# UNIT COSTS OF HEALTH & SOCIAL CARE

2008

COMPILED BY Lesley Curtis

PSSRU

# Unit Costs of Health and Social Care 2008

*compiled by Lesley Curtis*

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Published by:
Personal Social Services Research Unit
Cornwallis Building
The University of Kent
Canterbury
Kent CT2 7NF
Telephone: 01227 827773
Fax: 01227 827038
Email: pssru@kent.ac.uk

PSSRU website: www.pssru.ac.uk

The PSSRU also has branches at:

London School of Economics and Political Science
Department of Social Policy and Administration
Houghton Street
London WC2A 2AE
Telephone: 0207 955 6238

The University of Manchester
Faculty of Medicine, Dentistry and Nursing
First Floor, Dover Street Building
Oxford Road
Manchester M13 9PL
Telephone: 0161 275 5250

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# Foreword

This is the sixteenth volume in a series of volumes from a Department of Health-funded programme of work based at the Personal Social Services Research Unit at the University of Kent. The costs reported always reflect, to a greater or lesser degree, work in progress, as the intention is to refine and improve estimates wherever possible, drawing on a wide variety of sources. The aim is to provide as detailed and comprehensive information as possible and to improve unit cost estimates over time, drawing on material as it becomes available, including ongoing and specially commissioned research and quoting sources and assumptions so users can adapt the information for their own purposes.

In putting the volume together, there are a large number of individuals who have provided direct input in the form of data, permission to use material and background information and advice.

Grateful thanks are extended especially to Ann Netten who has been an invaluable source of support in the preparation of this report. I would also like to extend a special thanks to Glen Harrison and Nick Brawn for taking expert charge of the design and typesetting.

Thanks are also due to Jacques Ashley, James Barlow, Barbara Barrett, Rosalyn Bass, Jennifer Beecham, Gill Bellord, Sarah Byford, Adriana Castelli, Keith Derbyshire, Matthew Fiander, Nick Grangel and Becky Henderson. Thanks also to Ben Hickman, Karen Jones, Martin Knapp, David Lloyd, David McDaid, Neil Parkinson, Tony Rees, Stephen Richards, Richard Robinson, Katharine Robbins, Tim Roast, Rob Shaw, David Stevens, Rob Stones, Marian Taylor, Helen Weatherly, Richard Wistow and Raphael Wittenberg.

If you are aware of other sources of information which can be used to improve our estimates, notice errors or have any other comments, please contact Lesley Curtis, telephone 01227 827193.

Many figures in this report have been rounded and therefore occasionally it may appear that the totals do not add up.

This report may be downloaded from our website: http://www.pssru.ac.uk

# Preface

*Lesley Curtis*

In this volume, we have a guest editorial followed by two short articles. This preface introduces these and identifies improvements, new information and recent surveys that have been used to replace information which has become dated. Reasons why certain information has been omitted in this edition are also identified.

The guest editorial by Adriana Castelli on the National Schedule of Reference Costs data (page 7) draws on the 2006/07 reference costs dataset (Department of Health, 2008) in order to explore how activity and average unit costs have changed over time in one particular healthcare sector, i.e. community care services. Adriana also discusses their potential use in informing policy-makers on the relative costs reported by NHS organisations and non-NHS providers.

## Articles

In 2004, Government guidelines (NICE) stated that most people with mental health problems should be offered evidence based psychological therapies. Although there is documented evidence of the cost-effectiveness of individual therapies, to date there is very little evidence of the cost-effectiveness of group based therapies. In the article on page 15, Barbara Barrett and Sarah Byford discuss the challenges of estimating the unit costs of group based therapies and draw on earlier work to devise a costing strategy.

The introduction of personal budgets is an important policy priority. In the article on page 21, Karen Jones describes the pattern of expenditure of service users in the national Individual Budget pilot evaluation.

## Improvements

Every year, we review all data sources of the Unit Costs report to ensure that the information is as up-to-date as possible. If a service or professional role is still available but the costs are out-of-date, current salary information and inflators are employed to adjust the costs to the present year. If a schema is ten or more years old, no recent data have been found, and the service is no longer relevant, we delete the schema from the publication until new research or other data are available. This year, we have included for the first time in the

miscellaneous section, (page 189) a list of schemata which have appeared in previous volumes and also a list of articles since 2001 so that readers can refer to them or download them online. This will be a permanent feature and will appear in future volumes.

In previous years, the Unit Costs reports have included the costs of adult and children's services. In 2007 however, the responsibility for data collection and other issues relating to children was transferred to the Department for Children, Schools and Families (DCSF) and is therefore no longer under the remit of the Department of Health. Section 6 (Services for children and their families), found in the 2007 report, will now be excluded permanently from the Unit Costs report and also 10.3 (Social Worker (children)) unless there is any change to funding arrangements and responsibilities in the future.

## New information

### *Salaries of NHS Staff*

Prior to this volume, salaries for hospital and community based health care staff have been based on the midpoints of Agenda for Change (AfC) payscales according to pay circulars produced by NHS Employers and before Agenda for Change was implemented, the Whitley payscales. This year we have based the unit cost calculations on information taken from the NHS Staff Earnings Estimates (March 2008) collected by the Information Centre. This information was generated using a sample of organisations from the Electronic Staff Record (ESR) Data Warehouse which records payments made to staff in the NHS. Details of the full methodology can be viewed at http://www.ic.nhs.uk/statistics-and-data-collections/workforce/nhs-staff-earnings, or a summary of the methodology can be found in http://www.ic.nhs.uk/webfiles/publications/esr_earnings_2007-12/March%2008%20Bulletin.pdf.

As the roll out process is not fully completed, the figures were presented as an experimental series. Before using these salaries in our calculations therefore, we sought advice from the Department of Health and the Information Centre to ensure that they accurately represent salaries within the NHS.

For each professional, the most appropriate salary has been used and is taken from the tables shown in the miscellaneous section of this report (page 168). Table 1 provides the mean and median basic salary for Agenda for Change bands and also the mean and median full-time equivalent salary including other payments i.e. overtime, occupation payments, location payment and other payments including redundancy pay or payment of notice periods.

Table 2 (page 168) shows the mean and median pay for qualified nurses and Table 3 (page 169) provides the same information for medical staff groups such as foundation officers and consultants.

Where we have used the mid-point salary of Agenda for Change bands in previous editions of the Unit Costs report (sections 7, 8, 11 and 12), we have replaced this with the median full-time salary for the band. This is considered to be more appropriate than the mean, which may be biased high or low according to the professional groups included within the band.

The following table provides the midpoint salaries for Agenda for Change bands 2 to 7 used in the previous volumes of the Unit Costs report and also the midpoints using the 2007/08

salaries. It also provides the median basic salary using the 2007 NHS Staff Earning Estimates (used to calculate the unit costs estimates) and the difference between the median (2007) and midpoint (2007/08).

**Table 1 Agenda for Change bands midpoints and the median basic salaries used this year in the Unit Costs Report**

| | 2006/2007 midpoints (£) | 2007/2008 midpoints (£) | Sept-Dec 2007 median basic salary (£) | Difference between median and midpoint 2007/2008 (%) |
|---|---|---|---|---|
| Band 2 | 13,445 | 13,647 | 14,500 | +6.2 |
| Band 3 | 15,446 | 15,678 | 16,300 | +4.0 |
| Band 4 | 18,039 | 18,310 | 19,700 | +7.7 |
| Band 5 | 21,646 | 21,971 | 22,900 | +4.2 |
| Band 6 | 26,720 | 27,120 | 29,200 | +7.7 |
| Band 7 | 31,906 | 32,385 | 34,300 | +5.9 |

In the case of Foundation Officers where salaries for specific job descriptions have been provided, the mean salary is considered to be a more reliable indicator than the median.

**Table 2 Midpoint salaries for Foundation Officers and the mean basic salaries used this year in the Unit Costs Report**

| | 2006/2007 midpoint (including supplement) (£) | 2007/2008 midpoint (including supplement) (£) | Sept-Dec mean total earnings (£) | Difference between mean and midpoint (2007/2008) % |
|---|---|---|---|---|
| Foundation Officer 1 | 33,610 | 34,089 | 31,200 | -8.5 |
| Foundation Officer 2 | 42,047 | 42,400 | 43,000 | +1.4 |

The salaries of specialty doctors have not been reported by the Information Centre so we have taken the salary information from the NHS Employers Pay Circular (NHS, 2008) and based it on the midpoint for the grade as in previous years. Consultant salaries have been based on total earnings provided by the Department of Health as they are in line with what was reported last year. They have been calculated by taking the total consultant paybill (less estimated employers oncosts) and divided by the number of full-time consultants. Next year, we will revisit the source of information with a view to using the information produced by the Information Centre.

It was reported in the 2007 edition of this report that the staff grade would be included in this publication. However, the existing staff grade has now been closed to new applicants and those currently on that grade have the option of moving onto the new specialty doctor contract.

In cases where staff typically work more hours than the standard working week of 37.5 hours (i.e. foundation officers where 97 per cent work on average 56 hours per week and consultants for whom a typical contract is 43.3 hours), we have based the unit costs on their total earnings which include overtime and other payments. The basic salaries are provided in the note. For other staff such as nurses and scientific and professional staff, where the unit costs are based on the standard working week of 37.5 hours, we have based the unit costs on the basic salary and have included the total earnings figure in the note.

## Salaries of local authority staff

Between Spring 2006 and Spring 2007, the National Minimum Dataset for Social Care (NMDS-SC) was piloted across local government. This nation-wide workforce information project gathered detailed data, including information on earnings, from employers, providing an overview of the whole social care sector. Although the information is not considered a reliable source for this edition of the Unit Costs report, it is hoped that we can use it in future volumes. This year, we are using the Earnings Survey carried out by the Local Government Analysis and Research (LGAR) which is based on information provided by 46 local authorities.

## Superannuation

An important component of the calculation of salary-related costs for health and social care professionals is the amount employers contribute to national insurance and superannuation. In order to ensure the accuracy of superannuation payments in local authorities, each year we carry out a survey of 20 authorities to see what percentage of salaries local authorities contribute towards superannuation. Last year, we found that the rate had increased from 14.9 per cent to 15.9 per cent. This year the rate has increased to 17.7 per cent resulting in an overall increase in the costs reported in this volume. The contribution that NHS employers make to superannuation payment remains at 14 per cent.

## Sickness days

Although unit costs are often compiled on an annual basis, we always disaggregate these costs to a lower level which includes an hourly cost. The first step is to identify the number of hours that the member of staff would be expected to work and to do this we need to know how many days annual, statutory and sick leave are expected to be taken. In previous years we have made assumptions about the number of sick days taken. This year, sickness rates have been based on the National Sickness Absence levels for 2005 for NHS professional (Information Centre, 2006). The national sickness absence level for 2005 was 4.5 per cent which amounted to 11.7 days per year compared to the 10 days of sickness on which previous calculations have been based. For local authority professionals, sickness rates have been taken from the Local Government Sickness Absence Levels and Causes Survey 2006–2007 (Local Government Association, 2007).

## Living expenses

In 2007, a new edition of the Family Spending Survey was released and we have updated the information on basic living expenses and other living costs for older people (see pages 34–42). In previous editions, these expenses were taken from the Family Expenditure Survey (2001/2002) and inflated as necessary. This year, the survey was based on spending during 2006 and inflated to 2007/08. A comparison of the spending patterns between the two time points showed that the average weekly expenditure per person on essential items such as household goods and services, fuel and power and food has decreased by 24 per cent whereas spending on recreation, hotels and transport (includes miscellaneous services) has increased by 196 per cent. Overall spending in all households on these items which are those normally covered by care home fees has increased by 44 per cent. Other living costs covered by personal expenditure (for example leisure goods and alcohol) have reduced by 11 per cent.

## Mental health teams

In previous editions of the Unit Cost report, information on health and social care teams for adults has been taken from the Adult Mental Health Service Mapping data at the University of Durham. Information on services for older people with mental health problems however was not included in this dataset and unit costs were drawn from a study (von Abendorff et al., 1995) of two specialist services.

This year the responsibility for adult service mapping data has transferred to Mental Health Strategies which is part of the Care Services Improvement Partnership (CSIP). CSIP have developed the combined Service and Financial Mapping Website (http://www.mhcombinedmap.org) which was available online in 2007 for the first time and includes information on team compositions and case loads for all adult mental health services (including older people).

We have drawn on this information to update schematas 10.1 to 10.5 which has resulted in decreases in some team staffing costs especially the cost of a NHS community multi disciplinary mental health team key worker for elderly people (9 per cent decrease) and large increases in others such as the Assertive Outreach Team worker (18 per cent increase).

## References

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The Information Centre (2006) *Sickness Absence Rates of NHS Staff*, The Information Centre, London.

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von Abendorff, R., Challis, D. & Netten, A. (1995) Case managers, key workers and multi disciplinary teams, PSSRU Discussion Paper 1038, Personal Social Services Research Unit, University of Kent, Canterbury.

# Guest Editorial

## National Schedule of Reference Costs data: Community Care Services

*Adriana Castelli*[1]

### Introduction

Much emphasis is devoted to measuring the performance of the NHS as a whole and its different providers. Reference Cost data provide a useful source of information about the activity offered in the NHS as a whole and in its various organisations. They include information on costs incurred by NHS and non-NHS providers in providing treatment to NHS patients.

After explaining what Reference Costs are and their potential use to policy makers, providers, commissioners, and other interested parties, we proceed to explore how activity and average unit costs have changed over time in one particular healthcare sector: community care services.

### Reference Costs explained

The National Schedule of Reference Costs were first introduced in England in 1997 (White Paper *The New NHS*, 1997), with the aim of finding new ways of measuring performance and efficiency of the 'new' NHS. The requirement set in the White Paper was for "NHS [Hospital] Trusts to publish and benchmark their own costs on the same basis, [thus giving] Health Authorities, Primary Care Groups[2] and the NHS Executive a strong lever with which to tackle inefficiency" (Department of Health (DH), 1997).

In the year of its inception, Reference Costs were collected only by NHS Trusts for surgical elective inpatient, day cases and emergency inpatient. Coverage has since increased to include all of NHS activities and average unit costs performed in NHS Trusts, as well as

1 Centre for Health Economics, University of York.

2 Primary Care Groups have since been transformed into Primary Care Trusts in 2002. There are currently 152 Primary Care Trusts in England. http://www.nhs.uk/aboutnhs/HowtheNHSworks/Pages/NHSstructure.aspx, accessed on 31/05/2008

activities and their average unit costs performed in other settings, such as Primary Care Trusts (PCTs), Personal Medical Services[3] (PMS) and more recently non-NHS providers.

A summary by broad groups of activities of NHS services that were covered in the National Schedule of Reference Costs in 2006/07[4] by type of provider is given in Table 1. Not all types of activity within each broad group are offered across all types of provider. PCTs are reporting the greatest volumes of activity, especially with regard to community care services. Personal Medical Services and non NHS providers account for smaller volumes of healthcare services.

**Table 1 Healthcare activity covered in the National Schedule of Reference Costs, 2006/07**

| Groups of activity | NHS Trusts | PCTS | PMS | non NHS |
|---|---|---|---|---|
| 1. Elective inpatients, non-elective inpatients, day cases, ward attenders, regular day/night attenders and attenders at day care facilities | ✓ | ✓ | ✓ | ✓ |
| 2. Outpatient Services | ✓ | ✓ | ✓ | ✓ |
| 3. Accident and Emergency medicine (including Minor Injury Services, Casualty Units, Walk In Centres | ✓ | ✓ | | ✓ |
| 4. Specialist Services | ✓ | ✓ | | ✓ |
| 5. Community Outreach Specialist Nursing, other Community Nursing, Health Visitor & Community Medical Services, Therapy Services | ✓ | ✓ | ✓ | ✓ |
| 6. Services separately identified | ✓ | ✓ | ✓ | ✓ |
| 7. Services accessed directly | ✓ | ✓ | ✓ | ✓ |
| 8. Audiology Services | ✓ | ✓ | ✓ | ✓ |
| 9. Paramedic services provided by NHS Ambulance Service | ✓ | | | |
| 10. Mental Health Services (relate to providers of Specialist Mental Health Services only) | ✓ | ✓ | ✓ | ✓ |

Source: National Schedule of Reference Costs – 2006/07, author's own elaboration.

Costing of NHS activity is a complicated exercise, and it requires a methodology that takes into account of a) the type of patients treated and b) the nature of treatment administered to patients. To this end NHS providers collect and record data based on Healthcare Resource Groups[5] (HRGs). HRGs are designed as grouping of treatments with similar clinical characteristics and similar resource use (Department of Health, 2008). HRGs are determined from both procedural (OPCS-4.4)[6] and diagnostic (ICD-10)[7] codes, that are intended to capture every detail of a clinical event by simple alpha-numeric symbols. They

3 PMS is a locally-agreed alternative to General Medical Service (GMS) for providers of general practice. Legislation has allowed for PMS since 1997 (with the entry into force of the Primary Care Act) but it is only in recent years that the number of practices choosing PMS has grown rapidly. Now almost half of general practices have PMS agreements". *http://www.bma.org.uk/ap.nsf/content/pmsagreements0904* (last accessed 1st July 2008).

4 2006/07 is the latest year of available Reference Costs at the time of writing.

5 Since their first introduction in 1992, HRGs have been subject to a number of revisions. The latest version - HRG4 -was introduced in 2006/07. It was developed, among other things, to reflect changes in clinical practice and costs, and to include new clinical areas. An HRG is, firstly, assigned to a patient record on the basis of the OPCS-4.4 procedure codes. In case more than one procedure is listed, it will assign an HRG code on the basis of a procedure hierarchy, which favours the dominant (highest cost) procedure. In the event that no procedure is indicated in the patient record, or the procedure is invalid, the diagnosis codes (ICD-10) will determine the HRG that is to be assigned to the patient record. In this case, the primary diagnosis drives the HRG.

6 OPCS stands for Office of Population Census and Surveys and it is the standard classification system used in England to record healthcare procedures and interventions. The current version is 4.4 and it has been used to inform the latest version of the HRG grouping system.

7 ICD stands for International Classification of Disease and Related Health problems, which is in its version 10. It represents an internationally designed classification of disease developed and managed by WHO.

are applicable to the Admitted Patient Care Minimum Dataset and cover inpatients (both elective and emergencies) and day cases. All other healthcare activity is reported by either a specialty or service code system.

Reference Costs[8] provide data on volumes of activity, average unit costs, lowest and highest costs and interquartile ranges for costs for each type of healthcare activity. These can be used to compare the cost of providing treatment by type of service and by type of NHS provider.

The data are also summarised into a Reference Cost Index (RCI) which is calculated for each provider and provides some indication of NHS organisations[9] relative efficiency. The RCI shows the average cost of a healthcare organisation's total activity, which is compared to the same activity delivered at the national average cost. Complexity of care may vary across NHS providers, and this is taken into account by comparing each treatment to its national average. An RCI score of 100 means that an organisation has the same costs as the national average; departures from that score are indication of an organisation's relative efficiency/inefficiency. An RCI score below (above) 100 denotes relative efficiency (inefficiency). RCI can be also adjusted to take into account of external market factors that affect costs for staff, land and/or buildings locally.

## Community Care Services

Activity and cost data for Community Care Services were first included in the Reference Costs in 1999/2000 relating mainly to activity for Physiotherapy, Occupational and Speech Therapy administered by NHS Trusts. Since then, coverage of activity has increased, with activity categories being added, removed and redefined over time. For example, recently activity data for physiotherapy, occupational and speech therapy is reported under 'Community Services' and 'Direct Access Services'. Activity and cost data administered by non-NHS providers were first included in 2003/04. Table 2 gives an indication of the number of activity categories reported in each year by type of provider.

The total number of community care services within each activity category has increased over time, especially from 2003/04 onwards. NHS Trusts and PCTs offer a large and similar variety of community care services, with NHS Trusts offering more diverse activities than PCTs.

8 Further, the Department of Health (DH) uses Reference cost data to calculate the Payment by Results Tariff (Department of Health, 2006a), in its Programme Budgeting exercise and for the Schedule 5 of the Department's Resource Accounts (Department of Health 2004a, 2004b, 2005, 2006b and 2007).

9 The Reference Cost Index is produced for NHS Trusts, PCTs and Personal Medical Services only.

**Table 2 Reference cost data collection by activity category, 1999/2000-2006/2007**

| Year | Type of Provider / Activity category | Community Nursing Services Data | Community /Outreach Nursing Services Data | Community Midwifery Services HRG-based Data | Community Midwifery Visit Data | Community Medical Services Vaccinations Data | Community Medical Services Data | Community Therapy Services | Direct Access Therapy Services | Community Services Other Attendances Data | Physio, Occupational and Speech Therapy | Community Services Needle Exchange Scheme | Community Rehabilitation Teams | Total by Organisation | Total by year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1999/00 | NHS Trusts | | | | | | | | | 14 | 6 | | | 20 | 20 |
| 2000/01 | NHS Trusts | 3 | 14 | | | | | | | 3 | 21 | 1 | | 42 | 104 |
| | PCTs | 3 | 8 | | | | | | | 3 | 21 | 1 | | 36 | |
| | PMS + pilots | 3 | 6 | | | | | | | 3 | 14 | | | 26 | |
| 2001/02 | NHS Trusts | 3 | 14 | 15 | 3 | | | 3 | 3 | 3 | | | | 44 | 90 |
| | PCTs | 3 | 14 | 2 | 2 | | | 3 | 3 | 3 | | | | 30 | |
| | PMS + pilots | 3 | 5 | | 1 | | | 3 | 1 | 3 | | | | 16 | |
| 2002/03 | NHS Trusts | 8 | 26 | 21 | 2 | 1 | 1 | 12 | 12 | 3 | | | | 86 | 174 |
| | PCTs | 8 | 29 | 3 | 2 | 2 | 1 | 12 | 12 | 3 | | | | 72 | |
| | PMS + pilots | 6 | 3 | | | | 1 | | 4 | 2 | | | | 16 | |
| 2003/04 | NHS Trusts | 10 | 54 | 11 | 2 | 1 | 1 | 6 | 6 | 5 | | | | 96 | 201 |
| | PCTs | 11 | 46 | 2 | 2 | 1 | 1 | 6 | 6 | 5 | | | | 80 | |
| | PMS + pilots | 9 | 3 | | | 1 | 1 | 2 | 2 | 3 | | | | 21 | |
| | non-NHS providers | | | | | | | | 4 | | | | | 4 | |
| 2004/05 | NHS Trusts | 13 | 66 | 10 | 2 | 1 | 1 | 6 | 6 | 5 | | | | 110 | 242 |
| | PCTs | 11 | 62 | 3 | 2 | 1 | 1 | 6 | | 5 | | | | 91 | |
| | PMS + pilots | 9 | 2 | | | 1 | 1 | 2 | | 3 | | | | 18 | |
| | non-NHS providers | 1 | 5 | 3 | | | 1 | 6 | 3 | 4 | | | | 23 | |
| 2005/06 | NHS Trusts | 11 | 69 | 8 | 2 | 1 | | 12 | | 5 | | | | 108 | 267 |
| | PCTs | 13 | 65 | 6 | 2 | 1 | | 12 | | 5 | | | | 104 | |
| | PMS + pilots | 10 | 5 | 1 | | | | 2 | | 3 | | | | 21 | |
| | non-NHS providers | 10 | 9 | 5 | | | | 6 | | 4 | | | | 34 | |
| 2006/07 | NHS Trusts | 13 | 67 | 10 | 2 | 1 | 4 | 12 | | 6 | | | 1 | 116 | 272 |
| | PCTs | 13 | 61 | 4 | 2 | 1 | 4 | 12 | | 8 | | | 1 | 106 | |
| | PMS + pilots | 10 | 5 | | | | 1 | 2 | | 3 | | | | 21 | |
| | non-NHS providers | 7 | 6 | 4 | | | 1 | 7 | | 4 | | | | 29 | |

Source: Reference Cost Data, 1999/00 - 2006/07, author's own elaboration

The picture changes slightly if one considers the volumes of community care service offered by type of provider. Figures 1 and 2 provide an indication on how volumes of community care activity have evolved in the time period from 1999/00 to 2006/07, respectively for NHS Trusts and PCTs, and PMS and non-NHS providers.

There has been a remarkable increase in the volumes of activity reported by PCTs since 2001/02, which has coincided with a decline in NHS Trusts' volumes of activity. Much of the increase is likely to be due to improved data collection but some of the change may indicate that community care activities that were previously managed by NHS hospital trusts are now provided by PCTs. This interpretation of the shift in activity is in line with policies set out in 1997 (the 'New NHS') which aimed at gradually shifting activity from the acute hospital sector to the community and primary care settings. The number of

community care contacts in 2006/07 in PCTs is about nine times higher than those reported by NHS Trusts. In 2006/07, both NHS Trusts and PCTs register a small decrease in the total number of contacts.

**Figure 1 Community Care contacts in NHS Trusts and PCTs, Reference Costs**

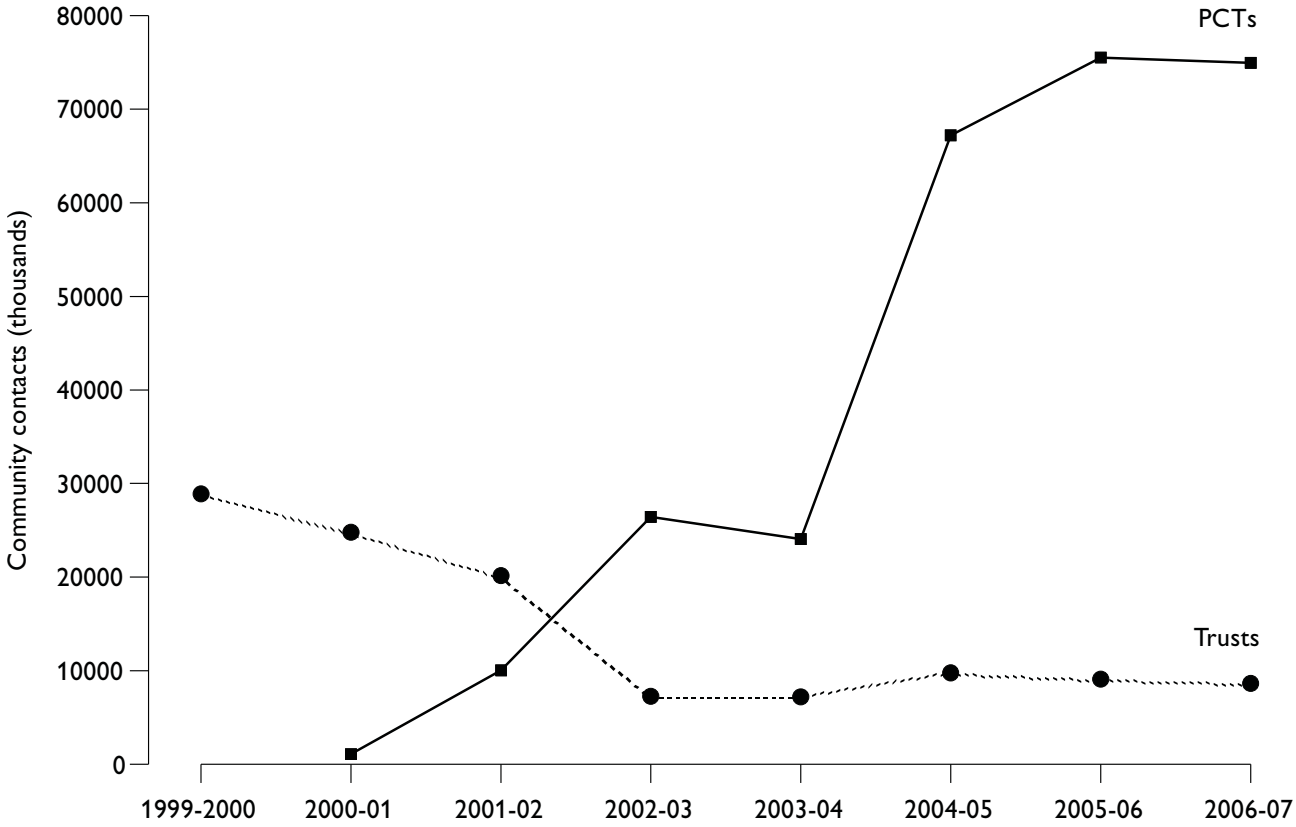



Figure 2 shows community care contacts in PMS and non-NHS providers. While volumes are lower than those reported in NHS Trusts and PCTs; community care activity in PMS has shown a steady increase since 2002/03. Activity has been volatile for non-NHS providers, where the large volumes reported in 2004/5 and 2005/6 have since fallen.

The costs of community care services vary considerably across providers and over time. We focus here on activity weighted average unit costs (hereafter, 'unit costs') incurred by each type of healthcare provider, for ease of exposition. Figure 3 shows the trend in unit costs from 1999/2000 to 2006/07. Unit costs seem to be a mirror image of trends in volume - as volume rises, unit costs appear to fall.

In 2004/05, unit costs in PCTs decreased sharply compared to all previous years. There were similar, but less pronounced, reductions in unit costs reported by other types of provider. The reductions are probably due to the considerable increase in volumes of activity recorded by these providers. After 2004/05, unit costs in the four types of provider follow different trends, with PMS still showing a decreasing trend, non-NHS and NHS Trusts seeing an increase in their unit costs and PCTs first registering a decrease followed by a small increase in unit costs in the latter year.

Figure 4 shows the deviations of activity weighted average unit cost from the national average, by provider and year. Figures of the national activity weighted average unit costs are also shown.

**Figure 2 Community Care contacts in PMS + pilots and non-NHS providers, Reference Costs**

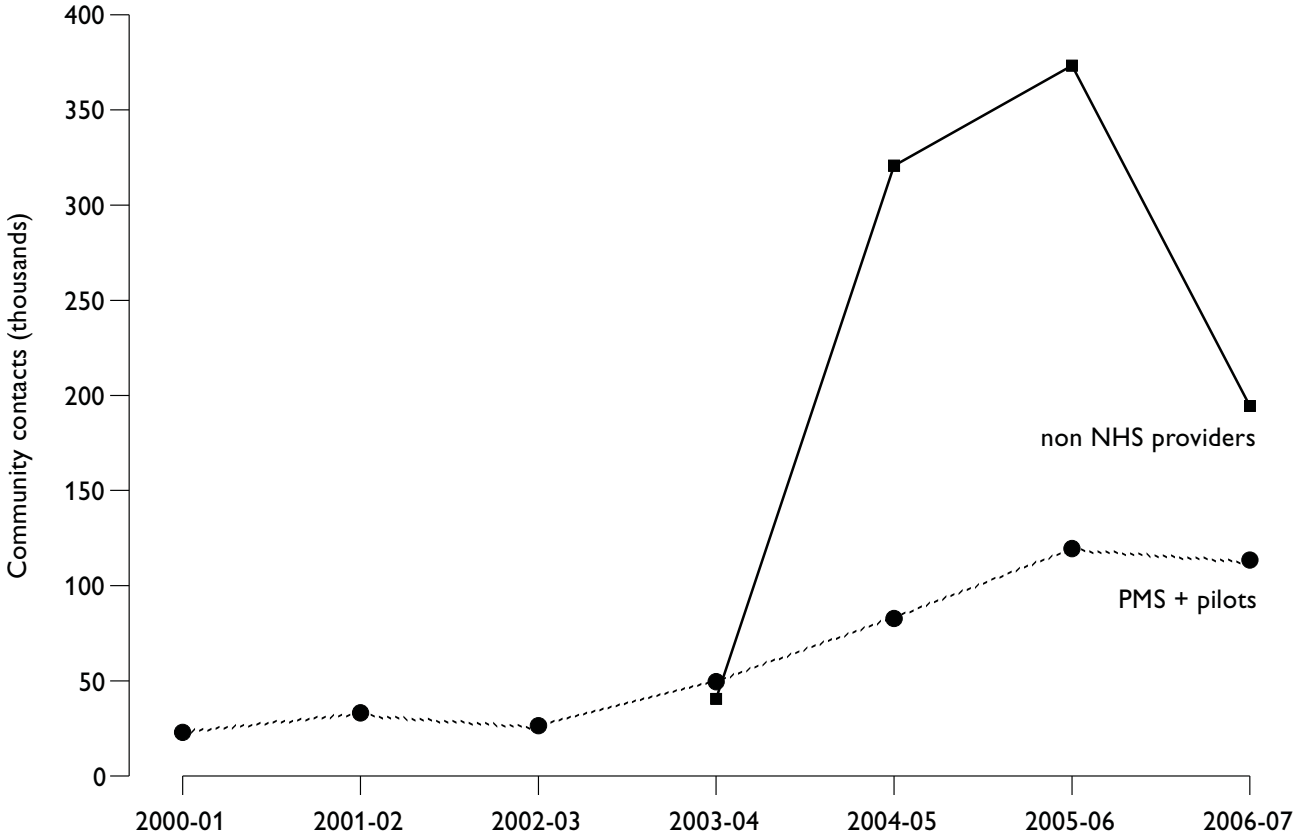



**Figure 3 Activity weighted average unit costs – trend**

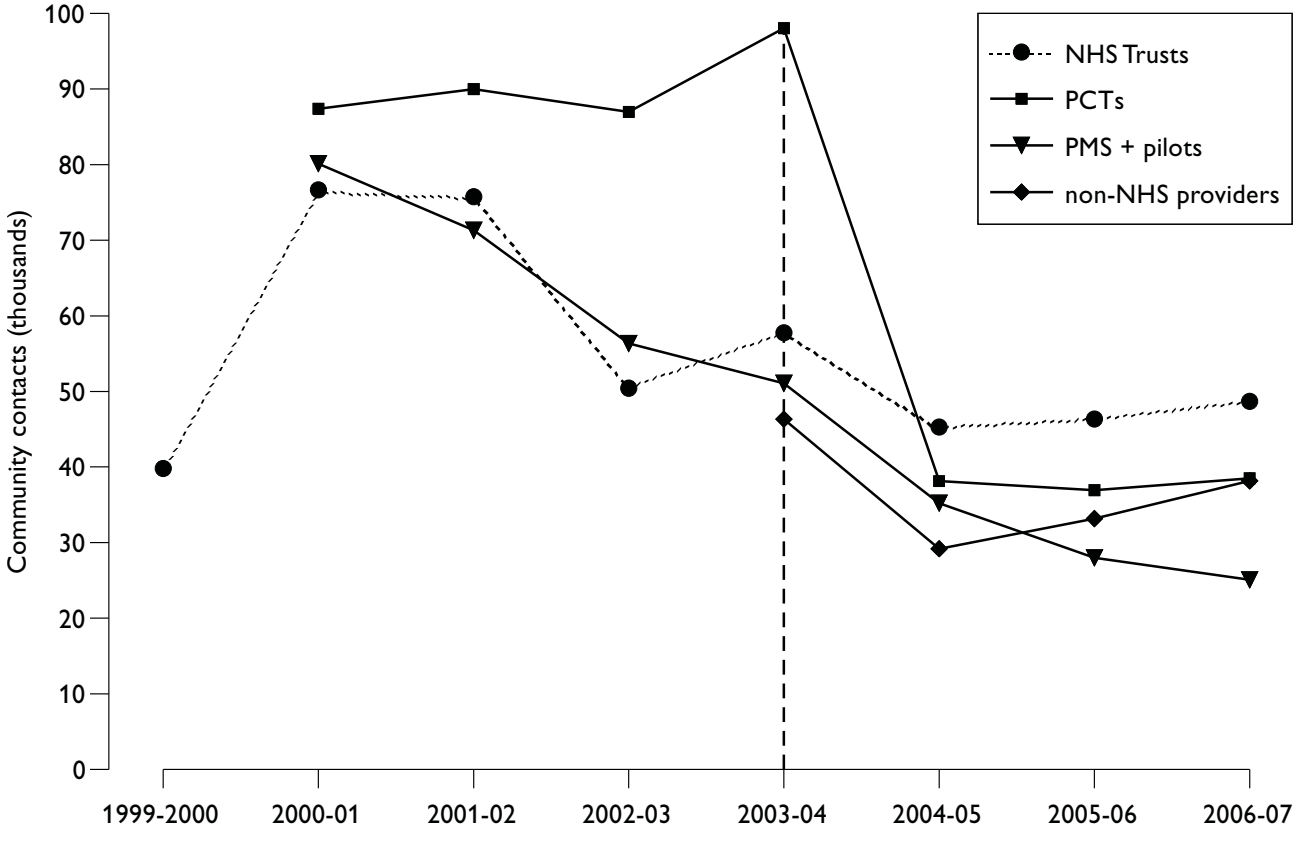
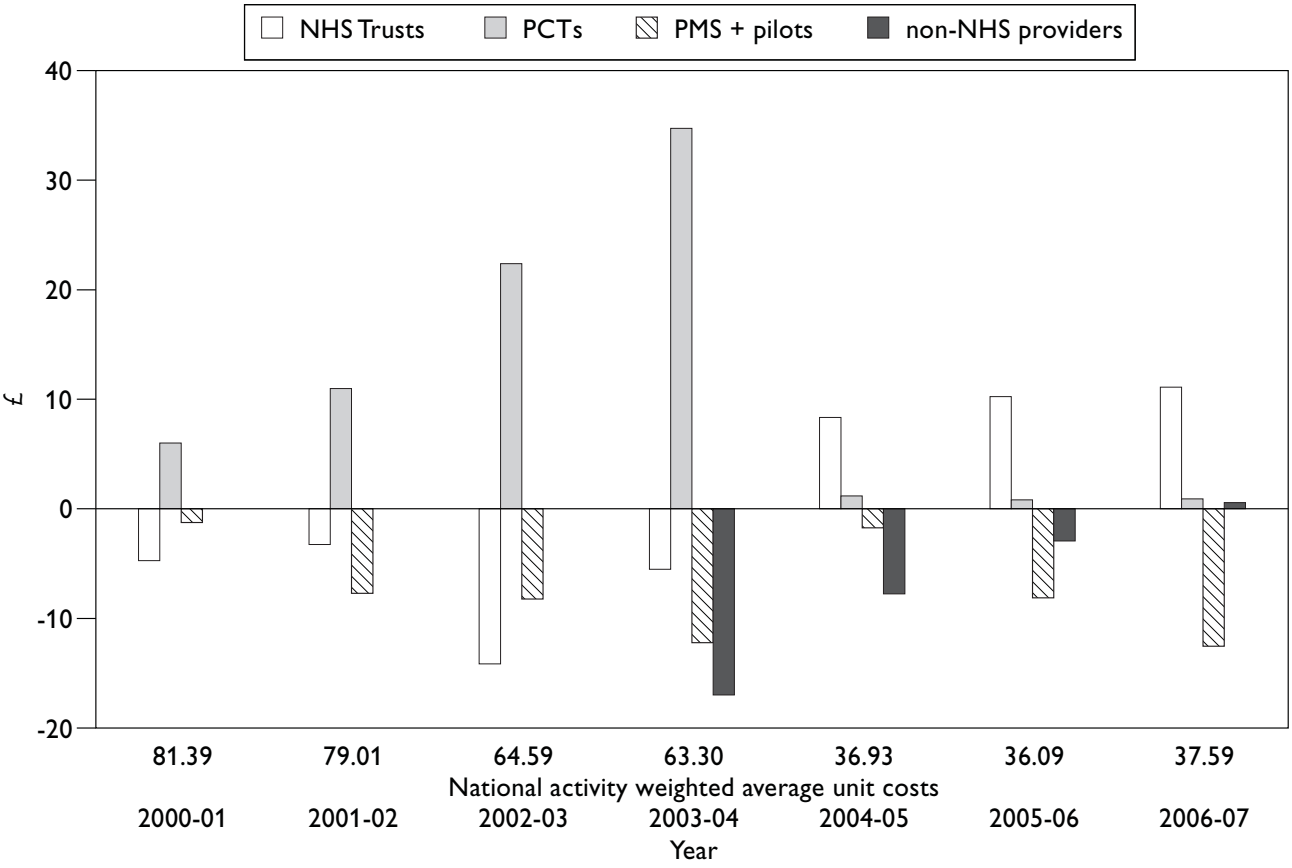


**Figure 4 Deviations from national average activity weighted unit costs, by provider, 1999/00-2006/07**




NHS Trusts show up to 2003/04 lower unit costs than the national average; after that year these steadily increase, leaving NHS Trusts with the highest activity weighted average unit costs in 2006/07. This might be indicative of a transfer of more straightforward activities to other settings, leaving NHS trusts to care for more complex and costly types of care. In 2000/01, other types of provider start reporting their provision of community care services. PMS and non-NHS providers consistently report lower unit costs than the national average, perhaps because they are treating patients of below average complexity. In contrast, PCTs report higher unit costs up to 2003/04 after which unit costs are below the national average, again suggesting that volume is driving these changes.

## Conclusions

This editorial sets out to shed some light on the Reference Cost data and their potential use in informing policy-makers on the relative costs reported by NHS organisations and non-NHS providers, by analysing changes in activity and average unit costs across providers and across years.

One important caveat needs to be drawn: comparing activity weighted average unit costs has the advantage of easing the analysis of healthcare costs across providers. However, this comes with the non trivial drawback that the averaging process tends to wash out important variations in unit costs, which may well reflect variation in casemix treated by providers, rather than relative efficiency. There is, therefore, scope for further analysis of community care service data to explore the reasons for variations in providers' units costs identified in this editorial.

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# The challenges of estimating the unit cost of group based therapies

*Barbara Barrett and Sarah Byford*[1]

## Introduction

Psychological therapies are an increasingly popular treatment approach for people with mental health problems. The UK National Institute for Health and Clinical Excellence (NICE) guidelines state that most patients with depression and anxiety should be offered evidence based psychological therapies (National Institute for Clinical Excellence, 2004) and this position is supported by a group of leading mental health organisations which have joined together to campaign for increased investment and widening access to psychological therapies on the NHS (www.weneedtotalk.org.uk). Psychological treatments have also been embraced by the UK Government. An influential report by the economist Lord Layard, which outlined the case for psychological treatments for depression and anxiety (Layard, 2006), was followed by a Government statement launching two pilot psychological treatment centres (Department of Health, 2007). The treatment centres will house large numbers of therapists who will deliver generally cognitive behavioural therapy (CBT) to people with depression and anxiety.

Whilst most of the evidence of the effectiveness and cost-effectiveness of psychological therapies concerns individual therapy, a number of factors have led to an increased interest in group based therapies. First, the demand for psychological treatments is high and proper implementation of the NICE guidelines means that demand is likely to go on increasing. Second, there is a shortage of therapists. Layard estimated that to implement the NICE guidelines 10,000 more therapists are required (Layard, 2006), raising concerns about the ability to train and recruit these therapists in a timely fashion. Thus not all patients referred for psychological therapy will be able to access it. Third, psychological therapy is an expensive and resource intensive intervention compared to alternative treatments such as antidepressants. Layard estimated the cost of a course of individual CBT at £750, though a review of the literature suggests this may be an underestimate; a paper reporting the cost-effectiveness of CBT for relapse prevention in depression estimated the cost of the therapy at around £1,200 (Scott et al., 2003).

1 Centre for the Economics of Mental Health, Institute of Psychiatry, King's College London, De Crespigney Park, London SE5 8AF.

Group therapy is one method of increasing access to psychological interventions that, with possible cost and administrative advantages, may also be a more cost-effective option. There is very limited evidence of the cost-effectiveness of group therapy and in order to undertake economic evaluations, it is necessary to develop a strategy to estimate the unit cost of group based therapies at the individual level. Despite this need, the literature holds little guidance on the methods of costing groups. We searched all Health Technology Assessment reports (http://www.ncchta.org/) that had evaluated the cost-effectiveness of a group based intervention and none gave sufficient detail on methodology to make a judgement on the merit of their costing approach. Some methodological guidance is required in order to generate transparent and replicable unit cost estimates. In this paper we explore different approaches to the estimation of group based treatments using experience from two economic evaluations of group based therapy for repeated deliberate self-harm in children and adolescents (ongoing work) and recurrent depression in adults (Kuyken et al., 2008).

