

Schema 1.1 Private nursing homes for older people

Using PSS EX1 2001/02¹ returns uprated using the PSS Pay and Prices inflator, median costs per person for supporting older people in nursing care were £398 per week and mean costs were £400 per week. Twenty-five percent of local authorities had average gross costs of £370 or less and 25 per cent of £455 or more. It has not been possible to exclude capital charges on the revenue account.

Costs and unit estimation	2002/2003 value	Notes
A. Fees	£454 per week	The direct unit cost of independent nursing homes is assumed to be the fee. The method of estimating the unit cost of a private care home is taken from Kavanagh et al. ² Where a market is fairly competitive, such as the market for private nursing homes, it is reasonable to assume that the fee will approximate to the social cost of the service. A weighted average fee for England reflecting the distribution of single and shared rooms was taken from the Laing & Buisson market survey. ³
<i>External services</i> B. Community nursing C. GP services D. Other external services	£ 0.60 £20 per week	Reflects the level of service receipt found in a 1996 PSSRU survey of 137 nursing homes. ⁴ In the home with the highest level of nursing input, the average weekly cost was £13 (1996/97 prices). A study ⁵ found that residents in private nursing homes consulted GPs for an average 6.01 minutes per week. Since it is not possible to distinguish between surgery consultations and home visits, it is assumed here that the visit was to the home. If these were surgery consultations, the cost would be £13 per week.
E. Personal living expenses	£ 8.20 per week	A study of expenditure in private and voluntary residential homes found that residents spent £6 per week on average (1992/93 prices) on non-fee expenditure. ⁶ This has been uprated by the Retail Price Index. The DWP personal allowance for people in residential care or a nursing home is £16.80. This has been used as a proxy for personal consumption in the past but is probably an over-estimate.
Short-term care	0.967 x A	Based on weekly prices for short-term residents in 88 nursing homes reported in the 1996 survey. In nursing homes as in residential care, short-term residents were less dependent. The lower price may be associated with this factor.
Dependency		Overall, the relationship with dependency in the PSSRU survey was very flat, with the weekly fee for an individual with a Barthel score of four or less costing 0.03 per cent more than average.
London multiplier	1.31 x A	Fees in London nursing homes were 31 per cent higher than the national average (Laing & Buisson market survey). ²
Unit costs available 2002/2003		
£454 establishment costs per permanent resident week (A); £439 establishment costs per short-term resident week (A); £484 care package costs per permanent resident week (includes A to E); £468 care package costs per short-term resident week (includes A to E).		

¹ PSS EX1 2001/02, Department of Health.

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

³ Laing & Buisson (2003) *Care of Elderly People: Market Survey 2003*, Laing & Buisson, London.

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

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

⁶ Clare, R. & West, P. (1993) A survey of expenditure in residential nursing homes, *Economic Trends*, 481, 120-25.

Schema 1.2 Private residential care for older people

Costs and unit estimation	2002/2003 value	Notes
A. Fees	£328 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. ⁷ Where a market is fairly competitive, such as the market for private residential homes, it is reasonable to assume that the fee will approximate to the social cost of the service. A weighted average fee for England reflecting the distribution of single and shared rooms was taken from the Laing & Buisson market survey. ⁸
<i>External services</i> B. Community nursing C. GP services D. Other external services	£ 5.10 £13 per week	Reflects the level of service receipt found in a 1996 survey of 123 residential homes. ⁹ In the home with the highest level of nursing input, the average weekly cost was £44 (1996 prices). A study ¹⁰ found that residents in private residential homes consulted GPs for an average 3.85 minutes per week. Since it is not possible to distinguish between surgery consultations and home visits, it is assumed here that the visit was to the home. If these were surgery consultations, the cost would be £8.30 per week.
E. Personal living expenses	£ 8.30 per week	A study of expenditure in private and voluntary residential homes found that residents spent £6 per week on average (1992/93 prices) on non-fee expenditure. ¹¹ This has been updated by the Retail Price Index. The DWP personal allowance for people in residential care is £16.80 and sometimes used as a proxy for personal consumption. This is probably an over-estimate
Short-term care	1.059 x A	Based on weekly prices for short-term residents in 44 independent residential homes reported in the 1996 survey.
Dependency		Overall, the relationship with dependency in the PSSRU survey was very flat, with the weekly fee for an individual with a Barthel score of four or less costing 0.04 per cent more than average.
London multiplier	1.38 x A	Fees in London residential homes were 38 per cent higher than the national average (Laing & Buisson market survey). ²
Unit costs available 2002/2003		
£328 establishment costs per permanent resident week (A); £348 establishment costs per short-term resident week (A); £355 care package costs per permanent resident week (includes A to E); £375 care package costs per short-term resident week (includes A to E).		

