

Adult Social Care – Fair Cost of Care Report – Care Homes

February 2023

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1. Purpose

- 1.1. To outline the approach and define the outcome(s) of the City of Wolverhampton Council's (CWC) FCoC exercise in relation to the care home market for adults aged 65 and over.
- 1.2. A separate, but similarly structured report has been produced which details the same CoC exercise for the home care market, age 18+.

2. Background and Context

- 2.1. In September 2021, the Government published its Building Back Better plan for reforming the funding of Health and Social Care and was followed by the White Paper for reforming Adult Social Care (People at the Heart of Care, November 2021). These reforms have now been incorporated into law through the Health and Social Care Act (2022).
- 2.2. To support the implementation of the wider reforms, local authorities needed to prepare their markets and build upon their existing market sustainability plans. This requires the local authority to engage provider markets with the purpose of reaching a shared understanding of the true cost of delivering care; this is being referred to as a "Fair Cost of Care" (FCoC) exercise.
- 2.3. The exercise was an opportunity for local authority commissioners and local care providers to work together to arrive at a shared understanding of what it costs to run quality and sustainable care provision in the local area and that is reflective of local circumstances.
- 2.4. Government announced additional funding with the primary purpose of supporting local authorities to prepare markets for reform and move towards a "fair cost of care" over the

next three years. There are three main grant funding conditions that must be met of which one is the FCoC exercise.

- 2.5. Six local authorities across the country were early adopters of the reforms and were due to implement changes from April 2023. This was designed to test the impact and implementation of the reforms so that learning could be gathered and shared amongst the remaining local authorities.
- 2.6. Since the original report was drafted, it was announced in the Government's Autumn statement that the reforms would be delayed by two years, pushing the implementation date back to October 2025.
- 2.7. In late December 2022, the Department of Health and Social Care (DHSC) confirmed that local authorities are still required to publish their cost of care exercises and Market Sustainability Plans (MSP). The latter is due for release towards the end March 2023 as the DHSC are yet to finalise the template format and actual publication date. The original MSP would have focused significantly on the impact of the new reforms, however due to the delay these impacts would not be realised in the short term.

3. Executive Summary

- 3.1. Utilising the national iESE tool as the foundation for capturing cost information, CWC received responses which represent 28% of the local market. This accounts for 34% of residential providers and only 17% for nursing.
- 3.2. The low response rate for nursing has led the Council to use an alternative approach, as agreed with the DHSC, to additionally utilise data from residential care homes to arrive at a median cost. The approach is further described within the main body of the report.
- 3.3. As a trailblazer authority the exercise was undertaken in a very short timescale, which may have affected both the number of responses and the quality of information supplied.
- 3.4. Due to concerns around the quality and completeness of the data, adjustments and assumptions have been applied where the Council believes it is reasonable to do so.
- 3.5. Analysis of responses demonstrated little difference between types of care, where residential, and residential with dementia essentially cost the same. In comparison to current, actual costs this is not the case and therefore a percentage adjustment has been made to reflect a differential.
- 3.6. Occupancy rates significantly varied between years and providers, and given the significant impact this can have on unit costs then occupancy has been adjusted to a minimum of 85%, in line with evidence gathered through the local care home capacity tracker.
- 3.7. The other significant area adjusted was for Return on Operations (ROO) and Return on Capital (ROC). Further details of which can be found in section 5.
- 3.8. The Council has concluded that due to the relatively low response rates and issues with data quality and reliability, the outcome should not be used as a direct guide for setting

future care fees. That does not mean that the data is not useful and it will be used to inform the 2023/24 fee review, but the Council believes further engagement and discussion with providers is required to gain an improved, joint understanding of local costs. This is also in line with the DHSC guidance which states that the outcome of the FCoC exercise is not a replacement for the fee review process, but insight to support the process.

3.9. It is also important to note that the FCoC exercise aimed to determine care fees that equalised the difference between local authority rates and self-funder rates. Given the delay to the reforms, the self-funder market will remain as is which will continue cross-subsidisation in the short to medium term.

3.10. The outcome, in terms of median values, for CWCs FCoC is summarised as:

Residential	£671.43
Residential with Dementia	£705.06
Nursing	£914.25
Nursing with Dementia	£998.00

4. Approach

4.1. Care Home Cost of Care Toolkit

4.1.1. The local authority has utilised the CareCubed iESE tool for care homes to input, share and collated their data for the fair cost of care exercise. The tool builds on the already established CareCubed platform and was developed in partnership with commissioning authorities and care providers.

