**Cost of Care – Support at home Annex B**

1. **Introduction**

North East Lincolnshire (NEL) is a small unitary authority area with most residents living in the towns of Grimsby, Cleethorpes, and Immingham. It is somewhat geographically remote from larger centres of population, and the local authority needs to retain and grow our local workforce capacity and capability across a range of sectors including health and care. Figures (mid-2020) from the Office of National Statistics (ONS), estimate the North East Lincolnshire resident population at 159,364 persons. This shows that the local population has changed very little over the past decade, with the 2011 Census recording the local resident population at 159,616 people. The latest ONS population projections estimate that the local population will continue to change very little over the coming decade and will remain at around 159,000 in 2030. Despite the estimation that the overall population will remain static, there are clear differences in the projections across the life course, with the 0-19 resident population projected to decrease by 5.4 per cent between 2020 and 2030, and the 80+ resident population (frail elderly) projected to increase by 30.6 per cent within the same time-period. This is likely to create significant growth in demand to be met from the resources available to the health and care economy within the borough.

Estimates from the annual population survey show that approximately five per cent of the North East Lincolnshire population overall is non-white British, which is much lower than that for England overall. Again, there are differences across the life course, with increasing ethnic diversity among the younger age groups, as the local school census shows that around ten per cent of primary school pupils are recorded as non-white British.

The approach taken to supporting citizens is that where possible support in a person’s home is explored first and residential or nursing care are for where this is not possible.

1. **Overview of current support at home market in North East Lincolnshire, Autumn 2022.**

Instead of a brokerage model, North East Lincolnshire commissions providers via a geographic zone system, splitting the borough into three areas with a lead provider delivering care in each location via a teams and locality based approach so as to create a level of activity encouraging an efficient and sustainable model. In addition, North East Lincolnshire contracts with a single approved provider (with the ability to cover the entire geographical area) to allow for flexibility and to partly mitigate against provider capacity issues for the three geographically based lead providers. There are also six non contracted support at home providers delivering services ether to those who fund their own care or on a spot purchase basis. The approach taken to supporting citizens is that, where possible, support in a person’s home is explored first and residential or nursing care are only considered where this is not possible.

1. **Choice of data collection tool**

To ensure consistency of approach to data collection, tools meeting the Department of Health and Social Care’s (DHSC) suggested functionality have been published by the Local Government Association / Association of Directors of Adult Social Services (LGA/ADASS). As part of the very early engagement providers were consulted over the choice of tools to be used. Those that expressed a preference wished to use the ARCC-HR Ltd template as suggested in the guidance as against other options or a locally developed model

1. **Provider engagement**

In North East Lincolnshire there are 10 providers within scope of the exercise. Initially contact was made via the support at home network and by use of newsletters, supported by email communications. Providers also had access to drop-in sessions with local authority staff to assist in any questions regarding accessing, registering, or completing the ARCC-HR tool. This included guidance on key timelines to meet the national deadline. A provider event was held jointly with North Lincolnshire Council on 5th May 2022 and included the tool developers to ensure consistency of approach.

Care providers have submitted their responses to the fair cost of care exercise, and Annex A is an accurate presentation of the provider returns

Further engagement with providers has taken place in early 2023 to develop our understanding of and support for providers in North East Lincolnshire.

It is important to restate that North East Lincolnshire does not have a brokerage model for support at home services. The core model is one that commissions providers via a geographic zone system, splitting the borough into three areas with a lead provider delivering care in that location via a teams and locality based approach.

As a result of winter pressures and COVID-19 pandemic some provision is spot purchased to build in additional capacity across the system. Locality provision is the preferred commissioning model as it reduces the burden of travel and allows for meaningful relationships to be established with those receiving care. It is part of the overall plan to move towards an outcome and not times-based model of service delivery.

**4.1 Types of engagement**

Providers were engaged through regular fortnightly webinar which run separately for care homes and support at home providers. Bespoke engagement for individual providers was supported by MS-Teams, telephone, emails, 1:1support and through regular provider newsletters.

A further series of workshops and 1:1 meetings are taking place in early 2023.

1. **Response rate**

Two support at home providers completed the return, equating to a 20% response rate for those providers within scope of the exercise. Some providers declined to participate as they saw this as unnecessarily burdensome, while others declined to share business sensitive information.

A standard support payment was offered to providers to complete the tool to try to mitigate this, however this did not have a significant impact on completion of returns.

