



Cost Of Care Exercise for Older Peoples Care homes in Cardiff

Findings October 2019



Gweithio dros Gaerdydd, gweithio gyda'n gilydd
Working for Cardiff, working together



Findings



Usual Hourly Labour rates as at 1 April 2019

Employee type	Wage rate Residential	Wage rate Nursing
Nurses	Not Applicable	Not Applicable
Senior carers	£9.70	£9.70
Carers	£8.41	£8.41
Management (blended)	£15.02	£20.98
Administrator	£10.00	£10.00
Activities Coordinator	£8.65	£8.65
Kitchen (blended)	£8.95	£8.95
Domestic / Laundry	£8.38	£8.38
Maintenance	£9.92	£9.92



Gweithio dros Gaerdydd, gweithio gyda'n gilydd
Working for Cardiff, working together

Findings

Labour utilization- based on 92% occupancy

Employee type	Range of hours per person per week
Nurses	0.00 – 12.59
Senior carers	0.00 – 16.49
Carers	9.78 – 34.44
Management	0.65 – 4.66
Administrator	0.56 – 2.14
Activities Coordinator	0.51 – 3.34
Kitchen	1.90 - 5.21
Domestic/Laundry	0.72 – 5.46
Maintenance	0.36 – 2.63



Findings

Labour: care delivery utilisation: per service user per week at 92% occupancy

Category	Range of Total: Paid Hours per resident per week	Range of Nursing Paid Hours per resident per week	Range of Carers Paid Hours per resident per week	Decision: Typical: Carers Paid Hours per resident per week
General Residential	22.3 - 36.4	0.00	22.3 - 36.4	23.8
Dementia Residential	19.3 - 38.4	0.00	19.3 - 38.4	28.27
General Nursing	25.6 - 44.0	5.0-12.2	18.6 -37.2	21.77
Dementia Nursing	32.3	7.6	24.7	26.4



Findings

Labour utilisation: per service user per week at 92% occupancy

Function	Nursing/ Dementia Nursing Range: Hours per resident per week	Residential/Dementia Residential: Hours per resident per week
Management	1.01 – 2.04	0.65 – 4.66
Catering	2.79 – 4.91	1.90 – 5.21
Cleaning	3.02 – 4.06	0.72 – 5.46
Laundry	0.61 – 2.01	0.35 – 2.17



Findings

General Residential: Typical /wage rates per person per week-based on 92% Occupancy

Grade	Total rate including on-costs	% of total costs excluding finance
Senior Care	£91.96	15%
Carer	£176.99	30%
Ancillary staff	£119.77	20%
Management	£58.74	9%
Agency Premium	£0.00	0%
Total	£447.46	74%



Findings

Based on 92% occupancy levels

Dementia Residential: Typical utilisation/wage rates per person per week

Grade	Total rate including on-costs	% of total costs excluding finance
Senior Care	£115.06	18%
Carer	£204.69	32%
Ancillary staff	£119.77	18%
Management	£58.74	8%
Agency Premium	£0.00	0%
Total	£498.26	76%



Findings

Based on 92% occupancy levels

General Nursing: Typical utilisation/wage rates per person per week

Grade	Total rate including on-costs	% of total costs excluding finance
Senior Care	£40.59	5%
Carer	£200.70	24%
Ancillary staff	£120.55	14%
Management	£79.27	9%
Agency Premium	£0.00	0%
Total (excluding Nursing)	£441.11	52%
Total (Including Nursing)	£688.64	82%



Findings

Based on 92% occupancy levels

Dementia Nursing: Typical utilisation/wage rates per person per week

Grade	Total rate including on-costs	% of total costs excluding finance
Senior Carer	£53.46	7%
Carer	£239.77	30%
Ancillary staff	£120.55	15%
Management	£79.27	9%
Agency Premium	£0.00	0%
Total (Excluding Nursing)	£493.05	61%
Total (Including Nursing)	£646.08	77%



Findings

Based on 92% occupancy levels

Illustrative examples of Variable expenses: typical values £ per person per week

Variable	Residential	Dementia Residential	Nursing	Dementia Nursing
Food	£28.25	£28.25	£28.25	£28.25
Medical and sundries	£3.64	£3.64	£3.64	£3.64
Cleaning, Consumables	£7.32	£7.32	£7.32	£7.32



Findings

Based on 92% occupancy levels

Illustrative examples of Establishment expenses: typical values £ per person per week

Property	Residential	Dementia Residential	Nursing	Dementia Nursing
Repairs & Maintenance	£26.21	£26.21	£26.21	£26.21
Power	£17.82	£17.82	£17.82	£17.82
Council Tax	£0.69	£0.69	£0.69	£0.69
Waste Disposal	£3.87	£3.87	£3.87	£3.87
Insurance	£3.99	£3.99	£3.99	£3.99



Findings

Based on 92% occupancy levels

Illustrative examples of Administration expenses: typical values £ per person per week

Administration	Residential	Dementia Residential	Nursing	Dementia Nursing
Depreciation	£15.92	£15.92	£15.92	£15.92
Head Office	£22.47	£22.47	£22.47	£22.47



Return on Capital/ Margin-based on 92% occupancy levels

- ❖ The opportunity was taken to utilise the typical rental cost, together with a margin, as a measured bench mark, to ascertain if it was sufficient to cover not only the cost of loan interest, but also capital repayments, where provided by operators, offering frail elderly services.
- ❖ The judgment reached, based on the data provided by Operators, is this benchmark measured against returns on capital linked to movements in interest rates, coupled with an attendant margin, broadly remains valid and appropriate for the portfolio as a whole.
- ❖ Accordingly, the finance element has been set at as an average in respect of data received of £84.55 per resident per week



Judgement 2019/20

Based on 92% occupancy levels

Operating costs plus finance cost

£ per person per week @ 92% Occupancy	General Residential	Dementia Residential	General Nursing	Dementia Nursing
Wages	£447	£498	£441	£493
Variable	£45	£45	£45	£45
Establishment	£61	£61	£61	£61
Admin	£49	£49	£49	£49
Rent/Notional return/plus margin	£85	£85	£85	£85
Margin 3.5%	£21	£23	£21	£23
Total	£709	£761	£702**	£756**

Note: numbers incorporate rounding

**Excludes FNCC

