
UNIT COSTS OF HEALTH & SOCIAL CARE

2004

COMPILED BY Lesley Curtis
AND Ann Netten

PSSRU
UNIVERSITY OF KENT

Unit Costs of Health and Social Care 2004

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This work was undertaken by the PSSRU which receives support from the Department of Health. The views expressed in this publication are those of the authors and not necessarily of the Department of Health.

ISSN: 1368-230X
ISBN: 1-902-671-39-2

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Foreword

This is the twelfth volume in a series of reports from a Department of Health-funded programme of work based at the Personal Social Services Research Unit at the University of Kent. The aim is to improve unit cost estimates over time, drawing on material as it becomes available, including ongoing and specially commissioned research.

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, quoting sources and assumptions so users can adapt the information for their own purposes. Brief articles are included to provide background to user services, descriptions of cost methodology or use of cost estimates.

The editorial identifies the new developments in estimates included and key current issues in the estimation of costs and use of the information provided in this report.

In addition, this report relies on a large number of individuals who have provided direct input in the form of data, permission to use material and background information and advice. Thanks are due to Candida Ballantyne, Barbara Barrett, Nick Brawn, Frank Brown, Jennifer Beecham, Sarah Byford, Keith Childs, Hedy Cleaver, Cherry Cullen, Andrew Fenyo, Gyles Glover, Lisa Holmes and Richard Hughes. Thanks also to Robert Eaglesham, Helen Friedrickson, Glen Harrison, Bernard Horan, Paul McCrone, Tony Rees, Stephen Richards, Jill Tidmarsh, David Wall and Helen Weatherly. We are particularly grateful to Becky Sandhu who has provided both general support and advice through several volumes.

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>

Editorial

New developments and data sources for unit costs

Lesley Curtis and Ann Netten

Introduction

This is the twelfth volume in a series that draws together information about unit costs for a wide variety of health and social care services. The information is presented in as detailed and transparent a format as possible to allow users to adapt the estimated costs to suit local or specific circumstances, or draw on particular pieces of information to provide assumptions when appropriate data are not easily available. In each successive year the aim is to improve the quality and expand the range of cost information provided, building on previous data and drawing on new sources. To some extent this process is opportunistic, but it also reflects developing services and demand for information. This is well illustrated by the considerable expansion of information about the costs of child social care services in this volume, based largely on the results of a series of studies commissioned under the Department of Health's Costs and Effectiveness of Services for Children in Need research initiative described below.

Our website statistics indicate that the demand for this type of information continues to grow at a rapid rate. This suggests that more people from different backgrounds are making use of cost information for both evaluative studies and for other purposes. It is important that both in using the unit cost information here and in estimating costs for specific purposes that people understand the basis of the estimates. Costing services is rarely a straightforward process. The best estimates often require that we draw on a wide variety of sources.

This editorial starts by describing developments which have arisen this year and new services that have been included in this volume. We then go on to describe in some detail the variety of resources drawn on in the process of estimating costs, using one of our new additions, nurse practitioner services, as an illustration.

Developments

Land

The cost of land is an important element of the capital costs of many services. In previous years, the Housing Statistics Division of the Office of the Deputy Prime Minister (ODPM) supplied average land prices based on land priced transactions. This year ODPM reported that this method of calculation was considered flawed as this approach produced falling average land prices during the late 1990s when property price rises suggested land values were increasing. The statistics have been replaced with those supplied by the Valuation Office, which are twice-yearly valuations for each Local Authority in England. These figures combined with population weights are used in order to determine regional and national prices. As a result the price of land has increased from £98 per square metre in England in 2002 to £268 in 2003 and from £508 per square metre in London in 2002 to £821 in 2003. However, as land prices form only a small proportion of the total cost of a service, the maximum impact this has made on our estimates is an increase in the unit cost of just over 1 per cent.

Salaries and staffing

In previous volumes social worker, team leader, social work assistant and care manager salaries have been based on a survey carried out by the PSSRU. This year, we have drawn on information from the Employer Organisation's annual national Social Services Workforce Survey. This has been used to directly estimate social worker salaries and to derive a social work wage specific inflator for those workers (such as team leaders and assistants) where specific information was not available from the survey. In practice we found that, although mean estimates were in line with previous estimates, wide definitions of staff type meant there were large variations around these means.

Health service staff salaries are usually based on national scales and agreements. General Practitioners (GPs) have always been different as they were mostly self-employed and the Intended Annual Net Income (IANI) was used as a basis for average personal income. With the move to GP contracts this information is not available so our estimate this year reflects last year's IANI uprated to 2003/2004 levels. We hope next year to draw on new sources of information about GP income.

This year, in estimating the cost of a community mental health team worker (schema 11.2), we have been able to draw on new data from the Department of Health's Mental Health Service Mapping (Adult Mental Health Mapping, Table 20a: Community Mental Health team Workforce, September 2003). In the past staffing information has been based on a 1995 research survey and finance data from national pay scales have been superimposed on the mean full-time equivalent members of an average team (Onyett, 1996). This year, we have used national pay scales as before but included information on staff composition to reflect the teams' developing roles and responsibilities.

New service estimates and information

Children's services

Most of the new developments in this volume reflect the rapid increase in information about the costs of child social care. The results of a Joseph Rowntree Foundation (JRF) funded

evaluation of a Home-Start intervention that was undertaken in England and Northern Ireland is described by Michelle Slead and colleagues (pages 25-28). All of the other new additions and improvements to child care costs draw on the Costs and Effectiveness of Services for Children Research Initiative that was commissioned by the Department of Health. The aim of this initiative was to answer questions regarding the delivery of good and effective services at appropriate costs and to explain variations in costs both within and between local authorities. The Initiative is now in its final stages, with some studies complete. Much of the very valuable information collected does not lend itself easily to our usual schema format. We have included a number of brief articles and tables as well as schemata in order to make best use of the information available:

Adoption Recent policy emphases on increasing the number of children adopted out of care and improving the quality of adoption support services has made the need for detailed cost information extremely pressing. On pages 11-17, Julie Selwyn and colleagues draw on their study of adoption, Cost and Outcomes of Non-Infant Adoptions, to describe the methodology used and resulting unit costs of the adoption process and of supporting families.

Social work with children and their families In another article (pages 21-24), Costs and Consequences of Different Types of Child Care Provision, Harriet Ward, Lisa Holmes and Jean Soper describe the processes undertaken by social services when a child is placed in care and factors associated with variation in these costs. The resulting *care packages* for children vary from relatively minor interventions to complex packages designed to address a variety of needs and contextual factors. Examples of high, medium and low cost interventions are given on pages 102-105. These results have been incorporated in a decision analytic model that allows users to estimate aggregate costs for both individual children and child care populations. For further information about the model contact Lisa Holmes (01509 228878, L.J.Holmes@lboro.ac.uk).

Individual and group psychotherapy (pages 106-107) show the comparative costs of providing sexually abused children with individual and group psychotherapy. In a brief commentary to these schemata Paul McCrone notes that the approaches have been found to be equally effective suggesting group psychotherapy is more cost effective. The study also compared the costs and outcomes of support for their carer, which are not presented here but can be accessed by contacting Paul at p.mccrone@iop.kcl.ac.uk.

Core assessments A study conducted by Hedy Cleaver and Steve Walker with Pam Meadows investigated the impact of the implementation of the Assessment Framework. On pages 19-20, Hedy Cleaver and colleagues draw on this work to identify the processes involved and costs to social services of carrying out core assessments.

Family support services Drawing on a detailed study of family interventions conducted by Jill Tidmarsh and Justine Schneider on pages 29-31, information is given about the costs of a wide range of services used by 75 families requiring family support over a six month period.

Community homes for children Information provided by Sarah Byford and Helen Weatherly from a study on Leadership and Resources in Children's Homes has fed into improved estimates of local authority homes (page 91) and a new schema for community homes for children in the non-statutory sector (page 92).

Other services

A schema for an *NHS Alcohol Health Worker* (page 74) has drawn from an unpublished study of Barbara Barrett and her colleagues (2004) on the cost-effectiveness of screening and referral to an alcohol health worker in alcohol misusing patients attending an accident and emergency department. This is believed to be the first detailed costing of this type of worker and is an important addition in the light of the Prime Minister's Strategy Unit's recently published Alcohol Harm Reduction Strategy which identifies the problems caused by alcohol and calls for research into effective measures to combat hazardous drinking.

Another new service is a schema for a *Nurse Practitioner* in primary care (page 133). Nurse practitioners perform an increasingly important role in the health service. We discuss the estimation process for this service in some detail below as an illustration of the variety of sources that can be drawn on in order to estimate costs.

Data sources and assumptions in cost estimation

A wide variety of data sources are used both directly and indirectly (as the basis for assumptions) in cost estimation. These include new research, results of previous studies, routine data collections and administrative sources (such as accounts and pay scales). Identifying and putting together this information requires an understanding of the basic principles and of the specific circumstances of the application. We identify these principles and describe the process of estimating the nurse practitioner costs in order to illustrate how data sources are used.

The process of estimating unit costs requires the application of a number of principles in order to ensure that the costing is valid and appropriate in the circumstances for which it is to be used. As nearly as possible we identify the long run marginal opportunity costs, where marginal costs reflect the additional cost of including one more service user and opportunity costs refer to the cost of opportunities forgone rather than actual amounts spent (although the two might be the same). Long-run costs take into account the full costs of creating a new service. However, as we only have certain knowledge of the short-run marginal costs of a service, the convention is to use these revenue costs, plus the cost implications of fixed costs as an approximation of the long-run marginal opportunity costs. Such estimates should:

Be comprehensive — reflecting the opportunity costs of all resources used — including those not necessarily born by the service funder or purchaser. Usually in an economic evaluation the societal perspective is taken so costs implications for all should be incorporated.

Be timely — reflecting practice and circumstances relevant to the period that is the focus of the investigation or intervention

Reflect variations — costs vary as a result of, among other things, context, provider and individual service user characteristics. Such variations need to be reflected and investigated if appropriate use is to be made of cost information.

Be consistent — assumptions are often required in the process of costing and it is important to be consistent in order to ensure that adding costs across different services in order to provide the total cost of the intervention, care package or process, results in valid estimates and that like is compared with like.

In applying these principles to our work on the Nurse Practitioner (NP), we have chosen, as with other health professionals in the Unit Costs volume, to provide bottom-up estimates, which require us to identify individual resources tied up in the delivery of the service and to assign a value for each of these resources. This then allows users to substitute information to reflect local circumstances and the perspective of the costing exercise. This method of costing is particularly useful in cases such as for the NP where skill mix is being debated as it allows for the inclusion of education and training costs, which can be easily substituted to allow for training applicable to other health professionals.

Usually when a unit cost is being estimated it is for a specific purpose and this provides both context, which facilitates assumptions to reflect the objectives of the exercise and sources of information (such as accounts) about the service. Our purpose, in estimating nurse practitioner costs was to provide readers with national estimates so that they could, if required, substitute our figures with their own specific figures to tailor the schema to their own purpose. Our estimates are based therefore, mainly on secondary sources of information such as nationally based salary scales and previous studies carried out for other health professionals. In this instance we were able also to carry out some primary research through making contact with the Organisation of Nurse Practitioners (ONP). This enabled us to check information we had found from published sources and also provided us with valuable information on time use that we had not been able to find from secondary sources of data.

There are four stages that are important in the process of estimating unit costs. These stages can be summarised as service description, identification of activities and service unit, identification of cost implications and estimation of total and unit costs (Allen and Beecham, 1993). At each stage, but most particularly when identifying the cost implications, it is often necessary to draw on a variety of sources.

Service description

A full understanding of a service is a prerequisite of estimating unit costs. It is only when resource use is thoroughly understood that the associated expenditure information can be correctly interpreted and need for further information identified. The ONP provided very helpful advice for this purpose for our schema.

In the past few years, the role of the NP has developed considerably as they have moved into most health care settings, including general practice, walk-in-centres, accident and emergency, minor injury units, and a range of acute and chronic care specialities and facilities. Responsibilities and use of time in each sector are very different and each sector merits a separate analysis of costs. In our previous volume Jennifer Beecham (2003) described the use of a nurse practitioner in improving care in care homes. As described below our investigation found that information was most readily available in the primary care sector so we have developed the schema for this setting.

Calculate a constant and relevant service unit to which a cost can be attached

Once there is a clear understanding of the service, it is necessary to identify a relevant service unit to which the cost can be attached on a consistent basis. Whilst the purpose of the Unit Cost volume is to provide a variety of estimates to allow adaptation for different purposes, cost work done for a specific study will need to reflect the type of information that

can be collected about the service use. We drew on advice, administrative sources and new data for this purpose.

Routinely prepared expenditure accounts usually span one year and there may be times when it is most useful to present costs information annually. However, in the case of NPs the most relevant service units are likely to be time spent in face-to-face contact, individual consultations or episodes of care. To cost episodes of care requires either information about number of episodes per NP or information about the number of contacts per episode. Neither of these were available. For our purposes it made most sense to identify time spent in face-to-face contact and the cost per contact to allow readers of the volume to adapt the information for their own purposes.

For most purposes in estimating the cost of time we require information about the number of hours per week, allowances for leave and expected levels of sickness. For nurses information is available from the Royal College of Nursing and Nursing and Midwifery Staff negotiating council conditions of service. When a specific study is being undertaken information may be available about actual hours worked and levels of sick leave. While people often work more than their contracted hours and may take less leave it is rarely appropriate to allow for unpaid overtime in estimates as any generalisations would assume that type of behaviour would continue, underestimating the likely cost implications of the intervention. However, local estimates of sick leave reflect real cost variations and are more appropriate to include than our standard allowance of 10 days per year.

The cost of face-to-face contact requires that allowance is made for other activities necessary in order to deliver face-to-face contact time. Often information about time spent on training is available at an organisational level in terms of days per year. But for details about the balance between administrative, travel and similar tasks and patient contact we need information about the time use of individuals. We discuss elsewhere the details of the estimation process (Netten and Beecham, 1999), here we are concerned with data sources. In order to reflect current practice it is desirable to collect information about current time use from those conducting the service in the form of either time diary or a description of distribution of time over a working week from the staff providing the service: normally be those involved with the intervention. For our purposes, the ONP, who have regular contact with their member, sent questionnaires to their members that generated 27 responses from NPs in primary care but very few involved in secondary care. NPs in primary care provided information on the proportion of their time they spent in the surgery, at home, on the telephone, getting prescriptions signed and travelling. They were also asked to estimate the length of a surgery, telephone consultation and home visit. The results enabled us to estimate multipliers to calculate the cost of a client contact and surgery consultations (see Appendix to Netten and Beecham, 1999).

Identify and collect the information on the cost implications of the service elements

In order to be comprehensive costs should include the cost of salaries and associated oncosts, clerical support, relevant share of the capital and maintenance costs of buildings and equipment and the management of the department. To avoid underestimating costs, it is also important to understand the degree to which the service draws on other support or services that may not be included in any cost-centre accounts. Examples are overhead costs such as central financial and human resource services.

When collecting information for each type of resource, there are often a variety of sources on which to draw. If access to accounts is possible, information on salaries and the running costs associated with the use of the building will usually be presented annually as they are recurrent expenditure. In the absence of expenditure accounts, for a guide to the average salary for the NP, we searched the web for published sources that enabled us to identify the grade assigned to most NPs, which we then used in conjunction with national pay scales for nurses. We then were able to confirm this with the ONP. Employers' national insurance and employers' contribution to superannuation were then added. We draw on national rules for the estimation of National Insurance payments and assume that employers contribute 4 per cent of salary to superannuation schemes, although this does vary by employer and specific information should be collected wherever possible.

Ideally, when available, accounts information should be drawn on for overheads, as these costs are otherwise difficult to estimate. Overhead costs are difficult to establish on a consistent basis as they cover support services and indirect resources that are often delivered through departments that perform these functions to a range of other services. Good practice requires that the process by which these are allocated reflects activity and allows for the consumption of overhead costs by all departments (Graves, 1996).

NPs in primary care will normally work in a health centre together with other community health professionals and there will be a degree of sharing of facilities and capital resources. In the absence of any specific information about overheads we had to draw on previous sources of information collected for other health professionals who we considered would have similar overhead costs. This information however is dated and therefore obviously not ideal. Costs for other community nurses had been based on previous research (Knapp et al., 1992) and we made the assumption that NPs have the same direct overheads as practice nurses who work in the same setting (see page 132). For indirect overheads, which includes the finance and human resource function, a fixed sum equivalent to other health centre based community staff has been added based on work conducted with Trusts as part of a research project to develop a ready reckoner for health service staff costs (Netten et al., 1999).

Information on the building (and land) in which a service is located might appear in accounts as estimated depreciation allowance or debt charge, the exact amount being a function of the original construction cost and the method of depreciation accounting employed. If the building is likely to remain in service for many years to come, the opportunity cost should be taken into account on a consistent basis so debt charges and depreciation are deducted from accounts and capital estimates included. The method we use is either to obtain a valuation of the building when available or in the absence of any specific information, the new build value from data from the Building Cost Information Service (BCIS). These values are then annuitised over 60 years at 3.5 per cent (see Netten, 2003 for a discussion about the discount rate).

There are cases where this approach cannot be used. For example, when costing private sector residential or nursing homes, valuations for building and other capital-intensive items are rarely available. In these cases convention suggests that the fee (for shelter and care) is set at a level that covers both revenue and capital costs. Given the public policy focus of the evaluation and the likely proximity of the fee (as a market price) to the real cost, this is an acceptable compromise. Similarly, when costing privately-rented accommodation, it is often inappropriate to ask residents or landlords for the value of a property. Again, convention suggests that the rent (fee for shelter) covers the cost implications of the original capital investment.

