
UNIT COSTS OF HEALTH & SOCIAL CARE

2005

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Foreword

This is the thirteenth volume in a series of reports from a Department of Health-funded programme of work based at the Personal Social Services Research Unit at the University of Kent. The aim is to improve unit cost estimates over time, drawing on material as it becomes available, including ongoing and specially commissioned research.

The costs reported always reflect, to a greater or lesser degree, work in progress, as the intention is to refine and improve estimates wherever possible, drawing on a wide variety of sources. The aim is to provide as detailed and comprehensive information as possible, quoting sources and assumptions so users can adapt the information for their own purposes. Brief articles are included to provide background to user services, descriptions of cost methodology or use of cost estimates.

The editorial identifies the new developments in estimates included and key current issues in the estimation of costs and use of the information provided in this report.

In addition, this report relies on a large number of individuals who have provided direct input in the form of data, permission to use material and background information and advice. Thanks are due to Dennis Atkinson, Candida Ballantyne, Barbara Barrett, Nick Brawn, Frank Brown, Jennifer Beecham, Sarah Byford, Keith Childs, Mark Dunn, Robert Eaglesham, Usama Edo, Andrew Fenyo, Richard Hughes and Jennifer Heigham. Thanks also to Glen Harrison, Nick Janvier, Karen Jones, Bernard Horan, David Lloyd, Andrew Matthewman, Ruth Moemken, Hemal Peiris, Jeremy Pickard, Tony Rees, Stephen Richards, Richard Robinson, Elisabeth Scott, Bulwinder Singh, Barbara Sleator, Mary Stewart, Marian Taylor, Jill Tidmarsh, David Wall, Helen Weatherly, Philip Witcherley and Raphael Wittenberg.

If you are aware of other sources of information which can be used to improve our estimates, notice errors or have any other comments, please contact Lesley Curtis, telephone 01227 827193.

Many figures in this report have been rounded and therefore occasionally it may appear that the totals do not add up.

This report may be downloaded from our website: <http://www.pssru.ac.uk>

Editorial

Adapting and adjusting unit cost information

Ann Netten and Lesley Curtis¹

Introduction

This is the thirteenth volume in a series that draws together information about unit costs for a wide variety of health and social care services. In each successive year the aim is to improve the quality and expand the range of cost information provided, building on previous data and drawing on new sources. To some extent this process is opportunistic, but it also reflects developing services and demand for information.

A key principle when estimating costs is that unit costs should accurately reflect resource implications of the unit of activity or process that is being measured in the context and for the purpose of the exercise. This means that no one estimate fits all purposes and circumstances. The information in this volume is presented in as detailed and transparent a format as possible to allow users to adapt the estimated costs to suit local or specific circumstances, or draw on particular pieces of information to provide assumptions when appropriate data are not easily available.

This editorial starts by describing new developments and new services that have been included in this volume. We then discuss adapting the information presented to reflect different circumstances or services.

New additions, changes and articles

Salaries and staffing

In last year's volume, we used information from the Employer Organisation's annual national Social Services Workforce Survey to estimate social worker salaries and to derive a social work wage specific inflator for those workers (such as team leaders and assistants)

¹ We are very grateful to Jennifer Beecham both for her ideas about the topic and for her comments on an earlier draft of this editorial.

where specific information was not available from the survey. Although mean estimates provided by the Social Services Workforce Survey last year were in line with previous estimates, wide definitions of staff type meant there were large variations around these means. This year these definitions have improved and also additional information for social work team leaders has been provided. In order to provide information on social worker assistants and home care workers, PSSRU have also carried out a survey and have added information collected on social workers, social work team leaders and occupational therapists to the notes of the relevant schema for comparison. Social worker (adult) salaries have increased this year by 7.7 per cent using the Social Services Workforce Survey but only by 2.1 per cent using the PSSRU survey. However social worker (child) salaries showed a normal increase using the Social Services Workforce Survey of 3.2 per cent. Salaries for social work team leaders and assistants show a smaller increase of less than 1 per cent owing to the fact that last year they were inflated from the previous year. Further work will be done next year to examine this pattern.

Adult mental health services

Underpinning many of the recent government initiatives in health and health care is the need for information and until recently information on what mental health services currently look like and the extent to which they are meeting central and local policy requirements has been thin on the ground. The Mental Health Service Mapping programme was developed to address this information need and Service Mapping data has been collected from NSF Local Implementation Teams (LIT) since 2002. The standardised format allows local data describing the content and scale of mental health services to be brought together to provide a national picture of provision (Beecham et al., 2002). This year three new schema have been created using these data: Crisis Resolution (page 151), Assertive Outreach (page 152) and Early Intervention (page 153). These services aim to treat adults in their own environments often avoiding the need for admission to hospital.

Children's mental health services

Similarly Child and Adolescent Mental Health Mapping (CAMHS) was developed for the Department of Health to contribute to the monitoring of the expansion and development of mental health service provision for children and adolescents. It was set up in 2002 and has become an annual exercise for the collection of data on specialist CAMH Tier 2 to 4 services (Health Advisory Service, 1995). This year we have been able to update mental health team member unit costs (pages 154 and 155) using these data. Next year, we will be including information on dedicated, generic, targeted and specialist child and adolescent mental health teams.

Children's services

The article on page 23 provides costs for a range of typical Sure Start Local Programme services. Sure Start is a government initiative designed to provide early intervention services to children aged 0 to 4 years and their parents, living in areas of high deprivation. Funding for Sure Start Local Programmes is drawn directly from central government. Providers of Local Sure Start Programmes consist of lead agencies and accountable bodies, and frequently but not necessarily the relevant Local Authority, Primary Care Trust or voluntary sector agency such as NCH. Recent moves to develop Sure Start Local Programmes into Children's Centres, and to redirect funds for these early interventions through Local Authorities have heightened the need for an indication of the costs of delivering services.

The costs are produced from data gathered from seven Sure Start Local Programmes between 2002 and 2004.

Home care

Home care services play a key role in maintaining older people in their own homes. Work conducted during the past year as part of our Costs, Quality and Outcomes research programme has focused on collecting and drawing together information on the costs, prices and quality of home care services together with provider and home care workforce characteristics. As part of this work 29 mostly independent home care services have completed the cost calculator developed for the UK Home Care Association (UKHCA) and we report on the results of this on pages 9-12. We hope to draw on ongoing analyses of the data collected on home care in future volumes.

Intermediate care

The continued emphasis on intermediate care services has led to an increasing number being established throughout the country. In this volume we have been able to draw on an innovative recuperative care service for older people that provides intermediate care in an extra care housing setting. The service provides a stepping stone between hospital and home, or between residential care and living independently in the community.

Pay and price deflators

We discuss below the use of deflators to reflect the changing costs of inputs. This year there have been important changes to both the Personal Social Services (PSS) and Hospital and Community Health Services (HCHS) pay deflators. The article on pages 17-21 provides information on the PSS indices and the revised methodology for its calculation using the Annual Survey of Hours and Earnings (ASHE). Although the Department of Health has been producing a Personal Social Services (PSS) Pay and Prices Index for many years, in the past only one index has been produced to uprate all services. This year, for different purposes, different parts of the PSS sector have been included and four indices have been produced. These cover both full sector and independent provision for all clients (adults and children) and also for adults only and also more specifically the Local Authority sector for all clients (adults and children) and for adults only. This has enabled us to be more specific when choosing a deflator and therefore improve further on the accuracy of our estimates.

In the past PSSRU has estimated the HCHS pay index based on NHS pay awards. This year the Department of Health have calculated an average weighted index based on a wider group of staff working for the NHS (including administrative and ancillary staff). As these data provide a more accurate reflection of rises in NHS salaries over the years, they have been applied to previous years' data often resulting in significant increases.

Adapting and adjusting unit cost information

Unit cost information is used for a wide variety of purposes including:

- policy evaluation
- planning
- service or practice evaluation
- economic evaluation

The timing, purpose and the context will influence the cost estimate and thus the degree to which information in this series of volumes needs to be adapted. Wherever possible, of course, it is best to start with data directly related to the activity being costed, but this is not always possible, which is why the information presented in these volumes provides a valuable resource.

In some situations adapting the data presented here will be a simple substitution. For example, for professionals we present the assumed salary costs and these can be replaced by the actual salary costs where these are known. In other situations, the information will not be known directly – it is just clear that some adaptation needs to be made, as the assumptions presented here are not appropriate.

There are a wide variety of circumstances in which it would be necessary and/or desirable to adjust estimates of unit costs presented here. Here we discuss three:

- changing prices of inputs over time
- different assumptions about the opportunity costs of capital
- changed patterns of activity of professionals.

Changing prices of inputs

In any costing exercise it is important to reflect the price base of the year(s) in question. The aim in each of these successive volumes is to improve the quality of the cost estimates. This means that information is not directly comparable over time. While in some instances it may be appropriate to use unit costs from previous volumes it is always advisable to check the assumptions used then and in more recent volumes in case important changes have been made. The assumptions and data that underpin any of our unit cost estimates can be found on the right hand column of each schema with further information about sources presented in introductory paragraphs. Where the information is based on a piece of research and no assumptions have been changed over time it is best to use the costs identified at the time of the research and uprate or deflate them to the appropriate year. Clearly where there have been changes it is best to use costs based on the assumptions that most closely reflect the circumstances of the particular exercise before uprating or deflating these.

We provide a variety of deflators (see pages 189-190) to reflect the different resources used:

- Capital (Building Cost Information Service) The House Rebuilding Cost Index is intended to update the house rebuilding cost figures prepared by BCIS between annual revisions;
- Tender Price Index for Public Sector Building (non housing) (PUBSEC) is used to update capital costs in social care;
- General prices (RPI);
- Hospital and Community Health Services (HCHS) pay and prices, separately and combined;
- Personal Social Services (PSS) pay and prices, separately and combined.

As with the cost estimates we provide the best estimates in any given year so these are not always consistent from volume to volume. The most recent volume will show the best estimates using complete data for previous years but the values for the current year are usually temporary estimates.

It is clearly important to use the most appropriate deflator. In some instances, for example health service professionals, it will be sufficient to apply a single index to the overall unit

cost of interest. In other instances it is more appropriate to deflate the different cost elements separately. When we are updating the costs for these volumes we use this latter approach as far as possible.

An example of a schema which uses a variety of inflators on different items of cost is found on page 83, schema 5.3 Special needs flats for disabled people. The 2002 volume showed the results of work based on expenditure and activity for 2001/02, but since then we have used appropriate inflators to uprate the different element of the costs to present day values. For capital, we have used the house rebuilding index provided by the Building Cost Information Service/Association of British Insurers (BCIS/ABI) and inflated the original cost by three years to give a cost estimate for 2005. Similarly revenue expenditure including household expenses, premises, provisions and so on, have been inflated using the PSS prices index. Salary costs have been inflated using the PSS Pay Index and personal living expenses which are based on the Family Expenditure Survey for 2001/2002 have been inflated using the Retail Price Index. This index uses the price changes in a 'basket' of goods which reflects the average household use of different goods and services. Finally external services have been inflated using either the PSS or the HCHS inflator to reflect the type of professionals involved.

Opportunity costs of capital

In order to allow for the opportunity cost of buildings and equipment tied up in the production of services we have to make assumptions about both the length of time that the investment will be tied up in the service and the rate of return on that investment. For the most part these are both unknowns so it is helpful to have conventions to ensure comparability of cost estimates. It is important, however, to test the sensitivity of conclusions drawn on the assumptions made, particularly when there is a shift or difference in the assumptions made in different time periods or different circumstances.

In the 2003 volume there was a major shift in assumptions about the rate of return on changes in guidance from the Treasury (Netten, 2003). Prior to that date the convention was to assume a discount rate of 6 per cent, which was the rate set by HM Treasury for public sector services. However, in the international literature, discount rates were always lower than the rate set by the Treasury and guidance suggested using 3 per cent and 5 per cent to perform sensitivity analysis because of the large number of cost effectiveness studies using this rate. In the UK, the different factors comprising the discount rate were 'unbundled' in the 'Green Book' (HM Treasury, 2003). On the basis of this analysis Treasury advice is now to use 3.5 per cent for most purposes.

In the 2003 and 2004 volume we included information about the cost of capital using both the 3.5 and 6 per cent discount rates. In this volume we no longer do so but the information is straightforward to adapt.

Table 1 shows the equivalent annual cost of £1 using the various discount rates identified above for discounting equipment, vehicles and buildings 5, 10 and 60 years. If we needed to make estimates on the basis of the 6 per cent discount rate used in previous volumes, we divide the annuitised value by the multiplier used to reflect the 3.5 per cent discount rate (.0401 for buildings) and multiply the result by the multiplier used to reflect the 6 per cent discount rate (.0619 for buildings). Thus the estimated weekly capital cost of a council run care home for older people (page 34) using a 6 per cent discount rate would be:

$$\begin{aligned}
 EAC_{6\%} &= (EAC_{3.5\%}/.0401).0619 \\
 &= (£47/.0401).0619 \\
 &= £73
 \end{aligned}$$

Table 1 Equivalent annual cost of £1

| Number of years | 3.5 per cent | 5 per cent | 6 per cent | 8 per cent |
|-----------------|--------------|------------|------------|------------|
| 5 | .2215 | .2310 | .2374 | .2505 |
| 10 | .1202 | .1295 | .1359 | .1490 |
| 15 | .0868 | .0963 | .1030 | .1168 |
| 60 | .0401 | .0528 | .0619 | .0808 |

Patterns of activity

Many health and social care services are delivered through face to face contact with health and social care staff. In order to incorporate the implications of time spent on other activities into an estimated unit cost of face to face contact or home visit, a multiplier is applied to the basic unit cost per hour (this basic unit cost just reflects total costs divided by number of hours worked). Data needs to be collected (or assumptions made) about activities to estimate this multiplier. For most services the critical elements of activity relate to time spent on face to face contact, other direct client/patient related work and indirect activities (such as meetings and so on). When home visits are part of the service travel time is also important.

How time is used can have a profound effect on unit costs so it is important to reflect these patterns of activity as accurately as possible. This is an area where it is difficult to get up-to-date nationally representative data. In these volumes, for community-based nurses we have continued to use information based on a survey conducted by Dunnell and Dobbs (1982) as no subsequent study has provided sufficient data. Small-scale exercises in the past have suggested that although the specific activities undertaken may be different the distribution in terms of broad categories was sufficiently similar to warrant continuing to use this source (Netten, 2002).

The dated nature of the sources used here suggests that wherever possible information specific to the costing exercise should be used to reflect patterns of activity. A recent study collected detailed information on 34 district nurses working in five teams (County Durham and Tees Valley Strategic Health Authority 2005). The data covered 163 working days, of which 14 were weekend days. It also included nine days on which nurses were paid but not 'on the patch' – training days, sickness and so on. In the diary week, the nurses delivered 1400 home visits. On average on every 'ordinary' working day the nurses carried out more than nine home visits. The average duration of each visit was about 25 minutes, plus five minutes travel time. Sixty five per cent of nurses time was spent on visits and travel and a further 13 per cent on tasks that directly pertained to individual patients. The remaining 22 per cent was not directly related to individual patients. Table 2 summarises the time distribution data from this study in terms of the proportion of time spent on patient and non-patient related activities and home visits.

Netten and Beecham (1999) describe in more detail the basis for estimating unit costs including deriving the multipliers from activity information for different types of unit costs. Here we briefly summarise the approach using the data from the Durham and Tees study to demonstrate how the unit cost information presented in this volume can be adapted to reflect specific services or circumstances.

In order to get a multiplier to use on the basic hourly cost to reflect the cost of patient-related time we divide total hours (100 per cent) by the percentage of patient related hours. Using the data from table 2:

Durham and Tees $100/67 = 1.49$
National $100/48 = 2.08$

In order to calculate the cost of a home visit we need to ensure that we do not allocate time spent on other patients who do not receive home visits. For this purpose our multiplier is:

$((\text{percentage of home visits}/\text{total patient related time}) * \text{percentage non patient related time}) + \text{percentage home visits} / \text{home visits}$

National $= (((0.38/0.48) * 0.28) + 0.24 + 0.38) / 0.38 = 2.21$

Using the Durham and Tees study, as the nurses in the sample *only* treated patients that received home visits and did not undertake other activities for patients such as running clinics, in this case the multiplier is simpler :

Durham and Tees $= 100/54 = 1.85$

So the cost per hour of district nurse time spent in a patient's homes is 1.85 x basic hourly rate for the local study and 2.21 x basic hourly rate using national dated data. Using our estimated basic hourly cost of a district nurse (see schema 9.1), table 2 compares the resulting unit costs.

Table 2

| | Non patient related | Total patient related ¹ | Home visits | Travel | Cost per hour of patient related activities | Cost per hour home visit | Cost per visit |
|-----------------|---------------------|------------------------------------|-------------|--------|---|--------------------------|----------------|
| Durham and Tees | 22% | 67% | 54% | 11% | £40 | £50 | £17 |
| National | 28% | 48% | 38% | 24% | £56 | £60 | £20 |

¹ Excluding travel

The cost per hour of patient related activities using the local information is 29 per cent lower than it is when the national data are used. The costs of a home visit and per visit are also lower (17 per cent and 15 per cent respectively).

This demonstrates that caution should be exercised as professionals' use of time can vary according to a change in patterns of activity more generally or particular circumstances in the local area. Whatever the reason, for users of this volume it is clearly important to adapt information whenever possible to reflect actual patterns of activity.

Conclusion

The aim of these volumes is to draw together data from a wide variety of sources and to update them as far as possible to reflect current unit costs. The presentation is designed to allow users to adapt the information to reflect the circumstances in which they are using the data. We have presented three such examples here but we would be very interested to hear

of information sources that have been drawn on and approaches made to adapting our cost estimates so we can pass these on to other users.

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The cost of providing home care

Karen Jones

Introduction

Although a key service in maintaining older people in their own homes, there is a dearth of good information about the unit costs of home care services in the public domain. In an effort to improve providers' and commissioners' understanding of the impact of contract requirements on the costs of providing care a study funded by the Department of Health was undertaken by Tribal Secta on behalf of the UK Home Care Association (UKHCA). A costing model was developed designed to help home care providers estimate their own costs. We used this model as part of a wider study of home care to improve our understanding of the costs of home care.

Method

The costing model consists of an excel spreadsheet tool designed to determine a reasonable price for home care services by both providers and commissioners. According to Tribal Secta the model was designed to be applicable for a wide range of domiciliary service types, whether provided by voluntary organisations, local authorities, health trusts or private companies.

As part of a telephone survey and a specific exercise in one authority, 87 independent home care providers and 9 local authorities were invited to complete the cost calculator. All calculators were sent to Tribal Secta to be analysed for consistency. Discrepancies within the data provided were largely due to misunderstandings of the way the model collects the data or misreading the instructions.

Results

Detailed information on costs was collected from 28 independent providers (25 from one local authority), giving a response rate of 33 per cent. Only 1 local authority participated so the results have been omitted here. The principle reason for refusing to participate was lack of time. Some respondents who agreed in principle refused once they saw the model.

Providers

The providers were divided into small, small medium, large medium and large on the basis of the sample distribution of the number of service users receiving care per week.

Table 1 shows that the participating providers supplied on average 1293 direct client care hours a week, rising to 2918 hours among larger providers. This table also shows that home care visits on average were less than one hour, with clients receiving 6.5 hours of care per week. Among smaller providers, length of visit increased to 1.1 hours, with clients receiving on average 9.3 hours of care per week.

Table 1 Contracts

| | Number of clients | Chargeable direct client care hours per week | Average visit duration in hours | Average hours per client per week |
|-------------------------------|-------------------|--|---------------------------------|-----------------------------------|
| All providers (N=28) | | 1293 | 0.7 | 6.5 |
| Small providers (N= 6) | <100 | 516 | 1.1 | 9.3 |
| Small medium providers (N=8) | 100-159 | 673 | 0.7 | 5.5 |
| Large medium providers (N= 7) | 160-281 | 1042 | 0.6 | 5.4 |
| Large providers (N=7) | 282+ | 2918 | 0.6 | 6.5 |

Cost of home care

Table 2 shows that the average cost of home care among the participating providers was £12.68 overall before mark-up and £14.21 after mark-up. The cost per hour of home care including mark-up was higher among smaller providers.

Table 2 Average cost per hour of home care

| | Average cost of home care per hour before mark-up for surplus £ | Average surplus £ | Average cost of home care per hour after mark-up for surplus £ |
|------------------------------|--|----------------------|---|
| All providers (N= 28) | 12.68 | 1.53 | 14.21 |
| Small providers (N=6) | 15.63 | 1.65 | 17.28 |
| Small medium providers (N=8) | 10.63 | 1.33 | 11.95 |
| Large medium providers (N=7) | 11.59 | 1.81 | 13.40 |
| Large providers (N=7) | 13.58 | 1.39 | 14.97 |

Labour costs were the largest component of a home care provider's costs. Table 3 shows that on average the overall cost for direct client care time per hour was £6.54 among the participating providers, which rose to £7.17 among larger providers.

Table 3 Average cost for direct client care time per hour

| | Average cost for direct client care time per hour £ |
|------------------------------|--|
| All providers (N=28) | 6.54 |
| Small providers (N=6) | 6.67 |
| Small medium providers (N=8) | 5.95 |
| Large medium providers (N=7) | 6.47 |
| Large providers (N=7) | 7.17 |

Travel time clearly will be affected by the rural or urban nature of the service. However, table 4 shows that travel to, from or between clients also varied between different sized organisations. This is likely to be the result of increased scope for grouping visits among larger providers.

It is worth noting that the vast majority of providers did not pay staff for the time spent travelling to, from or between clients. Some providers have noted an increasing pressure upon them to pay staff for travel between clients, which the results suggested would have a considerable impact on the cost of service provision. It is interesting to note that the time allowed for travel does not follow the same pattern however, as the number of miles travelled.

Table 4 Travel expenses per hour

| | Number of miles travel allowances paid for per hour | Total cost of mileage allowance per hour £ | Travel time per hour in minutes |
|------------------------------|--|---|--|
| All providers (N=28) | 2.34 | 0.40 | 7 |
| Small providers (N=6) | 3.10 | 0.44 | 9 |
| Small medium providers (N=8) | 2.58 | 0.33 | 6 |
| Large medium providers (N=7) | 1.85 | 0.31 | 7 |
| Large providers (N=7) | 2.34 | 0.54 | 6 |

Indirect costs (i.e. training costs, insurance, premises, equipment, clothing and office costs) are an important element of the cost of delivering the service. Table 5 shows that on average home care providers spend £2.50 on indirect costs per hour, which rose to £4.23 among smaller providers.

Table 5 Average indirect costs per hour

| | Average indirect costs per hour £ |
|------------------------------|--|
| All providers (N=28) | 2.50 |
| Small providers (N=6) | 4.23 |
| Small medium providers (N=8) | 1.69 |
| Large medium providers (N=7) | 2.00 |
| Large providers (N=7) | 2.43 |

Overall the costing model worked well as a tool for identifying an average hourly cost for homecare services. A potential area for improvement was the treatment of zero values. Null values were assumed to indicate zero expenditure and follow-up investigations suggested this was correct, however it was not always clear whether the specified costs were included elsewhere in the model or were not applicable.

Conclusion

The low response rate suggests more work needs to be done to make the model more 'user friendly'. Nevertheless, the study provided us with a valuable opportunity to investigate the cost of providing home care services and in cost comparison variation.

The results should not be seen in isolation. Many factors can affect and are associated with costs, including provider characteristics beyond those discussed here (for example, training and supervision arrangements, specialisations), area characteristics (i.e. labour market) and, of course, quality of service. Further research will investigate the relationship between provider characteristics, area characteristics, quality, costs and prices.

The costs of recuperative care housing

Lesley Curtis

Introduction

Intermediate care is a core element of the Government's programme for improving services for older people. When the NHS plan (Department of Health, 2000) set out a major new programme to promote independence for older people and provided funding for a new range of intermediate care services, an underlying objective was the "effective use of resources" (Department of Health, 2001). In order to evaluate whether resources are being used effectively, it is important to carry out a comprehensive costing so that the unit costs of different services and their benefits can be compared and ultimately informed decisions can be drawn about cost effectiveness. Research carried out at HomeBridge, a recuperative care and rehabilitation scheme for older people (55+) living in the area of Ashford has provided the opportunity to cost in detail an innovative service. Contact with all professionals involved in managing and administering the service was made during the year 2005 and details of each resource input was provided or estimated by them enabling the calculation of various unit costs which can be used to compare with other similar services.

The scheme

The scheme consists of seven purpose-built units that have been incorporated into an existing specialist-housing complex next to a day centre run by Age Concern. These specially designed units provide temporary accommodation with a range of support and recuperative care services to promote independence, always with the goal of people returning to their own homes. Accommodation is provided on one level and each unit has a sitting room, kitchen area, either a single bedroom or bed-sit accommodation for a couple, and separate bathroom with shower. Each unit is fitted with a range of alarm systems enabling contact in an emergency and to detect falls.

The service is for those who have had a stay in hospital and are apprehensive about returning home or are in need of a period of rehabilitation. It is also available for those who have had a period of health crisis at home and are finding it difficult to cope or even those who have been living in residential care and need a stepping-stone to living on their own again. Priority is given to those motivated to return home and assessed as being able to achieve specific goals by accessing resources available through this recuperative care service.

Accommodation (including electricity and heating) and support services are free of charge for the client for the first 6 weeks and thereafter a small charge is made.

The scheme is staffed by a part time scheme manager and full time community care manager and a private domiciliary agency provides support workers based at HomeBridge seven days a week for 10 hours a day. The Community Assessment & Rehabilitation Team (CART) provides community nursing, occupational therapy, physiotherapy and rehabilitation workers.

Care managers refer the majority of HomeBridge clients from hospital. During the first week the client is assessed by a community care manager and given a provisional length of stay with an agreed care plan. Support workers are available on a daily basis and arrangements are made for the CART team to become involved if necessary. During the stay the care manager will spend time with the client to resolve any problems stopping them from going home. The care manager also prepares the discharge of the client from HomeBridge, including a visit to the client's home and liaison with professionals and family to put the care plan in place.

Estimated costs

Detailed information was provided about expenditure and resource use, the number of clients treated and average length of stay. Between January 2004 and January 2005, a total of 32 clients were referred to HomeBridge staying a total of 1061 nights. The average length of stay for these clients was 33 nights. Fifty per cent of clients had an average stay of 29 nights, 25 per cent stayed on average 10 nights and 25 per cent stayed for on average 65 nights.

Detailed information for 35 clients who stayed at HomeBridge between August 2004 and May 2005 was received on the number of hours of therapy or nursing care provided by the CART team. On average clients received just over 7 hours during their stay, with 25 per cent of clients receiving an average of just over one hour and 25 per cent an average of 18 hours of services. Fifty per cent of clients received on average 5 hours of services during their stay. Based on the actual salaries of CART team members and using a multiplier to calculate a rate for face-to-face contacts, it has been possible to estimate the total costs per client to reflect the costs of three different types of client episode. However, it was not possible to link an individual client with details of the health services they received during their stay.

The cost per unit, taking into account an estimated occupancy rate of 5 out of 7 units, is estimated to be £28,109 per year, which is a weekly cost of £539. Since this information was collected, it has been reported that occupancy has improved and now it is closer to 6 units and sometimes even 7 units. If full occupancy were achieved, the cost would be £20,078 (£385 weekly). This includes 10.5 hours per day provided by support workers and care and scheme manager time. It includes overheads, direct and indirect and capital and land costs. It does not include any health service costs or costs incurred by the hospital care manager in the referral process. Costs were incurred in the development phase of HomeBridge which have not been included in the estimated unit costs but maybe of interest. These included the staff costs of the project manager, Scheme Manager and CART coordinator and also the cost of the surveyor. If these costs are annuitised at a rate of 3.5 per cent over a period of 15 years, they are estimated to be £4,118 per annum.

The costs of three different types of episode shown in the table below have been identified, based on the number of nights spent at HomeBridge. A typical episode is assumed to last for 29 nights which is the average duration of stay for 50 per cent of clients. It has been estimated that a typical client receives 10 hours of input from a support worker per week and the average input received by 50 per cent of clients from the CART team (5 hours). Twenty five per cent of clients spending an average of 65 nights at HomeBridge are assumed to receive a higher level of client support. This has been estimated as being 15 hours per week from a support worker and 18 hours in total from the CART team per week. The remaining 25 per cent of clients who have spent on average 10 nights at HomeBridge are assumed to receive a lower level of client support which is estimated to be 7 hours from a support worker and in total just over one hour's input from the CART team.

The costs of each episode type have been calculated using unit costs for the professionals providing the service multiplied by the appropriate number of hours. Each client incurs the cost of referral from hospital and discharge from HomeBridge and also the cost of a care manager's time which varies according to length of stay. Ambulance costs of £35 from hospital to HomeBridge can also be added if necessary and also the cost of £3 for each meal (Meals on Wheels). All clients also have the opportunity to attend sessions of Age Concern at a cost of £3.70 per session but these have not been added to the costs as they are rarely taken up.

| Episode type | Cost for Support Worker £ | Cost per re-ferral from hospital £ | Cost of Care Manager's time £ | Cost of discharge from HomeBridge £ | Cost of CART £ | Total costs £ |
|----------------------------|------------------------------|---------------------------------------|----------------------------------|--|-------------------|------------------|
| Average (50% of clients) | 430 | 132 | 454 | 223 | 117 | 1,356 |
| High cost (25% of clients) | 1,446 | 132 | 944 | 223 | 469 | 3,214 |
| Low cost (25% of clients) | 104 | 132 | 196 | 223 | 22 | 676 |

Discussion

A schema for the service showing this information and providing a range of unit costs is on page 113 (7.7). In addition to the yearly and weekly cost per unit, separate costs are given for making the referral and discharging the client which are used to calculate different types of episode. When using and adapting this information, it is important not to add the costs of these procedures or the costs of the different types of episode to the costs per unit as this will result in double counting.

As with many new services, HomeBridge was not yet operating at full capacity when the research was carried out (71 per cent) and has increased since. The unit cost per resident week at the level of occupancy recorded between January 2004 and January 2005 has been estimated at £539 and this is comparable to a week's stay in a nursing home (£558). However at 100 per cent occupancy, this weekly cost is more directly comparable to a week's stay in a residential care home - £385 per week compared to £402 in a residential care home.

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Personal Social Services Pay and Prices Index

*Jennifer Heigham*¹

The Department of Health (DH) annually produces a Personal Social Services (PSS) Pay and Prices (P&P) Index, which is used to inflate or deflate expenditure on social services as necessary. The DH has just completed a review of the index. This review introduced a capital element and updated the weights accorded to the different cost elements. The 2003/04 index has been calculated, and the 2002/03 index recalculated, on this revised basis. An estimate for the projected index in 2004/05, based on the new methodology, has also been produced. This article sets out the revised methodology and presents the PSS P&P index including the projected value for 2004/05.

For different purposes, different parts of the PSS sector need to be included. Four indices have been produced.

Index 1: All sectors for all clients i.e. covering both LA and independent provision and including those working with both adults and children

Index 2: All sectors for those working with adult clients only

Index 3: LA sector for all clients

Index 4: LA sector for adult clients only.

Index of Social Care Pay Costs

The pay component of the PSS P&P index is calculated using data on rates of pay change for each occupation group in the PSS sector from the Annual Survey of Hours and Earnings (ASHE), published by ONS. Previously the New Earnings Survey (NES) was used, but the ASHE replaced the NES in 2004².

The occupation groups used for the analysis are:

- 1 Standards and Quality Analytical Team, Department of Health, London. Thanks to Thomas Allan, Raphael Wittenberg and Iain Long for their contributions to the work and article.
- 2 The primary differences are that ASHE estimates are weighted by calibration to Labour Force Survey estimates of numbers of people in jobs; the ASHE sample includes employees in businesses outside the PAYE system and employees who changed jobs after sample identification; and imputation for item non-response has been introduced.

- Administrative, Professional, Technical and Clerical (APT&C) – this is a collective LA pay agreement group used to represent average changes in managers’ pay
- Social workers
- Occupational therapists (OTs)
- Nurses
- Care assistants and home carers - this group is used to represent average pay changes for care staff, support staff and other staff.

Table 1 sets out the average change in pay for each occupation group. The trend in national average earnings for the same period is also shown. To put the figures into context.

An aggregate PSS pay index was calculated by weighting these pay changes by the occupation group’s share of the total PSS paybill. This was carried out using DH estimates of the proportion of whole time equivalent PSS staff in each group and 2004 ASHE data on mean pay for full-time employees in each group. Sensitivity tests on the weighting of the occupation groups suggest that the index is reasonably robust to changes in the estimates of the proportions of staff in each occupational group.

Table 1 Average change in pay by occupation group

| ASHE categories | 2002/3 % | 2003/4 % |
|---------------------------|-------------|-------------|
| APT&C | 5.8 | 2.9 |
| Social Workers | 4.2 | 4.2 |
| Nurses | 1.2 | 4.5 |
| Occupational therapists | 1.9 | 3.8 |
| Care Assistants | 7.8 | 4.4 |
| National Average Earnings | 3.2 | 4.1 |

Source: ONS Annual Survey of Hours and Earnings (ASHE)

Table 2 shows the weighted average proportion of the paybill for each occupation group. Pay changes for 2004/05 were projected using an average of the deflated pay changes in past years. This assumes that pay increases next year will be in line with the previous trend. The method used was to calculate the pay changes in each year deflated by the respective GDP deflator, take a three-year average of these real pay changes, and then inflate the result by the 2004/05 GDP deflator to give the projected nominal pay change.

Table 2 Summary of staff share of paybill

| ASHE categories | Index 1 | Index 2 | Index 3 | Index 4 |
|-----------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| | All sectors, all clients % | All sectors, adults only % | LA sector, all clients % | LA sector, adults only % |
| APT&C | 16 | 16 | 16 | 17 |
| Social Workers | 9 | 4 | 25 | 15 |
| Nurses | 7 | 8 | 0 | 0 |
| OTs | <1 | <1 | 1 | 1 |
| Care Assistants | 68 | 71 | 58 | 67 |

Table 3 sets out the PSS weighted average pay increase and the projected increase for 2004/05 for the four different cuts of social service provision.

Table 3 Weighted average PSS pay increases and projections

| Weighted average PSS salary change | | 2002/03 | 2003/04 | 2004/05 |
|------------------------------------|--------------------------|-----------|-----------|----------|
| | | ASHE % | ASHE % | (E) % |
| Index 1 | All sectors, all clients | 6.7 | 4.2 | 4.6 |
| Index 2 | All sectors, adults only | 6.8 | 4.2 | 4.7 |
| Index 3 | LA sector, all clients | 6.5 | 4.1 | 4.5 |
| Index 4 | LA sector, adults only | 6.8 | 4.1 | 4.6 |

Source: ONS Annual Survey of Hours and Earnings (ASHE)

Note: Three-year average for projections calculated using New Earnings Survey (NES) in 2002¹

Capital

The revised index includes a separate capital element. In the past, capital was treated as part of the 'prices' component of the PSS P&P index and therefore assumed to increase at the rate of the GDP deflator. The index used is the Tender Price Index for Public Sector Building (non-housing) (PUBSEC), compiled by the Department of Trade and Industry, shown in table 4.

Table 4 The PUBSEC Index

| 1995=100 | Capital | |
|--------------------|---------|------|
| 2002 | 136 | 4.6% |
| 2003 | 145 | 6.6% |
| 2004 (Provisional) | 155 | 6.9% |

Source: DTI (2005) PUBSEC Index

Non-staff revenue

As in previous years, Her Majesty's Treasury's GDP deflator is used to deflate prices for non-staff revenue spend in the sector. This index is a measure of general inflation in the domestic economy.

Weights of the different components

The weights on the three components of expenditure have been updated to reflect current spend and allow the inclusion of the separate capital index. In previous years, the split was between labour costs (70 per cent) and other (30 per cent), based on financial returns in the 1990s.

To calculate these weights, the breakdown of expenditure between the three components was estimated for each of the main sub-categories of services for the different client groups. These estimates were guided by information from the 2004 Unit Costs of Health and Social Care Report and the 2004 Laing and Buisson report 'Calculating a Fair Price for Care'.

¹ NES UK data on pay changes in 2001/02 are used as ASHE data are discontinuous between 2001 and 2002, due to the change in occupation group classification codes in 2002. This discontinuity does not arise in NES as these data were produced on both codes in 2002.

For many services, data on the split of expenditure between the three components were not available. In these circumstances, assumptions had to be made, for example using data on other client groups or knowledge of the sector from other sources. For approximately 10 per cent of adult's services and 33 per cent of children's services, where this was not possible, the services were excluded from the calculations. Expenditure in these areas, therefore, was implicitly assumed to be split in accordance with the average of all other services for adults or children as appropriate.

An overall breakdown of expenditure between the three components was estimated by weighting the cost component breakdowns in each sub-category by PSS EX1 data on expenditure in each sub-category as a proportion of total PSS expenditure. The estimated cost component weighting for each of the relevant client groups and sectors is shown in table 5.

Table 5 The cost component weightings

| | | Pay % | Revenue % | Capital % |
|---------|--------------------------|------------------|----------------------|----------------------|
| Index 1 | All sectors, all clients | 78 | 10 | 12 |
| Index 2 | All sectors, adults only | 74 | 12 | 14 |
| Index 3 | LA sector, all clients | 89 | 6 | 5 |
| Index 4 | LA sector, adults only | 88 | 7 | 5 |

The revised PSS Pay and Prices Index

The four indices, covering different parts of the PSS sector, are presented in table 6 below.

Table 6 The PSS P&P Indices

| | Index 1 | Index 2 | Index 3 | Index 4 |
|-------------|---|---|---|---|
| | All sectors, all clients % | All sectors, adults only % | LA sector, all clients % | LA sector, adults only % |
| 2002/03 | 6.1 | 6.0 | 6.2 | 6.5 |
| 2003/04 | 4.3 | 4.3 | 4.1 | 4.1 |
| 2004/05 (E) | 4.6 | 4.7 | 4.5 | 4.6 |

Conclusion

Inflators are widely used both in Government and elsewhere in order to adjust cost and price inflation. As the editorial in this volume points out it is important that these are as accurate as possible. The more detailed breakdown of inflators here represents an important improvement in the accuracy of estimates.

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Typical costs of Sure Start Local Programme services

Jill Tidmarsh and Justine Schneider

Introduction

Sure Start is a government initiative designed to provide early intervention services to children aged 0 to 4 years and their parents, living in areas of high deprivation. Since its inception over 500 Sure Start Local Programmes have been initiated across the United Kingdom, each programme serving up to approximately 700 children in the 0 to 4 age bracket (Sure Start Unit, 2005).

Sure Start Local Programmes are held up as a model in the Green Paper *Every Child Matters* (2003) which stated that:

The Government aims to extend the principles developed in Sure Start local programmes across other services. These principles focus on: working with parents and children; starting very early and being flexible at the point of delivery; providing services for everyone and ensuring services are community driven, professionally co-ordinated across agencies and outcome focused (DfES, 2003, 2.4).

Funding for Sure Start Local Programmes was drawn directly from central government. Providers of Local Sure Start Programmes consist of lead agencies and accountable bodies, frequently but not necessarily the relevant local authority, Primary Care Trust or voluntary sector agency such as NCH.

Recent moves to develop Sure Start Local Programmes into Children's Centres, and to redirect funds for these early interventions through local authorities have heightened the need for an indication of the costs of delivering services to a Sure Start Local Programme model. As a consequence, mainstream agencies have been interested in the costs and outcomes of Sure Start Local Programmes' services and modes of delivery.

Each Sure Start Local Programme has been required to undergo a local evaluation over the course of its first three years of operation and additionally make target returns to the National Evaluation of Sure Start (NESS). A part of the local evaluation consists of establishing the costs of key Sure Start services. NESS provides guidance on the costing of

Sure Start local programme services, *Guidance for Sure Start Local Evaluators and Programme Managers on the Estimation of Cost-Effectiveness at a Local Level* (Meadows, 2001).

Costing methods

The general approach used to produce unit costs for the Sure Start Local Programmes follows the guidance from the National Evaluation Team. This entailed the following process:

- Calculate the central administration, management and support costs (indirect costs);
- Calculate the project or service-related costs (direct costs);
- Weight the direct costs to take account of the ratio of face-to-face time to non-contact time;
- Weight the service-related costs by indirect costs (weighted costs);
- Measure the amount of project/services provided;
- Divide the outputs by the weighted costs to obtain unit costs.

The seven Sure Start Local Programmes provided end of year accounts from which costs could be separated into indirect costs and direct costs. Premises costs were excluded and travel costs treated as a central cost and thus averaged across each activity.

Practitioner staff (those directly involved with service users) in each programme, were asked to estimate the hours spent on face-to-face work with individual service users, group work with service users and other activities over the course of their working week. From these estimates the proportions of face-to-face: other work were calculated. This calculation enabled the production of distinct ratios for different practitioners such as Health Visitors or Early Years Practitioners whose daily and weekly proportions of contact with service users were likely to differ considerably.

To establish unit costs (the cost of a service or activity per service user), programmes were asked to produce data on service use. The collection of this data is also a requirement of the Sure Start Unit which monitors service use of programmes nationally in relation to Sure Start targets. In their early years, programmes struggled to produce consistent records, but by their third year of operation were largely competent in recording this data electronically to share with local evaluators.

Services and activities differ slightly across the local programmes in their staffing (possibly influenced by the lead agency), the number of service users and their duration. Here we have drawn together some typical Sure Start services common to a number of programmes, and established a mean cost across programmes per service user per hour.

Staff costs

Sure Start Local Programmes may choose whether or not to employ or deploy from their lead agency certain key staff such as midwives and health visitors. Key staff employed in the Sure Start Local Programmes we studied were Early Years Practitioners, sometimes described as Family Workers or Nursery Nurses¹, Health Visitors, Midwives, Development

¹ Some Programme Managers are noting that the EYP/Family Worker/Nursery Nurse role has developed through the skills mix within Sure Start programmes such that these staff are taking up special responsibilities, for example, in weaning.

Workers, sometimes called Parent Workers or Dads Workers, and Speech and Language Therapists. Table 1 shows average salary costs with oncosts for the period 2003 to 2004.

Table 1 Sure Start Local Programme staffing costs: average Sure Start staff costs with oncosts (averaged within and across five programmes) 2003/2004

| Key Sure Start staff | £ | Number of programmes employing these staff |
|---------------------------------|--------|--|
| Midwife | 30,318 | 5 |
| Health Visitor | 26,239 | 4 |
| EYP/Family Worker/Nursery Nurse | 14,680 | 5 |
| Development Worker | 26,571 | 2 |
| Speech and Language Therapist | 22,268 | 3 |

Indirect costs

We analysed each programme budget, allocating expenditure to 'direct' face-to-face staff and services to 'indirect' administrative and support services. The average ratio of indirect to direct costs over 7 programmes was 2.04 (Schneider and Tidmarsh, paper in preparation).

Practitioner staff in the Sure Start Local Programmes were asked to estimate how much time over the course of their working week they spent in contact with service users, both in groups and individually. From the information they provided we were able to estimate ratios from which to produce the cost of their contact time. Table 2 shows the ratios of contact time for staff in seven Sure Start Local Programmes. The ratios differ widely.

Table 2 Sure Start Local Programme staff contact time ratios: face-to-face ratios

| Programme | Midwife | Health Visitor | EYP/Family Worker/Nursery Nurse | Development Worker | Speech and Language Therapist |
|-----------|---------|----------------|---------------------------------|--------------------|-------------------------------|
| B | 1.75 | 1.96 | 2.17 | | |
| C | 1.18 | 1.89 | 1.64 | | |
| G | | | 1.47 | | |
| A | 1.86 | 1.86 | 1.6 | | |
| D | 1.25 | 1.75 | 1.92 | 2.5 | |
| E | 3.45 | | 1.93 | 2.01 | 2.67 |
| F | | 1.62 | 2.04 | 2.04 | |
| Average | 1.90 | 1.82 | 1.82 | 2.18 | 2.67 |
| Std dev. | 0.918 | 0.133 | 0.257 | 0.275 | |

Sure Start Local Programmes monitor their service use. The information provided on service use is used to construct unit costs. Programmes are in their early stages of development, and so may not be up to capacity, however, Table 3 gives a reasonable guide to the numbers of service users attending a range of typical Sure Start Local Programme activities.

