Fair Cost of Care – Home Care
Shropshire Council FAQs

What is the purpose of Fair Cost of Care?
The government is committed to a wide-ranging and ambitious reform of the adult social care system that protects people from unpredictable costs; offers more choice and control over care received; offers outstanding quality; and is accessible to those who need it. A sustainable care market is fundamental to underpinning this ambition.

The Government recognises that some local authorities are promoting efficient and effective operation of care markets, with sustainable rates of care and ambitious market position statements. However, others are paying residential and domiciliary care providers less than it costs to deliver the care received. This can undermine markets, affect sustainability and, at times, leading to poorer quality outcomes.

The Fair Cost of Care exercise will gather a significant amount of information on the true cost of care and allow fee rates to be set at more sustainable rates. The exercise will allow comparison between local authorities and across regions, and it is hoped that the information gathered will be robust enough to influence future funding allocations.

On Friday 25th March Department of Health and Social Care (DHSC) published Market sustainability and fair cost of care fund 2022 to 2023: guidance, which follows the Market Sustainability and Fair Cost of Care Fund announcement in Dec 2021. By 30th September local authorities should have:

1. Undertaken a cost of care exercise for home care (for people aged 18+)
2. Undertaken a cost of care exercise for care homes (residential and nursing for people aged 65+).
3. Completed a Market Sustainability Plan.

The DHSC expects local authorities to contact and request cost information from all registered care providers in their area, whether or not they currently commission care from them.
You can read more about the context here: Homecare Cost of Care Toolkit | Local Government Association

What do I need to do?
You are being asked to complete the Home Care Costing tool here: Cost of Care Toolkit
The tool is an Excel file in three parts:

1. Standard (cost+)
   This section is the main section to complete. It asks for:
   - Costs of different care or visit types (visit types, numbers and allocated times).
   - Average travel times and mileage expense paid.
   - Service volumes (including contact hours).
   - PPE costs.
   - Staffing costs for the provision of care.
   - Non-contact costs (including training, holiday pay etc.)

- On-costs.
- Back office costs (including other staffing costs and management).
- Other overhead cost (including franchise costs).
- Operating surplus (recognising the need for sustainable businesses).

2. Sensitivity Analysis
   This part of the tool is designed to support you in modelling changes in costs or 'scenario testing'. You can make adjustments using the tool to determine the impact of cost changes. This may offer a useful business planning tool and allow you to determine impact should you experience changing costs in future.

3. Data Output
   This section of the tool provides you with a useful summary list of total costs. This is the section Shropshire Council will need to look at carefully to inform a collective view of costs across providers. However, understanding the detail is helpful too (for example as a rural county we are likely to see some higher costs e.g. greater travel times and we need to understand some of these issues when working regionally and nationally).

   More information on the tool is presented in the tool guidance (see link to LGA webpage under 'Is support available?' below).

Why is completing the Cost-Plus Homecare tool important?
Completing the tool is important for many reasons including:
- If Shropshire Council does not have enough returns our data will not be robust and we will be less able to present a rural perspective. It is really important that rural counties like ours are well represented and have robust countywide totals to present alongside our urban counterparts.
- There is a national expectation placed on providers and local authorities that the Fair Cost of Care Tools will be completed and submitted (this links to the local authority's duty to properly discharge its statutory Care Act and stewardship of public funds' responsibilities). The approach is beneficial because it is locally based and provides providers and local authorities with more influence. If the exercise fails to be delivered through local partnership working, it is possible that a review would be undertaken nationally to consider different approaches or methodology such as national submission.
- If the local authority does not use the nationally-supported tools (there are different tools for Home Care and Care Homes), then the local authority will have to make its own arrangements for guidance and support to help care providers return Fair Cost of Care information. Providers would therefore not benefit from the national support and resources available.
- The tool is a helpful business planning tool and it was originally designed for this purpose: to help providers understand their costs and to model changing costs.

Who do I submit the completed tool to?
Local Authorities have been asked to administer the process and determine cost proposals for their areas. This information will be shared in draft regionally to highlight any concerns early and seek to ensure robust and fair methodology has been applied. Please complete the tool as comprehensively as you can and return to: TellUs@shropshire.gov.uk

When is the Shropshire Council deadline?
Please return a copy of your completed Excel sheet by **5pm on the 17th June.**

If you can make a start early that will leave you with more time to gather information, speak to colleagues or seek support and advice if you have any queries. If you are not able to obtain

answers to your questions using the national guidance and support materials, please email TellUs@shropshire.gov.uk and we will signpost you to the right support or try to help find an answer for you.

