13 council regions they were working.

	Count of Observations	Lower Quartile	Median	Upper Quartile
Care Home Staffing				
Nursing Staff	30	£134.84	£191.21	£236.71
Care Staff	30	£252.94	£283.20	£327.53
Therapy Staff (Occupational & Physio)	30	£0.00	£0.00	£0.00
Activity Co-ordinators	30	£7.83	£10.72	£14.62
Service Management (Registered Manager/Deputy)	30	£25.28	£36.74	£46.42
Reception & Admin staff at the home	30	£8.92	£9.84	£14.82
Chefs / Cooks	30	£16.86	£22.32	£28.89
Domestic staff (cleaning, laundry & kitchen)	30	£44.21	£52.80	£57.69
Maintenance & Gardening	30	£8.19	£10.33	£11.78
Other care home staffing (agency)	30	£0.00	£0.00	£15.29
Staff TOTAL	30	£499.07	£617.16	£753.75
Care Home Premises				
Fixtures and Fittings	30	£0.41	£6.00	£15.12

Repairs and Maintenance	30	£13.85	£19.25	£26.48
Furniture, Furnishings and Equipment	30	£0.55	£4.91	£15.44
Other Care Home Premise Costs	30	£0.00	£1.84	£8.65
Premise Total	30	£14.81	£32.00	£65.69
Care Home Supplies and Services				
Food Supplies	30	£27.82	£30.43	£35.68
Domestic and Cleaning Supplies	30	£4.06	£6.60	£9.49
Medical Supplies (excluding PPE)	30	£1.89	£4.67	£8.70
PPE	30	£0.00	£0.00	£0.98
Office Supplies	30	£1.36	£2.66	£4.07
Insurance	30	£3.80	£5.39	£6.40
Registration Fees	30	£3.39	£3.70	£4.64
Telephone and Internet	30	£0.96	£1.73	£3.48
Council Tax / rates	30	£0.68	£0.86	£1.08
Electricity, gas, water	30	£19.68	£24.54	£29.23
Trade and Clinical Waste	30	£3.59	£5.37	£5.94
Transport and Activities	30	£0.69	£1.19	£2.12
Other care home supplies and services costs	30	£0.76	£2.64	£7.33
Supplies and Services Total	30	£68.68	£89.78	£119.14
Head Office				
Central / Regional Management	30	£0.00	£8.83	£28.13
Support Services (finance / HR / legal / marketing etc.)	30	£3.53	£28.29	£45.52
Recruitment, Training & Vetting (incl. DBS checks)	30	£4.01	£5.56	£12.59
Other head office costs (please specify)	30	£0.00	£0.00	£5.22
Return on Operations	30	£43.64	£47.08	£54.90
Return on Capital	30	£65.28	£65.28	£65.28
Head Office Total	30	£7.54	£42.68	£91.46
TOTAL	30	£699.02	£893.98	£1,150.22
Number of location level responses received	30	30	30	30
Number of locations eligible to fill in the survey	317	317	317	317

Number of residents covered by the responses	30	584	584	584
Number of carer hours per resident per week	30	21.4	22.7	26.2
Number of nursing hours per resident per week	30	5.8	7.8	8.9
Average carer basic pay per hour	30	£9.71	£9.89	£10.08
Average nurse basic pay per hour	30	17.96	18.83	19.7
Average occupancy as a percentage of active beds	0	£0.74	£0.85	£0.90
Freehold valuation per bed	30	£28,220	£38,115	£79,375

4.4 35+ Care Home Places with Nursing, Enhanced Needs (£/resident/week)

The following table demonstrates the raw data for residential homes with an inflationary uplift of 6.4%. See section 6 for more information on the inflationary uplift. Three further amendments have also been made to the raw data:

Return on Capital – the LHA methodology will be used as described in section 2. This gives a return on capital of £65.25 as opposed to £121.16

Return on Operations – The return on operations will be amended to be 6% of total operational costs of providers. This is again due to the high levels of inconsistency in returns from providers with 6% representing a fair rate following guidance from DHSC and the LGA. This will reduce the ROO from £89.09 to £48.12.

Occupancy – figures have been amended to represent an average of 90% occupancy. Annex C, the Market Sustainability Plan provides more details of how we will work with the market to ensure at least this level of occupancy. The higher the occupancy, the more efficiently a home is run from a cost perspective and 90% provides a good target to balance high occupancy and inevitable vacancies. This will reduce the total by £37.85. This is calculated by adjusting each home that reported less than 90% occupancy by £8.40 / 1% occupancy. This figure comes from research from the consultancy company we worked with that showed this was the impact of under occupancy when looking across the 13 council regions they were working.