⁷ Kavanagh, S., Schneider, J., Knapp, M., Beecham, J. & Netten, A. (1992) Elderly people with cognitive impairment: costing possible changes in the balance of care, Discussion Paper 817/2, Personal Social Services Research Unit, University of Kent.

⁸ Laing & Buisson (2003) *Care of Elderly People: Market Survey 2003*, Laing & Buisson, London.

⁹ Netten, A., Bebbington, A., Darton, R., Forder, J. & Miles, K. (1998) Cross-sectional survey of residential and nursing homes for elderly people, Discussion Paper 1423, Personal Social Services Research Unit, University of Kent.

¹⁰ 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.

¹¹ Clare, R. & West, P. (1993) A survey of expenditure in residential nursing homes, *Economic Trends*, 481, 120-25.

Schema 1.3 Voluntary residential care for older people

Costs and unit estimation	2002/2003 value	Notes
A. Fees	£284 per week	Based on the Laing and Buisson market survey ¹² and the relationship between private and voluntary sector prices reported in the 1996 PSSRU survey. ¹³ Prices have been uprated using the PSS Pay and Prices inflator.
<i>External services</i> B. Community nursing C. GP services D. Other external services	£ 6.80 £13 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 (1996/97 prices). A study ¹⁴ found that residents in private residential homes consulted GPs for an average 3.85 minutes per week. Since it is not possible to distinguish between surgery consultations and home visits, it is assumed here that the visit was to the home. If these were surgery consultations, the cost would be £8.30 per week.
E. Personal living expenses	£8.20 per week	A study of expenditure in private and voluntary residential homes found that residents spent £6 per week on average (1992/93 prices) on non-fee expenditure. ¹⁵ This has been uprated using the RPI Index. The DWP personal allowance for people in a residential care or a nursing home is sometimes used as a proxy for personal consumption. This is probably an over-estimate.
Short-term care	1.059 x A	Based on weekly prices for short-term residents in 44 independent residential homes reported in the 1996 survey.
Dependency	1.019 x A	Based on an analysis of factors affecting prices in 1996 survey. The relationship with price is statistically significant but very flat, with prices only increasing marginally with levels of dependency. The multiplier reflects the price charged for people with a Barthel score of 4 or less.
London multiplier	1.38 x A	Fees in London residential homes were 38 per cent higher than the UK average (Laing & Buisson market survey ¹).
Unit costs available 2002/2003		
£284 establishment costs per permanent resident week (A); £301 establishment costs per short-term resident week (A); £312 care package costs per permanent resident week (includes A to E); £330 care package costs per short-term resident week (includes A to E).		

¹² Laing & Buisson (2003) *Care of Elderly People: Market Survey 2003*, Laing & Buisson, London.

¹³ Netten, A., Bebbington, A., Darton, R., Forder, J. & Miles, K. (1998) Cross-sectional survey of residential and nursing homes for elderly people, Discussion Paper 1423, Personal Social Services Research Unit, University of Kent.

¹⁴ 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.

¹⁵ Clare, R. & West, P. (1993) A survey of expenditure in residential nursing homes, *Economic Trends*, 481, 120-25.

Schema 1.4 Local authority residential care for older people

This schema now uses PSS EX1 revenue costs. Prior to 2003, it was based on a PSSRU survey of homes conducted in 1996,¹⁶ for which costs and activity data were based on a nationally representative sample of 161 homes. The average revenue cost was £384 per week and at current prices, the standard deviation was £108. Ten per cent of homes had average gross costs of £545 or more and 10 per cent of £279 or less. Median costs were £371 per week and mean costs were £384 per week. Costs have been inflated using the PSS pay and prices inflator.

