

DARLINGTON BOROUGH COUNCIL

FAIR COST OF CARE EXERCISE – 2022 -ANNEX B – DOMICILIARY CARE

Summary

The Market Sustainability and Fair Cost of Care (MSFCOC) Programme was introduced by the Government following its “People at the Heart of Care: Adult Social Care Reform” White Paper. Guidance has been produced by the DHSC that requires each Local Authority taking part in this exercise to submit an Annex B by 14th October that outlines the process and how the estimates presented in Annex A were arrived at.

Data Collection

Upon receipt of the guidance from Government we notified our domiciliary care providers that the Fair Cost of Care exercise was taking place and arranged a briefing for all our providers, which took place on 9th May 2022.

This outlined the process which the Council would be taking with regard to information collection and allowed the providers to ask any questions that they had on the data collection process. This was intended as the starting point to build a dialogue between the Council and the providers, in order that the providers could ask the Council any questions they had whilst completing their information returns.

Providers were notified at this meeting that the Council was going to use the ARCC (ADASS and LGA) cost of care tool kit to calculate the cost of care for each provider, however it was also offered as an alternative that the Council had produced a shortened version of the questions included within the tool kit and that providers could complete whichever of the tools they feel was the most appropriate to their need. Both data collection tools were acceptable for the purpose of analysis. The Council’s shortened version had been circulated to all providers prior to this meeting. This version was a simplified spreadsheet which included all the same questions as in the ARCC tool but was presented in an easier to read format.

Providers were notified of various webinars and online tools that were available to all providers to outline the Fair Cost of Care process and the ARCC data collection tools. The Council also informed providers that they could ask the Council questions regarding the process by emailing a specially set up email account for the Fair Cost of Care process.

Of the submissions received, (that are included within the FCoC exercise) three providers (one declined to complete despite numerous e mails and telephone contacts.) used the Darlington Council spreadsheet with one provider completing the ARCC tool direct.

There are eleven Domiciliary Care providers within Darlington who operate under a Framework Agreement to deliver support to individuals over the age of 18. There are two prime providers within this Agreement who are offered packages of care within their lot i.e., East and West of the borough. Only when the prime provider is unable to deliver support, is the package offered to the remaining providers. As the majority of support is delivered by the two prime providers, it was decided that only providers with (on 26 May 2022) more than ten packages of care would be invited to complete the exercise, which identified five providers to complete. All those providers identified as ‘in scope’ were asked to submit their costings directly to the Council email account by an initial

deadline of 31 July 2022. Guidance and support were offered to all providers to complete their template. A number of reminders and further offers of support were sent out, however despite this one provider declined to submit their template leaving four submissions for analysis.

The Council received responses from six providers, who submitted their completed template, however, two of these were later confirmed to be supported living and were subsequently excluded as being out of scope. This equates to a response rate of 80% for relevant providers.

Data was collected from providers during June and August and reflected their costs for the financial year 2021-22. Once submissions were received, the Council reviewed the data included and identified any data that required further clarification. All provider submissions required further clarifications with the providers. Therefore, contact was made with each provider, with all formal queries regarding the cost of care submissions logged onto an individual record sheet to ensure a consistent record was maintained. Questions were shared with the provider in advance of the individual meetings to allow them the opportunity of providing a detailed response.

Individual meetings with providers were held via Teams and providers were able to clarify submissions and raise any questions in these meetings. One provider declined to meet with the Council and instead requested that all questions/ clarifications could be resolved via e mail. The Council agreed to this approach and all issues were appropriately resolved. In addition, further supporting documents such as Profit and Loss accounts were requested.

Questions asked were specific to each provider and therefore are not listed within this document, however the Council retains a record of these questions. Questions focused on the Council understanding how providers had put their figures together and included confirmation of staffing, travel time, inflation uplifts used, numbers of hours etc.

The Fair Cost of Care exercise in Darlington has been undertaken by directly employed staff. This has been done by seconding staff from their existing roles, paying overtime and also employing additional staff to undertake this exercise. The Council has not used any externally commissioned providers to undertake this work.

Data Included within Annex A

The guidance received regarding the Fair Cost of Care exercise is clear that the Council should use the data submitted by providers. The guidance implies the Council should only make adjustments to the data provided where there is a justifiable reason to do so.

The guidance does not allow the figures to be adjusted to make the Fair Cost of Care results match the Council's funding resources, therefore we have made limited adjustments to the data provided by our providers.

Return on Operations has not been adjusted from the provider submissions and therefore has been included as submitted by the providers.

The Council believes that the data submitted by providers is in a raw form and therefore the Council at this stage cannot confirm that the data entered into Annex A is an accurate reflection of the Fair Cost of Care in Darlington. The Council does not believe the figures submitted by providers are not accurate, but that there are large differences in the data provided between the individual providers and therefore it is likely that one provider has interpreted the requirements

slightly different to another. This means that the results can potentially show an overall figure that is incorrect as it is impacted by one provider's interpretation. Before any confirmed figures can be agreed by the Council and providers, a significant review of the data needs to be undertaken.

In line with the guidance the Council has made the following adjustments to the data provided which are explained as follows,

- **Inflation** – The information provided was based on 2021/22 information and we have increased the rates by the April 2022 consumer price indices using the relevant index to reflect the correct inflated rate.
- **Excluded providers** - We have received six returns from our providers for the Fair Cost of Care exercise, however two of those providers were identified as out of scope as they are supported living rather than domiciliary care providers.

