

2. Services for people with mental health problems

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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

Personal Social Services Expenditure (PSS EX1) 2006/07 reported median costs of £774 and mean costs at £659 per resident week for adults aged 18-64 with mental health needs (including full cost paying and preserved rights residents). These costs were uprated using the PSS Pay and Prices Index. Capital costs were £34.

Costs and unit estimation	2007/2008 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 C. Other revenue costs D. Agency overheads	£364 per resident week £70 per resident week £20 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	£20.45 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£87 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 2007/2008		
£485 per resident week establishment costs (includes A to D); £592 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	2007/2008 value	Notes
Capital costs A. Buildings and oncosts	£35 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	£11 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	£45 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	£4 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	£20.45 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£134 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	1.16 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 2007/2008		
£94 per resident week establishment costs (includes A to D); £249 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	2007/2008 value	Notes
Capital costs 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.
Revenue costs B. Salary costs C. Other revenue costs D. Agency overheads	£264 per resident week £97 per resident week £35 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	£20.45 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£72 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 2007/2008		
£428 per resident week establishment costs (includes A to D); £520 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	2007/2008 value	Notes
Capital costs A. Buildings and oncosts	£36 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	£105 per resident week £58 per resident week £24 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	£20.45 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£94 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 2007/2008		
£223 per resident week establishment costs (includes A to D); £338 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 A hostel often accommodates 20 or more people and are managed either by local authority social services departments or voluntary agencies.

Costs and unit estimation	2007/2008 value	Notes
Capital costs A. Buildings and oncosts	£35 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	£152 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	£102 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	£13 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	£20.45 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£80 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 2007/2008		
£302 per resident week establishment costs (includes A to D); £403 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	2007/2008 value	Notes
<i>Capital costs (A, B & C)</i>		
A. Buildings and oncosts	£13 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	£2.40 per bed per day	Based on information provided by the Department for Communities and Local Government, discounted at 3.5 per cent over 60 years. ³
C. Equipment and durables		No information available.
<i>Revenue costs</i>		
D. Salary, supplies and services costs	£154 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.
E. Agency overheads	£50 per day	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.
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	1.16 x A; 2.63 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 Department for Communities and Local Government.
Unit costs available 2007/2008		
£219 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 (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Based on personal communication with the Department for Communities and Local Government (2008) <http://www.communities.gov.uk/documents/housing/xls/141389.xls>.

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 are not 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.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072) would be more appropriate.

Costs and unit estimation	2007/2008 value	Notes
Capital costs (A, B & C)		
A. Buildings and oncosts	£17 per bed per day	Estimates are based on the new build and land requirements for a bed in a psychiatric hospital ward. ^{2,3,4} 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	£2.80 per bed per day	Based on information provided by the Department for Communities and Local Government, 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	£106 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.
E. Agency overheads	£57 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	£127 per week (£18.20 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. For long-term stays in hospital, patients will continue to receive pension entitlement, incapacity benefit (£78.05: lower rate or £81.35: higher rate per week) and severe disablement allowance (£49.15 per week). See rules which came into force from April 2006 on benefits of long-stay hospital patients. ⁵
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	1.16 × A; 2.63 × B; 1.32 × D; 1.11 × 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). ⁶
Unit costs available 2007/2008		
£201 per inpatient day (includes A to F).		

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

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Based on personal communication with the Department for Communities and Local Government (2008). <http://www.communities.gov.uk/documents/housing/xls/141389.xls>.

4 Estimates this year have been based on the cost of a bed in a psychiatric hospital instead of a bed in a psychiatric unit.

5 Disability Alliance (2006) *Disability Rights Handbook 31st Edition April 2006-April 2007. A Guide to Benefits and Services for All Disabled People, Their Families, Carers and Advisors*, Disability Alliance, London.

6 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)

This schema is based on a study of a PICU in Withington Hospital, Manchester in 1993.¹

Using reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072), the mean average cost for Local Psychiatric Intensive Care Units for 2007 was £556 with the minimum range for 25 per cent of the services being £483 or less and the maximum range for 25 per cent of the services being £638 or more. Costs have been updated using the HCHS pay and prices inflator.

Costs and unit estimation	2007/2008 value	Notes
<i>Capital costs (A, B & C)</i>		
A. Buildings and oncosts	£38 per patient day	Annuitised value of an NHS psychiatric unit over a 60-year period discounted at 3.5 per cent, taking into account occupancy rates. ²
B. Land	£4.20 per patient day	Based on information provided by the Department for Communities and Local Government, discounted at 3.5 per cent over 60 years. ³
C. Equipment and durables		No information available.
<i>Revenue costs</i>		
D. Salary costs	£384 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	£26 per patient day	
– other	£2.30 per patient day	
F. Overheads	£105 per patient day	
<i>Other costs</i>		
G. Patient injury	£4.10 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	1.31 x (A to B)	Costs were based on one unit in Manchester.
Unit costs available 2007/2008		
£563 per patient day (includes A to G); £6,926 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 (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Based on personal communication with the Department for Communities and Local Government (2008). <http://www.communities.gov.uk/documents/housing/xls/141389.xls>.