Costs and unit estimation	2002/2003 value	Notes
<i>Capital costs</i> A. Buildings and oncosts	£ 42 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. ¹⁷ Capital costs have been annuitised over sixty years at a discount rate of 3.5 per cent. See editorial. When discounted at 8 per cent, the cost is £85 per resident week.
B. Land	£ 4.70 per week	Based on Department of the Environment, Transport and the Regions statistics. Land costs have been discounted at 3.5 per cent over sixty years.
C. Equipment and durables	£ 4.70 per week	Equipment and durables amount to 10 per cent of capital cost. ¹⁸
D. Revenue costs	£484 per week	The median revenue cost estimate is taken from PSS EX1 2001/02 ¹⁹ uprated using the PSS Pay and Prices Index. Capital charges on the revenue account have been deducted (£34.60). Twenty five percent of local authorities had average gross costs of £402 or less and 25 per cent of £571 or more. Mean costs were £433 per week.
E. Agency overheads	£ 24 per week	An Audit Commission report found that overheads associated with residential care ²⁰ amounted to 5 per cent of revenue costs.
<i>External services</i> F. Community nursing G. GP services H. Other external services	£7.70 £7.50 per week Not known	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 (1996/97 prices). A study ²¹ found that people in private residential homes consulted GPs for an average 3.45 minutes per week. Since it is not possible to distinguish between surgery consultations and home visits, it is assumed here that the visit was to the home. If the GP visited the resident at the home, the cost would be £11.70 per week.
I. Personal living expenses	£8.20 per week	A study of expenditure in private and voluntary residential homes found that residents spent £6 per week on average (1992/93 prices) on non-fee expenditure. ²² This figure has been uprated by the RPI Index.
Use of facility by client	52.18 weeks p.a.	
Occupancy	91%	See ²³ and 1996 PSSRU survey ²⁴ .
Short-term care	1.047 x (D to F)	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 F)	Based on an analysis of factors affecting prices in the 1996 survey.
London multiplier	1.46 x (D to F)	Based on the same source as resource costs data.
Unit costs available 2002/2003		
£560 establishment costs per permanent resident week (includes A to E); £586 establishment costs per short-term resident week (includes A to E); £583 care package costs per permanent resident week (includes A to I); £611 care package costs per short-term resident week (includes A to I).		

¹⁶ Netten, A., Bebbington, A., Darton, R., Forder, J. & Miles, K. (1998). Cross-sectional survey of residential and nursing homes for elderly people, Discussion Paper 1423, Personal Social Services Research Unit, University of Kent.

¹⁷ Building Cost Information Service (2003) *Surveys of Tender Prices*, Royal Institute of Chartered Surveyors, Kingston-upon-Thames, Surrey.

¹⁸ Knapp, M., Beecham, J. & Allen, C. (1989) The methodology for costing community and hospital services used by clients of the Care in the Community demonstration programme, Discussion Paper 647, Personal Social Services Research Unit, University of Kent.

¹⁹ PSS EX1 2002, Department of Health.

²⁰ Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

²¹ 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.

²² Clare, R. & West, P. (1993) A survey of expenditure in residential nursing homes, *Economic Trends*, 481, 120-25.

²³ Laing, W (2002), Calculating a fair price for care.

²⁴ Netten, A., Bebbington, A., Darton, R., Forder, J. & Miles, K. (1998) Cross-sectional survey of residential and nursing homes for elderly people, Discussion Paper 1423, Personal Social Services Research Unit, University of Kent.

Schema 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.²⁵ 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	2002/2003 value	Notes
<i>Capital costs</i> A. Buildings and oncosts	£ 7.40	1997/1998 capital costs updated using the BCIS public sector Output Price Index. Capital costs have been annuitised over sixty years at a discount rate of 3.5 per cent. See editorial. At 8 per cent capital costs would be £7.40.
<i>Revenue costs</i> B. Salary and oncosts	£74	Costs of nursing and special nursing staff. Based on a top down costing approach using actual expenditure on salaries and costs in the relevant wards. 1997/1998 costs updated using the HCHS Pay Index.
C. Other direct care costs Medical Other	£38.50 £ 7.00	1997/1998 costs updated using the HCHS Pay and Prices Index. Includes diagnostics and ward round updated using the HCHS Pay and Prices Index.
D. Direct overheads	£36	Includes catering, domestics, energy, security, administration, laundry and supplies. 1997/1998 costs inflated by the HCHS Pay and Prices Index.
E. Indirect overheads	£14	Includes the estates, central administration and corporate function. 1997/1998 prices inflated by the HCHS Pay and Prices Index.
Average ward size	25 places	
Use of facility by client	365.25 days per year	
Occupancy	94%	Occupancy figures are drawn from the same source as the base data.
Unit costs available 2002/2003		
£177 per inpatient day.		

