

Engagement Feedback



Provider Contributions

- 9 survey respondents; 3 providers completed cost information; 3 attended 1-1s & 1 clinic session taken up
- Workshop attended by 16 providers
- Presentations at Dorset Care Forum Registered Managers' Meeting
- Interviews with 11 LAs to obtain benchmarking info
- Initial information request from November 2021, extended to allow for full engagement, extending conclusion of exercise to February 2022

Other Contributions

- Dorset Council Commissioners & Locality Managers
- Dorset Homecare Forum

Locality Managers

- Relationships are good between providers and practitioners despite difficulties in market re. recruitment and retention of staff in order to keep packages
- Aware that staff availability is a limiting factor for the market at present, outside of LA rate increases there is no guarantee providers can get the staff
- Ambition to maintain and continuously improve our strengths-based commissioning
- Pilots underway for Trusted Assessor & will continue to develop partnership working in this area

Homecare Forum (BCP/DC Provider-led forum)

- Joint forum led by BCP – low representation in the forum
- Is it an active/passive forum? Is there benefit in engaging?
- Dorset Council do not currently input – would this benefit? Is it needed?

- Cost modelling based on current obtained cost data and volume data from Dorset
- Benchmarking with other LAs based on Dorset current rate
- Modelling of rural / zones linked to DCF2
- Presented a number of different cost models based on varying pay rates and including cost uplifts for 2022/23
- Assessed budget impact and feasibility
- Discussed future commissioning intentions linked to DCF2

Benchmarking

Benchmarking – summary w/statistical neighbours



#	LA (Region)	Homecare 2021/22 visit duration	% increase from FY21 to FY22	FY22 rate	FY22 equivalent hourly rate
1	SE 1	15 min	n/a	£8.98	£35.92
2	SE 3	Limited purchase	n/a	£28.84	£28.84
3	SW 5	30 mins	2.00%	£13.40	£26.80
4	SW 4	30 min	1.50%	£13.28	£26.56
5	SW 3	1 hour rural	3.61%	£26.30	£26.30
6	SE 1	30 min	n/a	£12.52	£25.04
7	SW 6	Rural hourly	1.70%	£24.72	£24.72
8	Dorset	30 mins	1.89%	£11.78	£23.56
9	SE 2	Tier 2 Average	n/a	£22.48	£22.48
10	SW 7	30 mins	2.00%	£11.20	£22.40
11	SW 6	Standard hourly	1.70%	£22.28	£22.28
12	SW 5	1 hour	2.00%	£22.23	£22.23
13	SE 3	Rural	n/a	£21.88	£21.88
14	SE 2	Tier 1 Maximum	n/a	£21.62	£21.62
15	SE 1	45 min	n/a	£16.03	£21.37
16	SW 1	30 mins	1.89%	£10.59	£21.18
17	SW 3	1 hour Urban 2	3.61%	£21.15	£21.15
18	SW 4	1 hour	1.50%	£20.89	£20.89
19	SW 3	1 hour Urban 1	3.61%	£20.63	£20.63

#	LA (Region)	Homecare 2021/22 visit duration	% increase from FY21 to FY22	FY22 rate	FY22 equivalent hourly rate
20	SE 3	Semi-rural	n/a	£20.56	£20.56
21	SW 8	1 hour	3.20%	£20.32	£20.32
22	SW 8	30 mins	3.20%	£10.16	£20.32
23	SE 1	60 min	n/a	£19.53	£19.53
24	SE 3	Urban	n/a	£19.24	£19.24
25	Dorset	1 hour	1.89%	£18.73	£18.73
26	Dorset	45 mins	1.89%	£14.04	£18.72
27	SW 7	1 hour	2.00%	£18.40	£18.40
28	SW 2	1 hour	2.07%	£18.00	£18.00
29	SW 2	30 mins	2.07%	£9.00	£18.00
30	SE 2	Tier 1 Minimum	n/a	£16.32	£16.32
31	SW 1	45 mins	1.89%	£12.17	£16.23
32	SW 1	1 hour	1.89%	£15.54	£15.54

We compared against 11 LAs across the SW and SE who were able to provide their current rates across a range of different visit types – these included variations by visit length, framework tier and rurality.

