

**ISLE OF ANGLESEY COUNTY COUNCIL**

<b>Report to:</b>	<b>Executive Committee</b>
<b>Date:</b>	<b>17<sup>th</sup> March, 2014</b>
<b>Subject:</b>	<b>2014/15 Independent Sector Care Home Fee Levels</b>
<b>Portfolio Holder(s):</b>	<b>Councillor Kenneth P Hughes</b>
<b>Head of Service:</b>	<b>Carys Emyr Edwards (Acting Head of Service)</b>
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<b>Local Members:</b>	<b>Various</b>

**A –Recommendation/s and reason/s**

Fee levels in respect of independent sector care homes need to be reviewed annually by the Local Authority to coincide with Central Government revision of benefit and pension levels which will apply this year from **07/04/14**. In setting the fee levels for independent sector care homes, consideration needs to be given to The need to demonstrate that we have taken the costs of provision fully into account in determining our standard care fees. This is done in collaboration with the other North wales local authorities and the Health Board through the application of a **regional fees methodology**.

Throughout the development of the methodology, considerable emphasis has been given to improving the quality of care provided to residents of care homes. This has included a critical review of the number of hours required to support residents based on staff rota returns from a number of care homes across the region. However, insufficient returns were received from care homes to the staffing survey conducted during 2013/14 to produce valid data to inform the estimation of real staff costs for providers.

This local regional data was compared and contrasted with Care Forum Wales data on staffing hours (which itself was originally drawn from available national toolkits such as that published by Laing and Buisson in 2008).

The methodology takes into account research data provided by Care Forum Wales over the past three years. Some cost components of the Care Forum Wales data have been adjusted to reflect regional conditions. Overall however, the use of the Care Forum Wales data provides additional assurances that care fees will be set on a reasonable basis. Information has also been used from the Joseph Rowntree and Laing and Buisson organisations (both of which are well established and reputable in the field of care fees).

The North Wales methodology has recommended a 1.7% increase for 2014/15 which sets fee levels as follows (see appendix 3):

Category	2013/14 Fee level	2014/15 Fee level	Increase £	% increase
<b>Residential (Older People)</b>	£451	£458.16	7.65	1.70
<b>Residential (EMI)</b>	£493 £510*	£501.69 £518.72*	8.47 8.77*	1.72
<b>Basic Nursing (Social care element)</b>	£505.70	£514.40	8.70	1.72
<b>Nursing (EMI) (Social Care element)</b>	£529.69	£538.85	9.16	1.73

Ynys Môn enhanced fee level for specialist residential dementia care as agreed in 2013/14 to encourage the development of specialist provision.

The North Wales Social Services Collaborative (NWSSIC) has also approved, at its meeting on 26/02/14, a 1.7% increase on the standard fee for all adult placements in residential and nursing homes along with a 1% increase on high cost placements arranged through the North Wales Regional Commissioning Hub.

NWSSIC recommend a 0% increase on fee levels during 2014/15 on residential placements for children and young people which are arranged through the North Wales Regional Commissioning Hub since further negotiations will need to take place with individual providers to rationalise high cost weekly fee levels for each child/young person placed.

The Executive Committee is requested to:-

1. Adopt the evolving North Wales fees methodology as implemented hitherto by the North Wales Authorities to underpin fee setting on the Isle of Anglesey during 2014/15 (Appendix 3).
2. Endorse the recommendation to increase fee levels by 1.7% per week in relation to the 2014/15 fee setting across North Wales.
3. Increase fee levels for high cost low volume placements (i.e. Learning Disability / Mental Health / Substance Misuse & Physical Disability) arranged through the North Wales Regional Commissioning Hub by 1.7% on the core fee and by 1% on the total fee per resident for high cost placements as agreed with the other North Wales local authorities and approved by NWSSIC.
4. To approve a 0% increase – as approved by NWSSIC on 26/02/14 - on high cost placements for children and young people arranged through the North Wales Regional Commissioning Hub.