North East Lincolnshire has traditionally had very good relationships with its contracted providers. As a result of the COVID-19 pandemic the local authority has had to diverge from its preferred model, allowing the local authority to develop good relationships with local non contracted/spot purchase providers too. This relationship is built around webinars, contracting meetings and on going communications as well as having a specific point of contact within the care and independence team.

Queries relating to some of the data were raised with providers, responses considered, and amendments agreed. Providers submitted data reflecting costs as of April 22.

1. **Data tables**

**Table 1: the lower quartile/median/upper quartile of number of appointments per week by visit length (15/30/45/60 mins)**

|  |  |  |  |
| --- | --- | --- | --- |
| Number of appointments per week by visit length | | | |
| Visit length (minutes) | Median | Lower Quartile | Upper Quartile |
| 15 | 846 | 437 | 1254 |
| 30 | 2841 | 1736 | 3946 |
| 45 | 283 | 207 | 359 |
| 60 and over | 437 | 425 | 449 |

**Table 2: table showing the count of observations, lower quartile, median and upper quartile (where relevant) of all items in Annex A, Section 3**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Median** | **Lower Quartile** | **Upper Quartile** | **Count of Observations** |
| **Hourly Breakdown** | **£** | **£** | **£** |  |
| Direct Care | 9.92 | 9.86 | 9.97 | 2 |
| Travel Time | 1.29 | 1.22 | 1.37 | 2 |
| Mileage | 1.37 | 1.24 | 1.49 | 2 |
| PPE | 0.46 | 0.25 | 0.68 | 2 |
| Training (staff time) | 0.33 | 0.26 | 0.40 | 2 |
| Holiday | 1.46 | 1.46 | 1.47 | 2 |
| Additional Non-Contact Pay Costs | 0.26 | 0.53 | 0.53 | 1 |
| Sickness/Maternity & Paternity Pay | 0.36 | 0.28 | 0.44 | 2 |
| Notice/Suspension Pay | 0.03 | 0.05 | 0.05 | 1 |
| NI (direct care hours) | 0.60 | 0.57 | 0.63 | 2 |
| Pension (direct care hours) | 0.41 | 0.41 | 0.41 | 2 |
| Back Office Staff | 2.48 | 2.10 | 2.86 | 2 |
| Travel Costs (parking/vehicle lease etc.) | 0.07 | 0.05 | 0.08 | 2 |
| Rent / Rates / Utilities | 0.18 | 0.12 | 0.25 | 2 |
| Recruitment / DBS | 0.07 | 0.06 | 0.08 | 2 |
| Training (3rd party) | 0.11 | 0.08 | 0.13 | 2 |
| IT (Hardware, Software CRM, ECM) | 0.35 | 0.34 | 0.36 | 2 |
| Telephony | 0.10 | 0.09 | 0.12 | 2 |
| Stationery / Postage | 0.04 | 0.03 | 0.04 | 2 |
| Insurance | 0.05 | 0.03 | 0.07 | 2 |
| Legal / Finance / Professional Fees | 0.03 | 0.03 | 0.03 | 2 |
| Marketing | 0.04 | 0.02 | 0.05 | 2 |
| Audit & Compliance | 0.03 | 0.03 | 0.03 | 2 |
| Uniforms & Other Consumables | 0.04 | 0.04 | 0.05 | 2 |
| Assistive Technology | 0.00 | 0.00 | 0.00 | 0 |
| Central / Head Office Recharges | 0.41 | 0.38 | 0.44 | 2 |
| Bank charges - Card payments | 0.02 | 0.04 | 0.04 | 1 |
| CQC Registration Fees(4) | 0.11 | 0.10 | 0.12 | 2 |
| Surplus / Profit Contribution | 0.72 | 0.68 | 0.75 | 2 |
| **Total Cost Per Hour** | **21.35** | **20.97** | **21.73** | 2 |