	Count of Observations	Lower Quartile	Median	Upper Quartile
Care Home Staffing				
Nursing Staff	23	£123.52	£189.97	£229.67
Care Staff	23	£279.42	£307.88	£361.84
Therapy Staff (Occupational & Physio)	23	£0.00	£0.00	£0.00

Activity Co-ordinators	23	£5.30	£8.83	£13.14
Service Management (Registered Manager/Deputy)	23	£20.66	£37.60	£42.40
Reception & Admin staff at the home	23	£9.20	£11.70	£15.92
Chefs / Cooks	23	£14.79	£23.23	£31.02
Domestic staff (cleaning, laundry & kitchen)	23	£48.13	£53.83	£59.26
Maintenance & Gardening	23	£8.07	£11.41	£12.84
Other care home staffing (agency)	23	£0.00	£0.00	£0.00
Staff TOTAL	23	£509.09	£644.45	£766.09
Care Home Premises				
Fixtures and Fittings	23	£0.44	£0.97	£15.19
Repairs and Maintenance	23	£12.44	£19.50	£26.35
Furniture, Furnishings and Equipment	23	£0.84	£3.22	£16.15
Other Care Home Premise Costs	23	£0.00	£0.71	£16.87
Premise Total	23	£13.72	£24.40	£74.56
Care Home Supplies and Services				
Food Supplies	23	£29.48	£33.98	£37.33
Domestic and Cleaning Supplies	23	£4.86	£6.90	£9.68
Medical Supplies (excluding PPE)	23	£1.14	£5.23	£11.55
PPE	23	£0.00	£0.00	£0.74
Office Supplies	23	£1.23	£2.32	£3.51
Insurance	23	£3.64	£5.70	£7.01
Registration Fees	23	£3.05	£3.75	£4.26
Telephone and Internet	23	£1.38	£2.59	£6.76
Council Tax / rates	23	£0.69	£0.85	£1.02
Electricity, gas, water	23	£19.82	£24.97	£29.06
Trade and Clinical Waste	23	£4.05	£5.83	£6.44
Transport and Activities	23	£0.93	£1.88	£2.86
Other care home supplies and services costs	23	£0.74	£4.00	£7.15

Supplies and Services Total	23	£71.01	£98.00	£127.37
Head Office				
Central / Regional Management	23	£0.00	£2.70	£19.56
Support Services (finance / HR / legal / marketing etc.)	23	£2.21	£26.76	£41.66
Recruitment, Training & Vetting (incl. DBS checks)	23	£4.02	£5.62	£10.96
Other head office costs (please specify)	23	£0.00	£2.31	£38.59
Return on Operations	23	£45.37	£49.05	£55.75
Return on Capital	23	£65.28	£65.28	£65.28
Head Office Total	23	£6.23	£37.39	£110.77
TOTAL	23	£710.70	£918.57	£1,199.82
Number of location level responses received	23	23	23	23
Number of locations eligible to fill in the survey	317	317	317	317
Number of residents covered by the responses	23	467	467	467
Number of carer hours per resident per week	23	21.4	22.9	28.8
Number of nursing hours per resident per week	23	4.4	5.7	8.6
Average carer basic pay per hour	23	£9.75	£9.90	£10.20
Average nurse basic pay per hour	23	17.89	18.83	19.04
Average occupancy as a percentage of active beds	23	£0.74	£0.86	£0.95
Freehold valuation per bed	23	£37,152.75	£80,231.50	£102,025.00

5.0 Median Values (£/resident/week)

	65	+65 Enhanced Needs	+65 Nursing	+65 Nursing, Enhanced Needs
Nursing Staff	£0.00	£0.00	£191.21	£189.97
Care Staff	£277.23	£289.39	£283.20	£307.88
Therapy Staff (Occupational & Physio)	£0.00	£0.00	£0.00	£0.00
Activity Co-ordinators	£10.13	£9.93	£10.72	£8.83
Service Management (Registered Manager/Deputy)	£37.05	£36.15	£36.74	£37.60
Reception & Admin staff at the home	£11.75	£12.84	£9.84	£11.70
Chefs / Cooks	£24.26	£25.61	£22.32	£23.23
Domestic staff (cleaning, laundry & kitchen)	£44.12	£44.45	£52.80	£53.83
Maintenance & Gardening	£10.87	£11.28	£10.33	£11.41
Other care home staffing (Agency)	£0.00	£0.00	£0.00	£0.00
Staff TOTAL	£415.41	£429.65	£617.16	£644.45
Fixtures and Fittings	£6.09	£10.45	£6.00	£0.97
Repairs and Maintenance	£19.55	£18.65	£19.25	£19.50
Furniture, Furnishings and Equipment	£5.43	£5.45	£4.91	£3.22
Other Care Home Premise Costs	£0.86	£0.00	£1.84	£0.71
Premise Total	£31.93	£34.55	£32.00	£24.40
Food Supplies	£32.99	£31.63	£30.43	£33.98
Domestic and Cleaning Supplies	£6.40	£6.32	£6.60	£6.90
Medical Supplies (excluding PPE)	£2.07	£2.08	£4.67	£5.23
PPE	£0.00	£0.00	£0.00	£0.00
Office Supplies	£2.16	£2.17	£2.66	£2.32
Insurance	£4.95	£4.37	£5.39	£5.70
Registration Fees	£3.80	£3.80	£3.70	£3.75
Telephone and Internet	£2.80	£3.23	£1.73	£2.59
Council Tax / rates	£0.93	£0.91	£0.86	£0.85
Electricity, gas, water	£23.04	£23.01	£24.54	£24.97
Trade and Clinical Waste	£3.98	£4.21	£5.37	£5.83

