
UNIT COSTS OF HEALTH & SOCIAL CARE

2006

COMPILED BY **Lesley Curtis**
AND **Ann Netten**

PSSRU
UNIVERSITY OF KENT

Unit Costs of Health and Social Care 2006

compiled by Lesley Curtis and Ann Netten

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Foreword

This is the fourteenth 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 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 and to improve unit cost estimates over time, drawing on material as it becomes available, including ongoing and specially commissioned research and quoting sources and assumptions so users can adapt the information for their own purposes.

The Unit Costs report starts this year with a preface in which new developments and new services are discussed. This is followed, for the first time this year, by a guest editorial by Anita Patel on conducting and interpreting multi-national economic evaluations (Patel, 2006). Then, as in previous years, we have included four short articles which provide background to user services, descriptions of cost methodology or use of cost estimates.

In putting the report together, we rely 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 Jane Barlow, Barbara Barrett, Rosalyn Bass, Jennifer Beecham, Nick Brawn, Sarah Byford, Vanessa Davey, Usama Edo, Beverley Gainey, Jennifer Heigham and Richard Hughes. Thanks also to Glen Harrison, Ben Hickman, Bernard Horan, Nick Janvier, David Lloyd, Katrina Maclaine, Emma McIntosh, Steve Onyett, Neil Parkinson, Anita Patel, Hemal Peiris, Jeremy Pickard, Tony Rees, Stephen Richards, Richard Robinson, Renee Romeo, Elisabeth Scott, Bulwinder Singh, David Stevens, Mary Stewart, Rob Stones, Marian Taylor, Jill Tidmarsh, Alison Tingle, 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>

Preface

Lesley Curtis

This section describes new developments and new services included in this volume. When important government reforms have affected the unit cost calculations, these are also discussed here.

Occasionally information on services which appear regularly is omitted if it is no longer representative of the service and this too is reported in this section. Brief articles included in order to provide background to user services and descriptions of cost methodology or use of cost estimates are also introduced in this section.

Agenda for Change

This year, there have been major changes which have had a marked effect on the unit cost estimates for all professionals. First, the Agenda for Change (AfC) (NHS Employers, 2005), the largest pay reform ever made in the NHS, has replaced the old Whitley pay system. This has resulted in many adjustments to salary costs. The new system has nine pay bands (see page 201 for 2005/2006 salaries, and page 202 for 2006/2007 salaries). For the purpose of obtaining a unit cost, mid-points have been used but the reader can substitute these salaries with specific spinal points if required. As a result of the job evaluation component, the new generic profiles created have been matched as closely as possible with the titles of the schemata resulting sometimes in a lower salary than in previous volumes, for example, a senior 1 grade hospital physiotherapist is matched to band 5 resulting in a lower salary than previously (see page 171). In the salary notes, the salary bands for a higher grade of this professional are included and the corresponding salary can therefore be substituted by the reader if necessary. Where the new title is different to the old one, the old titles have been put in brackets, for example, district nurse has become a community nurse (see page 135).

Also under Agenda for Change reforms, changes to the working week and annual leave have resulted in modifications to the number of working days and hours used to obtain the hourly cost. The basic working week for full time staff has moved to 37½ hours, excluding meal breaks. Annual leave for those with less than 5 years of NHS service is 27 days, 29 for those with 5 to 10 years service, and 33 and for those with more than 10 years service. For the purpose of calculating unit costs, we have used 29 days.

Superannuation payments

In addition this year, following an adjustment made to the rate of contributions NHS employers make to superannuation payments, an adjustment to the estimates in last year's volume was issued on the website in February 2006 to include the new rate. This rate now stands at 14 per cent. In order to ensure the accuracy of superannuation payments in local authorities, we have carried out a survey of 20 local authorities and these reported an average of 14.9 per cent during the year 2005/2006. Unlike the rate contributed by NHS employers which is fixed, this rate is likely to vary from year to year.

Post graduate medical training

This year, there have also been reforms to postgraduate training for medical officers. These reforms are ongoing and are described below.

The Postgraduate Medical Education and Training Board (PMETB) is the independent statutory body, responsible for overseeing and promoting the development of postgraduate medical education and training for all specialities, including general practice, across the UK. PMETB assumed its statutory powers on 30 September 2005 taking over the responsibilities of the Specialist Training Authority of the Medical Royal Colleges and the Joint Committee on Postgraduate Training for General Practice. As a consequence of this, a new system of training has been proposed that is integrated from the Pre Registration House Officer year onwards. Under this new arrangement, from August 2005, all newly qualified doctors in the United Kingdom have embarked on a two-year foundation programme and then those wishing to train in general practice continue with a speciality training programme for a further year. Those wishing to work in secondary care will follow a longer speciality programme.

In June 2006, it was announced that UK Chief Medical Officers set plans for the transition into the next stage of postgraduate medical training and these new arrangements for specialist and GP training programmes are to be introduced in August 2007. They form the second stage of the reform of postgraduate medical training, Modernising Medical Careers (MMC) initiative. From the beginning of 2007, the Specialist Registrar grade will be closed to new entrants and also most Senior House Office contracts will end by August 2007. Doctors will be able to apply for specialist and GP programmes through a simplified process that will cut down on the present complex multi-applications system. (Modernising Medical Careers, NHS MMC News Article, June 2006).

This year for the purpose of calculating the unit costs of post graduate training, information has been provided by the London Deanery and further work will be done next year to take into account future developments.

General Practitioner

On 1 April 2004, the new GMS Contract was implemented across the UK. The contract's new 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 rewards practices for high quality evidence-based care, and offers flexibility to provide additional services. Primary Care Trusts (PCTs) can commission an enhanced level of care from some practices for the provision of services, including depression, drug or alcohol misuse and services for homeless people. There is increased flexibility to commission

services from new providers, for example, working with the voluntary sector on new mental health helplines. The GMS contract has two elements of funding: a basic payment for every practice, and further payments for quality and outcomes (Office of the Deputy Prime Minister, 2004).

Last year, our figures were updated as the Department of Health was in the process of reworking the method of calculation. However, this year the GP schema (see page 142) has been reworked following the 2005 Inland Review enquiry and the release of interim figures for 2005/06 taken from the Gross Investment Guarantee (GIG) Monitoring Report produced by the Technical Steering Committee in December 2005.

Improving estimates

Hospital costs

This year we have reviewed the section on hospital costs and increased the number of services we report on following consultation with regular users of the report. We have expanded our information particularly in the mental health sector and where possible information has been provided on inpatient, outpatient and community based services. In order to maintain reliability of our reporting, we have omitted information on services where there has been an increase or decrease in costs of greater than twenty per cent on the previous year and where the number of submissions is fewer than ten. Where users have requested information on these services, they will be considered again for inclusion next year. This year, where possible we have also provided average costs for groups of services which have been calculated by PSSRU and weighted according to the number of submissions received. Where reference costs are available for services for which we have bottom up estimates, we have included this information in the relevant schema (see page 66).

For information about the way in which reference cost estimates are constructed, please refer to a previous article in the 2003 volume by Andrew Street (Street, 2003).

New Schemata

Intermediate care

This year as a result of a study jointly carried out with the Institute of Psychiatry, (Baumann et al., 2006) we have been able to expand on the information provided on the costs of intermediate care services. Information is provided on a further seven intermediate care services providing residential care and non residential care. Services have been grouped according to whether they are hospital based or based in a residential home and if they are non residential, according to whether they provide social care and health and therapy or just social care (see pages 120-123).

Children's mental health services

As a result of the expansion and development of mental health service provision for children and adolescents, we have introduced four new services which have superseded the schemata reporting information on the NHS child clinical psychiatry team member and the NHS child clinical psychology team member. These are generic Children and Adolescent Mental Health Services (CAMHS) teams (single and multidisciplinary) which provide a broad

range of services to their local communities and targeted CAMHS teams which provide input specifically for identified vulnerable groups. Also there is a dedicated team which is a team comprising of dedicated workers which are fully trained child and adolescent mental health professionals who are out-posted in teams that are not specialist CAMHS teams but have a wider function, such as a youth offending team or a generic social work children's team.

Approved Social Worker (ASW)

Included in this report is a schema for an Approved Social Worker (ASW) (page 151). The Approved Social Work (ASW) Service is made up of social workers who are specifically trained in Mental illness and the Mental Health Act 1983.

The service responds to urgent request from the Police, Accident and Emergency (A&E) departments, inpatient wards and community to assess those people suffering mental disorder who may require detention under the Mental Health Act 1983. This is in order to provide immediate assessment and /or treatment where someone presents with significant risks to themselves or others and community care and treatment is not appropriate. Approved social workers also have a particular duty to look at alternatives to hospitalisation, for example by looking at the range of community care available that may allow the person with a mental illness to stay in their community.

Cognitive Behaviour Therapy (CBT)

This year we have included a schema for Cognitive Behaviour Therapy (CBT) for adolescents (page 71). The schema is based on a costing which was undertaken for a randomised controlled trial of interventions for adolescents with depression. The setting was a Child and Mental Health Services (CAMHS) team in secondary care and CBT was delivered in an outpatient setting.

Home Care

Previous volumes included illustrative costs of care packages from a study conducted in the mid 1990s (Bauld, 1998). In order to update this, information on illustrative packages of care for older people (pages 52- 56) have been drawn from a sample of older home care service users in 2005 that was drawn from 14 local authorities as part of a study to feed into the Relative Needs Formula (Darton et al., 2006). In total 387 people were interviewed, selected to over represent those receiving more intensive packages of care. Within this service users were randomly selected by local authorities as in receipt of home care and aged 65 years or over. Not all 384 respondents to the study reported receiving home care in the past month. Of those that did, full information was available about 365 cases. About 60 per cent of those receiving home care only received that service. We have not reported mean costs, as there is considerable uncertainty about the actual costs of 24-hour care that was reported in a few cases. Median care package costs were £155 per week for health and social care costs and £428 for all costs including accommodation and living expenses. The cases reported cannot be regarded as 'typical' but reflect the circumstances and packages of care received by people in the median, lowest and highest deciles and lowest and highest quartiles of the sample.

Next year we are hoping to update the psychiatric reprovision packages found in section 2 of the report.

Information which has been excluded

Owing to changes in the funding arrangements for day nurseries, this schema, previously found in section 6 of the report, has been excluded this year. Similarly the schemata, previously found in sections 10 and 11 of the report, providing information on an adolescent support worker, an educational social work team member, a behavioural support service team member and a learning support service team member have been excluded this year as these were taken from a study whose costs have been superseded by Agenda for Change reforms.

List of sources

New in this volume is a list of other useful sources (page 7) which provide health and social care statistics and may be useful to the reader if the information they require cannot be found in this publication. This will be a permanent feature and this year is included after this preface but in future volumes will appear at the back of the report in the miscellaneous section.

Articles

Home visiting programme for vulnerable families (pages 17-22). In this article Emma McIntosh and Jane Barlow draw on the results of a multicentre randomised controlled trial (RCT) in which women identified as being 'at risk of poor parenting' were randomly allocated to a home visiting arm or a standard treatment control arm. Data on resource were collected and measured within the RCT and unit costs adjusted by appropriate quantities were then attached to the items of resource-use to obtain a study cost.

Direct payments (pages 23-28). Vanessa Davey draws on the results of a national survey in which local authorities were asked to provide details of the method they use to calculate direct payments and the average rates of these payments. The article includes comparative data to show to what extent these payments vary between locations and user groups.

Training costs of Person Centred Planning (pages 29-33). Renee Romeo and colleagues draw on the results of a recently completed study, commissioned by the Department of Health under the Learning Disability Research Initiative in order to provide information on the costs of Person Centred Planning (PCP) which is a service now being implemented across the UK. As this is the first study in PCP, until now, the costs of the service are largely unknown. Davey has identified all the costs involved to estimate the average cost of training in PCP per person.

The Baker's Dozen: unit costs and funding (pages 35-38). Following a government inquiry to address what provision of low level supports would enable people to remain independent and contribute to society, Inquiry members selected a 'Baker's Dozen' which have then been prioritised based on information about the costs and the extent to which they would make a difference to older people's lives. The Secretariat to the Older People's Inquiry into 'That Bit of Help' have presented the costs and also charges to the user of each of the dozen.

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- NHS Employers (2006) *Modernising Medical Careers: A New Era in Medical Training*, NHS Employers, www.nhsemployers.org, Issue 19 June.
- Baumann, M. et al. (2006) *What Went Right? A Study of What Works in Tackling Delayed Discharges in Six High Performing Sites*, Social Work and Social Care, Health Services Research Department, Institute of Psychiatry, King's College, London.
- 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, Canterbury.
- Netten, A. & Curtis, L. (2003) *Unit Costs of Health and Social Care 2003*, Personal Social Services Research Unit, University of Kent, Canterbury.
- Office of the Deputy Prime Minister (ODPM) (June 2004) *Mental Health and Social Exclusion, Social Exclusion Unit Report*, Office of the Deputy Prime Minister, London.

List of useful sources

Chartered Institute of Public Finance and Accountancy (CIPFA): <http://www.cipfastats.net>

The CIPFA Statistical Information Service (SIS) was established as a partnership between individual authorities and CIPFA. SIS has been undertaking detailed annual surveys of local authority operations for more than a century, and the “CIPFA Statistics” still remain the only impartial and comprehensive account of the extent and achievements of each individual Council. Surveys are conducted in the following areas: education, environmental services, environmental health, housing, leisure, planning, public protection, social services, transport.

Health and Social Care Information Centre (HSCIC): <http://www.ic.nhs.uk>

The Information Centre for health and social care (The IC) is a new Special Health Authority set up on 1 April 2005 to take over most DH statistical collection and dissemination and some functions of the former NHS Information Authority. This includes information on Personal Social Services Expenditure.

Hospital Episode Statistics (HES): www.hesonline.nhs.uk

This is the national statistical data warehouse for England of the care provided by NHS hospitals and for NHS hospital patients treated elsewhere. HES is the data source for a wide range of healthcare analysis for the NHS, Government and many other organisations and individuals. The HES database is a record level database of hospital admissions and is currently populated by taking an annual snapshot of a sub-set of the data submitted by NHS Trusts to the NHS-Wide Clearing Service (NWCS). Quarterly information is also collected. A separate database table is held for each financial year containing approximately 11 million admitted patient records from all NHS Trusts in England.

Adult Mental Health Service Mapping: http://www.durham.ac.uk/service_mapping

The AMH service mapping aims to contribute towards the improvement of mental health services for adults and provides information on the adult services available nationally. From this we have been able to make cost estimates for the multidisciplinary teams found in chapter 11.

Child and Adolescent Mental Health Mapping Service: <http://www.camhsmapping.org.uk>

This website provides information specifically on the mental health services available to children and adolescents. Using this website we have been able to estimate the costs of the children’s services found in chapter 11.

Reference Costs: <http://www.doh.gov.uk/nhs/refcosts.htm>

This website gives details on how and on what NHS expenditure was used. The Reference Costs/Reference Costs Index publication is the richest source of financial data on the NHS ever produced. As in previous years, its main purpose is to provide a basis for comparison within (and outside) the NHS between organisations, and down to the level of individual treatments.

Building Cost Information Service: www.rics.org/RICSservices/BCIS.htm

BCIS is the UK’s leading provider of cost and price information for construction and property occupancy.

Laing & Buisson: <http://www.laingbuisson.co.uk>

Laing & Buisson, an independent company, is the leading provider of authoritative data, statistics, analysis and market intelligence on the UK health.

Guest Editorial

Conducting and interpreting multi-national economic evaluations: the measurement of costs

Anita Patel

Economic evaluations involving more than one country are generally carried out to accelerate recruitment, increase statistical power, improve generalisability and/or gather information relevant to regulatory requirements of particular countries. While increased speed and size of recruitment and regulatory compliance are usually achieved, meeting the goals of increased statistical power and generalisability can bring challenges.

Between-country variations in national-, local- and patient-level factors affect clinical outcomes and the supply of and demand for health care, for example, the overall health care budget, the mix of health care goods and services that are bought with that budget, relative prices of resources and the epidemiology of the disease. As theories of welfare production would suggest, such factors are not independent of each other. For instance, the costs of resources can affect the availability of services, or pricing of services may affect their demand, and this may in turn affect patient outcomes. In pursuit of a larger sample size to increase the robustness of statistical inferences, it is common to pool data together and thereby ignore the effects of such between-country differences. There are also more pragmatic factors to consider: language and terminology differences need to be accounted for in the collection of both economic and outcomes data; differences in accounting systems may affect the collection of unit cost data; and costs for each country are likely to be in different currencies (even if they share a currency, as in the case of the Euro in various European countries, its value will vary).

The fundamental challenges when carrying out economic evaluations across multiple countries are to consider whether there are any between-country variations in the economic or outcomes data and, if so, how to take account of these to ensure that the conclusions drawn from the evaluation are valid and meaningful both within and across the countries involved. This necessitates taking particular consideration throughout the process of the evaluation: when choosing a study perspective; when collecting resource use data; when collecting unit cost data; when imputing missing unit costs; when choosing an analysis perspective; when standardising costs to a common currency; when linking costs with outcomes; and when interpreting findings.

This editorial can only touch on the surface of this area. There are now several good comprehensive reviews of the issues involved and the way in which previous studies have dealt with them (for example, Pang, 2002; and Mogyorosy and Smith, 2005). This editorial uses empirical data to simply highlight some of the issues that may be encountered when choosing a study perspective and when collecting unit costs.

Choosing a study perspective

While it has been suggested that the selection of a study perspective is a surmountable problem in multi-national evaluations because a disaggregated presentation of results can allow them to be re-estimated differently (Pang, 2002), decisions nevertheless need to be made at the design stage of a study regarding what resources will be measured.

One of the factors to account for in this decision is potential differences across countries in the balance of care between different sectors of a health or other support system. This may be particularly prominent in mental health and elderly care contexts, where patterns of service use can be complex. Therefore, a broad study perspective may be needed to ensure coverage of all relevant cost drivers. A good example of this is provided by the QUATRO study (Thorncroft et al., 2005; Patel, 2006), a randomised controlled trial of two interventions for people with schizophrenia carried out across four European countries (England, Germany, Italy and the Netherlands; one centre per country).

The study planned to estimate cost-effectiveness through analysis of pooled data. This has been a common approach in several previous multi-national economic evaluations, especially when countries have geographical proximity, perhaps with the implicit assumption that they share cultural, social and political features. Does the virtue of all QUATRO participating countries being western European countries demonstrate this approach to be appropriate? The star plots shown in Figures 1 and 2 would suggest not.

Figure 1: Percentage of participants using each type of resource

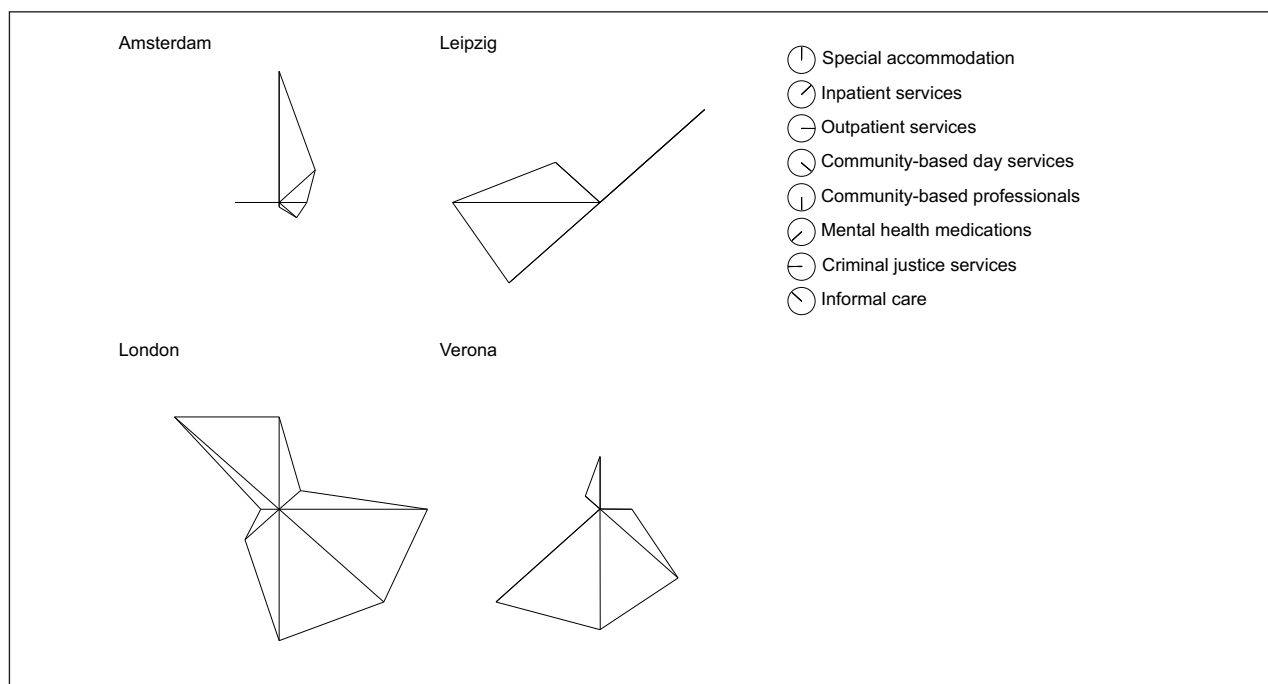
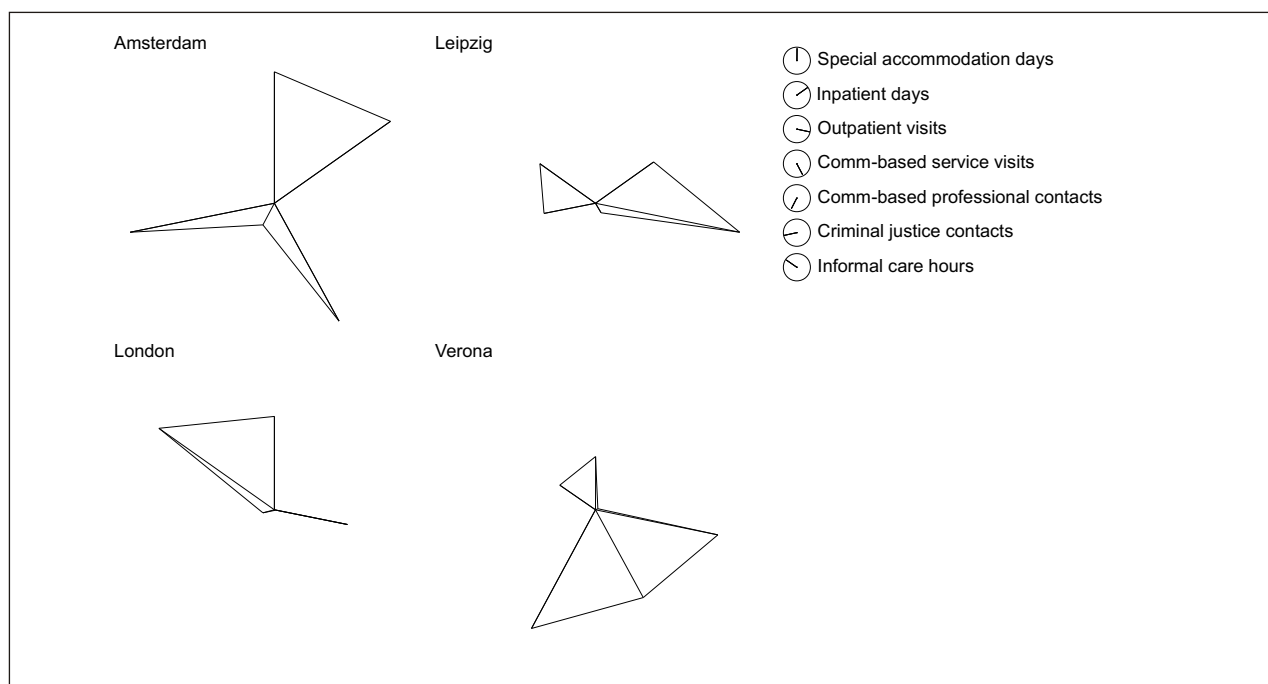


Figure 2: Mean amount of use for each type of resource

These star plots are a graphical representation of treatment patterns of participants in each country at baseline. Each country's star plot is formed of a series of lines stemming from the origin. Each line represents a particular resource and is differentiated from others by the angle at which it stems from the origin (see the keys provided in each Figure for explanation of which resource each line represents). The length of each line represents a quantity (in this instance, either the proportion of each sample that used a resource, or the mean amount of use). For example, in Figure 1, a vertical positive line represents the proportion of participants using special accommodation services, and in Figure 2, it represents the mean number of days spent in special accommodation. If the balance of resources used were comparable across the countries, they would have the same shaped star plots. If the number of resource users/resource quantities were comparable, then the size of the plots would be similar (note that values for each variable are re-scaled to fit the star plots).

Neither the shape nor size of the star plots is consistent across the four study sites. The proportion of participants in each country using secondary care services varied between 28-76 per cent and average length of stay was equally variable (19-88 days). The balance of care between different care sectors also varies. Take-up of community-based services was more consistent across the countries. These simple star plots clearly show that overall service use patterns differed by site and raise questions about the suitability of pooling these data together. Such variations could be a result of any number of factors. It is also important to note that the trial included only one centre per country and it is unclear whether those centres were representative of national patterns in those countries. This highlights the fact that the choice of centres in multi-national trials may be less determined by the representativeness of a centre and more on the basis of ease of data collection (Johnston et al., 1999). Indeed, the QUATRO centres were wholly determined by the localities in which the existing research collaboration group were based (although the formation of the collaboration may originally have accounted for broader issues of generalisability).

Estimating unit costs

Estimating the unit costs of the resources that have been measured presents a further set of considerations. The availability, quality and structure of financial information may vary between countries, as a result of different accounting practices for example. Attention is needed to ensure that the cost components that contribute to the estimation of unit costs are standardised across countries. Definitions of a particular resource input or type of cost may vary between countries, for example, capital overheads may have different names which are not directly translatable, and the semantic meaning of a particular cost element may vary from country to country, for example, 'overheads' may variably include/exclude capital costs. Also, different efforts may be required to collect particular unit costs as the cost-driving items may vary from country to country e.g. due to differences in balance of care.

Limited research resources often necessitate pragmatic approaches so, in reality, many evaluations resort to using a mixture of newly-computed costs and readily available information, which in turn can be a mixture of top-down and bottom-up costing methods, which themselves can lead to variable estimations. The approaches taken to date vary from one country's unit costs being applied to all countries to centre-specific costs being calculated for each country. However, using one country's unit costs does not allow for the possible between-country variations in the relationships between inputs and outputs. In fact, this illustrates that researchers often simply strive for an aggregate composite 'score' for a disparate series of resource use data, rather than to truly explore cost implications. Using one country's unit costs will not be appropriate if the aim is to reliably inform decisions about the allocation of scarce resources within each participating country. Unfortunately, collecting country-specific costs for multi-national studies can be a huge challenge, and one that may be magnified in evaluations measuring a broad range of services across several service sectors.

Although the QUATRO study aimed to standardise the process of collecting unit costs in each centre through the use of a protocol and templates specifically developed for this purpose (based on Chisholm, 2001), it was not possible to adhere exactly to these due to study resource constraints, variations in the availability of information and limitations to the level of commitment that we could reasonably expect from collaborators to carry out this onerous task. Therefore, the unit costs were ultimately based on the most readily available sources, formed of a mixture of local accounts and national published estimates, which in turn were a mixture of costs and charges. Several adjustments were needed to address missing overhead costs, capital costs and activity data.

Table 1 shows, for each centre, the ratios of unit costs of various resources against a comparison resource. The comparators were chosen on the basis of being in the same service sector and all centres having a unit cost estimate available for it (which was not possible in the case of accommodation services). While there are similarities in ratios for some services across the four centres (for example, the unit costs for 24-hour staffed overnight accommodation facilities were approximately a third of the unit cost of acute psychiatric wards in Leipzig, London and Verona), there were also wide variations for other services. The unit cost for a psychologist is two-thirds of the cost of a psychiatrist in Amsterdam and Verona, but ratios are much lower at 0.43 and 0.31 in Leipzig and London respectively. Ratios for the cost of a primary care physician vary greatly from 0.51 in London to 2.27 in Verona. There appear to be no systematic patterns in these ratios across the centres and accounting for purchasing power did not explain them. Although these ratios are obviously dependent on the choice of comparator, it is likely that they represent

variations in the constituent components of the unit costs estimates and/or between-country differences in relative prices.

Table 1: Average ratios of unit costs

	Amsterdam	Leipzig	London	Vienna
Accommodation — ratio calculated against cost of acute psychiatric ward				
Overnight facility, 24 hours staffed	NA	0.33	0.31	0.35
Overnight facility, staffed (not 24 hours)	NA	0.33	0.06	0.06
Overnight facility, unstaffed	NA	NA	0.06	NA
Hospital inpatient services — ratio calculated against cost of acute psychiatric ward				
Acute psychiatric ward	1	1	1	1
Psychiatric rehabilitation ward	0.42	1	1	NA
Long-stay ward	0.16	1	0.76	NA
Emergency/crisis centre	NA	1	2.04	NA
General medical ward	0.58	1.42	1.52	0.92
Hospital outpatient services — ratio calculated against cost of acute psychiatric ward				
Psychiatric outpatients	0.1	NA	0.52	0.18
Non-psychiatric outpatients	0.11	NA	0.51	0.04
Day hospital	0.29	0.24	0.41	NA
Community-based services — ratio calculated against cost of community mental health centre				
Community mental health centre	1	1	1	1
Day care centre	1	NA	0.14	2.6
Group therapy	NA	NA	0.16	2.2
Sheltered workshop	NA	NA	0.12	16.1
Specialist education	NA	NA	0.17	NA
Community-based professionals — ratio calculated against cost of psychiatrist				
Psychiatrist	1	1	1	1
Psychologist	0.65	0.43	0.13	0.67
Primary care physician	0.82	2.09	0.51	2.27
District nurse	0.39	0.4	0.22	0.51
Community psychiatric nurse/care manager	0.48	0.39	0.29	0.51
Social worker	0.48	0.39	0.44	0.37
Occupational therapist	0.48	0.39	0.18	NA
Home help/care worker	0.29	0.44	0.05	0.31

Note: NA = Not available

Future directions

The variations in resource use and unit costs illustrated here raises the question of how relevant the pooled findings would be for the individual study sites. Although the appropriateness of pooling data can be tested (for example, by testing for treatment-by-country interactions as suggested by Cook et al. (2003)), few studies are powered to conduct such tests. Country-specific analyses are also likely to lack statistical power and would anyway contradict one of the common rationales for such studies i.e. to maximise statistical power.

