

## 2.1 Local authority residential care (staffed hostel) for people with mental health problems

Based on a study of 20 staffed hostels from eight mental health services.<sup>1</sup>

Costs and unit estimation	2003/2004 value	Notes
<i>Capital costs</i> A. Buildings and oncosts	£24 per resident week	The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been updated using the BCIS public sector output price index. The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. If capital were annuitised at 6 per cent, the cost would be £37 per resident week.
<i>Revenue costs</i> B. Salary costs  C. Other revenue costs  D. Agency overheads	£319 per resident week  £60 per resident week  £17 per resident week	Costs of direct management and care staff, the latter including nursing and social work inputs. Costs have been updated using the PSS Pay Index.  Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses, and the use that clients typically make of hospital and community health and social services. Costs have been updated using the PSS Pay and Prices Index.  Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been updated using the PSS Pay and Prices Index.
<i>Other costs</i> E. Personal living expenses	£17.50 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£75 per resident week	Service use is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been updated using the PSS Pay and Prices Index.
Use of facility by client	365.25 days per year	
Occupancy	85%	Occupancy figures are drawn from the same source as the base data.
London multiplier	1.25 × (A to D) + F	Relative London costs are drawn from the same source as the base data for each cost element.
<b>Unit costs available 2003/2004</b>		
£419 per resident week establishment costs (includes A to D); £511 per resident week care package costs (includes A to F).		

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

## 2.2 Local authority residential care (group home) for people with mental health problems

Based on a study of 23 group homes from eight mental health services.<sup>1</sup>

Costs and unit estimation	2003/2004 value	Notes
<b>Capital costs</b> A. Buildings and oncosts	£27 per resident week	The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been uprated using the BCIS public sector output price index. The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. If capital were annuitised at 6 per cent, the cost would be £42 per resident week.
<b>Revenue Costs</b> B. Salary Costs	£9 per resident week	Costs of direct management and care staff, the latter including nursing and social work inputs. Services in a group home are provided more on an ad hoc or regular-visit basis rather than on a 24-hour basis as is the case in a hospital. Costs have been uprated using the PSS Pay Index.
C. Other revenue costs	£39 per resident week	Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses, and the use that clients typically make of hospital and community health and social services. Costs have been uprated using the PSS Pay and Prices Index.
D. Agency overheads	£3 per resident week	Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the PSS Pay and Prices Index.
<b>Other costs</b> E. Personal living expenses	£17.50 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£116 per resident week	Service use is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been uprated using the PSS Pay and Prices Index.
Use of facility by client	365.25 days per year	
Occupancy	85%	Occupancy figures are drawn from the same source as the base data.
London multiplier	1.23 x (A to D) + F	Relative London costs are drawn from the same source as the base data for each cost element.
<b>Unit costs available 2003/2004</b>		
£79 per resident week establishment costs (includes A to D); £212 per resident week care package costs (includes A to F).		

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

## 2.3 Voluntary sector residential care (staffed hostel) for people with mental health problems

Based on a sample of 31 staffed hostels.<sup>1</sup>

Costs and unit estimation	2003/2004 value	Notes
<i>Capital costs</i> A. Buildings and oncosts	£25 per resident week	The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been updated using the BCIS public sector output price index. The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. If capital were annuitised at 6 per cent, the cost would be £39 per resident week.
<i>Revenue costs</i> B. Salary costs  C. Other revenue costs   D. Agency overheads	£230 per resident week  £83 per resident week   £30 per resident week	Salary costs represent the costs of direct management and care staff, the latter including nursing and social work inputs. Costs have been updated using the PSS Pay Index.  Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses, and the use that clients typically make of hospital and community health and social services. Costs have been updated using the PSS Pay and Prices Index.  Indirect management, such as central administration, were categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been updated using the PSS Pay and Prices Index.
<i>Other costs</i> E. Personal living expenses	£17.50 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£62 per resident week	Service use is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been updated using the PSS Pay and Prices Index.
Use of facility by client	365.25 days per year	
Occupancy	90%	Occupancy figures are drawn from the same source as the base data.
London multiplier	1.46 × (A to D) + F	Relative London costs are drawn from the same source as the base data for each cost element.
<b>Unit costs available 2003/2004</b>		
£369 per resident week establishment costs (includes A to D); £448 per resident week care package costs (includes A to F).		

