TABLE OF CONTENTS

REPOR	T AUTHO	DR .	ii	
LIST OF	FIGURE	ES .	V	
LIST OF	TABLES		vi	
1	INTRODUCTION AND BACKGROUND			
	1.1 Ob	jectives	1	
	1.2 Scope			
	1.3 Revisions in successive Care Cost Benchmarks (formerly Fair Price) reports			
		1.3.1 Revisions in 2012/13	2	
		1.3.2 Revisions in 2013/14	2	
		1.3.3 Revisions in 2014/15	4	
		1.3.4 Revisions in 2015/16	4	
		1.3.5 Revisions in 2016/17	5	
		1.3.6 Revisions in 2017/18	6	
		1.3.7 Pre-2012 Modifications	6	
	1.4	The evidence base	8	
	1.5	Historical market overview – fees, profits and capacity needs	8	
		1.5.1 Care home profitability and impact on development of new capacity	9	
		1.5.2 Impact of sub 'benchmark' fee levels on closures of existing capacity	12	
	1.6	1.5.3 Cross subsidies	12 14	
	1.0	Current gap between 'Fair Fees' and fees paid by councils Why calculate fees from a costing model using local data?	14	
	1.7	why calculate rees from a costing model using local data:	1-	
2	STRUC	TURE OF THE TOOLKIT SPREADSHEET	17	
	2.1	The component parts	17	
	2.2	Conceptual framework	18	
3	NATIONAL BENCHMARKS ENTERED IN THE TOOLKIT SPREADSHEET			
	3.1	Occupancy rate	20	
	3.2	Hourly paid staff hours, pay rates and on-costs	20	
	3.3	Management, administration and reception staff costs/on-costs	25	
	3.4	Agency staff	26	
	3.5	Staff turnover and training backfill	28	
	3.6	Corporate overheads	29	
	3.7	Repairs and maintenance	30	
	3.8	Other non-staff current costs	31	
	3.9	Return on Accommodation and Operator's Profit	31	
	3.10	Capital (asset) value of care homes	35	
	3.11	Care Cost Benchmark bottom line	37	
	3.12	Accommodation cost discount factor and grading tool	37	
	3.13	'Ceiling' and 'floor' fair fee summary	40	
4		TIAL COST TO THE ENGLISH LOCAL AUTHORITIES OF PAYING FEES AT		
	CARE (COST BENCHMARK RATES	41	

LIST OF FIGURES

Figure 1.1	Total 'rostered on-floor' staff hours per occupied bed per week	3
Figure 1.2	Profit (EBITDAR) per bed per annum for securitised UK care home portfolios	9
Figure 1.3	Profit (EBITDAR) as a percentage of revenue for major operators of care homes for older people	10
Figure 1.4	UK demand for places in care homes for older and physically disabled people 1990-2016 and projections 2017-2025	11
Figure 3.1	Percentage of care staff shifts which are filled by agency staff in care homes for older people, UK	27

LIST OF TABLES

Table 1.1	Cross subsidisation from private payers to council funded residents 2015	13
Table 1.2	Gap between Care Cost Benchmarks and average fees paid by English councils for residential care in 2017/18	14
Table 3.1	Care staff hours' benchmarks for nursing and residential care of older people and people with dementia, England 2017/18	21
Table 3.2	Ancillary staff hours benchmarks for nursing and residential care of older people and people with dementia, England 2017/18	22
Table 3.3	Projected statutory minimum employers' pension contributions as a percentage of gross earnings of hourly paid staff under the Pensions Act 2008	25
Table 4.1	Indicative potential cost to the taxpayer at 2017/18 prices of increasing local authority fees for older care home residents in England to levels sufficient to reimburse the reasonable costs of care homes	41