

Consultation about Fee rates for 2016/17 for Domiciliary /Home Care

30th December 2015

Standard Domiciliary care

This paper sets out the proposed methodology the Council intends to use to set the fee rates for home care commissioned from April 2016. The Council would request that any feedback to the proposal is received no later **than Friday 15th January 2016**, so that it can make final recommendations to the Council's Cabinet in time for the new financial year in April 2016.

Feedback should be provided to Leighann Woodhouse, Senior Service Quality & Brokerage Officer, leighann.woodhouse@derby.gov.uk or by telephone – 01332 642942.

Proposed fees

The Council proposes to publish fees on the basis of an hourly rate, however given the introduction of a new outcome based Framework for domiciliary care, our intention is to give customers a weekly Personal Budget that would be available to meet their needs. Although there has been a delay in commencing the new contractual arrangements, we are still committed to awarding all packages of care on that basis for providers working our new terms and conditions.

The Council proposes to inflate the cost model that it has used in previous years with increases based on the following principles:

For staffing, agency and recruitment costs, the Council proposes to inflate all wage related costs to reflect the increase in the National Minimum Living Wage from April 2016 for employees over the age of 25. A composite inflationary figure is proposed of 5.9% which is based on the new hourly rate affecting 75% of the workforce (taking into account those already above minimum wage and those under 25).

During the calendar year of 2015, inflation has been extremely low, and in some months, ONS data has indicated negative inflation rates. Although inflation remains low, the Council proposes to apply a 1.5% inflationary uplift to the other general headings within the model, including utilities.

This provides a proposed fee uplift of **5%** on the current hourly rates, detailed in the table overleaf.

Appendix 3

Domiciliary Care Fee Model

	<u>% of Total</u> <u>Hourly Unit</u> <u>Cost</u>	<u>Suggested</u> <u>Rate</u>	
<u>Direct Costs</u>	-	-	-
<u>Staffing Costs</u>	-	-	-
Care Worker Pay	49.6%	5.9%	2.9%
Care Worker On Costs e.g. Employer's NI, holiday pay & pension	12.1%	5.9%	0.7%
Mileage	15.7%	5.9%	0.9%
Total Staffing Costs (Weighted Average)	77.3%		
<u>Non-Staffing Costs</u>			
Branch Salaries	7.5%	2.0%	0.1%
Recruitment & Advertising	0.6%	5.9%	0.0%
Vetting checks	0.4%	5.9%	0.0%
Training	1.8%	5.9%	0.1%
Uniforms & Disposables	1.2%	1.5%	0.0%
Call monitoring	0.0%	1.5%	0.0%
Total Non-Staffing Costs	11.6%		
Total Direct Costs	88.9%		
<u>Indirect Costs</u>			
Office Costs	3.4%	1.5%	0.1%
Regional Management	0.8%	2.0%	0.0%
Head Office contribution	4.5%	1.5%	0.1%
Profit	2.4%		
Total Indirect Costs	11.1%		
		Proposed rate:	
<u>Total Hourly Unit Price (Weighted Average)</u>	100.0%		5.0%

**Staffing costs inflation*

75% 7.20%

25% 2.00%

composite 5.90%