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

## 2.4 Voluntary sector residential care (group home) for people with mental health problems

Based on a sample of 33 group homes.<sup>1</sup>

Costs and unit estimation	2003/2004 value	Notes
<b>Capital costs</b> A. Buildings and oncosts	£28 per resident week	The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been uprated using the BCIS public sector output price index. The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. If capital were annuitised at 6 per cent, the cost would be £44 per resident week.
<b>Revenue costs</b> B. Salary costs  C. Other revenue costs	£92 per resident week  £50 per resident week	Costs of direct management and care staff, the latter including nursing and social work inputs. Costs have been uprated using the PSS Pay Index.  Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses, and the use that clients typically make of hospital and community health and social services. Costs have been uprated using the PSS Pay and Prices Index.
D. Agency overheads	£21 per resident week	Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the PSS Pay and Prices Index.
<b>Other costs</b> E. Personal living expenses	£17.50 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£81 per resident week	Service use cost is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been uprated using the PSS Pay and Prices Index.
Use of facility by client	365.25 days per year	
Occupancy	95%	Occupancy figures are drawn from the same source as the base data.
London multiplier	1.11 × (A to D) + F	Relative London costs are drawn from the same source as the base data for each cost element.
<b>Unit costs available 2003/2004</b>		
£191 per resident week establishment costs (includes A to D); £289 per resident week care package costs (includes A to F).		

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

## 2.5 Private sector residential care (staffed hostel) for people with mental health problems

Based on a sample of 33 hostels.<sup>1</sup>

Costs and unit estimation	2003/2004 value	Notes
<b>Capital costs</b> A. Buildings and oncosts	£28 per resident week	The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been uprated using the BCIS public sector output price index. The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. If capital were annuitised at 6 per cent, the cost would be £42 per resident week.
<b>Revenue costs</b> B. Salary costs	£117 per resident week	Costs of direct management and care staff, the latter including nursing and social work inputs. Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the HCHS pay index.
C. Other revenue costs	£80 per resident week	Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses, and the use that clients typically make of hospital and community health and social services. Costs have been uprated using the HCHS pay and prices index.
D. Agency overheads	£10 per resident week	Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the HCHS pay and prices index.
<b>Other costs</b> E. Personal living expenses	£17.50 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£66 per resident week	Service use cost is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been uprated using the HCHS pay and prices index.
Use of facility by client	365.25 days per annum	
Occupancy	85%	Occupancy figures are drawn from the same source as the base data.
London multiplier		No estimate is available for privately managed staffed hostels in London.
<b>Unit costs available 2003/2004</b>		
£234 per resident week establishment costs (includes A to D); £318 per resident week care package costs (includes A to F).		

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

## 2.6 Acute NHS hospital services for people with mental health problems

Based on a sample of 25 acute psychiatric wards covered in a survey of residential care in eight district health authorities.<sup>1</sup> All costs are based on 1995/1996 figures, uprated using the appropriate HCHS inflators. The costs are based on acute wards and so are not representative of the daily unit cost of general psychiatric hospital care.

Costs and unit estimation	2003/2004 value	Notes
<i>Capital costs</i>		
A. Buildings and oncosts	£10 per bed per day	Based on the new build and land requirements for a bed in a psychiatric hospital ward. <sup>2</sup> Occupancy rates have been taken into account. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. If capital were annuitised at 6 per cent, the cost would be £16.
B. Land	£1.60 per bed per day	Based on information provided by the Office of the Deputy Prime Minister, <sup>3</sup> discounted at 3.5 per cent over 60 years.
C. Equipment and durables		No information available.
<i>Revenue costs</i>		
D. Salary, supplies and services costs	£119 per day	Revenue costs were obtained from hospital accounts and were broken down into salaries, supplies and services and agency overheads. Salary costs include medical and clinical support services. Where this input could not be identified at ward level, a multiplier of 1.33 was calculated on the basis of nursing (75 per cent) to medical and clinical support (25 per cent) ratios in those wards where full information was available. Salaries represent 66 per cent of the total cost per day.
E. Agency overheads	£42 per day	
Use of facility by client	365.25 days per year	
Occupancy	95%	Occupancy in London was estimated to be 102 per cent. Occupancy figures are drawn from the same source as the base data.
London multiplier	1.23 × A; 3.06 × B; 1.10 × D; 1.15 × E	Relative London costs are drawn from the same source as the base data for each cost element. If the interest is just in effects due to technology and price effects, the multiplier to be used for salaries, supplies and service costs is 1.19 (see <i>Unit Costs of Health and Social Care 1996</i> , pp.19-22). The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM.
<b>Unit costs available 2003/2004</b>		
£172 per inpatient day (includes A to E).		