## Estimating the cost of a group therapy session

A useful place to start in estimating the cost of a group therapy session is to look at the methods used to cost health and social care professionals in this publication. The cost of a professional begins with an estimation of the cost per hour, which is calculated by taking the total annual salary costs of the professional, together with appropriate employer costs (e.g. national insurance and pension contributions) and overheads and dividing it by the number of hours worked per year. It is then necessary to adjust the cost per hour to take into account time spent in face to face contact with patients and time spent on other activities such as preparation, administration, supervision and training. In the individual CBT schema 2.13 on page 57, for example, this ratio of direct time (face to face contact) to indirect time (all other activities) is 1:1, so in order to estimate the cost per hour of face to face contact we double the cost per hour. In order to calculate the cost of a full course of CBT, we multiply the cost per hour of face to face contact by the length of each session and by the number of sessions. We can summarise this information in equation (1) below:

(1) $$TC_{CBT} = (((wages + overheads) / workingtime) * ratio) * duration) * no_sessions$$

Where ratio=direct to indirect time and duration=group session duration.

In group therapy, the therapist treats a number of people in one session, so we can estimate the cost by taking the cost per hour equation and dividing it by the number of people in the group, see equation (2).

(2) $$TC_{CBT} = \left( \frac{(((wages + overheads)/(workingtime)) * ratio) * duration}{number_group} \right) * no_sessions$$

So far so good. However in estimating the cost of group based therapies, we have found that the numerator (wages, overheads, working time and ratio of direct to indirect time), the denominator (number per group) and the multiplier (number of sessions) in the equation are heavily dependent on the type of group, the type of professional taking the group and the level of attendance.

### *Numerator: wages and direct to indirect working time*

The numerator is based on the assumptions for estimating the professional time in individual therapy and these assumptions do not necessarily hold for group therapy. For

example, if the professional leading the group therapy is more experienced, the wages rise. In addition the overheads will depend on the location of the therapy; we found that group therapy frequently takes place outside the usual treatment settings for example in community facilities such as village halls.

The ratio of direct to indirect time may also change for group therapy. We learnt that practitioners running group therapy spent longer preparing for group therapy sessions compared with time taken to prepare for individual therapy. There may also be implications in terms of travel time, whilst with individual therapy the practitioner stays in one place and waits for the patients to come to them, with group therapy there may be more travel time as the practitioner moves around to visit groups in different geographical locations. It is therefore important to collect information on the professional, the travel implications and the direct to indirect time ratios for each evaluation.

### *Denominator: number per group*

Concerning the denominator, when estimating the cost of individual contacts with health and social care professionals, it is often considered fair to assume that when a patient does not turn up to an appointment, the practitioner will spend the time allocated to the session doing another task, reducing the potential cost impact of the missed appointment to zero. Even if they don't, the cost is easily calculated as the cost of an attended session.

However, when a therapist is running a group, the group will go ahead unless no-one attends. This poses a challenge to the researcher seeking to accurately estimate the cost of the group therapy - should the cost of the session be adjusted to reflect the number of people in the session, or should the cost be the same for those who attend and those who do not attend. If the first approach is used, the effect is to increase the cost per session for those who attend, the alternative approach keeps the cost of the session the same for all participants 'allocated' to that group whether they attend or not.

### *Multiplier*

Related issues arise with the multiplier. If a therapy group runs for 12 sessions, when estimating costs the researcher needs to decide if they will estimate the cost using the number of sessions they actually attended as the multiplier, or the number of sessions they were allocated as the multiplier.

### *Approaches to the estimation of group therapy*

Two possible approaches to the estimation of group therapy are summarised in equations (3) and (4). In equation (3) the cost of the practitioner time are shared equally among those who were *allocated* to that group, regardless of whether or not they attended.

(3) $$TC_{CBT} = \left( \frac{(((wages + overheads)/(workingtime)) * ratio) * duration}{number_allocated_group} \right) * no_sessions_allocated$$

In equation (4), the costs are shared among those who *attended* each session.

(4) $$TC_{CBT} = \left( \frac{(((wages + overheads)/(workingtime)) * ratio) * duration}{number_attended_group} \right) * no_sessions_attended$$

## Example: Estimating the cost of group based mindfulness-based cognitive therapy

We tested the two approaches to estimating the cost of group therapy using data from a randomised controlled trial of mindfulness based cognitive therapy (MBCT) to prevent relapse in recurrent depression (Kuyken et al., 2008). Using data on patients that attended one of the five MBCT groups, 11 patients were referred and allocated a place. The groups ran for 12 sessions, although attendance varied; no-one attended all twelve sessions, three people were allocated to the group but did not attend any sessions, and one person attended only once. Among the seven who attended more than one the average number of sessions attended was 10. The group was a closed group which meant that once the eleven members had been invited, no-one else was permitted to join for the duration of the 12 sessions.

Using the first approach (equation (3)), the costs are shared equally among all those who were allocated to the group making the cost the same for each member: £94 or £7.80 per two hour session (standard deviation £0). The second approach (equation (4)) yields very different results: the mean cost per person is £102, standard deviation £80, range £0-£190.

## Discussion

We have proposed two approaches to the estimation of unit costs for group based therapies and demonstrated the different results they generate using data from a recently completed study. The first method (equation 3) takes the view that when an individual is allocated, or prescribed a therapy, the researcher should allocate that cost to them whether or not they actually consume it. This view is not uncommon in other costing approaches, for example the cost of drugs prescribed are frequently included without knowing whether or not they have been taken as directed, because they involve a cost at the point of supply rather than at the point of consumption. The first approach is particularly appropriate when the group has closed entry (that is, once participants are recruited to a group no-one else can join), since the method acknowledges that the resources have effectively been consumed by an individual at the point of allocation to the group and cannot be used by anyone else. It is also a simple approach to estimating the unit cost, requiring only the number of participants per group and the number of sessions required for the intervention.

Conversely, the alternative method (equation 4) is a much more resource intensive approach, requiring data on the exact sessions that each participant attended and the number of people that attend each session. The costs will then vary among participants, with those who attend more group sessions allocated higher costs, whilst those who do not attend any group sessions incurring no costs. This approach may be appropriate if the group is open to new entrants throughout its duration, where new members can join as others drop-out. However, in reality there will be a period of time between a member dropping out and a new being member found, assessed and invited to join the group. It does also not deal sufficiently with individual missed appointments.

We suggest that the second approach is only appropriate where there is perfect replacement of members when an individual does not attend. Perfect replacement would occur where a group runs with ten places, which have been allocated to ten people. However, every week, another 20 people turn up and wait outside the door in case one of those allocated a place doesn't attend. The further a group is from perfect replacement, the more the different methods will produce different individual level costs, as in our example of the costs from the MBCT study.

If the second approach is followed without perfect replacement, the result is that there are higher costs for those who attended the group and lower costs for those who did not. This relies on the view that there is some additional benefit of there being fewer people in the group, which is reflected in the higher cost for those who attend. There is no evidence from the literature on group therapy that there is any additional benefit of smaller groups. Conversely, the opposite is true; many practitioners argue that with too few members group treatments will not provide the necessary interactions for successful therapy, with the result that members will have a series of unsatisfactory individual therapy sessions rather than the intended group intervention (Vinogradov & Yalom, 1989).

Estimating the cost of group interventions is a more complex issue than is at first apparent. We consider that unless there is perfect replacement of group members who fail to attend, costs should be calculated on the basis of the resources allocated to an individual when they enter a group, rather that on the basis of attendance at it. However, the appropriate method should be informed by careful consideration of the nature of the group under evaluation.

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# Costs and uses of Individual Budgets

*Karen Jones*

## Introduction

The introduction of individual budgets (IB) reinforces the political agenda to promote independence among people with social care needs. The basic premise of an individual budget is that people are allocated a transparent sum of money derived from a number of different funding streams that can be used to negotiate and purchase support in a way that best meets their own desired outcomes. IB holders have the choice as to the deployment options they prefer (for example, control through a direct payment, the local authority, an independent agency or a combination of options) and whether they purchase conventional or innovative services to meet their needs. An evaluation of the implementation of individual budgets in 13 local authorities was funded by the Department of Health, using a mixed methods approach to explore the impact of individual budgets both in terms of service user experiences and the implications for the local authority social services.

This paper describes the level of IBs and the degree to which individuals are taking advantage of the flexibility to spend their budget in innovative ways.

## Method

The information about the level, sources and use of IBs was drawn from the support plan records that pilot local authorities were asked to complete. The information requested included:

- the total level of funding in terms of social service expenditure, recurrent annual, one off payments and contributions from different funding streams, funding for support planning and support brokerage and the proportion of the budget the individual was expected to contribute if this was included;
- the formal organisation of the budget in terms of deployment option;
- the budget per year and the activities included in the support plan.

## Size of IBs[1]

Among 285 support plan records that pilot local authorities supplied[2], the average gross cost of an IB was about £11,450 (median £6,610; standard deviation £15,810; minimum =£72; maximum £165,000)[3]. On average approximately £11,760 was for annual recurrent funding (n=278; median £6,580; standard deviation £16,860) and £1,260 for one off payments (n=46; median £680; standard deviation £1,500). The average gross value of IBs for people with learning disabilities was significantly higher (mean £18,610, p001) compared with younger physically disabled people (mean £11,150), people with mental health problems (mean £5,530) and older people (mean £7,860). Not surprisingly, recurrent funding for people with learning disabilities were also significantly higher (mean £18,470; p0.01) compared with the other three user groups.

## Patterns of expenditure

Fifty-nine per cent (169) of people for whom we had the information used their budgets to purchase mainstream services[4] (mean expenditure was £4,970, 44 per cent of the total average budget of £11,450). In line with the size of the overall budget, expenditure on mainstream services was significantly higher for people with a learning disability (£7,500; p.01) compared with other groups. People with mental health problems received a lower budget for mainstream services (£1,470).

While most people made use of mainstream services and/or PAs, now quite mainstream among DP users, there was evidence from support plans and reports during the six-month interviews to suggest that people are moving towards innovative ways to meet their needs. While it was difficult at times to classify and thus quantify purchases/services that covered more novel ways of using IBs, a number of other uses of recurrent funding were grouped under six broad domains: accommodation, managing support, transport, personal needs, employment and occupation, and health. For each domain, Table 1 provides some examples of the activities involved. One interesting area is that at the time of the pilot, health expenditure was explicitly excluded from IBs. Certainly funding from the health service was not used, but there was some debate about whether IB holders could use their budgets to purchase health services. When asked to categorise expenditure in the support plan, only five people were identified as using their IBs for health-related services, with expenditure ranging from £280 in the year to £1,510. Analysis of the content of the plans (summarised in Table 1) identified the use of private health care and alternative therapy in recurrent expenditure. Of course, much of the assistive technology equipment that people purchased reported in Table 2 could also be classified as health-related expenditure.

1 In presenting values we have rounded to the nearest £10.

2 Over a third (38 per cent) of the support plan records were missing or unavailable for people who had accepted the offer of an IB.

3 Seven IBs contained only one off payments. If we exclude the budgets containing only one off payments, the average annual value of individual budgets is £11,600 (median £6,800).

4 Mainstream services included funding for employing a home care, meal services, equipment and adaptations, accommodation, planned short breaks and transport.

**Table 1 Additional services/expenditure identified in the support plan records and during the six-month interview**

| | |
|---|---|
| **Accommodation (N=24)** | **Managing support (N=49)** |
| Cleaning service | Holiday and sickness cover |
| Decorating service | Insurance/PA insurance |
| Gardening service | Contingency payments |
| | Telephone costs |
| **Employment and occupation (N=16)** | |
| Going out: meals/the pub/day trips/cinema etc. | **Transport (N=4)** |
| Classes/arts and crafts | Taxi service |
| Gym membership/swimming | Petrol costs/car cleaning |
| Computer maintenance/internet access/games | |
| Admission fees for service user and PA | **Health-related (N=3)** |
| | Alternative therapy |
| **Personal needs (N=4)** | Private health care |
| Laundry needs | Massage for carer |
| Hairdresser | |

**Table 2 One-off payments reported in the support plan records**

| | |
|---|---|
| **Kitchen equipment (N=24)** | **Courses and computer equipment (N=9)** |
| Cookers, microwaves, fridge freezers | Photography course |
| Washing machine/dishwasher | Computer/laptop |
| | IT course |
| **Bedroom/bathroom equipment (N=14)** | Hygiene training |
| Beds/levers/sheets | Driving lessons |
| Shower stool/toilet seats | |
| Spa bath/bath lift | **Other 'one-off' payments (N=39)** |
| | House related e.g. curtains/blinds, carpet cleaner |
| **Safety (N=4)** | Garden related e.g. landscaping, decking, shed |
| Fall detector/lifeline alarms/car harness | Hobby related e.g. art materials, music keyboard, bikes, camera, football tickets, snooker cue |
| **Ramps and grab rails/mobility aids (N=22)** | Holiday related e.g. caravan, holiday for carer |
| Ramps/rails/stair lift | |
| Mobility scooter/electric wheelchairs and accessories | |
| Chair raiser | |
| Adapted shoes | |

## Discussion

There were clear differences between user groups in terms of the size of the IB and patterns of expenditure. To some extent this will reflect the policies of the pilot authorities rather than the characteristics of the user groups themselves. Budgets for people with learning disabilities were highest and appeared to provide most scope for a wide range of uses, although this group still spent most on mainstream services.

While clearly there were innovative ways of using budgets that were highly valued by those individuals, it seemed that these were relatively rarely reported in our sample. Most people made use of mainstream services and/or PAs, now quite mainstream among DP users. We might expect, as confidence and experience grow, both among individuals themselves and those supporting them in planning, that more innovative approaches to care and support will increasingly be used.

## Acknowledgments and Disclaimer

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# I. SERVICES

## 1. Services for older people

1.1 Private nursing homes for older people

1.2 Private residential care for older people

1.3 Voluntary residential care for older people

1.4 Local authority residential care for older people

1.5 Nursing-Led Inpatient Unit (NLIU) for intermediate care

1.6 Local authority day care for older people

1.7 Voluntary day care for older people

1.8 Local authority sheltered housing for older people

1.9 Housing association sheltered housing for older people

1.10 Local authority very sheltered housing for older people

1.11 Housing association very sheltered housing for older people

1.12 Community care package: very low cost

1.13 Community care package: low cost

1.14 Community care package: median cost

1.15 Community care package: high cost

1.16 Community care package: very high cost

## 1.1 Private nursing homes for older people

Using PSS EX1 2006/07[1] returns uprated using the PSS Pay and Prices inflator, median costs per person for supporting older people in a nursing care home was £476 per week and mean costs were £474 per week. Twenty-five per cent of local authorities had average gross costs of £408 or less and 25 per cent of £542 or more. It has not been possible to exclude capital charges on the revenue account. From 2003/04, the nursing cost element was paid for by the NHS ('free nursing care') and excluded from the expenditure on PSS EX1. The standard NHS contribution for nursing care in nursing homes is £101[2]. When we add this to PSS expenditure, the total expected mean cost is £575 and the total expected median cost is £577 (please note: standard NHS contribution amended January 2009).

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Fees | £678 per week | The direct unit cost of independent nursing homes is assumed to be the fee. The method of estimating the unit cost of a private care home is taken from Kavanagh et al.[3] Where a market is fairly competitive, such as the market for private nursing homes, it is reasonable to assume that the fee will be approximate to the social cost of the service. A weighted average fee for England reflecting the distribution of single and shared rooms was taken from the Laing & Buisson market survey.[4] |
| *External services*<br>B. Community nursing<br><br>C. GP services<br>D. Other external services | <br>£0.80 per week<br><br>£30 per week<br>Not known | Reflects the level of service receipt found in a 1996 PSSRU survey of 137 nursing homes.[5] In the home with the highest level of nursing input, the average weekly cost was £15 (1996/1997 prices).<br>A study found that residents in private nursing homes consulted GPs for an average 6.01 minutes per week.[6] Since it is not possible to distinguish between surgery consultations and home visits, it is assumed here that the visit was to the home. If these were surgery consultations, the cost would be £18.20 per week. |
| E. Personal living expenses | £9.20 per week | A study of expenditure in private and voluntary residential homes found that residents spent £6 per week on average (1992/1993 prices) on non-fee expenditure.[7] This has been uprated by the Retail Price Index. The DWP personal allowance for people in residential care or a nursing home is £20.45[8]. This has been used as a proxy for personal consumption in the past but is probably an over-estimate. |
| Short-term care | 0.967 x A | Based on weekly prices for short-term residents in 88 nursing homes reported in the 1996 survey. In nursing homes as in residential care, short-term residents were less dependent. The lower price may be associated with this factor. |
| Dependency | | Overall, the relationship with dependency in the PSSRU survey was very flat, with the weekly fee for an individual with a Barthel score of four or less costing 0.03 per cent more than average. |
| London multiplier | 1.14 x A | Fees in London nursing homes were 14 per cent higher than the national average.4 |
| **Unit costs available 2007/2008** | | |
| £678 establishment costs per permanent resident week (A); £656 establishment costs per short-term resident week (A); £718 care package costs per permanent resident week (includes A to E); £695 care package costs per short-term resident week (includes A to E). | | |

1 Department of Health (2007) *PSS EX1 2006/07*, Department of Health, London.

2 Department of Health (2007) *NHS-Funded Nursing Care, Practice Guide 2007*, Department of Health, London.

3 Kavanagh, S., Schneider, J., Knapp, M., Beecham, J. & Netten, A. (1992) Elderly people with cognitive impairment: costing possible changes in the balance of care, PSSRU Discussion Paper 817/2, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Laing & Buisson (2008) *Care of Elderly People: UK Market Survey 2008*, Twenty-First Edition, Laing & Buisson, London.

5 Netten, A., Bebbington, A., Darton, R., Forder, J. & Miles, K. (1998) Cross-sectional survey of residential and nursing homes for elderly people, PSSRU Discussion Paper 1423, Personal Social Services Research Unit, University of Kent, Canterbury.

6 Kavanagh, S. & Knapp, M. (1998) The impact on general practitioners of the changing balance of care for elderly people living in institutions, *British Medical Journal*, 317, August, 322-327.

7 Clare, R. & West, P. (1993) A survey of expenditure in residential nursing homes, *Economic Trends*, 481, 120-125.

8 Disability Alliance (2008) *Disability Rights Handbook, 32nd Edition, April 2007-April 2008. A Guide to Benefits and Services for all Disabled People, Their Families, Carers and Advisers*, Disability Alliance, London.

## 1.2 Private residential care for older people

Using PSS EX1 2006/07[1] returns uprated using the PSS Pay and Prices inflator, median costs per person for supporting older people in a residential care home provided by others was £393 per week and mean costs were £397 per week. Median costs for older people in own provision residential care (including full cost paying and preserved rights residents) was £783 per week and mean costs were £701 per week.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Fees | £467 per week | The direct unit cost of private care homes is assumed to be the fee. The method of estimating the unit cost of a private care home is taken from Kavanagh et al.[2] Where a market is fairly competitive, such as the market for private residential homes, it is reasonable to assume that the fee will be approximate to the social cost of the service. A weighted average fee for England reflecting the distribution of single and shared rooms was taken from the Laing & Buisson market survey.[3] |
| *External services*<br>B. Community nursing<br>C. GP services<br>D. Other external services | <br>£6.80 per week<br>£19.30 per week<br>Not known | Reflects the level of service receipt found in a 1996 survey of 123 residential homes.[4]<br>A study found that residents in private residential homes consulted GPs for an average 3.85 minutes per week.[5] Since it is not possible to distinguish between surgery consultations and home visits, it is assumed here that the visit was to the home. If these were surgery consultations, the cost would be £11.60 per week. |
| E. Personal living expenses | £9.20 per week | A study of expenditure in private and voluntary residential homes found that residents spent £6 per week on average (1992/1993 prices) on non-fee expenditure.[6] This has been uprated by the Retail Price Index. The DWP personal allowance for people in residential care is £20.45[7] and is sometimes used as a proxy for personal consumption. This is probably an over-estimate. |
| Short-term care | 1.059 x A | Based on weekly prices for short-term residents in 44 independent residential homes reported in the 1996 survey. |
| Dependency | | Overall, the relationship with dependency in the PSSRU survey was very flat, with the weekly fee for an individual with a Barthel score of four or less costing 0.04 per cent more than average. |
| London multiplier | 1.14 x A | Fees in London residential homes were 14 per cent higher than the national average.[2] |
| **Unit costs available 2007/2008** | | |
| £467 establishment costs per permanent resident week (A); £495 establishment costs per short-term resident week (A); £502 care package costs per permanent resident week (includes A to E); £532 care package costs per short-term resident week (includes A to E). | | |

1 Department of Health (2007) *PSS EX1 2006/07*, Department of Health, London.

2 Kavanagh, S., Schneider, J., Knapp, M., Beecham, J. & Netten, A. (1992) Elderly people with cognitive impairment: costing possible changes in the balance of care, PSSRU Discussion Paper 817/2, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Laing & Buisson (2008) *Care of Elderly People: UK Market Survey 2008*, Laing & Buisson, London

4 Netten, A., Bebbington, A., Darton, R., Forder, J. & Miles, K. (1998) Cross-sectional survey of residential and nursing homes for elderly people, PSSRU Discussion Paper 1423, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Kavanagh, S. & Knapp, M. (1998) The impact on general practitioners of the changing balance of care for elderly people living in institutions, *British Medical Journal*, 317, August, 322-327.

6 Clare, R. & West, P. (1993) A survey of expenditure in residential nursing homes, *Economic Trends*, 481, 120-125.

7 Disability Alliance (2008) *Disability Rights Handbook, 32nd Edition, April 2007-April 2008. A Guide to Benefits and Services for all Disabled People, Their Families, Carers and Advisers*, Disability Alliance, London.

## 1.3 Voluntary residential care for older people

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Fees | £461 per week | Based on the Laing and Buisson market survey[1] and the relationship between private and voluntary sector prices reported in the 1996 PSSRU survey. [2] |
| *External services*<br>B. Community nursing<br><br>C. GP services<br>D. Other external services | <br>£9.10 per week<br><br>£19.30 per week | The weekly cost reflects average level of community nurse service receipt in the 1996 survey which had information about nursing for 110 voluntary homes. In the home with the highest level of nursing input average weekly cost was £65 (1996/1997 prices). A study found that residents in private residential homes consulted GPs for an average 3.85 minutes per week.[3] Since it is not possible to distinguish between surgery consultations and home visits, it is assumed here that the visit was to the home. If these were surgery consultations, the cost would be £11.60 per week. |
| E. Personal living expenses | £9.20 per week | A study of expenditure in private and voluntary residential homes found that residents spent £6 per week on average (1992/1993 prices) on non-fee expenditure.[4] This has been uprated using the RPI Index. The DWP personal allowance for people in a residential care or a nursing home is sometimes used as a proxy for personal consumption. This is probably an over-estimate. |
| Short-term care | 1.059 x A | Based on weekly prices for short-term residents in 44 independent residential homes reported in the 1996 survey. |
| Dependency | 1.019 x A | Based on an analysis of factors affecting prices in 1996 survey. The relationship with price is statistically significant but very flat, with prices only increasing marginally with levels of dependency. The multiplier reflects the price charged for people with a Barthel score of 4 or less. |
| London multiplier | 1.14 x A | Fees in London residential homes were 14 per cent higher than the UK average.[1] |
| **Unit costs available 2007/2008** | | |
| £461 establishment costs per permanent resident week (A); £488 establishment costs per short-term resident week (A); £499 care package costs per permanent resident week (includes A to E); £528 care package costs per short-term resident week (includes A to E). | | |

1 Laing & Buisson (2008) *Care of Elderly People: UK Market Survey 2008*, Laing & Buisson, London

2 Netten, A., Bebbington, A., Darton, R., Forder, J. & Miles, K. (1998) Cross-sectional survey of residential and nursing homes for elderly people, PSSRU Discussion Paper 1423, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Kavanagh, S. & Knapp, M. (1998) The impact on general practitioners of the changing balance of care for elderly people living in institutions, *British Medical Journal*, 317, August, 322-327.

4 Clare, R. & West, P. (1993) A survey of expenditure in residential nursing homes, *Economic Trends*, 481, 120-125.

## 1.4 Local authority residential care for older people

This schema uses PSS EX1 revenue costs. Prior to 2003, it was based on a PSSRU survey of homes conducted in 1996,[1] for which costs and activity data were based on a nationally representative sample of 161 homes. Costs from this survey have been uprated using the PSS pay and prices inflator. The average revenue cost was £466 per week and at current prices, the standard deviation was £132. Ten per cent of homes had average gross costs of £663 or more and 10 per cent of £339 or less. Median costs were £451 per week.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs (A, B & C)*<br>A. Buildings and oncosts | £59 per week | Based on the new build and land requirements for local authority residential care establishments. These allow for 57.3 square metres per person.[2] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £19.40 per week | Based on Department for Communities and Local Government statistics. Land costs have been annuitised 3.5 per cent over 60 years.[3] |
| C. Equipment and durables | £7.90 per week | Equipment and durables estimated at 10 per cent of capital cost.[4] |
| D. Revenue costs | £789 per week | The median revenue cost estimate is taken from PSS EX1 2006/07 uprated using the PSS Pay and Prices Index.[5] Capital charges on the revenue account have been deducted (£34). Twenty-five per cent of local authorities had average gross costs of £604 or less and 25 per cent of £1,006 or more. Mean costs were £703 per week. |
| E. Agency overheads | £39 per week | An Audit Commission report found that overheads associated with residential care[6] amounted to 5 per cent of revenue costs. |
| *External services*<br>F. Community nursing<br><br>G. GP services<br><br>H. Other external services | £10.20 per week<br><br>£10.40 per week<br><br>Not known | The weekly cost reflects average level of community nurse service receipt in the 1996 survey, which had information about nursing for 110 homes. In the home with the highest level of nursing input, the average weekly cost was £69 (1996/1997 prices). A study found that people in private residential homes consulted GPs for an average 3.45 minutes per week.[7] Since it is not possible to distinguish between surgery consultations and home visits, it is assumed here that the visit was to the surgery. If the GP visited the resident at the home, the cost would be £17.30 per week. |
| I. Personal living expenses | £9.20 per week | A study of expenditure in private and voluntary residential homes found that residents spent £6 per week on average (1992/1993 prices) on non-fee expenditure.[8] This figure has been uprated by the RPI Index. |
| Use of facility by client | 52.18 wks p.a. | |
| Occupancy | 91% | See [9]and [10]. |
| Short-term care | 1.047 x (D to E) | Based on an analysis of factors affecting prices in the 1996 survey. Costs rise significantly only when more than 17 per cent of residents are short-stay. |
| High dependency | 1.064 x (D to E) | Based on an analysis of factors affecting prices in the 1996 survey. |
| London multiplier | 1.035 x (D to E) | Based on PSS EX1 2006/07 data.[5] |
| **Unit costs available 2007/2008** | | |
| £915 establishment costs per permanent resident week (includes A to E); £958 establishment costs per short-term resident week (includes A to E); £945 care package costs per permanent resident week (includes A to I); £990 care package costs per short-term resident week (includes A to I). | | |

1 Netten, A., Bebbington, A., Darton, R., Forder, J. & Miles, K. (1998) Cross-sectional survey of residential and nursing homes for elderly people, PSSRU Discussion Paper 1423, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

4 Knapp, M., Beecham, J. & Allen, C. (1989) The methodology for costing community and hospital services used by clients of the Care in the Community demonstration programme, PSSRU Discussion Paper 647, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Department of Health (2007) *PSS EX1 2006/07*, Department of Health, London.

6 Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

7 Kavanagh, S. & Knapp, M. (1998) The impact on general practitioners of the changing balance of care for elderly people living in institutions, *British Medical Journal*, 317, August, 322-327.

8 Clare, R. & West, P. (1993) A survey of expenditure in residential nursing homes, *Economic Trends*, 481, 120-125.

9 Laing, W. (2002) *Calculating a Fair Price for Care*, The Policy Press, Bristol.

10 Netten, A., Bebbington, A., Darton, R., Forder, J. & Miles, K. (1998) Cross-sectional survey of residential and nursing homes for elderly people, PSSRU Discussion Paper 1423, Personal Social Services Research Unit, University of Kent, Canterbury.

## 1.5 Nursing-Led Inpatient Unit (NLIU) for intermediate care

The Nursing-Led Inpatient Unit (NLIU) aims to promote recovery and substitute for a period of care in the acute wards, prior to discharge to the community. The data presented below are based on a randomised controlled trial which compared outcomes of care on a nursing-led inpatient unit with the system of consultant-managed care on a range of acute hospital wards.[1] The subjects were 175 patients — 89 patients randomly allocated to care on the unit (nursing-led care with no routine medical intervention) and 86 to usual hospital care. The study identified 1997/1998 costs which have been uprated.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs*<br>A. Buildings and oncosts | £7.20 | 1997/1998 capital costs uprated using the Tender Price Index for Public Sector Building (non housing). Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| *Revenue costs*<br>B. Salary and oncosts | £98 | Costs of nursing and special nursing staff. Based on a top down costing approach using actual expenditure on salaries and costs in the relevant wards. 1997/1998 costs uprated using the HCHS Pay Index. |
| *C. Other direct care costs*<br>Medical<br>Other | <br>£48<br>£8.80 | <br>1997/1998 costs uprated using the HCHS Pay and Prices Index.<br>Includes diagnostics and ward round uprated using the HCHS Pay and Prices Index. |
| D. Direct overheads | £45 | Includes catering, domestics, energy, security, administration, laundry and supplies. 1997/1998 costs inflated by the HCHS Pay and Prices Index. |
| E. Indirect overheads | £18 | Includes the estates, central administration and corporate function. 1997/1998 prices inflated by the HCHS Pay and Prices Index. |
| Average ward size | 25 places | |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 94% | Occupancy figures are drawn from the same source as the base data. |
| **Unit costs available 2007/2008** | | |
| £226 per inpatient day (includes A to E). | | |

1 Griffiths, P., Harris, R., Richardson, G., Hallett, N., Heard, S. & Wilson-Barnett, J. (2001) Substitution of a nursing-led inpatient unit for acute services: randomised controlled trial of outcomes and cost of nursing-led intermediate care, *Age and Ageing*, 30, 483-488.

## 1.6 Local authority day care for older people

Prior to 1998 the cost given was per place per day. Since 1998 the cost has been per session. A session is defined as either a morning, an afternoon or an evening at the day care facility.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs (A, B & C)*<br>A. Buildings and oncosts | £4.70 per session | Based on the new build and land requirements for local authority day care facilities (which do not distinguish client group). These allow for 33.4 square metres per person.[1] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £1.40 per session | Based on Office of Deputy Prime Minister statistics.[2] Land costs have been annuitised at 3.5 per cent over 60 years. |
| C. Equipment and durables | | No information available. |
| *Revenue costs*<br>D. Salary and other revenue costs<br><br>E. Capital charges | £29 per session | The median revenue cost estimate is taken from PSS EX1 2006/07 uprated using the PSS Pay and Prices Index.[3] Capital charges on the revenue account have been deducted (£1.30). Data were adjusted to exclude expenditure on services purchased from the independent sector. Reported unit costs contain a wide variation and clearly refer to very different types of care. Twenty-five per cent of authorities had average costs of £23 per session or less, and 25 per cent £42 per session or more. Mean costs were £29 per session. |
| F. Agency overheads | | Social Services Management and Support services (SSMSS) overhead costs are included in PSS EX1 so no additional agency overheads have been included in unit costs below. |
| Use of facility by client | 500 sessions per annum | Assumes two sessions, 250 days per year. Used to estimate per session capital costs. |
| Occupancy | 76% | Department of Health statistics, 1997.[4] More recent figures are not available. |
| London multiplier | 1.16 x A; 2.63 x B;<br><br>1.28 x (D to F) | Relative London costs are drawn from the same source as the base data for each cost element.<br>Based on PSS EX1 2006/07 data.[3] |
| **Unit costs available 2007/2008** | | |
| £35 per session (includes A to F). | | |

1 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

3 Department of Health (2007) *PSS EX1 2006/07*, Department of Health, London.

4 Department of Health (1997) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics*, Table 3.3, Government Statistical Service, London.

## 1.7 Voluntary day care for older people

The costs of voluntary day care for elderly people are based on the results of a survey of Age Concern conducted in 1999/2000. Information was received from 10 Centres and the figures have been inflated by PSS Pay and Prices index. At 2007/2008 prices, costs ranged from £22 to £50 per client day with an mean and median cost of £31.

Three of the Age Concern Centres responding to the survey accommodated elderly people with dementia resulting in costs 15 per cent higher than the average. This is largely due to the higher staff/client ratios. A rural centre also reported a high unit cost with its total vehicle and transport costs accounting for 25 per cent of the total cost. The cost per client day for Age Concern Centres offering standard day care (excluding the rural Centre and those with specialised needs) was 40 per cent less than the average.

Using PSS EXI 2006/2007[1] uprated using the PSS Pay and Prices inflator, the mean cost per session for independently provided day care were £21, equivalent to £42 per client day and the median cost was £22, equivalent to £44 per client day. Authorities showing costs in excess of £100 have been excluded.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs (A & B)*<br>A. Premises | £4.20 per client day | These costs ranged from £2.70 to £5.60 with a mean cost of £4.20 per day. Many of these costs are very low due to the fact that the venue for many Age Concern Centres is the local village hall. Premises costs based on rental paid as purpose built centres are very rare. |
| B. Vehicle | £3.60 per client day | Of the 10 Centres, 3 had their own minibus/es and costs ranged from £1.50 per client day to £6.60 per client day. Vehicle costs were high for a rural centre which opens only 2 days per week. |
| *Revenue costs*<br>C. Salaries | £18.50 per client day | Costs ranged from £9.30 to £42.90. Those Centres with the highest costs were those accommodating Elderly Mental Ill clients where the staff ratios are often 1:4. The median cost was £15.40. |
| D. Volunteer costs | £0.40 per client day | Seven of the centres reported incurring volunteer expenses. |
| E. Other staff costs | £1.30 per client day | This includes staff recruitment and training, courses and conferences, travel expenses and redundancy payments. |
| F. Transport | £3.40 per client day | This includes taxi expenses, fuel and oil, vehicle repairs, insurance and contract hire. Costs ranged from £1.20 to £6.80 with a median cost of £3.10. |
| G. Meals | £1.80 per client day | Seven Centres provided meals. |
| H. Overheads | £2.70 per client day | Seven Centres provided information on overheads which ranged from £1.20 to £5.60. |
| I. Other revenue costs | £3.60 per client day | Costs includes management and administration, maintenance charges, heat, light and water, telephone, stationery and postage, insurance, sundry expenses and bank charges. Costs ranged from £1.10 to £8.40 per client day and the median cost was £2.30. |
| Use of facility by client | 50.3 weeks<br>4.9 days per week | The majority of Centres open 50 weeks of the year.<br>The median number of days per week was 5 with one Centre opening 2 days per week. |
| Occupancy | 84% | Occupancy figures are drawn from the same source as the base data. |
| **Unit costs available 2007/2008** | | |
| The average cost of the 10 Centres was £35 per client day. A Centre incurring all costs A-I would cost £40 per client day. | | |

1 Department of Health (2007) *PSS EX1 2006/07*, Department of Health, London..

## 1.8 Local authority sheltered housing for older people

The costs of accommodation and services are based on the results of a study by Ernst & Young in 1993 commissioned by the Department of the Environment.[1]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs*<br>A. Notional rent | £95 per person per week | Capital costs excluded the cost of warden and staff accommodation but were based on the costs of actual schemes in the study divided by the number of people in the schemes to establish a cost per person. This figure reflects the types of housing stock and proportions of single and multiple occupancy dwellings. This was converted to notional rents per year using a 3.5 per cent discount rate over 60 years and uprated using the BCIS/ABI House Rebuilding Cost Index.[2] |
| *Revenue costs*<br>B. Salary and other revenue costs | £30 per person per week | Annual gross running costs were adjusted to ensure they reflected the costs incurred by residents over the age of 60. Inflated using the PSS Pay and Prices Index. |
| C. Agency overheads | | No information available. |
| *Personal living expenses*<br>D. Basic living costs<br><br><br>E. Other living costs | <br>£110 per person per week<br>£7.90 per person per week | Based on Family Expenditure Survey (2007)[3] estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2007/2008 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods).<br>Other living costs are those covered by personal expenses (for example leisure goods and alcohol). (See Preface page 1). |
| F. Other health and social services costs | £32 per person per week | Average cost of service use was based on the Ernst & Young survey of residents and unit costs supplied by the DH and the PSSRU.[1] |
| Use of facility by client | 52.18 weeks per year | |
| Occupancy | | No information available. |
| High dependency | 1.52 x F | Data presented allowed a comparison in local authority schemes between the average level of costs of health and social services and the costs of highly dependent residents. Highly dependent residents were those who fell into the Clackmannan D/E category (short interval needs). |
| London multiplier | | No information available. |
| **Unit costs available 2007/2008** | | |
| £125 per week sheltered housing costs (includes A to B); £157 per week service and accommodation (includes A to B and F); £268 (includes all costs borne by care homes (A to D and F); £275 comprehensive package costs (A to F). | | |

1 Ernst & Young (1993) *The Cost of Specialised Housing* and *The Cost of Maintaining an Elderly Person at Home*, Reports to the Department of the Environment, Ernst & Young, London.

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Office for National Statistics (2007) *Family Spending 2007 edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2006/FamilySpending2007_web.pdf.

## 1.9 Housing association sheltered housing for older people

The costs of accommodation and services are based on the results of a study by Ernst & Young in 1993 commissioned by the Department of the Environment.[1]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs*<br>A. Notional rent | £105 per person per week | Capital costs excluded the cost of warden and staff accommodation but were based on the costs of actual schemes in the study divided by the number of people in the schemes to establish a cost per person. This figure reflects the types of housing stock and proportions of single and multiple occupancy dwellings. This was converted to notional rents per year using a 3.5 per cent discount rate over 60 years and uprated using the BCIS/ABI House Rebuilding Cost Index.[2] |
| *Revenue costs*<br>B. Salary and other revenue costs | £40 per person per week | Annual gross running costs were adjusted to ensure they reflected the costs incurred by residents over the age of 60. Costs have been inflated to 2007/2008 using the PSS Pay and Prices Index. |
| C. Agency overheads | | No information available. |
| *Personal living expenses*<br>D. Basic living costs<br><br>E. Other living costs | £110 per person per week<br>£7.90 per person per week | Based on Family Expenditure Survey (2007)[3] estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2007/2008 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods).<br>Other living costs are those covered by personal expenses (for example leisure goods and alcohol). (See Preface). |
| F. Other health and social services costs | £17 per person per week | Average cost of service use was based on the Ernst & Young survey of residents and unit costs supplied by the DH and the PSSRU. Gross resource costs of services are reported here. |
| Use of facility by client | 52.18 weeks per year | |
| Occupancy | | No information available. |
| London multiplier | | No information available. |
| **Unit costs available 2007/2008** | | |
| £146 per week sheltered housing costs (includes A to B); £163 per week service and accommodation (includes A to B and F); £273 (includes all costs borne by care homes (A to D and F)); £281 comprehensive package costs (A to F). | | |

1 Ernst & Young (1993) *The Cost of Specialised Housing* and *The Cost of Maintaining an Elderly Person at Home*, Reports to the Department of the Environment, Ernst & Young, London.

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Office for National Statistics (2007) *Family Spending 2007 edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2006/FamilySpending2007_web.pdf.

## 1.10 Local authority very sheltered housing for older people

The costs of accommodation and services are based on the results of a study by Ernst & Young in 1993 commissioned by the Department of the Environment.[1]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs*<br>A. Notional rent | £105 per person per week | Capital costs excluded the cost of warden and staff accommodation but were based on the costs of actual schemes in the study divided by the number of people in the schemes to establish cost per person. This figure reflects the types of housing stock and proportions of single and multiple occupancy dwellings. This was converted to notional rents per year using a 3.5 per cent discount rate over 60 years and uprated using the BCIS/ABI House Rebuilding Cost Index.[2] |
| *Revenue costs*<br>B. Salary and other revenue costs | £90 per person per week | Annual gross running costs were adjusted to ensure they reflected the costs incurred by residents over the age of 60. Costs have been inflated to 2007/2008 using the PSS Pay and Prices Index. |
| C. Agency overheads | | No information available. |
| *Personal living expenses*<br>D. Basic living costs<br><br>E. Other living costs | £110 per person per week<br>£7.90 per person per week | Based on Family Expenditure Survey (2007)[3] estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2007/2008 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods).<br>Other living costs are those covered by personal expenses (for example leisure goods and alcohol). (See Preface page 1). |
| F. Other health and social services costs | £33 per person per week | Average cost of service use was based on a survey of residents and unit costs supplied by the DH and the PSSRU. Gross resource costs of services are reported here. |
| Use of facility by client | 52.18 weeks per annum | |
| Occupancy | | No information available. |
| High dependency | 1.24 x F | Data presented allowed a comparison in local authority schemes between the average level of costs of health and social services and the costs of highly dependent residents. Highly dependent residents were those who fell into the Clackmannan D/E category (short interval needs). |
| London multiplier | | No information available. |
| **Unit costs available 2007/2008** | | |
| £195 per week sheltered housing costs (includes A to B); £229 per week service and accommodation (includes A to B and F); £339 (includes all costs borne by care homes (A to D and F)); £347 comprehensive package costs (A to F). | | |

1 Ernst & Young (1993) *The Cost of Specialised Housing* and *The Cost of Maintaining an Elderly Person at Home*, Reports to the Department of the Environment, Ernst & Young, London.

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Office for National Statistics (2007) *Family Spending 2007 edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2006/FamilySpending2007_web.pdf.

## 1.11 Housing association very sheltered housing for older people

The costs of accommodation and services are based on the results of a study by Ernst & Young in 1993 commissioned by the Department of the Environment.[1]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs*<br>A. Notional rent | £94 per person per week | Capital costs excluded the cost of warden and staff accommodation but were based on the costs of actual schemes in the study divided by the number of people in the schemes to establish a cost per person. This figure reflects the types of housing stock and proportions of single and multiple occupancy dwellings. This was converted to notional rents per year using a 3.5 per cent discount rate over 60 years and uprated using the BCIS/ABI House Rebuilding Cost Index.[2] |
| *Revenue costs*<br>B. Salary and other revenue costs | £261 per person per week | Annual gross running costs were adjusted to ensure they reflected the costs incurred by residents over the age of 60. Costs have been inflated to 2007/2008 using the PSS Pay and Prices Index. |
| C. Agency overheads | | No information available. |
| *Personal living expenses*<br>D. Basic living costs<br><br>E. Other living costs | £110 per person per week<br>£7.90 per person per week | Based on Family Expenditure Survey (2007)[3] estimates of household expenditure of a one person retired household mainly dependent on state pension inflated to 2007/2008 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods).<br>Other living costs are those covered by personal expenses (for example leisure goods and alcohol). (See Preface page 1.) |
| F. Other health and social services costs | £49 per person per week | Average cost of service use was based on the Ernst & Young survey of residents and unit costs supplied by the DH and the PSSRU. Gross resource costs of services are reported here. |
| Use of facility by client | 52.18 weeks per annum | |
| Occupancy | | No information available. |
| London multiplier | | No information available. |
| **Unit costs available 2007/2008** | | |
| £355 per week sheltered housing costs (includes A to B); £404 per week service and accommodation (includes A to B and F); £514 (includes all costs borne by care homes (A to D and F)); £522 comprehensive package costs (A to F). | | |

1 Ernst & Young (1993) *The Cost of Specialised Housing* and *The Cost of Maintaining an Elderly Person at Home*, Reports to the Department of the Environment, Ernst & Young, London.

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Office for National Statistics (2007) *Family Spending 2007 edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2006/FamilySpending2007_web.pdf.

## 1.12 Community care package: very low cost

The care package costs described in this schema are an example of a case where the costs to the public purse on health and social care support are in the lowest decile in a 2005 home care sample of 365 cases.[1] In this sample, which had 35 per cent of 'intensive' cases with 10 or more home care hours per week compared with 26 per cent in England as a whole, 10 per cent of cases incurred gross public community care costs of less than £48 per week. Package costs exclude the costs of hospital and any use of care homes for respite care. Social work/care management costs were only included where visits from a social worker during the previous three months were reported by the individual. GP visits were not collected so estimates based on national data have been included. All costs have been uprated with the appropriate inflators.

| **Type of case**<br>Mrs A was an 83 year old widow who lived alone in sheltered accommodation (excluding housing support) but received help from two people, with most help coming from another family member. | | | |
|---|---|---|---|
| **Functional ability**<br>Mrs A. had problems with three activities of daily living: stairs, getting around outside, and bathing. Her problems stemmed from a previous stroke. | | | |
| **Services** | **Average weekly cost** | **Level of service** | **Description** |
| **Social care**<br>Home care | £19.30 | | One hour per week of local authority organised home care. |
| Meals on Wheels | £37 | | Seven meals per week. Taken from PSS EX1 2006/07, the average cost per Meal on Wheel was £5.20 for the Local Authority and £4.30 for the Independent sector. Costs have been uprated using the PSS Pay and Prices Inflator. |
| **Health care**<br>GP | £7.20 | 11.4 minutes | Visits estimated at once every eight weeks based on the General Practitioner Workload Survey, July 2007.[2] |
| Accommodation | £176 | | Based on the weekly cost of sheltered accommodation.[3] |
| Living expenses | £89 | | Taken from the Family Expenditure Survey (2007), uprated to 2007/2008 price levels).[4] Based on one adult retired household, mainly dependent on state pensions. |
| **Total weekly cost of health and social care package** | £63<br>£328 | | Excludes accommodation and living expenses.<br>All costs. |

1 Darton, R., Forder, J., Bebbington, A., Netten, A., Towers, A-M. & Williams, J. (2006) Analysis to support the development of the Relative Needs Formula for Older People, PSSRU Discussion Paper 2265/3, Personal Social Services Research Unit, University of Kent, Canterbury.