**Table 3: the full table from Annex A, Section 3**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  | | --- | --- | | **Cost of care exercise results - all cells should be £ per contact hour, MEDIANS.** | **18+ domiciliary care** | | **Total Care worker Costs** | **£16.50** | | Direct care | £9.92 | | Travel time | £1.29 | | Mileage | £1.37 | | PPE | £0.46 | | Training (staff time) | £0.33 | | Holiday | £1.46 | | Additional non-contact pay costs | £0.26 | | Sickness/maternity and paternity pay | £0.36 | | Notice/suspension pay | £0.03 | | NI (direct care hours) | £0.60 | | Pension (direct care hours) | £0.41 | | **Total Business Costs** | **£4.13** | | Back-office staff | £2.48 | | Travel costs (parking/vehicle lease et cetera) | £0.07 | | Rent/rates/utilities | £0.18 | | Recruitment/DBS | £0.07 | | Training (third party) | £0.11 | | IT (hardware, software CRM, ECM) | £0.35 | | Telephony | £0.10 | | Stationery/postage | £0.04 | | Insurance | £0.05 | | Legal/finance/professional fees | £0.03 | | Marketing | £0.04 | | Audit and compliance | £0.03 | | Uniforms and other consumables | £0.04 | | Assistive technology | £0.00 | | Central/head office recharges | £0.41 | | Other overheads | £0.02 | | CQC fees | £0.11 | | **Total Return on Operations** | **£0.72** | | **TOTAL** | **£21.35** | | |
| |  |  | | --- | --- | | **Supporting information on important cost drivers used in the calculations:** | **18+ domiciliary care** | | Number of location level survey responses received | 2 | | Number of locations eligible to fill in the survey (excluding those found to be ineligible) | 10 | | Carer basic pay per hour | £9.82 | | Minutes of travel per contact hour | 8 | | Mileage payment per mile | £0.38 | | Total direct care hours per annum | 259272 | | |
| **Table 4: consistent with the identified cost per contact hour, the cost per visit for each of 15-, 30-, 45- and 60-minute visits**   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Minutes** | **15** | **30** | **45** | **1hr** | | **Cost per visit** | £6.52 | £10.92 | £15.32 | £19.71 | |

1. **Considerations of the data outputs**

The local authority does not consider the cost information from providers to be wholly reflective of the state of the market and needs to be reviewed in light of other information as only one of the providers delivers a lead locality-based service in line with the chosen commissioning model.

In considering the approach to the information provided by the returns there is a need to take into account some limitations in the information and our local commissioning context. These are as follows:

Key considerations:

* Small numbers of providers in scope and participating.
* Locality based models which is a core commissioning model which the returns do not fully reflect.
* Different business models.
* Consistency in the methodology providers have used to apportion costs.
* Variation in who completed the forms - e.g., in some cases corporate leads, in other cases individual provider managers.
* General issues about the consistency and accuracy of some of the data.
* Span of business - providers operating cross boundary therefore includes costs external of our local market.
* Data used as at April 2022.
* The results of further engagement with providers in early 2023

1. **Choice of model for calculating median.**

Due to having only received two returns the 4 different methods of calculating the median were considered with three providing the same result. This included the median per section which was the same method used in the residential fair cost of care exercise.

North East Lincolnshire has had to take into consideration the fact that there have only been two responses and that only one of the respondents represent the model of locality provision. As only some and not all local providers have provided information, or a type of information, this has been noted. This has led the local authority to consider the impact of travel as it doesn’t represent the preferred commissioning model when coming to its figure.

The local authority recognises there are limitations to using the median in this circumstance and has compared this to the regional data and we believe this keeps our approach in line with the region.

1. **Considerations on returns on operation and capital**

Given the different business models of the submissions received, there was a variance in the level of profit stated. The median of the returns is similar, but higher than the UHUK proposed profit approach. However as there were only two returns further work is needed to establish the appropriate level.

1. **Our plan for uplift**

North East Lincolnshire uses a process of engagement with providers, which considers the existing fee rate in light of proposed national changes such as the national living wage, general inflation levels and changes impacting on businesses. In addition, consideration of individual aspects of service delivery where cost changes are identified during engagement with providers including consideration of capacity and quality. Adjustments to the fee level is considered as part of the Council budget process and resource allocation. The local authority has a programme of annual engagement with providers.

Uplifts will, in the future, also be based on the level and type of provision, and this is reflected in our local needs assessments and continued development of the locality-based model which is a key foundation in the market sustainability plan.

The Market Position Statement for 2022 – 2025 outlines strategic commissioning intentions in North East Lincolnshire.

More detail on our commissioning intentions in coming years will be published at the end of March 2023 in a Market Sustainability Plan.

1. **Other Cost of Care Data Requirements**

The percentage calculation used to present the distance from the cost of care exercise result does not reflect the change from current IBCF rate to reach the cost of care. The current calculation appears to understate the gap.