

Appendix 1

Wirral Model Factor	2013-14 Model	Changes for 2014-15	2014-15 Proposal
Management salaries and wages	£33,900.00	The 2013-14 model attracted a significant level of comments in this area. This reflected the varying patterns of administration delivery in homes. It is therefore proposed to make a single administration allowance. This will be based on the 2013-14 allowance increased for inflation plus an additional £10,000	Not used
Other administration salaries and wages	£14,443.20		Not used
Other administration externally purchased	£7,000.00		Not used
Management and other on cost rate	12%		Not used
Management allowance		New factor	£72,367.27
Catering hours per client per week	1.50	No change	1.50
Domestic hours per client per week	4.50	No change	4.50
Care hours per client per week residential	18.50	No change	18.50
Care hours per client per week residential EMI	22.00	No change	22.00
Care hours per client per week nursing	20.50	No change	20.50
Care hours per client per week nursing EMI	22.00	No change	22.00
Catering salary and wages	£7.00	2% Bank of England CPI inflation target	£7.14
Domestic salary and wages	£6.25	2% Bank of England CPI inflation target	£6.38
Care salary and wages	£6.57	2% Bank of England CPI inflation target	£6.70
Catering and domestic on cost	24.2%	No change Employer's NI 2013-14. No change statutory holiday pay allowance. For 2014-15 the employers who have reached the staging date for stakeholder pensions will have a largest PAYE payroll exceeding 50 staff. The minimum employer contribution is 1%. 0.1% was allowed in the 2013-14 oncost calculation. This has been increased to 0.5%	24.6%
Care on cost	24.1%	See above	24.6%
Care agency staff %	2.0%	No change	2.0%
Care on cost for agency backfill	11.2%	No change	11.2%
Agency staff enhancement	100%	Agency Premium of 100% of basic pay to cover the cost of Agency backfill	100%
Training backfill %	1.0%	No change	1.0%
Annual training cost per employee	£182	2% Bank of England CPI inflation target	£186
Annual allowance for recruitment cost	£1,500.00	2% Bank of England CPI inflation target	£1,530
BICS - Residential - Fabric	£355.20	Build Cost Information Service Life cycle cost Q3 2014 indices from the Royal Institute of Chartered Surveyors. This is considered to be a fair allowance. VAT at 20% now included.	425.76
BICS - Residential - Services	£462.40	See above	561.60
BICS - Residential - Decoration	£112.00	See above	135.36

BICS - Nursing - Fabric	£573.60	See above	515.52
BICS - Nursing - Services	£430.00	See above	696.00
BICS - Nursing - Decoration	£112.00	See above	135.36
Weekly gardening cost	£150.00	2% Bank of England CPI inflation target	£153
Insurance cost per client	5.68	2% Bank of England CPI inflation target	£6
Registration/CRB cost per client	3.25	2% Bank of England CPI inflation target	3.25
Other non-staff expenses per client	6.85	2% Bank of England CPI inflation target	6.99
Food per client	25.57	2% Bank of England CPI inflation target	26.08
Utilities per client	24.46	Replace by rows below	22.57
Utilities per client residential		Build Cost Information Service Life cycle cost Q3 2014 indices from the Royal Institute of Chartered Surveyors for old people's homes. To this is added 5% VAT in accordance with VAT notice 701/19	22.57
Utilities per client nursing		As previous box for nursing homes	21.68
Medical supplies per client	3.42	2% Bank of England CPI inflation target	3.49
Domestic and cleaning supplies per client	3.25	2% Bank of England CPI inflation target	3.31
Trade and clinical waste per client	3.25	2% Bank of England CPI inflation target	3.42
Market Value per bed	39,500.00	No longer used - see below	
Return on buildings - Residential	6.75%	No longer used - see below	
Return on buildings - Nursing	7.00%	No longer used - see below	
Return on buildings	7.00%	No longer used - see below	
Return on activity	3.00%	Many comments were received on the 2013-14 fees regarding the two separate returns on buildings and activity and their interrelation. The return on capital is associated with investment in new capacity. This is not a significant requirement in Wirral. A single return on activity based on the 2011 ONS ABS will now be used.	15.70%
Number of weeks in a year	52.00	No change proposed	52.00
Bed numbers - residential	37.00	This is the 2013-14 assumption and there is no significant variation based on home returns.	37.00
Bed numbers - nursing	45.00	This is the 2013-14 assumption and there is no significant variation based on home returns.	45.00
Occupancy - Residential	95.00%	This is the 2013-14 assumption and is considered to be a reasonable standard for efficient home operation.	95.00%
Occupancy - Nursing	95.00%	This is the 2013-14 assumption and is considered to be a reasonable standard for efficient home operation.	95.00%
Number of employees - Residential	27.00	No change proposed	
Number of employees - Nursing	35.00	No change proposed	

