

1 Fair Cost of Care Exercises - Calculations Guidance for Providers and Local Authorities

To support the 65+ Care Home cost of care exercise and cost data collection, this document sets out the calculations carried out as part of the iESE Fair Cost of Care tool.

Note that all raw data ie data as entered by the providers, is presented to local authorities, as well as the calculations noted below.

2 CALCULATIONS PER CARE HOME

The Calculations per care home are set out below according to the data entry tab that they appear on.

2.1 Tab 2. Expenditure

Ref	Item	Description
2.1	Total expenditure 2021/22	Sum of all figures entered in the 21/22 column, for all cost items
2.2	Apr 22 uplifted expenditure	For each expenditure item = 2021/22 expenditure x (1+uplift percentage)
2.3	Total expenditure as at Apr 2022	Sum of all figures calculated in the Apr 22 column for all cost items

2.2 Tab 3. Return on Operations (ROO) and Return on Capital (ROC)

Ref	Item	Description
3.1	ROO £ calculated as a %, 21/22	ROO% x Total expenditure 2021/22 (Ref 2.1)
3.2	ROO £ calculated as a %, Apr 22	ROO% x Total expenditure Apr 22 (Ref 2.2)
3.3	ROC £ calculated as a %	ROC% x Property valuation (note, only calculated if % option is chosen and the property is owned)

2.3 Tab 4. Occupancy

Ref	Item	Description
4.1	Beds out of commission 21/22	Registered Capacity (Tab 1) – Active beds average for 21/22
4.2	Whole home occupancy 21/22	Sum of occupancy by the 4 categories listed
4.3	Occupancy by funding 21/22	Sum of occupancy by the 5 categories listed
4.4	Beds out of commission Apr 22	Registered Capacity (Tab 1) – Active beds average for 21/22
4.5	Whole home occupancy Apr 22	Sum of occupancy by the 4 categories listed
4.6	Occupancy by funding Apr 22	Sum of occupancy by the 5 categories above

2.4 Tab 5. Staffing hours

The purpose of these calculations is to build up the hours per staff type per resident care category.

Ref	Item	Description
5.1	For Unit N - Hours per resident per week - nursing	Hours shared across nursing beds only =Total nursing hours for Unit/(occupied beds with nursing + occupied beds with nursing, dementia)
5.2	For Unit N - Hours per resident per week – each other role	Hours shared across all beds in the unit =Total role hours for Unit/(sum of occupied bed across all 4 categories for the unit)
5.3	Unit N, by role, total staff hours by care category	Eg senior carer hours for care with nursing = senior carer hours per resident per week x occupied beds, care with nursing

5.4	Hours per resident per week, per care category, whole home	Eg senior carer hours per resident per week for care with nursing: = (Sum of all Unit hours for senior carers, care with nursing)/(sum of all unit occupied beds for care with nursing)
5.5	Total carer hours per resident per week, per care category	Eg care with nursing = (Carer hours per resident per week + senior carer hours per resident per week + nursing assistant hours per resident per week)

2.5 Tab 6. Direct staff costs

Ref	Item	Description
6.1	Total % on costs	Sum of the individual percentages for employers NI, employers pension contribution and apprenticeship levy
6.2	Total cover days	Sum of the days listed for each cover item
6.3	Cover days – percentage add on	Total cover days/number of paid FTE days in year as a percentage = (sum of days)/(365x5/7)
6.4	On costs £	Hourly rate x Total % On costs
6.5	Cover cost £	Hourly rate x Cover days % add on
6.6	Hourly rate inc. on cost and cover cost	Hourly rate to employee + on cost + cover cost
	Whole home summary – calculation <u>PER STAFF ROLE</u>	
6.7	Total hours for home	Taken from Tab 5 Staffing hours
6.8	Hours per week – agency	Taken from Tab 6
6.9	Hourly rate - agency	Taken from Tab 6
6.10	Cost p/w agency	(Hours per week ,agency) x (hourly rate , agency)
6.11	Hours employed	(Total hours) – (hours per week-agency)
6.12	Hourly rate employed	From Tab 6 , hourly rate inc on cost and cover cost

6.13	Cost per week employed	Hours employed x hourly rate employed
6.14	Total cost per week	(Cost p/w agency) + (cost per week employed)
6.15	Blended rate per hour	Total cost per week/total hours
	All care staff totals	
6.16	Total hours p/w	Sum of totals for Carer, Senior Carer, Nursing Assistant
6.17	Cost p/w agency	Sum of totals for Carer, Senior Carer, Nursing Assistant
6.18	Cost per week employed	Sum of totals for Carer, Senior Carer, Nursing Assistant
6.19	Total cost	Sum of totals for Carer, Senior Carer, Nursing Assistant
6.20	Blended rate per hour	Total cost per week/total hours

2.6 Tab 7. Summary – Costs per service user per week

Ref	Item	Description
7.1	Nurse costs – April 22 figures	For each care category = nurse hours per service user per week (from 5. Staffing hours) x blended hourly rate (from 6. Staff costs)
7.2	Carer costs – April 22 figures	For each care category = carer hours per service user per week (from 5. Staffing hours) x blended hourly rate (from 6. Staff costs)
7.3	Nurse costs – 21/22 figures	Assumes staff hours per resident are unchanged (or at least are in the same proportions as at April 2022) Allocate a share of the total expenditure on Nurse costs for 21/22 (from tab 2) in line with hours Adjusted from annual to weekly by multiplying by (7/365) = (7/365) x Registered Nursing Staff costs x nurse hours per service user per week/total nurse hours per week
7.4	Carer costs – 21/22 figures	Assumes staff hours per resident are the same as at April 2022 (or at least are in the same proportions to each other as at April 2022) Allocate a share of the total expenditure on Carer costs for 21/22 (from tab 2) in line with hours Adjusted from annual to weekly by multiplying by (7/365)

		<p>= (7/365) x (Nursing assistant costs) x (nursing assistant hours per service user per week)/(total nurse hours per week)</p> <p>Repeat for Senior Carer and Carer cost – add up the 3 totals</p>
7.5	“All beds irrespective of need” Nurse costs	<p>This allows a simple calculation of cost per bed if the provider has entered minimal information ie expenditure and whole home occupancy data. In this case it is simply:</p> <p>= (7/365) x (Total nurse cost for the relevant year)/(Average occupancy for the relevant year)</p>
7.6	“All beds irrespective of need” Carer costs	<p>This allows a simple calculation of cost per bed if the provider has entered minimal information ie expenditure and whole home occupancy data. In this case it is simply:</p> <p>= (7/365) x (Total carer cost for the relevant year)/(Average occupancy for the relevant year)</p> <p>Total carer cost is the sum of the costs for carer, senior carer, nursing assistant.</p>
7.5	All other expenditure lines – 21/22 figures and Costs as at April 2022	<p>Simple share out of costs per resident across whole home.</p> <p>Expenditure figures from tab 2, for the relevant year</p> <p>Occupancy from tab 3 for the relevant year</p> <p>Adjusted from annual to weekly by multiplying by (7/365)</p> <p>= (7/365) x (expenditure for year)/(Average occupancy for year)</p>

3 CALCULATIONS PER LOCAL AUTHORITY AREA

This section will be updated shortly to give the calculations across a local authority area, as required for the DHSC return for the Costs of Care results.