Birmingham City Council: Cost of Care 2023

Summary report
November 2023

Final Draft

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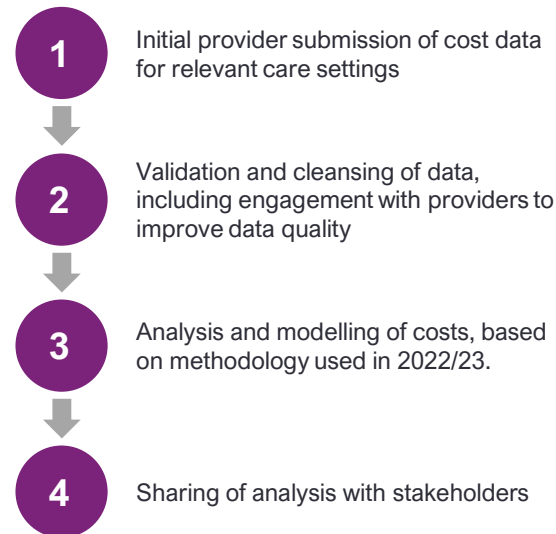
Executive summary: Background and scope

The **Cost of Care 2023** exercise took a different and targeted approach compared to previous years. While home support, care homes, supported living and extra care services were all included, the exercise focussed on acquiring different data specific to each of the market sectors which the Council is able to use to inform its fee setting and uplift process for 2024/25.

- Home Support (Adults aged 18+) – Full cost of care dataset using ARCC toolkit to enable calculation of a median cost of care for providers in Birmingham and the West Midlands. This reflects the Council's requirement to retender home support contracts in 2024 and have a current view of costs.
- Care Homes, Supported living and extra care (Adults aged 18+) – Data relating to funding arrangements, future business intentions, pay, employees contract types, and digital care costs. This data is used in combination with information gained in previous years to inform fee setting for 2024/25.

This report details:
1. The analytical methodology and assumptions used.
2. Insights derived from the analysis, including the headline median outputs and additional analyses which supports key conclusions on cost drivers and profitability within the care sector.

Summary of exercise approach

1 Initial provider submission of cost data for relevant care settings

2 Validation and cleansing of data, including engagement with providers to improve data quality

3 Analysis and modelling of costs, based on methodology used in 2022/23.

4 Sharing of analysis with stakeholders

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Executive summary: Home support

Summary results:
- Median cost outputs for 2023/24 are £21.83. This represents a 4.18% increase when compared with the 2022/23 median cost output of £20.95.
- The 2023/24 median cost is 23% higher than the Council's 2023/24 fee. This represents a decrease in the cost/fee differential when compared with 2022/23 the differential was 28%.
- When the Council's 2023/24 home support fee is adjusted to £20.59 to account for the application of ASC Discharge Fund and Market Sustainability and Improvement Fund grants the cost/fee differential decreases further to 6%.
- Profit is 5%. (6% in 22/23)
- Reported travel time is significantly lower than national benchmarks but reflects local geography and commissioning arrangements.
- Employer National Insurance costs are significantly higher than national benchmarks and reflect real local employment arrangement data. National data is based upon estimates.
- Profit contributions per hour of care are higher than benchmarks.
- It should be noted that the national benchmarks are based on national averages and estimates whereas the CoC figures are a reflection of local circumstances.
- Basic carer pay is 3.1% above the National Living Wage.
- 47% of care workers are employed on full or part time contracts, and 53% are employed on 'zero hours' contracts.
- Local authorities purchase over 62% of care and support hours, and self-funders purchase approximately 4.5% of support hours.
- The significant majority of providers expressed their intention to expand capacity in the next 1-5 years

Methodology and assumptions:

2023/34 cost data was submitted by providers using the ARCC homecare costing toolkit which is comparable to the previous year's exercise in 2022/23.

Providers were requested to submit two forms – 1) the ARCC homecare costing toolkit; and 2) an Additional Data form focussing on funding arrangements, business intentions, pay rates and digital care costs

After initial validation of provider submissions, **34** records were included for analysis. This compares with **40** validated submissions in 2022/23.

Total cost of care per hour for home support

Records used for analysis	23/24 Median cost	22/23 Median cost	% Increase in cost
34	£21.83	£20.95	+4.18%

2023/24 Fee	Cost / Fee differential	2023/24 Fee adjusted for grants	Cost / Fee differential
£17.79	23%	£20.59	6%

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Executive summary: Care homes

Summary results:
- Local authorities are the largest purchasers of beds. In homes registered to support older adults only LA's purchase 67% of beds.
- Older adult homes also have a significant income stream from self-funders – 26.5% beds
- Homes registered to support younger adults only, receive all of their income from Local Authorities and the NHS.
- The majority of care homes expressed the intention to consolidate or expand their capacity in the next 1 to 5 years. 4 homes expressed that they were considering exiting the market in the next 1-5 years.
- Average basic care worker pay was 2.8% above the National Living Wage. Care workers, with the exception of cleaning staff, are the lowest paid employees in care homes.
- The majority of staff are employed on full or part time contracts with 9% of staff employed on 'zero' hours contracts.
- This year's exercise aimed to capture digital care cost data for the first time. This is an emerging area of cost and the data submitted indicates that this is an area of cost both the Council and providers need to understand with greater clarity.

Methodology and assumptions:
The additional data was submitted by care home providers relating to the year 2023/24.

Providers were requested to submit one forms – an Additional Data form focussing on funding arrangements, business intentions, pay rates and digital care costs

Not all of the data gathered is directly comparable with data gathered in 2022/23 but where comparison can be made the comparable analysis is highlighted

After initial validation of provider submissions, **151** records were included for analysis. This compares with **62** validated submissions in 2022/23 although it should be noted that the 2022/23 exercise was limited to older adult Birmingham located homes.

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Executive summary: Care homes Projected Costs

Modelled 2023/24 costs:
- Modelled costs for 2023/24 are set out in the table below. This represents a 7.8% increase when compared with the 2022/23 median cost outputs.
- The 2023/24 median costs are 62% higher (Without nursing) and 31% (with nursing) than the Council's 2023/24 fee. This represents no change compared with the 2022/23 costs / fees differential.
- When the Council's 2023/24 fees are adjusted to account for the application of ASC Discharge Fund and Market Sustainability and Improvement Fund grants the cost/fee differential decreases to 56% (Without nursing) and 27% (With nursing).
- Profit is assumed to range from 8 to 10% in 2023/24. (The sae as in 2022/23)

Methodology and assumptions:
While full cost of care data was not gathered across the care home market in 2023/24, the Council has useddata gather in the 2022/23 exercise to project costs for 2023/24 and enable comparison.

