

## Preface

### Lesley Curtis

Twenty-five years have now passed since the first edition of the *Unit Costs of Health and Social Care* was published, and in that time, we have seen many changes in health and care systems. We are nonetheless made only too aware of the current pressures under which these systems are operating with the 2017 Autumn Chancellor's budget allocating an additional £6.3 billion of funding to the NHS in England (HM Treasury, 2017, p.65). With evidence-based services seen as a long-term solution to improving the quality of the National Health Service, the demand for unit cost information has not abated; how much a service costs is an important pre-requisite of evaluating how effectively and efficiently care is being delivered.

The commitment to an integrated care system will no doubt shape our research in the coming years, as NHS services are re-configured to reduce costs and to provide more joined-up care for patients. Notably, the Department of Health have recently changed their name to the Department of Health and Social Care (DHSC) in recognition of their long-held responsibilities for social care. Conveniently for economists and those involved in costing services, a great deal of health and social care cost information to support the challenges ahead is already under the same roof!

### Web-based improvements

So that our unit costs remain accessible, as well as keeping abreast of topical cost studies to include in our volumes, we are continuing to make improvements to our website. Last year's work involved creating a database to house articles and guest editorials published in the *Unit Costs of Health and Social Care* volumes. This has facilitated access to a wealth of cost-related information and both our download statistics and comments made by readers indicate that it has been well received.

This year, rather than our usual method of providing online readers with a separate excel spreadsheet showing the costs for each group of professionals, we have developed a spreadsheet database containing the costs of all professionals found in the publication. This contains a search facility enabling readers to find quickly the professionals or Agenda for Change (AfC) bands they need. It is also possible to search by job title, all of which are listed alongside the AfC band. Of course, it is important when using this resource, that attention is paid to the descriptive text and methods information in the main publication and to assist with this, we have included chapter and page numbers for quick reference. If this new addition to our website proves successful, we will continue to develop it in response to future requests. You may notice that we have omitted qualification costs from the spreadsheet, although they are still in the main volume. We are currently reviewing the information on the expected working lives of professionals and hope to have new figures in the near future.

We have also added a video presentation to our website for those who would like to hear an overview of the *Unit Costs of Health and Social Care* volumes.

### Guest editorials and articles

Our first article this year is provided by Tracey Sach and colleagues. It uses data collected as part of the 'Multi-professional clinical medication reviews in care homes for older people (CAREMED)' study (see: Sach et al., 2015) to see whether two different methods of collecting primary and social care resource use data produce similar costs. This work also identifies the main cost drivers in a care home setting.

The second article written by Jennifer Beecham and myself provides an insight into reasons for the reduction of the net ingredient cost over time, and how this has impacted on estimates made for the prescription cost per GP consultation in the *Unit Cost of Health and Social Care* volumes. This work was prompted by a report from the King's Fund on the *Rising Cost of Medicines to the NHS* which readers are encouraged to read for more detail:

<https://www.kingsfund.org.uk/publications/rising-cost-medicines-nhs>.

---

## Progress on work identified as part of the consultation with readers

### GP online system

The General Practice Forward View (2016) allocated £45 million to stimulate uptake of online consultation systems for every practice. In Schema 10.4, we present the average cost of e-consultations drawn from a 2017 observational study by Hannah Edwards and colleagues.

### Sexual health services

This year, we have continued to liaise with researchers and professionals involved in commissioning sexual health services or involved in estimating costs and have included a schema (which provides the costs of chlamydia and gonorrhoea testing) (see chapter 7).

### Other new items

#### Mental health promotion and disorder prevention

We have drawn information from the Public Health England (2017) report which builds on the 2011 report *Mental Health Promotion and Mental Illness Prevention: the Economic Case* (Knapp, McDaid & Parsonage, 2011) to bring up-to-date the information in Schema 2.7.

