



Bracknell Forest Council

Annex B

Cost of Care report +18 Homecare

October 2022

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Executive Summary

The information presented regarding the Fair Cost of Care Exercise relates to a data collection process only. This information is not validated or verified, and it does not represent a reflection of market conditions in Bracknell Forest Council.

Bracknell Forest Council (BFC) conducted considerable engagement activity with the local marketplace to encourage as many providers as possible to engage with the Fair Cost of Care (FCoC) exercise. We took various approaches to engagement - the driving aim of engagement being to ensure we were able to reach as many providers as possible, to clearly explain the rationale and requirements of the exercise, and to set out clearly the support available for providers in undertaking and submitting a FCoC return.

All data was collected between June – July 2022 and therefore relates to the costs, or estimation of such costs, of the same period. BFC used the CHIP Domiciliary Care Cost of Care Tool (supported by ADASS and the LGA). This is an excel-based tool and was developed using knowledge from home care provider organisations and Council commissioners.

BFC had a 41.6% response rate (5 responses from 12 providers). Validated submissions were reviewed and assessed for tolerance within range. Following this process where necessary, as set out above, providers were then contacted to walk through the data submission and to work through anomalies and subsequently re-submit data. This completed the verification process and ensured a consistent approach to validation.

During the validation process, the decision was taken to exclude 1 submission due to the submission being a significant outlier in a number of cost lines in comparison with other submissions received. The provider was either unwilling or unable to adjust any of these costs. Therefore, the remaining 4 submissions were taken forward to analysis (80% of total submissions) representative of 33% of the market.

Bracknell Forest is the second smallest unitary local authority in England. As such, despite active engagement with the market, and a reasonable response rate, the sample size to undertake the FCoC exercise was very small. The overall quality of data used to undertake analysis was also an issue, with a significant variance across provider calculated hourly rates. Therefore, the results are not statistically significant and do not form a reliable basis to inform fee decisions.

18+ Domiciliary Care	
Number of responses	4
Lower quartile	£19.53 / hr
Median	£22.24 / hr
Upper quartile	£26.93 / hr

FCoC data based on validated submissions

The overall quality of the data, and our assessment that it is not possible to establish a FCoC as a result of the exercise conducted, is strongly supported by the

effectiveness of our current framework contract and our own internal data and intelligence that we collect and monitor on an ongoing basis.

BFC mobilised a new Homecare Framework contract (FW) in April 2022, with a total of 12 providers signing up to the T&Cs and new £19.40p hourly rate. Prior to the new FW, whilst there was a contract in place, this had not proved to be effective and the majority of care packages were sourced on a spot basis with multiple providers, and different rates (market lead rates set by the provider).

During the procurement phase of the project, undertaken in 2020-21, detailed benchmarking and market analysis was undertaken to establish the FW rate of 19.40/hr. It was felt that this rate was competitive, affordable to the Council and was deemed fair and sustainable for the market and represented a 3% lift on the average rate.

Following mobilisation of the new FW in April 2022 a proportion of FW providers feedback to commissioners that, since the 2020/21 procurement exercise the new £19.40/hr rate, was no longer sustainable due to emerging inflationary and cost of living pressures. Given the changes in market pressures over 2021 and into the early part of 2022 as well as changes in the ways of working in response to the pandemic and the growing cost of living crisis and increasing inflation, the fixed flat hourly rate was increased to £19.70/hr, equating to an additional 1.5% uplift.

This review was undertaken as part of our wider process to establish uplifts across the market to ensure ongoing sustainability of the market.

To ensure sustainability BFC is aware that we need to review what we pay for commissioned services on an annual basis and, where required, apply an inflationary uplift to support provider cost pressures. BFC has an established process in place to determine what we will offer providers as an annual inflationary uplift. A number of different factors are considered, including:

- Key market indicators, such as the current rate of inflation and increases in the CPI, broader cost of living indicators and the national minimum wage
- Benchmarking rates with surrounding authorities
- Working in partnership and collaboration with the market to gain a detailed understanding of cost pressures.