Table 3 Sure Start Local Programmes service user numbers: average number of service users for typical Sure Start activities 2002/2004

| Programme | Breast Buddies/ Breast Feeding Support | Well Baby Clinic | Baby Massage | Smoking Cessation | Bumps and Babies | Toddler Group/ Drop In/ Stay and Play | Parenting/ Behaviour M'ment/ Coping with Kids | Dads Group |
|-----------|---|------------------|--------------|-------------------|------------------|---|---|------------|
| B | | | 5 | | 7 | 10 | | 3 |
| C | 6 | 6 | | 1 | 8 | 14 | | 7 |
| G | 4 | | 10 | 2 | 9 | 10 | 9 | 4 |
| A | 7 | | | 8 | 8 | 13 | 8 | 3 |
| D | 8 | | | | | | 12 | |
| E | 5 | 15 | 10 | 2 | 8 | 13 | | |
| F | 4 | | | | | 13 | 12 | 8 |
| Average | 6 | 11 | 8 | 3 | 8 | 13 | 10 | 5 |
| Std dev. | 1.633 | 6.364 | 2.887 | 3.202 | 0.707 | 2.074 | 2.062 | 2.345 |

Typical costs

From the core costs, staff face-to-face ratios and average service use the following typical Sure Start Local Programme activities and services costs are constructed. Table 4 provides the unit costs for the services discussed. It should be borne in mind that most of the services discussed may run for a morning or 2 hour session, which increases the cost which is shown in the table per hour.

Table 4 Sure Start Local Programme typical activities and service costs

| Programme | Unit cost (per hour per service user) to nearest £ | Average number of service users | Typical staffing: Early Years Practitioner (EYP)/ Health Visitor (HV)/ Midwife (MW) |
|---|--|---------------------------------|---|
| Breast Buddies/Breast Feeding Support – target to increase number of breast feeding women | 30 | 6 | 1 EYP, 1 HV, 1 MW |
| Well Baby Clinic – assess babies progress and enables parents to socialize with other parents | 16 | 11 | 1EYP, 1HV, 1MW |
| Baby Massage – small group usually run for 6 weeks for parents and babies | 11 | 8 | 1 EYP, 1HV |
| Smoking Cessation – small group or individual face-to-face support session | 19 | 3 | 1HV |
| Bumps and Babies – supports women in preparation for parenthood | 25 | 8 | 2 EYP, 1HV, 1MW |
| Toddler Group/Drop In/Stay and Play – engages parents who may be considered 'harder to reach' – operate on a continuous basis | 5 | 13 | 2 EYP |
| Parenting/Behavioural Movement/Coping with Kids – fixed term sessions for small groups of parents | 6 | 10 | 2 EYP |
| Dads Group – maybe held at weekend, presently number of participants is low | 14 | 5 | 1 Development worker |

Individual home visits

Sure Start staff also undertake home visits. These are likely to be periodic checks by a health visitor, but may also be undertaken by Early Years Practitioners, Midwives and Speech and Language Therapists. Table 5 shows the typical (again as above constructed from average

costs and ratios across programmes) costs of one hour visits by each of these practitioners. Travel is not calculated separately but included as a central cost and shared across all programme activities.

Table 5 Average cost of a Sure Start practitioner home visit per hour

| Practitioner | £ |
|-------------------------------|----|
| Early Years Practitioner | 33 |
| Health Visitor | 62 |
| Midwife | 75 |
| Speech and Language Therapist | 77 |

Discussion

The costs produced here are the hourly costs per service user for a range of Sure Start Local Programme activities. They are constructed from findings from seven Sure Start Local Programmes in the north east of England. The findings are limited by the number of programmes with costs data available to us, and a dependence upon staff to estimate their face-to-face contact time with families, which may vary periodically and change once programmes are operating from their own premises. Capital costs have not been included as it was judged that they would be misleading at this stage. Nevertheless the costs provide an indication of the spending required to deliver services to a Sure Start Local Programme model of added value through a wide range of supporting activities.

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I. SERVICES

1. Services for older people

- 1.1 Private nursing homes for older people
- 1.2 Private residential care for older people
- 1.3 Voluntary residential care for older people
- 1.4 Local authority residential care for older people
- 1.5 Nursing-Led Inpatient Unit (NLIU) for intermediate care
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- 1.7 Voluntary day care for older people
- 1.8 Local authority sheltered housing for older people
- 1.9 Housing association sheltered housing for older people
- 1.10 Local authority very sheltered housing for older people
- 1.11 Housing association very sheltered housing for older people
- 1.12 ECCEP community care package: very low cost
- 1.13 ECCEP community care package: low cost
- 1.14 ECCEP community care package: median cost
- 1.15 ECCEP community care package: high cost
- 1.16 ECCEP community care package: very high cost

1.1 Private nursing homes for older people

Using PSS EX1 2003/04¹ returns uprated using the PSS Pay and Prices inflator, median costs per person for supporting older people in a nursing care home place were £397 per week and mean costs were £399 per week. Twenty-five per cent of local authorities had average gross costs of £354 or less and 25 per cent of £481 or more. It has not been possible to exclude capital charges on the revenue account. From 2003/04, the nursing cost element was paid for by the NHS ("free nursing care") and excluded from the expenditure on PSS EX1. The average NHS contribution for nursing care in nursing homes is estimated to be £85. When we add this to PSS expenditure, the total expected mean cost is £484 and the total expected median cost is £482.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|--------------------------------|---|
| A. Fees | £526 per week | The direct unit cost of independent nursing homes is assumed to be the fee. The method of estimating the unit cost of a private care home is taken from Kavanagh et al. ² Where a market is fairly competitive, such as the market for private nursing homes, it is reasonable to assume that the fee will approximate to the social cost of the service. A weighted average fee for England reflecting the distribution of single and shared rooms was taken from the Laing & Buisson market survey. ³ |
| <i>External services</i> B. Community nursing C. GP services D. Other external services | £0.70 per week £23 per week | Reflects the level of service receipt found in a 1996 PSSRU survey of 137 nursing homes. ⁴ In the home with the highest level of nursing input, the average weekly cost was £15 (1996/1997 prices). A study ⁵ found that residents in private nursing homes consulted GPs for an average 6.01 minutes per week. Since it is not possible to distinguish between surgery consultations and home visits, it is assumed here that the visit was to the home. If these were surgery consultations, the cost would be £15 per week. |
| E. Personal living expenses | £8.70 per week | A study of expenditure in private and voluntary residential homes found that residents spent £6 per week on average (1992/1993 prices) on non-fee expenditure. ⁶ This has been uprated by the Retail Price Index. The DWP personal allowance for people in residential care or a nursing home is £18.10. This has been used as a proxy for personal consumption in the past but is probably an over-estimate. |
| Short-term care | 0.967 x A | Based on weekly prices for short-term residents in 88 nursing homes reported in the 1996 survey. In nursing homes as in residential care, short-term residents were less dependent. The lower price may be associated with this factor. |
| Dependency | | Overall, the relationship with dependency in the PSSRU survey was very flat, with the weekly fee for an individual with a Barthel score of four or less costing 0.03 per cent more than average. |
| London multiplier | 1.15 x A | Fees in London nursing homes were 15 per cent higher than the national average (Laing & Buisson market survey ³). |
| Unit costs available 2004/2005 | | |
| £526 establishment costs per permanent resident week (A); £509 establishment costs per short-term resident week (A); £558 care package costs per permanent resident week (includes A to E); £540 care package costs per short-term resident week (includes A to E). | | |

1 PSS EX1 2003/04, Department of Health.

2 Kavanagh, S., Schneider, J., Knapp, M., Beecham, J. & Netten, A. (1992) Elderly people with cognitive impairment: costing possible changes in the balance of care, Discussion Paper 817/2, Personal Social Services Research Unit, University of Kent.

3 Laing & Buisson (2005) *Care of Elderly People: UK Market Report 2005*, Laing & Buisson, London.

4 Netten, A., Bebbington, A., Darton, R., Forder, J. & Miles, K. (1998) Cross-sectional survey of residential and nursing homes for elderly people, Discussion Paper 1423, Personal Social Services Research Unit, University of Kent.

5 Kavanagh, S. & Knapp, M. (1998) The impact on general practitioners of the changing balance of care for elderly people living in institutions, *British Medical Journal*, 317, August, 322-327.

6 Clare, R. & West, P. (1993) A survey of expenditure in residential nursing homes, *Economic Trends*, 481, 120-125.

1.2 Private residential care for older people

| Costs and unit estimation | 2004/2005 value | Notes |
|---|------------------------------------|--|
| A. Fees | £373 per week | The direct unit cost of private care homes is assumed to be the fee. The method of estimating the unit cost of a private care home is taken from Kavanagh et al. ¹ Where a market is fairly competitive, such as the market for private residential homes, it is reasonable to assume that the fee will approximate to the social cost of the service. A weighted average fee for England reflecting the distribution of single and shared rooms was taken from the Laing & Buisson market survey. ² |
| <i>External services</i> B. Community nursing C. GP services D. Other external services | £6.10 per week £15 per week | Reflects the level of service receipt found in a 1996 survey of 123 residential homes. ³ In the home with the highest level of nursing input, the average weekly cost was £44 (1996 prices). A study ⁴ found that residents in private residential homes consulted GPs for an average 3.85 minutes per week. Since it is not possible to distinguish between surgery consultations and home visits, it is assumed here that the visit was to the home. If these were surgery consultations, the cost would be £9.50 per week. |
| E. Personal living expenses | £8.70 per week | A study of expenditure in private and voluntary residential homes found that residents spent £6 per week on average (1992/1993 prices) on non-fee expenditure. ⁵ This has been uprated by the Retail Price Index. The DWP personal allowance for people in residential care is £18.10 and sometimes used as a proxy for personal consumption. This is probably an over-estimate. |
| Short-term care | 1.059 x A | Based on weekly prices for short-term residents in 44 independent residential homes reported in the 1996 survey. |
| Dependency | | Overall, the relationship with dependency in the PSSRU survey was very flat, with the weekly fee for an individual with a Barthel score of four or less costing 0.04 per cent more than average. |
| London multiplier | 1.20 x A | Fees in London residential homes were 20 per cent higher than the national average (Laing & Buisson market survey ²). |
| Unit costs available 2004/2005 | | |
| £373 establishment costs per permanent resident week (A); £395 establishment costs per short-term resident week (A); £402 care package costs per permanent resident week (includes A to E); £426 care package costs per short-term resident week (includes A to E). | | |

1 Kavanagh, S., Schneider, J., Knapp, M., Beecham, J. & Netten, A. (1992) Elderly people with cognitive impairment: costing possible changes in the balance of care, Discussion Paper 817/2, Personal Social Services Research Unit, University of Kent.

2 Laing & Buisson (2005) *Care of Elderly People: UK Market Report 2005*, Laing & Buisson, London.

3 Netten, A., Bebbington, A., Darton, R., Forder, J. & Miles, K. (1998) Cross-sectional survey of residential and nursing homes for elderly people, Discussion Paper 1423, Personal Social Services Research Unit, University of Kent.

4 Kavanagh, S. & Knapp, M. (1998) The impact on general practitioners of the changing balance of care for elderly people living in institutions, *British Medical Journal*, 317, August, 322-327.

5 Clare, R. & West, P. (1993) A survey of expenditure in residential nursing homes, *Economic Trends*, 481, 120-125.

1.3 Voluntary residential care for older people

| Costs and unit estimation | 2004/2005 value | Notes |
|---|--------------------------------|---|
| A. Fees | £368 per week | Based on the Laing and Buisson market survey ¹ and the relationship between private and voluntary sector prices reported in the 1996 PSSRU survey. ² |
| <i>External services</i> B. Community nursing C. GP services D. Other external services | £8.10 per week £15 per week | The weekly cost reflects average level of community nurse service receipt in the 1996 survey which had information about nursing for 110 voluntary homes. In the home with the highest level of nursing input average weekly cost was £65 (1996/1997 prices). A study ³ found that residents in private residential homes consulted GPs for an average 3.85 minutes per week. Since it is not possible to distinguish between surgery consultations and home visits, it is assumed here that the visit was to the home. If these were surgery consultations, the cost would be £9.50 per week. |
| E. Personal living expenses | £8.70 per week | A study of expenditure in private and voluntary residential homes found that residents spent £6 per week on average (1992/1993 prices) on non-fee expenditure. ⁴ This has been updated using the RPI Index. The DWP personal allowance for people in a residential care or a nursing home is sometimes used as a proxy for personal consumption. This is probably an over-estimate. |
| Short-term care | 1.059 x A | Based on weekly prices for short-term residents in 44 independent residential homes reported in the 1996 survey. |
| Dependency | 1.019 x A | Based on an analysis of factors affecting prices in 1996 survey. The relationship with price is statistically significant but very flat, with prices only increasing marginally with levels of dependency. The multiplier reflects the price charged for people with a Barthel score of 4 or less. |
| London multiplier | 1.20 x A | Fees in London residential homes were 20 per cent higher than the UK average (Laing & Buisson market survey ¹). |
| Unit costs available 2004/2005 | | |
| £368 establishment costs per permanent resident week (A); £390 establishment costs per short-term resident week (A); £399 care package costs per permanent resident week (includes A to E); £423 care package costs per short-term resident week (includes A to E). | | |

1 Laing & Buisson (2005) *Care of Elderly People: UK Market Report 2005*, Laing & Buisson, London.

2 Netten, A., Bebbington, A., Darton, R., Forder, J. & Miles, K. (1998) Cross-sectional survey of residential and nursing homes for elderly people, Discussion Paper 1423, Personal Social Services Research Unit, University of Kent.

3 Kavanagh, S. & Knapp, M. (1998) The impact on general practitioners of the changing balance of care for elderly people living in institutions, *British Medical Journal*, 317, August, 322-327.

4 Clare, R. & West, P. (1993) A survey of expenditure in residential nursing homes, *Economic Trends*, 481, 120-125.

1.4 Local authority residential care for older people

This schema now uses PSS EX1 revenue costs. Prior to 2003, it was based on a PSSRU survey of homes conducted in 1996,¹ for which costs and activity data were based on a nationally representative sample of 161 homes. Costs from this survey have been uprated using the PSS pay and prices inflator. The average revenue cost was £422 per week and at current prices, the standard deviation was £119. Ten per cent of homes had average gross costs of £599 or more and 10 per cent of £307 or less. Median costs were £408 per week.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|------------------|---|
| <i>Capital costs (A, B & C)</i> A. Buildings and oncosts | £47 per week | Based on the new build and land requirements for local authority residential care establishments. These allow for 57.3 square metres per person. ² Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £14 per week | Based on Office of the Deputy Prime Minister statistics. Land costs have been annuitised 3.5 per cent over 60 years. |
| C. Equipment and durables | £6.10 per week | Equipment and durables estimated at 10 per cent of capital cost. ³ |
| D. Revenue costs | £564 per week | The median revenue cost estimate is taken from PSS EX1 2003/04 ⁴ uprated using the PSS Pay and Prices Index. Capital charges on the revenue account have been deducted (£38). Twenty-five per cent of local authorities had average gross costs of £483 or less and 25 per cent of £509 or more. Mean costs were £532 per week. |
| E. Agency overheads | £28 per week | An Audit Commission report found that overheads associated with residential care ⁵ amounted to 5 per cent of revenue costs. |
| <i>External services</i> F. Community nursing | £9.20 per week | The weekly cost reflects average level of community nurse service receipt in the 1996 survey, which had information about nursing for 110 homes. In the home with the highest level of nursing input, the average weekly cost was £69 (1996/1997 prices). A study ⁶ found that people in private residential homes consulted GPs for an average 3.45 minutes per week. Since it is not possible to distinguish between surgery consultations and home visits, it is assumed here that the visit was to the home. If the GP visited the resident at the home, the cost would be £13 per week. |
| G. GP services | £8.40 per week | |
| H. Other external services | Not known | |
| I. Personal living expenses | £8.70 per week | A study of expenditure in private and voluntary residential homes found that residents spent £6 per week on average (1992/1993 prices) on non-fee expenditure. ⁷ This figure has been uprated by the RPI Index. |
| Use of facility by client | 52.18 wks p.a. | |
| Occupancy | 91% | See ⁸ and 1996 PSSRU survey ⁹ . |
| Short-term care | 1.047 x (D to E) | Based on an analysis of factors affecting prices in the 1996 survey. Costs rise significantly only when more than 17 per cent of residents are short-stay. |
| High dependency | 1.064 x (D to E) | Based on an analysis of factors affecting prices in the 1996 survey. |
| London multiplier | 1.037 x (D to E) | Based on PSS EX1 2003/04 data. |
| Unit costs available 2004/2005 | | |
| £659 establishment costs per permanent resident week (includes A to E); £690 establishment costs per short-term resident week (includes A to E); £685 care package costs per permanent resident week (includes A to I); £718 care package costs per short-term resident week (includes A to I). | | |

- Netten, A., Bebbington, A., Darton, R., Forder, J. & Miles, K. (1998) Cross-sectional survey of residential and nursing homes for elderly people, Discussion Paper 1423, Personal Social Services Research Unit, University of Kent.
- Building Cost Information Service (2005) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.
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- PSS EX1 2003/04, Department of Health.
- Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.
- Kavanagh, S. & Knapp, M. (1998) The impact on general practitioners of the changing balance of care for elderly people living in institutions, *British Medical Journal*, 317, August, 322-327.
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1.5 Nursing-Led Inpatient Unit (NLIU) for intermediate care

The Nursing-Led Inpatient Unit (NLIU) aims to promote recovery and substitute for a period of care in the acute wards, prior to discharge to the community. The data presented below are based on a randomised controlled trial which compared outcomes of care on a nursing-led inpatient unit with the system of consultant-managed care on a range of acute hospital wards.¹ The subjects were 175 patients — 89 patients randomly allocated to care on the unit (nursing-led care with no routine medical intervention) and 86 to usual hospital care. The study identified 1997/1998 costs which have been updated.

| Costs and unit estimation | 2004/2005 value | Notes |
|---------------------------------------|----------------------|---|
| <i>Capital costs</i> | | |
| A. Buildings and oncosts | £4.20 | 1997/1998 capital costs uprated using the Tender Price Index for Public Sector Building (non housing). Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| <i>Revenue costs</i> | | |
| B. Salary and oncosts | £88 | Costs of nursing and special nursing staff. Based on a top down costing approach using actual expenditure on salaries and costs in the relevant wards. 1997/1998 costs uprated using the HCCHS Pay Index. |
| C. Other direct care costs | | |
| Medical | £44 | 1997/1998 costs uprated using the HCCHS Pay and Prices Index. |
| Other | £8.00 | Includes diagnostics and ward round uprated using the HCCHS Pay and Prices Index. |
| D. Direct overheads | £41 | Includes catering, domestics, energy, security, administration, laundry and supplies. 1997/1998 costs inflated by the HCCHS Pay and Prices Index. |
| E. Indirect overheads | £16 | Includes the estates, central administration and corporate function. 1997/1998 prices inflated by the HCCHS Pay and Prices Index. |
| Average ward size | 25 places | |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 94% | Occupancy figures are drawn from the same source as the base data. |
| Unit costs available 2004/2005 | | |
| £201 per inpatient day. | | |

1 Griffiths, P., Harris, R., Richardson, G., Hallett, N., Heard, S. & Wilson-Barnett, J. (2001) Substitution of a nursing-led inpatient unit for acute services: randomised controlled trial of outcomes and cost of nursing-led intermediate care, *Age and Ageing*, 30, 483-488, British Geriatrics Society.

1.6 Local authority day care for older people

Prior to 1998 the cost given was per place per day. Since 1998 the cost has been per session. A session is defined as either a morning, an afternoon or an evening at the day care facility.

| Costs and unit estimation | 2004/2005 value | Notes |
|---------------------------------------|--|---|
| <i>Capital costs (A, B & C)</i> | | |
| A. Buildings and oncosts | £4.00 per session | Based on the new build and land requirements for local authority day care facilities (which do not distinguish client group). These allow for 33.4 square metres per person. ¹ Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £1.00 per session | Based on Office of Deputy Prime Minister ² statistics. Land costs have been annuitised at 3.5 per cent over 60 years. |
| C. Equipment and durables | | No information available. |
| <i>Revenue costs</i> | | |
| D. Salary and other revenue costs | £22 per session | The median revenue cost estimate is taken from PSS EX1 2003/04 ³ uprated using the PSS Pay and Prices Index. Capital charges on the revenue account have been deducted (£1.80). Data were adjusted to exclude expenditure on services purchased from the independent sector. Reported unit costs contain a wide variation and clearly refer to very different types of care. Ten per cent of authorities had average costs of £9.40 per session or less, and 10 per cent £45 per session or more. Mean costs were £21 per session. |
| E. Capital charges | | |
| F. Agency overheads | | Social Services Management and Support services (SSMSS) overhead costs are included in PSS EX1 so no additional agency overheads have been included in unit costs below. |
| Use of facility by client | 500 sessions per annum | Assumes two sessions, 250 days per year. Used to estimate per session capital costs. |
| Occupancy | 76% | Department of Health statistics, 1997 ⁴ . More recent figures are not available. |
| London multiplier | 1.20 x A; 2.94 x B; 1.39 x (D to F) | Relative London costs are drawn from the same source as the base data for each cost element. Based on PSS EX1 2003/04 data. |
| Unit costs available 2004/2005 | | |
| £27 per session (includes A to F). | | |

1 Building Cost Information Service (2005) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister, Summer 2004.

3 PSS EX1 2003/04, Department of Health.

4 Department of Health (1997) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics*, Table 3.3, Government Statistical Service, London.

1.7 Voluntary day care for older people

The costs of voluntary day care for elderly people are based on the results of a survey of Age Concern conducted in 1999/2000. Information was received from 10 Centres and the figures have been inflated by PSS Pay and Prices index. At 2004/2005 prices, costs ranged from £19 to £43 per client day with an average and median cost of £30.

Three of the Age Concern Centres responding to the survey accommodated elderly people with dementia resulting in costs 15 per cent higher than the average. This is largely due to the higher staff/client ratios. A rural centre also reported a high unit cost with its total vehicle and transport costs accounting for 25 per cent of the total cost. The cost per client day for Age Concern Centres offering standard day care (excluding the rural Centre and those with specialised needs) was 40 per cent less than the average.

Using PSS EXI 2003/2004 uprated using the PSS Pay and Prices inflator, the mean cost per session for independently provided day care were £15, equivalent to £30 per client day and the median cost was £18 equivalent to £36 per client day. Authorities showing costs in excess of £100 have been excluded.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---------------------------------|---|
| <i>Capital costs (A & B)</i> | | |
| A. Premises | £3.60 per client day | These costs ranged from £2.30 to £4.80 with a mean cost of £3.60 per day. Many of these costs are very low due to the fact that the venue for many Age Concern Centres is the local village hall. Premises costs based on rental paid as purpose built centres are very rare. |
| B. Vehicle | £3.10 per client day | Of the 10 Centres, 3 had their own minibus/es and costs ranged from £1.30 per client day to £5.70 per client day. Vehicle costs were high for a rural centre which opens only 2 days per week. |
| <i>Revenue costs</i> | | |
| C. Salaries | £15.90 per client day | Costs ranged from £8.00 to £37. Those Centres with the highest costs were those accommodating Elderly Mental Ill clients where the staff ratios are often 1:4. The median cost was £13.20. |
| D. Volunteer costs | £0.40 per client day | Seven of the centres reported incurring volunteer expenses. |
| E. Other staff costs | £1.10 per client day | This includes staff recruitment and training, courses & conferences, travel expenses and redundancy payments. |
| F. Transport | £2.90 per client day | This includes taxi expenses, fuel & oil, vehicle repairs, insurance and contract hire. Costs ranged from £1.10 to £5.80 with a median cost of £2.70. |
| G. Meals | £1.60 per client day | Seven Centres provided meals. |
| H. Overheads | £2.30 per client day | Seven Centres provided information on overheads which ranged from £1.00 to £4.80. |
| I. Other revenue costs | £3.10 per client day | Costs includes management & administration, maintenance charges, heat, light & water, telephone, stationery & postage, insurance, sundry expenses & bank charges. Costs ranged from £1.00 to £7.20 per client day and the median cost was £2. |
| Use of facility by client | 50.3 weeks 4.9 days per week | The majority of Centres open 50 weeks of the year. The median number of days per week was 5 with one Centre opening 2 days per week. |
| Occupancy | 84% | Occupancy figures are drawn from the same source as the base data. |
| Unit costs available 2004/2005 | | |
| The average cost of the 10 Centres was £30 per client day. A Centre incurring all costs A-I would cost £34 per client day. | | |

1.8 Local authority sheltered housing for older people

The costs of accommodation and services are based on the results of a study by Ernst & Young in 1993 commissioned by the Department of the Environment.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|---|--|--|
| <i>Capital costs</i> A. Notional rent | £80 per person per week | Capital costs excluded the cost of warden and staff accommodation but were based on the costs of actual schemes in the study divided by the number of people in the schemes to establish a cost per person. This figure reflects the types of housing stock and proportions of single and multiple occupancy dwellings. This was converted to notional rents per year using a 3.5 per cent discount rate over 60 years and uprated using the BCIS/ABI house rebuilding Cost Index. |
| <i>Revenue costs</i> B. Salary and other revenue costs | £27 per person per week | Annual gross running costs were adjusted to ensure they reflected the costs incurred by residents over the age of 60. Inflated using the PSS Pay and Prices Index. |
| C. Agency overheads | | No information available. |
| <i>Personal living expenses</i> D. Basic living costs E. Other living costs | £78 per person per week £9.00 per person per week | Based on Family Expenditure Survey (2001/2002) estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2004/2005 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods). Other living costs are those covered by personal expenses (for example leisure goods and alcohol). The average weekly expenditure per person in all expenditure groups with the exception of household goods and services and leisure services has decreased slightly or remained the same as last year. |
| F. Other health and social services costs | £29 per person per week | Average cost of service use was based on the Ernst & Young survey of residents and unit costs supplied by the DH and the PSSRU. |
| Use of facility by client | 52.18 weeks per year | |
| Occupancy | | |
| High dependency | 1.52 x F | Data presented allowed a comparison in local authority schemes between the average level of costs of health and social services and the costs of highly dependent residents. Highly dependent residents were those who fell into the Clackmannan D/E category (short interval needs). |
| London multiplier | | |
| Unit costs available 2004/2005 | | |
| £107 per week sheltered housing costs (includes A to B); £136 per week service and accommodation (includes A to B and F); £214 (includes all costs borne by care homes (A to D and F); £223 comprehensive package costs (A to F). | | |

¹ Ernst & Young (1993) *The Cost of Specialised Housing and The Cost of Maintaining an Elderly Person at Home*, Reports to the Department of the Environment, Ernst & Young, London.

1.9 Housing association sheltered housing for older people

The costs of accommodation and services are based on the results of a study by Ernst & Young in 1993 commissioned by the Department of the Environment.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|--|--|--|
| <i>Capital costs</i> A. Notional rent | £88 per person per week | Capital costs excluded the cost of warden and staff accommodation but were based on the costs of actual schemes in the study divided by the number of people in the schemes to establish a cost per person. This figure reflects the types of housing stock and proportions of single and multiple occupancy dwellings. This was converted to notional rents per year using a 3.5 per cent discount rate over 60 years and uprated using the BCIS/ABI house rebuilding Cost Index. |
| <i>Revenue costs</i> B. Salary and other revenue costs | £37 per person per week | Annual gross running costs were adjusted to ensure they reflected the costs incurred by residents over the age of 60. Costs have been inflated to 2004/2005 using the PSS Pay and Prices Index. |
| C. Agency overheads | | No information available. |
| <i>Personal living expenses</i> D. Basic living costs E. Other living costs | £78 per person per week £9.00 per person per week | Based on Family Expenditure Survey (2001/2002) estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2004/2005 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods). Other living costs are those covered by personal expenses (for example leisure goods and alcohol). The average weekly expenditure per person in all expenditure groups with the exception of household goods and services and leisure services has decreased slightly or remained the same as last year. |
| F. Other health and social services costs | £15 per person per week | Average cost of service use was based on the Ernst & Young survey of residents and unit costs supplied by the DH and the PSSRU. Gross resource costs of services are reported here. |
| Use of facility by client | 52.18 weeks per year | |
| Occupancy | | |
| London multiplier | | |
| Unit costs available 2004/2005 | | |
| £125 per week sheltered housing costs (includes A to B); £140 per week service and accommodation (includes A to B and F); £218 (includes all costs borne by care homes (A to D and F)); £227 comprehensive package costs (A to F). | | |

¹ Ernst & Young (1993) *The Cost of Specialised Housing and The Cost of Maintaining an Elderly Person at Home*, Reports to the Department of the Environment, Ernst & Young, London.

1.10 Local authority very sheltered housing for older people

The costs of accommodation and services are based on the results of a study by Ernst & Young in 1993 commissioned by the Department of the Environment.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|--|--|--|
| <i>Capital costs</i> A. Notional rent | £88 per person per week | Capital costs excluded the cost of warden and staff accommodation but were based on the costs of actual schemes in the study divided by the number of people in the schemes to establish cost per person. This figure reflects the types of housing stock and proportions of single and multiple occupancy dwellings. This was converted to notional rents per year using a 3.5 per cent discount rate over 60 years and uprated using the BCIS/ABI house rebuilding Cost Index. |
| <i>Revenue costs</i> B. Salary and other revenue costs | £82 per person per week | Annual gross running costs were adjusted to ensure they reflected the costs incurred by residents over the age of 60. Costs have been inflated to 2002/2003 using the PSS Pay and Prices Index. |
| C. Agency overheads | | No information available. |
| <i>Personal living expenses</i> D. Basic living costs E. Other living costs | £78 per person per week £9.00 per person per week | Based on Family Expenditure Survey (2001/2002) estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2004/2005 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods). Other living costs are those covered by personal expenses (for example leisure goods and alcohol). The average weekly expenditure per person in all expenditure groups with the exception of household goods and services and leisure services has decreased slightly or remained the same as last year. |
| F. Other health and social services costs | £30 per person per week | Average cost of service use was based on a survey of residents and unit costs supplied by the DH and the PSSRU. Gross resource costs of services are reported here. |
| Use of facility by client | 52.18 weeks per annum | |
| Occupancy | | |
| High dependency | 1.24 x F | Data presented allowed a comparison in local authority schemes between the average level of costs of health and social services and the costs of highly dependent residents. Highly dependent residents were those who fell into the Clackmannan D/E category (short interval needs). |
| London multiplier | | |
| Unit costs available 2004/2005 | | |
| £170 per week sheltered housing costs (includes A to B); £200 per week service and accommodation (includes A to B and F); £278 (includes all costs borne by care homes (A to D and F)); £287 comprehensive package costs (A to F). | | |

¹ Ernst & Young (1993) *The Cost of Specialised Housing and The Cost of Maintaining an Elderly Person at Home*, Reports to the Department of the Environment, Ernst & Young, London.

1.11 Housing association very sheltered housing for older people

The costs of accommodation and services are based on the results of a study by Ernst & Young in 1993 commissioned by the Department of the Environment.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|--|--|--|
| <i>Capital costs</i> A. Notional rent | £79 per person per week | Capital costs excluded the cost of warden and staff accommodation but were based on the costs of actual schemes in the study divided by the number of people in the schemes to establish a cost per person. This figure reflects the types of housing stock and proportions of single and multiple occupancy dwellings. This was converted to notional rents per year using a 3.5 per cent discount rate over 60 years and uprated using the BCIS/ABI house rebuilding Cost Index. |
| <i>Revenue costs</i> B. Salary and other revenue costs | £236 per person per week | Annual gross running costs were adjusted to ensure they reflected the costs incurred by residents over the age of 60. Costs have been inflated to 2004/2005 using the PSS Pay and Prices Index. |
| C. Agency overheads | | No information available. |
| <i>Personal living expenses</i> D. Basic living costs E. Other living costs | £78 per person per week £9.00 per person per week | Based on Family Expenditure Survey (2001/2002) estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2004/2005 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods). Other living costs are those covered by personal expenses (for example leisure goods and alcohol). The average weekly expenditure per person in all expenditure groups with the exception of household goods and services and leisure services has decreased slightly or remained the same as last year. |
| F. Other health and social services costs | £44 per person per week | Average cost of service use was based on the Ernst & Young survey of residents and unit costs supplied by the DH and the PSSRU. Gross resource costs of services are reported here. |
| Use of facility by client | 52.18 weeks per annum | |
| Occupancy | | |
| London multiplier | | |
| Unit costs available 2004/2005 | | |
| £315 per week sheltered housing costs (includes A to B); £359 per week service and accommodation (includes A to B and F); £438 (includes all costs borne by care homes (A to D and F)); £447 comprehensive package costs (A to F). | | |

¹ Ernst & Young (1993) *The Cost of Specialised Housing and The Cost of Maintaining an Elderly Person at Home*, Reports to the Department of the Environment, Ernst & Young, London.

1.12 ECCEP community care package: very low cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

The care package costs described in this schema illustrates the first percentile from a total of 243 cases for whom there was adequate information regarding the receipt of both health and social care services. The packages described were those being received by each user at the beginning of the study in 1995. This case has not been chosen as 'typical' or representative of other packages with similar costs, but rather provides some examples of how resources are combined to support individual users. The costs have been uprated to present day costs using the PSS pay and prices index.

| | | |
|--|----------------------------|---|
| Type of case Mrs A. is 75 years old and lives alone in a privately rented flat. She has no family living nearby and no principal carer. She was admitted to hospital for a minor surgical procedure and while there received an assessment from a hospital social worker, which resulted in the receipt of home help services following discharge from hospital. | | |
| Health problems Diabetes. | | |
| Functional ability Mrs A. is able to do all daily activities without assistance, although she does find shopping, general mobility and managing stairs difficult. She does not do any heavy housework. | | |
| Services received | Average weekly cost | Description |
| Social services Home care | £25 | Two hours per week. Visits take place on weekdays before 5 p.m. SSD is the provider. |
| Health services GP | £11 | Visits the GP surgery once every four weeks. |
| Accommodation | £210 | Private rented property, 2 bedrooms. |
| Living expenses | £102 | Main income from pension and interest from savings. Had savings of between £20,000 and £50,000. Living expenses taken from Family Expenditure Survey (2001/2002 uprated to 2004/2005 price levels). Based on 1 adult retired household, mainly dependent on state pensions. |
| Total weekly cost of health and social care package, 2004/2005 | £36 £348 | Excludes accommodation and living expenses. Total including accommodation and living expenses. |

¹ Bauld, L. (1998) Care package costs of elderly people, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

1.13 ECCEP community care package: low cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

The care package costs described in this schema illustrates the second percentile from a total of 243 cases for whom there was adequate information regarding the receipt of both health and social care services. The packages described were those being received by each user at the beginning of the study in 1995. This case has not been chosen as 'typical' or representative of other packages with similar costs, but rather provides some examples of how resources are combined to support individual users. The costs have been uprated to present day costs using the PSS pay and prices index.

| | | |
|---|----------------------------|--|
| Type of case Mrs E. is 88 years old, living alone in her own house. Her main carer is a close friend who lives nearby and visits twice a week on average. As well as providing companionship, this carer does some shopping and runs errands, helps with household repairs, monitors Mrs E's situation, and takes her out and to appointments by car. | | |
| Health problems Depression, moderate to severe cognitive impairment. | | |
| Functional ability Able to do most activities unaided. Is able to manage general mobility, stairs and money matters with difficulty. Needs help with transport, shopping, errands and heavy housework. | | |
| Services received | Average weekly cost | Description |
| Social services | | |
| Home care | £60 | 4.5 hours per week. Visits take place Monday to Friday before 5 p.m. (3.5 hours per week) and on weekends (1 hour per week). ² |
| Frozen meals | £5.60 | Two per week. |
| Health services | | |
| GP | £11.10 | Visits estimated at once every eight weeks based on GHS data. ³ |
| Accommodation | £153 | Based on the annuitised value of a terraced house. Taken from the Halifax Price Index 3rd quarter 2003. |
| Living expenses | £102 | Taken from Family Expenditure Survey (2001/2002, uprated to 2004/2005 price levels). Based on 1 adult retired household, mainly dependent on state pensions. |
| Total weekly cost of health and social care package, 2004/2005 | £76 £331 | Excludes accommodation and living expenses. Total including accommodation and living expenses. |

1 Bauld, L. (1998) Care package costs of elderly people, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2 Evening and weekend rates were estimated to be 30 per cent above the daytime rate. This assumption was derived from PSSRU studies which have found differential costs for home care in English local authorities, depending when it is provided (Hallam and Netten, 1996; Davies et al., 1990; Bebbington et al., 1986).

3 Reflects consumption of GP services by a comparable group: those elderly people in the General Household Survey (1994) who used at least one social care service.

1.14 ECCEP community care package: median cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

The care package costs described in this schema illustrates the third percentile from a total of 243 cases for whom there was adequate information regarding the receipt of both health and social care services. The packages described were those being received by each user at the beginning of the study in 1995. This case has not been chosen as 'typical' or representative of other packages with similar costs, but rather provides some examples of how resources are combined to support individual users. The costs have been updated to present day costs using the PSS pay and prices index.

| | | |
|--|----------------------------|--|
| Type of case Mr C. is 79 years old and lives with his wife in a bungalow which they jointly own. His wife is his main carer. She provides an intensive amount of assistance; changing continence pads, helping with toileting and transfers, washing soiled linen, preparing meals, shopping and other errands, liaises with formal services and monitors his medication. Mr C. was recently admitted to hospital following a stroke. While there, his needs were reassessed by a social worker. | | |
| Health problems Stroke, urinary incontinence. | | |
| Functional ability Mr C. is unable to do most activities without assistance. He has difficulty with bathing, transferring, negotiating stairs, toileting and general mobility. He needs assistance to manage his medication and money, make meals and use transport. He does no shopping, errands or heavy housework. | | |
| Services received | Average weekly cost | Description |
| Social services Home care | £71 | 7.25 hours per week. Visits occur Monday to Friday before 5 pm (5.75 hours per week), and on weekends (1.5 hours per week). ² SSD is the provider. |
| Health services Community nursing visits GP | £71 £11 | 2 visits per week (each 45 minutes) by a district nurse. Visits estimated at once every eight weeks based on GHS data. ³ |
| Accommodation | £100 | Based on the annuitised value of a bungalow. Taken from the Halifax Price Index, 3rd quarter 2003. |
| Living expenses | £199 | Living expenses taken from the Family Expenditure Survey (2001/2002, updated to 2004/2005 price levels). Based on one man one woman retired households mainly dependent on state pensions. |
| Total weekly cost of health and social care package, 2004/2005 | £153 £452 | Excludes accommodation and living expenses. Total including accommodation and living expenses. |

1 Bauld, L. (1998) Care package costs of elderly people, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2 Evening and weekend rates were estimated to be 30 per cent above the daytime rate. This assumption was derived from PSSRU studies which have found differential costs for home care in English local authorities, depending when it is provided (Hallam and Netten, 1996; Davies et al., 1990; Bebbington et al., 1986).

3 Reflects consumption of GP services by a comparable group: those elderly people in the General Household Survey (1994) who used at least one social care service.

1.15 ECCEP community care package: high cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

The care package costs described in this schema illustrates the fourth percentile from a total of 243 cases for whom there was adequate information regarding the receipt of both health and social care services. The packages described were those being received by each user at the beginning of the study in 1995. This case has not been chosen as 'typical' or representative of other packages with similar costs, but rather provides some examples of how resources are combined to support individual users. The costs have been uprated to present day costs using the PSS pay and prices index.

| | | |
|---|----------------------------|--|
| Type of case Mrs D. is 85 years old and lives alone in local authority sheltered housing. Her main carer is her daughter, who provides a moderate level of assistance; helping with housework, shopping, errands and providing transport. | | |
| Health problems Senile dementia. | | |
| Functional ability Able to do most activities unaided. Does not however do any shopping, errands, heavy housework, managing money or managing medication, and relies on others for transport. | | |
| Services received | Average weekly cost | Description |
| Social services | | |
| Home care | £31 | 2.5 hours per week. Visits occur Monday to Friday before 5pm. SSD is the provider. |
| Day care | £97 | Two visits per week to an SSD day centre. |
| Respite care | £73 | Two visits since referral (one 7 days, one 14 days) to an SSD residential care home. |
| Health services | | |
| Community nursing visits | £4.00 | One visit per quarter from a district nurse. |
| GP | £11 | Visits estimated at once every eight weeks based on GHS data. ² |
| Chiropody | £2.00 | One visit per quarter. |
| Other services | | |
| Church lunch club | | Attends voluntary lunch club run by the local church twice a week. |
| Accommodation | £179 | Local authority sheltered housing, one bedroom. |
| Living expenses | £102 | Living expenses taken from the Family Expenditure Survey (2001/2002, uprated to 2004/2005 price levels). Based on 1 adult retired household, mainly dependent on state pensions. |
| Total weekly cost of health and social care package, 2004/2005 | £218 £499 | Excludes accommodation and living expenses. Total including living expenses. |

1 Bauld, L. (1998) Care package costs of elderly people, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2 Evening and weekend rates were estimated to be 30 per cent above the daytime rate. This assumption was derived from PSSRU studies which have found differential costs for home care in English local authorities, depending on when it is provided (Hallam and Netten, 1996; Davies et al., 1990; Bebbington et al., 1986).

1.16 ECCEP community care package: very high cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

The care package costs described in this schema illustrates the fifth percentile from a total of 243 cases for whom there was adequate information regarding the receipt of both health and social care services. The packages described were those being received by each user at the beginning of the study in 1995. This case has not been chosen as 'typical' or representative of other packages with similar costs, but rather provides some examples of how resources are combined to support individual users. The costs have been updated to present day costs using the PSS pay and prices index.

| | | |
|--|----------------------------|---|
| Type of case Mrs E. is an 81 year old woman who lives alone in her own home. She has no principal carer. | | |
| Health problems Arthritis and urinary incontinence. | | |
| Functional ability Is able with difficulty to transfer, wash, go to the toilet and move around the house. Requires assistance with bathing, dressing, errands, meals and drinks. Does not do any housework or attempt to go down the stairs. | | |
| Services received | Average weekly cost | Description |
| Social services | | |
| Home care | £251 | 13.25 hours per week. Visits take place on Monday to Friday before 5pm (9.5 hours per week); weekday evenings (3.75 hours) and weekends (4.5 hours per week). ² SSD is the provider. |
| Day care | £49 | One day per week at an Age Concern day centre. |
| Health services | | |
| Community nursing visits | £24 | One visit per week (30 minutes) from a district nurse. |
| GP | £11 | Visits estimated at once every eight weeks based on GHS data. ³ |
| Chiropody | £2.00 | One visit per quarter. |
| Accommodation | £192 | Owner occupied house with three bedrooms. Based on the annuitised value of an average priced home. Taken from the Halifax Price Index, 3rd quarter 2003. |
| Living expenses | £192 | Living expenses taken from the Family Expenditure Survey (2001/2002, uprated to 2004/2005 price levels). Based on one person retired households not mainly dependent on state pension. |
| Total weekly cost of health and social care package, 2004/2005 | £336 | Excludes accommodation and living expenses. |
| | £720 | Includes accommodation and living expenses. |

1 Bauld, L. (1998) Care package costs of elderly people, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2 Evening and weekend rates were estimated to be 30 per cent above the daytime rate. This assumption was derived from PSSRU studies which have found differential costs for home care in English local authorities, depending on when it is provided (Hallam and Netten, 1996; Davies et al., 1990; Bebbington et al., 1986).

3 Reflects consumption of GP services by a comparable group: those elderly people in the General Household Survey (1994) who used at least one social care service.