The 2023/24 figures have been calculated by applying the April 2023 CPIH inflation percentage rate (7.8%) to the 2022/23 costs.

Modelled cost of care per week for Care Homes

	2023/24 Assumed cost	2022/23 Median cost	Cost Increase (23/24 v 22/23)	2023/24 Fee	Cost/Fee differential	2023/24 Fee adjusted for grants (+4.4%)	Cost/Fee differential	2022/23 fee	Cost/Fee differential
Care home w/out nursing (age 65+)	£1,007	£934	7.8%	£622	62%	£647	56%	£572	63%
Care home with nursing (age 65+)	£1,226	£1,137	7.8%	£935 (inc. £219.71 FNC)	31%	£963	27%	£867 (inc. £209.19 FNC)	31%

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Executive summary: Supported Living and Extra Care

Summary results:
- Local authorities are the largest purchasers of support hours (60%) and 32% of support hours are either funded by the NHS or joint funded.
- There is a small self-funder and Direct Payment / Personal Healthcare Budget market purchasing 8% of support hours.
- Providers expressed the intention to either consolidate or expand capacity in the next 1 to 5 years with only 1 provider expressing the intention to reduce capacity.
- Providers indicated significant spare capacity within schemes and this will require further work to verify and validate.
- Basic care pay is 2.7% above the National Living Wage
- 65% of care workers are employed on full or part time contracts with 35% employed on 'zero hours' contracts
- Digital care costs are an emerging area of cost and based on the data supplied further work is required for the Council and providers to understand these with greater clarity.

Methodology and assumptions:
The additional data was submitted by supported living and extra care providers relating to the year 2023/24.

Providers were requested to submit one form – an Additional Data form focussing on funding arrangements, business intentions, pay rates and digital care costs

After initial validation of provider submissions, **59** records were included for analysis.

4 submissions were received from extra care providers and **55** from supported living providers. The analysis pooled the **59** submissions and treated as a single dataset.

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Executive summary: Extra Care Projected Costs

Modelled 2023/24 costs:
- Modelled costs for 2023/24 are £26.11. This represents a 7.8% increase when compared with the 2022/23 median cost output of £24.22.
- The 2023/24 median cost is 47% higher than the Council's 2023/24 fee. This represents no change when compared with 2022/23 costs and fees differential.
- When the Council's 2023/24 Extra Care fee is adjusted to £18.41 to account for the application of ASC Discharge Fund and Market Sustainability and Improvement Fund grants the cost/fee differential decreases to 42%.
- Profit is modelled at 5% in 2023/24, the same as in 2022/23.

Modelled cost of care per hour for Extra care

23/24 Modelled cost	22/23 Median cost	% Increase in cost
£26.11	£24.22	+7.8%

2023/24 Fee	Cost / Fee differential	2023/24 Fee adjusted for grants	Cost / Fee differential
£17.79	47%	£18.41	42%

Methodology and assumptions:

While full cost of care data was not gathered across the Extra Care market in 2023/24, the Council has used data gathered in the 2022/23 exercise to project costs for 2023/24 and enable comparison.

The 2023/24 figures have been calculated by applying the April 2023 CPIH inflation percentage rate (7.8%) to the 2022/23 costs.

There is no comparison data available for Supported Living however the assumption is made that the costs are as for home support but not including travel costs (approx. £2.22 per hour).

Section 2: Programme approach

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The approach was underpinned by close engagement with the providers

The following approach was adopted to conduct the exercise in Birmingham:

1. The providers were required to submit data (between 18 July and 3 Sept 2023) on a variety of factors. Providers were encouraged to take part through various communications.
2. Home support providers used the ARCC tool for data submission as in 2022/23, whereas care homes, supported living and extra care providers were asked to complete a shortened template developed by the Council which focussed on specific cost areas – funding arrangements, business intentions, pay rates and digital care costs.
3. Birmingham City Council engaged closely with the providers to understand any discrepancies in the submissions. Only returns that were internally validated were approved for inclusion in the analysis.
3. Once data collection was completed, the median costs of providing care in the local market were calculated for each of the cost lines.
4. The analysis has attempted to replicate the principles and methodology adopted for the 2022 cost of care exercise.
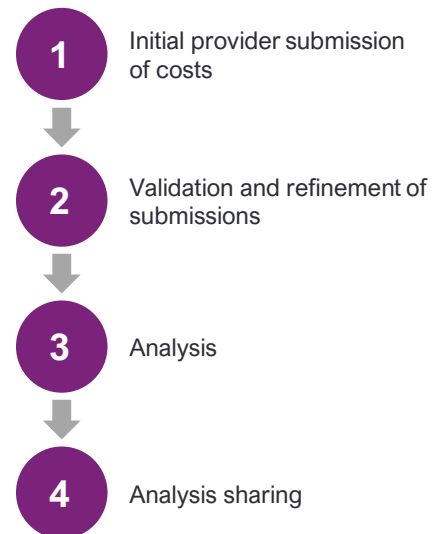
The above was underpinned by close engagement with care providers. The returns were scrutinised in collaboration with the providers to improve the quality of data used in the exercise; however, this was limited and did not extend to validation of individual costs or accounts.

1 Initial provider submission of costs

2 Validation and refinement of submissions

3 Analysis

4 Analysis sharing

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Section 3: Home Support insights

The exercise output for home care in 2023/24 is 6% greater than the current fee paid by the Council

The table on the right displays the hourly cost summary statistics and the chart displays the total hourly cost by provider:
- The median total cost per hour is projected to be £21.83 in 23/24.
- Wages and salaries comprise approximately 86%, overheads and other cost of services (COS) comprise 9%, surplus/profit comprises 5% of the median total cost.
- At an individual provider level, the maximum cost submitted by a provider is £18.16 and the lowest £36.75.

The table below displays a comparison of the 23/24 cost per hour with the current fee rate:
- The breakdown of the 23/24 costs by type can be found in Appendix A.

