

Heading	Question / Comment	Council Response
<b>1.Management salaries</b>		
1.1	Copies of adverts used. Copy of skills for care north west key statistics used	<b>See Appendix 3 – (1.1a and 1.1b)</b>
1.2	There are only 5 current managers' job adverts on Wirral-average £37,200. We feel this is more realistic to Local conditions than other figures.	<p>The sample used of 46 homes represents a broad spectrum of home sizes and type across the Merseyside region. The Council considers this to be a reasonable proxy for the market.</p> <p>As previously stated in Appendix 2 of email 19 April 2013 this cost is based on recent local advertising for such posts across the Merseyside region. This is a 16% increase between 2012-13 and 2013-14 and has been benchmarked against the Skills for Care North West Key statistics for workers gross pay.</p>
1.3	<p>The figure shown in your original proposal for registered manager was derived from an average figure from a list of job adverts, some dating back over a year, many for jobs that were not registered manager's jobs and most not on Wirral.</p> <p>Taking the current Wirral adverts for registered home managers the average was £37,200(see attachment)</p> <p><b>See Appendix 3 – (1.3a)</b></p>	We consider the Wirral model to provide a reasonable assessment of actual cost. Please also refer to response in 1.2
1.4	<p><b>Corporate Costs</b></p> <p>We note that there is no cost shown for corporate management. This covers aspects of management that a registered manager with care skills and training does not have. These include but are not limited to, banks and finance, compliance, estate and property management, corporate organisation, marketing and sales, contracting, corporate planning, credit control, capital purchases and finance, budgeting, legal matters, corporate accountancy, general management.</p> <p>We think a figure of £9.00 per week per service user should be used. (evidence will be made available)</p>	We consider the Wirral model to provide a reasonable assessment of actual cost. We understand there are only a limited number of homes that are members of a group.

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1.5	Management Costs - The analysis of the advertised posts should be revised. This would put in a higher figure for management cost.	It is not proposed to revise the model in this component as the rate is calculated on a fair sample of advertisements. The allocation for management has been reconsidered and increased from £29,200 a year in 2012-13 to £33,900 in 2013-14. This is an increase of over 16% and is a reasonable provision.
1.6	Request copies of 5 adverts for Wirral	As stated in the response circulated to all home owners we have used a large sample of 46 homes to represent the market. The 5 Wirral adverts are attached as requested.  <b>See Appendix 3 – (1.3a)</b>
1.7	The Management and other on cost rate is shown as 12% (Made up of 10% NI and 2% Sick Pay). My Sage payroll indicates NI to be 13.8% alone! I am not aware of this altering +/- in the last 12 months.	The national insurance rate has been applied at 12% as a funding allowance on the total staffing cost. Staff will pay different levels of national insurance in accordance with the hours that they work and how much they earn. The rate of 13.8% rate only applies to earnings above the threshold set by the HRMC.
1.8	Management positions are generally of a full time nature and the salaries are subject to employers NI, this presently runs at 13.8%, the 12% allowed does not cover the NI alone before getting on to notional sick pay. There would appear to be no allowance for management training, which can be substantial?	The national insurance rate has been applied at 12% as a funding allowance on the total staffing cost. Staff will pay different levels of national insurance in accordance with the hours that they work and how much they earn. The rate of 13.8% rate only applies to earnings above the threshold set by the HRMC.

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1.9	<p>The total for our registered manager excluding NI &amp; Pension is between £29k and £31k.</p> <p>The On Costs we pay are 26%, being 13% for NI and 13% for pension. The gross amount of £37k (which excludes NI and pension) proposed by WCA (02 May 2013) is within our pay scale.</p> <p>However, your model does not recognise the existence of a care manager post within a care home environment. Our home employs a care manager to line manage care staff and thereby focus on care. This leaves the registered manager free to manage the rest of the home and ensures that we can provide a quality customer focussed service.</p> <p>We note that WCA has also highlighted the difference between care and other management tasks/costs under the 'Cooperate Management' section of its response dated 17 May 2013.</p> <p>The total cost for our care manager is £22,000 (excluding 32% On Costs)</p>	<p>Noted</p> <p>Noted</p> <p>The Council has not received evidence to suggest that care manager posts are common in the Wirral Market.</p>
1.10	<p>We recruited a new matron on 2.9.12 at a salary of £45,000 pa, for the complex role of matron-manager for a home of our size. With the complexity the role now requires caused by the higher dependency levels of nursing client placed by the borough, salary costs have risen.</p>	<p>The Council has based the manager's costs on a wide selection of advertised posts across Merseyside. The sample includes home paying similar salaries to that you have provided in consultation.</p>
1.11	<p>Assistant Manager? Area Manager/Group Manager. CQC likes input from providers. Is provider management time here?</p> <p>Does not cover total management time or input. Any management time required to run a care home business is a management cost. Any person working expects payment.</p>	<p>No evidence has been provided by home owners that assistant managers are employed across the care homes in Wirral. There are very few homes in Wirral that are part of a group and therefore it is reasonable for Wirral to exclude group/area costs.</p> <p>The Wirral model allows for a full time Manager salary plus on costs. The return on business for owner managers is covered separately in the model.</p>

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1.12	<p>The Management salaries and wages effectively cover the cost of the Care Home Manager. Other Managements costs do not appear to be considered e.g. Senior Management time.</p>	<p>The Wirral model allows for a full time Manager salary plus on costs. . The return on business for owner managers is covered separately in the model.</p>
1.13	<p>The advertisement data supplied by Wirral Council:            Not all the advertisements that have been taken into account were relevant (e.g. learning disability home, unit managers, night managers). Also, where a range was quoted in the advertisement, Wirral Council have consistently taken the bottom of the range.            There is no justification for this, in the absence of checking whether the vacancy was filled at this level. Manager salary information was never requested from providers e.g. in the 2012 survey. In addition, it would have been a simple matter to carry out a fresh survey on this one point alone for 2013-14. Updated financial data supplied even by the limited sample of homes enclosed shows that £33,900 is unrealistic and inadequate.            See also L&amp;B 2012 national findings, which in turn casts doubt on the Wirral Model assessment of administration costs and oncosts. There is simply no evidence that £33,900 represents a realistic estimate of the actual manager salaries in residential and nursing homes in the Wirral in 2013-14.</p>	<p>It is not proposed to revise the model in this component as the rate is calculated on a fair sample of advertisements. The allocation for management has been increased from £29,200 a year in 2012-13 to £33,900 in 2013-14. This is an increase of over 16% between the years and is considered to be reasonable provision.</p>
1.14	<p>No evidence that the outsourced costs proposed by the Wirral Model is actually used by any care home, that it is feasible at the levels indicated, or that it is a good proxy for actual local costs.</p>	<p>There will inevitably be a wide range of administrative arrangements amongst the Wirral homes, including the balance between administration by employees and that externally purchased. The provision for externally purchased administration has been increased from £6,500 a year in 2012-13 to £7,000 in 2013-14. This is an increase of over 7% between the years and is considered to be reasonable provision.</p>

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1.15	The Wirral 'model' still appears to be no more than an arbitrary 'pick and mix' approach to the data sources under the different headings. In particular, it is far from clear that the sources used were more appropriate than the actual costs data in the survey returns completed by providers in 2012, which would have substantially overlapped with the data that was the basis of the L&B 2011 analysis and calculations.	<p>The analysis you refer to was compiled in 2011 and built on actual costs data that was not shared with the Council .</p> <p>The costs headings used are not unique to any model. Headings in the 12/13 model were used at the request of homeowners to enable them to make comparisons with a model that providers had commissioned known as the L and B model . Headings relating to staffing, repairs and maintenance, running costs and returns of financing costs are in line with standard accounting classifications for costs within a business.</p> <p>The Laing and Buisson model is only one model and not one the Council is using. The Laing and Buisson model relies (a) on data from the largest care home groups in England of which there are a few homes in Wirral and (b) has fundamentally different principles underpinning its use i.e. it seeks to attract due corporate development to increase capacity</p>
1.16	The management salary parameter has increased from £29,200 in 2012-13 to £33,900 in 2013-14. The Council stated that this was based on a 'sample used of 46 homes' and 'benchmarked against the Skills for Care North West Key statistics for workers gross pay'. Please disclose the evidence base (i.e. the 46 samples and the statistics referred to) and the calculation showing how £33,900 was arrived at.0	See 1.6 above
<b>2. Other admin costs</b>		
2.1	Copies of adverts used. copy of ONS statistics used and source of judgement that this is sufficient for admin	See Appendix 3 – 2.1a
2.2	From the job descriptions provided with the adverts some of the care home admin is missing	<p>The amount included in the model is £14,443.20 and is based on £14,400 included in the Wirral Model 2012/2013 uplifted by 0.3% as determined by the ONS Q4 2013. This has been benchmarked against recent adverts as provided in your 19 April 2013 response which validates this to be reasonable.</p> <p>It is not clear what missing information you are referring in the statement made.</p>

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2.3	<p>You have received a schedule of functions that a compliant legal home has to undertake in its day to day business. The majority of the administration functions listed could not be delivered for £14,443 for a 37 bed home.</p> <p>You note H.R. support is available externally for £986 per year. External H.R. services can only cover part of the work. E.g. Who maintains staff files, schedules, organises and records training, deals with references, works out hours and holiday, payments, deals with staff interviews, inductions, dismissals, correspondence etc, etc?</p> <p>There is considerable work involved in preparing the analysis of hours and other information for wages agency(evidence will be made available).</p> <p>There is also a considerable amount of work involved in working out holiday entitlements for staff on various hours (evidence will be made available).</p> <p>We believe the figure for a 37 bed home to achieve legal and minimally compliant care is £36,000 per year. This would cover H.R. function including wages payment, in house accountancy(evidence will be made available</p>	<p>These tasks would generally be undertaken by the administration officer or Manager. They are not daily tasks and once a system is established ought to be contained within the model cost.</p>
2.4	There are no receptionists at our homes	Noted
2.5	<p>Payroll clerk? Accounts processing?</p> <p>Purchasing? Fee Management and debt recovery? This is insufficient to cover the above alone.</p>	<p>The model allows for these costs under the Administration salaries plus bought in services. The Council has increased the allowance in the model to £7,000. WCA provided a list of tasks that need to be covered in relation to Management and administration. Wirral Council is satisfied that these are covered by the Manager, Administrator and bought in services</p>