Benchmarking showed us that whilst our existing framework rate for 30 mins was competitive, our 45-min and 1-hour rates were less so, although we found at least 3 LAs who had lower rates than ours currently.

Cost of Care Scenarios



Overview of considered scenarios



Model #1	<u>Base Model</u> (National Living Wage)
Model #2a	£9.90 Real Living Wage (RLW) (Standard)
Model #2b	£9.90 RLW (Rural)
Model #3a	£10.50 p/hr base rate (Standard)
Model #3b	£10.50 p/hr base rate (Rural)

Model #1 is an aggregated snapshot of provider submitted costs sampled during the exercise. This has been uplifted to match at least 2022/23 NLW and CPI/NI at 6.6% for non-pay costs.

Models #2 and #3 use variables such as the base pay rate to model uplifts in care costs for consideration by Dorset Council.

We have created several costed scenarios which build in the following assumptions:

- The cost per hour outputs are presented as x1 hour of commissioned care delivered by x1 care worker (double-ups would require 2x hourly units of pay)
- The branch model is a small-medium provider (48,413 hours p/annum; 913 hrs per week)
- Care visit duration profile: 30-min = 66%; 45-min = 18%; 60-min = 16%
- Average visit duration = 35 mins
- Travel time & mileage is the same per visit and applied regardless of visit length;
- We assume as the above that average visit times c.30-min; 45-min and 60-min visits will be delivered in a proportion or split % of the total
- PPE is applied to all every visit at 1x face mask, 1x gloves, 1x apron per visit
- Profit mark-up is set at 5%

- Hourly rates for travel time, sickness, holiday etc. are paid equivalent to the F2F hourly rate (i.e. these do not revert to NMW where the staff is not on NMW)
- Double-up calls assume staff travel separately
- All income incurs a staff pay cost for the same amount of time (i.e. 1 billed hour = 1 paid hour to care staff)

What is not included in model?

- Costs that are non-recoverable such as:
 - a. additional activities not reported by workers & not paid for or costed
 - b. additional activities paid to workers but not charged for (i.e. waiting A&E)
 - c. abortive costs i.e. assessments where package not commenced

These scenarios would naturally be recognised on a case-by-case basis with commissioner & in line with the contract terms (for example hold package costs)

- Travel time is included as an average time per visit (in line with Dorset sampling calculations) adjusted to become travel time per costed hour:
 - Standard = 5 mins/visit becomes $5 \times (60 / \text{avg. visit time of 35 mins}) = 8.6$ mins per hour
 - Rural = 10 mins/visit becomes $10 \times (60 / \text{avg. rural visit time of 35 mins}) = 17.1$ mins per hour
- Travel time & mileage expenses include from home to the first visit; but not back home from last
- Travel time & mileage are applied per staff member; including those on double-ups, regardless of whether staff travel together or not
- Mileage paid at an average of £0.45 per mile

- Short notice pay enhancements are added at £1 per hour to the base rate for 5% of all calls (i.e. for NMW 5% of calls are paid at £10.50; for RLW at £10.90)
- Bank Holidays have a 25% enhancement applied to the base rate (depending on level of staff)
- Team Leaders deliver 10% of all hours at an enhanced rate of £10.70 (enhancements above applied on top)
- All hours (including non-contact hours) are paid at the same rate as F2F hours – e.g. for RLW scenarios; sick pay; holiday; training; maternity/paternity etc. are all paid at a blended rate reflective of the rates across all staff (i.e. £9.90 p/h – blended rate)
- Assumes 100% of staff on 3% pension

- The scenario models have been presented using estimated (2022-23) costs for pay and non-pay
- Whilst future year cost impacts are not yet known, we have considered the following for 2022-23 fee uplifts:

For pay costs:

- Employer's NI increases from 13.8% to 15.05% in line with legislation

For non-pay costs:

- Inflation has been uplifted by 6.6%

Model #1 Base (NMW)



Hourly Breakdown	Model #1 (NLW)		
	Cost £	%	
Contact Hours / annum	48,413		
Direct Care	£9.60	46.3%	52.9%
Travel Time	£1.38	6.6%	
Mileage	£1.55	7.5%	7.5%
PPE *	£0.38	1.8%	1.8%
Training (staff time)	£0.29	1.4%	15.5%
Holiday	£1.39	6.7%	
Additional non-contact pay	£0.00	0.0%	
Sickness/Maternity & Paternity Pa	£0.33	1.6%	
Notice/Suspension Pay	£0.00	0.0%	
NI (direct care hours)	£0.82	4.0%	
Pension (direct care hours)	£0.39	1.9%	
Back Office Staff	£2.22	10.7%	10.7%
IT	£0.22	1.0%	2.7%
Telephony	£0.33	1.6%	
Rent / Rates / Utilities	£0.35	1.7%	3.3%
Recruitment / DBS	£0.02	0.1%	
Training	£0.00	0.0%	
CQC Registration Fees(4)	£0.09	0.4%	
Stationery / Postage	£0.04	0.2%	
Insurance	£0.06	0.3%	
Legal / Professional Services	£0.13	0.6%	
Uniform / other consumables	£0.00	0.0%	
Central / Head Office Recharges	£0.15	0.7%	0.8%
Other Costs	£0.03	0.1%	
Profit Contribution	£0.99	4.8%	4.8%
Total Cost Per Hour	£20.75	100.0%	100.0%

We have created a representative scenario using the base provider data. The fee levels and proportion of costs submitted against each cost line resulted in a range (when comparing hours and revenue submitted by providers).

Our aim was to create an 'average' model using the costs submitted ensuring that the cost lines and average rate is between the providers' submitted hourly ranges.

The model is based on a provider delivering an average volume of 48,413 hours per annum; which is representative of hours delivered on average by the top 95% of providers in Dorset.

This resulted in an average hourly rate of £20.75.

Whilst we have called this a 'national living wage' model, it most accurately represents the current costs based on submitted provider data, and therefore can be considered the representative sample 'cost of care' for comparison.

Model #2 RLW and #3 £10.50 (Rural & Urban)



Hourly Breakdown	Model #2(a) RLW - standard			
	Cost £	%		
Contact Hours / annum	48,413			
Direct Care	£10.00	46.5%	53.2%	
Travel Time	£1.43	6.7%		
Mileage	£1.55	7.2%		
PPE *	£0.38	1.8%		
Training (staff time)	£0.31	1.4%	15.8%	
Holiday	£1.44	6.7%		
Additional non-contact pay	£0.00	0.0%		
Sickness/Maternity & Paternity Pa	£0.34	1.6%		
Notice/Suspension Pay	£0.00	0.0%		
NI (direct care hours)	£0.90	4.2%		
Pension (direct care hours)	£0.41	1.9%		
Back Office Staff	£2.30	10.7%		10.7%
IT	£0.22	1.0%		2.6%
Telephony	£0.33	1.5%		
Rent / Rates / Utilities	£0.35	1.6%	3.2%	
Recruitment / DBS	£0.02	0.1%		
Training	£0.00	0.0%		
CQC Registration Fees(4)	£0.09	0.4%		
Stationery / Postage	£0.04	0.2%		
Insurance	£0.06	0.3%		
Legal / Professional Services	£0.13	0.6%		
Uniform / other consumables	£0.00	0.0%		
Central / Head Office Recharges	£0.15	0.7%		0.8%
Other Costs	£0.03	0.1%		
Profit Contribution	£1.02	4.8%	4.8%	
Total Cost Per Hour	£21.51	100.0%	100.0%	