4.2. Provider Engagement and Timeline for Submissions

4.2.1. CWC commenced provider engagement in relation to the FCoC in early May 2022. A timeline of engagement and communication is summarised as:

- 12th May 2022 – provider communication giving an overview of the reforms and inviting the providers to actively participate in the FCoC exercise, noting the care home tool would be available in the next few weeks
- 23rd May 2022 – Email notification to advise providers the care home tool was open for registration, how to access guidance and links for the various helpdesks
- Initial submission deadline of 17th June 2022 to allow sufficient analysis time
- 14th June 2022 – local demonstration of the tool and forum for provider questions. Session was supported by the Care and Health Improvement Programme (CHIP)
- Deadline extended to 24th June 2022 to allow providers more time to submit their information, however submissions after this date have continued to be accepted and included
- Joint engagement statement released between CWC and the Care Provider Alliance
- Ongoing support offer from CWC Commissioning and Finance for completing the tool
- Regular subsequent communications to further encourage participation, including using already established forums

- Phone contact with individual providers to encourage participation, allay any concerns and support with queries
- Providers have also been offered support through various national associations including the Care Provider Alliance (CPA), and direct to national demonstrations of the tool

5. Data Analysis and Outcome(s)

5.1. Provider Response Rate

- 5.1.1. 61 care homes were invited to participate, however only 50 were in scope for the FCoC exercise. Responses have been received from 14 organisations representing 17 care homes, a 34% response rate.
- 5.1.2. Following an initial review of submissions, three have been excluded as they were not sufficiently complete and/or in the required format. This reduces the overall response rate to 28%.
- 5.1.3. Response rates differ significantly between residential and nursing. 11 submissions relate to residential homes and given 32 are in scope, there is a 34% response rate across this market segment. The equivalent for nursing provision is much lower at 17% as only three submissions were received out of 18 in scope.

5.2. Analysis Approach

- 5.2.1. CWC has followed the analytical principles in the government guidance and used the median, rather than the mean, as the fundamental measure of cost. This is because the median is less sensitive to extreme values, whether high or low.
- 5.2.2. Throughout the analysis, submissions have been individually and collectively reviewed to identify any unusual data, rates or cost lines with particularly high variation, some of which have been corrected or excluded for analysis purposes.
- 5.2.3. It should be noted that the data set is relatively small and there are concerns about data quality and their completeness which means where possible they have been interpreted and adjusted if deemed applicable.
- 5.2.4. Submissions have generally demonstrated the same cost regardless of care type; for example, residential and residential dementia have the same output across all providers as is the case for nursing homes.
- 5.2.5. To produce a meaningful outcome that reflect actual costs, CWC has adjusted costs to offset the likely difference between standard care types and needs that include dementia. The proxy applied is the current percentage difference on known actual care rates. For residential care dementia is 4.77% higher than standard residential and the equivalent for nursing is 9.16%.
- 5.2.6. As all bar one residential response is for needs including dementia, then to determine the standard residential rate has been calculated using the residential dementia outcome

reduced by 4.77%. The same approach has been taken for nursing however given the low response rate for nursing then CWC has applied a more global and grammatic approach to produce a meaningful outcome.

5.2.7. The approach, agreed between CWC and DHSC, with input from the LGA is to utilise the outcome for residential homes on the basis that a significant proportion of costs apply across the board regardless of the type of care being delivered. Therefore, a total data set has been used which combines residential and nursing submissions for determining the FCoC for nursing. Where costs are likely to significantly differ is on staffing, which will be accounted for by applying the current FNC rate (£209.19 per week) as a proxy which has been added to the residential FCoC outcome.

5.3. Approach to Return on Operations (ROO) and Return on Capital (ROC)

5.3.1. Through the information provided there is an extreme range for Return on Operations of between 0 and 40 percent, with a median of 10%.

5.3.2. Return on Capital is slightly more consistent but still has a range of between 5 and 15 percent, with a median of 8%. One provider, who accounts for three submissions has provided a cost per resident per week of £190 but has not provided the capital value, and as such the percentage cannot be calculated.

5.3.3. Discussions between regional finance colleagues, and with LGA and DHSC representatives suggested proxy rates of 5% and 6% for ROO and ROC of total costs respectively. Note the proxy used for ROC is based on total cost rather than capital value, as not all submissions have recorded capital values or rent and therefore there aren't sufficient asset values for meaningful analysis.