### **B – What other options did you consider and why did you reject them and/or opt for this option?**

Each year, Care Forum Wales (CFW) present a submission to the North Wales Regional Fees group to increase fee levels on behalf of the Care Home sector. CFW's submission for 2014/15 is included in appendices 1 & 2.

The implications of the Care forum Wales submission on current fee levels is shown in the table below:

**CARE FORUM WALES FEE SUBMISSION (NATIONAL –  
BASED ON CURRENT INDUSTRY NORMS): 2014/15**

Category of Home	Current Fees £/wk *	Care Forum Wales Claim (2014/15)		Increase £/wk
		Floor £/wk	Ceiling £/wk	
<b>Elderly Residential</b>	451	507.42	589.89	+ 56.42 - 138.89
<b>EMI Residential</b>	493 510	521.48	603.95	+28.48 - 110.95 + 11.48 - 93.95
<b>Elderly Nursing (excl FNC)</b>	505.44	570.07	652.54	+ 64.63 – 147.10
<b>EMI Nursing (excl FNC)</b>	529.44	596.55	679.02	+ 67.11 - 149.58

(\* includes third party top-up premium of £25 residential / £35 nursing)

The cost of meeting this national fee claim is far beyond the capacity of the Local Authority's budgets for Older People in North Wales. Therefore, the application of the North Wales Fee Methodology has resulted in a recommendation to increase weekly fee levels by 1.7% to meet the additional costs outlined in the attached Methodology spreadsheet (see appendix 3). The methodology (APPENDIX 3) breaks down the fee paid per resident/week under three main headings:

- hotel;
- other;
- staff costs.

### **Nursing Home Fees**

Nursing care home fees are made up of two components as described below:-

- The Local Authority contribution (referred to as the **social care element**);
- The NHS contribution (referred to as the **NHS Funded Nursing Care Contribution - FNC**) which is paid by Betsi Cadwaladr University Health Board has been revised at the National Level by Welsh Government during 2013/14.

During November 2013 we were informed that the Health Boards had agreed to an inflationary uplift of £18.05 per resident per week for direct nursing salary costs and that 50% of this should be applied from 1st April 2013. This has therefore meant that the FNC element has increased from £120.56 to a new weekly rate of £129.59 with the full £18.05 per resident per week for direct nursing salary costs being applied from 01/04/14. The new weekly rate from 01/04/14 will be £138.61.

### **C – Why is this a decision for the Executive?**

The requirement for local authorities to determine care home fee levels is consistent with national policy as outlined in Commissioning Guidance issued by Welsh Government. This decision has financial implications on local authority budgets and affordability in the current financial climate.

### **D – Is this decision consistent with policy approved by the full Council?**

This decision is consistent with approval to collaborate with the other North Wales local authorities in applying the North Wales Fee Methodology when determining fee levels on an annual basis.

**DD – Is this decision within the budget approved by the Council?**

In October 2013, the Department submitted a growth bid to the council to cover the potential cost of increasing fee levels across all services during 2014/15. Sufficient funds have been approved to cover the cost of the proposed increase in fee levels for 2014/15.

The total cost of increasing fee levels by 1.7% for all adult residential and nursing home placements has been estimated as 146,180.49 as indicated in the table below.

<b>User group Budget</b>	<b>Estimated 2013/14 expenditure</b>	<b>+ 1.7% for 2014/15</b>
Older People Residential (inc. EMI)	3,290,600.35	55,940.21
Older People Nursing (inc. EMI but less Health Authority contributions)	2,123,976.31	36,107.60
Adult Physical Disability Residential (less Health Authority contributions)	292,775.35	4,977.18
LD Residential (less Health Authority contributions)	1,917,409.00	32,595.95
MH Residential (less Health Authority contributions)	974,091.45	16,559.55
<b>TOTALS</b>	<b>8,598,852.45</b>	<b>146,180.49</b>

The following additional funds are available to fund any increase in fee levels in respect of the 2014/15 financial year:-

- Inflation at 2.0% on Local Authority contributions towards the fees – this has been calculated on the basis of the increase in costs shown in the methodology;
- Additional resident income (through increase in state benefits/pensions) which equates to £2.95 per person/week;
- Health Board contribution to nursing home placements (see above);
- Corporate contingency – further funds have been provided by the Authority to bring Anglesey fees into line with the evolving application of the North East Wales fees methodology.

