

Annex B: Overview of Camden approach

Residential and Nursing Care Provision

1	<p>The response rate of the exercise, as percentage of those invited (excl. providers for whom the exercise turned out not to be relevant) and how they engaged with the market</p> <p>100% of relevant care home providers submitted a COC return, providing 3 data sets for nursing provision and 6 for residential care. This included 2 dual registered homes. Camden services provided responses for “65+ care home places without nursing, enhanced needs” and “65+ care home places with nursing, enhanced needs” only, which reflects the complex nature of residents supported in the borough.</p> <p>Providers received regular guidance by email from Commissioners, outlining the purpose of the COC exercise, introducing the iESE tool which was used to gather data and signposting to additional resources. This included:</p> <ul style="list-style-type: none"> • 08-June: Pre-launch communications outlining the purpose of the COC exercise and step by step guide on how to sign up to the iESE tool • 16-June: Survey launch email, confirming the submission deadline, providing further user guides and useful contacts both internally and those independent of the Council • 24-June: Reminder about submission deadlines and responses to FAQs <p>Providers were signposted to a virtual session led by iESE on 21-June and an additional information and Q&A webinar was hosted for providers across North Central London on 08-July.</p> <p>Following the submission deadline, providers were given the opportunity to meet with Finance and Commissioning colleagues on a 1:1 basis to share feedback on the tool and review their data set in detail. 6 of 7 care homes took up this offer. The aim of these sessions was to highlight any issues specific to the organisation which may have impacted on 21-22 figures. A further briefing was held on 05-October for all providers, enabling Commissioners to share progress to date, outline next steps and discuss how best to engage them in the process going forward.</p>
2	<p>Justification of the proposed approach to return on capital and return on operations</p> <p>The iESE tool gave providers a range of options around how best to approach this, building in flexibility to account for gaps in the information that may have been available at the time of submission, for example a recent property valuation. Return on capital and return on operations for each provider was generated on the basis of the wide range of information inputted and responses to the following questions:</p> <ul style="list-style-type: none"> • Do you wish to provide your Return on Capital figure as a % of property valuation or as a per resident per week value for the care home? • Will Return on Operations be presented as a % markup on operating costs of total value for the home per annum? <p>The approach varied by submission therefore it was agreed that working with median figures across all areas of the return would be the best way to offset any significant outliers. As a result, Annex A demonstrates a 7.5% ROI for residential care and 9% for nursing.</p> <p>The overarching aim of this approach was to share the provider responses exactly as they were submitted, whilst mitigating the impact on the COC of:</p> <ul style="list-style-type: none"> • Limited Care Home market in-borough • High proportion of residential homes offering premium services for self-funders • Occupancy rates and reported closures during 21-22 as a result of Covid-19 • Agency usage disproportionately impacting block providers due to the inability to flex staffing levels according to void position • LLW arrangements introduced mid-year for some providers • Significant discrepancies in rates between block and spot contract homes • Apportionment of head office costs <p>The COC rates provide a key marker from which to begin market sustainability planning in collaboration with colleagues from across North Central London. Further consideration to the context in which Camden’s care home market is operating will be critical, most significantly the dramatic increase in cost pressures associated with the cost of living crisis which are not captured in 21-22 reporting and the 228 care home residents who currently reside out of borough.</p>

3 One table for each service type, with each showing the count of observations, lower quartile, median and upper quartile (where relevant) of all items in Annex A, Section 3

Lower and upper quartiles have been redacted for nursing care, due to the limited number of provider returns. This is to ensure that individual data sets are not identifiable.

Per resident per week	Nursing Care			Residential Care		
	3 observations			6 observations		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Nursing staff		266.26		0	0	0
Care staff		418.95		418.95	518.455	684.75
Therapy Staff (Occupational & Physio)		0		0	0	0
Activity Coordinators		16.61		3.53	16.61	41.42
Management (Registered Manager & Deputy)		40.09		38.14	57.975	91.26
Reception & Admin staff at the home		18.345		13.37	18.345	21.85
Chefs / Cooks		0		0	0	0
Domestic staff (cleaning, laundry & kitchen)		97.23		47.6	102.075	137.01
Maintenance & Gardening		7.395		5.56	8.65	16.82
Other care home staffing		0		118.97	157.735	196.5
Fixtures & Fittings		0		0	0	0
Repairs & Maintenance		31.51		31.51	66.63	90.52
Furniture, furnishings and equipment		3.94		2.48	6.8	16.23
Other care home premises costs		6.27		2.14	2.5	10.04
Food supplies		23.67		23.67	71.11	117.28
Domestic and cleaning supplies		13.47		1.98	14.135	18.1
Medical supplies excluding PPE		4.74		0.59	3.875	10.52
PPE		0		0	0	12.04
Office supplies (Home specific)		1.69		0.59	1.805	13.8
Insurance (all risks)		11.74		11.74	15.38	19.14
Registration fees		2.81		2.81	3.535	5.22
Telephone & Internet		1.27		1.27	3.1	20.5
Council tax / rates		0.56		0.45	1.115	1.39
Electricity, gas & water		44.43		34.41	43.885	56.68
Trade and clinical waste		4.3		3.58	4.66	6.28
Transport & Activities		1.69		1.69	4.215	15.78
Other care home supplies		2.44		2.19	6.845	32.31
Central / regional management		10.71		23.67	71.11	117.28
Support services (finance / HR / legal / marketing)		43.5		10.71	11.86	69
Recruitment, Training & Vetting (inc. DBS checks)		5.08		18.36	60.075	145.24
Other head office costs		0		5.08	20.375	26.91
Return on operations		4.595		0	59.78	285.64
Return on capital		102.59		0	41.5	129.45

