**Annex B Home Care Torbay**

Torbay Council and the Torbay & South Devon NHS Foundation Trust, as the joint commissioners of Domiciliary Care in Torbay, engaged with providers through:

* + - Email briefings and documentation;
		- Fair Cost of Care Workshops / Webinars; and
		- Making available support from the appointed Consultants for the Fair Cost of Care exercise both remotely and on site as required.

All providers received calls and Teams Meetings to address specific issues, and individual/group emails to engage and progress responses.

This resulted in 10 responses being received within the deadline period which was widely publicised. These 10 providers represent 52% of the Domiciliary Care market currently contracting with the service commissioners.

It should be noted that the Home Care returns cover 52% of the market in Torbay, but within this is a significant range of unit costs are presented in the data. Mitigation to address this is covered in section 3 of Annex C.

Please find below the lower quartile/median/upper quartile of number of appointments per week by visit length (15/30/45/60 mins)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Visit Length**  | **15 mins** | **30 mins** | **45 mins** | **60 mins** |
| Lower Quartile | 0 | 305 | 56 | 43 |
| Median | 18 | 835 | 209 | 97 |
| Upper Quartile | 35 | 1365 | 361 | 152 |

Notes:

Includes only 15-, 30-, 45- & 60-minute visits

Excludes private funded visits of the durations shown

Only 5 of the 10 providers have 15-minute visits hence lower quartile 15 mins is zero

The table is weekly visits across all 10 providers

For this exercise we used the LGA Homecare cost of care toolkit, so used the guidance provided by the LGA for establishing the return on operations criteria. Each provider submitted a workbook downloaded from the toolkit. All 10 providers are stating that their Fair Cost of Care is above the rate currently paid of £22.48, with the lowest cost provider being at £23.82. This situation would not be sustainable and has arisen due to the following reason, as far as could be ascertained from discussions with providers:

* The costs submitted included pay awards granted in 2022/23 and planned later in 2022/23 so the Fair Cost of Care includes the full year effect;
* Mileage rates have been increased in summer 2022/23 by some providers to reflect staff increased travel costs;
* The Fair Cost of Care assumes travel time is paid, this is not the case for all providers, especially with staff working exclusively in Torquay or Paignton;
* The model includes the full cost of PPE, which the providers do not currently fund; and
* Providers have included profit and surplus rates they target but are not and have not achieved since before the covid pandemic

Please see below the full table, with one column of median values for each care type. There is only one care type as there are no additional categories within domiciliary care in Torbay.

|  |  |
| --- | --- |
| **Cost of care exercise results - all cells should be £ per contact hour, MEDIANS.** | **18+ domiciliary care** |
| **Total Careworker Costs** | **£20.00** |
| Direct care | £11.01 |
| Travel time | £1.74 |
| Mileage | £0.75 |
| PPE | £1.01 |
| Training (staff time) | £0.92 |
| Holiday | £1.78 |
| Additional noncontact pay costs | £0.60 |
| Sickness/maternity and paternity pay | £0.80 |
| Notice/suspension pay | £0.03 |
| NI (direct care hours) | £0.93 |
| Pension (direct care hours) | £0.43 |
| **Total Business Costs** | **£7.74** |
| Back office staff | £5.06 |
| Travel costs (parking/vehicle lease et cetera) | £0.03 |
| Rent/rates/utilities | £0.38 |
| Recruitment/DBS | £0.13 |
| Training (third party) | £0.16 |
| IT (hardware, software CRM, ECM) | £0.35 |
| Telephony | £0.16 |
| Stationery/postage | £0.10 |
| Insurance | £0.14 |
| Legal/finance/professional fees | £0.22 |
| Marketing | £0.08 |
| Audit and compliance | £0.09 |
| Uniforms and other consumables | £0.17 |
| Assistive technology | £0.00 |
| Central/head office recharges | £0.15 |
| Other overheads | £0.41 |
| CQC fees | £0.11 |
| **Total Return on Operations** | **£2.96** |
| **TOTAL** | **£30.70** |
|  |  |
| **Supporting information on important cost drivers used in the calculations:** | **18+ domiciliary care** |
| Number of location level survey responses received | 10 |
| Number of locations eligible to fill in the survey (excluding those found to be ineligible) | 19 |
| Carer basic pay per hour  | £10.64 |
| Minutes of travel per contact hour | 10 |
| Mileage payment per mile | £0.41 |
| Total direct care hours per annum | 444115 |

Please see below a table showing the cost per visit for each of 15-, 30-, 45- and 60-minute visits (shorter visits have larger relative travel times so cost relatively more)



**Notes:**

The travel time is the average of all 10 providers travel time per visit

The Cost is the staff time, it excludes mileage.

The travel time is reduced in Torbay as:

* At least two providers, possibly more have some walkers visiting clients in very close proximity and that travel time is understood not to be logged it is suspected that this is hidden in the visit time i.e., a 30-minute visit is actually 25 minutes visit and 5 minutes walking between clients;
* Two providers have drivers who ferry staff between sites, this reduces travel time as the carer is collected and dropped off – i.e., no lost time on finding a parking place possible a short distance from the client;
* At least one provider has software to plan routes and minimise travel time (whilst regular reset of routes keeps costs down, for the provider, service users do not also welcome a change of established carer)

The base year is 22/23 and includes pay awards granted and planned in 22/23. It should be noted workforce recruitment and retention challenges are significant throughout the independent care sector, this has been reflected in the Fair Cost of Care exercise as some providers have increased wages since April 2022 to fill vacancies to endeavour to compete in the market with comparator jobs such as care posts in the NHS or other roles in the private sectors that often pay £2 to £3 hours more than care posts.

The external provider fee rate for 2022/23 includes the annual uplift paid at the beginning of the financial year.

For this exercise we used the LGA Homecare cost of care toolkit, and asked providers to complete the workbook provided. Each provider submitted a workbook for their organisation.

Whilst the Fair Cost of Care exercise has provided a valuable snap shot of the costs of some key providers within the Torbay market, contributing to commissioners’ intelligence regarding fee setting, it is the view of the Council that these ‘Cost of Care’ outputs cannot be assumed to be the costs of care that the Council should pay. The reasons for this are multiple:

* The staffing ratios were not collected as a part of the exercise; therefore, it is not known whether the staffing costs represent an efficient and effective use of public monies
* The management costs vary significantly. Torbay Council cannot pay for the golden standard of management costs – a baseline as to what is necessary, thus representing an efficient and effective use of public monies would need to be undertaken.
* The extent of any under occupancy was not captured as a part of the exercise. Torbay Council cannot pay for inefficiency in the market, as this would not represent an efficient and effective use of public monies.
* Return-on-operations and return-on-capital-costs vary significantly. Torbay Council cannot pay inflated costs, needing to pay that which ensures a sustainable market. A base figure of what this should be would need to be established to represent an efficient and effective use of public monies.