²⁵ Griffiths.P., Harris R., Richardson G., Hallett N., Heard S., Wilson-Barnett J. Age and Ageing 2001; 30:483-488, British Geriatrics Society. Substitution of a nursing-led inpatient unit for acute services: randomised controlled trial of outcomes and cost of nursing-led intermediate care.

Data provided by Gerald Richardson, Research Fellow at the Centre for Health Economics, University of York.

Schema 1.6 Local authority day care for older people

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

Costs and unit estimation	2002/2003 value	Notes
<i>Capital costs</i> A. Buildings and oncosts	£3.60 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. ²⁶ Capital costs have been annuitised over sixty years at a discount rate of 3.5 per cent. See editorial. When discounted at 8 per cent, the cost is £7.20 per session.
B. Land	£0.30 per session	Based on Department of the Environment, Transport and the Regions ²⁷ statistics. Land costs have been discounted at 3.5 per cent over sixty years.
C. Equipment and durables		No information available.
<i>Revenue costs</i> D. Salary and other revenue costs E. Capital charges	£20 per session	The median revenue cost estimate is taken from PSS EX1 2001/02 ²⁸ uprated using the PSS Pay and Prices Index. Capital charges on the revenue account have been deducted (£1.80). The mean cost per session has dropped slightly since last year probably due to the fact that more authorities have reported their costs. Data were adjusted to exclude expenditure on services purchased from the independent sector. Reported unit costs contain a wide variation and clearly refer to very different types of care. Ten per cent of authorities had average costs of £9 per session or less, and 10 per cent £44 per session or more. Mean costs were £20 per session.
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 p.a.	Assumes two sessions, 250 days per year. Used to estimate per session capital costs.
Occupancy	76%	Department of Health statistics, 1997 ²⁹ . More recent figures are not available.
London multiplier	1.23 x A; 5.20 x B; 1.38 x (D to G)	Relative London costs are drawn from the same source as the base data for each cost element.
Unit costs available 2002/2003		
£24 per session (includes A to F).		

²⁶ Building Cost Information Service (2003) *Surveys of Tender Prices*, Royal Institute of Chartered Surveyors, Kingston-upon-Thames, Surrey.

²⁷ Department of the Environment, Transport and the Regions (2003) *Housing and Construction Statistics 1991-2001*, The Stationery Office, London. The appropriate inflator is provided by the DETR on request.

²⁸ PSS EX1 2001/02, Department of Health.

²⁹ Department of Health (1997) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed statistics, Table 3.3*, Government Statistical Service, London.

Schema 1.7 Voluntary day care for older people

The costs of voluntary day care for elderly people are based on the results of a survey of Age Concern conducted in 1999/2000. Information was received from 10 Centres and the figures have been inflated by PSS Pay and Prices. Costs ranged from £17.40 to £39.40 per client day with an average cost of £27 and a median cost of £27.

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 high 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 2001/02 updated using the PSS Pay and Prices inflator, mean and median costs per session for independently provided day care were £14. This is equivalent to £28 per client day. Three authorities have been excluded from this analysis as they reported costs in excess of £100 per session.