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

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

## 2.7 Long-stay NHS hospital services for people with mental health problems

Based on a sample of 19 long-stay psychiatric wards covered in a survey of residential care in eight district health authorities.<sup>1</sup> All costs are based on 1995/1996 figures, uprated using the appropriate HCHS inflators. The costs are based on long-stay inpatient psychiatric care wards and so are not as representative of the daily unit cost of general psychiatric hospital care. In such a case, the unit cost estimates derived from the reference costs (<http://www.doh.gov.uk/nhsexec/refcosts.htm>) would be more appropriate.

Costs and unit estimation	2003/2004 value	Notes
<b>Capital costs</b>		
A. Buildings and oncosts	£13 per bed per day	Estimates are based on the new build and land requirements for a bed in a psychiatric hospital ward. <sup>2</sup> Occupancy rates have been taken into account. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. If capital were annuitised at 6 per cent, the cost would be £20.
B. Land	£1.90 per bed per day	Based on information provided by the Office of the Deputy Prime Minister, <sup>3</sup> discounted at 3.5 per cent over 60 years.
C. Equipment and durables		No information available.
<b>Revenue costs</b>		
D. Salary, supplies and services costs	£82 per day	Revenue costs were obtained from hospital accounts and were broken down into salaries, supplies and services and agency overheads. Salary costs include medical and clinical support services. Where this input could not be identified at ward level, a multiplier of 1.33 was calculated on the basis of nursing (75 per cent) to medical and clinical support (25 per cent) ratios in those wards where full information was available. Salaries represent 54 per cent of the total cost per day.
E. Agency overheads	£47 per day	The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses, and the use that clients typically make of hospital and community health and social services.
<b>Other costs</b>		
F. Personal living expenses	£15.50 per week (£2.20 per day)	Once patients have given up their private accommodation, their full package of costs can be estimated by including other services received and personal expenditure. The latter is estimated by using the DWP personal allowance for those in hospital over 52 weeks and is, therefore, included in the long-stay schema.
Use of facility by client	365.25 days per year	
Occupancy	83%	Occupancy in London was estimated to be 93 per cent. Occupancy figures are drawn from the same source as the base data.
London multiplier	1.20x A; 3.06 x B; 1.32 x D; 1.10 x E	Relative London costs are drawn from the same source as the base data for each cost element. If the interest is just in effects due to technology and price effects, the multiplier to be used for salaries, supplies and service costs is 1.19 (see <i>Unit Costs of Health and Social Care 1996</i> , pp.19-22). The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM.
<b>Unit costs available 2003/2004</b>		
£146 per inpatient day (includes A to F).		

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

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

## 2.8 NHS psychiatric intensive care unit (PICU)

Based on a study of a PICU in Withington Hospital, Manchester in 1993.<sup>1</sup>

