

### Summary Affordability and Rate Analysis (Appendix 3)

Cost Model - Homecare 2017/18				
Cost element	Based on		£	Remarks
Hourly rate	Minimum wage		7.65	Assumed increase from £7.20 to £7.65 in line with national living wage
Between Clients	7.5 mins per client		0.96	7.5 minutes allowed between clients per hour - furthermore EMS is set up to allow a tolerance of -7 and +8 minutes, for example a 1 hour call could be completed in 53 minutes and the provider and carer are paid for 1 hour.
NI		9.50%	0.94	percentages used for comparison based on UKHCA model
Holiday pay		12.08%	1.07	percentages used for comparison based on UKHCA model
Training		1.50%	0.13	percentages used for comparison based on UKHCA model
Pension		3.00%	0.26	percentages used for comparison based on UKHCA model
Sub Total			11.01	
Mileage	3 miles @ £0.35	0.35	1.05	miles. This is an average mileage allowance which will vary for individual carers
Total costs before overheads			12.06	
Contribution to overheads & profit			3.74	
<b>Commissioner rate per hour</b>			<b>15.80</b>	
Gross Profit		24%	3.74	Suggested contribution for contribution to gross profit between 22% and 30%

Cost Model - Homecare - Sleep-ins & 24 hour packages 2017/18				
Cost element	Based on		£	Remarks
Hourly rate	Minimum wage		7.65	Assumed increase from £7.20 to £7.65 in line with NLW
NI		9.5%	0.84	percentages used for comparison based on UKHCA model
Holiday pay		12.08%	0.95	percentages used for comparison based on UKHCA model
Training		1.5%	0.12	percentages used for comparison based on UKHCA model
Pension		3%	0.23	percentages used for comparison based on UKHCA model
Sub Total			9.79	
Total costs before overheads			9.79	
Contribution to overheads & profit			3.01	
<b>Commissioner rate (24 hour packages and sleep in rates)</b>			<b>12.80</b>	
Gross Profit		24%	3.01	

AFFORDABILITY ANALYSIS FOR COMPARISON (ON THE BASIS OF THE FIGURES ABOVE)							
Cost Element	Hrs as Above	Assumed MTFS reduction in Hrs @ 5%	Estimated No. of Hrs	New Rates	Annual Cost	H2L@H Budget	
Complex	121,160		121,160	£ 13.70	£ 1,659,892		
Non Complex	478,352	23,918	454,434	£ 15.80	£ 7,180,064		
	599,512	23,918	575,594		£ 8,839,956		
2016/17 Budget							£ 8,794,000
2017/18 NLW/ Demographic pressures growth							£ 300,000
2017/18 Indicative Budget							£ 9,094,000
Contingency							£ 254,044