An important cost to include, particularly when evaluating services that involve changes in skill mix, is the cost of training and qualifying workers. Ongoing training is usually accounted for through ongoing revenue costs of the service and time use of individual members of staff. However, investment in qualifications requires more detailed information about the process and expected working lives than it is often practical to collect for a specific study. These volumes provide information about the costs of investment in training for a variety of health service professionals that can be supplemented by specific information about particular types of professional (see page 115).

In the case of NPs expectations in terms of qualifications were used to identify appropriate courses to include for non-specialist qualifications. For information on the specific NP accredited programme, direct contact with course leaders provided information on mentor requirements and the number of hours that they are required to support students during their studies. There are also post-graduate courses available for NP graduates or nurses with a first degree in health or nursing. Information on these courses was found on the web and details required were either provided in course information or provided by personal communication with course leaders. As the DH provides funding for the Extended Formulary and Supplementary Prescribing Course, which many nurse practitioners are now required to undertake, we were able to obtain an average cost for tuition through Strategic Health Authority Directorates of Workforce. We then added replacement costs for speakers on the course according to information provided by the education providers (excluding travel and accommodation costs) and also lost production costs for the nurse based on the number of days they would have to devote to studying.

Calculate the unit cost for the service

The service description and the collection of cost information then allow the total cost of the service to be calculated. This is achieved by dividing the total cost of the service by the unit of activity, which in the case of NPs was the number of hours worked during a year. Allowance for non-contact time provides an estimate of face-to-face contact and information about the average length of a consultation (15 minutes) from our 27 NPs allows us to estimate the average cost per surgery consultation.

Conclusion

The purpose of this editorial has largely been to draw the reader's attention to the many new sets of cost data available which are largely as a result of the Children in Need Research Initiative studies being finalised. We have also outlined certain important issues that have had an impact on the calculation of unit costs this year, the most notable being the basis for land cost estimates.

The estimation of unit costs requires the use of a wide variety of sources of information. We have described how the application of principles, the use of information from these volumes and the variety of other sources available make this possible.

We always attempt to keep our data as up to date as possible. However, if you know of any more recent sources which can be drawn from, please contact Lesley Curtis on L.A.Curtis@kent.ac.uk or 01227 827193.

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Costs of adoption

Julie Selwyn, Wendy Sturges, David Quinton and Catherine Baxter

With the recent policy emphases on increasing the number of children adopted out of care and improving the quality of adoption support services, the need to know more about the costs of placing children for adoption and providing post-adoption support has become extremely pressing. A study (Selwyn et al., 2003) was carried out which was the first of its kind to attempt to estimate the cost to social service departments (SSDs) of placing for adoption and supporting in adoptive placements a complete epidemiological based sample of adopted children.

The data used to calculate the adoption process unit costs were collected from SSD case files of 96 children, aged five years seven months on average at placement, for whom adoptive homes were found. The data for the post placement and post adoption unit costs were calculated from case file information on the 96 children and from interview with the adopters of 64 of the 80 children who were still in their adoptive placements at the time of the follow-up, which was on average seven years after placement.

Three different unit costs listed below have been calculated following recommended methodology (Beecham, 2000):

- an 'adoption process' unit cost — the cost to SSDs of finding an adoptive family for a looked-after child;
- a 'post placement' unit cost per week — the cost to SSDs of maintaining a looked after child in an adoptive placement before the making of an Adoption Order;
- a 'post-adoption' unit cost per week — the cost to SSDs of providing adoption support services to adoptive families post Adoption Order.

All information on staff costs have been taken from the Unit Costs of Health and Social Care where it was available, otherwise salaries have been estimated. Other costs have been provided by the Local Authority (LA) or have been based on actual payments (inflated to 2002/03 levels). Data were collected which would give the most accurate picture of the resources SSDs were employing. Diaries were completed by social workers so that time could be allocated appropriately to adoption or fostering activities, rather than be subsumed within the family placement budget. An LA's legal department also helped collect data to enable an approximate estimate of legal costs. However, because the data were collected with each child as the main focus, this method lost some of the costs of adoption. For

example, a great deal of social work time was spent recruiting adopters but from the many who made initial enquiries only a few become approved adopters and it was not possible to allocate the costs of 'drop-out' in this study. Similarly by building costs per child, the costs when sibling groups needed an adoptive placement may have been overestimated.

It is important to note that Social Worker and Team Manager unit costs used were weighted unit costs, specifying the cost per hour of client-related activity, rather than the cost per working hour. Although it was appropriate to use these more accurate weighted unit costs (Beecham, 2000), they do alter the final unit cost and this needs to be borne in mind if comparing with other cost estimation exercises.

The total cost per year to SSDs for family finding and supporting the placement until the making of the Adoption Order for children in this sample was £20,501. The vast majority of the children in this sample were matched and placed within a year of the adoption best interest decision but the average length of time between placement and the making of an Adoption Order was 2.4 years. By examining time taken for matching and the making of Adoption Orders, it was also possible to calculate the total cost for adoption for a child in this sample. This was £25,782. It was assumed that on average the same level of support went into the families in the first and second years.

The adoption process unit cost

To calculate the cost of finding a family per child the average cost per child of each of the inputs was calculated and these costs summed to give the average cost of placing a child for adoption. As seen in table 1, the average cost in 2002 of placing a child for adoption was £12,075 with a range of £9,346 to £29,293. Costs varied depending on the complexity of the case, the amount of staff time taken to find an appropriate placement, the need for promotional activities or payment of an inter-agency fee and this is reflected in the range of costs.

Staff costs made up just over three quarters of the adoption process unit cost (77 per cent), family finding costs just under a fifth (19 per cent) and grants/reimbursements to carers and legal/finance only 2 per cent each.

Table 1 Costs of the adoption process (2002 prices)

Service Component	Total input (hrs)	Cost per unit ¹	No. in receipt of service	Minimum cost per child ²	Maximum cost per child ³	Average cost per child (n = 96)
a) Staff Costs						
Child's Social Worker	162	£25	96	NA	NA	£4,050
Family Placement Worker	144	£25	96	NA	NA	£3,600
Team Managers	40	£31	96	NA	NA	£1,240
Adoption Planning Manager	12	£28	96	NA	NA	£336
Adoption Clerk	8	£15	96	NA	NA	£120
Total - Staff Costs				£9,346	£9,346	£9,346
b) Family Finding Costs						
BAAF/Agency Consultations	2	£85	4	£0	£170	£7
Consortium Membership	-	-	31	£0	£291	£94
Promotional Costs	-	-	26	£0	£827	£68
Inter-agency Fees	-	-	16	£0	£14,931	£2,108
Total - Family Finding Costs				£0	£16,219	£2,277
c) Payments to Carers						
Adopter Expenses	-	-	29	£0	£696	£53
Foster Carer Expenses	-	-	10	£0	£230	£17
Set-up Grants	-	-	37	£0	£607	£107
Adopter Legal Expenses	-	-	41	£0	£820	£30
Total - Payments to Carers				£0	£2,353	£207
d) Other Costs						
Legal Costs	-	-	16	£0	£1,314	£219
Finance Costs	-	-	5	£0	£61	£26
Total - Other Costs				£0	£1,375	£245
Grand Total				£9,346	£29,293	£12,075

Post-placement adoption support

The average cost in 2002 of supporting the child in their adopting home until the making of an Adoption Order was £6,092 or £117 per week, with a range of £21 to £260 per week. Historically, adoptive placements have not received the same levels of support from SSDs as foster placements, either financially or through other service provision. Adoption allowances for example must contain no element of reward, are means tested and are therefore much lower than fostering allowances.

To calculate the unit cost of post-placement adoption support, the average cost per child of each of the inputs was calculated and these costs summed to give the average cost to SSDs per year. Table 2 shows these calculations with, where possible, the minimum and maximum costs for each element.

Allowances and other financial support comprised over half of the unit cost (54 per cent), staff costs 33 per cent, other service provision 8 per cent and costs associated with birth family contact 5 per cent. This latter figure disguises the full costs of contact, as it was not

1 Social worker and team manger costs are weighted costs per hour of client-related activity.

2 For staff costs average costs are shown due to the way the costs were estimated.

3 For staff costs average costs are shown due to the way the costs were estimated.

possible within the scope of this study to account for all the planned contact that did not occur, nor all the time spent by workers reviewing, planning and setting up contact arrangements.

Table 2 The cost of post placement adoption support (2002 prices)

Service Component	Total input per year (hrs)	Cost per unit	No. who received service	Minimum cost per child per year	Maximum spent on a child in the year ⁴	Average cost per child per year
a) Staff Costs						
Child's Social Worker	820hrs ⁵	£95	91 ⁶	£0	£3,800	£811
Family Placement Worker	726hrs ⁶	£95	88 ⁶	£0	£4,275	£718
Team Managers	840hrs	£31	96	£124	£341	£271
Adoption Manager	768hrs ⁶	£28 ⁷	96	£185	£185	£185
Finance Officer	130hrs	£13	65	£0	£26	£18
Total - Staff Costs				£309		£2,003
b) Financial Support						
Adoption Allowances	£306,128	-	65	£0	£4,731	£3,189
Other Payments	£9,710	-	33	£0	£1,070	£101
Total - Financial Support				£0		£3,290
c) Other Service Provision						
Respite Care	31wks	£247	6	£0	£4,446	£80
Childminding	322hrs	£5	4	£0	£1,400	£16
Additional Workers	516hrs	£12 ⁸	5	£0	£2,972	£67
Skills Sessions	12hrs	£25	1	£0	£300	£3
CP Conferences	13hrs	£783	7	£0	£3,132	£106
Post-Adoption Modules	4hrs	£2488	4	£0	£2,488	£104
Support Group	-	-	32	£0	£302	£101
Total - Other Service Provision				£0		£477
d) Birth Family Contact						
Letterbox Contact	195 items	£38	50	£0	£380	£77
Supervised Contact	100 visits	£190 ⁹	37	£0	£4,940	£207
Contact Travel Expenses	£1,494	-	12	£0	£355	£16
Total - Birth Family Contact				£0		£300
Grand Total						£6,070

Post adoption support unit cost

At the time this study was undertaken most adoptive families were not supported by SSDs after the making of the Adoption Order and consequently costs are low. Data were collected during interviews with 64 adopters and additional costs of five recently disrupted adoptive placements from the sample were added to give a more complete picture of adoption support. The unit cost per year of providing post adoption support services in 2002 was £2,334 (£45 per week) with a range of £71 per year to around £13,500 per year. This

4 One child would not receive all services. A total amount is not therefore applicable.

5 Estimates for the full sample of 96 are based on data for 64 children whose adopters were interviewed.

6 480 hours of Adoption Planning manager and 288 hours of admin support.

7 £15 per hour for the administrative assistant.

8 138 hours of Adoption Planning Manager and 69 hours of administrative support.

9 Two hours of social time at £95 per hour.

represents the cost in 2002 to SSDs of providing post-adoption support services for a previously looked after child with the highest costs supporting adoptive placements that were in danger of breakdown.

SSD expenditure on adoptive placements reduced by two-thirds once the Adoption Order was granted. Allowances and other financial support comprised 55 per cent of the unit cost, staff costs 18 per cent (notably less than the post-placement figure of 33 per cent), other service provision 22 per cent and costs associated with birth family contact 5 per cent.

Table 3 Cost of post adoption support (2002 prices)

Service Component	Total input per year	Cost per unit	No. who received service	Minimum cost per child per year	Maximum spent on a child in the year ¹⁰	Average cost per child per year
a) Staff Costs						
Child's Social Worker	96hrs	£95	13	£0	£1,900	£132
Family Placement Worker	109hrs	£95	13	£0	£2,280	£150
Team Managers	93hrs	£31	45	£0	£155	£42
Adoption Manager	207hrs ¹¹	£28 ¹²	69	£71	£71	£71
Finance Officer	50hrs	£13	25	£0	£26	£9
Total - Staff Costs				£71		£404
b) Financial Support						
Adoption Allowances	£83,564	-	25	£0	£5,720	£1,211
Other Payments	£3,460	-	5	£0	£2,400	£50
Total - Financial Support				£0	£8,120	£1,261
c) Other Service Provision						
Respite Care	36wks	£247	7	£0	£1,976	£166
Additional Workers	639hrs	£12 ¹³	9	£0	£3,825	£115
Therapeutic Support	21hrs	£36	2	£0	£540	£11
Skills Sessions	40hrs	£63	3	£0	£1,134	£37
Social Work Assessments	84hrs	£25	2	£0	£1,050	£30
CP Conferences	9	£783	4	£0	£2,349	£102
Other Post-Adoption	28hrs	£95	3	£0	£2,470	£39
Support Group	-	-	11	£0	£302	£48
Total - Other Service Provision				£0		£548
d) Birth Family Contact						
Letterbox Contact	83 items	£38	25	£0	£228	£46
Supervised Contact	24 visits	£190 ¹⁴	10	£0	£860	£68
Contact Travel Expenses	£500	-	6	£0	£205	£7
Total - Birth Family Contact				£0		£121
Grand Total				£71	1	£2,334

To understand more about the costs of post-adoption support, the different patterns of support for adoptive placements and the cost implications of these were considered. Figure 1 summarises the patterns for the 69 children.

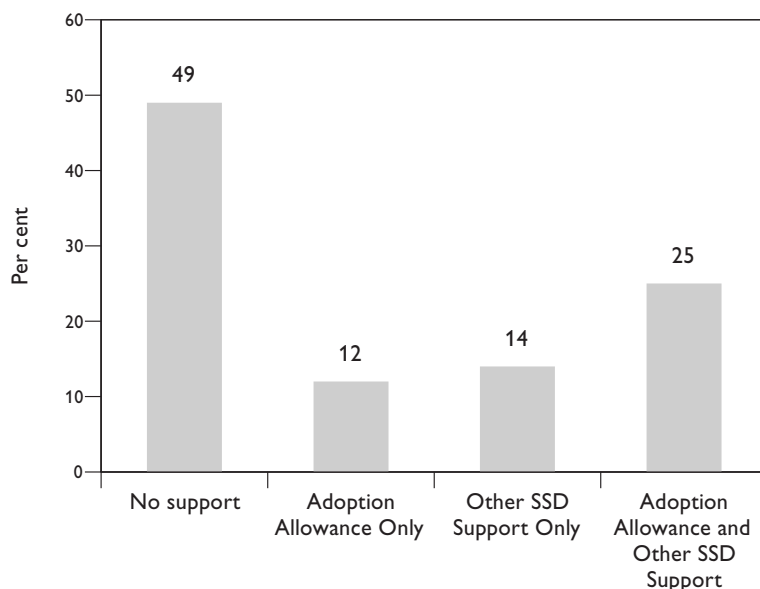
¹⁰ One child would not receive all services.

¹¹ 138 hours of Adoption Planning Manager and 69 hours of administrative support.

¹² £15 per hour administrative assistant.

¹³ £12.26 per hour community care worker, £95 per hour family linked worker, £10. per hour sessional worker.

¹⁴ Two hours of social time at £95 per hour.

Figure 1 Patterns of post-adoption support

Thirty-four of the adoptive families (49 per cent) were not receiving any support from SSDs and a further eight (12 per cent) were only receiving an adoption allowance for their child. Seventeen (25 per cent) adoptive families were in receipt of an adoption allowance and at least one other form of support from SSDs. These differing levels of adoption support service had clear cost implications as table 4 below shows.

Table 4 The cost implications of the different patterns of post-adoption support (2002 prices)

Pattern of support to adoptive families	Average cost per week
No support (but contact costs)	£4
Adoption allowance only	£80
No adoption allowance but other SSD support	£50
Adoption allowance and other SSD support	£104

There were still costs to SSDs for those children and families who were not receiving any financial or practical support, due to the costs of facilitating contact with the children's birth families and the associated time from the Adoption Planning Manager. It is not surprising that the cost, £104 per week, of providing a more substantial post-adoption service, is very similar to the £117 unit cost of supporting children in their adoptive families before the Adoption Order was made. All of the above costs include contact costs and managerial and administrative costs. Thus the average cost of £80 per week of supporting an adoptive family with just an adoption allowance is more than the average amount families were receiving in adoption allowances per week (£66).

There has been growing recognition that adoptive families need continuing support and access to services, because of the characteristics of children placed for adoption. Most of the children had been abused, spent several years being looked after and been moved through foster placements. The Adoption and Children Act (2002) and the Adoption Support Regulations recognize the need for support and it is expected that over the next few years there will be a growth in post adoption services.

Conclusion

The cost implications of the different levels of post-adoption support services provided in this study could be helpful to Local Authorities trying to improve and estimate the cost of providing post-adoption support services. Approximately a third of adoptive families in this sample did not want any continued social work support (except for an adoption allowance if they were eligible) after the making of the Adoption Order. A further third wanted some social work support, and the third of families who were having the most difficulty wanted intensive multi-disciplinary help. However, adopters in this study were poorly informed about the range of services available and did not expect to be able to access even those services that they knew were available. As post adoption services receive more publicity, it should be expected that demand would grow.

Reference

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The cost of undertaking core assessments

Hedy Cleaver and Steve Walker with Pam Meadows

A study (Cleaver et al., 2004) was carried out as part of the Costs and Effectiveness of Services for Children in Need research initiative in order to determine the cost of undertaking core assessments. A core assessment is an in-depth assessment to explore the child's needs and the capacity of his or her parents or carers to meet these needs appropriately within the context of the wider family and community.

The study involved asking all participating authorities for detailed information about the time taken by social workers in undertaking the various elements of the core assessment and about the time they spent in consultation with colleagues and other professionals about the child or young person concerned. The time sheet identified the age group of the child (0-2, 3-4, 5-9, 10-14 and 15 plus) and asked about the other professions or organisations most likely to be consulted by social workers.