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2.6	<p>The council has decided to abandon the position of saying the bookkeeping function was split and the previous bookkeeping company (chosen by the council) and said that indeed the function could be provided for a company of £1,500,000 turnover for £1000per annum plus vat or £100 per month including vat by a different company.</p> <p>You gave us the name of the company.</p> <p>I have spoken to them</p> <p>Their strong recommendation was that for a company of over £500,000 turnover with an existing bookkeeping function that the company should keep it in house as any outsourced bookkeeping would be detrimental to the company.</p> <p>I asked him what he thought of outsourcing the bookkeeping function of a company turning over £1,500,000 per annum and he said that in his opinion that would not be logistically sensible and would not be commercially viable or sensible.</p> <p>I ask that you pass this on to your colleagues in accounts before the close of the consultation.</p>	<p>The model makes an allowance for directly employed management and administration. It also makes an allowance for bought in administration.</p> <p>One component (£1,368) of the bought-in administration is accountancy. The range and scope of 'accountancy' is not specified.</p> <p>It is assumed by Wirral that some accountancy will be undertaken by employees.</p> <p>The extent and scope of these functions will vary from home to home.</p> <p>The value used in populating the model is the same value as applied in 2012-13.</p> <p>The value is for a basic accountancy service for a small to medium enterprise and given point 3 is a reasonable assessment of externally purchased accountancy.</p> <p>Any company with a turnover less than £6.5m does not need to file full accounts at companies house.</p>
<b>3. Other admin externally purchased</b>		
3.1	<p>Please provide spec for externally purchased Admin and quote from company and source of judgement that this is sufficient admin.</p>	<p><b>See Appendix 3 – (3.1a)</b></p>

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3.2	Can we please discuss spec for externally purchased admin.?	<p>External administration costs are based on the same specification used in 2012/2013 as detailed below.</p> <table data-bbox="952 156 1444 534"> <tr> <td>Payroll</td> <td style="text-align: right;">1,584</td> </tr> <tr> <td>Legal Services</td> <td style="text-align: right;">450</td> </tr> <tr> <td>HR Services</td> <td style="text-align: right;">986</td> </tr> <tr> <td>Accountancy Services</td> <td style="text-align: right;">1,368</td> </tr> <tr> <td>IT Services</td> <td style="text-align: right;">2,131</td> </tr> <tr> <td>Total Support Costs</td> <td style="text-align: right; border-top: 1px solid black;"><b>6,519</b></td> </tr> <tr> <td>Rounded to</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;"><b>6,500</b></td> </tr> </table> <p>These are detailed in the attached spreadsheet.</p> <p><b>See Appendix 3 – (3.2a)</b></p> <p>Opportunities to provide feedback and discussion in addition to this part of the consultation include the Residential Forum and meetings with representatives from WCA. Further consideration will be given to issues raised.</p> <p>Please note that the allowance was revised in response to the consultation feedback to £7,000.</p> <p>These are detailed in the spreadsheet provided in Appendix 3.</p>	Payroll	1,584	Legal Services	450	HR Services	986	Accountancy Services	1,368	IT Services	2,131	Total Support Costs	<b>6,519</b>	Rounded to	<b>6,500</b>
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Rounded to	<b>6,500</b>															
3.3	The Ascot Drummond website says “complete accounting packages from £95 per month” A comprehensive quotation from Ascot Drummond has shown that for a complete accounting service for a limited company nursing home with 37 rooms would be £900 per month including vat. (evidence will be made available at our meeting on the 28th May).	We consider the Wirral model to provide a reasonable assessment of actual cost. We await the detailed evidence within the agreed consultation timetable.														



3.4	We think the figure of £3.00 per person (Wirral insert = payroll?) should be £5.67(evidence will be made available at our meeting on the 28th May).	Wirral Council payroll provide this service for £3. It is up to individual businesses where they commission this service. Wirral Council has to have regard to Value for Money.
3.5	The number of employees needing payslips each month will be about 1.3 times number of beds because of the number of part timers and bank. Therefore payroll cost would not be 28x£3.00 it would be 48x £5.67	See comments re staff numbers above and in section 36.
3.6	There is considerable work involved in preparing the analysis of hours and other information for wages agency. There is also a considerable amount of work involved in working out holiday entitlements for staff on various hours. (evidence will be made available at our meeting on the 28th May)	We consider the Wirral model to provide a reasonable assessment of actual cost. We await the detailed evidence within the agreed consultation timetable.
3.7	There doesn't appear to be any cost in for annual accounts production by external accountants. We think a figure of £100 per service user per year plus vat should be used.	This is covered by the accountancy service component of external administration
3.8	Accounting Cost The sum should be £1,200 per month, not £95	The Council has increased the amount allowed for other administration costs from £6,500 to £7,000. The Wirral model is considered to be a reasonable assessment of actual cost. A commentator has provided a single statement (Appendix 3) but it is not clear what this quote was for or how it represents the market. Parts of the accounting requirement would normally be covered in the duties of a manager and administrator. Further, more detailed evidence from across a range of homes would be required within the agreed consultation timetable for this matter to be considered further.
3.9	Corporate Management. Inadequate provision for corporate management.	These costs are either allowed for in the return on capital or other parts of the model. The majority of providers in the Wirral Market are sole traders.

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3.10	<p>The list included in your response to WCA on 14 May 2103 is very minimal and does not factor in additional support costs such as recruitment, Health &amp; Safety care specialist advice, catering support, procurement, District Manager support, support with contracts, sales/marketing support etc.</p> <p>Our 'support' costs excluding building costs, equate to 15.5% of income</p>	<p>Recruitment is dealt with separately in the Wirral model under staffing costs. There is also an allowance in the Wirral Model for 'Other Non Staff Costs' which includes Waste disposal, uniforms, linen &amp; crockery, stationery, motor &amp; travel, subscriptions, marketing, and other sundry expenses.</p>
3.11	<p>Software, computers, payroll, pension, accountancy, solicitor, IIP, Office Rental, Consultancy, Registration to code of conduct for employees? DBS? Postage, Internet subscription?</p> <p>Quotes from Croner, citation, Microsoft, sage, etc</p> <p>What does this include?</p>	<p>The Council has increased the allowance in the model from £6,500 to £7,000. The quotes used originally to determine the £6,500 are attached for information. Office rental is not relevant as the model includes a component for return on buildings. IIP is not a registration requirement. DBS (CRB) allowed for in registration costs. Postage is included.</p>
<b>4. Catering Hours Costs</b>		
4.1	Evidence of judgement on level of on costs	<p>The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7<sup>th</sup> February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a></p>
4.2	Evidence to support councils decision/judgement	<p>The Wirral model allows 1.5 hours per resident per week dedicated catering services and has not distinguished between Chefs and Catering Assistants. An average wage rate of £6.30 per hour is included in the model which has been benchmarked against local job adverts. This information was provided on 19 April in response to the salary information requested in section 8, 9 &amp;10 below. After consideration of the different rates commentators suggest are paid for Cooks and assistants the catering rate has been reset to £7.00</p>
4.3	We have supplied evidence that supports 3.4 hours per service user per week in.	<p>The Laing and Buisson model suggests 2 hours in its latest iteration and this is broadly consistent with the Wirral assumption of 1.5 hours. The Council did not receive any further evidence within the agreed consultation timetable.</p>
4.4	Cooks and Assistants. WCA to evidence this should be paid above minimum wage.	<p>The model is based on 1.5hrs. After consideration of the different rates commentators suggest are paid for Cooks and assistants the catering rate has been reset to £7.00</p>

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4.5	<p>Doesn't scale well per client. Cooking times etc don't vary much per client. Washing up maybe but not mechanical dishwasher time.</p> <p>In effect, employees in post over a range sizes and occupancies</p>	<p>Hours match the Wirral 2011 L &amp; B model which was derived from a staffing survey of local providers. No evidence has been received from providers to indicate that these hours have increased locally. Wirral Council is satisfied that the hours in the Wirral 2013/14 model are reasonable.</p>
<b>5 Domestic Cost Hours</b>		
5.1	Evidence to support councils decision/judgement	Domestic staff hours of 4.5 hours cover cleaning, catering and laundry.
5.2	23 hours per resident would be more reflective of the time required higher levels of need.	The Wirral Model includes an hourly rate of £6.25 to reflect the part year effect of an increase in the National Minimum Wage from October 2013.
5.3	Do smaller homes have a higher proportion of their area outside of the client bedrooms? If so then non linear scaling.	This is based on hours per bed. The Wirral model is based on 40m2 per bed including communal areas.
<b>6. Care costs hours residential/residential EMI/nursing/nursing EMI</b>		
6.1	Evidence to support councils decision/judgement	<p><b>Extract from Cabinet Report 07-02-13</b></p> <p>The Care cost hours are specified in Appendix 2 of the Cabinet report as;</p> <p style="padding-left: 40px;">Residential 18.5hrs Residential EMI 22.00hrs Nursing 20.5hrs Nursing EMI 22.00hrs</p> <p>These were also confirmed in Appendix 2 of the information circulated to all home owners on 19 April 2013.</p> <p>These hours reflect the range of hours across the Wirral Market in line with Laing and Buisson.</p>