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 (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072), the mean average cost for NHS day care for people with mental health problems for 2007 was £96 with a minimum range for 25 per cent of the services being £81 or less and the maximum range for 25 per cent of the services being £122 or more. For elderly people with mental health problems, the mean average cost was £133 with a minimum range for 25 per cent of the services being £109 or less and the maximum range for 25 per cent of the services being £168 or more.

Costs and unit estimation	2007/2008 value	Notes
<i>Capital costs (A, B & C)</i>		
A. Buildings and oncosts	£4.70 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	£1.40 per session	Based on information provided by the Department for Communities and Local Government. 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	£25 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 £19-£31 at current prices.
E. Agency overheads	£1.30 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	1.16 xA; 2.63 xB; 1.02 x D	D has been based on PSS EX1. ⁶
Unit costs available 2007/2008		
£33 per user session (includes A to E); £65 per day (excluding evenings).		

1 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Department for Communities and Local Government (2008). <http://www.communities.gov.uk/documents/housing/xls/141389.xls>.

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 Department of Health (2007) *PSS EX1 2006/2007*, Department of Health, London.

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	2007/2008 value	Notes
<i>Capital costs (A, B & C)</i>		
A. Buildings and oncosts	£4.70 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	£1.40 per session	Based on information provided by the Department for Communities and Local Government. ² Land costs have been discounted at 3.5 per cent over 60 years.
C. Equipment and durables		No information available.
D. Revenue costs	£15 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 £12-£18 at current prices with a median cost of £14 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 2006/07 gross costs uprated using the PSS Pay and Prices Index reported median costs at £33 and mean costs at £31 per session. ⁴ Capital costs charged to the revenue account have been deducted (£1.30). Three authorities reporting costs of more than £490 were 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	1.16 x A; 2.63 x B; 1.30 x D	D is based on PSS EX1 statistics.
Unit costs available 2007/2008		
£21 per user session (includes A to E); £43 per day (excluding evenings).		

1 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Department for Communities and Local Government (2008). <http://www.communities.gov.uk/documents/housing/xls/141389.xls>.

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 Department of Health (2007) *PSS EX1 2006/07*, Department of Health, London.

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	2007/2008 value	Notes
<i>Capital costs (A, B & C)</i>		
A. Buildings and oncosts	£4.70 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	£1.40 per session	Based on information provided by the Department for Communities and Local Government. 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 £10-£19 at current prices with a median cost per session of £14. 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	1.06 × A; 2.63 × B. 1.02 × D	The multiplier for revenue costs has been based on PSS EX1 2006/2007 statistics. ⁶
Unit costs available 2007/2008		
£21 per user session (includes A to E); £43 per day (excluding evenings).		

1 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Department for Communities and Local Government (2008). <http://www.communities.gov.uk/documents/housing/xls/141389.xls>.

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 Department of Health (2007) *PSS EX1 2006/07*, Department of Health, London.

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 £2.40 to £12.10 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 £4,272 to £11,462 per annum.

Costs and unit estimation	2007/2008 value	Notes
A. Total annual expenditure	£10,297	Average gross expenditure for the seven work schemes ranged from £6,895 to £14,455.
B. Total annual income	£2,202	Average gross expenditure minus average net expenditure. Income ranged from £416 to £4,435.
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	47.2	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 2007/2008		
£8.60 gross cost per hour; £6.70 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	2007/2008 value	Notes
A. Wages/salary	£35,079 per year	Based on full-time equivalent basic salary of the October-December 2007 NHS Staff Earnings estimates. ² Average salary based on Agenda for Change 2007 paycales for a Specialty Doctor (midpoint), Clinical Psychologist (band 7 median) and Mental Health Nurse (band 5 median). (Salary costs last year included supplements).
B. Oncosts	£7,611 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	£2,961 per year	Comprises £2,961 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	£3,382 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 12 days sickness leave. ⁶ Weighted to reflect team composition. Based on a total of 1547 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 2007/2008		
£32 per hour; £63 per hour face to face contact; £58 cost of CBT session. (Unit Costs are lower than last year due to a new information source for salaries).		

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. & 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 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

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 (2008) *Surveys of Tender Prices*, BCIS Royal Institution of Chartered Surveyors, Kingston-upon-Thames.⁴

5 Based on personal communication with the Department for Communities and Local Government (2008). <http://www.communities.gov.uk/documents/housing/xls/141389.xls>.

6 The Information Centre (2006) Results of the NHS Sickness Absence Survey 2005, NHS Employers, London.