Timesheets were received from 24 social workers from four responding councils of which 17 identified the time involved in consulting colleagues and other professionals. Although the number of authorities is small, they do cover a range of circumstances and conditions.

If we take only the 17 estimates, the average time taken to complete an assessment is 26.25 hours, with a median of 25 hours, and a minimum of just over 15 hours. Only four of these cases took under 20 hours and only four more than 30 hours. If we take into account traveling time, missed appointments, team meetings and other activities, each assessment involved almost a full working week for a social worker. The cheapest assessment cost a total of £407, of which £377 was the cost of the social worker's time. The most expensive assessment cost £1,642 in total, of which £1,137 represented the cost of the social worker's time. The average for the seventeen cases was a total of £854: £657 for the social worker's own time, £63 for the time other colleagues in the social services department spent in communicating with the social worker and £133 for the time colleagues in other agencies spent in communicating with the social worker.

If we include the assessments of all social workers who responded, the time taken to complete a core assessment was 21.75 hours. The median amount of time was 21.25. The longest time taken by a social worker involving a child protection case was 45 hours, the shortest time was 6 hours. If we assume that the time taken to consult and liaise with other professionals represents a similar proportion of the total in these assessments as it is in the

seventeen with full details, this would produce an average cost of a core assessment of £707 of which £544 is the social worker's own time.

The final estimate for a core assessment in a complex case is based on the average costs derived from the five longest assessments reported in the timesheets. Unlike the other estimates in table 1, these figures are not based on scaling up the averages from the whole sample, but reflect only these five cases. The five cases are drawn from three of the four councils. It is apparent that the amount of time involved for colleagues and other agencies is significantly greater for these cases than it is for the average case. The cost of the social worker's time is around a third higher than the base case at £900, but the cost of the time of supervisors and colleagues in the social services department is nearly doubled at £117. The cost of the time of other agencies is increased by two-thirds to £221.

Table 1 shows estimates for the cost of the time of these other professionals, but these estimates will be minima, since they are based only on the time spent interacting with the lead social worker, and do not include any time they might take in consulting records, writing reports, talking to each other or engaging directly with the family or young person. Social workers had other consultations in around a third of the cases. For example, in all cases where the children were of school age the social worker consulted the child's or young person's school. In many cases, there was consultation with both GP or with a health visitor and in 12 out of 17 cases there was a consultation with another health professional. In half the cases there was consultation with the police.

Table 1 The costs of core assessments — 2000/2001 prices

	Average cost	Comment
Social Worker's time: <i>Breakdown of SW's time :</i> <i>hours</i>	£657	Average cost based on 26.25 hours of a Social Worker's time taken to complete a core assessment by 17 social workers. An hourly rate of £25 for client related work is used. The median time is 25 hours and the minimum is just over 15 hours. If we take into account traveling time, missed appointments, team meetings and other activities, each assessment involves almost a full working week for a social worker. The average time taken to complete a core assessment by all the social workers who responded was 21.75 hours and the average cost was £707. Based on 5 most complex cases, the cost was £1,238. All costs are taken from the Unit Costs Report (2001).
Discussion with parent	5:58	
Completing assessment forms	4:26	
Undertaking assessment	3:50	
Discussion with child	2:05	
Consulting files	1:49	
Consulting school	1:26	
Discussion with supervisor	1:20	
Consulting other health pros	1:13	
Other	2:43	
Total	22.9	
Social Services Department colleagues' time in communicating with the social worker:	£63	Average cost based on a total of 26.25 hours. Consultations with other workers are generally lengthy lasting 2.5 to 5.5 hours. Based on hourly rates of £31 for a Social Worker's supervisor's time, £70 for a GP, £25 for a Health Visitor and £25 for 'other' professionals time (member of child psychology team). Hourly rates have been taken from the Unit Costs Report (2001). Also based on hourly rates of £19 for a Police Constable, taken from Stockdale, Whitehead and Graham (uprated from 1999 to 2001 prices), £15 for a Teacher, cost of supply teacher from PriceWaterhouse Coopers (2001) and £15 for a Housing Officer's time, (own estimate).
Cost of other agencies' time in communicating with the social worker:	£133	Based on a total time of 26.25 hours. This might include the local education authority, a nursery or childminder or a neighbour. It is based on an hourly cost of £18.
Total Cost	£854	

Reference

Cleaver, H., Walker, S. & Meadows, P. (2004) *Assessing Children's Needs and Circumstances: The Impact of the Assessment Framework*, Published by Jessica Kingsley, London, ISBN 1 84310 159 9.

The development of unit costs for social work processes

Harriet Ward, Lisa Holmes and Jean Soper

Introduction

As part of the Costs and Effectiveness of Services for Children in Need research initiative, a study (Ward et al., 2004) was carried out in order to explore the costs and consequences of placing children in care or accommodation. The study aimed to link the costs of services more closely with the children concerned, by costing social work processes and then identifying how frequently these were undertaken over the course of a care episode. The study used data showing the experiences of a sample of 478 children, aged ten and over, who were all looked after by six local authorities between the weeks of the first and second Children in Need censuses in February 2000 and October 2001.

Data sources

The information underlying the unit cost estimations calculated for this study was gathered through focussed discussions held within team meetings attended by one of the researchers. Meetings were structured around the information from the local procedural documents issued to staff by each authority; those who attended were taken through those social work processes that were appropriate to their work, and a discussion was held concerning the length of time each staff group spent on each of the component parts. The social work processes were broken down into those activities undertaken by field social workers, family placement workers, team managers, administrative staff and other personnel either within or outside social services. Activities were further broken down into those that involved direct or indirect contact with service users, following the methodology used in the CIN census. Calculations were based on the extent to which staff *actually* followed local guidance rather than on the authority's expectations. The amount of time spent by each participant on each process was then costed as a proportion of salaries and overheads, and the whole added together to arrive at the unit costs.

This consensus approach proved to be robust in that there was little variation between the views of staff both within and between the authorities concerning the standard amount of time they spent on each process; major disparities being clearly attributable to differences in children's needs, the types of placement they received or specific local factors. The information was verified at a workshop attended by representatives from four of the

participating authorities. Opportunities were also offered for interested staff to comment, through structured questionnaires sent out after the meetings, on the agreed duration of the elements of each process.

Additional information about staffing levels, calculations concerning the weekly costs of maintaining children in foster and residential care presented for the CIN census and salary scales were gathered with the help of the liaison person in each authority.

Selection of processes to cost

The processes for which unit costs were derived in this study were modelled on the nine case management operations that underpin the task of looking after a child in care or accommodation of which four representing a low cost, median cost, high cost and very high cost are shown in schema. The processes costed in this study are tabulated below illustrating the standard cost to social services for a looked after child in local authority provided foster care outside London. This standard cost has been calculated by averaging the costs incurred by the four participating authorities, excluding the inner London boroughs which showed different cost patterns.

Table 1 Standard cost to social services of case management processes for a looked after child in local authority foster care (outside London) (2000/2001 prices)

Process	Cost
Deciding child needs to be looked after and finding a first placement	£508
Care planning	£95
Maintaining the placement (per month)	£1343
Exit from care/ accommodation	£209
Finding a subsequent placement	£163
Review	£324
Legal processes	£2198
Transition to leaving care services	£925

All looked after children will go through the first four processes during the time they spend in care or accommodation. In every case, a decision has to be made as to whether a child needs to be looked after, and a first placement has to be agreed and found, even when this is a de facto placement with parents or relatives. Decisions are based primarily on the core assessment, which is costed separately, as a process outside this study (see Cleaver and Walker, 2004, pages 19-20). When children are looked after more specialist assessments should be made of their health, educational and developmental status and Personal Educational Plans and Individual Health Care plans made on the basis of the findings. These developmental plans need to be linked to the overall care plan for a looked after child, and to the placement plan, specific to each individual placement. In this study, they have been included in care planning. Once a child is in placement, work has to be undertaken to ensure that both carers and child are adequately supported maintaining the placement. There is also a process to be undertaken at the end of the care episode, whether the child moves on to adoption, returns home or becomes independent. (Exiting from care/ accommodation).

Additional processes will need to be undertaken for some children: many will move to new placements (Finding a subsequent placement); those who remain looked after for a month or more will be subject to the review process (Review); further attention should be given to

monitoring developmental progress through Assessment and Action Records (or Assessment and Progress Records in the Integrated Children's System) (Review); and some will require legal interventions such as emergency protection orders, care orders or residence orders to secure their position (Legal processes). Young people who come under the provision of the Children (Leaving Care) Act 2000, will also be entitled to leaving care services (Transition to leaving care services). Some of these processes will be repeated as children remain in the care system and their progress is monitored or circumstances change.

Variations in costs

While the methodology described above has been used to calculate the standard costs incurred by any council in the process of fulfilling its responsibilities for looked after children, there were a number of specific factors that resulted in substantial variations in the time spent on some of the component tasks and thus the process costs. Such variations were engendered by particular factors within the local authority, within the types of placement used or within the population looked after.

Factors within the councils that were found to contribute to variations in the costs of service delivery could be attributed to geographical location, local authority policies and procedures, staffing and the availability of resources. Differences in salaries paid and the mix of staff employed also accounted for variations in the costs of service delivery.

A number of placement factors also contributed substantially to variations in the costs of looking after a child. The unit cost to social services for maintaining the placement (per month) encompassed the subsistence, salary and capital costs of the placement as calculated by the authorities, together with the costs of supporting it through visits to child and birth family, traveling and paperwork (social worker time); typing letters, filing and other paperwork, telephone calls, arranging payments to carers (administrative staff time); and supporting foster carers (family placement worker time). There were substantial variations in the cost of this process, according to the type of placement used; the standard unit cost for maintaining a child for a week in residential care was eight times that of the cost of foster care, 9.5 times that of a kinship placement and 12.5 times that of a placement with own parents.

As well as the organisational and placement factors, there were also a number of child-related factors that contributed to the variations in costs. These child-related factors include: disability, emotional or behavioural difficulty, and offending behaviour. The circumstances of asylum seeking children were also found to produce different cost pathways. It was also evident that a small number of children with complex needs who require specialist placements and services could skew the total costs of the looked after population in an authority.

While the unit costs calculated for this study focus on the costs to social services, it should also be noted that children who are looked after away from home often require support from a range of other universal and targeted services; they are particularly likely to incur additional costs to education, mental health services and youth offending teams.

Decision analysis model

The unit costs for each of the eight processes, along with the placement and needs data collected for the sample children were used to develop a computer application to facilitate

cost calculations. A decision analysis model has been constructed in Excel, using three spreadsheets. Cost calculations are carried out in one spreadsheet that picks up basic child and placement data from a second spreadsheet and unit costs from a third.

The model calculates the cost of each of the processes, taking into account the many variations according to placement type, the child's characteristics and variations between local authorities. Aggregate costs can be produced both for individual children and for care populations.

A demonstration model is currently being refined and will be made available on a CD to all English local authorities, together with a short user guide.

Conclusion

The complex relationship between those factors that contribute to (social care) costs needs to be better understood. Exploring how costs accrue as individual children follow different pathways through care, and identifying common patterns between those with similar characteristics, should lead to better understanding of both the costs of services and their relationship to children's well being.

Reference

Ward, H., Holmes, L., Soper, J. & Olsen, R. (2004) *Costs and Consequences of Different Types of Child Care Provision*, Centre for Child and Family Research, Loughborough University.

Estimating the unit costs for Home-Start support

Michelle Slead, Jennifer Beecham, Martin Knapp, Colette McAuley and Nyree McCurry

Introduction

Home-Start is a well-established national and international organisation which offers support to families with young children who are experiencing difficulties. Volunteers visit families in their own homes, usually once or twice a week, to provide both practical and emotional support.

A three-year study supported by the Joseph Rowntree Foundation evaluated the costs and outcomes of Home-Start support to families in South-East England and Northern Ireland. The study was jointly conducted by researchers at Queen's University, Belfast, and the Personal Social Services Research Unit (University of Kent and London School of Economics). For more information on the study see Box 1. Other outputs from the research are listed in Box 2.

In this paper we describe how we estimated the costs for Home-Start services. Particular attention is paid to the costs of organising and supervising the unpaid volunteers who support families. This is an oft-forgotten element when costing volunteer inputs to health and social care.

Methods

The cost estimation exercise followed the same economic principles as described in the editorial (see pages 1–9).

The cost estimates were based on information from several sources, the main one being a short questionnaire sent out to the organisers of each Home-Start scheme involved in the study. The questionnaire was built on our experience in PSSRU in the estimation of service-specific unit costs (see for example Beecham, 2000). It requested information about how the scheme operated, the services provided, the resources used and so on, while taking into account the type of data the services would have available. The questionnaire — labelled the Service Information Schedule — was piloted with two schemes in England before

Box 1: The Home-Start Evaluation

The aim of this Rowntree-supported study was to evaluate the outcomes and costs of Home-Start support to young families in the community who were experiencing stress. A quasi-experimental design was employed, comparing two groups of families in receipt of Home-Start support — one group in South-East England and the other in Northern Ireland — with families living in two areas where Home-Start was not operating — again one group each in South-East England and Northern Ireland. In total, 162 families were assessed over one year. It was noticeable that most mothers interviewed had high levels of need and were experiencing a lot of parenting stress. Some also reported depressive symptoms. Their children often had problems with emotional and social development. Home-Start volunteers provided home visiting support to 80 families, averaging 2½ hours per family per week for about 9 months. The volunteers offered emotional support, practical assistance and help with outings.

circulation. Each Home-Start scheme was also asked to provide their 2001-2002 expenditure accounts and annual reports.

Further information was provided in the Volunteer Activity Forms, completed at up to three time points by each volunteer supporting a participating family (one month, six months and 12 months after starting to visit the family, or for the last month of support if it ended within a year). These forms, completed by the volunteers for a retrospective period of one month, provided data on the number and duration of visits and travelling time to the family, and allowed costs to reflect the specific intensity with which each family received the service.

A consistent methodology was employed across all schemes to ensure that all costs were included for each scheme, and that each element of costs was treated in the same manner.

To ensure capital costs were correctly and consistently calculated we replaced information appearing in the accounts as rents, capital charges and the like with standardised estimates. These were based on the new build and land requirements for a local authority office and shared facilities (BCIS, 2001; DETR, 2000). The convention for calculating the opportunity costs of capital is to assume that the best alternative would be to invest the resources to earn interest over the life span of the building. Based on this premise, the capital costs were annuitised at a rate of 6 per cent over 60 years and adjusted for regional price differences (South East England and Northern Ireland) using appropriate pricing adjustment factors (BCIS, 2001).

The expenditure accounts and information about each scheme allowed us to estimate the short-run revenue costs and included the following elements.

- paid staff costs (salaries, national insurance contributions, pensions, travel and training).
- running costs (for example lights, stationery, telephone and affiliation fees).
- volunteer related expenses such as travel and training.
- client related expenses such as provision of other activities.

A number of adjustments had to be made to the information provided by the Home-Start providers. For example, often the local Home-Start services provided other support services as well as home visiting. Costs for these other activities, such as family groups, were excluded by deducting an estimate of paid staff time spent on these activities from total

Box 2: Outputs from the Study

Colette McAuley, Martin Knapp, Jennifer Beecham, Nyree McCurry and Michelle Sleed (2004) *Evaluating the Outcomes and Costs of Home-Start Support to Young Families Experiencing Stress: A Comparative Cross-Nation Study*, Joseph Rowntree Foundation, York, forthcoming.

A number of papers in peer-reviewed journals are planned for this project covering aspects of service use, costs and cost-effectiveness as well as the findings from the quantitative and qualitative outcomes analyses.

costs. Similarly, where the expenditure accounts gave the costs of rent and other building services (light, heat, maintenance) together, in order to include the latter costs but exclude the former, an estimate was made based on the average for those schemes where these costs were given separately.

Over and above the volunteer visitors, there were also a number of other people who spent unpaid time supporting the Home-Start schemes. Every scheme had a management committee, on average involving 12 people. Information about time spent on Home-Start-related activities by the committees was available for only a couple of the schemes, giving an average of about 600 hours per year. However, too little information was available for this estimate to be generalisable to all schemes, and so no costs were included for this nevertheless important input. It is worth noting that these costs could be considerable; they are usually carried by the agencies that employ the management group members, including the statutory local health or social services organisations. There are no other organisational overheads occurring for these schemes, for each local Home-Start service stands alone rather than as part of a wider organisation. Each local services is affiliated to the national Home-Start organisation and the fee payable has been included as part of the revenue costs.

Organisational costs of running a Home-Start scheme

Adding together the revenue and capital costs for running each scheme gives the total cost for the year. In the research our interest was in the cost per visit to a family. Other information from the questionnaire completed by the organisers, such as number of families supported, number of volunteers and average number and duration of visits to families, enabled us to work out a range of average unit costs for each Home-Start scheme. These are presented in table 1 for the Home-Start schemes in England and Northern Ireland.

Table 1 Breakdown of 2001–2002 organisational costs for Home-Start schemes

Cost measures	England	Northern Ireland	Total
Total cost for year (£):	£88,850	£41,440	£55,660
Mean (range)	(£47,640–£134,230)	(£21,290–£58,210)	(£21,290–£134,230)
Cost per active volunteer (£):	£2,580	£2,100	£2,240
Mean (range)	(£1,700–£4,330)	(£1,420–£2,960)	(£1,420–£4,330)
Cost per family supported over year (£):	£706	£1,120	£1,000
Mean (range)	(£550–£920)	(£674–£2,040)	(£550–£2,040)
Cost per home visit (£):	£14	£25	£22
Mean (range)	(£11–£18)	(£13–£39)	(£11–£39)

The costs of volunteer visitors

Of course, the costs presented above are those associated with *organising* Home-Start volunteer visiting and do not include the costs of the volunteers. In estimating the full opportunity costs of Home-Start all unpaid time spent on service-related activities need to be taken into account (see for example Knapp, 1984; Netten, 1993). The volunteers gave a large amount of unpaid time to the families and each volunteer recorded details of the time spent with each family. In table 1 these, by definition, are set as zero.