Hourly cost summary by type of cost for 23/24

Type	LQ	Median	UQ
Wages & salaries	£15.85	£18.73	£24.24
Overheads and other COS	£1.05	£1.99	£3.88
Surplus/profit	£0.64	£1.11	£1.56
Total (1)	£16.59	£21.83	£29.68

Hourly total cost by provider for 23/24

Hourly total cost comparison by year

	Fee Rate	Median Cost	Var from fee rate %
2023/24	£17.79	£21.83	**+£4.04 (+23%)**
202324 (fee accounting for application of grants)	£20.59	£21.83	**+£1.24 (+6%)**
2022/23	£16.43	£20.59	**+£4.16 (+28%)**

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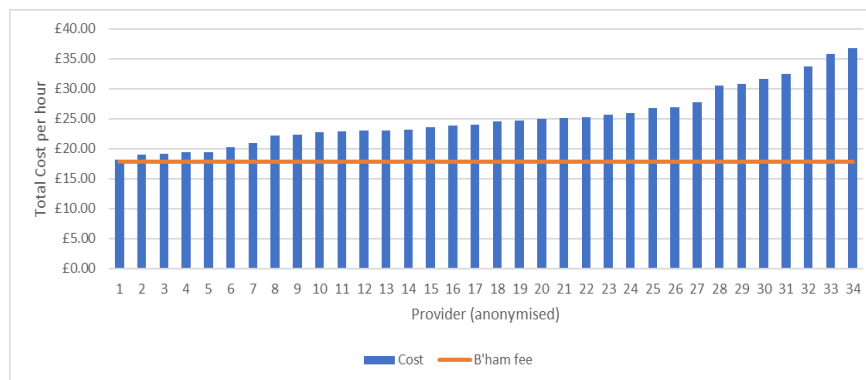
1) Total values shown are the sum of the statistics over all categories. As such, these may not correspond to the total costs for individual providers.

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PROUD HOST CITY

Birmingham City Council

All costs – 2023/24 vs. 2022/23

Cost of care exercise results - all cells should be £ per contact hour, MEDIANS.	2023	2022	Change in costs	% Change
Total Careworker Costs	**£16.87**	**£15.79**	**£1.07**	**6.78%**
Direct care	£10.96	£10.00	£0.96	9.64%
Travel time	£1.59	£1.34	£0.24	18.24%
Mileage	£0.63	£0.82	**-£0.19**	**-22.92%**
PPE	£0.24	£0.50	**-£0.26**	**-52.54%**
Training (staff time)	£0.24	£0.24	£0.00	0.26%
Holiday	£1.62	£1.44	£0.18	12.12%
Additional noncontact pay costs	£0.00	£0.00	£0.00	0.00%
Sickness/maternity and paternity pay	£0.20	£0.24	**-£0.03**	**-14.27%**
Notice/suspension pay	£0.00	£0.00	£0.00	0.00%
NI (direct care hours)	£0.96	£0.82	£0.14	17.59%
Pension (direct care hours)	£0.42	£0.39	£0.03	6.98%
Total Business Costs	**£3.85**	**£3.93**	**-£0.08**	**-2.11%**
Back office staff	£2.73	£2.87	**-£0.13**	**-4.67%**
Travel costs (parking/vehicle lease et cetera)	£0.00	£0.00	£0.00	0.00%
Rent/rates/utilities	£0.28	£0.36	**-£0.08**	**-23.08%**
Recruitment/DBS	£0.12	£0.08	£0.04	46.95%
Training (third party)	£0.06	£0.05	£0.02	36.72%
IT (hardware, software CRM, ECM)	£0.21	£0.22	**-£0.01**	**-3.89%**
Telephony	£0.10	£0.06	£0.05	81.61%
Stationery/postage	£0.03	£0.03	**-£0.01**	**-16.22%**
Insurance	£0.09	£0.07	£0.01	19.30%
Legal/finance/professional fees	£0.05	£0.02	£0.02	113.53%
Marketing	£0.02	£0.02	£0.00	16.34%
Audit and compliance	£0.03	£0.01	£0.03	444.82%
Uniforms and other consumables	£0.05	£0.06	**-£0.01**	**-8.82%**
Assistive technology	£0.00	£0.00	£0.00	0.00%
Central/head office recharges	£0.00	£0.00	£0.00	0.00%
Other overheads	£0.00	£0.01	**-£0.01**	**-100.00%**
CQC fees	£0.08	£0.08	**-£0.01**	**-6.20%**
Total Return on Operations	**£1.11**	**£1.23**	**-£0.11**	**-9.10%**
TOTAL	**£21.83**	**£20.95**	**£0.88**	**4.18%**

Comparison against Homecare Association costs 2023/24

Homecare Association - Minimum Price for Homecare in England at the National Living Wage (2023/24)

	HCA estimate	B'ham CoC 2023	% Variance (CoC vs. HCA)	Notes
Hourly pay rate	£10.42	£10.96	5.18%	HCA hourly rate based on National Living Wage
Travel time	£2.16	£1.59	-26.39%	HCA rate based on 4.25 miles travel vs. 1.5 miles in Bham
Employer National Insurance	£0.57	£0.96	68.42%	
Pension	£0.38	£0.42	10.53%	
Holiday pay	£1.52	£1.62	6.58%	
Training time	£0.47	£0.24	-48.94%	HCA estimates average of 38 hours training per worker per year. Further work required to clarify training time allocated by local providers.
Sickness	£0.51	£0.20	-60.78%	HCA estimate based on 3.8% absence rate for the sector (ONS data)
Notice & Suspension pay	£0.04	£0.00	-100.00%	
Mileage	£1.91	£0.63	-67.02%	HCA rate based on 45p per mile for 4.25 miles travel
Back-office staff	£3.67	£2.73	-25.61%	
Recruitment	£0.36	£0.12	-66.67%	
Training time	£0.48	£0.06	-87.50%	HCA estimates average of 38 hours training per worker per year. Further work required to clarify training time allocated by local providers.
Regulatory fees	£0.09	£0.08	-11.11%	
Rent, rates and utilities	£0.37	£0.28	-24.32%	
IT & telephony	£0.47	£0.31	-34.04%	
PPE	£0.59	£0.24	-59.32%	Free PPE has still been available during 2023/24
Finance, legal and professional	£0.31	£0.05	-83.87%	
Insurance	£0.31	£0.09	-70.97%	
Other overheads	£0.34	£0.13	-61.76%	
Profit/surplus/investment	£1.00	£1.11	11.00%	HCA rate assumes 4% profit.
Total	**£25.95**	**£21.83**	**-15.88%**	

West Midlands Local Authority fee comparator data

- West Midlands ADASS region home support fee 2023/24 comparison data
- Host LA's anonymised. Urban fixed rates used where available as most closely reflect Birmingham geography

West Midlands LA fee rate comparator data

LA	Rate	Notes
Birmingham	£17.79	
urban 1	£18.00	
urban 2	£18.40	
urban 3	£18.60	Multiple rates - Average fee
semi-rural 1	£19.60	
urban 4	£19.72	
urban 5	£20.76	
urban 6	£21.76	
urban 7	£21.80	
semi-rural 2	£21.80	
semi-rural 3	£22.83	Multiple rates - Average fee
semi-rural 4	£22.88	
rural 1	£23.30	