**E – Who did you consult?****What did they say?**

<b>1</b>	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	Requested confirmation that sufficient funds are available to meet the proposed 1.7% increase in fee levels for 2014/15. Finance has confirmed funding as a growth budget to meet the cost of any agreed increase (see Section DD above).
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	✓
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	✓
<b>4</b>	<b>Human Resources (HR)</b>	✓
<b>5</b>	<b>Property</b>	
<b>6</b>	<b>Information Communication Technology (ICT)</b>	

7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	<ul style="list-style-type: none"> <li>• Care Forum Wales</li> <li>• All other North wales local authorities and Betsi cadwaladr University Health Board in applying the North wales Fee Methodology.</li> </ul>

<b>F – Risks and any mitigation (if relevant)</b>		
1	Economic	<ul style="list-style-type: none"> <li>• Sustainability of the local residential/nursing care home sector</li> <li>• Mitigation: Application of a North wales approach to fee setting to ensure consistency in applying fee increase on an annual basis.</li> </ul>
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	Risk of legal challenge by the Care Home Sector mitigated through adopting a North Wales approach to fee setting and the application of the North Wales Fee Methodology.

<b>FF - Appendices:</b>
Appendix 1 – Care Forum wales North Wales Fee submission for 2014/15 Appendix 2 – CFW North Wales Fee calculations 2014/15 CFW Appendix 3 – North wales application of Fee Methodology

<b>G - Background papers (please contact the author of the Report for any further information):</b>
National Service Framework for Older People in Wales Fulfilled Lives, Supportive Communities – Commissioning Framework Guidance and Good Practice Dignity in Care Programme for Wales Sustainable Social Services for Wales: A Framework for Action in Wales



## Care Home Fees 2014/15 in North Wales

Care Forum Wales represents over 400 social care providers in Wales. As you are considering your budget for 2013/4 we are writing setting out the pressures and costs on care homes for you to consider in your fee setting process.

We would remind you of the framework in which you make these decisions:

- The Fulfilled Lives, Supportive Communities Commissioning Framework and Guidance <http://wales.gov.uk/topics/health/publications/socialcare/circular/commissioningguidance/?lang=en>. We would particularly draw your attention to Standard 10: “Commissioners have understood the costs of directly provided and contracted social care services and have acted in a way to promote service sustainability.”
- The Guidance also requires in standard 4 the importance of working in partnership with others including providers: “Commissioning plans have been developed with partners and have involved all key stakeholders including users, carers, citizens and service providers in the statutory, private and third sector.”
- The Memorandum of Understanding *Securing Stronger Partnerships in Care* <http://www.wlga.gov.uk/english/health-social-services-publications/securing-strong-partnerships-in-care/> also says: “Rational fee-setting is vital to the sustainability and quality of care provision, and to the capacity of the Council to meet its full range of responsibilities and a wide range of needs, as well as to fix an acceptable level of Council Tax. It is essential that the specific issue of fee-setting is on the agenda for those regular local discussions between Council commissioners and independent providers of social care.”

These legal requirements apply to fee setting across social care including domiciliary care and all care home placements. Traditionally Care Forum Wales has provided additional evidence based on the block fees set for care homes for older people and this is what we set out to do in this submission.

In this context we also discuss the interaction of *Funded Nursing Care* rates paid by the NHS and local authority rates.

All six local authorities in North Wales have indicated that they are likely to set fees based on the toolkit that the majority of them have used last year. Care Forum Wales is satisfied with the structure of the toolkit but is not always happy with the figures used. Therefore we have set our fee submission out in parts:

- Changes we would like to see to the baseline figures in the toolkit;
- Inflationary impacts on last year’s toolkit;
- New matters for consideration within the toolkit;
- Impacts from the Welsh Health Boards assessment of FNC payments.
- Appendix relating to Anglesey.