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6.2	We have supplied evidence that care hours should be 23 per service user per week as opposed to 20.5 per user per week.	The Laing and Buisson model suggests 21.6 hours in its latest iteration and this is broadly consistent with the Wirral assumptions set out in the cell below.
6.3	Residential Hours. The 18.5 disputed and should be 20. Attention drawn to impending CQC report at one home citing staffing too low.	The Council believes this is the Laing and Buisson assumption. The 2011 Wirral Laing and Buisson model indicated the same hours as the Wirral 2012-13 fee model. There is no new evidence provided to evidence to suggest that these hours have increased since Laing and Buisson's survey of Wirral Homes in 2011
6.4	WCA state 23.2hrs should be allowed for residential EMI. Council to clarify where hours come from.  CQC feedback that staffing levels are inadequate to meet basic requirements.	The care hours are comparable with the Laing and Buisson Model.  We would welcome evidence of where the Care Quality Commission have stated that staffing levels are inadequate to meet basic need and details of specific homes where WCA believe this to be the case.
6.5	How?  Staffing compliment doesn't scale easily with client vacancies and varying size. Recruitment takes time so staff need too be retained during client vacancies.	The model takes account of providing these hours per bed, each home will have different policies on how they cover these hours. The Wirral model also provides agency cover for 2% of shifts.
<b>7. Nursing hours per week for nursing/nursing EMI</b>		
7.1	Evidence to support councils decision/judgement	Not included in the 2013/14 model, to be paid directly by the NHS.
7.2	Yes 7.5 hours was entered. There was no cost but the hours were in. How was this figure calculated	The 7.5 hours applied in 2012-13. The fee component for nursing is an NHS responsibility in 2013-14.
7.3	We have supplied evidence that hours per user should be 8.3 per week.	This is a matter for the NHS
7.4	We have needed to raise hourly pay rates from £12 ph to £13ph to attract suitable RGN in 2012, an increase of 8.33 %.	Nursing costs are the responsibility of the NHS and are not included in the Model for 2013/2014.
7.5	Can't employ fractions of people. One nurse 24hrs a day minimum cost.	Health funded Nursing hours are not included in the Wirral model.

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<b>8. Catering salary</b>		
8.1	Copies of ONS statistics and evidence of judgement that catering staff cost no more than minimum wage.	<b>See Appendix 3 – (8.1a)</b>
8.2	Your spread sheet appeared to be for domestic staff not catering staff.	<p><b>Extract from Cabinet Report 07-02-13</b>  The Wirral model allows 1.5 hours per resident per week dedicated catering services and has not distinguished between Chefs and Catering Assistants.</p> <p>An average wage rate of £6.30 per hour is included in the model which has been benchmarked against local job adverts.  This cost was also confirmed in Appendix 2 of the information circulated to all home owners on 19 April 2013.</p> <p>Office of National Statistics 0.3% annual increase rate Q4 2013 has been applied to the 12/13 allowance and the Minimum wage increase 1st October 2013 to £6.30 - part year effect has been factored in.</p> <p><b>Please note that the spreadsheet provided contains Carers, Nurses, Domestic and catering information each on a separate worksheet within the workbook and can be accessed by selecting the bottom tabs.</b></p>
8.3	Cooks/Chefs paid more than minimum wage more than £7. KP wage similar to minimum. We pay a bit more.	The amount paid in the model has been increased from £6.30 to £7.00. in the proposal made 31 May 2013.
<b>9. Domestic</b>		
9.1	Evidence of judgement that catering staff cost no more than minimum wage	<b>See Appendix 3 – (8.1a)</b>
9.2	All catering staff cost no more than minimum wage.	<p>Domestic staff hours of 4.5 hours cover cleaning, catering and laundry included are consistent with the 2012/2013 but the cost has been increased by 0.3% and built into the model at £6.25 to take account of the minimum wage increase on 1 October 2013.</p> <p>Benchmarking against advertised jobs confirms minimum wage continues to apply to domestic jobs.</p> <p>Opportunities to provide feedback and discussion in addition to this part of the consultation include the Residential Forum and meetings with representatives from WCA.</p>

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9.3	We pay domestics at the same rate ad carers.	The Council has not received evidence to confirm that a higher rate is paid.
<b>10. Care wages</b>		
10.1	Copies of ONS statistics and evidence of judgement that care staff cost no more than £6.55 per hour.	Included on spreadsheet embedded in 8.1 It should be noted that the rate for 2013/14 is £6.57 not £6.55
10.2	Your comments noted but no statistics. Some evidence would be appreciated	See evidence provided in Appendix 3.
10.3	<p>What about Seniors? Seniors are often in charge of a residential home when the manager or assistant manager is not there.</p> <p>Nurses may fulfil this role in nursing homes.</p> <p>Activities Coordinator?</p>	<p>The model uses a rate determined from local job adverts including seniors.</p> <p>Health funded Nursing hours are not included in the Wirral model.</p> <p>The model hours include an allowance for an activities coordinator.</p>
10.4	These posts were promoted by the Council as part of its star rating model. We fund a 30 hour Activities post costing £13,076(excluding our costs) In addition there is a £4,000 Activities Budget for essential supplies.	As with other models in the market the hours calculated under care staff in the Wirral model includes those of an Activities coordinator.
10.5	The Wirral Model suggests a very flat structure. A Manager, with a single tier of staff with 28FTE. This is an unrealistic supervisory structure, as in reality, Care Home Staff are often part time, it would not be unreasonable for a Care Home to have over 50 actual workers ;an impossible number for any single person to manage. In our company we have 63 staff working regularly each week. An allowance for Supervisory Staff needs to be made. We employ a Domestic Supervisor at £8.93/hour and use NVQ3 staff to take on supervisory responsibilities at an enhanced rate.	<p>The number of staff included as an FTE in the model has been calculated as per the attached spreadsheet. The number of staff calculated is to cover the assessed needs and not the business choices made by the organisation (i.e. additional activities and services such as End of Life Care which is funded separately).</p> <p><b>See Appendix 3 – (10.5a)</b></p>
<b>11. Nursing staff</b>		
11.1	Evidence of judgement that nursing staff cost £12.34 per hour	Not included in the 2013-14 model. Payment is an NHS responsibility.
11.2	Some evidence would be appreciated that all nursing staff cost £12.34 per hour.	The 7.5 hours applied in 2012-13. The fee component for nursing is an NHS responsibility in 2013-14.

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11.3	What if the NHS doesn't cover this? Failure is achieved regardless. Does the Council have a responsibility to avoid this failure?	The Council is not responsible for funding nursing care hours. Please refer to the joint statement issued on 29 May 2013.  <b>See Appendix 3 – (11.3)</b>
11.4	What costs are the responsibility of the NHS and which the other funder? A complete and detailed explanation of these rules is essential.	The Council is not responsible for funding nursing care hours. Please refer to the joint statement issued on 29 May 2013.
11.5	Whilst now omitted from the model there is a significant issue for Care Homes such as ours that offer both residential and nursing care. Typically half our residents (14-15) are nursing. Unless there is a significant uplift for the £108 Health Payment, it will not be possible to cover 24 hours a day with a qualified nurse. To provide 24 hour cover costs some £2,500/week. 15 residents x £108/week = £1,620, a very significant shortfall. This is likely to be a real concern for Care Homes offering the flexibility and continuity of both types of care.	Home owners will need to re-visit their business model to ensure that nursing beds are cost effective for them to supply.
11.6	Nursing is the most costly and hardest service to provide yet it would appear that because it is paid the most then this is the easiest to keep taking the fee down. I appreciate the change due the nursing element and RNCC but the intention, despite this, was yet another underlying cut. However what appears to be one small change in real terms means that we will have to provide 16 hours per week of quality care for which we will no longer be paid for.	The Council proposes to increase the non nursing element of the model and has therefore not intended to cut the nursing fee. However the Council cannot pay for nursing care as stated due to this being an NHS responsibility.
<b>12. Catering/ domestic care/ nursing on costs</b>		
12.1	Evidence of judgement on level of on costs	Employer's NI has not increased for 2013/14 from the level assumed in the 2012-13 model. Statutory holidays have not increased. There is no reason to increase the level of sick pay allowance

Heading	Question / Comment	Council Response
12.2	Some evidence would be appreciated	<p>Statutory Holiday entitlement remains at 28 days available on <a href="http://www.gov.uk">www.gov.uk</a></p> <p>HMRC NI contribution tables evidence no change in Employers contribution for the period 2013/14. This can be found using Her Majesty's Customs and Excise CA38 National Insurance <b>contributions Tables A and J</b>  <a href="http://www.hmrc.gov.uk">www.hmrc.gov.uk</a></p>
<b>13. Care/nursing agency cost</b>		
13.1	Evidence of judgement on level of on costs	Nursing on-cost is not included in the 2013/14 model. The nursing component is currently under review with Health. The agency on cost has been reduced as there should be no provision for sickness and holiday pay for agency staff.
13.2	Some evidence would be appreciated	Nursing staff costs are no longer determined by the model and are being considered by the NHS.
<b>14. Agency staff enhancement</b>		
14.1	What does this all mean? Do not understand	This is the level of pay over and above basic pay to cover the higher cost of agency staff. The model assumes that agency staff cost twice as much as directly employed staff, so a 100% enhancement is applied
14.2	Some evidence would be appreciated	The Wirral model makes allowance that 2% of shifts will be covered by agency staff and therefore has allowed a premium equivalent to 100% of basic pay to cover the additional cost of those shifts and assumes that agency staff cost twice as much as directly employed
14.3	<p>Agency RGN's and care assistants- the cost of agency staff has risen by 6 % between 1.4.12 to 31.3.12.</p> <p>We are not sure what proportion of your fee offer applies to provision for agency staff.</p>	This is included as Agency Staff enhancement. The model provides 100% premium on top of the hours already included under staff hours. Therefore this allows for the cost of the hours to be paid at double the rate included under staff wages.
14.4	Agency staff cost more than in-house. Please explain the treatment of Agency in this model. Does 100% mean equal cost or double cost compared to usual?	The model provides 100% premium on top of the hours already included under staff hours. Therefore this allows for the cost of the hours to be paid at double the rate included under staff wages.