Cost components of home total cost per client – Residential							
a	b	c	d = b/c	e	f = d/e	g	h = f/g
Cost components of home total cost per client	Input	Divisor	Weekly	Divisor	Bed numbers	Divisor	Vacancy
Management allowance	£72,367.27	52	£1,391.68	37	£37.61	95%	£39.59
Catering employees	£13.48	1	£13.48	1	£13.48	100%	£13.48
Domestic employees	£36.10	1	£36.10	1	£36.10	100%	£36.10
Care employees	£158.41	1	£158.41	1	£158.41	100%	£158.41
General training	£5,012.28	52	£96.39	37	£2.61	100%	£2.61
General recruitment	£1,530.00	52	£29.42	37	£0.80	95%	£0.84
Fabric	£425.76	52	£8.19	1	£8.19	95%	£8.62
Services	£561.60	52	£10.80	1	£10.80	95%	£11.37
Decoration	£135.36	52	£2.60	1	£2.60	95%	£2.74
Handyman/Gardener (Contract)	£153.00	1	£153.00	37	£4.14	95%	£4.35
Insurance	£5.79	1	£5.79	1	£5.79	95%	£6.10
Registration/CRB	£3.25	1	£3.25	1	£3.25	95%	£3.42
Other non-staff expenses	£6.99	1	£6.99	1	£6.99	100%	£6.99
Food	£26.08	1	£26.08	1	£26.08	100%	£26.08
Utilities	£22.57	1	£22.57	1	£22.57	100%	£22.57
Medical Supplies	£3.49	1	£3.49	1	£3.49	100%	£3.49
Domestic & Cleaning Supplies	£3.31	1	£3.31	1	£3.31	100%	£3.31
Trade and Clinical Waste	£3.42	1	£3.42	1	£3.42	100%	£3.42
Return on business activity						100%	£55.50
			£1,974.97		£349.63		£408.98

Part of the cost of funding the nursing and nursing EMI incentive is deducted (£7.09) and the result rounded to the nearest whole £ to give the proposed fee of **£402**

Cost components of home total cost per client – Residential EMI							
a	b	c	d = b/c	e	f = d/e	g	h = f/g
Cost components of home total cost per client	Input	Divisor	Weekly	Divisor	Bed numbers	Divisor	Vacancy
Management allowance	£72,367.27	52	£1,391.68	37	£37.61	95%	£39.59
Catering employees	£13.48	1	£13.48	1	£13.48	100%	£13.48
Domestic employees	£36.10	1	£36.10	1	£36.10	100%	£36.10
Care employees	£188.38	1	£188.38	1	£188.38	100%	£188.38
General training	£5,012.28	52	£96.39	37	£2.61	100%	£2.61
General recruitment	£1,530.00	52	£29.42	37	£0.80	95%	£0.84
Fabric	£425.76	52	£8.19	1	£8.19	95%	£8.62
Services	£561.60	52	£10.80	1	£10.80	95%	£11.37
Decoration	£135.36	52	£2.60	1	£2.60	95%	£2.74
Handyman/Gardener (Contract)	£153.00	1	£153.00	37	£4.14	95%	£4.35
Insurance	£5.79	1	£5.79	1	£5.79	95%	£6.10
Registration/CRB	£3.25	1	£3.25	1	£3.25	95%	£3.42
Other non-staff expenses	£6.99	1	£6.99	1	£6.99	100%	£6.99
Food	£26.08	1	£26.08	1	£26.08	100%	£26.08
Utilities	£22.57	1	£22.57	1	£22.57	100%	£22.57
Medical Supplies	£3.49	1	£3.49	1	£3.49	100%	£3.49
Domestic & Cleaning Supplies	£3.31	1	£3.31	1	£3.31	100%	£3.31
Trade and Clinical Waste	£3.42	1	£3.42	1	£3.42	100%	£3.42
Return on business activity						100%	£60.20
			£2,004.94		£379.60		£443.65