2. Services for people with mental health problems

- 2.1 Local authority residential care (staffed hostel)
- 2.2 Local authority residential care (group home)
- 2.3 Voluntary sector residential care (staffed hostel)
- 2.4 Voluntary sector residential care (group home)
- 2.5 Private sector residential care (staffed hostel)
- 2.6 Acute NHS hospital services
- 2.7 Long-stay NHS hospital services
- 2.8 NHS psychiatric intensive care unit (PICU)
- 2.9 NHS Trust day care for people with mental health problems
- 2.10 Local authority social services day care for people with mental health problems
- 2.11 Voluntary/non-profit organisations providing day care for people with mental health problems
- 2.12 Sheltered work schemes
- 2.13 Psychiatric reprovision package: independent living
- 2.14 Psychiatric reprovision package: assessment centre
- 2.15 Psychiatric reprovision package: care home
- 2.16 Psychiatric reprovision package: nursing home placement

2.1 Local authority residential care (staffed hostel) for people with mental health problems

Based on a study of 20 staffed hostels from eight mental health services.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|--|--|--|
| Capital costs A. Buildings and oncosts | £26 per resident week | The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been updated using the Tender Price Index for Public Sector Building (non housing). The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. |
| Revenue costs B. Salary costs C. Other revenue costs D. Agency overheads | £329 per resident week £63 per resident week £18 per resident week | Costs of direct management and care staff, the latter including nursing and social work inputs. Costs have been updated using the PSS Pay Index. Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses, and the use that clients typically make of hospital and community health and social services. Costs have been updated using the PSS Pay and Prices Index. Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been updated using the PSS Pay and Prices Index. |
| Other costs E. Personal living expenses | £18.80 per week | The DWP allowance is used as a proxy for personal consumption. |
| F. Service use | £79 per resident week | Service use is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been updated using the PSS Pay and Prices Index. |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 85% | Occupancy figures are drawn from the same source as the base data. |
| London multiplier | 1.25 x (A to D) + F | Relative London costs are drawn from the same source as the base data for each cost element. |
| Unit costs available 2004/2005 | | |
| £437 per resident week establishment costs (includes A to D); £534 per resident week care package costs (includes A to F). | | |

¹ Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

2.2 Local authority residential care (group home) for people with mental health problems

Based on a study of 23 group homes from eight mental health services.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|---|------------------------|--|
| Capital costs A. Buildings and oncosts | £29 per resident week | The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been uprated using the Tender Price Index for Public Sector Building (non housing). The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. |
| Revenue Costs B. Salary Costs | £10 per resident week | Costs of direct management and care staff, the latter including nursing and social work inputs. Services in a group home are provided more on an ad hoc or regular-visit basis rather than on a 24-hour basis as is the case in a hospital. Costs have been uprated using the PSS Pay Index. |
| C. Other revenue costs | £41 per resident week | Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses, and the use that clients typically make of hospital and community health and social services. Costs have been uprated using the PSS Pay and Prices Index. |
| D. Agency overheads | £3 per resident week | Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the PSS Pay and Prices Index. |
| Other costs E. Personal living expenses | £18.80 per week | The DWP allowance is used as a proxy for personal consumption. |
| F. Service use | £121 per resident week | Service use is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been uprated using the PSS Pay and Prices Index. |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 85% | Occupancy figures are drawn from the same source as the base data. |
| London multiplier | 1.23 x (A to D) + F | Relative London costs are drawn from the same source as the base data for each cost element. |
| Unit costs available 2004/2005 | | |
| £83 per resident week establishment costs (includes A to D); £223 per resident week care package costs (includes A to F). | | |

¹ Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

2.3 Voluntary sector residential care (staffed hostel) for people with mental health problems

Based on a sample of 31 staffed hostels.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|--|--|--|
| Capital costs A. Buildings and oncosts | £27 per resident week | The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been uprated using the Tender Price Index for Public Sector Building (non housing). The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. |
| Revenue costs B. Salary costs C. Other revenue costs D. Agency overheads | £239 per resident week £88 per resident week £32 per resident week | Salary costs represent the costs of direct management and care staff, the latter including nursing and social work inputs. Costs have been uprated using the PSS Pay Index. Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses, and the use that clients typically make of hospital and community health and social services. Costs have been uprated using the PSS Pay and Prices Index. Indirect management, such as central administration, were categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the PSS Pay and Prices Index. |
| Other costs E. Personal living expenses | £18.80 per week | The DWP allowance is used as a proxy for personal consumption. |
| F. Service use | £65 per resident week | Service use is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been uprated using the PSS Pay and Prices Index. |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 90% | Occupancy figures are drawn from the same source as the base data. |
| London multiplier | 1.46 x (A to D) + F | Relative London costs are drawn from the same source as the base data for each cost element. |
| Unit costs available 2004/2005 | | |
| £385 per resident week establishment costs (includes A to D); £469 per resident week care package costs (includes A to F). | | |

¹ Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

2.4 Voluntary sector residential care (group home) for people with mental health problems

Based on a sample of 33 group homes.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|--|-----------------------|--|
| Capital costs A. Buildings and oncosts | £31 per resident week | The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been uprated using the Tender Price Index for Public Sector Building (non housing). The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. |
| Revenue costs B. Salary costs | £95 per resident week | Costs of direct management and care staff, the latter including nursing and social work inputs. Costs have been uprated using the PSS Pay Index. |
| C. Other revenue costs | £52 per resident week | Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses, and the use that clients typically make of hospital and community health and social services. Costs have been uprated using the PSS Pay and Prices Index. |
| D. Agency overheads | £22 per resident week | Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the PSS Pay and Prices Index. |
| Other costs E. Personal living expenses | £18.80 per week | The DWP allowance is used as a proxy for personal consumption. |
| F. Service use | £85 per resident week | Service use cost is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been uprated using the PSS Pay and Prices Index. |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 95% | Occupancy figures are drawn from the same source as the base data. |
| London multiplier | 1.11 x (A to D) + F | Relative London costs are drawn from the same source as the base data for each cost element. |
| Unit costs available 2004/2005 | | |
| £200 per resident week establishment costs (includes A to D); £304 per resident week care package costs (includes A to F). | | |

¹ Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

2.5 Private sector residential care (staffed hostel) for people with mental health problems

Based on a sample of 33 hostels.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|--|------------------------|--|
| <i>Capital costs</i> A. Buildings and oncosts | £30 per resident week | The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been uprated using the Tender Price Index for Public Sector Building (non housing). The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. |
| <i>Revenue costs</i> B. Salary costs | £136 per resident week | Costs of direct management and care staff, the latter including nursing and social work inputs. Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the HCHS pay index. |
| C. Other revenue costs | £92 per resident week | Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses, and the use that clients typically make of hospital and community health and social services. Costs have been uprated using the PSS pay and prices index. |
| D. Agency overheads | £12 per resident week | Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the PSS pay and prices index. |
| <i>Other costs</i> E. Personal living expenses | £18.80 per week | The DWP allowance is used as a proxy for personal consumption. |
| F. Service use | £73 per resident week | Service use cost is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been uprated using the HCHS pay and prices index. |
| Use of facility by client | 365.25 days per annum | |
| Occupancy | 85% | Occupancy figures are drawn from the same source as the base data. |
| London multiplier | | No estimate is available for privately managed staffed hostels in London. |
| Unit costs available 2004/2005 | | |
| £269 per resident week establishment costs (includes A to D); £361 per resident week care package costs (includes A to F). | | |

¹ Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

2.6 Acute NHS hospital services for people with mental health problems

Based on a sample of 25 acute psychiatric wards covered in a survey of residential care in eight district health authorities.¹ All costs are based on 1995/1996 figures, uprated using the appropriate HCHS inflators. The costs are based on acute wards and so are not representative of the daily unit cost of general psychiatric hospital care.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|--|
| <i>Capital costs (A, B & C)</i> | | |
| A. Buildings and oncosts | £11 per bed per day | Based on the new build and land requirements for a bed in a psychiatric hospital ward. ² Occupancy rates have been taken into account. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £1.80 per bed per day | Based on information provided by the Office of the Deputy Prime Minister, ³ discounted at 3.5 per cent over 60 years. |
| C. Equipment and durables | | No information available. |
| <i>Revenue costs</i> | | |
| D. Salary, supplies and services costs | £137 per day | Revenue costs were obtained from hospital accounts and were broken down into salaries, supplies and services and agency overheads. Salary costs include medical and clinical support services. Where this input could not be identified at ward level, a multiplier of 1.33 was calculated on the basis of nursing (75 per cent) to medical and clinical support (25 per cent) ratios in those wards where full information was available. Salaries represent 66 per cent of the total cost per day. |
| E. Agency overheads | £45 per day | |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 95% | Occupancy in London was estimated to be 102 per cent. Occupancy figures are drawn from the same source as the base data. |
| London multiplier | 1.20 x A; 2.74 x B; 1.11 x D; 1.15 x E | Relative London costs are drawn from the same source as the base data for each cost element. If the interest is just in effects due to technology and price effects, the multiplier to be used for salaries, supplies and service costs is 1.19 (see <i>Unit Costs of Health and Social Care 1996</i> , pp.19-22). The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM. |
| Unit costs available 2004/2005 | | |
| £195 per inpatient day (includes A to E). | | |

1 Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

3 Office of the Deputy Prime Minister, Summer 2004.

2.7 Long-stay NHS hospital services for people with mental health problems

Based on a sample of 19 long-stay psychiatric wards covered in a survey of residential care in eight district health authorities.¹ All costs are based on 1995/1996 figures, uprated using the appropriate HCHS inflators. The costs are based on long-stay inpatient psychiatric care wards and so are not as representative of the daily unit cost of general psychiatric hospital care. In such a case, the unit cost estimates derived from the reference costs (<http://www.doh.gov.uk/nhsexec/refcosts.htm>) would be more appropriate.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|--|--|
| Capital costs (A, B & C) | | |
| A. Buildings and oncosts | £14 per bed per day | Estimates are based on the new build and land requirements for a bed in a psychiatric hospital ward. ² Occupancy rates have been taken into account. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £2.00 per bed per day | Based on information provided by the Office of the Deputy Prime Minister, ³ discounted at 3.5 per cent over 60 years. |
| C. Equipment and durables | | No information available. |
| Revenue costs | | |
| D. Salary, supplies and services costs | £95 per day | Revenue costs were obtained from hospital accounts and were broken down into salaries, supplies and services and agency overheads. Salary costs include medical and clinical support services. Where this input could not be identified at ward level, a multiplier of 1.33 was calculated on the basis of nursing (75 per cent) to medical and clinical support (25 per cent) ratios in those wards where full information was available. Salaries represent 54 per cent of the total cost per day. |
| E. Agency overheads | £52 per day | The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses, and the use that clients typically make of hospital and community health and social services. |
| Other costs | | |
| F. Personal living expenses | £15.90 per week (£2.30 per day) | Once patients have given up their private accommodation, their full package of costs can be estimated by including other services received and personal expenditure. The latter is estimated by using the DWP personal allowance for those in hospital over 52 weeks and is, therefore, included in the long-stay schema. |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 83% | Occupancy in London was estimated to be 93 per cent. Occupancy figures are drawn from the same source as the base data. |
| London multiplier | 1.20x A; 2.74 x B; 1.32 x D; 1.11 x E | Relative London costs are drawn from the same source as the base data for each cost element. If the interest is just in effects due to technology and price effects, the multiplier to be used for salaries, supplies and service costs is 1.19 (see <i>Unit Costs of Health and Social Care 1996</i> , pp.19-22). The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM. |
| Unit costs available 2004/2005 | | |
| £166 per inpatient day (includes A to F). | | |

1 Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

3 Office of the Deputy Prime Minister, Summer 2004.

2.8 NHS psychiatric intensive care unit (PICU)

Based on a study of a PICU in Withington Hospital, Manchester in 1993.¹

Using Reference costs (www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for Local Psychiatric Intensive Care Units for 2004 was £410 with the minimum range for 25 per cent of the services being £374 or less and the maximum range for 25 per cent of the services being £478 or more.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|-----------------------|--|
| Capital costs (A, B & C) | | |
| A. Buildings and oncosts | £22 per patient day | Annuitised value of an NHS psychiatric ward over a 60-year period discounted at 3.5 per cent, taking into account occupancy rates. ² |
| B. Land | £3.00 per patient day | Based on information provided by the Office of the Deputy Prime Minister, ³ discounted at 3.5 per cent over 60 years. |
| C. Equipment and durables | | No information available. |
| Revenue costs | | |
| D. Salary costs | £343 per patient day | Staff costs have been inflated to current levels using the HCHS pay index, drug costs were inflated using the HCHS prices index and all other costs were inflated using the combined index. The revenue costs include calls on other wards to deal with violent incidents. Variable costs were distinguished from fixed costs in the study. These comprised just 7 per cent of total cost (excluding capital) and were dominated by the cost of special nursing. |
| E. Supplies and services – drugs | £25 per patient day | |
| – other | £2.10 per patient day | |
| F. Overheads | £95 per patient day | |
| Other costs | | |
| G. Patient injury | £3.70 per patient day | This was the cost of treating one patient who incurred major injuries as a result of an aggressive incident (inflated using the HCHS pay and prices index). |
| Use of facility by client | 12.3 days | Average length of stay. |
| Occupancy | 55% | Occupancy during study period. |
| High dependency | | Highly disturbed and violent patients. |
| London multiplier | 1.2 x A; 3.06 x B | Costs were based on one unit in Manchester. The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM. |
| Unit costs available 2004/2005 | | |
| £494 per patient day (includes A to G); £6,075 per average stay. | | |

1 Hyde, C. & Harrower-Wilson, C. (1995) Resource consumption in psychiatric intensive care: the cost of aggression, *Psychiatric Bulletin*, 19, 73-76.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

3 Office of the Deputy Prime Minister, Summer 2004.

2.9 NHS Trust day care for people with mental health problems

A session is defined as either a morning, afternoon or evening at the day care facility.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|-------------------------------------|---|
| <i>Capital costs (A, B & C)</i> | | |
| A. Buildings and oncosts | £4.00 per session | Based on the new build and land requirements for day care facilities (which do not distinguish by client group). These allow for 33.4 square metres per person. ¹ Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £1.00 per session | Based on information provided by the Office of the Deputy Prime Minister. ² Land costs have been discounted at 8 per cent over 60 years. Since the revenue costs given below now include capital costs, this has not been included in the unit costs figures quoted below. |
| C. Equipment and durables | | No information available. |
| D. Revenue costs | £23 per session | Mean cost based on a survey ³ conducted in the South Thames NHS region of day settings for adults with mental health problems. In total sufficient data were obtained to estimate the revenue costs for 122 settings. These results have been uprated using the PSS pay and prices index. Most of the NHS Trust settings taking part were orientated towards providing treatment and consequently 95 per cent of these settings had costs between £18-£28 at current prices with a median cost per session of £13. |
| E. Agency overheads | £1.10 per session | Following the Audit Commission report about overheads associated with residential care, ⁴ agency overheads have been assumed to be 5 per cent of revenue costs. |
| Occupancy | 76% | Department of Health statistics, 1998. ⁵ More recent data are not available. |
| London multiplier | 1.20 × A; 2.74 × B; 1.02 × D. | The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM. D has been based on PSS EX1. ⁶ |
| Unit costs available 2004/2005 | | |
| £29 per session (includes A to E); £58 per day (excluding evenings). | | |

1 Building Cost Information Service (2005) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister, Summer 2004.

3 Beecham, J., Schneider, J. & Knapp, M. (1998) *Survey of Day Activity Settings for People with Mental Health Problems*, Report to the Department of Health, Discussion Paper 1457, Personal Social Services Research Unit, University of Kent.

4 Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

5 Department of Health (1998) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics*, Government Statistical Service, London.

6 PSS EX1 2003/2004, Department of Health.

2.10 Local authority social services day care for people with mental health problems

A session is defined as either a morning, afternoon or evening at the day care facility.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|----------------------------------|--|
| <i>Capital costs (A, B & C)</i> | | |
| A. Buildings and oncosts | £4.00 per session | Based on the new build and land requirements for day care facilities (which do not distinguish by client group). These allow for 33.4 square metres per person. ¹ Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £1.00 per session | Based on information provided by the Office of the Deputy Prime Minister. ² Land costs have been discounted at 3.5 per cent over 60 years. |
| C. Equipment and durables | | No information available. |
| D. Revenue costs | £13 per session | Mean cost based on a survey ³ conducted in the South Thames NHS region of day settings for adults with mental health problems. In total sufficient data were obtained to estimate the revenue costs for 122 settings. These results have been uprated using the PSS Pay and Prices Index. Ninety-five per cent of the Social Service departments had costs between £10-£16 at current prices with a median cost of £13 per session. In comparison to day care provided by the NHS Trusts, only 3.2 per cent of settings managed by the Local Authority Social Service Departments were orientated towards providing treatment whereas over a third provided social support. PSS EX1 2003/04 ⁴ gross costs uprated using the PSS Pay and Prices Index reported median costs and mean costs at £25 per session. Capital costs charged to the revenue account have been deducted (£2). Three authorities reporting costs of more than £500 have been excluded. |
| E. Agency overheads | £0.70 per session | Following the Audit Commission report about overheads associated with residential care, ⁵ agency overheads have been assumed to be 5 per cent of revenue costs. |
| Occupancy | 76% | Department of Health statistics, 1998. ⁶ No later statistics are available. |
| London multiplier | 1.20 x A; 2.74 x B 1.00x D | The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM. D is based on PSS EX1 statistics. |
| Unit costs available 2004/2005 | | |
| £19 per session (includes A to E); £38 per day (excluding evenings). | | |

1 Building Cost Information Service (2005) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister, Summer 2004.

3 Beecham, J., Schneider, J. & Knapp, M. (1998) *Survey of Day Activity Settings for People with Mental Health Problems*, Report to the Department of Health, Discussion Paper 1457, Personal Social Services Research Unit, University of Kent.

4 PSS EX1 2002/03, Department of Health.

5 Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

6 Department of Health (1998) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics*, Government Statistical Service, London.

2.11 Voluntary/non profit-organisations providing day care for people with mental health problems

A session is defined as either a morning, afternoon or evening at the day care facility.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|-------------------------------------|--|
| <i>Capital costs (A, B & C)</i> | | |
| A. Buildings and oncosts | £4.00 per session | Based on the new build and land requirements for day care facilities (which do not distinguish by client group). These allow for 33.4 square metres per person. ¹ Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Although a capital value has been given, in practice premises costs are often based on rental paid and purpose built centres are rare. |
| B. Land | £1.00 per session | Based on information provided by the Office of the Deputy Prime Minister. ² Land costs have been discounted at 8 per cent over 60 years. |
| C. Equipment and durables | | No information available. |
| D. Revenue costs | £13 per session | A survey ³ was conducted in the South Thames NHS region of day settings for adults with mental health problems. In total sufficient data were obtained to estimate the revenue costs for 122 settings. These results have been uprated using the PSS Pay and Prices index. Ninety five per cent of the settings managed by voluntary/non-profit organisations had costs between £10-£16 at current prices with a median cost per session of £13. Sixty per cent of voluntary/non profit-organisations providing day care for people with mental health problems provide work-related activities and none of them provide treatment. |
| E. Agency overheads | £0.70 per session | Following the Audit Commission report about overheads associated with residential care, ⁴ agency overheads have been assumed to be 5 per cent of revenue costs. |
| Occupancy | 76% | Department of Health statistics, 1998. ⁵ |
| London multiplier | 1.20 x A; 2.74 x B. 1.01 x D. | The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM. The multiplier for revenue costs has been based on PSS EX1 2003/2004 ⁶ statistics. |
| Unit costs available 2004/2005 | | |
| £19 per session (includes A to E); £37 per day (excluding evenings). | | |

1 Building Cost Information Service (2005) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister, Summer 2004.

3 Beecham, J., Schneider, J. & Knapp, M. (1998) *Survey of Day Activity Settings for People with Mental Health Problems*, Report to the Department of Health, Discussion Paper 1457, Personal Social Services Research Unit, University of Kent.

4 Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

5 Department of Health (1998) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics*, Government Statistical Service, London.

6 PSS EX1 2003/04, Department of Health.

2.12 Sheltered work schemes

Opportunities for employment among people with disabilities are changing rapidly (Schneider 1998a, 1998b).^{1,2} The research upon which these costs is based was conducted in specialist settings for people with mental health problems, now several years ago. It is clearly important to ensure that the models that were operating during the research are relevant to any setting to be costed. The models and costs upon which this schema is based are described in Hallam and Schneider (1999).³ The methodology for costing these work schemes is given in Netten and Dennett (1996 pages 28-31),⁴ and can be adapted to innovative settings.

The figures in the table below are averages for the seven schemes and are based on 1994/1995 figures, uprated using the PSS Pay and Prices Index.

The costs do not take into account variations in different departments within each scheme due to staffing levels, attendance rates or productivity. Cost per hour ranged from £2.20 to £10.80 at current prices with the full-time placements working out least expensive per hour. There is also wide variation in the cost per placement per year with net costs ranging from £3,812 to £10,227 per annum.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|-----------------|--|
| A. Total annual expenditure | £9,188 | Average gross expenditure for the seven work schemes ranged from £6,152 to £12,898. |
| B. Total annual income | £1,965 | Average gross expenditure minus average net expenditure. Income ranged from £371 to £3,958. |
| Number of places | 46 | The number of places provided per week in 1994-1995 ranged from 21 to 60. |
| Hours worked per week | 25 | Based on the mean number in each work scheme. The number of hours worked per week ranged from 16 to 35. |
| Number of weeks worked | 43 | Based on the mean number in each work scheme. The number of weeks worked per year ranged from 29 to 52. |
| Number of workers at any one time | 37 | The number of workers on the schemes at one time differs from the number of places because of shift working on three of the schemes. |
| Unit costs available 2004/2005 | | |
| £8.70 gross cost per hour; £6.90 net cost per hour. | | |

1 Schneider, J. (1998a) Work interventions in mental health care: Arguments in favour, and a review of the evidence, *Journal of Mental Health* 7, 81-94.

2 Schneider, J. (1998b) Models of specialist employment for people with mental health problems, *Health and Social Care in the Community*, 6, 2, 120-129.

3 Hallam, A. & Schneider, J. (1999) Sheltered work schemes for people with mental health problems: service use and costs, *Journal of Mental Health*, 8, 2, 163-178.

4 Netten, A. & Dennett, J. (1996) *Unit Costs of Health and Social Care 1996*, Personal Social Services Research Unit, University of Kent: Canterbury.

2.13 Psychiatric reprovion package: independent living

Information on service receipt is based on research studies which were described in the 1998 volume of Unit Costs of Health and Social Care.¹

This schema identifies the full costs of providing care for a former long-stay patient during his fifth year after leaving Friern Hospital. Mr A. is now living independently and receives one of the least expensive care packages.

| | | |
|---|----------------------------|--|
| Type of case Mr A. is a 39-year old man with mental health problems who lives alone in a housing association rented flat. He has no informal care support. | | |
| Health problems He has problems of the gastro-intestinal tract which require monitoring by his GP. He takes medication (without supervision) for dermatological problems. | | |
| Social behaviour No problems. | | |
| Services received | Average weekly cost | Description |
| Social services | | |
| <i>Social work</i> | £21 | Social worker and link worker visit once every two weeks for 30 minutes. |
| Health services | | |
| <i>GP</i> | £2 | Ten surgery appointments during the past year. |
| <i>Chiropodist</i> | £0.50 | Two visits during the past year. |
| <i>Hospital outpatients</i> | £20 | One appointment a month for check-up and depot injections. |
| Other services | | |
| <i>Housing officer</i> | £7 | Visits once every two weeks for 15 minutes. |
| Accommodation | £149 | Includes local taxes forgone by the local authority, and capital, management and maintenance costs borne by the housing association. |
| Living expenses | £139 | Income support, invalidity benefit and disability allowances. |
| Total weekly cost of care package, 2004/2005 | £330 | |

¹ Hallam, A.(1998) Care package costs of people with mental health problems, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2.14 Psychiatric reprovision package: assessment centre

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

This schema identifies the full costs of providing care for a former long-stay patient during his fifth year after leaving Friern Hospital. This package was among the most costly examined.

| | | |
|---|----------------------------|--|
| Type of case Mr B. is 51 and lives in an assessment centre owned and managed by the community health services trust. There are seven other residents in the house. | | |
| Health problems He needs daily medical care for respiratory problems. Mr B. also has problems with verbal aggression at least once a month and has episodes of extreme agitation, during which he becomes doubly incontinent. He is able to concentrate for short periods only and has poor hygiene habits. | | |
| Social behaviour Mr B. is an isolated individual. A heavy smoker, he is considered a health risk and has twice been responsible for causing a fire. | | |
| Services received | Average weekly cost | Description |
| Social services | | |
| Social work | £1.30 | Social worker has visited twice during the past year for one hour each time. |
| Health services | | |
| Depot injection | £7.30 | Cost of the drug given by staff. |
| Chiropodist | £2.00 | Visits once a month seeing four residents on each occasion. |
| Dentist | £0.20 | One check up during the past year. |
| Optician | £0.30 | One visit to optician for sight test in past year - no need for glasses. |
| Other services | | |
| Day centre | £4.80 | Drops in approximately one hour per week. |
| Accommodation | | |
| Staff costs | £1,370 | Per resident week. |
| Non-staff costs | £112 | Per resident week. |
| Agency overheads | £81 | Per resident week. |
| Capital costs | £105 | Per resident week. Capital costs are discounted at 6 per cent. When discounted at 3.5 per cent, the cost is £65. |
| Living expenses | £41 | Personal expenses. |
| | £3.10 | Bus pass. |
| Total weekly cost of care package, 2004/2005 | £1,724 | |

1 Hallam, A.(1998) Care package costs of people with mental health problems, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2.15 Psychiatric reprovision package: care home

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

This schema identifies the full costs of providing care for a former long-stay patient during her fifth year after leaving Friern Hospital. This service package was costly to support during the first year after leaving the hospital but Mrs J. has subsequently been able to move to a less highly supported environment.

| | | |
|---|----------------------------|---|
| Type of case Mrs J. is a 57 year old woman who lives in a small registered care home which has six places. It is one of four units with a central office and waking staff cover at night. | | |
| Health problems No problems. | | |
| Social behaviour No special behavioural problems but she is a careless smoker, which causes problems on a daily basis. | | |
| Services received | Average weekly cost | Description |
| Social services Social work | £0.20 | One visit by field social worker during the past year. Two residents seen during visit. |
| Health services GP Psychiatrist Chiroprapist | £1.90 £2.30 £1.90 | Three visits during the past year. Two visits during the past year seeing two residents on each occasion. Four 30-minute visits per year. |
| Other services Resource centre | £97 | Attends five days a week, four hours per day. |
| Accommodation | £1,221 | Per resident week. Includes personal expenses. |
| Living expenses | | Included in accommodation costs. |
| Total weekly cost of care package, 2004/2005 | £1,324 | |

¹ Hallam, A.(1998) Care package costs of people with mental health problems, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2.16 Psychiatric reprovision package: nursing home placement

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

This schema identifies the full costs of providing care for a former long-stay patient during his fifth year after leaving Friern Hospital. This package was selected because Mr G's cost of care was closest to the average.

| | | |
|--|----------------------------|---|
| Type of case Mr G. is a 92 year old man who lives in a nursing home managed by a consortium arrangement between the health authority and housing association. | | |
| Health problems He requires daily nursing care for cardio-vascular problems and poor mobility. | | |
| Social behaviour Mr G. responds negatively to attempts to initiate conversation. His attempts to make contact are often inappropriate and he takes no spontaneous care of himself or his clothes. He can concentrate only for a few minutes at a time. | | |
| Services received | Average weekly cost | Description |
| Health services | | |
| GP | £0.40 | Two visits during the past year, seeing ten residents on each occasion. |
| Chiropodist | £1.60 | Four 30-minute visits during the past year. |
| Optician | £2.60 | Two visits and new spectacles. |
| Physiotherapist | £1.70 | Four visits during the past year. |
| Occupational therapist | £3.60 | Visits twice a week and sees ten residents. |
| Music therapist and art therapist | £7.60 | Visit weekly to see ten residents. |
| Aids and adaptations | | |
| Wheelchair and zimmer frame | £4.30 | Equivalent weekly cost when annuitised over a five-year period. |
| Accommodation | £1,205 | Per resident week. Includes personal expenses. |
| Living expenses | | Personal expenses included in accommodation costs. |
| Total weekly cost of care package, 2004/2005 | £1,226 | |

¹ Hallam, A.(1998) Care package costs of people with mental health problems, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

3. Services for people who misuse drugs/alcohol

- 3.1 Voluntary sector residential rehabilitation for people who misuse drugs/alcohol
- 3.2 NHS inpatient treatment for people who misuse drugs/alcohol
- 3.3 Cost of maintaining a drugs misuser on a methadone treatment programme
- 3.4 Alcohol health worker, A&E

3.1 Voluntary sector residential rehabilitation for people who misuse drugs/alcohol

Based on information received for 1994/1995 from eleven voluntary rehabilitation units across England, as part of an economic evaluation conducted by the Centre for the Economics of Mental Health of treatment services for the misuse of drugs (the National Treatment Outcome Research Study: NTORS). At current prices unit costs varied across the eleven residential rehabilitation units, ranging from a minimum of £401 per resident week to a maximum of £1,461 per resident week. Costs have been inflated to 2004/2005 prices.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|-------------------------|--|
| <i>Capital costs (A, B & C)</i> A. Buildings B. Land | £19 per resident week | Based on property valuation information received for 1994/1995, inflated using the Tender Price Index for Public Sector Building (non housing). Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| C. Equipment and durables | £0.20 per resident week | 1994/95 costs inflated using the PSS Prices Index. |
| <i>Revenue costs</i> D. Salary costs | £406 per resident week | 1994/95 costs inflated using the PSS Pay Index. |
| E. Other revenue costs | £241 per resident week | 1994/95 costs inflated using the PSS Prices Index. |
| F. Agency overheads | £50 per resident week | 1994/95 costs inflated using the PSS Pay and Prices Index. |
| Use of facility by client | 52.18 weeks per year | |
| Occupancy | 77% | Occupancy figures are drawn from the same source as the base data. |
| Unit costs available 2004/2005 | | |
| £717 per resident week (includes A to F). | | |

3.2 NHS inpatient treatment for people who misuse drugs/alcohol

Based on information received for 1994/1995 from four NHS inpatient units located across England, as part of an economic evaluation conducted by the Centre for the Economics of Mental Health of treatment services for the misuse of drugs (the National Treatment Outcome Research Study: NTORS). The least expensive service was estimated to cost £96 per patient day, while the most expensive was £233 per patient day (1994/95 prices uprated to 2004/2005).

| Costs and unit estimation | 2004/2005 value | Notes |
|---|-----------------------|--|
| <i>Capital costs (A, B & C)</i> | | |
| A. Buildings | £14 per patient day | Based on the new build and land requirements for a bed in a psychiatric hospital ward. ¹ Occupancy rates have been taken into account. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £2.00 per patient day | Based on Office of Deputy Prime Minister ² statistics. Land costs have been discounted at 3.5 per cent over 60 years. |
| C. Equipment and durables | £0.90 per patient day | 1994/1995 costs inflated using the HCHS prices index. |
| <i>Revenue costs (D, E & F)</i> | | |
| D. Salary costs | £111 per patient day | 1994/1995 costs inflated using the HCHS pay index |
| E. Other revenue costs | £13 per patient day | 1994/1995 costs inflated using the HCHS prices index |
| F. Agency overheads | £48 per patient day | 1994/1995 costs inflated using the HCHS pay and prices index |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 84% | Occupancy figures are drawn from the same source as the base data |
| Unit costs available 2004/2005 | | |
| £189 per patient day (includes A to F). | | |

1 Building Cost Information Service (2005) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister, Summer 2004.

3.3 Cost of maintaining a drugs misuser on a methadone treatment programme

Based on information received for 15 methadone programmes located across England, as part of an economic evaluation conducted by the Centre for the Economics of Mental Health of treatment services for the misuse of drugs (National Treatment Outcome Research Study: NTORS).

The majority of the methadone programmes in the sample were provided by NHS community drug teams. These are either based on a hospital site or literally in the community. Drug users go to the relevant site perhaps on a daily basis — although arrangements vary from service to service — either to pick up their methadone prescription (dispensed at a community pharmacist) or to receive their dose under supervision on site. They may also consult visiting health professionals (e.g. a visiting GP about health problems, or psychiatrist/CPN about psychiatric problems), visiting probation officers and social workers and site staff. Some services also provide counselling/therapy to deal with addiction. Some of the methadone programmes were run by community drug teams, but the methadone may have actually been prescribed at a GP surgery. A small number of programmes (one or two at most) were provided entirely from a primary care site.

All data were generated from NHS Trust financial accounts and where necessary prescribing cost data for specific programmes were provided by the Prescription Pricing Authority in Newcastle-Upon-Tyne.

Unit costs varied across the programmes, ranging from a minimum of £8 per week to a maximum of £120 per week (1995/96 prices updated to 2004/2005).

| Costs and unit estimation | 2004/2005 value | Notes |
|--|----------------------|---|
| A. Capital and revenue costs | £29 per patient week | The following costs are included: buildings and land, equipment and durables, staff costs (including site staff and external support staff), supplies and services, and site and agency overheads. 1995/1996 prices inflated by the HCCHS pay and prices index. Capital costs have been discounted at 3.5 per cent over 60 years. |
| B. Methodone costs | £22 per patient week | Includes the cost of prescriptions, any pharmacist dispensing fees, and any toxicology tests. 1995/1996 prices inflated by the HCCHS pay and prices index. |
| Unit costs available 2004/2005 | | |
| £51 per patient week (includes A and B). | | |

3.4 Alcohol health worker, A&E

Alcohol health workers (AHWs) are experienced mental health nurses who have undertaken specific training in counselling people who misuse alcohol. AHWs interact with people in a non-confrontational and patient-centred way and during an assessment may offer feedback about safe levels of drinking and suggest a range of strategies aimed at reducing levels of consumption.

| Costs and unit estimation | Cost | Notes |
|--|---|---|
| A. Wages/salary | £26,049 per year | Salary for a senior psychiatric nurse in an alcohol health worker role, based on the April 2004 scale mid-point for a F to H grade nurse. It does not include any lump sum and it is assumed that no unsociable hours are worked. ¹ |
| B. Salary oncosts | £3,571 per year | Employers' national insurance contribution plus 4 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,129 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ² It has been assumed that this health worker requires the same qualifications as a staff nurse/ward manager. See further details on training for health professionals. |
| D. Overheads | £2,698 per year | Indirect overheads only. ³ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £2,220 per year | Based on the new build and land requirements of NHS facilities, ^{4/5} but adjusted to reflect shared office space for administration, and recreational and changing facilities. Treatment space has not been included. |
| Working time | 42 weeks per annum 37.5 hours per week | Includes 25 days annual leave and 10 days statutory leave days. Assumes 5 study/training days and 10 days sickness leave. |
| Ratio of direct to indirect time on: clinic contacts | 1:0.22 | Assuming 82 per cent of time spent on face-to-face contact and 18 per cent on onward referral. |
| Length of contact | 55 minutes | Per clinic contact. Based on survey of AHW in London A&E department. ¹ |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £22 (£25) per hour; £20 (£23) per clinic consultation | | |

1 Barrett, B., Byford, S., Crawford, M.J., Patton, R., Drummond, C., Henry, J.A. & Touquet, R. (2004) Cost-effectiveness of screening and referral to an alcohol health worker in alcohol misusing patients attending an accident and emergency department: a decision-making approach, unpublished.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2*, page 13, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister, Summer 2004.

4. Services for people with learning disabilities

- 4.1 Group homes
- 4.2 Village communities
- 4.3 NHS residential campus provision
- 4.4 Supported living schemes
- 4.5 Local authority day care
- 4.6 Voluntary sector activity-based respite care

4.1 Group homes for people with learning disabilities

The costs of group homes are based on the results of a study commissioned by the Department of Health and conducted by Emerson et al. in 1998.^{1/2} The sample comprises services provided by nine independent and public sector organisations in the UK (218 service users).

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Capital costs | £43 per week | Capital costs of buildings and land were calculated using market valuations of property and/or construction costs. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Equipment and durables amounting to 10 per cent of capital cost were added. ³ Annual costs of vehicle replacement were estimated based on the methodology devised by the Automobile Association. ⁴ |
| Revenue costs B. Salary costs C. Other revenue costs | £790 per week £79 per week | Calculated using facility-specific accounts information. |
| D. Agency overheads | £105 per week | Calculated using facility-specific accounts information, or by adding 5 per cent of revenue costs, following an Audit Commission report about overheads associated with residential care. ⁵ |
| External services E. Hospital F. Community G. Day services | £9.40 per week £33 per week £162 per week | Client-specific service use was recorded using the Client Service Receipt Inventory (CSRI). ⁶ Day services were costed using accounts information, where available. All other services were costed using national unit costs data. |
| H. Personal living expenses | £62 per week | Individual client living expenses (based on CSRI information). |
| Use of facility by client | 52.18 weeks per annum | |
| Multiplier for level of disability | Higher levels of ability: 0.82 x (B to H) Lower levels of ability: 1.60 x (B to H) | Clients were grouped according to scores on the Adaptive Behaviour Scale (ABS). ⁷ Scores between zero and 145 were grouped as less able; scores higher than 145 were grouped as more able. (145 was selected to allow relatively even distribution between groups.) |
| Unit costs available 2004/2005 | | |
| £1,017 establishment costs per resident week (includes A to D); £1,283 care package costs (includes A to H). | | |

- Emerson, E., Robertson, J., Gregory, N., Hatton, C., Kessissoglou, S., Hallam, A., Knapp, M., Järbrink, K. & Netten, A. (1999) *Quality and Costs of Residential Supports for People with Learning Disabilities: A Comparative Analysis of Quality and Costs in Village Communities, Residential Campuses and Dispersed Housing Schemes*, Hester Adrian Research Centre, University of Manchester, Manchester.
- Netten, A., Dennett, J. & Knight, J. (1999) *Unit Costs of Health & Social Care*, Personal Social Services Research Unit, University of Kent, Canterbury.
- Knapp, M., Beecham, J. & Allen, C. (1989) The methodology for costing community and hospital services used by clients of the Care in the Community demonstration programme, Discussion Paper 647, Personal Social Services Research Unit, University of Kent.
- Automobile Association Technical Services, Basingstoke, Hampshire.
- Audit Commission (1993) *Taking care*, *Bulletin*, Audit Commission, London.
- Beecham, J. & Knapp, M. (1992) Costing psychiatric interventions, in G. Thornicroft, C. Brewin & J. Wing (eds) *Measuring Mental Health Needs*, Oxford University Press, Oxford.
- Nihira, K., Leland, H. & Lambert, N. (1993) *Adaptive Behavior Scale — Residential and Community*, 2nd Edition, Pro-Ed, Austin, Texas.

4.2 Village communities

The costs of village communities are based on the results of a study commissioned by the Department of Health and conducted by Emerson et al. in 1998.^{1/2} The sample comprises three village communities, all managed by voluntary organisations, in the UK (86 service users).

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Capital costs | £46 per week | Capital costs of buildings and land were calculated using market valuations of property and/or construction costs. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Equipment and durables amounting to 10 per cent of capital cost were added. ³ Annual costs of vehicle replacement were estimated based on the methodology devised by the Automobile Association. ⁴ |
| <i>Revenue costs</i> | | |
| B. Direct staffing | £449 per week | Calculated using facility-specific accounts information. Costs relate to staffing within the individual setting/house. |
| C. Direct non-staffing | £63 per week | |
| D. On-site administration | £136 per week | Calculated using facility-specific accounts information. Cost relates to staffing and non-staffing expenditure across the whole site (such as management and maintenance, social areas and grounds). |
| E. Agency overheads | £57 per week | Calculated using facility-specific accounts information, or by adding 5 per cent of revenue costs, following an Audit Commission report about overheads associated with residential care. ⁵ |
| <i>External services</i> | | Client-specific service use was recorded using the Client Service Receipt Inventory (CSRI). ⁶ Day services were costed using accounts information, where available. All other services were costed using national unit costs data. |
| F. Hospital | £6.70 per week | |
| G. Community | £22 per week | |
| H. Day services | £162 per week | |
| I. Personal living expenses | £22 per week | Individual client living expenses (based on CSRI information). |
| Use of facility by client | 52.18 weeks per annum | |
| Multiplier for level of disability | Higher levels of ability: 0.82 x (B to H) Lower levels of ability: 1.60 x (B to H) | Clients were grouped according to scores on the Adaptive Behaviour Scale (ABS). ⁷ Scores between zero and 145 were grouped as less able; scores higher than 145 were grouped as more able (145 was selected to allow relatively even distribution between groups). |
| Unit costs available 2004/2005 | | |
| £751 establishment costs per resident week (includes A to E); £963 care package costs (includes A to I). | | |

1 Emerson, E., Robertson, J., Gregory, N., Hatton, C., Kessissoglou, S., Hallam, A., Knapp, M., Järbrink, K. & Netten, A. (1999) *Quality and Costs of Residential Supports for People with Learning Disabilities: A Comparative Analysis of Quality and Costs in Village Communities, Residential Campuses and Dispersed Housing Schemes*, Hester Adrian Research Centre, University of Manchester, Manchester.

2 Netten, A., Dennett, J. & Knight, J. (1999) *Unit Costs of Health & Social Care*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Knapp, M., Beecham, J. & Allen, C. (1989) The methodology for costing community and hospital services used by clients of the Care in the Community demonstration programme, Discussion Paper 647, Personal Social Services Research Unit, University of Kent.

4 Automobile Association Technical Services, Basingstoke, Hampshire.

5 Audit Commission (1993) *Taking care*, *Bulletin*, Audit Commission, London.

6 Beecham, J. & Knapp, M. (1992) Costing psychiatric interventions, in G. Thornicroft, C. Brewin & J. Wing (eds) *Measuring Mental Health Needs*, Oxford University Press, Oxford.

7 Nihira, K., Leland, H. & Lambert, N. (1993) *Adaptive Behavior Scale — Residential and Community*, 2nd Edition, Pro-Ed, Austin, Texas.

4.3 NHS residential campus provision

The costs of Village communities are based on the results of a study commissioned by the Department of Health and conducted by Emerson et al. in 1998.^{1/2} The sample comprises five residential campus facilities in the UK (133 service users).

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Capital costs | £41 per week | Capital costs of buildings and land were calculated using market valuations of property and/or construction costs. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Equipment and durables amounting to 10 per cent of capital cost were added. ³ Annual costs of vehicle replacement were estimated based on the methodology devised by the Automobile Association. ⁴ |
| <i>Revenue costs</i> B. Direct staffing C. Direct non-staffing | £843 per week £96 per week | Calculated using facility-specific accounts information. Costs relate to staffing within the individual setting/house. |
| D. On-site administration | £121 per week | Calculated using facility-specific accounts information. Cost relates to staffing and non-staffing expenditure across the whole site (such as management and maintenance, social areas and grounds). |
| E. Agency overheads | £96 per week | Calculated using facility-specific accounts information, or by adding 5 per cent of revenue costs, following an Audit Commission report about overheads associated with residential care. ⁵ |
| <i>External services</i> F. Hospital G. Community H. Day services | £4.10 per week £19 per week £89 per week | Client-specific service use was recorded using the Client Service Receipt Inventory (CSRI). ⁶ Day services were costed using accounts information, where available. All other services were costed using national unit costs data. |
| I. Personal living expenses | £26 per week | Individual client living expenses (based on CSRI information). |
| Use of facility by client | 52.18 weeks per annum | |
| Multiplier for level of disability | Higher levels of ability: 0.82 x (B to H) Lower levels of ability: 1.60 x (B to H) | Clients were grouped according to scores on the Adaptive Behaviour Scale (ABS). ⁷ Scores between zero and 145 were grouped as less able; scores higher than 145 were grouped as more able. (145 was selected to allow relatively even distribution between groups.) |
| Unit costs available 2004/2005 | | |
| £1,198 establishment costs per resident week (includes A to E); £1,336 care package costs (includes A to I). | | |

- 1 Emerson, E., Robertson, J., Gregory, N., Hatton, C., Kessissoglou, S., Hallam, A., Knapp, M., Järbrink, K. & Netten, A. (1999) *Quality and Costs of Residential Supports for People with Learning Disabilities: A Comparative Analysis of Quality and Costs in Village Communities, Residential Campuses and Dispersed Housing Schemes*, Hester Adrian Research Centre, University of Manchester, Manchester.
- 2 Netten, A., Dennett, J. & Knight, J. (1999) *Unit Costs of Health & Social Care*, Personal Social Services Research Unit, University of Kent, Canterbury.
- 3 Knapp, M., Beecham, J. & Allen, C. (1989) The methodology for costing community and hospital services used by clients of the Care in the Community demonstration programme, Discussion Paper 647, Personal Social Services Research Unit, University of Kent.
- 4 Automobile Association Technical Services, Basingstoke, Hampshire.
- 5 Audit Commission (1993) *Taking care*, *Bulletin*, Audit Commission, London.
- 6 Beecham, J. & Knapp, M. (1992) Costing psychiatric interventions, in G. Thornicroft, C. Brewin & J. Wing (eds) *Measuring Mental Health Needs*, Oxford University Press, Oxford.
- 7 Nihira, K., Leland, H. & Lambert, N. (1993) *Adaptive Behavior Scale — Residential and Community*, 2nd Edition, Pro-Ed, Austin, Texas.