Costs and unit estimation	2002/2003 value	Notes
<i>Capital costs</i>		
A. Premises	£3.30 per client day	These costs ranged from £2.10 to £4.40 with a mean cost of £3.25 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 in this centre.
B. Vehicle	£2.80 per client day	Of the 10 Centres, 3 had their own minibus/es and costs ranged from £1.20 per client day to £5.20 per client day. Vehicle costs were high for a rural centre which opens only 2 days per week.
<i>Staffing</i>		
C. Salaries	£14.50 per client day	Costs ranged from £7.20 to £33.60. Those Centres with the highest costs were those accommodating Elderly Mental Ill clients where the staff ratios are often 1:4. The median cost was £12.
D. Volunteer costs	£0.35 per client day	Seven of the centres reported incurring volunteer expenses.
E. Other staff costs	£1.00 per client day	This includes staff recruitment and training, courses & conferences, travel expenses and redundancy payments.
F. Transport	£2.60 per client day	This includes taxi expenses, fuel & oil, vehicle repairs, insurance and contract hire. Costs ranged from £1.00 to £5.30 with a median cost of £2.40.
G. Meals	£1.40 per client day	Seven Centres provided meals.
H. Overheads	£2.10 per client day	Seven Centres provided information on overheads which ranged from £0.90 to £4.40.
I. Other revenue costs	£2.80 per client day	Costs includes management & administration, maintenance charges, heat, light & water, telephone, stationery & postage, insurance, sundry expenses & bank charges. Costs ranged from £0.90 to £6.50 per client day and the median cost was £1.80.
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 2002/2003		
The average cost of the 10 Centres was £27 per client day. A Centre incurring all costs A-I would cost £31 per client day.		

Schema 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.³⁰

Costs and unit estimation	2002/2003 value	Notes
<i>Capital costs</i> A. Notional rent	£ 74 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 sixty years and updated using the BCIS/ABI house rebuilding Cost Index. See editorial. Using an 8 per cent discount rate over sixty years, the cost would be £139.
<i>Revenue costs</i> B. Salary and other revenue costs	£ 25 per person per week	Annual gross running costs were adjusted to ensure they reflected the costs incurred by residents over the age of 60. Inflated using the PSS Pay and Prices Index.
C. Agency overheads		No information available.
<i>Personal living expenses</i> D. Basic living costs E. Other living costs	£ 74.10 £ 8.50	Based on Family Expenditure Survey (2001/02) estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2002/03 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods). Other living costs are those covered by personal expenses (for example leisure goods and alcohol). The average weekly expenditure per person in all expenditure groups with the exception of household goods and services and leisure services has decreased slightly or remained the same as last year.
F. Other health and social services costs	£ 26 per person per week	Average cost of service use was based on the Ernst & Young survey of residents and unit costs supplied by the DH and the PSSRU.
Use of facility by client	52.18 weeks per year	
Occupancy		
High dependency	1.52 x F	Data presented allowed a comparison in local authority schemes between the average level of costs of health and social services and the costs of highly dependent residents. Highly dependent residents were those who fell into the Clackmannan D/E category (short interval needs).
London multiplier		
Unit costs available 2002/2003		
£98 per week sheltered housing costs (includes A to B); £125 per week service and accommodation (includes A to B and F); £199 (includes all costs borne by care homes (A to D and F); £207 comprehensive package costs (A to F).		

³⁰ 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.

Schema 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.³¹

Costs and unit estimation	2002/2003 value	Notes
<i>Capital costs</i> A. Notional rent	£81 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 sixty years and updated using the BCIS/ABI house rebuilding Cost Index. See editorial. Using an 8 per cent discount rate over sixty years, the cost would be £154.
<i>Revenue costs</i> B. Salary and other revenue costs	£ 33 per person per week	Annual gross running costs were adjusted to ensure they reflected the costs incurred by residents over the age of 60. Costs have been inflated to 2002/2003 using the PSS Pay and Prices Index.
C. Agency overheads		No information available.
<i>Personal living expenses</i> D. Basic living costs E. Other living costs	£ 74.10 £ 8.50	Based on Family Expenditure Survey (2001/02) estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2002/03 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods). Other living costs are those covered by personal expenses (for example leisure goods and alcohol). The average weekly expenditure per person in all expenditure groups with the exception of household goods and services and leisure services has decreased slightly or remained the same as last year.
F. Other health and social services costs	£14 per person per week	Average cost of service use was based on the Ernst & Young survey of residents and unit costs supplied by the DH and the PSSRU. Gross resource costs of services are reported here.
Use of facility by client	52.18 weeks per year	
Occupancy		
London multiplier		
Unit costs available 2002/2003		
£115 per week sheltered housing costs (includes A to B); £129 per week service and accommodation (includes A to B and F); £203 (includes all costs borne by care homes (A to D and F)); £211 comprehensive package costs (A to F).		

³¹ 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.