## Changes we would like to see to the baseline figures in the toolkit

### *Return on investment*

As you know we have never been satisfied on the baseline amount used for return on investment in 2012/13 by the four eastern counties and frozen for 2013/14 of £97.79 which purported to be for a new build cost including land, building and fixtures and fittings to meet regulations.

Members who have gained quotes for extensions and new developments would very much like to pointed to the firms who were quoting at this level! Our figures based on inflating the costs used in the Laing & Buisson survey as commissioned by Welsh Local Government Association by the Building Costs Index were £184.37 last year. Applying the 1.7% Buildings Cost Index to the end of the second quarter of 2013 would give £187.50. However, as per the work from Laing & Buisson we would be happy to agree a floor level for those homes which do not meet the minimum physical standards for new care homes. This would include a discount of £79.34 giving a total of £105.03 for return on capital for those homes that do not meet the relevant minimum standards.

We also remain unclear whether the listed item of maintenance of capital equipment is actually capital expenditure on maintenance. We are unclear whether or where revenue costs of repairs and maintenance are included.

These calculations do not take into account new regulations on sprinklers in new build properties which have come into effect for new builds. The cost of installing sprinklers is likely to be at least £3000 for each premises and potentially more as Dŵr Cymru tell us that across Wales water pressure is likely to be non-compliant 47% of the time and pumps may be needed as well. As care home provision is refreshed in your area the cost of buildings will increase in line with this measure.

We would also like to see consideration given for higher repairs and maintenance costs for EMH homes. Because of the nature of the client base we believe that unless high repairs and maintenance costs are paid it may be difficult to attract new entrants into this sector of the market. Whatever CSSIW decides on in the future regarding registration categories for EMH we believe there is an increased cost, both in terms of staffing and also repairs and maintenance costs for EMH residents, which needs to be included in fee calculations.



### **Carer hours per resident per week**

We queried the hours used last year and understand that local authorities sent a survey out to providers earlier this year, which we were not consulted on or even informed of in advance and have not seen the results of.

However, our experience is that dependency has increased since the last Laing & Buisson survey and therefore more carer hours are needed. This is not surprising as authorities are increasingly seeking to keep people at home as long as possible and therefore those that are admitted to care homes are significantly more dependent each year. This is also backed up by CSSIW as we are frequently finding that inspectors are querying staffing levels as potentially inadequate, when they are already above the ratio paid for by authorities. We have therefore included figures in our submission for:

Basic Residential	21 hours
VDE	23 hours
EMI Residential	23 hours
Nursing	25 hours
EMI Nursing	28 hours





### **Inflationary and other impacts on lines in last year's toolkit**

The National Minimum Wage increased by 1.9% in October 2013 and this is the main driving force on carer's wages;

The Building Costs Index increased by 1.7% in the 12 months to the end of second quarter of 2013.

With regard to inflation, Care Forum Wales has always asserted that RPI provides a better measure than CPI for the care sector, as 55% of the basket of goods used to calculate CPI are not purchased by the sector and included in the toolkit e.g. clothes, alcohol and spirit, sports and leisure activities and entertainment. RPI was 3.3% in 12 months to August 2013. An alternative approach would be to use individual inflation lines for food, fuel etc.

One line we would like to draw particular attention to this year is insurance. Many care providers are finding it costly to renew insurance and indications from a leading mortgage broker are that the market of insurers covering the sector has halved in the past year. This is leading to a standard 30-40% increase in premiums with each applicant and their CSSIW report being examined with a fine toothed comb. The highest increase we have heard of is 1200%.

We are also seeing new pressures on staffing due to the introduction of new systems by Inland Revenue in anticipation of universal credit which mean weekly reporting of earnings and therefore an increasing reluctance of staff to vary hours and cover for each other etc. as they may lose benefits.