Heading	Question / Comment	Council Response
<b>15. Training backfill</b>		
15.1	What is the 1.0% of? Evidence of judgement on level of on costs	The 1% allows 3 days training per employee to cover mandatory training.
15.2	Some evidence would be appreciated What is the 1.0% of? How was the figure of 1% arrived at?	<p>This allowance is an approximate calculation and the Council has therefore used a rounded percentage</p> <p>The figure of 1% is based on 3 days mandatory training.</p>
15.3	WCA calculate approx 6 days backfill for training (induction and ongoing mandatory training).	It is understood that a significant component of training is carried out on the job ; the allowance in the model is intended to cover training off site. The Wirral model currently allows for 3 paid days training per year. As detailed in the Residential/Nursing homes Council contract S12.11.4 'The Provider must ensure that its staff throughout the Home receive a minimum of three paid days training per year and have an individual training and development assessment profile.
<b>16. Annual training cost per employee</b>		
16.1	Evidence of judgement on level of on costs	The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7th February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at. <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a>
16.2	Please give specific section of the information on the webpage you have used.	<p>Extract from Cabinet Report 07-02-13</p> <p>Each breakdown of the model per care home type includes an allowance per bed per week to cover training. This is based on training the home ensuring that full time equivalent staff meets mandatory training requirements.</p>
16.3	At such a low amount I can not imagine any allowance has been made for payment to the employee for the duration of the courses?	In addition to the training costs there is also an allowance for training backfill included in the Wirral model to release staff for 3 days each for mandatory training.

Heading	Question / Comment	Council Response
16.4	As your assumption is based on 28 full time members we do not agree that this is reflective of the true cost associated with training. A number of staff at our homes are part time. They require the same level of training as full time members of staff to ensure that they comply with CQC requirements as well as the requirements in our contract with Wirral Council.	See previous comments
16.5	<p>Training costs to increase after August. Ask Wirral Met. Changes to funding may push this up a lot.</p> <p>Is the Council committing to providing any training to offset some of the costs?</p>	Your comments are noted and further consideration will be given to this issue.
<b>17. Annual recruitment costs</b>		
17.1	Evidence of judgement on level of costs. Please provide evidence of size of advert and which papers	The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7th February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a>
17.2	Please give specific section of the information on the webpage you have used. Please provide evidence of size of advert and which papers.	<p><b>Extract from Cabinet Report 07-02-13 Appendix 2</b></p> <p>The fee proposal of 20 December 2012 does use FTE to calculate recruitment costs and takes into account that many adverts are placed locally. It is also recognised that homes also use the jobcentre to recruit at no cost.</p> <p>The Wirral model allows £1,500 per year for recruitment costs.</p> <p>As stated in information provided on 19 April 2013 this is based on 5 adverts in local press at £300 per advert excluding free adverts in Job Centre Plus (Approximately 1/5 of a page in local publications).</p>
17.3	Nursing homes need nurses too, might be more for them.	This covers staff turnover, no evidence has been received to indicate higher costs.

Heading	Question / Comment	Council Response
<b>18. BCIS – residential fabric</b>		
18.1	Do not understand BICS- require full explanation as to what it is and why it is relevant and why it was used	<p>The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7th February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a> The Royal Institute of Chartered Surveyors Building Cost Information Service can be accessed at <a href="http://www.rics.org.uk/knowledge/bics">www.rics.org.uk/knowledge/bics</a></p>
18.2	Please give specific section of the information on the webpage you have e used. Can we discuss BICS and why it was used?	<p><b>Extract from Cabinet Report 07-02-13 Appendix 2</b></p> <p>The BCIS lifecycle costs take account of the age of a building and have been calculated over a 30 year period based on care and nursing homes with a floor space of 40sq.m per bed. These costs include Fabric costs; External walls, roofs, other structural items, fixtures and fittings and internal finishes, Services costs; Plumbing and Internal drainage, Heating and ventilating, Lifts and escalators, electric power and lighting and other mechanical and electrical services and Decoration cost; Internal and External decoration.</p> <p>The lifecycle costs relate to new build properties.</p> <p>Costs are calculated per 100sqm. The 40sqm was identified in the Wirral Laing and Buisson survey in 2011.</p> <p>The lifecycle costs allow for capital maintenance and revenue expenditure removing the need for a separate adjustment for depreciation</p> <p>This is a Nationally recognised source of lifecycle costs approved by RICS</p>
18.3	BCIS 40M2 allowance thought to be too high	<p>The BCIS costs were based on area. The model assumed 40m2 per bed. No evidence provided by commentators and it is possible the area is less in practice.</p>

Heading	Question / Comment	Council Response																											
18.4	Fabric and decoration - more information needed. Was VAT covered?	<p>These were 30-yr annualised whole-life costs. The residential allowances had increased by 4% and the nursing allowances by 10% over 2012-13. These increases appeared appropriate in all the circumstances. In view of increases we are looking into this but not considering changes BCIS (Reattached as per email of 15 May 2013)</p> <p>The Building Cost Information Service, known as BCIS, is a leading provider of cost and price information for the UK construction industry. It is a part of the Royal Institution of Chartered Surveyors. CIS compiles a large amount of cost data from within the industry and from individual service providers. This data gives them data bases from which they can construct a statistical analysis. An individual can then gauge existing or estimate future building works or cost in use. From the database BCIS produces indices to track price changes within the industry. Sub-indices are available depending on geographical location for which we have specified Merseyside. The service covers many different categories of building and we have used specific categories for nursing homes and old peoples homes (used for residential). Until 2012 a full 30-year cash flow was provided; now a single annual figure is provided. The 3 components of maintenance cost are Decorations, Fabric, and Services.</p> <p>The 2013 Q1 indices as per BCIS are as set out in the attached table. These are per 100m2.</p> <table border="1" data-bbox="945 686 1966 890"> <thead> <tr> <th>Name</th> <th>Decorations</th> <th>Fabric</th> <th>Services</th> <th>Total Maintenance</th> </tr> </thead> <tbody> <tr> <td>Nursing homes, convalescent homes, short stay medical homes</td> <td>280</td> <td>1,073</td> <td>1,435</td> <td>2,788</td> </tr> <tr> <td>Old people's home</td> <td>280</td> <td>886</td> <td>1,157</td> <td>2,324</td> </tr> </tbody> </table> <p>The Wirral Model assumes 40m<sup>2</sup> per bed therefore the indices need to be reduced by 40%. This is used to populate the model as follows:</p> <table border="1" data-bbox="945 1056 1796 1305"> <tbody> <tr> <td>BICS - Residential - Fabric</td> <td>£355.20</td> </tr> <tr> <td>BICS - Residential - Services</td> <td>£462.40</td> </tr> <tr> <td>BICS - Residential - Decoration</td> <td>£112.00</td> </tr> <tr> <td>BICS - Nursing - Fabric</td> <td>£573.60</td> </tr> <tr> <td>BICS - Nursing - Services</td> <td>£430.00</td> </tr> <tr> <td>BICS - Nursing - Decoration</td> <td>£112.00</td> </tr> </tbody> </table>	Name	Decorations	Fabric	Services	Total Maintenance	Nursing homes, convalescent homes, short stay medical homes	280	1,073	1,435	2,788	Old people's home	280	886	1,157	2,324	BICS - Residential - Fabric	£355.20	BICS - Residential - Services	£462.40	BICS - Residential - Decoration	£112.00	BICS - Nursing - Fabric	£573.60	BICS - Nursing - Services	£430.00	BICS - Nursing - Decoration	£112.00
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<b>19. BCIS-residential services</b>		
19.1	Do not understand BICS- require full explanation as to what it is and why it is relevant and why it was used	<p>The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7th February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a> The Royal Institute of Chartered Surveyors Building Cost Information Service can be accessed at <a href="http://www.rics.org.uk/knowledge/bics">www.rics.org.uk/knowledge/bics</a></p>
19.2	Please give specific section of the information on the webpage you have e used. Can we discuss BICS and why it was used?	See 18.2 above
19.3	<p>We still need further explanation about BICS. We assume that the figures in the Wirral model are the annual cost per service user per heading- please confirm. To arrive at the headings for fabric, services and décor you have amalgamated some figures. Please provide source tables. 4</p> <p>We would appreciate an audit style paper trail on BICS to follow what has been done We assume BICS figures exclude vat. Has this included</p>	<p>Wirral Council is a BCIS subscriber. We have already provided what is capable of downloading within the terms of our subscription. We cannot access the underlying formulae that drive the model. We would welcome evidence as to costs from WCA within the agreed consultation timetable...</p> <p>We will give the VAT issue further consideration. However it appears that a 4% increase in the total residential components and a 12% increase in the total nursing components compared to 2012-13 is a reasonable determination.</p> <p>Total BCIS com Total BCIS components residential 2012-13 £889 to £923 2013/2014 Total BCIS components nursing 2012-13 £997 to £1,116 2013/2014</p>