Costs and unit estimation	2003/2004 value	Notes
<i>Capital costs</i>		
A. Buildings and oncosts	£19 per patient day	Annuitised value of an NHS psychiatric ward over a 60-year period discounted at 3.5 per cent, taking into account occupancy rates. <sup>2</sup> If capital were annuitised at 6 per cent, the cost would be £30.
B. Land	£2.82 per patient day	Based on information provided by the Office of the Deputy Prime Minister, <sup>3</sup> discounted at 3.5 per cent over 60 years.
C. Equipment and durables		No information available.
<i>Revenue costs</i>		
D. Salary costs	£297 per patient day	Staff costs have been inflated to current levels using the HCHS pay index, drug costs were inflated using the HCHS prices index and all other costs were inflated using the combined index. The revenue costs include calls on other wards to deal with violent incidents. Variable costs were distinguished from fixed costs in the study. These comprised just 7 per cent of total cost (excluding capital) and were dominated by the cost of special nursing.
E. Supplies and services – drugs	£24 per patient day	
– other	£1.90 per patient day	
F. Overheads	£87 per patient day	
<i>Other costs</i>		
G. Patient injury	£3.38 per patient day	This was the cost of treating one patient who incurred major injuries as a result of an aggressive incident (inflated using the HCHS pay and prices index).
Use of facility by client	12.3 days	Average length of stay.
Occupancy	55%	Occupancy during study period.
High dependency		Highly disturbed and violent patients.
London multiplier	1.2 x A; 3.06 x B	Costs were based on one unit in Manchester. The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM.
<b>Unit costs available 2003/2004</b>		
£435 per patient day (includes A to G); £5,354 per average stay.		

1 Hyde, C. & Harrower-Wilson, C. (1995) Resource consumption in psychiatric intensive care: the cost of aggression, *Psychiatric Bulletin*, 19, 73-76.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.



## 2.9 NHS Trust day care for people with mental health problems

A session is defined as either a morning, afternoon or evening at the day care facility.

Costs and unit estimation	2003/2004 value	Notes
<i>Capital costs</i>		
A. Buildings and oncosts	£3.70 per session	Based on the new build and land requirements for day care facilities (which do not distinguish by client group). These allow for 33.4 square metres per person. <sup>1</sup> Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. When discounted at 8 per cent, the cost is £7.50 per session.
B. Land	£0.94 per session	Based on information provided by the Office of the Deputy Prime Minister. <sup>2</sup> Land costs have been discounted at 8 per cent over 60 years. Since the revenue costs given below now include capital costs, this has not been included in the unit costs figures quoted below.
C. Equipment and durables		No information available.
D. Revenue costs	£22 per session	Mean cost based on a survey <sup>3</sup> conducted in the South Thames NHS region of day settings for adults with mental health problems. In total sufficient data were obtained to estimate the revenue costs for 122 settings. These results have been uprated using the PSS pay and prices index. Most of the NHS Trust settings taking part were orientated towards providing treatment and consequently 95 per cent of these settings had costs between £17-£27 at current prices with a median cost per session of £12.
E. Agency overheads	£1.10 per session	Following the Audit Commission report about overheads associated with residential care, <sup>4</sup> agency overheads have been assumed to be 5 per cent of revenue costs.
Occupancy	76%	Department of Health statistics, 1998. <sup>5</sup> More recent data are not available.
London multiplier	1.20 × A; 3.06 × B; 0.86 × D.	The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM. D has been based on PSS EX1. <sup>6</sup>
<b>Unit costs available 2003/2004</b>		
£28 per session (includes A to E); £55 per day (excluding evenings).		

1 Building Cost Information Service (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

3 Beecham, J., Schneider, J. & Knapp, M. (1998) *Survey of Day Activity Settings for People with Mental Health Problems*, Report to the Department of Health, Discussion Paper 1457, Personal Social Services Research Unit, University of Kent.

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

5 Department of Health (1998) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics*, Government Statistical Service, London.

6 PSS EX1 2002/2003, Department of Health.

## 2.10 Local authority social services day care for people with mental health problems

A session is defined as either a morning, afternoon or evening at the day care facility.