Conclusion

The calculations in table 1 use data from 19 Home-Start organisations in Northern Ireland and South East England. Ideally, we would prefer a larger sample and greater coverage across the UK. However, the schemes we worked with operated in both rural and urban areas and varied widely in terms of the number of volunteers managed and families served. This variety and the consistency of the methodology employed ensures that at the least the units are representative of organisations in these two areas but also are likely to have national relevance.

References

- Beecham, J. (2000) *Unit Costs — Not Exactly Child's Play. A Guide to Estimating Unit Costs for Children's Social Care*, Joint publication from the Department of Health, Dartington Social Research Unit and the Personal Social Services Research Unit, University of Kent, Canterbury. See also www.pssru.ac.uk/publications.htm.
- Building Cost Information Service (2001) *Surveys of Tender Prices*, February, BCIS, Royal Institution of Chartered Surveyors, London.
- Department of the Environment, Transport and the Regions (2000) *Housing and Construction Statistics 1988–98*, The Stationery Office, London. The appropriate inflator is provided by the DETR on request.
- Knapp, M. (1984) *The Economics of Social Care*, Macmillan, London.
- Netten, A. (1993) Costing informal care, in A. Netten & J. Beecham (eds) *Costing Community Care: Theory and Practice*, Ashgate, Aldershot.
- Netten, A. & Curtis, L. (2001) *Unit Costs of Health and Social Care 2001*, Personal Social Services Research Unit, University of Kent, Canterbury.

Costs of family support services

Jill Tidmarsh and Justine Schneider

As part of the Costs and Effectiveness of Services for Children in Need research initiative, a study was carried out in which family support services were costed. The study presents information about 75 of the 79 families in the sample (95 per cent). Data were taken from an analysis of the Intervention Checklists completed by the families' key workers and the total interventions recorded are the total for each family over a six month period, irrespective of the length of their actual involvement with the service.

Unit Costs for family support services were estimated by:

- the hourly cost for staff working in family support services was identified;
- the ratio of indirect to direct care time was identified so that a 'weighted cost' per contact hour could be estimated. Separate ratios, and therefore costs, were estimated for centre based and outreach work;
- the number of family support workers involved in each intervention was assessed, including other staff such as crèche workers, assistants or trainers;
- an hourly 'service setting cost' (on-site overheads) was computed to add to the hourly cost of family support time;
- the total intervention cost was then multiplied by the duration of one session of each intervention and divided by the number of service users.

Costs presented are for services where one-to-one work is undertaken, and are for sessions which ranged from 45 minutes to 4 hours. The costs of family support services across the sectors, per service user per session ranged from £4 to £1,164. The lowest cost applied to a voluntary sector family support group work session, based in a family centre, at which fifteen families and one family support worker were usually present. The highest cost applied to a special assessment for children who had been sexually abused based again in a voluntary sector project. The next most expensive service cost £189.

On average, families received around three sessions of assessment and one and a half of care planning. They received three practical interventions and three other types, for example counselling or parenting skills. The most common therapeutic interventions were those directed at improving parenting skills. Families were on average unlikely to receive many sessions of family therapy or play therapy.

Table 1 presents costs for the range of interventions commonly offered by the projects and table 2 gives costs for the more costly activities. Excluded from the tables are estimates of the costs of specialist assessments; these were derived from four services and included the very large cost of assessment of sexually abused children noted above. The range of costs for assessment was £55 (centre based) to £142 (outreach) per family, the median cost £76, and the average cost £91 (standard deviation £45).

Table 1 Interventions most commonly offered — 2001/2002 prices

Counselling — One to one work with children and with family members, described variously as individual work, or direct work.					
Characteristics	Number of services	Range¹ £	Median £	Mean £	Standard deviation
Centre Based	18	32-117	40	42	9
Outreach	11	40-142	60	67	30
Voluntary sector	16	33-142	48	64	35
Statutory sector	13	32-56	48	44	10
All	29	32-142	48	52	23
Family Therapy — Including family work, family therapy, family/systematic therapy and family group conferencing.					
Centre Based	9	37-143	65	79	32
Outreach	12	37-143	73	81	37
Voluntary sector	8	37-143	124	106	43
Statutory sector	13	37-74	65	64	12
All	21	37-143	72	80	32
Early Years and Educational Interventions — with the common goal of promoting children's development and enabling their educational and social integration. Includes speech and language groups, classroom activities and planned activities, infant massage, baby groups and play and stimulation groups.					
Centre Based	16	10-77	19	24	17
Outreach	8	21-151	30	46	44
Voluntary sector	3	10-151	49	70	73
Statutory sector	21	10-77	21	26	15
All	24	10-151	21	32	30
Parenting Skills Interventions — Including group and individual work described as parenting support, parenting skills, behaviour management skills, parenting skills and the 'parent-child game'.					
Centre Based	21	4-89	16	29	23
Outreach	4	25-57	42	42	16
Voluntary sector	4	4-89	15	31	39
Statutory sector	21	9-65	26	32	19
Individually delivered	7	57-89	55	61	14
Delivered to groups	18	4-50	15	20	12
All	25	4-89	18	31	22
Group Work — Including support groups for parents, domestic violence support groups, groups for children of dual heritage, stress and depression groups, women's groups and a 'partners for protection' group.					
Centre Based	10	10-123	13	32	37
Outreach	3	12-69	20	34	31
Voluntary sector	11	11-123	12	30	35
Statutory sector	2	20-69	44	44	35
All	13	10-123	13	32	34

¹ Costs are for services where one-to-one work is undertaken and are for sessions which range from 45 minutes to four hours.

Practical Support — Including support from volunteers, sessional work, and groups offering cooking and budgeting skills and DIY classes.²					
Centre Based	8	7-39	27	24	12
Outreach	6	14-189	40	60	64
Voluntary sector	4	7-189	18	58	88
Statutory sector	10	14-42	38	33	10
All	14	7-189	34	40	45

Table 2 Characteristics of more costly activities³*Centre Based Activities*

Activity	Description (NB 'FSW' in table 2 can be qualified therapist, social worker, or teacher trained).	Cost per session per user	Length of session in hours
Family Activities	1 FSW working with 1 family using recreational activities	£114	2.5
Family Work	2 FSWs working with 1 family on issues of sexual abuse	£117	1.5
Partners for Protection Group	4 FSWs working with group of 8 non-abusing parents of children who have been sexually abused	£123	3.5
Assessment of need and risk	4 FSWs working with 1 child in intensive assessment of sexual abuse	£1,164	8
Change & control work	2 FSWs working with 1 child to strengthen child's resources and resilience	£117	1.5
Family Support Group	2 FSWs working with 2 families to establish case for child protection/needs and strengths of family	£143	4.5

Outreach activities

Activity	Description	Cost per session per user	Length of session in hours
Family Activities	1 FSW working with 1 family using community resources	£126	2.5
Family Work	2 FSWs working with 1 family on issues of sexual abuse	£131	1.5
Care Planning	1 FSW working with 1 family and other agencies to establish plan of work	£142	3
Parenting & Child Management	1 FSW working with parents and children of 1 family, individually and together to develop parenting and child management skills	£142	3
Family/Systemic Therapy	1 FSW working with 1 family to improve family interaction and functioning using Family/Systemic Therapy techniques	£142	3
In School Interventions	1 FSW working with 1 child in classroom and whole school setting	£151	3
Play Therapy	1 FSW working with 1 child using Play Therapy techniques	£118	2.5
Change & control work	2 FSWs working with 1 child to strengthen child's resources and resilience	£131	1.5
Counselling Solution Focused Therapy	1 FSW working with 1 parent or child individually using Counselling and/or Solution Focused Therapy techniques	£142	3
Assessment/Review	1 FSW working with 1 family to establish need for, and effectiveness of a family support intervention	£142	3
Cognitive Behaviour therapy	1 FSW working with one parent or child individually using Cognitive Behaviour Therapy techniques	£142	3
Practical Support	1 FSW working with 1 family to assist in practical difficulties. For example form filling, transport, housing	£189	4

² Costs are not drawn from a consistent number of teams but only from those teams actually providing that intervention.

³ All activities had only one user, apart from 'Partners for Protection' Group (CB) which had eight users and Family Support Group (CB) which had two users.

Reference

Weatherly, H. & Byford, S. *Activities and Costs of Family Support Services*. For more information contact Jill Tidmarsh: J.W.Tidmarsh@durham.ac.uk.

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 ECCEP community care package: very low cost
- 1.13 ECCEP community care package: low cost
- 1.14 ECCEP community care package: median cost
- 1.15 ECCEP community care package: high cost
- 1.16 ECCEP community care package: very high cost

1.1 Private nursing homes for older people

Using PSS EX1 2002/03¹ returns uprated using the PSS Pay and Prices inflator, median costs per person for supporting older people in nursing care were £436 per week and mean costs were £435 per week. Twenty-five per cent of local authorities had average gross costs of £395 or less and 25 per cent of £506 or more. It has not been possible to exclude capital charges on the revenue account.

Costs and unit estimation	2003/2004 value	Notes
A. Fees	£496 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. ² Where a market is fairly competitive, such as the market for private nursing homes, it is reasonable to assume that the fee will 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
<i>External services</i> B. Community nursing C. GP services D. Other external services	£0.62 per week £22 per week	Reflects the level of service receipt found in a 1996 PSSRU survey of 137 nursing homes. ⁴ In the home with the highest level of nursing input, the average weekly cost was £13 (1996/1997 prices). A study ⁵ found that residents in private nursing homes consulted GPs for an average 6.01 minutes per week. 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 £14 per week.
E. Personal living expenses	£8.40 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 or a nursing home is £17.50. 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	1.15 x A	Fees in London nursing homes were 31 per cent higher than the national average (Laing & Buisson market survey ³).
Unit costs available 2003/2004		
£496 establishment costs per permanent resident week (A); £480 establishment costs per short-term resident week (A); £527 care package costs per permanent resident week (includes A to E); £510 care package costs per short-term resident week (includes A to E).		

1 PSS EX1 2002/03, Department of Health.

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, Discussion Paper 817/2, Personal Social Services Research Unit, University of Kent.

3 Laing & Buisson (2004) *Care of Elderly People: Market Survey 2004*, 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, Discussion Paper 1423, Personal Social Services Research Unit, University of Kent.

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.

1.2 Private residential care for older people

Costs and unit estimation	2003/2004 value	Notes
A. Fees	£345 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. ¹ Where a market is fairly competitive, such as the market for private residential homes, it is reasonable to assume that the fee will 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. ²
<i>External services</i> B. Community nursing C. GP services D. Other external services	£5.30 per week £14 per week	Reflects the level of service receipt found in a 1996 survey of 123 residential homes. ³ In the home with the highest level of nursing input, the average weekly cost was £44 (1996 prices). A study ⁴ found that residents in private residential homes consulted GPs for an average 3.85 minutes per week. 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 £8.90 per week.
E. Personal living expenses	£8.40 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. ⁵ This has been uprated by the Retail Price Index. The DWP personal allowance for people in residential care is £17.50 and 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	1.20 x A	Fees in London residential homes were 38 per cent higher than the national average (Laing & Buisson market survey ²).
Unit costs available 2003/2004		
£345 establishment costs per permanent resident week (A); £366 establishment costs per short-term resident week (A); £373 care package costs per permanent resident week (includes A to E); £395 care package costs per short-term resident week (includes A to E).		

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

2 Laing & Buisson (2004) *Care of Elderly People: Market Survey 2004*, Laing & Buisson, London.

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

4 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.

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

1.3 Voluntary residential care for older people

Costs and unit estimation	2003/2004 value	Notes
A. Fees	£341 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
<i>External services</i>		
B. Community nursing	£7.00 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 ³ found that residents in private residential homes consulted GPs for an average 3.85 minutes per week. 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 £8.90 per week.
C. GP services	£14 per week	
D. Other external services		
E. Personal living expenses	£8.40 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 updated 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	1.38 x A	Fees in London residential homes were 38 per cent higher than the UK average (Laing & Buisson market survey ¹).
Unit costs available 2003/2004		
£341 establishment costs per permanent resident week (A); £361 establishment costs per short-term resident week (A); £370 care package costs per permanent resident week (includes A to E); £392 care package costs per short-term resident week (includes A to E).		

1 Laing & Buisson (2004) *Care of Elderly People: Market Survey 2004*, 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, Discussion Paper 1423, Personal Social Services Research Unit, University of Kent.

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 now 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. The average revenue cost was £402 per week and at current prices, the standard deviation was £114. Ten per cent of homes had average gross costs of £571 or more and 10 per cent of £293 or less. Median costs were £389 per week. Costs have been inflated using the PSS pay and prices inflator.

Costs and unit estimation	2003/2004 value	Notes
Capital costs		
A. Buildings and oncosts	£44 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. When discounted at 8 per cent, the cost is £89 per resident week.
B. Land	£13 per week	Based on Office of the Deputy Prime Minister statistics. Land costs have been annuitised 3.5 per cent over 60 years.
C. Equipment and durables	£5.70 per week	Equipment and durables estimated at 10 per cent of capital cost. ³
D. Revenue costs	£532 per week	The median revenue cost estimate is taken from PSS EX1 2002/03 ⁴ uprated using the PSS Pay and Prices Index. Capital charges on the revenue account have been deducted (£39). Twenty-five per cent of local authorities had average gross costs of £443 or less and 25 per cent of £645 or more. Mean costs were £481 per week.
E. Agency overheads	£27 per week	An Audit Commission report found that overheads associated with residential care ⁵ amounted to 5 per cent of revenue costs.
External services		
F. Community nursing	£7.90 per week	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 ⁶ found that people in private residential homes consulted GPs for an average 3.45 minutes per week. 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 the GP visited the resident at the home, the cost would be £12 per week.
G. GP services	£8.00 per week	
H. Other external services	Not known	
I. Personal living expenses	£8.40 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 figure has been uprated by the RPI Index.
Use of facility by client	52.18 wks p.a.	
Occupancy	91%	See ⁸ and 1996 PSSRU survey ⁹ .
Short-term care	1.047 x (D to F)	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 F)	Based on an analysis of factors affecting prices in the 1996 survey.
London multiplier	1.46 x (D to F)	Based on the same source as resource costs data.
Unit costs available 2003/2004		
£621 establishment costs per permanent resident week (includes A to E); £650 establishment costs per short-term resident week (includes A to E); £645 care package costs per permanent resident week (includes A to I); £676 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, Discussion Paper 1423, Personal Social Services Research Unit, University of Kent.

2 Building Cost Information Service (2003) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

3 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, Discussion Paper 647, Personal Social Services Research Unit, University of Kent.

4 PSS EX1 2002/03, Department of Health.

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

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 Laing, W. (2002) Calculating a fair price for care.

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

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 updated.

Costs and unit estimation	2003/2004 value	Notes
Capital costs		
A. Buildings and oncosts	£3.90	1997/1998 capital costs uprated using the BCIS public sector Output Price Index. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 8 per cent capital costs would be £7.90.
Revenue costs		
B. Salary and oncosts	£76	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		
Medical	£40	1997/1998 costs uprated using the HCHS Pay and Prices Index.
Other	£7.20	Includes diagnostics and ward round uprated using the HCHS Pay and Prices Index.
D. Direct overheads	£37	Includes catering, domestics, energy, security, administration, laundry and supplies. 1997/1998 costs inflated by the HCHS Pay and Prices Index.
E. Indirect overheads	£15	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 2003/2004		
£179 per inpatient day.		

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, British Geriatrics Society.

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	2003/2004 value	Notes
<i>Capital costs</i>		
A. Buildings and oncosts	£3.70 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. When discounted at 8 per cent, the cost is £7.50 per session.
B. Land	£0.90 per session	Based on Office of Deputy Prime Minister ² statistics. Land costs have been annuitised at 3.5 per cent over 60 years.
C. Equipment and durables		No information available.
<i>Revenue costs</i>		
D. Salary and other revenue costs	£24 per session	The median revenue cost estimate is taken from PSS EX1 2002/03 ³ uprated using the PSS Pay and Prices Index. Capital charges on the revenue account have been deducted (£2.20). 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. Ten per cent of authorities had average costs of £10 per session or less, and 10 per cent £73 per session or more. Mean costs were £23 per session.
E. Capital charges		
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	1.23 × A; 5.20 × B; 1.51 × (D to G)	Relative London costs are drawn from the same source as the base data for each cost element. Based on PSS EX1 2002/03 data.
Unit costs available 2003/2004		
£28 per session (includes A to F).		

1 Building Cost Information Service (2003) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

3 PSS EX1 2002/03, Department of Health.

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. At 2003/2004 prices, costs ranged from £18 to £41 per client day with an average cost of £29 and a median cost of £28.

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 high 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 2002/2003 uprated using the PSS Pay and Prices inflator, mean and median costs per session for independently provided day care were £14, equivalent to £28 per client day. Two authorities have been excluded from this analysis as they reported costs in excess of £100 per session.