4.4 Supported living schemes

The costs of supported living schemes are based on the results of a study commissioned by the Department of Health and conducted by Emerson et al. in 1998.^{1/2} The sample comprises services provided by six independent and public sector organisations in the UK (63 service users).

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Capital costs | £45 per week | Capital costs of buildings and land were calculated using market valuations of property and/or construction costs. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Equipment and durables amounting to 10 per cent of capital cost were added. ³ Annual costs of vehicle replacement were estimated based on the methodology devised by the Automobile Association. ⁴ |
| Revenue costs B. Salary costs C. Other revenue costs | £903 per week £51 per week | Calculated using facility-specific accounts information. |
| D. Agency overheads | £159 per week | Calculated using facility-specific accounts information, or by adding 5 per cent of revenue costs, following an Audit Commission report about overheads associated with residential care. ⁵ |
| External services E. Hospital F. Community G. Day services | £6.80 per week £30 per week £55 per week | Client-specific service use was recorded using the Client Service Receipt Inventory (CSRI). ⁶ Day services were costed using accounts information, where available. All other services were costed using national unit costs data. |
| H. Personal living expenses | £124 per week | Individual client living expenses (based on CSRI information). |
| Use of facility by client | 52.18 weeks per annum | |
| Multiplier for level of disability | Higher levels of ability: 0.82 x (B to H) Lower levels of ability: 1.60 x (B to H) | Clients were grouped according to scores on the Adaptive Behaviour Scale (ABS). ⁷ Scores between zero and 145 were grouped as less able; scores higher than 145 were grouped as more able. (145 was selected to allow relatively even distribution between groups.) |
| Unit costs available 2004/2005 | | |
| £1,158 establishment costs per resident week (includes A to D); £1,373 care package costs (includes A to H). | | |

1 Emerson, E., Robertson, J., Gregory, N., Hatton, C., Kessissoglou, S., Hallam, A., Knapp, M., Järbrink, K. & Netten, A. (1999) *Quality and Costs of Residential Supports for People with Learning Disabilities: A Comparative Analysis of Quality and Costs in Village Communities, Residential Campuses and Dispersed Housing Schemes*, Hester Adrian Research Centre, University of Manchester, Manchester.

2 Netten, A., Dennett, J. & Knight, J. (1999) *Unit Costs of Health & Social Care*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Knapp, M., Beecham, J. & Allen, C. (1989) The methodology for costing community and hospital services used by clients of the Care in the Community demonstration programme, Discussion Paper 647, Personal Social Services Research Unit, University of Kent.

4 Automobile Association Technical Services, Basingstoke, Hampshire.

5 Audit Commission (1993) *Taking care*, Bulletin, Audit Commission, London.

6 Beecham, J. & Knapp, M. (1992) Costing psychiatric interventions, in G. Thornicroft, C. Brewin & J. Wing (eds) *Measuring Mental Health Needs*, Oxford University Press, Oxford.

7 Nihira, K., Leland, H. & Lambert, N. (1993) *Adaptive Behavior Scale — Residential and Community*, 2nd Edition, Pro-Ed, Austin, Texas.

4.5 Local authority day care for people with learning disabilities

Prior to 1998 the cost given was per place per day. Since 1998 the cost has been per session. A session is defined as either a morning, an afternoon or an evening at the day care facility.

| Costs and unit estimation | 2004/2005 value | Notes |
|---------------------------------------|-------------------------------------|--|
| <i>Capital costs (A, B & C)</i> | | |
| A. Buildings and oncosts | £3.90 per session | Based on the new build and land requirements for local authority day care facilities (which do not distinguish by client group). These allow for 33.4 square metres per person. ¹ Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £1.00 per session | Based on Office of the Deputy Prime Minister ² statistics. Land costs have been discounted at 3.5 per cent over 60 years. |
| C. Equipment and durables | | |
| <i>Revenue costs</i> | | |
| D. Salary and other revenue costs | £28 per client per session | PSS EX1 2003/04 ³ median costs uprated using the PSS Pay and Prices Index. Data were adjusted to exclude expenditure on services purchased from the independent sector. Two local authorities were excluded because the distribution of costs suggested that these authorities provided services of a different nature. Capital charges on the revenue account have been deducted (£1.80). Ten per cent of authorities had average gross costs of £18 per session or less and 10 per cent £60 per session or more. Mean costs were £23 per session. |
| E. Capital charges | | |
| F. Agency overheads | | A study by the Audit Commission ⁴ indicated that 5 per cent of the cost of residential care was attributable to managing agency overheads. SSMSS overhead costs are included in PSS EX1 2003/04 so no additional agency overheads have been included in unit costs below. |
| <i>G. Other costs</i> | | |
| Use of facility by client | 500 sessions per year | |
| Occupancy | 78% | Department of Health statistics, 1997 ⁵ . No later statistics available. |
| London multiplier | 1.23 x A; 2.94 x B; 1.30 x (D to G) | Relative London costs are drawn from the same source as the base data for each cost element. See editorial for explanation of land costs. |
| Unit costs available 2004/2005 | | |
| £33 per session (includes A to E). | | |

1 Building Cost Information Service (2005) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister, Summer 2004.

3 PSS EX1 2003/04, Department of Health.

4 Audit Commission (1993) *Taking care*, *Bulletin*, Audit Commission, London.

5 Department of Health (1997) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics*, Table 3, Government Statistical Service, London.

4.6 Voluntary sector activity-based respite care for people with learning disabilities

The schema illustrates a specific activity-based respite service for people with learning disabilities and their carers. The information was drawn from a study^{1/2} of innovative approaches to providing respite care. Although each of the schemes in the study was very individual, this service typified the pattern of costs associated with such schemes. It should be noted, however, that this scheme did not provide an exclusively one-to-one staff to user ratio during outings and activities. Those schemes that did tended to have higher hourly unit costs. There is little information about the costs of homes that specialise in short-term residential care.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|------------------|---|
| A. Coordinator wages/salary | £23,363 per year | 1994/1995 costs inflated by the PSS Pay Index. |
| B. Salary oncosts | £1,699 per year | Employers' national insurance. |
| C. Worker/volunteer costs of sessions | £20,331 per year | 1994/1995 costs inflated by the PSS Pay Index. |
| D. Expenses associated with sessions | £6,774 per year | 1994/1995 costs inflated by the PSS Pay and Prices Index. |
| E. Training | £2,274 per year | 1994/1995 costs inflated by the PSS Pay and Prices Index. |
| F. Capital costs of equipment and transport | £2,345 per year | Discounted at 3.5 per cent over 10 years. 1994/1995 costs inflated by the retail prices index. |
| G. <i>Direct overheads</i> | | |
| Revenue | £9,794 per year | Includes management, telephone, secretarial support, stationery, etc. 1994/1995 costs inflated by the PSS Pay and Prices Index. |
| Capital | | 1994/1995 costs inflated by the PSS Prices Index. |
| - office space | £360 per year | Discounted at 3.5 per cent over 60 years. |
| - office equipment | £342 per year | Discounted at 3.5 per cent over five years. |
| H. Indirect overheads | £3,277 per year | Includes the personnel and finance functions. 1994/95 costs inflated by the PSS Pay and Prices Index. |
| Number of users | 29 | |
| Number of users with challenging behaviours/multiple disabilities | 6 | Varying degrees of challenging behaviours. All receive one-to-one support. |
| Number of client sessions per year | 920 | Type of session varies. Twenty-six per cent (235) of sessions are one-to-one. |
| Length of sessions | 4.35 hours | Average length of session. |
| Unit costs available 2004/2005 | | |
| £77 per session per client; £18 per client hour (includes A to H). | | |

1 Netten, A. (1994) Costing innovative schemes offering breaks for people with learning disabilities and their carers, Discussion Paper 1100, Personal Social Services Research Unit, University of Kent.

2 Netten, A. (1995) Costing breaks and opportunities, in K. Stalker (ed.) *Breaks and Opportunities: Developments in Short Term Care*, Jessica Kingsley, London.

5. Services for disabled people

- 5.1 High dependency care home for disabled people
- 5.2 Residential home for disabled people
- 5.3 Special needs flats for disabled people
- 5.4 Rehabilitation day centre for people with brain injury

5.1 High dependency care home for disabled people

This schema is based on information received from John Grooms¹ in 2002 detailing the costs involved in providing a high dependency residential centre. It is a registered nursing home providing 17 nursing places and one residential care place, for people with severe physical disabilities aged between 18 and 65 on admission. Multiple sclerosis and brain injury predominate among the conditions that are dealt with. All of the residents use wheelchairs and many have communications problems. The emphasis is to enable people to develop their individuality and lifestyle in an environment that is acceptable to them as their long term home. Each resident occupies an open plan flatlet with en-suite facilities and a simple food preparation area. The objective is to provide a living environment that offers privacy and reasonable space in which to live to those who do not have the option of care in the community because of the severity of their condition. Costs have been inflated to 2004/2005 prices.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|----------------------------------|---|
| Capital Costs (A, B, C & D) | | |
| A. Buildings | £147 per week | Capital costs of buildings and land were calculated using costs which reflect Housing Corporation accessibility and build standards. Costs have been inflated using the BCIS/ABI House Rebuilding Index. The value of the building was annuitised over a 60-year period and discounted at 3.5 per cent. |
| B. Land costs | £33 per week | Land costs have been discounted at 3.5 per cent over 60 years. |
| C. Equipment/durables Wheelchairs Furnishings/fittings | £7.50 per week £7.10 per week | Cost of powered chair. Costs have been inflated using the PSS Prices Index. Depreciation on furniture/fittings. Calculated using facility specific accounts. Costs have been inflated using the PSS Prices Index |
| D. Vehicles | £4.80 per week | |
| Revenue costs | | |
| E. Salary costs | £722 per week | Costs of direct management, administrative, maintenance, medical and care staff. Calculated using facility specific accounts information. Costs have been inflated using the PSS Pay Index. |
| F. Training | £14 per week | Prices uprated using the PSS Prices Index. |
| G. Maintenance | £17 per week | Includes repairs and contracts and cyclical maintenance. Inflated using the PSS pay and Prices Index. |
| H. Medical costs | £10 per week | |
| I. Other revenue costs | £161 per week | Includes insurance, travel, staff adverts, uniforms, print & stationery, telephone, postage, equipment replacement, household expenses, premises costs, cost of provisions, household, linen & laundry costs. Costs have been inflated using the PSS Prices Index. |
| J. Overheads | £43 per week | Charges incurred by national organisation. |
| K. External services | | No information available. |
| Use of facility by resident | 52.18 weeks per annum | |
| Number of residents | 18 | 17 nursing home places and 1 residential home place. |
| Unit costs available 2004/2005 | | |
| £1,167 per resident week. | | |

1 Information provided by David Newnham, Director of Services and Development for John Grooms, London.

5.2 Residential home for disabled people

This schema is based on information received from John Grooms¹ in 2002 detailing the costs involved in providing a registered residential home. The home has 20 places for people aged between 18 and 65 on admission. It does not specialise in providing a service for any particular type of disability, but many of the residents are people with cerebral palsy and brain injury. The residents occupy individual open plan flatlets offering en suite and food preparation facilities. Many residents prepare their own meals and activities of daily living skills are developed with the goal of enabling residents to live independently in the community. The aim is for about 50 per cent of residents to follow this route while the remainder will remain for long term care. The rate of 'move on' is slow, with one or two people leaving to live in the community per year. Dependency of residents is increasing, presenting greater obstacles for them in gaining independent living skills and reducing the likelihood of their living independently in the community. Costs have been inflated to 2004/2005 prices.

Using PSS EX1 2003/04² updated using the PSS Pay and Prices Inflator, mean costs of local authority residential care for adults with a physical disability or sensory impairment were £681 and median costs were £768. Capital costs of £61 have been excluded. Mean costs of residential care provided by others for adults with a physical disability or sensory impairment were £627 and median costs were £611.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|----------------------------------|--|
| <i>Capital Costs (A, B, C & D)</i> | | |
| A. Buildings | £68 per week | Capital costs of building and land were based on actual cost of building and uprated using the BCIS/ABI house rebuilding index. Costs have been inflated using the BCIS/ABI House Rebuilding Index. The value of the building was annuitised over a 60-year period discounted at 3.5 per cent. |
| B. Land costs | £16 per week | Based on an approximate measurement of 0.35 acres provided by John Grooms. Land costs have been annuitised at 3.5 per cent over 60 years. |
| C. Equipment/durables Wheelchairs Furnishings/fittings | £7.50 per week £5.90 per week | Cost of powered chair. Costs inflated using the PSS Prices Index. Depreciation on furniture/fittings. Calculated using facility specific accounts. Prices inflated using the PSS Prices Index. |
| D. Vehicles | £1.70 per week | |
| <i>Revenue costs</i> | | |
| E. Salary costs | £442 per week | Costs of direct management, administrative, maintenance, medical and care staff. Calculated using facility specific accounts information. Costs inflated using the PSS Pay Index. |
| F. Training | £7.00 per week | Costs inflated using the PSS Prices Index. |
| G. Maintenance | £26 per week | Includes repairs and contracts and cyclical maintenance. Costs inflated using the PSS Prices Index. |
| H. Other revenue costs | £61 per week | Includes insurance, travel, staff adverts, uniforms, print & stationery, telephone, postage, equipment replacement, household expenses, medical, premises and household and laundry costs. Calculated using facility specific accounts information. Costs inflated using the PSS Prices Index. |
| I. Overheads | £21 per week | Charges incurred by national organisation. |
| J. External services | | No information available. |
| Use of facility by resident | 52.18 weeks per annum | |
| Number of residents | 20 places | |
| Unit costs available 2004/2005 | | |
| £655 per resident week. | | |

1 Information provided by David Newnham, Director of Services and Development for John Grooms, London.

2 PSS EX1 2003/04, Department of Health.

5.3 Special needs flats for disabled people

This schema is based on information received from John Grooms¹ in 2002 detailing the costs involved in providing a 24 hour on site care service for five people with disabilities. The service consists of three single flats, a double flat and office space which is used also at night to accommodate a sleeping in member of staff. The service provides at least one person on duty both day and night, with two cross over periods during the day when two people are on duty. The care provided may include personal care, domestic tasks (including meal preparation) assistance in maintaining social contacts, monitoring well-being and teaching/encouraging daily living and social skills. Residents live as independently as possible, making use of external health and social care services as identified below. Costs have been inflated to 2004/2005 prices.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|----------------------------------|--|
| Capital Costs (A, B & C) | | |
| A. Buildings | £107 per week | Capital costs of buildings were calculated using costs which reflect Housing Corporation accessibility and build standards. Costs have been uprated using the BCIS/ABI house rebuilding index. The value of the building was annuitised over a 60-year period discounted at 3.5 per cent. |
| B. Land costs | £26 per week | Land costs have been annuitised at 3.5 per cent over 60 years. |
| C. Equipment/durables Wheelchairs Furnishings/fitings | £7.50 per week £7.30 per week | Cost of powered chair. Costs uprated using the PSS Prices Index. Depreciation on furniture/fitings. |
| Revenue costs | | |
| D. Salary costs | £357 per week | Costs of direct management and care staff. Calculated using facility specific accounts information. Prices uprated using the PSS Prices Index. |
| E. Travel | £0.70 per week | Prices uprated using the PSS Prices Index. |
| F. Training | £1.80 per week | Prices uprated using the PSS Prices Index. |
| G. Other revenue costs | £14 per week | Includes insurance, staff adverts, uniforms, print and stationery, telephone, postage, equipment replacement, household expenses, premises and cost of provisions. Calculated using facility specific accounts information. Prices uprated using the PSS Prices Index. |
| H. Overheads | £7.60 per week | Charges incurred by national organisation. |
| Personal Living Expenses | | |
| I. Basic living costs | £95 per week | Based on Family Expenditure Survey (2001/2002) estimates of household expenditure of a one person non-retired household in the lowest income group inflated to 2004/2005 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods). Other living costs are those covered by personal expenses (for example leisure goods and alcohol). |
| J. Other living costs | £46 per week | |
| K. External services | | |
| Resident A | £180 per week | Resident A attends a Day Centre Workshop 3 days per week, funded by Social Services. In addition has volunteer input. |
| Resident B | £208 per week £374 per week | Resident B is attended by the District Nurse each night and during the day on two occasions each week. 4 additional hours care per day provided by scheme's care staff. |
| Residents C&D | £6.10 per week | Residents C&D are independent and rarely have personal care input unless unwell. From time to time request help with domestic tasks from LA Social Services. |
| Resident E | | Resident E is independent and has no external input. |
| Use of facility by client | 52.18 weeks per annum | |
| Number of clients | 5 | |
| Unit costs available 2004/2005 | | |
| £520 per week's accommodation and on site support (includes A to G); £675 per week all service and accommodation costs (includes A to G and K); £777 per week accommodation, support services and basic living (equivalent to care home costs) (A to I and K); £823 Comprehensive package cost including external services and all living expenses (includes A to K). | | |

1 Information provided by David Newnham, Director of Services and Development for John Grooms, London.

5.4 Rehabilitation day centre for people with brain injury

This schema is based on information received from John Grooms¹ in 2002 detailing the costs involved in providing a day rehabilitation centre for people with acquired brain injury. This includes predominately traumatic brain injury and younger people who have had strokes. The facility provides up to 30 places per day, with a current caseload of approximately 160 people. The centre operates on an outpatient basis and offers a full and intensive rehabilitation programme. The service model relies on strong partnerships with Health and Social Services as well as Addenbrooke Hospital, who provide specialist traumatic brain injury services, and local hospitals and GPs. The service enables people with brain injury to remain in their own homes and to receive specialist intensive rehabilitation rather than being referred to specialist residential rehabilitation in other areas of the country. The service has enabled the development of multi-disciplinary teamwork with a focus on the treatment of people with brain injury in a non-health care setting. Costs have been inflated to 2004/2005 prices.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|-------------------|---|
| Capital Costs (A, B, C & D) | | |
| A. Buildings | £11 per day | Capital costs of building and land were based on actual cost of building three years ago and uprated using the BCIS/ABI house rebuilding index. The value of the building was annuitised over a 60-year period discounted at 3.5 per cent. |
| B. Land costs | £1.60 per day | Based on actual statistics of 1,053 square metres provided by John Grooms and annuitised at a discount rate of 3.5 per cent over 60 years. |
| C. Equipment/durables Furnishings/fitings | £1.30 per day | Depreciation on furniture/fitings. Calculated using facility specific accounts. |
| D. Capital costs of transport | | |
| Revenue costs | | |
| E. Salary costs | £45 per day | Costs of direct management, administrative, maintenance, medical and staff uprated using the PSS Pay Index. Calculated using facility specific accounts information. |
| F. Travel | £1.20 per day | Costs uprated using the PSS Prices Index. |
| G. Training | £0.40 per day | Costs uprated using the PSS Prices Index. |
| H. Maintenance | £2.20 per day | Costs uprated using the PSS Prices Index. |
| I. Other revenue costs | £12 per day | Costs uprated using the PSS Prices Index. Includes repairs and contracts and cyclical maintenance. Includes insurance, staff adverts, uniforms, print and stationery, telephone, postage, equipment replacement & household expenses and premises costs. Costs uprated using the PSS Prices Index. |
| J. Overheads | £4.30 per day | Charges incurred by national organisation. |
| Use of facility by client | 253 days per year | The centre is closed at weekends and during public holidays. |
| Number of clients | 30 places | 160 clients attend the centre. |
| Unit costs available 2004/2005 | | |
| £78 per place per day; £3,843 per year per client registered at the centre. | | |

1 Information provided by David Newnham, Director of Services and Development for John Grooms, London.

6. Services for children and their families

- 6.1 Community home — local authority
- 6.2 Community home — non-statutory sector
- 6.3 Local authority day nursery
- 6.4 Local authority foster care
- 6.5 Social services support for children
- 6.6 The costs of community-based care of technology-dependent children
 - 6.6.1 Technology dependent children: Case A
 - 6.6.2 Technology dependent children: Case B
 - 6.6.3 Technology dependent children: Case C
- 6.7 The costs of children in care
 - 6.7.1 Children in care: low cost — with no evidence of additional support needs
 - 6.7.2 Children in care: median cost — children with emotional or behavioural difficulties
 - 6.7.3 Children in care: high cost — children with emotional or behavioural difficulties and offending behaviour
 - 6.7.4 Children in care: very high cost — children with disabilities, emotional or behavioural difficulties plus offending behaviour
- 6.8 Comparative costs of providing sexually abused children with individual and group psychotherapy

6.1 Community home for children — local authority

The Costs and Effectiveness of Services for Children in Need study 'Leadership and Resources in Children's Homes'¹ estimated the average cost for a sample of 30 Local Authority residential homes in England, per resident per week to be £1,709 excluding the cost of in-house education provision and £1,723 including the cost of in-house education. Based on the actual occupancy level, the cost was £1,726 including in-house education and £1,711 excluding education. Based on maximum occupancy level, the cost would be £1,397 including education and £1,383 excluding education. Using a combination of research and publicly available data, establishment costs per week were £2,328 per resident week and costs including external services were £2,521. All costs have been uprated using the PSS Pay and Prices index.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|--------------------------------|---|
| Capital costs (A,B & C) | | |
| A. Buildings | £65 per resident week | Based on the new build and land requirements for local authority children's homes. These allow for 59.95 square metres per person. ² Capital costs are discounted at 3.5 per cent over 60 years. |
| B. Land | £16 per resident week | Based on statistics provided by the Office of the Deputy Prime Minister. ³ Land costs have been annuitised at 3.5 per cent over 60 years. |
| C. Equipment | | |
| Revenue costs | | |
| D. Salary and other revenue costs | £2,113 per resident week | Median gross revenue costs are based on PSS EX1 ⁴ returns for 2003/2004 uprated using the PSS Pay and Prices Index. This year data has been adjusted to include respite and short term placements. Capital charges on the revenue account have been deducted (£83). Ten per cent of authorities reported costs of £1,329 or less; and 10 per cent £3,239 or more per week. The mean was £1,983. In the 'Leadership and Resources in Children's homes' study staff costs accounted for 65 per cent of the total cost of homes on average. |
| E. Management costs | | Management costs are excluded from this schema. However the 'Leadership and Resources in Children's Homes' study imputed these costs at 10.6 per cent of total annual revenue costs. |
| F. Other costs | | |
| External Services | | Service use data taken from the 'Leadership and Resources in Children's homes study and likely to be an underestimate as information on key services only was requested. |
| Health Services | £5 | Costs of hospital services were taken from Trust Financial returns (CIPFA, 2001) ⁵ and uprated to 2004/2005 prices using the HCHS Pay and Prices Index. |
| Social Services | £13 | Support provided by field social workers, leaving care workers and family support workers. Unit costs were taken from Netten et al, (2001) ⁶ and uprated to 2004/2005 prices using the PSS Pay and Prices Index. |
| Youth justice sector | £2 | Costs for police contacts and youth custody were estimated using information contained in Finn et al. (2000) ⁷ and uprated to 2004/2005 prices using the PSS Pay and Prices Index. |
| Education sector (excluding in-house education). | £148 | Costs estimated according to the location of the home using information contained in CIPFA (2000) ⁸ . Home tuition costs were estimated using methodology reported by Berridge et al. (2002) ⁹ . The mid-point of the pay scale for qualified teachers was used, including employers' National Insurance and Superannuation contributions. A percentage (65 per cent) was added to cover 'other institutional' expenditure and LEA overheads. |
| Use of facility by client | 52.18 weeks per annum | |
| Occupancy | 84% | Taken from the 'Leadership and Resources in Children's homes' study. Based on the occupancy rate for all Community Children's Homes. |
| London multiplier | 1.20 x A; 2.74 x B; 1.05 x (D) | Relative London costs are drawn from the same source as the base data for each cost element. |
| Unit costs available 2004/2005 | | |
| £2,194 establishment costs per resident week (includes A to E); £2,214 care package costs per resident week (includes A to D and F). | | |

1 Hicks, L., Gibbs, I., Byford, S. & Weatherly, H. (2002) *Leadership and Resources in Children's Homes*. This is a Department of Health Report.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

3 Office of the Deputy Prime Minister, Summer 2004.

4 PSS EX1 2003/04, Department of Health.

5 CIPFA (2001) *Personal Social Services Statistics 1999-2000 Actuals*, Statistical Information Service, Chartered Institute of Public Finance and Accountancy, London.

6 Netten, A., Rees, T. & Harrison, G. (2001) *Unit Costs of Health and Social Care 2001*, Personal Social Services Research Unit, University of Kent.

7 Finn, W., Hyslop, J. & Truman, C. (2000) *Mental Health, Multiple Needs and the Police*, Revolving Doors Agency, London.

8 CIPFA (2000) *Personal Social Services Statistics 1999-2000 Actuals*, Statistical Information Service, Chartered Institute of Public Finance and Accountancy, London.

9 Berridge, D., Beecham, J., Brodie, I. et al (2002) *Costs and consequences of services for troubled adolescents: an exploratory, analytic study*, Report to the Department of Health, University of Luton.

6.2 Community home for children — non-statutory sector

The Costs and Effectiveness of Services for Children in Need study 'Leadership and Resources in Children's Homes'¹ estimated the average cost of a sample of community homes in the non-statutory sector in England, per resident per week to be £1,668 excluding the cost of in-house education provision and £1,923 including the cost of in-house education. Based on the actual occupancy level, the cost was £1,928 including in-house education and £1,711 excluding education. Based on maximum occupancy level, the cost would be £1,432 including education and £1,288 excluding education. Using a combination of research and publicly available data, as detailed in this schema, establishment costs per week were £2,349 per resident week and costs including external services were £2,431.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|--------------------------------|---|
| Capital costs (A,B &C) | | |
| A. Buildings | £65 per resident week | Based on the new build and land requirements for local authority children's homes. These allow for 59.95 square metres per person. ² Capital costs are discounted at 3.5 per cent over 60 years. |
| B. Land | £16 per resident week | Based on Office of the Deputy Prime Minister ³ statistics. Land costs have been annuitised at 3.5 per cent over 60 years. |
| C. Equipment | | |
| Revenue costs | | |
| D. Salary and other revenue costs | £2,114 per resident week | Median gross revenue costs are based on PSS EX1 ⁴ returns for 2003/2004 uprated using the PSS Pay and Prices Index. This year data has been adjusted to include respite and short term placements. Ten per cent of authorities reported costs of £1,624 or less; and 10 per cent £2,728 or more per week. The mean was £2,128. In the 'Leadership and Resources in Children's homes' study, staff costs accounted for 64 per cent of the total cost of homes on average. |
| E. Management costs | | Management costs have been excluded from this schema. However the 'Leadership and Resources in Children's homes' study imputed these costs at 6.4% of total annual revenue costs. |
| F. Other costs | | |
| External Services | | |
| Health Services | £32 | Taken from the 'Leadership and Resources in Children's homes study and likely to be an underestimate as information on key services only was requested. Unit costs of hospital services were taken from Trust Financial returns (CIPFA, 2001) ⁵ and uprated to 2004/2005 prices using the HCHS Pay and Prices Index. |
| Social Services | £7 | Support provided by field social workers, leaving care workers and family support workers. Unit costs were taken from Netten et al, (2001) ⁶ and uprated to 2004/2005 using the PSS Pay and Prices Index. |
| Youth justice sector | £4 | Costs for police contacts and youth custody were estimated using information contained in Finn et al. (2000) ⁷ and uprated to 2004/2005 prices using the PSS Pay and Prices Index. |
| Education sector (excluding in-house education). | £29 | Costs estimated according to the location of the home using information contained in CIPFA (2000) ⁸ and uprated to 2004/2005 prices using the PSS Pay and Prices Index. Home tuition costs were estimated using methodology reported by Berridge et al. (2002) ⁹ . The mid-point of the pay scale for qualified teachers was used, including employers' National Insurance and Superannuation contributions. A percentage (65 per cent) was added to cover 'other institutional' expenditure and LEA overheads. |
| Private sector costs | £2 | |
| Use of facility by client | 52.18 weeks per annum | |
| Occupancy | 84% | Taken from the 'Leadership and Resources in Children's homes' study. Based on the occupancy rate for all Community Children's Homes. |
| London multiplier | 1.23 x A; 2.74 x B; 0.93 x (D) | Relative London costs are drawn from the same source as the base data for each cost element. |
| Unit costs available 2004/2005 | | |
| £2,195 establishment costs per resident week (includes A to E); £2,268 care package costs per resident week (includes A to D and F). | | |

1 Hicks, L., Gibbs, I., Byford, S. & Weatherly, H. (2002) *Leadership and Resources in Children's Homes*. This is a Department of Health Report.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

3 Office of the Deputy Prime Minister, Summer 2004.

4 PSS EX1 2003/04, Department of Health.

5 CIPFA (2001) *Personal Social Services Statistics 1999-2000 Actuals*, Statistical Information Service, Chartered Institute of Public Finance and Accountancy, London.

6 Netten, A., Rees, T. & Harrison, G. (2001) *Unit Costs of Health and Social Care 2001*, Personal Social Services Research Unit, University of Kent.

7 Finn, W., Hyslop, J. & Truman, C. (2000) *Mental health, Multiple Needs and the Police*, London: Revolving Doors Agency.

8 CIPFA (2000) *Personal Social Services Statistics 1999-2000 Actuals*, Statistical Information Service, Chartered Institute of Public Finance and Accountancy, London.

9 Berridge, D., Beecham, J., Brodie, I. et al (2002) *Costs and consequences of services for troubled adolescents: an exploratory, analytic study*, Report to the Department of Health: University of Luton.

6.3 Local authority day nursery for children

Prior to 1998 the cost given was per place per day. Since 1998 the cost has been per session. A session is defined as either a morning or an afternoon at the day care facility.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|--------------------------------------|--|
| Capital costs (A, B & C) | | |
| A. Buildings | £1 per session | Based on the new build and land requirements for local authority day nurseries. These allow for 8.35 square metres per person. ¹ Capital costs are discounted at 3.5 per cent over 60 years. |
| B. Land | £0.30 per session | Based on statistics provided by the Office of the Deputy Prime Minister ² . Land costs have been annuitised at 3.5 per cent over 60 years. |
| C. Equipment | | |
| Revenue costs | | |
| D. Salary costs and other revenue overheads | £29 per registered child per session | CIPFA Actuals 1999/2000 ³ uprated using the PSS Pay and Prices Index. No later statistics are available. Data were adjusted to exclude expenditure on services purchased from the independent sector. Capital charges on the revenue account are included in expenditure data. Ten per cent of authorities had average costs of £18 per session or less and 10 per cent £42 per session or more. Median costs were £28 per session. Local authorities reporting costs of less than £1 or more than £40 per session were excluded. |
| E. Agency overheads | £1.40 | Calculated by adding 5 per cent of revenue costs, following an Audit Commission report about overheads associated with residential care. ⁴ |
| Other costs | | |
| Use of facility by client | 500 sessions per annum | |
| Occupancy | 76% | Department of Health statistics, 1997. ⁵ More recent statistics are not available. |
| London multiplier | 1.20 × A; 2.74 × B. | Relative London costs are drawn from the same source as the base data for each cost element. Information about London revenue costs used to be based on each year's CIPFA statistics. These present an inconsistent picture across services so have been excluded. |
| Unit costs available 2004/2005 | | |
| £30 per place per session (includes D to E). See note in D about treatment on capital. | | |

1 Building Cost Information Service (2005) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister, Summer 2004.

3 CIPFA, *Personal Social Services Statistics 1999-2000 Actuals*, Statistical Information Service, London.

4 Audit Commission (1993) *Taking care, Bulletin*, Audit Commission, London.

5 Department of Health (1997) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics*, Government Statistical Service, London.

6.4 Local authority foster care for children

| Costs and unit estimation | 2004/2005 value | Notes |
|--|-------------------------|--|
| A. Boarding out allowances and administration | £283 per child per week | Median costs using PSS EX1 for 2003/04 ^{1/2/3} uprated using the PSS pay and prices index. The lower quartile is £242 and the upper quartile is £336. This year we have included those in respite, short term placements and those placed for adoption. |
| B. Care | | |
| C. Social Services (including cost of Social Worker and support) | £149 per child per week | The majority of children looked after are in foster placements and the mean cost of support from fieldwork teams and centres has been uprated from analyses of Children in Need (CiN) Census 2000 ² . |
| D. Other services, including education | £45 per child per week | The study by Beecham and Knapp ³ found that other services including health, education and law and order (estimated on the same basis as services to those in community homes) added a further 16 per cent to the cost. |
| Service use by client | 52.18 weeks per year | |
| London multiplier | 1.22 | Based on PSS EX1 data for 2003/04. Costs in London were considerably higher and this is likely to be due to, as well as higher costs in London, a larger market with Independent Fostering Agencies available. |
| Unit costs available 2004/2005 | | |
| £477 per child per week (includes A to D). | | |

1 PSS EX1 2003/04, Department of Health.

2 Beecham, J., Rowlands, J., Barker, M., Lyon, J., Stafford, M. & Lunt, R. (2001) Child care costs in social services, in A. Netten, T, Rees, & G. Harrison (eds) *Unit Costs of Health and Social Care 2001*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Beecham, J. & Knapp, M. (1995) The costs of child care assessment, in R. Sinclair, L. Garnett & D. Berridge (eds) *Social Work and Assessment with Adolescents*, National Children's Bureau, London.

6.5 Social services support for Children in Need

The Children in Need survey is an annual collection by local authorities for the Department of Health designed to link needs, services and costs of children's social services. In 2001 local authorities returned information on each service received by each child seen during a survey week in 2001. Returns were made by 144 of the 150 local authorities in England, which included information on 363,389 children or young adults supported by child protection legislation. For further information see <http://www.doh.gov.uk/cin/>.

We present data on the weekly costs of supporting children based on this survey updated to 2004/2005 prices using the PSS Pay and Prices Inflater. These costs are established by summing the component cost of each individual service provided to each child during census week. This includes all costs falling to social services departments including placement costs and other regular payments, commissioned and directly provided services, social work and other fieldwork, group work and individual work in centres and teams, and miscellaneous costs, and one-off costs and payments. However, it excludes costs to other agencies, where these are shared. The guidance notes at the above site provide full details of definitions.

The information presented here is based on 177,570 children who were known at the start of the week, received any service or payment during survey week and whose costs for each service they received are within a normal range. The figures presented are medians (the cost for a typical child) rather than means (the average cost per child), which we consider to be more reliable given the quite high proportion of exceptional costs reported. For children looked after, the median weekly cost updated to 2004/05 levels is £294 while for children supported in their families or independently was £60. Means are much wider, £492 and £120 respectively, because of small numbers of children with exceptional costs.

These figures are derived from a Department of Health funded research project *Childcare Costs: Variations and Unit Costs*¹.

Table 1 Social services costs per child per week by region

| Location | Children supported in families or independently | | Children looked after | | Total | |
|------------------------|---|-------------------------|-----------------------|-------------------------|--------------------|-------------------------|
| | Total no. children | Median cost per child £ | Total no. children | Median cost per child £ | Total no. children | Median cost per child £ |
| Inner London | 10,213 | 95 | 3,772 | 370 | 13,985 | 137 |
| Outer London | 14,775 | 109 | 4,039 | 431 | 18,814 | 129 |
| Metropolitan Districts | 30,927 | 52 | 14,687 | 249 | 45,614 | 85 |
| Unitary Authorities | 26,385 | 60 | 8,994 | 394 | 35,379 | 88 |
| Shire Counties | 40,975 | 52 | 15,623 | 303 | 56,598 | 84 |

¹ Beecham, J. & Bebbington, A. (2004) Child Care Costs: variation and unit costs, DP 2021/2. (Not publicly available).

Table 2 Social services costs per child per week by need category

| Need Category ¹ | Children supported in families or independently | | Children looked after | | Total | |
|-----------------------------------|---|-------------------------|-----------------------|-------------------------|--------------------|-------------------------|
| | Total no. children | Median cost per child £ | Total no. children | Median cost per child £ | Total no. children | Median cost per child £ |
| Abuse/neglect | 34,437 | 61 | 26,996 | 292 | 61,433 | 130 |
| Disability | 16,662 | 50 | 5,633 | 235 | 22,295 | 67 |
| Parental illness | 6,905 | 60 | 2,708 | 287 | 9,613 | 98 |
| Family stress | 14,986 | 49 | 2,659 | 322 | 17,645 | 61 |
| Family dysfunction | 15,628 | 56 | 4,809 | 327 | 20,437 | 84 |
| Socially unacceptable behaviour | 8,732 | 70 | 1,438 | 502 | 10,170 | 88 |
| Low income | 9,184 | 115 | 151 | 332 | 9,335 | 119 |
| Absent parenting | 3,096 | 105 | 2,513 | 337 | 5,609 | 178 |
| Cases other than children in need | 4,574 | 45 | 381 | 237 | 4,955 | 51 |
| Cases not stated | 13,920 | 51 | 2,158 | 224 | 16,078 | 61 |

Table 3 Social services costs² per child per week by placement type

| Type of placement | Children supported in families or independently | | Children looked after | | Total | |
|---------------------|---|-------------------------|-----------------------|-------------------------|--------------------|-------------------------|
| | Total no. children | Median cost per child £ | Total no. children | Median cost per child £ | Total no. children | Median cost per child £ |
| Residential home | 553 | 935 | 4,604 | 1,508 | 5,157 | 1,457 |
| Foster home | 1,673 | 224 | 24,630 | 234 | 26,303 | 233 |
| Placed for adoption | 471 | 80 | 875 | 134 | 1,346 | 92 |

Notes

1. Placement costs only, based on children in a single placement type throughout the week.

Table 4 Social services costs per child per week by child protection register status (CPR)

| Type of placement | Children supported in families or independently | | Children looked after | | Total | |
|-----------------------|---|-------------------------|-----------------------|-------------------------|--------------------|-------------------------|
| | Total no. children | Median cost per child £ | Total no. children | Median cost per child £ | Total no. children | Median cost per child £ |
| Registered on CPR | 12,849 | 78 | 4,373 | 376 | 17,222 | 119 |
| Not registered on CPR | 115,275 | 58 | 45,073 | 287 | 160,348 | 92 |

1 As specified in the CIN Survey.

2 Placement costs only, based on children in a single placement type throughout the week.

6.6 The costs of community-based care of technology-dependent children

A study led by Caroline Glendinning and Susan Kirk^{1/2} investigated the costs of supporting a group of children dependent on medical technology which enables them to survive. The definition of technology dependence crucially affects estimates of the numbers of such children and for the purpose of the study was defined as: dependence on technological device to sustain life or optimise health and the need for substantial and complex nursing care for substantial parts of the day and/or night. Exemplar case studies of three technology dependent children were constructed in order to demonstrate the costs of caring for a technology dependent child at home. These case studies were designed to illustrate the wide range of medical, nursing and other needs of technology dependent children. They are not precise descriptions of any three particular families. Instead of drawing on 'real life' cases, they are designed to illustrate the wide range of medical, nursing and other needs of technology dependent children.

The following aspects of care were costed:

- One-off capital/start-up costs (mainly the purchase of equipment)
- Recurrent costs of equipment and consumables
- Recurrent staffing costs
- Recurrent statutory social security benefits
- Additional costs borne by families themselves (partially offset by social security benefits)

The costs summarised below have been derived from a number of sources. The costs of specialist equipment and associated consumables, home care services and enteral feeding were supplied by staff at two specialist regional hospitals. Information on the costs of community health and local authority services were originally obtained from Netten et al (1998)³. Details of professional salary costs were obtained from the 1999 report of the relevant pay review bodies. These costs have been updated to reflect the present day costs. Costs borne by families themselves which were similar to those incurred in the care of a severely disabled child were obtained from a study which used budget standard methods to estimate the costs of childhood disability (Dobson and Middleton, 1998).⁴ The costs of other extra consumer items needed by families themselves were obtained from mainstream High Street suppliers.

1 Glendinning, C., Kirk, S., Guiffreda, A. & Lawton, D. (2001) Technology-dependent children in the community; definitions, numbers and costs, *Child Care Health and Development*, 27, 4, 321-334.

2 Glendinning, C., Kirk, S., with Guiffreda, A. & Lawton, D. (1999) The Community-Based Care of Technology-Dependent Children in the UK: Definitions, numbers and costs. Research Report commissioned by the Social Care Group, Department of Health. National Primary Care Research and Development Centre, University of Manchester.

3 Netten, A., Dennett, J. & Knight, J. (1998) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

4 Dobson, B. & Middleton, S. (1998) *Paying to Care; the Cost of Childhood Disability*, York, Joseph Rowntree Foundation.

6.6.1 Technology dependent children: Case A

| <p>Type of case</p> <p>Case study A was a 6 year old girl with a congenital neuromuscular condition who needed continuous ventilatory support and was fed by a gastrostomy; she was also incontinent. Her divorced mother gave up work as a secretary to care for her and they lived in local authority housing which was adapted to provide a downstairs bedroom and bathroom. They had no car, so used taxis or pay friends to take A out. She attended a special school and received home visits from an outreach nurse from the specialist regional hospital 10 miles away, monthly visits from the local paediatric nursing team and physiotherapy once a week. A's mother had round the clock help from a team of specially trained home carers (who also care for A at school); some home help for housework and to take A's sibling to school; and quarterly visits from a social worker. She also received counselling and medication to help cope with the stress of caring for A. She had extra phone bills and the costs of refreshments for the home carers, over and above those normally associated with a severely disabled child.</p> | | |
|--|------------------------|---|
| Items | Average cost per annum | Description of items |
| Equipment non recurrent costs | £10,618 | Includes housing adaptation, bed, wheelchair, two ventilators, electricity generator, pulse oximeters, two suction machines, one humidifier. Costs for all cases ranged from £7,995 to £14,175 per annum. Costs have been annuitised over a lifetime of 4-6 years at a discount rate of 3.5 per cent. Housing adaptation costs were annuitised over a lifetime of 10-15 years. |
| Equipment recurrent costs | £14,785 | Includes clinical waste removal service, consumables, servicing ventilator, pulse oximeters, servicing suction machines and humidifier and gastrostomy feeding. |
| Annual staffing costs | £116,954 | Based on a health care assistant, qualified nursing supervision, community nursing input, specialist outreach nurses, GP involvement, social worker involvement home help type input, community and hospital paediatricians, community children's nurse, community physiotherapist, OT and social worker and teacher. Costs for all cases ranged from £110,920 to £122,989 per annum. |
| Consequences of health costs to mother | £705 | Includes prescription for anti-depressants, counselling from psychologists and GP appointments. Costs for all cases ranged from £543 to £835. |
| Social security benefits | £13,769 | Includes income support and premium for lone parent, child allowance, disabled child premium, highest care DLA, highest care mobility DLA. |
| Education | £3,096 | Includes transport to the school by taxi and community therapist input. Costs for all cases ranged from £2,766 and £3,428. |
| Family costs | £14,411 | Includes increased electricity bills, laundry and clothing, incontinence and consumables, travel costs, home carers, telephone calls to hospitals, purchase of mobile phone and loss of earnings. Costs for all cases ranged from £13,580 to £15,244 per annum. |
| Unit Costs Available 2004/2005 | | |
| £146,159 Service costs; £159,928 Costs to state agencies; £160,570 Social costs. | | |

6.6.2 Technology dependent children: Case B

Type of case

Case study B was 4 months old. She suffered severe anoxia at birth, has a tracheostomy and was fed through a naso-jejunal tube. She was likely to be severely disabled. Her parents owned their house 50 miles from the regional specialist hospital. They had no personal transport. B's father switched from full to part-time work to help with her care. They had quarterly visits from a specialist outreach nurse from the hospital and monthly visits from the local district nurse, health visitor, occupational and physiotherapists and Portage workers. A weekly service removed clinical waste from the house. Trained home carers provided a break for B's parents three nights a week. A social worker was involved in multi-disciplinary planning/review meetings about B. B's parents used taxis or paid relatives' petrol costs instead of public transport, purchased a mobile phone and spent extra on phone calls to hospital.

| Items | Average cost per annum | Description of items |
|---|------------------------|---|
| Equipment non recurrent costs | £220 | Includes suction machines and one humidifier. Costs for all cases ranged from £188 to £269 per annum. Costs have been annuitised over a lifetime of 4-6 years at a discount rate of 3.5 per cent. |
| Equipment recurrent costs | £4,590 | Includes clinical waste removal service, consumables, servicing suction machines and humidifier. |
| Annual staffing costs | £22,785 | This includes a home carer support, a specialist outreach nurse, GP involvement, social worker involvement, district nurse, health visitor, community therapist, OT, physiotherapist, portage worker, paediatricians, and district nurse. Costs for all cases ranged from £22,456 to £23,117. |
| Social security benefits | £5,282 | Invalidity care allowance and highest care DLA. |
| Family costs | £6,477 | Costs for all cases ranged from £5,360 to £7,594. |
| Unit Costs Available 2004/2005 | | |
| £27,594 Service costs; £32,877 Costs to state agencies; £34,071 Social costs. | | |

6.6.3 Technology dependent children: Case C

Type of case

Case study C was an 11-year old boy with renal failure. He received continuous cycling peritoneal dialysis every night and overnight feeding through a gastrostomy. He lived with his younger sibling in an owner-occupied house, which has had some minor adaptations to improve hygiene and storage facilities. His father worked full time; his mother cut her hours and lost promotion opportunities because of C's care. They owned their own car. C lived 20 miles from the specialist hospital, which he attended regularly for outpatient monitoring; both parents therefore needed extra time off work and incurred associated travel costs. C was visited at home each month by a specialist outreach nurse and also had annual visits from the dietician and social worker based at the hospital. C attends mainstream school, but requires no extra support there. However, his parents have bought mobile phones/pagers in case of an emergency.

| Items | Average cost per annum | Description of items |
|---|------------------------|---|
| Equipment non recurrent costs | £1,218 | Includes dialysis machine. Costs for all cases ranged from £1,039 to £1,487 per annum. Costs have been annuitised over a lifetime of 4-6 years at a discount rate of 3.5 per cent. |
| Equipment recurrent costs | £42,306 | Includes clinical waste removal service, consumables, gastrostomy feeding and associated drug therapy. Costs for all cases ranged from £42,201 to £42,412 per annum. |
| Annual staffing costs | £869 | Includes a specialist outreach nurse, hospital dietician involvement, hospital social worker involvement and GP involvement. Costs for all cases ranged from £829 to £911. |
| Social security benefits | £2,962 | Includes highest care DLA. |
| Family costs | £3,934 | Includes increased electricity bills, laundry and clothing, travel costs, home carers, telephone calls to hospitals and loss of earnings. Costs for all cases ranged from £3,282 to £4,587 per annum. |
| Unit Costs Available 2004/2005 | | |
| £44,394 Service costs; £47,356 Costs to state agencies; £48,328 Social costs. | | |

6.7 Services for children in care

The following schemata present illustrative costs of children in care reflecting a range of circumstances. Information from practitioners and managers, gathered in the course of developing unit costs for social work processes¹, indicated that the prevalence of children within the care population who display the following attributes — or combinations of them — is likely to have an impact on the cost of placements: disabilities; emotional or behavioural difficulties; and offending behaviour. Unaccompanied asylum seeking children comprise a further group whose circumstances, rather than their attributes, engender a different pattern of costs. In any population of looked after children, some will display none of these additional support needs and it is expected that those authorities with a higher proportion of these children in care or accommodation will incur lower costs per looked after child. However in reality their overall expenditure on children's services may be greater, for such authorities may place a higher proportion of their whole population of children in need away from home than do those with better developed family support services.