2 The Information Centre (2007) 2006/07 UK General Practice Workload Survey, Primary Care Statistics, The Information Centre, Leeds.

3 Laing & Buisson (2006) *Extra Care Housing UK Market Report, Net Rent and Total Weekly Charges for Registered Social Landlords (RSLs' Supported Housing, 2004/05)*, Laing & Buisson, London.

4 Office for National Statistics (2007) *Family Spending 2007 edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2006/FamilySpending2007_web.pdf.

## 1.13 Community care package: low cost

The care package costs described in this schema are an example of a case where the costs to the public purse on health and social care support are in bottom quartile in a 2005 home care sample of 365 cases.[1] In this sample, which had 35 per cent of 'intensive' cases with 10 or more home care hours per week compared with 26 per cent in England as a whole, 25 per cent of cases incurred gross public community care costs of less than £89 per week. Package costs exclude the costs of hospital and any use of care homes for respite care. Social work/care management costs were only included where visits from a social worker during the previous three months were reported by the individual. GP visits were not collected so estimates based on national data have been included. All costs have been uprated using the appropriate inflators.

| **Type of case**<br>Mrs B. was a 79 year old widow who lived alone but received help from two people, most help being provided by a family member. | | | |
|---|---|---|---|
| **Functional ability**<br>Mrs B. had problems with three activities of daily living: stairs, getting around outside and bathing. Her problems stemmed from arthritic conditions and cardiovascular disease. | | | |
| **Services** | **Average weekly cost** | **Level of service** | **Description** |
| **Social care**<br>Home care | £77 | 4 hours per week | Based on 4 hours of local authority organised home care. |
| Private home care | £41 | 3 hours per week | Based on 3 hours of independently provided home care. |
| **Health care**<br>Community nurse<br>GP | <br>£6.40<br>£7.20 | <br><br>11.4 minutes | <br>Community nurse visits once a month.<br>Visits estimated at once every eight weeks based on the General Practitioner Workload Survey, July 2007.[2] |
| Accommodation | £72 | | The national average weekly gross rent for a two bedroom house in the social housing sector including £5.06 service charge. [3] |
| Living expenses | £89 | | Taken from the Family Expenditure Survey (2007), uprated to 2007/2008 price levels).[4] Based on one person retired household, mainly dependent on state pensions. |
| **Total weekly cost of health and social care package** | <br>£131<br>£292 | | Excludes accommodation and living expenses and independently provided home care.<br>All costs. |

1 Darton, R., Forder, J., Bebbington, A., Netten, A., Towers, A-M. & Williams, J. (2006) Analysis to support the development of the Relative Needs Formula for Older People, PSSRU Discussion Paper 2265/3, Personal Social Services Research Unit, University of Kent, Canterbury.

2 The Information Centre (2007) 2006/07 UK General Practice Workload Survey, Primary Care Statistics, The Information Centre, Leeds.

3 Dataspring (2008) *Guide to local rents 2008 Part II: Social Landlord Rents, 2005-08*, The Cambridge Centre for Housing and Planning Research, University of Cambridge, www.dataspring.org.uk.

4 Office for National Statistics (2007) *Family Spending 2007 edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2006/FamilySpending2007_web.pdf.

## 1.14 Community care package: median cost

The care package costs described in this schema illustrate the median public expenditure costs of £162 per week on health and social care support in a 2005 home care sample of 365 cases.[1] In this sample there were 35 per cent of 'intensive' cases with 10 or more home care hours per week compared with 26 per cent in England as a whole. Package costs exclude the costs of hospital and any use of care homes for respite care. Social work/care management costs were only included where visits from a social worker during the previous three months were reported by the individual. GP visits were not collected so estimates based on national data have been included. All costs have been uprated using the appropriate inflators.

| **Type of case**<br>Mrs D. was an 80 year old widow living with two other relatives. | | | |
|---|---|---|---|
| **Functional ability**<br>Mrs D. had problems with four activities of daily living: stairs, getting around outside, dressing and bathing. | | | |
| **Services** | **Average weekly cost** | **Level of service** | **Description** |
| **Social care**<br>Home care | £193 | 10 hours per week | Based on the cost of local authority organised home care. |
| **Health care**<br>GP | £7.20 | 11.4 minutes | Visits estimated at once every eight weeks based on the General Practitioner Workload Survey, July 2007.[2] |
| Accommodation | £79 | | Shared two bedroom house/bungalow with two other relatives. Privately rented. Based on the average (private) rental income in England in 2007 and adjusted to take account of shared situation.[3] Uprated using the retail price index. |
| Living expenses | £163 | | Living expenses taken from the Family Expenditure Survey (2007), uprated to 2007/2008 price levels).[4] Based on one man one woman retired households mainly dependent on state pensions and adjusted to allow for two other relatives. |
| **Total weekly cost of health and social care package** | £200<br>£443 | | Excludes accommodation and living expenses.<br>Includes all costs. |

1 Darton, R., Forder, J., Bebbington, A., Netten, A., Towers, A-M. & Williams, J. (2006) Analysis to support the development of the Relative Needs Formula for Older People, PSSRU Discussion Paper 2265/3, Personal Social Services Research Unit, University of Kent.

2 The Information Centre (2007) 2006/07 UK General Practice Workload Survey, Primary Care Statistics, The Information Centre, Leeds.

3 Times Online (2007) It's going rental, http://property.timesonline.co.uk/tol/life_and_style/property/article2445446.ece.

4 Office for National Statistics (2007) *Family Spending 2007 edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2006/FamilySpending2007_web.pdf.

## 1.15 Community care package: high cost

The care package costs described in this schema are an example of a case where the costs to the public purse on health and social care support are in the top quartile in a 2005 home care sample of 365 cases.[1] In this sample, which had 35 per cent of 'intensive' cases with 10 or more home care hours per week compared with 26 per cent in England as a whole, 25 per cent of cases incurred gross public community care costs of over £268 per week. Package costs exclude the costs of hospital and any use of care homes for respite care. Social work/care management costs were only included where visits from a social worker during the previous three months were reported by the individual. GP visits were not collected so estimates based on national data have been included. All costs have been uprated using the appropriate inflators.

**Type of case**
Mr D. was a 79 year old widower who owned his own home and lived with two other friends. One of these friends provided him with help.

**Functional ability**
Mr D. had problems with seven activities of daily living: stairs, getting around outside and inside the house, using the toilet, transferring between chair and bed, dressing and bathing. His problems stemmed from arthritic conditions and a previous stroke.

| Services | Average weekly cost | Level of service | Description |
|---|---|---|---|
| **Social care** | | | |
| Home care | £193 | | 10 hours per week. Based on local authority organised home care. |
| Day care | £35 | | Attended a day centre about once a week. |
| Private home care | £504 | | Based on PSS EX1 2006/07 uprated using the PSS Pay and Prices Inflator. Cost of 24 hours of independently provided home care. |
| **Health care** | | | |
| Community nurse | £26 | | Once a week visit from a community nurse. |
| OT | £23 | | A couple of visits from the OT during the previous month. |
| GP | £7.20 | 11.4 minutes | Visits estimated at once every eight weeks based on the General Practitioner Workload Survey, July 2007.[2] |
| Accommodation | £77 | | Owner occupied two bedroom house shared with two others. Based on the annuitised value of a detached house and shared between three people. Taken from the Halifax Price Index, 2nd quarter 2008. |
| Living expenses | £163 | | Living expenses taken from the Family Expenditure Survey (2007).[3] Based on one man and one woman retired household, not mainly dependent on state pensions. |
| **Total weekly cost of health and social care package** | £284<br>£1,029 | | Excludes accommodation and living expenses and privately purchased home care.<br>Total package costs. |

1 Darton, R., Forder, J., Bebbington, A., Netten, A., Towers, A-M. & Williams, J. (2006) Analysis to support the development of the Relative Needs Formula for Older People, PSSRU Discussion Paper 2265/3, Personal Social Services Research Unit, University of Kent, Canterbury.

2 The Information Centre (2007) *2006/07 UK General Practice Workload Survey, Primary Care Statistics*, The Information Centre, Leeds.

3 Office for National Statistics (2007) *Family Spending 2007 edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2006/FamilySpending2007_web.pdf.

## 1.16 Community care package: very high cost

The care package costs described in this schema are an example of a case where the costs to the public purse on health and social care support are in the top decile in a 2005 home care sample of 365 cases.[1] In this sample, which had 35 per cent of 'intensive' cases with 10 or more home care hours per week compared with 26 per cent in England as a whole, 10 per cent of cases incurred gross public community care costs of over £369 per week. Package costs exclude the costs of hospital and any use of care homes for respite care. Social work/care management costs were only included where visits from a social worker during the previous three months were reported by the individual. GP visits were not collected so estimates based on national data have been included. All costs have been uprated using the appropriate inflators.

| **Type of case**<br>Mrs E was a 82 year old who was married and lived with her husband and another relative in her own home. Her husband provided most support. | | | |
|---|---|---|---|
| **Functional ability**<br>Mrs E suffered from dementia and needed help with nine activities of daily living: stairs, getting around outside and inside the house, using the toilet, transferring between chair and bed, dressing, bathing, washing and feeding. | | | |
| **Services** | **Average weekly costs** | **Level of service** | **Description** |
| **Social services**<br>Home care | <br>£579 | | <br>30 hours per week of local authority organised home care. |
| **Health care**<br>Community nurse<br>GP | <br>£26<br>£7.20 | <br><br>11.4 minutes | <br>Once a week visit from a community nurse.<br>Visits estimated at once every eight weeks based on the General Practitioner Workload Survey, July 2007.[2] |
| Accommodation | £44 | | Owner occupied two bedroom house shared with her husband and another relative. Based on the annuitised value of a terraced house and shared between three people. Taken from the Halifax Price Index, 2nd quarter 2008. |
| Living expenses | £163 | | Living expenses taken from the Family Expenditure Survey (2007).[3] Based on one man and one woman retired households, not mainly dependent on state pension. |
| **Total weekly cost of health and social care package** | £612<br>£819 | | Excludes accommodation and living expenses.<br>All costs. |

1 Darton, R., Forder, J., Bebbington, A., Netten, A., Towers, A-M. & Williams, J. (2006) Analysis to support the development of the Relative Needs Formula for Older People, PSSRU Discussion Paper 2265/3, Personal Social Services Research Unit, University of Kent, Canterbury.

2 The Information Centre (2007) *2006/07 UK General Practice Workload Survey, Primary Care Statistics*,The Information Centre, Leeds.

3 Office for National Statistics (2007) *Family Spending 2007 edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2006/FamilySpending2007_web.pdf.

# 2. Services for people with mental health problems


2.1 Local authority residential care (staffed hostel) for people with mental health problems

2.2 Local authority residential care (group home) for people with mental health problems

2.3 Voluntary sector residential care (staffed hostel) for people with mental health problems

2.4 Voluntary sector residential care (on call staff) for people with mental health problems

2.5 Private sector residential care (staffed hostel) for people with mental health problems

2.6 Acute NHS hospital services for people with mental health problems

2.7 Long-stay NHS hospital services for people with mental health problems

2.8 NHS psychiatric intensive care unit (PICU)

2.9 NHS Trust day care for people with mental health problems

2.10 Local authority social services day care for people with mental health problems

2.11 Voluntary/non-profit organisations providing day care for people with mental health problems

2.12 Sheltered work schemes

2.13 Cognitive Behaviour Therapy (CBT)

## 2.1 Local authority residential care (staffed hostel) for people with mental health problems

Based on a study of 20 staffed hostels from eight mental health services.[1]

Personal Social Services Expenditure (PSS EX1) 2006/07 reported median costs of £774 and mean costs at £659 per resident week for adults aged 18-64 with mental health needs (including full cost paying and preserved rights residents. These costs were uprated using the PSS Pay and Prices Index. Capital costs were £34.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs*<br>A. Buildings and oncosts | £31 per resident week | The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been uprated using the Tender Price Index for Public Sector Building (non housing). The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. |
| *Revenue costs*<br>B. Salary costs | £364 per resident week | Costs of direct management and care staff, the latter including nursing and social work inputs. Costs have been uprated using the PSS Pay Index. |
| C. Other revenue costs | £70 per resident week | Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses (E), and the use that clients typically make of hospital and community health and social services (F). Costs have been uprated using the PSS Pay and Prices Index. |
| D. Agency overheads | £20 per resident week | Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the PSS Pay and Prices Index. |
| *Other costs*<br>E. Personal living expenses | £20.45 per week | The DWP allowance is used as a proxy for personal consumption. |
| F. Service use | £87 per resident week | Service use is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been uprated using the PSS Pay and Prices Index. |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 85% | Occupancy figures are drawn from the same source as the base data. |
| London multiplier | 1.25 x (A to D) + F | Relative London costs are drawn from the same source as the base data for each cost element. |
| **Unit costs available 2007/2008** | | |
| £485 per resident week establishment costs (includes A to D); £592 per resident week care package costs (includes A to F). | | |

1 Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

## 2.2 Local authority residential care (group home) for people with mental health problems

Based on a study of 23 group homes from eight mental health services.[1]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs*<br>A. Buildings and oncosts | £35 per resident week | The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been uprated using the Tender Price Index for Public Sector Building (non housing). The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. |
| *Revenue Costs*<br>B. Salary Costs | £11 per resident week | Costs of direct management and care staff, the latter including nursing and social work inputs. Services in a group home are provided more on an ad hoc or regular-visit basis rather than on a 24-hour basis as is the case in a hospital. Costs have been uprated using the PSS Pay Index. |
| C. Other revenue costs | £45 per resident week | Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses (E), and the use that clients typically make of hospital and community health and social services (F). Costs have been uprated using the PSS Pay and Prices Index. |
| D. Agency overheads | £4 per resident week | Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the PSS Pay and Prices Index. |
| *Other costs*<br>E. Personal living expenses | £20.45 per week | The DWP allowance is used as a proxy for personal consumption. |
| F. Service use | £134 per resident week | Service use is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been uprated using the PSS Pay and Prices Index. |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 85% | Occupancy figures are drawn from the same source as the base data. |
| London multiplier | 1.16 x (A to D) + F | Relative London costs are drawn from the same source as the base data for each cost element. |
| **Unit costs available 2007/2008** | | |
| £94 per resident week establishment costs (includes A to D); £249 per resident week care package costs (includes A to F). | | |

1 Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

## 2.3 Voluntary sector residential care (staffed hostel) for people with mental health problems

Based on a sample of 31 staffed hostels.[1]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs*<br>A. Buildings and oncosts | £32 per resident week | The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been uprated using the Tender Price Index for Public Sector Building (non housing). The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. |
| *Revenue costs*<br>B. Salary costs | £264 per resident week | Salary costs represent the costs of direct management and care staff, the latter including nursing and social work inputs. Costs have been uprated using the PSS Pay Index. |
| C. Other revenue costs | £97 per resident week | Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses (E), and the use that clients typically make of hospital and community health and social services (F). Costs have been uprated using the PSS Pay and Prices Index. |
| D. Agency overheads | £35 per resident week | Indirect management, such as central administration, were categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the PSS Pay and Prices Index. |
| *Other costs*<br>E. Personal living expenses | £20.45 per week | The DWP allowance is used as a proxy for personal consumption. |
| F. Service use | £72 per resident week | Service use is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been uprated using the PSS Pay and Prices Index. |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 90% | Occupancy figures are drawn from the same source as the base data. |
| London multiplier | 1.46 x (A to D) + F | Relative London costs are drawn from the same source as the base data for each cost element. |
| **Unit costs available 2007/2008** | | |
| £428 per resident week establishment costs (includes A to D); £520 per resident week care package costs (includes A to F). | | |

1 Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

## 2.4 Voluntary sector residential care (on call staff) for people with mental health problems

Based on a sample of 33 group homes.[1]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs*<br>A. Buildings and oncosts | £36 per resident week | The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been uprated using the Tender Price Index for Public Sector Building (non housing). The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. |
| *Revenue costs*<br>B. Salary costs | £105 per resident week | Costs of direct management and care staff, the latter including nursing and social work inputs. Costs have been uprated using the PSS Pay Index. |
| C. Other revenue costs | £58 per resident week | Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses (E), and the use that clients typically make of hospital and community health and social services (F). Costs have been uprated using the PSS Pay and Prices Index. |
| D. Agency overheads | £24 per resident week | Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the PSS Pay and Prices Index. |
| *Other costs*<br>E. Personal living expenses | £20.45 per week | The DWP allowance is used as a proxy for personal consumption. |
| F. Service use | £94 per resident week | Service use cost is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been uprated using the PSS Pay and Prices Index. |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 95% | Occupancy figures are drawn from the same source as the base data. |
| London multiplier | 1.11 x (A to D) + F | Relative London costs are drawn from the same source as the base data for each cost element. |
| **Unit costs available 2007/2008** | | |
| £223 per resident week establishment costs (includes A to D); £338 per resident week care package costs (includes A to F). | | |

1 Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

## 2.5 Private sector residential care (staffed hostel) for people with mental health problems

Based on a sample of 33 hostels.[1] A hostel often accommodates 20 or more people and are managed either by local authority social services departments or voluntary agencies.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs*<br>A. Buildings and oncosts | £35 per resident week | The market value of the buildings was obtained from a recent valuation or, where this was not available, the mid-point of the property's Council Tax Band was employed as a proxy for the current market value. Costs have been uprated using the Tender Price Index for Public Sector Building (non housing). The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. |
| *Revenue costs*<br>B. Salary costs | £152 per resident week | Costs of direct management and care staff, the latter including nursing and social work inputs. Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the HCHS pay index. |
| C. Other revenue costs | £102 per resident week | Catering and domestic costs are included as far as possible since the staffing element of catering or domestic services was often not separately identified in the returns. Other revenue costs include energy, utilities, transport, renewals and replacements, cleaning, laundry, TV licence, registration fees and insurance. The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses (E), and the use that clients typically make of hospital and community health and social services (F). Costs have been uprated using the PSS pay and prices index. |
| D. Agency overheads | £13 per resident week | Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the PSS pay and prices index. |
| *Other costs*<br>E. Personal living expenses | £20.45 per week | The DWP allowance is used as a proxy for personal consumption. |
| F. Service use | £80 per resident week | Service use cost is the mean receipt per client of a 'reduced list' of services including inpatient days and outpatient attendances in a psychiatric or general hospital, day centre or sheltered workshop attendances, and contact with a GP, community psychiatric nurse, social worker or community psychiatrist. Costs have been uprated using the HCHS pay and prices index. |
| Use of facility by client | 365.25 days per annum | |
| Occupancy | 85% | Occupancy figures are drawn from the same source as the base data. |
| London multiplier | | No estimate is available for privately managed staffed hostels in London. |
| **Unit costs available 2007/2008** | | |
| £302 per resident week establishment costs (includes A to D); £403 per resident week care package costs (includes A to F). | | |

1 Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

## 2.6 Acute NHS hospital services for people with mental health problems

Based on a sample of 25 acute psychiatric wards covered in a survey of residential care in eight district health authorities.[1] All costs are based on 1995/1996 figures, uprated using the appropriate HCHS inflators. The costs are based on acute wards and so are not representative of the daily unit cost of general psychiatric hospital care.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs (A, B & C)*<br>A. Buildings and oncosts | £13 per bed per day | Based on the new build and land requirements for a bed in a psychiatric hospital ward.[2] Occupancy rates have been taken into account. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £2.40 per bed per day | Based on information provided by the Department for Communities and Local Government, discounted at 3.5 per cent over 60 years.[3] |
| C. Equipment and durables | | No information available. |
| *Revenue costs*<br>D. Salary, supplies and services costs | £154 per day | Revenue costs were obtained from hospital accounts and were broken down into salaries, supplies and services and agency overheads. Salary costs include medical and clinical support services. Where this input could not be identified at ward level, a multiplier of 1.33 was calculated on the basis of nursing (75 per cent) to medical and clinical support (25 per cent) ratios in those wards where full information was available. |
| E. Agency overheads | £50 per day | Indirect management, such as central administration, was categorised under the heading of agency overheads along with personnel, accounting and finance functions. Costs have been uprated using the PSS pay and prices index. |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 95% | Occupancy in London was estimated to be 102 per cent. Occupancy figures are drawn from the same source as the base data. |
| London multiplier | 1.16 x A;<br>2.63 x B;<br>1.11 x D;<br>1.15 x E | Relative London costs are drawn from the same source as the base data for each cost element. If the interest is just in effects due to technology and price effects, the multiplier to be used for salaries, supplies and service costs is 1.19.[4] The increase on previous years in the inflator for land is due to a revision of price trends by the Department for Communities and Local Government. |
| **Unit costs available 2007/2008** | | |
| £219 per inpatient day (includes A to E). | | |

1 Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Based on personal communication with the Department for Communities and Local Government (2008) http://www.communities.gov.uk/documents/housing/xls/141389.xls.

4 Chisholm, D., Knapp, M. & Astin, J. (1996) Mental health residential care: is there a London differential?, in A. Netten & J. Dennett (eds) *Unit Costs of Health and Social Care 1996*, Personal Social Services Research Unit, University of Kent, Canterbury.

## 2.7 Long-stay NHS hospital services for people with mental health problems

Based on a sample of 19 long-stay psychiatric wards covered in a survey of residential care in eight district health authorities.[1] All costs are based on 1995/1996 figures, uprated using the appropriate HCHS inflators. The costs are based on long-stay inpatient psychiatric care wards and are not representative of the daily unit cost of general psychiatric hospital care. In such a case, the unit cost estimates derived from the reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/Publications PolicyAndGuidance/DH_074072) would be more appropriate.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs (A, B & C)*<br>A. Buildings and oncosts | £17 per bed per day | Estimates are based on the new build and land requirements for a bed in a psychiatric hospital ward.[2,3,4] Occupancy rates have been taken into account. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £2.80 per bed per day | Based on information provided by the Department for Communities and Local Government, discounted at 3.5 per cent over 60 years.[3] |
| C. Equipment and durables | | No information available. |
| *Revenue costs*<br>D. Salary, supplies and services costs | £106 per day | Revenue costs were obtained from hospital accounts and were broken down into salaries, supplies and services and agency overheads. Salary costs include medical and clinical support services. Where this input could not be identified at ward level, a multiplier of 1.33 was calculated on the basis of nursing (75 per cent) to medical and clinical support (25 per cent) ratios in those wards where full information was available. |
| E. Agency overheads | £57 per day | The capital and revenue costs together represent the total weekly cost of accommodation (or establishment costs). Over and above this accommodation cost, additions have been made to estimate 'care package' costs. These additions include personal consumption or living expenses, and the use that clients typically make of hospital and community health and social services. |
| *Other costs*<br>F. Personal living expenses | £127 per week (£18.20 per day) | Once patients have given up their private accommodation, their full package of costs can be estimated by including other services received and personal expenditure. For long-term stays in hospital, patients will continue to receive pension entitlement, incapacity benefit (£78.05: lower rate or £81.35: higher rate per week) and severe disablement allowance (£49.15 per week). See rules which came into force from April 2006 on benefits of long-stay hospital patients.[5] |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 83% | Occupancy in London was estimated to be 93 per cent. Occupancy figures are drawn from the same source as the base data. |
| London multiplier | 1.16 x A;<br>2.63 x B;<br>1.32 x D;<br>1.11 x E | Relative London costs are drawn from the same source as the base data for each cost element. If the interest is just in effects due to technology and price effects, the multiplier to be used for salaries, supplies and service costs is 1.19 (see *Unit Costs of Health and Social Care 1996, pp.19–22).*[6] |
| **Unit costs available 2007/2008** | | |
| £201 per inpatient day (includes A to F). | | |

1 Chisholm, D., Knapp, M., Astin, J., Beecham, J., Audini, B. & Lelliott, P. (1997) The Mental Health Residential Care Study: the costs of provision, *Journal of Mental Health*, 6, 1, 85-99.

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

4 Estimates this year have been based on the cost of a bed in a psychiatric hospital instead of a bed in a psychiatric unit.

5 Disability Alliance (2006) *Disability Rights Handbook 31st Edition April 2006-April 2007. A Guide to Benefits and Services for All Disabled People, Their Families, Carers and Advisors*, Disability Alliance, London.

6 Netten, A. & Dennett, J. (1996) *Unit Costs of Health and Social Care 1996*, Personal Social Services Research Unit, University of Kent, Canterbury.

## 2.8 NHS psychiatric intensive care unit (PICU)

This schema is based on a study of a PICU in Withington Hospital, Manchester in 1993.[1]

Using reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072), the mean average cost for Local Psychiatric Intensive Care Units for 2007 was £556 with the minimum range for 25 per cent of the services being £483 or less and the maximum range for 25 per cent of the services being £638 or more. Costs have been uprated using the HCHS pay and prices inflator.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs (A, B & C)*<br>A. Buildings and oncosts | £38 per patient day | Annuitised value of an NHS psychiatric unit over a 60-year period discounted at 3.5 per cent, taking into account occupancy rates.[2] |
| B. Land | £4.20 per patient day | Based on information provided by the Department for Communities and Local Government, discounted at 3.5 per cent over 60 years. [3] |
| C. Equipment and durables | | No information available. |
| *Revenue costs*<br>D. Salary costs<br><br>E. Supplies and services<br>– drugs<br><br>– other<br><br>F. Overheads | £384 per patient day<br><br>£26 per patient day<br>£2.30 per patient day<br>£105 per patient day | Staff costs have been inflated to current levels using the HCHS pay index, drug costs were inflated using the HCHS prices index and all other costs were inflated using the combined index. The revenue costs include calls on other wards to deal with violent incidents. Variable costs were distinguished from fixed costs in the study. These comprised just 7 per cent of total cost (excluding capital) and were dominated by the cost of special nursing.<br><br>General hospital overheads comprised 22 per cent of total cost in the study. |
| *Other costs*<br>G. Patient injury | £4.10 per patient day | This was the cost of treating one patient who incurred major injuries as a result of an aggressive incident (inflated using the HCHS pay and prices index). |
| Use of facility by client | 12.3 days | Average length of stay. |
| Occupancy | 55% | Occupancy during study period. |
| High dependency | | Highly disturbed and violent patients. |
| London multiplier | 1.31 x (A to B) | Costs were based on one unit in Manchester. |
| **Unit costs available 2007/2008** | | |
| £563 per patient day (includes A to G); £6,926 per average stay. | | |

1 Hyde, C. & Harrower-Wilson, C. (1995) Resource consumption in psychiatric intensive care: the cost of aggression, *Psychiatric Bulletin*, 19, 73-76.

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

## 2.9 NHS Trust day care for people with mental health problems

A session is defined as either a morning, afternoon or evening at the day care facility.

Using reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072), the mean average cost for NHS day care for people with mental health problems for 2007 was £96 with a minimum range for 25 per cent of the services being £81 or less and the maximum range for 25 per cent of the services being £122 or more. For elderly people with mental health problems, the mean average cost was £133 with a minimum range for 25 per cent of the services being £109 or less and the maximum range for 25 per cent of the services being £168 or more.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs (A, B & C)*<br>A. Buildings and oncosts | £4.70<br>per session | Based on the new build and land requirements for day care facilities (which do not distinguish by client group). These allow for 33.4 square metres per person.[1] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £1.40<br>per session | Based on information provided by the Department for Communities and Local Government. [2] Land costs have been discounted at 8 per cent over 60 years. Since the revenue costs given below now include capital costs, this has not been included in the unit costs figures quoted below. |
| C. Equipment and durables | | No information available. |
| D. Revenue costs | £25<br>per session | Mean cost based on a survey conducted in the South Thames NHS region of day settings for adults with mental health problems. In total sufficient data were obtained to estimate the revenue costs for 122 settings.[3] These results have been uprated using the PSS pay and prices index. Most of the NHS Trust settings taking part were orientated towards providing treatment and consequently 95 per cent of these settings had costs between £19-£31 at current prices. |
| E. Agency overheads | £1.30<br>per session | Following the Audit Commission report about overheads associated with residential care,[4] agency overheads have been assumed to be 5 per cent of revenue costs. |
| Occupancy | 76% | Department of Health statistics, 1998.[5] More recent data are not available. |
| London multiplier | 1.16 xA;<br>2.63 xB;<br>1.02 x D | D has been based on PSS EX1.[6] |
| **Unit costs available 2007/2008** | | |
| £33 per user session (includes A to E); £65 per day (excluding evenings). | | |

1 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

3 Beecham, J., Schneider, J. & Knapp, M. (1998) Survey of Day Activity Settings for People with Mental Health Problems, Report to the Department of Health, PSSRU Discussion Paper 1457, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

5 Department of Health (1998) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics*, Government Statistical Service, London.

6 Department of Health (2007) *PSS EX1 2006/2007,* Department of Health, London.

## 2.10 Local authority social services day care for people with mental health problems

A session is defined as either a morning, afternoon or evening at the day care facility.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs (A, B & C)*<br>A. Buildings and oncosts | £4.70 per session | Based on the new build and land requirements for day care facilities (which do not distinguish by client group). These allow for 33.4 square metres per person.[1] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £1.40 per session | Based on information provided by the Department for Communities and Local Government.[2] Land costs have been discounted at 3.5 per cent over 60 years. |
| C. Equipment and durables | | No information available. |
| D. Revenue costs | £15 per session | Mean cost based on a survey conducted in the South Thames NHS region of day settings for adults with mental health problems.[3] In total sufficient data were obtained to estimate the revenue costs for 122 settings. These results have been uprated using the PSS Pay and Prices Index. Ninety-five per cent of the Social Service departments had costs between £12-£18 at current prices with a median cost of £14 per session. In comparison to day care provided by the NHS Trusts, only 3.2 per cent of settings managed by the Local Authority Social Service Departments were orientated towards providing treatment whereas over a third provided social support.<br>PSS EX1 2006/07 gross costs uprated using the PSS Pay and Prices Index reported median costs at £33 and mean costs at £31 per session.[4] Capital costs charged to the revenue account have been deducted (£1.30). Three authorities reporting costs of more than £490 were excluded. |
| E. Agency overheads | £0.80 per session | Following the Audit Commission report about overheads associated with residential care, agency overheads have been assumed to be 5 per cent of revenue costs.[5] |
| Occupancy | 76% | Department of Health statistics, 1998.[6] No later statistics are available. |
| London multiplier | 1.16 xA;<br>2.63x B;<br>1.30 x D | D is based on PSS EX1 statistics. |
| **Unit costs available 2007/2008** | | |
| £21 per user session (includes A to E); £43 per day (excluding evenings). | | |

1 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

3 Beecham, J., Schneider, J. & Knapp, M. (1998) Survey of Day Activity Settings for People with Mental Health Problems, Report to the Department of Health, PSSRU Discussion Paper 1457, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Department of Health (2007) *PSS EX1 2006/07*, Department of Health, London.

5 Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

6 Department of Health (1998) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics*, Government Statistical Service, London.

## 2.11 Voluntary/non profit-organisations providing day care for people with mental health problems

A session is defined as either a morning, afternoon or evening at the day care facility.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs (A, B & C)*<br>A. Buildings and oncosts | £4.70<br>per session | Based on the new build and land requirements for day care facilities (which do not distinguish by client group). These allow for 33.4 square metres per person.[1] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Although a capital value has been given, in practice premises costs are often based on rental paid and purpose built centres are rare. |
| B. Land | £1.40<br>per session | Based on information provided by the Department for Communities and Local Government.[2] Land costs have been discounted at 8 per cent over 60 years. |
| C. Equipment and durables | | No information available. |
| D. Revenue costs | £14<br>per session | A survey was conducted in the South Thames NHS region of day settings for adults with mental health problems.[3] In total sufficient data were obtained to estimate the revenue costs for 122 settings. These results have been uprated using the PSS Pay and Prices index. Ninety five per cent of the settings managed by voluntary/non-profit organisations had costs between £10-£19 at current prices with a median cost per session of £14. Sixty per cent of voluntary/non profit-organisations providing day care for people with mental health problems provide work-related activities and none of them provide treatment. |
| E. Agency overheads | £0.70<br>per session | Following the Audit Commission report about overheads associated with residential care, agency overheads have been assumed to be 5 per cent of revenue costs.[4] |
| Occupancy | 76% | Department of Health statistics, 1998.[5] |
| London multiplier | 1.06 x A;<br>2.63 x B.<br>1.02 x D | The multiplier for revenue costs has been based on PSS EX1 2006/2007 statistics.[6] |
| **Unit costs available 2007/2008** | | |
| £21 per user session (includes A to E); £43 per day (excluding evenings). | | |

1 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

3 Beecham, J., Schneider, J. & Knapp, M. (1998) Survey of Day Activity Settings for People with Mental Health Problems, Report to the Department of Health, PSSRU Discussion Paper 1457, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

5 Department of Health (1998) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics*, Government Statistical Service, London.

6 Department of Health (2007) *PSS EX1 2006/07*, Department of Health, London.

## 2.12 Sheltered work schemes

Opportunities for employment among people with disabilities are changing rapidly.[1,2] The research upon which these costs is based was conducted in specialist settings for people with mental health problems, now several years ago. It is clearly important to ensure that the models that were operating during the research are relevant to any setting to be costed. The models and costs upon which this schema is based are described in Hallam and Schneider (1999).[3] The methodology for costing these work schemes is given in Netten and Dennett (1996, pp 28-31), and can be adapted to innovative settings.[4]

The figures in the table below are averages for the seven schemes and are based on 1994/1995 figures, uprated using the PSS Pay and Prices Index.

The costs do not take into account variations in different departments within each scheme due to staffing levels, attendance rates or productivity. Cost per hour ranged from £2.40 to £12.10 at current prices with the full-time placements working out least expensive per hour. There is also wide variation in the cost per placement per year with net costs ranging from £4,272 to £11,462 per annum.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Total annual expenditure | £10,297 | Average gross expenditure for the seven work schemes ranged from £6,895 to £14,455. |
| B. Total annual income | £2,202 | Average gross expenditure minus average net expenditure. Income ranged from £416 to £4,435. |
| Number of places | 46 | The number of places provided per week in 1994-1995 ranged from 21 to 60. |
| Hours worked per week | 25 | Based on the mean number in each work scheme. The number of hours worked per week ranged from 16 to 35. |
| Number of weeks worked | 47.2 | Based on the mean number in each work scheme. The number of weeks worked per year ranged from 29 to 52. |
| Number of workers at any one time | 37 | The number of workers on the schemes at one time differs from the number of places because of shift working on three of the schemes. |
| **Unit costs available 2007/2008** | | |
| £8.60 gross cost per hour; £6.70 net cost per hour. | | |

1 Schneider, J. (1998a) Work interventions in mental health care: Arguments in favour, and a review of the evidence, *Journal of Mental Health* 7, 81-94.

2 Schneider, J. (1998b) Models of specialist employment for people with mental health problems, *Health and Social Care in the Community*, 6, 2, 120-129.

3 Hallam, A. & Schneider, J. (1999) Sheltered work schemes for people with mental health problems: service use and costs, *Journal of Mental Health*, 8, 2, 163-178.

4 Netten, A. & Dennett, J. (1996) *Unit Costs of Health and Social Care 1996*, Personal Social Services Research Unit, University of Kent, Canterbury.

## 2.13 Cognitive Behaviour Therapy (CBT)

This schema is based on a costing which was undertaken for a randomised controlled trial of interventions for adolescents with depression. The setting was two Child and Mental Health Services (CAMHS) teams in secondary care where CBT was delivered.[1]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £35,079 per year | Based on full-time equivalent basic salary of the October-December 2007 NHS Staff Earnings estimates.[2] Average salary based on Agenda for Change 2007 payscales for a Specialty Doctor (midpoint), Clinical Psychologist (band 7 median) and Mental Health Nurse (band 5 median). (Salary costs last year included supplements). |
| B. Oncosts | £7,611 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | | Information not available for all care staff. |
| D. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[3] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Ongoing Training | | Information not available for all care staff. |
| F. Capital Overheads | £3,382 per year | Based on the new build and land requirements of an NHS office and shared facilities capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.[4,5] Based on the assumption that there is one office per team. |
| Working time | 42 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 statutory leave days.[2] Assumes 6 study/ training days and 12 days sickness leave.[6] Weighted to reflect team composition. Based on a total of 1547 hours per year. |
| *Ratio of direct to indirect time:* face to face contact | 1:1 | 50 per cent of time is spent on face to face contact and 50 per cent on other activities. |
| *Length of contact* | 55 minutes | Average duration of CBT session. |
| **Unit costs available 2007/2008** | | |
| £32 per hour; £63 per hour face to face contact; £58 cost of CBT session. (Unit Costs are lower than last year due to a new information source for salaries). | | |

1 Goodyer, I.M., Harrington, R., Breen, S., Dubicka, B., Leech, A., Rothwell, J., White, L., Ford, C., Kelvin, R., Wilkinson, P., Barrett, B., Byford, S. & Roberts, C. (2007) A randomised controlled trial of SSRIs with and without cognitive behavioural therapy in adolescents with major depression, *Health Technology Assessment*, in press.

2 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS,Vol 2 Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS Royal Institution of Chartered Surveyors, Kingston-upon-Thames.[4]

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 The Information Centre (2006) Results of the NHS Sickness Absence Survey 2005, NHS Employers, London.

# 3. Services for people who misuse drugs/alcohol

3.1 Voluntary sector residential rehabilitation for people who misuse drugs/alcohol

3.2 NHS inpatient treatment for people who misuse drugs/alcohol

3.3 Cost of maintaining a drugs misuser on a methadone treatment programme

3.4 Alcohol health worker, A&E

## 3.1 Voluntary sector residential rehabilitation for people who misuse drugs/alcohol

Based on information received for 1994/1995 from eleven voluntary rehabilitation units across England, as part of an economic evaluation conducted by the Centre for the Economics of Mental Health of treatment services for the misuse of drugs (the National Treatment Outcome Research Study: NTORS).[1] At current prices unit costs varied across the eleven residential rehabilitation units, ranging from a minimum of £446 per resident week to a maximum of £1,617 per resident week. Costs have been inflated to 2007/2008 prices.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs (A, B & C)*<br>A. Buildings<br>B. Land | £22 per resident week | Based on property valuation information received for 1994/1995, inflated using the Tender Price Index for Public Sector Building (non housing). Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| C. Equipment and durables | £0.20 per resident week | 1994/95 costs inflated using the PSS Prices Index. |
| *Revenue costs*<br>D. Salary costs | £450 per resident week | 1994/95 costs inflated using the PSS Pay Index. |
| E. Other revenue costs | £263 per resident week | 1994/95 costs inflated using the PSS Prices Index. |
| F. Agency overheads | £55 per resident week | 1994/95 costs inflated using the PSS Pay and Prices Index. |
| Use of facility by client | 52.18 weeks per year | |
| Occupancy | 77% | Occupancy figures are drawn from the same source as the base data. |
| **Unit costs available 2007/2008** | | |
| £790 per resident week (includes A to F). | | |

1 Centre for the Economics of Mental Health (1999) *The National Treatment Outcome Research Study (NTORS),* Centre for the Economics of Mental Health, Institute of Psychiatry, King's College, London. For further information contact Andrew Healey, PSSRU, London School of Economics and Political Science, Houghton Street, London, WC2A 2AE, email: A.T.Healey@lse.ac.uk, tel: 020 7955 6234.

## 3.2 NHS inpatient treatment for people who misuse drugs/alcohol

Based on information received for 1994/1995 from four NHS inpatient units located across England, as part of an economic evaluation conducted by the Centre for the Economics of Mental Health of treatment services for the misuse of drugs (the National Treatment Outcome Research Study: NTORS).[1] The least expensive service was estimated to cost £108 per patient day, while the most expensive was £296 per patient day (1994/95 prices uprated to 2007/2008).

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs (A, B & C)*<br>A. Buildings | £25 per patient day | Based on the new build and land requirements for a bed in a psychiatric hospital ward.[2] Occupancy rates have been taken into account. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £2.80 per patient day | Based on Office of Deputy Prime Minister statistics.[3] Land costs have been discounted at 3.5 per cent over 60 years. |
| C. Equipment and durables | £0.90 per patient day | 1994/1995 costs inflated using the HCHS prices index. |
| *Revenue costs (D, E & F)*<br>D. Salary costs | £124 per patient day | 1994/1995 costs inflated using the HCHS pay index |
| E. Other revenue costs | £14 per patient day | 1994/1995 costs inflated using the HCHS prices index |
| F. Agency overheads | £52 per patient day | 1994/1995 costs inflated using the HCHS pay and prices index |
| Use of facility by client | 365.25 days per year | |
| Occupancy | 84% | Occupancy figures are drawn from the same source as the base data |
| **Unit costs available 2007/2008** | | |
| £219 per patient day (includes A to F). | | |

1 Centre for the Economics of Mental Health (1999) *The National Treatment Outcome Research Study (NTORS),* Centre for the Economics of Mental Health, Institute of Psychiatry, King's College, London. For further information contact Andrew Healey, PSSRU, London School of Economics and Political Science, Houghton Street, London, WC2A 2AE, email: A.T.Healey@lse.ac.uk, tel: 020 7955 6234.

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

## 3.3 Cost of maintaining a drugs misuser on a methadone treatment programme

Based on information received for 15 methadone programmes located across England, as part of an economic evaluation conducted by the Centre for the Economics of Mental Health of treatment services for the misuse of drugs (National Treatment Outcome Research Study: NTORS).[1]

The majority of the methadone programmes in the sample were provided by NHS community drug teams. These are either based on a hospital site or literally in the community. Drug users go to the relevant site perhaps on a daily basis, (although arrangements vary from service to service) either to pick up their methadone prescription (dispensed at a community pharmacist) or to receive their dose under supervision on site. They may also consult visiting health professionals (e.g. a visiting GP about health problems, or psychiatrist/CPN about psychiatric problems), visiting probation officers and social workers and site staff. Some services also provide counselling/therapy to deal with addiction. Some of the methadone programmes were run by community drug teams, but the methadone may have actually been prescribed at a GP surgery. A small number of programmes (one or two at most) were provided entirely from a primary care site.

All data were generated from NHS Trust financial accounts and where necessary prescribing cost data for specific programmes were provided by the Prescription Pricing Authority in Newcastle-Upon-Tyne.

Unit costs varied across the programmes, ranging from a minimum of £9 per week to a maximum of £132 per week (1995/96 prices uprated to 2007/2008).

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Capital and revenue costs | £31 per patient week | The following costs are included: buildings and land, equipment and durables, staff costs (including site staff and external support staff), supplies and services, and site and agency overheads. 1995/1996 prices inflated by the HCHS pay and prices index. Capital costs have been discounted at 3.5 per cent over 60 years. |
| B. Methadone costs | £25 per patient week | Includes the cost of prescriptions, any pharmacist dispensing fees, and any toxicology tests. 1995/1996 prices inflated by the HCHS pay and prices index. |
| **Unit costs available 2007/2008** | | |
| £56 per patient week (includes A and B). | | |

1 Centre for the Economics of Mental Health (1999) *The National Treatment Outcome Research Study (NTORS),* Centre for the Economics of Mental Health, Institute of Psychiatry, King's College, London. For further information contact Andrew Healey, PSSRU, London School of Economics and Political Science, Houghton Street, London, WC2A 2AE, email: A.T.Healey@lse.ac.uk, tel: 020 7955 6234.

## 3.4 Alcohol health worker, A&E

Alcohol health workers (AHWs) are experienced mental health nurses who have undertaken specific training in counselling people who misuse alcohol. AHWs interact with people in a non-confrontational and patient-centred way and during an assessment may offer feedback about safe levels of drinking and suggest a range of strategies aimed at reducing levels of consumption.