Costs and unit estimation	2003/2004 value	Notes
Capital costs		
A. Premises	£3.45 per client day	These costs ranged from £2.20 to £4.60 with a mean cost of £3.45 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	£3.00 per client day	Of the 10 Centres, 3 had their own minibus/es and costs ranged from £1.30 per client day to £5.50 per client day. Vehicle costs were high for a rural centre which opens only 2 days per week.
Staffing		
C. Salaries	£15.20 per client day	Costs ranged from £7.60 to £35.30. 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 £12.60.
D. Volunteer costs	£0.36 per client day	Seven of the centres reported incurring volunteer expenses.
E. Other staff costs	£1.10 per client day	This includes staff recruitment and training, courses & conferences, travel expenses and redundancy payments.
F. Transport	£2.80 per client day	This includes taxi expenses, fuel & oil, vehicle repairs, insurance and contract hire. Costs ranged from £1.00 to £5.50 with a median cost of £2.60.
G. Meals	£1.50 per client day	Seven Centres provided meals.
H. Overheads	£2.20 per client day	Seven Centres provided information on overheads which ranged from £1.00 to £4.60.
I. Other revenue costs	£2.90 per client day	Costs includes management & administration, maintenance charges, heat, light & water, telephone, stationery & postage, insurance, sundry expenses & bank charges. Costs ranged from £0.90 to £6.90 per client day and the median cost was £1.90.
Use of facility by client	50.3 weeks 4.9 days per week	The majority of Centres open 50 weeks of the year. 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 2003/2004		
The average cost of the 10 Centres was £29 per client day. A Centre incurring all costs A-I would cost £32 per client day.		

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	2003/2004 value	Notes
<i>Capital costs</i> A. Notional rent	£77 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. Using an 8 per cent discount rate over 60 years, the cost would be £153.
<i>Revenue costs</i> B. Salary and other revenue costs	£26 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.
<i>Personal living expenses</i> D. Basic living costs E. Other living costs	£76 £8.70	Based on Family Expenditure Survey (2001/2002) estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2003/2004 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). The average weekly expenditure per person in all expenditure groups with the exception of household goods and services and leisure services has decreased slightly or remained the same as last year.
F. Other health and social services costs	£28 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.
Use of facility by client	52.18 weeks per year	
Occupancy		
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		
Unit costs available 2003/2004		
£103 per week sheltered housing costs (includes A to B); £130 per week service and accommodation (includes A to B and F); £206 (includes all costs borne by care homes (A to D and F); £215 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.

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	2003/2004 value	Notes
Capital costs A. Notional rent	£85 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. Using an 8 per cent discount rate over 60 years, the cost would be £171.
Revenue costs B. Salary and other revenue costs	£35 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 2003/2004 using the PSS Pay and Prices Index.
C. Agency overheads		No information available.
Personal living expenses D. Basic living costs E. Other living costs	£76 £8.70	Based on Family Expenditure Survey (2001/2002) estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2003/2004 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). The average weekly expenditure per person in all expenditure groups with the exception of household goods and services and leisure services has decreased slightly or remained the same as last year.
F. Other health and social services costs	£15 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		
London multiplier		
Unit costs available 2003/2004		
£120 per week sheltered housing costs (includes A to B); £134 per week service and accommodation (includes A to B and F); £210 (includes all costs borne by care homes (A to D and F)); £219 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.

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	2003/2004 value	Notes
<i>Capital costs</i> A. Notional rent	£85 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. Using an 8 per cent discount rate over 60 years, the cost would be £170.
<i>Revenue costs</i> B. Salary and other revenue costs	£78 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 2002/2003 using the PSS Pay and Prices Index.
C. Agency overheads		No information available.
<i>Personal living expenses</i> D. Basic living costs E. Other living costs	£76 £8.70	Based on Family Expenditure Survey (2001/2002) estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2003/2004 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). The average weekly expenditure per person in all expenditure groups with the exception of household goods and services and leisure services has decreased slightly or remained the same as last year.
F. Other health and social services costs	£29 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		
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		
Unit costs available 2003/2004		
£162 per week sheltered housing costs (includes A to B); £191 per week service and accommodation (includes A to B and F); £267 (includes all costs borne by care homes (A to D and F)); £276 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.

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	2003/2004 value	Notes
<i>Capital costs</i> A. Notional rent	£76 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. Using an 8 per cent discount rate over 60 years, the cost would be £153.
<i>Revenue costs</i> B. Salary and other revenue costs	£225 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 2003/2004 using the PSS Pay and Prices Index.
C. Agency overheads		No information available.
<i>Personal living expenses</i> D. Basic living costs E. Other living costs	£76 £8.70	Based on Family Expenditure Survey (2001/2002) estimates of household expenditure of a single person retired mainly dependent on state pension inflated to 2003/2004 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). The average weekly expenditure per person in all expenditure groups with the exception of household goods and services and leisure services has decreased slightly or remained the same as last year.
F. Other health and social services costs	£42 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		
London multiplier		
Unit costs available 2003/2004		
£301 per week sheltered housing costs (includes A to B); £343 per week service and accommodation (includes A to B and F); £419 (includes all costs borne by care homes (A to D and F)); £428 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.

1.12 ECCEP community care package: very low cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

The care package costs described in this schema illustrates the first percentile from a total of 243 cases for whom there was adequate information regarding the receipt of both health and social care services. The packages described were those being received by each user at the beginning of the study in 1995. This case has not been chosen as 'typical' or representative of other packages with similar costs, but rather provides some examples of how resources are combined to support individual users. The costs have been uprated to present day costs using the PSS pay and prices index.

Type of case Mrs A. is 75 years old and lives alone in a privately rented flat. She has no family living nearby and no principal carer. She was admitted to hospital for a minor surgical procedure and while there received an assessment from a hospital social worker, which resulted in the receipt of home help services following discharge from hospital.		
Health problems Diabetes.		
Functional ability Mrs A. is able to do all daily activities without assistance, although she does find shopping, general mobility and managing stairs difficult. She does not do any heavy housework.		
Services received	Average weekly cost	Description
Social services Home care	£24	Two hours per week. Visits take place on weekdays before 5 p.m. SSD is the provider.
Health services GP	£11	Visits the GP surgery once every four weeks.
Accommodation	£193	Private rented property, 2 bedrooms.
Living expenses	£82	Main income from pension and interest from savings. Had savings of between £20,000 and £50,000. Living expenses taken from Family Expenditure Survey (2001/2002 uprated to 2003/2004 price levels). Based on 1 adult retired household, mainly dependent on state pensions.
Total weekly cost of health and social care package, 2003/2004	£35	Excludes accommodation and living expenses.
	£310	Total including accommodation and living expenses.

¹ Bauld, L. (1998) Care package costs of elderly people, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

1.13 ECCEP community care package: low cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

The care package costs described in this schema illustrates the second percentile from a total of 243 cases for whom there was adequate information regarding the receipt of both health and social care services. The packages described were those being received by each user at the beginning of the study in 1995. This case has not been chosen as 'typical' or representative of other packages with similar costs, but rather provides some examples of how resources are combined to support individual users. The costs have been uprated to present day costs using the PSS pay and prices index.

Type of case Mrs E. is 88 years old, living alone in her own house. Her main carer is a close friend who lives nearby and visits twice a week on average. As well as providing companionship, this carer does some shopping and runs errands, helps with household repairs, monitors Mrs E's situation, and takes her out and to appointments by car.		
Health problems Depression, moderate to severe cognitive impairment.		
Functional ability Able to do most activities unaided. Is able to manage general mobility, stairs and money matters with difficulty. Needs help with transport, shopping, errands and heavy housework.		
Services received	Average weekly cost	Description
Social services		
Home care	£57	4.5 hours per week. Visits take place Monday to Friday before 5 p.m. (3.5 hours per week) and on weekends (1 hour per week). ²
Frozen meals	£5.40	Two per week.
Health services		
GP	£10.60	Visits estimated at once every eight weeks based on GHS data. ³
Accommodation	£101	Based on the annuitised value of a terraced house. Taken from the Halifax Price Index 3rd quarter 2003. Using an 8 per cent discount rate over 60 years, the cost would be £241.
Living expenses	£82	Taken from Family Expenditure Survey (2001/2002, uprated to 2003/2004 price levels). Based on 1 adult retired household, mainly dependent on state pensions.
Total weekly cost of health and social care package, 2003/2004	£73 £256	Excludes accommodation and living expenses. Total including accommodation and living expenses.

1 Bauld, L. (1998) Care package costs of elderly people, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2 Evening and weekend rates were estimated to be 30 per cent above the daytime rate. This assumption was derived from PSSRU studies which have found differential costs for home care in English local authorities, depending when it is provided (Hallam and Netten, 1996; Davies et al., 1990; Bebbington et al., 1986).

3 Reflects consumption of GP services by a comparable group: those elderly people in the General Household Survey (1994) who used at least one social care service.

1.14 ECCEP community care package: median cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

The care package costs described in this schema illustrates the third percentile from a total of 243 cases for whom there was adequate information regarding the receipt of both health and social care services. The packages described were those being received by each user at the beginning of the study in 1995. This case has not been chosen as 'typical' or representative of other packages with similar costs, but rather provides some examples of how resources are combined to support individual users. The costs have been uprated to present day costs using the PSS pay and prices index.

Type of case Mr C. is 79 years old and lives with his wife in a bungalow which they jointly own. His wife is his main carer. She provides an intensive amount of assistance; changing continence pads, helping with toileting and transfers, washing soiled linen, preparing meals, shopping and other errands, liaises with formal services and monitors his medication. Mr C. was recently admitted to hospital following a stroke. While there, his needs were reassessed by a social worker.		
Health problems Stroke, urinary incontinence.		
Functional ability Mr C. is unable to do most activities without assistance. He has difficulty with bathing, transferring, negotiating stairs, toileting and general mobility. He needs assistance to manage his medication and money, make meals and use transport. He does no shopping, errands or heavy housework.		
Services received	Average weekly cost	Description
Social services Home care	£68	7.25 hours per week. Visits occur Monday to Friday before 5 pm (5.75 hours per week), and on weekends (1.5 hours per week). ² SSD is the provider.
Health services Community nursing visits GP	£68 £11	2 visits per week (each 45 minutes) by a district nurse. Visits estimated at once every eight weeks based on GHS data. ³
Accommodation	£79	Based on the annuitised value of a bungalow. Taken from the Halifax Price Index, 3rd quarter 2003. Using an 8 per cent discount rate over 60 years, the cost would be £159.
Living expenses	£161	Living expenses taken from the Family Expenditure Survey (2001/2002, uprated to 2003/2004 price levels). Based on one man one woman retired households mainly dependent on state pensions.
Total weekly cost of health and social care package, 2003/2004	£146	Excludes accommodation and living expenses.
	£386	Total including accommodation and living expenses.

1 Bauld, L. (1998) Care package costs of elderly people, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2 Evening and weekend rates were estimated to be 30 per cent above the daytime rate. This assumption was derived from PSSRU studies which have found differential costs for home care in English local authorities, depending when it is provided (Hallam and Netten, 1996; Davies et al., 1990; Bebbington et al., 1986).

3 Reflects consumption of GP services by a comparable group: those elderly people in the General Household Survey (1994) who used at least one social care service.

1.15 ECCEP community care package: high cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

The care package costs described in this schema illustrates the fourth percentile from a total of 243 cases for whom there was adequate information regarding the receipt of both health and social care services. The packages described were those being received by each user at the beginning of the study in 1995. This case has not been chosen as 'typical' or representative of other packages with similar costs, but rather provides some examples of how resources are combined to support individual users. The costs have been uprated to present day costs using the PSS pay and prices index.

Type of case Mrs D. is 85 years old and lives alone in local authority sheltered housing. Her main carer is her daughter, who provides a moderate level of assistance; helping with housework, shopping, errands and providing transport.		
Health problems Senile dementia.		
Functional ability Able to do most activities unaided. Does not however do any shopping, errands, heavy housework, managing money or managing medication, and relies on others for transport.		
Services received	Average weekly cost	Description
Social services		
Home care	£30	2.5 hours per week. Visits occur Monday to Friday before 5pm. SSD is the provider.
Day care	£93	Two visits per week to an SSD day centre.
Respite care	£69	Two visits since referral (one 7 days, one 14 days) to an SSD residential care home.
Health services		
Community nursing visits	£3.80	One visit per quarter from a district nurse.
GP	£11	Visits estimated at once every eight weeks based on GHS data. ²
Chiropody	£1.90	One visit per quarter.
Other services		
Church lunch club		Attends voluntary lunch club run by the local church twice a week.
Accommodation	£163	Local authority sheltered housing, one bedroom.
Living expenses	£82	Living expenses taken from the Family Expenditure Survey (2001/2002, uprated to 2003/2004 price levels). Based on 1 adult retired household, mainly dependent on state pensions.
Total weekly cost of health and social care package, 2003/2004	£208 £454	Excludes accommodation and living expenses. Total including living expenses.

1 Bauld, L. (1998) Care package costs of elderly people, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2 Evening and weekend rates were estimated to be 30 per cent above the daytime rate. This assumption was derived from PSSRU studies which have found differential costs for home care in English local authorities, depending on when it is provided (Hallam and Netten, 1996; Davies et al., 1990; Bebbington et al., 1986).

1.16 ECCEP community care package: very high cost

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

The care package costs described in this schema illustrates the fifth percentile from a total of 243 cases for whom there was adequate information regarding the receipt of both health and social care services. The packages described were those being received by each user at the beginning of the study in 1995. This case has not been chosen as 'typical' or representative of other packages with similar costs, but rather provides some examples of how resources are combined to support individual users. The costs have been uprated to present day costs using the PSS pay and prices index.

Type of case Mrs E. is an 81 year old woman who lives alone in her own home. She has no principal carer.		
Health problems Arthritis and urinary incontinence.		
Functional ability Is able with difficulty to transfer, wash, go to the toilet and move around the house. Requires assistance with bathing, dressing, errands, meals and drinks. Does not do any housework or attempt to go down the stairs.		
Services received	Average weekly cost	Description
Social services		
Home care	£239	13.25 hours per week. Visits take place on Monday to Friday before 5pm (9.5 hours per week); weekday evenings (3.75 hours) and weekends (4.5 hours per week). ² SSD is the provider.
Day care	£46	One day per week at an Age Concern day centre.
Health services		
Community nursing visits	£23	One visit per week (30 minutes) from a district nurse.
GP	£11	Visits estimated at once every eight weeks based on GHS data. ³
Chiropody	£1.90	One visit per quarter.
Accommodation	£131	Owner occupied house with three bedrooms. Based on the annuitised value of an average priced home. Taken from the Halifax Price Index, 3rd quarter 2003. Using an 8 per cent discount rate over 60 years, the cost would be £312.
Living expenses	£155	Living expenses taken from the Family Expenditure Survey (2001/2002, uprated to 2003/2004 price levels). Based on one person retired households not mainly dependent on state pension.
Total weekly cost of health and social care package, 2003/2004	£321	Excludes accommodation and living expenses.
	£607	Includes accommodation and living expenses.

1 Bauld, L. (1998) Care package costs of elderly people, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2 Evening and weekend rates were estimated to be 30 per cent above the daytime rate. This assumption was derived from PSSRU studies which have found differential costs for home care in English local authorities, depending when it is provided (Hallam and Netten, 1996; Davies et al., 1990; Bebbington et al., 1986).

3 Reflects consumption of GP services by a comparable group: those elderly people in the General Household Survey (1994) who used at least one social care service.

2. Services for people with mental health problems

- 2.1 Local authority residential care (staffed hostel)
- 2.2 Local authority residential care (group home)
- 2.3 Voluntary sector residential care (staffed hostel)
- 2.4 Voluntary sector residential care (group home)
- 2.5 Private sector residential care (staffed hostel)
- 2.6 Acute NHS hospital services
- 2.7 Long-stay NHS hospital services
- 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 Psychiatric reprovion package: independent living
- 2.14 Psychiatric reprovion package: assessment centre
- 2.15 Psychiatric reprovion package: care home
- 2.16 Psychiatric reprovion package: nursing home placement

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

Costs and unit estimation	2003/2004 value	Notes
Capital costs A. Buildings and oncosts	£24 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 BCIS public sector output price index. The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. If capital were annuitised at 6 per cent, the cost would be £37 per resident week.
Revenue costs B. Salary costs C. Other revenue costs D. Agency overheads	£319 per resident week £60 per resident week £17 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. 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, and the use that clients typically make of hospital and community health and social services. Costs have been uprated using the PSS Pay and Prices Index. 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 E. Personal living expenses	£17.50 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£75 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 × (A to D) + F	Relative London costs are drawn from the same source as the base data for each cost element.
Unit costs available 2003/2004		
£419 per resident week establishment costs (includes A to D); £511 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	2003/2004 value	Notes
Capital costs A. Buildings and oncosts	£27 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 BCIS public sector output price index. The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. If capital were annuitised at 6 per cent, the cost would be £42 per resident week.
Revenue Costs B. Salary Costs	£9 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	£39 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, and the use that clients typically make of hospital and community health and social services. Costs have been uprated using the PSS Pay and Prices Index.
D. Agency overheads	£3 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 E. Personal living expenses	£17.50 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£116 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	1.23 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 2003/2004		
£79 per resident week establishment costs (includes A to D); £212 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	2003/2004 value	Notes
Capital costs A. Buildings and oncosts	£25 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 BCIS public sector output price index. The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. If capital were annuitised at 6 per cent, the cost would be £39 per resident week.
Revenue costs B. Salary costs	£230 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	£83 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, and the use that clients typically make of hospital and community health and social services. Costs have been uprated using the PSS Pay and Prices Index.
D. Agency overheads	£30 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 E. Personal living expenses	£17.50 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£62 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 × (A to D) + F	Relative London costs are drawn from the same source as the base data for each cost element.
Unit costs available 2003/2004		
£369 per resident week establishment costs (includes A to D); £448 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 (group home) for people with mental health problems

Based on a sample of 33 group homes.¹

Costs and unit estimation	2003/2004 value	Notes
Capital costs A. Buildings and oncosts	£28 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 BCIS public sector output price index. The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. If capital were annuitised at 6 per cent, the cost would be £44 per resident week.
Revenue costs B. Salary costs	£92 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	£50 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, and the use that clients typically make of hospital and community health and social services. Costs have been uprated using the PSS Pay and Prices Index.
D. Agency overheads	£21 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 E. Personal living expenses	£17.50 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£81 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 × (A to D) + F	Relative London costs are drawn from the same source as the base data for each cost element.
Unit costs available 2003/2004		
£191 per resident week establishment costs (includes A to D); £289 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

Costs and unit estimation	2003/2004 value	Notes
Capital costs A. Buildings and oncosts	£28 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 BCIS public sector output price index. The value of buildings was annuitised over a 60-year period discounted at 3.5 per cent. If capital were annuitised at 6 per cent, the cost would be £42 per resident week.
Revenue costs B. Salary costs	£117 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	£80 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, and the use that clients typically make of hospital and community health and social services. Costs have been uprated using the HCHS pay and prices index.
D. Agency overheads	£10 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 HCHS pay and prices index.
Other costs E. Personal living expenses	£17.50 per week	The DWP allowance is used as a proxy for personal consumption.
F. Service use	£66 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 2003/2004		
£234 per resident week establishment costs (includes A to D); £318 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	2003/2004 value	Notes
Capital costs		
A. Buildings and oncosts	£10 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. If capital were annuitised at 6 per cent, the cost would be £16.
B. Land	£1.60 per bed per day	Based on information provided by the Office of the Deputy Prime Minister, ³ discounted at 3.5 per cent over 60 years.
C. Equipment and durables		No information available.
Revenue costs		
D. Salary, supplies and services costs	£119 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. Salaries represent 66 per cent of the total cost per day.
E. Agency overheads	£42 per day	
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	1.23 × A; 3.06 × B; 1.10 × D; 1.15 × 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 <i>Unit Costs of Health and Social Care 1996</i> , pp.19-22). The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM.
Unit costs available 2003/2004		
£172 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 (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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 so are not as 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.doh.gov.uk/nhsexec/refcosts.htm>) would be more appropriate.