These costs are also based on existing staff terms of conditions. Our members would like to be able to offer improved staff terms and conditions to aid retention and increase staff morale. However, they recognise that in current economic circumstances local authorities may have some resistance to increasing fees to a level to allow for this. However, we know that some local authorities are considering implementing the living wage, and would urge those that do so not to forget the care staff in the organisations they are commissioning care from. The sector has also been under pressure to reduce the use of zero hours contracts. It needs to be recognised that these are often the result of the way care is commissioned.

Food quality within care homes has also been raised as an issue – both in terms of schemes such as those by the Soil Association, to improve provenance of food, but also worthwhile initiatives to reduce food supplements which while with merit transfer costs from the NHS to the provider.

Finally we would draw your attention to the proposal within Welsh Government's Inspection and Regulation White Paper to re-introduce inspection fees. Were this to go ahead it would obviously provide a significant burden on the sector.



## **New matters for consideration within the toolkit**

### *Pension changes*

Automatic enrolment into a pension scheme for staff aged 16-74 who an employer deducts tax and NI for has been introduced in a phased way from 1 October 2012. During the 2013/14 financial year all employers with 250+ employees are being required to roll out the scheme and smaller employers are being to put systems in place in anticipation of introduction in 2014/15. Indications so far (primarily from supermarkets) are that only a very small proportion of even low paid staff are opting out and therefore this will be an increased burden on employers.



## **Impacts from the Welsh Health Boards assessment of FNC payments.**

### **NHS contribution to nursing fees**

At the time of writing Health Boards across Wales are proposing an increase of £18.05 in the FNC fee from 1 April 2014 (with half of that backdated to 1 April 2013). This follows a review and a report produced for the Welsh Health Boards by Laing & Buisson some aspects of which we are still in discussion about. However the report does set out very clearly what the Health Boards see as being covered by the Funded Nursing Care rate and would therefore remind local authorities of Paragraph 37 of the *NAFWC 25/2004 NHS Funded Nursing Care in Care Homes - Guidance 2004* which clearly identifies that there should be no gap between local authority and NHS provision. *“37. Providers, local authorities and Local Health Boards will need to agree a total funding package that takes into account the NHS contribution. When making arrangements for residential care for an individual under the National Assistance Act 1948, local authorities are responsible for the remaining costs of accommodation and personal care. There should be no gap between local authority and NHS provision.”*

The proposed increase in FNC is described in the Laing & Buisson report as “a contribution towards nursing costs”. It does not cover the full cost of nurse cover 24/7 in a nursing home, let alone the extra costs of equipping a nursing home. This is on the basis of the Health Board’s assumption that some of a nurse’s time is spent not on nursing care but on social care and that they are therefore not required to pay for this time. By implication given that although delivered by a nurse this care is not nursing care, local authorities are able and expected to pay for it. By the calculations of the Laing & Buisson report there is a shortfall of £27.33 per resident per week (or £29.21 if the Health Boards procurement scheme for continence products is not up and running for 1 April 2014). Given the requirements above we believe local authorities may be liable to make up the shortfall and at the very least need to enter into discussions with the Health Board about it to ensure there is no gap.

### **A sustainable social care sector**

We recognise, of course, that this is a difficult time for local authority budgets, but in the care sector there is no fat to trim. Anything other than an increase to meet an increase in costs will hurt the vulnerable people we care for. Our members are getting increasing financial pressure from lenders, some of whom require a home to be profitable at 85% occupancy even if the home has always had a higher occupancy. Everyone wants to see a sustainable care sector for the point of view of residents and your commissioning plan no doubt requires one. As you will be aware the majority of care homes in Wales are SMEs and we hope your Commissioning Strategy will also take into account the effect on the Welsh pound and economic development within your area of how you commission your care provision. We are of course very happy to work with you in terms of identifying potential efficiency savings in the care sector.