West Mids Local Authority Home Support Fees
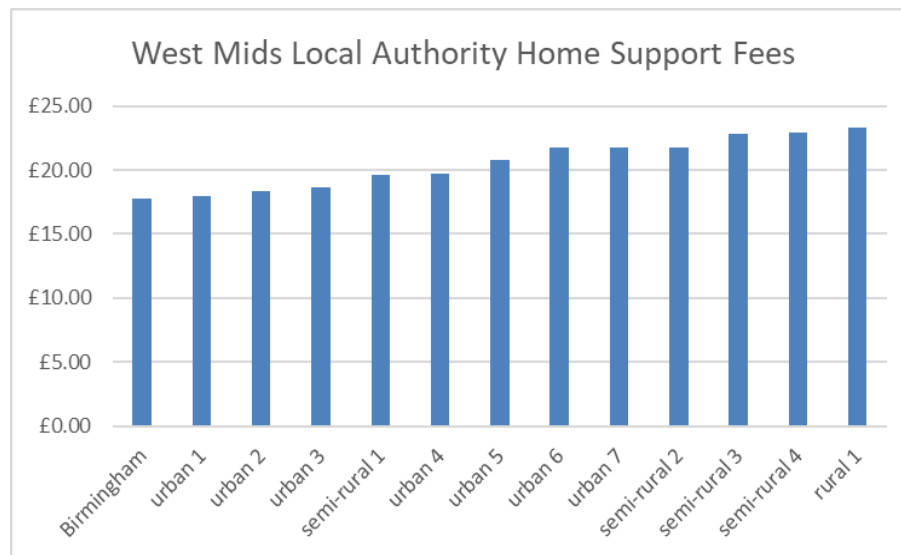
Care worker and staff costs

Wage costs vs. non-wage costs:

- Median care worker wage related cost (including on-costs) - £16.00 (per hour of care delivery)
- Median back-office staff wage related cost (including on-costs) - £2.73 (per hour of care delivery)

- Wage related costs make up 86% of total costs
- Non-wage costs make up 9% of costs
- Profit - 5%

Care worker wages:

- Median carer wage rate - £10.96 per hour (blended rate of all staff grades delivering care)

- This compares with the National Living Wage (NLW) - £10.42 (2023/24) and Real Living Wage Foundation Wage (RLW) - £10.90

Care worker and staff costs (Cont'd)

Min, Average & Max pay (medians)

Care & Support	Min	Avg	Max
Day time	£10.50	£10.75	£11.18
Nightime	£10.69	£11.00	£11.50
Weekend	£10.75	£10.90	£11.30
Bank holiday	£11.12	£11.25	£12.50
Overtime	£10.75	£10.90	£11.50

- Pay scales for care and support workers are narrow
- Part time workers make up 16% of the workforce and work an average of 20 hours
- Staff working on 'zero hours' contracts make up 53% of the workforce
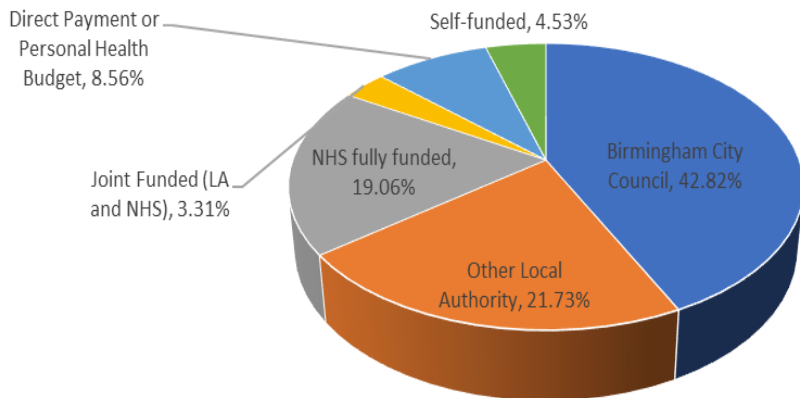
Employment contracts

	Total care staff	Staff full time contracts	Staff part time contracts	Avg. hours per week for part time staff	Staff 'zero hours' contract
Total	2,334	724	375	20	1,235
Percentage	-	31%	16%	-	53%

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Travel

- Median travel costs per hour of care total £2.22 and comprise:
  - Travel time (additional hourly cost of time spent travelling between calls) - £1.59
  - Mileage (additional hourly cost of travelling between calls, e.g. by car) - £0.63
- Median travel distance per contact hour – 1.5 miles
  - This is consistent with local commissioning arrangements aimed at limiting the maximum travel distance to 2 miles between calls
- Median travel duration per contact hour – 9 minutes
- Median travel speed per contact hour – 14.5 mph
  - This is consistent with an urban traffic environment and speed limits of 20 & 30mph
- Median mileage payment per mile - £0.35
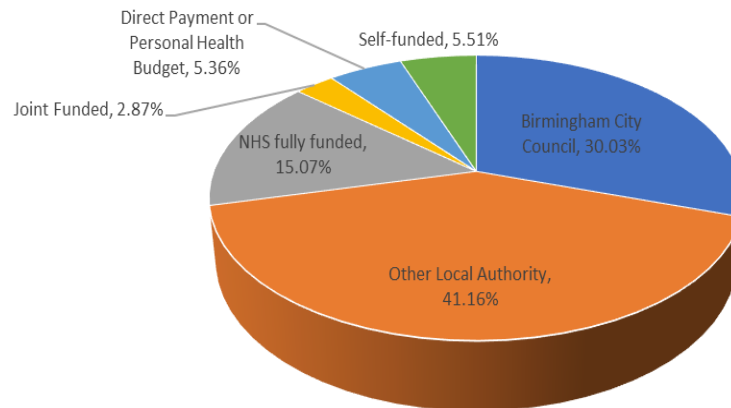 - This is consistent with HMRC tax rules on mileage allowances

Funding arrangements

Percentage of hours by Funding Type: Mean Average across sector

- Direct Payment or Personal Health Budget, 8.56%
- Self-funded, 4.53%
- Joint Funded (LA and NHS), 3.31%
- NHS fully funded, 19.06%
- Birmingham City Council, 42.82%
- Other Local Authority, 21.73%

Proportion of income by Funding Type: Mean Average across sector

- Direct Payment or Personal Health Budget, 5.36%
- Self-funded, 5.51%
- Joint Funded, 2.87%
- NHS fully funded, 15.07%
- Birmingham City Council, 30.03%
- Other Local Authority, 41.16%

- The providers submitting CoC data hold home support contacts with Birmingham City Council which explains the % of hours funded by the City.
- The NHS and other Local Authorities are significant commissioners of care and support hours.

