

FAIR COST OF CARE EXERCISES (JUNE & JULY 2022)

GLOUCESTERSHIRE FAQs

SET OUT BELOW ARE GLOUCESTERSHIRE COUNTY COUNCIL'S ANSWERS TO FREQUENTLY ASKED QUESTIONS FROM LOCAL PROVIDERS. THE COUNCIL HAS TRIED TO ENSURE THAT THIS FAQ DOCUMENT IS CONSISTENT WITH OFFICIAL GUIDANCE FROM BOTH THE DHSC AND THE LGA BUT PROVIDERS ARE ADVISED TO REFER TO OFFICIAL GUIDANCE WHERE APPROPRIATE.

1. Why should I participate?

The adult social care sector has argued for many years that public funding is inadequate and that the people who use services, unpaid carers, people who work in care and the health and care sector at large all suffer because there isn't enough money.

This is the first time a government has asked to know the cost of care as part of a national, statutory reform programme.

The Sector's requests for adequate funding in future may not be taken seriously if it does not respond to the government's request this time.

2. Which services are in scope?

Home Care

Includes:

- 1) Care locations, as defined by CQC, in the Gloucestershire County Council administrative boundary whose CQC registration includes domiciliary care.
- 2) Of those, customers resident in Gloucestershire who were aged 18 and older at any time during financial period of the return, however funded.
- 3) Extracare is not in the scope of the national Cost of Care exercise. However, Gloucestershire would like to include domiciliary care services that are delivered in the county's Extracare housing developments. We encourage providers that operate in those developments, whether or not they are the core providers, to include that activity in their Cost of Care calculations.

Care homes

Includes:

- 1) Care homes in the Gloucestershire County Council administrative boundary.
- 2) Of those, residents aged 65 and older at any time during financial period of the return, however funded.

3. How can we complete a cost of care return?

Home Care

The ARCC toolkit template is available to view here at <https://www.local.gov.uk/our-support/sector-support-offer/care-and-health-improvement/commissioning-and-market-shaping/cost-of-care->

[toolkit](#). However, please contact James Cuthbert at james@sphereadvisory.co.uk to request a pre-populated pseudonymised version of the template specifically for Gloucestershire.

Care Homes

The online data collection tool on the iESE website is now live. Please register your care home with iESE here at [FCOC Step-By-Step Guide – Care Providers](#) to access it.

4. How long will I have to complete the return?

Please submit your completed data toolkit via e-mail to Sphere Advisory Limited by no later than 17:00 on Sunday 31st July 2022. Please contact James Cuthbert at james@sphereadvisory.co.uk should you have concerns about meeting the deadline.

5. How long does it take to complete the return?

From discussions with providers have tried, it can take anything from half a day to two days. How long will depend how readily your records fit the requirements of the reporting tools and how much you need to adjust your data.

6. What happens with my data?

The raw costs data that your organisation enters in ARCC or Care Cubed will be received by the Council's retained, independent consultant Sphere Advisory Limited. They will "pseudonymise" your data before it is made available to the Council so that your organisation cannot be identified as the source.

Sphere Advisory Limited will then use the pseudonymised data to calculate and send the results to the Council to be published in the Market Sustainability Plan in due course. When the cost of care exercise (and any commissioning activities which are a consequence of it are complete), Sphere Advisory Limited will remove all your data from its systems on a date specified in the Confidentiality Agreement to be entered into shortly between the Council and Sphere Advisory Limited.

7. What happens if I choose not to participate?

There are no direct consequences, but the true costs of care for providers that don't participate won't be represented in Gloucestershire's Market Sustainability Plan submitted to the government. The greater the number and wider the range of providers that participate, the more credible the results we submit to the government.

8. Who will see my data?

The Council will have access only to the results that ARCC, for home care, and CareCubed, for care homes, calculate from the data you enter, that is, your annual activity and a unit-cost. The Council will see those results in a pseudonymised form so it won't see which data came from which provider.

If you would like the Council to see all your data, including the data you enter in ARCC or Care Cubed, please instruct Sphere Advisory Limited to do so. If you don't give that instruction, Sphere Advisory Limited will not send your input-data to the Council.

9. How do we let Sphere Advisory Limited know that we want our pseudonymised input data provided to the council?

Home Care

Please let Sphere Advisory Limited know when you e-mail your completed template to James Cuthbert at james@sphereadvisory.co.uk.

Care Homes

Please tell Sphere Advisory Limited in the Notes page, which follows Section 7 in the template.