Hourly Breakdown	Model #2(b) RLW - Rural			
	Cost £	%		
Contact Hours / annum	48,413			
Direct Care	£10.00	39.7%	51.1%	
Travel Time	£2.87	11.4%		
Mileage	£3.10	12.3%		
PPE *	£0.38	1.5%		
Training (staff time)	£0.31	1.2%	15.6%	
Holiday	£1.62	6.4%		
Additional non-contact pay	£0.00	0.0%		
Sickness/Maternity & Paternity Pa	£0.38	1.5%		
Notice/Suspension Pay	£0.00	0.0%		
NI (direct care hours)	£1.15	4.6%		
Pension (direct care hours)	£0.46	1.8%		
Back Office Staff	£2.30	9.1%		9.1%
IT	£0.22	0.9%		2.2%
Telephony	£0.33	1.3%		
Rent / Rates / Utilities	£0.35	1.4%	2.7%	
Recruitment / DBS	£0.02	0.1%		
Training	£0.00	0.0%		
CQC Registration Fees(4)	£0.09	0.4%		
Stationery / Postage	£0.04	0.2%		
Insurance	£0.06	0.2%		
Legal / Professional Services	£0.13	0.5%		
Uniform / other consumables	£0.00	0.0%		
Central / Head Office Recharges	£0.15	0.6%		0.7%
Other Costs	£0.03	0.1%		
Profit Contribution	£1.20	4.8%	4.8%	
Total Cost Per Hour	£25.19	100.0%	100.0%	

Hourly Breakdown	Model #3(a) £10.50 standard			
	Cost £	%		
Contact Hours / annum	48,413			
Direct Care	£10.61	46.5%	53.1%	
Travel Time	£1.52	6.7%		
Mileage	£1.55	6.8%		
PPE *	£0.38	1.7%		
Training (staff time)	£0.33	1.4%	16.1%	
Holiday	£1.53	6.7%		
Additional non-contact pay	£0.00	0.0%		
Sickness/Maternity & Paternity Pa	£0.36	1.6%		
Notice/Suspension Pay	£0.00	0.0%		
NI (direct care hours)	£1.03	4.5%		
Pension (direct care hours)	£0.43	1.9%		
Back Office Staff	£2.32	10.2%		10.2%
IT	£0.22	1.0%		2.4%
Telephony	£0.33	1.5%		
Rent / Rates / Utilities	£0.35	1.5%	3.0%	
Recruitment / DBS	£0.02	0.1%		
Training	£0.00	0.0%		
CQC Registration Fees(4)	£0.09	0.4%		
Stationery / Postage	£0.04	0.2%		
Insurance	£0.06	0.3%		
Legal / Professional Services	£0.13	0.6%		
Uniform / other consumables	£0.00	0.0%		
Central / Head Office Recharges	£0.15	0.7%		2.0%
Other Costs	£0.30	1.3%		
Profit Contribution	£1.09	4.8%	4.8%	
Total Cost Per Hour	£22.83	100.0%	100.0%	

Hourly Breakdown	Model #3(b) £10.50 Rural			
	Cost £	%		
Contact Hours / annum	48,413			
Direct Care	£10.61	40.2%	51.8%	
Travel Time	£3.04	11.5%		
Mileage	£3.10	11.7%		
PPE *	£0.38	1.4%		
Training (staff time)	£0.33	1.2%	16.0%	
Holiday	£1.72	6.5%		
Additional non-contact pay	£0.00	0.0%		
Sickness/Maternity & Paternity Pa	£0.41	1.5%		
Notice/Suspension Pay	£0.00	0.0%		
NI (direct care hours)	£1.29	4.9%		
Pension (direct care hours)	£0.48	1.8%		
Back Office Staff	£2.34	8.9%		8.9%
IT	£0.22	0.8%		2.1%
Telephony	£0.33	1.3%		
Rent / Rates / Utilities	£0.35	1.3%	2.6%	
Recruitment / DBS	£0.02	0.1%		
Training	£0.00	0.0%		
CQC Registration Fees(4)	£0.09	0.3%		
Stationery / Postage	£0.04	0.2%		
Insurance	£0.06	0.2%		
Legal / Professional Services	£0.13	0.5%		
Uniform / other consumables	£0.00	0.0%		
Central / Head Office Recharges	£0.15	0.6%		0.7%
Other Costs	£0.03	0.1%		
Profit Contribution	£1.26	4.8%	4.8%	
Total Cost Per Hour	£26.36	100.0%	100.0%	