5.3.4. Comparing provider data against these benchmarks demonstrate a significant variance which will significantly impact the FCoC outcome. CWC has therefore decided that for analysis ROO and ROC will both be adjusted to use the proxy rates of 5% (ROO) and 6% (ROC).

5.4. Occupancy Rates

5.4.1. Occupancy rates across provider submissions and between years for some providers, vary significantly with a low rate of 58%.

5.4.2. Due to the effect this has on the unit rate and comparative rate between years, CWC has adjusted occupancy rates to a minimum of 85%, in line with evidence gathered through the local care home capacity tracker. Submissions that contain occupancy above 85% have been analysed based on the data recorded with no adjustments.

5.5. Variation on individual cost lines

5.5.1. There are a number of cost lines where there is significant variation, presumably reflecting various operating models/practices, accounting treatment and/or provider size.

5.5.2. As the majority of cost line variations are not extreme then no adjustments or corrections have been made with the exception of two nursing responses where a judgment has been made that staffing costs supplied are erroneous. In this scenario, both have been corrected to bring in line with the median of the remaining provider data sets.

5.5.3. Significant variations that affect weekly rates but are accounted for by using median values:

- Residential staff costs range from £250 per week to £500 per week. This predominantly relates to differences across care staff hours, pay rates and on-costs. The latter was adjusted in the iESE tool which has increased staff costs for a number of provider submissions.
- Premises and Supplies. Premise costs range from £16 to £65 per resident per week, heavily influenced by recorded costs for repairs and maintenance. Supplies are not quite as varied, but utility costs range from £4.69 to £97 per resident per week.
- Price uplifts for 2022/23 average 10%.

5.6. FCoC Outcome

5.6.1. Provider submissions use actual expenditure for 2021/22, however not all providers have stated an uplift or have missing data for April 2022 (two submissions).

5.6.2. The following is the outcome of the FCoC exercise using median values (Annex A, Section 3):

	65+ care home places without nursing	65+ care home places without nursing, enhanced needs	65+ care home places with nursing	65+ care home places with nursing, enhanced needs
Cost of care exercise results - all cells should be £ per resident per week				
Care home staffing:	£475.84	£499.68	£708.87	£773.80
o Nursing Staff	£0.00	£0.00	£209.19	£228.35
o Care Staff	£351.02	£368.61	£368.61	£402.37
o Therapy Staff (Occupational & Physio)	£0.00	£0.00	£0.00	£0.00
o Activity Coordinators	£5.49	£5.77	£5.77	£6.30
o Service Management (Registered Manager/Deputy)	£33.68	£35.37	£35.37	£38.60
o Reception & Admin staff at the home	£11.71	£12.30	£12.30	£13.43
o Chefs / Cooks	£29.49	£30.97	£30.97	£33.80
o Domestic staff (cleaning, laundry & kitchen)	£37.69	£39.58	£39.58	£43.21
o Maintenance & Gardening	£6.75	£7.09	£7.09	£7.74
o <i>Other care home staffing (please specify)</i>	£0.00	£0.00	£0.00	£0.00
Care home premises:	£30.57	£32.10	£32.10	£35.04
o Fixtures & fittings	£0.00	£0.00	£0.00	£0.00
o Repairs and maintenance	£1.98	£2.08	£2.08	£2.27
o Furniture, furnishings and equipment	£24.61	£25.85	£25.85	£28.21
o <i>Other care home premises costs (please specify)</i>	£3.98	£4.18	£4.18	£4.56
Care home supplies and services:	£88.67	£93.11	£93.11	£101.64
o Food supplies	£30.31	£31.83	£31.83	£34.75
o Domestic and cleaning supplies	£9.34	£9.81	£9.81	£10.71