#### Low intensity interventions for the management of obsessive compulsive disorder

Alongside most mental health problems, the prevalence of obsessive compulsive disorder (OCD) in the UK has increased in recent years in the 16+ age group with 52.1 per cent receiving treatment (Mental Health Foundation, 2016). Schema 8.7 provides the cost of three interventions for people with OCD drawn from a study by Lovell et al. (2017).

#### Support and outreach worker

The unit cost of a support and outreach worker has been estimated using information taken from the National Minimum Data Set for Social Care.

#### Peer support worker

The unit cost of a peer support worker has been estimated in collaboration with Alexandra Melaugh of King's College, London. This has been drawn from work with The Living Well Network Hub (<http://lambethcollaborative.org.uk/about/living-well-network>) which aims to increase access to mental health support in primary care.

#### Social prescribing

The General Practice Forward View states that staff are navigating patients to a wider range of alternative services such as a primary care access hub (see peer support worker above) and also social prescribing initiatives (see evidence: [https://www.york.ac.uk/media/crd/Ev%20briefing\\_social\\_prescribing.pdf](https://www.york.ac.uk/media/crd/Ev%20briefing_social_prescribing.pdf)). In Schema 8.6, three years of costs incurred by the Rotherham Social Prescribing pilot, referred to as a social prescribing 'plus' model are provided.

#### Smoking cessation

Information for this work has been drawn from a study by Walker et al. (2018). This responds to the first objective listed in the single departmental plan issued following the Prime Minister's cabinet reshuffle in January 2018; to keep people healthy and to work with Public Health England to deliver the new Tobacco Control Plan:

<https://www.gov.uk/government/publications/department-of-health-single-departmental-plan/department-of-health-single-departmental-plan>. Schema 8.5 presents the costs of a large scale study designed to estimate the cost for each individual using the Quit 51 smoking cessation service.

#### Home adaptations

In May 2018, we were successful in having an article published by the British Journal of Occupational Therapy which identified the hidden costs of providing a home adaptations service (see blog: <https://www.pssru.ac.uk/blog/the-hidden-costs-of-adapting-the-homes-of-older-and-disabled-people/>). A breakdown of staff costs drawn from this work are now presented in Schema 7.3.

## GP consultations

In Schema 10.3b we estimate the prescription costs per GP consultation which some readers might want to add to the cost of a surgery consultation. This figure relies on information provided by the prescribing team at NHS Digital who track the number of GP items prescribed during the year, and the NHS Digital report *General Practice Trends in the UK* which gives the number of FTE GP practitioners in England. Not so easy to find however, is data on the number of GP consultations undertaken in England as this information is not routinely reported. This year, based on new information published by the Royal College of General Practitioners in 2018 and other reports (Hippisley-Cox et al., 2007 and Hobbs et al., 2016) we have revised our estimate for the number of consultations per GP. This information has also been used in our article described at the beginning of this Preface entitled 'GP prescription costs – changes over time'.

## External primary and social care services received in a care home setting

Thanks to the article by Tracey Sach and colleague, discussed above, we have been able to include new information in the care home Schema (1.2-1.3) on external services received by residents in care homes (see: Sach et al., 2015). As this work compares the cost of nursing contacts, GP services and other external services such as physiotherapy received by residents using two data sources; GP and care home records, we have used the mid-point between the two sources to provide the average total costs of external services incurred per resident week.

## Innovative approaches to children's social care

The Children's Social Care Innovation Programme was launched by the Department for Education (DfE) in 2014 to test innovative ways of supporting vulnerable children and young people (<http://innovationcsc.co.uk/>). In chapter 6, we have included the costs of several projects, which have been evaluated, and we will continue to add to this list each year as more information is published.

## Routine activities

### Salaries

To help with our tight timetable for producing the *Unit Costs of Health & Social Care* volumes, we are now basing the NHS salary component of our unit cost calculations on the data produced for May to April each year, instead of the July to June data. This is unlikely to have any differential impact on the increments or salaries, as all NHS pay rises are normally allocated in April.