SENSITIVITY COMPARISON	1. NLW	2. RLW	3. £10.50
(a) Standard (5 min & 2 miles travel) [30 mins]	£10.70 (£21.40 p/hr)	£10.80 (£22.17 p/hr)	£11.76 (£23.51 p/hr)
(a) Standard (5 min & 2 miles travel) [1 hour]	£19.08	£19.81	£21.07
(b) Rural (10 min & 4 miles travel) [30 mins]	-	£13.23 (£26.45 p/hr)	£13.83 (£27.66 p/hr)
(b) Rural (10 min & 4 miles travel) [1 hour]	-	£21.94	£23.01

Rate variants have been created, based on the average mix of visits to ensure that we continue to recognise and pay the impact of travel costs on shorter visits, as Dorset do currently.

In addition, we have modelled a rural rate to be applied to customers in more rural areas.

This means that whilst the 'average' costs on the previous slide represent the model scenarios and are based on an average visit of 35 mins, the prospective fee rates for different types of visit length can be broken down here.

SENSITIVITY COMPARISON	1. NLW	2. RLW	3. £10.50
(a) Standard (5 min & 2 miles travel) [15 mins]	-	£6.72 (£26.91 p/hr)	£7.09 (£28.39 p/hr)
(a) Standard (5 min & 2 miles travel) [30 mins]	£10.70 (£21.40 p/hr)	£10.80 (£22.17 p/hr)	£11.76 (£23.51 p/hr)
(a) Standard (5 min & 2 miles travel) [45 mins]	-	£15.45 (£20.60 p/hr)	£16.42 (£21.89 p/hr)
(a) Standard (5 min & 2 miles travel) [1 hour]	£19.08	£19.81	£21.07
(b) Rural (10 min & 4 miles travel) [15 mins]	-	£8.86 (£35.45 p/hr)	£9.24 (£36.95 p/hr)
(b) Rural (10 min & 4 miles travel) [30 mins]	-	£13.23 (£26.45 p/hr)	£13.83 (£27.66 p/hr)
(b) Rural (10 min & 4 miles travel) [45 mins]	-	£17.58 (£23.44 p/hr)	£18.42 (£24.56 p/hr)
(b) Rural (10 min & 4 miles travel) [1 hour]	-	£21.94	£23.01

Summary Budget

Impact



- At Model 3, implementation would add £1.2m spend on current packages
- Market Sustainability Funding has provided Dorset with additional £1.2m for both home care and residential care
- Therefore 2022/23 allocation will cover only a proportion of this fee uplift
- Supported Living is not covered by the DHSC fund and therefore fee uplifts are separate and have to be covered by existing DC's budget
- Whilst this presents additional budgetary pressure to Dorset Council we are committed to creating a more sustainable market

Future Market Sustainability, Commissioning Models & Strategic Messaging

A large, white, curved swoosh graphic is positioned below the main text, starting from the right side of the word "Messaging" and extending towards the bottom right of the slide.

- Committed to improving the rates based on a more sustainable base pay model for carers to support recruitment and retention
- Committed to a standard and rural rate to improve sustainability across hard-to-reach areas
- Maintain and strengthen our position of keeping people at home for longer, which means ensuring we continue to use more community care than bed-based care – hours waiting remains on average 4,000 hrs/week
- Improve open dialogue & collaboration with the market to support workforce training, recruitment etc either via existing homecare forum or something different? Your feedback and views are needed to shape this.

- **Finalising the Home Care strategy**
 - Improving Reablement Offer
 - Strengths based care and support
 - Trusted Practitioners / Partner pilots
 - Implementation of rural rate & new zones
 - Different contracting models
- **Launching the new DCF2 – future contracting vehicle**