



DERBY CITY COUNCIL

ADULT SERVICES AND HEALTH COMMISSION

19 January 2009

Report of the Chair of Adult Services and Health Commission

Unit Cost of Residential Care

RECOMMENDATION

- 1.1 The Commission is asked to consider and comment on the unit cost of providing residential care in Council run care homes.

SUPPORTING INFORMATION

- 2.1 There are currently eight residential care homes in the City managed by the Council. These between them offer various types of provision including long term and short term stay. Coleridge House for example offers 12 high dependency units for the increasing numbers of people suffering from dementia and has a higher staff ratio when compared with other homes whilst Perth House and Warwick House offer intermediate and short term care.
- 2.2 Council provision is generally considered to be more secure and offer good value for money even though we have a higher proportion of our residents in the independent sector. Vacancy in our care homes fluctuate due some people moving into high dependency settings or reaching end of their natural lives and their places filled by new occupants.
- 2.3 Budgets for each home vary as these are based on the size and type of provision offered. The table below shows total number of beds, annual budget and the unit costs at full occupancy and at the latest occupancy level for each home.

Name of Home	No of Beds	Operational Budget £	Pooled Cost £	Other costs 12.50% £	Total Cost £	Unit Cost per week £	Bed occupancy on 23 Dec 08	Unit Costs at 23 Dec 08 £/w
Arboretum	38	574545	21300	74481	670326	339.23	33	390.63
Arthur Neal	25	434398	14013	56051	504462	388.05	17	570.66
Bramblebrook	40	620873	22422	80412	723707	347.94	38	366.25
Coleridge House	40	784637	22422	100882	907941	436.51	38	459.48
Merrill House	40	607789	22422	78776	708987	340.86	31	439.82
Perth House	36	589524	20179	76213	685916	366.41	35	376.88
Raynesway House	35	537990	19619	69701	627310	344.68	34	354.81
Warwick House	28	508506	15695	65525	589726	405.03	22	515.49
Total	282	4658262	158072	602041	5418375	369.5	248	420.16

- 2.4 In July 2008 the Council Cabinet rescinded the decision of the previous administration and decided not to proceed with the closure of Bramblebrook House. It instead agreed to review provision at all homes across the city. The Cabinet also resolved separately to consult on the closure of Arthur Neal with view to replacing it with Extra Care facilities.
- 2.5 The decision to start a consultation exercise on all the homes has in my view, created uncertainty among potential users and is likely to have discouraged some of them from taking up provision in our homes. The resulting vacancies make our homes less competitive and thus offering lower value for money than the independent sector.
- 2.6 The latest bed occupancy figures show all our homes having some vacancies. The vacancies at Arboretum House, Arthur Neal, Warwick House and Merrill House are quite significant and show significantly high unit costs than if they were fully occupied. Although the remainder of the homes are within acceptable levels, the overall unit cost is still £51 per bed per week more than if the homes were fully occupied, equating to more than £90,000 per year.
- 2.7 The decision to consult on all homes created a confusion which appears to have impacted on vacancy levels in our homes. The occupancy rates in some homes have fallen below 80%. The Commission is asked to consider and comment on
- a. the relatively high vacancy rates
 - b. the opportunity cost to the council of operating with so many un-occupied beds; and
 - c. how this waste in resources may be minimised.

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Bed Occupancy and Unit costs

IMPLICATIONS

Financial

- 1.1 Existing resources could be deployed more effectively by adjusting surplus supply to reflect current demand patterns.

Legal

- 2.1 None directly arising.

Personnel

- 3.1 None directly arising.

Equalities Impact

- 4.1 None directly arising.

Corporate Priorities

- 5.1 The report accords with the corporate priorities of helping us all to be healthy, active and independent and also giving excellent services and value for money.

Appendix 2

Bed Occupancy and Unit Cost of In-house Residential Care Provision

Home	Number of beds	Total annual running costs £	Unit Costs £/week	Beds Occupied 8 Jul 08	Unit Cost at 8 Jul 08	Beds Occupied 10 August 08	Unit Cost at 10 Aug 08	Beds Occupied 8 Oct 08	Unit Cost at 8 Oct 08	Beds Occupied 23 Dec 08	Unit Cost at 23 Dec 08
Arboretum House	38	670326	339.23	25	515.64	29	444.51	38	339.23	33	390.63
Arthur Neal House	25	504462	388.05	20	485.06	21	461.96	20	485.06	17	570.66
Bramblebrook	40	723707	347.94	20	695.87	24	579.89	33	421.74	38	366.25
Coleridge House	40	907941	436.51	33	529.10	35	498.87	37	471.90	38	459.48
Merrill	40	708987	340.86	26	524.40	28	486.94	30	454.48	31	439.82
Perth House	36	685916	366.41	25	527.63	32	412.21	26	507.33	35	376.88
Raynesway View	35	627310	344.68	27	446.80	20	603.18	34	354.81	34	354.81
Warwick	28	589726	405.03	26	436.19	22	515.49	17	667.11	22	515.49
Total 8 homes	282	5418375	369.50	202	515.84	211	493.84	235	443.40	248	420.16