When determining what % inflationary uplift we can offer the market, BFC, as with all other Local Authorities, must consider its own budgetary pressures, and what is 'affordable' given the well-known budgetary constraints many Councils are currently experiencing.

However, there is recognition that continuing to apply annual inflationary uplifts to keep pace with provider cost pressures, which we will need to do, does and will continue to force BFC into a deficit budgetary position.

Ultimately, BFC is acutely aware that whilst we believe on balance, we are paying a FCoC 'as of today' based on the data and narrative we have presented in this report,

we will not be able to continue to do so without further increases in what we pay providers, given the current cost of living crisis and rate of inflation.

1. How the market was engaged

Bracknell Forest Council (BFC) conducted considerable engagement activity with the local marketplace to encourage as many providers as possible to engage with the Fair Cost of Care (FCoC) exercise. We took the decision to engage a subject matter expert to lead engagement with providers, data collection and subsequent validation of data. They were supported by a Data Analyst, working closely with the established Adults Commissioning team.

We took various approaches to engagement - the driving aim being to ensure we were able to reach as many providers as possible, to clearly explain the rational and requirements of the exercise, and to set out clearly the support available for providers in undertaking and submitting a FCoC return.

It was initially introduced to the wider market through our established BFC Homecare forums, which are regular monthly meetings facilitated by the Adults Commissioning Team to promote effective relationship management with local provides and an opportunity for two-way dialogue.

2 further, focused engagement sessions were undertaken with providers specifically to discuss the FCoC exercise. One of these sessions was delivered by the Head of Commissioning and subsequent session delivered by the subject matter expert.

BFC also worked collaboratively with our neighbouring East Berkshire Authorities - Slough Borough Council and the Royal Borough of Windsor & Maidenhead, both in terms of engagement with providers and in completion of the exercise, to ensure a consistent, collaborative regional approach. This was important due to the close ties between smaller unitary authorities locally and the sharing of provision across boundaries.

The East Berkshire Authorities collaboratively ran two further Homecare sessions explaining the exercise in detail and demonstrating the data collection tools we would require providers to use and to offer individual support to providers in completing the tools. In addition, BFC ran bespoke question and answer workshop sessions, specifically for BCF providers and reiterated the offer to providers of individual support in completing the exercise. A number of 1:1 support sessions were undertaken to support providers through the process.

Providers were initially given 3 weeks to complete the exercise following support sessions. However, following feedback from providers, this deadline was extended by a further 2 weeks. This gave providers a total of 5 weeks to complete and submit their returns.

The below table sets out the provider engagement activity we undertook prior to and during the data collection process.

Engagement type	Frequency
Meeting with all providers	1
Meeting with providers jointly with RBWH & Slough	2
Q&A sessions BFC specific session	1
Phone calls (to encourage participation in the exercise and to set out offer of 121 support)	All providers called 3 times minimum (36 calls overall)
1 to 1 provider sessions undertaken (available upon request)	3

Following analysis of the results, two subsequent forums were scheduled in 2023 to review the findings and to walk providers through the content and key messages of this report. The forums also continued to build on the previous engagement on the development of the Market Sustainability Plan and Cost of Care exercise. It is the intention of BFC to fully engage with the market in the completion of the Market Sustainability Plan, which needs to be finalised by the 27th March 2023. Transparent, partnership working with the market is intended to ensure a shared understanding of the current market pressures and budgetary constraints in reaching a position of sustainability. 82% of current service is delivered by 10 providers on our framework with the remaining 18% of service delivered by providers on spot arrangements. 7 of the Framework providers and 2 of the spot providers attended one or both of the forums representing a significant (70%+) proportion of the market. Providers were given the opportunity to discuss and review the data and key findings contained within this report.