Schema 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.³²

Costs and unit estimation	2002/2003 value	Notes
<i>Capital costs</i> A. Notional rent	£81 per person per week	Capital costs excluded the cost of warden and staff accommodation but were based on the costs of actual schemes in the study divided by the number of people in the schemes to establish cost per person. This figure reflects the types of housing stock and proportions of single and multiple occupancy dwellings. This was converted to notional rents per year using a 3.5 per cent discount rate over sixty years and uprated using the BCIS/ABI house rebuilding Cost Index. See editorial. Using an 8 per cent discount rate over sixty years, the cost would be £154.
<i>Revenue costs</i> B. Salary and other revenue costs	£ 74 per person per week	Annual gross running costs were adjusted to ensure they reflected the costs incurred by residents over the age of 60. Costs have been inflated to 2002/03 using the PSS Pay and Prices Index.
C. Agency overheads		No information available.
<i>Personal living expenses</i> D. Basic living costs E. Other living costs	£ 74.10 £ 8.50	Based on Family Expenditure Survey (2001/02) estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2002/03 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods). Other living costs are those covered by personal expenses (for example leisure goods and alcohol). The average weekly expenditure per person in all expenditure groups with the exception of household goods and services and leisure services has decreased slightly or remained the same as last year.
F. Other health and social services costs	£ 27 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 p.a.	
Occupancy		
High dependency	1.24 x F	Data presented allowed a comparison in local authority schemes between the average level of costs of health and social services and the costs of highly dependent residents. Highly dependent residents were those who fell into the Clackmannan D/E category (short interval needs).
London multiplier		
Unit costs available 2002/2003		
£156 per week sheltered housing costs (includes A to B); £183 per week service and accommodation (includes A to B and F); £257 (includes all costs borne by care homes (A to D and F)); £265 comprehensive package costs (A to F).		

³² 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.

Schema 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.³³

Costs and unit estimation	2002/2003 value	Notes
<i>Capital costs</i> A. Notional rent	£73 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 sixty years and uprated using the BCIS/ABI house rebuilding Cost Index. See editorial. Using an 8 per cent discount rate over sixty years, the cost would be £138.
<i>Revenue costs</i> B. Salary and other revenue costs	£215 per person per week	Annual gross running costs were adjusted to ensure they reflected the costs incurred by residents over the age of 60. Costs have been inflated to 2002/2003 using the PSS Pay and Prices Index.
C. Agency overheads		No information available.
<i>Personal living expenses</i> D. Basic living costs E. Other living costs	£ 74.10 £ 8.50	Based on Family Expenditure Survey (2001/02) estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2002/03 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods). Other living costs are those covered by personal expenses (for example leisure goods and alcohol). The average weekly expenditure per person in all expenditure groups with the exception of household goods and services and leisure services has decreased slightly or remained the same as last year.
F. Other health and social services costs	£ 40 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 p.a.	
Occupancy		
London multiplier		
Unit costs available 2002/2003		
£288 per week sheltered housing costs (includes A to B); £328 per week service and accommodation (includes A to B and F); £402 (includes all costs borne by care homes (A to D and F)); £410 comprehensive package costs (A to F).		

³³ 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.

Schema 1.12 ECCEP community care package: very low cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.³⁴

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

Type of case Mrs A. is 75 years old and lives alone in a privately rented flat. She has no family living nearby and no principal carer. She was admitted to hospital for a minor surgical procedure and while there received an assessment from a hospital social worker, which resulted in the receipt of home help services following discharge from hospital.		
Health problems Diabetes.		
Functional ability Mrs A. is able to do all daily activities without assistance, although she does find shopping, general mobility and managing stairs difficult. She does not do any heavy housework.		
Services received	Average weekly cost	Description
Social services Home care	£22	Two hours per week. Visits take place on weekdays before 5 p.m. SSD is the provider.
Health services GP	£10.40	Visits the GP surgery once every four weeks.
Accommodation	£184	Private rented property, 2 bedrooms.
Living expenses	£78	Main income from pension and interest from savings. Had savings of between £20,000 and £50,000. Living expenses taken from Family Expenditure Survey (2001/02 uprated to 2002/03 price levels). Based on 1 adult retired household, mainly dependent on state pensions.
Total weekly cost of health and social care package, 2002/2003	£33 £295	Excludes accommodation and living expenses. Total including accommodation and living expenses.