There is still insufficient consensus about the appropriateness of various available approaches to multi-national economic evaluation. This generates uncertainty, not only for evaluators who face such challenges in the day to day process of conducting the research, but also for policy makers who need to ensure that correct inferences are drawn from such evaluations. It seems sensible for those embarking on multi-national economic evaluations to begin under the assumption that there will be differences and that contextual information will need to be collated as part of the study to explore the presence and potential causes of such variations. Although country-specific analyses may lack power compared with pooled

analyses, they may nevertheless be a useful exploratory approach to examine whether pooled conclusions are at least broadly applicable to each study country. There is now a growing interest in developing methods to directly address these challenges. For example, multi-level modelling has been suggested as a middle-ground option to choosing between country-specific and pooled analyses because it accounts for the hierarchical nature of pooled data (Manca et al., 2005). However, it may not be a suitable approach for studies with small numbers of countries and/or centres. Pinto et al. (2005) and Willan et al. (2005) propose bayesian shrinkage estimation as another compromise option between pooled and country-specific analyses because it provides country-specific estimates that lack the variability associated with country-specific or sub-group analyses.

Despite great headway in this area in recent years, there are still few direct comparisons of different approaches and their impacts on trial results. Sensitivity analyses clearly have an important first line role to play in multi-national economic evaluations. Alternative approaches may have a quantitative impact on the findings, even if they do not change the overall conclusions. The importance of quantitative impacts will vary according to context. There may be acceptable levels of divergence between different approaches that evaluators or policy makers would be willing to accept (for example, quantitative differences may not matter as long as they are moving in the same direction). Conversely, there may be unacceptable levels of divergence, prior to the point at which the direction of the difference changes. Such questions are important because although quantitative impacts of alternative approaches may not change the conclusion of an evaluation, they suggest different budgetary impacts. It would also be important to know how representative the study sample is of the local populations and/or conditions.

This editorial has focused on economic evaluations conducted across more than one country. While geographical variations and their consequences are more prominent in multi-national studies, they are also present in multi-site/multi-centre evaluations carried out within a single country. Therefore, all of the issues discussed here (and their potential solutions) may also hold for single-country multi-centre evaluations. (It follows that multi-national economic evaluations which involve multiple centres within each country may present even greater complexities).

In considering these issues, we must remember the rationale for carrying out economic evaluations in the first place: to inform decisions about allocating scarce resources as efficiently and equitably as possible in order to maximise the welfare of a society. Geographical variations in various factors necessitate decision-making at localised levels. Sensitivity to context, in both conduct and interpretation, is therefore essential in multi-national evaluations. It could be the case that the 'summary measure' of total costs may be less useful in a multi-national context and that ever more sophisticated approaches to the analysis of multi-national data may prove less useful to decision-makers than simple breakdowns of data that can be reconstituted to suit their needs.

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The costs of an intensive home visiting programme for vulnerable families

Emma McIntosh and Jane Barlow

Introduction

Home visiting programmes are now being used extensively in countries such as the USA (Olds et al., 1997) and Australia (Brown, 2004) and this development reflects a growing recognition of the importance of the first three years of life not only in preventing a range of adverse health outcomes but in promoting optimal mental and physical health in infancy, childhood and adulthood. A recent HDA review of reviews shows that these programmes are associated with a range of benefits including better rates of breastfeeding, reduced accidents, improved detection and management of postnatal depression and improvements in parenting and the home environment (Bull et al., 2004). It is not, however, clear that their use is justified from an economic perspective. There have been few economic evaluations of health visiting services (Brooten et al., 1986; Hardy and Streett, 1989; Olds and Henderson, 1993; Archbold et al., 1995; Miller et al., 1996; Brown, 1992; Yanover et al., 1976; Morrell et al., 2000) most of which have been conducted in the US, have diverse economic objectives and many of which have been beset by methodological problems including the lack of a societal perspective. The results of these economic analyses have been variable with some studies showing that the costs of such services are offset by savings from reduced inpatient care etc. (Yanover et al., 1976; Olds and Henderson, 1993; Archbold et al., 1995; Miller et al., 1996) and some showing increased expenditure on home visiting with no savings (Brown, 1992).

Methods

A multicentre randomised controlled trial (RCT) was conducted in which women identified as being 'at risk of poor parenting' were randomly allocated to a home visiting arm (n=67) or a standard treatment control arm (n=64). Further details of the development of the home visiting service, RCT methods (Barlow et al., 2003) and full cost effectiveness analysis (McIntosh et al., 2006, submitted) are reported elsewhere. This article reports the costing methodology and cost results.

Costing

Data on resource-use were identified and measured within the RCT. The resource-use data were collected as an integral part of the trial data collection forms. A section entitled '*Your use of Services*' was included in the trial forms and women were asked to recall their use of services such as visits to the GP for the antenatal period till 2-months postnatally, 2-months to 6-months postnatally and finally from 6-months to 12-months postnatally. To aid recall the women were asked to keep a 'Diary of service use', which they used as an aid to completing the resource-use form. Where such data were not completed women were asked to return their diary so that some estimate could be obtained of service use. Unit costs (2003/4) adjusted by appropriate quantities were then attached to the items of resource-use to obtain a study cost. These study costs were summed for each individual in the study and the mean difference in costs between the two arms of the trial estimated. Private costs incurred to women such as childcare costs, over-the-counter medicines and use of private practitioners was also measured. Unit costs were attached to all resources measured to allow reporting of variances in cost arising through economic significance as well as statistical significance. The majority of unit costs were obtained from Netten and Curtis (2003), Netten and Curtis (2004) and the 'New NHS' 2004 reference costs (NHS, 2004). Where unit costs required inflating to 2004 prices, the readily available Hospital and Community Health Services (HCHS) and Personal Social Services (PSS) inflationary indices were used. Recommended discount rates of 3.5 per cent were used for both costs and benefits where applicable (HM Treasury, 2003). A societal perspective was adopted such that costs to the health service, social services, legal costs, local authority housing costs, and private costs to women were included.

Results

Thirty-three items of potential resource-use services for this group of high-risk women were originally identified and included in the resource-use proforma for women to complete. The results reveal that 29 of these resource services had been used as well as a number of 'other' services. The resources identified along with their unit costs are listed in Table 1.

Table 1 Summary of main resources and unit costs

Resource Item	Unit cost ¹	Study cost (2004) ²	Resource item	Unit cost ¹	Study cost (2004) ²
Family doctor (GP)	£26.00 ³	£26.66 ¹⁴	Family centre	£27.69 ³	£2.77 ³³
Home visitor (home)	£76.00 ³	£77.94 ¹⁵	Sure Start	£27.69 ³	£27.69 ³⁴
Home visitor (clinic)	£53.00 ³	£27.18 ¹⁶	Home Start	£76.00 ³	£77.94 ³⁵
Home visitor (phone)	£22.00 ³	£3.76 ¹⁷	Housing department	£12.50 ⁵	£12.50 ⁵
Social worker (home)	£76.00 ³	£79.50 ¹⁸	Women's aid	£93.00 ⁶	£46.50 ³⁶
Social worker (clinic)	£30.00 ³	£31.38 ¹⁹	Legal aid	£93.00 ⁶	£46.50 ³⁷
Social worker (phone)	£30.00 ³	£5.23 ²⁰	CAB	£12.50	£12.50 ³⁸
Midwife (home)	£44.00 ⁴	£44.00 ²¹	Psychologist	£66.00 ³	£67.68 ³⁹
Midwife (hospital)	£62.00 ⁴	£62.00 ²²	Psychiatrist	£210.00 ³	£215.36 ⁴⁰
Antenatal class	£37.00 ³	£3.70 ²³	Foster care	£593.00 ³	£620.28 ⁴¹
Alcohol/drug support	£87.00 ⁴	£91.00 ²⁴	Adoption services	See ⁷	See ⁷
Paediatrician	£105.00 ⁴	£105.00 ²⁵	Local advice centre	£12.50	£12.50 ⁴²
Obstetrician	£84.00 ⁴	£84.00 ²⁶	Parent-toddler group	£2.00 ⁸	£2.00 ⁸
Audiology	£59.00 ⁴	£59.00 ²⁷	Court hearing	£945.00 ⁹	£945.00 ⁴³
Ophthalmology	£49.00 ⁴	£49.00 ²⁸	Social services case conference	£258.00 ¹⁰	£450.58 ¹⁰
CPN	£62.00 ³	£63.58 ²⁹	Crèche	£4.50 ¹¹	£4.50 ¹¹
Child and family team	£27.69 ³	£27.69 ³⁰	Playgroup	£2.00 ¹¹	£2.00 ¹¹
Hospital A&E department	£65.67 ⁴	£67.34 ³¹	Private child care	£35.00 ¹¹	£35.00 ¹¹
Psychologist	£66.00 ³	£67.68 ³²	Police attendance	£12.00 ¹²	£12.00 ¹³

¹ Published unit cost: ² Unit cost multiplied by quantity of resource-used in study and inflated to 2004 prices using HCHS or PSS Inflationary indices where relevant: ³ Netten and Curtis (2003/4): ⁴ NHS Reference Cost (2004) (Online spreadsheets: <http://www.doh.gov.uk>): ⁵ 2004 costs personal communication, Business Manager, Housing Customer Services, Oxford City Council: ⁶ Legal aid costs <http://www.gov.uk>: ⁷ 'Costs of Adoption', Selwyn et al (2004) in Netten and Curtis (2004). Costs include: post placement unit costs per year of £6,070 (2003); Post-adoption unit cost per year £2,334 (2003); Carer and legal costs of the adoption process of £252 (2003): ⁸ Average for Oxfordshire (2004): ⁹ <http://www.courtserve.gov.uk>: ¹⁰ Assumption: 2 hours social worker time³ plus 2 hours social worker assistant³ plus 2 hours home visitor³ plus 2 hours legal aid time⁶: ¹¹ Average for Oxfordshire (2004): ¹² <http://www.homeoffice.gov.uk>: ¹³ £12 per hour according to ready reckoner: Assume 1 hour contact time: ¹⁴ Per clinic consultation lasting 12.6 minutes: ¹⁵ Per 1 hour client contact for home visit: Assume 1 hour for study cost: ¹⁶ Assume 30 minutes contact time for study cost: ¹⁷ Unit cost of £22 per hour non-contact: Assume 10 minute phone call: ¹⁸ Per 1 hour client contact for home visit: Assume 1 hour for study cost: ¹⁹ £30 per hour of client related work in clinic: ²⁰ £30 per hour of client related work in clinic: Assume 10 minute phone call: ²¹ Midwifery postnatal visit cost: ²² Midwifery outpatient appointment cost: ²³ NHS Reference costs Antenatal Support: Assume 10 women attend each class – individual cost of £3.70: ²⁴ NHS Reference costs (2004) Mental health Services: booked appointments data for alcohol and drug counselling: ²⁵ Paediatric outpatient appointment: ²⁶ Obstetric outpatient appointment: ²⁷ Audiology outpatient appointment: ²⁸ Ophthalmology outpatient appointment: ²⁹ Community Psychiatric Nurse (CPN): ³⁰ Netten & Curtis (2003); Per hour of client contact: Assume 1 hour for study cost: ³¹ NHS Reference cost (2003): Assumption: Average cost of referred/discharged/transferred: ³² Per 1 hour client contact with a clinical psychologist: ³³ Session at a local authority nursery as proxy (£27.00; Netten & Curtis (2003)): Assume 10 women attend each session: ³⁴ Session at a local authority nursery as proxy (£27.00; Netten & Curtis (2003)): ³⁵ Home Start is a home visiting service, run by a charity: Assumption – resources are the same as home visiting. ³⁶ Assume same cost as legal aid (see³⁷): ³⁷ Based on the cost of a legal aid solicitor, Legal aid costs £93 per hour, assume a 30 minute appointment: ³⁸ Assume average local authority service unit cost: ³⁹ £66 per hour of client contact with a clinical psychologist: ⁴⁰ £21-per hour patient contact with a consultant psychiatrist: ⁴¹ Netten & Curtis (2003) Local Authority foster care costs per week (individual cases varied according to no. of weeks in foster care, emergency removal or standard, social worker time, case conference costs and court hearing costs: ⁴² Assume average local authority service unit cost: ⁴³ Assume court hearing for emergency child protection order, Assume Band 2 Grade B summary assessment fees (Oxfordshire Solicitors Court Fees)*2 = £145*2, plus Counsels fees of 0.5 day hearing on Queens bench (£655), total = £945.

The extent to which the resource-use quantity and cost for the entire period differs between the two arms is shown in Table 2. The total cost variable is produced from a societal level whereby all costs to all parties are included. Home visiting training costs were also included pro-rata in the costs of each woman allocated to the intervention arm. In addition to this, where infants were placed in foster care or for adoption additional resource-use information

for such events were individually identified from the relevant home visitor records including type of removal (i.e. emergency or routine), foster care duration, adoption expenses, court cases, child protection resources, legal costs and social care involvement.

Table 2 Mean cost & quantity differences arising between arms of the trial

Resource	Control	Home visiting	Mean cost difference (SE)	P
Mean no. of clinic visits to a health visitor Mean cost (£)	14.24 £383	8.82 £237	-£146 (£57)	0.01
Mean no. of phone calls to a health visitor Mean cost (£)	6.94 £26	10.34 £38	£13 (£5)	0.019
Mean no. of home visitor home visits Mean cost (£)	10.30 £797	40.63 £3,128	£2,330 (£136)	0.000
Mean no. of social worker office visits Mean cost (£)	0.5 £16	1.55 £48	£32 (£27)	0.23
Mean no. of midwife hospital visits Mean cost (£)	2.8 £178	3.9 £245	£68 (£49)	0.16
Mean no. of alcohol/drug counselor visits Mean cost (£)	1.2 £107	0.78 £70	-£38 (£95)	0.69
Mean no. of A&E visits (mother) Mean cost (£)	0.65 £43	0.41 £27	-£16 (£15)	0.27
Mean no. of A&E visits (infant) Mean cost (£)	0.83 £55	0.43 £28	-£26 (£16)	0.10
Mean no. of psychologist appointments Mean cost (£)	0.08 £6	0.98 £65	£60 (£27)	0.028
Mean no. of psychiatrist appointments Mean cost (£)	0.50 £107	0.95 £203	£96 (£85)	0.259
Mean no. of visits to an obstetrician Mean cost (£)	2.20 £184	1.36 £114	-£70 (£103)	0.49
Mean no. of family centre visits Mean cost (£)	6.13 £167	7.67 £210	£43 (£89)	0.63
Mean no. of Home Start visits Mean cost (£)	0.53 £41	1.7 £129	£88 (£76)	0.25
Mean no. of visits to the housing department Mean cost (£)	6.17 £76	4.75 £59	-£18 (£20)	0.37
Children entering foster care/adoption Mean cost (£)	0 £0	4 £776	£776 (£536)	0.15
Home visiting training cost apportionment per woman (£) ¹	(n/a) £0.00	(n/a) £29.63	£30 (£1)	0.000
Total cost (all resource-use data) ²	£3,874	£7,120	£3,246 95% CI ³ : £1,645 - £4,803	0.000

¹ This cost was an apportioned cost to account for the beneficial effect of the home visiting training on all the other women home visited by the home visitors who were not in the trial.

² The total cost variable includes all costs and not only those which were statistically significantly different. This allows cost differences to be economically significant although not statistically so.

³ The 95 per cent confidence interval for the cost difference was obtained using non-parametric bootstrapping to account for the skewed nature of the cost data in each arm of the trial.

A mean cost estimate per woman per arm of the trial was computed. The cost data distributions for both arms were not normally distributed hence the 95 per cent confidence interval for the difference was therefore obtained using non-parametric bootstrapping methods. The mean costs in the control and intervention arms were: £7,120 compared with £3,874, a difference of £3,246 (95 per cent confidence interval for the cost difference: £1,645 – £4,803). The total costs of the intervention arm as shown in Table 2 above are statistically significantly greater due to increased home visits, phone calls to a home visitor, home visitor training costs and appointments with a psychologist. Costs incurred, though not reaching statistical significance include: foster care and adoption costs; social worker office visits; hospital visits to a midwife; appointments with a psychiatrist; visits to family centres; and Home Start visits. However, Table 2 also reveals significant cost savings arising due to the home visiting intervention in the form of reduced costs of *clinic* health visiting costs. Further cost savings arising in the intervention arm, although not statistically significant arose in the following categories: alcohol and drug counseling costs; obstetric costs; A & E costs for both mother and baby; obstetrician appointment costs; and local authority housing department costs. Although many of the additional costs did not reach formal levels of statistical significance when all resources were combined within a 'total cost' variable, the mean incremental cost in the home visiting arm of £3,246 was statistically significant ($p < 0.001$) with 72 per cent of this incremental cost being due to the extra costs of the home visiting intervention, and 24 per cent due to the costs of the infants being removed from parental care and entering foster care and/or the adoption process (resources involved with infants being removed from parental care involved social workers, police, solicitor and court costs, foster care and adoption placement costs).

Discussion

This work has provided detailed cost estimates of resources used by this 'high risk' population. The main challenges arising with the economic evaluation of home visiting interventions, as documented by researchers such as Olds and colleagues (1997) and Byrd (1997) are firstly that whilst the costs of such services can be easily identified and measured the resulting benefits and cost savings are more complex to identify and measure since they may occur in sectors of government beyond health care including social services, education, crime and housing. Indeed, 24 per cent of the incremental costs of the home visiting intervention in this study were due to non-health service costs. Secondly, the benefits and cost savings may accrue over a longer time period than is often accommodated for in trials, and this combined with the multi-sectors affected by this intervention makes for a complex economic evaluation process. A three-year follow-up of the current study is now underway and the economic analysis will use modeling techniques to extrapolate both the costs and benefits beyond the end of the trial.

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Direct payments rates in England

Vanessa Davey

Introduction

Direct payments are cash payments in lieu of community care services on the basis of eligible assessed needs. These payments are required to be used to purchase care as an alternative to services being arranged and provided for by the local authority. Direct payments can be provided for regular weekly packages of care or for one-off purposes. When a person chooses to receive a direct payment for a weekly package of care the local authority typically converts the hours of care per week specified in that person's care plan to hours of direct payment. The direct payment is an hourly set rate given per hour of care required to all people choosing to purchase care themselves.

The practice of providing set hourly direct payment rates is contentious. There is no requirement that direct payments be based on a standardised hourly rate. Rather, the emphasis is on meeting the needs of each individual's circumstance such that

...“[the level at which a direct payment should be set] should equivalent to the authority's estimate of a reasonable cost of lawfully securing the provision required... to fulfil the needs for which the direct payment service relates” (Department of Health, 2003).

The types of services for which direct payments can be used are determined by the service user's care plan. Uses of direct payments therefore vary considerably between individuals and more generally between user groups, reflecting the different kinds of care packages usually provided to each service user group. A direct payment is not intended to purchase a homogenous service, but a service that maximises user choice and flexibility. For this reason it may be considered surprising that over 80 per cent of local authorities that responded to a recent national survey on direct payments policies provided data on their set direct payment rates (where the response rate equalled three-quarters of all local authorities in England) (Davey et al., 2006).

How are direct payment rates calculated?

Given the diverse nature of the services that may be purchased with direct payments in lieu of a community care package, how are direct payment rates are calculated, and on what basis?

First and foremost, there are a number of reasons why providing set hourly rates may be advantageous. These include greater transparency across the authority and swifter decisions on payments. Standardised rates also provide a benchmark for everyone concerned, including prospective users, prospective employees and other service providers who might seek to enter the local direct payments market.

Each local authority has its own discrete accounting procedures for calculating direct payment rates, yet it is possible to identify the main principles which underpin these calculations in practice. Two main guiding principles are generally stated. The first is that the rate should be in line with local average costs of the main substitute service (typically home care), but with a deduction for the proportion of the cost of that service that can be attributed to direct and indirect overheads. Local authorities see this as a key efficiency (cost) saving and therefore a benefit of the service (Frontier Economics, 2006)

The second guiding principle is that the rate should be set at a level which is sufficient to pay a 'market' wage rate to a personal assistant appropriate for the tasks required. Local authority commissioners have concerns that direct payment users are able to employ staff at rates that are significantly above average wage rates, which could lead to transfers of staff from care agencies or in-house provision to direct payment users. Thus, direct payment rates are implicitly set at a level which will allow payment of a wage in line with local agency and in-house home care workers, after appropriate deductions for on-costs.

The results of our national survey show that, on the basis of the national average direct payment rate across user groups (as shown in Table 1), the pay rate for a personal assistant employed full-time would be equal to £6.08 per hour, after deductions for tax and national insurance. This falls just below the average wage for home care workers of £6.40 per hour (Curtis and Netten, 2005). Nevertheless, potential wage rates are highly contingent upon necessary expenditure on employment-related costs, particularly on tax and National Insurance. If a personal assistant only works a few hours a week and does not have other employment they could feasibly be paid wages that may work out to be more competitive (Davey et al., 2006).

Table 1 Core average hourly direct payment rates

	Older people	Mental health	Learning disability	Physical disability	Sensory impairment	Disabled children	Carers	All
Day	£8.70	£8.81	£9.63	£8.69	£8.76	£8.77	£8.71	£8.87
Valid (N)	100	97	94	95	86	81	75	n/a
Evening	£9.02	£8.97	£9.11	£9.04	£9.10	£9.06	£9.15	£9.06
Valid (N)	84	81	78	80	73	70	65	n/a
Weekends	£9.47	£9.34	£9.52	£9.43	£9.46	£9.33	£9.44	£9.43
Valid (N)	86	83	81	83	73	71	67	n/a
Bank Holiday	£10.47	£10.38	£10.48	£10.43	£10.55	£10.50	£10.46	£10.46
Valid (N)	73	73	69	71	64	64	58	n/a

Due to the practice of deducting elements that would normally contribute to the direct and indirect overheads associated with independent sector or in-house care, average payment rates are almost universally lower than the costs of contracted home care, the main service for which direct payments substitutes (Davey et al., 2006). This highlights an inherent conflict between the principles of direct payments and their practice. Direct payments are designed to be a mechanism to enhance the role of the consumer in the market place for long-term care, but if direct payment rates are set at a level which is below market value for any form of care other than that of recruiting a personal assistant, the opportunities of direct payments are likely to be reduced. Local authorities argue that rates are appropriate because direct payment services are mainly purchased from a different sector of the market, for example friends, families and neighbours (Frontier Economics, 2006). Moreover many local authorities review the hourly rate to be applied if the service user wishes to, or requires a service from an agency (Davey et al., 2006). There are also other examples of flexibility in the application of standardized rates, for example in response to rurality (where recruiting is difficult), or where the service user has complex needs, particularly for clients with learning disabilities.

To what extent do direct payment rates vary?

There are marked variations in hourly direct payment rates, and also in what is included in those rates. Some of these variations are due to differences in the extent to which the following employment costs are included in the hourly rate:

- Tax
- National Insurance
- Sickness Pay
- Start-up costs
- Contingency funds
- Support costs

The majority of local authorities include an allowance for tax and National Insurance in the direct payments rates. In contrast, a minority, include funds designed to be used towards the costs of support required to help with the management of the direct payment itself (although many local authorities provide additional funding to organisations to provide direct payments support) (Davey et al., 2006).

We also see considerable regional variations in rates and variations between local authority types, as shown in Tables 2 and 3. As expected, rates are higher in London and the South East, although there appears to be more variation than can be explained by market forces. Although a North/South divide in payment rates is apparent, comparison between neighbouring regions in the North suggests that the picture of regional disparities is complex. On average, service users in the Yorkshire and Humber region and from metropolitan authorities receive the lowest hourly rates. Metropolitan authorities were found on average to offer hourly rates 11 per cent lower than the English norm.

Table 2 Average core direct payments rates in England for all service user groups by regional location

		Daily	Evening	Weekend	Bank Holiday
South West		£10.30	£10.54	£10.54	£10.30
	Valid (N)	4	4	4	3
London		£9.75	£9.87	£10.41	£12.09
	Valid (N)	24	20	20	17
South East		£9.07	£9.88	£10.25	£11.51
	Valid (N)	12	11	12	10
East		£8.96	£9.06	£9.91	£11.68
	Valid (N)	6	5	5	5
North East		£8.95	£8.70	£8.70	£8.70
	Valid (N)	9	6	6	6
East Midlands		£8.33	£8.56	£9.24	£7.95
	Valid (N)	6	5	6	5
West Midlands		£8.25	£8.15	£8.35	£8.81
	Valid (N)	8	5	7	3
North West		£7.68	£8.39	£8.66	£10.30
	Valid (N)	16	15	15	14
Yorkshire and the Humber		£7.57	£7.92	£7.95	£8.86
	Valid (N)	10	9	8	8

Table 3 Average core direct payments rates within England for all service user groups by local authority administrative type

		Daily	Evening	Weekend	Bank Holiday
London Borough		£9.70	£9.87	£10.41	£12.00
	Valid (N)	24	20	20	17
Shire County		£8.96	£9.06	£9.46	£9.50
	Valid (N)	17	15	16	15
Unitary Authority		£8.77	£9.36	£9.55	£10.40
	Valid (N)	29	24	26	21
Metropolitan District		£7.70	£8.05	£8.43	£10.10
	Valid (N)	25	21	21	18

Levels of compensation for unsociable hours vary more extensively than daily rates. In some cases there is virtually no differential made - typically because the hourly rate is expected to be sufficient to allow for the accumulation of funds to resource higher pay rates for unsociable hours. Evening rates of pay were on average 2 per cent higher than daily rates, whereas weekend rates were generally 6 per cent higher. Bank holiday rates were around 18 per cent higher than the daily rate (but with a wide range of between £4.12 to £25 per hour) (Davey et al., 2006).

Contrary to expectations, there was relatively little variation in direct payment rates for within each service user group. Due to the wide variations in average unit costs for services for different user groups, there is the potential for wide discrepancies between resources paid to direct payment users and mainstream service users, particularly for groups where services have comparatively high unit costs, such as services for disabled children (Curtis and Netten, 2005). The only distinction is that daily rates for people with learning difficulties are generally notably higher than for other groups.

Aside from the hourly rates listed above, about three-quarters (75 per cent) of local authorities pay a nightly rate for a 'sleepover' or 'sleep disturbance', rather than an hourly rate. The use of a nightly rate was particularly common in shire counties (83 per cent). Their night rate was the most generous of all authority types at around £45 per night. London boroughs tended to pay the lowest nightly sleepover or sleep disturbance rates, surprisingly given that they paid above average core rates (average of £38 per night). Around one quarter of local authorities responding to the survey revealed weekly live-in rates. Average weekly rates for people with a learning disability, people with a physical disability and disabled children were all considerably *lower* than the average unit costs of residential care for these groups. In contrast, the average weekly live-in rates for older people and people with mental health problems were significantly *higher* than average unit costs for equivalent residential care, due to the comparatively low costs of residential care for these two groups.

In most cases these rates would not be sufficient to allow an hourly wage above the national minimum wage. Whilst it is acknowledged that there is often a differential level of input required during these working periods than during the day, whether or not this breaches the European Working Time Directive depends on the boundaries of the concept of 'working time'. Prior to the Judgement of Court in SIMAP, on 3 October 2000, the general interpretation of the European Commission has been that only periods of actual work during time spent on call should be classified as working time, although since this Judgement, time spent on call where the employee has to be physically present and to be available to the employer immediately in case of need must be considered working time, even if they are inactive for part of this time (Kenner, 2004).

Discussion

The calculation of direct payment rates is at present contentious and is likely to remain so as demand for the service grows. Assumptions that current rates are sustainable due to the majority of care being purchased through friends, family and neighbours are as yet largely unsubstantiated. In reality, it is unclear how direct payment service users secure services as individual purchasers and what factors influence their ability to do so. The question of what is a 'reasonable' resource to pay for any given set of care needs is therefore a complex question for any authority. In order, to assess whether the sum paid to individuals is reasonable, given their circumstances, local authorities are largely reliant on feedback obtained from service users and care managers through monitoring.

The practice of setting rates at a level so as to prevent any 'skewing' of the local employment market may reduce both equity and choice, as well as the potential for direct payments to influence the care market. A critical feature is the degree of flexibility in which direct payment rates are established for individuals seeking to purchase care via this route.

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Training costs of Person Centred Planning

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Introduction

Person centred planning (PCP) has been topical, not least because it has been put on the policy agenda (Department of Health, 1999; Department of Health, 2001). It is a way of conceptualising and bringing into reality the aspirations of persons with a learning disability in a manner that may guide service responses. Similar to investing in education, costs are incurred in the short term in the expectation that there will be improvements in personal social and economic function in later life. Putting PCP into practise requires (among other things) running development and training sessions for various individuals on its principles and application. The training is designed to build capacity of self-advocates, families, friends and paid support and front line staff involved in the lives of the focus person in a person centred approach. One of the reasons for investing in training is that PCP is based on a completely different way of seeing and working with people with learning disabilities, focused on community inclusion and support. Such an approach will clearly have an impact on resources in order to implement it. Little is known about these costs.

A recently completed study, commissioned by the Department of Health under the Learning Disability Research Initiative with additional funding for the project provided by the Foundation for People with Learning Disabilities, evaluated the impact of PCP on the life experiences of people with learning disabilities and the nature and costs of supports provided to people with learning disabilities (Robertson et al., 2005). This study provides the data with which to estimate cost of training in PCP.

Costing methodology

The training cost estimation was based on established economic principles (Allen and Beecham, 1993) and followed four stages:

- Description of the training process
- Identification and measurement of each element associated with the training

- Valuation of the implications of each of these elements
- Calculation of the unit cost of training, deriving a cost per trainee

Before the cost estimation exercise was undertaken focused discussions were held between the consultant trainers and one of the researchers. Trainers at each of the sites described the training programme and the principles underlying the programme. A detailed interview was held with one of the trainers who gave details of the individuals involved at each of the sessions, including the time spent by the trainer and the participants at each of the sessions, location of the training (the training space used), training material used and refreshments provided. For participants in paid employment attending the sessions, the consultant gave details of their grade and roles.

The choice of a unit of measurement for each element of the training and the way in which it is calculated is integral to the overall costing exercise. For a paid facilitator, it was appropriate to use the cost per hour, which was then multiplied by the time spent in each training session, which was usually no less than one hour.

We then collected information on the cost implications of the elements (resources) associated with the training. These elements included salary and on-costs, clerical support, relevant share of the capital and maintenance of buildings and equipment and the management of the department and other training related expenses such as catering, stationery. The cost of training self-advocates, families, friends, paid support staff and front line managerial staff includes their salary as well as additional cost to the employer such as national insurance contributions.

Data were unavailable on the salaries and related cost for unpaid facilitators such as members of families and friends. We therefore estimated their costs based on the cost of paid facilitation (under opportunity cost assumptions). Training across the sites was undertaken in a variety of settings, in some cases a nominal rent was paid for the facility and in other areas use of the facility was provided 'free' of charge. To ensure that capital was consistently employed across all sites standard capital cost estimates were used. Capital costs were estimated using new build and land requirements for a local authority training room, annuitised at a rate of 3.5 percent over 60 years. Local authorities may consider using existing facilities.

To calculate the cost per trainee of attending a PCP training programme, the average costs of each of the elements were calculated and these cost summed to give an average cost for implementing PCP.