Is support available?

National support
The Local Government Association has background information, resources and a full guidance document available here:
Homecare Cost of Care Toolkit | Local Government Association

Guidance here:
Homecare Cost of Care Toolkit – information and user guide | Local Government Association

Webinars: The Care and Health Improvement Programme are currently running 3 webinars where the developer of the Home Care Cost of Care Toolkit, ARCC, will talk through how the tool works (the first workshop took place in April). These sessions are 90 mins, split evenly between ARCC demonstrating the Home Care Cost of Care Toolkit and how it should be completed and then taking general Q&A queries. This sessions are for a care provider audience only and *are free for all to attend*.

The sessions are repeats of each other, so individuals only need to attend one. The last session is on the 19th May. Click the link below to register for the session, then select Book Now at the top of the Event Page. When registering, please select non-member organisation and enter your details as requested. If there are any issues with registering, do email Marketsandcommissioning@local.gov.uk

Home Care CoC Toolkit Demo and Q&A – 19th May from 10.00–11.30
A recording will be made available of one of the sessions for those not been able to attend.

Local support

Shropshire Partners in Care (SPiC) are have been working closely with Shropshire Council to support the design and implementation of this project. Read more on the SPiC website.

Any questions for Shropshire Council can be emailed to TellUs@shropshire.gov.uk and will be directed to the most appropriate team or service to respond.

Some Shropshire providers have indicated that they are willing to offer support to their peers to complete the exercise, without of course needing to see sensitive information. Information will follow when details have been confirmed.

Are there any top tips?
There are some top tips included in the guidance for the toolkit, but our local top tips are:
-   Make a start. It looks daunting but once you have completed the easier sections you will find it may not be as complex as it looks.
-   Read the notes. The tiny red triangles on some of the cells are notes. These are helpful and worth reading.
-   Once you have completed a table. Check the calculations and make sure they look right to you. If they don't look right, you may want to check the data you have inputted in case you have mis-typed a total.
-   Do use the green rows to add different types. You may run out of rows. See 'What if I run out of rows?' below.
-   If you get stuck please use the support available (try to attend a webinar if you can – you will find those very helpful). Webinars may be recorded so do check the website at a later

date if you miss them. National guidance will be updated to provide as much support as possible.

What if I run out of rows?
We cannot increase the number of rows available. If you run out of rows the best approach is to open a blank version of the tool and complete a section at a time, then average and use the summary average. For example:

I have 8 rows to present visit types but 12 different visit types. 4 of those are similar so I will complete a new table (as working out for those 4), use the total row (in dark blue as an average for those 4 types) and fill in as one row on the master sheet I will send back. The same approach to grouping and averaging could be used for different staff roles or overhead costs if you run out of rows in those tables.

As the guidance highlights, exact costs are going to be difficult to determine and no judgement will be made on the costs included or their accuracy. This exercise is about working together to do our best to determine a fair cost of care using the information we have available.

How do I complete the costs for PPE?
The LGA hosted guidance explains how to complete this. Providers are required to enter the unit costs and the number of items required per visit to give an annual figure. PPE is currently provided without charge through the portal, however, to have a meaningful cost of care we would suggest using the costs that you would incur, under the current IPC guidelines, if the portal was not in operation. Where cost information for PPE or other consumables cannot be calculated per visit, such as hand sanitiser, these may be included in overheads (section J).

Can the tool be changed, or the formulas made visible?
The tool has been developed by ARCC-HR Ltd and some of the workings behind the tool are commercially sensitive and will not be shared. The End User Licence Agreement on the first tab within the Excel tool provides more detail.

Shropshire Council can provide feedback to ARCC (and to ADASS and the LGA, the organisations that have arranged use of the tool for the Fair Cost of Care exercise) but we cannot make any alterations to the tool. Feedback about your experience using the tool can also be reported to the West Midlands Commissioning Group.