- The higher proportion of income derived from other LA's relative to the number of hours commissioned reflects higher reported fees/charges compared to Birmingham City Council or the NHS.

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Digital Care Costs

Digital Social Care Recording Costs

	DSCR software licence?	DSCR equipment rental costs?	DSCR equipment purchase costs?
Cost per hour	£0.24	£0.19	£1.76

Assistive Technology Costs

|	Assistive technology software licence?	Assistive technology equipment rental costs?	Assistive technology equipment purchase costs?
Cost per hour	£0.24	£0.11	£0.10

- Digitization of care is likely to increase and gain pace rapidly. The emerging costs in this area will require greater understanding
- Based on data for received there appears to be significant overlap between provider's interpretation of Digital Social Care Recording and Assistive Technology, e.g. many of the systems identified as Assistive Tech purchases or rentals are in fact DSCR systems. This indicates that further work will be required to gain and accurate picture of Digital Care costs
- A range of costs were submitted and the median costs per hour of care and support are set out in the table
- DSCR equipment purchase costs appear high and may be reflective of one-off purchase costs spread over a single year. This may not be reflective of the true cost to providers which is likely to be spread over a longer period
- Equipment purchased and rented included phones, dongles, computers, tablets, handheld devices

Business Intentions

Intention	Next 1 year	Next 3 years	Next 5 years
Consolidate (neither expand nor reduce capacity)	5	3	5
Exit the market	0	0	0
Expand capacity	27	29	27
Reduce capacity	0	0	0
Not stated	2	2	2

Business Intentions for next 1 year

Not stated, 2, 6%

Consolidate, 5, 15%

Expand capacity, 27, 79%
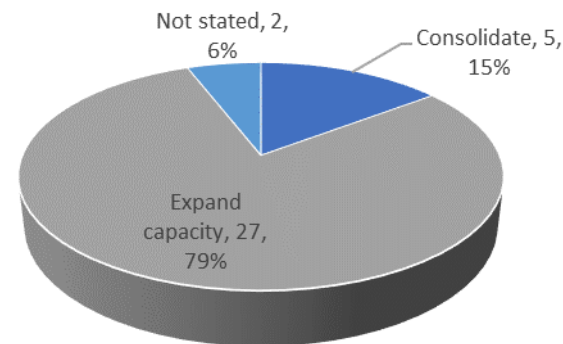
Section 4: Care home insights

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Funding Arrangements (Older adults registered only)

Proportion of beds by Funding Type: Mean Average across the sector

Self-funded, 26.52%

Joint funded (Local Authority and NHS, but not including FNC funded nursing beds), 1.58%

Birmingham City Council (inc FNC funded nursing beds), 54.47%

NHS fully funded, 5.21%

Other Local Authority (inc FNC funded nursing beds), 12.18%

- Majority 67% of beds purchased by Local Authorities
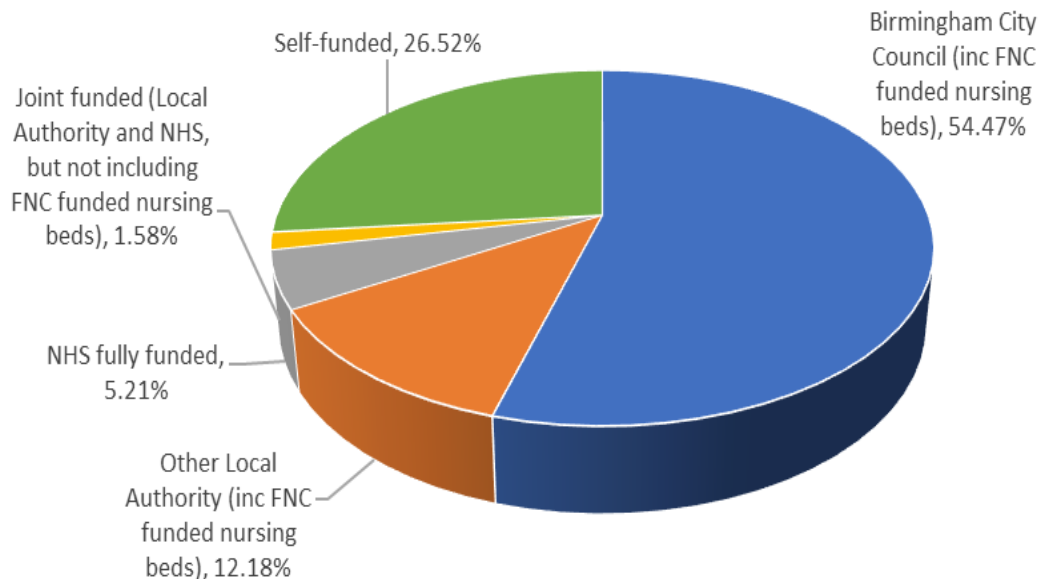- Significant income derived from self-funder market – 26.5% of beds

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Funding Arrangements (Younger Adult registered only)

Proportion of beds by Funding Type: Mean Average across the sector

Joint funded (Local Authority and NHS, but not including FNC funded nursing beds), 12.89%

Birmingham City Council (inc FNC funded nursing beds), 42.86%

NHS fully funded, 9.80%

Other Local Authority (inc FNC funded nursing beds), 34.45%
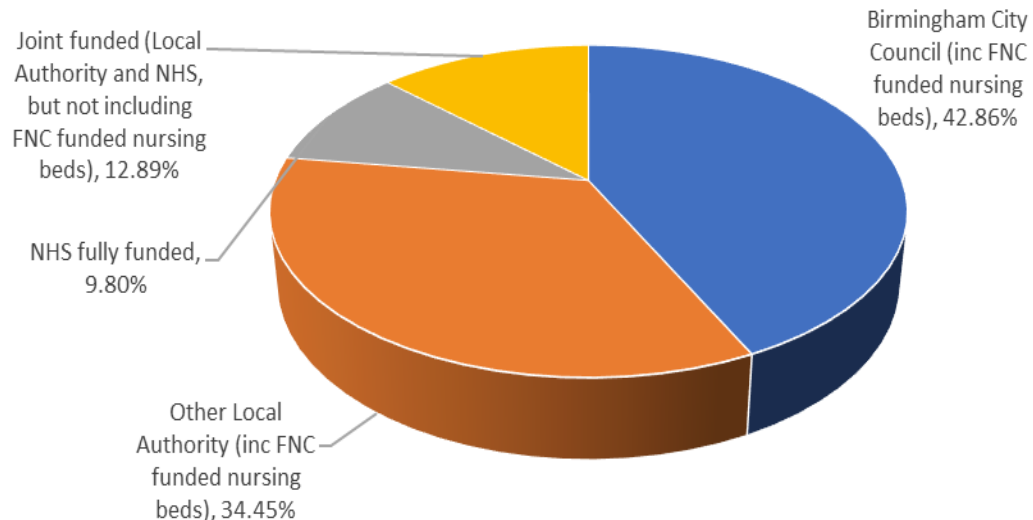
- Majority 77% beds purchased by Local Authorities
- 23% purchased by NHS or Joint Funded
- No self-funder market