Training took place over a period of twenty days at each of the sites. Costs associated with these training days were estimated at 2003/2004 price levels.

Training in PCP

Training in PCP was phased in and based on a systems approach. This approach involved simultaneous training of facilitators and their managers, and work with a multi agency implementation group. Facilitators and managers were encouraged to discover what was working and not working and what issues were raised through plans, and to discuss these with a multi agency implementation group. The emphasis was on building local capacity and training facilitators who can work with a number of people over time.

At each of the phases, implementation sessions were held with the implementation steering group. This group consisted mainly of the PCP research team. Each facilitator was asked to provide a summary of what was working and not working in the person's life from the facilitator's perspective. The group then did a content analysis on a sample of the issues that arose. This provided a summary of the main themes that were working well and the areas that required organisational change. The group then developed an action plan from this.

Training costs: PCP

Training was provided to both the facilitators and managers. Facilitators consisted of paid outreach support staff, self advocates, unpaid volunteers such as friends and family members. In only two of the sites, self-advocates were present. In another two sites, all facilitators were paid members of staff and there were no family members or self-advocates involved in the training. On average, there were sixteen facilitators at each of the sites involved in the training. Support sessions were also provided to both facilitators and managers in two of the four sites. This enabled the facilitators and managers to meet with the trainer to review progress and plan next steps.

Two of the sites held implementation sessions with the steering group, which initially involved the PCP research steering team and subsequently merged with the local implementation group. Salary-related costs for the research steering team and the implementation group were excluded from the calculations to estimate the costs associated with training. More generally, the costs associated with implementation and research-related costs are not included in the overall cost estimation.

The financial arrangements surrounding funding for PCP activities and training, changes in accounting and budgetary procedures are strategic to the implementation process. This was not included in the scope of the costing exercise.

As seen in Table 1, the average cost of training families, friends, paid support and front line staff was £15,297 per site with a range of £13,996 to £16,500. Costs varied depending on the time spent by facilitators and managers in the sessions. The cost of the trainer contributes 75 per cent of the overall costs for each site. The use of facilities or office space to hold the training sessions represents a small proportion of the overall costs. Training materials were not used consistently over all sites. The estimated cost of a training pack for facilitators used at two of the sites was given at £19.99. Insufficient information on the consultants' expenses was held and was not included in the cost estimation. However these costs are expected to be small.

These training and implementation costs translate into a cost per participant of £658 if calculated across all 93 participants in the study or £941 if calculated across the 65 participants for whom PCPs were developed.

Table 1 Training and support cost

	Total direct input	No in receipt of training	Unit cost £	Minimum cost per site £	Maximum cost per site £	Average cost per site £
Consultation costs:						
Trainer (days)	20	22	575 ¹	11,000	12,000	11,500
Staff costs						
Facilitators ³ (hours)	92 ²	16	19	1,605	1,900	11,748
Managers (hours)	77 ⁴	6	26	1,391	2,600	2,002
Total staff cost				2,996	4,500	3,750
Other costs						
Capital				-	-	47
Total cost				13,996	16,500	15,297

Notes

1. Trainee cost range from £550 - £600 per day. Each session consists of between 5–8 hours direct input.
2. Facilitators spent 84.5 – 100 hours in training
3. Facilitators consisted of paid staff, self-advocates and unpaid volunteers such as friends and family members. There were few self-advocates in the sessions, and the cost of time spent in the training sessions by self-advocates was not measured. The cost of volunteer time provided by friends and family members was estimated using the cost of paid facilitator.
4. Managers spent 53.5 – 100 hours in training. This includes individual support and group training sessions.

Conclusion

Person Centred Planning is being implemented across the UK but little is known about the training cost. This is the first study looking into the cost of PCP in the UK. Average cost of training in PCP was £658 per person in 2003/2004. By far the largest contributor to training costs is the costs of the trainer(s); however this cost element is likely to fall over time as local capacity is developed in PCP techniques and where there is greater collaboration in training across boroughs.

Costs also include paid facilitation and indicate higher training costs per person than would obtain if unpaid facilitators were involved. If unpaid facilitators such as family or friends support the focus person there are likely to be additional costs to families for their time and to cover travel.

Some local authorities are likely to incur additional costs where support is required to assist unpaid facilitators in problem solving. Where existing support already exists, resources could be used to support paid facilitators. These costs have not been included in the estimation, but it is useful for agencies to bear these in mind for the future. At one site there had been intensive efforts in supporting families to plan. There was a weekly drop-in facility for families and carers who were developing a plan. This took place at the carers centre, where there was an experienced facilitator to help problem solve. There was an IT suite at a carers' centre, and a volunteer IT tutor to help families.

From these data, there is scope for expansion in training in PCP at a modest cost of approximately £658 per person. These costs should therefore be evaluated in relation to the short and longer-term benefits to be gained from such an investment in training.

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The Baker's Dozen: unit costs and funding

Secretariat to the Older People's Inquiry into 'That Bit of Help'

Introduction

The *Older People's Inquiry into 'That Bit of Help'* was set up as a response to recent policy statements on involving older people in developing and shaping programmes and strategies that will affect them (Department of Health, 2005; HM Government, 2005). One of the main tasks for the Inquiry was to identify examples of 'That Bit of Help'; low level supports that will enable people to remain independent and contribute to society. Such provisions will become increasingly important as the proportion of older people in society rises. The Inquiry was commissioned in 2004 by the Steering Group of the Joseph Rowntree Foundation Older People's Programme and brought together older people and representatives of major national agencies.

Background papers were prepared by the Secretariat on demographics and service provision, what older people say they want by way of help, and the broader policy context that reflected areas of life older people see as important to them (see Raynes et al., 2006). The Secretariat sought examples of 'That Bit of Help' from local authorities, primary care trusts, housing associations, and from voluntary, faith and BME organisations. Letters were also sent to newspaper editors to ask readers to send in examples. Unit costs would be estimated for selected examples of 'That Bit of Help'.

After lengthy debate Inquiry members selected a 'Baker's Dozen' and then prioritised them based on information about the costs and the extent to which they would make a difference to older people lives. As shown in Table 1, home maintenance, help to return home from hospital, domestic help, and a 'pop-in' night service were rated highest but all 13 were considered important.

Table 1 also shows the user charges. Inquiry members felt that overall pressure on local government spending was likely to result in less money for preventive services. Given high levels of poverty among older people, filling the gap between funding and costs by raising user charges would only reduce use of these supports by the very people who need them most.

Costs

For each Bit of Help the unit cost is estimated using information from just one scheme. Each is funded from a particular mix of sources and provided by a particular organisation within a particular locality. Costs, therefore, are likely to change if the service were provided elsewhere or if supply and demand features changed. If the support were provided by a public sector or a for-profit organisation, or as a larger or smaller scale operation, it is likely there would be different management and overhead costs. This would also change overall costs.

The unit costs are estimated with a view to expanding availability of such supports. Almost all have been estimated using financial information from the managing organisation and reflect the closest approximation of their long-run marginal opportunity cost using 2003-2004 prices (see, for example, Beecham 2000). The two exceptions are the Primary Night Care Scheme, for which the Borough Council provided the unit costs, and the Ideal Retail Stores. For the latter, the components the Inquiry members were felt important are listed in Box 1.

A cost for volunteer time has not been included in the estimates. Despite the high dependence on volunteers, who were often older people, all but one of the schemes commented on the difficulties of getting enough volunteers. Were these examples to be made more widely available, paid workers might be required. Older people's volunteering activity is estimated to be worth around £5 billion a year (Meadows, 2004).

Funding

There was a lot of creativity in finding formal resources for these examples of 'That Bit of Help'. Money came from central government initiatives, health improvement and public health budgets, regeneration funds, and from the business community (see Table 2). Fundraising, legacies, donations and charges played a vital role. These resources were often used to subsidise shortfalls between formal funding and the cost of providing the service. Inquiry members were concerned, however, about short-term and unstable funding and contracting arrangements. This not only leads to uncertainty for voluntary organisations but may also mean an important source of support is removed from an older person's life.

Making a difference

Each of the Baker's Dozen illustrates a good way of providing a service, or an innovative service; they are not necessarily the only example. Age Concern, for example, run domestic help and mobile toenail cutting services in many areas. One member summarised the Inquiry's concerns about the availability of such supports.

...We would be concerned that some local authorities could feel that because they can identify several examples of such services in their area that they are already 'doing enough'. The reality is that if the rhetoric of prevention, independence and choice is to become a reality for older people, much more is needed.

Is 'That Bit of Help' effective? Is it good value for money? Two of the schemes, RISE and SMILE, had been formally evaluated by outside organisations. For the other examples the main report illustrates the difference they might make to older people's lives with quotes taken from the schemes' surveys or feedback and monitoring exercises.

It is imperative that such supports are properly evaluated. More evidence is needed on how people use, and would like to use, ‘That Bit of Help’ over time, its impact on the users’ welfare and quality of life, as well as the role of such supports in preventing – or delaying – use of costly high-support services such as residential homes or hospital wards.

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Further Information

- Raynes, N., Clark, H. and Beecham, J. (eds) (2006) *The Report of the Older People’s Inquiry in ‘That Bit of Help’*, Joseph Rowntree Foundation, York.
- Raynes, N., Clark, H. and Beecham, J. (eds) (2006) *Evidence submitted to the Older People’s Inquiry in ‘That Bit of Help’*, Joseph Rowntree Foundation, York.
- The JRF summary of the report can be found at <http://www.jrf.org.uk/bookshop/ebooks/briefing03.pdf>

Box 1 Attributes of an ‘ideal retail store’

- Making all stores accessible to anybody who might want to use them
- Seating in shops or prompt provision if there isn’t a seat in the right place
- Free delivery services provided for shoppers within a 30-mile radius
- Collection point(s) for purchases
- A restaurant facility in all shops
- In-store telephone ordering service staffed by people who know the products
- Web-based ordering services
- Literature available on all these services in all stores in a variety of formats
- An advisory service for shoppers that covers all products
- A connection service, for example, to plumb in washing machines
- A safe place to store packages purchased elsewhere
- ‘Smart’ trolleys
- Accessible, well-lit toilets.

Table 1 The Baker's Dozen: costs and charges

Scheme	Activities	User charges	Unit costs
Handy Help	Small home maintenance and repairs, such as fixing dripping taps or mending windows. Usually completed in one visit.	£10 per visit plus materials	£54 per visit
Welcome Home	Volunteer transports people from hospital and helps them settle at home by tidying, shopping, sorting post, etc.	No charge made	£78 per client
Help at Home	Paid workers clean, change bed linen, iron, (accompanied) shop, and collect prescriptions and pensions	£8.25 per hour	£10.70 per hour
Primary Night Care	Paid care workers make home visits at night.	£8.50	£21 per visit
Befriending Service	Volunteers provide weekly social visits to isolated people and those in need of support.	No charge	£5.35 per hour
Sole Mates	Regular visits to give foot bath, foot massage, and to cut toenails. There is also a one-off £10 charge for nail-cutters.	£3.50 per visit	£13.50 per hour
Cinnamon Trust	Provides help with pet care in the older person's home, and foster care for some pets.	No charge noted	£35 per person per annum
Digging Deep	Allotments developed in primary schools led by older volunteers. Part of the 5-a-day healthy eating initiative.	No charge made	Six schools in one area: £7,050.00
RISE	Provides visits to isolated older people, transport to lunch club, activities and outings. £10 optional membership fee.	£3 for lunch, small charge for outings	£8.30 per day
SMILE	A major component of this programme is monitored exercise clubs for beginners.	20p to £2.90 per session	£144 per user per annum
Social and Activity Centre	Provides lunch, classes and a range of activities. One of many services provided by a local charitable trust.	No charge noted	£44 per day
Keeping-in-Touch	Funding obtained to get more volunteers to provide practical help for visually impaired people. Running for only 6 months so unit cost appears high.	No charge noted	£34 per hour
Retail Stores: An Ideal	A range of items in retail stores that would make shopping easier.		

Table 2 The Baker's Dozen: funding sources

Scheme	Funding sources
Handy Help	Lloyds TSB Foundation, Messenger Newspapers, Rank Foundation. User charges and the user pays for materials.
Welcome Home	Social Services. Volunteer time.
Help at Home	New Opportunities Fund, County and Borough Council, PCT. User charges.
Primary Night Care	Borough Council. User charges.
Befriending Service	County Council, Borough Council, PCT. Volunteer time.
Sole Mates	County and District Councils, PCTs. Volunteer time. User charges.
Cinnamon Trust	Legacies and donations. Volunteer time.
Digging Deep	NHS, County Council, PCT and Age Concern partnership funds. New Opportunities Fund. Volunteer time.
RISE	Health Improvement Grant, Neighbourhood Renewal Fund. User charges and fundraising. Volunteer time.
SMILE	Borough Council. User charges.
Social and Activity Centre	Range of sources including Social Services. User charges. Volunteer time.
Keeping-in-Touch	Social Services, District Council, Nationwide Foundation. Department of Health Opportunities for Volunteering Scheme. User charges and fundraising. Volunteer time.
Retail Stores: An Ideal	

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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- 1.12 Community care package: very low cost
- 1.13 Community care package: low cost
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- 1.15 Community care package: high cost
- 1.16 Community care package: very high cost

1.1 Private nursing homes for older people

Using PSS EX1 2004/05¹ returns uprated using the PSS Pay and Prices inflator, median costs per person for supporting older people in a nursing care home place were £414 per week and mean costs were £424 per week. Twenty-five per cent of local authorities had average gross costs of £365 or less and 25 per cent of £488 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 £91. When we add this to PSS expenditure, the total expected mean cost is £515 and the total expected median cost is £505.

Costs and unit estimation	2005/2006 value	Notes
A. Fees	£570 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 be 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	£0.70 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).
C. GP services	£26 per week	A study found that residents in private nursing homes consulted GPs for an average 6.01 minutes per week. ⁵ 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 £16 per week.
D. Other external services	Not known.	
E. Personal living expenses	£8.90 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 £18.80. 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. ³
Unit costs available 2005/2006		
£570 establishment costs per permanent resident week (A); £551 establishment costs per short-term resident week (A); £605 care package costs per permanent resident week (includes A to E); £585 care package costs per short-term resident week (includes A to E).		

1 PSS EX1 2004/05, 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, PSSRU Discussion Paper 817/2, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Laing & Buisson (2006) *Care of Elderly People: UK Market Report 2006*, 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, PSSRU Discussion Paper 1423, Personal Social Services Research Unit, University of Kent, Canterbury.

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	2005/2006 value	Notes
A. Fees	£398 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 be 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	£6.20 per week	Reflects the level of service receipt found in a 1996 survey of 123 residential homes. ³
C. GP services	£16 per week	A study found that residents in private residential homes consulted GPs for an average 3.85 minutes per week. ⁴ 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 £11 per week.
D. Other external services	Not known	
E. Personal living expenses	£8.90 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 updated by the Retail Price Index. The DWP personal allowance for people in residential care is £18.80 and 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		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. ²
Unit costs available 2005/2006		
£398 establishment costs per permanent resident week (A); £421 establishment costs per short-term resident week (A); £430 care package costs per permanent resident week (includes A to E); £454 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, PSSRU Discussion Paper 817/2, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Laing & Buisson (2006) *Care of Elderly People: UK Market Report 2006*, 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, PSSRU Discussion Paper 1423, Personal Social Services Research Unit, University of Kent, Canterbury.

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	2005/2006 value	Notes
A. Fees	£393 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	£8.30 per week £16 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 found that residents in private residential homes consulted GPs for an average 3.85 minutes per week. ³ 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 £11 per week.
E. Personal living expenses	£8.90 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. ¹
Unit costs available 2005/2006		
£393 establishment costs per permanent resident week (A); £416 establishment costs per short-term resident week (A); £426 care package costs per permanent resident week (includes A to E); £452 care package costs per short-term resident week (includes A to E).		

1 Laing & Buisson (2006) *Care of Elderly People: UK Market Report 2006*, 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, PSSRU Discussion Paper 1423, Personal Social Services Research Unit, University of Kent, Canterbury.

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 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 £427 per week and at current prices, the standard deviation was £121. Ten per cent of homes had average gross costs of £607 or more and 10 per cent of £310 or less. Median costs were £413 per week.

Costs and unit estimation	2005/2006 value	Notes
Capital costs (A, B & C)		
A. Buildings and oncosts	£49 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	£16 per week	Based on Office of the Deputy Prime Minister statistics. Land costs have been annuitised 3.5 per cent over 60 years. ³
C. Equipment and durables	£6.60 per week	Equipment and durables estimated at 10 per cent of capital cost. ⁴
D. Revenue costs	£618 per week	The median revenue cost estimate is taken from PSS EX1 2003/04 uprated using the PSS Pay and Prices Index. ⁵ Capital charges on the revenue account have been deducted (£35). Twenty-five per cent of local authorities had average gross costs of £521 or less and 25 per cent of £826 or more. Mean costs were £592 per week.
E. Agency overheads	£31 per week	An Audit Commission report found that overheads associated with residential care ⁶ amounted to 5 per cent of revenue costs.
External services		
F. Community nursing	£9.40 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 found that people in private residential homes consulted GPs for an average 3.45 minutes per week. ⁷ Since it is not possible to distinguish between surgery consultations and home visits, it is assumed here that the visit was to the surgery. If the GP visited the resident at the home, the cost would be £13.60 per week.
G. GP services	£8.70 per week	
H. Other external services	Not known	
I. Personal living expenses	£8.90 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. ⁸ This figure has been uprated by the RPI Index.
Use of facility by client	52.18 wks p.a.	
Occupancy	91%	See ⁹ and ¹⁰ .
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	1.046 x (D to E)	Based on PSS EX1 2004/05 data. ⁵
Unit costs available 2005/2006		
£721 establishment costs per permanent resident week (includes A to E); £755 establishment costs per short-term resident week (includes A to E); £749 care package costs per permanent resident week (includes A to I); £784 care package costs per short-term resident week (includes A to I).		

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

2 Building Cost Information Service (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

4 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, PSSRU Discussion Paper 647, Personal Social Services Research Unit, University of Kent, Canterbury.

5 PSS EX1 2004/05, Department of Health.

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

7 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.

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

9 Laing, W. (2002) *Calculating a Fair Price for Care*, The Policy Press, Bristol.

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

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	2005/2006 value	Notes
<i>Capital costs</i>		
A. Buildings and oncosts	£4.20	1997/1998 capital costs updated 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	£92	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 updated using the HCHS Pay Index.
C. Other direct care costs		
Medical	£45	1997/1998 costs updated using the HCHS Pay and Prices Index.
Other	£8.20	Includes diagnostics and ward round updated using the HCHS Pay and Prices Index.
D. Direct overheads	£42	Includes catering, domestics, energy, security, administration, laundry and supplies. 1997/1998 costs inflated by the HCHS Pay and Prices Index.
E. Indirect overheads	£17	Includes the estates, central administration and corporate function. 1997/1998 prices inflated by the HCHS 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 2005/2006		
£208 per inpatient day (includes A to E).		

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.

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	2005/2006 value	Notes
<i>Capital costs (A, B & C)</i>		
A. Buildings and oncosts	£4.20 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	£1.20 per session	Based on Office of Deputy Prime Minister statistics. ² 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	£25 per session	The median revenue cost estimate is taken from PSS EX1 2004/05 uprated using the PSS Pay and Prices Index. ³ Capital charges on the revenue account have been deducted (£1.50). 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 £13 per session or less, and 10 per cent £56 per session or more. Mean costs were £23 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; 2.53 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 2004/05 data. ³
Unit costs available 2005/2006		
£30 per session (includes A to F).		

1 Building Cost Information Service (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

3 PSS EX1 2004/05, 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 2005/2006 prices, costs ranged from £20 to £45 per client day with an mean and median cost of £31.

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 2004/2005¹ uprated using the PSS Pay and Prices inflator, the mean cost per session for independently provided day care were £17, equivalent to £34 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	2005/2006 value	Notes
<i>Capital costs (A & B)</i>		
A. Premises	£3.80 per client day	These costs ranged from £2.40 to £5.00 with a mean cost of £3.80 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	£3.20 per client day	Of the 10 Centres, 3 had their own minibus/es and costs ranged from £1.40 per client day to £5.90 per client day. Vehicle costs were high for a rural centre which opens only 2 days per week.
<i>Revenue costs</i>		
C. Salaries	£16.60 per client day	Costs ranged from £8.30 to £38. 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 £13.80.
D. Volunteer costs	£0.40 per client day	Seven of the centres reported incurring volunteer expenses.
E. Other staff costs	£1.20 per client day	This includes staff recruitment and training, courses and conferences, travel expenses and redundancy payments.
F. Transport	£3.00 per client day	This includes taxi expenses, fuel and oil, vehicle repairs, insurance and contract hire. Costs ranged from £1.10 to £6.00 with a median cost of £2.80.
G. Meals	£1.70 per client day	Seven Centres provided meals.
H. Overheads	£2.40 per client day	Seven Centres provided information on overheads which ranged from £1.10 to £5.00.
I. Other revenue costs	£3.20 per client day	Costs includes management and administration, maintenance charges, heat, light and water, telephone, stationery and postage, insurance, sundry expenses and bank charges. Costs ranged from £1.00 to £7.50 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 2005/2006		
The average cost of the 10 Centres was £31 per client day. A Centre incurring all costs A-I would cost £35 per client day.		

1 PSS EX1 2004/05, Department of Health.

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	2005/2006 value	Notes
<i>Capital costs</i> A. Notional rent	£86 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. ²
<i>Revenue costs</i> B. Salary and other revenue costs	£28 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	£81 per person per week £9.20 per person per week	Based on Family Expenditure Survey (2001/2002) ³ estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2005/2006 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 the Ernst & Young survey of residents and unit costs supplied by the DH and the PSSRU. ¹
Use of facility by client	52.18 weeks per year	
Occupancy		No information available.
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		No information available.
Unit costs available 2005/2006		
£114 per week sheltered housing costs (includes A to B); £144 per week service and accommodation (includes A to B and F); £225 (includes all costs borne by care homes (A to D and F); £234 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.

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

3 Office for National Statistics (2002) *Family Expenditure Survey Database, 2000/2001*, available from: <http://www.statistics.gov.uk>.

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	2005/2006 value	Notes
<i>Capital costs</i> A. Notional rent	£95 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. ²
<i>Revenue costs</i> B. Salary and other revenue costs	£38 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 2005/2006 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	£81 per person per week £9.20 per person per week	Based on Family Expenditure Survey (2001/2002) ³ estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2005/2006 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	£16 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		No information available.
London multiplier		No information available.
Unit costs available 2005/2006		
£133 per week sheltered housing costs (includes A to B); £149 per week service and accommodation (includes A to B and F); £230 (includes all costs borne by care homes (A to D and F)); £239 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.

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

3 Office for National Statistics (2002) *Family Expenditure Survey Database, 2000/2001*, available from: <http://www.statistics.gov.uk>.

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	2005/2006 value	Notes
<i>Capital costs</i> A. Notional rent	£95 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. ²
<i>Revenue costs</i> B. Salary and other revenue costs	£85 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 2005/2006 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	£81 per person per week £9.20 per person per week	Based on Family Expenditure Survey (2001/2002) ³ estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2005/2006 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	£31 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		No information available.
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		No information available.
Unit costs available 2005/2006		
£180 per week sheltered housing costs (includes A to B); £211 per week service and accommodation (includes A to B and F); £292 (includes all costs borne by care homes (A to D and F)); £301 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.

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

3 Office for National Statistics (2002) *Family Expenditure Survey Database, 2000/2001*, available from: <http://www.statistics.gov.uk>.

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	2005/2006 value	Notes
<i>Capital costs</i> A. Notional rent	£85 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. ²
<i>Revenue costs</i> B. Salary and other revenue costs	£246 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 2005/2006 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	£81 per person per week £9.20 per person per week	Based on Family Expenditure Survey (2001/2002) ³ estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2005/2006 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	£46 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		No information available.
London multiplier		No information available.
Unit costs available 2005/2006		
£331 per week sheltered housing costs (includes A to B); £377 per week service and accommodation (includes A to B and F); £458 (includes all costs borne by care homes (A to D and F)); £467 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.

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

3 Office for National Statistics (2002) *Family Expenditure Survey Database, 2000/2001*, available from: <http://www.statistics.gov.uk>.

1.12 Community care package: very low cost

The care package costs described in this schema are an example of a case where the costs to the public purse on health and social care support are in the lowest decile in a 2005 home care sample of 365 cases.¹ In this sample, which had 35 per cent of 'intensive' cases with 10 or more home care hours per week compared with 26 per cent in the England as a whole, 10 per cent of cases incurred gross public community care costs of less than £45 per week. Package costs exclude the costs of hospital and any use of care homes for respite care. Social work/care management costs were only included where visits from a social worker during the previous three months were reported by the individual. GP visits were not collected so estimates based on national data have been included.

Type of case			
Mrs A was an 83 year old widow who lived alone in sheltered accommodation (excluding housing support) but received help from two people, with most help coming from another family member.			
Functional ability			
Mrs A. had problems with three activities of daily living: stairs, getting around outside, and bathing. Her problems stemmed from a previous stroke.			
Services	Average weekly cost	Level of service	Description
Social care			
Home care	£15		One hour per week of local authority organised home care.
Meals on Wheels	£24.50		Seven meals per week.
Health care			
GP	£7.60	13.2 minutes	Visits estimated at once every eight weeks based on the General Practitioner Workload Survey, April 2004. ²
Accommodation	£133		Based on the weekly cost of sheltered accommodation.
Living expenses	£106		Taken from the Family Expenditure Survey (2001/2002, uprated to 2004/2005 price levels). ³ Based on one adult retired household, mainly dependent on state pensions.
Total weekly cost of health and social care package	£47 £286		Excludes accommodation and living expenses. All costs.

1 Darton, R., Forder, J., Bebbington, A., Netten, A., Towers, A-M. and Williams, J. (2006) Analysis to support the development of the Relative Needs Formula for Older People, PSSRU Discussion Paper 2265/3, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Royal College of General Practitioners (2004) *General Practitioners Workload, April 2004*, RCGP Information Sheet, No. 3, Royal College of General Practitioners, London.

3 Office for National Statistics (2002) *Family Expenditure Survey Database, 2000/2001*, available from: <http://www.statistics.gov.uk>.

1.13 Community care package: low cost

The care package costs described in this schema are an example of a case where the costs to the public purse on health and social care support are in bottom quartile in a 2005 home care sample of 365 cases.¹ In this sample, which had 35 per cent of 'intensive' cases with 10 or more home care hours per week compared with 26 per cent in the England as a whole, 25 per cent of cases incurred gross public community care costs of less than £85 per week. Package costs exclude the costs of hospital and any use of care homes for respite care. Social work/care management costs were only included where visits from a social worker during the previous three months were reported by the individual. GP visits were not collected so estimates based on national data have been included.

Type of case Mrs B. was a 79 year old widow who lived alone but received help from two people, most help being provided by a family member.			
Functional ability Mrs B. had problems with three activities of daily living: stairs, getting around outside and bathing. Her problems stemmed from arthritic conditions and cardiovascular disease.			
Services	Average weekly cost	Level of service	Description
Social care Home care	£60	4 hours per week	Based on 4 hours of local authority organised home care.
Private home care	£33	3 hours per week	Based on 3 hours of independently provided home care.
Health care Community nurse GP	£5 £7.60	13.2 minutes	Community nurse visits once a month. Visits estimated at once every eight weeks based on the General Practitioner Workload Survey, April 2004. ²
Accommodation	£63		The national average weekly gross rent for a privately owned two bedroom dwelling at 31 March 2005. ³
Living expenses	£106		Taken from the Family Expenditure Survey (2001/2002, uprated to 2004/2005 price levels). ⁴ Based on one person retired household, mainly dependent on state pensions.
Total weekly cost of health and social care package	£73 £275		Excludes accommodation and living expenses and independently provided home care. All costs.

1 Darton, R., Forder, J., Bebbington, A., Netten, A., Towers, A-M. and Williams, J. (2006) Analysis to support the development of the Relative Needs Formula for Older People, PSSRU Discussion Paper 2265/3, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Royal College of General Practitioners (2004) *General Practitioners Workload, April 2004*, RCGP Information Sheet, No. 3, Royal College of General Practitioners, London.

3 Affordability of Housing Association Rents in England, *Dataspring News*, 2005.

4 Office for National Statistics (2002) *Family Expenditure Survey Database, 2000/2001*, available from: <http://www.statistics.gov.uk>.

1.14 Community care package: median cost

The care package costs described in this schema illustrate the median public expenditure costs of £154.60 per week on health and social care support in a 2005 home care sample of 365 cases.¹ In this sample there were 35 per cent of 'intensive' cases with 10 or more home care hours per week compared with 26 per cent in the England as a whole. Package costs exclude the costs of hospital and any use of care homes for respite care. Social work/care management costs were only included where visits from a social worker during the previous three months were reported by the individual. GP visits were not collected so estimates based on national data have been included.

Type of case Mrs D. was an 80 year old widow living with two other relatives.			
Functional ability Mrs D. had problems with four activities of daily living: stairs, getting around outside, dressing and bathing.			
Services	Average weekly cost	Level of service	Description
Social care Home care	£150	10 hours per week	Based on the cost of local authority organised home care.
Health care GP	£7.60	13.2 minutes	Visits estimated at once every eight weeks based on the General Practitioner Workload Survey, April 2004. ²
Accommodation	£67		Shared two bedroom house/bungalow with two other relatives. Privately rented. Based on the average (private) rental income in England in 2005 and adjusted to take account of shared situation. ³
Living expenses	£206		Living expenses taken from the Family Expenditure Survey (2001/2002, uprated to 2005/2006 price levels). ⁴ Based on one man one woman retired households mainly dependent on state pensions and adjusted to allow for two other relatives.
Total weekly cost of health and social care package	£158 £431		Excludes accommodation and living expenses. Includes all costs.

1 Darton, R., Forder, J., Bebbington, A., Netten, A., Towers, A-M. and Williams, J. (2006) Analysis to support the development of the Relative Needs Formula for Older People, PSSRU Discussion Paper 2265/3, Personal Social Services Research Unit, University of Kent.

2 Royal College of General Practitioners (2004) *General Practitioners Workload, April 2004*, RCGP Information Sheet, No. 3, Royal College of General Practitioners, London.

3 The Mortgage Warehouse (2006) Market Activity Picks up as Mortgage Rental Incomes, Property Values and Yields Rise, (23/3/2006), released by Paragon 1 March 2006.

4 Office for National Statistics (2002) *Family Expenditure Survey Database, 2000/2001*, available from: <http://www.statistics.gov.uk>.

1.15 Community care package: high cost

The care package costs described in this schema are an example of a case where the costs to the public purse on health and social care support are in the top quartile in a 2005 home care sample of 365 cases.¹ In this sample, which had 35 per cent of 'intensive' cases with 10 or more home care hours per week compared with 26 per cent in the England as a whole, 25 per cent of cases incurred gross public community care costs of over £256 per week. Package costs exclude the costs of hospital and any use of care homes for respite care. Social work/care management costs were only included where visits from a social worker during the previous three months were reported by the individual. GP visits were not collected so estimates based on national data have been included.