³⁴ Netten, A., Dennett, J., Knight, J., *Unit Costs of Health and Social Care (1998)*, Personal Social Services Research Unit, University of Kent.

Schema 1.13 ECCEP community care package: low cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.³⁵

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

Type of case Mrs E. is 88 years old, living alone in her own house. Her main carer is a close friend who lives nearby and visits twice a week on average. As well as providing companionship, this carer does some shopping and runs errands, helps with household repairs, monitors Mrs E's situation, and takes her out and to appointments by car.		
Health problems Depression, moderate to severe cognitive impairment.		
Functional ability Able to do most activities unaided. Is able to manage general mobility, stairs and money matters with difficulty. Needs help with transport, shopping, errands and heavy housework.		
Services received	Average weekly cost	Description
Social services		
Home care	£54	4.5 hours per week. Visits take place Monday to Friday before 5 p.m. (3.5 hours per week) and on weekends (1 hour per week). ³⁶
Frozen meals	£5	Two per week.
Total	£59	
Health services		
GP	£10	Visits estimated at once every eight weeks based on GHS data. ³⁷
Accommodation	£82	Based on the annuitised value of a terraced house. Taken from the Halifax Price Index 3 rd quarter 2002. See editorial for changes in rates from previous years. Using an 8 per cent discount rate over sixty years, the cost would be £165.
Living expenses	£78	Taken from Family Expenditure Survey (2001/02, updated to 2002/03 price levels). Based on 1 adult retired household, mainly dependent on state pensions.
Total weekly cost of health and social care package, 2002/2003	£69 £229	Excludes accommodation and living expenses. Total including accommodation and living expenses.

³⁵ Netten, A., Dennett, J., Knight, J., *Unit Costs of Health and Social Care (1998)*, Personal Social Services Research Unit, University of Kent.

³⁶ Evening and weekend rates were estimated to be 30 per cent above the daytime rate. This assumption was derived from PSSRU studies which have found differential costs for home care in English local authorities, depending when it is provided (Hallam and Netten, 1996; Davies et al., 1990; Bebbington et al., 1986).

³⁷ Reflects consumption of GP services by a comparable group: those elderly people in the General Household Survey (1994) who used at least one social care service.

Schema 1.14 ECCEP community care package: median cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.³⁸

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

Type of case		
Mr C. is 79 years old and lives with his wife in a bungalow which they jointly own. His wife is his main carer. She provides an intensive amount of assistance; changing continence pads, helping with toileting and transfers, washing soiled linen, preparing meals, shopping and other errands, liaises with formal services and monitors his medication. Mr C. was recently admitted to hospital following a stroke. While there, his needs were reassessed by a social worker.		
Health problems		
Stroke, urinary incontinence.		
Functional ability		
Mr C. is unable to do most activities without assistance. He has difficulty with bathing, transferring, negotiating stairs, toileting and general mobility. He needs assistance to manage his medication and money, make meals and use transport. He does no shopping, errands or heavy housework.		
Services received	Average weekly cost	Description
Social services Home care	£65	7.25 hours per week. Visits occur Monday to Friday before 5 pm (5.75 hours per week), and on weekends (1.5 hours per week). ³⁹ SSD is the provider.
Health services Community nursing visits GP	£64 £10	2 visits per week (each 45 minutes) by a district nurse. Visits estimated at once every eight weeks based on GHS data. ⁴⁰
Total	£74	
Accommodation	£54	Based on the annuitised value of a bungalow. Taken from the Halifax Price Index, 3 rd quarter 2002. See editorial for changes from previous years' rates. Using an 8 per cent discount rate over sixty years, the cost would be £109.
Living expenses	£153	Living expenses taken from the Family Expenditure Survey (2001/02, uprated to 2002/03 price levels). Based on one man one woman retired households mainly dependent on state pensions.
Total weekly cost of health and social care package, 2002/2003	£139 £346	Excludes accommodation and living expenses. Total including accommodation and living expenses.

³⁸ Netten, A., Dennett, J., Knight, J., *Unit Costs of Health and Social Care (1998)*, Personal Social Services Research Unit, University of Kent.

³⁹ Evening and weekend rates were estimated to be 30 per cent above the daytime rate. This assumption was derived from PSSRU studies which have found differential costs for home care in English local authorities, depending when it is provided (Hallam and Netten, 1996; Davies et al., 1990; Bebbington et al., 1986).