Costs and unit estimation	2003/2004 value	Notes
Capital costs		
A. Buildings and oncosts	£13 per bed per day	Estimates are 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. If capital were annuitised at 6 per cent, the cost would be £20.
B. Land	£1.90 per bed per day	Based on information provided by the Office of the Deputy Prime Minister, ³ discounted at 3.5 per cent over 60 years.
C. Equipment and durables		No information available.
Revenue costs		
D. Salary, supplies and services costs	£82 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. Salaries represent 54 per cent of the total cost per day.
E. Agency overheads	£47 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		
F. Personal living expenses	£15.50 per week (£2.20 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. The latter is estimated by using the DWP personal allowance for those in hospital over 52 weeks and is, therefore, included in the long-stay schema.
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	1.20x A; 3.06 x B; 1.32 x D; 1.10 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 <i>Unit Costs of Health and Social Care 1996</i> , pp.19-22). The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM.
Unit costs available 2003/2004		
£146 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 (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.
- 3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

2.8 NHS psychiatric intensive care unit (PICU)

Based on a study of a PICU in Withington Hospital, Manchester in 1993.¹

Costs and unit estimation	2003/2004 value	Notes
Capital costs		
A. Buildings and oncosts	£19 per patient day	Annuitised value of an NHS psychiatric ward over a 60-year period discounted at 3.5 per cent, taking into account occupancy rates. ² If capital were annuitised at 6 per cent, the cost would be £30.
B. Land	£2.82 per patient day	Based on information provided by the Office of the Deputy Prime Minister, ³ discounted at 3.5 per cent over 60 years.
C. Equipment and durables		No information available.
Revenue costs		
D. Salary costs	£297 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.
E. Supplies and services – drugs	£24 per patient day	
– other	£1.90 per patient day	
F. Overheads	£87 per patient day	General hospital overheads comprised 22 per cent of total cost in the study.
Other costs		
G. Patient injury	£3.38 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	1.2 x A; 3.06 x B	Costs were based on one unit in Manchester. The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM.
Unit costs available 2003/2004		
£435 per patient day (includes A to G); £5,354 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 (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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.

Costs and unit estimation	2003/2004 value	Notes
<i>Capital costs</i>		
A. Buildings and oncosts	£3.70 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. When discounted at 8 per cent, the cost is £7.50 per session.
B. Land	£0.94 per session	Based on information provided by the Office of the Deputy Prime Minister. 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	£22 per session	Mean cost based on a survey ³ 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. 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 £17-£27 at current prices with a median cost per session of £12.
E. Agency overheads	£1.10 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	1.20 × A; 3.06 × B; 0.86 × D.	The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM. D has been based on PSS EX1. ⁶
Unit costs available 2003/2004		
£28 per session (includes A to E); £55 per day (excluding evenings).		

1 Building Cost Information Service (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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, Discussion Paper 1457, Personal Social Services Research Unit, University of Kent.

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 PSS EX1 2002/2003, Department of Health.

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	2003/2004 value	Notes
Capital costs		
A. Buildings and oncosts	£3.70 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. When discounted at 8 per cent, the cost is £7.50 per session.
B. Land	£0.90 per session	Based on information provided by the Office of the Deputy Prime Minister. ² Land costs have been discounted at 3.5 per cent over 60 years.
C. Equipment and durables		No information available.
D. Revenue costs	£13 per session	Mean cost based on a survey ³ 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. These results have been uprated using the PSS Pay and Prices Index. Ninety-five per cent of the Social Service departments had costs between £10-£15 at current prices with a median cost of £12.40 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. PSS EX1 2002/03 ⁴ gross costs uprated using the PSS Pay and Prices Index reported median costs at £25 per session and mean costs at £24 per session. Capital costs charged to the revenue account have been deducted (£2). Two authorities reporting costs of either more than £500 and or less than £1 have been excluded.
E. Agency overheads	£0.60 per session	Following the Audit Commission report about overheads associated with residential care, ⁵ agency overheads have been assumed to be 5 per cent of revenue costs.
Occupancy	76%	Department of Health statistics, 1998. ⁶ No later statistics are available.
London multiplier	1.20 x A; 3.06 x B 0.86x D	The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM. D is based on PSS EX1 statistics.
Unit costs available 2003/2004		
£18 per session (includes A to E); £36 per day (excluding evenings).		

1 Building Cost Information Service (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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, Discussion Paper 1457, Personal Social Services Research Unit, University of Kent.

4 PSS EX1 2002/03, Department of Health.

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	2003/2004 value	Notes
Capital costs		
A. Buildings and oncosts	£3.70 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. When discounted at 8 per cent, the cost is £7.50 per session. 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	£0.94 per session	Based on information provided by the Office of the Deputy Prime Minister. ² Land costs have been discounted at 8 per cent over 60 years.
C. Equipment and durables		No information available.
D. Revenue costs	£13 per session	A survey ³ was 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. 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 £9-£16 at current prices with a median cost per session of £12. 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	£0.62 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
London multiplier	1.20 x A; 3.06 x B. 0.86 x D.	The increase on previous years in the inflator for land is due to a revision of price trends by the ODPM. The multiplier for revenue costs has been based on PSS EX1 2003 ⁶ statistics.
Unit costs available 2003/2004		
£18 per session (includes A to E); £36 per day (excluding evenings).		

1 Building Cost Information Service (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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, Discussion Paper 1457, Personal Social Services Research Unit, University of Kent.

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 PSS EX1 2002/03, Department of Health.

2.12 Sheltered work schemes

Opportunities for employment among people with disabilities are changing rapidly (Schneider 1998a, 1998b).^{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 pages 28-31),⁴ and can be adapted to innovative settings.

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 £2.06 to £10.15 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 £3,597 to £9,649 per annum.

Costs and unit estimation	2003/2004 value	Notes
A. Total annual expenditure	£8,668	Average gross expenditure for the seven work schemes ranged from £5,804 to £12,168.
B. Total annual income	£1,853	Average gross expenditure minus average net expenditure. Income ranged from £350 to £3,734.
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	43	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 2003/2004		
£8.10 gross cost per hour; £6.40 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 Psychiatric reprovision package: independent living

Information on service receipt is based on research studies which were described in the 1998 volume of Unit Costs of Health and Social Care.¹

This schema identifies the full costs of providing care for a former long-stay patient during his fifth year after leaving Friern Hospital. Mr A. is now living independently and receives one of the least expensive care packages.

Type of case Mr A. is a 39-year old man with mental health problems who lives alone in a housing association rented flat. He has no informal care support.		
Health problems He has problems of the gastro-intestinal tract which require monitoring by his GP. He takes medication (without supervision) for dermatological problems.		
Social behaviour No problems.		
Services received	Average weekly cost	Description
Social services <i>Social work</i>	£20	Social worker and link worker visit once every two weeks for 30 minutes.
Health services <i>GP</i>	£2	Ten surgery appointments during the past year.
<i>Chiropodist</i>	£0.50	Two visits during the past year.
<i>Hospital outpatients</i>	£19	One appointment a month for check-up and depot injections.
Other services <i>Housing officer</i>	£7	Visits once every two weeks for 15 minutes.
Accommodation	£142	Includes local taxes forgone by the local authority, and capital, management and maintenance costs borne by the housing association.
Living expenses	£133	Income support, invalidity benefit and disability allowances.
Total weekly cost of care package, 2003/2004	£324	

¹ Hallam, A.(1998) Care package costs of people with mental health problems, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2.14 Psychiatric reprovision package: assessment centre

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

This schema identifies the full costs of providing care for a former long-stay patient during his fifth year after leaving Friern Hospital. This package was among the most costly examined.

Type of case Mr B. is 51 and lives in an assessment centre owned and managed by the community health services trust. There are seven other residents in the house.		
Health problems He needs daily medical care for respiratory problems. Mr B. also has problems with verbal aggression at least once a month and has episodes of extreme agitation, during which he becomes doubly incontinent. He is able to concentrate for short periods only and has poor hygiene habits.		
Social behaviour Mr B. is an isolated individual. A heavy smoker, he is considered a health risk and has twice been responsible for causing a fire.		
Services received	Average weekly cost	Description
Social services Social work	£1.20	Social worker has visited twice during the past year for one hour each time.
Health services Depot injection	£7.00	Cost of the drug given by staff.
Chiropodist	£1.90	Visits once a month seeing four residents on each occasion.
Dentist	£0.20	One check up during the past year.
Optician	£0.30	One visit to optician for sight test in past year - no need for glasses.
Other services Day centre	£4.60	Drops in approximately one hour per week.
Accommodation Staff costs	£1,309	Per resident week.
Non-staff costs	£107	Per resident week.
Agency overheads	£77	Per resident week.
Capital costs	£100	Per resident week. Capital costs are discounted at 6 per cent. When discounted at 3.5 per cent, the cost is £65.
Living expenses	£39	Personal expenses.
	£3.00	Bus pass.
Total weekly cost of care package, 2003/2004	£1,650	

¹ Hallam, A.(1998) Care package costs of people with mental health problems, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2.15 Psychiatric reprovision package: care home

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

This schema identifies the full costs of providing care for a former long-stay patient during her fifth year after leaving Friern Hospital. This service package was costly to support during the first year after leaving the hospital but Mrs J. has subsequently been able to move to a less highly supported environment.

Type of case Mrs J. is a 57 year old woman who lives in a small registered care home which has six places. It is one of four units with a central office and waking staff cover at night.		
Health problems No problems.		
Social behaviour No special behavioural problems but she is a careless smoker, which causes problems on a daily basis.		
Services received	Average weekly cost	Description
Social services Social work	£0.10	One visit by field social worker during the past year. Two residents seen during visit.
Health services GP	£1.80	Three visits during the past year.
Psychiatrist	£2.20	Two visits during the past year seeing two residents on each occasion.
Chiropodist	£1.90	Four 30-minute visits per year.
Other services Resource centre	£92	Attends five days a week, four hours per day.
Accommodation	£1,167	Per resident week. Includes personal expenses.
Living expenses		Included in accommodation costs.
Total weekly cost of care package, 2003/2004	£1,265	

¹ Hallam, A.(1998) Care package costs of people with mental health problems, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

2.16 Psychiatric reprovision package: nursing home placement

Information on service receipt is based on research studies which were described in the 1998 volume of *Unit Costs of Health and Social Care*.¹

This schema identifies the full costs of providing care for a former long-stay patient during his fifth year after leaving Friern Hospital. This package was selected because Mr G's cost of care was closest to the average.

Type of case Mr G. is a 92 year old man who lives in a nursing home managed by a consortium arrangement between the health authority and housing association.		
Health problems He requires daily nursing care for cardio-vascular problems and poor mobility.		
Social behaviour Mr G. responds negatively to attempts to initiate conversation. His attempts to make contact are often inappropriate and he takes no spontaneous care of himself or his clothes. He can concentrate only for a few minutes at a time.		
Services received	Average weekly cost	Description
Health services		
GP	£0.30	Two visits during the past year, seeing ten residents on each occasion.
Chiropodist	£1.50	Four 30-minute visits during the past year.
Optician	£2.50	Two visits and new spectacles.
Physiotherapist	£1.70	Four visits during the past year.
Occupational therapist	£3.40	Visits twice a week and sees ten residents.
Music therapist and art therapist	£7.30	Visit weekly to see ten residents.
Aids and adaptations		
Wheelchair and zimmer frame	£4.10	Equivalent weekly cost when annuitised over a five-year period.
Accommodation	£1,151	Per resident week. Includes personal expenses.
Living expenses		Personal expenses included in accommodation costs.
Total weekly cost of care package, 2003/2004	£1,172	

¹ Hallam, A.(1998) Care package costs of people with mental health problems, in A. Netten, J. Dennett & J. Knight. (eds) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

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 £385 per resident week to a maximum of £1,398 per resident week. Costs have been inflated to 2003/2004 prices.

Costs and unit estimation	2003/2004 value	Notes
<i>Capital costs</i>		
A. Buildings	£18 per resident week	Based on property valuation information received for 1994/1995, inflated using the BCIS public sector building index. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent the cost per resident week would be £28.
B. Land		
C. Equipment and durables	£0.20 per resident week	1994/95 costs inflated using the PSS Prices Index.
<i>Revenue costs</i>		
D. Salary costs	£390 per resident week	1994/95 costs inflated using the PSS Pay Index.
E. Other revenue costs	£237 per resident week	1994/95 costs inflated using the PSS Prices Index.
F. Agency overheads	£48 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 2003/2004		
£694 per resident week (includes A to F).		

¹ For further information contact Andrew Healey, PSSRU at LSE, Department of Social Policy and Administration, Houghton Street, London WC2A 2AE (email A.T.Healey@lse.ac.uk; telephone 020 7955 6134; fax 020 7955 6131).

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 £89 per patient day, while the most expensive was £245 per patient day (1994/95 prices uprated to 2003/2004).

Costs and unit estimation	2003/2004 value	Notes
<i>Capital costs</i>		
A. Buildings	£13 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. At 6 per cent the cost would be £20 per patient day.
B. Land	£1.90 per patient day	Based on Office of Deputy Prime Minister ³ statistics. Land costs have been discounted at 3.5 per cent over 60 years.
C. Equipment and durables	£0.80 per patient day	1994/1995 costs inflated using the HCHS prices index.
<i>Revenue costs</i>		
D. Salary costs	£96 per patient day	1994/1995 costs inflated using the HCHS pay index
E. Other revenue costs	£13 per patient day	1994/1995 costs inflated using the HCHS prices index
F. Agency overheads	£43 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 2003/2004		
£168 per patient day (includes A to F).		

1 For further information contact Andrew Healey, PSSRU at LSE, Department of Social Policy and Administration, Houghton Street, London WC2A 2AE (email A.T.Healey@lse.ac.uk; telephone 020 7955 6134; fax 020 7955 6131).

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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 £8 per week to a maximum of £109 per week (1995/96 prices uprated to 2003/2004).

Costs and unit estimation	2003/2004 value	Notes
A. Capital and revenue costs	£26 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 HCCHS pay and prices index. Capital costs have been discounted at 3.5 per cent over 60 years. At 6 per cent capital and revenue costs would be £40.
B. Methadone costs	£20 per patient week	Includes the cost of prescriptions, any pharmacist dispensing fees, and any toxicology tests. 1995/1996 prices inflated by the HCCHS pay and prices index.
Unit costs available 2003/2004		
£46 per patient week (includes A and B).		

¹ For further information contact Andrew Healey, PSSRU at LSE, Department of Social Policy and Administration, Houghton Street, London WC2A 2EA (email A.T.Healey@lse.ac.uk; telephone 020 79556134; fax 020 7955 6131).

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.

Costs and unit estimation	Cost	Notes
A. Wages/salary	£25,234 per year	Salary for a senior psychiatric nurse in an alcohol health worker role, based on the April 2003 scale mid-point for a F to H grade nurse. It does not include any lump sum and it is assumed that no unsociable hours are worked. ¹
B. Salary oncosts	£3,442 per year	Employers' national insurance contribution plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£3,944 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ² It has been assumed that this health worker requires the same qualifications as a staff nurse/ward manager. See further details on training for health professionals.
D. Overheads	£2,450 per year	Indirect overheads only. 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	£2,052 per year	Based on the new build and land requirements of NHS facilities, ^{4/5} but adjusted to reflect shared office space for administration, and recreational and changing facilities. Treatment space has not been included.
Working time	42 weeks per annum 37.5 hours per week	Includes 25 days annual leave and 10 days statutory leave days. Assumes 5 study/training days and 10 days sickness leave.
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 AHW in London A&E department. ¹
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£21 (£24) per hour; £19 (£22) 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, unpublished.
- 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*, page 13, Personal Social Services Research Unit, University of Kent, Canterbury.
- 4 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- 5 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

4. Services for people with learning disabilities

- 4.1 Group homes
- 4.2 Village communities
- 4.3 NHS residential campus provision
- 4.4 Supported living schemes
- 4.5 Local authority day care
- 4.6 Voluntary sector activity-based respite care

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).