Type of case			
Mr D. was a 79 year old widower who owned his own home and lived with two other friends. One of these friends provided him with help			
Functional ability			
Mr D. had problems with seven activities of daily living: stairs, getting around outside and inside the house, using the toilet, transferring between chair and bed, dressing and bathing. His problems stemmed from arthritic conditions and a previous stroke.			
Services	Average weekly cost	Level of service	Description
Social care			
Home care	£150		10 hours per week. Based on local authority organised home care.
Day care	£29.50		Attended a day centre about once a week.
Private home care	£264		Based on 24 hours of independently provided home care.
Health care			
Community nurse	£20		Once a week visit from a community nurse.
OT	£19		A couple of visits from the OT during the previous month.
GP	£7.60	13.2 minutes	Visits estimated at once every eight weeks based on the General Practitioner Workload Survey, April 2004. ²
Accommodation	£71		Owner occupied two bedroom house shared with two others. Based on the annuitised value of a detached house and shared between three people. Taken from the Halifax Price Index, 2nd quarter 2006.
Living expenses	£206		Living expenses taken from the Family Expenditure Survey (2001/2002, uprated to 2005/2006 price levels). ³ Based on one man and one woman retired household, not mainly dependent on state pensions.
Total weekly cost of health and social care package	£226		Excludes accommodation and living expenses and privately purchased home care.
	£767		Total package costs.

1 Darton, R., Forder, J., Bebbington, A., Netten, A., Towers, A-M. and Williams, J. (2006) Analysis to support the development of the Relative Needs Formula for Older People, PSSRU Discussion Paper 2265/3, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Royal College of General Practitioners (2004) *General Practitioners Workload, April 2004*, RCGP Information Sheet, No. 3, Royal College of General Practitioners, London.

3 Office for National Statistics (2002) *Family Expenditure Survey Database, 2000/2001*, available from: <http://www.statistics.gov.uk>.

1.16 Community care package: very high cost

The care package costs described in this schema are an example of a case where the costs to the public purse on health and social care support are in the top decile in a 2005 home care sample of 365 cases.¹ In this sample, which had 35 per cent of 'intensive' cases with 10 or more home care hours per week compared with 26 per cent in the England as a whole, 10 per cent of cases incurred gross public community care costs of over £353 per week. Package costs exclude the costs of hospital and any use of care homes for respite care. Social work/care management costs were only included where visits from a social worker during the previous three months were reported by the individual. GP visits were not collected so estimates based on national data have been included.

Type of case			
Mrs E was a 82 year old who was married and lived with her husband and another relative in her own home. Her husband provided most support.			
Functional ability			
Mrs E suffered from dementia and needed help with nine activities of daily living: stairs, getting around outside and inside the house, using the toilet, transferring between chair and bed, dressing, bathing, washing and feeding.			
Services	Average weekly costs	Level of service	Description
Social services			
Home care	£450		30 hours per week of local authority organised home care.
Health care			
Community nurse	£20		Once a week visit from a community nurse.
GP	£7.60	13.2 minutes	Visits estimated at once every eight weeks based on the General Practitioner Workload Survey, April 2004. ²
Accommodation	£39		Owner occupied two bedroom house shared with her husband and another relative. Based on the annuitised value of a terraced house and shared between three people. Taken from the Halifax Price Index, 2nd quarter 2006.
Living expenses	£206		Living expenses taken from the Family Expenditure Survey (2001/2002, uprated to 2005/2006 price levels). ³ Based on one man and one woman retired households, mainly dependent on state pension.
Total weekly cost of health and social care package	£478 £723		Excludes accommodation and living expenses. All costs.

1 Darton, R., Forder, J., Bebbington, A., Netten, A., Towers, A-M. and Williams, J. (2006) Analysis to support the development of the Relative Needs Formula for Older People, PSSRU Discussion Paper 2265/3, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Royal College of General Practitioners (2004) *General Practitioners Workload, April 2004*, RCGP Information Sheet, No. 3, Royal College of General Practitioners, London.

3 Office for National Statistics (2002) *Family Expenditure Survey Database, 2000/2001*, available from: <http://www.statistics.gov.uk>.

2. Services for people with mental health problems

- 2.1 Local authority residential care (staffed hostel) for people with mental health problems
- 2.2 Local authority residential care (group home) for people with mental health problems
- 2.3 Voluntary sector residential care (staffed hostel) for people with mental health problems
- 2.4 Voluntary sector residential care (on call staff) for people with mental health problems
- 2.5 Private sector residential care (staffed hostel) for people with mental health problems
- 2.6 Acute NHS hospital services for people with mental health problems
- 2.7 Long-stay NHS hospital services for people with mental health problems
- 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 Cognitive Behaviour Therapy (CBT)
- 2.14 Psychiatric reprovion package: independent living
- 2.15 Psychiatric reprovion package: assessment centre
- 2.16 Psychiatric reprovion package: care home

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	2005/2006 value	Notes
Capital costs A. Buildings and oncosts	£28 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	£333 per resident week £64 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 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 (E), and the use that clients typically make of hospital and community health and social services (F). Costs have been uprated 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 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	£80 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	1.25 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 2005/2006		
£443 per resident week establishment costs (includes A to D); £541 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	2005/2006 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	£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 (E), and the use that clients typically make of hospital and community health and social services (F). 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	£123 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	1.20 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 2005/2006		
£86 per resident week establishment costs (includes A to D); £227 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	2005/2006 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 C. Other revenue costs D. Agency overheads	£241 per resident week £89 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 (E), and the use that clients typically make of hospital and community health and social services (F). 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	£66 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 2005/2006		
£391 per resident week establishment costs (includes A to D); £475 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 (on call staff) for people with mental health problems

Based on a sample of 33 group homes.¹

Costs and unit estimation	2005/2006 value	Notes
Capital costs A. Buildings and oncosts	£33 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	£96 per resident week £53 per resident week £22 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. 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 (E), and the use that clients typically make of hospital and community health and social services (F). Costs have been uprated 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 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	£86 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 2005/2006		
£204 per resident week establishment costs (includes A to D); £309 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	2005/2006 value	Notes
<i>Capital costs</i> A. Buildings and oncosts	£32 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	£142 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	£93 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 (E), and the use that clients typically make of hospital and community health and social services (F). 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	£75 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 2005/2006		
£279 per resident week establishment costs (includes A to D); £373 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	2005/2006 value	Notes
Capital costs (A, B & C)		
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	£2.00 per bed per day	Based on information provided by the Office of the Deputy Prime Minister, discounted at 3.5 per cent over 60 years. ³
C. Equipment and durables		No information available.
Revenue costs		
D. Salary, supplies and services costs	£141 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	£47 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; 2.53 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. ⁴ The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM.
Unit costs available 2005/2006		
£201 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 (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

4 Chisholm, D., Knapp, M. & Astin, J. (1996) Mental health residential care: is there a London differential?, in A. Netten & J. Dennett (eds) *Unit Costs of Health and Social Care 1996*, Personal Social Services Research Unit, University of Kent, Canterbury.

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	2005/2006 value	Notes
Capital costs (A, B & C)		
A. Buildings and oncosts	£23 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	£2.30 per bed per day	Based on information provided by the Office of the Deputy Prime Minister, discounted at 3.5 per cent over 60 years. ³
C. Equipment and durables		No information available.
Revenue costs		
D. Salary, supplies and services costs	£99 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	£54 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	£16.40 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; 2.53 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). ⁴
Unit costs available 2005/2006		
£181 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 (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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 2005 was £495 with the minimum range for 25 per cent of the services being £429 or less and the maximum range for 25 per cent of the services being £600 or more. Costs have been uprated using the HCHS pay and prices inflator.

Costs and unit estimation	2005/2006 value	Notes
<i>Capital costs (A, B & C)</i>		
A. Buildings and oncosts	£35 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	£3.50 per patient day	Based on information provided by the Office of the Deputy Prime Minister, discounted at 3.5 per cent over 60 years. ³
C. Equipment and durables		No information available.
<i>Revenue costs</i>		
D. Salary costs	£360 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	£2.20 per patient day	
F. Overheads	£98 per patient day	General hospital overheads comprised 22 per cent of total cost in the study.
<i>Other costs</i>		
G. Patient injury	£3.90 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.
Unit costs available 2005/2006		
£528 per patient day (includes A to G); £6,484 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 (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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.

Using reference costs (www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for NHS day care for people with mental health problems for 2005 was £109 with a minimum range for 25 per cent of the services being £94 or less and the maximum range for 25 per cent of the services being £145 or more.

Costs and unit estimation	2005/2006 value	Notes
<i>Capital costs (A, B & C)</i>		
A. Buildings and oncosts	£4.20 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	£1.20 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 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. ³ These results have been updated 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.
E. Agency overheads	£1.20 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; 2.53 × B; 1.02 × D.	D has been based on PSS EX1. ⁶
Unit costs available 2005/2006		
£30 per session (includes A to E); £59 per day (excluding evenings).		

1 Building Cost Information Service (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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, PSSRU Discussion Paper 1457, Personal Social Services Research Unit, University of Kent, Canterbury.

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 2004/2005, 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	2005/2006 value	Notes
<i>Capital costs (A, B & C)</i>		
A. Buildings and oncosts	£4.20 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	£1.20 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 conducted in the South Thames NHS region of day settings for adults with mental health problems. ³ 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 £11-£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 2004/05 gross costs uprated using the PSS Pay and Prices Index reported median costs at £30 and mean costs at £27 per session. ⁴ Capital costs charged to the revenue account have been deducted (£2.20). Three authorities reporting costs of more than £500 and one reporting costs lower than £1 have been excluded.
E. Agency overheads	£0.80 per session	Following the Audit Commission report about overheads associated with residential care, agency overheads have been assumed to be 5 per cent of revenue costs. ⁵
Occupancy	76%	Department of Health statistics, 1998. ⁶ No later statistics are available.
London multiplier	1.20 x A; 2.53 x B 1.00x D	D is based on PSS EX1 statistics.
Unit costs available 2005/2006		
£20 per session (includes A to E); £40 per day (excluding evenings).		

1 Building Cost Information Service (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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, PSSRU Discussion Paper 1457, Personal Social Services Research Unit, University of Kent, Canterbury.

4 PSS EX1 2004/05, 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	2005/2006 value	Notes
<i>Capital costs (A, B & C)</i>		
A. Buildings and oncosts	£4.20 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	£1.20 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	£14 per session	A survey was conducted in the South Thames NHS region of day settings for adults with mental health problems. ³ 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 £9-£17 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, agency overheads have been assumed to be 5 per cent of revenue costs. ⁴
Occupancy	76%	Department of Health statistics, 1998. ⁵
London multiplier	1.20 x A; 2.53 x B. 1.02 x D.	The multiplier for revenue costs has been based on PSS EX1 2004/2005 statistics. ⁶
Unit costs available 2005/2006		
£20 per session (includes A to E); £40 per day (excluding evenings).		

1 Building Cost Information Service (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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, PSSRU Discussion Paper 1457, Personal Social Services Research Unit, University of Kent, Canterbury.

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 2004/05, Department of Health.

2.12 Sheltered work schemes

Opportunities for employment among people with disabilities are changing rapidly.^{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, pp 28-31), and can be adapted to innovative settings.⁴

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 £11 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 £3,901 to £10,466 per annum.

Costs and unit estimation	2005/2006 value	Notes
A. Total annual expenditure	£9,402	Average gross expenditure for the seven work schemes ranged from £6,296 to £13,199.
B. Total annual income	£2,010	Average gross expenditure minus average net expenditure. Income ranged from £380 to £4,050.
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 2005/2006		
£8.90 gross cost per hour; £7.00 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 Cognitive Behaviour Therapy (CBT)

This schema is based on a costing which was undertaken for a randomised controlled trial of interventions for adolescents with depression. The setting was two Child and Mental Health Services (CAMHS) teams in secondary care where CBT was delivered.¹

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£32,305 per year	Based on Agenda for Change (AfC) pay scales, 2005. ² Average salary based on Agenda for Change 2005 pay scales for a Specialist Registrar (midpoint), Clinical Psychologist (band 7 midpoint) and Mental Health Nurse (band 5 midpoint).
B. Oncosts	£7,053 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	£2,781 per year	Comprises £2,781 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		Information not available for all care staff.
F. Capital Overheads	£2,917 per year	Based on the new build and land requirements of an NHS office and shared facilities capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. ^{4,5} Based on the assumption that there is one office per team.
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ² Assumes 6 study/training days, and 9 days sickness leave. Weighted to reflect team composition. Based on a total of 1575 hours per year.
Ratio of direct to indirect time : face to face contact	1:1	50 per cent of time is spent on face to face contact and 50 per cent on other activities.
Length of contact	55 minutes	Average duration of CBT session.
Unit costs available 2005/2006		
£29 per hour; £57 per hour face to face contact; £52 cost of CBT session.		

1 Goodyer, I.M., Harrington, R., Breen, S., Dubicka, B., Leech, A., Rothwell, J., White, L., Ford, C., Kelvin, R., Wilkinson, P., Barrett, B., Byford, S. and Roberts, C. (2007) A randomised controlled trial of SSRIs with and without cognitive behavioural therapy in adolescents with major depression, *Health Technology Assessment*, in press.

2 NHS Employers (2005) *Agenda for Change: NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

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*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, BCIS Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

2.14 Psychiatric reprovision 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>	£22	Social worker and link worker visit once every two weeks for 30 minutes.
Health services		
<i>GP</i>	£2.20	Ten surgery appointments during the past year.
<i>Chiroprapist</i>	£0.50	Two visits during the past year.
<i>Hospital outpatients</i>	£21	One appointment a month for check-up and depot injections.
Other services		
<i>Housing officer</i>	£8	Visits once every two weeks for 15 minutes.
Accommodation	£155	Includes local taxes forgone by the local authority, and capital, management and maintenance costs borne by the housing association.
Living expenses	£145	Income support, invalidity benefit and disability allowances.
Total weekly cost of care package, 2005/2006	£353	

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, Canterbury.

2.15 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	£1.40	Social worker has visited twice during the past year for one hour each time.
Health services		
Depot injection	£7.60	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	£5.00	Drops in approximately one hour per week.
Accommodation		
Staff costs	£1,427	Per resident week.
Non-staff costs	£117	Per resident week.
Agency overheads	£84	Per resident week.
Capital costs	£109	Per resident week. Capital costs are discounted at 6 per cent. When discounted at 3.5 per cent, the cost is £65.
Living expenses	£39	Personal expenses.
	£3.20	Bus pass.
Total weekly cost of care package, 2005/2006	£1,796	

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, Canterbury.

2.16 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 £2.40 £2.00	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	£1,272	Per resident week. Includes personal expenses.
Living expenses		Included in accommodation costs.
Total weekly cost of care package, 2005/2006	£1,379	

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, Canterbury.

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).¹ At current prices unit costs varied across the eleven residential rehabilitation units, ranging from a minimum of £408 per resident week to a maximum of £1,483 per resident week. Costs have been inflated to 2005/2006 prices.

Costs and unit estimation	2005/2006 value	Notes
<i>Capital costs (A, B & C)</i> A. Buildings B. Land	£21 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	£412 per resident week	1994/95 costs inflated using the PSS Pay Index.
E. Other revenue costs	£249 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 2005/2006		
£732 per resident week (includes A to F).		

¹ Centre for the Economics of Mental Health (1999) *The National Treatment Outcome Research Study (NTORS)*, Centre for the Economics of Mental Health, Institute of Psychiatry, King's College, London. For further information contact Andrew Healey, PSSRU, London School of Economics and Political Science, Houghton Street, London, WC2A 2AE, email: A.T.Healey@lse.ac.uk, tel: 020 7955 6234.

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).¹ The least expensive service was estimated to cost £101 per patient day, while the most expensive was £278 per patient day (1994/95 prices uprated to 2005/2006).

Costs and unit estimation	2005/2006 value	Notes
<i>Capital costs (A, B & C)</i>		
A. Buildings	£23 per patient 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	£2.30 per patient day	Based on Office of Deputy Prime Minister statistics. ³ 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	£116 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	£49 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 2005/2006		
£205 per patient day (includes A to F).		

1 Centre for the Economics of Mental Health (1999) *The National Treatment Outcome Research Study (NTORS)*, Centre for the Economics of Mental Health, Institute of Psychiatry, King's College, London. For further information contact Andrew Healey, PSSRU, London School of Economics and Political Science, Houghton Street, London, WC2A 2AE, email: A.T.Healey@lse.ac.uk, tel: 020 7955 6234.

2 Building Cost Information Service (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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).¹

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 £123 per week (1995/96 prices updated to 2005/2006).

Costs and unit estimation	2005/2006 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 HCHS pay and prices index. Capital costs have been discounted at 3.5 per cent over 60 years.
B. Methadone costs	£23 per patient week	Includes the cost of prescriptions, any pharmacist dispensing fees, and any toxicology tests. 1995/1996 prices inflated by the HCHS pay and prices index.
Unit costs available 2005/2006		
£53 per patient week (includes A and B).		

¹ Centre for the Economics of Mental Health (1999) *The National Treatment Outcome Research Study (NTORS)*, Centre for the Economics of Mental Health, Institute of Psychiatry, King's College, London. For further information contact Andrew Healey, PSSRU, London School of Economics and Political Science, Houghton Street, London, WC2A 2AE, email: A.T.Healey@lse.ac.uk, tel: 020 7955 6234.

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	£26,068 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 6 according to the National Profile for Nurses. ^{1,2} It does not include any lump sum and it is assumed that no unsociable hours are worked. ³
B. Salary oncosts	£5,711 per year	Employers' national insurance contribution plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,744 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ⁴ 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	£2,781 per year	Indirect overheads only. ⁵ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Capital overheads	£2,235 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared office space for administration, and recreational and changing facilities. ^{6/7} Treatment space has not been included.
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 days statutory leave days. ² 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. ³
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£24 (£27) per hour; £29 (£33) per clinic consultation		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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.

4 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.

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*, Personal Social Services Research Unit, University of Kent, Canterbury.

6 Building Cost Information Service (2006) *Surveys of Tender Prices*, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

7 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

4. Services for people with learning disabilities

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

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	2005/2006 value	Notes
A. Capital costs	£44 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	£800 per week £82 per week	Calculated using facility-specific accounts information.
D. Agency overheads	£106 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	£9.80 per week £33 per week £164 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	£64 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 2005/2006		
£1,032 establishment costs per resident week (includes A to D); £1,303 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 Hallam, A. & Emerson, E. (1999) Costs of residential supports for people with learning disabilities, in A. Netten, J. Dennett & J. Knight (eds) *Unit Costs of Health and Social Care 1999*, 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, PSSRU Discussion Paper 647, Personal Social Services Research Unit, University of Kent, Canterbury.

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.

4.2 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	2005/2006 value	Notes
A. Capital costs	£47 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	£454 per week £65 per week	Calculated using facility-specific accounts information. Costs relate to staffing within the individual setting/house.
D. On-site administration	£138 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	£58 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	£7.00 per week £22 per week £164 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	£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 2005/2006		
£762 establishment costs per resident week (includes A to E); £978 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 Hallam, A. & Emerson, E. (1999) Costs of residential supports for people with learning disabilities, in A. Netten, J. Dennett & J. Knight (eds) *Unit Costs of Health and Social Care 1999*, 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, PSSRU Discussion Paper 647, Personal Social Services Research Unit, University of Kent, Canterbury.

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	2005/2006 value	Notes
A. Capital costs	£42 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	£864 per week	Calculated using facility-specific accounts information. Costs relate to staffing within the individual setting/house.
C. Direct non-staffing	£96 per week	
D. On-site administration	£125 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	£99 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	£4.20 per week	
G. Community	£20 per week	
H. Day services	£92 per week	
I. Personal living expenses	£27 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 2005/2006		
£1,226 establishment costs per resident week (includes A to E); £1,369 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 Hallam, A. & Emerson, E. (1999) Costs of residential supports for people with learning disabilities, in A. Netten, J. Dennett & J. Knight (eds) *Unit Costs of Health and Social Care 1999*, 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, PSSRU Discussion Paper 647, Personal Social Services Research Unit, University of Kent, Canterbury.

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	2005/2006 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
Revenue costs B. Salary costs C. Other revenue costs	£915 per week £52 per week	Calculated using facility-specific accounts information.
D. Agency overheads	£165 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	£7.00 per week £31 per week £57 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	£127 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 2005/2006		
£1,177 establishment costs per resident week (includes A to D); £1,399 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 Hallam, A. & Emerson, E. (1999) Costs of residential supports for people with learning disabilities, in A. Netten, J. Dennett & J. Knight (eds) *Unit Costs of Health and Social Care 1999*, 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, PSSRU Discussion Paper 647, Personal Social Services Research Unit, University of Kent, Canterbury.

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	2005/2006 value	Notes
<i>Capital costs (A, B & C)</i>		
A. Buildings and oncosts	£4.10 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	£1.20 per session	Based on Office of the Deputy Prime Minister statistics. ² Land costs have been discounted 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	£31 per client per session	PSS EX1 2004/05 median costs uprated using the PSS Pay and Prices Index. ³ 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 (£2.50). Ten per cent of authorities had average gross costs of £20 per session or less and 10 per cent £44 per session or more. Mean costs were £32 per session.
E. Capital charges		
F. Agency overheads		A study by the Audit Commission indicated that 5 per cent of the costs of residential care was attributable to managing agency overheads. ⁴ Social Services Management and Support Services (SSMSS) overhead costs are included in PSS EX1 2004/05 so no additional agency overheads have been included in unit costs below. ³
<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; 2.53 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 2005/2006		
£36 per session (includes A to E).		

1 Building Cost Information Service (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

3 PSS EX1 2004/05, 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 of innovative approaches to providing respite care.^{1/2} 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	2005/2006 value	Notes
A. Coordinator wages/salary	£23,659 per year	1994/1995 costs inflated by the PSS Pay Index.
B. Salary oncosts	£1,726 per year	Employers' national insurance.
C. Worker/volunteer costs of sessions	£20,588 per year	1994/1995 costs inflated by the PSS Pay Index.
D. Expenses associated with sessions	£6,870 per year	1994/1995 costs inflated by the PSS Pay and Prices Index.
E. Training	£2,307 per year	1994/1995 costs inflated by the PSS Pay and Prices Index.
F. Capital costs of equipment and transport	£2,407 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	£9,934 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	£371 per year	Discounted at 3.5 per cent over 60 years.
- office equipment	£353 per year	Discounted at 3.5 per cent over five years.
H. Indirect overheads	£3,324 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 2005/2006		
£78 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, PSSRU Discussion Paper 1100, Personal Social Services Research Unit, University of Kent, Canterbury.

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 younger adults with physical and sensory impairments

- 5.1 High dependency care home for younger adults with physical and sensory impairments
- 5.2 Residential home for younger adults with physical and sensory impairments
- 5.3 Special needs flats for younger adults with physical and sensory impairments
- 5.4 Rehabilitation day centre for younger adults with brain injury

5.1 High dependency care home for younger adults with physical and sensory impairments

This schema is based on information received from John Grooms in 2002 detailing the costs involved in providing a high dependency residential centre.¹ 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 2005/2006 prices.

Costs and unit estimation	2005/2006 value	Notes
Capital Costs (A, B, C & D)		
A. Buildings	£158 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. ² The value of the building was annuitised over a 60-year period and discounted at 3.5 per cent.
B. Land costs	£38 per week	Land costs have been discounted at 3.5 per cent over 60 years.
C. Equipment/durables Wheelchairs Furnishings/fittings	£7.80 per week £7.30 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	£5.00 per week	
Revenue costs		
E. Salary costs	£732 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	£11 per week	
I. Other revenue costs	£166 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	£44 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 2005/2006		
£1,200 per resident week.		

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

2 Building Cost Information Service (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

5.2 Residential home for younger adults with physical and sensory impairments

This schema is based on information received from John Grooms in 2002 detailing the costs involved in providing a registered residential home.¹ 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 2005/2006 prices.

Using PSS EX1 2004/05 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 £848 and median costs were £674.² Capital costs of £74 have been excluded. Mean costs of residential care provided by others for adults with a physical disability or sensory impairment were £683 and median costs were £675.

Costs and unit estimation	2005/2006 value	Notes
<i>Capital Costs (A, B, C & D)</i>		
A. Buildings	£73 per week	Capital costs of building and land were based on actual cost of building and updated using the BCIS/ABI House Rebuilding Index. Costs have been inflated using the BCIS/ABI House Rebuilding Index. ³ The value of the building was annuitised over a 60-year period discounted at 3.5 per cent.
B. Land costs	£18 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	£7.75 per week £6.10 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	£1.80 per week	
<i>Revenue costs</i>		
E. Salary costs	£447 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	£63 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 2005/2006		
£672 per resident week.		

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

2 PSS EX1 2004/05, Department of Health.

3 Building Cost Information Service (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

5.3 Special needs flats for younger adults with physical and sensory impairments

This schema is based on information received from John Grooms in 2002 detailing the costs involved in providing a 24 hour on site care service for five people with disabilities.¹ 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 2005/2006 prices.

Costs and unit estimation	2005/2006 value	Notes
Capital Costs (A, B & C)		
A. Buildings	£115 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. ² The value of the building was annuitised over a 60-year period discounted at 3.5 per cent.
B. Land costs	£29 per week	Land costs have been annuitised at 3.5 per cent over 60 years.
C. Equipment/durables		
Wheelchairs	£7.80 per week	Cost of powered chair. Costs uprated using the PSS Prices Index.
Furnishings/fittings	£7.50 per week	Depreciation on furniture/fittings.
Revenue costs		
D. Salary costs	£362 per week	Costs of direct management and care staff. Calculated using facility specific accounts information. Prices uprated using the PSS Prices Index.
E. Travel	£0.80 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	£7.80 per week	Charges incurred by national organisation.
Personal Living Expenses		
I. Basic living costs	£97 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 2005/2006 using the Retail Price Index. ³ 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	£47 per week	
K. External services		
Resident A	£182 per week	Resident A attends a Day Centre Workshop 3 days per week, funded by Social Services. In addition has volunteer input.
Resident B	£210 per week £383 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	£6.20 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 2005/2006		
£538 per week's accommodation and on site support (includes A to G); £695 per week all service and accommodation costs (includes A to G and K); £800 per week accommodation, support services and basic living (equivalent to care home costs) (A to I and K); £847 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.

2 Building Cost Information Service (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Office for National Statistics (2002) *Family Expenditure Survey Database (2000-01)*, ONS, London. <http://www.statistics.gov.uk>

5.4 Rehabilitation day centre for younger adults with brain injury

This schema is based on information received from John Grooms in 2002 detailing the costs involved in providing a day rehabilitation centre for people with acquired brain injury.¹ 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 2005/2006 prices.

Costs and unit estimation	2005/2006 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. ² The value of the building was annuitised over a 60-year period discounted at 3.5 per cent.
B. Land costs	£1.80 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/fittings	£1.40 per day	Depreciation on furniture/fittings. 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	£2.30 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	£4.40 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 2005/2006		
£80 per place per day; £3,924 per year per client registered at the centre.		

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

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

6. Services for children and their families

- 6.1 Community home for children — local authority
- 6.2 Community home for children — non-statutory sector
- 6.3 Local authority foster care for children
- 6.4 Social services support for Children in Need
- 6.5 The costs of community-based care of technology-dependent children
 - 6.5.1 Technology dependent children: Case A
 - 6.5.2 Technology dependent children: Case B
 - 6.5.3 Technology dependent children: Case C
- 6.6 Services for children in care
 - 6.6.1 Children in care: low cost — with no evidence of additional support needs
 - 6.6.2 Children in care: median cost — children with emotional or behavioural difficulties
 - 6.6.3 Children in care: high cost — children with emotional or behavioural difficulties and offending behaviour
 - 6.6.4 Children in care: very high cost — children with disabilities, emotional or behavioural difficulties plus offending behaviour
- 6.7 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' estimated the average cost for a sample of 30 Local Authority residential homes in England, per resident per week to be £1,776 excluding the cost of in-house education provision and £1,791 including the cost of in-house education.¹ Based on the actual occupancy level, the cost was £1,794 including in-house education and £1,779 excluding education. Based on maximum occupancy level, the cost would be £1,452 including education and £1,437 excluding education. Using a combination of research and publicly available data, establishment costs per week were £2,420 per resident week and costs including external services were £2,620. All costs have been updated using the PSS Pay and Prices index.

Costs and unit estimation	2005/2006 value	Notes
Capital costs (A,B &C)		
A. Buildings	£75 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	£18 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		No information available.
Revenue costs		
D. Salary and other revenue costs	£2,192 per resident week	Median gross costs for children looked after in own provision children's homes are based on PSS EX1 returns for 2004/2005 updated using the PSS Pay and Prices Index. ⁴ Data has been adjusted to include respite and short term placements. Capital charges on the revenue account have been deducted (£90). Ten per cent of authorities reported costs of £1,583 or less; and 10 per cent £3,672 or more per week. The mean was £2,232. 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. Agency overheads		Agency overheads 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) and updated to 2005/2006 prices using the HCHS Pay and Prices Index. ⁵
Social Services	£14	Support provided by field social workers, leaving care workers and family support workers. Unit costs were taken from Netten et al, (2001) and updated to 2005/2006 prices using the PSS Pay and Prices Index. ⁶
Youth justice sector	£2	Costs for police contacts and youth custody were estimated using information contained in Finn et al. (2000) and updated to 2005/2006 prices using the PSS Pay and Prices Index. ⁷
Education sector (excluding in-house education).	£153	Costs estimated according to the location of the home using information contained in CIPFA (2001). ⁵ Home tuition costs were estimated using methodology reported by Berridge et al. (2002). ⁸ 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; 2.53 x B; 1.01 x (D)	Relative London costs are drawn from the same source as the base data for each cost element.
Unit costs available 2005/2006		
£2,285 establishment costs per resident week (includes A to E); £2,459 care package costs per resident week (includes A to D and F).		

- Hicks, L., Gibbs, I., Byford, S. & Weatherly, H. (2002) *Leadership and Resources in Children's Homes, Final Report to the Department of Health, Social Work Research and Development Unit, University of York.*
- Building Cost Information Service (2006) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.
- Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).
- PSS EX1 2004/05, Department of Health.
- Chartered Institute of Public Finance and Accountancy (CIPFA) (2001) *Personal Social Services Statistics 1999-2000 Actuals*, Statistical Information Service, Chartered Institute of Public Finance and Accountancy, London.
- Netten, A., Rees, T. & Harrison, G. (2001) *Unit Costs of Health and Social Care 2001*, Personal Social Services Research Unit, University of Kent, Canterbury.
- Finn, W., Hyslop, J. & Truman, C. (2000) *Mental Health, Multiple Needs and the Police*, Revolving Doors Agency, London.
- 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' estimated the average cost of a sample of community homes in the non-statutory sector in England, per resident per week to be £1,734 excluding the cost of in-house education provision and £1,998 including the cost of in-house education.¹ Based on the actual occupancy level, the cost was £2,004 including in-house education and £1,779 excluding education. Based on maximum occupancy level, the cost would be £1,488 including education and £1,339 excluding education. Using a combination of research and publicly available data, as detailed in this schema, establishment costs per week were £2,441 per resident week and costs including external services were £2,527.