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Funding Arrangements (Dual registered)

Proportion of beds by Funding Type: Mean Average across the sector

Self-funded, 17.94%

Joint funded (Local Authority and NHS, but not including FNC funded nursing beds), 4.15%

NHS fully funded, 12.80%

Other Local Authority (inc FNC funded nursing beds), 3.85%

Birmingham City Council (inc FNC funded nursing beds), 61.27%
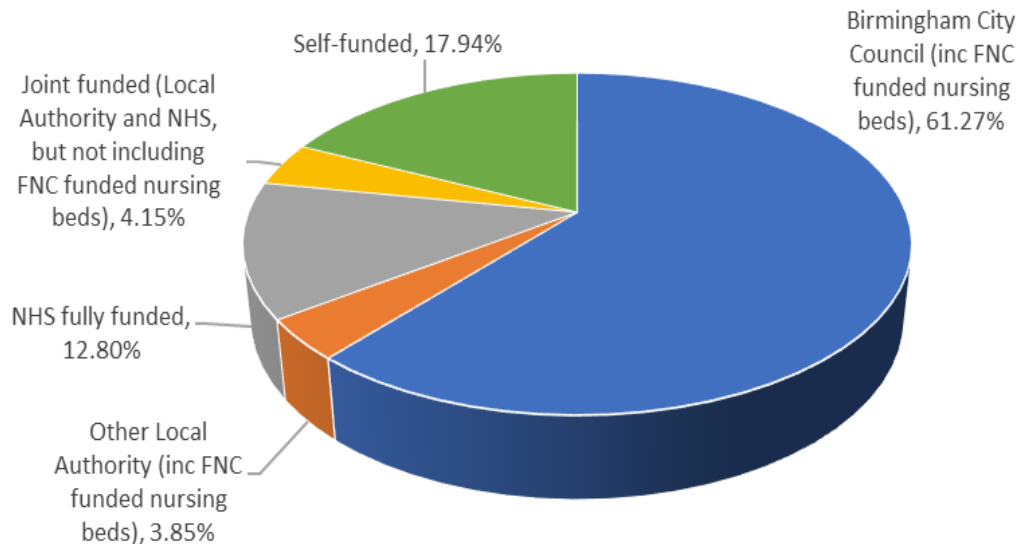
- Majority 65% beds purchased by Local Authorities
- Significant income derived from self-funder market – 18% of beds
- 17% beds NHS or Joint funded

Business Intentions – care homes

Intention	Next 1 year	Next 3 years	Next 5 years
Consolidate	84.87%	83.55%	82.89%
Exit the market	1.32%	1.32%	2.63%
Expand capacity	10.53%	9.87%	9.87%
Reduce capacity	0.00%	1.32%	0.66%
Not stated	3.29%	3.95%	3.95%

- Majority of homes seeking to consolidate business
- 10% seeking to expand capacity
- Small number of potential market exits flagged

Business Intentions for next 1 year

Expand capacity, 10.53%
Exit the market, 1.32%
Not stated, 3.29%
Consolidate, 84.87%

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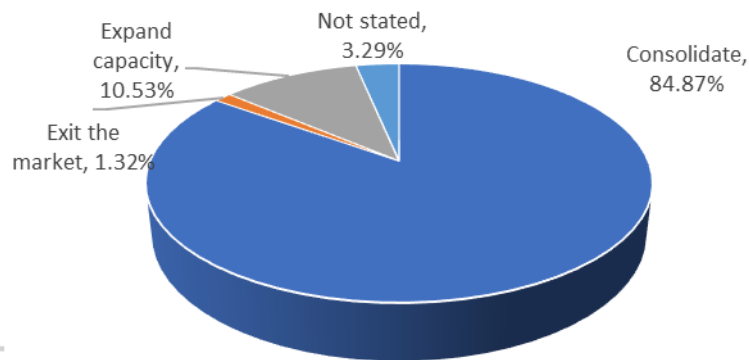
Pay rates (All care homes)

Staff Type	Minimum	Average	Maximum
Care Staff (daytime)	£10.70	£10.72	£10.75
Care Staff (night)	£10.80	£11.00	£11.04
Care Staff (overtime)	£10.78	£11.00	£11.20
Care Staff (weekend)	£10.75	£10.94	£11.02
Care Staff (bank holiday)	£13.01	£13.51	£15.45
Senior Care Staff (daytime)	£11.72	£11.72	£12.00
Senior Care Staff (night)	£11.72	£11.72	£12.22
Senior Care Staff (overtime)	£12.40	£12.52	£12.72
Senior Care Staff (weekend)	£11.85	£12.00	£12.22
Senior Care Staff (bank holiday)	£14.22	£14.36	£15.63
Cleaning Staff	£10.50	£10.50	£10.74
Catering Staff	£10.70	£11.42	£11.90
Maintenance Staff	£11.84	£12.00	£12.45
Admin Staff	£12.00	£12.16	£12.50

- Min and average pay is reported as above current National Living Wage (£10.42)

- Pay scales are narrow

- With the exception of cleaning staff, care workers are the lowest paid employees

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Employment contract status

Staff employment contract status

Total care staff employed	Care staff employed on full time contracts	Care staff employed on part time contracts	Average contracted hours per week for part time workers	Care staff employed on zero hours contracts
4976	2766	1760	22	450
-	55.5%	35.5%	-	9%