Costs and unit estimation	2003/2004 value	Notes
A. Capital costs	£42 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. When discounted at 8 per cent, the weekly capital costs were £85. Equipment and durables amounting to 10 per cent of capital cost were added. ³ Annual costs of vehicle replacement were estimated based on the methodology devised by the Automobile Association. ⁴
Revenue costs B. Salary costs C. Other revenue costs	£759 per week £78 per week	Calculated using facility-specific accounts information.
D. Agency overheads	£100 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. ⁵
External services E. Hospital F. Community G. Day services	£8.30 per week £31 per week £155 per week	Client-specific service use was recorded using the Client Service Receipt Inventory (CSRI). ⁶ Day services were costed using accounts information, where available. All other services were costed using national unit costs data.
H. Personal living expenses	£61 per week	Individual client living expenses (based on CSRI information).
Use of facility by client	52.14 weeks per annum	
Multiplier for level of disability	Higher levels of ability: 0.82 x (B to H) Lower levels of ability: 1.60 x (B to H)	Clients were grouped according to scores on the Adaptive Behaviour Scale (ABS). ⁷ 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 2003/2004		
£979 establishment costs per resident week (includes A to D); £1,234 care package costs (includes A to H).		

- 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.
- Netten, A., Dennett, J. & Knight, J. (1999) *Unit Costs of Health & Social Care*, Personal Social Services Research Unit, University of Kent, Canterbury.
- 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, Discussion Paper 647, Personal Social Services Research Unit, University of Kent.
- Automobile Association Technical Services, Basingstoke, Hampshire.
- Audit Commission (1993) *Taking care*, *Bulletin*, Audit Commission, London.
- Beecham, J. & Knapp, M. (1992) Costing psychiatric interventions, in G. Thornicroft, C. Brewin & J. Wing (eds) *Measuring Mental Health Needs*, Oxford University Press, Oxford.
- 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).

Costs and unit estimation	2003/2004 value	Notes
A. Capital costs	£45 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. When discounted at 8 per cent, the weekly capital costs were £91. Equipment and durables amounting to 10 per cent of capital cost were added. ³ Annual costs of vehicle replacement were estimated based on the methodology devised by the Automobile Association. ⁴
<i>Revenue costs</i> B. Direct staffing C. Direct non-staffing	£431 per week £62 per week	Calculated using facility-specific accounts information. Costs relate to staffing within the individual setting/house.
D. On-site administration	£130 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	£55 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. ⁵
<i>External services</i> F. Hospital G. Community H. Day services	£6.10 per week £21 per week £155 per week	Client-specific service use was recorded using the Client Service Receipt Inventory (CSRI). ⁶ Day services were costed using accounts information, where available. All other services were costed using national unit costs data.
I. Personal living expenses	£21 per week	Individual client living expenses (based on CSRI information).
Use of facility by client	52.14 weeks per annum	
Multiplier for level of disability	Higher levels of ability: 0.82 x (B to H) Lower levels of ability: 1.60 x (B to H)	Clients were grouped according to scores on the Adaptive Behaviour Scale (ABS). ⁷ 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 2003/2004		
£723 establishment costs per resident week (includes A to E); £925 care package costs (includes A to I).		

- 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.
- Netten, A., Dennett, J. & Knight, J. (1999) *Unit Costs of Health & Social Care*, Personal Social Services Research Unit, University of Kent, Canterbury.
- 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, Discussion Paper 647, Personal Social Services Research Unit, University of Kent.
- Automobile Association Technical Services, Basingstoke, Hampshire.
- Audit Commission (1993) *Taking care*, Bulletin, Audit Commission, London.
- Beecham, J. & Knapp, M. (1992) Costing psychiatric interventions, in G. Thornicroft, C. Brewin & J. Wing (eds) *Measuring Mental Health Needs*, Oxford University Press, Oxford.
- 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 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 five residential campus facilities in the UK (133 service users).

Costs and unit estimation	2003/2004 value	Notes
A. Capital costs	£40 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. When discounted at 8 per cent, the weekly capital costs were £81. Equipment and durables amounting to 10 per cent of capital cost were added. ³ Annual costs of vehicle replacement were estimated based on the methodology devised by the Automobile Association. ⁴
<i>Revenue costs</i>		
B. Direct staffing	£729 per week	Calculated using facility-specific accounts information. Costs relate to staffing within the individual setting/house.
C. Direct non-staffing	£95 per week	
D. On-site administration	£110 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	£87 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. ⁵
<i>External services</i>		Client-specific service use was recorded using the Client Service Receipt Inventory (CSRI). ⁶ Day services were costed using accounts information, where available. All other services were costed using national unit costs data.
F. Hospital	£3.70 per week	
G. Community	£17 per week	
H. Day services	£81 per week	
I. Personal living expenses	£26 per week	Individual client living expenses (based on CSRI information).
Use of facility by client	52.14 weeks per annum	
Multiplier for level of disability	Higher levels of ability: 0.82 x (B to H) Lower levels of ability: 1.60 x (B to H)	Clients were grouped according to scores on the Adaptive Behaviour Scale (ABS). ⁷ 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 2003/2004		
£1,061 establishment costs per resident week (includes A to E); £1,188 care package costs (includes A to I).		

- 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.
- Netten, A., Dennett, J. & Knight, J. (1999) *Unit Costs of Health & Social Care*, Personal Social Services Research Unit, University of Kent, Canterbury.
- 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, Discussion Paper 647, Personal Social Services Research Unit, University of Kent.
- Automobile Association Technical Services, Basingstoke, Hampshire.
- Audit Commission (1993) *Taking care*, Bulletin, Audit Commission, London.
- Beecham, J. & Knapp, M. (1992) Costing psychiatric interventions, in G. Thornicroft, C. Brewin & J. Wing (eds) *Measuring Mental Health Needs*, Oxford University Press, Oxford.
- 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).

Costs and unit estimation	2003/2004 value	Notes
A. Capital costs	£44 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. When discounted at 8 per cent, the weekly capital costs were £88. Equipment and durables amounting to 10 per cent of capital cost were added. ³ Annual costs of vehicle replacement were estimated based on the methodology devised by the Automobile Association. ⁴
Revenue costs B. Salary costs C. Other revenue costs	£868 per week £50 per week	Calculated using facility-specific accounts information.
D. Agency overheads	£145 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. ⁵
External services E. Hospital F. Community G. Day services	£6.10 per week £27 per week £50 per week	Client-specific service use was recorded using the Client Service Receipt Inventory (CSRI). ⁶ Day services were costed using accounts information, where available. All other services were costed using national unit costs data.
H. Personal living expenses	£120 per week	Individual client living expenses (based on CSRI information).
Use of facility by client	52.14 weeks per annum	
Multiplier for level of disability	Higher levels of ability: 0.82 x (B to H) Lower levels of ability: 1.60 x (B to H)	Clients were grouped according to scores on the Adaptive Behaviour Scale (ABS). ⁷ 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 2003/2004		
£1,106 establishment costs per resident week (includes A to D); £1,309 care package costs (includes A to H).		

- 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.
- Netten, A., Dennett, J. & Knight, J. (1999) *Unit Costs of Health & Social Care*, Personal Social Services Research Unit, University of Kent, Canterbury.
- 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, Discussion Paper 647, Personal Social Services Research Unit, University of Kent.
- Automobile Association Technical Services, Basingstoke, Hampshire.
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- 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	2003/2004 value	Notes
Capital costs		
A. Buildings and oncosts	£3.60 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. When discounted at 8 per cent the cost is £7.30 per session.
B. Land	£0.90 per session	Based on Office of the Deputy Prime Minister ² statistics. Land costs have been discounted at 3.5 per cent over 60 years.
C. Equipment and durables		
Revenue costs		
D. Salary and other revenue costs	£26 per client per session	PSS EX1 2002/03 ³ median costs uprated using the PSS Pay and Prices Index. Data were adjusted to exclude expenditure on services purchased from the independent sector. Two local authorities were excluded because the distribution of costs suggested that these authorities provided services of a different nature. Capital charges on the revenue account have been deducted (£2.70). Ten per cent of authorities had average gross costs of £17 per session or less and 10 per cent £54 per session or more. Mean costs were £27 per session.
E. Capital charges		
F. Agency overheads		A study by the Audit Commission ⁴ indicated that 5 per cent of the cost of residential care was attributable to managing agency overheads. SSMSS overhead costs are included in PSS EX1 2002/03 so no additional agency overheads have been included in unit costs below.
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	1.23 x A; 3.60 x B; 1.30 x (D to G)	Relative London costs are drawn from the same source as the base data for each cost element. See editorial for explanation of land costs.
Unit costs available 2003/2004		
£30 per session (includes A to E).		

1 Building Cost Information Service (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

3 PSS EX1 2002/03, Department of Health.

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*, Table 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^{1/2} of innovative approaches to providing respite care. 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	2003/2004 value	Notes
A. Coordinator wages/salary	£22,444 per year	1994/1995 costs inflated by the PSS Pay Index.
B. Salary oncosts	£1,640 per year	Employers' national insurance.
C. Worker/volunteer costs of sessions	£19,531 per year	1994/1995 costs inflated by the PSS Pay Index.
D. Expenses associated with sessions	£6,475 per year	1994/1995 costs inflated by the PSS Pay and Prices Index.
E. Training	£2,174 per year	1994/1995 costs inflated by the PSS Pay and Prices Index.
F. Capital costs of equipment and transport	£2,275 per year	Discounted at 3.5 per cent over 10 years. 1994/1995 costs inflated by the retail prices index.
G. Direct overheads		
Revenue	£9,363 per year	Includes management, telephone, secretarial support, stationery, etc. 1994/1995 costs inflated by the PSS Pay and Prices Index.
Capital		1994/1995 costs inflated by the PSS Prices Index.
- office space	£354 per year	Discounted at 3.5 per cent over 60 years.
- office equipment	£337 per year	Discounted at 3.5 per cent over five years.
H. Indirect overheads	£3,133 per year	Includes the personnel and finance functions. 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 2003/2004		
£74 per session per client; £17 per client hour (includes A to H).		

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

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 disabled people

- 5.1 High dependency care home for disabled people
- 5.2 Residential home for disabled people
- 5.3 Special needs flats for disabled people
- 5.4 Rehabilitation day centre for people with brain injury

5.1 High dependency care home for disabled people

This schema is based on information received from John Grooms¹ in 2002 detailing the costs involved in providing a high dependency residential centre. 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 2003/2004 prices.

Costs and unit estimation	2003/2004 value	Notes
Capital Costs		
A. Buildings	£141 per week	Capital costs of buildings and land were calculated using costs which reflect Housing Corporation accessibility and build standards. The value of the building was annuitised over a 60-year period and discounted at 3.5 per cent. At 8 per cent the cost would be £284.
B. Land costs	£31 per week	Land costs have been discounted at 3.5 per cent over 60 years.
C. Equipment/durables		
Wheelchairs	£7.40 per week	Cost of powered chair.
Furnishings/fittings	£6.90 per week	Depreciation on furniture/fittings. Calculated using facility specific accounts.
D. Vehicles	£4.70 per week	
Revenue costs		
E. Salary costs	£694 per week	Costs of direct management, administrative, maintenance, medical and care staff. Calculated using facility specific accounts information.
F. Training	£13 per week	
G. Maintenance	£16 per week	Includes repairs and contracts and cyclical maintenance.
H. Medical costs	£10 per week	
I. Other revenue costs	£159 per week	Includes insurance, travel, staff adverts, uniforms, print & stationery, telephone, postage, equipment replacement, household expenses, premises costs, cost of provisions, household, linen & laundry costs.
J. Overheads	£42 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 2003/2004		
£1,126 per resident week.		

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

5.2 Residential home for disabled people

This schema is based on information received from John Grooms¹ in 2002 detailing the costs involved in providing a registered residential home. 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 2003/2004 prices.

Using PSS EX1 2002/03² 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 £707 and median costs were £859. Capital costs of £61 have been excluded.

Costs and unit estimation	2003/2004 value	Notes
Capital Costs		
A. Buildings	£66 per week	Capital costs of building and land were based on actual cost of building and uprated using the BCIS Public Sector OPI. The value of the building was annuitised over a 60-year period discounted at 3.5 per cent. At 8 per cent the cost would be £132.
B. Land costs	£15 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		
Wheelchairs	£7.40 per week	Cost of powered chair.
Furnishings/fittings	£5.80 per week	Depreciation on furniture/fittings. Calculated using facility specific accounts.
D. Vehicles	£1.70 per week	
Revenue costs		
E. Salary costs	£424 per week	Costs of direct management, administrative, maintenance, medical and care staff. Calculated using facility specific accounts information.
F. Training	£7.00 per week	
G. Maintenance	£25 per week	Includes repairs and contracts and cyclical maintenance.
H. Other revenue costs	£60 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.
I. Overheads	£20 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 2003/2004		
£631 per resident week.		

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

2 PSS EX1 2002/03, Department of Health.

5.3 Special needs flats for disabled people

This schema is based on information received from John Grooms¹ in 2002 detailing the costs involved in providing a 24 hour on site care service for five people with disabilities. 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 2003/2004 prices.

Costs and unit estimation	2003/2004 value	Notes
Capital Costs		
A. Buildings	£102 per week	Capital costs of buildings were calculated using costs which reflect Housing Corporation accessibility and build standards. The value of the building was annuitised over a 60-year period discounted at 3.5 per cent. At 8 per cent the cost would be £206.
B. Land costs	£24 per week	Land costs have been annuitised at 3.5 per cent over 60 years.
C. Equipment/durables		
Wheelchairs	£7.40 per week	Cost of powered chair.
Furnishings/fittings	£7.20 per week	Depreciation on furniture/fittings.
Revenue costs		
D. Salary costs	£343 per week	Costs of direct management and care staff. Calculated using facility specific accounts information.
E. Travel	£0.70 per week	
F. Training	£1.70 per week	
G. Other revenue costs	£13 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.
H. Overheads	£7.50 per week	Charges incurred by national organisation.
Personal Living Expenses		
I. Basic living costs	£92 per week	Based on Family Expenditure Survey (2001/2002) estimates of household expenditure of a one person non-retired household in the lowest income group inflated to 2003/2004 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).
J. Other living costs	£44 per week	
K. External services		
Resident A	£172 per week	Resident A attends a Day Centre Workshop 3 days per week, funded by Social Services. In addition has volunteer input.
Resident B	£198 per week £329 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	£5.50 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 2003/2004		
£500 per week's accommodation and on site support (includes A to G); £645 per week all service and accommodation costs (includes A to G and K); £745 per week accommodation, support services and basic living (equivalent to care home costs) (A to I and K); £789 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.

5.4 Rehabilitation day centre for people with brain injury

This schema is based on information received from John Grooms¹ in 2002 detailing the costs involved in providing a day rehabilitation centre for people with acquired brain injury. 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 2003/2004 prices.

Costs and unit estimation	2003/2004 value	Notes
Capital Costs		
A. Buildings	£10 per day	Capital costs of building and land were based on actual cost of building three years ago and uprated using the BCIS Public Sector OPI. The value of the building was annuitised over a 60-year period discounted at 3.5 per cent. At 8 per cent the cost would be £20.
B. Land costs	£1.50 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 Furnishings/fittings	£1.30 per day	Depreciation on furniture/fittings. Calculated using facility specific accounts.
D. Capital costs of transport		
Revenue costs		
E. Salary costs	£43 per day	Costs of direct management, administrative, maintenance, medical and staff.
F. Travel	£1.20 per day	Calculated using facility specific accounts information.
G. Training	£0.40 per day	
H. Maintenance	£2.20 per day	Includes repairs and contracts and cyclical maintenance.
I. Other revenue costs	£12 per day	Includes insurance, staff adverts, uniforms, print and stationery, telephone, postage, equipment replacement & household expenses and premises costs.
J. Overheads	£4.20 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 2003/2004		
£76 per place per day; £3,706 per year per client registered at the centre.		

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

6. Services for children and their families

- 6.1 Community home — local authority
- 6.2 Community home — non-statutory sector
- 6.3 Local authority day nursery
- 6.4 Local authority foster care
- 6.5 Social services support for children
- 6.6 The costs of community-based care of technology-dependent children
 - 6.6.1 Technology dependent children: Case A
 - 6.6.2 Technology dependent children: Case B
 - 6.6.3 Technology dependent children: Case C
- 6.7 The costs of children in care
 - 6.7.1 Children in care: low cost — with no evidence of additional support needs.
 - 6.7.2 Children in care: median cost — children with emotional or behavioural difficulties
 - 6.7.3 Children in care: high cost — children with emotional or behavioural difficulties and offending behaviour
 - 6.7.4 Children in care: very high cost — children with disabilities, emotional or behavioural difficulties plus offending behaviour
- 6.8 Comparative costs of providing sexually abused children with individual and group psychotherapy

6.1 Community home for children — local authority

The Costs and Effectiveness of Services for Children in Need study 'Leadership and Resources in Children's Homes'¹ estimated the average cost for a sample of 30 Local Authority residential homes in England, per resident per week to be £1,479 excluding the cost of in-house education provision and £1,491 including the cost of in-house education. Based on the actual occupancy level, the cost was £1,494 including in-house education and £1,481 excluding education. Based on maximum occupancy level, the cost would be £1,209 including education and £1,197 excluding education. Using a combination of research and publicly available data, as detailed in this schema, establishment costs per week were £2,015 per resident week and costs including external services were £2,182.