The study by Ward and colleagues identified different combinations of additional support needs. There were five simple groups of children who display none or one of the exceptional needs expected to affect costs, and six complex groups of children who display two or more additional support needs. In the sample of 478 children, 129 (27 per cent) showed no evidence of additional support needs, 215 (45 per cent) displayed one; 124 (26 per cent) children displayed combinations of two; and a very small group of children (2 per cent) displayed combinations of three or more.

The care package costs for children described in the schemata illustrate an example of a child in some of these groups, taken from the study sample.

¹ Ward, H., Holmes, L., Soper, J. & Olsen, R. (2004) *Costs and Consequences of Different Types of Child Care Provision*, Centre for Child and Family Research, Loughborough University.

6.7.1 Children in care: low cost — no evidence of additional support needs

Child A is a boy aged fourteen with no evidence of additional support needs. These costs show the total cost incurred by social services and other agencies from February 2000 to October 2001 updated using the PSS Pay and Prices inflator. He first became looked after at the age of six, as the result of neglect. Since then he has been placed with the same local authority foster carers — a placement that had lasted eight years by the start of the study. In June 2001, his case was transferred to the leaving care team. Reviews were held at six monthly intervals and his care plan was updated every six months. He attended six monthly dental appointments and an annual looked after child medical. During the time period shown above, this young person attended weekly, hour-long physiotherapy sessions as a result of a neck injury. A care order was obtained in 1992. He completed his statutory schooling in summer 2001 and obtained seven GCSEs. He attended mainstream school until Summer 2000. He then progressed to further education to start an A level course.

Child A had a relatively inexpensive placement with local authority foster carers. He incurred some educational costs, in that he attended school, and some health care costs, but there was no exceptional expenditure.

| Process | Cost to LA | Total £ | Cost to others | Total £ |
|----------------------------|--|----------------|-------------------------------|----------------|
| Care Planning | £109 x 3 | 327 | £134 x 3 | 402 |
| Maintaining the placement | £441 x 87 weeks minus £5,437 ¹ | 34,530 | | |
| Review | £370 x 3 + £10 ² | 1,120 | £43 x 3 | 129 |
| Legal | £4.30 ³ x 87 weeks | 374 | £8.00 ⁴ x 87 weeks | 663 |
| Transition to leaving care | £1,054 | 1,054 | | |
| Cost of services | | | | |
| Mainstream schooling | | | £20.20 ⁵ per day | 5,764 |
| FE College | | | £20.50 ⁶ per day | 637 |
| Dentist | | | £6.80 ⁵ x 3 | 20 |
| Looked after child medical | | | £22 | 22 |
| Physiotherapy | | | £46 x 87 weeks | 4,012 |
| Total | | £37,405 | | £11,680 |

1 Cost includes payment made for the placement and all activity to support the placement. There is a reduction in cost as a result of reduced activity once the placement has lasted for more than one year.

2 An additional cost is incurred for the first 16+ review.

3 The cost of obtaining a care order has been divided over the total number of weeks between admission and the child's eighteenth birthday.

4 Selwyn, J., Sturgess, W., Quinton, D. & Baxter, K. (2003) *Costs and Outcomes of Non-Infant Adoptions*, Bristol University, Bristol.

5 Berridge, D. et al. (2002) *Costs and Consequences of Services for Troubled Adolescents: An Exploratory, Analytic Study*, University of Luton, Luton.

6 Provisional cost based on the cost of mainstream schooling taken from Berridge, D. et al (2002) *Costs and Consequences of Services for Troubled Adolescents: An Exploratory, Analytic Study*, University of Luton, Luton.

6.7.2 Children in care: median cost — children with emotional or behavioural difficulties

At the start of the time period until April 2001, Child B was placed with local authority foster carers (within the area of the authority). She then changed to another placement with local authority foster carers within the area of the authority. A care order was obtained for this young person when she first became looked after in March 1995. During the timeframe three review meetings were held and her care plan was also updated on three occasions. Child B attended mainstream school during the time period. From December 2000 until June 2001 she received support from a personal teaching assistant for four hours a week. This young person attended six monthly dental appointments and also her annual looked after child medical. Child B received speech therapy until July 2001. Following a self-harm incident she was taken to the accident and emergency department. As a result of this incident she was referred to a clinical psychologist and began weekly sessions in September 2000.

Costs to social services are relatively low, largely because she was placed with local authority foster carers within the area of the authority throughout the study period. Although she did experience a change of placement the costs of this change were relatively low because she was not classified as difficult to place. There were relatively high costs to other agencies, designed to meet both her health and educational needs.

| Process | Cost to LA | | Cost to others | |
|---------------------------------------|---|----------------|--|----------------|
| | Unit costs | Total £ | Unit costs | Total £ |
| Care Planning | £109 x 3 | 327 | £128 x 3 | 384 |
| Maintaining the placement | £393 x 87 weeks minus £4,062 plus £259 ¹ | 30,389 | | |
| Finding subsequent placement | £185 | 185 | | |
| Review | £370 x 3 | 1,110 | £41 x 3 | 123 |
| Legal | £5.20 ² x 87 weeks | 456 | £9.20 ³ x 87 weeks | 800 |
| Cost of services | | | | |
| Mainstream Schooling | | | £19.30 ⁴ per day | 6,118 |
| Dentist | | | £6.50 ⁴ x 3 | 20 |
| Looked after child medical | | | £21 ⁵ | 21 |
| Speech therapy | | | £41 x 60 weeks | 2,460 |
| Clinical psychologist | | | £69 x 52 weeks | 3,588 |
| Hospital accident and emergency visit | | | £83 | 83 |
| Personal teaching assistant | | | £33 ⁴ (4 hrs per week for 25 weeks) | 3,300 |
| Total | | £32,467 | | £17,708 |

1 Cost includes the payment made for the placements and all activity to support the placements. There is a reduction in cost as a result of reduced activity for the first placement which has lasted for more than one year. There is an increase in cost in the first three months of the second placement due to increased social worker activity.

2 The cost of obtaining a care order has been divided over the total number of weeks between admission and the child's eighteenth birthday.

3 Selwyn, J., Sturgess, W., Quinton, D. & Baxter, K. (2003) *Costs and Outcomes of Non-Infant Adoptions*, Bristol University, Bristol.

4 Berridge, D. et al. (2002) *Costs and Consequences of Services for Troubled Adolescents: An Exploratory, Analytic Study*, University of Luton, Luton.

5 Based on the unit cost of a surgery consultation with a general practitioner (see Schema 9.8b)

6.7.3 Children in care: high cost — children with emotional or behavioural difficulties and offending behaviour

Child C was aged fifteen at the start of the study. He first became looked after at the age of eleven when his parents needed relief. Prior to the start of the study he was placed in secure accommodation on five separate occasions. He had also been placed in various residential homes, schools and foster placements, many of which had broken down. As a consequence he had been classified as 'difficult to place'. During the study period Child C experienced ten different placements. He also refused all statutory medicals and dental appointments, furthermore, he refused any mental health support. Child C did not complete his statutory schooling as a result of numerous exclusions and non-attendance. Prior to the start of the study he had a history of offending, this continued throughout the study with him committing ten further offences. He ceased being looked after in summer 2001 when he refused to return to any placement provided by the local authority.

The costs to social services were relatively high, both because of a number of out-of-authority, residential placements provided by agencies and due to nine changes of placement. There were substantial costs to other agencies (Youth Offending Team and the Police) as a result of his offending behaviour. Additional health care costs were not incurred for this young man because of his refusal to engage in the services offered to him.

| Process | Cost to LA | Total £ | Cost to others | Total £ |
|-------------------------------------|------------------------------------|----------|------------------------------|---------|
| Care Planning | £109 x 2 | 218 | £130 x 2 | 260 |
| Maintaining the placement | £211,927 plus £953 ¹ | 212,880 | £43 x 74 weeks ² | 3,180 |
| Ceased being looked after | £239 | 239 | | |
| Find subsequent placements | £7,047 ³ | 7,047 | | |
| Review | £370 + £739 | 1,109 | £156 x 2 | 312 |
| Cost of services⁴ | | | | |
| YOT involvement/ criminal costs | | | £881 ⁵ x 74 weeks | 65,221 |
| Total | | £211,493 | | £68,973 |

1 This cost includes the payment made for the placement and all activity to support the placements. There is an increase in cost in the first three months of a placement due to increased social worker activity.

2 Child C ceased being looked after in July 2001, therefore the time period being costed is 74 weeks.

3 Child C experienced nine changes of placement during the timeframe of the study.

4 There are no additional education costs because these are included in the costs of the placements in process three.

5 Costs taken from Liddle, M. (1998) *Wasted Lives: Counting the Cost of Juvenile Offending*, NACRO, London.

6.7.4 Children in care: very high cost — children with disabilities, emotional or behavioural difficulties plus offending behaviour

Child D experienced nine different placements from February 2000 to October 2001. Initially he was placed in an agency residential unit with education facilities out of the area of the authority. In March 2000, he was placed with agency foster carers, again out of the area of the authority. He then experienced three further placements, all out of the area of the authority and all provided by agencies: another residential unit, then another foster placement, then a third residential placement. In September he was placed overnight in a secure unit within the area of the authority. He was then placed with agency foster carers followed by a further agency residential unit before moving to a specialised one bedded, agency, residential unit in December 2000. This placement was also out of the area of the authority. Review meetings were held six monthly and his care plan was also updated every six months. This young person attended the education provision in two different residential units up until summer 2000, when he was permanently excluded. He then started sessions with a home tutor in October 2000. During the given time period he attended six monthly dental appointments and his looked after child medical. He also attended weekly sessions with a clinical psychologist from October 2000 onwards. In September 2000, he committed a criminal offence, the police were involved, but he was not convicted.

These costs are markedly higher than for the majority of other children in the sample. The greatest amount of expenditure came from the series of placements in agency residential and foster homes; monthly charges for which ranged from between £3,302 and £10,504; all were out of the area of the authority, and therefore required high levels of social work time to support them. Child D had become 'difficult to place' and increasing amounts of social work time had to be spent on finding the rare placements that were prepared to accept him. The costs of changing placements were calculated at over £1,000 per move.

| Process | Cost to LA | Total £ | Cost to others | Total £ |
|-----------------------------------|--------------------------------------|-----------------|----------------------------------|----------------|
| Care Planning | £54 x 3 | 163 | £134 x 3 | 402 |
| Maintaining the placement | £405,168 plus £1,039 ¹ | 406,208 | | |
| Finding subsequent placements | £9,090 | 9,090 | £73 x 8 ² | 587 |
| Review | £738 x 3 | 2,216 | £316 x 3 | 949 |
| Legal | £2.70 ³ x 87 weeks | 237 | £4.90 ⁴ x 87 weeks | 428 |
| Transition to leaving care | £1,054 | 1,054 | | |
| Cost of services | | | | |
| Home tuition | | | £35 ⁵ per hour | 6,571 |
| Permanent exclusion | | | £117 ⁶ | 117 |
| Dentist | | | 6.80 ⁵ x 3 | 20 |
| Looked after child medical | | | £22 ⁷ | 22 |
| Clinical psychologist | | | £72 per hour for 52 weeks | 3,760 |
| Police costs for criminal offence | | | £181 ⁸ | 181 |
| Total | | £418,970 | | £13,040 |

- 1 The cost includes the payment made for the placements and all activity to support the placements. There is an increase in cost in the first three months of a placement due to increased social worker activity.
- 2 Child D experienced eight changes of placement during the timeframe of the study.
- 3 The cost of obtaining a care order has been divided over the total number of weeks between admission and the child's eighteenth birthday.
- 4 Selwyn, J., Sturgess, W., Quinton, D. & Baxter, K. (2003) *Costs and Outcomes of Non-Infant Adoptions*, Bristol University, Bristol.
- 5 Berridge, D. et al. (2002) *Costs and Consequences of Services for Troubled Adolescents: An Exploratory, Analytic Study*, University of Luton, Luton.
- 6 Parsons, C. & Castle, F. (1998) The cost of school exclusion in England, *International Journal of Inclusive Education*, 2,4, 277-294.
- 7 Based on the unit cost of a surgery consultation with a general practitioner (see Schema 9.8b).
- 8 Liddle, M. (1998) *Wasted Lives: Counting the Cost of Juvenile Offending*, NACRO, London.

6.8 Comparative costs of providing sexually abused children with individual and group psychotherapy

As part of the Children in Need research initiative, a study by Paul McCrone et al. to be published in *Child and Adolescent Mental Health* in 2005¹ compared the costs of individual and group psychotherapy for children who have been sexually abused. Subjects were recruited to two clinics in London and randomly allocated to the two treatments. Girls between the ages of six and 14 who, within the previous two years, had disclosed sexual abuse and had symptoms of emotional or behavioural disturbance that warranted treatment were eligible for inclusion. The girls who consented to participate in the study were randomly allocated either to individual (n=35) or group psychotherapy (n=36). The individual treatment comprised up to 30 sessions of focused psychoanalytical psychotherapy. Individual therapists received supervision from a senior child psychotherapist in pairs after every other session. The group treatment consisted of up to 18 sessions with about five girls of similar ages and incorporated psychotherapeutic and psycho-educational components. Various professionals provided therapy, including child psychiatrists, psychotherapists, nurse practitioners and specialist, occupational therapists and social workers. The girls were assessed at baseline and followed up at one and two years after treatment had commenced.

Recent research found that these therapies have similar outcomes and although this is a single small study and further work is required to strengthen the evidence-base before change in practice is readily undertaken, results of the study suggest that group therapy is more cost-effective than individual therapy. Total mean costs of group therapy uprated to 2004/2005 levels were found to be £2,356 and total mean costs of individual therapy uprated to 2004/2005 levels were found to be £3,850.

Service use data extracted from case notes and therapists' files were combined with unit costs representing the long-run marginal opportunity costs of the professionals involved in providing the service. Some of these were obtained from *Unit Costs of Health & Social Care 1999* while others were estimated from (national) pay scales and any additional elements were based on similar services reported in the unit costs publication. These unit costs consist of salary, employer superannuation and national insurance contributions, overheads and capital costs. Costs shown in the tables have been up-rated to 2004/2005 levels using the appropriate indices.

Group therapy

| Intervention | Sample size (n=36) | Provider | Duration (minutes) |
|------------------------------|--------------------|--|--------------------|
| Introductory meeting | | | |
| Mean (sd) no. of meetings | 1 (0) | Consultant psychiatrist | 16 |
| Mean (sd) cost, £s | £60 (£12) | Senior social worker | 16 |
| Initial assessment | | Research psychologist | 120 |
| Mean (sd) no. of assessments | 1 (0) | Consultant psychiatrist/senior registrar | 90 |
| Mean (sd) cost, £s | £502 (£38) | Senior social worker | 105 |

¹ Cost-Effectiveness of Individual versus Group Psychotherapy for Sexually Abused Girls, McCrone, P., Weeramanthri, T., Knapp, M., Rushton, A., Trowell, J., Miles, G. & Kolvin, I. (2004) *Child and Adolescent Mental Health* (in press). For further information contact Dr Paul McCrone, Centre for the Economics of Mental Health, Box PO24, Health Services Research Department, Institute of Psychiatry, De Crespigny Park, London SE5 8AF (p.mccrone@iop.kcl.ac.uk).

| Intervention | Sample size (n=36) | Provider | Duration (minutes) |
|---|---------------------------|---|--------------------|
| Therapy provided to girls Mean (sd) no. of sessions Mean (sd) cost, £ | 13.3 (4) £489 (£1 70) | Various professionals providing 18 sessions | 75 |
| Carers' support Mean (sd) no. of sessions Mean (sd) cost, £s | 10.1 (5.3) £453 (£323) | Social worker providing 10 sessions | 50 |
| Supervision of girls' therapists Mean (sd) number of sessions Mean (sd) cost, £ | 13.3 (4.0) £384 (£130) | Senior social worker/cons. psychiatrist providing 18 sessions | 75 |
| Supervision of carers' workers Mean (sd) number of sessions Mean (sd) cost, £s | 3.4 (1.8) £186 (£132) | Senior Social worker providing monthly sessions | 60 |
| Follow-up assessments one year follow-up Mean (sd) number of assessments Mean (sd) cost £s | 1.5 (0.7) £370 (£200) | Research psychologist Consultant psychiatrist/senior registrar Senior social worker All providing 1 session each | 30 45 45 |
| Mean (sd) total cost, £ | £2,444 (£603) | | |

Individual therapy

| Intervention | Sample size (n=35) | Provider | Duration (minutes) |
|---|-----------------------------|---|--------------------|
| Introductory meeting Mean (sd) no. of meetings Mean (sd) cost, £s | 1 (0) £58 (£13) | Consultant psychiatrist Senior social worker | 16 16 |
| Initial Assessment Mean (sd) no. of assessments Mean (sd) cost, £s | 1 (0) £494 (£39) | Research psychologist Consultant psychiatrist/senior registrar Senior social worker | 120 90 105 |
| Therapy provided to girls Mean (sd) no. of sessions Mean (sd) cost, £ | 26 (8.1) £1,184 (£440) | Various professionals providing 30 sessions | 75 |
| Carers' support Mean (sd) no. of sessions Mean (sd) cost, £s | 14.2 (9.3) £1,155 (£787) | Social worker providing 15 sessions | 50 |
| Supervision of girls' therapists Mean (sd) number of sessions Mean (sd) cost, £ | 13.0 (4.1) £438 (£137) | Senior child psychotherapist providing 15 sessions | 60 |
| Supervision of carers' workers Mean (sd) number of sessions Mean (sd) cost, £s | 4.7 (3.1) £327 (£242) | Senior social worker providing monthly sessions | 60 |
| Follow-up assessments One year follow-up Mean (sd) number of assessments Mean (sd) cost £s | 1.4 (0.7) £339 (£208) | Research psychologist Consultant psychiatrist/senior registrar Senior social worker All providing 1 session each | 30 45 45 |
| Mean (sd) total cost, £ | £3,994 (1,336) | | |

7. Hospital and other services

- 7.1 Hospital costs
- 7.2 Paramedic and emergency ambulance services
- 7.3 NHS wheelchairs
- 7.4 Local authority aids and adaptations
- 7.5 Training costs of health service professionals
- 7.6 Rapid Response Service
- 7.7 Recuperative Care Facility

7.1 Hospital costs

We have drawn on reference costs (<http://www.doh.gov.uk/nhs/refcosts.htm>) which have become more comprehensive and reliable since they were introduced in 1998. These unit costs are 2003/2004 figures inflated using the HCHS pay and prices index.

| | Interquartile range of unit costs | | National average £ |
|--|-----------------------------------|---------------------|-----------------------|
| | Lower quartile £ | Upper quartile £ | |
| | Cost per bed day | | |
| Service type | | | |
| Intensive Therapy Unit/Intensive Care Unit | 1,247 | 1,586 | 1,378 |
| Coronary Care Unit | 384 | 603 | 474 |
| Paediatric Intensive Care Unit | 1,413 | 2,010 | 1,766 |
| Special Care Baby Unit | 292 | 423 | 366 |
| Stroke Patients | 186 | 281 | 221 |
| Elderly Patients | 141 | 199 | 159 |
| | Cost per first attendance | | |
| Speciality | | | |
| ENT | 84 | 120 | 104 |
| Neurosurgery | 217 | 308 | 279 |
| Plastic Surgery | 64 | 113 | 106 |
| Cardiothoracic Surgery | 88 | 197 | 216 |
| Paediatric Surgery | 111 | 184 | 157 |
| Accident & Emergency | 75 | 118 | 110 |
| Family Planning Clinic | 36 | 70 | 46 |
| Neurology | 143 | 253 | 222 |
| Paediatrics | 158 | 262 | 206 |
| Geriatric Medicine | 163 | 300 | 237 |
| | Cost per attendance | | Cost per bed day |
| Community services type | | | |
| Dietetics Services | 28 | 55 | 36 |
| Community Dental Services | 33 | 72 | 45 |
| | Cost per bed day | | Cost per bed day |
| Mental health services (inpatient) | | | |
| Children | 334 | 452 | 409 |
| Adult | | | |
| - Acute Care | 192 | 237 | 208 |
| - Rehabilitation | 190 | 249 | 204 |
| Elderly | 189 | 206 | 193 |

7.2 Paramedic and emergency ambulance services

The costing is based on one Ambulance Trust which provided information about expenditure, value of capital, salary levels and activity for 1994/1995. Prices have been uprated by HCHS inflators. Information is provided about three types of service: paramedic units; emergency ambulance services; and patient transport services. In practice, all emergency ambulance services provided by the Trust are now paramedic units but, as separate costs were required for a currently unpublished study, separate costings have been provided here. Unit costs are provided for successfully completed journeys, allowing for the costs of so-called 'abortive' journeys.

| | Paramedic unit (PU) | Emergency ambulance (EA) | Patient transport service (PTS) | Notes |
|----------------------------------|---------------------|--------------------------|---------------------------------|--|
| Overheads and management | £128 | £128 | £128 | Accounts were used to identify expenditure on management and administrative costs, operational costs (e.g. vehicle running costs) and overheads (including heating and lighting, training, building maintenance and so on). Both these and capital costs of buildings and land were assumed to be invariant with respect to type of ambulance journey. |
| Buildings and land | £2.40 | £2.40 | £2.40 | Capital costs associated with the buildings and land invested in the ambulance service were estimated by discounting their capital value over 60 years at 3.5 per cent. |
| Ambulances and equipment | £17 | £15 | £14 | PU and EAs use exactly the same type of vehicle with similar equipment on board. The ambulances cost £46,022 new and standard equipment including defibrillators costs £11,506 per vehicle. Vehicles and the equipment are expected to last five years. The only additional equipment carried by PUs is the 'paramedic case' which costs £1,726 and is replaced annually. PTSs use a different type of ambulance which costs £31,065 and is expected to last seven years. Discounting at 3.5 per cent the annual cost of a PU is £14,396; an EA is £12,742 and a PTS £5,079. The average number of journeys per emergency ambulance was 1152 and the average number of journeys per transport ambulance 520. |
| Crew salaries and wages | £131 | £128 | £99 | A crucial distinguishing characteristic of the different services is the type of crew. A PU carries one paramedic (average salary £29,030 pa) and one technician (average salary £27,323). An EA is crewed by two technicians and a PTS by two care assistants (average salary £14,922). Once national insurance and pension payments are included the average annual crew cost is £63,115 for a PU; £61,202 for an EA; and £33,424 for a PTS. The average number of journeys per EA and PU crew is 480 per year, PTS crews provides an average of 339 journeys per PTS crew. |
| Total | £279 | £273 | £243 | |
| Cost per minute | £6.30 | £6.20 | n.a. | Based on the average length of an emergency journey: 44.4 minutes. |
| Average cost per patient journey | £311 ¹ | £237 | £49 | A successful vehicle journey is equivalent to transporting a single patient for A&E services. PUs averaged 49.5 minutes per journey and EAs 38.6 minutes per journey. An average of five patients per vehicle journey was assumed for PTS. |

1 Allowing for different lengths of time to complete journey.

7.3 NHS wheelchairs

Information about wheelchair costs is based on the results of a study of six sites supplying wheelchairs (excluding wheelchairs for children).¹ Prices have been uprated from 1994/1995 levels using the HCHS prices inflator. The study information was supplemented with national data not available from the sites. Three main types are identified: those propelled by an attendant or self propelled; a lighter type of chair especially designed for active users, and powered wheelchairs. (Active users are difficult to define, but the term generally refers to individuals who are permanently restricted to a wheelchair but are otherwise well and have high mobility needs.) The range of purchase costs is very high for the latter two types, ranging from £169 to £900 for active user chairs and £957 to £1,688 for powered chairs (1994/95 prices uprated to current values). The costs have allowed for the cost of modifications in the estimated capital value, but this is a very approximate mid-range figure so specific information should be used wherever possible.

| Type of chair | Total value 2004/2005 | Annual cost 2004/2005 | Notes |
|---|--------------------------|--------------------------|---|
| <i>Capital costs</i> | | | |
| Self or attendant propelled | £233 | £54 | Capital value has been annuitised over five years at a discount rate of 3.5 per cent to allow for the expected life of a new chair. In practice, 50 per cent of wheelchairs supplied have been reconditioned, not having been worn out by the time their first users ceased to need them. The cost of reconditioning has not been included in the cost of maintenance: this should be included in the initial capital valuation when detailed information is known. |
| Active user | £582 | £132 | |
| Powered | £1,162 | £264 | |
| <i>Revenue costs</i> | | | |
| Maintenance | | | Revenue costs exclude therapists' time but include the staff costs of maintenance. The costs include all costs for pressure relief. |
| - non-powered | | £24 | |
| - powered | | £95 | |
| <i>Agency overheads</i> | | | No estimate of management overhead costs is available. They are likely to be minimal. |
| Unit costs available 2004/2005 | | | |
| £78 per self or attendant propelled chair per year; £156 per active user per chair per year; £360 per powered chair per year. | | | |

1 Personal communication with Richard Murray, National Health Service Management Executive, 1995.

7.4 Local authority equipment and adaptations

Information about the capital cost of installing equipment and making adaptations to property is based on a benchmark study of the cost of aids and adaptations undertaken for the Department of the Environment by Ernst & Young.¹ The intention was to provide illustrative rather than statistically representative costs of installation. Forty local authorities provided information. Major variations were reported, probably reflecting differences in the scale of work undertaken. The median rather than the mean cost was used by Ernst & Young to overcome the spread of reported costs. All costs have been inflated from 1992 prices using the BCIS/ABI House Rebuilding Cost Index. Although this information is rather dated, information contained in the BCIS Access Audit Price Guide, 2002² suggested that the uprated figures are in line with current building costs.

The period over which equipment and adaptations should be annuitised is open to debate. Ideally it should be annuitised over the useful life of the aid or adaptation. In many cases this is linked to the length of time the person using the appliance is expected to remain at home. Where it is expected that the house would be occupied by someone who would also make use of the adaptation, a longer period would be appropriate. Clearly, this is difficult to do in practice. Many housing authorities have problems making sure that heavily adapted dwellings are occupied by people who can make use of the adaptations. In the 1997 report, the annual median value was discounted over 10 years at 6 per cent but in previous editions of this report, as there is a competitive market in providing these aids and adaptations, it was argued that 8 per cent was a more appropriate discount rate. Due to government guidelines on the discount rate this table shows the items annuitised over 10 years at 3.5 per cent.

| Equipment or adaptation | Mean | Median | Range | | Median annual equipment cost |
|------------------------------|--------|---------|---------|---------|------------------------------|
| | | | Minimum | Maximum | 3.5% discount |
| Additional heating | £352 | £326 | £118 | £4,051 | £39 |
| Electrical modifications | £360 | £420 | £47 | £3,206 | £51 |
| Joinery work (external door) | £416 | £494 | £215 | £1,021 | £59 |
| Entry phones | £295 | £400 | £176 | £2,504 | £48 |
| Individual alarm systems | £312 | £366 | £173 | £786 | £44 |
| Grab rail | £77 | £43 | £3 | £346 | £5 |
| Hoist | £767 | 2,140 | £314 | £6,669 | £257 |
| Low level bath | £435 | £546 | £295 | £1,196 | £66 |
| New bath/shower room | £6,381 | £12,226 | £3,141 | £28,266 | £1,470 |
| Redesign bathroom | £1,168 | £2,735 | £392 | £6,282 | £329 |
| Redesign kitchen | £2,358 | £3,242 | £576 | £5,496 | £390 |
| Relocation of bath or shower | £869 | £1,661 | £148 | £8,761 | £200 |
| Relocation of toilet | £709 | £1,416 | £141 | £3,376 | £170 |
| Shower over bath | £776 | £721 | £173 | £1,979 | £87 |
| Shower replacing bath | £2,120 | £1,997 | £388 | £3,601 | £240 |
| Graduated floor shower | £1,966 | £2,427 | £1,060 | £5,528 | £292 |
| Stairlift | £2,143 | £2,703 | £1,884 | £6,040 | £325 |
| Simple concrete ramp | £530 | £315 | £55 | £2,269 | £38 |

1 Ernst & Young (1994) *Benchmark Study of the Costs of Aids and Adaptations*, Report No. 4, Report to the Department of the Environment, London.

2 Building Cost Information Service Ltd. (2002) *Access Audit Price Guide*, BCIS, Royal Institution of Chartered Surveyors, London.

7.5 Training costs of health service professionals

This year, we have included for the first time a breakdown of training costs incurred.¹ The components of the cost of training health service professionals are the costs of tuition; infrastructure costs (such as libraries); costs or benefits from clinical placement activities and lost production costs during the period of training where staff are taken away from their posts in order to train.

For pre-registration courses, we need to consider the costs of tuition, the net cost or value of clinical placement and living expenses over the duration of the course.

This table shows the total investment after allowing for the distribution of the costs over time to give the total investment incurred during the working life of the health service professional, and also the expected annual cost to reflect the distribution of the returns on the investment over time.

The investment costs of education should always be included when evaluating the cost-effectiveness of different approaches to using health service staff as it is important to include all the costs implicit in changing the professional mix. For the most part, these investment costs are borne by the wider NHS and individuals undertaking the training rather than trusts, so those costing exercises which are concerned with narrowly defined costs to the provider organisation would not want to incorporate these investment costs.

| | Pre-registration | | | Post-graduate training | Totals | |
|---|------------------|---------------------------------------|--------------------|-------------------------------|------------------|------------------------------|
| | Tuition | Living expenses/lost production costs | Clinical placement | Tuition and replacement costs | Total investment | Expected annual cost at 3.5% |
| Professionals Allied to Medicine | | | | | | |
| Physiotherapist | 26,749 | 23,989 | 0 | 0 | 50,738 | 4,151 |
| Occupational Therapist | 24,843 | 23,989 | 0 | 0 | 48,832 | 4,002 |
| Speech and Language Therapist | 19,268 | 31,450 | 0 | 0 | 50,718 | 4,260 |
| Dietician | 19,643 | 31,450 | 0 | 0 | 51,093 | 4,343 |
| Radiographer | 37,012 | 23,989 | 0 | 0 | 61,001 | 4,969 |
| Pharmacist | 28,101 | 40,759 | 6,380 | 5,467 | 80,707 | 6,382 |
| Nurses | | | | | | |
| Ward Managers/Staff Nurses | 27,556 | 24,942 | -10,127 | 0 | 42,371 | 4,129 |
| District Nurse | 27,556 | 24,942 | -10,127 | 13,162 | 55,533 | 5,581 |
| Health Visitor | 27,556 | 24,942 | -10,127 | 13,162 | 55,533 | 5,695 |
| CPN | 27,678 | 24,942 | -9,634 | 13,162 | 56,148 | 5,295 |
| Practice Nurse | 27,556 | 24,942 | -10,127 | 13,162 | 55,533 | 5,183 |
| Doctors | | | | | | |
| Pre-Registration House Officer | 56,013 | 39,549 | 142,880 | 0 | 238,442 | 19,102 |
| Senior House Officer | 56,013 | 39,549 | 142,880 | 18,939 | 257,382 | 20,429 |
| Specialist Registrar | 56,013 | 39,549 | 142,880 | 44,978 | 283,420 | 22,198 |
| Consultants | 56,013 | 39,549 | 142,880 | 97,915 | 336,357 | 27,491 |
| GP | 56,013 | 39,549 | 142,880 | 72,389 | 310,831 | 26,647 |

The figure for clinical placement for nurses is shown as a negative number because the input during the placement represents a benefit to the service provider offering the placement.

¹ Netten, A., Knight, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

7.6 Rapid Response Service

This schema is based on information received from the Royal Victoria Hospital. The Rapid Response service serves the Shepway Primary Care Trust Areas and is designed to provide the local community with an alternative to hospital admission/long term care where appropriate. The information is based on 2002/2003 costs and updated using the appropriate inflators.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|--|--|
| A. Wages/salary | £145,590 per year | This is based on a team of two whole time E grades and five B grades, 1 G grade staff nurse (0.5) and 1 G grade care manager (0.25). This includes pay enhancements for unsocial hours worked. 2002/03 costs updated by the HCHS Pay Inflator. |
| B. Salary oncosts | £34,141 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £11,355 per year | The equivalent annual cost of pre-registration after the total investment cost has been annuitised over the expected working life. See schema 7.5 for more details on training costs for health professionals. |
| D. Training | Not known | In house training is provided. This includes OT, physiotherapy, ECGs, blood glucose, chiropody, vena puncture etc. The health care assistants often study to NVQ level. No costs are available for this. |
| E. Direct overheads | £3,590 per year £24,247 per year | Includes mobile phones, Uniform replacement for B grades nurses, stationery, thermometers, energy. 2002/2003 costs updated by the retail price index. Includes Administrative staff (grade 3), Manager (based on I grade) (0.25). 2002/2003 costs updated by the HCHS Pay Inflator. |
| F. Indirect overheads | £20,159 per year | Includes the personnel and finance functions. 2002/03 costs updated by the HCHS Pay and Prices Inflator. |
| G. Capital overheads | £2,148 per year | Based on the new build and land requirements of NHS facilities. ^{1/2} One office houses all the staff and 'hotdesking' is used. It is estimated that the office measures around 25 square metres. Capital has been annuitised at 3.5 per cent. |
| H. Equipment costs | £1,174 per year | The Service shares equipment with another so the total cost has been divided equally and annuitised over five years to allow for the expected life of the equipment. This includes facsimile machines, computers etc. 2002/2003 prices updated using the retail price index. |
| I. Travel | £18,535 per year | |
| Case load | 7 per week | The yearly case load is on average 364 patients. |
| Hours and length of service | 7 days a week (to include weekends and bank holiays) 8.00 am – 9.00 pm (24 hrs if required), 365 days per year. | The service would provide an intensive package of care, if necessary, over a 24 hour period to meet care needs, and support carers experiencing difficulty due to illness. It would be available for 72 hours and reviewed daily, with the possibility of extension, up to a maximum of 5 days in exceptional circumstances. |
| Patient contact hours Low cost episode High cost episode | 9,646 per annum 3 visits at 30 minutes for 3 days. 43 patient contact hours over three days. | Based on information about typical episodes delivered to patients. A low cost episode comprises 10 visits and includes initial assessment and travel costs. A high cost episode comprises 10 visits, on average a total of 43 patient contact hours (of which 11 are paid at the enhanced rate of £9.62 per hour), and the cost of an assessment and travel. |
| Length of assessment/ discharge | 1 hour 1 hour | The assessment is carried out by either an E or G grade nurse. The discharge is carried out by a G grade care manager. |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £21 (£22) cost per delivered hour (excludes cost for enhanced payments, cost of assessments, discharge and travel costs); cost of assessment £41 (includes travel), cost of discharge £49 (includes travel), travel per visit £4.60. £176 (£181) per low cost episode (includes assessment and travel costs); £1,000 (£1,050) per high cost episode (includes assessment, travel and unsocial hours). | | |

1 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

2 Office of the Deputy Prime Minister, Summer 2004.

7.7 Recuperative Care Unit

This schema is based on a joint project between Kent County Council, Ashford Borough Council, Age Concern and Ashford Primary Care Trust. Homebridge provides recuperative care in seven purpose-built self contained units for older people who need a period of recuperation following an illness, fall or where people have had increasing problems managing daily living. Homebridge provides intensive therapy and support to rebuild mobility and confidence so they can return back home.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|--|---|
| A. Wages/salary | £ 58,462 per year | This is based on a team of The Scheme Manager (20%), the number of hours allocated to HomeBridge by a part time Care Manager (80%) and a team of support workers who are provided by a Private Domiciliary Agency at a rate of £10.38. |
| B. Salary oncosts | £3,616 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation (excludes support workers). |
| C. Direct overheads: Administrative and management costs | £21,000 per year £3,700 per year £15,355 per year | This includes maintenance, running costs, repair/renewal of fixtures/fittings. Building expenses and equipment costs. Includes Project Manager (0.05), CART coordinator (£1000), Social Services Team Leader (0.08%) and Agency fees. |
| D. Indirect overheads | £ 10,000 per year | To cover the finance function. |
| E. Capital Building costs Land costs | £ 19,827 per year £10,025 per year | Based on actual cost of the 7 units and a lounge (shared by sheltered housing) and an office in 2003, and uprated using the Tender Price Index for Public Sector Building (non housing). Land costs were an estimate based on its alternate build value. Capital costs have been annuitised over 60 years at a discount rate of 3.5%. |
| Occupancy | 71% | On average 5 units of the 7 are occupied at any one time. |
| Case load | 32 per year | The yearly case load for January 2004 to January 2005 was 32 clients. |
| Average length of stay | 33 nights | |
| Hours and length of service | 7 days a week (to include weekends and bank holidays) | The service is available 7 days a week with support workers working 10.5 hours daily (3,832 per year). The Scheme Manager is available from Monday to Friday 7 am to 3 pm and in case of emergency there is also back up cover during evenings, nights and weekends via the call centre. |
| Patient related hours Typical episode Low cost episode High cost episode | 10 hours per week 7 hours per week 15 hours per week | All clients receive an initial assessment when referred to Homebridge usually at hospital. They are assessed on arrival by a Community Care Manager who continues to monitor them throughout their stay and discharges them at the end of their stay. 50% of clients stay on average 29 nights and receive 41 hours of contact with a support worker per week plus the above. 25% of clients stay 10 days and receive 10 hours with a support worker a week plus the above 25% of clients stay on average 64 days and receive 137 hours with support workers plus the above. |
| Cost of hospital assessment and admission to HomeBridge | £132 | This takes between 3-5 hours of a Hospital Care Manager's time who prepares the discharge from hospital and arranges the referral to Homebridge. A further 3 hours is required by the Social Services Duty Desk to make the admission arrangements at Homebridge. This is based on the salary of a Care Manager's Assistant. |
| Cost of discharge from Homebridge | £223 | This is carried out by a Community Care Manager and takes 8.5 hours. It involves 7.5 hours of face-to-face contact time for liaison with patient, professionals, families and services and also 1 hour administration. |
| Cost of Health services CART team | £170 per client per stay | On average 7 hours of therapy or nursing care was provided by the CART team costing £170 (face-to-face time). 50% of clients received on average 5 hours costing £117, 25% of clients received on average 18 hours costing £469 and 25% received 1 hour costing £22. |
| Unit costs available 2004/2005 | | |
| Full unit costs (all activities): Per unit £28,397 per year, £545 weekly (includes A to E); Per unit (full occupancy) £20,284 per year, £389 weekly. Costs per activity: assessment and referral £144 per client; discharge £253 per client, ambulance transport from hospital £35 per client; £3.70 per session at day care, £3.00 per meal on wheels, £35 cost of ambulance from hospital. Cost per episode: £1,460 cost of typical episode, £745 low cost episode; £3,384 high cost episode. | | |

II. COMMUNITY-BASED HEALTH CARE STAFF

8. Professionals allied to medicine

- 8.1 Community physiotherapist
- 8.2 NHS community occupational therapist
- 8.3 Community speech and language therapist
- 8.4 Chiropodist
- 8.5 Clinical psychologist
- 8.6 Community pharmacist

8.1 Community physiotherapist

Using Reference costs (www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for an episode of physiotherapy services for 2004 was £87 with the minimum range for 25 per cent of services being £57 and the maximum £128.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|---|
| A. Wages/salary | £28,240 per year | National average salary for a senior 1 grade physiotherapist, based on the mid-point of the April 2004 pay scale. It includes an element to reflect the proportion of staff who receive a London allowance and an allowance of £1,717 for supervising students. |
| B. Salary oncosts | £6,106 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,151 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details. |
| D. Overheads | £4,274 per year | Comprises £2,698 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ² |
| E. Capital overheads | £2,459 per year | Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £2.40 per visit | Based on expenditure provided by a community trust. |
| Working time | 42 weeks per annum 36 hours per week | Includes 25 days annual leave and 10 days statutory leave. ⁵ Assumes 5 study/training days, and 10 days sickness leave. ⁶ |
| <i>Ratio of direct to indirect time on:</i> | | |
| face-to-face contacts | 1:0.67 | Assuming 50 per cent in patient's own home; 10 per cent in clinics; 20 per cent on non-contact time; and 20 per cent on travel. Information derived from consultation with NHS Trusts. |
| clinic contacts | 1:0.33 | |
| home visits | 1:0.73 | |
| Length of contacts | 30 minutes 60 minutes | Per clinic contact. Per home visit. Based on discussions with Trusts. |
| Average for episode | 5.2 hours | Williams ⁵ estimates of an example episode for an older person on short rehabilitation. |
| London multiplier | 1.14 x (A to D) 1.49 x E | Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £27 (£30) per hour; £45 (£50) per hour of client contact; £36 (£40) per hour in clinic; £47 (£52) per hour of home visiting; £50 (£54) per home visit; £18 (£20) per clinic visit (includes A to E). Example episode £236 (£260). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.