2. Data Collection and validation

The data presented from the Fair Cost of Care Exercise is not validated or verified. The information does not represent a reflection of market conditions in Bracknell Forest Council and will not influence our approach to rate setting.

All data was collected between June – July 2022 and therefore relates to the costs, or estimation of such costs, of the same period. BFC used the CHIP Domiciliary Care Cost of Care Tool (supported by ADASS and the LGA). This is an excel-based tool and was developed using knowledge from home care provider organisations and Council commissioners.

The tool asks providers for costs regarding delivered hours, length of visits, travel time / mileage expenses, equipment costs, salary costs, non-contact related costs, direct staffing costs, NI and pension on-costs, overheads such as premises / office costs, back office pay costs and operating surplus. The Council only used the CHIP CoC Tools and did not ask further information of providers, nor use any other data collection template.

We took a consistent and robust approach to validation of each individual provider return received as set out below:

- Identify any incomplete/blank data fields in individual provider returns
- Develop Benchmarks- i.e. medians of cost lines from submission data
- Identified outliers, where costings were proportionally out from median data
- Identify line level anomalies driving outlier costings
- Contact providers directly to notify of queries to be reviewed
- Requested providers to review and resubmit
- Update submission tool with new data
- Review benchmarks data
- Repeat process- to identify determine and review any new outliers

BFC had a 41.6% response rate (5 responses from 12 providers). Validated submissions were reviewed and assessed for tolerance within range. Following this process providers were then contacted to walk through the data submission and to work through anomalies and subsequently re-submit data. This completed the verification process and ensured a consistent approach to validation.

During the validation process, the decision was taken to exclude 1 submission due to significant outlier data in a number of cost lines in comparison with the other submissions received. The provider was either unwilling or unable to adjust any of these costs. Therefore, the remaining 4 submissions were taken forward to analysis (80% of total submissions) representative of 33% of the market.

Providers whose data could not be validated, and those who had failed to submit any data were contacted at least 3 times via phone with an offer of support in completing the exercise. This included the offer of 1:1 support to complete the template. However, despite the support offered, providers were either unable or unwilling to submit completed responses.

3. Data Analysis

The data presented from the Fair Cost of Care Exercise is not validated or verified. The information does not represent a reflection of market conditions in Bracknell Forest Council and will not influence our approach to rate setting.

Bracknell Forest is the second smallest unitary local authority in England. As such, despite active engagement with the market, and a reasonable response rate, the sample size to undertake the FCoC exercise is very small. The overall quality of data used to undertake analysis was also an issue, with a significant variance across provider calculated hourly rates. Therefore, the results are not statistically significant and do not form a reliable basis to inform fee decisions.

Providers submitted surplus/profit as part of the total cost per hour, assumed as ROO. The range submitted by providers was between 3% to 9%, with the average of 5% and a median of 4%. One provider submitted a 'zero' figure for surplus/profit (zero value was discounted in the calculation to determine the median). However, this provider who, determined their hourly rate to be £18.55 is a contracted framework provider, and as such would receive a standard hourly rate from BFC of £19.70, equating to a surplus/profit of £1.15 PH, equating to a ROO of 6%.

Given the statistical relevance of the sample size, it was concluded that there was little value in applying any further, more complex analysis, to this element of the returns. All other data submitted by the remaining 4 providers was taken at face value.

The following data sets out what we have been required to submit within Annex A of the return and is included here, as per the DHSC guidance.

