

I. SERVICES

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1.1 Private nursing homes for older people

Using PSS EX1 2008/09¹ returns uprated using the PSS Pay & Prices inflator, median costs per person for supporting older people in a nursing care home were £485 per week and mean costs were £494 per week. Twenty-five per cent of local authorities had average gross costs of £426 or less, and 25 per cent £556 or more. It has not been possible to exclude capital charges on the revenue account. The standard NHS nursing care contribution is £108.70.² When we add this to PSS expenditure, the total expected mean cost is £602 and the total expected median cost is £593. Using the Adult Social Services Expenditure Survey 2009/10, the average net unit cost for the provision of external independent nursing care was estimated to be £494 per week.³

Costs and unit estimation	2009/2010 value	Notes
A. Fees	£683 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. ⁴ 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. ⁵
External services		Reflects the level of service receipt found in a 1996 PSSRU survey of 137 nursing homes. ⁶ In the home with the highest level of nursing input, the average weekly cost was £15 (1996/1997 prices).
B. Community nursing	£0.80 per week	A study found that residents in private nursing homes consulted GPs for an average 6.01 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 home. If these were surgery consultations, the cost would be £19 per week.
C. GP services	£31 per week	
D. Other external services	Not known	
E. Personal living expenses	£9.80 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 has been uprated by the retail price index. The DWP personal allowance for people in residential care or a nursing home is £21.90. ⁹ 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	1.17 x A	Fees in London nursing homes were 17 per cent higher than the national average. ⁵
Unit costs available 2009/2010		
£683 establishment costs per permanent resident week (A); £661 establishment costs per short-term resident week (A); £725 care package costs per permanent resident week (includes A to E); £701 care package costs per short-term resident week (includes A to E).		

- 1 The Information Centre (2010) PSS EX1 2008/09, The Information Centre, Leeds.
- 2 Department of Health (2010) Advice Note on Nursing Care Bands, Department of Health, London.http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_112218.pdf
- 3 Local Government Association/Association of Directors of Adult Social Services (2010) *Report on Adults' Social Services Expenditure 2008-2009*, York Consulting, Leeds.
- 4 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.
- 5 Laing & Buisson (2009) *Care of Elderly People: UK Market Survey 2009, Twenty-second Edition*, Laing & Buisson, London.
- 6 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.
- 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 Disability Alliance (2010) *Disability Rights Handbook, 34th Edition, April 2009-April 2010. A Guide to Benefits and Services for all Disabled People, Their Families, Carers and Advisers*, Disability Alliance, London.

1.2 Private residential care for older people

Using PSS EX1 2008/09¹ returns uprated using the PSS Pay & Prices inflator, median costs per person for supporting older people in a residential care home provided by others were £440 per week and mean costs were £446 per week. Median costs for older people in own provision residential care were £918 per week and mean costs were £825 per week.

Costs and unit estimation	2009/2010 value	Notes
A. Fees	£481 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. ² 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. ³
External services B. Community nursing C. GP services D. Other external services	£7.00 per week £19.80 per week Not known	Reflects the level of service receipt found in a 1996 survey of 123 residential homes. ⁴ A study found that residents in private residential homes consulted GPs for an average 3.85 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 £11.90 per week.
E. Personal living expenses	£9.80 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 is £21.90 ⁷ 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	1.17 x A	Fees in London residential homes were 17 per cent higher than the national average. ³
Unit costs available 2009/2010		
£481 establishment costs per permanent resident week (A); £510 establishment costs per short-term resident week (A); £518 care package costs per permanent resident week (includes A to E); £548 care package costs per short-term resident week (includes A to E).		

1 The Information Centre (2010) *PSS EX1 2008/09*, The Information Centre, Leeds.

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 (2009) *Care of Elderly People: UK Market Survey 2009*, 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.

7 Disability Alliance (2010) *Disability Rights Handbook, 34th Edition, April 2009-April 2010. A Guide to Benefits and Services for all Disabled People, Their Families, Carers and Advisers*, Disability Alliance, London.

1.3 Voluntary residential care for older people

Using the Adult Social Services Expenditure Survey 2009/10, the average net unit cost for the provision of external independent residential care was estimated to be £445 per week.¹

Costs and unit estimation	2009/2010 value	Notes
A. Fees	£475 per week	Based on the Laing and Buisson market survey ² and the relationship between private and voluntary sector prices reported in the 1996 PSSRU survey. ³
External services		
B. 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 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. 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 £11.90 per week.
C. GP services	£19.80 per week	
D. Other external services		
E. Personal living expenses	£9.80 per week	
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	1.17 x A	Fees in London residential homes were 17 per cent higher than the UK average. ²
Unit costs available 2009/2010		
£475 establishment costs per permanent resident week (A); £503 establishment costs per short-term resident week (A); £514 care package costs per permanent resident week (includes A to E); £544 care package costs per short-term resident week (includes A to E).		