Information for this schema has been based on a study carried out by the Centre for the Economics of Mental Health at the Institute of Psychiatry, London. [1]

| Costs and unit estimation | Cost | Notes |
|---|---|---|
| A. Wages/salary | £29,500 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 6 of the October-December 2007 NHS Staff Earnings estimates for Qualified Nurses. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £32,400.[2] See Preface for further information and page 168 for further information on mean salaries. |
| B. Salary oncosts | £6,313 per year | Employers' national insurance contribution plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £5,975 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[3] It has been assumed that this health worker requires the same qualifications as a staff nurse/ward manager. See schema 6.5 for further details on training for health professionals. |
| D. Overheads | £2,961 per year | Indirect overheads only.[4] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £2,568 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared office space for administration, and recreational and changing facilities.[5,6] Treatment space has not been included. |
| Working time | 41.3 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[7] Assumes 5 study/ training days and 12 days sickness leave.[8] Unit costs based on 1547 working hours. |
| Ratio of direct to indirect time on: clinic contacts | 1:0.22 | Assuming 82 per cent of time spent on face-to-face contact and 18 per cent on onward referral. |
| Length of contact | 55 minutes | Per clinic contact. Based on survey of AHWs in London A&E department.[1] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £27 (£31) per hour; £33 (37) per clinic consultation | | |

1 Barrett, B., Byford, S., Crawford, M.J., Patton, R., Drummond, C., Henry, J.A. & Touquet, R. (2004) Cost-effectiveness of screening and referral to an alcohol health worker in alcohol misusing patients attending an accident and emergency department: a decision-making approach, Drug & Alcohol Dependence, 2006, vol.81, no 1, pp. 47–54.

2 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

7 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

8 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

# 4. Services for people with learning disabilities

4.1 Group homes for people with learning disabilities

4.2 Village communities

4.3 NHS residential campus provision

4.4 Supported living schemes

4.5 Local authority day care for people with learning disabilities

4.6 Voluntary sector activity-based respite care for people with learning disabilities

## 4.1 Group homes for people with learning disabilities

The costs of group homes are based on the results of a study commissioned by the Department of Health and conducted by Emerson et al. in 1998.[1,2] The sample comprises services provided by nine independent and public sector organisations in the UK (218 service users).

See Deinstitutionalisation and community living – outcomes and costs (Mansell & colleagues, 2007) which provides further details on service provision for people with learning disabilities. [3,4]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Capital costs | £54 per week | Capital costs of buildings and land were calculated using market valuations of property and/or construction costs. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Equipment and durables amounting to 10 per cent of capital cost were added.[5]<br>Annual costs of vehicle replacement were estimated based on the methodology devised by the Automobile Association.[6] |
| *Revenue costs*<br>B. Salary costs<br>C. Other revenue costs | <br>£875 per week<br>£86 per week | <br>Calculated using facility-specific accounts information and uprated using the PSS Pay and Prices Inflator. |
| D. Agency overheads | £116 per week | Calculated using facility-specific accounts information, or by adding 5 per cent of revenue costs, following an Audit Commission report about overheads associated with residential care.[7] |
| *External services*<br>E. Hospital<br>F. Community<br>G. Day services | <br>£10.40 per week<br>£36 per week<br>£179 per week | Client-specific service use was recorded using the Client Service Receipt Inventory (CSRI).[8] Day services were costed using accounts information, where available. All other services were costed using national unit costs data. |
| H. Personal living expenses | £67 per week | Individual client living expenses (based on CSRI information). |
| Use of facility by client | 52.18 weeks per annum | |
| Multiplier for level of disability | Higher levels of ability: 0.82 x (B to H)<br>Lower levels of ability: 1.60 x (B to H) | Clients were grouped according to scores on the Adaptive Behaviour Scale (ABS).[9]<br>Scores between zero and 145 were grouped as less able; scores higher than 145 were grouped as more able. (145 was selected to allow relatively even distribution between groups.) |
| **Unit costs available 2007/2008** | | |
| £1,131 establishment costs per resident week (includes A to D); £1,423 care package costs (includes A to H). | | |

1 Emerson, E., Robertson, J., Gregory, N., Hatton, C., Kessissoglou, S., Hallam, A., Knapp, M., Järbrink, K. & Netten, A. (1999) *Quality and Costs of Residential Supports for People with Learning Disabilities: A Comparative Analysis of Quality and Costs in Village Communities, Residential Campuses and Dispersed Housing Schemes,* Hester Adrian Research Centre, University of Manchester, Manchester.

2 Hallam, A. & Emerson, E. (1999) Costs of residential supports for people with learning disabilities, in A. Netten, J. Dennett & J. Knight (eds) *Unit Costs of Health and Social Care 1999,* Personal Social Services Research Unit, University of Kent, Canterbury.

3 Mansell, J., Knapp, M., Beadle-Brown, J. and Beecham, J. (2007) Deinsitutionalisation and community living – outcomes and costs: report of a European study. Volume 2: Main Report, Tizard Centre, University of Kent, Canterbury.

4 Mansell, J., Knapp, M., Beadle-Brown, J. and Beecham, J. (2007) Deinstitutionalisation and community living – outcomes and costs: report of a European study, Country Report: United Kingdom, Tizard Centre, University of Kent, Canterbury.

5 Knapp, M., Beecham, J. & Allen, C. (1989) The methodology for costing community and hospital services used by clients of the Care in the Community demonstration programme, PSSRU Discussion Paper 647, Personal Social Services Research Unit, University of Kent, Canterbury.

6 Automobile Association Technical Services, Basingstoke, Hampshire.

7 Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

8 Beecham, J. & Knapp, M. (1992) Costing psychiatric interventions, in G. Thornicroft, C. Brewin & J. Wing (eds) *Measuring Mental Health Needs,* Oxford University Press, Oxford.

9 Nihira, K., Leland, H. & Lambert, N. (1993) *Adaptive Behavior Scale – Residential and Community,* 2nd Edition, Pro-Ed, Austin, Texas.

## 4.2 Village communities

The costs of village communities are based on the results of a study commissioned by the Department of Health and conducted by Emerson et al. in 1998.[1,2] The sample comprises three village communities, all managed by voluntary organisations, in the UK (86 service users). See Deinstitutionalisation and community living – outcomes and costs (Mansell & colleagues, 2007) which provides further details on service provision for people with learning disabilities.[3,4]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Capital costs | £58 per week | Capital costs of buildings and land were calculated using market valuations of property and/or construction costs. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.<br>Equipment and durables amounting to 10 per cent of capital cost were added.[5]<br>Annual costs of vehicle replacement were estimated based on the methodology devised by the Automobile Association.[6] |
| *Revenue costs*<br>B. Direct staffing<br>C. Direct non-staffing | <br>£497 per week<br>£68 per week | <br>Calculated using facility-specific accounts information. Costs relate to staffing within the individual setting/house. |
| D. On-site administration | £150 per week | Calculated using facility-specific accounts information. Cost relates to staffing and non-staffing expenditure across the whole site (such as management and maintenance, social areas and grounds). |
| E. Agency overheads | £63 per week | Calculated using facility-specific accounts information, or by adding 5 per cent of revenue costs, following an Audit Commission report about overheads associated with residential care.[7] |
| *External services*<br>F. Hospital<br>G. Community<br>H. Day services | <br>£7.40 per week<br>£24 per week<br>£179 per week | Client-specific service use was recorded using the Client Service Receipt Inventory (CSRI).[8] Day services were costed using accounts information, where available. All other services were costed using national unit costs data. |
| I. Personal living expenses | £23 per week | Individual client living expenses (based on CSRI information). |
| Use of facility by client | 52.18 weeks per annum | |
| Multiplier for level of disability | Higher levels of ability: 0.82 x (B to H)<br>Lower levels of ability: 1.60 x (B to H) | Clients were grouped according to scores on the Adaptive Behaviour Scale (ABS).[9]<br>Scores between zero and 145 were grouped as less able; scores higher than 145 were grouped as more able (145 was selected to allow relatively even distribution between groups). |
| **Unit costs available 2007/2008** | | |
| £837 establishment costs per resident week (includes A to E); £1,071 care package costs (includes A to I). | | |

1 Emerson, E., Robertson, J., Gregory, N., Hatton, C., Kessissoglou, S., Hallam, A., Knapp, M., Järbrink, K. & Netten, A. (1999) *Quality and Costs of Residential Supports for People with Learning Disabilities: A Comparative Analysis of Quality and Costs in Village Communities, Residential Campuses and Dispersed Housing Schemes,* Hester Adrian Research Centre, University of Manchester, Manchester.

2 Hallam, A. & Emerson, E. (1999) Costs of residential supports for people with learning disabilities, in A. Netten, J. Dennett & J. Knight (eds) *Unit Costs of Health and Social Care 1999,* Personal Social Services Research Unit, University of Kent, Canterbury.

3 Mansell, J., Knapp, M., Beadle-Brown, J. and Beecham, J. (2007) Deinsitutionalisation and community living - outcomes and costs: report of a European study. Volume 2: Main Report. Canterbury: Tizard Centre, University of Kent.

4 Mansell, J., Knapp, M., Beadle-Brown, J. and Beecham, J. (2007) Deinstitutionalisation and community living - outcomes and costs: report of a European study, Country report: United Kingdom. Canterbury: Tizard Centre, University of Kent.

5 Knapp, M., Beecham, J. & Allen, C. (1989) The methodology for costing community and hospital services used by clients of the Care in the Community demonstration programme, PSSRU Discussion Paper 647, Personal Social Services Research Unit, University of Kent, Canterbury.

6 Automobile Association Technical Services, Basingstoke, Hampshire.

7 Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

8 Beecham, J. & Knapp, M. (1992) Costing psychiatric interventions, in G. Thornicroft, C. Brewin & J. Wing (eds) *Measuring Mental Health Needs,* Oxford University Press, Oxford.

9 Nihira, K., Leland, H. & Lambert, N. (1993) *Adaptive Behavior Scale — Residential and Community,* 2nd Edition, Pro-Ed, Austin, Texas.

## 4.3 NHS residential campus provision

The costs of NHS residential campus provision are based on the results of a study commissioned by the Department of Health and conducted by Emerson et al. in 1998.[1,2] The sample comprises five residential campus facilities in the UK (133 service users). See Deinstitutionalisation and community living – outcomes and costs (Mansell & colleagues, 2007) which provides further details on service provision for people with learning disabilities. [3,4]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Capital costs | £52 per week | Capital costs of buildings and land were calculated using market valuations of property and/or construction costs. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.<br>Equipment and durables amounting to 10 per cent of capital cost were added.[5]<br>Annual costs of vehicle replacement were estimated based on the methodology devised by the Automobile Association.[6] |
| *Revenue costs*<br>B. Direct staffing<br>C. Direct non-staffing | <br>£944 per week<br>£101 per week | <br>Calculated using facility-specific accounts information. Costs relate to staffing within the individual setting/house. |
| D. On-site administration | £133 per week | Calculated using facility-specific accounts information. Cost relates to staffing and non-staffing expenditure across the whole site (such as management and maintenance, social areas and grounds). |
| E. Agency overheads | £105 per week | Calculated using facility-specific accounts information, or by adding 5 per cent of revenue costs, following an Audit Commission report about overheads associated with residential care.[7] |
| *External services*<br>F. Hospital<br>G. Community<br>H. Day services | <br>£4.40 per week<br>£21 per week<br>£98 per week | Client-specific service use was recorded using the Client Service Receipt Inventory (CSRI).[8] Day services were costed using accounts information, where available. All other services were costed using national unit costs data. |
| I. Personal living expenses | £28 per week | Individual client living expenses (based on CSRI information). |
| Use of facility by client | 52.18 weeks per annum | |
| Multiplier for level of disability | Higher levels of ability: 0.82 x (B to H)<br>Lower levels of ability: 1.60 x (B to H) | Clients were grouped according to scores on the Adaptive Behaviour Scale (ABS).[9]<br>Scores between zero and 145 were grouped as less able; scores higher than 145 were grouped as more able. (145 was selected to allow relatively even distribution between groups.) |
| **Unit costs available 2007/2008** | | |
| £1,335 establishment costs per resident week (includes A to E); £1,486 care package costs (includes A to I). | | |

1 Emerson, E., Robertson, J., Gregory, N., Hatton, C., Kessissoglou, S., Hallam, A., Knapp, M., Järbrink, K. & Netten, A. (1999) *Quality and Costs of Residential Supports for People with Learning Disabilities: A Comparative Analysis of Quality and Costs in Village Communities, Residential Campuses and Dispersed Housing Schemes,* Hester Adrian Research Centre, University of Manchester, Manchester.

2 Hallam, A. & Emerson, E. (1999) Costs of residential supports for people with learning disabilities, in A. Netten, J. Dennett & J. Knight (eds) *Unit Costs of Health and Social Care 1999,* Personal Social Services Research Unit, University of Kent, Canterbury.

3 Mansell, J., Knapp, M., Beadle-Brown, J. and Beecham, J. (2007) Deinsitutionalisation and community living - outcomes and costs: report of a European study. Volume 2: Main Report. Canterbury: Tizard Centre, University of Kent.

4 Mansell, J., Knapp, M., Beadle-Brown, J. and Beecham, J. (2007) Deinstitutionalisation and community living - outcomes and costs: report of a European study, Country report: United Kingdom. Canterbury: Tizard Centre, University of Kent.

5 Knapp, M., Beecham, J. & Allen, C. (1989) The methodology for costing community and hospital services used by clients of the Care in the Community demonstration programme, PSSRU Discussion Paper 647, Personal Social Services Research Unit, University of Kent, Canterbury.

6 Automobile Association Technical Services, Basingstoke, Hampshire.

7 Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

8 Beecham, J. & Knapp, M. (1992) Costing psychiatric interventions, in G. Thornicroft, C. Brewin & J. Wing (eds) *Measuring Mental Health Needs,* Oxford University Press, Oxford.

9 Nihira, K., Leland, H. & Lambert, N. (1993) *Adaptive Behavior Scale — Residential and Community,* 2nd Edition, Pro-Ed, Austin, Texas.

## 4.4 Supported living schemes

The costs of supported living schemes are based on the results of a study commissioned by the Department of Health and conducted by Emerson et al. in 1998.[1,2] The sample comprises services provided by six independent and public sector organisations in the UK (63 service users). See Deinstitutionalisation and community living – outcomes and costs (Mansell & colleagues, 2007) which provides further details on service provision for people with learning disabilities. [3,4]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Capital costs | £57 per week | Capital costs of buildings and land were calculated using market valuations of property and/or construction costs. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.<br>Equipment and durables amounting to 10 per cent of capital cost were added.[5]<br>Annual costs of vehicle replacement were estimated based on the methodology devised by the Automobile Association.[6] |
| *Revenue costs*<br>B. Salary costs<br>C. Other revenue costs | <br>£1,001 per week<br>£55 per week | Calculated using facility-specific accounts information. |
| D. Agency overheads | £175 per week | Calculated using facility-specific accounts information, or by adding 5 per cent of revenue costs, following an Audit Commission report about overheads associated with residential care.[7] |
| *External services*<br>E. Hospital<br>F. Community<br>G. Day services | <br>£7.40 per week<br>£33 per week<br>£61 per week | Client-specific service use was recorded using the Client Service Receipt Inventory (CSRI).[8] Day services were costed using accounts information, where available. All other services were costed using national unit costs data. |
| H. Personal living expenses | £132 per week | Individual client living expenses (based on CSRI information). |
| Use of facility by client | 52.18 weeks per annum | |
| Multiplier for level of disability | Higher levels of ability: 0.82 x (B to H)<br>Lower levels of ability: 1.60 x (B to H) | Clients were grouped according to scores on the Adaptive Behaviour Scale (ABS).[9]<br>Scores between zero and 145 were grouped as less able; scores higher than 145 were grouped as more able. (145 was selected to allow relatively even distribution between groups.) |
| **Unit costs available 2007/2008** | | |
| £1,288 establishment costs per resident week (includes A to D); £1,520 care package costs (includes A to H). | | |

1 Emerson, E., Robertson, J., Gregory, N., Hatton, C., Kessissoglou, S., Hallam, A., Knapp, M., Järbrink, K. & Netten, A. (1999) *Quality and Costs of Residential Supports for People with Learning Disabilities: A Comparative Analysis of Quality and Costs in Village Communities, Residential Campuses and Dispersed Housing Schemes,* Hester Adrian Research Centre, University of Manchester, Manchester.

2 Hallam, A. & Emerson, E. (1999) Costs of residential supports for people with learning disabilities, in A. Netten, J. Dennett & J. Knight (eds) *Unit Costs of Health and Social Care 1999,* Personal Social Services Research Unit, University of Kent, Canterbury.

3 Mansell, J., Knapp, M., Beadle-Brown, J. and Beecham, J. (2007) Deinsitutionalisation and community living - outcomes and costs: report of a European study. Volume 2: Main Report. Canterbury: Tizard Centre, University of Kent.

4 Mansell, J., Knapp, M., Beadle-Brown, J. and Beecham, J. (2007) Deinstitutionalisation and community living - outcomes and costs: report of a European study, Country report: United Kingdom. Canterbury: Tizard Centre, University of Kent.

5 Knapp, M., Beecham, J. & Allen, C. (1989) The methodology for costing community and hospital services used by clients of the Care in the Community demonstration programme, PSSRU Discussion Paper 647, Personal Social Services Research Unit, University of Kent, Canterbury.

6 Automobile Association Technical Services, Basingstoke, Hampshire.

7 Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

8 Beecham, J. & Knapp, M. (1992) Costing psychiatric interventions, in G. Thornicroft, C. Brewin & J. Wing (eds) *Measuring Mental Health Needs,* Oxford University Press, Oxford.

9 Nihira, K., Leland, H. & Lambert, N. (1993) *Adaptive Behavior Scale — Residential and Community,* 2nd Edition, Pro-Ed, Austin, Texas.

## 4.5 Local authority day care for people with learning disabilities

Prior to 1998 the cost given was per place per day. Since 1998 the cost has been per session. A session is defined as either a morning, an afternoon or an evening at the day care facility.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital costs (A, B & C)*<br>A. Buildings and oncosts | £4.60 per session | Based on the new build and land requirements for local authority day care facilities (which do not distinguish by client group). These allow for 33.4 square metres per person.[1] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| B. Land | £1.40 per session | Based on Department for Communities and Local Government statistics.[2] Land costs have been discounted at 3.5 per cent over 60 years. |
| C. Equipment and durables | | No information available. |
| *Revenue costs*<br>D. Salary and other revenue costs<br>E. Capital charges | £41 per client per session | PSS EX1 2006/07 median costs uprated using the PSS Pay and Prices Index.[3] Data were adjusted to exclude expenditure on services purchased from the independent sector. Capital charges on the revenue account have been deducted (£1.20). Mean costs were £31 per session. |
| F. Agency overheads | | A study by the Audit Commission indicated that 5 per cent of the costs of residential care was attributable to managing agency overheads.[4] Social Services Management and Support Services (SSMSS) overhead costs are included in PSS EX1 2006/07 so no additional agency overheads have been included in unit costs below.[3] |
| *G. Other costs* | | |
| Use of facility by client | 500 sessions per year | |
| Occupancy | 78% | Department of Health statistics, 1997.[5] No later statistics available. |
| London multiplier | 1.50 x (A to B); 1.30 x (D to G) | Relative London costs are drawn from the same source as the base data for each cost element. |
| **Unit costs available 2007/2008** | | |
| £47 per session (includes A to E). | | |

1 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

2 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

3 Department of Health (2007) *PSS EX1 2006/07*, Department of Health, London.

4 Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

5 Department of Health (1997) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed Statistics, T*able 3, Government Statistical Service, London.

## 4.6 Voluntary sector activity-based respite care for people with learning disabilities

The schema illustrates a specific activity-based respite service for people with learning disabilities and their carers. The information was drawn from a study of innovative approaches to providing respite care.[1,2] Although each of the schemes in the study was very individual, this service typified the pattern of costs associated with such schemes. It should be noted, however, that this scheme did not provide an exclusively one-to-one staff to user ratio during outings and activities. Those schemes that did tended to have higher hourly unit costs. There is little information about the costs of homes that specialise in short-term residential care.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Coordinator wages/salary | £25,885 per year | 1994/1995 costs inflated by the PSS Pay Index. |
| B. Salary oncosts | £1,854 per year | Employers' national insurance. |
| C. Worker/volunteer costs of sessions | £22,525 per year | 1994/1995 costs inflated by the PSS Pay Index. |
| D. Expenses associated with sessions | £7,487 per year | 1994/1995 costs inflated by the PSS Pay and Prices Index. |
| E. Training | £2,514 per year | 1994/1995 costs inflated by the PSS Pay and Prices Index. |
| F. Capital costs of equipment and transport | £2,503 per year | Discounted at 3.5 per cent over 10 years. 1994/1995 costs inflated by the retail prices index. |
| *G. Direct overheads*<br>Revenue<br>Capital<br>- office space<br>- office equipment | <br>£10,825 per year<br><br>£392 per year<br>£373 per year | Includes management, telephone, secretarial support, stationery, etc. 1994/1995 costs inflated by the PSS Pay and Prices Index.<br>1994/1995 costs inflated by the PSS Prices Index.<br>Discounted at 3.5 per cent over 60 years.<br>Discounted at 3.5 per cent over five years. |
| H. Indirect overheads | £3,622 per year | Includes the personnel and finance functions.<br>1994/95 costs inflated by the PSS Pay and Prices Index. |
| Number of users | 29 | |
| Number of users with challenging behaviours/ multiple disabilities | 6 | Varying degrees of challenging behaviours. All receive one-to-one support. |
| Number of client sessions per year | 920 | Type of session varies. Twenty-six per cent (235) of sessions are one-to-one. |
| Length of sessions | 4.35 hours | Average length of session. |
| **Unit costs available 2007/2008** | | |
| £85 per client session; £19 per client hour (includes A to H). | | |

1 Netten, A. (1994) Costing innovative schemes offering breaks for people with learning disabilities and their carers, PSSRU Discussion Paper 1100, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A. (1995) Costing breaks and opportunities, in K. Stalker (ed.) *Breaks and Opportunities: Developments in Short Term Care*, Jessica Kingsley, London.

# 5. Services for younger adults with physical and sensory impairments

5.1 High dependency care home for younger adults with physical and sensory impairments

5.2 Residential home for younger adults with physical and sensory impairments

5.3 Special needs flats for younger adults with physical and sensory impairments

5.4 Rehabilitation day centre for younger adults with brain injury

## 5.1 High dependency care home for younger adults with physical and sensory impairments

This schema is based on information received from John Grooms in 2002 detailing the costs involved in providing a high dependency residential centre.[1] It is a registered nursing home providing 17 nursing places and one residential care place, for people with severe physical disabilities aged between 18 and 65 on admission. Multiple sclerosis and brain injury predominate among the conditions that are dealt with. All of the residents use wheelchairs and many have communications problems. The emphasis is to enable people to develop their individuality and lifestyle in an environment that is acceptable to them as their long term home. Each resident occupies an open plan flatlet with en-suite facilities and a simple food preparation area. The objective is to provide a living environment that offers privacy and reasonable space in which to live to those who do not have the option of care in the community because of the severity of their condition. Costs have been inflated to 2007/2008 prices.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital Costs (A, B, C & D)*<br>A. Buildings | £175 per week | Capital costs of buildings and land were calculated using costs which reflect Housing Corporation accessibility and build standards. Costs have been inflated using the BCIS/ABI House Rebuilding Index.[2] The value of the building was annuitised over a 60-year period and discounted at 3.5 per cent. |
| B. Land costs | £46 per week | Land costs have been discounted at 3.5 per cent over 60 years. |
| C. Equipment/durables<br>Wheelchairs<br>Furnishings/fittings | <br>£8.20 per week<br>£7.70 per week | <br>Cost of powered chair. Costs have been inflated using the PSS Prices Index.<br>Depreciation on furniture/fittings. Calculated using facility specific accounts. Costs have been inflated using the PSS Prices Index |
| D. Vehicles | £5.20 per week | |
| *Revenue costs*<br>E. Salary costs | <br>£800 per week | Costs of direct management, administrative, maintenance, medical and care staff. Calculated using facility specific accounts information. Costs have been inflated using the PSS Pay Index. |
| F. Training<br>G. Maintenance | £15 per week<br>£18 per week | Prices uprated using the PSS Prices Index.<br>Includes repairs and contracts and cyclical maintenance. Inflated using the PSS Pay and Prices Index. |
| H. Medical costs<br>I. Other revenue costs | £11 per week<br>£176 per week | <br>Includes insurance, travel, staff adverts, uniforms, print & stationery, telephone, postage, equipment replacement, household expenses, premises costs, cost of provisions, household, linen & laundry costs. Costs have been inflated using the PSS Prices Index. |
| J. Overheads | £46 per week | Charges incurred by national organisation. |
| K. External services | | No information available. |
| Use of facility by resident | 52.18 weeks per annum | |
| Number of residents | 18 | 17 nursing home places and 1 residential home place. |
| **Unit costs available 2007/2008** | | |
| £1,309 per resident week. | | |

1 Information provided by David Newnham, Director of Services and Development for John Grooms, London.

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

## 5.2 Residential home for younger adults with physical and sensory impairments

This schema is based on information received from John Grooms in 2002 detailing the costs involved in providing a registered residential home.[1] The home has 20 places for people aged between 18 and 65 on admission. It does not specialise in providing a service for any particular type of disability, but many of the residents are people with cerebral palsy and brain injury. The residents occupy individual open plan flatlets offering en suite and food preparation facilities. Many residents prepare their own meals and activities of daily living skills are developed with the goal of enabling residents to live independently in the community. The aim is for about 50 per cent of residents to follow this route while the remainder will remain for long term care. The rate of 'move on' is slow, with one or two people leaving to live in the community per year. Dependency of residents is increasing, presenting greater obstacles for them in gaining independent living skills and reducing the likelihood of their living independently in the community. Costs have been inflated to 2007/2008 prices.

Using PSS EX1 2006/07 uprated using the PSS Pay and Prices Inflator, mean costs of local authority residential care for adults with a physical disability or sensory impairment were £1,021 and median costs were £854.[2] Capital costs of £30 have been excluded. Mean costs of residential care provided by others for adults with a physical disability or sensory impairment were £768 and median costs were £795.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital Costs (A, B, C & D)*<br>A. Buildings | £82 per week | Capital costs of building and land were based on actual cost of building and uprated using the BCIS/ABI House Rebuilding Index. Costs have been inflated using the BCIS/ABI House Rebuilding Index.[3] The value of the building was annuitised over a 60-year period discounted at 3.5 per cent. |
| B. Land costs | £22 per week | Based on an approximate measurement of 0.35 acres provided by John Grooms. Land costs have been annuitised at 3.5 per cent over 60 years. |
| C. Equipment/durables<br>Wheelchairs<br>Furnishings/fittings | <br>£8.20 per week<br>£6.40 per week | <br>Cost of powered chair. Costs inflated using the PSS Prices Index.<br>Depreciation on furniture/fittings. Calculated using facility specific accounts. Prices inflated using the PSS Prices Index. |
| D. Vehicles | £1.90 per week | |
| *Revenue costs*<br>E. Salary costs | £489 per week | Costs of direct management, administrative, maintenance, medical and care staff. Calculated using facility specific accounts information. Costs inflated using the PSS Pay Index. |
| F. Training | £8.00 per week | Costs inflated using the PSS Prices Index. |
| G. Maintenance | £28 per week | Includes repairs and contracts and cyclical maintenance. Costs inflated using the PSS Prices Index. |
| H. Other revenue costs | £67 per week | Includes insurance, travel, staff adverts, uniforms, print & stationery, telephone, postage, equipment replacement, household expenses, medical, premises and household and laundry costs. Calculated using facility specific accounts information. Costs inflated using the PSS Prices Index. |
| I. Overheads | £23 per week | Charges incurred by national organisation. |
| J. External services | | No information available. |
| Use of facility by resident | 52.18 weeks per annum | |
| Number of residents | 20 places | |
| **Unit costs available 2007/2008** | | |
| £734 per resident week. | | |

1 Information provided by David Newnham, Director of Services and Development for John Grooms, London.

2 Department of Health (2007) *PSS EX1 2006/07*, Department of Health, London.

3 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

## 5.3 Special needs flats for younger adults with physical and sensory impairments

This schema is based on information received from John Grooms in 2002 detailing the costs involved in providing a 24 hour on site care service for five people with disabilities.[1] The service consists of three single flats, a double flat and office space which is used also at night to accommodate a sleeping-in member of staff. The service provides at least one person on duty both day and night, with two cross over periods during the day when two people are on duty. The care provided may include personal care, domestic tasks (including meal preparation) assistance in maintaining social contacts, monitoring well-being and teaching/encouraging daily living and social skills. Residents live as independently as possible, making use of external health and social care services as identified below. Costs have been inflated to 2007/2008 prices.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital Costs (A, B & C)*<br>A. Buildings | £127 per week | Capital costs of buildings were calculated using costs which reflect Housing Corporation accessibility and build standards. Costs have been uprated using the BCIS/ABI House Rebuilding Index.[2] The value of the building was annuitised over a 60-year period discounted at 3.5 per cent. |
| B. Land costs | £35 per week | Land costs have been annuitised at 3.5 per cent over 60 years. |
| C. Equipment/durables<br>Wheelchairs<br>Furnishings/fittings | <br>£8.20 per week<br>£7.90 per week | <br>Cost of powered chair. Costs uprated using the PSS Prices Index.<br>Depreciation on furniture/fittings. |
| *Revenue costs*<br>D. Salary costs | <br>£396 per week | <br>Costs of direct management and care staff. Calculated using facility specific accounts information. Prices uprated using the PSS Prices Index. |
| E. Travel | £0.80 per week | Prices uprated using the PSS Prices Index. |
| F. Training | £1.90 per week | Prices uprated using the PSS Prices Index. |
| G. Other revenue costs | £15 per week | Includes insurance, staff adverts, uniforms, print and stationery, telephone, postage, equipment replacement, household expenses, premises and cost of provisions. Calculated using facility specific accounts information. Prices uprated using the PSS Prices Index. |
| H. Overheads | £8.30 per week | Charges incurred by national organisation. |
| *Personal Living Expenses*<br>I. Basic living costs<br>J. Other living costs | <br>£110 per week<br>£7.90 per week | Based on Family Expenditure Survey (2007)[3] estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2007/2008 using the Retail Price Index. Basic living costs are those covered by care home fees (for example fuel, food and household goods). Other living costs are those covered by personal expenses (for example leisure goods and alcohol). (See Preface page 1.) |
| *K. External services*<br>Resident A | <br>£199 per week | <br>Resident A attends a Day Centre Workshop 3 days per week, funded by Social Services. In addition has volunteer input. |
| Resident B | £229 per week<br>£418 per week | Resident B is attended by the District Nurse each night and during the day on two occasions each week. 4 additional hours care per day provided by scheme's care staff. |
| Residents C&D | £6.80 per week | Residents C&D are independent and rarely have personal care input unless unwell. From time to time request help with domestic tasks from LA Social Services. |
| Resident E | | Resident E is independent and has no external input. |
| Use of facility by client | 52.18 weeks per annum | |
| Number of clients | 5 | |
| **Unit costs available 2007/2008** | | |
| £592 per week's accommodation and on site support (includes A to G); £764 per week all service and accommodation costs (includes A to G and K); £883 per week accommodation, support services and basic living (equivalent to care home costs) (A to I and K); £891 Comprehensive package cost including external services and all living expenses (includes A to K). | | |

1 Information provided by David Newnham, Director of Services and Development for John Grooms, London.

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Office for National Statistics (2007) *Family Spending 2007 edition*, Office for National Statistics, London, available at http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2006/FamilySpending2007_web.pdf.

## 5.4 Rehabilitation day centre for younger adults with brain injury

This schema is based on information received from John Grooms in 2002 detailing the costs involved in providing a day rehabilitation centre for people with acquired brain injury.[1] This includes predominately traumatic brain injury and younger people who have had strokes. The facility provides up to 30 places per day, with a current caseload of approximately 160 people. The centre operates on an outpatient basis and offers a full and intensive rehabilitation programme. The service model relies on strong partnerships with Health and Social Services as well as Addenbrooke Hospital, who provide specialist traumatic brain injury services, and local hospitals and GPs. The service enables people with brain injury to remain in their own homes and to receive specialist intensive rehabilitation, rather than being referred to specialist residential rehabilitation in other areas of the country. The service has enabled the development of multi-disciplinary teamwork with a focus on the treatment of people with brain injury in a non-health care setting. Costs have been inflated to 2007/2008 prices.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| *Capital Costs (A, B, C &D)*<br>A. Buildings | £12 per day | Capital costs of building and land were based on actual cost of building three years ago and uprated using the BCIS/ABI House Rebuilding Index.[2] The value of the building was annuitised over a 60-year period discounted at 3.5 per cent. |
| B. Land costs | £2.20 per day | Based on actual statistics of 1,053 square metres provided by John Grooms and annuitised at a discount rate of 3.5 per cent over 60 years. . |
| C. Equipment/durables<br>Furnishings/fittings | £1.50 per day | Depreciation on furniture/fittings. Calculated using facility specific accounts. |
| D. Capital costs of transport | | |
| *Revenue costs*<br>E. Salary costs | £49 per day | Costs of direct management, administrative, maintenance, medical and staff uprated using the PSS Pay Index. Calculated using facility specific accounts information. |
| F. Travel | £1.30 per day | Costs uprated using the PSS Prices Index. |
| G. Training | £0.40 per day | |
| H. Maintenance | £2.40 per day | Costs uprated using the PSS Prices Index. |
| I. Other revenue costs | £13 per day | Costs uprated using the PSS Prices Index.<br>Includes repairs and contracts and cyclical maintenance.<br>Includes insurance, staff adverts, uniforms, print and stationery, telephone, postage, equipment replacement & household expenses and premises costs.<br>Costs uprated using the PSS Prices Index. |
| J. Overheads | £4.70 per day | Charges incurred by national organisation. |
| Use of facility by client | 253 days per year | The centre is closed at weekends and during public holidays. |
| Number of clients | 30 places | 160 clients attend the centre. |
| **Unit costs available 2007/2008** | | |
| £87 per place per day; £4,274 per year per client registered at the centre. | | |

1 Information provided by David Newnham, Director of Services and Development for John Grooms, London.

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

# 6. Hospital and other services


6.1 Hospital costs

6.2 Paramedic and emergency ambulance services

6.3 NHS wheelchairs

6.4 Local authority equipment and adaptations

6.5 Training costs of health service professionals

6.6 Rapid Response Service

6.7 Community Rehabilitation Unit

6.8 Hospital-based rehabilitation care scheme

6.9 Intermediate care based in residential homes

## 6.1 Hospital costs

We have drawn on reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072) and report on NHS Trust and Primary Care Trusts combined. Any data for which there are fewer than 10 submissions has been omitted due to its potential unreliability. All costs have been uprated to 2007/08 levels using the HCHS Pay and Prices inflator. For guidance on the reference costs see http://www.dh.gov.uk/en/Managingyourorganisation/Financeandplanning/NHScostingmanual/DH_4031210.

| | Lower quartile | Upper quartile | National average |
|---|---|---|---|
| | £ | £ | £ |
| **Rehabilitation services (cost per episode)** | | | |
| Stroke | 211 | 307 | 265 |
| Weighted average of all patient rehabilitation episodes | 215 | 315 | 249 |
| **Elective/non elective episodes (finished consultant episode)** | | | |
| Weighted average of all inpatient elective episodes | 1,424 | 2,991 | 2,425 |
| Weighted average of all inpatient non-elective episodes | 815 | 1,919 | 1,409 |
| **Outpatient attendances (face to face attendances - non consultant led)** | | | |
| Weighted average of all first attendances (adult) | 34 | 71 | 55 |
| Weighted average of all follow-up attendances (adult) | 49 | 92 | 71 |
| **Day care services (cost per attendance)** | | | |
| Stroke | 119 | 228 | 171 |
| Elderly patients | 90 | 207 | 138 |
| Other patients | 101 | 179 | 134 |
| Weighted average of all day care attendances | 93 | 203 | 140 |
| **A&E SERVICES (Weighted average of attendances)** | | | |
| Accident and Emergency treatments | 84 | 148 | 111 |
| **MENTAL HEALTH SERVICES** | | | |
| **Inpatient attendances (cost per bed day)** | | | |
| Intensive care — adult | 477 | 659 | 532 |
| Acute care — adult | 243 | 299 | 268 |
| Rehabilitation — adult | 227 | 304 | 257 |
| Elderly | 240 | 282 | 255 |
| Weighted average of all adult mental health inpatient bed days. | 249 | 307 | 272 |
| Eating disorder services | 340 | 402 | 362 |
| Mother and baby units | 499 | 646 | 571 |
| Local psychiatric intensive care units | 483 | 638 | 556 |
| Low-level secure services | 347 | 427 | 391 |
| Medium-level secure services | 414 | 491 | 468 |
| **Outpatient attendances (follow-up face to face attendance)** | | | |
| Drug and alcohol services — adult | 86 | 189 | 101 |
| Other services — adult | 119 | 174 | 145 |
| Elderly | 100 | 183 | 145 |
| Weighted average of all adult outpatient attendances | 105 | 180 | 130 |
| Eating disorder services — adult | 310 | 462 | 378 |
| **Community-based services (follow-up face to face contact)** | | | |
| Drug and alcohol services — adult | 88 | 155 | 109 |
| Other services — adult | 92 | 129 | 115 |
| Elderly | 92 | 147 | 107 |
| Weighted average of all adult community follow-up attendances | 91 | 141 | 111 |
| Eating disorder services — adult | 127 | 199 | 156 |

## 6.2 Paramedic and emergency ambulance services

The costing is based on one Ambulance Trust which provided information about expenditure, value of capital, salary levels and activity for 1994/1995. Prices have been uprated by HCHS inflators. Information is provided about three types of service: paramedic units; emergency ambulance services; and patient transport services. In practice, all emergency ambulance services provided by the Trust are now paramedic units but, as separate costs were required for a currently unpublished study, separate costings have been provided here. Unit costs are provided for successfully completed journeys, allowing for the costs of so-called 'abortive' journeys.

Using reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072, the average cost for an emergency transfer in an urban setting was £187 (Weighted average of Category A, B & C Incident data) and in a rural setting £185 (Weighted Average of Category A, B & C Incident data)in 2007.

| | Paramedic unit (PU) | Emergency ambulance (EA) | Patient transport service (PTS) | Notes |
|---|---|---|---|---|
| Overheads and management | £140 | £140 | £140 | Accounts were used to identify expenditure on management and administrative costs, operational costs (e.g. vehicle running costs) and overheads (including heating and lighting, training, building maintenance and so on). Both these and capital costs of buildings and land were assumed to be invariant with respect to type of ambulance journey. |
| Buildings and land | £2.60 | £2.60 | £2.60 | Capital costs associated with the buildings and land invested in the ambulance service were estimated by discounting their capital value over 60 years at 3.5 per cent. |
| Ambulances and equipment | £19 | £17 | £15 | Paramedic Units (PU) and Emergency Ambulances (EA) use exactly the same type of vehicle with similar equipment on board. The ambulances cost £48,167 new and standard equipment including defibrillators costs £12,042 per vehicle. Vehicles and the equipment are expected to last five years. The only additional equipment carried by PUs is the 'paramedic case' which costs £1,806 and is replaced annually. PTSs use a different type of ambulance which costs £32,513 and is expected to last seven years. Discounting at 3.5 per cent the annual cost of a PU is £14,990; an EA is £13,336 and a PTS £5,316. The average number of journeys per emergency ambulance was 1,152 and the average number of journeys per transport ambulance 520. |
| Crew salaries and wages | £147 | £143 | £110 | A crucial distinguishing characteristic of the different services is the type of crew. A PU carries one paramedic (average salary £32,493 pa) and one technician (average salary £30,582). An EA is crewed by two technicians and a PTS by two care assistants (average salary £16,701). Once national insurance and pension payments are included the average annual crew cost is £70,644 for a PU; £68,503 for an EA; and £37,411 for a PTS. The average number of journeys per EA and PU crew is 480 per year, PTS crews provides an average of 339 journeys per PTS crew. |
| Total | £309 | £302 | £268 | |
| Cost per minute | £6.90 | £6.80 | n.a. | Based on the average length of an emergency journey: 44.4 minutes. |
| Average cost per patient journey | £344[1] | £263 | £54 | A successful vehicle journey is equivalent to transporting a single patient for A&E services. PUs averaged 49.5 minutes per journey and EAs 38.6 minutes per journey. An average of five patients per vehicle journey was assumed for PTS. |

1 Allowing for different lengths of time to complete journey.

## 6.3 NHS wheelchairs

Information about wheelchair costs is based on the results of a study of six sites supplying wheelchairs (excluding wheelchairs for children).[1] Prices have been uprated from 1994/1995 levels using the HCHS prices inflator. The study information was supplemented with national data not available from the sites. Three main types are identified: those propelled by an attendant or self propelled; a lighter type of chair especially designed for active users, and powered wheelchairs. (Active users are difficult to define, but the term generally refers to individuals who are permanently restricted to a wheelchair but are otherwise well and have high mobility needs). The range of purchase costs is very high for the latter two types, ranging from £177 to £942 for active user chairs and £1,001 to £1,767 for powered chairs (1994/95 prices uprated to current values). The costs have allowed for the cost of modifications in the estimated capital value, but this is a very approximate mid-range figure so specific information should be used wherever possible.

| Type of chair | Total value 2007/2008 | Annual cost 2007/2008 | Notes |
|---|---|---|---|
| *Capital costs*<br>Self or attendant propelled<br>Active user<br>Powered | <br>£244<br>£609<br>£1,217 | <br>£56<br>£138<br>£276 | Capital value has been annuitised over five years at a discount rate of 3.5 per cent to allow for the expected life of a new chair. In practice, 50 per cent of wheelchairs supplied have been reconditioned, not having been worn out by the time their first users ceased to need them. The cost of reconditioning has not been included in the cost of maintenance: this should be included in the initial capital valuation when detailed information is known. |
| *Revenue costs*<br>Maintenance<br>- non-powered<br>- powered | | <br><br>£25<br>£100 | Revenue costs exclude therapists' time but include the staff costs of maintenance. The costs include all costs for pressure relief. |
| *Agency overheads* | | | No estimate of management overhead costs is available. They are likely to be minimal. |
| **Unit costs available 2007/2008** | | | |
| £81 per self or attendant propelled chair per year; £163 per active user per chair per year; £376 per powered chair per year. | | | |

1 Personal communication with Richard Murray, National Health Service Management Executive, 1995.

## 6.4 Local authority equipment and adaptations

Information about the capital cost of installing equipment and making adaptations to property is based on a benchmark study of the cost of aids and adaptations undertaken for the Department of the Environment by Ernst & Young.[1] The intention was to provide illustrative rather than statistically representative costs of installation. Forty local authorities provided information. Major variations were reported, probably reflecting differences in the scale of work undertaken. The median rather than the mean cost was used by Ernst & Young to overcome the spread of reported costs. All costs have been inflated from 1992 prices using the BCIS/ABI House Rebuilding Cost Index.[2] Although this information is rather dated, information contained in the BCIS Access Audit Price Guide, 2002 suggested that the uprated figures are in line with current building costs.[3]

The period over which equipment and adaptations should be annuitised is open to debate. Ideally it should be annuitised over the useful life of the aid or adaptation. In many cases this is linked to the length of time the person using the appliance is expected to remain at home. Where it is expected that the house would be occupied by someone else who would also make use of the adaptation, a longer period would be appropriate. Clearly, this is difficult to do in practice. Many housing authorities have problems making sure that heavily adapted dwellings are occupied by people who can make use of the adaptations. In the 1997 report, the annual median value was discounted over 10 years at 6 per cent but in previous editions of this report, as there is a competitive market in providing these aids and adaptations, it was argued that 8 per cent was a more appropriate discount rate. Due to government guidelines on the discount rate this table shows the items annuitised over 10 years at 3.5 per cent.

| Equipment or adaptation | Mean | Median | Range | | Median annual equipment cost |
|---|---|---|---|---|---|
| | | | Minimum | Maximum | 3.5% discount |
| Additional heating | £421 | £389 | £142 | £4,843 | £47 |
| Electrical modifications | £430 | £503 | £57 | £3,833 | £60 |
| Joinery work (external door) | £497 | £591 | £257 | £1,221 | £71 |
| Entry phones | £352 | £478 | £211 | £2,994 | £57 |
| Individual alarm systems | £373 | £437 | £207 | £940 | £53 |
| Grab rail | £92 | £51 | £4 | £414 | £6 |
| Hoist | £917 | 2,559 | £375 | £7,973 | £308 |
| Low level bath | £520 | £653 | £352 | £1,430 | £78 |
| New bath/shower room | £7,628 | £14,616 | £3,755 | £33,792 | £1,757 |
| Redesign bathroom | £1,396 | £3,270 | £469 | £7,510 | £393 |
| Redesign kitchen | £2,819 | £3,875 | £688 | £6,570 | £466 |
| Relocation of bath or shower | £1,039 | £1,985 | £177 | £10,474 | £239 |
| Relocation of toilet | £848 | £1,693 | £168 | £4,036 | £204 |
| Shower over bath | £827 | £862 | £207 | £2,366 | £104 |
| Shower replacing bath | £2,534 | £2,387 | £464 | £4,305 | £287 |
| Graduated floor shower | £2,350 | £2,902 | £1,267 | £6,609 | £349 |
| Stairlift | £2,562 | £3,231 | £2,253 | £7,221 | £388 |
| Simple concrete ramp | £633 | £377 | £65 | £2,713 | £45 |

1 Ernst & Young (1994) *Benchmark Study of the Costs of Aids and Adaptations,* Report No. 4, Report to the Department of the Environment, London.