10. What accounting period should I use?

The cost data should represent the operating conditions we expect in the term of the social care reform programme. Therefore, the unusual patterns of demand and inflation since March 2020 might not be representative of current conditions, nor those we might expect during the term of the Social Care Reform programme.

Care Homes

The CareCubed care home toolkit prescribes the 2021-22 fiscal year. Since demand and costs in the earlier part of that year are quite unlike current conditions, Care Cubed allows you to adjust costs that might have changed since the end of that period, for example, energy, insurance and wages, to their April 2022 levels.

Home Care

The ARCC home care toolkit does not prescribe an accounting period.

In general, more recent cost data will be more representative than older data. ARCC does not include explicit correction as Care Cubed does, but it would be reasonable to use the same approach by adjusting your costs before you enter them in the template. **Please tell Sphere Advisory Limited which costs you have uplifted, and by how much, when you submit your completed template.**

11. How do I account for voids?

Care Cubed records rates of occupancy. Please see iESE's documentation for details.

12. How do I account for income that isn't from the sale of services?

This is a cost exercise and doesn't include revenue. However, some revenue will have been used to make exceptional payments, for example, the workforce retention payments in the first quarter of 2022.

The Council is seeking further guidance from the DHSC and will update this FAQ document when we receive it.

Please see also question 13 on PPE.

13. How do we reflect our PPE costs, which were funded by government for the last 18 months?

PPE has not been an actual cost for providers for 18 months, but this subsidy will end during the term of the Social Care Reform programme, when it will become a real cost.

We therefore suggest you account for PPE costs as if they were real, using reasonable market cost per item and your normal rates of consumption.

Providers are at liberty to use their own unit costs but if these are difficult to ascertain, please use the following indicative unit costs:

- Aprons: £3.53 (Pack of 100)
- Gloves: £5.50 (Box of 200)
- Masks (Type IIR): £4.28 (Box of 50)
- Sanitiser: £4.78 (Individual - 500ml)
- Visors: £12.15 (Pack of 10)

14. The ARCC home care toolkit does not allow me to classify all my staff types and pay rates.

Please refer to ARCC for guidance.

15. My business has volunteers or benefits from unpaid work by front line staff and managers. Should I estimate the monetary value of that work?

The Council is seeking guidance from DHSC and will update this FAQ document when we receive it. Please also refer to ARCC for guidance.

16. Section K of the ARCC template defines operating surplus as mark-up and EBIT. These are different things. Which should I use?

The Council is seeking guidance from DHSC and will update this FAQ document when we receive it. Please also refer to ARCC for guidance.

17. May we have a copy of the presentation from the provider engagement sessions?

The Council will circulate the presentation from the provider information events via e-mail and publish them on the Council's website at the same time as this FAQ document.

18. What kinds of activities are included?

All activity related to the location and customers in scope (see 1 above).

We are seeking further guidance from the DHSC on the inclusion of activity which falls outside of the definition of 'regulated care' and will update this FAQ document when we receive it.

19. What costs are included?

All costs that you incurred producing the services defined in question 18

20. How do organisations with more than one location in Gloucestershire report?

You should submit cost data for each location separately. Your organisation can apportion head office costs between locations by whatever formula you prefer. It would be helpful if you explain how you apportion them when you send your data to Sphere Advisory Limited.

21. How do organisations that support Gloucestershire residents from locations outside the County report?

Please email the Council's dedicated Cost of Care email address for advice.

22. How do we account for the cost of capital?

The cost of long-term capital—mortgage interest, for example—can be a considerable proportion of the cost of care.

Home Care

Please refer to ARCC for guidance.

Care homes

Please refer to iESE for guidance.

The Council is seeking guidance from DHSC and will update this FAQ document when we receive it.

23. We only support people who fund their own care do we need to take part?

Yes.

The proposed Social Care reforms will affect the whole care market including both providers that support local authority funded customers and those that work exclusively with self-funders.

Supporting the market therefore depends on us making the best case to the DHSC for transitional funding under the Market Sustainability and Fair Cost of Care Fund which underpins the proposed Social Care reforms. To do this, we need a comprehensive understanding of the true cost of care for all our residents and all the providers that support them so yes, please take part.

You should include all the costs you incurred delivering care to Gloucestershire residents that were in scope. That is, all adults that use domiciliary care; and older people in care homes. There is some uncertainty about services that are funded by the NHS by Continuing Health Care and Section 117. We are seeking guidance from DHSC; but we think that the principle of this exercise is to establish the cost of services and that the source of funding for services that are in scope is not relevant.