1 Local Government Association/Association of Directors of Adult Social Services (2010) *Report on Adults' Social Services Expenditure 2009-2010*, York Consulting, Leeds.

2 Laing & Buisson (2009) *Care of Elderly People: UK Market Survey 2009*, 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.

1.4 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 & Prices inflator. The average revenue cost was £484 per week and at current prices the standard deviation was £137. Twenty-five per cent of homes had average gross costs of £688 or more and 25 per cent of £352 or less. Median costs were £468 per week.

Costs and unit estimation	2009/2010 value	Notes
Capital costs (A, B & C)		
A. Buildings and oncosts	£81 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	£11.40 per week	Based on Department for Communities and Local Government statistics. Land costs have been annuitised at 3.5 per cent over 60 years. ³
C. Equipment and durables	£9.20 per week	Equipment and durables estimated at 10 per cent of capital cost. ⁴
D. Revenue costs	£842 per week	The median revenue cost estimate is taken from PSS EX1 2008/09 uprated using the PSS Pay & Prices Index. ⁵ Capital charges on the revenue account have been deducted (£76). Twenty-five per cent of local authorities had average gross costs of £634 or less and 25 per cent of £1,065 or more. Mean costs were £749 per week.
E. Agency overheads	£42 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	£10.90 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 £17.80 per week.
G. GP services	£10.60 per week	
H. Other external services	Not known	
I. Personal living expenses	£9.80 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	1.036 x (D to E)	Based on PSS EX1 2008/09 data. ⁵
Unit costs available 2009/2010		
£986 establishment costs per permanent resident week (includes A to E); £1,032 establishment costs per short-term resident week (includes A to E); £1,017 care package costs per permanent resident week (includes A to I); £1,067 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 (2010) *Surveys of Tender Prices*, BCIS, Royal Institute of Chartered Surveyors, Kingston-upon-Thames.
- 3 Based on personal communication with the Department for Communities and Local Government (2010) <http://www.communities.gov.uk/documents/housing/xls/141389.xls>.
- 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 The Information Centre (2010) *PSS EX1 2008/09*, The Information Centre, Leeds.
- 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	2009/2010 value	Notes
Capital costs		
A. Buildings and oncosts	£7.20	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.
Revenue costs		
B. Salary and oncosts	£105	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 HCCHS Pay Index.
C. Other direct care costs:		
- medical	£52	1997/1998 costs updated using the HCCHS Pay & Prices Index.
- other	£9.40	Includes diagnostics and ward round updated using the HCCHS Pay & Prices Index.
D. Direct overheads	£48	Includes catering, domestics, energy, security, administration, laundry and supplies. 1997/1998 costs inflated by the HCCHS Pay & Prices Index.
E. Indirect overheads	£19	Includes the estates, central administration and corporate function. 1997/1998 prices inflated by the HCCHS Pay & 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 2009/2010		
£240 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

This year the cost provided by PSS EX1 is cost per service user per week. In order to provide a cost per day care session therefore, this schema assumes that clients attend day care on average for three sessions per week. However some will attend more often and others less depending on individual circumstances.

Costs and unit estimation	2009/2010 value	Notes
Capital costs (A, B & C)		
A. Buildings and oncosts	£4.70 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	£0.80 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.
Revenue costs		
D. Salary and other revenue costs	£30 per session	The median revenue cost estimate is taken from PSS EX1 2008/09 uprated using the PSS Pay & Prices index. ³ Capital charges on the revenue account have been deducted (6% of the revenue costs). The median and mean cost per client per week (after deducting capital) is reported as being £91 and £88 respectively. Assuming older people attend 3 sessions per week, the median and mean cost per day are £30 and £32 respectively.
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 year	Assumes clients attend 3 sessions of day care per week.
Occupancy	76%	Department of Health statistics, 1997. ⁴ More recent figures are not available.
London multiplier	1.20 x A; 2.61 x B; 1.34 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 2008/09 data. ³
Unit costs available 2009/2010		
£36 per session (includes A to F).		

1 Building Cost Information Service (2010) *Surveys of Tender Prices*, BCIS, Royal Institute of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Department for Communities and Local Government (2010) <http://www.communities.gov.uk/documents/housing/xls/141389.xls>.

3 The Information Centre (2010) *PSS EX1 2008/09*, The Information Centre, Leeds.

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 by Age Concern conducted in 1999/2000. Information was received from 10 centres, and the figures have been inflated by PSS Pay & Prices index. At 2009/2010 prices, costs ranged from £23 to £52 per client day with a mean cost of £36 and median cost of £35. These costs are unchanged since last year.

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 2008/2009¹ uprated using the PSS Pay & Prices inflator, the mean *weekly* cost per client day for independently provided day care was £57 and the median cost was £60.