2 Building Cost Information Service (2008) *Survey of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

3 Building Cost Information Service (2002) *Access Audit Price Guide*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames.

## 6.5 Training costs of health service professionals

This schema provides a breakdown of the training costs incurred.[1] The components of the cost of training health service professionals are the costs of tuition; infrastructure costs (such as libraries); costs or benefits from clinical placement activities and lost production costs during the period of training where staff are taken away from their posts in order to train.

For pre-registration courses, we need to consider the costs of tuition, the net cost or value of clinical placement and living expenses over the duration of the course.

This table shows the total investment after allowing for the distribution of the costs over time to give the total investment incurred during the working life of the health service professional, and also the expected annual cost to reflect the distribution of the returns on the investment over time.

The investment costs of education should always be included when evaluating the cost-effectiveness of different approaches to using health service staff as it is important to include all the costs implicit in changing the professional mix. For the most part, these investment costs are borne by the wider NHS and individuals undertaking the training rather than trusts, so those costing exercises which are concerned with narrowly defined costs to the provider organisation would not want to incorporate these investment costs.

| | Pre-registration | | | Post-graduate training | Totals | |
|---|---|---|---|---|---|---|
| | Tuition | Living expenses/ lost production costs | Clinical placement | Tuition and replacement costs | Total investment | Expected annual cost at 3.5% |
| **Scientific and Professional** | | | | | | |
| Physiotherapist | 29,354 | 23,640 | 0 | 0 | 52,994 | 4,336 |
| Occupational Therapist | 27,363 | 23,640 | 0 | 0 | 50,903 | 4,171 |
| Speech and Language Therapist | 21,144 | 30,993 | 0 | 0 | 52,137 | 4,379 |
| Dietician | 21,555 | 30,933 | 0 | 0 | 52,549 | 4,467 |
| Radiographer | 40,617 | 23,640 | 0 | 0 | 64,257 | 5,235 |
| Pharmacist | 30,855 | 37,756 | 7,141 | 6,514 | 82,266 | 6,507 |
| **Nurses** | | | | | | |
| Ward Managers/Staff Nurses | 30,239 | 24,587 | -11,335 | 0 | 43,491 | 4,238 |
| Nurse Specialist (Community) | 30,239 | 24,587 | -11,335 | 15,738 | 57,147 | 5,862 |
| Health Visitor | 30,239 | 24,587 | -11,335 | 15,738 | 57,147 | 5,862 |
| Nurse (Mental Health) | 30,239 | 24,587 | -11,335 | 15,738 | 57,147 | 5,862 |
| Nurse (GP practice) | 30,239 | 24,587 | -11,335 | 15,738 | 57,147 | 5,330 |
| **Doctors** | | | | | | |
| Foundation Officer 1 | 61,468 | 38,982 | 156,794 | 0 | 257,243 | 19,592 |
| Foundation Officer 2 | 61,468 | 38,982 | 156,794 | 11,175 | 268,418 | 20,480 |
| Specialty Registrar | 61,468 | 38,982 | 156,794 | 52,526 | 309,769 | 24,006 |
| GP | 61,468 | 38,982 | 156,794 | 66,840 | 324,081 | 27,965 |
| Consultants | 61,468 | 38,982 | 156,794 | 112,773 | 370,016 | 31,475 |

The figure for clinical placement for nurses is shown as a negative number because the input during the placement represents a benefit to the service provider offering the placement.

1 Netten, A., Knight, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

## 6.6 Rapid Response Service

This schema is based on information received from the Royal Victoria Hospital. The Rapid Response service serves the Shepway Primary Care Trust Areas and is designed to provide the local community with an alternative to hospital admission/long term care where appropriate. The information is based on 2002/2003 costs and uprated using the appropriate inflators. A comparative scheme providing health and social care to patients in their own homes has produced total costs of £655,190, costs for a delivered hour of £59 excluding qualifications and £63 including qualifications. The average cost per delivered hour of the two schemes is £42 and £45 including qualifications.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £144,525 per year | Based on median Agenda for Change (AfC) salaries. Includes a team of two nurses (Band 5), five clinical support assistants (Band 2), two Nurse Managers (Band 7) (0.75). [1] |
| B. Salary oncosts | £33,197 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £11,655 per year | The equivalent annual cost of pre-registration after the total investment cost has been annuitised over the expected working life. See schema 6.5 for more details on training costs for health professionals. |
| D. Training | Not known | In house training is provided. This includes OT, physiotherapy, ECGs, blood glucose, chiropody, vena puncture etc. The health care assistants often study to NVQ level. No costs are available for this. |
| E. Direct overheads | £3,870 per year<br><br>£27,139 per year | Includes mobile phones, Uniform replacement for clinical support assistants, stationery, thermometers, energy. 2002/2003 costs uprated by the retail price index.<br>Includes Administrative staff (Band 2), Manager (Band 8) (0.25). 2002/2003 costs uprated by the HCHS Pay Inflator. |
| F. Indirect overheads | £22,499 per year | Includes the personnel and finance functions. 2002/03 costs uprated by the HCHS Pay and Prices Inflator. |
| G. Capital overheads | £2,521 per year | Based on the new build and land requirements of NHS facilities.[2,3] One office houses all the staff and 'hotdesking' is used. It is estimated that the office measures around 25 square metres. Capital has been annuitised at 3.5 per cent. |
| H. Equipment costs | £1,265 per year | The Service shares equipment with another so the total cost has been divided equally and annuitised over five years to allow for the expected life of the equipment. This includes facsimile machines, computers etc. 2002/2003 prices uprated using the retail price index. |
| I. Travel | £19,979 per year | |
| Caseload | 7 per week | The yearly caseload is on average 364 patients. |
| Hours and length of service | 7 days a week (to include weekends and bank holidays) 8.00 am – 9.00 pm (24 hrs if required), 365 days per year. | The service would provide an intensive package of care, if necessary, over a 24 hour period to meet care needs, and support carers experiencing difficulty due to illness. It would be available for 72 hours and reviewed daily, with the possibility of extension, up to a maximum of 5 days in exceptional circumstances. |
| Patient contact hours<br>Low cost episode<br><br>High cost episode | 9,646 per annum<br>3 visits at 30 minutes for 3 days.<br>43 patient contact hours over three days. | Based on information about typical episodes delivered to patients.<br>A low cost episode comprises 10 visits and includes initial assessment and travel costs.<br>A high cost episode comprises 10 visits, on average a total of 43 patient contact hours (of which 11 are paid at the enhanced rate of £9.62 per hour), and the cost of an assessment and travel. |
| Length of assessment/ discharge | 1 hour<br>1 hour | The assessment is carried out by either an E or G grade nurse.<br>The discharge is carried out by a G grade care manager. |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £24 (£25) cost per delivered hour (excludes cost for enhanced payments, cost of assessments, discharge and travel costs); cost of assessment £45 (includes travel), cost of discharge £62 (includes travel), travel per visit £4.90. £185 (£190) per low cost episode (includes assessment and travel costs); £1,020 (£1,072) per high cost episode (includes assessment, travel and unsocial hours). Average cost per case £700 (£733). | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Based on personal communication with the Department for Communities and Local Government (2008) http://www.communities.gov.uk/documents/housing/xls/141389.xls.

## 6.7 Community Rehabilitation Unit

This schema is based on a joint project between Kent County Council, Ashford Borough Council, Age Concern and Ashford Primary Care Trust. Home Bridge provides recuperative care in seven purpose-built self contained units for older people who need a period of recuperation following an illness, fall or where people have had increasing problems managing daily living. Home Bridge provides intensive therapy and support to rebuild mobility and confidence so they can return back home. A costing undertaken of another community rehabilitation unit for people requiring a period of rehabilitation after an episode in hospital has produced weekly costs of £624 per patient and a typical client episode of £4,054.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £ 66,392 per year | This is based on a team of the Scheme Manager (20 per cent), the number of hours allocated to HomeBridge by a part time Care Manager (80 per cent) and a team of support workers who are provided by a Private Domiciliary Agency at a rate of £11. |
| B. Salary oncosts | £14,093 per year | Employers' national insurance plus 17.7 per cent of salary for employers' contribution to superannuation. |
| C. Direct overheads:<br>Administrative and management costs | £23,895 per year<br>£4,210 per year<br>£17,441 per year | This includes maintenance, running costs, repair/renewal of fixtures/fittings. Building expenses and equipment costs.<br>Includes Project Manager (0.05), CART coordinator (£1055), Social Services Team Leader (0.08 per cent) and Agency fees. |
| D. Indirect overheads | £ 11,378 per year | To cover the finance function. |
| E. Capital<br>Building costs<br>Land costs | <br>£ 26,059 per year<br>£12,015 per year | Based on actual cost of the 7 units and a lounge (shared by sheltered housing) and an office in 2004, and uprated using the Tender Price Index for Public Sector Building (non housing). Land costs were an estimate based on its alternate build value. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Occupancy | 71% | On average 5 units of the 7 are occupied at any one time. |
| Case load | 32 per year | The yearly case load for January 2004 to January 2005 was 32 clients. |
| Average length of stay | 33 nights | |
| Hours and length of service | 7 days a week (to include weekends and bank holidays) | The service is available 7 days a week with support workers working 10.5 hours daily (3,832 per year). The Scheme Manager is available from Monday to Friday 7 am to 3 pm and in case of emergency there is also back up cover during evenings, nights and weekends via the call centre. |
| Patient related hours | | All clients receive an initial assessment when referred to Home Bridge usually at hospital. They are assessed on arrival by a Community Care Manager who continues to monitor them throughout their stay and discharges them at the end of their stay. |
| Typical episode | 10 hours per week | 50 per cent of clients stay on average 29 nights and receive 41 hours of contact with a support worker per week plus the above. |
| Low cost episode | 7 hours per week | 25 per cent of clients stay 10 days and receive 10 hours with a support worker a week plus the above |
| High cost episode | 15 hours per week | 25 per cent of clients stay on average 64 days and receive 137 hours with support workers plus the above. |
| Cost of hospital assessment and admission to Homebridge | £157 | This takes between 3-5 hours of a Hospital Care Manager's time who prepares the discharge from hospital and arranges the referral to Home Bridge. A further 3 hours is required by the Social Services Duty Desk to make the admission arrangements at Home Bridge. This is based on the salary of a Care Manager's Assistant. |
| Cost of discharge from Homebridge | £258 | This is carried out by a Community Care Manager and takes 8.5 hours. It involves 7.5 hours of face-to-face contact time for liaison with patient, professionals, families and services and also 1 hour administration. |
| Cost of Health services Community Assessment and Rehabilitation Team | £191 per client per stay | On average 7 hours of therapy or nursing care was provided by the CART team costing £191 (face-to-face time). |
| **Unit costs available 2007/2008** | | |
| Full unit costs (all activities): Per unit £35,097 per year, £673 weekly (includes A to E); Per unit (full occupancy) £25,069 per year, £481 weekly. Costs per activity: assessment and referral £157 per client; discharge £258 per client, ambulance transport from hospital £38 per client;. £4.20 per session at day care, £4.90 per meal on wheels. Cost per episode: £1,549 cost of typical episode, £783 low cost episode; £3,623 high cost episode. | | |

## 6.8 Hospital-based rehabilitation care scheme

This rehabilitation unit is supervised by a nurse consultant and has undergone a service redesign to meet the changing needs of the community. It is managed by a modern matron, but has a strong multi-professional team approach. The unit is divided into three sections consisting of the 'assessment area' where patients go for between 24-72 hours on admission to have their health care needs closely observed and identified. They then go to the 'progression area' which is for patients who need moderate to high nursing support where they undertake a rehabilitation programme and then to the 'independent area' when they are progressing well before returning home. In total there are 38 beds. These are 2007/08 salary costs and other costs are uprated to present values by using the appropriate HCHS inflators.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £780,362 per year | Information provided by the PCT and converted to allow for Agenda for Change.[1] Based on a team of a modern matron (Band 8, range D), 3 nurse team managers (Band 7), 7 nurse specialists(Band 6), (WTE 5.34), 8 nurses (Band 5) (WTE 6.31), 21 higher level clinical support workers (WTE 17.09), 4 clinical support workers (WTE 3.2) and a support physiotherapist (Band 3). |
| B. Salary oncosts | £171,680 per year | Estimated national insurance and superannuation contribution. Based on employers' national insurance and 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £71,403 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life[2] See schema 6.5 for more information on training costs of health professionals. |
| *D. Overheads:* | | |
| Direct overheads | £91,531 per year | Includes drugs, dressings, medical equipment, uniforms, laundry allowance, travel and subsistence. |
| | £72,279 per year | Cost for maintenance etc. |
| Indirect overheads | £157,046 per year | Includes Finance, Human resources, Board and Facilities. |
| E. Capital overheads | £78,094 per year | Those capital overheads relating specifically to the unit. |
| Other capital charges | £17,180 per year | Capital proportioned out to all units. |
| Hours and length of service | 7 days a week (to include weekends and bank holidays) 8.00 am - 9.00 pm (24 hours if required), 365 days per year. | The service would provide an intensive package of care, if necessary, over a 24 hour period to meet care needs, and support carers experiencing difficulty due to illness. It would be available for 72 hours and reviewed daily, with the possibility of extension, up to a maximum of 5 days in exceptional circumstances. |
| Average length of stay | 14 days | Information received from the PCT. Patients can stay up to six weeks, but average length of stay is 14 days. |
| Caseload per worker | 30 per month | Based on information received from the PCT. The total for 7 months was 209 (PSSRU estimate is 358 for 12 months). |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| Weekly service costs per bed £635 (£813), Average annual cost per patient £4,301 (£4,500), Cost of a typical client episode £1,554 (£1,626). | | |

1 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) Development of a ready reckoner for staff costs in the NHS, Vols 1&2, Personal Social Services Research Unit, University of Kent, Canterbury.

## 6.9 Intermediate care based in residential homes

This information is based on PSSRU research carried out jointly in 2005 with the Social Work and Social Care Section at the Institute of Psychiatry as part of a larger study on the impact of reimbursement. It provides the costs of comparative intermediate care schemes based in residential homes. The average weekly cost per client of the four schemes is £574 and the average annual cost per client is £3,683. All costs have been uprated to present values using the appropriate PSS inflators.

| | Social care only | | | Social and health care |
|---|---|---|---|---|
| | Scheme A: This service provides therapeutic programme of recuperative care. There are 16 recuperative beds. Care staff include care workers, senior night carer and rehabilitation workers. | Scheme B: This service is provided by the local authority for people with dementia. Fee paid by the local authority for care staff. | Scheme C: This is a short stay residential home for people having difficulty managing at home, or who have been recently discharged from hospital or are considering entry to a residential care home. Fee paid by the local authority for care staff. | Scheme D: This service is run by the local authority in conjunction with primary care trust and provides 6 weeks of support and rehabilitation to older people who have the potential to return to their own home after a stay in hospital. Staff include care manager, therapists, visiting medical officer and promoting independence assistants. |
| Wages/salary | £210,375 | £144,257 | £99,450 | £155,732 |
| ***Oncosts*** Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation | £45,231 | £31,015 | £21,382 | £33,482 |
| ***Direct overheads*** Includes salaries of supervisory staff, running costs and supplies | £238,768 | £51,283 | £47,139 | £26,830 |
| ***Indirect overheads*** | | | | |
| Management fees (includes cost of premises) | £155,955 | | | |
| Capital/Premises | £34,718 | £41,658 | | £8,988 |
| Total costs[1] | £684,046 | £268,213 | £167,971 | £225,032 |
| Caseload | 196 | 51 | 64 | 67 |
| Average length of stay | 34 | 54 | 45.5 | 32 |
| No. of beds | 16 | 10 | 8 | 7.7 |
| Weekly costs per resident | £820 | £514 | £403 | £561 |
| Average annual cost per client | £3,490 | £5,259 | £2,624 | £3,359 |
| Cost of typical client episode | £3,982 | £3,968 | £2,617 | £2,562 |

1 Where the fee for providing the scheme was provided, 80 per cent was estimated by the service provider as the amount for care staff salaries. The remainder was allocated to overheads.

# II. COMMUNITY-BASED HEALTH CARE STAFF

## 7. Scientific and professional

7.1 Community physiotherapist

7.2 NHS community occupational therapist

7.3 Community speech and language therapist

7.4 Community chiropodist/podiatrist

7.5 Clinical psychologist

7.6 Community pharmacist

# 7.1 Community physiotherapist

Using reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/Publications Policy And Guidance/DH_ 074072), the mean average cost for a one to one contact in physiotherapy services for 2007 was £40 with the minimum range for 25 per cent of services being £34 and the maximum £62. Costs have been uprated using the HCHS pay and prices inflator.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £22,900 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 5 of the October-December 2007 NHS Staff Earnings estimates. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £26,600.[1] See Preface for further information and page 168 for further information on mean salaries. |
| B. Salary oncosts | £4,788 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,336 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[2] See schema 6.5 for more details. |
| D. Overheads | £4,345 per year | Comprises £2,961 for indirect overheads and 5 per cent of salary costs for direct revenue overheads.[3] |
| E. Capital overheads | £2,972 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared used of both treatment and non-treatment space.[4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £2.60 per visit | Based on expenditure provided by a community trust. |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave, 8 days statutory leave and 12 days sickness leave. [6,7] Assumes 5 study/training days.[8] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:* | | |
| face-to-face contacts<br>clinic contacts<br>home visits | 1:0.67<br>1:0.33<br>1:0.73 | Assuming 50 per cent in patient's own home; 10 per cent in clinics; 20 per cent on non-contact time; and 20 per cent on travel. Information derived from consultation with NHS Trusts. |
| Length of contacts | 30 minutes<br>60 minutes | Per clinic contact.<br>Per home visit. Based on discussions with Trusts. |
| Average for episode | 5.2 hours | Williams estimates of an example episode for an older person on short rehabilitation.[8] |
| London multiplier | 1.19 x (A to B)<br>1.38 x E | Allows for the higher costs associated with working in London. [4,5,9] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x E | Allows for the lower costs associated with working outside London. [4,5,9] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £23 (£25) per hour; £38 (£42) per hour of client contact; £30 (£34) per hour in clinic; £39 (£44) per hour of home visiting; £42 (£47) per home visit; £15 (£17) per clinic visit (includes A to E). Example episode £196 (£220). | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

7 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

8 Williams, J. (1991) *Calculating Staffing Levels in Physiotherapy Services*, Pampas, Rotherham.

9 Based on personal communication with the Department of Health (2008).

## 7.2 NHS community occupational therapist

Using reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072), the mean average cost for a one to one contact of Occupational Therapy services for 2007 was £66 with the minimum range for 25 per cent of the services being £54 and the maximum £111. Costs have been uprated using the HCHS pay and prices inflator.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £22,900 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 5 of the October-December 2007 NHS Staff Earnings estimates. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £26,600.[1] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £4,788 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,171 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. See schema 6.5 for more details. |
| D. Overheads | £4,345 per year | Comprises £2,961 for indirect overheads and 5 per cent of salary costs for direct revenue overheads.[2] |
| E. Capital overheads | £2,972 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared used of both treatment and non-treatment space.[3,4] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £2.60 per visit | Based on expenditure provided by a community trust. |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[5] Assumes 5 study/training days and 12 days sickness leave.[6] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:*<br>face-to-face contacts<br>clinic contacts<br>home visits | <br>1:0.67<br>1:0.33<br>1:0.73 | <br>Assuming 50 per cent in patient's own home; 10 per cent in clinics; 20 per cent on non-clinical activity time; and 20 per cent on travel. Information derived from consultation with NHS Trusts. |
| Length of contacts | 30 minutes<br>60 minutes<br>5.2 hours | Per clinic contact.<br>Per home visit.<br>Per care episode. Based on discussions with Trusts. |
| London multiplier | 1.19 x (A to B)<br>1.38 x E | Allows for the higher costs associated with working in London. [3,4,7] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x E | Allows for the lower costs associated with working outside London. [3,4,7] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £23 (£25) per hour; £38 (£42) per hour of client contact; £31 (£34) per hour in clinic; £40 (£44) per hour of home visiting; £42 (£46) per home visit; £15 (£17) per clinic visit (includes A to E). £199 (£219) per care episode. | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

5 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

6 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

7 Based on personal communication with the Department of Health (2008).

## 7.3 Community speech and language therapist

Using reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072), the mean average cost for a one to one contact of speech and language therapy services for 2007 was £71 with the minimum range for 25 per cent of the services being £56 and the maximum £105. Costs have been uprated using the HCHS pay and prices inflator.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £22,900 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 5 of the October-December 2007 NHS Staff Earnings estimates. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £26,600.[1] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £4,788 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,379 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[2] See schema 6.5 for more details. |
| D. Overheads | £4,345 per year | Comprises £2,961 for indirect overheads and 5 per cent of salary costs for direct revenue overheads.[3] |
| E. Capital overheads | £2,972 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared used of both treatment and non-treatment space.[4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £2.60 per visit | Based on expenditure provided by a community trust. |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[6] Assumes 5 study/training days and 12 days sickness leave.[7] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:*<br>patient contacts<br>clinic contacts<br>home visits | <br>1:0.67<br>1:0.33<br>1:0.73 | Assuming 50 per cent of time in patient's own home, 10 per cent in clinics, 20 per cent on non-clinical activity and 20 per cent on travel. Information derived from consultation with NHS Trusts. |
| Length of contacts | 30 minutes<br>60 minutes | Per clinic contact.<br>Per home visit. Based on discussions with Trusts. |
| London multiplier | 1.19 x (A to B)<br>1.38 x E | Allows for the higher costs associated with working in London. [4,5,8] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x E | Allows for the higher costs associated with working in London. [4,5,8] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £23 (£25) per hour; £38 (£42) per hour of client contact; £30 (£34) per hour in clinic; £39 (£44) per hour of home visiting; £42 (£47) per home visit; £15 (£17) per clinic visit (includes A to E). | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

7 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

8 Based on personal communication with the Department of Health (2008).

## 7.4 Community chiropodist/podiatrist

Using reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072), the mean average cost for a contact in chiropody services for 2007 was £30 with the minimum range for 25 per cent of services being £25 and the maximum £39. Costs have been inflated using the HCHS Pay and Prices Inflator.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £22,900 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 5 of the October-December 2007 NHS Staff Earnings estimates. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £26,600.[1] A specialist chiropodist/podiatrist is on Band 6. See NHS Workforce Summary for more information.[2] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £4,788 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | | Qualification costs are not available. |
| D. Overheads | £4,345 per year | Comprises £2,961 for indirect overheads and 5 per cent of salary costs for direct revenue overheads.[3] |
| E. Capital overheads | £2,972 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared used of both treatment and non-treatment space.[4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.40 per visit | Taken from Netten and inflated using the retail price index.[6] |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[7] Assumes 5 study/training days and 12 days sickness leave.[8] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:*<br>client contact | | No information available. Costs are based on the number of visits per week. |
| Average number of visits per week | 40<br>75 | Domiciliary visits.<br>Clinic visits. Information provided by an NHS Trust. |
| London multiplier | 1.19 x (A to B)<br>1.38 x E | Allows for the higher costs associated with working in London. [4,5,9] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x E | Allows for the lower costs associated with working outside London. [4,5,9] |
| **Unit costs available 2007/2008** | | |
| £23 per hour; £20 per home visit; £11 per clinic visit (includes A to E). | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 The Information Centre (2008) *Workforce Summary - Chiropody and Podiatry, October 2008* - England only, NHS Workforce Review Team, The Information Centre, Leeds.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *A Ready Reckoner for Staff Costs in the NHS, Volume 2, Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 Netten, A. (1992) Some cost implications of caring for people: interim report, PSSRU Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.

7 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

8 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

9 Based on personal communication with the Department of Health (2008).

## 7.5 Clinical psychologist

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £34,300 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 7 of the October-December 2007 NHS Staff Earnings estimates. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £36,900.[1] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £7,422 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | | Qualification costs are not available. |
| D. Overheads | £5,047 per year | Comprises £2,961 for indirect overheads and 5 per cent of salary costs for direct revenue overheads.[2] |
| E. Capital overheads | £2,573 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared used of both treatment and non-treatment space.[3,4] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.40 per visit | Taken from Netten[5] and inflated using the Retail Price Index. |
| Working time | 41.3 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[6] Assumes 5 study/training days and 12 days sickness leave.[7] Unit costs based on 1547 hours per annum. |
| *Ratios of:* professional outputs to support activities | 1:0.3 | Five types of 'chargeable service' have been distinguished: clinical work with patients; clinical consultancy and project work; service organisation and development; teaching and supervision; and research and service evaluation.[8] Mental health psychologists spend 40 per cent of their time on client contact. The relationship between the five types of chargeable service and other 'supporting activities' is similar for both types of psychologist. The multiplier used in the schema to reflect this variety of outputs is based on mental health psychologists. |
| Face to face contact to all activity | 1:04 | Based on the National Child and Adolescent Mental Health Service Mapping data and returns from over 500 Principal Clinical Psychologists, 44.5 per cent of time was spent on direct clinical work, 13.2 per cent on consultation and liaison, 7.2 per cent on training and education, 5.5 per cent on research and evaluation, 23.3 per cent on admin and management, 16.3 per cent on other work and 13.9 per cent on tier 1 work.[9] Tier 1 work was assumed to be spread across all types of activity and for the purpose of this analysis 50 per cent of time is apportioned to direct contacts and 50 per cent to client related work. |
| London multiplier | 1.19 x (A to B) 1.39 x E | Allows for the higher costs associated with working in London. [3,4,10] |
| Non-London multiplier | 0.97 x (A to B) 0.96 x E | Allows for the lower costs associated with working outside London. [3,4,10] |
| **Unit costs available 2007/2008** | | |
| £32 per hour; £72 per hour of client contact; £41 per professional chargeable hour (includes A to E). Travel £1.40 per visit. | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *A Ready Reckoner for Staff Costs in the NHS, Volume 2, Methodology, Personal Social Services Research Unit*, University of Kent, Canterbury.

3 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

5 Netten, A. (1992) Some cost implications of caring for people: interim report, PSSRU Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.

6 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

7 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

8 Cape, J., Pilling, S. & Barker, C. (1993) Measurement and costing of psychology services, *Clinical Psychology Forum*, October.

9 Department of Health (2002) National Child and Adolescent Mental Health Service Mapping Data.

10 Based on personal communication with the Department of Health (2008).

## 7.6 Community pharmacist

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £36,920 per year | Based on the results of the Chemist-and Druggist's Salary Survey, the average salary for the 408 respondents who worked for a range of large multiples, smaller chains and independents was £36,920.[1] |
| B. Salary oncosts | £8,109 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications<br>Pre-registration training<br><br><br><br><br><br>Post graduate training | £5,967 per year | The equivalent annual cost of pre-registration education. The investment costs of a four year masters degree plus one year pre-registration training. The total investment cost has been annuitised over the expected working life.[2,3]<br>The investment costs of education should always be included when evaluating the cost-effectiveness of different approaches to using health service staff as it is important to include all the costs implicit in changing the professional mix. The investment costs for pre-registration are borne partly by the HEFCE and by practitioners provided by the NHS. Community employers cover the cost for the pre-registration training year with some help from the Department of Health.<br>A postgraduate diploma is available for community pharmacists but this would be taken in their own time and there is no available data on the proportion of pharmacists who undergo this. See schema 11.6 on Hospital Pharmacists for this cost. |
| D. Overheads | £5,212 per year | Comprises £2,961 for indirect overheads and 5 per cent of salary costs for direct revenue overheads.[4] |
| E. Capital overheads | £4,002 per year | Based on the new build and land requirements of a pharmacy, plus additional space for shared facilities. [5,6] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.40 per visit | Taken from Netten and inflated using the retail price index.[7] |
| Working time | 41.3 weeks per annum<br>40 hours per week | Includes 29 days annual leave and 8 days statutory leave.[8] Assumes 5 study/training days and 12 days sickness leave.[9] Unit costs based on 1650 hours per annum.[1] |
| *Ratio of direct to indirect time on:*<br>direct clinical activities<br>patient related activities | <br>1:1.50<br>1:0.25 | Ratios are estimated on the basis that 40 per cent of time is spent on direct clinical activities (includes advice to patients and travel), 40 per cent of time on dispensary service activities and 20 per cent of time on non clinical activities. |
| London multiplier | 1.19 x (A to B)<br>1.31 x E | Allows for the higher costs associated with working in London. [5,6,10] |
| Non-London multiplier | 0.97 x (A to B)<br>0.97 x E | Allows for the lower costs associated with working outside London. [5,6,10] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £33 (£36) per hour (includes travel), £82 (£91) per hour of direct clinical activities (includes travel to visits), £41 (£46) per patient related activities. | | |

1 Chemist & Druggist (2008) The Great Healthcare Pay Divide, Chemist-and-Druggist, London.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Research carried out by the Royal Pharmaceutical Society of Great Britain.

4 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *A Ready Reckoner for Staff Costs in the NHS, Volume 2, Methodology*,

5 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

7 Netten, A. (1992) Some cost implications of caring for people: interim report, PSSRU Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.

8 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

9 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

10 Based on personal communication with the Department of Health (2008).

# 8. Nurses and doctors

8.1 Community nurse (includes district nursing sister, district nurse)

8.2 Nurse (mental health)

8.3 Health visitor

8.4 Nurse specialist (community)

8.5 Clinical support worker nursing (community)

8.6 Nurse (GP practice)

8.7 Nurse advanced (includes lead specialist, clinical nurse specialist, senior specialist)

8.8a General practitioner — cost elements

8.8b General practitioner — unit costs

8.8c General practitioner — commentary

# 8.1 Community nurse (includes district nursing sister, district nurse)

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £29,500 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 6 of the October-December 2007 NHS Staff Earnings estimates for Qualified Nurses. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £32,400.[1] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £6,313 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £5,862 per year | The equivalent annual cost of pre-registration and post-registration education after the total investment cost has been annuitised over the expected working life.[2] See schema 6.5 for more information on training costs of health professionals. |
| D. Overheads | £6,542 per year | Comprises £2,961 for indirect overheads and 10 per cent of salary costs for direct revenue overheads.[3] |
| E. Capital overheads | £2,573 per year | Based on the new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space.[4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.40 per visit | Taken from Netten and inflated using the retail price index.[6] |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 29 days annual leave and 8 days statutory leave.[7] Assumes 5 study/training days and 12 days sickness leave.[8] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:*<br>face-to-face contacts<br>clinic contacts<br>home visits | <br>1:1.08<br>1:0.58<br>1:1.21 | Dunnell and Dobbs estimated that the proportion of working time spent in different locations/activities was as follows: patient's own home 38 per cent; clinics 6 per cent; hospitals 2 per cent; other face-to-face settings 2 per cent; travel 24 per cent; non-clinical activity 28 per cent.[9] Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits. |
| Length of contact | 20 minutes | Per home visit. Based on discussions with a group of NHS Trusts. |
| London multiplier | 1.19 x (A to B)<br>1.39 x E | Allows for the higher costs associated with working in London. [4,5,10] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x E | Allows for the lower costs associated with working outside London. [4,5,10] |
| Unit costs available 2007/2008 (costs including qualifications given in brackets) | | |
| £29 (£33) per hour; £60 (£68) per hour spent with a patient; £46 (£52) per hour in clinic; £64 (£73) per hour spent on home visits (includes A to E); £23(£26) per home visit (includes A to F). | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 Netten, A. (1992) Some cost implications of Caring for People: interim report, PSSRU Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.

7 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

8 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

9 Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

10 Based on personal communication with the Department of Health (2008).

## 8.2 Nurse (mental health)

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £22,900 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 5 of the October-December 2007 NHS Staff Earnings estimates for Qualified Nurses. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £27,100.[1] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £4,788 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £5,862 per year | The equivalent annual cost of pre-registration and post-registration education after the total investment cost has been annuitised over the expected working life.[2] See schema 6.5 for more information on training costs of health professionals. |
| D. Overheads | £5,730 per year | Comprises £2,961 for indirect overheads and 10 per cent of salary costs for direct revenue overheads.[3] |
| E. Capital overheads | £2,573 per year | Based on the new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space.[4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.40 per visit | Taken from Netten and inflated using the retail price index.[6] |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 29 days annual leave and 8 days statutory leave.[7] Assumes 5 study/training days and 12 days sickness leave.[8] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:*<br>face-to-face contacts<br>client related | <br>1:0.89<br>1:0.33 | Based on the National Child and Adolescent Mental Health Service Mapping data and returns from over 500 G grade nurses, 45 per cent of time was spent on direct clinical work, 13 per cent on consultation and liaison, 8 per cent on training and education, 4 per cent on research and evaluation, 23 per cent on admin and management, 7 per cent on other work and 17 per cent on tier 1 work.[9] Tier 1 work was assumed to be spread across all types of activity and for the purpose of this analysis 50 per cent of time is apportioned to direct contacts and 50 per cent to client related work. |
| London multiplier | 1.19 x (A to B)<br>1.39 x E | Allows for the higher costs associated with working in London. [4,5,10] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x E | Allows for the lower costs associated with working outside London. [4,5,10] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £23 (£27) per hour; £44 (£51) per hour of face to face contact; £31 (£36) per hour of client related work. | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 Netten, A. (1992) Some cost implications of Caring for People: interim report, PSSRU Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.

7 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

8 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

9 Department of Health (2002) National Child and Adolescent Mental Health Service Mapping Data.

10 Based on personal communication with the Department of Health (2008).

## 8.3 Health visitor

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £29,500 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 6 of the October-December 2007 NHS Staff Earnings estimates for Qualified Nurses. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £32,400.[1] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £6,313 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £5,862 per year | The equivalent annual cost of pre-registration and post-registration education after the total investment cost has been annuitised over the expected working life.[2] See schema 6.5 for more information on training costs of health professionals. |
| D. Overheads | £6,542 per year | Comprises £2,961 for indirect overheads and 10 per cent of salary costs for direct revenue overheads.[3] |
| E. Capital overheads | £2,573 per year | Based on the new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space.[4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.40 per visit | Taken from Netten and inflated using the retail price index.[6] |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 29 days annual leave and 8 days statutory leave.[7] Assumes 5 study/training days and 12 days sickness leave.[8] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:*<br>face-to-face contacts<br>clinic contacts<br>home visits | <br>1:1.86<br>1:1.40<br>1:2.47 | Dunnell and Dobbs estimated that the proportion of working time spent in different locations/activities was as follows: patient's own home 15 per cent; clinics 12 per cent; other face-to-face settings 8 per cent; travel 16 per cent; non-clinical activity 49 per cent.[9] Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits. |
| Length of contact | 20 minutes | Per home visit. Based on discussions with a group of NHS Trusts. |
| London multiplier | 1.19 x (A to B)<br>1.39 x E | Allows for the higher costs associated with working in London. [4,5,10] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x E | Allows for the lower costs associated with working outside London. [4,5,10] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £29 (£33) per hour; £83 (£94) per hour of client contact; £70 (£79) per hour of clinic contact; £101 (£114) per hour spent on home visits (includes A to E); £35 (£39) per home visit (includes A to F). | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 Netten, A. (1992) Some cost implications of Caring for People: interim report, PSSRU Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.

7 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

8 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

9 Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

10 Based on personal communication with the Department of Health (2008).

## 8.4 Nurse specialist (community)

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £29,500 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 6 of the October-December 2007 NHS Staff Earnings estimates for Qualified Nurses. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £32,400.[1] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £6,313 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £5,862 per year | Based on the training costs of a district nurse. See schema 6.5 for more information on training costs of health professionals. |
| D. Overheads: direct and indirect | £6,542 per year | Comprises £2,961 for indirect overheads and 10 per cent of salary costs for direct revenue overheads.[2] |
| E. Capital overheads | £2,568 per year | Based on the new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space.[3,4] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.40 per visit | Based on community health service travel costs.[5] |
| Working time | 41.3 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[6] Assumes 5 study/ training days and 12 days sickness leave.[7] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:* face-to-face contacts | 1:1.5 | Based on findings by Renton et al. for a NHS community nurse specialist for HIV/AIDS.[8] |
| Length of contact | | |
| London multiplier | 1.19 x (A to B) 1.39 x E | Allows for the higher costs associated with working in London. [3,4,9] |
| Non-London multiplier | 0.97 x (A to B) 0.96 x E | Allows for the lower costs associated with working outside London. [3,4,9] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £29 (£32) per hour; £73 (£81) per hour of client contact (includes A to E). Travel £1.40 per visit. | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

5 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

6 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

7 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

8 Renton, A., Petrou, S. & Whitaker, L. (1995) *Utilisation, Needs and Costs of Community Services for People with HIV Infection: A London-based Prospective Study*, Department of Health, London.

9 Based on personal communication with the Department of Health (2008).

## 8.5 Clinical support worker nursing (community)

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £14,600 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 2 of the October-December 2007 NHS Staff Earnings estimates. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £15,900.[1] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £2,871 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £0 | No professional qualifications assumed. |
| D. Overheads | £3,835 per year | Comprises £2,961 for indirect overheads and 5 per cent of salary costs for direct revenue overheads.[2] |
| E. Capital overheads | £1,050 per year | Based on the new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space.[3,4] It is assumed that an auxiliary nurse uses one-sixth of the treatment space used by a district nurse. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.40 per visit | Taken from Netten and inflated using the retail price index.[5] |
| Working time | 42.3 weeks per annum<br>37.5 hours per week | Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 29 days annual leave, 8 days statutory leave and 12 days sickness leave. [6,7] Unit costs based on 1585 hours per annum. |
| *Ratio of direct to indirect time on:*<br>face-to-face contacts<br>clinic contacts<br>home visits | <br>1:0.61<br>1:0.27<br>1:0.64 | Dunnell and Dobbs estimated that the proportion of working time spent in different locations/activities was as follows: patient's own home 58 per cent; clinics 2 per cent; other face-to-face settings 2 per cent; travel 21 per cent; non-clinical activity 17 per cent.[8] Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits. |
| Length of contact | 20 minutes | Per home visit. Based on discussions with a group of NHS Trusts. |
| London multiplier | 1.19 x (A to B)<br>1.39 x E | Allows for the higher costs associated with working in London. [3,4,9] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x E | Allows for the lower costs associated with working outside London. [3,4,9] |
| **Unit costs available 2007/2008** | | |
| £14 per hour; £23 per hour spent with a patient; £18 per hour in clinic contacts; £23 per hour spent on home visits; £9 per home visit (includes A to F). | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

5 Netten, A. (1992) Some cost implications of Caring for People: interim report, PSSRU Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.

6 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

7 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

8 Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

9 Based on personal communication with the Department of Health (2008).

## 8.6 Nurse (GP practice)

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £22,900 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 5 of the October-December 2007 NHS Staff Earnings estimates for Qualified Nurses. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £27,100.[1] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £4,788 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £5,330 per year | Equivalent annual cost of pre-registration and post-registration education after the total investment cost has been annuitised over the expected working life.[2] See schema 6.5 for more information on training costs of health professionals. |
| D. Overheads | £5,730 per year | Comprises £2,961 for indirect overheads and 10 per cent of salary costs for direct revenue overheads.[3] |
| E. Capital overheads | £4,122 per year | Based on new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space.[4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £0.70 per visit | Atkin and Hirst assumed an average journey of two miles and costed travel at 22.3 pence per mile (1992/1993 prices), inflated using the retail price index.[6] Travel costs were found to be lower than those incurred by district nurses as they only visit within an area defined by the practice. |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 29 days annual leave and 8 days statutory leave.[7] Assumes 5 study/training days and 12 days sickness leave.[8] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:*<br>face-to-face contacts<br>clinic contacts<br>home visits | <br>1:0.18<br>1:0.12<br>1:0.45 | Assumed time use: 15 per cent patient's own home; 60 per cent clinics/surgeries; 5 per cent hospital; 5 per cent other face-to-face settings; 5 per cent travel; and 10 per cent non-clinical activity. Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits. Based on discussions with health service professionals. |
| Length of contact | 27 minutes<br>15.5 minutes | Per home visit. Based on a one week survey of 4 Sheffield practices.[9]<br>Per surgery consultation. Based on the 2006/07 UK General Practice Survey.[10] |
| Client contacts | 98 per week<br>109 per week | Number of consultations per week.<br>Number of procedures per week.[11] |
| London multiplier | 1.19 x (A to B)<br>1.52 x E | Allows for the higher costs associated with London compared to the national average cost.[12] Building Cost Information Service and Department for Communities and Local Government.[4,5] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x E | Allows for the lower costs associated with working outside London compared to the national average cost.[12] Building Cost Information Service and Department for Communities and Local Government.[4,5] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £24 (£28) per hour; £29 (£33) per hour of client contact; £27 (£31) per hour in clinic; £9 (£11) per consultation; £8 (£10) per procedure; £35 (£40) per hour of home visits (includes A to E); £12 (£19) per home visit (includes A to F). | | |


1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 Atkin, K. & Hirst, M. (1994) *Costing Practice Nurses: Implications for Primary Health Care*, Social Policy Research Unit, University of York.

7 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

8 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

9 Centre for Innovation in Primary Care (1999) *Consultations in General Practice — What do they cost?*, Centre for Innovation in Primary Care, Sheffield.

10 The Information Centre (2007) 2006/07 UK General Practice Workload Survey, Primary Care Statistics, The Information Centre, Leeds.

11 Jeffreys, L.A., Clark, A. & Koperski, M. (1995) Practice nurses' workload and consultation patterns, *British Journal of General Practice*, 45, August, 415-418.

12 Based on personal communication with the Department of Health (2008).

## 8.7 Nurse advanced (includes lead specialist, clinical nurse specialist, senior specialist)[1]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £34,000 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 7 of the October-December 2007 NHS Staff Earnings estimates for Qualified Nurses. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £37,100.[2] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £7,357 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £9,304 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[3] Pre-registration training includes general nurse's training plus further education to honours or masters degree level. If post graduate training was undertaken (including the Nurse Prescribing Course), there would be an additional annuitised cost of £3,247. |
| D. Overheads | £7,097 per year | Comprises £2,961 for indirect overheads and 10 per cent of salary costs for direct revenue overheads.[4] |
| E. Capital overheads | £4,122 per year | Based on the new build and land requirements of community health facilities, but adjusted to reflect shared use of treatment and non treatment space.[5,6] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 29 days annual leave and 8 days statutory leave.[7] Assumes 5 study/training days and 12 days sickness leave.[8] Unit costs based on 1547 hours per annum. |
| *Length of consultation:*<br>surgery<br>home<br>telephone | <br>15 minutes<br>25 minutes<br>6 minutes | Information provided by 27 nurse practitioners working in primary care contacted about length of consultations.<br>Venning et al. found that nurse practitioners spent a mean of 11.57 minutes face-to-face with patients (SD 5.79 mins) and an additional 1.33 minutes per patient in getting prescriptions signed.[9] |
| Ratio of direct to indirect time on:<br>face-to-face contacts<br>patient contact (incl. telephone | <br>1:0.71<br>1:0.55 | Information provided by 27 nurse practitioners on time use.<br>Surgery consultations 58 per cent, home visits 0.4 per cent and telephone consultations 6.4 per cent. Getting prescriptions signed 1.4 per cent. Travel time to home visits was negligible (0.1 per cent). Another study found that 60 per cent of a nurse practitioner/ Clinical Nurse Specialist's time was spent on clinical activities.[10] Another study on the role of nurse specialists in epilepsy found that clinical activities accounted for 40 per cent of the time.[11] |
| London multiplier | 1.19 x (A to B)<br>1.52 x E | Allows for the higher costs associated with London compared to the national average cost.[12] Building Cost Information Service and Department for Communities and Local Government.[5,6] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x E | Allows for the lower costs associated with working outside London compared to the national average cost [12] Building Cost Information Service and Department for Communities and Local Government, Transport and the Regions.[5,6] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| Cost per hour £34 (£40), cost per hour in surgery £59 (£69), cost per hour of client contact £53 (£62), cost per surgery consultation £13 (£15). | | |

1 A term for nurse practitioners specifically has not been developed due to the great variation in the use of the term NP. Personal correspondence with the RCN NP Adviser has suggested that the best match is the Advance Nurse profile (Band 7).