18+ Domiciliary Care	
Number of responses	4
Lower quartile	£19.53 / hr
Median	£22.24 / hr
Upper quartile	£26.93 / hr

Output	Bracknell Forest		
	Lower Range	Median	Upper Range
Direct Care	£11.06	£11.77	£12.49
Travel Time	£0.83	£1.68	£2.29
Mileage	£0.54	£0.79	£1.09
PPE	£0.30	£0.38	£0.39
Training (staff time)	£0.07	£0.18	£0.30
Holiday	£1.39	£1.60	£2.09
Additional Non-Contact Pay Costs	£0.00	£0.00	£0.05
Sickness/Maternity & Paternity Pay	£0.13	£0.19	£0.23
Notice/Suspension Pay	£0.00	£0.00	£0.00
NI (direct care hours)	£0.94	£1.12	£1.28
Pension (direct care hours)	£0.38	£0.47	£0.52
Back Office Staff	£1.95	£2.15	£3.14
Travel Costs (parking/vehicle lease etc.)	£0.00	£0.00	£0.03
Rent / Rates / Utilities	£0.17	£0.40	£0.66
Recruitment / DBS	£0.06	£0.08	£0.22
Training (3rd party)	£0.00	£0.03	£0.06
IT (Hardware, Software CRM, ECM)	£0.06	£0.08	£0.09
Telephony	£0.03	£0.06	£0.08
Stationery / Postage	£0.01	£0.01	£0.05
Insurance	£0.01	£0.04	£0.11
Legal / Finance / Professional Fees	£0.05	£0.09	£0.13
Marketing	£0.03	£0.05	£0.11
Audit & Compliance	£0.00	£0.01	£0.03
Uniforms & Other Consumables	£0.02	£0.02	£0.03
Assistive Technology	£0.00	£0.00	£0.02
Central / Head Office Recharges	£0.00	£0.00	£0.00
Overhead #1 Example	£0.00	£0.01	£0.02
CQC Registration Fees(4)	£0.06	£0.09	£0.10
Surplus / Profit Contribution	£0.65	£0.94	£1.20

Cost of care exercise results - all cells should be £ per contact hour, MEDIANS.	18+ domiciliary care
Total Careworker Costs	£18.18
Direct care	£11.77
Travel time	£1.68
Mileage	£0.79
PPE	£0.38
Training (staff time)	£0.18
Holiday	£1.60
Additional noncontact pay costs	£0.00
Sickness/maternity and paternity pay	£0.19
Notice/suspension pay	£0.00
NI (direct care hours)	£1.12
Pension (direct care hours)	£0.47
Total Business Costs	£3.12
Back office staff	£2.15
Travel costs (parking/vehicle lease et cetera)	£0.00
Rent/rates/utilities	£0.40
Recruitment/DBS	£0.08
Training (third party)	£0.03
IT (hardware, software CRM, ECM)	£0.08
Telephony	£0.06
Stationery/postage	£0.01
Insurance	£0.04
Legal/finance/professional fees	£0.09
Marketing	£0.05
Audit and compliance	£0.01
Uniforms and other consumables	£0.02
Assistive technology	£0.00
Central/head office recharges	£0.00
Other overheads	£0.01
CQC fees	£0.09
Total Return on Operations	£0.94
TOTAL	£22.24
Supporting information on important cost drivers used in the calculations:	18+ domiciliary care
Number of location level survey responses received	4
Number of locations eligible to fill in the survey (excluding those found to	12
Carer basic pay per hour	£10.63
Minutes of travel per contact hour	6
Mileage payment per mile	£0.38
Total direct care hours per annum	55176

Lower and upper quartiles and median number of appointments per week by visit length (15/30/45/60 minutes)

Cost of Care Data - Number of Appointments Per Week			
	Lower Quartile	Median	Upper Quartile
15 minutes	N/A	N/A	N/A
30 minutes	261.5	469.5	607
45 minutes	N/A	N/A	N/A
60 minutes	49	140	618.5

N/A = insufficient data to calculate

Lower and upper quartiles and median costs for 15/30/45/60 minute visits

Cost per visit for Different Visit Lengths			
	Lower Quartile	Median	Upper Quartile
15 minutes	£25.98	£32.96	£40
30 minutes	£23.10	£28.44	£31.12
45 minutes	£22.14	£26.14	£28.15
60 minutes	£21.49	£24.99	£26.88

Our assessment that it is not possible to establish a FCoC as a result of the exercise conducted is strongly supported by the effectiveness of our current framework contract and our own internal data and intelligence that we collect and monitor on an ongoing basis.