o Medical supplies (excluding PPE)	£3.37	£3.54	£3.54	£3.86
o PPE	£0.00	£0.00	£0.00	£0.00
o Office supplies (home specific)	£3.41	£3.58	£3.58	£3.91
o Insurance (all risks)	£4.72	£4.96	£4.96	£5.41
o Registration fees	£3.86	£4.05	£4.05	£4.42
o Telephone & internet	£1.70	£1.79	£1.79	£1.95
o Council tax / rates	£1.30	£1.36	£1.36	£1.48
o Electricity, Gas & Water	£19.39	£20.36	£20.36	£22.22
o Trade and clinical waste	£5.94	£6.24	£6.24	£6.81
o Transport & Activities	£0.76	£0.80	£0.80	£0.87
o <i>Other care home supplies and services costs (please specify)</i>	£4.57	£4.80	£4.80	£5.23
Head office:	£7.55	£7.93	£7.93	£8.65
o Central / Regional Management	£0.00	£0.00	£0.00	£0.00
o Support Services (finance / HR / legal / marketing etc.)	£7.18	£7.54	£7.54	£8.23
o Recruitment, Training & Vetting (incl. DBS checks)	£0.37	£0.39	£0.39	£0.43
o <i>Other head office costs (please specify)</i>	£0.00	£0.00	£0.00	£0.00
Return on Operations	£31.28	£32.84	£32.84	£35.85
Return on Capital	£37.53	£39.41	£39.41	£43.02
TOTAL	£671.43	£705.06	£914.25	£998.00
Supporting information on important cost drivers used in the calculations:				
o <i>Number of location level survey responses received</i>	8	11	3	4
o <i>Number of locations eligible to fill in the survey (excluding those found to be ineligible)</i>	32	32	18	18
o <i>Number of residents covered by the responses</i>	122	206	80	154
o <i>Number of carer hours per resident per week</i>	23	24	27	29
o <i>Number of nursing hours per resident per week</i>	0	0	6	6
o <i>Average carer basic pay per hour</i>	£10.26	£9.65	£9.65	£9.66
o <i>Average nurse basic pay per hour</i>	£18.62	£18.62	£18.50	£18.50
o <i>Average occupancy as a percentage of active beds</i>	95%	100%	100%	100%
o <i>Freehold valuation per bed</i>	£31,250.00	£31,250.00	£35,714.00	£35,714.00

5.6.3. The following tables breakdown FCoC data by care type

Table 1 – Residential

Cost of care exercise results - all cells should be £ per resident per week	Lower Quartile	Median	Upper Quartile
Care home staffing:	£321.37	£475.84	£553.28
o Nursing Staff	£0.00	£0.00	£0.00
o Care Staff	£250.15	£351.02	£391.82
o Therapy Staff (Occupational & Physio)	£0.00	£0.00	£0.00
o Activity Coordinators	£0.00	£5.49	£7.09
o Service Management (Registered Manager/Deputy)	£23.99	£33.68	£44.49
o Reception & Admin staff at the home	£1.31	£11.71	£16.26
o Chefs / Cooks	£16.54	£29.49	£37.63
o Domestic staff (cleaning, laundry & kitchen)	£29.38	£37.69	£42.89
o Maintenance & Gardening	£0.00	£6.75	£11.62
o <i>Other care home staffing (please specify)</i>	£0.00	£0.00	£1.48
Care home premises:	£12.77	£30.57	£50.57

o Fixtures & fittings	£0.00	£0.00	£0.00
o Repairs and maintenance	£0.00	£1.98	£5.72
o Furniture, furnishings and equipment	£12.72	£24.61	£32.37
o Other care home premises costs (please specify)	£0.05	£3.98	£12.48
Care home supplies and services:	£65.76	£88.67	£126.66
o Food supplies	£27.25	£30.31	£35.46
o Domestic and cleaning supplies	£7.20	£9.34	£13.11
o Medical supplies (excluding PPE)	£0.18	£3.37	£8.68
o PPE	£0.00	£0.00	£0.71
o Office supplies (home specific)	£1.95	£3.41	£7.24
o Insurance (all risks)	£2.19	£4.72	£5.19
o Registration fees	£3.16	£3.86	£4.51
o Telephone & internet	£1.10	£1.70	£2.27
o Council tax / rates	£0.98	£1.30	£1.74
o Electricity, Gas & Water	£17.59	£19.39	£31.23
o Trade and clinical waste	£2.33	£5.94	£6.20
o Transport & Activities	£0.21	£0.76	£2.18
o Other care home supplies and services costs (please specify)	£1.60	£4.57	£8.15
Head office:	£1.16	£7.55	£55.66
o Central / Regional Management	£0.00	£0.00	£37.67
o Support Services (finance / HR / legal / marketing etc.)	£0.00	£7.18	£14.09
o Recruitment, Training & Vetting (incl. DBS checks)	£1.16	£0.37	£3.90
o Other head office costs (please specify)	£0.00	£0.00	£0.00
Return on Operations	£27.60	£31.28	£34.67
Return on Capital	£33.12	£37.53	£41.60
TOTAL	£461.78	£671.43	£862.44