2 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS*, Vols 1 & 2, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

7 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

8 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

9 Venning, P., Durie, A., Roland, M., Roberts, C. & Leese, B. (2000) Randomised controlled trial comparing cost effectiveness of general practitioners and nurse practitioners in primary care, *British Medical Journal*, 320, 1048-1053.

10 Ball, J. (2005) *Maxi Nurses. Advanced and Specialist Nursing Roles, Results from a Survey of RCN Members in Advanced and Specialist Nursing Roles*, Royal College of Nursing, London.

11 Higgins, S., Lanfear, J. & Goodwin, M. (2006) Qualifying the role of nurse specialists in epilepsy: data from diaries and interviews, *British Journal of Neuroscience Nursing*, 2, 5, 239-245.

12 Based on personal communication with the Department of Health (2008).

# 8.8a General practitioner — cost elements

| Costs and unit estimation | 2007/2008 value | Notes (for further clarification see Commentary) |
|---|---|---|
| A. Net remuneration | £111,566 per year | Average net profit after expenses in 2006/07 for England (£111,566).[1] See commentary 8.8c. It has not been possible to agree an inflator to provide estimated net remuneration for 2007/08. |
| *B. Practice expenses*<br>- Out of hours<br><br>Direct care staff<br><br><br>Travel<br><br>Other | <br>£10,951 per year<br><br>£23,650 per year<br><br><br>£4,598 per year<br><br>£22,263 per year | <br>Amount allocated for out of hours care.<br>On average in 2007 each FTE equivalent practitioner (excluding GP registrars & GP retainers) employed 0.63 FTE practice staff.<br>Estimated using the car allowance for GP registrars and is unchanged since last year.[2] This is based on AA information about the full cost of owning and running a car and allows for 10,000 miles. Average cost per visit is £5. Travel costs are included in the annual and weekly cost but excluded from costs per minute and just added to cost of a home visit.<br>Other practice expenses are estimated on the basis of final expenditure figures from the DH for 2007/08.[3] Practice expenses exclude all expenditure on drugs. See commentary 8.8c. |
| C. Qualifications | £27,964 per year | The equivalent annual cost of pre-registration and postgraduate medical education. See commentary 8.8c. Calculated using information provided by the London Deanery.[4] |
| D. Ongoing training | £2,227 per year | Calculated using budgeting information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Levy (MADEL) funds. Uprated using the HCHS pay and prices inflator and uprated using the HCHS pay and prices inflator. |
| *E. Capital costs*<br>– Premises<br>– Equipment | <br>£9,385 per year<br>£2,248 per year | Based on new build and land requirements for a GP practitioner suite. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. [5,6]<br>Taken from final expenditure figures from the DH[3] and adjusted to allow for equipment allocated to direct care staff. Expenditure on computer equipment is used as a proxy for annuitised capital. See commentary 8.8c. |
| F. Overheads | £8,181 per year | Based on final expenditure figures from the DH for 2007/08. [3] Overheads include PCO administered funds, demand management and recruitment and retention. See commentary 8.8c. |
| Working time | 43.5 wks p.a. 44.4 hrs p.w. | Derived from the 2006/07 UK General Practice Workload Survey.[7] Number of hours for a full-time GP Partner. Allows for time spent per year on annual leave, sick leave and study leave. |
| *Ratio of direct to indirect time:*<br>surgery/clinic/phone consultations<br>home visits | <br>1:0.57<br><br>1:1.61 | Based on proportion of time spent on surgery consultations (44.5 per cent), phone consultations (6.3 per cent), clinics (6.3 per cent) and home and care home visits including travel time (8.6 per cent). Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Surgery and home visit multipliers allocate travel time just to home visits. Taken from the 2006/07 UK General Practice Workload Survey. [7] |
| *Consultations: Surgery*<br>*Clinic*<br>*Telephone*<br>*Home visit* | 11.7 minutes<br>17.2 minutes<br>7.1 minutes<br>11.4 minutes | Based on the 2006/07 UK General Practice Workload Survey, [7] the time spent on a home visit just includes time spent in the patients home. On average 12 minutes has been assumed for travelling per visit. This travel time has been allowed for in the estimation of the ratio of direct to indirect time spent on home visits. See commentary 8.8c. |
| **Unit costs for 2007/2008 are given in table 8.8b** | | |

1 The Information Centre (2008) *GP Earnings and Expenses Enquiry 2006/07, Initial Report Produced by the Technical Steering Committee, October 2008*, The Information Centre., London.

2 Information provided by Department of Health (2007).

3 Department of Health, 2007/08 England PFR Annual Accounts, Summary Year-end, 2008.

4 Personal communication with the London Deanery (2006).

5 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

7 The Information Centre (2007) 2006/07 UK General Practice Workload Survey, Primary Care Statistics, The Information Centre, Leeds.

## 8.8b General practitioner — unit costs

| Unit cost 2007/2008 | Including direct care staff costs | | Excluding direct care staff costs | |
|---|---|---|---|---|
| | With qualification costs | Without qualification costs | With qualification costs | Without qualification costs |
| Annual (including travel) | £223,036 | £195,071 | £199,386 | £171,421 |
| [1]Per hour of GMS activity | £116 | £102 | £104 | £89 |
| [1]Per hour of patient contact | £183 | £160 | £163 | £140 |
| [1]Per surgery/clinic minute | £3.00 | £2.70 | £2.70 | £2.30 |
| [1]Per home visit minute | £5.10 | £4.40 | £4.50 | £3.90 |
| [1]Per surgery consultation lasting 11.7 minutes | £36 | £31 | £32 | £27 |
| [1]Per clinic consultation lasting 17.2 minutes | £52 | £46 | £47 | £40 |
| [1]Per telephone consultation lasting 7.1 minutes | £22 | £19 | £19 | £17 |
| Per home visit lasting 23.4 minutes (includes travel time) [2] | £58 | £50 | £52 | £44 |
| Prescription costs per consultation (Net Ingredient Cost) | £45 | | | |
| Prescription costs per consultation (Actual Cost) | £41 | | | |

1 In order to provide consistent unit costs, these costs exclude travel costs.

2 Allows for 12 minute travel time. Previous estimates included prescription costs. These have now been excluded to provide consistency with other consultation costs.

## 8.8c General practitioner — commentary

***General note about GP expenditure.*** The new General Medical Service contract (nGMS) was designed to improve the way that Primary Care services were funded, and to allow practices greater flexibility to determine the range of services they wish to provide, including opting out of additional services and out-of-hours care.

***Allowing for whole time equivalence (wte).*** The NHS Information Centre have estimated that the number of FTE practitioners (excluding GP registrars and GP retainers) has increased to 30,936 in 2007.[1]

***Allowing for expenditure not associated with GP activity.*** *We have excluded expenditure related to dispensing and medication.*

***Direct care staff.***[2] On average in 2007 each FTE equivalent practitioner (excluding GP registrars & GP retainers) employed 0.63 FTE practice staff. All direct care staff have been costed at the same level as a band 5 GP practice nurse.

***Other practice expenses***. These are based on payments made for enhancing services such as the Primary Care Modernisation Fund and Childhood Immunisation. It also includes other payments for improved quality such as Chronic Disease Management Allowances and Sustained Quality Allowances.

***Prescription costs.*** Average prescription costs per consultation are £41 (Actual Cost) or £45 (Net Ingredient Cost: NIC). NIC is the basic cost of the drug while Actual Cost is the NIC less the assumed average discount plus the container allowance (and plus on-cost for appliance contractors). These are based on information about annual numbers of consultations per GP, estimated by using the number of GPs for 2007 and the annual number of consultations per GP (5,809 in 2006)[2,3] number of prescriptions per GP (25,107 in 2007)[4] and the average actual total cost per GP prescription £9.5 at 2007 prices or £10.38 per NIC.[5] The number of prescriptions per consultation (4.32) has risen since 2006/07 and reflects the reduction in the number of consultations made by GPs and the increase in repeat prescriptions arising from initial consultations.

***Qualifications.*** The equivalent annual cost of pre-registration and post graduate medical education. The investment in training has been annuitised over the expected working life of the doctor.[6]Post graduate education calculated using information provided by the London Deanery.[7] This includes the cost of the two year foundation programme, two years on a General Practice Vocational Training Scheme (GP-VTS) and a further year as a general practice registrar[8]. Costs consist of an amount for the generic curriculum, the postgraduate centres infrastructure costs, study leave and the costs of course organisers, admin support, trainers workshops, vocational training and Internal courses for GP tutors. Excluded are the costs of running the library postgraduate centres. See schema 6.5 for further details on training for health professionals.

***Computer equipment.*** Ideally, this should include an annuitised figure reflecting the level of computer equipment in GP surgeries. However the figure presented in the schema represents the yearly amount allocated to IT expenditure during 2006/07. This has been taken from the final expenditure figures from the Department of Health. PCO's rather than practices now fund the purchase, maintenance, upgrading, running and training costs of computer systems.

***Overheads***. This includes expenditure on centrally managed administration such as recruitment and retention, demand management and expenditure relating to GP allowances such as locum allowances and retainer scheme payments.

***Activity***. The 2006/07 UK General Practice Workload Survey provides an overview of the entire workload and skill-mix of general practices in the UK in 2006/07 and is the first under the new contract. Staff in a representative sample of 329 practices across the UK completed diary sheets for one week in September or December. As the survey was targeted at work in the practice it excludes work done elsewhere as well as any work identified as out-of-hours (OOH) not relating to the GMS/PMS/PCTMS practice contract. In order to convert the annual hours worked into weeks the average number of hours worked on GMS duties was used. On this basis wte GMPs work 43.5 weeks a year for 44.4 hours per week.

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1 The Information Centre (2007) *General and Personal Medical Services in England: 1996-2006, Bulletin IC/2007/03*, The Information Centre, Leeds.

2 Number of consultations for 2007 not yet available.

3 Hippisley-Cox, J., Fenty, J. and Heaps, M. (2007) *Trends in Consultation Rates in General Practice 1995 to 2006: Analysis of the QResearch Database. Final Report to the Information Centre and Department of Health*, The Information Centre, Leeds.

4 Based on personal correspondence with the Information Centre, 2008.

5 Based on personal correspondence with the Prescribing Support Unit, 2008, Health and Social Care Information Centre (HSCIC).

6 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

7 Personal communication with the London Deanery (2006).

8 NHS Employers (2006) *Modernising Medical Careers: A New Era in Medical Training*, NHS Employers, London.

# III. COMMUNITY-BASED SOCIAL CARE

## 9. Social care staff


9.1 Social work team leader

9.2 Social worker (adult)

9.3 Social work assistant

9.4 Approved social worker – mental health

9.5 Local authority home care worker

9.6 Community occupational therapist (local authority)

9.7 Intensive case management for older people

9.8 Family support worker

## 9.1 Social work team leader

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Salary | £35,410 per year | The average salary for a social work team leader was £35,410 for 2007/08. Based on increases between the Local Government Earnings Survey 2007[1] and the Adults' Social Care Workforce Survey 2006[2] for a social work assistant. |
| B. Salary oncosts | £9,010 per year | Employers' national insurance plus 17.7 per cent of salary for contribution to superannuation. |
| C. Qualifications | | |
| D. Overheads | £6,663 per year | Fifteen per cent of salary costs for management and administrative overheads.[3] |
| E. Capital overheads | £2,568 per year | Based on the new build and land requirements for a local authority office and shared facilities for waiting, interviews and clerical support.[4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | | No information available about travel costs for social work team leaders. |
| Working time | 40.7 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 statutory leave days.[6] Ten days for study/ training and 9.6 days sickness leave have been assumed.[7] Unit costs are based on 1526 hours per annum. |
| *Ratios of direct to indirect time on:* client-related work | 1:0.30 | Team leaders provide a number of outputs other than direct client-related work (such as support and training). They do, however, usually carry a caseload and carry out assessments. Drawing on a study by the National Institute for Social Work, it is assumed that when team leaders are involved in such activities, the relationship between client-related and non-client-related time is the same as that for social workers.[8] |
| Domiciliary v. office/clinic visit | | It is not possible to estimate a cost per visit as there is no information available on the number of visits or the typical length of time spent with a client. |
| London multiplier | 1.16 x A<br>1.49 x E | London salaries provided above. Relative London costs are drawn from the same source as the base data for each cost element. [1,4,5] |
| Non-London multiplier | 0.96 x A<br>0.96 x E | Non London salaries provided above. Relative London costs are drawn from the same source as the base data for each cost element. [1,4,5] |
| **Unit costs available 2007/2008** | | |
| £35 per hour; £46 per hour of client-related work (includes A to E). | | |

1 Local Government Association Analysis and Research (2008) Local Government Earnings Survey 2007, Local Government Analysis and Research, London.

2 Local Authority Workforce Intelligence Group (2007) *Adults' Social Care Workforce Survey, 2006*, Local Authority Workforce Intelligence Group, London.

3 Knapp, M., Bryson, D. & Lewis, J. (1984) The comprehensive costing of child care: the Suffolk cohort study, PSSRU Discussion Paper 355, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.

7 Local Government Employers (2007) Local Government Sickness Absence Levels and Causes Survey 2006-2007, Local Government Association, London.

8 Levin, E. & Webb, S. (1997) *Social Work and Community Care. Changing Roles and Tasks,* Draft final report to the Department of Health.

## 9.2 Social worker (adult)

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Salary | £28,494 per year | Information taken from the Local Government Earnings Survey 2007[1] showed that the mean salary for a social worker was £28,494. (Information provided does not distinguish between the salary of a social worker (Adult) and a social worker (Child)). |
| B. Salary oncosts | £7,135 per year | Employers' national insurance plus 17.7 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | | |
| D. Overheads | £5,344 per year | Fifteen per cent of salary costs for management and administrative overheads.[2] |
| E. Capital overheads | £2,568 per year | Based on the new build and land requirements for a local authority office and shared facilities for waiting, interviews and clerical support.[3,4] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | | No information is readily available about travel costs for social workers. |
| Working time | 40.7 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 statutory leave days.[5] Ten days for study/ training and 9.6 days sickness leave have been assumed.[6] Unit costs are based on 1526 hours per annum. |
| *Ratios of direct to indirect time on:*<br>client-related work<br>direct outputs<br>face-to-face contact | <br>1:0.30<br>1:0.85<br>1:4.00 | Ratios are estimated on the basis that 77 per cent of time is spent on client-related work, 54 per cent on direct outputs for clients, and 20 per cent on face-to-face contact.[7,8,9,10] Face-to-face contact is not a good indicator of input to clients. |
| Domiciliary v. office/clinic visit | | It is not possible to estimate a cost per visit as there is no information available on the number of visits or the typical length of time spent with a client. |
| London multiplier | 1.10 x A<br>1.49 x E | London salaries provided above. Relative London costs are drawn from the same source as the base data for each cost element. [1,3,4] |
| Non-London multiplier | 0.96 x A<br>0.96 x E | Non London salaries provided above. Relative London costs are drawn from the same source as the base data for each cost element. [1,3,4] |
| **Unit costs available 2007/2008** | | |
| £29 per hour; £37 per hour of client-related work; £138 per hour of face-to-face contact (includes A to E). | | |

1 Local Government Association Analysis and Research (2008) Local Government Earnings Survey 2007, Local Government Analysis and Research, London.

2 Knapp, M., Bryson, D. & Lewis, J. (1984) The comprehensive costing of child care: the Suffolk cohort study, PSSRU Discussion Paper 355, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

5 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.

6 Local Government Employers (2007) Local Government Sickness Absence Levels and Causes Survey 2006-2007, Local Government Association, London.

7 Tibbitt, J. & Martin, P. (1991) *The Allocation of 'Administration and Casework' Between Client Groups in Scottish Departments of Social Work*, CRU Papers, Scottish Office, Edinburgh.

8 von Abendorff, R., Challis, D. & Netten, A. (1995) Case managers, key workers and multidisciplinary teams, PSSRU Discussion Paper 1038, Personal Social Services Research Unit, University of Kent, Canterbury.

9 Levin, E. & Webb, S. (1997) *Social Work and Community Care. Changing Roles and Tasks*, Final report to the Department of Health.

10 Netten, A. (1997) Costs of social work input to assessment and care package organisation, in A. Netten & J. Dennett (eds) *Unit Costs of Health and Social Care 1997*, Personal Social Services Research Unit, University of Kent, Canterbury.

## 9.3 Social work assistant

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Salary | £19,923 per year | Information taken from the Local Government Earnings Survey 2007[1] showed that the mean salary for a social worker assistant was £19,923. |
| B. Salary oncosts | £4,838 per year | Employers' national insurance plus 17.7 per cent of salary for contribution to superannuation. |
| C. Overheads | £3,714 per year | Fifteen per cent of salary costs for management and administrative overheads.[2] |
| D. Capital overheads | £2,568 per year | Based on the new build and land requirements for a local authority office and shared facilities for waiting, interviews and clerical support.[3,4] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| E. Travel | | No information is readily available about travel costs for social work assistants. |
| Working time | 41.7 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 statutory leave days.[5] Five days for study/ training and 9.6 days sickness leave have been assumed.[6] Unit costs are based on 1563 hours per annum. |
| *Ratios of direct to indirect time on:*<br>client-related work<br>face-to-face contact | <br>1:0.18<br>1:2.69 | Ratios are used to estimate the full cost of direct and indirect time required to deliver each output. No information is available about the proportion of social work assistant time spent on client-related outputs so for the purpose here it is assumed that 85 per cent of time was spent on such activity. Direct face-to-face contact is not a good indicator of input to clients, but it is often the only information available. A study by the National Institute for Social Work included 52 social work assistants who spent 27 per cent of their time in face-to-face contact.[7] Work by Netten gives more information.[8] |
| London multiplier | 1.16 x A<br>1.49 x D | London salaries provided above. Relative London costs are drawn from the same source as the base data for each cost element.[1,3,4] |
| Non-London multiplier | 0.96 x D | Non London salaries provided above. Relative London costs are drawn from the same source as the base data for each cost element.[1,3,4] |
| **Unit costs available 2007/2008** | | |
| £20 per hour; £24 per hour of client-related work; £74 per hour of face-to-face contact (includes A to E). | | |

1 Local Government Association Analysis and Research (2008) Local Government Earnings Survey 2007, Local Government Analysis and Research, London.

2 Knapp, M., Bryson, D. & Lewis, J. (1984) The comprehensive costing of child care: the Suffolk cohort study, PSSRU Discussion Paper 355, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

5 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.

6 Local Government Employers (2007) Local Government Sickness Absence Levels and Causes Survey 2006-2007, Local Government Association, London.

7 Levin, E. & Webb, S. (1997) *Social Work and Community Care. Changing Roles and Tasks*, Draft final report to Department of Health.

8 Netten, A. (1997) Costs of social work input to assessment and care package organisation, in A. Netten & Dennett (eds) Unit Costs of Health and Social Care 1997, Personal Social Services Research Unit, University of Kent.

## 9.4 Approved social worker – mental health

An Approved Social Worker (ASW) is a social worker with responsibility for assessing someone's needs, care and treatment under the Mental Health Act 1983 (MHA). The ASWs plays a key role in deciding whether someone with mental health problems can be cared for in the community, or whether they should be admitted to hospital.[1]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Salary | £34,816 per year | The average salary for an approved social worker was £34,816 per year. Information based on a survey carried out by the Department of Health of 30 authorities and uprated using the PSS Inflator. Wage levels reflect the average level of wages paid in 27 authorities.[2] |
| B. Salary oncosts | £8,829 per year | Employers' national insurance plus 17.7 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | | Must have a relevant first degree, a recognised qualification in social work plus two years relevant post-qualifying experience in social work. An ASW undertakes specialist postgraduate training, which includes mental health law, and will also have a detailed knowledge of the local mental health services. No costs available. |
| D. Overheads | £6,547 per year | Fifteen per cent of salary costs for management and administrative overheads.[3] |
| E. Capital overheads | £2,568 per year | Based on the new build and land requirements for a local authority office and shared facilities for waiting, interviews and clerical support.[4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | | No information is readily available about travel costs for social workers. |
| Working time | 40.7 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 statutory leave days.[6] Ten days for study/ training and 9.6 days sickness leave have been assumed.[7] Unit costs are based on 1526 hours per annum. |
| Client-related work<br>*Ratio of direct to indirect time on:*<br><br>Face-to-face | <br><br><br>1:1.56 | Information taken from a study carried out of 237 mental health social workers (of which 162 were Approved Social Workers). Data were collected using a semi-structured questionnaire and diary to produce information on working patterns. It was found that during a week, the average hours spent on undertaking assessments for ASWs was 5.6 hours, in meetings 6.2 hours, writing/administration 12.1 hours, on call 12 hours.[7] |
| London multiplier | 1.20 x A<br>1.55 x E | Based on the same source as the salary data. [2]<br>Building Cost Information Service and Department for Communities and Local Government.[4,5] |
| Non-London multiplier | 0.93 x A<br>0.96 x E | Allows for the lower costs associated with working outside London compared to the national average cost. [2] Building Cost Information Service and Department for Communities and Local Government. [4,5] |
| **Unit costs available 2007/2008** | | |
| £35 per hour; £89 per hour of face to face contact | | |

1 http://www.mind.org.uk/Information/Booklets/Other/Getting the best from your ASW.htm

2 Personal communication with the Department of Health (2006).

3 Knapp, M., Bryson, D. & Lewis, J. (1984) The comprehensive costing of child care: the Suffolk cohort study, PSSRU Discussion Paper 355, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.

7 Local Government Employers (2007) Local Government Sickness Absence Levels and Causes Survey 2006-2007, Local Government Association, London.

## 9.5 Local authority home care worker

The information is based on data collected from a benchmarking club of 14 local authorities, all located in the Midlands.[4] The original data were for 1998/1999 and have been uprated to 2007/2008 prices. Based on PSS EX1 2006/2007, the mean hourly cost of all home care including LA funded home care and independent provision was £16. This can be compared with the mean hourly cost of LA homecare of £23 and a mean hourly cost of £14 for the independent provision. See Jones (2005) for findings about the costs of independently provided home care.[1]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £15,238 per year | Information taken from the Local Government Earnings Survey 2007[2] showed that the average annual salary for a home care worker was £15,238. This year annual salaries have been reported by the Local Government Association. |
| B. Salary oncosts | £3,582 per year | Employers' national insurance plus 17.7 per cent of salary for employers' contribution to superannuation. |
| C. Direct overheads | £3,593 per year | Direct overheads include administration, management, office costs, insurance, training and premises. 1999 costs inflated using the PSS Pay and Prices inflators. For those authorities for which the information was available, at the time of the study, these costs comprised about 15 per cent of total hourly costs on average in the 14 authorities.[3] |
| D. Indirect overheads | £1,684 per year | Indirect overheads include general management and support services such as finance departments and human resource departments. 1999 costs inflated using the PSS Pay and Prices inflators. For those authorities for which the information was available, at the time of the study, these costs comprised about 8 per cent of total hourly costs on average. |
| E. Travel | £0.60 per visit | Cost of travel per visit was estimated from information provided by the authorities about expenditure on travel and number of visits. |
| Working time | 40.6 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave, 8 days statutory leave, 15 days of sickness (higher in the Midlands study than had previously been assumed) and 5 days for training. A few of the authorities also allowed time off for training. Unit Costs are based on 1523 working hours. |
| Ratios of direct to indirect time on contact: | 1:0.16 | On the basis of information provided about the number of working hours paid for and the number of contact hours with clients, 86 per cent of time was spent in direct contact on average, ranging between 72 and 99 per cent of time. |
| Length of visit | 45 minutes | Average length of visits based on information about number of contact hours and number of visits, ranged between 33 minutes and an hour. |
| Typical home care package | 9.4 hours per week | Average number of local authority home help contact hours received per household per week.[4] Based on a study of community care packages, it has been estimated that 6.6 hours are worked weekdays between 9 a.m. and 5 p.m., 0.16 hours weekdays after 5 p.m., and 0.55 hours each on Saturday and Sunday.[5] The authorities in the Benchmark Club visited clients 6.34 times per week on average. Increasing this pro rata to reflect the increase in the number of hours of 9.48 which are being received since the time of the study (previously 5 hours) raises the number of visits to 12. |
| Unsocial hours multipliers | 1.2<br>1.5<br>2.0<br>1.3 | Weekdays 8 p.m to 10 p.m<br>Saturday<br>Sundays and bank holidays<br>Evenings |
| **Unit costs available 2007/2008** | | |
| £16 per weekday hour (£19 per hour weekday evenings; £24 per hour Saturdays; £32 per hour Sundays); £18 per hour face-to-face weekday contact (£22 per hour weekday evenings; £28 per hour Saturdays; £37 per hour Sundays) (Includes A to D). £191 typical home care package if all hours are provided by the LA. | | |

1 Jones, K. (2005) The cost of providing home care, in L.Curtis and A.Netten (eds) *Unit Costs of Health and Social Care 2005*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Local Government Association Analysis and Research (2008) Local Government Earnings Survey 2007, Local Government Analysis and Research, London.

3 Based on data collected from a benchmarking club of 14 local authorities located in the Midlands in 1998/1999.

4 The Information Centre (2008) *Community Care Statistics 2007, Home Care Services for Adults, England*, The Information Centre, Leeds.

5 Bauld, L., Chesterman, J., Davies, B., Judge, K. & Mangalore, R. (2000) *Caring for Older People: An Assessment of Community Care in the 1990s*, Ashgate, Aldershot.

## 9.6 Community occupational therapist (local authority)

| Costs and unit estimation | 2006/2007 value | Notes |
|---|---|---|
| A. Wages/salary | £28,967 per year | Information taken from the Local Government Earnings Survey 2007[1] showed that the mean salary for a social worker assistant was £28,967. |
| B. Salary oncosts | £6,740 per year | Employers' national insurance plus 17.7 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,171 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[2] The investment costs of education should always be included, however, when evaluating the cost-effectiveness of different approaches to using health service staff as it is important to include all the costs implicit in changing the professional mix. For the most part, these investment costs are borne by the wider NHS and individuals undertaking the training rather than trusts, so those costing exercises which are concerned with narrowly defined costs to the provider organisation would not want to incorporate these investment costs. |
| D. Overheads | £5,356 per year | Fifteen per cent of salary costs to reflect revenue overheads.[3] Additional costs associated with the purchase and supply of aids have not been allowed for here. Information about the capital cost of aids and adaptations can be found in schema 6.4. |
| E. Capital overheads | £2,568 per year | Based on the new build and land requirements for a local authority office and shared facilities for waiting, interviews and clerical support.[4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.40 per visit | Taken from Netten and inflated using the retail price index.[6] |
| Working time | 40.7 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 statutory leave days.[7] Ten days for study/ training and 9.6 days sickness leave have been assumed.[8] Unit costs are based on 1526 hours per annum. |
| *Ratio of direct to indirect time on:* client contact | 1:0.96 | There is considerable variation in patterns of work and this should be taken into consideration whenever possible. This figure is based on the proportion of time spent by NHS occupational therapists in client contact.[9] No information is available about local authority occupational therapists. |
| Length of visit | 40 minutes | Taken from Netten.[6] |
| London multiplier | 1.09 x A<br>1.57 x E | London salaries provided above. Relative London costs are drawn from the same source as the base data for each cost element. [1,4,5] |
| Non-London multiplier | 0.97 x E | Non London salaries provided above. Relative London costs are drawn from the same source as the base data for each cost element. [1,4,5] |
| **Unit costs available 2007/2008 (costs including training given in brackets)** | | |
| £28 (£31) per hour; £55 (£61) per hour of client contact (includes A to E); £38 (£42) per home visit (includes A to F). | | |

1 Local Government Association Analysis and Research (2008) Local Government Earnings Survey 2007, Local Government Analysis and Research, London.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 Netten, A. (1992) Some cost implications of Caring for People: interim report, PSSRU Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.

7 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.

8 Local Government Employers (2007) Local Government Sickness Absence Levels and Causes Survey 2006-2007, Local Government Association, London.

9 Government Statistical Service (1994) Summary Information Form KT27, Occupational Therapy Services, Table 7, 1994, England and Wales.

## 9.7 Intensive case management for older people

Information in this schema is taken from the Local Government Earnings Survey, 2007 [1] and has been based on the salary of a home care manager. The information on use of time reflects an experimental intensive case management scheme working with long-term cases.[2] The team referred cases to the case managers, who were not involved in screening or duty work. All clients were suffering from dementia.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £24,860 per year | Information taken from the Local Government Earnings Survey 2007[1] showed that the mean salary for a home care manager was £24,860. |
| B. Salary oncosts | £6,161 per year | Employers' national insurance plus 17.7 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | | No information available. |
| D. Overheads: direct and indirect | £4,963 per year | Based on health authority overheads of 16 per cent since the case managers were based in a health authority multi disciplinary mental health team. |
| E. Capital overheads | £2,568 per year | Based on the new build and land requirements of an NHS office and shared facilities for waiting, interviews and clerical support.[3,4] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.40 per visit | Based on community health service travel costs and inflated using the Retail Price Index. |
| Working time | 40.7 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 statutory leave days.[5] Ten days for study/ training and 9.6 days sickness leave have been assumed.[6] Unit costs are based on 1526 hours per annum. |
| *Ratios of direct to indirect time on:*<br><br>client-related work<br>face to-face contact | <br><br>1:0.56<br>1:3.17 | Ratios are used to estimate the full cost of direct and indirect time required to deliver each output.<br>The study found that care managers spent 24 per cent of their time in direct contact with the service user and carer and an additional 40 per cent on client related activities.[7] Twenty-five per cent of time was spent on non client related administrative tasks such as dealing with telephone enquiries, lunch/ breaks and training. 11.1 per cent was sent on travelling to service users, carers and meetings. |
| Frequency of visits<br>Length of visits | 9<br>45 minutes | Average number of visits per week per worker.<br>Average length of visits overall in teams. |
| Caseload per worker | 14 | Number of cases per care manager. Limited turnover. |
| London multiplier | 1.25 x A<br>1.49 x E | London salaries provided above. Relative London costs are drawn from the same source as the base data for each cost element. [1,3,4] |
| Non-London multiplier | 0.97 x E | Non London salaries provided above. Relative London costs are drawn from the same source as the base data for each cost element. [1,3,4] |
| **Unit costs available 2007/2008** | | |
| £25 per hour; £39 per hour of client-related work; £105 per hour of face-to-face contact; £64 per case per week (includes A to E); £34 per home visit (includes A to F). | | |

1 Local Government Association Analysis and Research (2008) Local Government Earnings Survey 2007, Local Government Analysis and Research, London.

2 von Abendorff, R., Challis, D. & Netten, A. (1995) Case managers, key workers and multidisciplinary teams, PSSRU Discussion Paper 1038, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

5 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.

6 Local Government Employers (2007) Local Government Sickness Absence Levels and Causes Survey 2006-2007, Local Government Association, London.

7 Weinberg, A., Williamson, J., Challis, D. & Hughes, J. (2003) What do Care Managers do? – A study of Working Practice in Older Peoples' Services, *British Journal of Social Work*, 33, 901–919.

## 9.8 Family support worker

A study was conducted on family support workers working with carers of people with schizophrenia to investigate the outcomes of a training scheme on costs.[1]

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £21,296 per year | Information taken from the Local Government Earnings Survey 2007showed that the mean salary for a family support worker was £21,296.[2] |
| B. Salary oncosts | £5,211 per year | Includes employers' national insurance plus employers' contribution to superannuation (17.7 per cent). |
| C. Training | £2,179 per year | 1996/1997 costs inflated by the PSS Pay and Prices Index. The training consisted of 12 day sessions attended by 14 FSWs.[3] The costs included the payments to trainers and their expenses, accommodation in which the training took place and lunches. Allowance was made for the opportunity cost of the FSW's time which otherwise could have been spent delivering the service. It was assumed that two years was the expected length of time over which the training package would deliver. Half the staff left during the second year so the total number of 'trained years' that were delivered from the course was 21. This initial investment was annuitised over two years and allowed for drop outs to reach an annual cost of £2,179. |
| D. Overheads | £7,709 per year | 1996/1997 costs inflated by the PSS Pay and Prices Index. Office, travel, clerical support and supervision costs were categorised under the general heading of overheads. |
| Working time | 41.7 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 statutory leave days.[4] Five days for study/ training and 9.6 days sick leave per annum have been assumed. [5] Unit costs are based on 1563 hours per annum. |
| *Ratios of direct to indirect time on: client related work* | 1:0.7 | Direct contact with clients, including practical support, emotional support and time spent in support groups, occupied 59 per cent of their time. The rest of the time was spent on liaison with other agencies (13 per cent), travelling (14 per cent), staff development (5 per cent) and administration and other (9 per cent). |
| London multiplier | 1.16 x A | Relative London costs are drawn from the same source as the base data. |
| **Unit costs available 2007/2008 (costs including training given in brackets)** | | |
| £22 (£23) for a basic hour; £37 (£40) per hour of client related work. | | |

1 Davies, A., Huxley, P., Tarrier, N. & Lyne, D. (2000) *Family Support Workers of Carers of People with Schizophrenia*, University of Manchester and Making Space.

2 Local Government Association Analysis and Research (2008) Local Government Earnings Survey 2007, Local Government Analysis and Research, London.

3 Netten, A. (1999) Family support workers: costs of services and informal care, PSSRU Discussion Paper 1634, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Department of Health, Social Services and Public Safety (2003) *The New NHS/HPSS Pay System, An Overview*, March 2003, Department of Health, Social Services and Public Safety, London.

5 Local Government Employers (2007) Local Government Sickness Absence Levels and Causes Survey 2006-2007, Local Government Association, London.

# 10. Health and social care teams

10.1 NHS community mental health team (CMHT) worker for older people (OP) with mental health problems

10.2 Community mental health team for adults with mental health problems

10.3 Crisis Resolution Teams for adults with mental health problems

10.4 Assertive Outreach Teams for adults with mental health problems

10.5 Early Intervention Teams for adults with mental health problems

10.6 Generic single disciplinary CAMHS teams

10.7 Generic multi-disciplinary CAMHS teams

10.8 Dedicated CAMHS teams

10.9 Targeted CAMHS teams

10.10 Counselling services in primary medical care

# 10.1 NHS community mental health team (CMHT) worker for older people (OP) with mental health problems

The information in the schema was taken from the Older People's Mental Health Mapping framework. [1] The majority of CMHT (OP) are used by older people aged 65 and over with dementia and depression. They do also provide services for older people with learning disabilities although the numbers are few. The work of a CMHT (OP) relies on the provision of a range of care settings i.e: acute physical and mental health inpatient care, rehabilitation services, day services, respite facilities.[2] Costs are based on data received by 491 service providers from 154 local implementation authorities. There is an average of 11 care staff per team.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £28,397 per year | Based on median salaries for Agenda for Change (AfC) bands.[3] Weighted to reflect input of community nurses (43 per cent), social workers/approved social workers (12 per cent), consultants (6 per cent) and others. Weighted average salaries for each type of worker were multiplied by the proportion of that type of worker in the team to produce a generic CMHT (OP) worker salary. [1] |
| B. Salary oncosts | £6,727 per year | Based on employers' national insurance contribution and employers' superannuation at 14 per cent for NHS employees and 17.7 per cent for local authority workers. |
| C. Qualifications | | Information not available for all care staff. |
| *D. Overheads:*<br>Direct and indirect | £7,497 per year | Comprises £2,961 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. |
| E. Capital overheads | £2,573 per year | Based on the new build and land requirements of an NHS office and shared facilities for waiting, interviews and clerical support. [4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.40 per visit | Taken from Netten and inflated using the retail price index.[6] |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 statutory leave days. Twelve days sickness leave and 5 study/training days are assumed. [7,8] Based on 1547 working hours. |
| *Ratios of direct to indirect time on:*<br>client-related work<br>direct outputs<br><br><br>face-to-face contact | <br>1:0.3<br>1:0.85<br><br><br>1:2.45 | Ratios are used to estimate the full cost of direct and indirect time required to deliver each output.<br>A study[9] found that 77 per cent of time was spent on all client-related work.<br>Fifty-four per cent of time was spent on activities which generated direct outputs for clients either in the form of face-to-face contact or service liaison on their behalf.<br>Direct face-to-face contact is not a good indicator of input to clients, but it is often the only information available. The study found that direct face-to-face contact with clients and carers occupied 29 per cent of working time. |
| Frequency of visits<br>Length of visits | 8<br>60 minutes | Average number of visits per week per worker.<br>Average length of visits overall in teams. |
| Caseload per CMHT | 27 cases per care staff | Based on mental health combined mapping data.[1] In 2007/08 there were 301 cases per service and 27 cases per year per generic CMHT. |
| London multiplier | 1.19 x (A to B)<br>1.45 x E | Allows for higher costs associated with working in London. [4,5,10] |
| Non-London multiplier | 0.97 x (A to B)<br>0.97 x E | Allows for lower costs associated with working outside London. [4,5,10] |
| **Unit costs available 2007/2008** | | |
| £29 per hour; £38 per hour of client-related work; £54 per hour of direct output activity; £101 per hour of face to face contact; £1,674 average cost per case per team member per annum. | | |


1 Care Services Improvement Partnership, Mental Health Strategies (2007) Combined Mapping Framework, http//www.mhcombinedmap.org/reports/aspx.

2 Lingard, J. & Milne, A. (2004) Commissioned by the Children, Older People & Social Care Policy Directorate, Integrating Older People's Mental Health Services, Community Mental Health Teams for Older People. http://www.olderpeoplesmentalhealth.csip.org.uk/silo/files/integrating-opmh-services.pdf

3 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 Netten, A. (1992) Some cost implications of caring for people: interim report, PSSRU Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.

7 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

8 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

9 von Abendorff, R., Challis, D. & Netten, A. (1995) Case managers, key workers and multidisciplinary teams, PSSRU Discussion Paper 1038, Personal Social Services Research Unit, University of Kent, Canterbury.

10 Based on personal communication with the Department of Health (2008).

## 10.2 Community mental health team for adults with mental health problems

Community Mental Health Teams (CMHTs) are a central component of most local services for people with mental health problems. Composed of professionals from a wide range of disciplines, they are intended to provide an effective local mental health service that prioritises those whose problems are severe and long-term.[1]

This year information has been taken from the mental health combined mapping website[2] and is based on data received from 787 service providers from 154 Local Implementation Authorities. There is an average of 15 care staff per team. Using reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072), the mean average cost for a community mental health team for adults with mental health problems in 2007 was £128 per team contact and the minimum range for 25 per cent of services was £108 and the maximum £159. Costs have been uprated using the HCHS Pay and Prices Inflator.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £25,726 per year | Based on median salaries for Agenda for Change (AfC) bands.[3] Weighted to reflect input of community nurses (31 per cent), social workers/approved social workers (18 per cent), consultants (6 per cent) OTs and physiotherapists (5 per cent), carer support (5 per cent) and others. Weighted average salaries for each type of worker were multiplied by the proportion of that type of worker in the team to produce a generic CMHT worker salary.[2] |
| B. Salary oncosts | £4,852 per year | Based on employers' national insurance contribution, and employers' superannuation at 14 per cent for NHS employees and 17.7 per cent for local authority workers. |
| C. Qualifications | | Information not available for all care staff. |
| *D. Overheads:*<br>Direct and indirect<br>Administrative and management costs | <br>£5,198 per year<br>£5,020 per year | Regional health authority overheads estimated to be 17 per cent of total salary costs.[2]<br>Based on the Adult Mental Health Service Mapping data and national salary for a grade 6 administrative and clerical staff worker.[2,3] |
| E. Capital overheads | £2,573 per year | Based on the new build and land requirements of an NHS office and shared facilities for waiting, interviews and clerical support.[4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.40 per visit | Taken from Netten[6] and inflated using the retail price index. |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 statutory leave days. Twelve days sickness leave and 5 study/training days are assumed. [7,8] Based on 1547 working hours. |
| *Ratio of direct to indirect time on:*<br>patient-related work<br>face-to-face contact | <br>1:0.28<br>1:1.50 | Estimates on patient-related activity were taken from Jackson et al. who studied patterns of work in a CMHT.[9] Patient-related work took 78 per cent, and face-to-face contact 40 per cent of time overall. |
| Caseload per CMHT | 25 cases per CMHT | Based on mental health combined mapping data.[1] Caseload data for 2007/08 was 379 cases per service and 25 cases per year per generic CMHT. |
| London multiplier | 1.19 x (A to B)<br>1.45 x E | Allows for higher costs associated with working in London. [3,4,10] |
| Non-London multiplier | 0.97 x (A to B)<br>0.97 x E | Allows for the lower costs associated with working outside London. [3,4,10] |
| **Unit costs available 2007/2008** | | |
| £28 per hour; £36 per hour of client-related work; £70 per hour of face to face contact; £1,735 average cost per case per team member per year. | | |


1 Onyett, S., Pillinger, T. & Muijen, M. (1995) *Making Community Mental Health Teams Work,* The Sainsbury Centre for Mental Health, London.

2 Care Services Improvement Partnership, Mental Health Strategies (2007) Combined Mapping Framework, http//www.mhcombinedmap.org/reports/aspx.

3 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 Netten, A. (1992) Some cost implications of Caring for People: interim report, PSSRU Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.

7 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

8 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

9 Jackson, G., Percival, C., Gater, R. & Goldberg, D. (1996) Patterns of work in a multidisciplinary community mental health team, unpublished.

10 Based on personal communication with the Department of Health (2008).

## 10.3 Crisis Resolution Teams for adults with mental health problems

Crisis Resolution is an alternative to inpatient hospital care for service users with serious mental illness, offering flexible, home-based care, 24 hours a day, seven days a week. The main target group will usually be adults between 16-65 years of age, whose mental health problems are of such severity that they are at risk of requiring psychiatric hospitalisation. This year information has been taken from the mental health combined mapping website[1] and is based on data received from 281 service providers from 154 LITs Local Implementation Authorities. There is an average of 16 care staff per team. Using reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072), the mean average cost for a crisis resolution team for 2007 was £198 per team contact and the minimum range for 25 per cent of services was £155 and the maximum £289. Costs have been uprated using the HCHS Pay and Prices Inflator.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £25,612 per year | Based on median salaries for Agenda for Change (AfC) bands.[2] Weighted average salaries for each type of worker were multiplied by the proportion of that type of worker in the team to produce a generic Crisis Resolution worker salary. Teams included medical staff, nurses, psychologists, social workers, social care and other therapists. [1] |
| B. Salary oncosts | £5,769 per year | Based on employers' national insurance contribution, and employers' superannuation at 14 per cent for NHS employees and 17.7 per cent for local authority workers. |
| C. Training | | No costs available. Crisis resolution work involves a major re-orientation for staff who have been accustomed to working in different ways. |
| *D. Overheads*<br>Direct and Indirect<br>Administrative and Management costs | <br>£5,335 per year<br>£3,028 per year | <br>Minghella (Minghella et al., 1998) estimated overheads for a crisis service to be 17 per cent of total salary costs.[3]<br>Based on the Adult Mental Health Service Mapping data.[1,2] |
| E. Capital overheads | £2,573 per year | Based on the new build and land requirements of an NHS office and shared facilities for waiting, interviews and clerical support.[4,5] Costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Minghella[1] estimated capital costs to be 6 per cent of total costs. |
| Working hours of team members | 41.3 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 statutory leave days. Twelve days sickness leave and 5 study/training days are assumed. [6,7] Based on 1547 working hours. Weighted to reflect team composition. |
| Service hours | 24 hours per day<br>7 days per week | Based on The Sainsbury Centre for Mental Health, 2001.[3] In general, the team should operate seven days a week, 24 hours per day throughout the year. This can be done if two shifts a day are scheduled for mornings and afternoons. |
| Length of episode | 27 days | The National Survey reported that 27 days was the average length of involvement. The mean longest time that teams stay involved is 75.6 days.[8] |
| Caseload | 32 cases per service<br>2 cases per care staff | Based on mental health combined mapping data[1] Caseload data for 2007/08 was 32 cases per service and 2 cases per year per Crisis Resolution team member. |
| London multiplier | 1.19 x (A to B)<br>1.39 x E | Allows for higher costs associated with working in London. [4,5,9] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x E | Allows for lower costs associated with working outside London.[4,5,9] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £27 per hour; £42,317 annual cost of team member; £21,159 average cost per case per year per team member. | | |

1 Care Services Improvement Partnership, Mental Health Strategies (2007) Combined Mapping Framework, http//www.mhcombinedmap.org/reports/aspx.