Heading	Question / Comment	Council Response
19.4	Need to factor in effects of inappropriate recent pricing by Council that has suppressed expenditure that could be put off.	Previous fees have been appropriately set. Prior to 2010/11 fees paid by Wirral were at a rate approximately 10% above the North West average. The Wirral 2013/14 model does not aim to attract new development but provides a rate that covers the costs of repairs and maintenance including capital costs as calculated by the BCIS Lifecycle model
<b>20. BCIS – residential decoration</b>		
20.1	Do not understand BICS- require full explanation as to what it is and why it is relevant and why it was used	The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7th February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a> The Royal Institute of Chartered Surveyors Building Cost Information Service can be accessed at <a href="http://www.rics.org.uk/knowledge/bics">www.rics.org.uk/knowledge/bics</a>
20.2	Please give specific section of the information on the webpage you have used. Can we discuss BICS and why it was used	See 18.2 above
<b>21. BCIS- nursing- fabric</b>		
21.1	Do not understand BICS- require full explanation as to what it is and why it is relevant and why it was used	The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7th February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a> The Royal Institute of Chartered Surveyors Building Cost Information Service can be accessed at <a href="http://www.rics.org.uk/knowledge/bics">www.rics.org.uk/knowledge/bics</a>
21.2	Please give specific section of the information on the webpage you have used. Can we discuss BICS and why it was used	See 18.2 above
<b>22. BCIS – nursing services</b>		
22.1	Do not understand BICS- require full explanation as to what it is and why it is relevant and why it was used	The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7th February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a> The Royal Institute of Chartered Surveyors Building Cost Information Service can be accessed at <a href="http://www.rics.org.uk/knowledge/bics">www.rics.org.uk/knowledge/bics</a>

Heading	Question / Comment	Council Response
22. 2	Please give specific section of the information on the webpage you have used. Can we discuss BICS and why it was used	See 18.2 above
<b>23. BCIS – residential decoration</b>		
23.1	Do not understand BICS- require full explanation as to what it is and why it is relevant and why it was used	The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7th February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at. <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a> The Royal Institute of Chartered Surveyors Building Cost Information Service can be accessed at <a href="http://www.rics.org.uk/knowledge/bics">www.rics.org.uk/knowledge/bics</a>
23. 2	Please give specific section of the information on the webpage you have used. Can we discuss BICS and why it was used	See 18.2 above
<b>24. Handyman gardening costs</b>		
24.1	Evidence of judgement on level of costs	The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7 <sup>th</sup> February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at. <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a>
24.2	Please give specific section of the information on the webpage you have used	<b>Extract from Cabinet Report 07-02-13 Appendix 2</b>  Wirral model based on handyman/gardener contracted in one of its supported living units.  Capital and revenue maintenance costs are included in the lifecycle costing under repairs and maintenance.  Wirral Model allows 10 hrs per week @ £15 per hour.
24.3	It is our belief that a handyman alone would cost a 37 bed home around £175 per week. The issue of a gardener is more difficult one to quantify and further research is needed	It is considered the Wirral model at £150 to provide a reasonable assessment of actual cost. Detailed evidence on this issue is awaited within the agreed consultation timetable

Heading	Question / Comment	Council Response
24.6	Handy Person is required to undertake tests fire/water/ lighting etc	Wirral Borough Council notes WCA indicate that the handy person would be responsible for undertaking test in relation to fire, water and light which we would expect to be carried out within the hours allocated in the Wirral Model
24.7	It would appear that no allowance has been made for consumables and for the removal of the garden waste?	No allowance has been made for the removal of garden waste. This is a new charge on Wirral and further consideration will be given to this.
24.8	Our gardening contracts equate to approx. £35 per week	Noted
<b>25. Insurance per client</b>		
25.1	Evidence of judgement on level of costs	The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7 <sup>th</sup> February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at. <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a>
25.2	Please give specific section of the information on the webpage you have used	<b>Extract from Cabinet Report 07-02-13 Appendix 4</b> In the absence of detailed actual cost the market research by Laing and Buisson has been used alongside advice from the Council's insurance advisers.  Wirral Model includes £5.41 per bed per week.
25.3	Insurance in our care homes covering public liability and buildings is approx. £2 per bed per week. However this does not represent the true cost of insurance as we have a high excess and the cost of claims under this level have to be met by the budget at the home.	Noted
25.4	Increase of 5.9% for 2013/2014 over last year.	No evidence has been provided to indicate a higher rate.
25.5	Insurance, due to increased claims against care homes. See information supplied.	
<b>26. Registration/ CRB cost per client</b>		
26.1	Evidence of judgement on level of costs	The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7 <sup>th</sup> February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at. <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a>



Heading	Question / Comment	Council Response
26.2	Please give specific section of the information on the webpage you have used	<b>Extract from Cabinet Report 07-02-13</b> The proposal allows £3.42 to cover registration and CRB.
26.3	Cost to us is £3.25 per week.	Noted
26.4	The cost has risen from £55 to £73-20 in the past 12 months – increase 33.09 %. –copy bill attached. We spent £4,328 in year end 30.4.13.	Your costs are noted. The model includes an allowance for CQC registration and CRB checks which will cover your costs.
<b>27. Other non staff expenses per client</b>		
27.1	Evidence of judgement on level of costs What are these costs	The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7 <sup>th</sup> February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at. <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a>
27.2	Please give specific section of the information on the webpage you have used.  What are these costs?	<b>Extract from Cabinet Report 07-02-13</b> <b>Ti has increased from</b>  This was included in the 2012/2013 model as £6.50 which has been increased by CPI 2.7% to £6.85.
27.3	Could we please have further explanation as to what is included so we can give guidance on cost?	This includes Waste disposal, uniforms, linen & crockery, stationery, motor & travel, subscriptions, marketing, and sundry as in 2012/13 model

Heading	Question / Comment	Council Response
<b>28. Food per client 28</b>		
28.1	Evidence of judgement on level of costs	The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7 <sup>th</sup> February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a>
28.2	Please give specific section of the information on the webpage you have used.	<b>Extract from Cabinet Report 07-02-13</b> Report Appendix 1 states Wirral cost allowance at £24.90 which has been has been uplifted by 2.7% using CPI to £25.57l.
28.3	Care homes have strict nutritional targets to reach and record and in addition to above inflation price increases, have to purchase expensive food supplements that up until last year we free by prescription. We believe that the correct figure should be £26.80 per week per service user	We consider the Wirral model to provide a reasonable assessment of actual cost and have increased the allowance from 2012-13 by 2.7%. We await the detailed evidence within the agreed consultation timetable
<b>29. Utilities per client</b>		
29.1	Evidence of judgement on level of costs	The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7 <sup>th</sup> February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a>
29.2	Please give specific section of the information on the webpage you have used	<b>Extract from Cabinet Report 07-02-13</b> Report Appendix 1 states Wirral cost allowance at £23.82 which has been has been uplifted by 2.7% using CPI to £24.46.
29.3	We now have to renew our gas contract; the cost has risen by 22% on renewal on 22.5.13. What evidence would you like? The cost of our gas and electricity for year to 30.4.13 was £55,764 and a 22% increase on our annual usage will be £12,268.	The allowance for utilities including energy has been inflated by CPI at 2.7%. The basket of goods used by the Nation Office of Statistics to calculate CPI includes energy. Your comment is noted.

Heading	Question / Comment	Council Response
29.4	<p>Evidence? Based on last year's disputed model. What has been resolved?</p> <p>Which utilities are included in this? Telephone? Internet?</p>	<p>The Wirral model allowance is considered reasonable. No evidence has been provided to indicate a higher cost.</p> <p>Includes gas, oil, electricity, water and telephone. Additional Internet costs over and above line rental are covered by additional admin support.</p>
<b>30. Medical supplies per client</b>		
30.1	Evidence of judgement on level of costs	<p>The basis of this calculation is the same as that used in the 2012/13 model. Please refer to the 7<sup>th</sup> February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a></p>
30.2	Please give specific section of the information on the webpage you have used.	<p><b>Extract from Cabinet Report 07-02-13</b> Report Appendix 1 states Wirral cost allowance at £3.25 which has been has been uplifted by 2.7% using CPI to £3.42.</p>
30.3	The condition of people now resident in care homes is more complex and demanding than it was even a few years ago. Therefore we believe that the figure for medical supplies per user per week should be £6.00.	<p>We consider the Wirral model to provide a reasonable assessment of actual cost and have increased the allowance from 2012-13 by 2.7%. We await the detailed evidence within the agreed consultation timetable.</p>
30.4	Weekly maximum benchmark used of £3.25 per customer per week. This is higher than the amount you propose and costs are likely to rise as residents needs become higher	It is not clear what bench mark you are referring to and if this is representative locally.
30.5	<p>Evidence? Based on last year's disputed model. What has been resolved?</p> <p>What about equipment, clinical waste, beds, hoists, pressure mattresses etc. Not always supplied by NHS, even in residential homes.</p>	<p>The Wirral model allowance is considered reasonable. No evidence has been provided to indicate a higher cost</p> <p>This includes medical supplies inclusive of equipment rental. We welcome further evidence from homes on this cost.</p>

Heading	Question / Comment	Council Response
<b>31. Domestic and cleaning supplies per client</b>		
31.1	Evidence of judgement on level of costs	The same basis as the 2012/13 model uplifted by 2.7% Consumer Price Index annual increase rate determined by the Office of National Statistics. This is the annual rate of increase to January 2013 announced 12th February 2103 – see <a href="http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/january-2013/index.html">http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/january-2013/index.html</a>
31.2	Please give specific section of the information on the webpage you have used. Please provide evidence that supports this conclusion.	<b>Extract from Cabinet Report 07-02-13</b> Report Appendix 1 states Wirral cost allowance at £3.25 which has been has been uplifted by 2.7% using CPI to £3.42.
31.3	Have you included supplies for laundry and supplies for dishwasher? We feel the figure should be £7.40 per user per week.	We consider the Wirral model to provide a reasonable assessment of actual cost and have increased the allowance from 2012-13 by 2.7%. We await the detailed evidence within the agreed consultation timetable
<b>32. Trade and clinical waste per client</b>		
32.1	Evidence of judgement on level of costs	The same basis as the 2012/13 model uplifted by 2.7% Consumer Price Index annual increase rate determined by the Office of National Statistics. This is the annual rate of increase to January 2013 announced 12 <sup>th</sup> February 2103 – see <a href="http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/january-2013/index.html">http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/january-2013/index.html</a>
32.2	Please give specific section of the information on the webpage you have used.  Please provide evidence that supports this conclusion.	<b>Extract from Cabinet Report 07-02-13</b> Report Appendix 1 states Wirral cost allowance at £3.25 which has been has been uplifted by 2.7% using CPI to £3.42.
<b>33. Market value per bed</b>		
33.1	Please provide evidence that supports this conclusion	<b>See Appendix 3 - (33.1a)</b>
33.2	Please give specific section of the information on the webpage you have used.  Please provide evidence that supports this conclusion.	<b>Extract from Cabinet Report 07-02-13</b>  Adverts and calculations used were provided in the information provided on 19 April 2013.