## New Hospital and Community Health Service (HCHS) pay and prices inflator: the Health Services (HS) pay and prices indices

In previous years, the HCHS pay and prices index has been calculated by the Department of Health (now DHSC) and this has been used to uprate our unit costs for some hospital and community health services to current prices. Following a review of departmental analytical products in 2016/2017, the HSCI index, and thus our inflator, was discontinued. This year, to ensure we could present a relevant inflation index in the volume, we have explored other indices to replace the prices component so we can replicate as closely as possible the 'old' HCHS pay and prices inflator.

For the pay components; the pay inflator has, as usual, been calculated using the annual increase in NHS salaries. In the 2017 Autumn Budget (HM Treasury, 2017), the government agreed to increase pay for NHS Staff on the Agenda for Change contract as part of a pay deal to improve productivity, recruitment and retention. This pay agreement is reflected this year in the larger than usual increase shown in our new health services pay inflator.

For the prices component; four indices have been considered. First, the Gross Domestic Product (GDP) deflator, which is a measure of general inflation in the domestic economy. Second, the Consumer Price Inflation index (CPI), which is a general measure of UK consumer prices and includes owner occupiers' housing costs and third, the CPI health component (CPI Health) which measures only the inflation in health items. The fourth option, the Retail Price Index (RPI) was rejected as the ONS no longer recommends its use as the methodology does not meet international standards:

<https://www.ons.gov.uk/economy/inflationandpriceindices/methodologies/usersandusesofconsumerpriceinflationstatistic>. Section V of this publication has more information.

To test which was the most appropriate prices index, the annual percentage increase was calculated for all three indices, and then each was substituted for the HCHS Prices Index used in previous years to assess the impact on the combined pay and prices index. The CPI Health Index was the closest fit over the last ten years, the last three years and in 2016/2017 only. Using the 2017/2018 NHS Foundation Trust consolidated accounts, we found that 72 per cent of health expenditure is allocated to pay and 28 per cent to non-pay items. The pay and prices components identified above were weighted accordingly.

We will review the use of the CPI Health Index for calculating our new HS pay and prices inflator over the forthcoming years. This year, in Section V, we have provided a table showing the impact on our new health services pay and price index of all three indices, but only the CPI Health will be used to uprate unit costs in the rest of the volume.

### Personal Social Services (PSS) inflators

Changes have also been made to the PSS inflators (calculated by the DHSC) as five years have passed since the previous review in 2013. Two important changes have been made; the first relates to the timing of the index's component and has a significant impact and the second relates to the calculation of index weights. A detailed description of these changes can be found in Section V.

### The extension of the PUBSEC Tender Price Index of Public Sector Building Non-housing

The PSS indices also include an element for capital. This year, the DHSC have reviewed the use of the PUBSEC Tender Price Index of Public Sector Building Non-housing, as they found it had begun to show erratic results due to a decreasing sample size. It has now been replaced by an extension of this index, which has already been used by the Office of National Statistics (ONS) to deflate capital expenditure in health and social work.

### Land costs

In last year's Preface, we included land estimates published by the Department for Communities and Local Government in 2015. The Ministry of Housing, Communities & Local Government have released new estimates this year for 2017 which are tabulated below.

**Table 1**

	Cost per hectare	Multipliers
England including London	£6,220,086	
England excluding London	£2,773,031	0.45
London (including inner and outer)	£36,825,758	5.92
Inner London	£61,639,286	9.90
Outer London	£18,542,105	2.98

### Environmental costs

To value the carbon impacts associated with health care appointments, the Sustainable Development Unit (SDU) have based calculations on a carbon price of £41.56 per tonne of carbon dioxide emission. Important changes to the method of calculating these costs have been made this year as a result of the *Natural Resource Footprint* report (2018): <https://www.sduhealth.org.uk/policy-strategy/reporting/natural-resource-footprint-2018.aspx>. Readers are advised to contact Richard Lomax in the SDU for more information ([Richard.lomax@nhs.net](mailto:Richard.lomax@nhs.net)).