2 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

3 The Sainsbury Centre (2001) *Mental Health Topics, Crisis Resolution*, The Sainsbury Centre for Mental Health, London.

4 Building Cost Information Service (2008) *Surveys of Tender Prices, March*, BCIS Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

7 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

8 Onyett, S., Linde, K., Glover, G. et al. (2007) *Crisis Resolution and Inpatient Mental Health Care in England*, University of Durham.

9 Based on personal communication with the Department of Health (2008).

## 10.4 Assertive Outreach Teams for adults with mental health problems

Assertive Outreach Teams provide intensive support for severely mentally ill people who are 'difficult to engage' in more traditional services. The approach is characterised by work with clients in their own environment, wherever that may be.[1] This year information has been taken from the mental health combined mapping website[2] and is based on data received from 248 service providers from 154 LITs Local Implementation Authorities. There is an average of 10 care staff per team.

Using reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072), the mean average cost for an Assertive Outreach team contact for 2007 was £126 with the minimum range for 25 per cent of services being £101 and the maximum £152. Costs have been uprated using the HCHS Pay and Prices Inflator.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £30,556 per year | Based on median salaries for Agenda for Change (AfC) bands.[3] Weighted average salaries for each type of worker were multiplied by the proportion of that type of worker in the team to produce a generic Assertive Outreach Team worker salary. Teams included doctors, nurses, psychologists, social workers, social care, other therapists and volunteers. [2] |
| B. Salary oncosts | £7,062 per year | Based on employers' national insurance contribution, and employers' superannuation at 14 per cent for NHS employees and 17.7 per cent for local authority workers. |
| *C. Overheads*<br>Direct and Indirect<br>Administrative and Management costs | £6,395 per year<br>£3,784 per year | Regional health authority overheads estimated to be 17 per cent of total salary costs.[4] Based on the Adult Mental Health Service Mapping data. [2,3] |
| D. Capital overheads | £2,573 per year | Based on the new build and land requirements of an NHS office and shared facilities.[5,6]Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Ratio of direct contact to total contact time: face-to-face contacts | 1:0.48 | Of the assertive outreach team contacts, 68 per cent were face to face with the patient, 13 per cent were by telephone, 11 per cent of all attempts at contact ended in failure and a further 6 per cent involved contact with the carer (face to face or by phone). Of the face to face contacts with patients, 63 per cent took place in the patient's home or neighbourhood, 27 per cent in service settings and 10 per cent in other settings.[7] |
| Working hours of team members | 41.3 weeks per annum<br>37.5 hrs per week | Includes 29 days annual leave and 8 statutory leave days. Twelve days sickness leave and 5 study/training days are assumed. [8,9] Based on 1547 working hours. Weighted to reflect team composition. |
| Service hours | 24 hours per day | Working hours of most services are flexible, although 24 hour services are rare. |
| Length of contact | 30 minutes | Median length of contact. Assertive outreach staff expect to see their clients frequently and to stay in contact, however difficult that may be. Typically studies have shown that at least 95 per cent of clients are still in contact with services even after 18 months.[10] There is intensive frequency of client contact ideally an average of four or more contacts per week with each client. |
| Caseload | 66 cases per service<br>7 cases per care staff | Based on mental health combined mapping data.[2] Caseload data for 2007/08 was 66 cases per service and 7 cases per year per Assertive Outreach team member. |
| London multiplier | 1.19 x (A to B)<br>1.39 x E | Allows for the higher costs associated with working in London. [5,6,11] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x E | Allows for lower costs associated with working outside London.[5,6,11] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £33 per hour; £48 per hour of patient contact; £50,370 annual cost of team member; £7,196 average cost per case per team member; | | |

1 The Sainsbury Centre for Mental Health (2001) *Mental Health Topics, Assertive Outreach*, The Sainsbury Centre for Mental Health, (updated 2003), London.

2 Care Services Improvement Partnership, Mental Health Strategies (2007) Combined Mapping Framework, http//www.mhcombinedmap.org/reports/aspx.

3 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

4 Onyett, S. et al. (1995) *Making Community Mental Health Teams Work*, The Sainsbury Centre for Mental Health, London.[4]

5 Building Cost Information Service (2008) *Surveys of Tender Prices, March*, BCIS Royal Institution of Chartered Surveyors, London.[5]

6 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

7 Wright, C. et al. (2003) Assertive outreach teams in London: models of operation, *British Journal of Psychiatry*, 183, 2, 132-138.[7]

8 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

9 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

10 http://www.iris-initiative.org.uk/assertiveoutreach.hmt.

11 Based on personal communication with the Department of Health (2008).

## 10.5 Early Intervention Teams for adults with mental health problems

Early intervention is a service for young people aged 14-35 during the first three years of a psychotic illness. They provide a range of services, including anti-psychotic medications and psycho-social interventions, tailored to the needs of young people with a view to facilitating recovery.[1] Early Intervention Teams go to see the client in his or her environment. This year information has been taken from the mental health combined mapping website[2] and is based on data received from 150 service providers from 118 Local Implementation Authorities. There is an average of eight care staff per team. Using reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_074072), the mean average cost for an Early Intervention team contact for 2007 was £205 with the minimum range for 25 per cent of services being £159 and the maximum £275. Costs have been uprated using the HCHS Pay and Prices Inflator.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £26,273 per year | Based on median salaries for Agenda for Change (AfC) bands.[3] Weighted average salaries for each type of worker were multiplied by the proportion of that type of worker in the team to produce a generic Assertive Outreach Team worker salary. The teams included doctors, nurses, psychologists, social workers, social care, other therapists and volunteers. Loss of earnings based on the minimum wage has been assumed for volunteers.[2] |
| B. Salary oncosts | £5,991 per year | Based on employers' national insurance contribution, and employers' superannuation at 14 per cent for NHS employees and 17.7 per cent for local authority workers. |
| C. Training | | There are a number of places across England. The Sainsbury Centre for Mental Health runs a part-time post graduate certificate (EIP) over a one year period which includes 20 days of teaching.[4] |
| *D. Overheads*<br>direct and indirect administrative and management costs | £5,485 per year<br><br>£3,175 per year | Regional health authority overheads estimated to be 17 per cent of total salary costs.[5]<br><br>Based on the Adult Mental Health Service Mapping data.[3] |
| E. Capital overheads | £2,573 per year | Based on the new build and land requirements of an NHS office and shared facilities.[6,7] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time per staff member | 41.3 wks per year<br>37.5 hrs per week | Includes 29 days annual leave and 8 statutory leave days. Twelve days sickness leave and 5 study/training days are assumed. [8,9] Based on 1547 working hours. Weighted to reflect team composition. |
| Service hours | | Teams tend to operate 9.00 – 5.00 office hours but some flexibility is being planned. |
| Case load | 60 cases per service<br>8 cases per care staff | Based on mental health combined mapping data. [2] Caseload data for 2007/08 was 60 cases per service and 8 cases per Early Intervention team member. |
| *Ratio of direct to indirect time on:*<br>face-to-face contacts<br>Patient contact | | No information available |
| London multiplier | 1.19 x (A to B)<br>1.39 x E | Allows for higher costs associated with working in London. [6,7,10] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x E | Allows for lower costs associated with working outside London. [6,7,10] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £28 per hour. £43,496 annual cost of team member; £5,437 cost per case per team member. | | |

1 The Sainsbury Centre for Mental Health (2003) *A Window of Opportunity: A Practical Guide for Developing Early Intervention in Psychosis Services, Briefing 23,* The Sainsbury Centre for Mental Health, London.

2 Care Services Improvement Partnership, Mental Health Strategies (2007) Combined Mapping Framework, http//www.mhcombinedmap.org/reports/aspx.

3 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

4 The Sainsbury Centre for Mental Health (2004) Postgraduate Certificate in Early Intervention for Psychosis.

5 Onyett, S. et al. (1995) *Making Community Mental Health Teams Work*, The Sainsbury Centre for Mental Health, London.

6 Building Cost Information Service (2008) *Surveys of Tender Prices, March*, BCIS Royal Institution of Chartered Surveyors, London.

7 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

8 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

9 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

10 Based on personal communication with the Department of Health (2008).

## 10.6 Generic single disciplinary CAMHS teams

These teams are staffed by only one clinical profession and provide services for children and young people with particular problems requiring particular types of intervention and within a defined geographical area.[1] The information is taken from the Child Health CAMHS and Maternity Mapping database and is based on returns from 2,094 teams.[2]

The staff of these teams were almost exclusively clinical psychologists, educational psychologists and other therapists. The exceptions were teams of primary mental health workers giving a focus on provision of psychological therapies. There were returns from 58 generic single disciplinary teams with an average staff ratio of 4.27 WTE per team (excluding administrative staff and managers). Costs have been uprated to 2007/2008 price levels using the appropriate inflators.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary plus oncosts | £41,069 per year | Average salary for single generic team member based on National Child and Adolescent Mental Health Service Mapping data and median salaries for Agenda for Change (AfC) bands.[2,3] |
| *B. Overheads:*<br>Direct<br>Travel, training, drugs and equipment costs | £2,513 per year | Average overheads per team based on National Child and Adolescent Mental Health Service Mapping data.[2] Overheads include travel, training, drugs and equipment costs and other costs directly attributable to the team. |
| Managers and administrative staff | £5,499 per year | The National Child and Adolescent Mental Health Service Mapping data shows that the ratio of management/administrative staff to care per team is 1:4.03.[2] Salary is weighted to take account of the ratio of managers to administrative staff based on the mean salaries of bands 8a and 4 of the NHS Staff Earnings Estimates.[3] |
| C. Capital overheads | £2,573 per year | Based on the new build and land requirements of an NHS office and shared facilities. [4,5]<br>Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Based on the assumption that each team has one shared office. |
| Working time | 42 wks per year<br>37.5 hrs per week | Includes 29 days annual leave and 8 statutory leave days. Twelve days sickness leave and 5 study/training days are assumed. [6,7] Based on 1575 working hours. Weighted to reflect team composition. |
| *Ratio of direct to indirect time on:*<br>*patient related work*<br>face to face contact | <br>1:0.63<br>1:1.06 | Information taken from National Child and Adolescent Mental Health Service Mapping data. Staff activity was reported at the team level by Strategic Health Authority (SHA) averaging as follows: education and training (9 per cent), research and evaluation (5 per cent), admin and management (23 per cent), consultation and liaison (13 per cent) and clinical (49 per cent). |
| *Length of episode* | | 26 per cent of cases lasted for 4 weeks or less, 25 per cent for 13 weeks or less, 18 per cent for 26 weeks or less, 16 per cent for 52 weeks or less and 15 per cent for more than 52 weeks. |
| *Caseload per team* | 74 cases per team | Based on 58 teams and a caseload of 4,266.[2] |
| London multiplier | 1.19 x A<br>1.39 x C | Allows for higher costs associated with working in London. [4,5,8] |
| Non-London multiplier | 0.97 x A<br>0.96 x C | Allows for lower costs associated with working outside London. [4,5,8] |
| **Unit costs available 2007/2008** | | |
| £33 per hour per team member; £53 per hour per patient related activity; £68 per hour per team member face to face contact; £2,981 average cost per case per team | | |

1 Young Minds (2001) *Guidance for Primary Care Trusts, Child and Adolescent Mental Health: Its Importance and How to Commission a Comprehensive Service, Appendix 3: Key Components, Professionals and Functions of Tiered Child and Adolescent Mental Health Services*, Child and Adolescent Mental Health Services, http://www.youngminds.org.uk/pctguidance/app3.php.

2 Child Health CAMHS and Maternity Mapping (2008) Durham University & Department of Health, http://www.childhealthmapping.org.uk.

3 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

4 Building Cost Information Service (2008) *Surveys of Tender Prices, March*, BCIS Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

7 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

8 Based on personal communication with the Department of Health (2008).

## 10.7 Generic multi disciplinary CAMHS teams

The CAMHS Service Mapping data is based on returns from 2,094 teams and multi-disciplinary teams made up 57 per cent of the workforce.[1] There were 485 generic teams of which 427 were multi disciplinary. Generic teams provide the backbone of specialist CAMHS provision ensuring a range of therapeutic interventions were available to children, young people and families locally. Multi disciplinary generic teams, as the name implies, were largely staffed by a range of mental health professionals. The average size of multi disciplinary teams was 10.7 wte. (excluding administrative staff and managers). Costs have been uprated to 2007/2008 price levels using the appropriate inflators.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary plus oncosts | £66,389 per year | Average salary plus oncosts for a generic multi-disciplinary team member based on National Child and Adolescent Mental Health Service Mapping data and median salaries for Agenda for Change (AfC) bands. [2,3]The teams (excluding administrative and unqualified staff) included nurses (22 per cent), doctors (18 per cent), social workers (9 per cent), clinical psychologists (15 per cent), child psychotherapists (5 per cent), occupational therapists (2 per cent), mental health workers (10 per cent), family therapists (5 per cent), educational psychologists (1 per cent) and other qualified therapists and care staff (13 per cent).[1] |
| *B. Overheads:*<br>Direct<br><br>Indirect | <br>£4,427 per year<br><br>£5,540 per year | Average overheads per team based on National Child and Adolescent Mental Health Service Mapping data.[1] Overheads include travel, training, drugs and equipment costs and other costs directly attributable to the team. The National Child and Adolescent Mental Health Service Mapping data shows that the ratio of care staff to management/administrative staff per team is 1:3.44. Salary is weighted to take account of the ratio of managers to administrative staff based on spinal points 36 and 18 of the national average salaries. |
| C. Capital overheads | £2,573 per year | Based on the new build and land requirements of an NHS office and shared facilities [3,4]<br>Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Based on the assumption that each team has one shared office. |
| Working time | 42 weeks per year<br>45.73 hours per week | Includes 29 days annual leave, 8 statutory leave days and 12 days sickness leave.[5,6] Assumes 6 study/training days.<br>Working hours weighted to reflect team composition. Unit costs based on 1,933 hours working hours per year. |
| *Ratio of direct to indirect time on:*<br>patient related work<br>*face to face contact* | <br>1:0.63<br>1:1.06 | Information taken from National Child and Adolescent Mental Health Service Mapping data. Staff activity was reported at the team level by Strategic Health Authority (SHA) averaging as follows: education and training (9 per cent), research and evaluation (5 per cent), admin and management (23 per cent), consultation and liaison (13 per cent) and clinical (49 per cent). |
| *Length of episode*<br>(All CAMHS teams) | | 19 per cent of cases lasted for 4 weeks or less, 21 per cent for 13 weeks or less, 19 per cent for 26 weeks or less, 17 per cent for 52 weeks or less and 25 per cent for more than 52 weeks. |
| Caseload *per team* | 168 cases per team | Based on 485 teams and 81,632 cases.[1] |
| London multiplier | 1.19 x A<br>1.39 x C | Allows for higher costs associated with working in London. [2,3,7] |
| Non-London multiplier | 0.97 x A<br>0.96 x C | Allows for lower costs associated with working outside London. [2,3,7] |
| **Unit costs available 2007/2008** | | |
| £41 per hour per team member; £66 cost per hour per team member for patient related activities; £84 cost per hour per team member for face to face contact; £5,027 average cost per case per team. | | |

1 Child Health CAMHS and Maternity Mapping (2008) Durham University & Department of Health, http://www.childhealthmapping.org.uk.

2 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

3 Building Cost Information Service (2008) *Surveys of Tender Prices, March*, BCIS Royal Institution of Chartered Surveyors, London.[3]

4 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

5 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

6 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

7 Based on personal communication with the Department of Health (2008).

## 10.8 Dedicated CAMHS teams

Dedicated workers are fully trained child and adolescent mental health professionals who are out-posted in teams that are not specialist CAMHS teams but have a wider function, such as a youth offending team or a generic social work children's team.

The information is based on National Child and Adolescent Mental Health Service Mapping data and returns from 1,047 teams.[1] There were returns from 139 dedicated teams with an average staff ratio of 2.06 WTE per team (excluding administrative staff and managers). Costs have been uprated to 2007/2008 price levels using the appropriate inflators.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary plus oncosts | £37,471 per year | Average salary plus oncosts for a team member working in a dedicated team based on National Child and Adolescent Mental Health Service Mapping data[1] and on the 128 dedicated teams. Salaries are based on median salaries for Agenda for Change (AfC) bands. [2] The teams included nurses (27 per cent), doctors (3 per cent), clinical psychologists (16 per cent), educational psychologists (3 per cent), social workers (6 per cent) child psychotherapists (2 per cent), mental health workers (28 per cent) and other therapists and care staff (15 per cent). [1] |
| *B. Overheads:*<br>Direct<br>Travel, training, drugs and equipment costs | £3,075 per year | Average overheads per team based on National Child and Adolescent Mental Health Service Mapping data.[1] Overheads include travel, training, drugs and equipment costs and other costs directly attributable to the team. |
| Managers and administrative staff:<br>Direct | £4,078 per year | The National Child and Adolescent Mental Health Service Mapping data shows that the ratio of management/administrative staff to care per team is 1:6.4. Salary is weighted to take account of the ratio of managers to administrative staff based on spinal points 36 and 18 of the national average salaries. |
| C. Capital overheads | £2,573 per year | Based on the new build and land requirements of an NHS office and shared facilities.[3,4] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Based on the assumption that each team has one shared office. |
| Working time | 42 weeks per year<br>37.7 hours per week | Includes 29 days annual leave and 8 statutory leave days.[2] Assumes 6 study/ training days, and 8 days sickness leave. Working hours weighted to reflect team composition. Based on 1,586 hours working hours per year. |
| *Ratio of direct to indirect time on:*<br>*patient related work*<br>*face to face contact* | <br>1:0.63<br>1:1.06 | Information taken from National Child and Adolescent Mental Health Service Mapping data. Staff activity was reported at the team level by Strategic Health Authority (SHA) averaging as follows: education and training (9 per cent), research and evaluation (5 per cent), admin and management (23 per cent), consultation and liaison (13 per cent) and clinical (49 per cent). |
| *Length of episode* | | 30 per cent of cases lasted for 4 weeks or less, 30 per cent for 13 weeks or less, 19 per cent for 26 weeks or less, 11 per cent for 52 weeks or less and 10 per cent for more than 52 weeks. |
| *Caseload* | 28 cases per team | Based on 139 teams and 3,868 cases.[1] |
| London multiplier | 1.19 x A | Allows for higher costs associated with working in London. [3,4,5] |
| Non-London multiplier | 0.97 x A | Allows for lower costs associated with working outside London. [3,4,5] |
| **Unit costs available 2007/2008** | | |
| £30 per hour per team member; £49 per hour of patient related activity, £61 per hour of face to face contact, £3,472 average cost per case per team. | | |

1 Child Health CAMHS and Maternity Mapping (2008) Durham University & Department of Health, http://www.childhealthmapping.org.uk.

2 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

3 Building Cost Information Service (2008) Surveys of Tender Prices, March, BCIS Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

5 Based on personal communication with the Department of Health (2008).

## 10.9 Targeted CAMHS teams

These teams provide services for children and young people with particular problems or for those requiring particular types of therapeutic interventions. The information is based on National Child and Adolescent Mental Health Service Mapping data and returns from 1,047 teams.[1] There were returns from 314 targeted teams with an average staff ratio of 4.5 WTE per team (excluding administrative staff and managers). Costs have been uprated to 2007/2008 price levels using the appropriate inflators.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary plus oncosts | £43,120 per year | Average salary for a team based on National Child and Adolescent Mental Health Service Mapping data.[1] Salaries are based on median salaries for Agenda for Change (AfC) bands. [2] Teams included nurses (20 per cent), doctors (6 per cent), social workers (15 per cent), clinical psychologists (22 per cent), educational psychologists (1 per cent), Child psychotherapists (3 per cent), family therapists (4 per cent) and other therapists and care staff (29 per cent). [1] |
| *B. Overheads:*<br>Direct<br>Travel, training, drugs and equipment costs | £3,113 per year | Average overheads per team based on National Child and Adolescent Mental Health Service Mapping data.[1] Overheads include travel, training, drugs and equipment costs and other costs directly attributable to the team. |
| Managers and administrative staff | £3,602 per year | The National Child and Adolescent Mental Health Service Mapping data shows that the ratio of management/administrative staff to care staff per team is 1:5.14. Salary is weighted to take account of the ratio of managers to administrative staff based on spinal points 36 and 18 of the national average salaries. |
| C. Capital overheads | £2,573 per year | Based on the new build and land requirements of an NHS office and shared facilities.[3,4] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. Based on the assumption that each team has one shared office. |
| Working time | 42 weeks per year<br>37.9 hours per week | Includes 29 days annual leave and 8 statutory leave days. Assumes 6 study/ training days, and 8 days sickness leave. Working hours weighted to reflect team composition. Unit Costs based on 1,599 hours working hours per year. |
| Ratio of direct to indirect time on:<br>patient related work<br>face to face contact | 1:0.63<br>1:1.06 | Information taken from National Child and Adolescent Mental Health Service Mapping data. Staff activity was reported at the team level by Strategic Health Authority (SHA) averaging as follows: education and training (9 per cent), research and evaluation (5 per cent), admin and management (23 per cent), consultation and liaison (13 per cent) and clinical (49 per cent). |
| *Length of episode* | | 22 per cent of cases lasted for 4 weeks or less, 24 per cent for 13 weeks or less, 18 per cent for 26 weeks or less, 16 per cent for 52 weeks or less and 20 per cent for more than 52 weeks. |
| *Caseload* | 46 cases per team | Based on 314 teams and 14,390 cases.[1] |
| London multiplier | 1.19 x A | Allows for higher costs associated with working in London. [3,4,5] |
| Non-London multiplier | 0.97 x A | Allows for lower costs associated with working in London. [3,4,5.] |
| **Unit costs available 2007/2008** | | |
| £33 per hour per team member; £53 cost per hour per team member for patient related activities; £68 cost per hour per team member for face to face contact; £5,127 average cost per case per team. | | |

1 Child Health CAMHS and Maternity Mapping (2008) Durham University & Department of Health, http://www.childhealthmapping.org.uk.

2 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

3 Building Cost Information Service (2008) Surveys of Tender Prices, March, BCIS Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

5 Based on personal communication with the Department of Health (2008).

## 10.10 Counselling services in primary medical care

Counselling may be concerned with addressing and resolving specific problems, making decisions, coping with crises, working through conflict, or improving relationships with others. The work of most counsellors in primary care is generalist and is not necessarily linked to any diagnostic categories. In generic counselling, a broad range of techniques is used to help the patient. In specific counselling, a specific model such as psycho dynamic counselling or bereavement counselling is used.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £34,300 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 7 of the October-December 2007 NHS Staff Earnings estimates. [1] Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £36,900. See Preface for further information and page 2 for information on mean salaries. |
| B. Salary oncosts | £7,357 per year | Employers' national insurance plus 14 per cent of salary to employers' superannuation. |
| *C. Overheads:* Direct | £4,136 per year | Ten per cent of salary costs added for equipment, management and administrative overheads. |
| D. Capital overheads | £1,288 per year | Based on new build and land requirements for a practice nurse non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. [2] |
| E. Travel | | No information available. |
| *Ratio of direct to indirect time on:* client contact | 1:0.30 | A study of nine practices found that on average each session lasted 55 minutes and the mean number of sessions was 7 (median 6).[3] Seventy-seven per cent of the time was spent on face-to-face contact and 23 per cent of the time on other work. |
| Consultations: | 96.6 minutes<br>29.7 minutes<br>34 minutes. | Average length of surgery consultation. [4]<br>Average length of telephone consultation. [4]<br>Average length of home visit.[4] |
| Working time | 42 weeks per year<br>37.5 hours per week | Each practice in the study employed counsellors for between 6 and 49 hours per week. Based on working hours of 1,535 hours per year. |
| **Unit costs available 2007/2008** | | |
| £31 per hour (includes A to D); £40 per hour of client contact (included A to D); £64 per surgery consultation. | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

3 Simpson, S., Corney, R., Fitzgerald, P. & Beecham, J. (2000) *A Randomised Controlled Trial to Evaluate the Efficacy and Cost-Effectiveness of Counselling with Patients with Chronic Depression*, Report to the NHS Health Technology Assessment Programme.

4 The Information Centre (2007) *2006/07 UK General Workload Survey, Primary Care Statistics*, The Information Centre, Leeds.

# IV. HOSPITAL-BASED HEALTH CARE STAFF

## 11. Scientific and professional

11.1 Hospital physiotherapist

11.2 Hospital occupational therapist

11.3 Hospital speech and language therapist

11.4 Dietitian

11.5 Radiographer

11.6 Hospital pharmacist

11.7 Clinical support worker higher level nursing (hospital)

## 11.1 Hospital physiotherapist

Using reference costs (http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_ 074072), the mean average cost for a non-consultant led follow-up attendance in 2007 was £34 with the minimum range for 25 per cent of services being £26 and the maximum £51. Costs have been uprated using the HCHS pay and prices inflator.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £22,900 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 5 of the October-December 2007 NHS Staff Earnings estimates. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £26,600.[1] See Preface for further information and page 168 for information on mean salaries. More specialist grades range from AfC band 6 to 8C for a Physiotherapist Specialist to Consultant. |
| B. Salary oncosts | £4,793 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,336 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[2] See schema 6.5 for more details on cost of qualifications. |
| D. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[3] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £5,076 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of both treatment and non-treatment space.[4,5] No allowance has been made for the cost of equipment. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £2.60 per visit | Based on expenditure provided by community trust. |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave [6] Assumes 5 study/training days and 12 days sickness leave.[7,8] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:*<br>patient contacts<br>clinic contacts<br>home visits | <br>1:0.54<br>1:0.46<br>1:0.96 | Assuming 10 per cent of time in patient's own home, 50 per cent in clinics, 5 per cent in other settings, 30 per cent on non-clinical activity and 5 per cent on travel. Information derived from consultation with NHS Trusts. |
| Length of contacts | 32.9 minutes<br>23.3 minutes<br>13.1 minutes | Surgery consultation.<br>Clinic consultations.<br>Telephone consultations.<br>All based on information taken from the 2006/07 General Practice Workload Survey. [9] |
| London multiplier | 1.19 x (A to B)<br>1.46 x E | Allows for the higher costs associated with London compared to the national average cost.[10] Building Cost Information Service and Department for Communities and Local Government.[4,5] |
| Non-London multiplier | 0.97 x (A to B)<br>0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost. [10] Building Cost Information Service and Department for Communities and Local Government.[4,5] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £23 (£26) per hour; £36 (£40) per hour of client contact; £34 (£38) per hour in clinic; £45 (£51) per hour in home visiting (includes A to E). Travel £2.60 per visit. | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

7 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

8 Williams, J. (1991) *Calculating Staffing Levels in Physiotherapy Services*, Pampas, Rotherham.

9 The Information Centre (2007) *2006/07 UK General Practice Workload Survey, Primary Care Statistics*, The Information Centre, Leeds.

10 Based on personal communication with the Department of Health (2008).

## 11.2 Hospital occupational therapist

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £22,900 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 5 of the October-December 2007 NHS Staff Earnings estimates. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £26,600.[1] More specialist grades range from AfC band 6 to 8B for a Occupational Therapist Specialist to Consultant (see page 168 for salary information).[2] |
| B. Salary oncosts | £4,793 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,171 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[3] See schema 6.5 for more details on cost of qualifications. |
| D. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[4] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £5,076 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of both treatment and non-treatment space.[5,6] No allowance has been made for the cost of equipment. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[7] Assumes 5 study/training days and 12 days sickness leave.[8] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:*<br>patient contacts | 1:0.67 | Assuming 60 per cent of time in clinics and 40 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.19 x (A to B)<br>1.29 x E | Allows for the higher costs associated with London compared to the national average cost.[9] Building Cost Information Service and Department for Communities and Local Government.[5,6] |
| Non-London multiplier | 0.97 x (A to B)<br>0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost.[9] Building Cost Information Service and Department for Communities and Local Government. [5,6] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £23 (£26) per hour; £38 (£43) per hour of client contact (includes A to E). | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 NHS Employers (2006) *Pay Circular (AfC) 1/2006. Pay and conditions for NHS staff covered by the Agenda for Change Agreement*, NHS Employers, London.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

7 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

8 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

9 Based on personal communication with the Department of Health (2008).

## 11.3 Hospital speech and language therapist

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £22,900 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 5 of the October-December 2007 NHS Staff Earnings estimates. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £26,600.[1] See Preface for further information and page 168 for information on mean salaries. More specialist grades range from AfC band 6 to 8C for a Specialist Speech and Language Therapist to Consultant (see page 168 for salary information).[2] |
| B. Salary oncosts | £4,793 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,379 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[3] See schema 6.5 for more details on cost of qualifications. |
| D. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[4] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £4,994 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of both treatment and non-treatment space.[5,6] No allowance has been made for the cost of equipment. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41.3 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[7] Assumes 5 study/ training days and 12 days sickness leave.[8] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:* patient contacts | 1:0.67 | Assuming 60 per cent of time in clinics and 40 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.19 x (A to B) 1.30 x E | Allows for the higher costs associated with London compared to the national average cost.[9] Building Cost Information Service and Department for Communities and Local Government.[5,6] |
| Non-London multiplier | 0.97 x (A to B) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost.[9] Building Cost Information Service and Department for Communities and Local Government.[5,6] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £23 (£26) per hour; £38(£43) per hour of client contact (includes A to E). | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 NHS Employers (2006) *Pay Circular (AfC) 1/2006. Pay and conditions for NHS staff covered by the Agenda for Change Agreement*, NHS Employers, London.

3 Netten, A., Knight, J., Dennett, J., Cooley, R & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

7 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

8 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

9 Based on personal communication with the Department of Health (2008).

## 11.4 Dietitian

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £22,900 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 5 of the October-December 2007 NHS Staff Earnings estimates. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £26,600.[1] More specialist grades range from AfC band 6 to for a Dietician Specialist and a Dietician Advanced. |
| B. Salary oncosts | £4,793 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,467 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[2] See schema 6.5 for more details on cost of qualifications. |
| D. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[3] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £4,268 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect share use of both treatment and non-treatment space.[4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £2.60 per visit | Taken from Netten[6] and inflated using the retail price index. |
| Working time | 41.3 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[7] Assumes 5 study/training days and 12 days sickness leave.[8] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:*<br>face-to-face contacts<br>clinical settings<br>home visits | <br>1:0.33<br>1:0.27<br>1:1.27 | Assuming 5 per cent of time in patient's own home, 35 per cent in clinics, 30 per cent in hospital wards, 5 per cent in other settings, 20 per cent on non-clinical activity and 5 per cent on travel. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.19 x (A to B)<br>1.34 x E | Allows for the higher costs associated with London compared to the national average cost.[9] Building Cost Information Service and Department for Communities and Local Government.[4,5] |
| Non-London multiplier | 0.97 x (A to B)<br>0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost.[9] Building Cost Information Service and Department for Communities and Local Government.[4,5] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £23 (£25) per hour; £30 (£34) per hour client contact; £29 (£32) per hour in clinic; £51 (£58) per hour of home visiting (includes A to E). Travel £2.60 per visit. | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 Netten, A. (1992) Some cost implications of Caring for People: interim report, PSSRU Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.

7 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

8 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

9 Based on personal communication with the Department of Health (2007).

## 11.5 Radiographer

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £22,900 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 5 of the October-December 2007 NHS Staff Earnings estimates. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £26,600.[1] More specialist grades range from AfC band 6 to 8C for a Radiographer Specialist to Consultant. |
| B. Salary oncosts | £4,793 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £5,235 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[2] See schema 6.5 for more details on cost of qualifications. |
| D. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[3] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £8,359 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of both treatment and non-treatment space.[4,5] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41.3 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[6] Assumes 5 study/ training days and 12 days sickness leave.[7] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:* patient contacts | 1:0.67 | Assuming 60 per cent of time spent on face-to-face contact, 20 per cent on other clinical activity, and 20 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.19 x (A to B) 1.34 x E | Allows for the higher costs associated with London compared to the national average cost.[8] Building Cost Information Service and Department for Communities and Local Government.[4,5] |
| Non-London multiplier | 0.97 x (A to B) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost.[8] Building Cost Information Service and Department for Communities and Local Government.[4,5] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £25 (£29) per hour; £42 (£48) per hour of client contact; £14 (£16) per 20 minute clinic visit (includes A to E). | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

7 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

8 Based on personal communication with the Department of Health (2008).

## 11.6 Hospital pharmacist

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £29,200 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 6 of the October-December 2007 NHS Staff Earnings estimates. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £26,600.[1] More specialist grades range from AfC band 7 to 8D for a Pharmacist Specialist to Consultant. |
| B. Salary oncosts | £6,249 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications<br>Post graduate training: | £5,984 per year<br>£523 per year | The equivalent annual cost of pre-registration and postgraduate education. The investment costs of a 4 year masters degree plus one year pre-registration training plus a two year postgraduate course have been annuitised over the expected working life.[2,3] The investment costs for pre-registration are borne partly by the HEFCE and partly by practitioners provided by the NHS. The Multi-Professional Education and Training (MPET) Levy covers the cost for the Pre-registration training year.<br>Costs for postgraduate training are mainly borne by the NHS but are sometimes self funded. Hospital pharmacists may have up to 20 days per year study time over this two year period. Some however participate in distant learning programmes. There are also further training programmes available for senior pharmacists; however, no information is currently available on the proportion of pharmacists who undergo this training. This therefore has not been taken into account in this costing exercise. |
| D. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[4] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £4,782 per year | Based on the new build and land requirements of a pharmacy, plus additional space for shared facilities. [5,6] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| F. Travel | £1.30 per visit | Taken from Netten[5] and inflated using the retail price index. |
| Working time | 41.7 weeks per annum<br>37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave. [7] Assumes 4 study/ training days (30 hours) and 12 days sickness leave. Unit costs based on 1565 hours per annum.[8] |
| *Ratio of direct to indirect time on:*<br>direct clinical patient time<br>patient related activities | <br>1:1<br>1.0.43 | Ratios are estimated on the basis that 50 per cent of time is spent on direct clinical patient activities, 20 per cent of time on dispensary activities and 30 per cent on non clinical activity. |
| London multiplier | 1.19 x (A to B)<br>1.50 x E | Allows for the higher costs associated with London compared to the national average cost.[9] Building Cost Information Service and Department for Communities and Local Government. [5,6] |
| Non-London multiplier | 0.97 x(A to B)<br>0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost.[9] Building Cost Information Service and Department for Communities and Local Government.[5,6] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £28 (£32) per hour; £55 (£63) per cost of direct clinical patient time (includes travel); £39 (£45) per cost of patient related activities. | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Research carried out by the Royal Pharmaceutical Society of Great Britain.

4 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

7 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

8 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

9 Based on personal communication with the Department of Health (2008).

## 11.7 Clinical support worker higher level nursing (hospital)

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £16,300 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 3 of the October-December 2007 NHS Staff Earnings estimates for Unqualified Nurses. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £19,900.[1] |
| B. Salary oncosts | £3,269 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £0 | Training costs are assumed to be zero, although many take NVQ courses. |
| D. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[2] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £3,301 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of both treatment and non-treatment space.[3,4] Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 42.3 weeks per annum 37.5 hours per week | Includes 29 days annual leave, 8 days statutory leave and 12 days sickness leave. [5,6] No study/training days have been assumed. Unit costs based on 1585 hours per annum. |
| *Ratio of direct to indirect time on:* face-to-face contacts | 1:0.25 | Assuming 80 per cent of time on hospital wards and 20 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.19 x (A to B) 1.29 x E | Allows for the higher costs associated with London compared to the national average cost.[7] Building Cost Information Service and Department for Communities and Local Government. [3,4] |
| Non-London multiplier | 0.97 x (A to B) 0.97 x E | Allows for the lower costs associated with working outside London compared to the national average cost.[7] Building Cost Information Service and Department for Communities and Local Government.[3,4] |
| **Unit costs available 2007/2008** | | |
| £16 per hour; £20 per hour of client contact (includes A to E). | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

5 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

6 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

7 Based on personal communication with the Department of Health (2008).

# 12. Nurses

12.1 Nurse team manager (includes ward managers, sisters and clinical managers)

12.2 Nurse team leader (includes deputy ward/unit manager, ward team leader, senior staff nurse)

12.3 Nurse, day ward (includes staff nurse, registered nurse, registered practitioner)

12.4 Nurse, 24-hour ward (includes staff nurse, registered nurse, registered practitioner)

12.5 Clinical support worker (hospital)

# 12.1 Nurse team manager (includes ward managers, sisters and clinical managers)

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £34,300 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 7 of the October-December 2007 NHS Staff Earnings estimates for Qualified Nurses. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £37,100.[1] See Preface for further information and page 168 for information on mean salaries. It does not include any lump sum allowances and it is assumed that no unsocial hours are worked. |
| B. Salary oncosts | £7,427 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,238 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[2] See schema 6.5 for further details on training for health professionals. |
| D. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[3] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £2,682 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of office space for administration, and recreational and changing facilities.[4,5] Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41.3 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[6] Assumes 5 study/ training days and 12 days sickness leave. [7] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:* face-to-face contacts | 1:1.22 | Assuming 45 per cent of time spent on face-to-face contact, 35 per cent on other clinical activity, and 20 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.19 x (A to B) 1.32 x E | Allows for the higher costs associated with working in London.[8] Building Cost Information Service and Department for Communities and Local Government. [4,5] |
| Non-London multiplier | 0.97 x (A to B) 0.96 x E | Allows for the lower costs associated with working outside London.[8] Building Cost Information Service and Department for Communities and Local Government. [4,5] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £31 (£33) per hour; £68 (£74) per hour of patient contact. | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology,* Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

7 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

8 Based on personal communication with the Department of Health (2008).

## 12.2 Nurse team leader (includes deputy ward/unit manager, ward team leader, senior staff nurse)

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £29,200 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 6 of the October-December 2007 NHS Staff Earnings estimates for Qualified Nurses. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £32,400.[1] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £6,249 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,238 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[2] See schema 6.5 for further details on training for health professionals. |
| D. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[3] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £2,682 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of office space for administration, and recreational and changing facilities.[4,5] Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41.3 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave. [6] Assumes 5 study/ training days and 12 days sickness leave. [7] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:* face-to-face contacts | 1:1.22 | Assuming 45 per cent of time spent on face-to-face contact, 35 per cent on other clinical activity, and 20 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.19 x (A to B) 1.32 x E | Allows for the higher costs associated with working in London.[8] Building Cost Information Service and Department for Communities and Local Government. [4,5] |
| Non-London multiplier | 0.97 x (A to B) 0.96 x E | Allows for the lower costs associated with working outside London.[8] Building Cost Information Service and Department for Communities and Local Government.[4,5] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £27 (£29) per hour; £59 (£65) per hour of patient contact. | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

7 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

8 Based on personal communication with the Department of Health (2008).

## 12.3 Nurse, day ward (includes staff nurse, registered nurse, registered practitioner)

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £22,900 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 5 of the October-December 2007 NHS Staff Earnings estimates for Qualified Nurses. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £27,100.[1] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £4,793 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,238 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[2] See schema 6.5 for further details on training for health professionals. |
| D. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[3] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £1,526 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of office space for administration, and recreational and changing facilities.[4,5] Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41.3 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[6] Assumes 5 study/ training days and 12 days sickness leave.[7] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:* face-to-face contacts | 1:0.82 | Assuming 55 per cent of time spent on face-to-face contact, 25 per cent on other clinical activity, and 20 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.19 x (A to B) 1.29 x E | Allows for the higher costs associated with working in London.[8] Building Cost Information Service and Department for Communities and Local Government.[4,5] |
| Non-London multiplier | 0.97 x (A to B) 0.96 x E | Allows for the lower costs associated with working outside London.[8] Building Cost Information Service and Department for Communities and Local Government.[4,5] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £21 (£23) per hour; £38 (£43) per hour of patient contact. | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

7 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

8 Based on personal communication with the Department of Health (2008).

## 12.4 Nurse, 24-hour ward (includes staff nurse, registered nurse, registered practitioner)

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £22,900 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 5 of the October-December 2007 NHS Staff Earnings estimates for Qualified Nurses. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £27,100.[1] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £4,793 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £4,238 per year | The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life.[2] See schema 6.5 for further details on training for health professionals. |
| D. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[3] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Capital overheads | £1,526 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of office space for administration, and recreational and changing facilities.[4,5] Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41.3 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[6] Assumes 5 study/ training days and 12 days sickness leave.[7] Unit costs based on 1547 hours per annum. |
| *Ratio of direct to indirect time on:* face-to-face contacts | 1:1 | Assuming 50 per cent of time spent on face-to-face contact, 40 per cent on other clinical activity, and 10 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.19 x (A to B) 1.29 x E | Allows for the higher costs associated with working in London.[8] Building Cost Information Service and Department for Communities and Local Government. [4,5] |
| Non-London multiplier | 0.97 x (A to B) 0.96 x E | Allows for the lower costs associated with working outside London.[8] Building Cost Information Service and Department for Communities and Local Government. [4,5] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £21 (£23) per hour; £42 (£47) per hour of patient contact. | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

6 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

7 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

8 Based on personal communication with the Department of Health (2008).

## 12.5 Clinical support worker (hospital)

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £14,600 per year | Based on the median full-time equivalent basic salary for Agenda for Change Band 2 of the October-December 2007 NHS Staff Earnings estimates for unqualified nurses. Median full-time equivalent total earnings which include basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods was £15,900.[1] See Preface for further information and page 168 for information on mean salaries. |
| B. Salary oncosts | £2,876 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[2] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| D. Capital overheads | £1,526 per year | Based on the new build and land requirements of NHS facilities, but adjusted to reflect shared use of office space for administration, and recreational and changing facilities.[3,4] Treatment space has not been included. It is assumed that auxiliary nurses use one-sixth of an office. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 42.3 weeks per annum 37.5 hours per week | Includes 29 days annual leave and 8 days statutory leave.[5] Assumes 12 days sickness leave. [6] Unit costs based on 1575 hours per annum. |
| *Ratio of direct to indirect time on:* face-to-face contacts | 1:0.67 | Assuming 60 per cent of time spent on face-to-face contact, 15 per cent on other clinical activity, and 25 per cent on non-clinical activity. Information derived from consultation with NHS Trusts. |
| London multiplier | 1.19 x (A to B) 1.29 x D | Allows for the higher costs associated with working in London.[7] Building Cost Information Service and Department for Communities and Local Government [3,4] |
| Non-London multiplier | 0.97 x (A to B) 0.96 x D | Allows for the lower costs associated with working outside London.[7] Building Cost Information Service and Department for Communities and Local Government. [3,4] |
| **Unit costs available 2007/2008** | | |
| £14 per hour; £23 per hour of patient contact. | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

5 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

6 The Information Centre (2006) *Results of the NHS Sickness Absence Survey 2005*, NHS Employers, London.

7 Based on personal communication with the Department of Health (2008).

# 13. Doctors

13.1 Foundation house officer 1

13.2 Foundation house officer 2

13.3 Specialty doctor

13.4 Consultant: medical

13.5 Consultant: surgical

13.6 Consultant: psychiatric

## Changes made to this section as a result of Modernising Medical Careers (MMC)

Modernising Medical Careers (MMC) (NHS, 2007) is a major reform of postgraduate medical training, devised to improve the quality of patient care through better education and training for doctors. MMC aims to stop the current practice of doctors staying in the Senior House Officer (SHO) grade while waiting for a specialist training opportunity which would provide them with the training and skills to consultant level. It is a focussed training programme which will produce consultants in an average of seven years and GPs in five after graduation from medical school. This provides a summary of the changes that have taken place as a result of this reform and consequently the changes made to this section of the report.