**Final fee recommendations 2014-15**

Residential	£507.42 - £589.89
Residential EMI / VDE (where higher rate continues)	£521.48 - £603.95
Nursing	£570.07 - £652.54 plus FNC £138.61
Nursing EMI	£596.55 - £679.02 plus FNC £138.61

*Mary Wimbury, Senior Policy Adviser*



### **Appendix relating to Anglesey**

In March 2013 Anglesey decided to adopt the toolkit developed by North East Wales in its fee setting for 2013/14. The calculations used were based on current provision in homes in NE Wales broadly in line with National Minimum Standards. However, I understand from providers in Anglesey that in order to be able to receive the fees calculated under the toolkit they have been asked to satisfy Anglesey's quality requirements. The Anglesey Quality Contract asks providers to demonstrate "ways in which National Minimum Standards are exceeded in the home". In particular I note the inclusion of a number of training requirements which are not mandatory, and therefore have a cost implication which is not covered in the toolkit. In order to ensure Anglesey Council complies with Standard 10 in the Commissioning Guidance "Commissioners have understood the costs of directly provided and contracted social care services and have acted in a way to promote service sustainability." it needs to consider what the cost implications are for requiring providers to exceed National Minimum Standards.

<b>Fee Calculations 2014/15</b>		
<b>The figures below do not include FNC elements accepted by the Health Board</b>		
	<b>Fee 2012/13</b>	<b>Fee 2013/14</b>
<b>INDIRECT COSTS</b>		
Utilities	£24.73	26.95
Electric		
Gas		
TV License		
Council Tax		
Water		
Telephone		
Registration (Professional Membership, CRBs etc)	£1.17	1.19
Recruitment	£2.25	2.29
Contract maintenance of equipment	£3.25	3.32
Maintenance of capital equipment	£19.93	20.37
Gardener /handyman	£7.47	7.60
Furniture/Fittings including repairs and renewals	£6.31	12.29
Training	£2.23	2.28
Non prescription medical supplies	£3.37	3.44
Insurance	£5.62	5.74
Groceries & household provisions	£25.85	26.5
<b>Total Indirect Costs</b>	<b>£102.18</b>	<b>£111.97</b>
<b>Other Costs -standard for all categories of care</b>		
Return on Investment	£97.79	97.79
ROI not meeting min physical standards		
Additional Expenses (not covered elsewhere)	£6.47	16.72
<b>Sub Total</b>	<b>£104.26</b>	<b>114.51</b>
Floor Sub total		
<b>RESIDENTIAL STAFF COSTS</b>		
Management /Admin	£13.15	45.00
Registered Manager Costs	£44.51	
Care Staff	£141.01	143.55
Domestic Staff (cleaning and laundry)	£34.85	35.48
<b>Sub Total</b>	<b>£233.52</b>	<b>£224.03</b>
<b>at floor level</b>		
<b>TOTAL RESIDENTIAL</b>	<b>£439.96</b>	<b>£450.51</b>
<b>EMI RESIDENTIAL</b>		
Local/Central admin costs (e.g. office rent)	£13.15	45.00
Registered Manager Costs	£44.51	
Care Staff	£182.96	186.26
Domestic Staff (cleaning and laundry)	£34.85	35.48
<b>Sub total</b>	<b>£275.47</b>	<b>£266.74</b>
<b>at floor level</b>		
<b>TOTAL EMI RESIDENTIAL (and VDE where</b>	<b>£481.91</b>	<b>£493.22</b>
<b>NURSING</b>		
Local/Central admin costs (e.g. office rent)	£13.15	45.00
Registered Manager Costs	£44.51	
Care Staff	£195.22	198.74
Domestic Staff (cleaning and laundry)	£34.85	35.48
Nursing shortfall		
<b>Sub total</b>	<b>£287.73</b>	<b>£279.22</b>
<b>at floor level</b>		
<b>TOTAL NURSING</b>	<b>£494.17</b>	<b>£505.70</b>
<b>EMI NURSING</b>		
Local/Central admin costs (e.g. office rent)	£13.15	45.00
Registered Manager Costs	£44.51	
Care Staff	£218.79	222.73
Domestic Staff (cleaning and laundry)	£34.85	35.48
Nursing shortfall		
<b>Sub total</b>	<b>£311.30</b>	<b>£303.21</b>
<b>at floor level</b>		
<b>TOTAL EMI NURSING</b>	<b>£517.74</b>	<b>£529.69</b>