24. What support is available to me when completing the tool?

Home Care

This is the link to the ARCC resources: <https://www.local.gov.uk/our-support/sector-support-offer/care-and-health-improvement/commissioning-and-market-shaping/cost-of-care-toolkit&ved=2ahUKEwj1qZOSi4r5AhWKglwKHdXcDxkQFnoECAMQAg&usg=AOvVaw1jggWBQWrD9FPncSFujXXQ>

Care Homes

This is the link to the iESE resources: [FOC Step-By-Step Guide – Care Providers](#)

The Gloucestershire Care Providers Association (GCPA) may also be able to support your organisation with any queries. Please contact Riki Moody at riki.moody@gcpa.co.uk.

25. Some of my services are out of scope in Gloucestershire. How do I capture this in the toolkit?

Many home care providers support younger adults from the same location. Some care homes for younger adults have residents who are over 65.

Please try to apportion your costs to the activity that is in scope.

We know that this might be difficult and onerous. However, given a choice between not submitting costs data and submitting costs data that makes reasonable compromises, please compromise and explain any compromise your organisation has made when submitting your costs data.

ARCC or iESE, or if you prefer the Council, can advise on specifics.

26. I would like to complete this, but I don't think I have enough data. What should I do?

Given the choice between not submitting any costs data and submitting costs data that makes reasonable compromises, please compromise.

Please refer to ARCC or iESE, or if you prefer the Council, for advice.

27. This exercise requires investment on my part, can the council help with this?

The Council will make a financial contribution of £500 towards any additional costs which any provider incurs for it to submit its costs data as part of this exercise. The financial contribution of £500 will be paid to providers for each CQC location in Gloucestershire included in the costs data once it's been correctly submitted.

28. Will we be able to see the results?

Yes, within the limits of the exercise. The cost of care exercise will be used to develop a Market Sustainability Plan for Gloucestershire.

The Market Sustainability Plan is a statutory requirement and a condition of access to the Social Care Reform Grant. To that extent it is the council's document. However, the council and the GCPA have agreed that the plan will be better if it is co-produced with providers. Once finalised, the Market Sustainability Plan will be published on the Council's website.

29. This is a cost of care exercise. What are you doing about the care cap and implementation of section 18.3 of the Care Act 2014?

The preparatory work around the care cap and implementation of section 18.3 of the Care Act 2014 has already been started by the council and further details about this work will be communicated to providers in due course.

30. What will be included within the Market Sustainability Plan?

The Council will develop a provisional Market Sustainability Plan once the cost of care exercises is complete. An outline of what must be included in the plan can be found in the DHSC Market Sustainability and Fair Cost of Care Fund guidance at : [Market Sustainability and Fair Cost of Care Fund](#).

31. What will happen if the cost of care exercises suggest that the current funding augmented by the Market Sustainability Fund will not be enough to meet the identified cost of care?

A final decision will be taken by the council on funding once the DHSC has provided feedback on its provisional Market Sustainability Plan and confirmed what its allocation is from the Market Sustainability and Fair Cost of Care Fund. We expect this in March 2023. The Council will not be able to offer more funding to the market than is available within the budget.

32. Can I keep the Toolkit when it is finished?

Home Care

Yes. The ARCC template contains valuable “what-if” tools that won’t be used by the council or DHSC but may prove useful to providers going forward. However, it should be noted that ARCC have not agreed to support the use of the tool for purposes other than for the home care cost of care exercise and some of the functionality may become outdated at some point.

Care homes

Please refer to iESE’s guidance.

33. Slide eight of LGA’s update says, “Council cost of care, decision-making and fee approaches – The DHSC Policy and Guidance [requires] councils to include in their submission to DHSC, all information submitted by providers as part of this exercise.” Does that include all the raw data the providers submit or just the output data?

The Council is seeking further guidance from the DHSC and will update this FAQ document when we receive it.

34. The DHSC guidance says we should identify the ‘median actual operating costs of local authority contracted care in the local area.’ This appears to exclude costs relating to self-funders, and by other agencies. Should it read the ‘median actual operating costs of care in the local area’?

The Council assumes that this is an error in the guidance but is seeking further guidance from the DHSC and will update this FAQ document when we have received this.

35. Are Continuing Health Care services in scope? The definition of “Enhanced Needs” mentions that they are below the CHC threshold, but the guidance does not define what to do with

services that are CHC-funded (in many places CHC is local authority contracted even though it is not local authority funded).

The Council is seeking further guidance from the DHSC and will update this FAQ document when we have received this.