- 9% of care staff are employed on 'zero' hours contracts

- Majority of workers (55.5%) are employed on full time contracts

- Part time workers are contracted for 22 hours per week on average

Digital Care Costs – care homes
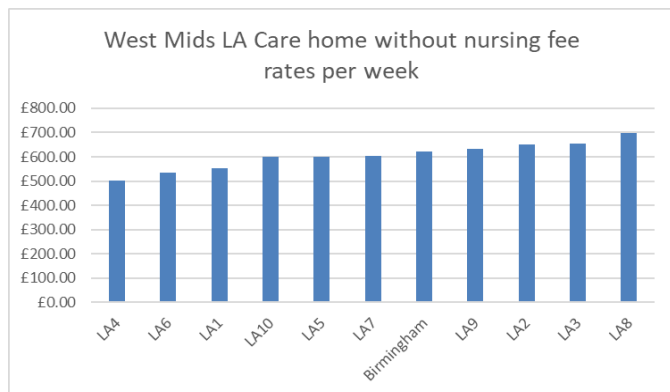
Digital Social Care Recording

	DSCR software licence?	DSCR equipment rental costs?	DSCR equipment purchase costs?
Median bed week cost	£2.77	£2.67	£3.76

Assistive Technology

|	Assistive Technology software licence?	Assistive technology equipment rental costs?	Assistive technology equipment purchase costs?
Median bed week cost	£2.33	£0.45	£2.06

- Digitization of care is likely to increase and gain pace rapidly. The emerging costs in this area will require greater understanding
- Based on data for received there appears to be significant overlap between provider's interpretation of Digital Social Care Recording and Assistive Technology, e.g. many of the systems identified as Assistive Tech purchases or rentals are in fact DSCR systems. This indicates that further work will be required to gain and accurate picture of Digital Care costs
- Equipment purchased and rented included phones, dongles, computers, tablets, handheld devices, as well as a range of assistive technology sensors

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West Midlands Local Authority Fee comparator data

West Mids LA Care home without nursing fee rates per week

West Mids LA Nursing home fee rates per week

Local Authority	Without nursing fee	Notes
LA4	£502.46	
LA6	£534.33	
LA1	£551.18	
LA10	£600.00	
LA5	£600.02	
LA7	£602.76	
Birmingham	£622.00	
LA9	£634.00	
LA2	£651.91	
LA3	£654.15	Average rate
LA8	£696.78	
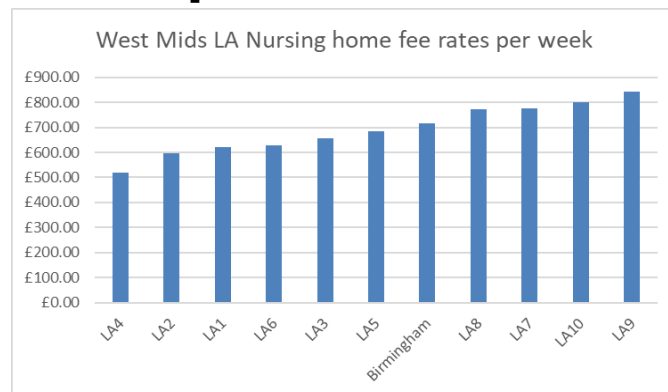
Local Authority	With nursing fee	Notes
LA4	£518.98	
LA2	£596.50	
LA1	£620.55	
LA6	£626.34	
LA3	£656.71	Average rate
LA5	£684.44	
Birmingham	£715.00	
LA8	£772.59	
LA7	£776.63	
LA10	£800.00	
LA9	£843.00	

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Section 5: Supported Living and Extra Care Insights
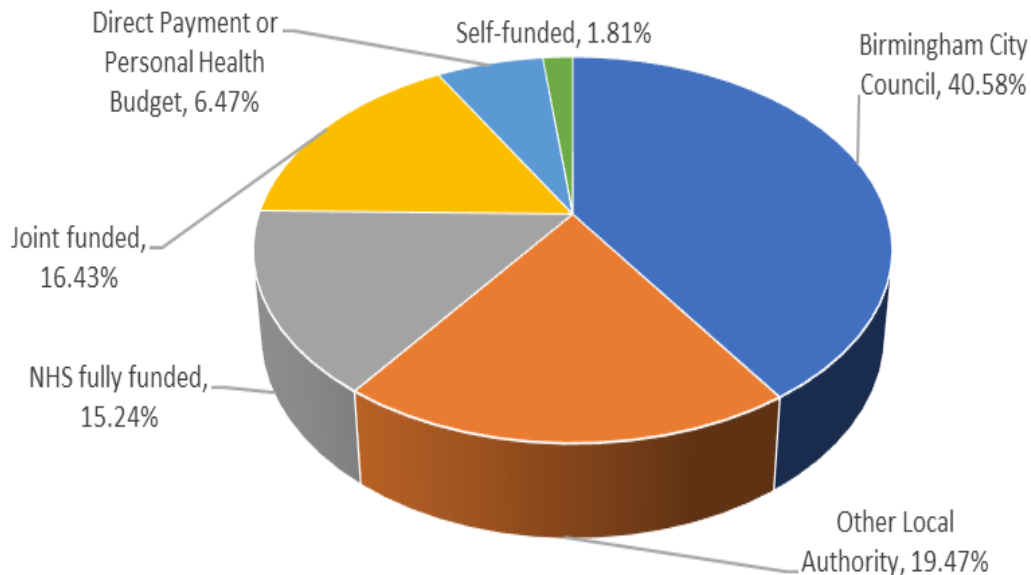
Funding Arrangements – Supported Living Extra Care

Proportion of hours by Funding Type: Mean Average across sector

Direct Payment or Personal Health Budget, 6.47%

Self-funded, 1.81%

Birmingham City Council, 40.58%

Joint funded, 16.43%

NHS fully funded, 15.24%

Other Local Authority, 19.47%

- Local Authorities purchase 60% of hours of support
- 32% of support hours are purchase by the NHS or are joint funded
- A small but significant number of support hours are purchased using a Direct Payment or Personal Health Budget

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BIRMINGHAM 2022 commonwealth games