Heading	Question / Comment	Council Response
33.3	No additional evidence provided	Further evidence from WCA awaited. Assumption has increased from £37,300 in 2012-13 to £39,500 in 2013-14. This is an increase of over 5% and is a reasonable provision. Further evidence on area per resident awaited
33.4	Evidence?	Copy of adverts used is included in 33.1 above.
<b>34. Return on buildings residential/ nursing</b>		
34.1	Please provide evidence that supports this conclusion	<p>The basis of this calculation for Nursing is the same as that used in the 2012/13 model. Please refer to the 7<sup>th</sup> February 2013 Cabinet Report setting out the full details of this calculation and responses to all the issues raised in consultation. This is available on the Council's website at <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&amp;MId=3870&amp;Ver=4</a></p> <p>For residential a 0.25% reduction has been made to reflect the reduced requirement for this category of provision.</p>
34.2	<p>Please give specific section of the information on the webpage you have used.</p> <p>Please provide evidence that supports this conclusion</p>	<p><b>Extract from Cabinet Report 07-02-13</b></p> <p>The calculation for capital values uses the average market value of care homes in the region <u>inclusive</u> of land and buildings.</p> <p>Based on evidence from property consultants (CBRE Global Research and Consulting Limited), but reduced by 0.25% for residential to reflect no new capacity required. Rate of return is the gross return on investment in the land and buildings.</p>
34.3	We need a copy of the CBRE report used	Provided
34.4	<p>Residential Calculation</p> <p>Please explain the decrease rate of return 7% - 6.75% for residential and prioritised investment in dementia and training.</p>	The changes reflected emphasis on higher content provision in accordance with the emerging market position statement.
34.5	<p>Rate of return on capital and deduction of incentives residential</p> <p>Dissatisfaction at the reductions made for residential</p>	<p>Wirral Council did not accept it is necessary to seek an independent opinion on the parameters in the model. A copy of the CRB Dashboard is attached and the variation is not considered significant to warrant any change in the model.</p> <p>(Separate PDF Brochure)</p>

Heading	Question / Comment	Council Response
34.6	Explain the figures used.	The calculation for capital values uses the average market value of care homes in the region <u>inclusive of land and buildings</u> . based on evidence from property consultants (CBRE Global Research and Consulting Limited), but reduced by 0.25% for residential to reflect no new capacity required. Rate of return is the gross return on investment in the land and buildings.
34.7	Rent hasn't gone down, why is this different for a different use of a building? I don't see the link. How does this relate to the payments on a loan to build a new care home? Wirral model does not aim to entice new build into the market at this time. This suggests an intention to cause some residential homes to fail. How many?	The return allowance gives due regard to an independent assessment of the market rate. The reduced allowance for residential homes takes into account the Councils wish to incentivise EMI and Nursing care.  Wirral model does not aim to entice new build into the market at this time.  The Council has no intention to make homes fail.
34.8	Rate of return on capital. There is no evidence put forward by the Council that the actual cost to providers in the Wirral of maintaining the capital assets (e.g. paying the bank, capital expenditure) is reduced just because the Council does not wish any new build care homes in the area	The return component for residential between 2012-13 and 2013-14 has increased by 2.1% from £52.85 to £53.97
<b>35. Return on activity</b>		
35.1	Please provide evidence that supports this conclusion	As previously stated in the information provided on 19 April 2013 it is reasonable for the Council to rely on the experience of its Director of Finance in order to arrive at an appropriate figure for return on business activity. He has taken into account the depressed economic circumstances prevailing in Wirral and the absence of any need on the part of the Council to attract new entrants into the market by offering a fee based on a higher percentage profit figure. This was his judgement for the year 2013/2014.
35.2	Please provide evidence that supports this judgement	
35.3	We think we need an independent opinion on this which we can discuss on the 28th May	We consider the Wirral model to provide a reasonable assessment of actual cost. We await the detailed evidence within the agreed consultation timetable. It is the social service authority's responsibility to determine actual cost.
35.4	We think we need an independent opinion on this	We consider the Wirral model to provide a reasonable assessment of actual cost. We await the detailed evidence within the agreed consultation timetable. It is the social services authority's responsibility to determine actual cost.
35.5	Please evidence return on activity	The calculation for capital values uses the average market value of care homes in the region <u>inclusive of land and buildings</u> . Based on evidence from property consultants (CBRE Global Research and Consulting Limited), but reduced by 0.25% for residential to reflect no new capacity required. Rate of return is the gross return on investment in the land and buildings.

Heading	Question / Comment	Council Response
35.6	I presume this is for economic activity, if that is the case then this is some 50% of the figure identified in the Laing & Buisson report, such a percentage cut is unjustified, especially given that local factors should not cause a variance from area to area.	This represents the profit after all running and finance costs have been met.  Your comment in relation to Laing and Buisson is noted.
35.7	We are disappointed that the need for existing providers to invest in their properties does not appear to have been recognised. We outlined our concerns as part of the consultation process in 2012 and our view has not changed. We need a higher return on activity to invest in our properties so that we can continue to provide a quality environment in which our residents can live safely and happily.	The Council would welcome information on the numbers of staff you employ.
35.8	Seems a bit low. Was this not commented as such in one of the recent high court rulings? This figure contains the flexibility and margin for error in the model. Is it really accurate?	This represents the profit after all running and finance costs have been met and is considered reasonable in the current economic climate.
<b>36. Number of employees</b>		
36.1	What does 28 mean?	This is 28 Full Time Equivalent staff.
36.2	Please provide some evidence that the 28 full timers is based on.	The full time equivalent of 28 people was determined as per the attached spreadsheet. See Appendix 3 for evidence. The number of employees has now been revised to 27 for residential and 35 for nursing in response to consultation comments. <b>See Appendix 3 - (36.2a)</b>
36.3	We think the 28 full time staff equivalent staff for a 37 bed home should be 39 which will affect the calculation for payroll per month(evidence will be made available at our meeting on the 28th May).	This is the modelled number of staff to cover the assessed needs not the business choices made by the organisation (i.e. additional activities and services such as End of Life Care which is funded separately) We consider the model reflects this. The number of employees has now been revised to 27 for residential and 35 for nursing in response to consultation comments.
36.4	The 28 number of employees disputed, also the payroll cost.	We await robust evidence as to the average employee numbers across the market. The £3 used is the Wirral Council payroll cost.

Heading	Question / Comment	Council Response
36.5	<p>Basing the assumptions made in this fee proposal on 28 full time members of staff does not take into account the added costs associated with employing part time staff. We highlighted this in our feedback to the fee proposal in 2012/13 (02 April 2012) and our view on this issue remains unchanged.</p>	<p>The Council would welcome information on the numbers of staff you employ. The number of employees has now been revised to 27 for residential and 35 for nursing in response to consultation comments.</p>
36.6	<p>We attach a copy of our typical monthly payroll bill for our home for which the cost is significantly more than £3 per staff member and our ratio of staff on payroll to service user is higher than you state. We are a 30 bed care home and have 31 on the payroll. This would indicate it would be significantly higher than the 28 FTE for the 37 bed home you quote in your calculations.</p> <p>In an effort to reduce my costs I have contacted several payroll accountancy firms but they are all coming back with very similar figures. If I employed over 45 people I would be able to get the payroll down to £5.25 but this goes even further against your assumptions of 28 FTE staff per 37 service users.</p> <p>If you have any evidence of payroll firms charging anywhere near the claimed £3 per slip for less than 45 staff could you please provide me with this as I desperately need to reduce this cost</p>	<p>The model assumption is the cost per payslip for Wirral Council; this is regarded as a reasonable measurement of the payroll cost over the range of care homes in Wirral.</p>
36.7	<p>Where does this come from?  How does it scale with home size?  Is it the same in all types of provision in the model?  FTE employees or real?  How many hours per employee/define FTE?</p>	<p>FTE assumes 36 hours per week 28 is the same in all types of provision. Further consideration will be given to the figure used. The number of employees has now been revised to 27 for residential and 35 for nursing in response to consultation comments.</p>