### Blogs and other useful information

What's new? The Unit Costs publication and children's services (Lesley Curtis) <https://www.pssru.ac.uk/blog/category/childrens-service/>

O come all ye Unit Cost faithful – 2017 edition now available (Lesley Curtis) <https://www.pssru.ac.uk/blog/christmas-is-in-the-air/>

The hidden costs of adapting the homes of older and disabled people (Lesley Curtis) <https://www.pssru.ac.uk/blog/the-hidden-costs-of-adapting-the-homes-of-older-and-disabled-people/>

Unit Costs: The Final Chapter (Amanda Burns) <https://www.pssru.ac.uk/blog/unit-costs-the-last-chapter/>

Foundations guest blog on the Unit Costs of Disabled Facilities Grant (DFG) allocations (Lesley Curtis) <https://www.pssru.ac.uk/blog/unit-costs-on-foundations/>

### **What have we taken out?**

To comply with our ten-year rule on removing schema for which the original data are more than ten years old, this year the following schema have been withdrawn. Although they will no longer be updated, section V of the volume contains the list of services removed since 2006, which can be downloaded online. (See Amanda Burns' blog for more information).

1.6 Extra-care housing for older people

1.8 Geriatric resources for assessment and care of elders

2.7 Mindfulness-based cognitive therapy – group-based intervention

3.1 Residential rehabilitation for people who misuse drugs or alcohol

3.2 Inpatient detoxification for people who misuse drugs or alcohol

3.3 Specialist prescribing

6.7 Cognitive Behavioural Therapy

6.12 Local safeguarding children's boards

6.13 Parenting programmes for the prevention of persistent conduct disorder

6.15 Independent reviewing officer (IRO)

8.1.1-8.1.4 Social care support for older people/people with learning disabilities/people with mental health problems and people with physical disabilities

8.3.1-8.3.4 Support for children and adults with autism

8.5 Support care for children

8.6 Young adults with acquired brain injury in the UK

8.7 Residential parenting assessments

11.1 Social work team leader/senior practitioner/senior social worker

11.8 Family support worker

12.1-12.11 Health and social care teams

### **Other useful information**

The following reports have come to our attention this year, which readers might find of interest:

Paying for home care costs in 2018: <https://ukcareguide.co.uk/home-care-costs/>

The Costing Transformation Programme: <https://www.gov.uk/guidance/costing-transformation-programme#history>

Approved Costing Guidance: <https://www.gov.uk/government/publications/approved-costing-guidance>

2018 Mental health and ambulance approved cost guidance and early implementer support explained: <http://www.workcast.com/ControlUsher.aspx?cpak=5814518960659978&pak=6738201540652244>.

## Acknowledgements

I would like to thank Jennifer Beecham, Amanda Burns, James Cordery, Alan Dargan, Sarah Godfrey, Ed Ludlow and Jackie Sullivan for their help in compiling and producing this volume. Also many thanks go to the researchers involved in cost work who have drawn our attention to new information, and to our Working Group members for their continued input and support.

Each year we distribute a large number of hard copies of the publication to people working in central government and social services directorates, as well as to academics and contributors. Starting with the 2019 volume, in line with good business practice, we intend to cut down on the production of paper copies. Given the huge number of downloads recorded for this publication, we are aware that most people are happy to use an online copy. There will still be a small number of hard copies available to purchase and if you would like to do so, please contact Amanda Burns at a.l.burns@kent.ac.uk or on 01227 823862.