Costs and unit estimation	2003/2004 value	Notes
<i>Capital costs</i>		
A. Buildings and oncosts	£3.70 per session	Based on the new build and land requirements for day care facilities (which do not distinguish by client group). These allow for 33.4 square metres per person. <sup>1</sup> Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. When discounted at 8 per cent, the cost is £7.50 per session.
B. Land	£0.90 per session	Based on information provided by the Office of the Deputy Prime Minister. <sup>2</sup> Land costs have been discounted at 3.5 per cent over 60 years.
C. Equipment and durables		No information available.
D. Revenue costs	£13 per session	Mean cost based on a survey <sup>3</sup> conducted in the South Thames NHS region of day settings for adults with mental health problems. In total sufficient data were obtained to estimate the revenue costs for 122 settings. These results have been uprated using the PSS Pay and Prices Index. Ninety-five per cent of the Social Service departments had costs between £10-£15 at current prices with a median cost of £12.40 per session. In comparison to day care provided by the NHS Trusts, only 3.2 per cent of settings managed by the Local Authority Social Service Departments were orientated towards providing treatment whereas over a third provided social support.  PSS EX1 2002/03 <sup>4</sup> gross costs uprated using the PSS Pay and Prices Index reported median costs at £25 per session and mean costs at £24 per session. Capital costs charged to the revenue account have been deducted (£2). Two authorities reporting costs of either more than £500 and or less than £1 have been excluded.
E. Agency overheads	£0.60 per session	Following the Audit Commission report about overheads associated with residential care, <sup>5</sup> agency overheads have been assumed to be 5 per cent of revenue costs.
Occupancy	76%	Department of Health statistics, 1998. <sup>6</sup> No later statistics are available.
London multiplier	1.20 x A; 3.06 x B 0.86x D	The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM. D is based on PSS EX1 statistics.
<b>Unit costs available 2003/2004</b>		
£18 per session (includes A to E); £36 per day (excluding evenings).		

1 Building Cost Information Service (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

3 Beecham, J., Schneider, J. & Knapp, M. (1998) *Survey of Day Activity Settings for People with Mental Health Problems*, Report to the Department of Health, Discussion Paper 1457, Personal Social Services Research Unit, University of Kent.

4 PSS EX1 2002/03, Department of Health.

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

6 Department of Health (1998) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics*, Government Statistical Service, London.

## 2.11 Voluntary/non-profit organisations providing day care for people with mental health problems

A session is defined as either a morning, afternoon or evening at the day care facility.

Costs and unit estimation	2003/2004 value	Notes
<i>Capital costs</i>		
A. Buildings and oncosts	£3.70 per session	Based on the new build and land requirements for day care facilities (which do not distinguish by client group). These allow for 33.4 square metres per person. <sup>1</sup> Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. When discounted at 8 per cent, the cost is £7.50 per session. Although a capital value has been given, in practice premises costs are often based on rental paid and purpose built centres are rare.
B. Land	£0.94 per session	Based on information provided by the Office of the Deputy Prime Minister. <sup>2</sup> Land costs have been discounted at 8 per cent over 60 years.
C. Equipment and durables		No information available.
D. Revenue costs	£13 per session	A survey <sup>3</sup> was conducted in the South Thames NHS region of day settings for adults with mental health problems. In total sufficient data were obtained to estimate the revenue costs for 122 settings. These results have been uprated using the PSS Pay and Prices index. Ninety five per cent of the settings managed by voluntary/non-profit organisations had costs between £9-£16 at current prices with a median cost per session of £12. Sixty per cent of voluntary/non profit-organisations providing day care for people with mental health problems provide work-related activities and none of them provide treatment.
E. Agency overheads	£0.62 per session	Following the Audit Commission report about overheads associated with residential care, <sup>4</sup> agency overheads have been assumed to be 5 per cent of revenue costs.
Occupancy	76%	Department of Health statistics, 1998. <sup>5</sup>
London multiplier	1.20 x A; 3.06 x B. 0.86 x D.	The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM. The multiplier for revenue costs has been based on PSS EX1 2003 <sup>6</sup> statistics.
<b>Unit costs available 2003/2004</b>		
£18 per session (includes A to E); £36 per day (excluding evenings).		

1 Building Cost Information Service (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

3 Beecham, J., Schneider, J. & Knapp, M. (1998) *Survey of Day Activity Settings for People with Mental Health Problems*, Report to the Department of Health, Discussion Paper 1457, Personal Social Services Research Unit, University of Kent.

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

5 Department of Health (1998) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics*, Government Statistical Service, London.

6 PSS EX1 2002/03, Department of Health.

## 2.12 Sheltered work schemes

Opportunities for employment among people with disabilities are changing rapidly (Schneider 1998a, 1998b).<sup>1,2</sup> The research upon which these costs is based was conducted in specialist settings for people with mental health problems, now several years ago. It is clearly important to ensure that the models that were operating during the research are relevant to any setting to be costed. The models and costs upon which this schema is based are described in Hallam and Schneider (1999).<sup>3</sup> The methodology for costing these work schemes is given in Netten and Dennett (1996 pages 28-31),<sup>4</sup> and can be adapted to innovative settings.