Annex A Summary

Medians	18+ domiciliary care
Total Careworker Costs	£15.61
Direct care	£10.96
Travel time	£0.47
Mileage	£0.45
PPE	£0.30
Training (staff time)	£0.27
Holiday	£1.17
Additional noncontact pay costs	£0.00
Sickness/maternity and paternity pay	£0.21
Notice/suspension pay	£0.01
NI (direct care hours)	£1.41
Pension (direct care hours)	£0.36
Total Business Costs	£4.54
Back office staff	£1.85
Travel costs (parking/vehicle lease et cetera)	£0.00
Rent/rates/utilities	£0.17
Recruitment/DBS	£0.12
Training (third party)	£0.03
IT (hardware, software CRM, ECM)	£0.29
Telephony	£0.08
Stationery/postage	£0.04
Insurance	£0.05

Medians	18+ domiciliary care
Legal/finance/professional fees	£0.03
Marketing	£0.02
Audit and compliance	£0.00
Uniforms and other consumables	£0.02
Assistive technology	£0.00
Central/head office recharges	£1.36
Other overheads	£0.38
CQC fees	£0.11
Total Return on Operations	£0.85
TOTAL	£21.00

Lower Quartile	18+ domiciliary care
Total Care worker Costs	£15.61
Direct care	£10.85
Travel time	£0.54
Mileage	£0.28
PPE	£0.30
Training (staff time)	£0.19
Holiday	£1.19
Additional noncontact pay costs	£0.00
Sickness/maternity and paternity pay	£0.45
Notice/suspension pay	£0.02
NI (direct care hours)	£1.43
Pension (direct care hours)	£0.36
Total Business Costs	£4.30
Back office staff	£2.21
Travel costs (parking/vehicle lease et cetera)	£0.00
Rent/rates/utilities	£0.34
Recruitment/DBS	£0.12
Training (third party)	£0.02
IT (hardware, software CRM, ECM)	£0.22
Telephony	£0.17
Stationery/postage	£0.07
Insurance	£0.09

Lower Quartile	18+ domiciliary care
Legal/finance/professional fees	£0.04
Marketing	£0.07
Audit and compliance	£0.05
Uniforms and other consumables	£0.03
Assistive technology	£0.00
Central/head office recharges	£0.65
Other overheads	£0.12
CQC fees	£0.09
Total Return on Operations	£0.97
TOTAL	£20.88

Upper Quartile	18+ domiciliary care
Total Care worker Costs	£15.64
Direct care	£10.84
Travel time	£0.47
Mileage	£0.82
PPE	£0.00
Training (staff time)	£0.12
Holiday	£0.93
Additional non-contact pay costs	£0.00
Sickness/maternity and paternity pay	£0.31
Notice/suspension pay	£0.01
NI (direct care hours)	£1.75
Pension (direct care hours)	£0.38
Total Business Costs	£4.57
Back-office staff	£2.04
Travel costs (parking/vehicle lease et cetera)	£0.00
Rent/rates/utilities	£0.21
Recruitment/DBS	£0.08
Training (third party)	£0.06
IT (hardware, software CRM, ECM)	£0.32
Telephony	£0.08
Stationery/postage	£0.06
Insurance	£0.04

Upper Quartile	18+ domiciliary care
Legal/finance/professional fees	£0.19
Marketing	£0.03
Audit and compliance	£0.00
Uniforms and other consumables	£0.03
Assistive technology	£0.00
Central/head office recharges	£0.71
Other overheads	£0.60
CQC fees	£0.13
Total Return on Operations	£1.49
TOTAL	£21.70

Supporting information on important cost drivers used in the calculations:	18+ domiciliary care
Number of location level survey responses received	6
Number of locations eligible to fill in the survey (excluding those found to be ineligible)	5
Carer basic pay per hour	£10.18
Minutes of travel per contact hour	2
Mileage payment per mile	£0.28
Total direct care hours per annum	101799

Description	18+ homecare, £ per contact hour
Cost of care exercise result (from above)	£21.00
Average 2021/22 external provider fee rate (using iBCF definitions, consistently with 2022/23)	£15.60
Average 2022/23 external provider fee rate (using iBCF definitions)	£16.22
NHS funded nursing care rate 2022/23	Not applicable
Average 2022/23 external provider fee rate with FNC where applicable	£16.22
Hence distance from cost of care exercise result (%)	-22.76%
Hence 2022/23 fee uplift compared to 2021/22 (% , excluding FNC)	3.97%

It should be noted that Darlington pays an enhanced rate for calls of 15 minute duration, at 40% of the contracted hourly rate. It has not been possible from the information submitted by providers to

extract the costings for these 15 minute calls. This equates to an average hourly rate of £24.41 for 2021/22.

Next Steps

The Council has undertaken the Fair Cost of Care exercise in line with the guidance published by DHSC. We thank our providers for taking part in this exercise as we appreciate this has been an additional task for them at a very busy time for all in the industry.

As referenced above whilst we do not think that the information provided by our providers is not accurate, there does appear to be many issues that need to be investigated before the Council can say that the figures included with Annex A are confirmed. An example of this is that a provider who has significantly higher private fee payer rates compared to their FCoC rate. We do not believe that our providers information is incorrect, but we do believe that some of the questions may have been misinterpreted and therefore the costs included are overstated. We need to work with our providers over the coming months to ensure we tease out these issues and therefore produce a Fair Cost of Care rate that both the Council and providers are happy to agree.

The Council has provided a draft submission of its Market Sustainability Plan along with this Annex. This draft plan explains the Councils position on its care fees and how we intend to move towards the fair cost of care in the future.