Costs and unit estimation	2005/2006 value	Notes
Capital costs (A,B &C)		
A. Buildings	£75 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	£18 per resident week	Based on Office of the Deputy Prime Minister statistics. ³ Land costs have been annuitised at 3.5 per cent over 60 years.
C. Equipment		No information available.
Revenue costs		
D. Salary and other revenue costs	£2,237 per resident week	Median gross costs for children looked after in homes provided by others are based on PSS EX1 returns for 2004/2005 uprated using the PSS Pay and Prices Index. ⁴ Data has been adjusted to include respite and short term placements. Ten per cent of authorities reported costs of £1,339 or less; and 10 per cent £3,393 or more per week. The mean was £2,237. 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. Agency overheads		Agency overheads have been excluded from this schema. However the 'Leadership and Resources in Children's Homes' study imputed these costs at 6.4 per cent of total annual revenue costs.
F. Other costs		
External Services		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	£33	Unit costs of hospital services were taken from Trust Financial returns (CIPFA, 2001) and uprated to 2005/2006 prices using the HCHS Pay and Prices Index. ⁵
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) and uprated to 2005/2006 using the PSS Pay and Prices Index. ⁶
Youth justice sector	£4	Costs for police contacts and youth custody were estimated using information contained in Finn et al. (2000) and uprated to 2005/2006 prices using the PSS Pay and Prices Index. ⁷
Education sector (excluding in-house education).	£30	Costs estimated according to the location of the home using information contained in CIPFA (2000) and uprated to 2005/2006 prices using the PSS Pay and Prices Index. ⁵ Home tuition costs were estimated using methodology reported by Berridge et al. (2002). ⁸ 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	1.20 x A; 2.53 x B; 0.84 x (D)	Relative London costs are drawn from the same source as the base data for each cost element.
Unit costs available 2005/2006		
£2,330 establishment costs per resident week (includes A to E); £2,405 care package costs per resident week (includes A to D and F).		

- Hicks, L., Gibbs, I., Byford, S. & Weatherly, H. (2002) *Leadership and Resources in Children's Homes, Final Report to the Department of Health, Social Work Research and Development Unit, University of York.*
- Building Cost Information Service (2006) *Surveys of Tender Prices*, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.
- Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).
- PSS EX1 2004/05, Department of Health.
- Chartered Institute of Public Finance and Accountancy (CIPFA) (2001) *Personal Social Services Statistics 1999-2000 Actuals*, Statistical Information Service, Chartered Institute of Public Finance and Accountancy, London.
- Netten, A., Rees, T. & Harrison, G. (2001) *Unit Costs of Health and Social Care 2001*, Personal Social Services Research Unit, University of Kent, Canterbury.
- Finn, W., Hyslop, J. & Truman, C. (2000) *Mental health, Multiple Needs and the Police*, Revolving Doors Agency, London.
- 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.

6.3 Local authority foster care for children

Costs and unit estimation	2005/2006 value	Notes
A. Boarding out allowances and administration	£311 per child per week	Median costs using PSS EX1 for 2004/05 uprated using the PSS pay and prices index. ¹ The lower quartile is £268 and the upper quartile is £371. This year we have included those in respite, short term placements and those placed for adoption.
B. Care		No information available.
C. Social Services (including cost of Social Worker and support)	£152 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	£50 per child per week	The study by Beecham and Knapp 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. ³
Service use by client	52.18 weeks per year	
London multiplier	1.22	Based on PSS EX1 data for 2004/05. ¹ Costs in London were considerably higher and this is likely to be partly as a result of having a larger market with Independent Fostering Agencies available.
Unit costs available 2005/2006		
£513 per child per week (includes A to D).		

1 PSS EX1 2004/05, 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.

6.4 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 2005 local authorities returned information on each service received by each child seen during a survey week during February 2005. For further information see <http://www.dfes.gov.uk>.

We present data on the weekly costs of supporting children based on this survey. Three types of expenditure are captured.

- 1) The costs of field and centre staff time carrying out social services activities with, or on behalf of, identified children in need and their families.
- 2) The costs of providing care and accommodation for children looked after (and similar regular, ongoing expenditure that can be treated in the same way).
- 3) One off or ad hoc payments and purchases for children in need or their families.

See guidance notes at <http://www.dfes.gov.uk/datastats1/guidelines/children/returns.shtml>. for full details of definitions.

The information presented here is based on 234,700 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 averages (the average cost per child) and have been updated to 2006 prices using the PSS Pay and Prices inflator. For children looked after, the average weekly cost was £680 per week (£708 updated to 2006 prices) while for children supported in their families or independently it was £140 per week (£146 updated to 2006 prices), leading to an average cost per Child In Need of £290 per week (£302 updated to 2006 prices).

In previous years, we have based our work on a Department of Health funded research project *Child Care Costs: Variations and Unit Costs*, where median costs were reported.¹ These figures have been taken directly from a Department for Education and Skills, Children In Need in England survey of activity and expenditure.² Costs are mean costs as reported directly by local authorities.

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	Average cost per child £	Total no. children	Average cost per child £	Total no. children	Average cost per child £
All shire counties	60,265	130	22,875	667	83,140	276
All unitary authorities	35,235	130	12,115	765	47,350	292
All metropolitan districts	40,760	141	18,685	635	59,445	297
All London authorities	32,490	203	12,230	854	44,720	380
England	168,750	146	65,900	708	234,700	302

1 Beecham, J. & Bebbington, A. (2004) Child care costs: variation and unit costs, PSSRU Discussion Paper 2021/2 (not publicly available).

2 Department for Education and Skills (2005) *Children in Need in England: Results of a Survey of Activity and Expenditure as Reported by Local Authority Social Services' Children and Families Teams for a Survey Week in February 2005*, Department for Education and Skills, London.

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 no. children	Mean cost per child £	Total no. children	Mean cost per child £
Abuse/neglect	50,900	146	36,000	677
Disability	21,100	167	8,700	677
Parental illness or disability	8,400	146	3,200	635
Family in acute stress	20,000	125	4,100	885
Family dysfunction	23,400	135	6,400	802
Socially unacceptable behaviour	12,200	167	1,800	1,250
Low income	3,900	156	270	687
Absent parenting	5,500	208	4,400	625
Cases other than children in need	8,000	115	460	604
Cases not stated	15,400	135	660	489

Table 3 Average cost (£ per week) per child receiving a service

Type of placement	Children supported in families or independently	Children looked after	Total
	Mean cost per child £	Mean cost per child £	Mean cost per child £
Costed staff/centre time	115	200	140
Ongoing costs	20	475	145
One-off costs	5	10	5
Total costs	140	685	290

Table 4 Average amounts spent on children receiving a service (£ per week)

Type of placement	Children supported in families or independently		Children looked after		Total	
	Mean hours per child	Mean cost per child £	Mean hours per child	Mean cost per child £	Mean hours per child	Median cost per child £
Asylum seeking children	1.5	229	2.4	625	1.8	370
Disabled children	2.5	167	3.0	739	2.7	364
Autistic children	2.6	172	2.8	859	2.7	437
All children	2.3	146	3.5	708	2.7	302

¹ As specified in Department for Education and Skills (2005) *Children in Need in England: Results of a Survey of Activity and Expenditure as Reported by Local Authority Social Services' Children and Families Teams for a Survey Week in February 2005*, Department for Education and Skills, London.

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

A study led by Caroline Glendinning and Susan Kirk investigated the costs of supporting a group of children dependent on medical technology which enables them to survive.^{1,2} 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. The annual costs of supporting technology-dependent children are presented.

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, Canterbury.

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

6.5.1 Technology dependent children: Case A

Type of case
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.

Items	Average cost per annum	Description of items
Equipment non recurrent costs	£10,977	Includes housing adaptation, bed, wheelchair, two ventilators, electricity generator, pulse oximeters, two suction machines, one humidifier. Costs for all cases ranged from £8,255 to £14,676 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	£14,936	Includes clinical waste removal service, consumables, servicing ventilator, pulse oximeters, servicing suction machines and humidifier and gastrostomy feeding.
Annual staffing costs	£119,738	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 £113,560 to £125,917 per annum.
Consequences of health costs to mother	£718	Includes prescription for anti-depressants, counselling from psychologists and GP appointments. Costs for all cases ranged from £555 to £848.
Social security benefits	£14,148	Includes income support and premium for lone parent, child allowance, disabled child premium, highest care DLA, highest care mobility DLA.
Education	£3,165	Includes transport to the school by taxi and community therapist input. Costs for all cases ranged from £2,826 and £3,505.
Family costs	£14,794	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 £13,941 to £15,649 per annum.

Unit Costs Available 2005/2006

£148,817 service costs; £163,683 costs to state agencies; £164,328 total costs minus costs to state.

6.5.2 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	£221	Includes suction machines and one humidifier. Costs for all cases ranged from £189 to £270 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	£4,684	Includes clinical waste removal service, consumables, servicing suction machines and humidifier.
Annual staffing costs	£23,387	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 £23,052 to £23,725.
Social security benefits	£5,452	Invalidity care allowance and highest care DLA.
Family costs	£6,649	Costs for all cases ranged from £5,503 to £7,796.
Unit Costs Available 2005/2006		
£28,292 service costs; £33,743 costs to state agencies; £34,941 total costs minus costs to state.		

6.5.3 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	£1,216	Includes dialysis machine. Costs for all cases ranged from £1,037 to £1,484 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	£42,565	Includes clinical waste removal service, consumables, gastrostomy feeding and associated drug therapy. Costs for all cases ranged from £42,456 to £42,673 per annum.
Annual staffing costs	£867	Includes a specialist outreach nurse, hospital dietician involvement, hospital social worker involvement and GP involvement. Costs for all cases ranged from £827 to £910.
Social security benefits	£3,053	Includes highest care DLA.
Family costs	£4,039	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 £3,369 to £4,709 per annum.
Unit Costs Available 2005/2006		
£44,648 service costs; £47,702 costs to state agencies; £48,687 total costs minus costs to state.		

6.6 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 processes, 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.¹ 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. Costs relate to time periods stated in the individual schemata.

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.

6.6.1 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. Please note that these figures have been rounded. Where appropriate, the original information has been superseded by Agenda for Change reforms.

Process	Cost to LA	Total £	Cost to others	Total £
Care Planning	£111 x 3	334	£137 x 3	412
Maintaining the placement	£451 x 87 weeks minus £5,563 ¹	33,711		
Review	£378 x 3 + £11 ²	1,146	£45 x 3	132
Legal	£4.40 ³ x 87 weeks	383	£8.00 ⁴ x 87 weeks	709
Transition to leaving care	£1,079	1,079		
Cost of services				
Mainstream schooling			£21 ⁵ per day	5,898
FE College			£21 ⁶ per day	651
Dentist			£7.00 ⁵ x 3	21
Looked after child medical			£25 ⁷	25
Physiotherapy			£40 x 87 weeks	3,480
Total		£36,653		£11,328

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.

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

6.6.2 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 time frame 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. Please note that these figures have been rounded. Where appropriate, the original information has been superseded by Agenda for Change reforms.

Process	Cost to LA		Cost to others	
	Unit costs	Total £	Unit costs	Total £
Care Planning	£111 x 3	334	£137 x 3	412
Maintaining the placement	£402 x 87 weeks minus £4,156 plus £266 ¹	31,092		
Finding subsequent placement	£190	190		
Review	£378 x 3	1,135	£44 x 3	132
Legal	£5.40 ² x 87 weeks	466	£10 ³ x 87 weeks	858
Cost of services				
Mainstream Schooling			£21 ⁴ per day	6,560
Dentist			£7.00 ⁴ x 3	21
Looked after child medical			£25 ⁵	25
Speech therapy			£40 x 60 weeks	2,400
Clinical psychologist			£66 x 52 weeks	3,432
Hospital accident and emergency visit			£89	89
Personal teaching assistant			£35 ⁴ (4 hrs per week for 25 weeks)	3,538
Total		£33,217		£17,467

- 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)

6.6.3 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. Please note that these figures have been rounded. Where appropriate, the original information has been superseded by Agenda for Change reforms.

Process	Cost to LA	Total £	Cost to others	Total £
Care Planning	£111 x 2	223	£133 x 2	266
Maintaining the placement	£216,833 plus £975 ¹	217,808	£45 x 74 weeks ²	3,253
Ceased being looked after	£244	244		
Find subsequent placements	£7,210 ³	7,210		
Review	£378 + £756	1,134	£159 x 2	310
Cost of services⁴				
YOT involvement/ criminal costs			£902 ⁵ x 74 weeks	66,731
Total		£226,620		£70,560

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.

6.6.4 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. Please note that these figures have been rounded. Where appropriate, the original information has been superseded by Agenda for Change reforms.

Process	Cost to LA	Total £	Cost to others	Total £
Care Planning	£56 x 3	167	£137 x 3	412
Maintaining the placement	£414,547 plus £1,064 ¹	415,610		
Finding subsequent placements	£9,301	9,301	£75 x 8 ²	600
Review	£756 x 3	2,267	£324 x 3	971
Legal	£2.80 ³ x 87 weeks	242	£5.00 ⁴ x 87 weeks	438
Transition to leaving care	£1,079	1,079		
Cost of services				
Home tuition			£35 ⁵ per hour	6,723
Permanent exclusion			£120 ⁶	120
Dentist			7.00 ⁵ x 3	21
Looked after child medical			£25 ⁷	25
Clinical psychologist			£66 per hour for 52 weeks	3,432
Police costs for criminal offence			£185 ⁸	185
Total		£428,667		£12,927

- 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.

6.7 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. published in *Child and Adolescent Mental Health* in 2005 compared the costs of individual and group psychotherapy for children who have been sexually abused.¹ 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 2005/2006 levels were found to be £2,536 and total mean costs of individual therapy uprated to 2005/2006 levels were found to be £4,144.

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 and Social Care 1999*² while others were estimated from (national) pay scales and any additional elements were based on similar services reported in that 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 2005/2006 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	£62 (£13)	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	£521 (£39)	Senior social worker	105
Therapy provided to girls			
Mean (sd) no. of sessions	13.3 (4)	Various professionals providing 18 sessions	75
Mean (sd) cost, £	£507 (£183)		

- 1 McCrone, P., Weeramanthri, T., Knapp, M., Rushton, A., Trowell, J., Miles, G. & Kolvin I. (2005) Cost-effectiveness of individual versus group psychotherapy for sexually abused girls, *Child and Adolescent Mental Health*, 10, 26-31. 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).
- 2 Netten, A., Dennett, J. & Knight, J. (1999) *Unit Costs of Health and Social Care 1999*, Personal Social Services Research Unit, University of Kent, Canterbury.

Intervention	Sample size (n=36)	Provider	Duration (minutes)
Carers' support			
Mean (sd) no. of sessions	10.1 (5.3)	Social worker providing 10 sessions	50
Mean (sd) cost, £s	£470 (£335)		
Supervision of girls' therapists			
Mean (sd) number of sessions	13.3 (4.0)	Senior social worker/cons. psychiatrist providing 18 sessions	75
Mean (sd) cost, £	£398 (£135)		
Supervision of carers' workers			
Mean (sd) number of sessions	3.4 (1.8)	Senior Social worker providing monthly sessions	60
Mean (sd) cost, £s	£193 (£137)		
Follow-up assessments			
one year follow-up	1.5 (0.7)	Research psychologist	30
Mean (sd) number of assessments	£384 (£208)	Consultant psychiatrist/senior registrar	45
Mean (sd) cost £s		Senior social worker	45
		All providing 1 session each	
Mean (sd) total cost, £	£2,535 (£1,050)		

Individual therapy

Intervention	Sample size (n=35)	Provider	Duration (minutes)
Introductory meeting			
Mean (sd) no. of meetings	1 (0)	Consultant psychiatrist	16
Mean (sd) cost, £s	£60 (£14)	Senior social worker	16
Initial Assessment			
Mean (sd) no. of assessments	1 (0)	Research psychologist	120
Mean (sd) cost, £s	£512 (£41)	Consultant psychiatrist/senior registrar	90
		Senior social worker	105
Therapy provided to girls			
Mean (sd) no. of sessions	26 (8.1)	Various professionals providing 30 sessions	75
Mean (sd) cost, £	£1,228 (£456)		
Carers' support			
Mean (sd) no. of sessions	14.2 (9.3)	Social worker providing 15 sessions	50
Mean (sd) cost, £s	£1,198 (£817)		
Supervision of girls' therapists			
Mean (sd) number of sessions	13.0 (4.1)	Senior child psychotherapist providing 15 sessions	60
Mean (sd) cost, £	£454 (£142)		
Supervision of carers' workers			
Mean (sd) number of sessions	4.7 (3.1)	Senior social worker providing monthly sessions	60
Mean (sd) cost, £s	£339 (£251)		
Follow-up assessments			
One year follow-up	1.4 (0.7)	Research psychologist	30
Mean (sd) number of assessments	£352 (£216)	Consultant psychiatrist/senior registrar	45
Mean (sd) cost £s		Senior social worker	45
		All providing 1 session each	
Mean (sd) total cost, £	£4,143 (1,937)		

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 Community Rehabilitation Unit
- 7.8 Hospital-based rehabilitation care scheme
- 7.9 Intermediate care based in residential homes

7.1 Hospital costs

We have drawn on reference costs (<http://www.doh.gov.uk/nhs/refcosts.htm>) and report on NHS Trust and Primary Care Trusts combined. We have reviewed the data this year and included information for which there is a demand for. Any data showing an increase or decrease of greater than 20 per cent has been omitted and any data for which there are fewer than 10 submissions has been omitted due to its potential unreliability. All costs have been updated to 2005/06 levels using the HCHS Pay and Prices inflator.

MENTAL HEALTH SERVICES	Lower quartile	Upper quartile	National average
	£	£	£
Inpatient attendances (cost per bed day)			
Intensive care – adult	412	608	464
Acute care – adult	203	256	234
Rehabilitation – adult	200	256	219
Children	380	506	461
Elderly	197	249	217
Inpatient day	252	334	286
<i>Specialist services (cost per bed day)</i>			
Eating disorder services	312	465	381
Mother and baby units	374	505	460
<i>Secure unit data (cost per bed day)</i>			
Local psychiatric intensive care units	430	600	495
Low-level secure services	316	405	371
Medium-level secure services	392	478	416
Outpatient attendances (cost per follow-up attendance)			
<i>General services</i>			
Drug and alcohol services – adult	93	168	107
Other services – adult	102	163	126
Elderly – based on three-year average	83	129	106
General outpatient cost – adult	93	153	113
General outpatient cost – children	192	278	228
<i>Specialist services</i>			
Eating disorder services	312	465	381
Community-based costs (cost per follow-up attendance)			
Drug and alcohol services – adult	90	152	115
Other services – adult	88	138	113
Elderly – based on three-year average	102	312	229
General outpatient cost – adult	184	263	228
General outpatient cost – children	79	135	92
<i>Specialist services</i>			
Eating disorder services – adult	129	192	138
Eating disorder services – children	121	210	156
PATIENT REHABILITATION			
Inpatient stay (cost per bed day)			
Stroke	182	274	220
Elderly patients	163	228	187
Other patients	182	282	218
General inpatient cost	188	291	243
<i>Specialist services (children's services in brackets)</i>			
General surgery	69 (83)	108 (131)	93 (102)
General medicine	85 (100)	138 (150)	115 (99)
Cardiology	71 (81)	118 (137)	101 (142)
Rehabilitation	83 (0)	251 (0)	149 (0)
Paediatrics	0 (108)	0 (189)	0 (155)
Podiatry	20 (0)	55 (0)	26 (0)
Day care attendances (cost per attendance)			
Stroke	97	159	127
Elderly patients	83	89	128
Other patients	93	194	132
General inpatient cost	87	191	129
A&E SERVICES			
High cost investigation (referred/discharged)	86	116	105
Lower cost investigation (referred/discharged)	67	86	77
Non 24-hour A&E Department/Casualty Department	23	40	34
Walk-In Centres, follow-up attendances	18	26	22

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 updated 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.

Using reference costs (www.doh.gov.uk/nhs/exec/refcosts.htm), the average cost for an emergency transfer in an urban setting was £166 and in a rural setting £200 in 2005.

	Paramedic unit (PU)	Emergency ambulance (EA)	Patient transport service (PTS)	Notes
Overheads and management	£132	£132	£132	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	£18	£16	£14	Paramedic Units (PU) and Emergency Ambulances (EA) use exactly the same type of vehicle with similar equipment on board. The ambulances cost £45,938 new and standard equipment including defibrillators costs £11,484 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 £1,723 and is replaced annually. PTSs use a different type of ambulance which costs £31,008 and is expected to last seven years. Discounting at 3.5 per cent the annual cost of a PU is £14,373; an EA is £12,719 and a PTS £5,070. The average number of journeys per emergency ambulance was 1152 and the average number of journeys per transport ambulance 520.
Crew salaries and wages	£138	£134	£103	A crucial distinguishing characteristic of the different services is the type of crew. A PU carries one paramedic (average salary £30,417 pa) and one technician (average salary £28,628). An EA is crewed by two technicians and a PTS by two care assistants (average salary £15,634). Once national insurance and pension payments are included the average annual crew cost is £66,131 for a PU; £64,127 for an EA; and £35,021 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	£289	£289	£252	
Cost per minute	£6.50	£6.30	n.a.	Based on the average length of an emergency journey: 44.4 minutes.
Average cost per patient journey	£323 ¹	£246	£50	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 £168 to £899 for active user chairs and £955 to £1,685 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 2005/2006	Annual cost 2005/2006	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	£581	£132	
Powered	£1,160	£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 2005/2006			
£78 per self or attendant propelled chair per year; £156 per active user per chair per year; £359 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.² Although this information is rather dated, information contained in the BCIS Access Audit Price Guide, 2002 suggested that the uprated figures are in line with current building costs.³

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 else 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	£380	£351	£128	£4,365	£42
Electrical modifications	£387	£453	£51	£3,454	£54
Joinery work (external door)	£448	£533	£231	£1,100	£64
Entry phones	£317	£431	£190	£2,698	£52
Individual alarm systems	£336	£394	£187	£847	£47
Grab rail	£83	£46	£3	£373	£6
Hoist	£826	2,306	£338	£7,185	£277
Low level bath	£469	£588	£317	£1,288	£71
New bath/shower room	£6,875	£13,172	£3,384	£30,453	£1,583
Redesign bathroom	£1,258	£2,947	£423	£6,768	£354
Redesign kitchen	£2,540	£3,492	£620	£5,921	£420
Relocation of bath or shower	£936	£1,789	£159	£9,439	£215
Relocation of toilet	£764	£1,526	£151	£3,637	£183
Shower over bath	£836	£777	£187	£2,132	£93
Shower replacing bath	£2,284	£2,151	£418	£3,880	£259
Graduated floor shower	£1,118	£2,615	£1,142	£5,956	£314
Stairlift	£2,309	£2,912	£2,030	£6,508	£350
Simple concrete ramp	£571	£340	£59	£2,445	£41

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 (2005) *Survey of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Building Cost Information Service (2002) *Access Audit Price Guide*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

7.5 Training costs of health service professionals

This schema provides a breakdown of the 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	27,566	24,626	0	0	52,193	4,270
Occupational Therapist	25,602	24,626	0	0	50,229	4,116
Speech and Language Therapist	19,856	32,286	0	0	52,143	4,380
Dietician	20,243	32,286	0	0	52,529	4,465
Radiographer	38,143	24,626	0	0	62,769	5,113
Pharmacist	28,988	42,729	6,684	5,627	84,012	6,643
Nurses						
Ward Managers/Staff Nurses	28,398	25,605	-10,610	0	43,392	4,229
Nurse Specialist (Community)	28,398	25,605	-10,610	13,732	57,124	5,326
Health Visitor	28,398	25,605	-10,610	13,732	57,124	5,861
Nurse (Mental Health)	28,524	25,605	-10,095	13,732	57,767	5,450
Nurse (GP practice)	28,398	25,605	-10,610	13,732	57,124	5,326
Doctors						
Pre-Registration House Officer	57,724	40,601	147,669	0	245,570	19,673
Senior House Officer	57,724	40,601	147,669	19,438	265,007	21,034
Specialist Registrar	57,724	40,601	147,669	46,092	291,661	23,100
Consultants	57,724	40,601	147,669	100,317	345,887	28,263
GP	57,724	40,601	147,669	75,707	321,277	27,556

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 uprated using the appropriate inflators. A comparative scheme providing health and social care to patients in their own homes has produced total costs of £634,000, costs for a delivered hour of £57 excluding qualifications and £62 including qualifications. The average cost per delivered hour of the two schemes is £38 and £41 including qualifications.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£131,386 per year	Based on the mid-point of Agenda for Change (AfC) salaries. Includes a team of two nurses (Band 5), five clinical support assistants (Band 2), two Nurse Managers (Band 7) (0.75).
B. Salary oncosts	£30,204 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£11,629 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	£3,686 per year £25,406 per year	Includes mobile phones, Uniform replacement for B grades nurses, stationery, thermometers, energy. 2002/2003 costs uprated by the retail price index. Includes Administrative staff (Band 2), Manager (based on Band 8) (0.25). 2002/2003 costs uprated by the HCHS Pay Inflator.
F. Indirect overheads	£21,062 per year	Includes the personnel and finance functions. 2002/03 costs uprated by the HCHS Pay and Prices Inflator.
G. Capital overheads	£2,228 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	£1,205 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 uprated using the retail price index.
I. Travel	£19,027 per year	
Caseload	7 per week	The yearly caseload 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	9,646 per annum	Based on information about typical episodes delivered to patients.
Low cost episode	3 visits at 30 minutes for 3 days.	A low cost episode comprises 10 visits and includes initial assessment and travel costs.
High cost episode	43 patient contact hours over three days.	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 2005/2006 (costs including qualifications given in brackets)		
£19 (£20) cost per delivered hour (excludes cost for enhanced payments, cost of assessments, discharge and travel costs); cost of assessment £43 (includes travel), cost of discharge £56 (includes travel), travel per visit £4.70. £170 (£175) per low cost episode (includes assessment and travel costs); £916 (£968) per high cost episode (includes assessment, travel and unsocial hours).		

1 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

2 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

7.7 Community Rehabilitation 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. A costing undertaken of another community rehabilitation unit for people requiring a period of rehabilitation after an episode in hospital has produced weekly costs of £568 per patient and a typical client episode of £3,692.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£ 60,567 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	£13,082 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Direct overheads: Administrative and management costs	£21,798 per year £3,841 per year £15,913 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	£ 10,380 per year	To cover the finance function.
E. Capital Building costs Land costs	£ 21,234 per year £10,667 per year	Based on actual cost of the 7 units and a lounge (shared by sheltered housing) and an office in 2004, 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		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.
Typical episode	10 hours per week	50 per cent of clients stay on average 29 nights and receive 41 hours of contact with a support worker per week plus the above.
Low cost episode	7 hours per week	25 per cent of clients stay 10 days and receive 10 hours with a support worker a week plus the above
High cost episode	15 hours per week	25 per cent 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	£143	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	£236	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 Community Assessment and Rehabilitation 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 2005/2006		
Full unit costs (all activities): Per unit £31,496 per year, £604 weekly (includes A to E); Per unit (full occupancy) £22,497 per year, £431 weekly. Costs per activity: assessment and referral £143 per client; discharge £236 per client, ambulance transport from hospital £36 per client;. £3.80 per session at day care, £3.10 per meal on wheels. Cost per episode: £1,424 cost of typical episode, £716 low cost episode; £3,348 high cost episode.		

7.8 Hospital-based rehabilitation care scheme

This rehabilitation unit is supervised by a nurse consultant and has undergone a service redesign to meet the changing needs of the community. It is managed by a modern matron, but has a strong multi-professional team approach. The unit is divided into three sections consisting of the 'assessment area' where patients go for between 24-72 hours on admission to have their health care needs closely observed and identified. They then go to the 'progression area' which is for patients who need moderate to high nursing support where they undertake a rehabilitation programme and then to the 'independent area' when they are progressing well before returning home. In total there are 38 beds. These are 2005/06 salary costs and other costs are uprated to present values by using the appropriate HCHS inflators.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary plus oncosts	£728,519 per year	Information provided by the PCT and converted to allow for Agenda for Change. ¹ Based on a team of a modern matron (Band 8), 3 nurse team managers (Band 7), 7 nurse specialists (Band 6), (WTE 5.34), 8 nurses (WTE 6.31), 21 higher level clinical support workers (WTE 17.09), 4 clinical support workers (WTE 3.2) and a support physiotherapist (Band 3).
B. Salary oncosts	£160,274 per year	Estimated national insurance and superannuation contribution. Based on employers' national insurance and 14% of salary for employers' contribution to superannuation
C. Qualifications	£70,726 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life ² See schema 7.5 for more information on training costs of health professionals.
D. Overheads:		
Direct overheads	£87,295 per year	Includes drugs, dressings, medical equipment, uniforms, laundry allowance, travel and subsistence.
	£68,166 per year	Cost for maintenance etc.
Indirect overheads	£148,110 per year	Includes Finance, Human resources, Board and Facilities.
E. Capital overheads	£74,479 per year	Those capital overheads relating specifically to the unit.
Other capital charges	£16,385 per year	Capital proportioned out to all units
Hours and length of service	7 days a week (to include weekends and bank holidays) 8.00 am - 9.00 pm (24 hours 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.
Average length of stay	14 days	Information received from the PCT. Patients can stay up to six weeks, but average length of stay is 14 days.
Caseload per worker	30 per month	Based on information received from the PCT. The total for 7 months was 209 (PSSRU estimate is 358 for 12 months).
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
Weekly service costs per bed £596 (£764), Average annual cost per patient £4,032 (£4,229), Cost of a typical client episode £1,457 (£1,528).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, 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.

7.9 Intermediate care based in residential homes

This information is based on PSSRU research carried out jointly in 2005 with the Social Work and Social Care Section at the Institute of Psychiatry as part of a larger study on the impact of reimbursement. It provides the costs of comparative intermediate care schemes based in residential homes. The average weekly cost per client of the four schemes is £525 and the average annual cost per client is £3,366.