6 Williams, J. (1991) *Calculating Staffing Levels in Physiotherapy Services*, Pampas, Rotherham.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula

8.2 NHS community occupational therapist

Using Reference costs (www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for Occupational Therapy services for 2004 was £75 with the minimum range for 25 per cent of the services being £60 and the maximum £156.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £28,240 per year | National average salary for a senior 1 grade occupational therapist, based on the mid-point of the April 2004 pay scale. The sum includes an element to reflect the proportion of staff who receive a London allowance and an allowance of £1,717 for supervising students. |
| B. Salary oncosts | £6,106 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,002 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. See schema 7.5 for more details. |
| D. Overheads | £4,274 per year | Comprises £2,698 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ¹ |
| E. Capital overheads | £2,459 per year | Based on the new build and land requirements of NHS facilities, ^{2/3} but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £2.40 per visit | Based on expenditure provided by a community trust. |
| Working time | 42 weeks per annum 36 hours per week | Includes 25 days annual leave and 10 days statutory leave. Assumes 5 study/training days, and 10 days sickness leave. ⁴ |
| <i>Ratio of direct to indirect time on:</i> | | |
| face-to-face contacts | 1:0.67 | Assuming 50 per cent in patient's own home; 10 per cent in clinics; 20 per cent on non-clinical activity time; and 20 per cent on travel. Information derived from consultation with NHS Trusts. |
| clinic contacts | 1:0.33 | |
| home visits | 1:0.73 | |
| Length of contacts | 30 minutes 60 minutes 5.2 hours | Per clinic contact. Per home visit. Per care episode. Based on discussions with Trusts. |
| London multiplier | 1.14 x (A to D) 1.49 x E | Allows for the higher costs associated with London compared to the national average cost. ⁵ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁵ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £27 (£30) per hour; £46 (£50) per hour of client contact; £36 (£40) per hour in clinic; £47 (£52) per hour of home visiting; £50 (£54) per home visit; £18 (£20) per clinic visit (includes A to E). £237 (£259) per care episode. | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister, Summer 2004.

4 Data provided by the Department of Health, Health Authority Personnel Division.

5 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

8.3 Community speech and language therapist

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Wages/salary | £25,337 per year | National average salary for a grade 2 speech and language therapist, based on the April 2004 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance. |
| B. Salary oncosts | £5,429 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,260 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details. |
| D. Overheads | £4,110 per year | Comprises £2,698 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ² |
| E. Capital overheads | £2,459 per year | Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £2.40 per visit | Based on expenditure provided by a community trust. |
| Working time | 42 weeks per annum 36 hours per week | Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave. ⁵ |
| <i>Ratio of direct to indirect time on:</i> | | |
| patient contacts | 1:0.67 | Assuming 50 per cent of time in patient's own home, 10 per cent in clinics, 20 per cent on non-clinical activity and 20 per cent on travel. Information derived from consultation with NHS Trusts. |
| clinic contacts | 1:0.33 | |
| home visits | 1:0.73 | |
| Length of contacts | 30 minutes 60 minutes | Per clinic contact. Per home visit. Based on discussions with Trusts. |
| London multiplier | 1.14 x (A to D) 1.49 x E | Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £25 (£28) per hour; £41 (£46) per hour of client contact; £33 (£37) per hour in clinic; £43 (£48) per hour of home visiting; £45 (£50) per home visit; £17 (£18) per clinic visit (includes A to E). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Department of Health Advance Letter (SP) 5/91, Appendix F.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

8.4 Community chiropodist

Using Reference costs (www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for chiropody services for 2004 was £22 with the minimum range for 25 per cent of services being £17 and the maximum £37.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|--|
| A. Wages/salary | £22,701 per year | National average salary for a grade 2 chiropodist, based on the April 2004 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance. |
| B. Salary oncosts | £4,815 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | | Qualification costs are not available. |
| D. Overheads | £4,074 per year | Comprises £2,698 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ¹ |
| E. Capital overheads | £2,459 per year | Based on the new build and land requirements of NHS facilities, ^{2/3} but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.25 per visit | Taken from Netten ⁴ and inflated using the retail price index. |
| Working time | 42 weeks per annum 36 hours per week | Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave. ⁵ |
| Ratio of direct to indirect time on: client contact | | No information available. Costs are based on the number of visits per week. |
| Average number of visits per week | 40 75 | Domiciliary visits. Clinic visits. Information provided by an NHS Trust. |
| London multiplier | 1.14 x (A to D) 1.49 x E | Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{2/3} |
| Unit costs available 2004/2005 | | |
| £23 per hour; £20 per home visit; £11 per clinic visit (includes A to E). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *A Ready Reckoner for Staff Costs in the NHS, Volume 2, Methodology*, page 13.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister, Summer 2004.

4 Netten, A. (1992) Some cost implications of caring for people: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

5 Data provided by the Department of Health, Health Authority Personnel Division.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

8.5 Clinical psychologist

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|--|
| A. Wages/salary | £35,368 per year | National average salary for a clinical psychologist, based on the mid-point of the April 2004 pay scale. |
| B. Salary oncosts | £7,858 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | | Qualification costs are not available. |
| D. Overheads | £4,860 per year | Comprises £2,698 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ¹ |
| E. Capital overheads | £2,124 per year | Based on the new build and land requirements of NHS facilities, ^{2/3} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.25 per visit | Taken from Netten ⁴ and inflated using the Retail Price Index. |
| Working time | 41 weeks per annum 36 hours per week | Includes 30 days annual leave and 10 days statutory leave. Assumes 5 study/training days, and 10 days sickness leave. ⁵ |
| Ratios of: professional outputs to support activities | 1:0.3 | Five types of 'chargeable service' have been distinguished ⁶ : clinical work with patients; clinical consultancy and project work; service organisation and development; teaching and supervision; and research and service evaluation. Mental health psychologists spend 40 per cent of their time on client contact. The relationship between the five types of chargeable service and other 'supporting activities' is similar for both types of psychologist. The multiplier used in the schema to reflect this variety of outputs is based on mental health psychologists. |
| London multiplier | 1.14 x (A to D) 1.49 x E | Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{2/3} |
| Unit costs available 2004/2005 | | |
| £34 per hour; £77 per hour of client contact; £44 per professional chargeable hour (includes A to E). Travel £1.25 per visit. | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *A Ready Reckoner for Staff Costs in the NHS, Volume 2, Methodology*, page 13.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister, Summer 2004.

4 Netten, A. (1992) Some cost implications of caring for people: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

5 Data provided by the Department of Health, Health Authority Personnel Division.

6 Cape, J., Pilling, S. & Barker, C. (1993) Measurement and costing of psychology services, *Clinical Psychology Forum*, October.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

8.6 Community pharmacist

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|--|
| A. Wages/salary | £36,772 per year | Based on information in <i>Tomorrow's Pharmacist 2001</i> (Careers - Where do you start?) ¹ , mid-point of range (excluding senior management positions), uprated using the HCHS Pay inflator. Salaries in community pharmacy start at around £24,515 and can go up to £49,030 or £61,287 in senior management positions (uprated using the PSS pay inflator). |
| B. Salary oncosts | £8,234 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications Pre-registration training: Post graduate training: | £5,927 per year | The equivalent annual cost of pre-registration education. The investment costs of a four year masters degree plus one year pre-registration training. The total investment cost has been annuitised over the expected working life. ^{2/3} The investment costs of education should always be included when evaluating the cost-effectiveness of different approaches to using health service staff as it is important to include all the costs implicit in changing the professional mix. The investment costs for pre-registration are borne partly by the HEFCE and by practitioners provided by the NHS. Community employers cover the cost for the pre-registration training year with some help from the Department of Health. A postgraduate diploma is available for community pharmacists but this would be taken in their own time and there is no available data on the proportion of pharmacists who undergo this. See schema 12.6 on Hospital Pharmacists for this cost. |
| D. Overheads | £4,949 per year | Comprises £2,698 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ⁴ |
| E. Capital overheads | £3,308 per year | Based on the new build and land requirements of a pharmacy, ^{5/6} plus additional space for shared facilities. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.25 per visit | Taken from Netten ⁷ and inflated using the retail price index. |
| Working time | 42 weeks per annum 40 hours per week | Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave. |
| <i>Ratio of direct to indirect time on:</i> direct clinical activities patient related activities | 1:1.50 1:0.25 | Ratios are estimated on the basis that 40 per cent of time is spent on direct clinical activities (includes advice to patients and travel), 40 per cent of time on dispensary service activities and 20 per cent of time on non clinical activities. |
| London multiplier | 1.14 x (A to D) 1.50 x E | Allows for the higher costs associated with London compared to the national average cost. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5/6} |
| Non-London multiplier | 0.97 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5/6} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £32 (£35) per hour (includes travel), £79 (£88) per hour of direct clinical activities (includes travel to visits), £40 (£44) per patient related activities. | | |

1 Livingston, S. (2001) Careers — where do you start? *Tomorrow's Pharmacist 2001*, <http://www.pjonline.com/students/tp2001/careers.html>

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Research carried out by the Royal Pharmaceutical Society of Great Britain.

4 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *A Ready Reckoner for Staff Costs in the NHS, Volume 2, Methodology*,

5 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Office of the Deputy Prime Minister, Summer 2004.

7 Netten, A. (1992) Some cost implications of caring for people: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

8 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

9. Nurses and doctors

- 9.1 District nurse
- 9.2 Community psychiatric nurse
- 9.3 Health visitor
- 9.4 NHS community nurse specialist for AIDS/HIV
- 9.5 Health care assistant
- 9.6 Practice nurse
- 9.7 Nurse practitioner in primary care
- 9.8a General practitioner — cost elements
- 9.8b General practitioner — unit costs
- 9.8c General practitioner — commentary

9.1 District nurse

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|--|
| A. Wages/salary | £26,181 per year | National average salary, based on the April 2004 scale mid-point for a G grade district nurse. The sum does not include any lump sum allowances or pay enhancements for unsocial hours worked. |
| B. Salary oncosts | £5,626 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £5,581 per year | The equivalent annual cost of pre-registration and post-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more information on training costs of health professionals. |
| D. Overheads | £5,879 per year | Comprises £2,698 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ² |
| E. Capital overheads | £2,124 per year | Based on the new build and land requirements of community health facilities, ^{3/4} but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.25 per visit | Taken from Netten ⁵ and inflated using the retail price index. |
| Working time | 42 weeks per annum 37.5 hours per week | Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave. |
| <i>Ratio of direct to indirect time on:</i> | | |
| face-to-face contacts | 1:1.08 | Dunnell and Dobbs ⁶ estimated that the proportion of working time spent in different locations/activities was as follows: patient's own home 38 per cent; clinics 6 per cent; hospitals 2 per cent; other face-to-face settings 2 per cent; travel 24 per cent; non-clinical activity 28 per cent. Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits. |
| clinic contacts | 1:0.58 | |
| home visits | 1:1.21 | |
| Length of contact | 20 minutes | Per home visit. Based on discussions with a group of NHS Trusts. |
| London multiplier | 1.14 x (A to D) 1.49 x E | Allows for the higher costs associated with London compared to the national average cost. ⁷ |
| Non-London multiplier | 0.97 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and the Office of the Deputy Prime Minister. ^{3,4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £25 (£29) per hour; £53 (£60) per hour spent with a patient; £40 (£46) per hour in clinic; £56 (£64) per hour spent on home visits (includes A to E); £20 (£23) per home visit (includes A to F). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

6 Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

7 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.2 Community psychiatric nurse

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Wages/salary | £26,660 per year | National average salary, based on the April 2004 scale mid-point for a G grade community psychiatric nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It does not include any lump sum allowances or pay enhancements for unsocial hours worked. |
| B. Salary oncosts | £5,738 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £5,295 per year | The equivalent annual cost of pre-registration and post-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more information on training costs of health professionals. |
| D. Overheads | £5,938 per year | Comprises £2,698 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ² |
| E. Capital overheads | £2,124 per year | Based on the new build and land requirements of community health facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.25 per visit | Taken from Netten ⁵ and inflated using the retail price index. |
| Working time | 42 weeks per annum 37.5 hours per week | Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave. |
| Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits | 1:1.78 1:1.19 1:2.03 | Dunnell and Dobbs ⁶ estimated that the proportion of working time spent in different locations/activities was as follows: patient's own home 25 per cent; clinics 3 per cent; other face-to-face settings 8 per cent; travel 21 per cent; non-clinical activity 43 per cent. Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits. |
| Length of contact | 20 minutes | Per home visit. Based on discussions with a group of NHS Trusts. |
| London multiplier | 1.14 × (A to D) 1.53 × E | Allows for the higher costs associated with London compared to the national average cost. ⁷ |
| Non-London multiplier | 0.97 × (A to D) 0.97 × E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3,4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £26 (£29) per hour; £71 (£81) per hour of client contact; £56 (£64) per hour of clinic contact; £78 (£88) per hour spent on home visits (includes A to E); £27 (£31) per home visit (includes A to F). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM), *Property Market Report*, Spring 2003, Valuation Office.

5 Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

6 Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

7 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.3 Health visitor

National Reference Costs (www.doh.gov.uk/nhsexec/refcosts.htm), give an average cost per health visitor episode of £97. This excludes all visits for vaccinations and immunisations, post natal visits and any school based visits.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|---|
| A. Wages/salary | £26,181 per year | National average salary for a health visitor, based on the April 2004 scale mid-point for a G grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It does not include any lump sum allowances or pay enhancements for unsocial hours worked. |
| B. Salary oncosts | £5,626 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £5,695 per year | The equivalent annual cost of pre-registration and post-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more information on training costs of health professionals. |
| D. Overheads | £5,879 per year | Comprises £2,698 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ² |
| E. Capital overheads | £2,124 per year | Based on the new build and land requirements of community health facilities, ^{3/4} but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.25 per visit | Taken from Netten ⁵ and inflated using the retail price index. |
| Working time | 42 weeks per annum 37.5 hours per week | Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave. |
| Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits | 1:1.86 1:1.40 1:2.47 | Dunnell and Dobbs ⁶ estimated that the proportion of working time spent in different locations/activities was as follows: patient's own home 15 per cent; clinics 12 per cent; other face-to-face settings 8 per cent; travel 16 per cent; non-clinical activity 49 per cent. Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits. |
| Length of contact | 20 minutes | Per home visit. Based on discussions with a group of NHS Trusts. |
| London multiplier | 1.14 x (A to D) 1.53 x E | Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3,4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £25 (£29) per hour; £72 (£83) per hour of client contact; £61 (£69) per hour of clinic contact; £88 (£100) per hour spent on home visits (includes A to E); £30 (£35) per home visit (includes A to F). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

6 Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

7 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.4 NHS community nurse specialist for HIV/AIDS

Based on a study of community services for people with HIV/AIDS in 1994/95 by Renton et al.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|---|
| A. Wages/salary | £32,972 per year | National average salary for community nurses specialising in the care of people with HIV/AIDS. Information about the grade and enhancement allowance was collected by Renton et al. Costs have been inflated by the HCHS pay index. |
| B. Salary oncosts | £7,216 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £5,581 per year | Based on the training costs of a district nurse. See schema 7.5 for more information on training costs of health professionals. |
| D. Overheads: direct and indirect | £6,717 per year | Comprises £2,698 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ² |
| E. Capital overheads | £1,527 per year | Based on the new build and land requirements of community health facilities, ^{3/4} but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.25 per visit | Based on community health service travel costs. ⁵ |
| Working time | 42 weeks per annum 37.5 hours per week | Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave. |
| Ratio of direct to indirect time on: face-to-face contacts | 1:1.5 | Based on findings by Renton et al. |
| Length of contact | | |
| London multiplier | 1.14 x (A to D) 1.44 x E | Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 x (A to D) 0.96 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3,4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £31 (£34) per hour; £77 (£85) per hour of client contact (includes A to E). Travel £1.25 per visit. | | |

1 Renton, A., Petrou, S. & Whitaker, L. (1995) *Utilisation, Needs and Costs of Community Services for People with HIV Infection: A London-based Prospective Study*, Department of Health, London.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 15.

6 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.5 Health care assistant

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|--|
| A. Wages/salary | £13,483 per year | National average salary for a health care assistant, based on the April 2004 scale mid-point for a B grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It does not include any lump sum allowances or pay enhancements for unsocial hours worked. |
| B. Salary oncosts | £2,667 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £0 | No professional qualifications assumed. |
| D. Overheads | £3,506 per year | Comprises £2,698 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ¹ |
| E. Capital overheads | £851 per year | Based on the new build and land requirements of community health facilities, ^{2/3} but adjusted to reflect shared used of both treatment and non-treatment space. It is assumed that an auxiliary nurse uses one-sixth of the treatment space used by a district nurse. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.25 per visit | Taken from Netten ⁴ and inflated using the retail price index. |
| Working time | 44 weeks per annum 37.5 hours per week | Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 20 days annual leave and 10 statutory leave days. Assumes 10 days sickness leave, but no study/training days. |
| Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits | 1:0.61 1:0.27 1:0.64 | Dunnell and Dobbs ⁵ estimated that the proportion of working time spent in different locations/activities was as follows: patient's own home 58 per cent; clinics 2 per cent; other face-to-face settings 2 per cent; travel 21 per cent; non-clinical activity 17 per cent. Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits. |
| Length of contact | 20 minutes | Per home visit. Based on discussions with a group of NHS Trusts. |
| London multiplier | 1.14 x (A to D) 1.53 x E | Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and ODPM. |
| Non-London multiplier | 0.97 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{2,3} |
| Unit costs available 2004/2005 | | |
| £12 per hour; £20 per hour spent with a patient; £16 per hour in clinic contacts; £20 per hour spent on home visits; £8 per home visit (includes A to F). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM), *Summer 2004*.

4 Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

5 Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

6 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.6 Practice nurse

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Wages/salary | £23,355 per year | Based on the April 2004 scale mid-point for a F grade nurse. A study in Sheffield found the average hourly rate for a practice nurse was £9.79 in 1997/1998 which is the equivalent of an F grade district nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance in order to provide a national average. |
| B. Salary oncosts | £4,968 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £5,183 per year | Equivalent annual cost of pre-registration and post-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more information on training costs of health professionals. |
| D. Overheads | £5,531 per year | Comprises £2,698 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ² |
| E. Capital overheads | £3,438 per year | Based on new build and land requirements of community health facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £0.60 per visit | Atkin and Hirst ⁵ assumed an average journey of two miles and costed travel at 22.3 pence per mile (1992/1993 prices), inflated using the retail price index. Travel costs were found to be lower than those incurred by district nurses as they only visit within an area defined by the practice. |
| Working time | 42 weeks per annum 37 hours per week | Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave. |
| Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits | 1:0.18 1:0.12 1:0.45 | Assumed time use: 15 per cent patient's own home; 60 per cent clinics/surgeries; 5 per cent hospital; 5 per cent other face-to-face settings; 5 per cent travel; and 10 per cent non-clinical activity. Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits. Based on discussions with health service professionals. |
| Length of contact | 27 minutes | Per home visit. Based on a one week survey of 4 Sheffield practices. ⁶ |
| Client contacts | 98 per week 109 per week | No. of consultations per week. No. of procedures per week. ⁷ |
| London multiplier | 1.14 x (A to D); 1.56 x E | Allows for the higher costs associated with London compared to the national average cost. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Non-London multiplier | 0.97 x (A to D) 0.96 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £24 (£27) per hour; £28 (£31) per hour of client contact; £27 (£30) per hour in clinic; £9 (£10) per consultation; £8 (£9) per procedure; £35 (£39) per hour of home visits (includes A to E); £12 (£18) per home visit (includes A to F). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS*, Vols 1 & 2, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS*, Vol 2, *Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Atkin, K. & Hirst, M. (1994) *Costing Practice Nurses: Implications for Primary Health Care*, Social Policy Research Unit, University of York.

6 Centre for Innovation in Primary Care (1999) *Consultations in General Practice — What do they cost?*, Centre for Innovation in Primary Care, Sheffield.

7 Jeffreys, L.A., Clark, A. & Koperski, M. (1995) Practice nurses' workload and consultation patterns, *British Journal of General Practice*, 45, August, 415-418.

8 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.7 Nurse practitioner in primary care

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £31,055 per year | Taken from the Royal College of Nursing recommended pay, terms and conditions 2004/2005. It includes an element to reflect the proportion of staff who receive a London allowance in order to provide a national average. |
| B. Salary oncosts | £6,762 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £7,942 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ The RCN recommends that nurse practitioners should undertake a specific course of study to at least honours degree. Pre-registration training includes general nurse's training plus further education to honours or masters degree level. If post graduate training was undertaken (including the Nurse Prescribing Course), there would be an additional annuitised cost of £4,227. |
| D. Overheads | £6,480 per year | Comprises £2,698 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ² |
| E. Capital overheads | £3,438 per year | Based on the new build and land requirements of community health facilities, ^{3/4} but adjusted to reflect shared use of treatment (£2,113) and non treatment space (£1,325). Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 42 weeks per annum 37.5 hours per week | Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days and 10 days sickness leave. |
| <i>Length of consultation:</i> Surgery Home Telephone | 15 minutes 25 minutes 6 minutes | Information provided by 27 nurse practitioners working in primary care contacted about length of consultations. Venning et al ⁵ found that nurse practitioners spent a mean of 11.57 minutes face-to-face with patients (SD 5.79 mins) and an additional 1.33 minutes per patient in getting prescriptions signed. |
| <i>Ratio of direct to indirect time on:</i> face-to-face contacts patient contact (incl. telephone) | 1:0.71 1:0.55 | Information provided by 27 nurse practitioners on time use. Surgery consultations 58 per cent, home visits 0.4 per cent and telephone consultations 6.4 per cent. Getting prescriptions signed 1.4 per cent. Travel time to home visits was negligible (0.1 per cent). |
| London multiplier | 1.14 x (A to D) 1.56 x E | Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 x (A to D) 0.96 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister, Transport and the Regions. ^{3,4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| Cost per hour £30 (£36), cost per hour in surgery £52 (£62), cost per hour of client contact £47 (£55), cost per surgery consultation £13 (£15). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS*, Vols 1 & 2, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS*, Vol 2, *Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, Quarter 1, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Venning, P., Durie, A., Roland, M., Roberts, C. & Leese, B. (2000) *Randomised Controlled Trial Comparing Cost Effectiveness of General Practitioners and Nurse Practitioners in Primary Care*.

6 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.8a General practitioner — cost elements

| Costs and unit estimation | 2004/2005 value | Notes (for further clarification see Commentary) |
|---|--------------------------------|---|
| A. Net remuneration | £76,394 per annum | Estimated Intended average net income for 2004/2005 ¹ plus expected further earnings associated with higher target payments uprated from 2003 using the HCHS pay inflator less expected expenses associated with the activity. This figure has been adjusted to reflect the expected Income for a whole-time equivalent GP. ² See commentary (9.8c). |
| B. Practice expenses | | |
| – Direct care staff | £17,831 per annum | On average in 2004/2005, each wte principal employed 0.43 of a practice nurse and 0.06 of other direct care staff. |
| – Travel | £4,598 per annum | Travel costs are estimated using the car allowance for GP registrars. ³ This is based on AA information about the full cost of owning and running a car and allows for 10,000 miles. Average cost per visit is £5. Travel costs are included in the annual and weekly cost but excluded from costs per minute and just added to cost of a home visit. |
| – Other | £49,756 per annum | Other practice expenses are estimated on the basis of Inland Revenue Schedule D expenses for 2002/03, less expenditure on direct care staff, trainees, associates, locum staff, computer equipment and travel (see commentary). Expenditure is inflated using the HCHS pay and prices inflators, and adjusted to allow for wte principals. Excludes all expenditure on drugs. Average prescription costs per consultation are £32.40 ⁴ . |
| C. Qualifications | £26,647 per annum | The equivalent annual cost of pre-registration and postgraduate medical education. The investment costs of a medical degree, one year spent as a pre-registration house officer, two years as senior house officer and one year as a GP registrar have been annuitised over the expected working life of the GP. See schema 7.5 for more information on training costs of health professionals. |
| D. Ongoing training | £1,034 per annum | Calculated using budgeting information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Levy (MADEL) funds (provisional). Adjustment has been made to reflect assumed usage of educational facilities. |
| E. Capital costs | | |
| – Premises | £7,638 per annum | Based on new build and land requirements for a GP practitioner suite. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| – Equipment | £1,819 per annum | Expenditure on computer equipment is used as proxy for annuitised capital costs (see commentary). Uprated using the HCHS Prices index. |
| F. Overheads | £6,791 per annum | Estimated assuming an average list size of 1885 (1996 figure, personal communication with NHS Executive). When inflated using the HCHS pay index and adjusted to allow for a wte GP, the costs were: family health services administration £1.88 per head (3,543 per GP), strategy and development £0.76 (£1,428), and supporting primary care-led purchasing £0.90 (£1,700). ⁵ |
| Working time | 46.5 wks p.a. 44.7 hrs p.w. | Derived from the GMP Workload Survey 1992/1993. Allows for time spent per year on annual leave, sick leave and study leave. |
| Ratio of direct to indirect time: | | |
| surgery/clinic/phone contact | 1:0.57 | Based on proportion of time spent on home visits (10.5 per cent), surgery contacts (surgery consultations 36.6 per cent; telephone consultations 7.7 per cent; clinics 2.9 per cent) reported in the 1992-1993 survey of GMPs. ⁶ Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Surgery and home visit multipliers allocate travel time just to home visits. |
| home visits | 1:1.46 | |
| Consultations:: | | |
| Surgery | 10.0 ⁷ minutes | |
| Clinic | 12.6 minutes | Based on GMP workload survey ⁶ , the time spent on a home visit just includes time spent in the patients home. On average 12 minutes were spent travelling per visit. This travel time has been allowed for in the estimation of the ratio of direct to indirect time spent on home visits. |
| Telephone | 10.8 minutes | |
| Home visit | 13.2 minutes | |
| Unit costs for 2004/2005 are given in table 9.8b | | |

1 Estimate provided by the Department of Health.

2 Information provided by Department of Health.

3 Information provided by Department of Health.

4 Figures have decreased since last year due to a reduction in the number of prescriptions per consultation.

5 Griffiths, J. (1998) *Roles, Functions and Costs of Health Authorities*, NHS Executive, Leeds.

6 General Medical Practitioners' Workload Survey 1992-93, Final Analysis (1994) Joint evidence to the Doctors' and Dentists' Review Body from the Health Departments and the GMSC.

7 www.doctors.net.uk/gpsurvey

9.8b General practitioner — unit costs

| Unit cost 2004/2005 | Including direct care staff costs | | Excluding direct care staff costs | |
|--|--|-----------------------------|-----------------------------------|-----------------------------|
| | With qualification costs | Without qualification costs | With qualification costs | Without qualification costs |
| Annual | £191,402 | £164,755 | £173,571 | £146,924 |
| ¹ Per hour of GMS activity | £90 | £77 | £81 | £68 |
| ¹ Per hour of patient contact | £143 | £122 | £129 | £108 |
| ¹ Per surgery/clinic minute | £2.40 | £2.00 | £2.10 | £1.80 |
| ¹ Per home visit minute | £3.70 | £3.20 | £3.40 | £2.80 |
| ¹ Per surgery consultation lasting 10.0 minutes | £24 | £20 | £21 | £18 |
| ¹ Per clinic consultation lasting 12.6 minutes | £30 | £25 | £27 | £23 |
| ¹ Per telephone consultation lasting 10.8 minutes | £25 | £22 | £23 | £19 |
| Per home visit lasting 13.2 minutes ² (plus 12 minutes travel time) | £69 | £59 | £63 | £53 |
| Prescription costs per consultation | £32.40 | | | |
| Average costs incurred by patient when attending a GP surgery. | £7.60 ³ (Includes weighted average loss of waged time and non-waged time plus oncosts plus cost of travel). | | | |

¹ In order to provide consistent unit costs, these costs exclude travel costs.

² Allows for 12 minute travel time. Previous estimates included prescription costs. These have now been excluded to provide consistency with other consultation costs.

³ Kernick, D., Reinhold, D. & Netten, A. (2000) What does it cost to see the doctor? *British Journal of General Practice*, 50, 401-403.

9.8c General practitioner — commentary

GP expenditure. On 1 April 2004, the new GMS Contract was implemented across the UK to which almost 100 per cent of practices have now signed up to. The contract's new funding formula marks a radical change in the funding of GP practices, shifting the focus from doctor numbers, to take into account the needs of patients and practice workload. It has moved away from using the complex structure of Intended Average Net Income (IANI) (explained in previous volumes), for GPs, expenses and the balancing mechanism and the associated problems. Under the new contract, the concept of the intended average net remuneration for GP principals has disappeared and the new allocation formula will mean that practice income will no longer be based on the number of individual practitioners, but will increasingly reflect the particular health needs of each practice's local community. Last year and this year however, our figures have been updated as the Department of Health are in the process of reworking the method of calculation and results will be available only after the 2005 Inland Review enquiry has been published.

Allowing for whole time equivalence (wte). NHS Executive estimated that there would be 28,568 unrestricted principals in 2003/04¹. On the basis of information provided by the Department of Health about proportion of part time GPs, it was estimated that this was the equivalent of 25,739 wte GPs.

Direct care staff.² On average in 2004 each wte principal employed 0.43 of a practice nurse.

Allowing for expenditure not associated with GP activity. GPs IAGI covers trainees, associates, locums and assistants whose activity results in separate outputs. Expenditure on trainees and associates is deducted based on information from HA annual accounts. Locum expenses are also deducted: HAs pay 60 per cent when GPs qualify so the remaining 40 per cent is deducted from indirectly reimbursed expenses. On the basis of HA accounts and assuming that GPs pay locums 75 per cent of intended net remuneration, 4.4 locum days per wte GP are purchased when GPs qualify for allowances. It is known that GPs employ locums when they do not qualify for allowances, so the total amount deducted has been increased to allow for four weeks per GP. The assistants' allowance has been deducted from HA expenditure, but no further adjustment has been made. The resulting unit costs are not very sensitive to assumptions about the level of locum activity: rounded unit costs per consultation and per home visit do not change if the number of locum weeks purchased is one or four weeks.

Other practice expenses. These are estimated by deducting specific expenditure, care staff, travel etc. from total expenditure. Not too much should be read into variations between individual years as they may well result from individual year's estimates being too low or a little high.

Computer equipment. A study of 1995/1996 and 1996/1997 accounts found that 51.1 per cent of computer reimbursements were for equipment. Fifty per cent of computer capital reimbursements are made through HAs - the remainder are paid by GPs. Total capital expenditure is deducted from overall expenses. At present the total amount deducted is identified in the schema as computer equipment costs. This should be replaced by an annuitised figure reflecting the level of computer equipment in GP surgeries. The situation at present is very variable between GPs and changeable over time, making it difficult at present to make any realistic assumptions.

Prescription costs. These are based on information about annual numbers of consultations per GP (9,363 in 2004/2005)³ number of prescriptions per GP (26,112 in 2004)⁴ and the average total cost per prescription (£11.62 at 2004 prices)⁵. The number of prescriptions per consultation (2.79) probably reflects repeat prescriptions arising from initial consultations.

Overheads. Family Health Services administration includes administration of the contracts of GPs, financial payments to practitioners, transfers of patients' medical records, registration and allocation of GPs' patients, and breast and cervical cytology screen systems. Strategy and development includes the costs of primary care strategy and development, and practice premises, staff, IT and personnel development. Supporting primary care-led purchasing includes the cost of support for activities such as locality commissioning, fundholding, and employment of GPs.

Activity. The GMP Workload Survey (1992/1993) was conducted for every week of the year. The difference between the average number of hours per week of doctors undertaking GMS activity and those not undertaking such activity is the number of weeks leave/sick etc. Full-time doctors activity was used in order to ensure that we are estimating for wte doctors. In order to convert the annual hours worked into weeks the average number of hours worked on GMS duties each week by GMPs carrying out GMS duties was used. On this basis wte GMPs work 46.5 weeks a year for 44.7 hours per week.

Coverage. Figures refer to Great Britain rather than England. GPs in Scotland do have lower incomes than GPs in England on average. This has been found to be due to lower list sizes and correspondingly lower levels of activity.⁶

Fundholding. No allowance for fundholding has been included as the fundholding allowance covers the cost of managing the commissioning of secondary care so are not strictly a cost of primary care.

1 General Practice in the UK: a basic overview, May 2005.

2 NHS Executive (2004) *General and Personal Medical Services Statistics, England and Wales*,.

3 National Audit Office, Patient Choice at the Point of GP Referral, Report by the Comptroller and Auditor General, HC 180 Session 2004-2005, 19 January 2005.

4 Department of Health Prescribing Analysis and Cost (PACT) system data. 2004.

5 Prescribing support unit, Health and Social Care Information Centre..

6 General Medical Practitioners' Workload Survey 1992-93, Final Analysis (1994), Joint evidence to the Doctors' and Dentists' Review Body from the Health Departments and the GMC.

III. COMMUNITY-BASED SOCIAL CARE

10. Social care staff

- 10.1 Social work team leader
- 10.2 Social worker (adult)
- 10.3 Social worker (children)
- 10.4 Social work assistant
- 10.5 Home care worker
- 10.6 Personal home care
- 10.7 Community occupational therapist (local authority)
- 10.8 Intensive case management for older people
- 10.9 Adolescent support worker
- 10.10 Family support worker

10.1 Social work team leader

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Salary | £31,950 per year | Information taken from the Social Services Workforce Analysis, 2004 ¹ showed that an average salary for a for a team leader working in adult services was £31,950 for full time staff with a range of £28,720 to £34,211 and an average of £30,808 for part time staff with a range of £29,527 to £30,971. A team leader working full-time in children's services was £32,501 with a range of £29,227 to £34,586 and part time was £32,476 with a range of £30,974 to £34,000. Information taken from a survey carried out by PSSRU of 40 authorities during 2005 found that the midpoint between the average minimum and the average maximum was £34,439. The salaries ranged from £26,625-£42,894 and the median salary was £31,047 outside London and £38,676 in London. Wage levels reflect the average level of wages paid in 25 of the authorities. The information was weighted by authority size and social work team leader staff numbers. |
| B. Salary oncosts | £6,970 per year | Employers' national insurance plus 14 per cent of salary for contribution to superannuation. |
| C. Qualifications | | |
| D. Overheads | £5,838 per year | Fifteen per cent of salary costs for management and administrative overheads. ² |
| E. Capital overheads | £2,106 per year | Based on the new build and land requirements for a local authority office and shared facilities for waiting, interviews and clerical support. ^{3/4} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | | No information available about travel costs for social work team leaders. |
| Working time | 42 weeks per annum 37 hours per week | Includes 20 days annual leave and 10 statutory leave days. Ten days sickness leave and 10 days for study/training have been assumed. |
| Ratios of direct to indirect time on: client-related work | 1:0.30 | Team leaders provide a number of outputs other than direct client-related work (such as support and training). They do, however, usually carry a caseload and carry out assessments. Drawing on a study by the National Institute for Social Work, ⁵ it is assumed that when team leaders are involved in such activities, the relationship between client-related and non-client-related time is the same as that for social workers. |
| Domiciliary v. office/clinic visit | | It is not possible to estimate a cost per visit as there is no information available on the number of visits or the typical length of time spent with a client. |
| London multiplier | 1.25 x A 1.57 x E | Based on the same source as the salary data. Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.93 x (A to D) 0.96 x E | Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister. ^{3,4} |
| Unit costs available 2004/2005 | | |
| £30 per hour; £39 per hour of client-related work (includes A to E). | | |

1 Adult, Children and Young People Local Authority Social Care Workforce Survey 2004, Report No. 35, Social Care Workforce Series, July 2005, Local Authority Workforce Survey Group.

2 Knapp, M., Bryson, D. & Lewis, J. (1984) The comprehensive costing of child care: the Suffolk cohort study, Discussion Paper 355, Personal Social Services Research Unit, University of Kent.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Levin, E. & Webb, S. (1997) *Social Work and Community Care. Changing Roles and Tasks*, Draft final report to the Department of Health.

10.2 Social worker (adult)

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|--|
| A. Salary | £25,135 per year | Information taken from the Social Services Workforce Analysis, 2004 ¹ showed that an average salary for a social worker working full-time in adult services was £25,135 with a range of £20,818 to £28,190 and part time was £25,261 with a range of £21,693 to £26,973. Information taken from a survey carried out by PSSRU of 40 authorities during 2005 found that the midpoint between the average minimum and the average maximum was £24,381. Salaries ranged from £17,409 and £37,862 and the median salary was £24,396. Wage levels reflect the average level of wages paid in 27 of the authorities. The information was weighted by authority size and social work team leader staff numbers. |
| B. Salary oncosts | £5,382 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | | |
| D. Overheads | £4,578 per year | Fifteen per cent of salary costs for management and administrative overheads. ² |
| E. Capital overheads | £2,106 per year | Based on the new build and land requirements for a local authority office and shared facilities for waiting, interviews and clerical support. ^{3/4} Capital costs have been annuitised over 60 year at a discount rate of 3.5 per cent. |
| F. Travel | | No information is readily available about travel costs for social workers. |
| Working time | 42 weeks per annum 37 hours per week | Includes 20 days annual leave and 10 statutory leave days. Ten days sickness leave and 10 days for study/training have been assumed. |
| <i>Ratios of direct to indirect time on:</i> client-related work direct outputs face-to-face contact | 1:0.30 1:0.85 1:4.00 | Ratios are estimated on the basis that 77 per cent of time is spent on client-related work, ^{5/6} 54 per cent on direct outputs for clients, ⁷ and 20 per cent on face-to-face contact. ^{7/8} Face-to-face contact is not a good indicator of input to clients. |
| Domiciliary v. office/clinic visit | | It is not possible to estimate a cost per visit as there is no information available on the number of visits or the typical length of time spent with a client. |
| London multiplier | 1.20 x A 1.57 x E | Based on the same source as the salary data. Building Cost Information Service and Office of the Deputy Prime Minister, Transport and the Regions. |
| Non-London multiplier | 0.93 x (A to D) 0.96 x E | Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister. ^{3,4} |
| Unit costs available 2004/2005 | | |
| £24 per hour; £31 per hour of client-related work; £44 per hour of direct outputs; £115 per hour of face-to-face contact (includes A to E). | | |

1 Adult, Children and Young People Local Authority Social Care Workforce Survey 2004, Report No. 35, Social Care Workforce Series, July 2005, Local Authority Workforce Survey Group.

2 Knapp, M., Bryson, D. & Lewis, J. (1984) The comprehensive costing of child care: the Suffolk cohort study, Discussion Paper 355, Personal Social Services Research Unit, University of Kent.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Tibbitt, J. & Martin, P. (1991) The Allocation of 'Administration and Casework' Between Client Groups in Scottish Departments of Social Work, CRU Papers, Scottish Office.

6 von Abendorff, R., Challis, D. & Netten, A. (1995) Case managers, key workers and multidisciplinary teams, Discussion Paper 1038, Personal Social Services Research Unit, University of Kent.

7 Levin, E. & Webb, S. (1997) *Social Work and Community Care. Changing Roles and Tasks*, Final report to the Department of Health.

8 Netten, A. (1997) Costs of social work input to assessment and care package organisation, in A. Netten & J. Dennett (eds) *Unit Costs of Health and Social Care 1997*, Personal Social Services Research Unit, University of Kent, Canterbury.

10.3 Social worker (children)

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Salary | £24,487 per year | Information taken from the Social Services Workforce Analysis, 2004 ¹ showed that an average salary for a social worker working full-time in children's services was £24,487 with a range of £20,228 to £27,639 and part time was £25,144 with a range of £21,422 to £27,403. Information taken from a survey carried out by PSSRU of 40 authorities during 2005 found that the midpoint between the average minimum and average maximum was £24,841. Salaries ranged from £17,409 to £37,862 and the median salary was £24,396. Wage levels reflect the average level of wages paid in 27 of the authorities. The information was weighted by authority size and social work team leader staff numbers. |
| B. Salary oncosts | £5,231 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | | |
| D. Overheads | £4,458 per year | Fifteen per cent of salary costs for management and administrative overheads. ² |
| E. Capital overheads | £2,106 per year | Based on the new build and land requirements for a local authority office and shared facilities for waiting, interviews and clerical support. ^{3/4} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | | No information is readily available about travel costs for social workers. |
| Working time | 42 weeks per annum 37 hours per week | Includes 20 days annual leave and 10 statutory leave days. Ten days sickness leave and 10 days for study/training have been assumed. |
| Client-related work <i>Ratio of direct to indirect time on:</i> Home visits | 1:1.5 | In a study of the determinants of expenditure on children's personal social services, Carr-Hill et al. ⁵ found that the annual input per child was 2,973 minutes, or about 50 hours per week in 1998 and that 40 per cent of social work time directly associated with clients was on home visits. Travel time was included where appropriate. |
| Client related work | 1:0.5 | In a study commissioned by the Department of Health, ⁶ it was found that 66 per cent of a children's social worker's time was spent on client-related activities, allowing an hour spent on client-related activities to be costed. This is not the same as the cost per hour spent with a client. |
| London multiplier | 1.20 x A 1.57 x E | Based on the same source as the salary data. Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Non-London multiplier | 0.93 x (A to D) 0.96 x E | Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 | | |
| £23 per hour; £35 per hour of client-related work; £58 per hour's home visit; £112 per child per week (includes A to E). | | |

1 Adult, Children and Young People Local Authority Social Care Workforce Survey 2004, Report No. 35, Social Care Workforce Series, July 2005, Local Authority Workforce Survey Group.

2 Knapp, M., Bryson, D. & Lewis, J. (1984) The comprehensive costing of child care: the Suffolk cohort study, Discussion Paper 355, Personal Social Services Research Unit, University of Kent.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Roy, A., Carr-Hill, R., Nigel, R. & Smith, P.C. (1999) The determinants of expenditure on children's personal social services, *British Journal of Social Work*, 29, 679-706.

6 Department of Health (2001) The Children in Need Census 2001 — National Analyses, www.doh.gov.uk/qualityprotects/work_pro/analysis1.htm.

10.4 Social work assistant

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Salary | £17,723 per year | Information taken from a survey carried out by PSSRU of 40 authorities during 2005. Wage levels reflect the average level of wages paid in 23 of the authorities. The midpoint between the average minimum and average maximum was £16,904. The information was weighted by authority size and social work assistant staff numbers. The salaries ranged from £13,701-£22,552. The median salary was £16,230 outside London and £21,895 in London. |
| B. Salary oncosts | £3,655 per year | Employers' national insurance plus 14 per cent of salary for contribution to superannuation. |
| C. Overheads | £3,207 per year | Fifteen per cent of salary costs for management and administrative overheads. ¹ |
| D. Capital overheads | £2,106 per year | Based on the new build and land requirements for a local authority office and shared facilities for waiting, interviews and clerical support. ^{2/3} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| E. Travel | | No information is readily available about travel costs for social work assistants. |
| Working time | 43 weeks per annum 37 hours per week | Includes 20 days annual leave and 10 statutory leave days. Ten days sickness leave and 5 days for study/training have been assumed. |
| Ratios of direct to indirect time on: client-related work face-to-face contact | 1:0.18 1:2.69 | Ratios are used to estimate the full cost of direct and indirect time required to deliver each output. No information is available about the proportion of social work assistant time spent on client-related outputs so for the purpose here it is assumed that 85 per cent of time was spent on such activity. Direct face-to-face contact is not a good indicator of input to clients, but it is often the only information available. A study by the National Institute for Social Work ⁴ included 52 social work assistants who spent 27 per cent of their time in face-to-face contact. Work by Netten gives more information. ⁵ |
| London multiplier | 1.34 x A 1.57 x D | Based on the same source as the salary data. Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.93 x (A to D) 0.96 x D | Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister. ^{2/3} |
| Unit costs available 2004/2005 | | |
| £17 per hour; £20 per hour of client-related work; £62 per hour of face-to-face contact (includes A to E). | | |

1 Knapp, M., Bryson, D. & Lewis, J. (1984) The comprehensive costing of child care: the Suffolk cohort study, Discussion Paper 355, Personal Social Services Research Unit, University of Kent.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister, Summer 2004.

4 Levin, E. & Webb, S. (1997) *Social Work and Community Care. Changing Roles and Tasks*, Draft final report to Department of Health.

5 Netten, A. (1997) Costs of social work input to assessment and care package organisation, in A. Netten & J. Dennett (eds) *Unit Costs of Health and Social Care 1997*, Personal Social Services Research Unit, University of Kent, Canterbury.