BFC mobilised a new Homecare Framework contract (FW) in April 2022, with a total of 12 providers signing up to the T&Cs and new £19.40p hourly rate. Prior to the new FW, whilst there was a contract in place, this had not proved to be effective and the majority of care packages were sourced on a spot basis, with multiple providers, and multiple different rates (market lead rates set by the provider).

During the procurement phase of the project, undertaken in 2020-21, detailed benchmarking and market analysis was undertaken to establish a FW rate that was competitive, affordable to the Council and deemed a fair and sustainable rate for the market. Analysis at that time suggested a flat fixed rate of £19.40/hr. This rate was offered to the market on the basis that a proportionate call would be charged at the proportional rate – for example a 30minute call would be invoiced at 50% of the hourly rate (£9.70 etc). The rate attracted significant interest from the market and 12 providers were awarded a contract as a result of the full procurement process undertaken.

The majority of providers to join the new FW were providers BFC had existing services with, along with a small number of new market entrants. With the exception of two providers, the new FW rate constituted a significant increase in the hourly rate paid to providers. Existing packages of these providers were novated to the new FW together with all newly commissioned packages

The overwhelming majority of new packages of care are now sourced through the FW which delivers 82% of homecare provision in the Borough. This will increase over time as any remaining spot packages cease. The remaining 18% of service is secured through spot arrangements, the majority of which is delivered at or below the framework rate. A small proportion includes a time limited Discharge to Assess services and long-term enhanced services to meet complex needs. These services are delivered under an enhanced rate.

Given the changes in market pressures over 2021 and into the early part of 2022 as well as changes in the ways of working in response to the pandemic and the growing cost of living crisis and increasing inflation, the fixed flat hourly rate was increased to £19.70/hr. This review was undertaken as part of our wider process to establish uplifts across the market to ensure ongoing sustainability.

To ensure sustainability BFC is aware of the need to review what we pay for commissioned services on an annual basis, and where required, apply an inflationary uplift to support provider cost pressures. BFC has an established process in place to determine what we will offer providers as an annual inflationary uplift. A number of different factors are considered, including:

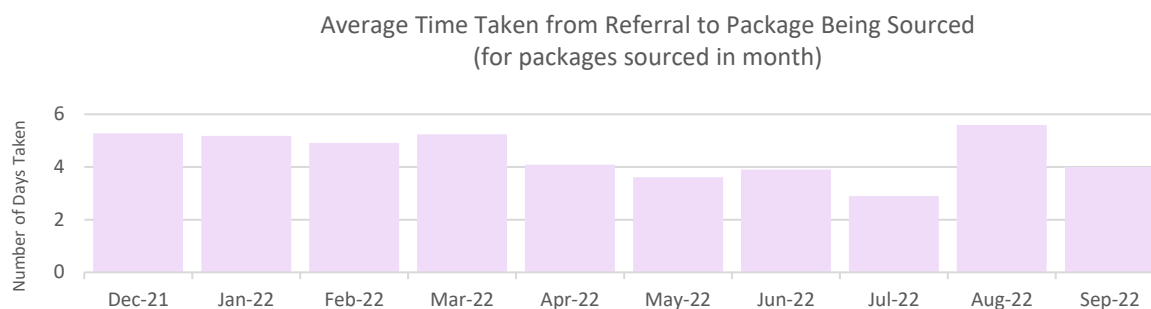
- Key market indicators, such as the current rate of inflation and increases in the Consumer Price Index, broader cost of living indicators and the national minimum wage,
- Benchmarking rates with surrounding authorities
- Working in partnership and collaboration with the market to gain a detailed understanding of cost pressures.