<b>Fee Calculations 2014/15</b>			
<b>The figures below do not include FNC elements accepted by the Health Board</b>			
	<b>Fee 2013/14</b>	<b>Inflation for 2014/15</b>	<b>Proposed fee 2014/15</b>
<b>INDIRECT COSTS</b>			
Utilities	26.95	2.7 CPI inflation	£27.68
Electric			
Gas			
TV License			
Council Tax			
Water			
Telephone			
Registration (Professional Membership, CRBs etc)	1.19	2.7 CPI inflation	£1.22
Recruitment	2.29	2.7 CPI inflation	£2.35
Contract maintenance of equipment	3.32	2.7 CPI inflation	£3.41
Maintenance of capital equipment	20.37	2.7 CPI inflation	£20.92
Gardener /handyman	7.60	1.9% inflation	£7.74
Furniture/Fittings including repairs and renewals	12.29	2.7 CPI inflation	£12.62
Training	2.28	2.7 CPI inflation	£2.34
Non prescription medical supplies	3.44	2.7 CPI inflation	£3.53
Insurance	5.74	2.7 CPI inflation	£5.89
Groceries & household provisions	26.5	2.7 CPI inflation	£27.22
<b>Total Indirect Costs</b>	<b>£111.97</b>		<b>£114.92</b>
<b>Other Costs -standard for all categories of care</b>			
Return on Investment	97.79	No Increase	£97.79
Additional Expenses (not covered elsewhere)	16.72	2.7% inflation	£17.17
<b>Sub Total</b>	<b>114.51</b>		<b>£114.96</b>
Floor Sub total			
<b>RESIDENTIAL STAFF COSTS</b>			
Management /Admin	45.00	1.9% inflation	£45.86
Registered Manager Costs			
Care Staff	143.55	1.9% inflation	£146.28
Domestic Staff (cleaning and laundry)	35.48	as above	£36.15
<b>Sub Total</b>	<b>£224.03</b>		<b>£228.29</b>
<b>at floor level</b>			
<b>TOTAL RESIDENTIAL</b>	<b>£450.51</b>		<b>£458.16</b>
<b>EMI RESIDENTIAL</b>			
Local/Central admin costs (e.g. office rent)	45.00	1.9% inflation	£45.86
Registered Manager Costs			
Care Staff	186.26	as above	£189.80
Domestic Staff (cleaning and laundry)	35.48	as above	£36.15
<b>Sub total</b>	<b>£266.74</b>		<b>£271.81</b>
<b>at floor level</b>			
<b>TOTAL EMI RESIDENTIAL (and VDE where</b>	<b>£493.22</b>		<b>£501.69</b>
<b>NURSING</b>			
Local/Central admin costs (e.g. office rent)	45.00	1.9% inflation	£45.86
Registered Manager Costs			
Care Staff	198.74	as above	£202.52
Domestic Staff (cleaning and laundry)	35.48	as above	£36.15
Nursing shortfall			
<b>Sub total</b>	<b>£279.22</b>		<b>£284.53</b>
<b>at floor level</b>			
<b>TOTAL NURSING</b>	<b>£505.70</b>		<b>£514.40</b>
<b>EMI NURSING</b>			
Local/Central admin costs (e.g. office rent)	45.00	1.9% inflation	£45.86
Registered Manager Costs			
Care Staff	222.73	as above	£226.96
Domestic Staff (cleaning and laundry)	35.48	as above	£36.15
Nursing shortfall			
<b>Sub total</b>	<b>£303.21</b>		<b>£308.97</b>
<b>at floor level</b>			
<b>TOTAL EMI NURSING</b>	<b>£529.69</b>		<b>£538.85</b>