	Social care only			Social and health care
	Scheme A: This service provides therapeutic programme of recuperative care. There are 16 recuperative beds. Care staff include care workers, senior night carer and rehabilitation workers.	Scheme B: This service is provided by the local authority for people with dementia. Fee paid by the local authority for care staff.	Scheme C: This is a short stay residential home for people having difficulty managing at home, or who have been recently discharged from hospital or are considering entry to a residential care home. Fee paid by the local authority for care staff.	Scheme D: This service is run by the local authority in conjunction with primary care trust and provides 6 weeks of support and rehabilitation to older people who have the potential to return to their own home after a stay in hospital. Staff include care manager, therapists, visiting medical officer and promoting independence assistants.
Wages/salary	£192,500	£132,000	£91,000	£142,500
Oncosts Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation	£41,387	£28,380	£19,565	£30,637
Direct overheads Includes salaries of supervisory staff, running costs and supplies	£218,481	£46,926	£43,134	£24,550
Indirect overheads Management fees (includes cost of premises) Capital/Premises Total costs ¹	£141,789 £31,287 £611,249	£37,541 £237,297	£168,612	£8,100 £195,100
Caseload	196	51	64	67
Average length of stay	34	54	45.5	32
No. of beds	16	10	8	7.7
Weekly costs per resident	£750	£470	£368	£513
Average annual cost per client	£3,191	£4,801	£2,401	£3,071
Cost of typical client episode	£3,641	£3,622	£2,395	£2,343

¹ Where the fee for providing the scheme was provided, 80 per cent was estimated by the service provider as the amount for care staff salaries. The remainder was allocated to overheads.

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 a contact in physiotherapy services for 2005 was £34 with the minimum range for 25 per cent of services being £24 and the maximum £63. Costs have been uprated using the HCHS pay and prices inflator. The mean average cost for a contact for a child for 2005 was £37 with the minimum range for 25 per cent of services being £25 and the maximum £64.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£21,483 per year	Based on the mid-point of Agenda for Change (AfC) salaries Band 5 of the April 2005 pay scale according to the National Profile for Physiotherapy. More specialist grades range from AfC band 6 to 8B for a Physiotherapist Specialist to Consultant. (See pages 201- 202 for salary information.) ¹ It includes an element to reflect the proportion of staff who receive a London allowance. Within the new pay structure all leads and allowances will be replaced by higher basic pay for the majority of staff. ¹
B. Salary oncosts	£4,716 per year	Employers' national insurance plus 14.9 per cent of salary for employers' contribution to superannuation. ²
C. Qualifications	£4,270 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ³ See schema 7.5 for more details.
D. Overheads	£4,091 per year	Comprises £2,781 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ⁴
E. Capital overheads	£2,695 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared used of both treatment and non-treatment space. ^{5,6} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£2.50 per visit	Based on expenditure provided by a community trust.
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 days statutory leave. ¹ Assumes 5 study/training days, and 10 days sickness leave. ⁷
<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 estimates of an example episode for an older person on short rehabilitation. ⁷
London multiplier	1.11 x (A to D) 1.45 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	0.93 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£21 (£24) per hour; £35 (£40) per hour of client contact; £28 (£32) per hour in clinic; £37 (£41) per hour of home visiting; £39 (£44) per home visit; £14 (£16) per clinic visit (includes A to E). Example episode £183 (£206).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 This rate is the average reported by 20 local authorities in a PSSRU survey for 2005/2006.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

8.2 NHS community occupational therapist

Using Reference costs (www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for a contact of Occupational Therapy services for 2005 was £43 with the minimum range for 25 per cent of the services being £34 and the maximum £92. Costs have been updated using the HCHS pay and prices inflator. The mean average cost for a contact for a child for 2005 was £40 with the minimum range for 25 per cent of services being £36 and the maximum £115.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£21,483 per year	Based on the mid-point of Agenda for Change (AfC) salaries Band 5 of the April 2005 pay scale according to the National Profile for Occupational Therapy. More specialist grades range from AfC band 6 to 8B for a Occupational Therapist Specialist to Consultant. (See pages 201-202 for salary information.) ¹ It includes an element to reflect the proportion of staff who receive a London allowance. Within the new pay structure all leads and allowances will be replaced by higher basic pay for the majority of staff. ¹
B. Salary oncosts	£4,716 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. ²
C. Qualifications	£4,380 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	£4,091 per year	Comprises £2,781 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ³
E. Capital overheads	£2,695 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of both treatment and non-treatment space. ^{4,5} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£2.50 per visit	Based on expenditure provided by a community trust.
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 days statutory leave. ¹ 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-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	1.11 x (A to D) 1.45 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. ^{4,5}
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. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4,5}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£21 (£24) per hour; £35 (£40) per hour of client contact; £28 (£32) per hour in clinic; £36 (£42) per hour of home visiting; £39 (£44) per home visit; £14 (£16) per clinic visit (includes A to E). £183 (£206) per care episode.		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 This rate is the average reported by 20 local authorities in a PSSRU survey for 2005/2006.

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*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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

8.3 Community speech and language therapist

Using Reference costs (www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for a contact of speech and language therapy services for 2005 was £55 with the minimum range for 25 per cent of the services being £50 and the maximum £111. Costs have been updated using the HCHS pay and prices inflator. The mean average cost for a contact for a child for 2005 was £57 with the minimum range for 25 per cent of services being £51 and the maximum £87.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£21,483 per year	Based on the mid-point of Agenda for Change (AfC) salaries band 5 of the April 2005 pay scale according to the National Profile for Speech and Language Therapists. More specialist grades range from AfC band 6 to 8C for a Specialist Speech and Language Therapist to Consultant. (See pages 201-202 for salary information.) ¹ It includes an element to reflect the proportion of staff who receive a London allowance. Within the new pay structure all leads and allowances will be replaced by higher basic pay for the majority of staff. ¹
B. Salary oncosts	£4,716 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. ²
C. Qualifications	£4,380 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ³ See schema 7.5 for more details.
D. Overheads	£4,091 per year	Comprises £2,781 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ⁴
E. Capital overheads	£2,695 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared used of both treatment and non-treatment space. ^{5,6} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£2.50 per visit	Based on expenditure provided by a community trust.
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ¹ Assumes 5 study/training days, and 10 days sickness leave. ⁷
<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	1.11 x (A to D) 1.45 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	0.93 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£21 (£24) per hour; £35 (£40) per hour of client contact; £28 (£32) per hour in clinic; £36 (£42) per hour of home visiting; £39 (£44) per home visit; £14 (£16) per clinic visit (includes A to E).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 This rate is the average reported by 20 local authorities in a PSSRU survey for 2005/2006.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

8 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 a contact in chiropody services for 2005 was £24 with the minimum range for 25 per cent of services being £20 and the maximum £30. Costs have been inflated using the HCHS Pay and Prices Inflatior.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£17,902 per year	Based on the mid-point of Agenda for Change (AfC) salaries Band 4 of the April 2005 pay scale according to the National Profile for Generic Therapy. Consultant grades for Generic Therapy range from 8bcd-9 on the AfC pay scales. (See pages 201-202 for salary information.) ¹ It includes an element to reflect the proportion of staff who receive a London allowance. Within the new pay structure all leads and allowances will be replaced by higher basic pay for the majority of staff. ¹
B. Salary oncosts	£3,697 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. ²
C. Qualifications		Qualification costs are not available.
D. Overheads	£3,861 per year	Comprises £2,781 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ³
E. Capital overheads	£2,695 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared used of both treatment and non-treatment space. ^{4,5} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£1.30 per visit	Taken from Netten and inflated using the retail price index. ⁶
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ¹ Assumes 5 study/training days, and 10 days sickness leave. ⁷
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. ⁸ 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. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4,5}
Unit costs available 2005/2006		
£18 per hour; £16 per home visit; £9 per clinic visit (includes A to E).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 This rate is the average reported by 20 local authorities in a PSSRU survey for 2005/2006.

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

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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

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

8.5 Clinical psychologist

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£31,665 per year	Based on the mid-point of Agenda for Change (AfC) salaries Band 7 of the April 2005 pay scale according to the National Profile for Clinical Psychologists, Counsellors & Psychotherapists. (See pages 201-202 for salary information.) ¹
B. Salary oncosts	£6,904 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. ²
C. Qualifications		Qualification costs are not available.
D. Overheads	£4,709 per year	Comprises £2,781 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ³
E. Capital overheads	£2,343 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of both treatment and non-treatment space. ^{4,5} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£1.30 per visit	Taken from Netten ⁶ and inflated using the Retail Price Index.
Working time	41 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 days statutory leave. ¹ Assumes 5 study/training days, and 10 days sickness leave. ⁷
Ratios of: professional outputs to support activities	1:0.3	Five types of 'chargeable service' have been distinguished: clinical work with patients; clinical consultancy and project work; service organisation and development; teaching and supervision; and research and service evaluation. ⁸ 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.
Face to face contact to all activity	1:04	Based on the National Child and Adolescent Mental Health Service Mapping data and returns from over 500 Principal Clinical Psychologists, 44.5% of time was spent on direct clinical work, 13.2% on consultation and liaison, 7.2% on training and education, 5.5% on research and evaluation, 23.3% on admin and management, 16.3% on other work and 13.9% on tier 1 work. ⁹ Tier 1 work was assumed to be spread across all types of activity and for the purpose of this analysis 50% of time is apportioned to direct contacts and 50% to client related work.
London multiplier	1.11 x (A to D) 1.45 x E	Allows for the higher costs associated with London compared to the national average cost. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4,5}
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. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4,5}
Unit costs available 2005/2006		
£29 per hour; £66 per hour of client contact; £38 per professional chargeable hour (includes A to E). Travel £1.30 per visit.		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 This rate is the average reported by 20 local authorities in a PSSRU survey for 2005/2006.

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

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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

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

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

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

8.6 Community pharmacist

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£37,238 per year	Based on information in <i>Tomorrow's Pharmacist 2001</i> (Careers - Where do you start?), mid-point of range (excluding senior management positions). ¹ Salaries in community pharmacy start at around £24,515 and can go up to £49,030 or £61,287 in senior management positions. Salaries have been uprated using the PSS pay inflator.
B. Salary oncosts	£8,359 per year	Employers' national insurance plus 14.9 per cent of salary for employers' contribution to superannuation. ²
C. Qualifications Pre-registration training:	£6,176 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. ^{3,4} 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.
Post graduate training:		
D. Overheads	£5,061 per year	Comprises £2,781 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ⁵
E. Capital overheads	£3,581 per year	Based on the new build and land requirements of a pharmacy, plus additional space for shared facilities. ^{6,7} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£1.30 per visit	Taken from Netten and inflated using the retail price index. ⁸
Working time	42 weeks per annum 40 hours per week	Includes 29 days annual leave and 8 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: 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	1.11 x (A to D) 1.45 x E	Allows for the higher costs associated with London compared to the national average cost. ⁹ Building Cost Information Service and Office of the Deputy Prime Minister. ^{6,7}
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. ⁹ Building Cost Information Service and Office of the Deputy Prime Minister. ^{6,7}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£33 (£37) per hour (includes travel), £83 (£93) per hour of direct clinical activities (includes travel to visits), £42 (£47) 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 This rate is the average reported by 20 local authorities in a PSSRU survey for 2005/2006.

3 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.

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

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

6 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

7 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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

9. Nurses and doctors

- 9.1 Community nurse (includes district nursing sister, district nurse)
- 9.2 Nurse (mental health)
- 9.3 Health visitor
- 9.4 Nurse specialist (community)
- 9.5 Clinical support worker nursing (community)
- 9.6 Nurse (GP practice)
- 9.7 Nurse advanced (includes lead specialist, clinical nurse specialist, senior specialist)
- 9.8a General practitioner — cost elements
- 9.8b General practitioner — unit costs
- 9.8c General practitioner — commentary

9.1 Community nurse (includes district nursing sister, district nurse)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£26,068 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 6 according to the National Profile for Nurses. ^{1,2} The sum does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£5,600 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,744 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. ³ See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,947 per year	Comprises £2,781 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ⁴
E. Capital overheads	£2,343 per year	Based on the new build and land requirements of community health facilities, but adjusted to reflect shared use of both treatment and non-treatment space. ^{5,6} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£1.30 per visit	Taken from Netten and inflated using the retail price index. ⁷
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 29 days annual leave and 8 statutory leave days. ² 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	1:1.08 1:0.58 1:1.21	Dunnell and Dobbs 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. ⁸ 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) 1.45 × E	Allows for the higher costs associated with London compared to the national average cost. ⁹
Non-London multiplier	0.93 × (A to D) 0.97 × E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁹ Building Cost Information Service and the Office of the Deputy Prime Minister. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£25 (£29) per hour; £53 (£61) per hour spent with a patient; £40 (£46) per hour in clinic; £56 (£65) per hour spent on home visits (includes A to E); £20 (£23) per home visit (includes A to F).		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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

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

9.2 Nurse (mental health)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£21,118 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 5 according to the National Profile for Nurses. ^{1,2} The sum does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£4,628 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,450 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. ³ See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,355 per year	Comprises £2,781 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ⁴
E. Capital overheads	£2,343 per year	Based on the new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space. ^{5,6} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£1.30 per visit	Taken from Netten and inflated using the retail price index. ⁷
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 29 days annual leave and 8 statutory leave days. ² Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: face-to-face contacts client related	1:0.89 1:0.33	Based on the National Child and Adolescent Mental Health Service Mapping data and returns from over 500 G grade nurses, 45% of time was spent on direct clinical work, 13% on consultation and liaison, 8% on training and education, 4% on research and evaluation, 23% on admin and management, 7% on other work and 17% on tier 1 work. ⁸ Tier 1 work was assumed to be spread across all types of activity and for the purpose of this analysis 50% of time is apportioned to direct contacts and 50% to client related work.
London multiplier	1.14 x (A to D) 1.45 x E	Allows for the higher costs associated with London compared to the national average cost. ⁹
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. ⁹ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£21 (£25) per hour; £40 (£47) per hour of face to face contact; £28 (£33) per hour of client related work.		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Office of the Deputy Prime Minister (ODPM), *Property Market Report*, Summer 2005, Valuation Office.

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

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

9 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 £100. This excludes all visits for vaccinations and immunisations, post natal visits and any school based visits. Costs have been updated to 2005/06 levels using the HCHS Pay and Prices inflator.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£26,068 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 6 according to the National Profile for Nurses. ^{1,2} The sum does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£5,600 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,861 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. ³ See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,947 per year	Comprises £2,781 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ⁴
E. Capital overheads	£2,343 per year	Based on the new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space. ^{5,6} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£1.30 per visit	Taken from Netten and inflated using the retail price index. ⁷
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 29 days annual leave and 8 statutory leave days. ² 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 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. ⁸ 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) 1.45 x E	Allows for the higher costs associated with London compared to the national average cost. ⁹ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5,6}
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. ⁹ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£25 (£29) per hour; £72 (£84) per hour of client contact; £61 (£70) per hour of clinic contact; £88 (£102) per hour spent on home visits (includes A to E); £31 (£35) per home visit (includes A to F).		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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

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

9.4 Nurse specialist (community)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£26,068 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 6 according to the National Profile for Nurses. ^{1,2} The sum does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£5,600 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,744 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	£5,947 per year	Comprises £2,781 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ³
E. Capital overheads	£2,235 per year	Based on the new build and land requirements of community health facilities, but adjusted to reflect shared use of both treatment and non-treatment space. ^{4,5} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£1.30 per visit	Based on community health service travel costs. ⁶
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ² 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. for a NHS community nurse specialist for HIV/AIDS. ⁷
Length of contact		
London multiplier	1.11 × (A to D) 1.45 × 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. ^{4,5}
Non-London multiplier	0.93 × (A to D) 0.97 × 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. ^{4,5}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£25 (£29) per hour; £63 (£72) per hour of client contact (includes A to E). Travel £1.30 per visit.		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

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*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

6 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

7 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.

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

9.5 Clinical support worker nursing (community)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£12,924 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 2 according to the National Profile for Nurses. ^{1,2} The sum does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£2,537 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	£3,554 per year	Comprises £2,781 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ³
E. Capital overheads	£1,005 per year	Based on the new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space. ^{4,5} 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	£1.30 per visit	Taken from Netten and inflated using the retail price index. ⁶
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 29 days annual leave and 8 statutory leave days. ² 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 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. ⁷ 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	1.11 x (A to D) 1.45 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. ^{4,5}
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. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4,5}
Unit costs available 2005/2006		
£13 per hour; £21 per hour spent with a patient; £16 per hour in clinic contacts; £21 per hour spent on home visits; £8 per home visit (includes A to F).		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

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*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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

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

9.6 Nurse (GP practice)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£21,118 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 5 according to the National Profile for Nurses. ^{1,2} The sum does not include any allowances for unsocial hours worked.
B. Salary oncosts	£4,446 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,326 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. ³ See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,337 per year	Comprises £2,781 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ⁴
E. Capital overheads	£3,617 per year	Based on new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space. ^{5,6} 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 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. ⁷ 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 37.5 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 29 days annual leave and 8 statutory leave days. ² Assumes 5 study/training days, and 10 days sickness leave.
<i>Ratio of direct to indirect time on:</i> 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. ⁸
Client contacts	98 per week 109 per week	No. of consultations per week. No. of procedures per week. ⁹
London multiplier	1.11 x (A to D); 1.45 x E	Allows for the higher costs associated with London compared to the national average cost. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5,6}
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. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£22 (£25) per hour; £26 (£29) per hour of client contact; £24 (£28) per hour in clinic; £8 (£10) per consultation; £8 (£9) per procedure; £32 (£36) per hour of home visits (includes A to E); £11 (£17) per home visit (includes A to F).		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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

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

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

9.7 Nurse advanced (includes lead specialist, clinical nurse specialist, senior specialist)¹

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£31,127 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 7 according to the National Profile for Nurses. ^{2,3,4} 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	£6,911 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£8,699 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ⁵ 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 £3,145.
D. Overheads	£6,642 per year	Comprises £2,781 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ⁶
E. Capital overheads	£3,617 per year	Based on the new build and land requirements of community health facilities, but adjusted to reflect shared use of treatment and non treatment space. ^{7,8} 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 29 days annual leave and 8 statutory leave days. ³ Assumes 5 study/training days and 10 days sickness leave.
Length of consultation: 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. 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. ⁹
Ratio of direct to indirect time on: 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	1.11 x (A to D) 1.45 x E	Allows for the higher costs associated with London compared to the national average cost. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{6,7}
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 ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister, Transport and the Regions. ^{6,7}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
Cost per hour £31 (£37), cost per hour in surgery £53 (£63), cost per hour of client contact £48 (£56), cost per surgery consultation £12 (£14).		

- 1 A term for nurse practitioners specifically has not been developed due to the great variation in the use of the term NP. Personal correspondence with the RCN NP Adviser has suggested that the best match is the Advance Nurse profile (Band 7).
- 2 This is assumed to be the salary band Nurse Practitioners would have moved to according to the Royal College of Nursing. Royal College of Nursing (2003) *Practice Nurses and Nurse Practitioners, Recommended Pay, Terms and Conditions 2003-2004*. Royal College of Nursing, London.
- 3 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.
- 4 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.
- 5 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.
- 6 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*, Personal Social Services Research Unit, University of Kent, Canterbury.
- 7 Building Cost Information Service (2006) *Surveys of Tender Prices*, Quarter 1, BCIS, Royal Institution of Chartered Surveyors, London.
- 8 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).
- 9 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*.
- 10 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.8a General practitioner — cost elements

Costs and unit estimation	2005/2006 value	Notes (for further clarification see Commentary)
A. Net remuneration	£95,350 per year	New earning figure based on the new GP contract plus expected further earnings associated with higher target payments. ¹ See commentary 9.8c.
B. Practice expenses		
- Out of hours	£11,215 per year	Amount allocated for out of hours care.
Direct care staff	£23,661 per year	On average in 2005 each FTE equivalent practitioner (excluding GP registrars & GP retainers) employed 0.61 FTE practice staff.
Travel	£4,598 per year	Estimated using the car allowance for GP registrars and is unchanged since last year. ² 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	£12,597 per year	Other practice expenses are estimated on the basis of GIG monitoring, Annex D for 2005/06. Practice expenses exclude all expenditure on drugs. See commentary 9.8c.
C. Qualifications	£27,556 per year	The equivalent annual cost of pre-registration and postgraduate medical education. See commentary 9.8c.
D. Ongoing training	£2,060 per year	Calculated using information provided by the London Deanery. ³ This includes costs for the new two year foundation programme and the speciality run-through grade. ⁴ See commentary 9.8c.
E. Capital costs		
- Premises	£8,068 per year	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	£2,516 per year	Taken from the Gross Investment Guarantee (GIG) Monitoring report and adjusted to allow for equipment allocated to direct care staff. Expenditure on computer equipment is used as a proxy for annuitised capital. See commentary 9.8c.
F. Overheads	£7,171 per year	Uprated from <i>Unit Costs of Health and Social Care 2005</i> , estimated assuming an average list size of 1885 (1996 figure, personal communication with NHS Executive). ⁵ When inflated using the HCHS pay index and adjusted to allow for a wte GP, the costs were: administration £2.02 per head (£3,798 per GP) strategy and development £0.81 (£1,532), and supporting primary care-led purchasing £0.94 (£1,823). ^{6,7}
Working time	46.5 wks p.a. 44.7 hrs p.w.	Derived from the GMP Workload Survey 1992/1993. ⁸ 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. ⁹ 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 minutes ⁹	Based on GMP workload survey, the time spent on a home visit just includes time spent in the patients home. ⁶ 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. See commentary 9.8c.
Clinic	12.6 minutes	
Telephone	10.8 minutes	
Home visit	13.2 minutes	
Unit costs for 2005/2006 are given in table 9.8b		

1 Investing in General Practice, The New General Medical Services Contract, The main contract document 'blue book' sent to all GPs in 2003.

2 Information provided by Department of Health.

3 Personal communication with the London Deanery.

4 NHS Employers (2006) *Modernising Medical Careers: A New Era in Medical Training*, NHS Employers, London.

5 Curtis, L. & Netten, A. (2005) *Unit Costs of Health and Social Care 2005*, Personal Social Services Research Unit, University of Kent, Canterbury.

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

8 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.

9 www.doctors.net.uk/gpsurvey

9.8b General practitioner — unit costs

Unit cost 2005/2006	Including direct care staff costs		Excluding direct care staff costs	
	With qualification costs	Without qualification costs	With qualification costs	Without qualification costs
Annual (including travel)	£194,792	£167,236	£171,131	£143,576
¹ Per hour of GMS activity	£94	£80	£82	£69
¹ Per hour of patient contact	£147	£126	£129	£108
¹ Per surgery/clinic minute	£2.50	£2.10	£2.20	£1.80
¹ Per home visit minute	£3.80	£3.30	£3.40	£2.80
¹ Per surgery consultation lasting 10.0 minutes	£25	£21	£22	£18
¹ Per clinic consultation lasting 12.6 minutes	£31	£27	£27	£23
¹ Per telephone consultation lasting 10.8 minutes	£27	£23	£23	£20
Per home visit lasting 13.2 minutes (plus 12 minutes travel time) ²	£69	£60	£61	£51
Prescription costs per consultation	£34.60			
Average costs incurred by patient when attending a GP surgery.	£7.90 (Includes weighted average loss of waged time and non-waged time plus oncosts plus cost of travel). ³			

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

General note about GP expenditure. On 1 April 2004, the new GMS Contract was implemented across the UK. 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. GPs are paid capitation payments and fees and allowances for specific activities such as vaccination and immunisation, services for violent patients etc. These payments are constructed in such a way as to encourage the activity. The most recent Earnings and Expenses Enquiry (EEQ) shows that in 2003/04 GPMS GPs had an expenses to earnings ratio of 0.5972 (and corresponding net income to expenses ratio of 0.4028).¹ Using the GPMS ratio, it has been estimated that the average increase in profit for all UK contractor GPs in 2005/06 was £295.3 million (£733 million x 0.4028). Hence the average increase in NHS profit for each contractor GP in 2005/06 was £8,274.

Allowing for whole time equivalence (wte). The NHS Information Centre have estimated that the number of FTE practitioners (excluding GP registrars and GP retainers) has increased to 29,248 in 2005.² The estimated number of full time equivalents (FTE) Practitioners has increased at a slower rate than head count numbers, reflecting increased part time working.

Allowing for expenditure not associated with GP activity. GP expenditure covers additional services such as payments for trainees and locums whose activity results in separate outputs. This expenditure is deducted based on information taken from the Gross Investment Guarantee (GIG) Monitoring Report. Other PCO administered funds have also been deducted such as GP retainer scheme payments and payments for paternity and maternity cover. It is known that GPs employ locums when they do not qualify for allowances and if we allow for activity associated with locums and GP retainers and other cover for maternity and paternity leave, the resulting unit costs are slightly lower compared with the costs which do not include this activity (£96 including practice nurse costs with training per hour of patient contact compared to £94 and £83 without training compared to £80). We have also excluded expenditure related to dispensing.

Direct care staff.³ On average in 2005 each FTE equivalent practitioner (excluding GP registrars & GP retainers) employed 0.61 FTE practice staff. All direct care staff have been costed at the same level as a band 5 GP practice nurse.

Other practice expenses. These are estimated by deducting specific expenditure on remuneration, care staff and travel from global sum payments and the balance of PMS Expenditure (including baseline but excluding enhanced services element). This sum also includes Administration of recruitment and retention services and demand management activities.

Prescription costs. Average prescription costs per consultation are £33.40. These are based on information about annual numbers of consultations per GP, estimated by using the number of GPs for 2005 and the annual number of consultations per GP (7,624 in 2005)^{3,4} number of prescriptions per GP (24,128 in 2005)⁵ and the average total cost per prescription (£10.92 at 2005 prices).⁶ The cost per item has fallen from £11.70 in 2004 to £10.92 in 2005 because of the reduction in price of many drugs since the introduction of the new PPRS agreement in February 2005 and the new prices for generics from April 2005. The number of prescriptions per consultation (3.16) probably reflects repeat prescriptions arising from initial consultations.

Qualifications. 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.

Ongoing training. Costs consist of an amount for the generic curriculum, the postgraduate centres infrastructure costs, study leave and the costs of course organisers, admin support, trainers workshops, vocational training and Internal courses for GP tutors. Excluded are the costs of exceptional training (£100 per trainee) and a cost for the running of the library postgraduate centres.

Computer equipment. Ideally, this should include an annuitised figure reflecting the level of computer equipment in GP surgeries. However the figure presented in the schema represents the yearly amount allocated to IT expenditure during 2005/06. This has been taken from the GIG Monitoring Report.

Overheads. This 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. New information will be available in 2007.

1 GP earnings and expenses: 2005/06, produced by the Technical Steering Committee, March 2006, Health and Social Care Information Centre.

2 The Information Centre, General and Personal Medical Services in England: 1995-2005, Bulletin 2006/04/HSCIC.

3 Includes home visits, telephone consultations and visits to GP practice by the patient.

4 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.

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

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

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 Approved Social worker – mental health.
- 10.6 Local authority home care worker
- 10.7 Prices of independently provided personal home care
- 10.8 Community occupational therapist (local authority)
- 10.9 Intensive case management for older people
- 10.10 Family support worker

10.1 Social work team leader

Costs and unit estimation	2005/2006 value	Notes
A. Salary	£33,441 per year	Information taken from the Adult, Children and Young People Local Authority Social Care Workforce Survey 2005 showed that the midpoint between the average minimum salary and the average maximum salary for a team leader working in adult services was £33,441 with a range of £31,528 to £35,354. ¹ The midpoint between the average minimum salary and the average maximum salary for a team leader working in children's services was £34,141 with a range of £32,098 to £36,184.
B. Salary oncosts	£7,629 per year	Employers' national insurance plus 14.9 per cent of salary for contribution to superannuation.
C. Qualifications		
D. Overheads	£6,161 per year	Fifteen per cent of salary costs for management and administrative overheads. ²
E. Capital overheads	£2,235 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 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ⁵ 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, 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. ⁶
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. ^{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. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3,4}
Unit costs available 2005/2006		
£32 per hour; £42 per hour of client-related work (includes A to E).		

1 Adult, Children and Young People Local Authority Social Care Workforce Survey 2005, Local Authority Workforce Intelligence Group.

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

3 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal correspondence with the Office of the Deputy Prime Minister (ODPM) (2006).

5 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.

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

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

10.2 Social worker (adult)

Costs and unit estimation	2005/2006 value	Notes
A. Salary	£25,609 per year	Information taken from the Adult, Children and Young People Local Authority Social Care Workforce Survey 2005 showed that the midpoint between the average minimum salary and the average maximum salary for a social worker in adult services was £25,609 with a range of £21,903 to £29,315. ¹ The midpoint between the average minimum salary and the average maximum salary for a social worker in children's services was £26,036 with a range of £22,181 to £29,892.
B. Salary oncosts	£5,713 per year	Employers' national insurance plus 14.9 per cent of salary for employers' contribution to superannuation.
C. Qualifications		
D. Overheads	£4,698 per year	Fifteen per cent of salary costs for management and administrative overheads. ²
E. Capital overheads	£2,235 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 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ⁵ Ten days sickness leave and 10 days for study/training have been assumed.
Ratios of direct to indirect time on: 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, 54 per cent on direct outputs for clients, and 20 per cent on face-to-face contact. ^{6,7,8,9} 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. ^{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. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3,4}
Unit costs available 2005/2006		
£25 per hour; £33 per hour of client-related work; £120 per hour of face-to-face contact (includes A to E).		

- 1 Adult, Children and Young People Local Authority Social Care Workforce Survey 2005, Local Authority Workforce Intelligence Group.
- 2 Knapp, M., Bryson, D. & Lewis, J. (1984) The comprehensive costing of child care: the Suffolk cohort study, PSSRU Discussion Paper 355, Personal Social Services Research Unit, University of Kent, Canterbury.
- 3 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- 4 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).
- 5 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.
- 6 Tibbitt, J. & Martin, P. (1991) The Allocation of 'Administration and Casework' Between Client Groups in Scottish Departments of Social Work, CRU Papers, Scottish Office.
- 7 von Abendorff, R., Challis, D. & Netten, A. (1995) Case managers, key workers and multidisciplinary teams, PSSRU Discussion Paper 1038, Personal Social Services Research Unit, University of Kent, Canterbury.
- 8 Levin, E. & Webb, S. (1997) *Social Work and Community Care. Changing Roles and Tasks*, Final report to the Department of Health.
- 9 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 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

10.3 Social worker (children)

Costs and unit estimation	2005/2006 value	Notes
A. Salary	£26,037 per year	Information taken from the Adult, Children and Young People Local Authority Social Care Workforce Survey 2005 showed that the midpoint between the average minimum salary and the average maximum salary for a social worker in children's services was £26,036 with a range of £22,181 to £29,892. ¹
B. Salary oncosts	£5,816 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications		
D. Overheads	£4,778 per year	Fifteen per cent of salary costs for management and administrative overheads. ²
E. Capital overheads	£2,235 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 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ⁵ 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. found that the annual input per child was 2,973 minutes, or about 50 hours in 1998 and that 40 per cent of social work time directly associated with clients was on home visits. ⁶ Travel time was included where appropriate.
Client related work	1:0.5	In a study commissioned by the Department of Health, 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. ⁷ 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. ¹ 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. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{3,4}
Unit costs available 2005/2006		
£25 per hour; £38 per hour of client-related work; £62 per hour's home visit.		