10.5 Local authority home care worker

The information is based on data collected from a benchmarking club of 14 local authorities, all located in the Midlands. The original data were for 1998/1999 and have been updated to 2004/2005 prices. This can be compared with a mean hourly cost of LA home care of £18 based on PSS EX1 2003/04¹ updated by the PSS Pay and Prices Index. Average cost of all LA home care including LA and independent provision (see schema 10.6) was £14 per hour.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £6.40 per hour | Information taken from a telephone survey carried out by PSSRU of 40 authorities during 2005. Wage levels reflect the average level of wages paid in 17 of the authorities. In order to estimate annual costs it was assumed that this is paid to full-time workers for 52.18 weeks per year. Median wage levels were £6.10 per hour and ranged from £5.90 to £7.60 per hour. |
| B. Salary oncosts | £1.30 per hour | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Direct overheads | £1.80 per hour | Direct overheads include administration, management, office costs, insurance, training and premises. For those authorities for which the information was available, these costs comprised about 15 per cent of total hourly costs on average in the 14 authorities ² . Total hourly costs include unsocial hours payments. |
| D. Indirect overheads | £0.90 per hour | Indirect overheads include general management and support services such as finance departments and human resource departments. For those authorities for which the information was available, these costs comprised about 8 per cent of total hourly costs on average. Total hourly costs include unsocial hours payments. |
| E. Travel | £0.50 per visit | Cost of travel per visit was estimated from information provided by the authorities about expenditure on travel and number of visits. |
| Working time | 43 weeks per annum 39 hours per week | Although there were a small number of authorities and considerable variation in the level of non-productive time reported, the assumption of 20 days annual and 10 days statutory leave appeared to be reasonable. Average levels of sick leave were much higher than had previously been assumed, however: 15 days compared with 10. A few of the authorities also allowed time off for training. The majority of the authorities employed home care workers for a 39 hour working week. |
| Ratios of direct to indirect time on contact: | 1:0.16 | On the basis of information provided about the number of working hours paid for and the number of contact hours with clients, 86 per cent of time was spent in direct contact on average, ranging between 72 and 99 per cent of time. |
| Length of visit | 45 minutes | Average length of visits based on information about number of contact hours and number of visits, ranged between 33 minutes and an hour. |
| Typical home care package | 7.6 hours per week | Average number of local authority home help contact hours received per household per week. ³ Based on a study of community care packages, ⁴ it has been estimated that 6.4 hours are worked weekdays between 9 a.m. and 5 p.m., 0.1 hours weekdays after 5 p.m., and 0.53 hours each on Saturday and Sunday. The authorities in the Benchmark Club visited clients 6.34 times per week on average. Increasing this pro rata to reflect the increase in the number of hours of 7.6 which are being received since the time of the study (previously 5 hours) raises the number of visits to 9.6. |
| Unsocial hours multipliers | 1.2 1.5 2.0 1.3 | Weekdays 8 p.m to 10 p.m Saturday Sundays and bank holidays Evenings |
| Unit costs available 2004/2005 | | |
| £13 per weekday hour (£16 per hour weekday evenings; £19 per hour Saturdays; £26 per hour Sundays); £15 per hour face-to-face weekday contact (£18 per hour weekday evenings; £23 per hour Saturdays; £30 per hour Sundays) (Includes A to D). £126 typical home care package if all hours are provided by the LA. | | |

1 PSS EX1 2003/04, Department of Health.

2 Based on data collected from a benchmarking club of 14 local authorities located in the Midlands in 1998/1999.

3 Department of Health (2002) <http://www.doh.gov.uk/public/hh2001.htm>

4 Bauld, L., Chesterman, J., Davies, B., Judge, K. & Mangalore, R. (2000) *Caring for Older People: An Assessment of Community Care in the 1990s*, Ashgate, Aldershot.

10.6 Prices of independently provided personal home care

The data presented below are drawn from a study of 155 personal home care providers in 11 local authorities conducted in 1999.^{1/2/3} The analyses of these data revealed average mark-up rates of 11.6 per cent. On this basis the underlying average unit cost per weekday hour would be £9.10. The analyses allowed the prediction of different prices based on the characteristics of the service, the providers, the clients, and the contracting arrangements with the local authority. The predicted prices shown below are based on these analyses, holding all other factors constant. All prices have been updated to 2004/2005 levels using the PSS Pay Index. See the article on page 9 for findings about the costs of independently provided home care.

| | N | Mean | Minimum | Maximum | Std. Deviation |
|----------------------------------|----------|-------------|----------------|----------------|-----------------------|
| Prices by timing of visit | | | | | |
| Weekday, daytime | 122 | 11 | 6.80 | 21 | 2.20 |
| Weekday, night-time | 82 | 12 | 7.20 | 22 | 2.80 |
| Weekend, daytime | 112 | 12 | 6.90 | 26 | 2.90 |
| Weekend, night-time | 85 | 13 | 7.70 | 26 | 3.40 |
| Prices by location | | | | | |
| <i>North</i> | | | | | |
| Weekday, daytime | 61 | 10 | 6.80 | 21 | 2.10 |
| Weekday, night-time | 39 | 10 | 7.20 | 16 | 1.90 |
| Weekend, daytime | 55 | 11 | 7.70 | 21 | 2.20 |
| Weekend, night-time | 41 | 11 | 7.70 | 19 | 2.20 |
| <i>South</i> | | | | | |
| Weekday, daytime | 61 | 11 | 6.80 | 18 | 2.10 |
| Weekday, night-time | 43 | 13 | 8.50 | 21 | 2.80 |
| Weekend, daytime | 57 | 13 | 6.80 | 25 | 3.00 |
| Weekend, night-time | 44 | 14 | 10.28 | 25 | 3.60 |

Predicted weekday prices by characteristics of service and clients

| Characteristic | Predicted weekday price per hour |
|---|---|
| Staff have nursing qualification | £11 |
| Live-in service constitutes over 50 per cent of hours delivered | £11 |
| Over 25 per cent of clients incontinent | £11 |
| Over 75 per cent of clients have special needs | £12 |
| No client is over the age of 65 | £12 |

1 Netten, A., Rees, T. & Harrison, G. (2001) *Unit Costs of Health and Social Care 2001*, Pages 19-23. Personal Social Services Research Unit, University of Kent, Canterbury.

2 Forder, J., Kendall, J., Knapp, M., Matosevic, T., Hardy, B. & Ware, P. (2001) Prices, contracts and domiciliary care, Discussion Paper 1609/2, Personal Social Services Research Unit, London School of Economics.

3 For further information about this study, please contact Julian Forder at the PSSRU, LSE, Tel: 0207 955 6173; email: J.Forder@lse.ac.uk or Tihana Matosevic at the PSSRU, LSE, Tel: 0207 955 6315; email: T.Matosevic@lse.ac.uk.

10.7 Community occupational therapist (local authority)

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|---|
| A. Wages/salary | £26,523 per year | The national average for an occupational therapist, based on the mid-point of the April 2004 pay scale was £26,523. The sum includes an element to reflect the proportion of staff who receive a London allowance. A survey carried out by PSSRU of 40 authorities in 2005 gave wage levels for 14 authorities. The midpoint between the minimum and maximum for each authority was calculated and the average for all authorities was £23,885. |
| B. Salary oncosts | £5,706 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,002 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ The investment costs of education should always be included, however, when evaluating the cost-effectiveness of different approaches to using health service staff as it is important to include all the costs implicit in changing the professional mix. For the most part, these investment costs are borne by the wider NHS and individuals undertaking the training rather than trusts, so those costing exercises which are concerned with narrowly defined costs to the provider organisation would not want to incorporate these investment costs. |
| D. Overheads | £4,834 per year | Fifteen per cent of salary costs to reflect revenue overheads. ² Additional costs associated with the purchase and supply of aids have not been allowed for here. Information about the capital cost of aids and adaptations can be found in schema 7.4. |
| E. Capital overheads | £2,106 per year | Based on the new build and land requirements for a local authority office and shared facilities for waiting, interviews and clerical support. ^{3/4} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.25 per visit | Taken from Netten ⁵ and inflated using the retail price index. |
| Working time | 42 weeks per annum 37 hours per week | Includes 25 days annual leave and 10 statutory leave days. Ten days sickness leave and 5 days for study/training have been assumed. |
| Ratio of direct to indirect time on: client contact | 1:0.96 | There is considerable variation in patterns of work and this should be taken into consideration whenever possible. This figure is based on the proportion of time spent by NHS occupational therapists in client contact. ⁶ No information is available about local authority occupational therapists. |
| Length of visit | 40 minutes | Taken from Netten. ⁵ |
| London multiplier | 1.07 x A 1.57 x E | Based on a telephone survey carried out by PSSRU of 40 authorities in 2003. Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.93 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister. |
| Unit costs available 2004/2005 (costs including training given in brackets) | | |
| £26 (£29) per hour; £51 (£56) per hour of client contact (includes A to E); £35 (£39) per home visit (includes A to F). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Netten, A. (1992) *Some cost implications of Caring for People: interim report*, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

6 Government Statistical Service (1994) *Summary Information Form KT27, Physiotherapy Services*, Table 7, 1994, England and Wales.

10.8 Intensive case management for older people

The information in the schema reflects an experimental intensive case management scheme working with long-term cases.¹ The team referred cases to the case managers, who were not involved in screening or duty work. All clients were elderly and suffering from senile dementia.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Wages/salary | £31,988 per year | The salary is the midpoint of minimum and maximum salaries for care managers given in a sample of 47 authorities in 1992/1993. ² This was updated to current salary scales using the PSS Pay Index. A PSSRU survey of 32 authorities carried out in 2001 found the average weighted salary for a care manager to be £25,563. This has been updated using the PSS Pay Index. Thirteen of the 32 authorities included the care manager in their job titles but the salary ranges may not represent the above responsibilities. |
| B. Salary oncosts | £6,979 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation |
| C. Qualifications | | No information available. |
| D. Overheads: direct and indirect | £6,235 per year | Based on health authority overheads of 16 per cent since the case managers were based in a health authority multidisciplinary mental health team. |
| E. Capital overheads | £2,106 per year | Based on the new build and land requirements of an NHS office and shared facilities for waiting, interviews and clerical support. ^{3/4} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.25 per visit | Based on community health service travel costs and inflated using the Retail Price Index. |
| Working time | 42 weeks per annum 37 hours per week | Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave. |
| <i>Ratios of direct to indirect time on:</i> client-related work direct outputs face-to-face contact | 1:0.28 1:0.96 1:4.55 | Ratios are used to estimate the full cost of direct and indirect time required to deliver each output. The study found that 78 per cent of time was spent on all client-related work. Fifty-one per cent of time was spent on activities which generated direct outputs for clients either in the form of face-to-face contact or service liaison on their behalf. Direct face-to-face contact is not a good indicator of input to clients, but it is often the only information available. The study found that direct face-to-face contact with clients and carers occupied 18 per cent of working time. |
| Frequency of visits | 9 | Average number of visits per week per worker. |
| Length of visits | 45 minutes | Average length of visits overall in teams. |
| Caseload per worker | 14 | Number of cases per care manager. Limited turnover. |
| London multiplier | 1.07 x (A to D) 1.65 x E | Relative London costs are drawn from the same source as the base data for each cost element. |
| Non-London multiplier | 0.93 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister. |
| Unit costs available 2004/2005 | | |
| £30 per hour; £39 per hour of client-related work; £60 per hour of direct output activity; £169 per hour of face-to-face contact; £78 per case per week (includes A to E); £40 per home visit (includes A to F). | | |

1 von Abendorff, R., Challis, D. & Netten, A. (1995) Case managers, key workers and multidisciplinary teams, Discussion Paper 1038, Personal Social Services Research Unit, University of Kent.

2 Local Government Management Board & Association of Directors of Social Services (1994) Social Services Workforce Analysis, 1993, LGMB & ADSS, London.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

10.9 Adolescent support worker

The information in this schema is based on an unpublished study of unit costs of children's services in York, by Anna Semlyen in 1997-1998.¹ The work was funded by the NHS Maternal & Child Health Research and Development Programme. The aim of the study was to measure the additional, marginal costs of behaviour problem children compared to a 'normal child' for a year. The components of support for the children were identified and detailed costing completed. The estimated unit costs of resources used form the basis of information in this schema. Costs have been inflated to 2004/2005 value and adjusted for consistency with other of methodology with other services. This service was run by community (social) services. The team comprises five full-time equivalent staff and works with children aged 11 and over.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|--|
| A. Wages/salary | £23,394 per year | Median salary taken from the City of York Council budget and uprated using the PSS Pay Inflatior. |
| B. Salary oncosts | £4,977 per year | Employers' national insurance plus employers' contribution to superannuation. |
| C. Training | | No information available. |
| D. Overheads: | | |
| Direct | £1,419 per year | Five per cent of salary costs added for equipment, management and administrative overheads. |
| Indirect | £3,436 per year | Indirect overheads include office expenses and secretarial staff costs. |
| E. Capital overheads | £2,143 per year | Building Cost Information Service and Office of the Deputy Prime Minister. ^{2/3} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1,440 per year | Travel is based on an annual car allowance plus mileage (budget estimates). |
| Working time | 44 weeks per annum 39 hours per week | Includes 26 days annual leave and 8 statutory leave days, 5 study/training days, and 2 days sickness leave. |
| Ratio of: Individual client to all working time | 1:0.30 | Assumes 77 per cent of time is spent on client-related activities. |
| London multiplier | | These are non-London costs. No London multiplier is available. |
| Unit costs available 2004/2005 | | |
| £20 per hour; £26 per hour of client-related activity. | | |

1 Semlyen, A. (1998) *Unit Costs of Children's Services in York*, Centre for Health Economics, University of York, York.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister, Summer 2004.

10.10 Family support worker

A study was conducted on family support workers working with carers of people with schizophrenia¹ to investigate the outcomes of a training scheme on costs.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £22,035 per year | 1996/1997 costs inflated by the PSS Pay Index. Information taken from a survey of 14 family support workers (FSWs). |
| B. Salary oncosts | £3,338 per year | Includes employers' national insurance plus employers' contribution to superannuation (8 per cent). |
| C. Training | £1,996 per year | 1996/1997 costs inflated by the PSS Pay and Prices Index. The training consisted of 12 day sessions attended by 14 FSWs. ² The costs included the payments to trainers and their expenses, accommodation in which the training took place and lunches. Allowance was made for the opportunity cost of the FSW's time which otherwise could have been spent delivering the service. The total cost was £38,815 or £2,777 per trainee. It was assumed that two years was the expected length of time over which the training package would deliver. Half the staff left during the second year so the total number of 'trained years' that were delivered from the course was 21. This initial investment was annuitised over two years and allowed for drop outs to reach an annual cost of £1,976. |
| D. Overheads | £7,063 per year | 1996/1997 costs inflated by the PSS Pay and Prices Index. Office, travel, clerical support and supervision costs were categorised under the general heading of overheads. |
| Working time | 44 weeks per annum 39 hours per week | FSWs were entitled to 25 days leave plus bank holidays and had on average one week a year as sick leave. |
| <i>Ratios of direct to indirect time on: client related work</i> | 1:0.7 | Direct contact with clients, including practical support, emotional support and time spent in support groups, occupied 59 per cent of their time. The rest of the time was spent on liaison with other agencies (13 per cent), travelling (14 per cent), staff development (5 per cent) and administration and other (9 per cent). |
| London multiplier | | These are non-London costs. No London multiplier is available. |
| Unit costs available 2004/2005 (costs including training given in brackets) | | |
| £19 (£20) for a basic hour; £32 (£34) for a contact hour. | | |

1 Davies, A., Huxley, P., Tarrrier, N. & Lyne, D. (2000) Family support workers of carers of people with schizophrenia, University of Manchester and Making Space.

2 Netten, A. (1999) Family support workers: costs of services and informal care, Discussion Paper 1634, Personal Social Services Research Unit, University of Kent.

11. Health and social care teams

- 11.1 NHS community multidisciplinary mental health team key worker for elderly people with mental health problems
- 11.2 Community mental health team
- 11.3 Crisis Resolution
- 11.4 Assertive Outreach
- 11.5 Early Intervention
- 11.6 NHS child clinical psychiatry team member
- 11.7 NHS child clinical psychology team member
- 11.8 Educational psychology team member
- 11.9 Educational social work team member
- 11.10 Behaviour support service team member
- 11.11 Learning support service team member
- 11.12 Counselling services in primary medical care

11.1 NHS community multidisciplinary mental health team key worker for elderly people with mental health problems

The information in the schema reflects the operation of two specialist multidisciplinary teams for elderly people with mental health problems.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £30,734 per year | Weighted to reflect input of psychiatrists, OTs, CPNs, psychologists and social workers. Analysis of time use information identified two types of team member: core and extended role. When those activities of extended role team members which reflected responsibilities outside the teams were excluded, both types of team member operated in a similar key worker role. |
| B. Salary oncosts | £6,486 per year | Based on employers' national insurance contribution, and employers' superannuation at 14 per cent. |
| C. Qualifications | | Information not available for all care staff. |
| D. Overheads: Direct and indirect | £6,420 per year | Comprises £2,698 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. |
| E. Capital overheads | £2,124 per year | Based on the new build and land requirements of an NHS office and shared facilities for waiting, interviews and clerical support. ^{2/3} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.25 per visit | Taken from Netten ⁴ and inflated using the retail price index. |
| Working time | 42 weeks per annum 37 hours per week | Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave. |
| Ratios of direct to indirect time on: client-related work direct outputs | 1:0.3 1:0.85 | Ratios are used to estimate the full cost of direct and indirect time required to deliver each output. The study found that 77 per cent of time was spent on all client-related work. Fifty-four per cent of time was spent on activities which generated direct outputs for clients either in the form of face-to-face contact or service liaison on their behalf. |
| face-to-face contact | 1:2.45 | Direct face-to-face contact is not a good indicator of input to clients, but it is often the only information available. The study found that direct face-to-face contact with clients and carers occupied 29 per cent of working time. |
| Frequency of visits | 8 | Average number of visits per week per worker. |
| Length of visits | 60 minutes | Average length of visits overall in teams. |
| Caseload per worker | 17 cases | The low caseload reflects the characteristics of the experimental scheme. |
| London multiplier | 1.14 × (A to D); 1.48 × E | Relative London costs are drawn from the same source as the base data for each cost element. |
| Non-London multiplier | 0.97 × (A to D) 0.97 × E | Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister. ^{2/3} |
| Unit costs available 2004/2005 | | |
| £29 per hour; £38 per hour of client-related work; £54 per hour of direct output activity; £64 per case per week; £102 per hour of face-to-face contact (includes A to E); £56 per home visit (includes A to F). | | |

1 von Abendorff, R., Challis, D. & Netten, A. (1995) Case managers, key workers and multidisciplinary teams, Discussion Paper 1038, Personal Social Services Research Unit, University of Kent.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister, Summer 2004.

4 Netten, A. (1992) Some cost implications of caring for people: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

11.2 Community mental health team

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Wages/salary | £27,207 per year | Based on Adult Mental Health Service Mapping data ¹ and drawing on Onyett et al. ² . The teams included CPNs, social workers, nurses, occupational therapists, support workers, doctors and psychologists. Weighted average salaries for each type of worker were multiplied by the proportion of that type of worker in the team to produce a generic CMHT worker salary. ³ |
| B. Salary oncosts | £5,159 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | | Information not available for all care staff. |
| D. Overheads: Direct and indirect Administrative and management costs | £5,502 per year £5,193 per year | Regional health authority overheads estimated to be 17 per cent. ² Based on the Adult Mental Health Service Mapping data ¹ and national salary for a grade 6 administrative and clerical staff worker. |
| E. Capital overheads | £2,124 per year | Based on the new build and land requirements of an NHS office and shared facilities for waiting, interviews and clerical support. ^{4/5} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.25 per visit | Taken from Netten ⁶ and inflated using the retail price index. |
| Working time | 42 weeks per annum 37 hours per week | Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave. |
| Ratio of direct to indirect time on: patient-related work face-to-face contact | 1:0.28 1:1.50 | Estimates were taken from Jackson et al. ⁷ who studied patterns of work in a CMHT. Patient-related activity comprised 75 per cent of social workers' time, 79 per cent of CPNs' time; 70 per cent of occupational therapists' time, 61 per cent of psychologists' time and 90 per cent of psychiatrists' time. Face-to-face contact comprised 38 per cent of social workers' and CPNs' time, 31 per cent of occupational therapists' time, 22 per cent of psychologists' time and 44 per cent of psychiatrists' time. For support workers, specialist therapists and 'others', client contact was estimated to take 54 per cent and patient-related work 75 per cent of working time. On this basis, patient-related work took 78 per cent, and face-to-face contact 40 per cent of time overall. |
| London multiplier | 1.14 × (A to D); 1.48 × E | Relative London costs are drawn from the same source as the base data for each cost element. |
| Non-London multiplier | 0.97 × (A to D) 0.97 × E | Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister. ^{4/5} |
| Unit costs available 2004/2005 | | |
| £29 per hour; £37 per hour of patient-related work; £73 per hour of patient contact (includes A to E). Travel £1.25 per visit. | | |

1 Department of Health, Adult Mental Health Service Mapping, Table 20a: Community Mental Health Team Workforce, September 2003.

2 Onyett, S., Pillinger, T. & Muijen, M. (1995) *Making Community Mental Health Teams Work*, The Sainsbury Centre for Mental Health, London.

3 Beecham, J., Chisholm, D. & O'Herlihy, A. (2001) The costs of child and adolescent psychiatric inpatient units, in A. Netten & L. Curtis (eds) *Unit Costs of Health and Social Care 2002*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister, Summer 2004.

6 Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

7 Jackson, G., Percival, C., Gater, R. & Goldberg, D. (1996) Patterns of work in a multidisciplinary community mental health team, unpublished.

11.3 Crisis Resolution

Crisis Resolution is an alternative to inpatient hospital care for service users with serious mental illness, offering flexible, home-based care, 24 hours a day, seven days a week. The main target group will usually be adults between 16-65 years of age, whose mental health problems are of such severity that they are at risk of requiring psychiatric hospitalisation. Service design should suit local needs and circumstances. In urban areas, the most appropriate model may be a discrete crisis resolution team that exists alongside other services such as mainstream community mental health teams, assertive outreach teams and acute inpatient units. In rural areas or less densely populated areas, where a discrete crisis resolution service may not be feasible, crisis resolution workers may be included within another appropriate service.

Minghella (Minghella et al., 1998) found the overall service costs for a 14 staff crisis service to be £481,000 in 1997 (£625,725 uprated to current prices using the PSS Pay and Prices Index), including staff costs, overheads and capital costs.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|--|--|--|
| A. Wages/salary | £27,003 per year | Based on Adult Mental Health Service Mapping data. ² Weighted average salaries for each type of worker were multiplied by the proportion of that type of worker in the team to produce a generic Crisis Resolution worker salary. Salaries based on NHS April 2004 scale midpoints. ³ Teams included medical staff, nurses, psychologists, social workers, social care and other therapists. |
| B. Salary oncosts | £5,858 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Training | | No costs available. Crisis resolution work involves a major re-orientation for staff who have been accustomed to working in different ways. There should therefore be an emphasis on training. ¹ |
| D. Overheads Direct and Indirect Administrative and Management costs | £5,586 per year £2,313 per year | Minghella estimated overheads for a crisis service to be 17 per cent of total costs. ^{1,4} Based on the Adult Mental Health Service Mapping data. ¹ |
| E. Capital overheads | £2,124 per year | Based on the new build and land requirements of an NHS office and shared facilities for waiting, interviews and clerical support. ^{5,6} Costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Minghella ¹ estimated capital costs to be 6 per cent of total costs. |
| Working hours of team members | 42 weeks per annum 37 hours per week | Includes 24 days annual leave and 10 statutory leave days. Ten days sickness leave and 5 days for study/training have been assumed. ⁷ Weighted to reflect team composition. |
| Service hours | 24 hours per day, 7 days per week | Based on The Sainsbury Centre for Mental Health, 2001. ¹ In general, the team should operate seven days a week, 24 hours per day throughout the year. This can be done if two shifts a day are scheduled for mornings and afternoons. |
| Length of episode | 2 to 3 weeks | Interventions are intensive and short-term, often just two to three weeks. ¹ |
| Caseload | 23 cases per service 3 cases per care staff | Based on Adult Service Mental Health Mapping data ² providing returns from 95 Primary Care Trusts and 134 services. Incomplete data and data from three PCTs were excluded where the caseload per staff was greater than 20 (recommended maximum 15). ¹ Caseload data includes all cases on 30 September 2004 which have been open and seen within the previous six months. It does not include cases which have been seen within that period but subsequently closed. |
| London multiplier | 1.14 x (A to D) 1.53 x E | Relative London costs are drawn from the same source as the base data for each cost element. |
| Non-London multiplier | 0.97 x (A to D) | Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service. ^{5/6} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £28 per hour; £42,886 annual cost of team member; £343,085 annual cost of team; £275 cost of case per care staff per week. | | |

1 Mental Health Topics, Crisis Resolution (2001) The Sainsbury Centre for Mental Health, London.

2 Department of Health, Adult Mental Health Service Mapping, Table 20c: Crisis Resolution Team Workforce.

3 NHS Executive (2004) Advance Letter (MD) 1/2004.

4 Onyett, S. et al. (1995) *Making Community Mental Health Teams Work*, The Sainsbury Centre for Mental Health, London.

5 Building Cost Information Service (2004) Surveys of Tender Prices, March, BCIS Royal Institution of Chartered Surveyors, London.

6 Office of the Deputy Prime Minister (ODPM) Property Market Report, Spring 2004, Valuation Office.

7 Data provided by the Department of Health, Health Authority Personnel Division.

11.4 Assertive Outreach Teams

Assertive Outreach Teams, known also as 'assertive community treatment teams', provide intensive support for severely mentally ill people who are 'difficult to engage' in more traditional services. The approach is characterised by work with clients in their own environment, wherever that may be. The worker supports the client in his or her environment and should be aware of a range of interventions for effective case management such as engaging clients and assessing client needs, awareness of the broad psychiatric diagnoses and welfare benefits training.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|---|--|---|
| A. Wages/salary | £26,430 per year | Based on Adult Mental Health Service Mapping data. ² Weighted average salaries for each type of worker were multiplied by the proportion of that type of worker in the team to produce a generic Assertive Outreach Team worker salary. Salaries based on NHS April 2004 scale midpoints. ³ Teams included doctors, nurses, psychologists, social workers, social care, other therapists and volunteers. Loss of earnings based on the minimum wage has been assumed for volunteers. |
| B. Salary oncosts | £5,731 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Overheads Direct and Indirect Administrative and Management costs | £5,467 per year £2,892 per year | Regional health authority overheads estimated to be 17 per cent. ⁴ Based on the Adult Mental Health Service Mapping data ¹ |
| D. Capital overheads | £2,124 per year | Based on the new build and land requirements of an NHS office and shared facilities. ^{5,6} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Ratio of direct contact to total contact time: face-to-face contacts | 1:0.48 | Of the assertive outreach team contacts, 67.7 per cent were face to face with the patient, 13.1 per cent were by telephone, 11.1 per cent of all attempts at contact ended in failure and a further 6.1 per cent involved contact with the carer (face to face or by phone). Of the face to face contacts with patients, 63 per cent took place in the patient's home or neighbourhood, 27.4 per cent in service settings and 9.7 per cent in other settings. ⁷ |
| Working hours of team members | 42 weeks per annum 37 hours per week | Includes 23 days annual leave and 10 statutory leave days. Ten days sickness leave and 5 days for study/training have been assumed ⁸ . Weighted to reflect team composition. |
| Service hours | 24 hours per day | Working hours of most services are flexible, although 24 hour services are rare. |
| Length of episode Length of contact | 30 minutes | Assertive outreach staff expect to see their clients frequently and to stay in contact, however difficult that may be. Typically studies have shown that at least 95 per cent of clients are still in contact with services even after 18 months ⁹ . There is intensive frequency of client contact ideally an average of four or more contacts per week with each client. ¹ Median length of contact ⁵ . |
| Caseload | 33 cases per service 5.5 cases per care staff | Based on Adult Service Mental Health Mapping data ¹ and returns from 232 Primary Care Trusts and 299 services. One PCT was excluded where the caseload per staff was greater than 20 (recommended maximum 12) ¹⁰ . Average caseload per staff was 5.5. Average care staff per service was 6. This includes all cases being carried by the service on 30 September 2004 and which have been open and seen within the previous six months. It does not include cases which have been seen within that period but subsequently closed. |
| London multiplier | 1.14 x (A to D) 1.53 x E | Relative London costs are drawn from the same source as the base data for each cost element. |
| Non-London multiplier | 0.97 x (A to D) | Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service. ^{5/6} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £27 per hour; £42,644 annual cost of team member; £255,862 annual cost of service; £149 cost of caseload per care staff per week. | | |

1 Mental Health Topics, Assertive Outreach (2001) The Sainsbury Centre for Mental Health, (updated 2003), London.

2 Department of Health, Adult Mental Health Service Mapping, Table 20c: Crisis Resolution Team Workforce.

3 NHS Executive (2004) Advance Letter (MD) 1/2004.

4 Onyett, S. et al. (1995) *Making Community Mental Health Teams Work*, The Sainsbury Centre for Mental Health, London.

5 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS Royal Institution of Chartered Surveyors, London.

6 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2004, Valuation Office.

7 Wright, C. et al. (2003) Assertive outreach teams in London: models of operation, *British Journal of Psychiatry*, 183, 2, 132-138.

8 Data provided by the Department of Health, Health Authority Personnel Division.

9 <http://www.iris-initiative.org.uk/assertiveoutreach.htm>.

10 Department of Health, *The Mental Health Policy Implementation Guide*, 2001.

11.5 Early Intervention Teams

Early intervention is a service for young people aged 14-35 during the first three years of a psychotic illness. They provide a range of services, including anti-psychotic medications and psycho-social interventions, tailored to the needs of young people with a view to facilitating recovery¹. The evidence supports one early intervention service with 30 or 40 staff for a population. Mental health services have traditionally been delivered in office or hospital-based settings where the client comes to the mental health professional at a pre-arranged time. Early Intervention Teams go to see the client in his or her environment.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|--|---|
| A. Wages/salary | £28,274 per year | Based on Adult Mental Health Service Mapping data. ² Weighted average salaries for each type of worker were multiplied by the proportion of that type of worker in the team to produce a generic Assertive Outreach Team worker salary. Salaries are based on NHS April 2004 scale midpoints. ³ The teams included doctors, nurses, psychologists, social workers, social care, other therapists and volunteers. Loss of earnings based on the minimum wage has been assumed for volunteers. |
| B. Salary oncosts | £6,155 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Training | | Training programmes in Early Intervention are under development at a number of places across England. The Sainsbury Centre for Mental Health will run a part-time post graduate certificate (EIP) over a one year period commencing in 2005. This includes 20 days of teaching ⁴ . The cost is £2,950. |
| D. Overheads Direct and Indirect Administrative and Management costs | £5,853 per year £3,571 per year | Regional health authority overheads estimated to be 17 per cent. ⁵ Based on the Adult Mental Health Service Mapping data ¹ |
| E. Capital overheads | £2,124 per year | Based on the new build and land requirements of an NHS office and shared facilities. ^{6,7} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time per staff member | 41 wks per year 37 hrs per week | Includes 23 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave ⁸ . Weighted to reflect team composition. |
| Service hours | | Teams tend to operate 9.00 – 5.00 office hours but some flexibility is being planned. |
| Case load | 25 cases per service 3 cases per care staff | Based on Adult Service Mental Health Mapping data ² on returns from 62 services and 48 Primary Care Trusts. Nine Trusts were excluded where the caseload per staff exceeded 20 (recommended maximum 15). Average caseload per care staff was 6. Average caseload per service was 25 and average care staff per service was 4. This includes all cases being carried by the service on 30 September 2004 and which have been open and seen within the previous six months. It does not include cases which have been seen within that period but subsequently closed. |
| Ratio of direct to indirect time on: face-to-face contacts Patient contact | | No information available |
| London multiplier | 1.14 x (A to D) 1.53 x E | Relative London costs are drawn from the same source as the base data for each cost element. |
| Non-London multiplier | 0.97 x (A to D) | Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service. ^{6/7} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £30 per hour. £45,978 annual cost of team member; £183,912 annual cost of team, £147 cost of case per care staff per week. | | |

1 A Window of Opportunity: A practical guide for developing early intervention in psychosis services, The Sainsbury Centre for Mental Health, Briefing 23, London.

2 Department of Health, Adult Mental Health Service Mapping, Table 20c: Crisis Resolution Team Workforce.

3 NHS Executive (2004) Advance Letter (MD) 1/2004.

4 The Sainsbury Centre for Mental Health, Postgraduate certificate in Early Intervention for Psychosis.

5 Onyett, S. et al. (1995) *Making Community Mental Health Teams Work*, The Sainsbury Centre for Mental Health, London.

6 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS Royal Institution of Chartered Surveyors, London.

7 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2004, Valuation Office.

8 Data provided by the Department of Health, Health Authority Personnel Division.

11.6 NHS child clinical psychiatry team member

The NHS child clinical psychiatry team is a Tier 3 specialist service for more severe, complex or persistent disorders. It is a multi-disciplinary team working in a community child mental health clinic or child psychiatry outpatient service.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|---|
| A. Wages/salary | £38,624 per year | Based on National Child and Adolescent Mental Health Service Mapping data ² and weighted to reflect input of the team members. Salary information was weighted to reflect teams of medical staff, nurses, psychologists, psychotherapy staff, social workers, social care and other therapists. |
| B. Salary oncosts | £8,815 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | | Information not available for all care staff. |
| D. Overheads: Direct | £9,962 per year | Overhead costs are based on the costing of a sample of 29 teams taken from a national survey of 139 child and adolescent mental health services in England. ³ Direct overheads reflect the additional costs associated with other staff employed in the teams and training and other staff costs. These were found to be 21 per cent of care staff costs. Indirect overheads include administration, general services and so on, and were estimated as 12 per cent of care staff salary costs. |
| Indirect | £5,693 per year | |
| E. Capital overheads | £2,124 per year | Based on the new build and land requirements of an NHS office and shared facilities for waiting, interviews and clerical support. ^{4/5} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £949 per year | Reflects the level of expenditure associated with the care staff salaries (2 per cent of salary plus on-costs) in the teams. |
| Working time | 43 weeks per annum 36 hours per week | Includes 21 days annual leave and 10 statutory leave days. Ten days sickness leave and 5 days for study/training have been assumed. ⁶ Weighted to reflect team composition. |
| Caseload Average caseload per staff member | 21.6 | Based on National Child and Adolescent Mental Health Service Mapping data. ¹ Staff were asked how many cases they had seen or who they had had contact with over the previous month. 50 members of staff in a psychiatry team had seen a total of 1,076 case equivalents, giving an average caseload per staff member of 21.6. |
| Ratio of direct to indirect time on: client contact | 1:0.85 | Time use is assumed to be similar to that reported in the study of specialist community mental health teams by von Abendorff et al. ⁷ |
| London multiplier | 1.14 x (A to D); 1.48 x E | Relative London costs are drawn from the same source as the base data for each cost element. |
| Non-London multiplier | 0.97 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister. ^{4/5} |
| Unit costs available 2004/2005 | | |
| £44 per hour per team member; £81 per hour of client contact per team member; £3,063 Cost per case per month (includes A to E). | | |

1 Young Minds (2001) *Guidance for Primary Care Trusts, Child and Adolescent Mental Health: Its Importance and How to Commission a Comprehensive Service, Appendix 3: Key Components, Professionals and Functions of Tiered Child and Adolescent Mental Health Services*, Child and Adolescent Mental Health Services, <http://www.youngminds.org.uk/pctguidance/app3.php>.

2 Department of Health (2002) National Child and Adolescent Mental Health Service Mapping Data.

3 Beecham, J., Knapp, M. & Asbury, M. (1994) The cost dimension, in Z. Kurtz, R. Thornes & S. Wolkind (eds) *Services for the Mental Health of Children and People in England: a National Review*, Report to the Department of Health, London.

4 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister, Summer 2004.

6 Data provided by the Department of Health, Health Authority Personnel Division.

7 von Abendorff, R., Challis, D. & Netten, A. (1994) Staff activity patterns in a community mental health team for older people, *International Journal of Geriatric Psychiatry*, 9, 897-906.

11.7 NHS child clinical psychology team member

The NHS child clinical psychology team is a Tier 3 specialist service for more severe, complex or persistent disorders. It is a multi-disciplinary team working in a community child mental health clinic or child psychiatry outpatient service.¹

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £34,680 per year | Based on National Child and Adolescent Mental Health Service Mapping data ² and weighted to reflect input of the team members. National weighted data based on teams of medical staff, nurses, psychologists, psychotherapy staff, social workers, social care and other therapists. |
| B. Salary oncosts | £7,693 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | | Information not available for all care staff. |
| D. Overheads: | | |
| Direct | £2,542 per year | Overhead costs are based on the costing of a sample of 14 teams of a national survey of 139 child and adolescent mental health services in England. ³ Direct overheads reflect the additional costs associated with other staff employed in the teams and training and other staff costs. These were found to be 6 per cent of care staff costs. Indirect overheads include administration, general services and so on, and are estimated as 11.5 per cent of care staff salary costs. |
| Indirect | £4,873 per year | |
| E. Capital overheads | £2,124 per year | Based on the new build and land requirements of an NHS office and shared facilities for waiting, interviews and clerical support. ^{4/5} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1,271 per year | Reflects the level of expenditure associated with the care staff salaries (3 per cent of salary plus on-costs) in the teams. |
| Working time | 43 weeks per annum 36 hours per week | Includes 21 days annual leave and 10 statutory leave days. Ten days sickness leave and 5 days for study/training have been assumed. ⁶ Weighted to reflect team composition. |
| Caseload Average caseload per staff member | 26 | Based on National Child and Adolescent Mental Health Service Mapping data. ¹ Staff were asked how many cases they had seen or who they had had contact with over the previous month. 155 members of staff in a psychiatry team had seen a total of 3,966 case equivalents, giving an average caseload per staff member of 26. |
| Ratios of: professional outputs to support activities client to non-client contact | 1:0.25 1:0.55 | Based on a study ⁷ which found that psychologists who specialise in working with children and their families spent 64.5 per cent of their time on clinical work with individual patients and families, and 80 per cent of their time on professional outputs. |
| London multiplier | 1.14 x (A to D); 1.48 x E | Relative London costs are drawn from the same source as the base data for each cost element. |
| Non-London multiplier | 0.97 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister. ^{4/5} |
| Unit costs available 2004/2005 | | |
| £35 per hour per team member; £54 per hour of client contact per team member; £44 per professional chargeable hour per team member; £2,046 per case per month. Costs exclude travel and subsistence. | | |

1 Young Minds (2001) *Guidance for Primary Care Trusts, Child and Adolescent Mental Health: Its Importance and How to Commission a Comprehensive Service, Appendix 3: Key Components, Professionals and Functions of Tiered Child and Adolescent Mental Health Services*, Child and Adolescent Mental Health Services, <http://www.youngminds.org.uk/pctguidance/app3.php>.

2 Department of Health (2002) National Child and Adolescent Mental Health Service Mapping Data.

3 Beecham, J., Knapp, M. & Asbury, M. (1994) The cost dimension, in Z. Kurtz, R. Thornes & S. Wolkind (eds) *Services for the Mental Health of Children and People in England: a National Review*, Report to the Department of Health, London.

4 Building Cost Information Service (2005) *Surveys of Tender Prices*, February, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister (ODPM) (Summer 2004).

6 Data provided by the Department of Health, Health Authority Personnel Division.

7 Cape J., Pilling, S. & Barker, C. (1993) Measurement and costing of psychology services, *Clinical Psychology Forum*, October.

11.8 Educational psychology team member

The information in this schema is based on a study of unit costs of children's services in York, by Anna Semlyen in 1997-1998.¹ The work was funded by the NHS Maternal & Child Health Research and Development Programme. The aim of the study was to measure the additional, marginal costs of behaviour problem children compared to a 'normal child' for a year. The components of support for the children were identified and detailed costing completed. The estimated unit costs of resources used form the basis of information in this schema. Costs have been inflated to 2003-2004 value and adjusted for consistency. The educational psychology team comprises six full-time equivalent staff members and works with children aged 5-16.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|---|
| A. Wages/salary | £42,241 per year | Median salary taken from the City of York Council budget and uprated using the PSS Pay inflator. |
| B. Salary oncosts | £9,700 per year | Employers' national insurance plus employers' contribution to superannuation. |
| C. Training | £308 per year | Taken from City of York Council budget for staff training uprated using the PSS Pay inflator. |
| D. Overheads: Direct | £2,597 per year | Five per cent of salary costs added for equipment, management and administrative overheads. |
| Indirect | £2,858 per year | Indirect overheads include office expenses and secretarial staff costs uprated using the PSS Pay and Prices inflator. |
| E. Capital overheads | £2,143 per year | Building Cost Information Service and Office of the Deputy Prime Minister. ^{2/3} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1,449 per year | Travel is based on an annual car allowance plus mileage. |
| Working time | 42 weeks per annum 37 hours per week | Includes 34 days annual leave and 8 statutory leave days, 7 study/training days, and 2 days sickness leave. |
| Ratio of: Individual client to all working time | 1:0.25 | Based on management estimates. Eighty per cent of all time is spent on individual client-related activities. Twenty-five per cent of time is spent on face-to-face client contact. Fifty-five per cent of time is spent on non-face-to-face client contact. |
| Face-to-face to non-face-to-face client contact. | 1:1.2 | |
| London multiplier | | These are non-London costs. No London multiplier is available. |
| Unit costs available 2004/2005 | | |
| £39 per hour; £49 per hour of individual client-related activity; £87 per hour face-to-face client contact (includes A to E). Costs exclude travel and subsistence. | | |

1 Semlyen, A. (1998) *Unit Costs of Children's Services in York*, Centre for Health Economics, University of York, York.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister, Summer 2004.

11.9 Educational social work team member

The information in this schema is based on an unpublished study of unit costs of children's services in York, by Anna Semlyen in 1997/1998.¹ The work was funded by the NHS Maternal & Child Health Research and Development Programme. The aim of the study was to measure the additional, marginal costs of behaviour problem children compared to a 'normal child' for a year. The components of support for the children were identified and detailed costing completed. The estimated unit costs of resources used form the basis of information in this schema. Costs have been inflated to 2003/2004 value and adjusted for consistency. The core educational social work team comprises eight full-time equivalent staff members and works with children aged 5-16.

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|---|
| A. Wages/salary | £20,953 per year | Median salary taken from the City of York Council Budget and uprated using the PSS Pay inflator. |
| B. Salary oncosts | £4,408 per year | Employers' national insurance plus employers' contribution to superannuation. |
| C. Training | £516 per year | City of York Council Budget for staff training and uprated using the PSS Pay Inflator. |
| D. Overheads: Direct | £1,268 per year | Five per cent of salary costs added for equipment, management and administrative overheads. |
| Indirect | £2,143 per year | Indirect overheads include office expenses and secretarial staff costs uprated using the PSS Pay and Prices inflator. |
| E. Capital overheads | £2,143 per year | Building Cost Information Service ² and Office of the Deputy Prime Minister. ³ Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £2,799 per year | Travel is based on an annual car allowance plus mileage. |
| Working time | 41.4 weeks per annum 37 hours per week | Includes 26 days annual leave and 8 statutory leave days, 15 study/training days, and 5 days sickness leave. |
| Ratio of: Individual client to all working time | 1:0.39 | Based on service plan information. 71.7 per cent of time is spent on individual client-related activities. |
| London multiplier | | These are non-London costs. No London multiplier is available. |
| Unit costs available 2004/2005 | | |
| £22 per hour; £31 per hour of individual client-related activity (includes A to E). Costs exclude travel and subsistence. | | |

1 Semlyen, A. (1998) *Unit Costs of Children's Services in York*, Centre for Health Economics, University of York, York.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister, Summer 2004.