Costs and unit estimation	2009/2010 value	Notes
Capital costs (A & B)		
A. Premises	£4.30 per client day	These costs ranged from £2.80 to £5.80 with a mean cost of £4.30 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	£3.70 per client day	Of the 10 centres, 3 had their own minibus(es) and costs ranged from £1.60 per client day to £6.80 per client day. Vehicle costs were high for a rural centre which opened only 2 days per week.
Revenue costs		
C. Salaries	£19.00 per client day	Costs ranged from £9.50 to £44.10. Those centres with the highest costs were those accommodating elderly mentally ill clients where the staff ratios are often 1:4. The median cost was £15.80.
D. Volunteer costs	£0.50 per client day	Seven of the centres reported incurring volunteer expenses.
E. Other staff costs	£1.40 per client day	This includes staff recruitment and training, courses and conferences, travel expenses and redundancy payments.
F. Transport	£3.50 per client day	This includes taxi expenses, fuel and oil, vehicle repairs, insurance and contract hire. Costs ranged from £1.30 to £6.90 with a median cost of £3.20.
G. Meals	£1.90 per client day	Seven centres provided meals.
H. Overheads	£2.80 per client day	Seven centres provided information on overheads which ranged from £1.20 to £5.70.
I. Other revenue costs	£3.70 per client day	Costs include management and administration, maintenance charges, heat, light and water, telephone, stationery and postage, insurance, sundry expenses and bank charges. Costs ranged from £1.20 to £8.60 per client day and the median cost was £2.30.
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 2009/2010		
The average cost of the 10 centres was £36 per client day. A centre incurring all costs A-I would cost £41 per client day.		

1 The Information Centre (2010) PSS EX1 2008/09, The Information Centre, Leeds.

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	2009/2010 value	Notes
Capital costs		
A. Notional rent	£99 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
Revenue costs		
B. Salary and other revenue costs	£31 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 & Prices index.
C. Agency overheads		No information available.
Personal living expenses		
D. Basic living costs	£130 per person per week	Based on Family Expenditure Survey (2009) ³ estimates of household expenditure of a single retired person mainly dependent on state pension inflated to 2009/2010 using the retail price index. Basic living costs are those covered by care home fees (for example fuel, food and household goods).
E. Other living costs	£19 per person per week	Other living costs are those covered by personal expenses (for example, leisure goods and alcohol).
F. Other health and social services costs	£33 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 2009/2010		
£130 per week sheltered housing costs (includes A to B); £163 per week service and accommodation (includes A to B and F); £293 (includes all costs borne by care homes (A to D and F); £312 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 (2010) *Surveys of Tender Prices*, BCIS, Royal Institute of Chartered Surveyors, Kingston-upon-Thames.

3 Office for National Statistics (2009) *Family Spending 2009 Edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2006/FamilySpending2007_web.pdf.

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	2009/2010 value	Notes
Capital costs		
A. Notional rent	£109 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
Revenue costs		
B. Salary and other revenue costs	£42 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 2009/2010 using the PSS Pay & Prices index.
C. Agency overheads		No information available.
Personal living expenses		
D. Basic living costs	£130 per person per week	Based on Family Expenditure Survey (2009) ³ estimates of household expenditure of a single retired person mainly dependent on state pension inflated to 2009/2010 using the retail price index. Basic living costs are those covered by care home fees (for example, fuel, food and household goods).
E. Other living costs	£19 per person per week	Other living costs are those covered by personal expenses (for example, leisure goods and alcohol).
F. Other health and social services costs	£17.50 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 2009/2010		
£151 per week sheltered housing costs (includes A to B); £169 per week service and accommodation (includes A to B and F); £299 (includes all costs borne by care homes (A to D and F)); £318 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 (2010) *Surveys of Tender Prices*, BCIS, Royal Institute of Chartered Surveyors, Kingston-upon-Thames.

3 Office for National Statistics (2009) *Family Spending 2009 Edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2006/FamilySpending2007_web.pdf.

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	2009/2010 value	Notes
Capital costs		
A. Notional rent	£109 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
Revenue costs		
B. Salary and other revenue costs	£94 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 2009/2010 using the PSS Pay & Prices index.
C. Agency overheads		No information available.
Personal living expenses		
D. Basic living costs	£130 per person per week	Based on Family Expenditure Survey (2009) ³ estimates of household expenditure of a single retired person mainly dependent on state pension inflated to 2009/2010 using the retail price index. Basic living costs are those covered by care home fees (for example fuel, food and household goods).
E. Other living costs	£19 per person per week	Other living costs are those covered by personal expenses (for example leisure goods and alcohol).
F. Other health and social services costs	£34 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 2009/2010		
£203 per week sheltered housing costs (includes A to B); £237 per week service and accommodation (includes A to B and F); £386 (includes all costs borne by care homes (A to D and F)); £393 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 (2010) *Surveys of Tender Prices*, BCIS, Royal Institute of Chartered Surveyors, Kingston-upon-Thames.