1 Adult, Children and Young People Local Authority Social Care Workforce Survey 2005, Local Authority Workforce Intelligence Group.

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

3 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal correspondence with the Office of the Deputy Prime Minister (ODPM) (2006).

5 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.

6 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.

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

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

10.4 Social work assistant

Costs and unit estimation	2005/2006 value	Notes
A. Salary	£19,250 per year	Information taken from the Adult, Children and Young People Local Authority Social Care Workforce Survey 2005 showed that the midpoint between the average minimum salary and the average maximum salary for a social work assistant working in adult services was £19,250 with a minimum of £17,354 and a maximum of £21,146. ¹ For a social work assistant in children's services, the midpoint between the average minimum and average maximum was £18,966 with a minimum of £17,175 and a maximum of £20,757.
B. Salary oncosts	£4,177 per year	Employers' national insurance plus 14.9 per cent of salary for contribution to superannuation.
C. Overheads	£3,514 per year	Fifteen per cent of salary costs for management and administrative overheads. ²
D. Capital overheads	£2,235 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.
E. Travel		No information is readily available about travel costs for social work assistants.
Working time	43 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ⁵ 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 included 52 social work assistants who spent 27 per cent of their time in face-to-face contact. ⁶ Work by Netten gives more information. ⁷
London multiplier	1.34 x A 1.57 x D	Based on the same source as the salary data. ¹ 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 D	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 2005/2006		
£19 per hour; £22 per hour of client-related work; £69 per hour of face-to-face contact (includes A to E).		

1 Adult, Children and Young People Local Authority Social Care Workforce Survey 2005, Local Authority Workforce Intelligence Group.

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

3 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

5 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.

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

7 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.

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

10.5 Approved social worker – mental health

An Approved Social Worker (ASW) is a social worker with responsibility for assessing someone's needs, care and treatment under the Mental Health Act 1983 (MHA). The ASW plays a key role in deciding whether someone with mental health problems can be cared for in the community, or whether they should be admitted to hospital.¹

Costs and unit estimation	2005/2006 value	Notes
A. Salary	£31,700 per year	Information based on a survey carried out by the Department of Health of 30 authorities showed that the average salary for an approved social worker was £31,700 based on the April 2005 pay scales. Wage levels reflect the average level of wages paid in 27 authorities. The information was weighted by population numbers. The national salary range is from £28,221 to £38,874 and the median salary outside London is £30,500 and inside London is £36,592. ²
B. Salary oncosts	£7,185 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications		Must have a relevant first degree, a recognised qualification in social work plus two years relevant post-qualifying experience in social work. An ASW undertakes specialist postgraduate training, which includes mental health law, and will also have a detailed knowledge of the local mental health services. No costs available. The fees for a Masters degree in Applied Mental Health are £2,500.
D. Overheads	£6,014 per year	Fifteen per cent of salary costs for management and administrative overheads. ³
E. Capital overheads	£2,235 per year	Based on the new build and land requirements for a local authority 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		No information is readily available about travel costs for social workers.
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ⁶ Twelve days sickness leave and 10 days for study/training have been assumed. ⁷
Client-related work <i>Ratio of direct to indirect time on:</i> Face-to-face	 1:1.56	Information taken from a study carried out of 237 mental health social workers (of which 162 were Approved Social Workers). Data were collected using a semi-structured questionnaire and diary to produce information on working patterns. It was found that during a week, the average hours spent on undertaking assessments for ASWs was 5.6 hours, in meetings 6.2 hours, writing/administration 12.1 hours, on call 12 hours. ⁷
London multiplier	1.20 x A 1.57 x E	Based on the same source as the salary data. ² Building Cost Information Service and Office of the Deputy Prime Minister. ^{4,5}
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. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4,5}
Unit costs available 2005/2006		
£30 per hour; £77 per hour of face to face contact		

1 <http://www.mind.org.uk/Information/Booklets/Other/GettingthebestfromyourASW.htm>

2 Personal communication with the Department of Health, 2006.

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

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

6 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.

7 Evans, S., Huxley, P., et al (2005) The impact of 'statutory duties' on mental health social workers in the UK, *Health & Social Care in the Community*, 3, 2, 145-154.

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

10.6 Local authority home care worker

The information is based on data collected from a bench marking club of 14 local authorities, all located in the Midlands. The original data were for 1998/1999 and have been uprated to 2005/2006 prices. This can be compared with a mean hourly cost of LA home care of £19 based on PSS EX1 2004/05¹ uprated by the PSS Pay and Prices Index. Average cost of all LA funded home care including LA and independent provision (see schema 10.7) was £15 per hour.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£7.30 per hour	Information taken from the Adult, Children and Young People Local Authority Social Care Workforce Survey 2005 showed that the midpoint between the average minimum and the average maximum salary was £7.30 with a minimum of £7.00 and a maximum of £7.60. In order to estimate annual costs it was assumed that this is paid to full-time workers for 52.18 weeks per year. ²
B. Salary oncosts	£1.60 per hour	Employers' national insurance plus 14.9 per cent of salary for employers' contribution to superannuation.
C. Direct overheads	£1.90 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. ³ Total hourly costs include unsocial hours payments.
D. Indirect overheads	£1.00 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	£0.60 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	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 days statutory leave. ⁴ In the Midlands study 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.
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	7.9 hours per week	Average number of local authority home help contact hours received per household per week. ⁵ Based on a study of community care packages, it has been estimated that 6.6 hours are worked weekdays between 9 a.m. and 5 p.m., 0.16 hours weekdays after 5 p.m., and 0.55 hours each on Saturday and Sunday. ⁶ 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 7.9 which are being received since the time of the study (previously 7.6 hours) raises the number of visits to 10.
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 2005/2006		
£14 per weekday hour (£17 per hour weekday evenings; £21 per hour Saturdays; £27 per hour Sundays); £16 per hour face-to-face weekday contact (£19 per hour weekday evenings; £24 per hour Saturdays; £32 per hour Sundays) (Includes A to D). £141 typical home care package if all hours are provided by the LA.		

1 PSS EX1 2004/05, Department of Health.

2 Adult, Children and Young People Local Authority Social Care Workforce Survey 2005, Local Authority Workforce Intelligence Group.

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

4 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.

5 NHS Health and Social Care Information Centre, Adult Social Services Statistics, Community Care Statistics 2005, Home care services for adults, England, published on 31 March 2006.

6 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.

10.7 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 £9.40. 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 2005/2006 levels using the PSS Pay Index. See Jones (2005) for findings about the costs of independently provided home care.⁴

	N	Mean	Minimum	Maximum	Std. Deviation
Prices by timing of visit					
Weekday, daytime	122	11	7	21	2
Weekday, night-time	82	12	7	22	3
Weekend, daytime	112	12	7	26	3
Weekend, night-time	85	13	8	26	3
Prices by location					
<i>North</i>					
Weekday, daytime	61	10	7	21	2
Weekday, night-time	39	10	7	17	2
Weekend, daytime	55	11	8	21	2
Weekend, night-time	41	11	8	20	2
<i>South</i>					
Weekday, daytime	61	11	7	18	2
Weekday, night-time	43	13	8	21	3
Weekend, daytime	57	13	7	25	3
Weekend, night-time	44	14	10	25	4

Predicted weekday prices by characteristics of service and clients

Characteristic	Predicted weekday price per hour
Staff have nursing qualification	£12
Live-in service constitutes over 50 per cent of hours delivered	£12
Over 25 per cent of clients incontinent	£12
Over 75 per cent of clients have special needs	£13
No client is over the age of 65	£13

1 Netten, A., Rees, T. & Harrison, G. (2001) *Unit Costs of Health and Social Care 2001*, 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, PSSRU 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.

4 Jones, K. (2005) The cost of providing home care, in L. Curtis & A. Netten (eds) *Unit Costs of Health and Social Care 2005*, Personal Social Services Research Unit, University of Kent, Canterbury.

10.8 Community occupational therapist (local authority)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£26,140 per year	Information taken from the Adult, Children and Young People Local Authority Social Care Workforce Survey 2005 showed that the midpoint between the average minimum and the average maximum salary was £26,140 with a range of £22,780-£29,500. ¹
B. Salary oncosts	£5,950 per year	Employers' national insurance plus 14.9 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,122 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ² 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	£4,881 per year	Fifteen per cent of salary costs to reflect revenue overheads. ³ 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	£2,235 per year	Based on the new build and land requirements for a local authority 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	£1.30 per visit	Taken from Netten and inflated using the retail price index. ⁶
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ⁷ 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. ⁸ No information is available about local authority occupational therapists.
Length of visit	40 minutes	Taken from Netten. ⁶
London multiplier	1.07 × A 1.57 × 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. ⁴
Non-London multiplier	0.93 × (A to D) 0.97 × E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁹ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4,5}
Unit costs available 2005/2006 (costs including training given in brackets)		
£26 (£29) per hour; £51 (£57) per hour of client contact (includes A to E); £36 (£39) per home visit (includes A to F).		

- 1 Adult, Children and Young People Local Authority Social Care Workforce Survey 2005, Local Authority Workforce Intelligence Group.
- 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*, Personal Social Services Research Unit, University of Kent, Canterbury.
- 4 Building Cost Information Service (2006) *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, PSSRU Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.
- 7 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.
- 8 Government Statistical Service (1994) Summary Information Form KT27, Physiotherapy Services, Table 7, 1994, England and Wales.
- 9 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

10.9 Intensive case management for older people

Information in this schema is based on the Adult, Children and Young People Local Authority Social Care Workforce Survey, 2005.¹ The information on use of time reflects an experimental intensive case management scheme working with long-term cases.² 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	2005/2006 value	Notes
A. Wages/salary	£25,607 per year	Information taken from the Adult, Children and Young People Local Authority Social Care Workforce Survey 2005 showed that the midpoint between the average minimum and the average maximum salary for a Care Manager was £25,609 with a range of £21,903-£29,315. ¹
B. Salary oncosts	£5,712 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	£5,011 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	£2,235 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	£1.30 per visit	Based on community health service travel costs and inflated using the Retail Price Index.
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ⁵ Assumes 5 study/training days, and 10 days sickness leave.
Ratios of direct to indirect time on: client-related work face to-face contact	1:0.56 1:3.17	Ratios are used to estimate the full cost of direct and indirect time required to deliver each output. The study found that care managers spent 24 per cent of their time in direct contact with the service user and carer and an additional 40 per cent on client related activities. ⁶ Twenty-five per cent of time was spent on non client related administrative tasks such as dealing with telephone enquiries, lunch/breaks and training. 11.1 per cent was spent on travelling to service users, carers and meetings.
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. ^{3,4}
Unit costs available 2005/2006		
£25 per hour; £39 per hour of client-related work; £103 per hour of face-to-face contact; £64 per case per week (includes A to E); £33 per home visit (includes A to F).		

1 Adult, Children and Young People Local Authority Social Care Workforce Survey 2005, Local Authority Workforce Intelligence Group.

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

3 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

5 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.

6 Weinberg, A., Williamson, J., Challis, D. & Hughes, J. (2003) What do Care Managers do? - A study of Working Practice in Older Peoples' Services, *British Journal of Social Work*, 33, 901-919.

10.10 Family support worker

A study was conducted on family support workers working with carers of people with schizophrenia to investigate the outcomes of a training scheme on costs.¹

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£23,015 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	£5,095 per year	Includes employers' national insurance plus employers' contribution to superannuation (14.9 per cent).
C. Training	£2,079 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 £39,100 or £2,980 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 £2,300.
D. Overheads	£7,357 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 2005/2006 (costs including training given in brackets)		
£21 (£22) for a basic hour; £35 (£37) 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, PSSRU Discussion Paper 1634, Personal Social Services Research Unit, University of Kent, Canterbury.

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 for adults with mental health problems
- 11.3 Crisis Resolution Teams for adults with mental health problems
- 11.4 Assertive Outreach Teams for adults with mental health problems
- 11.5 Early Intervention Teams for adults with mental health problems
- 11.6 Generic single disciplinary CAMHS teams
- 11.7 Generic multi-disciplinary CAMHS teams
- 11.8 Dedicated CAMHS teams
- 11.9 Targeted CAMHS teams
- 11.10 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	2005/2006 value	Notes
A. Wages/salary	£26,444 per year	Based on mid-point Agenda for Change (AFC) salaries. ² 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	£5,782 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	£6,004 per year	Comprises £2,781 for indirect overheads and 10 per cent of salary costs for direct revenue overheads.
E. Capital overheads	£2,343 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	£1.30 per visit	Taken from Netten and inflated using the retail price index. ⁵
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ² 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 x (A to D); 1.45 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.
Unit costs available 2005/2006		
£26 per hour; £34 per hour of client-related work; £48 per hour of direct output activity; £57 per case per week; £90 per hour of face-to-face contact (includes A to E); £50 per home visit (includes A to F).		

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

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

11.2 Community mental health team for adults with mental health problems

Community Mental Health Teams (CMHTs) are a central component of most local services for people with mental health problems. Composed of professionals from a wide range of disciplines, they are intended to provide an effective local mental health service that prioritises those whose problems are severe and long-term.²

Using another source of information (reference costs - www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for a community mental health team contact for 2005 was £ 148 with the minimum range for 25 per cent of services being £115 and the maximum £152. Costs have been uprated to 2005/06 levels using the HCHS Pay and Prices Inflatior.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£26,547 per year	Based on mid-point Agenda for Change (AFC) salaries and on Adult Mental Health Service Mapping data and drawing on Onyett et al. ^{1,2,3} 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.
B. Salary oncosts	£5,841 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	£5,506 per year £5,484 per year	Regional health authority overheads estimated to be 17 per cent. ² Based on the Adult Mental Health Service Mapping data and national salary for a grade 6 administrative and clerical staff worker. ¹
E. Capital overheads	£2,343 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	£1.30 per visit	Taken from Netten ⁶ and inflated using the retail price index.
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 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 on patient-related activity were taken from Jackson et al. who studied patterns of work in a CMHT. ⁷ Patient-related work took 78 per cent, and face-to-face contact 40 per cent of time overall.
London multiplier	1.14 x (A to D); 1.45 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. ^{4,5}
Unit costs available 2005/2006		
£29 per hour; £38 per hour of patient-related work; £74 per hour of face-to-face contact (includes A to E). Travel £1.30 per visit.		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 Adult Mental Health Service Mapping (2003) Table 20a, Community Mental Health Team Workforce. <http://www.dur.ac.uk/service.mapping/amh/index.php>.

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

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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 Teams for adults with mental health problems

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. 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, crisis resolution workers may be included within another appropriate service. Using reference costs (reference costs - www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for a crisis resolution team for 2005 was £216 per team contact and the minimum range for 25 per cent of services was £176 and the maximum £428.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£23,415 per year	Based on mid-point Agenda for Change (AFC) salaries and on Adult Mental Health Service Mapping data. ^{1,2} 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. Teams included medical staff, nurses, psychologists, social workers, social care and other therapists.
B. Salary oncosts	£5,043 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.
D. Overheads Direct and Indirect Administrative and Management costs	£4,838 per year £2,443 per year	Minghella (Minghella et al., 1998) estimated overheads for a crisis service to be 17 per cent of total salary costs. ³ Based on the Adult Mental Health Service Mapping data. ¹
E. Capital overheads	£2,343 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} 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 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ¹ Ten days sickness leave and 5 days for study/training have been assumed. ⁶ 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	27 days	The National Survey reported that 27 days was the average length of involvement. The mean longest time that teams stay involved is 75.6 days. ⁷
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. The National Survey estimated that the current caseload size would be 24 in 2005. ⁷
London multiplier	1.14 x (A to D) 1.45 x E	Relative London costs are drawn from the same source as the base data for each cost element. ^{4,5}
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. ^{4,5}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£24 per hour; £38,082 annual cost of team member; £2,817 average cost of team member per episode; £304,659 annual cost of team; £244 cost of case per care staff per week.		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 Adult Mental Health Service Mapping (2003), Crisis Resolution Team Workforce, University of Durham, Department of Health. www.dur.ac.uk/service.mapping/amh/index.php.

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

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

7 Onyett, S., Linde, K., Glover, G. et al. (in preparation) A national survey of crisis resolution teams in England.

11.4 Assertive Outreach Teams for adults with mental health problems

Assertive Outreach 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.¹ Using reference costs (reference costs - www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for an Assertive Outreach team contact for 2005 was £153 with the minimum range for 25 per cent of services being £102 and the maximum £212.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£23,705 per year	Based on mid-point Agenda for Change (AFC) salaries and on Adult Mental Health Service Mapping data. ^{2,3} 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. 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	£5,152 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	£4,906 per year £3,054 per year	Regional health authority overheads estimated to be 17 per cent of total salary costs. ⁴ Based on the Adult Mental Health Service Mapping data. ²
D. Capital overheads	£2,343 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, 68% were face to face with the patient, 13% were by telephone, 11% of all attempts at contact ended in failure and a further 6% involved contact with the carer (face to face or by phone). Of the face to face contacts with patients, 63% took place in the patient's home or neighbourhood, 27% in service settings and 10% in other settings. ⁷
Working hours of team members	42 weeks per annum 37.5 hrs per week	Includes 29 days annual leave and 8 statutory leave days. ² 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	Median length of contact. 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. ²
Caseload	33 cases per service 5.5 cases per care staff	Based on Adult Service Mental Health Mapping data and returns from 232 Primary Care Trusts and 299 services. ² 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) 1.45 x E	Relative London costs are drawn from the same source as the base data for each cost element. ^{5,6}
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. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£25 per hour; £39,161 annual cost of team member; £234,964 annual cost of service; £136 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 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 Adult Mental Health Service Mapping (2003), Assertive Outreach Team Workforce, University of Durham, Department of Health. www.dur.ac.uk/service.mapping/amh/index.php.

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

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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.hmt>.

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

11.5 Early Intervention Teams for adults with mental health problems

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 recovery.¹ 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. Using reference costs (www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for an Early Outreach team contact for 2005 was £254 with the minimum range for 25 per cent of services being £195 and the maximum £387.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£24,694 per year	Based on mid-point Agenda for Change (AFC) salaries and on Adult Mental Health Service Mapping data. ^{2,3} 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. 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	£5,351 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 fee is £3,038.
D. Overheads direct and indirect administrative and management costs	£5,108 per year £3,771 per year	Regional health authority overheads estimated to be 17 per cent of total salary costs. ⁵ Based on the Adult Mental Health Service Mapping data ³
E. Capital overheads	£2,343 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	42 wks per year 37.5 hrs per week	Includes 29 days annual leave and 8 statutory leave days. ² 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 on returns from 62 services and 48 Primary Care Trusts. ² 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) 1.45 x E	Relative London costs are drawn from the same source as the base data for each cost element. ^{6,7}
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. ^{6,7}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£26 per hour. £41,267 annual cost of team member; £165,067 annual cost of team, £132 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 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 Adult Mental Health Service Mapping (2003) Early Intervention Team Workforce. University of Durham, Department of Health. www.dur.ac.uk/service.mapping/amh/index.php.

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 (2006) *Surveys of Tender Prices, March*, BCIS Royal Institution of Chartered Surveyors, London.

7 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

11.6 Generic single disciplinary CAMHS teams

These teams are staffed by only one clinical profession. They provide services for a wide range of problems within a defined geographical area.¹ Based on information taken from the National Child and Adolescent Mental Health Service Mapping data (CAMHS), the most common professional discipline involved was clinical psychology which accounted for 73 per cent of the teams.² The remaining teams describe themselves as psychiatry, education and infant mental health teams. Although most adolescent services are provided in generic teams (multi-disciplinary), 7 were provided within single disciplinary teams.

These teams provide for children and young people with particular problems or requiring particular types of intervention. The CAMHS Service Mapping data² is based on returns from 139 services (989 teams). There were returns from 59 generic single disciplinary teams with an average staff ratio of 4.2 WTE per team (excluding administrative staff and managers). Costs have been updated to 2005/2006 price levels using the appropriate inflators.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary plus oncosts	£48,078 per year	Average salary for single generic team member based on National Child and Adolescent Mental Health Service Mapping data and on mid-point Agenda for Change (AFC) salaries. ^{2,3}
B. Overheads: Direct Travel, training, drugs and equipment costs	£2,300 per year	Average overheads per team based on National Child and Adolescent Mental Health Service Mapping data. ² Overheads include travel, training, drugs and equipment costs and other costs directly attributable to the team.
Managers and administrative staff	£ 7,080 per year	The National Child and Adolescent Mental Health Service Mapping data shows that the ratio of management/administrative staff to care per team is 1:3.7. ² Salary is weighted to take account of the ratio of managers to administrative staff based on spinal points 36 and 18 of the national average salaries.
C. Capital overheads	£2,343 per year	Based on the new build and land requirements of an NHS office and shared facilities. ^{4,5} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Based on the assumption that each team has one shared office.
Working time	42 wks per year 37.5 hrs per week	Includes 29 days annual leave and 8 statutory leave days. ¹ Assumes 6 study/training days, and 8 days sickness leave. Weighted to reflect team composition. Based on 1,549 hours per year.
Ratio of direct to indirect time on: patient related work face to face contact	1:0.70 1:1.10	Information taken from National Child and Adolescent Mental Health Service Mapping data. Staff activity was reported at the team level by Strategic Health Authority (SHA) averaging as follows: supervision (6%), education and training (100%), governance (4%), admin and management (22%), consultation and liaison (11%) and clinical (48%).
Length of episode		20% of cases lasted for 4 weeks or less, 22% for 13 weeks or less, 17% for 26 weeks or less, 15% for 52 weeks or less and 23% for more than 52 weeks.
Caseload per team	88 cases per team	Based on 59 teams and a caseload of 5,237. ¹
London multiplier		These are costs for England. No London multiplier is available.
Unit costs available 2005/2006		
£ 38 per hour per team member; £65 per hour per patient related activity; £81 per hour per team member face to face contact; £2,740 cost per case per team; £654 average cost per team member per case.		

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 Child and Adolescent Mental Health Service Mapping Exercise (2004) Durham University, Department of Health. www.dur.ac.uk/service.mapping/amh/index.php.

3 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

4 Building Cost Information Service (2006) *Surveys of Tender Prices, March*, BCIS Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

11.7 Generic multi-disciplinary CAMHS teams

Generic teams work with children and young people with a range of problems and, therefore, are usually staffed by several disciplines, often from more than one agency. The majority (65 per cent) of generic teams were found to be located in community based clinics, with 22 per cent in hospitals, 3 per cent in social services settings, 2 per cent in education establishments, 2 per cent with GPs, 1 per cent in voluntary sector premises and 6 per cent in 'other' settings. The information is based on National Child and Adolescent Mental Health Service Mapping data and returns from 139 services (989 teams). There were returns from 433 generic multi-disciplinary teams with an average staff ratio of 7.6 WTE per team (excluding administrative staff and managers). Costs have been updated to 2005/2006 price levels using the appropriate inflators.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary plus oncosts	£50,162 per year	Average salary plus oncosts for a generic multi-disciplinary team member based on National Child and Adolescent Mental Health Service Mapping data and Agenda for Change (AfC) salaries. ^{1,2} The teams included nurses (23%), doctors (18%), social workers (9%), clinical psychologists (19%), educational psychologists (1%), child psychotherapists (9%) and other qualified therapists (21%).
B. Overheads:		
Direct	£4,524 per year	Average overheads per team based on National Child and Adolescent Mental Health Service Mapping data. ¹ Overheads include travel, training, drugs and equipment costs and other costs directly attributable to the team.
Indirect	£7,080 per year	The National Child and Adolescent Mental Health Service Mapping data shows that the ratio of care staff to management/administrative staff per team is 1:3.7. Salary is weighted to take account of the ratio of managers to administrative staff based on spinal points 36 and 18 of the national average salaries.
C. Capital overheads	£2,343 per year	Based on the new build and land requirements of an NHS office and shared facilities. ^{3,4} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Based on the assumption that each team has one shared office.
Working time	42 weeks per year 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ² Assumes 6 study/training days, and 8 days sickness leave. Working hours weighted to reflect team composition. Unit costs based on 1,549 hours working hours per year.
Ratio of direct to indirect time on: patient related work face to face contact	1:0.70 1:1.10	Information taken from National Child and Adolescent Mental Health Service Mapping data. Staff activity was reported for all CAMHS teams by Strategic Health Authority (SHA) averaging as follows: supervision (6%), education and training (10%), governance (4%), admin and management (22%), consultation and liaison (11%) and clinical (48%).
Length of episode (All CAMHS teams)		20% of cases lasted for 4 weeks or less, 22% for 13 weeks or less, 17% for 26 weeks or less, 15% for 52 weeks or less and 23% for more than 52 weeks.
Caseload per team	181 cases per team	Based on 433 teams and 78,558 cases. ¹
London multiplier		These are costs for England. No London multiplier is available.
Unit costs available 2005/2006		
£41 per hour per team member; £70 cost per hour per team member for patient related activities; £87 cost per hour per team member for face to face contact; £2,923 cost per case per team; £342 average cost per team member per case.		

1 Child and Adolescent Mental Health Service Mapping Exercise (2004) Durham University, Department of Health. www.dur.ac.uk/service.mapping/amh/index.php.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

11.8 Dedicated CAMHS teams

Dedicated workers are fully trained child and adolescent mental health professionals who are out-posted in teams that are not specialist CAMHS teams but have a wider function, such as a youth offending team or a generic social work children's team.

The information is based on National Child and Adolescent Mental Health Service Mapping data and returns from 139 services (989 teams).¹ There were returns from 143 dedicated teams with an average staff ratio of 1.9 WTE per team (including administrative staff and managers). Costs have been updated to 2005/2006 price levels using the appropriate inflators.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary plus oncosts	£50,505 per year	Average salary plus oncosts for a team member working in a dedicated team based on National Child and Adolescent Mental Health Service Mapping data ¹ and on the 128 dedicated teams. Salaries are based on Agenda for Change 2005 payscales. ² The teams included nurses (25%), doctors (21%), clinical psychologists (19%), educational psychologists (5%), child psychotherapists (6%) and other therapists and qualified staff (24%).
B. Overheads: Direct Travel, training, drugs and equipment costs	£4,893 per year	Average overheads per team based on National Child and Adolescent Mental Health Service Mapping data. ¹ Overheads include travel, training, drugs and equipment costs and other costs directly attributable to the team.
Managers and administrative staff B. Overheads: Direct	£ 9,015 per year	The National Child and Adolescent Mental Health Service Mapping data shows that the ratio of management/administrative staff to care per team is 1:3.3. Salary is weighted to take account of the ratio of managers to administrative staff based on spinal points 36 and 18 of the national average salaries.
C. Capital overheads	£2,343 per year	Based on the new build and land requirements of an NHS office and shared facilities. ^{4,5} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Based on the assumption that each team has one shared office.
Working time	42 weeks per year 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ² Assumes 6 study/training days, and 8 days sickness leave. Working hours weighted to reflect team composition. Based on 1,590 hours working hours per year.
Ratio of direct to indirect time on: patient related work face to face contact	1:0.70 1:1.10	Information taken from National Child and Adolescent Mental Health Service Mapping data. Staff activity was reported for all CAMHS teams by Strategic Health Authority (SHA) averaging as follows: supervision (6%), education and training (10%), governance (4%), admin and management (22%), consultation and liaison (11%) and clinical (48%).
Length of episode		20% of cases lasted for 4 weeks or less, 22% for 13 weeks or less, 17% for 26 weeks or less, 15% for 52 weeks or less and 23% for more than 52 weeks.
Caseload	29 cases per team	Based on 143 teams and 4,190 cases. ¹
London multiplier		These are costs for England. No London multiplier is available.
Unit costs available 2005/2006		
£42 per hour per team member; £71 per hour of patient related activity, £88 per hour of face to face contact, £2,984 cost per case per team, Average cost per team member £2,259.		

1 Child and Adolescent Mental Health Service Mapping Exercise (2004) University of Durham, Department of Health. www.dur.ac.uk/service.mapping/amh/index.php.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

11.9 Targeted CAMHS teams

These teams provide services for children and young people with particular problems or for those requiring particular types of therapeutic interventions. The information is based on National Child and Adolescent Mental Health Service Mapping data and returns from 139 services (989 teams).¹ There were returns from 240 targeted teams with an average staff ratio of 3.1 WTE per team (excluding administrative staff and managers). Costs have been updated to 2005/2006 price levels using the appropriate inflators.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary plus oncosts	£45,391 per year	Average salary for a team based on National Child and Adolescent Mental Health Service Mapping data. ¹ Salaries are based on Agenda for Change 2005 payscales. ² Teams included nurses (25%), doctors (13%), social workers (15%), clinical psychologists (24%), educational psychologists (2%), Child psychotherapists (10%) and other therapists and professional staff.
B. Overheads: Direct Travel, training, drugs and equipment costs	£4,070 per year	Average overheads per team based on National Child and Adolescent Mental Health Service Mapping data. ¹ Overheads include travel, training, drugs and equipment costs and other costs directly attributable to the team.
Managers and administrative staff	£7,261 per year	The National Child and Adolescent Mental Health Service Mapping data shows that the ratio of management/administrative staff to care staff per team is 1:3.7. Salary is weighted to take account of the ratio of managers to administrative staff based on spinal points 36 and 18 of the national average salaries.
C. Capital overheads	£2,343 per year	Based on the new build and land requirements of an NHS office and shared facilities. ^{3,4} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Based on the assumption that each team has one shared office.
Working time	42 weeks per year 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. Assumes 6 study/training days, and 8 days sickness leave. Working hours weighted to reflect team composition. Unit Costs based on 1,529 hours working hours per year.
Ratio of direct to indirect time on: patient related work face to face contact	1:0.70 1:1.10	Information taken from National Child and Adolescent Mental Health Service Mapping data. Staff activity was reported for all CAMHS teams by Strategic Health Authority (SHA) averaging as follows: supervision (6%), education and training (10%), governance (4%), admin and management (22%), consultation and liaison (11%) and clinical (48%).
Length of episode		20% of cases lasted for 4 weeks or less, 22% for 13 weeks or less, 17% for 26 weeks or less, 15% for 52 weeks or less and 23% for more than 52 weeks.
Caseload	48 cases per team	Based on 240 teams and 11,521 cases. ¹
London multiplier		These are costs for England. No London multiplier is available.
Unit costs available 2005/2006		
£38 per hour per team member; £64 cost per hour per team member for patient related activities; £79 cost per hour per team member for face to face contact; £3,763 cost per case per team; £1,197 average cost per team member per case.		