11.10 Behavioural support service team member

The information in this schema is based on an unpublished study of unit costs of children's services in York, by Anna Semlyen in 1997/1998.¹ The work was funded by the NHS Maternal & Child Health Research and Development Programme. The aim of the study was to measure the additional, marginal costs of behaviour problem children compared to a 'normal child' for a year. The components of support for the children were identified and detailed costing completed. The estimated unit costs of resources used form the basis of information in this schema. Costs have been inflated to 2003/2004 value and adjusted for consistency. This team is a peripatetic service to schools working with children aged 5-16 and has six full-time equivalent staff.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Wages/salary | £32,286 per year | Median salary taken from the City of York Council budget and uprated using the PSS Pay inflator. |
| B. Salary oncosts | £7,048 per year | Employers' national insurance plus employers' contribution to superannuation. |
| C. Training | £169 per year | Taken from City of York Council Budget for staff training uprated using the PSS Pay inflator. |
| D. Overheads: Direct | £1,967 per year | Five per cent of salary costs added for equipment, management and administrative overheads. |
| Indirect | £1,347 per year | Indirect overheads include office expenses and secretarial staff costs uprated using the PSS Pay and Prices inflator. |
| E. Capital overheads | £2,143 per year | Building Cost Information Service and Office of the Deputy Prime Minister. ^{2/3} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. . |
| F. Travel | £1,101 per year | Travel is based on an annual car allowance plus mileage. |
| Working time | 37.2 weeks per annum 32.4 hours per week | Staff work 3 terms each of 13 weeks. Within this time there are 6 study/training days, and 3 days sickness leave. |
| Ratio of: Individual client to all working time | 1:0.18 | Manager estimates based on recent staff time diary information. Eighty-five per cent of time is spent on client-related activities. |
| London multiplier | | These are non-London costs. No London multiplier is available. |
| Unit costs available 2004/2005 | | |
| £38 per hour; £45 per hour of client-related activity (includes A to E). Costs exclude travel and subsistence. | | |

1 Semlyen, A. (1998) *Unit Costs of Children's Services in York*, Centre for Health Economics, University of York, York.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister, Summer 2004.

11.11 Learning support service team member

The information in this schema is based on an unpublished study of unit costs of children's services in York, by Anna Semlyen in 1997/1998.¹ The work was funded by the NHS Maternal & Child Health Research and Development Programme. The aim of the study was to measure the additional, marginal costs of behaviour problem children compared to a 'normal child' for a year. The components of support for the children were identified and detailed costing completed. The estimated unit costs of resources used form the basis of information in this schema. Costs have been inflated to 2003/2004 value and adjusted for consistency. The team comprises six full-time equivalent members including a manager and works with children aged 5-16.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £32,286 per year | Median salary taken from the City of York Council budget uprated using the PSS Pay inflator. |
| B. Salary oncosts | £7,048 per year | Employers' national insurance plus employers' contribution to superannuation. |
| C. Training | £375 per year | Taken from City of York Council Budget for staff training uprated using the PSS Pay inflator. |
| D. Overheads: | | |
| Direct | £1,967 per year | Five per cent of salary costs added for equipment, management and administrative overheads. |
| Indirect | £2,858 per year | Indirect overheads include office expenses and secretarial staff costs uprated using the PSS Pay and Prices inflator. |
| E. Capital overheads | £2,143 per year | Building Cost Information Service ² and Office of the Deputy Prime Minister ³ Capital has been annuitised at a rate of 3.5 per cent. |
| F. Travel | £1,371 per year | Travel is based on an annual car allowance plus mileage. |
| Working time | 36.6 weeks per annum 32.4 hours per week | Staff work three terms of 13 weeks. Within this time are 10 study/training days, and 2 days sickness leave. |
| Ratio of: individual client to all working time | 1:0.25 | Based on management estimates. Eighty per cent of time is spent on individual client-related activities. Twenty-five per cent of time is spent on face-to-face client contact. Fifty-five per cent of time is spent on non-face-to-face client contact. |
| face-to-face to non-face-to-face client contact. | 1:1.2 | |
| London multiplier | | These are non-London costs. No London multiplier is available. |
| Unit costs available 2004/2005 | | |
| £41 per hour; £51 per hour of client-related activity; £89 per hour face-to-face client contact (includes A to E). Costs exclude travel and subsistence. | | |

1 Semlyen, A. (1998) *Unit Costs of Children's Services in York*, Centre for Health Economics, University of York, York.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister, Summer 2004.

11.12 Counselling services in primary medical care

The information in this schema is based on nine GP practices in Derby.¹ Each practice employed BAC accredited counsellors for a total of 1535 hours per year. The cost for a qualification of this nature is wide-ranging and covers different levels. In 1999/2000 the basic certificate cost £145 and an advanced diploma £3,795. In order to incorporate training costs into unit costs, information is needed about distribution of the qualification and expected working life of people with the qualification.

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---------------------|--|
| A. Wages/salary | £43,679 per year | Based on Senior Clinical Grade 3 Band 19 taken from the Grading Criteria and Pay Scale for Counsellors in the NHS. This is the nearest equivalent to the hourly rate paid in the study of GP practices. |
| B. Salary oncosts | £10,085 per year | Employers' national insurance plus 14 per cent of salary to employers' superannuation. |
| C. Overheads: Direct | £5,376 per year | Ten per cent of salary costs added for equipment, management and administrative overheads. |
| D. Capital overheads | £1,103 per year | Based on new build and land requirements for a practice nurse non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,106. |
| E. Travel | £0 | All appointments were on-site in the GP surgery. |
| Ratio of direct to indirect time on: client contact | 1:0.30 | On average each session lasted 55 minutes and the mean number of sessions was 7 (median 6). Seventy-seven per cent of the time was spent on face-to-face contact and 23 per cent of the time on other work. |
| Working time | 1535 hours per year | Each practice employed counsellors for between 6 and 49 hours per week. In total, they worked on average 1535 hours per year |
| Unit costs available 2004/2005 | | |
| £39 per hour (includes A to D). | | |

1 Simpson, S., Corney, R., Fitzgerald, P. & Beecham, J. (2000) A randomised controlled trial to evaluate the efficacy and cost-effectiveness of counselling with patients with chronic depression. Report to the NHS Health Technology Assessment Programme.

IV. HOSPITAL-BASED HEALTH CARE STAFF

12. Professionals allied to medicine

- 12.1 Hospital physiotherapist
- 12.2 Hospital occupational therapist
- 12.3 Hospital speech and language therapist
- 12.4 Dietitian
- 12.5 Radiographer
- 12.6 Hospital pharmacist
- 12.7 Hospital therapy support worker

12.1 Hospital physiotherapist

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £28,240 per year | National average salary for a senior 1 grade hospital physiotherapist, based on the mid-point of the April 2004 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance. It also includes an allowance of £1,717 for supervising students. |
| B. Salary oncosts | £6,106 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,151 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details on cost of qualifications. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ² No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £4,217 per year | Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. No allowance has been made for the cost of equipment. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £2.40 per visit | Based on expenditure provided by community trust. |
| Working time | 42 weeks per annum 36 hours per week | Includes 25 days annual leave and 10 days statutory leave. ⁵ Assumes 5 study/training days, and 10 days sickness leave. ⁶ |
| Ratio of direct to indirect time on: patient contacts clinic contacts home visits | 1:0.54 1:0.46 1:0.96 | Assuming 10 per cent of time in patient's own home, 50 per cent in clinics, 5 per cent in other settings, 30 per cent on non-clinical activity and 5 per cent on travel. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.14 × (A to D); 1.56 × E | Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ³ |
| Non-London multiplier | 0.98 × (A to D) 0.97 × E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £27 (£30) per hour; £42 (£46) per hour of client contact; £40 (£44) per hour in clinic; £54 (£59) per hour in home visiting (includes A to E). Travel £2.40 per visit. | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.

6 Williams, J. (1991) *Calculating Staffing Levels in Physiotherapy Services*, Pampas, Rotherham.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

12.2 Hospital occupational therapist

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £28,240 per year | National average salary for a senior 1 grade hospital occupational therapist, based on the mid-point of the April 2004 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance. It also includes an allowance of £1,717 for supervising students. |
| B. Salary oncosts | £6,106 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,002 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details on cost of qualifications. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ² No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £4,217 per year | Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. No allowance has been made for the cost of equipment. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 42 weeks per annum 36 hours per week | Includes 25 days annual leave and 10 days statutory leave. ⁵ Assumes 5 study/training days, and 10 days sickness leave. ⁶ |
| Ratio of direct to indirect time on: patient contacts | 1:0.67 | Assuming 60 per cent of time in clinics and 40 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.14 x (A to D); 1.40 x E | Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Non-London multiplier | 0.98 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £27 (£30) per hour; £45 (£50) per hour of client contact (includes A to E). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.

6 Williams, J. (1991) *Calculating Staffing Levels in Physiotherapy Services*, Pampas, Rotherham.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

12.3 Hospital speech and language therapist

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £25,337 per year | National average salary for a grade 2 speech and language therapist, based on the April 2004 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance. |
| B. Salary oncosts | £5,429 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,260 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details on cost of qualifications. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ² No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £4,148 per year | Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. No allowance has been made for the cost of equipment. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 42 weeks per annum 36 hours per week | Includes 25 days annual leave and 10 days statutory leave. ⁵ Assumes 5 study/training days, and 10 days sickness leave. ⁶ |
| Ratio of direct to indirect time on: patient contacts | 1:0.67 | Assuming 60 per cent of time in clinics and 40 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.14 x (A to D); 1.40 x E | Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Non-London multiplier | 0.98 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £25 (£28) per hour; £41 (£46) per hour of client contact (includes A to E). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.

6 Williams, J. (1991) *Calculating Staffing Levels in Physiotherapy Services*, Pampas, Rotherham.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula

12.4 Dietitian

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|--|
| A. Wages/salary | £28,240 per year | National average salary for a senior 1 grade hospital dietitian, based on the mid-point of the April 2004 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance. It also includes an allowance of £1,717 for supervising students. |
| B. Salary oncosts | £6,106 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,343 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details on cost of qualifications. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ² No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £3,539 per year | Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect share use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £2.40 per visit | Taken from Netten ⁵ and inflated using the retail price index. |
| Working time | 42 weeks per annum 37 hours per week | Includes 25 days annual leave and 10 days statutory leave. ⁶ Assumes 5 study/training days, and 10 days sickness leave. ⁷ |
| Ratio of direct to indirect time on: face-to-face contacts clinical settings home visits | 1:0.33 1:0.27 1:1.27 | Assuming 5 per cent of time in patient's own home, 35 per cent in clinics, 30 per cent in hospital wards, 5 per cent in other settings, 20 per cent on non-clinical activity and 5 per cent on travel. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.14 x (A to D); 1.44 x E | Allows for the higher costs associated with London compared to the national average cost. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Non-London multiplier | 0.98 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £26 (£29) per hour; £35 (£39) per hour client contact; £33 (£37) per hour in clinic; £59 (£66) per hour of home visiting (includes A to E). Travel £2.40 per visit. | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Netten, A. (1992) *Some cost implications of Caring for People: interim report*, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.

6 Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.

7 Williams, J. (1991) *Calculating Staffing Levels in Physiotherapy Services*, Pampas, Rotherham.

8 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

12.5 Radiographer

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|--|
| A. Wages/salary | £28,240 per year | National average salary for a senior 1 grade radiographer, based on the mid-point of the April 2004 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance. It also includes an allowance of £1,717 for supervising students. |
| B. Salary oncosts | £6,106 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,969 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details on cost of qualifications. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ² No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £6,839 per year | Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 42 weeks per annum 35 hours per week | Includes 25 days annual leave and 10 days statutory leave. ⁵ Assumes 5 study/training days, and 10 days sickness leave. |
| Ratio of direct to indirect time on: patient contacts | 1:0.67 | Assuming 60 per cent of time spent on face-to-face contact, 20 per cent on other clinical activity, and 20 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.14 x (A to D); 1.44 x E | Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Non-London multiplier | 0.98 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £30 (£33) per hour; £50 (£55) per hour of client contact; £17 (£18) per 20 minute clinic visit (includes A to E). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

12.6 Hospital pharmacist

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|--|
| A. Wages/salary | £34,639 per year | National average salary for a D grade pharmacist based on the mid-point of the April 2004 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance. Pharmacists who commit to working in Emergency also receive an emergency duty commitment allowance of £2,448 per annum. |
| B. Salary oncosts | £7,662 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications Post graduate training: | £5,943 per year £439 per year | The equivalent annual cost of pre-registration and postgraduate education. The investment costs of a 4 year masters degree plus one year pre-registration training plus a two year postgraduate course have been annuitised over the expected working life. ^{1/2} The investment costs for pre-registration are borne partly by the HEFCE and partly by practitioners provided by the NHS. The Multi-Professional Education and Training (MPET) Levy covers the cost for the Pre-registration training year. Costs for postgraduate training are mainly borne by the NHS but are sometimes self funded. Hospital pharmacists may have up to 20 days per year study time over this two year period. Some however participate in distant learning programmes. There are also further training programmes available for senior pharmacists; however, no information is currently available on the proportion of pharmacists who undergo this training. This therefore has not been taken into account in this costing exercise. Those costing exercises which are concerned with narrowly defined costs to the provider organisation would not want to incorporate qualification costs. See schema 7.5 for further details on training costs for health professionals. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ³ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £3,972 per year | Based on the new build and land requirements of a pharmacy, ^{4/5} plus additional space for shared facilities. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.25 per visit | Taken from Netten ⁵ and inflated using the retail price index. |
| Working time | 42 weeks per annum 39 hours per week | Includes 25 days annual leave and 10 statutory leave days. Assumes 4 study/training days (30 hours), and 10 days sickness leave. |
| Ratio of direct to indirect time on: direct clinical patient time patient related activities | 1:1 1.0.43 | Ratios are estimated on the basis that 50 per cent of time is spent on direct clinical patient activities, 20 per cent of time on dispensary activities and 30 per cent on non clinical activity. |
| London multiplier | 1.14 x (A to D) 1.50 x E | Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4/5} |
| Non-London multiplier | 0.97 x(A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4/5} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £30 (£34) per hour; £60 (£67) per cost of direct clinical patient time (includes travel); £43 (£48) per cost of patient related activities. | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Research carried out by the Royal Pharmaceutical Society of Great Britain.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

4 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister, Summer 2004.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

12.7 Hospital therapy support worker

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|---|
| A. Wages/salary | £12,182 per year | National average salary for a therapy helper aged 19 and over, based on the mid-point of the April 2004 pay scale. The sum includes an element to reflect the proportion of staff who receive a London allowance. This does not include lump sum allowances or unsocial hours pay enhancements. |
| B. Salary oncosts | £2,364 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £0 | Training costs are assumed to be zero, although many take NVQ courses. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ¹ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £2,739 per year | Based on the new build and land requirements of NHS facilities, ^{2/3} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 44 weeks per annum 36 hours per week | Includes 20 days annual leave and 10 days statutory leave. ⁴ Assumes 10 days sickness leave. No study/training days have been assumed. |
| Ratio of direct to indirect time on: face-to-face contacts | 1:0.25 | Assuming 80 per cent of time on hospital wards and 20 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.14 x (A to D); 1.40 x E | Allows for the higher costs associated with London compared to the national average cost. ⁵ Building Cost Information Service and Office of the Deputy Prime Minister. ^{2/3} |
| Non-London multiplier | 0.97 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁵ Building Cost Information Service and Office of the Deputy Prime Minister. ^{2/3} |
| Unit costs available 2004/2005 | | |
| £13 per hour; £16 per hour of client contact (includes A to E). | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister, Summer 2004.

4 Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.

5 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

13. Nurses

- 13.1 Ward manager, day ward
- 13.2 Ward manager, 24-hour ward
- 13.3 Staff nurse, day ward
- 13.4 Staff nurse, 24-hour ward
- 13.5 Health care assistant

13.1 Ward manager, day ward

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £26,660 per year | National average salary for a staff nurse, based on the April 2004 scale mid-point for a G grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It does not include any lump sum allowances and it is assumed that no unsocial hours are worked. |
| B. Salary oncosts | £5,693 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,129 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for further details on training for health professionals. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ² No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £2,221 per year | Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 42 weeks per annum 37.5 hours per week | Includes 25 days annual leave and 10 statutory leave days. ⁵ Assumes 5 study/training days, and 10 days sickness leave. |
| Ratio of direct to indirect time on: face-to-face contacts | 1:1.22 | Assuming 45 per cent of time spent on face-to-face contact, 35 per cent on other clinical activity, and 20 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.14 x (A to D); 1.43 x E | Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.98 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £24 (£26) per hour; £53 (£58) per hour of patient contact; £177 (£197) per shift (includes A to E) | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Nursing and Midwifery Staffs Negotiating Council (1992) *Nursing and Midwifery Staffs Conditions of Service and Rates of Pay*, Department of Health, Leeds.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

13.2 Ward manager, 24-hour ward

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Wages/salary | £30,091 per year | National average salary for a staff nurse, based on the April 2004 scale mid-point for a G grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It assumes that the hours include working 13.2 hours a week evening and Saturdays at 1.3 of basic rate, and 4.8 hours a week on Sundays at 1.6 of basic rate. |
| B. Salary oncosts | £6,487 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,129 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for further details on training for health professionals. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ² No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £2,221 per year | Based on the new build and land requirements of NHS facilities. ^{3/4} but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 42 weeks per annum 37.5 hours per week | Includes 25 days annual leave and 10 statutory leave days. ⁵ Assumes 5 study/training days, and 10 days sickness leave. |
| Ratio of direct to indirect time on: face-to-face contacts | 1:1.22 | Assuming 45 per cent of time spent on face-to-face contact, 35 per cent on other clinical activity, and 20 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.14 x (A to D); 1.43 x E | Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.98 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £26 (£29) per hour; £59 (£64) per hour of patient contact; £198 (£217) per shift (includes A to E) | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Nursing and Midwifery Staffs Negotiating Council (1992) *Nursing and Midwifery Staffs Conditions of Service and Rates of Pay*, Department of Health, Leeds.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

Updated with revised figures for employers' superannuation contributions [February 2006, rev. 002]

13.3 Staff nurse, day ward

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £20,224 per year | National average salary for a staff nurse, based on the April 2004 scale mid-point for an E grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It does not include any lump sum allowances and it is assumed that no unsocial hours are worked. |
| B. Salary oncosts | £4,204 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,129 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for further details on training for health professionals. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ² No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £1,260 per year | Based on the new build and land requirements of NHS facilities. ^{3/4} but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 42 weeks per annum 37.5 hours per week | Includes 25 days annual leave and 10 statutory leave days. ⁵ Assumes 5 study/training days, and 10 days sickness leave. |
| Ratio of direct to indirect time on: face-to-face contacts | 1:0.82 | Assuming 55 per cent of time spent on face-to-face contact, 25 per cent on other clinical activity, and 20 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.14 x (A to D); 1.40 x E | Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.98 x (A to D); 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £18 (£21) per hour; £33 (£38) per hour of patient contact; £135 (£155) per shift (includes A to E) | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Nursing and Midwifery Staffs Negotiating Council (1992) *Nursing and Midwifery Staffs Conditions of Service and Rates of Pay*, Department of Health, Leeds.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula

Updated with revised figures for employers' superannuation contributions [February 2006, rev. 002]

13.4 Staff nurse, 24-hour ward

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|--|
| A. Wages/salary | £23,195 per year | National average salary for a staff nurse, based on the April 2004 scale mid-point for an E grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It assumes that the hours include working 13.2 hours a week evenings and Saturdays at 1.3 of basic rate, and 4.8 hours a week on Sundays at 1.6 of basic rate. |
| B. Salary oncosts | £4,892 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,129 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for further details on training for health professionals. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ² No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £1,260 per year | Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 42 weeks per annum 37.5 hours per week | Includes 25 days annual leave and 10 statutory leave days. ⁵ Assumes 5 study/training days, and 10 days sickness leave. |
| Ratio of direct to indirect time on: face-to-face contacts | 1:1 | Assuming 50 per cent of time spent on face-to-face contact, 40 per cent on other clinical activity, and 10 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.14 x (A to D); 1.40 x E | Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.98 x (A to D) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £20 (£23) per hour; £41 (£46) per hour of patient contact; £153 (£172) per shift (includes A to E) | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Nursing and Midwifery Staffs Negotiating Council (1992) *Nursing and Midwifery Staffs Conditions of Service and Rates of Pay*, Department of Health, Leeds.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

13.5 Health care assistant

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|---|
| A. Wages/salary | £15,676 per year | National average salary for an auxiliary nurse working in a hospital, based on the April 2004 scale mid-point for a B grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It assumes that the hours include working 13.2 hours a week evening and Saturdays at 1.3 of basic rate, and 4.8 hours a week on Sundays at 1.6 of basic rate. |
| B. Salary oncosts | £3,152 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ¹ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| D. Capital overheads | £1,260 per year | Based on the new build and land requirements of NHS facilities. ^{2/3} but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. Treatment space has not been included. It is assumed that auxiliary nurses use one-sixth of an office. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 44 weeks per annum 37.5 hours per week | Includes 20 days annual leave and 10 statutory leave days. ⁴ Assumes 10 days sickness leave. No study/training days have been assumed. |
| Ratio of direct to indirect time on: face-to-face contacts | 1:0.67 | Assuming 60 per cent of time spent on face-to-face contact, 15 per cent on other clinical activity, and 25 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.14 × (A to C); 1.40 × D | Allows for the higher costs associated with London compared to the national average cost. ⁵ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.98 × (A to C) 0.97 × D | Allows for the lower costs associated with working outside London compared to the national average cost. ⁵ Building Cost Information Service and Office of the Deputy Prime Minister. ^{2/3} |
| Unit costs available 2004/2005 | | |
| £14 per hour; £23 per hour of patient contact; £104 per shift (includes A to D) | | |

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

2 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister, Summer 2004.

4 Nursing and Midwifery Staffs Negotiating Council (1992) *Nursing and Midwifery Staffs Conditions of Service and Rates of Pay*, Department of Health, Leeds.

5 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

14. Doctors

- 14.1 Pre-registration house officer
- 14.2 Senior house officer
- 14.3 Specialist registrar
- 14.4 Consultant: medical
- 14.5 Consultant: surgical
- 14.6 Consultant: psychiatric

14.1 Pre-registration house officer

| Costs and unit estimation | 2004/2005 value | Notes |
|--|------------------------------|---|
| A. Wages/salary | £27,985 per year | Based on payment for 40.7 basic hours per week on duty (of which 88.7 per cent are actually worked), and 31.7 additional hours per week (of which 59.6 per cent are actually worked at a rate of 50 per cent of basic rate). ¹ It does not reflect payments for London allowances. |
| B. Salary oncosts | £5,065 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £19,102 per year | The equivalent annual cost of pre-registration medical education. The investment in training has been annuitised over the expected working life of the doctor. ² See schema 7.5 for further details on training for health professionals. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ³ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Ongoing training | £2,791 per year | Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor. |
| F. Capital overheads | £2,772 per year | Based on the new build and land requirements of NHS facilities. ^{4/5} Adjustments have been made to reflect shared use of administration and recreational facilities, including accommodation for night-time duties. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 44 weeks per annum | Includes 25 days annual leave and 10 statutory leave days. Assumes 5 days sickness leave. No study/training days have been assumed. |
| London multiplier | 1.14 x (A to E); 1.44 x F | Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 x (A to E) 0.97 x F | Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4/5} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £12 (£19) per hour on duty; £16 (£25) per hour worked (includes A to F). | | |

1 Review Body on Doctors' and Dentists' Remuneration, Thirty First Report 2002, The Stationery Office, London.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

4 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister, Summer 2004.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

14.2 Senior house officer

| Costs and unit estimation | 2004/2005 value | Notes |
|--|------------------------------|---|
| A. Wages/salary | £38,572 per year | Based on payment for 38.9 basic hours per week on duty (of which 87 per cent are actually worked), and 33.6 additional hours per week (of which 48 per cent are actually worked at a rate of 50 per cent of basic rate). ¹ It does not reflect payments for London allowances. |
| B. Salary oncosts | £7,451 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £20,429 per year | The equivalent annual cost of pre-registration medical training and post-graduate medical education. See 7.5 for further details on training for health professionals. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ² No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Ongoing training | £3,581 per year | Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor. |
| F. Capital overheads | £2,772 per year | Based on the new build and land requirements of NHS facilities. ^{3/4} Adjustments have been made to reflect shared use of administration and recreational facilities, including accommodation for night-time duties. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 38 weeks per annum | Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 5 days sickness leave. |
| London multiplier | 1.14 x (A to E); 1.44 x F | Allows for the higher costs associated with London compared to the national average cost. ⁵ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 x (A to E) 0.97 x F | Allows for the lower costs associated with working outside London compared to the national average cost. ⁵ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3,4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £19 (£27) per hour on duty; £27 (£40) per hour worked (includes A to F). | | |

1 Review Body on Doctors' and Dentists' Remuneration, Thirty First Report 2002, The Stationery Office, London.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 Provisional and published analysis using data from the Department of Health's weighted capitation formula.

14.3 Specialist registrar

| Costs and unit estimation | 2004/2005 value | Notes |
|--|------------------------------|---|
| A. Wages/salary | £42,415 per year | Based on payment for 39.9 basic hours per week on duty (of which 89 per cent are actually worked), and 30.7 additional hours per week (of which 43 per cent are actually worked at a rate of 50 per cent of basic rate). ¹ It does not reflect payments for London allowances. |
| B. Salary oncosts | £8,476 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £22,448 per year | The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer and two years as a senior house officer have been annuitised over the expected working life of the doctor. ² See 7.5 for further details on training for health professionals. |
| D. Overheads | £2,698 per year | Comprises £2,698 for indirect overheads. ³ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Ongoing training | £3,581 per year | Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor. |
| F. Capital overheads | £2,772 per year | Based on the new build and land requirements of NHS facilities. ^{4/5} Adjustments have been made to reflect shared use of administration and recreational facilities, including accommodation for night-time duties. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 37 weeks per annum | Includes 30 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 5 days sickness leave. |
| London multiplier | 1.14 x (A to E); 1.44 x F | Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 x (A to E) 0.97 x F | Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4/5} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £23 (£32) per hour on duty; £33 (£46) per hour worked (includes A to F). | | |

1 Review Body on Doctors' and Dentists' Remuneration, Thirty First Report 2002, The Stationery Office, London.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

4 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister, Summer 2004.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

14.4 Consultant: medical

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £75,435 per year | Average salary for a consultant physician based on the April 2004 scale midpoint including £8,505 corresponding to the fourth discretionary point. ¹ The sum also includes £844 to reflect the national level of distinction award payments. It does not reflect payments for London allowances. |
| B. Salary oncosts | £18,488 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £27,491 per year | The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer, two years as a senior house officer and four years as a specialist registrar have been annuitised over the expected working life of the consultant. ² See 7.5 for further details on training for health professionals. |
| D. Overheads | £32,085 per year | Comprises £7,059 for indirect overheads and £25,026 for secretarial staff costs. |
| E. Ongoing training | £1,650 per year | Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor. |
| F. Capital overheads | £4,086 per year | Based on the new build and land requirements of NHS facilities. ^{3/4} Includes shared use of consultation and examination areas, and designated secretarial office space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41 weeks per annum 48.2 hours per week | Includes 30 days annual leave and 10 statutory leave days. Assumes 10 study/training days, and 5 days sickness leave. Research carried out in 2000/2001 involving 300 consultants showed that they worked an average of 51.5 hours a week in the NHS. They spent an average 3.3 hours per week on private practice or other non-NHS work, such as medico-legal reports. ⁵ |
| Ratio of direct to indirect time on: patient-related activity | 1:0.33 | Assuming 69 per cent of consultant time spent on patient-related activity. ⁶ Time spent teaching has been disregarded, and non-contact time has been treated as an overhead on time spent in patient contact. |
| London multiplier | 1.14 × (A to E); 1.46 × F | Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 × (A to E) 0.97 × F | Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £66 (£81) per hour; £88 (£107) per patient-related hour (includes A to F). ⁸ | | |

1 NHS Executive (2004) *Advance letter (MD) 1/2004*.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 British Medical Association (2002) *Consultants survey*, *Health Service Journal*, February 2002.

6 Audit Commission (1996) *The Doctors' Tale Continued*, HMSO, London.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

8 Costs are lower than in previous years due to a correction to the number of annual working hours.

14.5 Consultant: surgical

| Costs and unit estimation | 2004/2005 value | Notes |
|---|---|---|
| A. Wages/salary | £74,741 per year | Average salary for a consultant surgeon based on the April 2004 scale midpoint including £11,708 corresponding to the fourth discretionary point. ¹ The sum also includes £150 to reflect the national level of distinction award payments. It does not reflect payments for London allowances. |
| B. Salary oncosts | £18,391 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £27,491 per year | The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer, two years as a senior house officer and four years as a specialist registrar have been annuitised over the expected working life of the consultant. ² See 7.5 for further details on training for health professionals. |
| D. Overheads | £32,085 per year | Comprises £7,059 for direct overheads and £25,026 for secretarial staff costs. |
| E. Ongoing training | £1,650 per year | Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor. |
| F. Capital overheads | £4,086 per year | Based on the new build and land requirements of NHS facilities. ^{3/4} Includes shared use of consultation and examination areas, and designated secretarial office space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41 weeks per annum 48.2 hours per week | Includes 30 days annual leave and 10 statutory leave days. Assumes 10 study/training days, and 5 days sickness leave. Research carried out in 2000/2001 involving 300 consultants showed that they worked an average of 51.5 hours a week in the NHS. They spent an average 3.3 hours per week on private practice or other non-NHS work, such as medico-legal reports. ⁵ |
| <i>Ratio of direct to indirect time on/in:</i> patient-related activity operating theatre | 1:0.35 1:2.17 | Assuming 68 per cent of consultant time spent on patient-related activity and 29 per cent in theatre. ⁶ Time spent teaching has been disregarded, and non-contact time has been treated as an overhead on time spent in patient contact. |
| London multiplier | 1.14 x (A to E); 1.46 x F | Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 x (A to E) 0.97 x F | Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £65 (£80) per hour; £208 (£254) per hour operating; £89 (£108) per patient-related hour (includes A to F). ⁸ | | |

1 NHS Executive (2004) *Advance letter (MD) 1/2004*.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 British Medical Association (2002) *Consultants survey*, *Health Service Journal*, February 2002.

6 Audit Commission (1996) *The Doctors' Tale Continued*, HMSO, London.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

8 Costs are lower than in previous years due to a correction to the number of annual working hours.

14.6 Consultant: psychiatric

| Costs and unit estimation | 2004/2005 value | Notes |
|--|---|---|
| A. Wages/salary | £74,683 per year | Average salary for a consultant psychiatrist based on the April 2004 scale midpoint including £11,708 corresponding to the third discretionary point. ¹ The sum also includes £92 to reflect the national level of distinction award payments. It does not reflect payments for London allowances. |
| B. Salary oncosts | £18,383 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £27,491 per year | The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer, two years as a senior house officer and four years as a specialist registrar have been annuitised over the expected working life of the consultant. ² See 7.5 for further details on training for health professionals. |
| D. Overheads | £32,085 per year | Comprises £7,059 for indirect overheads and £25,026 for secretarial staff costs. |
| E. Ongoing training | £1,650 per year | Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor. |
| F. Capital overheads | £4,086 per year | Based on the new build and land requirements of NHS facilities. ^{3/4} Includes shared use of consultation and examination areas, and designated secretarial office space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41 weeks per annum 44.2 hours per week | Includes 30 days annual leave and 10 statutory leave days. Assumes 10 study/training days, and 5 days sickness leave. Research carried out in 2000/2001 involving 300 consultants showed that they worked an average of 51.5 hours a week in the NHS. They spent an average 3.3 hours per week on private practice or other non-NHS work, such as medico-legal reports. ⁵ The number of working hours is different to that of other consultants as the information has been drawn from a different survey. |
| Ratio of direct to indirect time on: face-to-face contacts patient-related activity | 1:2.03 1:0.94 | Information taken from a study carried out by the Institute of Psychiatry ⁶ based on a response rate of 41.3% of a sample of 500 consultants. The proportion of working time spent on different activities was estimated as follows: face-to-face settings including contact with patients, carrying out assessments and contact with family members 33%, other patient related activities added a further 18% per cent when travelling and an estimated 50% of total time spent in meetings was added; non patient related activities including writing/administration research/training/development was added and also an estimated 50% of total time spent on meetings. |
| London multiplier | 1.14 x (A to E) 1.46 x F | Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. |
| Non-London multiplier | 0.97 x (A to E) 0.97 x F | Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3/4} |
| Unit costs available 2004/2005 (costs including qualifications given in brackets) | | |
| £71 (£87) per hour; £138 (£190) per patient-related hour; £216 (£277) per hour patient contact (includes A to F). ⁸ | | |

1 NHS Executive (2004) *Advance letter (MD) 1/2004*.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS*, Vols 1 & 2, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2005) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister, Summer 2004.

5 British Medical Association (2002) *Consultants survey*, *Health Service Journal*, February 2002.

6 College Research Unit, *Workload and Working Patterns in Consultant Psychiatrists*, June 2003, The Royal College of Psychiatrists.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

8 Costs are lower than in previous years due to a correction to the number of annual working hours.

V. MISCELLANEOUS

Inflation indices

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Inflation indices

Table 1

| Year | BCIS/ABI ¹ | | Retail Price ² | |
|------|----------------------------------|------------|---------------------------|------------|
| | Rebuilding Cost Index (1988=100) | % increase | Index (1986/87= 100) | % increase |
| 1994 | 118.7 | 2.9 | 143.8 | 2.3 |
| 1995 | 126.0 | 6.1 | 147.9 | 2.9 |
| 1996 | 129.2 | 2.5 | 152.3 | 3.0 |
| 1997 | 134.6 | 4.2 | 156.5 | 2.8 |
| 1998 | 143.3 | 6.5 | 160.6 | 2.6 |
| 1999 | 148.9 | 3.9 | 164.3 | 2.3 |
| 2000 | 154.6 | 3.8 | 168.1 | 2.1 |
| 2001 | 165.7 | 7.2 | 172.1 | 2.4 |
| 2002 | 176.6 | 6.6 | 177.6 | 3.2 |
| 2003 | 183.8 | 4.1 | 182.6 | 2.8 |
| 2004 | 191.3 | 4.1 | 188.1 | 3.1 |

Hospital and community health services (HCHS) pay and price inflation is a weighted average of two separate inflation indices: the pay cost index (PCI) and the health service cost index (HSCI). The PCI measures pay inflation in the HCHS. The PCI is itself a weighted average of increases in unit staff costs for each of the staff groups within the HCHS sector. Pay cost inflation tends to be higher than pay settlement inflation because of an element of pay drift within each staff group. Pay drift is the tendency for there to be a gradual shift up the incremental scales, and is additional to settlement inflation. The estimate of pay inflator for the current year is based on information supplied by the Department of Health and is based on pay awards of NHS staff. The HSCI is calculated monthly to measure the price change for each of 40 sub-indices of goods and services purchased by the HCHS. The sub-indices are weighted together according to the proportion of total expenditure which they represent to give the overall HSCI value. The pay cost index and the health service cost index are weighted together according to the proportion of HCHS expenditure on each. This provides an HCHS combined pay and prices inflation figure.

Table 2

| Year | Hospital & Community Health Services (HCHS) | | |
|------------|---|-----------------------------|------------------|
| | Pay and Prices Index (1987/8=100) | Annual percentage increases | |
| | | Pay and Prices | Pay ³ |
| 1995/96 | 166.0 | 4.0 | 4.4 |
| 1996/97 | 170.6 | 2.8 | 3.3 |
| 1997/98 | 173.5 | 1.7 | 2.5 |
| 1998/99 | 180.4 | 4.0 | 4.9 |
| 1999/00 | 188.5 | 4.5 | 6.9 |
| 2000/01 | 196.4 | 4.2 | 7.2 |
| 2001/02 | 206.4 | 5.1 | 8.3 |
| 2002/03 | 213.8 | 3.6 | 5.0 |
| 2003/04 | 225.6 | 5.5 | 7.3 |
| 2004/05(E) | 234.2 | 3.8 | 5.3 |

In 2005 the Department of Health completed a review of the Personal Social Services (PSS) Pay and Prices index. This review introduced a capital element and updated the weights accorded to the different cost elements.

¹ Building Cost Information Service (2005) Indices and Forecasts, BCIS, Royal Institute of Chartered Surveyors, London.

² Source www.statistics.gov.uk/statbase.

³ Provided by the Department of Health.

The 2003/04 index has been calculated, and the 2002/03 index recalculated based on a new data source. An estimate for the projected index in 2004/05, based on the new data source, has also been produced.

The review also included a change in the way the Pay index is calculated, using data on rates of pay change for each occupation group in the PSS sector from the Annual Survey of Hours and Earnings (ASHE), published by ONS. An aggregate PSS pay index was calculated by weighting these pay changes by the occupation group's share of the total PSS paybill. This was carried out using Department of Health estimates of the proportion of whole time equivalent PSS staff in each group and 2004 ASHE data on mean pay for full-time employees in each group. Pay changes for 2004/05 were projected using an average of the deflated pay changes in past years. As in previous years, Her Majesty's Treasury's GDP deflator is used to deflate prices for non-staff revenue spend in the sector shown in table 3 below.

Tables 4 and 5 below set out the PSS Pay and Prices Inflater showing the index excluding the capital element and also including capital. This year instead of one index being used for all services, four different indices have been produced improving on the accuracy of cost estimates. See *Unit Costs of Health and Social Care 2004* for information prior to 2002¹.

Table 3

| Year | Personal Social Services Prices/Gross Domestic Product Deflator ² Annual percentage increase | Tender Price Index for Public Sector Building (non-housing) (PUBSEC) ² | |
|---------|---|---|------------|
| | | Index (1995=100) | % increase |
| 2001/02 | 2.5 | 130 | 9.2 |
| 2002/03 | 3.2 | 136 | 4.6 |
| 2003/04 | 2.6 | 145 | 6.6 |
| 2004/05 | 2.1 | 155 | 6.9 |

Table 4

| Year | PSS All Sectors, All Clients ² | | | | PSS All Sectors, Adults Only ² | | | |
|------------|---|----------------------------------|----------------------------------|-----|---|----------------------------------|----------------------------------|-----|
| | Pay & Prices Index (excluding capital) (1992/3=100) | Annual percentage increases | | | Pay & Prices Index (excluding capital) (1992/3=100) | Annual percentage increases | | |
| | | Pay & Prices (excluding capital) | Pay & Prices (including capital) | Pay | | Pay & Prices (excluding capital) | Pay & Prices (including capital) | Pay |
| 2002/03 | 145.6 | 6.3 | 6.1 | 6.7 | 145.6 | 6.3 | 6.0 | 6.8 |
| 2003/04 | 151.4 | 4.0 | 4.3 | 4.2 | 151.4 | 4.0 | 4.3 | 4.2 |
| 2004/05(E) | 157.9 | 4.3 | 4.6 | 4.6 | 158.0 | 4.3 | 4.7 | 4.7 |

Table 5

| Year | PSS Local Authority, All Clients ² | | | | PSS Local Authority, Adults Only ² | | | |
|-------------|---|----------------------------------|----------------------------------|-----|---|----------------------------------|----------------------------------|-----|
| | Pay & Prices Index (excluding capital) (1992/3=100) | Annual percentage increases | | | Pay & Prices Index (excluding capital) (1992/3=100) | Annual percentage increases | | |
| | | Pay & Prices (excluding capital) | Pay & Prices (including capital) | Pay | | Pay & Prices (excluding capital) | Pay & Prices (including capital) | Pay |
| 2002/03 | 145.6 | 6.3 | 6.2 | 6.5 | 145.9 | 6.5 | 6.5 | 6.8 |
| 2003/04 | 151.4 | 4.0 | 4.1 | 4.1 | 151.7 | 4.0 | 4.1 | 4.1 |
| 2004/05 (E) | 157.9 | 4.3 | 4.5 | 4.5 | 158.4 | 4.4 | 4.6 | 4.6 |

1 Curtis, L. & Netten, A. (2004) *Unit Costs of Health and Social Care 2004*, Personal Social Services Research Unit, University of Kent.

2 Provided by the Department of Health.

Glossary

Agency overheads Overhead costs borne by managing agency.

Annuitising Converting a capital investment (such as the cost of a building) into the annual equivalent cost for the period during which the investment is expected to last.

Capital overheads Buildings, fixtures and fittings employed in the production of a service.

Care package costs Total cost of all services received by a patient per week.

Cost function analysis Statistical analysis using a multivariate technique 'designed to simultaneously tease out the many influences on cost'.

Direct overheads Day-to-day support for a service, such as immediate line management, telephone, heating and stationery.

Discounting Adjusting costs using the time preference rate spread over a period of time in order to reflect their value at a base year.

Durables Items such as furniture and fittings.

Indirect overheads Ongoing managing agency costs such as personnel, specialist support teams and financial management.

Long-term The period during which fixed costs such as capital can be varied.

Marginal cost The cost of an additional unit of a service.

Oncosts Essential associated costs such as employer's national insurance contributions on salaries.

Opportunity cost The value of the alternative use of the assets tied up in the production of the service.

Per average stay Cost per person of a typical stay in a residential facility or hospital.

Per client hour Cost of providing the service for one hour of patient attendance. This allows for costs of time not spent with clients and allocates the costs of this time to the time spent with clients.

Per clinic visit Cost of attending to one client in a clinic. This allows for overall time spent on non-clinical activity and allocates this to the total time spent with clients in any setting.

Per consultation Cost per attendance in a clinic or surgery. This also allows for overall time spent on non-clinical activity and allocates this to the total time spent with clients.

Per example episode Cost of a typical episode of care, comprising several hours of a professional's time.

- Per home visit** Cost of one visit to a client at home. This includes the cost of time spent travelling to the visit. It also allows for overall time spent on non-clinical activity and allocates this to the total time spent with clients in any setting.
- Per hour in clinic** Cost of one hour spent by a professional in a clinic. This allows for overall time spent on non-clinical activity and allocates this to the total time spent with clients in any setting.
- Per hour of client contact** Cost of one hour of professional time spent attending to clients. This also allows for the costs of time not spent with clients and allocates the costs of this time to the time spent with clients.
- Per hour of client-related work** Hourly cost of time spent on activities directly related to the client. This is not necessarily time spent in face-to-face contact with the client.
- Per hour of direct outputs (teams)** Cost of one hour of team activity which results in a measurable activity by any member(s) of the team.
- Per hour of face-to-face contact** Hourly cost of time spent in face-to-face contact with clients. This also allows for the costs of time not spent with clients and allocates the costs of this time to the time spent with clients.
- Per hour of home visiting** Cost of one hour spent by a professional undertaking visits to clients at home. This includes the cost of time spent travelling. It also allows for overall time spent on non-clinical activity and allocates this to the total time spent with clients in any setting.
- Per hour of patient-related work or per patient-related hour** Hourly cost of time spent on activities directly related to the patient. This is not necessarily time spent in face-to-face contact with the patient.
- Per hour on duty** Hourly cost of time spent by a hospital doctor when on duty. This includes time spent on-call when not actually working.
- Per hour worked** Hourly cost of time spent by a hospital doctor when working. This may be during the normal working day or during a period of on-call duty.
- Per inpatient day** Cost per person of one day in hospital.
- Per patient day** Cost per person of receiving a service for one day.
- Per permanent resident week** Total weekly cost of supporting a permanent resident of a residential facility.
- Per place per day (nursery)** Cost of one child attending a nursery for one day.
- Per procedure** Cost of a procedure undertaken in a clinic or surgery. This also allows for overall time spent on non-clinical activity and allocates this to the total time spent with clients.
- Per professional chargeable hour** Hourly cost of services provided when paid for by the client. This also allows for the costs of time not spent with clients and allocates the costs of this time to the time spent with clients.
- Per resident week** Cost per person per week spent in a residential facility.
- Per session (day care)** Cost per person of each morning or afternoon attendance in a day care facility.
- Per session per client** Cost per person of one treatment session.
- Per short-term resident week** Total weekly cost of supporting a temporary resident of a residential facility.
- Price base** The year to which cost information refers.
- Ratio of direct to indirect time spent on: client-related work/direct outputs /face-to-**

face contact/clinic contacts/home visits The relationship between the time spent on direct activities (such as face-to-face contact) and time spent on other activities. For example, if the ratio of face-to-face contact to other activities is 1:1.5, each hour with a client requires 2.5 paid hours.

Revenue costs Supplies and services other than salaries incurred in the production of a service.

Revenue overheads Variable support services, supplies and other expenditure incurred in the production of a service.

Schema Framework and contents of cost synopsis for each service.

Short-term The period during which durable assets cannot be immediately added to or removed from the existing stock of resources.

SSMSS Social Services Management and Support Services: Overhead costs incurred by a local authority as defined by CIPFA guidelines. These include indirect overheads such as finance and personnel functions.

Time preference rate The rate at which future costs or benefits are valued in comparison to current or base years costs or benefits.

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