Transport and Activities	£1.22	£1.22	£1.19	£1.88
Other care home supplies and services costs	£3.57	£2.93	£2.64	£4.00
Supplies and Services Total	£87.91	£85.88	£89.78	£98.00
Central / Regional Management	£8.08	£7.28	£8.83	£2.70
Support Services (finance / HR / legal / marketing etc.)	£15.61	£16.15	£28.29	£26.76
Recruitment, Training & Vetting (incl. DBS checks)	£5.56	£6.78	£5.56	£5.62
Other head office costs (please specify)	£0.00	£0.00	£0.00	£2.31
Return on Operations	£41.81	£43.09	£47.08	£49.05
Return on Capital	£65.28	£65.28	£65.28	£65.28
Head Office Total	£29.25	£30.21	£42.68	£37.39
TOTAL	£671.59	£688.66	£893.98	£918.57
Number of location level responses received	60	32	30	23
Number of locations eligible to fill in the survey	317	317	317	317
Number of residents covered by the responses	1059.3	0	584	467
Number of carer hours per resident per week	23.8	10	22.7	22.9
Number of nursing hours per resident per week	0	24.2	7.8	5.7
Average carer basic pay per hour	£9.90	£0.00	£9.89	£9.90
Average nurse basic pay per hour	£0.00	£9.80	£18.83	£18.83
Average occupancy as a percentage of active beds	85%	85%	85%	86%
Freehold valuation per bed	£40,542	£41,667	£38,115	£80,232

6.0 Data Collection and Inflation

The results were collected in July and August 2022 using a combination of CareCubed and an online survey. The questions in the survey mirrored CareCubed

and provided an alternative method of data input to providers. Results from the survey were inputted into CareCubed to ensure a consistent approach to calculation.

The figures used are actual figures for 2021/22 with a 6.4% uplift. This is the median percentage uplift identified by providers in their submission and has been applied across all lines equally.

7.0 Validity of Returns

Data received from providers has been cleansed where appropriate however, there remains some significant concerns over the quality and reliability of data provided by residential and nursing providers.

Due to the issues highlighted below the Council does not believe the care home results represent a fair cost of care across the market. As a result, due regard will be given to the information provided by this exercise as part of 2023/24 fee setting process but it will not be the sole basis of fee setting for 2023/24 and future years.

- 1) In addition to cost of care, the council gathered data relating to fees charged to self-funders. Across all fee levels more than 50% of providers have a fair cost of care in excess of their self-funder fee. The council does not believe it is possible to run a sustainable business with fair cost of care in excess of both local authority fees and self funder fees.

	Nursing	Nursing Dementia	Residential	Residential Dementia
Proportion of Returns with Fair Cost Higher than Self Funder Fees	60.00%	54.55%	65.38%	61.11%

- 2) The County Council pays set fees for residential and nursing placements for adults 65+. However, some fees attract a top up where a person chooses to move into a more expensive residential home. Analysis of recent placements including a top up¹ could provide a crude indication market fees.

Across all fee levels there is a wide variation in fees compared to the FCoC returns.

	Nursing	Nursing Dementia	Residential	Residential Higher	Residential Dementia
Adjusted Returns (22/23 Exc FNC)	£685	£707	£668	£676	£685
22/23 Median Fee With a Top-up	£704	£850	£611	£677	£710
22/23 Avg Fee With a Top-up	£796	£907	£670	£717	£747
Variation	16%	28%	10%	6%	9%

¹ Analysis of placements set up during the period April 2022 – 31 August 2022

- 3) The DHSC methodology seeks to find a single rate of care across all fee levels. The Lancashire market has a diverse range of providers with significant variance in home size. The average home contains approximately 25-30 beds but some homes are in excess of 100 beds and with larger homes there are opportunities for economies of scale.

Grouping the results according to home size provides a further possibility for fees as shown below:

HOME SIZE (Beds)	<i>2022/23 Adjusted Fair Cost of Care Returns</i>			
	<i>RESIDENTIAL</i>	<i>RESIDENTIAL DEMENTIA</i>	<i>NURSING</i>	<i>NURSING DEMENTIA</i>
<10	X	X	X	X
10-19	£607	£541	X	X
20-29	£775	£743	£673	£901
30-39	£715	£757	£673	£809
40-49	£703	£672	£731	£695
50-59	£758	£759	£810	£637
60-69	£771	£820	£965	£814
70-79	£594	£594	£721	£721
80-89	£825	£825	X	X
90-100	X	X	X	X
>100	£735	£905	£692	£623
Max - Min Variation	39%	67%	43%	45%

There are numerous ways of setting a fair fee. The above examples do not provide a right or wrong answer but do highlight the potential for significant variation in fee level given the data submitted and a purely statistical methodology proposed by the DHSC.

Most crucially the proportion of homes who indicated their fair cost is higher than both local authority and self funder fees suggests there are issues with the information provided.

Due to this uncertainty the council will give due regard to this process as part of wider review of fees including local market factors. It will not form the sole source of information in setting a fair fee.

8.0 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