

## **Consultation on Proposed Fee Rates for 2019/20 for commissioned Home Care**

### **Standard home care**

This paper sets out the proposed methodology the Council intends to use to set the fee rates for home care commissioned from April 2020. The Council would request that any feedback to the proposal is received no later 26<sup>th</sup> November 2019, so that it can make final recommendations to the Council's Cabinet in time for the new financial year in April 2020.

Feedback can be provided by email to David Ash, Commissioning Activity Co-ordinator email: [david.ash@derby.gov.uk](mailto:david.ash@derby.gov.uk). There will also be an opportunity to feedback at the Home Care Consultation meeting on 19<sup>th</sup> November 2019.

### **Proposed fees**

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

It is proposed that staffing, agency, training and recruitment costs within the model should be inflated to reflect an assumed the increase in the National Living Wage from April 2020 for employees over the age of 25 and whom are not already paid above the minimum wage (as above). An increase of 5.6% in the National Living Wage is assumed from April 2020 for employees likely to be working in homes over the age of 25. This is assumed to see an increase of 0.46p per hour.

A composite inflationary figure is therefore proposed of 5.0% which is based on the new hourly rate affecting 75% of the workforce.

It is proposed that the Council applies a 0% inflationary uplift in most general cost areas within the model and a 1% inflationary uplift for indirect office costs, providing an overall inflationary uplift figure in the model of 3.3%.

**Classification: OFFICIAL**

**Home care cost model**

**Derby City Council**

<b><u>COSTS</u></b>	<b><u>% of Total Hourly Unit Cost</u></b>	<b><u>Suggested Rate</u></b>	<b><u>Composite Rate</u></b>
<b><u>Direct Costs</u></b>	-	-	-
<b>Staffing Costs</b>			
Care Worker Pay	49.6%	5.0%	2.48%
Care Worker On Costs e.g. Employer's NI, holiday pay & pension	12.1%	5.0%	0.60%
Mileage	15.7%	0.0%	0.00%
<b>Total Staffing Costs (Weighted Average)</b>	<b>77.3%</b>		
<b>Non-Staffing Costs</b>			
Branch Salaries	7.5%	2.0%	0.15%
Recruitment & Advertising	0.6%	0.0%	0.00%
Vetting checks	0.4%	0.0%	0.00%
Training	1.8%	<b>0.0%</b>	0.00%
Uniforms & Disposables	1.2%	0.0%	0.00%
Call monitoring	0.0%	0.0%	0.00%
<b>Total Non-Staffing Costs</b>	<b>11.6%</b>		
-			
<b>Total Direct Costs</b>	<b>88.9%</b>		
<b><u>Indirect Costs</u></b>			
<b>Office Costs</b>	<b>3.4%</b>	1.0%	0.03%
<b>Regional Management</b>	<b>0.8%</b>	0.0%	0.00%
<b>Head Office Allocation</b>	<b>4.5%</b>	0.0%	0.00%
-			
<b>Profit</b>	<b>3.0%</b>	<b>0.0%</b>	
<b>Total Indirect Costs</b>	<b>11.1%</b>	<b>11.1: %</b>	
<b><u>Total Hourly Unit Price (Weighted Average)</u></b>	<b>100.0%</b>		<b>3.3%</b>

**Classification: OFFICIAL**