## References

- Department of Health and Social Care (2018) *Department of Health and Social Care single departmental plan*, (<https://www.gov.uk/government/publications/department-of-health-single-departmental-plan/department-of-health-single-departmental-plan>) [accessed 27 June 2018].
- Edwards, H., Marques, E, Hollingworth, W., Horwood, J., Farr, M., Bernard, E., Salisbury, & Northstone, K. (2017) Use of a primary care online consultation system, by whom, when and why: evaluation of a pilot observational study in 36 general practices in South West England, *BMJ Open*, 7, eO16901.
- Hippisley-Cox, J., Fenty, J. & Heaps, M. (2007) Trends in Consultation Rates in General Practice 1995 to 2006: Analysis of the QRESEARCH database, Final Report to the Information Centre and Department of Health, <https://files.digital.nhs.uk/publicationimport/pub01xxx/pub01033/tren-cons-rate-gene-prac-95-06-rep.pdf> [accessed 20 July 2018].
- Hobbs, R., Bandhead, C., Mukhtar, T., Stevens, S., Perera-Salazar, Holt, T., Salisbury, C., on behalf of the National Institute for Health Research School for Primary Care Research (2016) Clinical workload in UK primary care: retrospective analysis of 100 million consultations in England, 2007-14, *The Lancet*, 387, 10035, p2323-2330.
- HM Treasury (2017) *Autumn Budget 2017*, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/661480/autumn\\_bud\\_get\\_2017\\_web.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661480/autumn_bud_get_2017_web.pdf) [accessed 27 June 2018].
- Knapp, M., McDaid, D. & Parsonage, M. (2011) *Mental health promotion and mental illness prevention: the economic case*, Department of Health, London.
- Lovell, K. Bower, P., Gellatly, J., Byford, S., Bee, P., McMillan, D., Arundel, C., Gilbody, S., Gega, L., Hardy, G., Reynolds, S., Barkham, M., Mottram, P., Lidbetter, N., Pedley, R., Molle, J., Peckham, E., Knopp-Hoffer, J., Price, O., Connell, J., Heslin, M., Foley, C., Plummer, G. and Roberts, C. (2017) Clinical effectiveness, cost-effectiveness and acceptability of low-intensity interventions in the management of obsessive-compulsive disorder: the Obsessive-Compulsive Treatment Efficacy randomised controlled Trial (OCTET). *Health Technology Assessment* (Winchester, England) 21(37).pp.1-132.
- Mental Health Foundation (2016) *Fundamental facts about mental health 2016*, Mental Health Foundation: London. <https://www.mentalhealth.org.uk/publications/fundamental-facts-about-mental-health-2016> [accessed 5 November 2018]
- NHS England (2016) *General Practice Forward View*, <https://www.england.nhs.uk/wp-content/uploads/2016/04/gpfv.pdf> [accessed 27 June 2018].
- Public Health England (2017) *Commissioning cost-effective services for promotion of mental health and wellbeing and prevention of mental ill-health*, <http://www.lse.ac.uk/business-and-consultancy/consulting/assets/documents/commissioning-cost-effective-services-for-promotion-of-mental-health-and-wellbeing-and-prevention-of-mental-ill-health.pdf> [accessed 27 June 2018].
- Royal College of General Practitioners (2018) *Workload in general practice a real concern, says RCGP* <https://www.rcgp.org.uk/about-us/news/2018/january/workload-in-general-practice-a-real-concern,-says-rcgp.aspx>
- Sach, T., Desborough, J., Houghton, J. & Holland, R. (2015) Applying micro-costing methods to estimate the costs of pharmacy interventions: an illustration using multi-professional clinical medication reviews in care homes for older people,

*International Journal of Pharmacy Practice*. <https://onlinelibrary.wiley.com/doi/abs/10.1111/ijpp.12162> [accessed 27 June 2018].

Walker, N., Yang, Y., Kiparoglou, V., Pokhrel, S., Robinson, H. & van Woerden, H. (2018) An examination of user costs in relation to smokers using a cessation service based in the UK, *BMC Health Services Research*, 18,182.