⁴⁰ Reflects consumption of GP services by a comparable group: those elderly people in the General Household Survey (1994) who used at least one social care service.

Schema 1.15 ECCEP community care package: high cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.⁴¹

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

Type of case Mrs D. is 85 years old and lives alone in local authority sheltered housing. Her main carer is her daughter, who provides a moderate level of assistance; helping with housework, shopping, errands and providing transport.		
Health problems Senile dementia.		
Functional ability Able to do most activities unaided. Does not however do any shopping, errands, heavy housework, managing money or managing medication, and relies on others for transport.		
Services received	Average weekly cost	Description
Social services		
Home care	£28	2.5 hours per week. Visits occur Monday to Friday before 5pm. SSD is the provider.
Day care	£88	Two visits per week to an SSD day centre.
Respite care	£66	Two visits since referral (one 7 days, one 14 days) to an SSD residential care home.
Total	£182	
Health services		
Community nursing visits	£3.60	One visit per quarter from a district nurse.
GP	£10	Visits estimated at once every eight weeks based on GHS data. ⁴²
Chiropody	£1.80	One visit per quarter.
Total	£15	
Other services		
Church lunch club		Attends voluntary lunch club run by the local church twice a week.
Accommodation	£137	Local authority sheltered housing, one bedroom.
Living expenses	£78	Living expenses taken from the Family Expenditure Survey (2001/02, uprated to 2002/03 price levels). Based on 1 adult retired household, mainly dependent on state pensions.
Total weekly cost of health and social care package, 2002/2003	£198	Excludes accommodation and living expenses.
	£413	Total including living expenses.

⁴¹ Netten, A., Dennett, J., Knight, J., *Unit Costs of Health and Social Care (1998)*, Personal Social Services Research Unit, University of Kent.

⁴² Evening and weekend rates were estimated to be 30 per cent above the daytime rate. This assumption was derived from PSSRU studies which have found differential costs for home care in English local authorities, depending when it is provided (Hallam and Netten, 1996; Davies et al., 1990; Bebbington et al., 1986).

Schema 1.16 ECCEP community care package: very high cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.⁴³

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

Type of case Mrs E. is an 81 year old woman who lives alone in her own home. She has no principal carer.		
Health problems Arthritis and urinary incontinence.		
Functional ability Is able with difficulty to transfer, wash, go to the toilet and move around the house. Requires assistance with bathing, dressing, errands, meals and drinks. Does not do any housework or attempt to go down the stairs.		
Services received	Average weekly cost	Description
Social services		
Home care	£228	13.25 hours per week. Visits take place on Monday to Friday before 5pm (9.5 hours per week); weekday evenings (3.75 hours) and weekends (4.5 hours per week). ⁴⁴ SSD is the provider.
Day care	£44	One day per week at an Age Concern day centre.
Total	£272	
Health services		
Community nursing visits	£21	One visit per week (30 minutes) from a district nurse.
GP	£10	Visits estimated at once every eight weeks based on GHS data. ⁴⁵
Chiropody	£1.80	One visit per quarter.
Total	£33	
Accommodation	£168	Owner occupied house with three bedrooms. Based on the annuitised value of an average priced home. Taken from the Halifax Price Index, 3 rd quarter 2002. See editorial for changes from previous years' rates. Using an 8 per cent discount rate over sixty years, the cost would be £339.
Living expenses	£148	Living expenses taken from the Family Expenditure Survey (2001/02, uprated to 2002/03 price levels). Based on one person retired households not mainly dependent on state pension.
Total weekly cost of health and social care package, 2002/2003	£306 £622	Excludes accommodation and living expenses. Includes accommodation and living expenses.

⁴³ Netten, A., Dennett, J., Knight, J., *Unit Costs of Health and Social Care (1998)*, Personal Social Services Research Unit, University of Kent.

⁴⁴ Evening and weekend rates were estimated to be 30 per cent above the daytime rate. This assumption was derived from PSSRU studies which have found differential costs for home care in English local authorities, depending when it is provided (Hallam and Netten, 1996; Davies et al., 1990; Bebbington et al., 1986).

⁴⁵ Reflects consumption of GP services by a comparable group: those elderly people in the General Household Survey (1994) who used at least one social care service.