PROUD HOST CITY

Birmingham City Council

Business Intentions and Capacity

Intention	Next 1 year	Next 3 years	Next 5 years
Consolidate	29	28	28
Exit the market	0	0	0
Expand capacity	26	25	24
Reduce capacity	1	1	1
Not stated	3	0	0
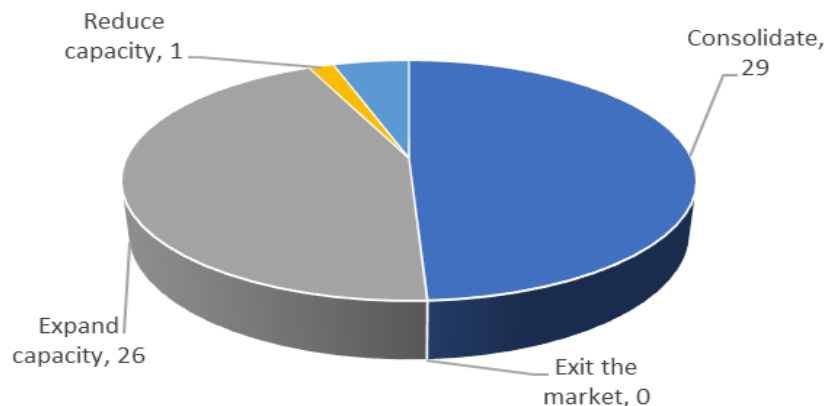
- There is a comparatively even split between those providers intending to consolidate and expand capacity
- 1 provider indicated an intention to reduce capacity
- Providers indicated that they had spare capacity of 285 beds with schemes. This will require further verification but indicates significant spare capacity

Business Intentions for next 1 year

Reduce capacity, 1

Consolidate, 29

Expand capacity, 26

Exit the market, 0

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Pay rates and employment status

Staff Type	Minimum	Average	Maximum
Care Staff (daytime)	£10.50	£10.70	£11.00
Care Staff (nightime)	£10.72	£10.92	£11.25
Care Staff (weekend)	£10.52	£10.73	£11.00
Care Staff (bank holiday)	£14.10	£15.00	£15.63
Care Staff (overtime)	£10.52	£10.75	£11.00

- Min and average pay rates are above the National Living Wage (£10.42)

	Total care staff employed	Care staff employed on full time contracts	Care staff employed on part time contracts	Average contracted hours per week for part time contractors	Care staff employed on zero hours contracts
Total	2313	1037	477	20	799
Percentage	-	45%	20.5%	-	34.5%

- 45% of care workers are employed full time
- 20.5% of care workers are employed part time and for 20 hours per week on average
- 34.5% of care workers are employed on zero hours contracts

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Digital Care Costs – Supported Living Extra Care

Digital Social Care Recording

	DSCR software licence?	DSCR equipment rental costs?	DSCR equipment purchase costs?
Median hourly cost	£0.38	£0.18	£0.27

Assistive Technology

	Assistive Technology software licence?	Assistive technology equipment rental costs?	Assistive technology equipment purchase costs?
Median hourly cost	£0.61	£2.54	£0.10

- Digitization of care is likely to increase and gain pace rapidly. The emerging costs in this area will require greater understanding
- Based on data for received there appears to be significant overlap between provider's interpretation of Digital Social Care Recording and Assistive Technology, e.g. many of the systems identified as Assistive Tech purchases or rentals are in fact DSCR systems. This indicates that further work will be required to gain and accurate picture of Digital Care costs
- A range of costs were submitted and the median costs per hour of care and support are set out in the table
- Equipment purchased and rented included phones, dongles, computers, tablets, handheld devices

Appendix A: Analytical methodology

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Home support: Analytical methodology

Data processing

Data was requested from contracted home support providers located in Birmingham and the West Midlands ADASS region.

The source data was extracted from the ARCC data collection tool for home care. Current year 2023/24 data was used. The following exclusions were performed:

- Out of the approved responses, zero responses were excluded.

Provider responses received and remaining after data exclusions

Type	Responses analysed
Home support	34

Approach to reviewing outliers

In order to evidence whether outliers impact on the outputs, Tukey's test **(1)** was employed. This approach excludes any values outside a lower limit of [Lower Quartile] – 1.5 *[Interquartile Range **(2)**] and outside an upper limit of [Upper Quality]+ 1.5 * [Interquartile Range **(2)**].

- The table on right displays the median total cost of care for both cases. This shows that excluding outliers makes a minimal difference to the final cost of care.
- Any outliers identified using the above methods were included in the analysis due to the minimal impact on the total cost of care. This also ensures that as large a sample size as possible is maintained for the analysis.

Total cost of care per hour for each type of care comparison of outliers

Type	Including outliers	Removing outliers	Variance
Home support	£21.83	£21.46	1.7%

1) Exploratory Data Analysis by John Tukey (1977)
2) Interquartile range is defined as:
   [Upper Quartile] – [Lower Quartile]
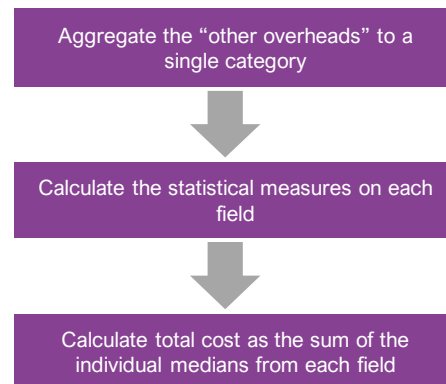
Home support: Analytical methodology

Other assumptions
- Any National Insurance ("NI") costs that have been entered as a negative number has been assumed to be £0.

Calculating the Cost of Care
The following methodology was used to calculate the Cost of Care. Each cost of care was calculated based on the type of care.

1. Aggregate the "other overheads" to a single category where providers have added further costs outside the fixed categories within the data collection templates.

2. For home support, the median profit % was reported to be 5%. This is higher than the recommended minimum of 4% by the Home Care Association (1). Therefore, the reported figures were utilised to calculate the final FCoC.

3. Calculate the statistical measures for each field across the approved providers. The statistical measures included the minimum, lower quartile, median, upper quartile and maximum. For home support providers where, travel time, mileage or staff training time has been entered as a zero value, these were excluded from the statistical measures as these were considered to be invalid.

4. Add up the medians of individual fields to estimate a Fair Cost of Care per hour (2).

Aggregate the "other overheads" to a single category

↓

Calculate the statistical measures on each field

↓

Calculate total cost as the sum of the individual medians from each field

(1) Source: Homecare Association Minimum Price for Homecare 2023-24 "*Minimum price for homecare at Voluntary Living Wage (2023-2024)*".

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Care homes, supported living and extra care: Analytical methodology

Data processing

Data was requested from contracted care home, supported living and extra care providers located in Birmingham and the West Midlands ADASS region.

The source data was extracted from 'Additional Data' collection forms developed by Birmingham City Council. Current year 2023/24 data was used. The following exclusions were performed:

- Out of the approved responses, zero responses were excluded.

Approach to reviewing outliers

No submitted data was excluded.

Calculations

The analysis aggregated data and calculated mean and median averages, and figures are clearly labelled in the report.

Provider responses received and remaining after data exclusions

Type	Responses analysed
Care homes	151
Supported Living	55
Extra Care	4

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