When determining what % inflationary uplift we can offer the market, BFC, as with all other Local Authorities, must consider its own budgetary pressures, and what is 'affordable' given the well-known budgetary constraints many Councils are currently experiencing.

However, there is recognition that continuing to apply annual inflationary uplifts to keep pace with provider cost pressures, will continue to force BFC into a deficit budgetary position.

After the new, uplifted rate of £19.70/hr was applied, all providers were afforded the opportunity to 'appeal' the new rate, and request a further uplift to the rate, through submitting a business case for consideration and working with the authority on an open book basis. No providers took the opportunity to submit a business case for consideration, and therefore were accepting of the new rate as sustainable.

Following the mobilisation of the new FW in April 2022, our ability to make placements in a timely and effective manner has improved, as our access to capacity in the market has increased. The number of days, on average it takes BFC to source a placement since the new FW has reduced from 5 days, to 4 days (20%). August presents an anomaly in the data, as the sector often struggles with capacity at this time due to the long School holidays.



BFC - Care to Place Data

4. Cost Pressures and Sustainability

Bracknell Forest maintains close communication with the market and endeavours to work in partnership, being responsive to concerns and offering support with training and continuous improvement. This is achieved through a close working relationship with our Access to Resource team (commonly referred to as brokerage), Assessment and Care management, Safeguarding and Commissioning teams.

Providers benefit from regular forums and contract management which aim to support ongoing development and improvement. Good communication with providers ensures operational, practice and financial concerns can be raised in a supportive environment and resolved collaboratively.

Based on the range of factors discussed the Council believes that the existing hourly rate paid is sufficient to sustain the market currently and on balance reflects a FCoC. These factors include partnership working with providers, evidence of capacity in the market, placing data and analysis of current rate paid by BFC and the nature of contractual arrangements.

However, during 2021/22 providers were supported through the distribution of additional funds made available to address the Covid pandemic and recruitment challenges. This included the Infection Control Grant and Omicron Grant, as well as the Workforce Recruitment and Retention Grant. It is recognised that services have been supported by these grants and the absence of such grants moving forwards may place additional pressures on sustainability. These shortfalls in funding need to be addressed in different ways.

The Council will need significant additional resources to continue to pay at the current rates and to support an already deficit budget as well as ensuring annual uplifts keep pace with the unprecedented pressures relating to cost of living and inflation. For example, the Council makes reference to the Consumer Price Index in setting annual uplifts for 23/24, which will place substantial strain on Council funding sustainability. Ultimately, BFC is acutely aware that, whilst we believe on balance, we are paying a FCoC 'as of today' based on the data and narrative we have presented in this report, we will not be able to continue to do so without further increases in what we pay providers given the current cost of living crisis and rate of inflation.

5. Reflections on the exercise

What went well?

- Partnership working and collaboration with Slough Borough Council and the Royal Borough of Windsor and Maidenhead. This was invaluable both in terms of peer support and in providing reassurance regarding our approach to the exercise and consistency.
- Engagement and support offered to providers to complete the exercise. Where support was provided this was received positively and resulted in more viable returns, than if we had not taken this approach.
- The quality of the data BFC routinely collects and analyses. This was critical in being able to undertake the exercise and reach an informed view on what constitutes a FCoC for Bracknell, given the statistical relevance of what we were able to collect as part of the FCoC exercise.
- Ongoing engagement with providers including the opportunity to present the FCoC findings and calculations put forward in this report for additional comment and scrutiny by the market.

What didn't go so well?

- Being unable to collect a large enough number of returns with enough statistical significance to be able to establish a FCoC, through the exercise.
- The process was challenging to undertake, and guidance was not always clear on the best approach to take, creating uncertainty around the approach we were following. We had to constantly reflect on this, which was time and resource intensive.
- Guidance and related templates were amended and changed during the process a number of times, which was unhelpful.
- The tools developed to undertake the exercise, on reflection, felt overly complicated, and may have been a deterrent to providers to complete, even with support.