Heading	Question / Comment	Council Response
36.8	Without disclosure of full calculations, unable to verify whether the 2012-13 data used in the Wirral Model for nursing homes has been correctly redivided and remultiplied.	The full calculation was set out in the 2012-13 Cabinet Report. The same analysis is provided for the 2013-14 proposal. This analysis enables the contribution of the individual components to be understood.
36.9	28 staff per 37 bed home is inadequate. No increase in staffing has been made when increasing the size of the model nursing home to 45 beds.	The number of employees has now been revised to 27 for residential and 35 for nursing in response to consultation comments.
<b>37</b>	<b>General Questions and comments</b>	
37.1	Could you please explain the rationale for rewarding the poorest 1 star homes with a substantial increase whilst penalising homes that have invested and attained a higher star rating?	The Council moved to a single fee rate from April 2012 using the Wirral Model. The previous Wirral Premium Model no longer applies. The rationale for this change was to ensure that the Council pays a fair rate to all homes so that they can employ adequate staffing and meet the requirements of the Care Quality Commissions Essential Standards of Quality and Safety. Inevitably there were some homes that benefited more than others when the old premium model was disbanded although the majority of homes had achieved 3 stars
37.2	I note that the Council has stated that no feedback was received that providers were unhappy with the time line. I did feedback that I didn't think that the time for providers was long enough during the process. Has this been taken on board?	The Council is conscious that the time allowed is tight but acknowledges that the proposed time-scale will already delay the implementation of the new fees for 2013/2014 until July 2013. Consultation with regards the fees for 2014/2015 will commence in September/October 2013 to prevent the need for such tight time-lines in the future.
37.3	I'm not sure how and what you are incentivising for with Res EMI and General Nursing at £5/WK and whether this £5 is included in the proposed figure of £423.	The incentive payment of £5 per wk is included in the proposal of 31 May 2013 at £424 for General Nursing.
37.4	Can consideration be given to asking if providers would mind making a single annual return (similar to the previous Part A at least)?	The Council's preference would be for an open book exercise. The exercise completed in 2012/2013 was not sufficiently responded to and home owners did not complete the more detailed return to enable costs to be better understood. Consideration to undertaking an annual return can be given in the future.

Heading	Question / Comment	Council Response
37.5	<p>I do not accept “Bed numbers – nursing” at 45. This figure was previously agreed at 37 and I feel this is the figure that should be used. Providers of 45 beds and increasingly for larger homes have a clear advantage in economies of scale. Wirral should be offering clients a choice of home and this should also include the size of home they may wish to consider. The costs of a 45+ bed home do not in my opinion reflect the true cost of care for ALL (or the majority) of homes in Wirral.</p>	<p>The average nursing home size is 45 beds and this has not been applied to all homes only nursing.</p>
37.6	<p>We wish to give you a comprehensive summary of our costs for the past 12 months but you have not asked for this and you did not use the comprehensive costs figures we gave you covering years ended 2011 and 2012. Can we send you this data so that you have 3 years of our costs as well as a Laing and Buisson report?</p>	<p>The Council notes your intention to provide your cost data for the last 12 months. For the avoidance of doubt all information provided during the 2012/13 fee consultation was considered at that time.</p>
37.7	<p>Number of weeks in the year.</p> <p><math>365/7=52.14286</math> or <math>52 \frac{1}{7}</math> and watch out for leap years they cost more</p>	<p>Wirral pays providers 13 four weekly payments in anyone year</p>
37.8	<p>Bed Numbers Residential  Much higher than more than half the homes on Wirral. Model doesn't provide enough money for homes under this size. If the model sets the fees, council has decided that homes under this size should not be viable.  Suggest minimum size from current stock to meet total capacity required in the current market / or minimum compliant home that holds a contract. Homes below this size may be caused to fail by ignoring this point.</p> <p>Evidence? 37 beds is the average in Wirral.</p>	<p>This is based on the average nursing home size in Wirral. The model is aimed at paying a rate for an efficiently run care home.</p>

Heading	Question / Comment	Council Response
37.9	<p>Bed Numbers Nursing  Much higher than more than half the homes on Wirral. Model doesn't provide enough money for homes under this size. If the model sets the fees, council has decided that homes under this size should not be viable.  Suggest minimum size from current stock to meet total capacity required in the current market / or minimum compliant home that holds a contract. Homes below this size may be caused to fail by ignoring this point.</p> <p>Evidence? 45 beds is the average in Wirral.</p>	<p>This is based on the average nursing home size in Wirral. The model is aimed at paying a rate for an efficiently run care home.</p>
37.10	<p>95% Occupancy Requires a minimum home size of 20 beds to even be possible. And then only allows one client down on average.</p> <p>Represents a market average, but does it scale reasonably to an individual home given the random nature in which each home may be affected?</p>	<p>This is based on the occupancy in Wirral. The Council cannot pay for inefficiency and under occupancy in homes that do not attract business.</p>
37.11	<p>What is not included in the model or is it meant to include everything?</p>	<p>The model assumes care is provided to CQC guidelines.</p>
37.12	<p>Only the Council has had access to a copy of the model. How can I give good feedback without being able to input my own figures?</p>	<p>All home owners are being consulted on the Council' proposal. The model calculation was provided in setting 2012-13 fees. The model has again been provided for the 2013-14 proposal.</p>
37.13	<p>Given that the model maps directly to the price you intend to pay, why has the size of the home been selected as the mean, given that in effect this will be in minimum sustainable size if the price given by the model is used?</p>	<p>The Council has a duty to set a fee for the market. Each home will have different costs and will need to make their own business decisions in relation to sustainability.</p>

Heading	Question / Comment	Council Response
37.14	<p>Has the distribution of home sizes in the market been used to ensure that sufficient beds will be sustainable in the area to meet total demand? Both current (not all services users leave on the change to the new financial year) and future. The rate that new policies take effect means that current levels must also be sustainable.</p>	<p>Market Capacity is taken into account.</p>
37.15	<p>If as has been mentioned this model may be projected to map the price for a two year period is it fit for this purpose. (min wage assessment and treatment amongst other issues suggest it is only fit for one year)</p>	<p>The proposal is for 2013/2014 only.</p>
37.16	<p>Larger costs that don't manifest every year need to be considered. Does the council submit that it has paid enough historically that we should be able to afford new lifts, roofs, windows and other such expensive but infrequent costs? Evidence?</p>	<p>The BCIS lifecycle costing takes this into account.</p>
37.17	<p>Some Nursing home providers believe that it is harder for clients to be assessed as nursing and that many are looked after in residential beds with the assistance of the DN. Has this been taken into account when predicting future bed use? This could suggest a greater skew to residential rather than nursing beds</p>	<p>People supported in residential homes with district nursing support (usually short term) would not be assessed to require nursing. These people will be accounted for in the demand for residential care.</p>
37.18	<p>Does the time it takes for providers to engage with this and other requested additional administrative exercises get factored into the model?</p>	<p>No, this would be comprised in management duties.</p>
37.19	<p>We will be paying the statutory pension scheme from Feb 2014, within this year. This has not been taken into account. Staff pension contributions may have to be paid after minimum wage is received therefore no one can be paid minimum wage as they would receive less after making contributions. Please check this. I understand that to start both employer and employee may have to contribute 1%, increasing to more later.</p>	<p>The impact of pensions obligations is minimal in 2013-14 and the oncost for care, domestic and catering staff has been increased by 0.1%.</p>

Heading	Question / Comment	Council Response
37.20	Public holidays are paid at 150%, Christmas Day and New Years Day at 200% to ensure cover is available.	Noted
37.21	What costs are to be included in the nursing contribution. I assume more than the nurse wages. Please specify exactly what these are meant to pay for.	The Wirral model excludes these nursing costs which are set by the NHS.
37.22	Diploma level 3 (nvq) to be much more expensive after 1/08/2013. Ask Wirral	Further consideration will be given to this for 2014-15.
37.23	Some costs listed as per client exist regardless of occupancy levels. Has this been taken into account?	This is taken account of in the model calculation.
37.24	Relevant capacity to the market is the capacity now, and next year's predicted changes. The changes the year after can be addressed next year. It is inappropriate to use long term market prediction in an annual model. The costs must be met for the year regardless of the long term predictions	The model is considered to be a reasonable guide for 2013-14 fee levels.
37.25	This is a key issue. It is well established that Wirral Homes are on average, typically 30-32 places, though the arithmetic mean is increased upwards by a relatively small number of much larger homes. To truly reflect the actual costs of operating a 'typical' care home the modal average would be the best indicator, with a discount % added for larger homes that can achieve economies of scale.	The average nursing home size in Wirral is 45 beds and this has not been applied to all homes only nursing.
37.26	There is a need to provide a pension to virtually all employees from January 2014 under the Governments Auto Enrolment Scheme - Pensions Act 2008. Details of this can be found at <a href="http://www.tpr.gov.uk">www.tpr.gov.uk</a>	The impact of pensions obligations is minimal in 2013-14 and the oncost for care, domestic and catering staff has been increased by 0.1%. The matter will be considered further in setting 2014-15 fees.
37.27	Fully worked calculation not provided, despite previous requests	The model calculation was provided in setting 2012-13 fees. The model has again been provided for the 2013-14 proposals.

Heading	Question / Comment	Council Response
37.28	Inflation plus the increase in the manager's salary (below) would take the residential fee to around £409.77 prpw, and yet the final proposal is £401. This suggests an £8.77 deflationary element has been applied.	The fees proposed are based on a detailed model and there is no general deflationary adjustment.
37.29	The residential fee has now increased by £6.00 per resident per week but, as explained above, this appears to be an arbitrary amount.	The fees proposed are based on a detailed model and there are no arbitrary adjustments.
37.30	No questions were asked about: Salary/wage levels Capital values Profit	The fees proposed are based on a detailed model and includes evidence-based calculations for these components. Consultation comments were invited from providers.
37.31	Proposal represents a cut in real terms, compared with the 2012-13 fees, and cumulatively over at least the past 3 years	The fees proposed for 2013-14 are based on a detailed model and there is no general inflationary adjustment.
37.32	Larger care home providers in the Wirral are already paying towards the new pension provisions. Laing & Buisson have calculated that this adds 0.30% to salary costs for 2013-14 and added 0.10% for the previous year (see enclosure	The impact of pensions obligations is minimal in 2013-14 and the oncost for care, domestic and catering staff has been increased by 0.1%. The matter will be considered further in setting 2014-15 fees.
37.33	No analysis of the effect of the fees on homes, market and residents	A full Equalities Impact Assessment has been completed.
37.34	No attempt has been made by the Council to assess the impact of the fees on providers. This is particularly important given that the Wirral Model has not been derived from actual costs data supplied by local providers.	The fees proposed are based on a detailed model and includes evidence-based calculations for these components. Consultation comments were invited from providers. A full Equalities Impact Assessment has been completed.