The result is rounded to the nearest whole £ to give the proposed fee of **£444**

Cost components of home total cost per client - Nursing							
a	b	c	d = b/c	e	f = d/e	g	h = f/g
Cost components of home total cost per client	Input	Divisor	Weekly	Divisor	Bed numbers	Divisor	Vacancy
Management allowance	£72,367.27	52	£1,391.68	45	£30.93	95%	£32.55
Catering employees	£13.48	1	£13.48	1	£13.48	100%	£13.48
Domestic employees	£36.10	1	£36.10	1	£36.10	100%	£36.10
Care employees	£175.54	1	£175.54	1	£175.54	100%	£175.54
General training	£5,012.28	52	£96.39	45	£2.14	100%	£2.14
General recruitment	£1,530.00	52	£29.42	45	£0.65	95%	£0.69
Fabric	£515.52	52	£9.91	1	£9.91	95%	£10.44
Services	£696.00	52	£13.38	1	£13.38	95%	£14.09
Decoration	£135.36	52	£2.60	1	£2.60	95%	£2.74
Handyman/Gardener (Contract)	£153.00	1	£153.00	45	£3.40	95%	£3.58
Insurance	£5.79	1	£5.79	1	£5.79	95%	£6.10
Registration/CRB	£3.25	1	£3.25	1	£3.25	95%	£3.42
Other non-staff expenses	£6.99	1	£6.99	1	£6.99	100%	£6.99
Food	£26.08	1	£26.08	1	£26.08	100%	£26.08
Utilities	£21.68	1	£21.68	1	£21.68	100%	£21.68
Medical Supplies	£3.49	1	£3.49	1	£3.49	100%	£3.49
Domestic & Cleaning Supplies	£3.31	1	£3.31	1	£3.31	100%	£3.31
Trade and Clinical Waste	£3.42	1	£3.42	1	£3.42	100%	£3.42
Return on business activity						100%	£57.44
			£1,995.52		£362.15		£423.27

An incentive of £13 a week is added and the result rounded to the nearest whole £ to give the proposed fee of **£436**. The NHS will make an additional payment for nursing care.

Cost components of home total cost per client – Nursing EMI							
Cost components of home total cost per client	Input	Divisor	Weekly	Divisor	Bed numbers	Divisor	Vacancy
Management allowance	£72,367.27	52	£1,391.68	45	£30.93	95%	£32.55
Catering employees	£13.48	1	£13.48	1	£13.48	100%	£13.48
Domestic employees	£36.10	1	£36.10	1	£36.10	100%	£36.10
Care employees	£188.38	1	£188.38	1	£188.38	100%	£188.38
General training	£5,012.28	52	£96.39	45	£2.14	100%	£2.14
General recruitment	£1,530.00	52	£29.42	45	£0.65	95%	£0.69
Fabric	£515.52	52	£9.91	1	£9.91	95%	£10.44
Services	£696.00	52	£13.38	1	£13.38	95%	£14.09
Decoration	£135.36	52	£2.60	1	£2.60	95%	£2.74
Handyman/Gardener (Contract)	£153.00	1	£153.00	45	£3.40	95%	£3.58
Insurance	£5.79	1	£5.79	1	£5.79	95%	£6.10
Registration/CRB	£3.25	1	£3.25	1	£3.25	95%	£3.42
Other non-staff expenses	£6.99	1	£6.99	1	£6.99	100%	£6.99
Food	£26.08	1	£26.08	1	£26.08	100%	£26.08
Utilities	£21.68	1	£21.68	1	£21.68	100%	£21.68
Medical Supplies	£3.49	1	£3.49	1	£3.49	100%	£3.49
Domestic & Cleaning Supplies	£3.31	1	£3.31	1	£3.31	100%	£3.31
Trade and Clinical Waste	£3.42	1	£3.42	1	£3.42	100%	£3.42
Return on business activity						100%	£59.45
			£2,008.36		£375.00		£438.13

An EMI incentive of £18 a week is added and the result rounded to the nearest whole £ to give the proposed fee of **£456**. The NHS will make an additional payment for nursing care