Can I submit anonymously?
Although an anonymous return will be better than no return at all, it will really limit what we can do with the information and weaken the Shropshire area analysis. We hope to use supporting context data such as provider type, location etc. to boost our understanding and make the data returned more valuable. We will not be able to do that with anonymous returns and it could negatively impact the overall outcome for all providers and reduce learning for the Market Sustainability Plan we need to produce.

Anonymous responses have been discussed regionally and nationally but this is discouraged for the reasons outlined above and because it prevents any process of validating/checking returned information and going back to the care provider with any follow-up questions or offers of support if there are gaps.

Your data will predominantly be handled by Shropshire Council staff within the Resources Directorate. These members of staff have experience of analysis and data handling but not of care costs or commissioning arrangements. It is hoped that this more independent handling of your data will provide reassurance. However, as explained in the context and nationally, no judgement of

individual provider business costs will be made. The purpose is to combine returns to determine a fair cost of care. Your data will be used for the purpose of this Fair Cost of Care exercise.

Will the data be protected?
Individual provider returns and costs will not be shared with any other third parties, and confidentiality will be applied throughout. Shropshire Council will operate in line with the UK GDPR and Data Protection Act 2018. The data you provide will be stored securely and retained for no more than 3 years from the end of the project.

The data is your data and we would need your permission to share it. Although, the data you provide is subject to the provisions of the Freedom of Information Act 2000 (as any information held by the Local Authority can be requested by the member of the public), on receipt of a request for information we would take the following steps as we consider this under the FOI provisions:
- We will consult with you should we receive such a request and seek your views on disclosure and any concerns you may have.
- We will consider if we can exempt financial information provided under Section 43(2) of the Act, which allows us to refuse a request where the release of information would prejudice the commercial position of a relevant third-party company.
- We will work with you and discuss a way forward as part of making the decision.

All data published will be aggregated and/or anonymised or pseudonymised before any information is shared or published. Data may be requested by the West Midlands commissioning and finance networks and by the national team (the format of these likely requests is not yet known) but confidentiality will be adhered to when responding to any requests.

Find out more about how Shropshire Council applies data protection legislation and how you may raise any concerns about our use of data here: Privacy | Shropshire Council and here: commissioning-development-procurement-privacy-notice.pdf (shropshire.gov.uk)

How will Shropshire Council arrive at costs locally?
Shropshire Council understands that precise costs are very difficult to determine. We recognise that quality is important and that there may be some costs that are not fully reflected in the tool. We also recognise that different service models, different types of care offer and delivery, different locations etc. will all mean costs vary between providers. We won't take a simple average but will consider common costs and reasons for variations when making any county-wide proposals.

The exercise is a partnership approach and we will value any feedback you provide in addition to your completed tool.

What data will be shared and published?
Aggregate local information, including minimum, maximum and median figures and how these have been calculated, will be publicly available. No individual care providers will be named. Should there be any requests made for provider level data (this is not anticipated) specific permission will have to be agreed with each provider).

There is an expectation that our local summary data may be combined with that of other local authorities across the West Midlands and, indeed, other regions, in order to help support the case to Central Government to provide more funding for adult social care services. Sharing will be through Local Government/Association of Directors of Adult Social Services (ADASS). We will work closely with Telford & Wrekin Council to try and align our approaches but will not share any provider level data.

What happens next?

Once provider Home Care toolkits have been submitted the next phase of work will be with Care Homes for 65+. We will be asked to complete a similar exercise using a different, portal-based tool.

Analysis will be ongoing as information is returned, in order to develop a picture of costs for Shropshire. We will also work with finance and commissioning networks regionally to consider relevant local care and labour market characteristics, supply factors and pressures, previous work, contract parameters, future demand/market shaping issues, and also implications for NHS commissioning and self-funder proportions.

Following analysis, a draft Market Sustainability Plan outline will be developed.

Because of the importance of the information required by the DHSC by the 14th October (and its local significance and potential future importance to the care market) the summary data/analysis (all anonymised) will be presented to Shropshire Council's Cabinet to approve. As a result, the report will be public and posted on the local authority's website.

Final plans must be complete by February 2023.

Other relevant specific national Local Government Association/Care and Health Improvement Programme guidance (e.g. in relation to information-sharing protocols/best practice) is planned. Some of this may be developed jointly with national representatives of care providers. We will keep all providers updated on progress and email with any new resources, information and updates as the project moves forward. Resources will also be made available on Shropshire Council's website.

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