3 Office for National Statistics (2009) *Family Spending 2009 Edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2006/FamilySpending2007_web.pdf.

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	2009/2010 value	Notes
Capital costs		
A. Notional rent	£98 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
Revenue costs		
B. Salary and other revenue costs	£271 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 2009/2010 using the PSS Pay & Prices index.
C. Agency overheads		No information available.
Personal living expenses		
D. Basic living costs	£130 per person per week	Based on Family Expenditure Survey (2009) ³ estimates of household expenditure of a one retired person household mainly dependent on state pension inflated to 2009/2010 using the retail price index. Basic living costs are those covered by care home fees (for example, fuel, food and household goods).
E. Other living costs	£19 per person per week	Other living costs are those covered by personal expenses (for example, leisure goods and alcohol).
F. Other health and social services costs	£51 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 2009/2010		
£369 per week sheltered housing costs (includes A to B); £420 per week service and accommodation (includes A to B and F); £550 (includes all costs borne by care homes (A to D and F)); £569 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 (2010) *Surveys of Tender Prices*, BCIS, Royal Institute of Chartered Surveyors, Kingston-upon-Thames.

3 Office for National Statistics (2009) *Family Spending 2009 Edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2008/FamilySpending2009_web.pdf.

1.12 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. Home Bridge 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. Home Bridge provides intensive therapy and support to rebuild mobility and confidence so they can return back home.

Costs and unit estimation	2009/2010 value	Notes
A. Wages/salary	£68,324 per year	This is based on a team of the Scheme Manager (20 per cent), the number of hours allocated to Home Bridge by a part time Care Manager (80 per cent) and a team of support workers who are provided by a Private Domiciliary Agency at a rate of £11.
B. Salary oncosts	£19,464 per year	Employers' national insurance plus 19 per cent of salary for employers' contribution to superannuation.
C. Direct overheads Administrative costs Management costs	£24,542 per year £4,324 per year £17,979 per year	This includes maintenance, running costs, repair/renewal of fixtures/fittings. Building expenses and equipment costs. Includes Project Manager (0.05), CART coordinator (£1,203), Social Services Team Leader (0.08 per cent) and Agency fees.
D. Indirect overheads	£11,687 per year	To cover the finance function.
E. Capital: - building costs - land costs	£24,143 per year £11,099 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). Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
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 Home Bridge 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	£202	This takes between 3-5 hours of a Hospital Care Manager's time who prepares the discharge from hospital and arranges the referral to Home Bridge. A further 3 hours is required by the Social Services Duty Desk to make the admission arrangements at Home Bridge. This is based on the salary of a Care Manager's Assistant.
Cost of discharge from Homebridge	£348	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	£252 per client per stay	On average 7 hours of therapy or nursing care was provided by the CART team, costing £252 (face-to-face time).
Unit costs available 2009/2010		
Full unit costs (all activities): Per unit £36,312 per year, £696 weekly (includes A to E); Per unit (full occupancy) £25,937 per year, £497 weekly. Costs per activity: assessment and referral £202 per client; discharge £348 per client, ambulance transport from hospital £40 per client; £4.30 per session at day care, £5.00 per meal on wheels. Cost per episode: £1,882 cost of typical episode, £1,001 low cost episode; £4,188 high cost episode.		

1.13 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 £592, and the average annual cost per client is £3,794. All costs have been updated to present values using the appropriate PSS inflators.

The National Evaluation of the Costs and Outcomes of Intermediate Care for Older People (Barton et al., 2006) should also be downloaded for comparative costs.¹

	Social care only			Social and health care
	Scheme A: This service provides a 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	£216,946	£148,763	£102,556	£160,596
Oncosts Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation	£46,643	£31,984	£22,050	£34,528
Direct overheads Includes salaries of supervisory staff, running costs and supplies	£246,226	£52,885	£48,611	£27,667
Indirect overheads Management fees (includes cost of premises) Capital/premises Total costs ²	£159,795 £35,260 £704,870	£42,308 £275,940	£173,217	£9,129 £231,921
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	£845	£529	£415	£578
Average annual cost per client	£3,596	£5,411	£2,707	£3,462
Cost of typical client episode	£4,104	£4,082	£2,699	£2,641

1 Barton, P., Bryan, S., Glasby, J., Hewitt, G., Jagger, C., Kaambwa, B., Martin, G., Nancarrow, S., Parker, H., Parker, S., Regen, E. & Wilson, A. (2006) *A National Evaluation of the Costs and Outcomes of Intermediate Care for Older People. Executive Summary*, Intermediate Care National Evaluation Team (ICNET), University of Birmingham and University of Leicester.

2 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.