Table 2 – Residential Dementia

Cost of care exercise results - all cells should be £ per resident per week	Lower Quartile	Median	Upper Quartile
Care home staffing:	£337.47	£499.68	£581.00
o Nursing Staff	£0.00	£0.00	£0.00
o Care Staff	£262.68	£368.61	£411.45
o Therapy Staff (Occupational & Physio)	£0.00	£0.00	£0.00
o Activity Coordinators	£0.00	£5.77	£7.45
o Service Management (Registered Manager/Deputy)	£25.20	£35.37	£46.72
o Reception & Admin staff at the home	£1.38	£12.30	£17.07
o Chefs / Cooks	£17.37	£30.97	£39.51
o Domestic staff (cleaning, laundry & kitchen)	£30.85	£39.58	£45.04
o Maintenance & Gardening	£0.00	£7.09	£12.20
o Other care home staffing (please specify)	£0.00	£0.00	£1.56
Care home premises:	£13.41	£32.10	£53.10
o Fixtures & fittings	£0.00	£0.00	£0.00
o Repairs and maintenance	£0.00	£2.08	£6.01
o Furniture, furnishings and equipment	£13.35	£25.85	£33.99
o Other care home premises costs (please specify)	£0.06	£4.18	£13.11

Care home supplies and services:	£69.05	£93.11	£133.00
o Food supplies	£28.62	£31.83	£37.24
o Domestic and cleaning supplies	£7.56	£9.81	£13.77
o Medical supplies (excluding PPE)	£0.19	£3.54	£9.11
o PPE	£0.00	£0.00	£0.74
o Office supplies (home specific)	£2.05	£3.58	£7.60
o Insurance (all risks)	£2.30	£4.96	£5.45
o Registration fees	£3.32	£4.05	£4.74
o Telephone & internet	£1.16	£1.79	£2.38
o Council tax / rates	£1.03	£1.36	£1.83
o Electricity, Gas & Water	£18.47	£20.36	£32.79
o Trade and clinical waste	£2.45	£6.24	£6.51
o Transport & Activities	£0.22	£0.80	£2.29
o Other care home supplies and services costs (please specify)	£1.68	£4.80	£8.56
Head office:	£1.22	£7.93	£58.45
o Central / Regional Management	£0.00	£0.00	£39.56
o Support Services (finance / HR / legal / marketing etc.)	£0.00	£7.54	£14.79
o Recruitment, Training & Vetting (incl. DBS checks)	£1.22	£0.39	£4.10
o Other head office costs (please specify)	£0.00	£0.00	£0.00
Return on Operations	£28.98	£32.84	£36.40
Return on Capital	£34.78	£39.41	£43.68
TOTAL	£484.91	£705.06	£905.63

Table 3 – Nursing

Cost of care exercise results - all cells should be £ per resident per week	Lower Quartile	Median	Upper Quartile
Care home staffing:	£435.78	£708.87	£790.14
o Nursing Staff	£98.31	£209.19	£209.14
o Care Staff	£262.68	£368.61	£411.45
o Therapy Staff (Occupational & Physio)	£0.00	£0.00	£0.00
o Activity Coordinators	£0.00	£5.77	£7.45
o Service Management (Registered Manager/Deputy)	£25.20	£35.37	£46.72
o Reception & Admin staff at the home	£1.38	£12.30	£17.07
o Chefs / Cooks	£17.37	£30.97	£39.51
o Domestic staff (cleaning, laundry & kitchen)	£30.85	£39.58	£45.04
o Maintenance & Gardening	£0.00	£7.09	£12.20
o Other care home staffing (please specify)	£0.00	£0.00	£1.56
Care home premises:	£13.41	£32.10	£53.10
o Fixtures & fittings	£0.00	£0.00	£0.00
o Repairs and maintenance	£0.00	£2.08	£6.01
o Furniture, furnishings and equipment	£13.35	£25.85	£33.99
o Other care home premises costs (please specify)	£0.06	£4.18	£13.11
Care home supplies and services:	£69.05	£93.11	£133.00
o Food supplies	£28.62	£31.83	£37.24
o Domestic and cleaning supplies	£7.56	£9.81	£13.77
o Medical supplies (excluding PPE)	£0.19	£3.54	£9.11
o PPE	£0.00	£0.00	£0.74