1 Child and Adolescent Mental Health Service Mapping Exercise (2004) University of Durham, Department of Health. www.dur.ac.uk/service.mapping/amh/index.php.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 Building Cost Information Service (2006) *Surveys of Tender Prices, March*, BCIS Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

11.10 Counselling services in primary medical care

The accredited counsellors qualification (BAC) is wide-ranging and covers different levels. In 2005/06, the introduction to Counselling course costs £116 for a 12 week course and the cost of the diploma is £1,133 per year (one day per week). 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	2005/2006 value	Notes
A. Wages/salary	£41,235 per year	Based on the mid-point of Agenda for Change (AfC) salaries Band 6 of the April 2005 pay scale. ¹
B. Salary oncosts	£9,430 per year	Employers' national insurance plus 14 per cent of salary to employers' superannuation.
C. Overheads: Direct	£5,067 per year	Ten per cent of salary costs added for equipment, management and administrative overheads.
D. Capital overheads	£1,141 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.
E. Travel		No information available.
Ratio of direct to indirect time on: client contact	1:0.30	A study of nine practices found that on average each session lasted 55 minutes and the mean number of sessions was 7 (median 6). ² 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	42 weeks per year 37.5 hours per week	Each practice in the study employed counsellors for between 6 and 49 hours per week. Based on working hours of 1,535 hours per year.
Unit costs available 2005/2006		
£37 per hour (includes A to D); £48 per hour of client contact (included A to D); £44 per session.		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 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 Clinical support worker higher level nursing (hospital)

12.1 Hospital physiotherapist

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£21,483 per year	Based on the mid-point of Agenda for Change (AfC) salaries band 5 of the April 2005 pay scale according to the National Profiles for Physiotherapy. More specialist grades range from AfC band 6 to 8B for a Physiotherapist Specialist to Consultant. (See pages 201-202 for salary information.) ¹ The sum includes an element to reflect the proportion of staff who receive a London allowance.
B. Salary oncosts	£4,531 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,270 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ² See schema 7.5 for more details on cost of qualifications.
D. Overheads	£2,781 per year	Comprises £2,781 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	£4,455 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of both treatment and non-treatment space. ^{4,5} 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	£2.50 per visit	Based on expenditure provided by community trust.
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 days statutory leave. ¹ 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); 1.54 × 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. ^{4,5}
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. ^{4,5}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£21 (£24) per hour; £32 (£37) per hour of client contact; £31 (£35) per hour in clinic; £41 (£47) per hour in home visiting (includes A to E). Travel £2.50 per visit.		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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	2005/2006 value	Notes
A. Wages/salary	£21,483 per year	Based on the mid-point of Agenda for Change (AfC) salaries band 5 of the April 2005 pay scale according to the National Profiles for Occupational Therapy. More specialist grades range from AfC band 6 to 8B for a Occupational Therapist Specialist to Consultant. (See pages 201-202 for salary information.) ¹ It includes an element to reflect the proportion of staff who receive a London allowance.
B. Salary oncosts	£4,531 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,116 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ² See schema 7.5 for more details on cost of qualifications.
D. Overheads	£2,781 per year	Comprises £2,781 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	£4,455 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of both treatment and non-treatment space. ^{4,5} 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 37.5 hours per week	Includes 29 days annual leave and 8 days statutory leave. ¹ 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); 1.39 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. ^{4,5}
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. ^{4,5}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£21 (£24) per hour; £35 (£40) per hour of client contact (includes A to E).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

6 Williams, J. (1991) *Calculating Staffing Levels in Occupational Therapy 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	2005/2006 value	Notes
A. Wages/salary	£21,483 per year	Based on the mid-point of Agenda for Change (AfC) salaries band 5 of the April 2005 pay scale according to the National Profiles for Speech and Language Therapists. More specialist grades range from AfC band 6 to 8C for a Specialist Speech and Language Therapist to Consultant. (See pages 201-202 for salary information.) ¹ It includes an element to reflect the proportion of staff who receive a London allowance.
B. Salary oncosts	£4,531 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,380 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ² See schema 7.5 for more details on cost of qualifications.
D. Overheads	£2,781 per year	Comprises £2,781 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	£4,335 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of both treatment and non-treatment space. ^{4,5} 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 37.5 hours per week	Includes 29 days annual leave and 8 days statutory leave. ¹ 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. ^{4,5}
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. ^{4,5}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£21 (£24) per hour; £35 (£40) per hour of client contact (includes A to E).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

6 Williams, J. (1991) *Calculating Staffing Levels in Speech and Therapy 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	2005/2006 value	Notes
A. Wages/salary	£21,483 per year	Based on the mid-point of Agenda for Change (AfC) salaries band 5 of the April 2005 pay scale according to the National Profiles for Dietetics. More specialist grades range from AfC band 6 to for a Dietician Specialist and a Dietician Advanced. (See pages 201-202 for salary information.) ¹ It includes an element to reflect the proportion of staff who receive a London allowance.
B. Salary oncosts	£4,531 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,465 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ² See schema 7.5 for more details on cost of qualifications.
D. Overheads	£2,781 per year	Comprises £2,781 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	£3,721 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect share use of both treatment and non-treatment space. ^{4,5} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£2.50 per visit	Taken from Netten ⁶ and inflated using the retail price index.
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 days statutory leave. ¹ Assumes 5 study/training days, and 10 days sickness leave.
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); 1.42 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. ^{4,5}
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. ^{4,5}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£21 (£23) per hour; £28 (£31) per hour client contact; £26 (£30) per hour in clinic; £47 (£53) per hour of home visiting (includes A to E). Travel £2.50 per visit.		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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

12.5 Radiographer

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£21,483 per year	Based on the mid-point of Agenda for Change (AfC) salaries band 5 of the April 2005 pay scale according to the National Profiles for Diagnostic & Therapeutic Radiography. More specialist grades range from AfC band 6 to 8C for a Radiographer Specialist to Consultant. (See pages 201-202 for salary information.) ¹ It includes an element to reflect the proportion of staff who receive a London allowance.
B. Salary oncosts	£4,531 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,113 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ² See schema 7.5 for more details on cost of qualifications.
D. Overheads	£2,781 per year	Comprises £2,781 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	£7,177 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of both treatment and non-treatment space. ^{4,5} 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 29 days annual leave and 8 days statutory leave. ¹ 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); 1.43 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. ^{4,5}
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. ^{4,5}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£23 (£26) per hour; £38 (£43) per hour of client contact; £13 (£14) per 20 minute clinic visit (includes A to E).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

12.6 Hospital pharmacist

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£26,519 per year	Based on the mid-point of Agenda for Change (AfC) salaries band 6 of the April 2005 pay scale according to the National Profiles for Pharmacy. More specialist grades range from AfC band 7 to 8D for a Pharmacist Specialist to Consultant. (See pages 201-202 for salary information). ¹ The sum includes an element to reflect the proportion of staff who receive a London allowance.
B. Salary oncosts	£5,705 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications Post graduate training:	£6,193 per year £450 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. ^{2,3} 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.
D. Overheads	£2,781 per year	Comprises £2,781 for indirect overheads. ⁴ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Capital overheads	£4,165 per year	Based on the new build and land requirements of a pharmacy, plus additional space for shared facilities. ^{5,6} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£1.30 per visit	Taken from Netten ⁵ and inflated using the retail price index.
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ² 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. ⁷ 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. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£24 (£28) per hour; £48 (£56) per cost of direct clinical patient time (includes travel); £34 (£40) per cost of patient related activities.		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, 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 Research carried out by the Royal Pharmaceutical Society of Great Britain.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

12.7 Clinical Support Worker Higher Level Nursing (Hospital)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£15,330 per year	Based on the mid-point of Agenda for Change (AfC) salaries band 3 of the April 2005 pay scale according to the newly created National Profiles. ¹
B. Salary oncosts	£3,098 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	£2,781 per year	Comprises £2,781 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	£2,888 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of both treatment and non-treatment space. ^{3,4} 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 29 days annual leave and 8 days statutory leave. ¹ 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); 1.39 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. ^{3,4}
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 2005/2006		
£15 per hour; £19 per hour of client contact (includes A to E).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

13. Nurses

- 13.1 Nurse team manager (includes ward managers, sisters and clinical managers)
- 13.2 Nurse team leader (includes deputy ward/unit manager, ward team leader, senior staff nurse)
- 13.3 Nurse, day ward (includes staff nurse, registered nurse, registered practitioner)
- 13.4 Nurse, 24-hour ward (includes staff nurse, registered nurse, registered practitioner)
- 13.5 Clinical support worker (hospital)

13.1 Nurse team manager (includes ward managers, sisters and clinical managers)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£31,698 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for band 7 according to the National Profile for Nurses. ^{1,2} 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	£6,858 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,229 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ³ See schema 7.5 for further details on training for health professionals.
D. Overheads	£2,781 per year	Comprises £2,781 for indirect overheads. ⁴ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Capital overheads	£2,333 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. ^{5,6} 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 29 days annual leave and 8 statutory leave days. ² 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); 1.41 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. ^{5,6}
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. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£28 (£30) per hour; £62 (£68) per hour of patient contact.		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

13.2 Nurse team leader (includes deputy ward/unit manager, ward team leader, senior staff nurse)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£26,546 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for band 6 according to the National Profile for Nurses. ^{1,2} The sum includes an element to reflect the proportion of staff who receive a London allowance.
B. Salary oncosts	£5,667 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,229 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ³ See schema 7.5 for further details on training for health professionals.
D. Overheads	£2,781 per year	Comprises £2,781 for indirect overheads. ⁴ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Capital overheads	£2,333 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. ^{5,6} 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 29 days annual leave and 8 statutory leave days. ² 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); 1.41 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. ^{5,6}
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. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£24 (£26) per hour; £53 (£59) per hour of patient contact.		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

13.3 Nurse, day ward (includes staff nurse, registered nurse, registered practitioner)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£21,505 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 5 according to the National Profile for Nurses. ^{1,2} 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	£4,501 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,229 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ³ See schema 7.5 for further details on training for health professionals.
D. Overheads	£2,781 per year	Comprises £2,781 for indirect overheads. ⁴ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Capital overheads	£1,322 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. ^{5,6} 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 29 days annual leave and 8 statutory leave days. ² 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); 1.39 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. ^{5,6}
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. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£19 (£22) per hour; £35 (£40) per hour of patient contact.		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

13.4 Nurse, 24-hour ward (includes staff nurse, registered nurse, registered practitioner)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£21,505 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 5 according to the National Profile for Nurses. ^{1,2} 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	£4,501 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,229 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ³ See schema 7.5 for further details on training for health professionals.
D. Overheads	£2,781 per year	Comprises £2,781 for indirect overheads. ⁴ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Capital overheads	£1,322 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. ^{5,6} 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 29 days annual leave and 8 statutory leave days. ² 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 × (A to D); 1.39 × 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. ^{5,6}
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. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£19 (£22) per hour; £38 (£44) per hour of patient contact.		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

13.5 Clinical support worker (hospital)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£13,161 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 2 according to the National Profile for Nurses. ¹ The sum includes an element to reflect the proportion of staff who receive a London allowance.
B. Salary oncosts	£2,570 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Overheads	£2,781 per year	Comprises £2,781 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.
D. Capital overheads	£1,322 per year	Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. ^{3,4} 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	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ⁵ 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); 1.39 × D	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 × (A to C) 0.97 × D	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 2005/2006		
£13 per hour; £21 per hour of patient contact.		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

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*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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.

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	2005/2006 value	Notes
A. Wages/salary	£27,584 per year	Based on Agenda for Change (AfC) salaries. ¹ Midpoint between starting salary of a pre-registration house officer and what a new doctor in a typical high intensity post would receive. This includes a banding supplement to reflect out of hours work and intensity. Free hospital accommodation is offered in the first year. ²
B. Salary oncosts	£5,953 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£19,673 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. ³ See schema 7.5 for further details on training for health professionals.
D. Overheads	£2,781 per year	Comprises £2,781 for indirect overheads. ⁴ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Ongoing training	£2,060 per year	Calculated using information provided by the London Deanery. ⁵ This includes costs for the new two year foundation programme and the speciality run-through grade ⁶ . Costs consist of an amount for the generic curriculum, the postgraduate centres infrastructure costs, study leave and the costs of course organisers, admin support, trainers workshops, vocational training and Internal courses for GP tutors. Excluded are the costs of exceptional training (£100 per trainee) and a cost for the running of the library postgraduate centres.
F. Capital overheads	£2,917 per year	Based on the new build and land requirements of NHS facilities. ^{7,8} 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	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ¹ Assumes 5 days sickness leave. No study/training days have been assumed.
London multiplier	1.14 x (A to E); 1.43 x F	Allows for the higher costs associated with London compared to the national average cost. ⁹ Building Cost Information Service and Office of the Deputy Prime Minister. ^{7,8}
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. ⁹ Building Cost Information Service and Office of the Deputy Prime Minister. ^{7,8}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£26 (£39) per hour on duty; £17 (£25) per hour worked (includes A to F).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 National Health Service (2006) *Work Permits (UK) Internal Caseworker Guidance*, National Health Service, London.

3 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.

4 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*, Personal Social Services, Research Unit, University of Kent, Canterbury.

5 Personal communication with the London Deanery.

6 NHS Employers (2006) *Modernising Medical Careers: A New Era in Medical Training*, NHS Employers, London.

7 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

8 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

14.2 Senior house officer

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£37,389 per year	Based on Agenda for Change (AfC) salaries. ¹ Midpoint between starting salary of a Senior House Officer (SHO) and what a new doctor in a typical high intensity post would receive after 3 years in this grade. This includes a banding supplement to reflect out of hours work and intensity. Free hospital accommodation is offered in the first year. ²
B. Salary oncosts	£8,399 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£21,034 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	£2,781 per year	Comprises £2,781 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	£2,060 per year	Calculated using information provided by the London Deanery. ⁴ This includes costs for the new two year foundation programme and the speciality run-through grade. ⁵ Costs consist of an amount for the generic curriculum, the postgraduate centres infrastructure costs, study leave and the costs of course organisers, admin support, trainers workshops, vocational training and Internal courses for GP tutors. Excluded are the costs of exceptional training (£100 per trainee) and a cost for the running of the library postgraduate centres.
F. Capital overheads	£2,917 per year	Based on the new build and land requirements of NHS facilities. ^{6,7} 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	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ¹ Assumes 5 study/training days, and 5 days sickness leave.
London multiplier	1.14 x (A to E); 1.43 x F	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. ^{6,7}
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. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{6,7}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£34 (£47) per hour on duty; £29 (£40) per hour worked (includes A to F).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 National Health Service (2006) *Work Permits (UK) Internal Caseworker Guidance*, National Health Service, London.

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*, Personal Social Services, Research Unit, University of Kent, Canterbury.

4 Personal communication with the London Deanery.

5 NHS Employers (2006) *Modernising Medical Careers: A New Era in Medical Training*, NHS Employers, London.

6 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

7 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

14.3 Specialist registrar

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£43,745 per year	Based on Agenda for Change (AfC) salaries. ¹ Midpoint between starting salary of a Specialist Registrar (SpR) and what a new Dr. in a typical high intensity post would receive after 3 years in this grade. This includes a banding supplement to reflect out of hours work and intensity. Free hospital accommodation is offered in the first year. ² It does not reflect payments for London allowances.
B. Salary oncosts	£10,103 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£23,100 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. ³ See 7.5 for further details on training for health professionals.
D. Overheads	£2,781 per year	Comprises £2,781 for indirect overheads. ⁴ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Ongoing training	£2,060 per year	Calculated using information provided by the London Deanery. ⁵ This includes costs for the new two year foundation programme and the speciality run-through grade. ⁶ Costs consist of an amount for the generic curriculum, the postgraduate centres infrastructure costs, study leave and the costs of course organisers, admin support, trainers workshops, vocational training and Internal courses for GP tutors. Excluded are the costs of exceptional training (£100 per trainee) and a cost for the running of the library postgraduate centres.
F. Capital overheads	£2,917 per year	Based on the new build and land requirements of NHS facilities. ^{7,8} 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	Includes 29 days annual leave and 8 statutory leave days. ¹ Assumes 5 study/training days, and 5 days sickness leave. Research has shown that hours worked are 1,818 hours per annum and hours on duty are 39.9 hours per week for 37 weeks.
London multiplier	1.14 x (A to E); 1.43 x F	Allows for the higher costs associated with London compared to the national average cost. ⁹ Building Cost Information Service and Office of the Deputy Prime Minister. ^{7,8}
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. ⁹ Building Cost Information Service and Office of the Deputy Prime Minister. ^{7,8}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£23 (£54) per hour on duty; £34 (£37) per hour worked (includes A to F).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 National Health Service (2006) *Work Permits (UK) Internal Caseworker Guidance*, National Health Service, London.

3 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.

4 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*, Personal Social Services, Research Unit, University of Kent, Canterbury.

5 Personal communication with the London Deanery.

6 NHS Employers (2006) *Modernising Medical Careers: A New Era in Medical Training*, NHS Employers, London.

7 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

8 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

14.4 Consultant: medical

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£62,154 per year	Based on the mid-point of Agenda for Change (AfC) salaries Band 8c-8d of the April 2005 pay scale according to the National Job Evaluation Profile. Consultants who are heads of department can be on Band 9. (See pages 201-202 for salary information.) ¹ The sum also includes £2,005 to reflect the national level of distinction award and clinical excellence award payments. It does not reflect payments for London allowances. ²
B. Salary oncosts	£14,242 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£28,263 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. ³ See 7.5 for further details on training for health professionals.
D. Overheads	£33,617 per year	Comprises £7,228 for indirect overheads and £25,626 for secretarial staff costs.
E. Ongoing training	£2,060 per year	Calculated using information provided by the London Deanery. ⁴ This includes costs for the new two year foundation programme and the speciality run-through grade. ⁵ Costs consist of an amount for the generic curriculum, the postgraduate centres infrastructure costs, study leave and the costs of course organisers, admin support, trainers workshops, vocational training and Internal courses for GP tutors. Excluded are the costs of exceptional training (£100 per trainee) and a cost for the running of the library postgraduate centres.
F. Capital overheads	£4,302 per year	Based on the new build and land requirements of NHS facilities. ^{6,7} 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 29 days annual leave and 8 statutory leave days. ¹ 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. ⁸
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. ⁹ 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); 1.44 x F	Allows for the higher costs associated with London compared to the national average cost. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{6,7}
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. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{6,7}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£59 (£73) per hour; £79 (£98) per patient-related hour (includes A to F).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 Personal communication with the Department of Health, 2005.

3 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.

4 Personal communication with the London Deanery.

5 NHS Employers (2006) *Modernising Medical Careers: A New Era in Medical Training*, NHS Employers, London.

6 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

7 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

8 British Medical Association (2002) *Consultants survey*, *Health Service Journal*, February 2002.

9 Audit Commission (1996) *The Doctors' Tale Continued*, HMSO, London.

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

14.5 Consultant: surgical

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£62,154 per year	Based on the mid-point of Agenda for Change (AfC) salaries Band 8c-8d of the April 2005 pay scale according to the National Job Evaluation Profile. Consultants who are heads of department can be on Band 9. (See pages 201-202 for salary information.) ¹ The sum also includes £2,005 to reflect the national level of distinction award and clinical excellence award payments. It does not reflect payments for London allowances. ²
B. Salary oncosts	£14,242 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£28,263 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. ³ See 7.5 for further details on training for health professionals.
D. Overheads	£33,617 per year	Comprises £7,228 for direct overheads and £25,626 for secretarial staff costs.
E. Ongoing training	£2,060 per year	Calculated using information provided by the London Deanery. ⁴ This includes costs for the new two year foundation programme and the speciality run-through grade. ⁵ Costs consist of an amount for the generic curriculum, the postgraduate centres infrastructure costs, study leave and the costs of course organisers, admin support, trainers workshops, vocational training and Internal courses for GP tutors. Excluded are the costs of exceptional training (£100 per trainee) and a cost for the running of the library postgraduate centres.
F. Capital overheads	£4,302 per year	Based on the new build and land requirements of NHS facilities. ^{6,7} 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 29 days annual leave and 8 statutory leave days. ¹ 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. ⁸
Ratio of direct to indirect time on/in: 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. ⁹ 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); 1.44 x F	Allows for the higher costs associated with London compared to the national average cost. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{6,7}
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. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{6,7}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£58 (£73) per hour; £184 (£232) per hour operating; £78 (£99) per patient-related hour (includes A to F).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 Personal Communication with the Department of Health, 2005.

3 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.

4 Personal communication with the London Deanery.

5 NHS Employers (2006) *Modernising Medical Careers: A New Era in Medical Training*, NHS Employers, London.

6 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

7 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

8 British Medical Association (2002) *Consultants survey*, *Health Service Journal*, February 2002.

9 Audit Commission (1996) *The Doctors' Tale Continued*, HMSO, London.

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

14.6 Consultant: psychiatric

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£62,154 per year	Based on the mid-point of Agenda for Change (AfC) salaries Band 8c-8d of the April 2005 pay scale according to the National Job Evaluation Profile. Consultants who are heads of department can be on Band 9. (See pages 201-202 for salary information). ¹ The sum also includes £2,005 to reflect the national level of distinction award and clinical excellence award payments. It does not reflect payments for London allowances. ²
B. Salary oncosts	£14,242 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£28,263 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. ³ See 7.5 for further details on training for health professionals.
D. Overheads	£33,617 per year	Comprises £7,228 for indirect overheads and £25,626 for secretarial staff costs.
E. Ongoing training	£2,060 per year	Calculated using information provided by the London Deanery. ⁴ This includes costs for the new two year foundation programme and the speciality run-through grade. ⁵
F. Capital overheads	£4,302 per year	Based on the new build and land requirements of NHS facilities. ^{6,7} 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 29 days annual leave and 8 statutory leave days. ¹ 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. ⁸ 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 based on a response rate of 41.3% of a sample of 500 consultants. ⁹ 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) 1.44 x F	Allows for the higher costs associated with London compared to the national average cost. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{6,7}
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. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{6,7}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£63 (£80) per hour; £123 (£155) per patient-related hour; £191 (£246) per hour patient contact (includes A to F).		

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 Personal Communication with the Department of Health, 2005.

3 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.

4 Personal communication with the London Deanery.

5 NHS Employers (2006) *Modernising Medical Careers: A New Era in Medical Training*, NHS Employers, London.

6 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

7 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

8 British Medical Association (2002) Consultants survey, *Health Service Journal*, February 2002.

9 College Research Unit, *Workload and Working Patterns in Consultant Psychiatrists*, June 2003, The Royal College of Psychiatrists.

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

V. MISCELLANEOUS

Inflation indices

PSS pay index: methodology and results

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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
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
2005	206.1	7.7	193.1	2.7

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	
		Prices	Pay ³
1996/97	170.6	1.5	3.3
1997/98	173.5	0.4	2.5
1998/99	180.4	2.5	4.9
1999/00	188.6	1.2	6.9
2000/01	196.5	-0.3	7.2
2001/02	206.5	0.1	8.3
2002/03	213.7	1.0	5.0
2003/04	224.8	1.5	7.3
2004/05	232.0	1.0	4.5
2005/06	241.3 (E) ⁴	1.9	5.6 (E) ⁴

1 Building Cost Information Service (2006) *Indices and Forecasts*, BCIS, Royal Institute of Chartered Surveyors, Kingston-upon-Thames.

2 Source www.statistics.gov.uk/statbase.

3 Provided by the Department of Health.

4 Estimated by PSSRU and agreed by the Department of Health.

Table 3

Year	Personal Social Services Prices/Gross Domestic Product Deflator ¹ Annual percentage increase	Tender Price Index for Public Sector Building (non-housing) (PUBSEC) ²	
		Index (1995=100)	% increase
2002/03	3.1	136	4.6
2003/04	3.0	145	6.6
2004/05	2.7	156	7.6
2005/06 (E)	2.1	166	6.4

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	143.8	5.0	5.0	5.3	143.8	5.0	4.9	5.3
2003/04	149.6	3.9	4.2	4.0	149.4	3.9	4.3	4.1
2004/05	155.2	3.9	4.3	4.0	154.9	3.7	4.3	3.9
2005/06 (E)	160.5	3.4	3.8	3.6	160.2	3.4	3.8	3.6

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	143.4	6.3	4.7	4.8	143.4	4.7	4.7	4.8
2003/04	149.1	4.0	3.9	3.8	148.7	3.7	3.9	3.8
2004/05	155.5	4.3	4.6	4.5	155.0	4.2	4.4	4.3
2005/06 (E)	160.8	3.4	3.6	3.5	160.2	3.4	3.6	3.5

1 Provided by the Department of Health.

PSS pay index: methodology and results

1. In 2006, a revision was made to the methodology used to calculate the Personal Social Services pay index, to make full use of the time series of detailed pay data available from ONS. The 2002-03 to 2004-05 pay index and the projection for 2005-06 has been calculated on this revised basis.

2. The revised pay index is calculated using data on rates of hourly pay change in England for each occupation group in the PSS sector from the Annual Survey of Hours and Earnings (ASHE), published by ONS.¹ Previously, UK data on weekly pay for full time staff only were used to calculate the index.

3. The revised index uses a larger set of specific occupation groups. Two groups of support staff have also been identified: administrative/office and ancillary staff. As it is not possible to collect detailed data on all staff working in these groups for the PSS sector, it is assumed that their pay increases were in line with the average for England. Table 1 shows the occupation groups used for the analysis and the average change in pay for each group, for each of the three years.

Table 1 Pay changes for each occupation group

Weighted pay change trends	2002-2003 %	2003-2004 %	2004-2005 %
Managers	2.4	3.2	4.6
Social workers	4.5	4.0	6.2
Occupational therapists	2.5	4.9	5.2
Nurses	1.0	4.5	4.0
Care workers	8.1	4.6	3.3
Childcare workers	10.6	2.3	6.7
Community workers	9.6	3.1	4.5
Administration/Office	3.8	3.9	4.1
Ancillary	3.8	3.9	4.1

4. An aggregate PSS pay index is calculated by weighting these pay changes by the occupation group's share of the total PSS paybill. This is carried out using DH estimates of the number of whole time equivalent (WTE) staff in the workforce and ASHE data on average weekly gross pay divided by average weekly hours. Use of WTE staff and this pay methodology allows the calculations to take account of both full time and part time workers. For admin/office and ancillary staff groups, average pay in the social care sector is not known. Therefore, a pay level is applied to each of these groups which results in their weight after adjustment for pay levels being equal to their weight prior to adjustment for pay levels. Table 2 shows the weighted average proportion of the paybill for each occupation group for 2004-05.

¹ This work contains statistical data from ONS which is Crown copyright and reproduced with the permission of the controller of HMSO and Queen's Printer for Scotland. The use of the ONS statistical data in this work does not imply the endorsement of the ONS in relation to the interpretation or analysis of the statistical data. This work uses research datasets which may not exactly reproduce National Statistics aggregates

Table 2 Summary of staff share of paybill 2004-05

	Index 1 %	Index 2 %	Index 3 %	Index 4 %
Managers	16	16	24	23
Social workers	5	2	14	8
Occupational Therapists	0.3	0.3	1	1
Nurses	5	6	-	-
Care workers	54	57	29	35
Childcare workers	0.5	-	1	-
Community workers	3	1	8	5
Administration/Office	10	11	17	21
Ancillary	6	7	6	7

Index 1	Total sector i.e. includes LA and Independent sectors for both Children and Adults
Index 2	Adults' total sector i.e. includes LA and Independent sectors for Adults
Index 3	All clients in LA sector i.e. includes both Children and Adults
Index 4	Adults' social care in the LA sector

5. Pay changes for 2005-06 are projected using an average of the deflated pay changes in the past three years. This assumes that pay increases next year will be in line with the previous trend. The method used is to calculate the pay changes in each year deflated by their respective GDP deflator, average these real pay changes, and then inflate the result by the 2005-06 GDP deflator to give the projected nominal pay change.

Pay bands and pay points on second and third pay spines from 1 April 2005

Point	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8				Band 9
								Range A	Range B	Range C	Range D	
1	11,494	11,494*										
2	11,879	11,879	12,044*									
3	12,209	12,209										
4	12,539	12,539	12,539*									
5		12,924										
6		13,309	13,144*									
7		13,694	13,694	13,914*								
8		14,189	14,189									
9		14,739	14,739	14,739*								
10			15,069									
11			15,509	15,289*								
12			16,004	16,004								
13			16,389	16,389	16,389*							
14				16,994	17,049*							
15				17,598	17,598*							
16				18,148								
17				18,698	18,698							
18				19,248	19,248	19,523*						
19					19,798							
20					20,458	20,458*						
21					21,118							
22					21,723	21,448*						
23					22,328	22,328						
24					23,208	23,208	22,768*					
25					24,198	24,198	24,198*					
26						25,188						
27						26,068	25,628*					
28						26,948	26,948					
29						27,828	27,828					
30						28,817	28,817					
31						30,247	30,247					
32							31,127	31,127*				
33							32,117	32,117*				
34							33,217	33,217*				
35							34,372	34,372				
36							35,527	35,527	35,527*			
37							36,957	36,957*				
38							38,387	38,387*				
39							40,036	40,036				
40							41,246	41,246	41,246*			
41								43,336	43,336*			
42								45,756	45,756*			
43								48,176	48,176			
44								49,496	49,496	49,496*		
45									51,695	51,695*		
46									54,115	54,115*		
47									57,745	57,745		
48									59,395	59,395	59,395*	
49										61,870	61,870*	
50										64,894	64,894*	
51										68,194	68,194	
52										71,494	71,494	
53											74,925	
54											78,521	
55											82,291	
56											86,240	

*Pay rates in italic are special transitional points which apply only during assimilation to the new system. They are shown here for convenience. They are explained more fully in Section 46, NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

Pay bands and pay points on second and third pay spines from 1 April 2006

Point	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8				Band 9
								Range A	Range B	Range C	Range D	
1	11,782											
2	12,177	12,177										
3	12,514	12,514										
4	12,853	12,853	12,853*									
5		13,247										
6		13,642	13,473*									
7		14,037	14,037									
8		14,543	14,543									
9		15,107	15,107	15,107*								
10			15,446									
11			15,897	15,671*								
12			16,405	16,405								
13			16,799	16,799								
14				17,419	17,475*							
15				18,039	18,039*							
16				18,602								
17				19,166	19,166							
18				19,730	19,730							
19					20,294							
20					20,970	20,970*						
21					21,646							
22					22,266	21,985*						
23					22,886	22,886						
24					23,789	23,789						
25					24,803	24,803	24,803*					
26						25,818						
27						26,720	26,269*					
28						27,622	27,622					
29						28,524	28,524					
30						29,538	29,538					
31						31,004	31,004					
32							31,906					
33							32,921	32,921*				
34							34,048	34,048*				
35							35,232	35,232				
36							36,416	36,416				
37							37,881	37,881*				
38							39,346	39,346*				
39							41,038	41,038				
40							42,278	42,278				
41								44,420	44,420*			
42								46,900	46,900*			
43								49,381	49,381			
44								50,733	50,733			
45									52,988	52,988*		
46									55,469	55,469*		
47									59,189	59,189		
48									60,880	60,880		
49										63,417	63,417*	
50										66,517	66,517*	
51										69,899	69,899	
52										73,281	73,281	
53											76,798	
54											80,485	
55											84,349	
56											88,397	

*Pay rates in italic are special transitional points which apply only during assimilation to the new system. They are shown here for convenience. They are explained more fully in Section 46, NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

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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