The figures in the table below are averages for the seven schemes and are based on 1994/1995 figures, uprated using the PSS Pay and Prices Index.

The costs do not take into account variations in different departments within each scheme due to staffing levels, attendance rates or productivity. Cost per hour ranged from £2.06 to £10.15 at current prices with the full-time placements working out least expensive per hour. There is also wide variation in the cost per placement per year with net costs ranging from £3,597 to £9,649 per annum.

Costs and unit estimation	2003/2004 value	Notes
A. Total annual expenditure	£8,668	Average gross expenditure for the seven work schemes ranged from £5,804 to £12,168.
B. Total annual income	£1,853	Average gross expenditure minus average net expenditure. Income ranged from £350 to £3,734.
Number of places	46	The number of places provided per week in 1994-1995 ranged from 21 to 60.
Hours worked per week	25	Based on the mean number in each work scheme. The number of hours worked per week ranged from 16 to 35.
Number of weeks worked	43	Based on the mean number in each work scheme. The number of weeks worked per year ranged from 29 to 52.
Number of workers at any one time	37	The number of workers on the schemes at one time differs from the number of places because of shift working on three of the schemes.
<b>Unit costs available 2003/2004</b>		
£8.10 gross cost per hour; £6.40 net cost per hour.		

1 Schneider, J. (1998a) Work interventions in mental health care: Arguments in favour, and a review of the evidence, *Journal of Mental Health* 7, 81-94.

2 Schneider, J. (1998b) Models of specialist employment for people with mental health problems, *Health and Social Care in the Community*, 6, 2, 120-129.

3 Hallam, A. & Schneider, J. (1999) Sheltered work schemes for people with mental health problems: service use and costs, *Journal of Mental Health*, 8, 2, 163-178.

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

## 2.13 Psychiatric reprovision package: independent living

Information on service receipt is based on research studies which were described in the 1998 volume of Unit Costs of Health and Social Care.<sup>1</sup>

This schema identifies the full costs of providing care for a former long-stay patient during his fifth year after leaving Friern Hospital. Mr A. is now living independently and receives one of the least expensive care packages.

<b>Type of case</b> Mr A. is a 39-year old man with mental health problems who lives alone in a housing association rented flat. He has no informal care support.		
<b>Health problems</b> He has problems of the gastro-intestinal tract which require monitoring by his GP. He takes medication (without supervision) for dermatological problems.		
<b>Social behaviour</b> No problems.		
<b>Services received</b>	<b>Average weekly cost</b>	<b>Description</b>
<b>Social services</b>		
<i>Social work</i>	£20	Social worker and link worker visit once every two weeks for 30 minutes.
<b>Health services</b>		
<i>GP</i>	£2	Ten surgery appointments during the past year.
<i>Chiroprapist</i>	£0.50	Two visits during the past year.
<i>Hospital outpatients</i>	£19	One appointment a month for check-up and depot injections.
<b>Other services</b>		
<i>Housing officer</i>	£7	Visits once every two weeks for 15 minutes.
Accommodation	£142	Includes local taxes forgone by the local authority, and capital, management and maintenance costs borne by the housing association.
Living expenses	£133	Income support, invalidity benefit and disability allowances.
<b>Total weekly cost of care package, 2003/2004</b>	£324	

<sup>1</sup> Hallam, A.(1998) Care package costs of people with mental health problems, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

## 2.14 Psychiatric reprovision package: assessment centre

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.<sup>1</sup>

This schema identifies the full costs of providing care for a former long-stay patient during his fifth year after leaving Friern Hospital. This package was among the most costly examined.

