

## The market standard toolkit for calculating the cost structure of nursing and residential care homes for older people and people with dementia in England and Wales

First developed by LaingBuisson in 2002 jointly with the Joseph Rowntree Foundation and updated for 2018, this toolkit offers powerful, consistent and evidence-based means of calculating reasonable operating costs within efficient facilities.

The Care Cost Benchmarks toolkit offers a transparent and evidence-based mechanism for working out what fees should be, based on the costs borne by care homes.

LaingBuisson believes that the demands resulting from an ageing population mean that more care homes will be needed in the future. However, most public sector funding agencies do not currently offer fees that are sufficient to encourage care home operators to invest in new capacity for state-funded clients.

Built upon results of the latest LaingBuisson care home survey covering staffing levels and pay rates (carried out at the end of 2017), this update provides users with a definitive set of mid-financial year costs (for 2017/18) and projections for the next financial year (2018/19) based on the known National Living Wage uprating for April 2018 and projections of relevant national index series for other costs.

### What the toolkit delivers

A fully interactive spreadsheet which empowers users to complete and alter parameters to watch impact

2017/18 care costs

Projected 2018/19 care costs

Care home costs split into

- Care

- Accommodation

- Ancillary services

- Operators profit

Comprehensive explanatory guide

### Plus

Projections for next financial year

'Single click' selection of any administrative area including:

- Country (England or Wales)

- Region

- CASSR

- District council

## Who is the toolkit for?

Council and CCG commissioners and finance staff

Care home groups

National and local care associations

Advocacy groups

Social policy experts

Politicians, civil servants and policymakers involved with long-term care funding

Legal teams working on care funding Judicial Reviews

Investors and developers

## SUBSCRIBE TODAY

**£1,160** Single-user Digital Toolkit  
+ VAT Spreadsheet + PDF Guide

**£3,480** Multi-office Digital Toolkit  
+ VAT Spreadsheet + PDF Guide

Digital Toolkit includes a Microsoft Excel spreadsheet and a PDF explanatory guide for use by employees based across one office. For clients looking to use across multiple offices, or geographical locations, a Multiple-office licence is required.



#### HOW IT WORKS

'Single click' calculations allowing users to view Care Cost Benchmarks specific to a Region; Council with Adult Social Service Responsibilities and District council within England and Wales, plus Projections for next financial year (2018/19)

### Care Cost Benchmarks is populated with data collected by LaingBuisson from the following principal sources:

#### Annual LaingBuisson surveys which collect data on

- Rostered staff hours per resident, per week
- Hourly paid pay rate for each type of staff
- Home manager basic salaries
- Staff terms and conditions

#### Surveys of major care home groups which collect data on

- Non-staff current costs
- Capex
- Construction and equipment costs
- Central and regional overheads

#### Official sources including

- National Living Wage revisions
- Working time and holiday regulations
- Pension legislation
- ONS indexation series

#### The toolkit consists of five inter-related spreadsheets

- Parameters & assumptions
- Nursing care (older people) - 2017/18 and 2018/19
- Nursing care (dementia) - 2017/18 and 2018/19
- Residential care (older people) - 2017/18 and 2018/19
- Residential care (dementia) - 2017/18 and 2018/19

#### This format makes transparent each of the costs involved in the provision of care, in particular separating out

- Cost of providing accommodation (the care home asset)
- Cost of care
- Cost of ancillary services (domestic, catering etc.)
- Profit that the operator reasonably requires for delivering the service

A review of deal values and market commentaries by business transfer agents was carried out in order to gauge recent experience on care home sale prices as a multiple of operating profits and on current yields expected by property investors for leasing turnkey care home assets to operators. This evidence is used to determine the 'whole business' rate of return on capital benchmark within the toolkit as well as the rate of return benchmark for the accommodation element only.

To find out more contact our Account Managers

### What is in the Explanatory Guide

#### Introduction & Background

#### Objective

#### Scope

#### The evidence base

Historical market overview  
- fees, profits and capacity needs  
Gap between 'fair fees' and council paid fees  
Why calculate fees from a costing model?

#### The component parts

National benchmarks  
Occupancy rates  
Hourly staff hours, pay rates  
Management, and administration pay rates  
Agency staff  
Staff turnover and training backfill  
Corporate overheads  
Repairs & maintenance  
Other non-staff current costs

#### Operator's profit

Capital (asset) value of care homes  
Care Cost Benchmark bottom line  
'Ceiling' and 'floor' fee summary  
Cost of a fully modernised care home sector  
Future changes in care home costs

#### Exclusive tables

### Part of the iLaingBuisson suite