4 The full table in Annex A, Section 3 with one column of median values for each care type

	65+ care home places without nursing, enhanced	65+ care home places with nursing, enhanced
Cost of care exercise results - £ per resident per week, MEDIANS		
Care Home Staffing		
Nursing Staff	n/a	£266.26
Care Staff	£518.46	£418.95
Therapy Staff (Occupational & Physio)	£0.00	£0.00
Activity Coordinators	£16.61	£16.61
Service Management (Registered Manager/Deputy)	£57.98	£40.09
Reception & Admin staff at the home	£18.35	£18.35
Chefs / Cooks	£0.00	£0.00
Domestic staff (cleaning, laundry & kitchen)	£102.08	£97.23
Maintenance & Gardening	£8.65	£7.40
Other care home staffing (please specify)	£157.74	£0.00
Care Home Premises		
Fixtures & fittings	£0.00	£0.00
Repairs and maintenance	£66.63	£31.51
Furniture, furnishings and equipment	£6.80	£3.94
Other care home premises costs (please specify)	£2.50	£6.27
Care Home Supplies and Services		
Food supplies	£71.11	£23.67
Domestic and cleaning supplies	£14.14	£13.47
Medical supplies (excluding PPE)	£3.88	£4.74
PPE	£0.00	£0.00
Office supplies (home specific)	£1.81	£1.69
Insurance (all risks)	£15.38	£11.74
Registration fees	£3.54	£2.81
Telephone & internet	£3.10	£1.27
Council tax / rates	£1.12	£0.56
Electricity, Gas & Water	£43.89	£44.43
Trade and clinical waste	£4.66	£4.30
Transport & Activities	£4.21	£1.69
Other care home supplies and services costs (please specify)	£6.85	£2.44
Head Office		
Central / Regional Management	£11.86	£10.71
Support Services (finance / HR / legal / marketing etc.)	£60.08	£43.50
Recruitment, Training & Vetting (incl. DBS checks)	£20.38	£5.08
Other head office costs (please specify)	£38.83	£0.00
Return on Operations	£59.78	£4.60
Return on Capital	£41.50	£102.59
TOTAL	£1,361.89	£1,185.90

Supporting information on important cost drivers used in the calculations:	65+ care home places without nursing	65+ care home places with nursing
Number of location level survey responses received	6	3
Number of locations eligible to fill in the survey	6	3
Number of residents covered by the responses	195	98
Number of carer hours per resident per week	33	27
Number of nursing hours per resident per week	n/a	9
Average carer basic pay per hour	£11.96	£11.71
Average nurse basic pay per hour	n/a	£20.12
Average occupancy as a percentage of active beds	93%	100%
Freehold valuation per bed	£142,078.81	£0.00

No adjustments have been made to provider returns in this report to account for differentials across the market. The reported medians are not considered to accurately reflect Camden's relationship with the in-borough care home market at this time.

It is noted that the median COC for residential care provision is higher than the median for nursing provision, this is due to the prevalence of self-funders across residential care services. In comparison, Camden currently has block arrangements in place for 59% of all in-borough nursing provision:

	Funding arrangements (21-22)	Cost of Care (21-22)
Residential	Between 0% and 89% self-funders reported	£999.73 difference between highest and lowest reported rate
Nursing	Between 0% and 10% self-funders reported	£24.61 difference between highest and lowest reported rate

As a result, Camden's market sustainability planning will consider:

- Diversity in care home provision, including size and nature of each service
- Identified anomalies in 21-22 data, including unusual agency usage and voids relating to Covid-19
- Development of the spot market across and beyond North Central London

5 Clear statement of when the results were collected (the base price year) and how they will be uplifted in future for inflation. Local authorities may wish to assign a relevant inflation index to each costing line, such as the consumer price index [footnote 1](#), average earnings, the [National Living Wage](#) and so on

The initial deadline for submissions was 01-July-22 and the final submission was received on 18-August. All providers completed returns based on the 21-22 financial year, although it is recognised that some providers were disproportionately impacted by the pandemic at this time. The COC figures generated on the iESE system are set at April-22 and do not account for significant rates of inflation reported by providers since this date.

The 5 North Central London boroughs are committed to a joint approach to annual inflationary uplifts in order to continue building a fair and sustainable local market. In previous years Care Analytics have been commissioned to analyse existing provision and recommend "minimal sustainable price" brackets for residential and nursing care provision. Providers have been offered a blanket cash uplift according to the identified bandings or the

opportunity to submit a workbook demonstrating any cost pressures specific to their organisation which would justify the need for a further increase.

Planning for a collaborative approach to inflationary uplifts for 23-24 is underway. This will be built on learning from the COC exercise across all 5 boroughs, robust data sets held by Care Analytics from their work across North Central London and market sustainability plans at a borough level.

6 | Full description of the questions asked/template used as part of the exercise

Data was collected using the iESE tool at [FCOC \(carecubed.org\)](https://carecubed.org) . It was agreed that consistency in this approach across North Central London would simplify the process of data sharing in support of future market development. The independent expert support and resources for providers from iESE was an additional benefit in ensuring high quality data returns.