<b>Type of case</b>		
Mr B. is 51 and lives in an assessment centre owned and managed by the community health services trust. There are seven other residents in the house.		
<b>Health problems</b>		
He needs daily medical care for respiratory problems. Mr B. also has problems with verbal aggression at least once a month and has episodes of extreme agitation, during which he becomes doubly incontinent. He is able to concentrate for short periods only and has poor hygiene habits.		
<b>Social behaviour</b>		
Mr B. is an isolated individual. A heavy smoker, he is considered a health risk and has twice been responsible for causing a fire.		
<b>Services received</b>	<b>Average weekly cost</b>	<b>Description</b>
<b>Social services</b>		
Social work	£1.20	Social worker has visited twice during the past year for one hour each time.
<b>Health services</b>		
Depot injection	£7.00	Cost of the drug given by staff.
Chiroprapist	£1.90	Visits once a month seeing four residents on each occasion.
Dentist	£0.20	One check up during the past year.
Optician	£0.30	One visit to optician for sight test in past year - no need for glasses.
<b>Other services</b>		
Day centre	£4.60	Drops in approximately one hour per week.
<b>Accommodation</b>		
Staff costs	£1,309	Per resident week.
Non-staff costs	£107	Per resident week.
Agency overheads	£77	Per resident week.
Capital costs	£100	Per resident week. Capital costs are discounted at 6 per cent. When discounted at 3.5 per cent, the cost is £65.
Living expenses	£39	Personal expenses.
	£3.00	Bus pass.
<b>Total weekly cost of care package, 2003/2004</b>	<b>£1,650</b>	

<sup>1</sup> Hallam, A.(1998) Care package costs of people with mental health problems, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

## 2.15 Psychiatric reprovision package: care home

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.<sup>1</sup>

This schema identifies the full costs of providing care for a former long-stay patient during her fifth year after leaving Friern Hospital. This service package was costly to support during the first year after leaving the hospital but Mrs J. has subsequently been able to move to a less highly supported environment.

<b>Type of case</b> Mrs J. is a 57 year old woman who lives in a small registered care home which has six places. It is one of four units with a central office and waking staff cover at night.		
<b>Health problems</b> No problems.		
<b>Social behaviour</b> No special behavioural problems but she is a careless smoker, which causes problems on a daily basis.		
<b>Services received</b>	<b>Average weekly cost</b>	<b>Description</b>
<b>Social services</b> Social work	£0.10	One visit by field social worker during the past year. Two residents seen during visit.
<b>Health services</b> GP Psychiatrist Chiroprapist	£1.80 £2.20 £1.90	Three visits during the past year. Two visits during the past year seeing two residents on each occasion. Four 30-minute visits per year.
<b>Other services</b> Resource centre	£92	Attends five days a week, four hours per day.
Accommodation	£1,167	Per resident week. Includes personal expenses.
Living expenses		Included in accommodation costs.
<b>Total weekly cost of care package, 2003/2004</b>	£1,265	

<sup>1</sup> Hallam, A.(1998) Care package costs of people with mental health problems, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

## 2.16 Psychiatric reprovision package: nursing home placement

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.<sup>1</sup>

This schema identifies the full costs of providing care for a former long-stay patient during his fifth year after leaving Friern Hospital. This package was selected because Mr G's cost of care was closest to the average.

<b>Type of case</b> Mr G. is a 92 year old man who lives in a nursing home managed by a consortium arrangement between the health authority and housing association.		
<b>Health problems</b> He requires daily nursing care for cardio-vascular problems and poor mobility.		
<b>Social behaviour</b> Mr G. responds negatively to attempts to initiate conversation. His attempts to make contact are often inappropriate and he takes no spontaneous care of himself or his clothes. He can concentrate only for a few minutes at a time.		
<b>Services received</b>	<b>Average weekly cost</b>	<b>Description</b>
<b>Health services</b>		
GP	£0.30	Two visits during the past year, seeing ten residents on each occasion.
Chiropodist	£1.50	Four 30-minute visits during the past year.
Optician	£2.50	Two visits and new spectacles.
Physiotherapist	£1.70	Four visits during the past year.
Occupational therapist	£3.40	Visits twice a week and sees ten residents.
Music therapist and art therapist	£7.30	Visit weekly to see ten residents.
<b>Aids and adaptations</b>		
Wheelchair and zimmer frame	£4.10	Equivalent weekly cost when annuitised over a five-year period.
Accommodation	£1,151	Per resident week. Includes personal expenses.
Living expenses		Personal expenses included in accommodation costs.
<b>Total weekly cost of care package, 2003/2004</b>	£1,172	

<sup>1</sup> Hallam, A.(1998) Care package costs of people with mental health problems, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.