### *The old scheme*

The old scheme saw people leaving medical school to work as a Pre-Registration House Officer (PRHO) for one year and then as a Senior House Officer (SHO) for a minimum of two years. They then progressed to work as either a Specialist Registrar for between four to six years and then if they wished moved onto the consultant grade or they completed one year as a GP registrar and then practiced as a General Practitioner.

### *The new scheme*

Under the new arrangements (which have been agreed by the Junior Doctors Committee (JDC), the Department of Health, COPMed and NHS Employers), all doctors in training can apply for flexible training (British Medical Association, 2005). In the past, lack of funding has been a key reason for lack of availability of flexible training for junior doctors. A part-time doctor (doing out of hours work) was paid a full-time salary and a supplement of 5 per cent or 25 per cent addition and employers were therefore unwilling to take on flexible trainees. Flexible trainees now still receive basic pay and a supplement to recognise Out of Hours work.

Graduates will now enter a Foundation Programme of two years, where they will gain generic skills in caring for the acutely and critically ill. There will no longer be entry into the Pre-Registration House Officers grade and entry into the Senior House Officer (SHO) grades and Specialist Registrar (SPR) grades is now closed. Doctors on foundation training programmes are now called Foundation House Officer 1 (page 156) and Foundation House Officer 2 (157) depending on the stage of their training. Once they have completed the Foundation Programme, doctors will then compete to enter speciality training programmes. The holder of these posts will be known as Specialty Registrars and this new schema is found on page 158. This grade combines the two old grades of Senior House Officer and Specialist Registrar in a programme of training in a particular speciality (e.g. General medicine, Ophthalmology or Psychiatry). Once in this speciality training programme, the doctor is expected to progress through to the point where they will gain their Certificate of Completion of Training (CCT-formerly known as the Certificate of Completion of Specialist Training or CCST).

The first of these speciality training programmes started in August 2007 and the Royal Colleges will be responsible for producing curricula, the Deaneries for delivering the training and the new Postgraduate Medical Education and Training Board (PMETB) is the

legal national body now responsible for assurance and awarding Completed Certificates of Training.

Doctors who do not wish to become consultants or who are unable to do so are classified under the umbrella term of 'Staff and Associate specialist group' (SASG). This group comprises associate specialists, staff grade doctors, clinical assistants, hospital practitioners, and a number of other non-standard, non-training 'trust' grades. These doctors are not required to be on the specialist register and could under the terms of the old scheme enter from the SHO grade, instead of moving to higher specialist training.

Within the new contract for the staff on training grades, there is a supplement to recognise the significant impact of being on-call, around-the clock, for emergencies. These are paid to reflect the hours and intensity of their work and are paid in addition to the basic salary. This varies from 1 to 8 per cent of basic salary depending on the number of nights per week and weekends affected. The banding supplements are: Band 1C — 20 per cent, band 1B — 40 per cent, Bands 1A and 2B — 50 per cent, Band 2A — 80* and Band 3 — 100 per cent. The bands reflect whether the post is compliant with the hours controls and rest periods in the new scheme, and also whether the doctor works up to 40, 48 or 56 hours per week, the type of working pattern, the frequency of extra duty and the unsocial nature of the working arrangements. The majority of doctors in the training grades receive a banding supplement — and it is reported by the Department of Health that the majority are on band 1A/2B and are therefore entitled to a supplement of 50 per cent.

In last year's report we added a supplement of 50 per cent to the training grades in order to calculate the total salary of the professional. This year, salaries have been taken from the NHS Staff Earning Estimates, October to December 2007.

## Continuing Professional Development (CPD)

This is classified in the Unit Costs report as ongoing training. It is the process by which doctors keep up to date with developments in their own area of practice between the time when they gain a career grade post and their retirement. It may also include elements of more general professional development. The royal colleges have developed formal schemes, which require their members to gain a certain number of credit points over a set time. Credits may be awarded for activities such as attending approved courses, publishing scientific papers, presenting research at meetings, certain teaching duties and participation in audit (quality assurance) exercises. Schemes are still very new, and details vary from college to college. In the past, we have calculated ongoing training by using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Until further cost information is available on the new schemes, this information has been uprated.

## Working hours

The European Working Time Directive (EWTD) (Department of Health, 2004) cut the number of hours a junior doctor can legally work each week. Currently, juniors are restricted to working 56 hours a week under New Deal arrangements and latest figures show that approximately 97 per cent of junior doctors fall within this limit. In 2009, however, the legal working time drops to 48 hours each week.

The new contract aimed to reduce the number of hours that consultants worked, including aligning with the Working Time Directive and based funding assumptions on consultants working an average 43.3 hours per week.

## Consultant contract

The current consultants' clinical excellence awards scheme has been in operation since the 2004 awards round. This scheme has replaced the former separate schemes for discretionary points and distinction awards in England with a single more graduated scheme with common criteria covering both national and local elements.

## References

Department of Health (2004) *A Compendium of Solutions to Implementing the Working Time Directive for Doctors in Training from August 2004*, Department of Health, London.

British Medical Association (2005) *Junior Doctors Committee Annual Report, May 2005*, British Medical Association, London, http://www.bma.org.uk/ap.nsf/Content/jdcannualreport2005.

## 13.1 Foundation house officer 1

The Foundation Programme is a two-year, general postgraduate medical training programme which is compulsory for all newly qualified medical practitioners in the UK. The programme has replaced the traditional grades of Pre-Registration House Officer and Senior House Officer. The Foundation Programme forms the bridge between medical school and specialist/general practice training. Foundation House Officers have the opportunity to gain experience in a series of placements in a variety of specialities and healthcare settings.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £31,200 per year | Taken from the October-December 2007 NHS Staff Earnings estimates for Medical Staff Groups. Based on the mean full-time equivalent total earnings which includes basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods.[1] The mean basic salary was £21,400. See Preface for further information and page 168 for information on median salaries. Free hospital accommodation is no longer normally offered in the first year although NHS Employers are encouraging trusts to provide this until August 2008.[2] |
| B. Salary oncosts | £6,706 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £19,592 per year | The equivalent annual cost of pre-registration medical education annuitised over the expected working life of the doctor.[3] Postgraduate study consists of a two year Foundation Programme[4] During the first year, trainees hold only provisional registration with the General Medical Council, full registration being granted on successful completion of the F1 year. Costs consist of an amount for the generic curriculum, the postgraduate centres infrastructure costs, study leave and the costs of course organisers, admin support, trainers workshops, vocational training and Internal courses for GP tutors. Excluded are the costs of running the library postgraduate centres. [5] See schema 6.5 for further details on training for health professionals. |
| D. Overheads | £2,961 per year | Comprises £2,961 for indirect overheads.[6] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Ongoing training | £2,227 per year | Ongoing training is calculated using budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy Funds. This has been uprated using the HCHS Pay and Prices inflator. |
| F. Capital overheads | £3,382 per year | Based on the new build and land requirements of NHS facilities.[7,8] Adjustments have been made to reflect shared use of administration and recreational facilities, including accommodation for night-time duties. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 44.4 weeks per annum<br>56 hours per week | Includes 25 days annual leave plus 8 statutory leave days.[9] Assumes 5 days sickness leave. No study/training days have been assumed. Under the European Working Time Directive (EWTD), junior non-resident doctors can legally work 72 hours per week while working in a hospital a maximum of 56 hours per week. |
| London multiplier | 1.19 x (A to B)<br>1.38 x F | Allows for the higher costs associated with London. [10] Building Cost Information Service and Department for Communities and Local Government. [7/8] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x F | Allows for the lower costs associated with working outside London.[10] Building Cost Information Service and Department for Communities and Local Government. [7/8] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £19 (£27) per 56 hour week. £15 (£21) per 72 hour week. (includes A to F). | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 British Medical Association (2008) *Caring for the NHS, BMA Action on Free Accommodation for Foundation Officers*, BMA, London.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 National Health Service (2008) Modernising Medical Careers, National Health Service, London.

5 Based on personal communication with the London Deanery (2006).

6 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services, Research Unit, University of Kent, Canterbury.

7 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

8 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

9 NHS Employers (2006) *Junior Doctors' Terms & Conditions of Service*, NHS Employers, London, http//www.nhsemployers.org/pay-conditions/pay-conditions-467.cfm.

10 Based on personal communication with the Department of Health (2008).

## 13.2 Foundation house officer 2

The Foundation Programme is a two-year, general postgraduate medical training programme which is compulsory for all newly qualified medical practitioners in the UK. The programme has replaced the traditional grades of Pre-registration House Officer and Senior House Officer. The Foundation Programme forms the bridge between medical school and specialist/general practice training. Foundation House Officers have the opportunity to gain experience in a series of placements in a variety of specialities and healthcare settings.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £43,000 | Taken from the October-December 2007 NHS Staff Earnings estimates for Medical Staff Groups. Based on the mean full-time equivalent total earnings which includes basic salary plus hours related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods.The mean basic salary was £29,200.[1] See Preface for further information and page 168 for information on median salaries. |
| B. Salary oncosts | £9,734 | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £20,480 | The equivalent annual cost of pre-registration medical education has been annuitised over the expected working life of the doctor.[2] Postgraduate study consists of a two year Foundation Programme.[3] Costs consist of an amount for the generic curriculum, the postgraduate centres infrastructure costs, study leave and the costs of course organisers, admin support, trainers workshops, vocational training and Internal courses for GP tutors. Excluded are the costs of running the library postgraduate centres. [4] See schema 6.5 for further details on training for health professionals. |
| D. Overheads | £2,961 | Comprises £2,961 for indirect overheads.[5] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Ongoing training | £2,227 | Ongoing training is calculated using budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy Funds. This has been uprated using the HCHS Pay and Prices inflator. |
| F. Capital overheads | £3,382 | Based on the new build and land requirements of NHS facilities.[6,7] |
| Working time | 44.4 weeks per annum 56 hours per week | Includes 25 days annual leave plus 8 statutory leave days.[8] Assumes 5 days sickness leave. No study/training days have been assumed. Under the European Working Time Directive (EWTD), junior non-resident doctors can legally work 72 hours per week while working in a hospital a maximum of 56 hours per week. |
| London multiplier | 1.19 x (A to B) 1.38 x F | Allows for the higher costs associated with London.[9] Building Cost Information Service and Department for Communities and Local Government. [6,7] |
| Non-London multiplier | 0.97 x (A to B) 0.96 x F | Allows for the lower costs associated with working outside London.[9] Building Cost Information Service and Department for Communities and Local Government. [6,7] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £23 (£32) per 56 hour week. £18 (£25) per 72 hour week. (includes A to F). | | |

1 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 National Health Service (2008) Modernising Medical Careers, National Health Service, London.

4 Based on personal communication with the London Deanery (2006).

5 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services, Research Unit, University of Kent, Canterbury.

6 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

7 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

8 NHS Employers (2006) *Junior Doctors' Terms & Conditions of Service*, NHS Employers, London, http//www.nhsemployers.org/pay-conditions/pay-conditions-467.cfm.

9 Based on personal communication with the Department of Health (2008).

## 13.3 Specialty doctor

This grade of doctor has replaced the Senior House Officer and the Specialist Registrar. Specialty Doctor training begins directly after completion of the 2 year foundation training programme. There are a number of medical Royal Colleges in the United Kingdom and each is responsible for a different speciality within the medical field. Specialty Doctors spend either 6 years in a hospital speciality before becoming a consultant or three years in general practice before becoming a General Practitioner.

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £48,038 | Based on the midpoint of NHS Employers payscales of 2007/2008 rates for a Specialty Doctor.[1] |
| B. Salary oncosts | £11,084 | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £24,006 | The equivalent annual cost of pre-registration medical education and post graduate education. The investment in training has been annuitised over the expected working life of the doctor.[2] Specialty Doctor training involves at least four years' full-time postgraduate training at least two of which will be in a specialty training programme in a relevant specialty.[3,4] |
| D. Overheads | £2,961 | Comprises £2,961 for indirect overheads.[5] No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment. |
| E. Ongoing training | £2,227 | Ongoing training is calculated using budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy Funds. This has been uprated using the HCHS Pay and Prices inflator. |
| F. Capital overheads | £3,382 | Based on the new build and land requirements of NHS facilities.[6,7] Adjustments have been made to reflect shared use of administration and recreational facilities, including accommodation for night-time duties. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 42.4 weeks per annum 40 hours per week | Includes 25 days annual leave, 8 statutory leave days, 10 study training days.[4] Assumes 5 days sickness leave. The working week comprises of a basic 40 hour week made up of ten programmed activities of four hours. For details of oncall rates, see NHS Employers, Terms and conditions of service for specialty doctors - England (2008).[4] Unit Costs based on 1696 hours per annum. |
| London multiplier | 1.19 x (A to B) 1.38 x F | Allows for the higher costs associated with London.[8] Building Cost Information Service and Department for Communities and Local Government. [6,7] |
| Non-London multiplier | 0.97 x (A to B) 0.96 x F | Allows for the lower costs associated with working outside London.[8] Building Cost Information Service and Department for Communities and Local Government.[6,7] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £40 (£54) per week. | | |

1 NHS Employers (2008) *Pay Circular (M&D) 1/2008*, NHS Employers, London.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 National Health Service (2008) Modernising Medical Careers, National Health Service, London.

4 NHS Employers (2008) *Terms and Conditions of Service for Specialty Doctors – England (2008)*, NHS Employers, London.

5 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Personal Social Services, Research Unit, University of Kent, Canterbury.

6 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

7 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

8 Based on personal communication with the Department of Health (2008).

## 13.4 Consultant: medical

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £117,450 per year | Based on personal correspondence with the Department of Health on average consultant earnings.[1] On-call and clinical excellence (level 6 - £17,478) payments are included. [2] The mean basic salary was £85,600. See NHS staff earnings estimates for further details on consultants earnings.[3] See Preface for more information. |
| B. Salary oncosts | £29,686 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £31,475 per year | The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in pre-registration training, 2 years as a Foundation House Officer and 6 years as a Specialty Registrar in a hospital setting have been annuitised over the expected working life of the consultant.[4,5,6] See 6.5 for further details on training for health professionals. |
| D. Overheads | £35,915 per year | Comprises £7,904 for indirect overheads and £28,011 for secretarial staff costs. |
| E. Ongoing training | £2,227 per year | Ongoing training is calculated using budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy Funds. This has been uprated using the HCHS Pay and Prices inflator. |
| F. Capital overheads | £4,944 per year | Based on the new build and land requirements of NHS facilities.[7,8] Includes shared use of consultation and examination areas, and designated secretarial office space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41.4 weeks per annum 43.3 hours per week | Includes 30 days annual leave and 8 statutory leave days. Assumes 10 study/ training days, and 5 days sickness leave. The new contract aimed to reduce the number of hours that consultants worked, including aligning with the Working Time Directive and based funding assumptions on consultants working an average 4.3 hours. A typical contract is based on 10.83 programmed activities which are 4 hours in length.[9] Unit Costs are based on 1793 hours per annum. |
| Ratio of direct to indirect time on: patient-related activity | 1:0.33 | Assuming 69 per cent of consultant time spent on patient-related activity.[10] Time spent teaching has been disregarded, and non-contact time has been treated as an overhead on time spent in patient contact. |
| London multiplier | 1.19 x (A to B) 1.36 x F | Allows for the higher costs associated with London compared to the national average cost.[11] Building Cost Information Service and Department for Communities and Local Government. [7,8] |
| Non-London multiplier | 0.97 x (A to B) 0.96 x F | Allows for the lower costs associated with working outside London compared to the national average cost.[11] Building Cost Information Service and Department for Communities and Local Government. [7,8] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £106 (£122) per contract hour; £141 (£163) per patient-related hour (includes A to F). | | |

1 Personal communication with the Department of Health (2008).

2 Based on personal correspondence with the Department of Health (2008).

3 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

4 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Based on information provided by the London Deanery, 2006.

6 National Health Service (2008) Modernising Medical Careers, National Health Service, London.

7 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

8 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

9 The Information Centre (2006) *New Consultant Contract: Implementation Survey*, The Information Centre, London.

10 Audit Commission (1996) *The Doctors' Tale Continued*, HMSO, London.

11 Based on personal correspondence with the Department of Health (2008).

## 13.5 Consultant: surgical

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £117,450 per year | Based on personal correspondence with the Department of Health on average consultant earnings.[1] On-call and clinical excellence (level 6 - £17,478) payments are included.[2] The mean basic salary was £85,600. See NHS staff earnings estimates for further details on consultants earnings.[3] See Preface for more information. |
| B. Salary oncosts | £29,686 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £31,475 per year | The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in pre-registration training, 2 years as a Foundation House Officer and 6 years as a Specialty Registrar in a hospital setting have been annuitised over the expected working life of the consultant.[4,5,6] See 6.5 for further details on training for health professionals. |
| D. Overheads | £35,915 per year | Comprises £7,904 for indirect overheads and £28,011 for secretarial staff costs. |
| E. Ongoing training | £2,227 per year | Ongoing training is calculated using budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy Funds. This has been uprated using the HCHS Pay and Prices inflator. |
| F. Capital overheads | £4,944 per year | Based on the new build and land requirements of NHS facilities.[7,8] Includes shared use of consultation and examination areas, and designated secretarial office space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41.4 weeks per annum<br>43.4 hours per week | Includes 30 days annual leave and 8 statutory leave days. Assumes 10 study/ training days, and 5 days sickness leave. The new contract aimed to reduce the number of hours that consultants worked, including aligning with the Working Time Directive and based funding assumptions on consultants working an average 4.3 hours. A typical contract is based on 10.83 programmed activities which are 4 hours in length.[9] Unit Costs are based on 1793 hours per annum. |
| *Ratio of direct to indirect time on/in:*<br>*patient-related activity*<br>*operating theatre* | <br>1:0.35<br>1:2.17 | Assuming 68 per cent of consultant time spent on patient-related activity and 29 per cent in theatre.[10] Time spent teaching has been disregarded, and non-contact time has been treated as an overhead on time spent in patient contact. |
| London multiplier | 1.19 x (A to B)<br>1.36 x F | Allows for the higher costs associated with London compared to the national average cost.[11] Building Cost Information Service and Department for Communities and Local Government. [7,8] |
| Non-London multiplier | 0.97 x (A to B)<br>0.96 x F | Allows for the lower costs associated with working outside London compared to the national average cost.[11] Building Cost Information Service and Department for Communities and Local Government. [7,8] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £106 (£122) per contract hour; £336 (£388) per hour operating; £143 (£165) per patient-related hour (includes A to F). | | |

1 Personal communication with the Department of Health (2008).

2 Based on personal correspondence with the Department of Health (2008).

3 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

4 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Based on information provided by the London Deanery, 2006.

6 National Health Service (2008) Modernising Medical Careers, National Health Service, London.

7 Building Cost Information Service (2008) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

8 Based on personal communication with the Department for Communities and Local Government (2008). http://www.communities.gov.uk/documents/housing/xls/141389.xls.

9 The Information Centre (2006) N*ew Consultant Contract: Implementation Survey*, The Information Centre, London.

10 Audit Commission (1996) *The Doctors' Tale Continued*, HMSO, London.

11 Based on personal correspondence with the Department of Health (2008).

## 13.6 Consultant: psychiatric

| Costs and unit estimation | 2007/2008 value | Notes |
|---|---|---|
| A. Wages/salary | £117,450 per year | Based on personal correspondence with the Department of Health on average consultant earnings.[1] On-call and clinical excellence (level 6 - £17,478) payments are included. [2] The mean basic salary was £85,600. See NHS staff earnings estimates for further details on consultants earnings.[3] See Preface for more information. |
| B. Salary oncosts | £29,686 per year | Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation. |
| C. Qualifications | £31,475 per year | The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, 2 years as a Foundation House Officer and 6 years as a Specialty Registrar in a hospital setting annuitised over the expected working life of the consultant.[4,5] See 6.5 for further details on training for health professionals. Costs consist of an amount for the generic curriculum, the postgraduate centres infrastructure costs, study leave and the costs of course organisers, admin support, trainers workshops, vocational training and Internal courses for GP tutors. Excluded is the cost of the running of the library postgraduate centres. |
| D. Overheads | £35,915 per year | Comprises £7,904 for indirect overheads and £28,011 for secretarial staff costs. |
| E. Ongoing training | £2,227 per year | Calculated using information provided by the London Deanery.[6] This includes costs for the new two year foundation programme and the speciality run-through grade.[7] |
| F. Capital overheads | £4,944 per year | Based on the new build and land requirements of NHS facilities.[8,9] Includes shared use of consultation and examination areas, and designated secretarial office space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. |
| Working time | 41.4 weeks per annum<br>43.4 hours per week | Includes 30 days annual leave and 8 statutory leave days. Assumes 10 study/training days, and 5 days sickness leave. The new contract aimed to reduce the number of hours that consultants worked, including aligning with the Working Time Directive and based funding assumptions on consultants working an average 4.3 hours. A typical contract is based on 10.83 programmed activities which are 4 hours in length.[10] |
| *Ratio of direct to indirect time on:*<br>face-to-face contacts<br>patient-related activity | <br>1:1.58<br>1:0.95 | Information taken from a study carried out by the Institute of Psychiatry based on a response rate of 41.3% of a sample of 500 consultants.[11] The proportion of working time spent on different activities was estimated as follows: face-to-face settings including contact with patients, carrying out assessments and contact with family members 34%. Other patient related activities added a further 9.5% per cent for meetings with patients or family. Time spent teaching has been disregarded and non-contact time has been treated as an overhead on time spent in patient contact. |
| London multiplier | 1.19 x (A to B)<br>1.36 x F | Allows for the higher costs associated with London compared to the national average cost.[12] Building Cost Information Service and Department for Communities and Local Government.. [8,9] |
| Non-London multiplier | 0.97 x (A to E)<br>0.96 x F | Allows for the lower costs associated with working outside London compared to the national average cost.[12] Building Cost Information Service and Department for Communities and Local Government. [8,9] |
| **Unit costs available 2007/2008 (costs including qualifications given in brackets)** | | |
| £106 (£122) per contract hour; £207 (£239) per patient-related hour; £274 (£316) per hour patient contact (includes A to F). | | |

1 Personal communication with the Department of Health (2008).

2 Based on personal correspondence with the Department of Health (2008).

3 The Information Centre (2008) *NHS Staff Earnings Estimates March 2008*, The Information Centre, Leeds.

4 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 National Health Service (2008) Modernising Medical Careers, National Health Service, London.

6 Personal communication with the London Deanery.

7 NHS Employers (2006) *Modernising Medical Careers: A New Era in Medical Training*, NHS Employers, London.

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# V. SOURCES OF INFORMATION

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# Inflation indices

## Table 1

| | BCIS/ABI [1] | | Retail Price[2] | |
|---|---|---|---|---|
| Year | Rebuilding Cost Index (1988=100) | % increase | Index (1986/87= 100) | % increase |
| 1997 | 134.6 | 4.2 | 156.5 | 2.8 |
| 1998 | 143.3 | 6.5 | 160.6 | 2.6 |
| 1999 | 148.9 | 3.9 | 164.3 | 2.3 |
| 2000 | 154.6 | 3.8 | 167.7 | 2.1 |
| 2001 | 165.7 | 7.2 | 171.3 | 2.1 |
| 2002 | 176.6 | 6.6 | 175.1 | 2.2 |
| 2003 | 183.8 | 4.1 | 180.0 | 2.8 |
| 2004 | 191.3 | 4.1 | 184.0 | 2.2 |
| 2005 | 206.1 | 7.7 | 188.2 | 2.3 |
| 2006 | 219.8 | 6.7 | 193.7 | 2.9 |
| 2007 | 228.7 | 4.0 | 199.9 | 3.2 |

Hospital and community health services (HCHS) pay and price inflation is a weighted average of two separate inflation indices: the pay cost index (PCI) and the health service cost index (HSCI). The PCI measures pay inflation in the HCHS. The PCI is itself a weighted average of increases in unit staff costs for each of the staff groups within the HCHS sector. Pay cost inflation tends to be higher than pay settlement inflation because of an element of pay drift within each staff group. Pay drift is the tendency for there to be a gradual shift up the incremental scales, and is additional to settlement inflation. The estimate of pay inflator for the current year is based on information supplied by the Department of Health and is based on pay awards of NHS staff. The HSCI is calculated monthly to measure the price change for each of 40 sub-indices of goods and services purchased by the HCHS. The sub-indices are weighted together according to the proportion of total expenditure which they represent to give the overall HSCI value. The pay cost index and the health service cost index are weighted together according to the proportion of HCHS expenditure on each. This provides an HCHS combined pay and prices inflation figure.

## Table 2

| Year | Hospital & Community Health Services (HCHS) | | |
|---|---|---|---|
| | Pay and Prices Index (1987/8=100) | Annual percentage increases | |
| | | Prices | Pay[3] |
| 1998/99 | 180.4 | 2.5 | 4.9 |
| 1999/00 | 188.6 | 1.2 | 6.9 |
| 2000/01 | 196.5 | -0.3 | 7.2 |
| 2001/02 | 206.5 | 0.1 | 8.3 |
| 2002/03 | 213.7 | 1.0 | 5.0 |
| 2003/04 | 224.8 | 1.5 | 7.3 |
| 2004/05 | 232.3 | 1.0 | 4.5 |
| 2005/06 | 240.9 | 1.9 | 4.7 |
| 2006/07 | 248.6 | 3.0 | 3.4 |
| 2007/08 | 256.9[4] | 1.8 | 4.2[4] |

1 Building Cost Information Service (2008) *Indices and Forecasts*, BCIS, Royal Institute of Chartered Surveyors, Kingston-upon-Thames.

2 Source www.statistics.gov.uk/StatBase.

3 Provided by the Department of Health.

4 Estimated by PSSRU and agreed by the Department of Health.

## Table 3

| Year | Personal Social Services Prices/Gross Domestic Product Deflator[1] Annual percentage increase | Tender Price Index for Public Sector Building (non-housing) (PUBSEC) | |
|---|---|---|---|
| | | Index (1995=100) | % increase |
| 2003/04 | 3.0 | 145 | 6.6 |
| 2004/05 | 2.7 | 156 | 7.6 |
| 2005/06 | 2.1 | 166 | 6.4 |
| 2006/07 | 2.7 | 170 | 2.4 |
| 2007/08 | 2.9 | 187 | 10.0[2] |

The PSS Pay Index is calculated using data on rates of hourly pay change for each occupation group in the PSS sector from the Annual Survey of Hours and Earnings (ASHE), published by Office for National Statistics (ONS).[3] The following occupation groups are used for analysis: managers, social workers, nurses, occupational therapists, community, care workers, childcare. In addition two support groups were identified: admin/office and ancillary staff. As it was not possible to collect detailed data on all staff working in these groups, it was assumed that their pay increases were in line with the average for England. These pay changes were weighted by the proportion of PSS staff in each group and the different pay levels of each group i.e. that occupation group's share of the total PSS paybill. Pay changes for 2007/08 are projected using an average of the deflated pay changes in the past three years. This assumes that pay increases next year will be in line with the previous trend.

For non-staff revenue, Her Majesty's Treasury's (HMT) GDP deflator is used to deflate prices. (See table 3 above). This index is a measure of general inflation in the domestic economy. HMT produces the GDP deflator from data provided by the ONS and extends the series to future years by applying forecasts of the inflation rate.

The capital element of social care provision of all types is the value of capital annuitised over a reasonable period and discounted. The index used is the BERR PUBSEC Tender Price Index of Public Sector Building Non-housing. This is the index used by the Office of National Statistics (ONS) to deflate capital expenditure in health and social work, so it was considered the most suitable index for use in the PSS P&P index. (See table 3 above).

The PSS Pay and Prices (including capital) results from the weighted sum of three indices: pay index, capital index and non-staff revenue index. The PSS Pay and Prices (excluding capital) results from the weighted sum of two indices: pay index and non-staff revenue index.

## Table 4

| Year | PSS All Sectors, Adults Only[4] | | | |
|---|---|---|---|---|
| | | Annual percentage increases | | |
| | Pay & Prices Index (excluding capital) (1992/3=100) | Pay & Prices (excluding capital) | Pay & Prices (including capital) | Pay |
| 2003/04 | 149.1 | 3.9 | 4.3 | 4.1 |
| 2004/05 | 154.8 | 3.8 | 4.3 | 3.9 |
| 2005/06 | 159.8 | 3.2 | 3.7 | 3.4 |
| 2006/07 | 167.4 | 4.8 | 4.4 | 5.1 |
| 2007/08 (E) | 174.6 | 4.3 | 5.1 | 4.5 |

1 Provided by the Department of Health (2008).

2 Large increase due to: new work output growth mainly by the private sector; upward pressure from increased input costs; possible impact of the credit crunch still unknown.

3 This work contains statistical data from ONS which is Crown copyright and reproduced with the permission of the controller of HMSO and Queen's Printer for Scotland. The use of the ONS statistical data in this work does not imply the endorsement of the ONS in relation to the interpretation or analysis.

4 Provided by the Department of Health (2008)

## Table 5

| Year | PSS Local Authority, Adults Only[1] | | | |
|---|---|---|---|---|
| | | Annual percentage increases | | |
| | Pay & Prices Index (excluding capital) (1992/3=100) | Pay & Prices (excluding capital) | Pay & Prices (including capital) | Pay |
| 2003/04 | 148.9 | 3.8 | 3.9 | 3.8 |
| 2004/05 | 154.8 | 4.2 | 4.4 | 4.3 |
| 2005/06 | 160.2 | 3.5 | 3.6 | 3.6 |
| 2006/07 | 167.5 | 4.6 | 4.5 | 4.7 |
| 2007/08 (E) | 175.1 | 4.5 | 4.7 | 4.6 |

1 Provided by the Department of Health (2008)

# Agenda for Change pay bands

## Table 1 Basic pay and earnings for Agenda for Change bands

| | Mean basic salary per full-time equivalent[1] | Mean total earnings per full-time equivalent[2] | Median full-time equivalent basic salary[3] | Median full-time equivalent total earnings | Average worked FTE in sample[4] |
|---|---|---|---|---|---|
| Band 1 | 13,100 | 15,900 | 12,900 | 14,900 | 23,850 |
| Band 2 | 14,400 | 16,700 | 14,500 | 15,900 | 110,776 |
| Band 3 | 16,200 | 18,900 | 16,300 | 17,900 | 90,146 |
| Band 4 | 19,200 | 21,800 | 19,700 | 20,300 | 63,809 |
| Band 5 | 23,000 | 27,500 | 22,900 | 26,600 | 163,424 |
| Band 6 | 28,800 | 32,800 | 29,200 | 31,900 | 117,514 |
| Band 7 | 34,300 | 37,700 | 34,300 | 36,900 | 77,249 |
| Band 8a | 40,300 | 43,400 | 40,300 | 42,300 | 22,448 |
| Band 8b | 47,700 | 50,800 | 47,700 | 50,000 | 12,089 |
| Band 8c | 57,300 | 61,200 | 56,900 | 59,800 | 6,001 |
| Band 8d | 68,500 | 72,800 | 68,200 | 70,800 | 2,991 |
| Band 9 | 81,300 | 86,400 | 80,500 | 84,200 | 641 |

Source: Information Centre for Health and Social Care (2007) NHS Staff Earnings Estimates, October to December 2007. Processed using data taken from the Electronic Staff Record Data Warehouse, as at February 2008.

## Table 2 Basic pay and earnings for NHSPRB groups, broken down by Agenda for Change band

### Qualified nurses

| | Mean basic salary per full-time equivalent[1] | Mean total earnings per full-time equivalent[2] | Median full-time equivalent basic salary[3] | Median full-time equivalent total earnings | Average worked FTE in sample[4] |
|---|---|---|---|---|---|
| Band 1 | – | – | – | – | – |
| Band 2 | – | – | – | – | – |
| Band 3 | – | – | – | – | – |
| Band 4 | 18,900 | 21,000 | 19,000 | 20,300 | 583 |
| Band 5 | 23,100 | 27,800 | 22,900 | 27,100 | 115,342 |
| Band 6 | 29,000 | 33,100 | 29,500 | 32,400 | 72,338 |
| Band 7 | 34,300 | 37,800 | 34,000 | 37,100 | 40,325 |
| Band 8a | 39,500 | 42,400 | 38,900 | 41,400 | 6,868 |
| Band 8b | 46,200 | 49,300 | 45,500 | 47,800 | 2,437 |
| Band 8c | 55,000 | 59,800 | 54,300 | 57,200 | 683 |
| Band 8d | 65,400 | 69,000 | 63,400 | 67,400 | 126 |
| Band 9 | – | – | – | – | – |

Source: Information Centre for Health and Social Care (2007) NHS Staff Earnings Estimates, October to December 2007. Processed using data taken from the Electronic Staff Record Data Warehouse, as at February 2008.

## Table 3 Basic pay and earnings for medical staff groups

| | Mean basic salary per full-time equivalent[1] | Mean total earnings per full-time equivalent[2] | Median full-time equivalent basic salary[3] | Median full-time equivalent total earnings | Average worked FTE in sample[4] |
|---|---|---|---|---|---|
| Foundation Year 1/House Officer | 21,400 | 31,200 | 21,400 | 31,600 | 4,094 |
| Foundation Year 2/Senior House Officer | 29,200 | 43,000 | 26,500 | 40,600 | 7,360 |
| Registrar Group | 36,100 | 55,800 | 35,700 | 53,600 | 24,059 |
| Consultants (old contract) | 82,900 | 96,900 | 77,300 | 86,900 | 1,792 |
| Consultants (new contract) | 85,600 | 114,300 | 80,800 | 106,000 | 23,051 |
| Associate Specialist | 72,600 | 78,200 | 66,200 | 70,500 | 2,253 |
| Staff Grade | 55,600 | 60,900 | 50,700 | 55,400 | 4,311 |

Source: Information Centre for Health and Social Care (2007) NHS Staff Earnings Estimates, October to December 2007. Processed using data taken from the Electronic Staff Record Data Warehouse, as at February 2008.

1. Mean basic salary is calculated by dividing the total amount of basic pay earned by staff in the group by the total worked FTE for those staff.
2. Calculated as mean basic salary, but for all earnings. This includes basic salary, plus hours, related pay, overtime, occupation payments, location payments and other payments including redundancy pay or payment of notice periods.
3. The median is calculated by ranking individuals FTE basic pay, and taking the midpoint. It is considered a more robust indicator of 'typical' pay than the mean.
4. This is the total FTE for all payments made in the quarterly period, divided by 3 to give a monthly average.
5. These figures represent payments made using the Electronic Staff Record to NHS Staff who are on Agenda for Change payscales.
6. Figures rounded to the nearest £100.
7. Figures based on a sample of 88 per cent of NHS organisations. Organisations included are those which were paying staff via ESR by December 2007.

# Glossary

**Agency overheads** Overhead costs borne by managing agency.

**Annuitising** Converting a capital investment (such as the cost of a building) into the annual equivalent cost for the period during which the investment is expected to last.

**Capital overheads** Buildings, fixtures and fittings employed in the production of a service.

**Care package costs** Total cost of all services received by a patient per week.

**Cost function analysis** Statistical analysis using a multivariate technique 'designed to simultaneously tease out the many influences on cost'.

**Direct overheads** Day-to-day support for a service, such as immediate line management, telephone, heating and stationery.

**Discounting** Adjusting costs using the time preference rate spread over a period of time in order to reflect their value at a base year.

**Durables** Items such as furniture and fittings.

**Indirect overheads** Ongoing managing agency costs such as personnel, specialist support teams and financial management.

**Long-term** The period during which fixed costs such as capital can be varied.

**Marginal cost** The cost of an additional unit of a service.

**Oncosts** Essential associated costs such as employer's national insurance contributions on salaries.

**Opportunity cost** The value of the alternative use of the assets tied up in the production of the service.

**Per average stay** Cost per person of a typical stay in a residential facility or hospital.

**Per client hour** Cost of providing the service for one hour of patient attendance. This allows for costs of time not spent with clients and allocates the costs of this time to the time spent with clients.

**Per clinic visit** Cost of attending to one client in a clinic. This allows for overall time spent on non-clinical activity and allocates this to the total time spent with clients in any setting.

**Per consultation** Cost per attendance in a clinic or surgery. This also allows for overall time spent on non-clinical activity and allocates this to the total time spent with clients.

**Per example episode** Cost of a typical episode of care, comprising several hours of a professional's time.

**Per home visit** Cost of one visit to a client at home. This includes the cost of time spent travelling to the visit. It also allows for overall time spent on non-clinical activity and allocates this to the total time spent with clients in any setting.

**Per hour in clinic** Cost of one hour spent by a professional in a clinic. This allows for overall time spent on non-clinical activity and allocates this to the total time spent with clients in any setting.

**Per hour of client contact** Cost of one hour of professional time spent attending to clients. This also allows for the costs of time not spent with clients and allocates the costs of this time to the time spent with clients.

**Per hour of client-related work** Hourly cost of time spent on activities directly related to the client. This is not necessarily time spent in face-to-face contact with the client.

**Per hour of direct outputs (teams)** Cost of one hour of team activity which results in a measurable activity by any member(s) of the team.

**Per hour of face-to-face contact** Hourly cost of time spent in face-to-face contact with clients. This also allows for the costs of time not spent with clients and allocates the costs of this time to the time spent with clients.

**Per hour of home visiting** Cost of one hour spent by a professional undertaking visits to clients at home. This includes the cost of time spent travelling. It also allows for overall time spent on non-clinical activity and allocates this to the total time spent with clients in any setting.

**Per hour of patient-related work or per patient-related hour** Hourly cost of time spent on activities directly related to the patient. This is not necessarily time spent in face-to-face contact with the patient.

**Per hour on duty** Hourly cost of time spent by a hospital doctor when on duty. This includes time spent on-call when not actually working.

**Per hour worked** Hourly cost of time spent by a hospital doctor when working. This may be during the normal working day or during a period of on-call duty.

**Per inpatient day** Cost per person of one day in hospital.

**Per patient day** Cost per person of receiving a service for one day.

**Per permanent resident week** Total weekly cost of supporting a permanent resident of a residential facility.

**Per place per day (nursery)** Cost of one child attending a nursery for one day.

**Per procedure** Cost of a procedure undertaken in a clinic or surgery. This also allows for overall time spent on non-clinical activity and allocates this to the total time spent with clients.

**Per professional chargeable hour** Hourly cost of services provided when paid for by the client. This also allows for the costs of time not spent with clients and allocates the costs of this time to the time spent with clients.

**Per resident week** Cost per person per week spent in a residential facility.

**Per session (day care)** Cost per person of each morning or afternoon attendance in a day care facility.

**Per session per client** Cost per person of one treatment session.

**Per short-term resident week** Total weekly cost of supporting a temporary resident of a residential facility.

**Price base** The year to which cost information refers.

**Ratio of direct to indirect time spent on: client-related work/direct outputs / face-to-face contact/clinic contacts/home visits** The relationship between the time spent on direct activities (such as face-to-face contact) and time spent on other activities. For example, if the ratio of face-to-face contact to other activities is 1:1.5, each hour with a client requires 2.5 paid hours.

**Revenue costs** Supplies and services other than salaries incurred in the production of a service.

**Revenue overheads** Variable support services, supplies and other expenditure incurred in the production of a service.

**Schema** Framework and contents of cost synopsis for each service.

**Short-term** The period during which durable assets cannot be immediately added to or removed from the existing stock of resources.

**SSMSS** Social Services Management and Support Services: Overhead costs incurred by a local authority as defined by CIPFA guidelines. These include indirect overheads such as finance and personnel functions.

**Time preference rate** The rate at which future costs or benefits are valued in comparison to current or base years costs or benefits.

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## List of useful sources

Chartered Institute of Public Finance and Accountancy (CIPFA): **http://www.cipfastats.net**
The CIPFA Statistical Information Service (SIS) was established as a partnership between individual authorities and CIPFA. SIS has been undertaking detailed annual surveys of local authority operations for more than a century, and the 'CIPFA Statistics' still remain the only impartial and comprehensive account of the extent and achievements of each individual Council. Surveys are conducted in the following areas: education, environmental services, environmental health, housing, leisure, planning, public protection, social services, transport.

Health and Social Care Information Centre (HSCIC): **http://www.ic.nhs.uk**
The Information Centre for health and social care (The IC) is a new Special Health Authority set up on 1 April 2005 to take over most DH statistical collection and dissemination and some functions of the former NHS Information Authority. This includes information on Personal Social Services Expenditure.

Hospital Episode Statistics (HES): **www.hesonline.nhs.uk**
This is the national statistical data warehouse for England of the care provided by NHS hospitals and for NHS hospital patients treated elsewhere. HES is the data source for a wide range of healthcare analysis for the NHS, Government and many other organisations and individuals. The HES database is a record level database of hospital admissions and is currently populated by taking an annual snapshot of a sub-set of the data submitted by NHS Trusts to the NHS-Wide Clearing Service (NWCS). Quarterly information is also collected. A separate database table is held for each financial year containing approximately 11 million admitted patient records from all NHS Trusts in England.

Adult Mental Health Service Mapping: **http://www.durham.ac.uk/service mapping**
The AMH service mapping aims to contribute towards the improvement of mental health services for adults and provides information on the adult services available nationally. From this we have been able to make cost estimates for the multidisciplinary teams found in chapter 11.

Child and Adolescent Mental Health Mapping Service: **http://www.camhsmapping.org.uk**
This website provides information specifically on the mental health services available to children and adolescents. Using this website we have been able to estimate the costs of the children's services found in chapter 11.

Reference Costs: **http://www.dh.gov.uk/en/Policyand guidance/organisationpolicy/ Financeandplanning/NHSreferencecosts/DH_074097).gov.uk/nhs/refcosts.htm**
This website gives details on how and on what NHS expenditure was used. The Reference Costs/Reference Costs Index publication is the richest source of financial data on the NHS ever produced. As in previous years, its main purpose is to provide a basis for comparison within (and outside) the NHS between organisations, and down to the level of individual treatments.

Building Cost Information Service: **www.rics.org/RICSservices/BCIS.htm**
BCIS is the UK's leading provider of cost and price information for construction and property occupancy.

Laing & Buisson: **http://www.laingbuisson.co.uk**
Laing & Buisson, an independent company, is the leading provider of authoritative data, statistics, analysis and market intelligence on the UK health.

Audit Commission: **http://www.audit-commission.gov.uk**

Health Care Commission: **http//www.healthcarecommission.org.uk**

Commission for Social Care Inspection: **http//www.csci.org.uk**

Social Care Institute for Excellence: **www.scie.org.uk**

National Institute for Health and Clinical Excellence: **www.nice.org.uk**

Joseph Rowntree Foundation: **www.jrf.org.uk** — information on housing and care.

Pub Med: **pubmedcentral.nih.gov.uk**

Department for Work and Pensions: **www.dwp.org.uk**

Family Resource Survey: **www.dh.gov.uk**

Grey Literature: **http:www.socialcareonline.org.uk/databases.asp**

Consultant Service (Health and Social Care): **www.matrixrcl.co.uk**

National Council for Palliative Care: **www.ncpc.org.uk**

**www.intute.ac.uk/social sciences.** A free online service providing you with access to the very best Web resources for education and research, evaluated and selected by a network of subject specialists.

**www.blackwellpublishing.com**. Blackwell Publishing is one of the world's largest journal publishers within physical sciences, life sciences, medicine, social sciences and humanities.

Department for Children, Schools and Families: **www.dfes.gov.uk**

**www.youngminds.org.uk**. YoungMinds is the national charity committed to improving the mental health of all children and young people.

Personal Social Services Expenditure Data (PSS EX1 data): **http:www.ic.nhs.uk/pubs/persocservexp2005/detailed_unit_costs_by council**

National Prescribing Centre, http:www.npc.co.uk/prescribing/

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***2001***

Child care costs in social services
Independent sector home care providers in England
Unit Costs for Multi-Country Economic Evaluations

***2002***

A Nurse Practitioner Service for Nursing and Residential Care
The costs of child and adolescent psychiatric inpatient units
The new PSS EX1 return on expenditure and unit costs
Mapping mental health services in England
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***2003***

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***2004***

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The Baker's Dozen: unit costs and funding

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The costs of telecare: from pilots to mainstream implementation
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Recording professional activities to aid economic evaluations of health and social care services

## *Schemata in 2006 volume*

Adolescent support worker
Educational social work team member
Behavioural support service team member
Learning support service team member

## *Schemata in 2007 volume*

### *Section 6*

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Community home for children – non-statutory sector
Local authority foster care for children
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### *Section 10*

Social worker (children)

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