o Office supplies (home specific)	£2.05	£3.58	£7.60
o Insurance (all risks)	£2.30	£4.96	£5.45
o Registration fees	£3.32	£4.05	£4.74
o Telephone & internet	£1.16	£1.79	£2.38
o Council tax / rates	£1.03	£1.36	£1.83
o Electricity, Gas & Water	£18.47	£20.36	£32.79
o Trade and clinical waste	£2.45	£6.24	£6.51
o Transport & Activities	£0.22	£0.80	£2.29
o Other care home supplies and services costs (please specify)	£1.68	£4.80	£8.56
Head office:	£1.22	£7.93	£58.45
o Central / Regional Management	£0.00	£0.00	£39.56
o Support Services (finance / HR / legal / marketing etc.)	£0.00	£7.54	£14.79
o Recruitment, Training & Vetting (incl. DBS checks)	£1.22	£0.39	£4.10
o Other head office costs (please specify)	£0.00	£0.00	£0.00
Return on Operations	£28.98	£32.84	£36.40
Return on Capital	£34.78	£39.41	£43.68
TOTAL	£583.22	£914.25	£1,114.77

Table 4 – Nursing Dementia

Cost of care exercise results - all cells should be £ per resident per week	Lower Quartile	Median	Upper Quartile
Care home staffing:	£475.70	£773.80	£862.51
o Nursing Staff	£107.32	£228.35	£228.30
o Care Staff	£286.74	£402.37	£449.14
o Therapy Staff (Occupational & Physio)	£0.00	£0.00	£0.00
o Activity Coordinators	£0.00	£6.30	£8.13
o Service Management (Registered Manager/Deputy)	£27.50	£38.60	£51.00
o Reception & Admin staff at the home	£1.50	£13.43	£18.63
o Chefs / Cooks	£18.96	£33.80	£43.13
o Domestic staff (cleaning, laundry & kitchen)	£33.68	£43.21	£49.17
o Maintenance & Gardening	£0.00	£7.74	£13.31
o Other care home staffing (please specify)	£0.00	£0.00	£1.70
Care home premises:	£14.64	£35.04	£57.97
o Fixtures & fittings	£0.00	£0.00	£0.00
o Repairs and maintenance	£0.00	£2.27	£6.56
o Furniture, furnishings and equipment	£14.58	£28.21	£37.10
o Other care home premises costs (please specify)	£0.06	£4.56	£14.31
Care home supplies and services:	£75.38	£101.64	£145.19
o Food supplies	£31.24	£34.75	£40.65
o Domestic and cleaning supplies	£8.25	£10.71	£15.03
o Medical supplies (excluding PPE)	£0.21	£3.86	£9.94
o PPE	£0.00	£0.00	£0.81
o Office supplies (home specific)	£2.24	£3.91	£8.29
o Insurance (all risks)	£2.51	£5.41	£5.95
o Registration fees	£3.63	£4.42	£5.17
o Telephone & internet	£1.26	£1.95	£2.60

o Council tax / rates	£1.12	£1.48	£2.00
o Electricity, Gas & Water	£20.16	£22.22	£35.80
o Trade and clinical waste	£2.67	£6.81	£7.11
o Transport & Activities	£0.24	£0.87	£2.50
o Other care home supplies and services costs (please specify)	£1.84	£5.23	£9.34
Head office:	£1.33	£8.65	£63.80
o Central / Regional Management	£0.00	£0.00	£43.18
o Support Services (finance / HR / legal / marketing etc.)	£1.33	£8.23	£16.15
o Recruitment, Training & Vetting (incl. DBS checks)	£0.00	£0.43	£4.47
o Other head office costs (please specify)	£0.00	£0.00	£0.00
Return on Operations	£31.64	£35.85	£39.74
Return on Capital	£37.97	£43.02	£47.69
TOTAL	£636.65	£998.00	£1,216.89

6. Annual Fee Review

6.1.1. CWC is required to provide appropriate care and support services to meet the statutory requirement and needs of its residents. To support this, the Council undertakes an annual fee review exercise which considers factors such as:

- Provider feedback
- Increases to the National Living Wage (NLW)
- Benchmarking against neighbouring local authorities, comparator authorities and CIPFA (the Chartered Institute of Public Finance and Accountancy)
- The potential impact of COVID-19 on sufficiency within the market
- Rate of Inflation

6.1.2. Whilst there is useful data that has been provided through the FCoC exercise, which will be used to inform the fee review process, the Council has concluded that the outcome cannot be used as a sole guide for fee setting given the issues of low response rates and data quality.

6.1.3. This approach is also in line with DHSC guidance which states that the outcome of the cost of care exercise is not intended to be a replacement for the fee setting process. Instead, and as referred to earlier in the report, the local authority has used the insight to support the fee review process for 2023/24.