Heading	Question / Comment	Council Response																																		
37.35	<p>3% figure for 'pure profit' is inadequate and arbitrary. No reason has been given for setting the rate at 3%, which will be eaten into by inflation (3.05% CPI/RPI) and by the Council's failure to provide adequately for other elements of the fees. The only justification given (in Jacqui Evans' letter of 28 June 2013) is ex post facto reasoning which does not bear close examination. The main industry expert, Laing &amp; Buisson, suggests a 10% return on business activity, combined with the return on capital rate of 7% (which is to pay financing costs, capital refurbishments etc). In the absence of any rationale, the figure is entirely arbitrary. The Knight Frank report suggests that EBITDARM in the North West should be around 28%. In the Wirral Model, the equivalent of EBITDARM are the allowances for return on capital and profit, which appear to be no more than about 15%. (But full calculations needed in order to check.)</p>	<p>As previously stated in the information provided on 19 April 2013 it is reasonable for the Council to rely on the experience of its Director of Finance in order to arrive at an appropriate figure for return on business activity. He has taken into account the depressed economic circumstances prevailing in Wirral and the absence of any need on the part of the Council to attract new entrants into the market by offering a fee based on a higher percentage profit figure. This was his judgement for the year 2013/2014.</p> <p>The value of the business activity component for residential has increased from £9.97 per week to £10.20 per week between 2012-13 and 2013-14, an increase of over 2%.</p>																																		
37.36	<p>Whilst there is said to be an incentive built in to the residential EMI, nursing and nursing EMI figures, the latter two categories propose a decrease in fees (see Table 1). In addition, all three 'incentives' appear to be purely arbitrary figures.</p>	<table border="1" data-bbox="936 807 1968 1182"> <thead> <tr> <th data-bbox="936 807 1155 879">Category of Care</th> <th colspan="2" data-bbox="1155 807 1632 879">Fee per Resident per Week Excluding Nursing Element</th> <th data-bbox="1632 807 1783 879">Increase</th> <th data-bbox="1783 807 1968 879">Increase</th> </tr> <tr> <td></td> <th data-bbox="1155 879 1395 978">2012/13</th> <th data-bbox="1395 879 1632 978">2013/14 (Proposed Fee)</th> <th data-bbox="1632 879 1783 978">£</th> <th data-bbox="1783 879 1968 978">%</th> </tr> </thead> <tbody> <tr> <td data-bbox="936 978 1155 1011">Residential</td> <td data-bbox="1155 978 1395 1011">£395.00</td> <td data-bbox="1395 978 1632 1011">£401.00</td> <td data-bbox="1632 978 1783 1011">£6.00</td> <td data-bbox="1783 978 1968 1011">1.52%</td> </tr> <tr> <td data-bbox="936 1011 1155 1080">Residential EMI</td> <td data-bbox="1155 1011 1395 1080">£425.00</td> <td data-bbox="1395 1011 1632 1080">£439.00</td> <td data-bbox="1632 1011 1783 1080">£14.00</td> <td data-bbox="1783 1011 1968 1080">3.29%</td> </tr> <tr> <td data-bbox="936 1080 1155 1114">Nursing</td> <td data-bbox="1155 1080 1395 1114">£418.81</td> <td data-bbox="1395 1080 1632 1114">£425.00</td> <td data-bbox="1632 1080 1783 1114">£6.19</td> <td data-bbox="1783 1080 1968 1114">1.48%</td> </tr> <tr> <td data-bbox="936 1114 1155 1182">Nursing EMI</td> <td data-bbox="1155 1114 1395 1182">£433.81*</td> <td data-bbox="1395 1114 1632 1182">£440.00</td> <td data-bbox="1632 1114 1783 1182">£6.19</td> <td data-bbox="1783 1114 1968 1182">1.43%</td> </tr> </tbody> </table> <p data-bbox="936 1217 2096 1278">The 2011/12 Wirral model calculated a fee reduction for Nursing EMI, however Wirral Council maintained the rate paid for Nursing EMI at the 2010/11 level.</p> <p data-bbox="936 1313 2136 1439">The above table identifies the actual 2012/13 fees relating to non nursing costs which the authority is legally responsible to fund. These are set against the 2013/14 proposed fees. The 2013/14 fee proposal excludes nursing costs, which it is illegal for the local authority to fund, and shows an increase in all categories</p>					Category of Care	Fee per Resident per Week Excluding Nursing Element		Increase	Increase		2012/13	2013/14 (Proposed Fee)	£	%	Residential	£395.00	£401.00	£6.00	1.52%	Residential EMI	£425.00	£439.00	£14.00	3.29%	Nursing	£418.81	£425.00	£6.19	1.48%	Nursing EMI	£433.81*	£440.00	£6.19	1.43%
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Heading	Question / Comment	Council Response
37.37	The Council's proposal takes no account of the likelihood of further closures.	The Council has taken into account market position and considers the market stable but it is aware of its duties under the Equality Act 2010 and is conducting an impact assessment
37.38	The fees set by Wirral cabinet on 7 February 2013 do little more than put fees back to the level paid in 2009/2010. Care homes in the Wirral were already carrying a significant funding deficit into 2012-13. A cut in 2013-14 will worsen the position: no account appears to have been taken of the possible consequences of this e.g. in terms of standards of care for residents.	2009/10 fees were being paid by Wirral at a rate of approximately 10% higher than other North West Authorities. The Wirral fee model is not linked to other models.
37.39	Many providers continue to have to rely upon third party 'top ups' to make up the shortfall between the cost of meeting residents' assessed needs for accommodation and personal care and the fees paid by Wirral to meet those needs. On average, these 'top ups' are set at around £40 per resident per week.	Owners choose to charge top ups for a variety of reasons and top ups are linked to individual choice. The Council is not setting fees as if a top up existed
37.40	<p>Shaping Tomorrow” Wirral's 'overarching commissioning strategy' for 2012-15, entitled “Shaping Tomorrow”, predicts that:</p> <p>By 2033, the population aged over 65 in the Wirral will have increased by 43% compared with 2008;</p> <p>Over the same period, the population aged over 85 will have increased by 123%; and</p> <p>By 2031, 26% of the Wirral's population will be aged 65 or above.</p> <p>“Shaping Tomorrow” also reports that:</p> <p>“Emergency hospital admissions for dementia in Wirral are approximately 54% higher than the national average, which could indicate that there are caring issues regarding older people with dementia.”</p>	Risks associated with demand and capacity have been looked at and will be looked at through the equality impact assessment.



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37.41	<p>In relation to the socio-economic situation in the Wirral's area, "Shaping Tomorrow" reports that:</p> <p>Some parts of the area are amongst the most deprived areas nationally;</p> <p>Unemployment is significant.</p> <p>This information suggests that there will be an increased need in Wirral's area for care provision (including care homes) for elderly people, especially those with dementia.</p>	The revised model shows a fee increase across categories
37.42	<p>Finally, at paragraph 6.4 of "Shaping Tomorrow", Wirral state that the following 5 elements of further policy and procurement development are required, with no emphasis or higher priority being given to any element:</p> <p>Market / Gap Analysis – "... Further analysis will be undertaken to enable commissioners and providers to better understand where there are gaps in provision."</p> <p>Budgetary – "...benchmarking and value for money ..."</p> <p>Market Development – "... transparent and appropriate tendering processes that will ensure an appropriate level of provision."</p> <p>Market Management</p> <p>Partnership Approach</p>	Whilst such information may suggest that there will be an increase in demand for support that does not mean support within a care home setting .
37.43	<p>The size of the nursing home used in the Wirral model for 2013-14 appears to have increased from 37 beds to 45 beds i.e. a 21% increase in the size of the home. However, the number of staff employed has remained the same at 28. This does not make sense.</p>	The number of employees has now been revised to 27 for residential and 35 for nursing in response to consultation comments.

Heading	Question / Comment	Council Response
37.44	The consultation email refers to other sources of social care, such as home based support and extra care housing. However no details have been supplied (e.g. a gap analysis) as to the extent or timing of such projects as against projected demographic increases, particularly in relation to nursing and EMI care.	The Wirral market position statement provides an analysis of both current social care market and is based upon trends, demographics, local and national good practice service models, comparative performance data. judgements in relation to proposed market interventions to transform services and improve outcomes for people within available resources. The commissioning plans together with the market position statement also illustrates a shift and direction of travel . Those have been part of a co-produced process in consultation with providers.
38.0	Data Submitted by Home Owners	
38.1	<p>You mention collecting costs data. I am not aware this has been requested earlier and if you had wished to collect this, it could have been asked for much earlier.</p> <p>Please confirm you will be able to give a reasonable timescale for homes to provide their costs data for the past 2 years. What format should be used for us to summarise our costs data ?</p> <p>Part A and Part B were used last year, please confirm a similar format can be used again this year ? A suggested version is attached which is more specific and includes Part B which was not compulsory last year but all homes must complete it this year so you have a full representation of the data.</p>	As previously stated the exercise completed in 2012/2013 was not sufficiently responded to and home owners did not complete the more detailed return to enable costs to be better understood. The consultation has provided an opportunity for home owners to supply evidence of their actual costs and where this has happened consideration is being given.