Costs and unit estimation	2003/2004 value	Notes
Capital costs		
A. Buildings	£60 per resident week	Based on the new build and land requirements for local authority children's homes. These allow for 59.95 square metres per person. ² Capital costs are discounted at 3.5 per cent over 60 years.
B. Land	£15 per resident week	Based on statistics provided by the Office of the Deputy Prime Minister. ³ Land costs have been annuitised at 3.5 per cent over 60 years.
C. Equipment		
Revenue costs		
D. Salary and other revenue costs	£1,941 per resident week	Median gross revenue costs are based on PSS EX1 ⁴ returns for 2002/2003 uprated using the PSS Pay and Prices Index. This year data has been adjusted to include respite and short term placements. Capital charges on the revenue account have been deducted (£87). Ten per cent of authorities reported costs of £1,185 or less; and 10 per cent £2,807 or more per week. The mean was £1,806. In the 'Leadership and Resources in Children's homes' study staff costs accounted for 65 per cent of the total cost of homes on average.
E. Management costs		Management costs have been excluded from this schema. However the 'Leadership and Resources in Children's Homes' study imputed these costs at 10.6 per cent of total annual revenue costs.
F. Other costs		
External Services		Service use data taken from the 'Leadership and Resources in Children's homes study and likely to be an underestimate as information on key services only was requested.
Health Services	£4	Costs of hospital services were taken from Trust Financial returns (CIPFA, 2001) ⁵ and uprated to 2003/2004 prices using the HCHS Pay and Prices Index.
Social Services	£13	Support provided by field social workers, leaving care workers and family support workers. Unit costs were taken from Netten et al, (2001) ⁶ and uprated to 2003/2004 prices using the PSS Pay and Prices Index.
Youth justice sector	£1.70	Costs for police contacts and youth custody were estimated using information contained in Finn et al. (2000) ⁷ and uprated to 2003/2004 prices using the PSS Pay and Prices Index.
Education sector (excluding in-house education).	£148	Costs estimated according to the location of the home using information contained in CIPFA (2000) ⁸ . Home tuition costs were estimated using methodology reported by Berridge et al. (2002) ⁹ . The mid-point of the pay scale for qualified teachers was used, including employers' National Insurance and Superannuation contributions. A percentage (65 per cent) was added to cover 'other institutional' expenditure and LEA overheads.
Use of facility by client	52.18 weeks per annum	
Occupancy	84%	Taken from the 'Leadership and Resources in Children's homes' study. Based on the occupancy rate for all Community Children's Homes.
London multiplier	1.23 x A; 3.06 x B; 1.05 x (D)	Relative London costs are drawn from the same source as the base data for each cost element.
Unit costs available 2003/2004		
£2,015 establishment costs per resident week (includes A to E); £2,182 care package costs per resident week (includes A to D and F).		

1 Hicks, L., Gibbs, I., Byford, S. & Weatherly, H. (2002) *Leadership and Resources in Children's Homes*. This is a Department of Health Report.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

4 PSS EX1 2002/03, Department of Health.

5 CIPFA (2001) *Personal Social Services Statistics 1999-2000 Actuals*, Statistical Information Service, Chartered Institute of Public Finance and Accountancy, London.

6 Netten, A., Rees, T. & Harrison, G. (2001) *Unit Costs of Health and Social Care 2001*, Personal Social Services Research Unit, University of Kent.

7 Finn, W., Hyslop, J. & Truman, C. (2000) *Mental Health, Multiple Needs and the Police*, Revolving Doors Agency, London.

8 CIPFA (2000) *Personal Social Services Statistics 1999-2000 Actuals*, Statistical Information Service, Chartered Institute of Public Finance and Accountancy, London.

9 Berridge, D., Beecham, J., Brodie, I. et al (2002) *Costs and consequences of services for troubled adolescents: an exploratory, analytic study*, Report to the Department of Health, University of Luton.

6.2 Community home for children — non-statutory sector

The Costs and Effectiveness of Services for Children in Need study 'Leadership and Resources in Children's Homes'¹ estimated the average cost of a sample of community homes in the non-statutory sector in England, per resident per week to be £1,444 excluding the cost of in-house education provision and £1,664 including the cost of in-house education. Based on the actual occupancy level, the cost was £1,669 including in-house education and £1,481 excluding education. Based on maximum occupancy level, the cost would be £1,239 including education and £1,115 excluding education. Using a combination of research and publicly available data, as detailed in this schema, establishment costs per week were £2,033 per resident week and costs including external services were £2,104.

Costs and unit estimation	2003/2004 value	Notes
Capital costs		
A. Buildings	£60 per resident week	Based on the new build and land requirements for local authority children's homes. These allow for 59.95 square metres per person. ² Capital costs are discounted at 3.5 per cent over 60 years.
B. Land	£15 per resident week	Based on Office of the Deputy Prime Minister ³ statistics. Land costs have been annuitised at 3.5 per cent over 60 years.
C. Equipment		
Revenue costs		
D. Salary and other revenue costs	£1,959 per resident week	Median gross revenue costs are based on PSS EX1 ⁴ returns for 2002/2003 uprated using the PSS Pay and Prices Index. This year data has been adjusted to include respite and short term placements. Ten per cent of authorities reported costs of £1,458 or less; and 10 per cent £2,477 or more per week. The mean was £1,934. In the 'Leadership and Resources in Children's homes' study, staff costs accounted for 64 per cent of the total cost of homes on average.
E. Management costs		Management costs have been excluded from this schema. However the 'Leadership and Resources in Children's homes' study imputed these costs at 6.4% of total annual revenue costs.
F. Other costs		
External Services		
Health Services	£29	Taken from the 'Leadership and Resources in Children's homes study and likely to be an underestimate as information on key services only was requested. Unit costs of hospital services were taken from Trust Financial returns (CIPFA, 2001) ⁵ and uprated to 2003/2004 prices using the HCHS Pay and Prices Index.
Social Services	£7	Support provided by field social workers, leaving care workers and family support workers. Unit costs were taken from Netten et al, (2001) ⁶ and uprated to 2003/2004 using the PSS Pay and Prices Index.
Youth justice sector	£4	Costs for police contacts and youth custody were estimated using information contained in Finn et al. (2000) ⁷ and uprated to 2003/2004 prices using the PSS Pay and Prices Index.
Education sector (excluding in-house education).	£29	Costs estimated according to the location of the home using information contained in CIPFA (2000) ⁸ and uprated to 2003/2004 prices using the PSS Pay and Prices Index. Home tuition costs were estimated using methodology reported by Berridge et al. (2002) ⁹ . The mid-point of the pay scale for qualified teachers was used, including employers' National Insurance and Superannuation contributions. A percentage (65 per cent) was added to cover 'other institutional' expenditure and LEA overheads.
Private sector costs	£1.50	
Use of facility by client	52.18 weeks per annum	
Occupancy	84%	Taken from the 'Leadership and Resources in Children's homes' study. Based on the occupancy rate for all Community Children's Homes.
London multiplier	1.23 x A; 3.06 x B; 0.93 x (D)	Relative London costs are drawn from the same source as the base data for each cost element.
Unit costs available 2003/2004		
£2,033 establishment costs per resident week (includes A to E); £2,104 care package costs per resident week (includes A to D and F).		

- Hicks, L., Gibbs, I., Byford, S. & Weatherly, H. (2002) *Leadership and Resources in Children's Homes*. This is a Department of Health Report.
- Building Cost Information Service (2004) *Surveys of Tender Prices*, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.
- Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- PSS EX1 2002/03, Department of Health.
- CIPFA (2001) *Personal Social Services Statistics 1999-2000 Actuals*, Statistical Information Service, Chartered Institute of Public Finance and Accountancy, London.
- Netten, A., Rees, T. & Harrison, G. (2001) *Unit Costs of Health and Social Care 2001*, Personal Social Services Research Unit, University of Kent.
- Finn, W., Hyslop, J. & Truman, C. (2000) *Mental health, Multiple Needs and the Police*, London: Revolving Doors Agency.
- CIPFA (2000) *Personal Social Services Statistics 1999-2000 Actuals*, Statistical Information Service, Chartered Institute of Public Finance and Accountancy, London.
- Berridge, D., Beecham, J., Brodie, I. et al (2002) *Costs and consequences of services for troubled adolescents: an exploratory, analytic study*, Report to the Department of Health: University of Luton.

6.3 Local authority day nursery for children

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 or an afternoon at the day care facility.

Costs and unit estimation	2003/2004 value	Notes
Capital costs		
A. Buildings	£1 per session	Based on the new build and land requirements for local authority day nurseries. These allow for 8.35 square metres per person. ¹ Capital costs are discounted at 3.5 per cent over 60 years. When discounted at 8 per cent, the cost is £1.45 per session.
B. Land	£0.20 per session	Based on statistics provided by the Office of the Deputy Prime Minister ² . Land costs have been annuitised at 3.5 per cent over 60 years.
C. Equipment		
Revenue costs		
D. Salary costs and other revenue overheads	£27 per registered child per session	CIPFA Actuals 1999-2000 ³ uprated using the PSS Pay and Prices Index. No later statistics are available. Data were adjusted to exclude expenditure on services purchased from the independent sector. Capital charges on the revenue account are included in expenditure data. Ten per cent of authorities had average costs of £18 per session or less and 10 per cent £40 per session or more. Median costs were £27 per session. Local authorities reporting costs of less than £1 or more than £40 per session were excluded.
E. Agency overheads	£1.40	Calculated by adding 5 per cent of revenue costs, following an Audit Commission report about overheads associated with residential care. ⁴
Other costs		
Use of facility by client	500 sessions per annum	
Occupancy	76%	Department of Health statistics, 1997. ⁵ More recent statistics are not available.
London multiplier	1.23 × A; 3.06 × B.	Relative London costs are drawn from the same source as the base data for each cost element. Information about London revenue costs used to be based on each year's CIPFA statistics. These present an inconsistent picture across services so have been excluded.
Unit costs available 2003/2004		
£29 per place per session (includes D to E). See note in D about treatment on capital.		

1 Building Cost Information Service (2004) *Surveys of Tender Prices*, BCIS, Royal Institution of Chartered Surveyors, Kingston-upon-Thames, Surrey.

2 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

3 CIPFA, *Personal Social Services Statistics 1999-2000 Actuals*, Statistical Information Service, 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*, Government Statistical Service, London.

6.4 Local authority foster care for children

Costs and unit estimation	2003/2004 value	Notes
A. Boarding out allowances and administration	£254 per child per week	Median costs using PSS EX1 for 2002/03 ^{1/2/3} uprated using the PSS pay and prices index. The lower quartile is £210 and the upper quartile is £297. This year we have included those in respite, short term placements and those placed for adoption. Two authorities having costs of less than £50 have been excluded.
B. Care		
C. Social Services (including cost of Social Worker and support)	£143 per child per week	The majority of children looked after are in foster placements and the mean cost of support from fieldwork teams and centres has been taken from the Children in Need (CiN) Census discussed in Unit Costs of Health and Social Care 2001.
D. Other services, including education	£41 per child per week	The study by Beecham and Knapp ³ found that other services including health, education and law and order (estimated on the same basis as services to those in community homes) added a further 16 per cent to the cost.
Service use by client	52.18 weeks per year	
London multiplier	1.22	Based on PSS EX1 data for 2002/03. Costs in London were considerably higher and this is likely to be due to, as well as higher costs in London, a larger market with Independent Fostering Agencies available.
Unit costs available 2003/2004		
£438 per child per week (includes A to D).		

1 PSS EX1 2002/03, Department of Health.

2 Beecham, J., Rowlands, J., Barker, M., Lyon, J., Stafford, M. & Lunt, R. (2001) Child care costs in social services, in A. Netten, T. Rees, & G. Harrison (eds) *Unit Costs of Health and Social Care 2001*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Beecham, J. & Knapp, M. (1995) The costs of child care assessment, in R. Sinclair, L. Garnett & D. Berridge (eds) *Social Work and Assessment with Adolescents*, National Children's Bureau, London.

6.5 Social services support for Children in Need

The Children in Need survey is an annual collection by local authorities for the Department of Health designed to link needs, services and costs of children's social services. For the first time in 2001, local authorities returned information on each service received by each child seen during the survey week. Returns were made by 144 of the 150 local authorities in England, which included information on 363,389 children or young adults supported by child protection legislation. For further information see <http://www.doh.gov.uk/cin/>.

We present data on the weekly costs of supporting children based on this survey uprated to 2003/2004 prices using the PSS Pay and Prices Inflatior. These costs are established by summing the component cost of each individual service provided to each child during census week. This includes all costs falling to social services departments including placement costs and other regular payments, commissioned and directly provided services, social work and other fieldwork, group work and individual work in centres and teams, and miscellaneous costs, and one-off costs and payments. However, it excludes costs to other agencies, where these are shared. The guidance notes at the above site provide full details of definitions.

The information presented here is based on 177,570 children who were known at the start of the week, received any service or payment during survey week and whose costs for each service they received are within a normal range. The figures presented are medians (the cost for a typical child) rather than means (the average cost per child), which we consider to be more reliable given the quite high proportion of exceptional costs reported. For children looked after, the median weekly cost is £287 while for children supported in their families or independently was £59. Means at 2003/2004 prices are much larger, £480 and £117 respectively, because of small numbers of children with exceptional costs.

These figures are derived from a Department of Health funded research project *Childcare Costs: Variations and Unit Costs*.

Table 1 Social services costs per child per week by region

Location	Children supported in families or independently		Children looked after		Total	
	Total no. children	Median cost per child £	Total no. children	Median cost per child £	Total no. children	Median cost per child £
Inner London	10,213	93	3,772	361	13,985	134
Outer London	14,775	107	4,039	420	18,814	126
Metropolitan Districts	30,927	50	14,687	243	45,614	83
Unitary Authorities	26,385	59	8,994	286	35,379	86
Shire Counties	40,975	50	15,623	297	56,598	82

Table 2 Social services costs per child per week by need category

Need Category ¹	Children supported in families or independently		Children looked after		Total	
	Total no. children	Median cost per child £	Total no. children	Median cost per child £	Total no. children	Median cost per child £
Abuse/neglect	34,437	60	26,996	285	61,433	127
Disability	16,662	48	5,633	229	22,295	65
Parental illness	6,905	59	2,708	280	9,613	96
Family stress	14,986	47	2,659	314	17,645	60
Family dysfunction	15,628	55	4,809	319	20,437	82
Socially unacceptable behaviour	8,732	68	1,438	491	10,170	86
Low income	9,184	113	151	325	9,335	116
Absent parenting	3,096	102	2,513	328	5,609	174
Cases other than children in need	4,574	44	381	232	4,955	49
Cases not stated	13,920	49	2,158	219	16,078	60

Notes*Table 3 Social services costs² per child per week by placement type*

Type of placement	Children supported in families or independently		Children looked after		Total	
	Total no. children	Median cost per child £	Total no. children	Median cost per child £	Total no. children	Median cost per child £
Residential home	553	912	4,604	1,471	5,157	1,421
Foster home	1,673	219	24,630	228	26,303	227
Placed for adoption	471	78	875	131	1,346	89

Notes

1. Placement costs only, based on children in a single placement type throughout the week.

Table 4 Social services costs per child per week by child protection register status (CPR)

Type of placement	Children supported in families or independently		Children looked after		Total	
	Total no. children	Median cost per child £	Total no. children	Median cost per child £	Total no. children	Median cost per child £
Registered on CPR	12,849	78	4,373	366	17,222	116
Not registered on CPR	115,275	57	45,073	280	160,348	89

1 As specified in the CIN Survey.

2 Placement costs only, based on children in a single placement type throughout the week.

6.6 The costs of community-based care of technology-dependent children

A study led by Caroline Glendinning and Susan Kirk^{1/2} investigated the costs of supporting a group of children dependent on medical technology which enables them to survive. The definition of technology dependence crucially affects estimates of the numbers of such children and for the purpose of the study was defined as: dependence on technological device to sustain life or optimise health and the need for substantial and complex nursing care for substantial parts of the day and/or night. Exemplar case studies of three technology dependent children were constructed in order to demonstrate the costs of caring for a technology dependent child at home. These case studies were designed to illustrate the wide range of medical, nursing and other needs of technology dependent children. They are not precise descriptions of any three particular families. Instead of drawing on 'real life' cases, they are designed to illustrate the wide range of medical, nursing and other needs of technology dependent children.

The following aspects of care were costed:

- One-off capital/start-up costs (mainly the purchase of equipment)
- Recurrent costs of equipment and consumables
- Recurrent staffing costs
- Recurrent statutory social security benefits
- Additional costs borne by families themselves (partially offset by social security benefits)

The costs summarised below have been derived from a number of sources. The costs of specialist equipment and associated consumables, home care services and enteral feeding were supplied by staff at two specialist regional hospitals. Information on the costs of community health and local authority services were originally obtained from Netten et al (1998)³. Details of professional salary costs were obtained from the 1999 report of the relevant pay review bodies. These costs have been uprated to reflect the present day costs. Costs borne by families themselves which were similar to those incurred in the care of a severely disabled child were obtained from a study which used budget standard methods to estimate the costs of childhood disability (Dobson and Middleton, 1998).⁴ The costs of other extra consumer items needed by families themselves were obtained from mainstream High Street suppliers.

1 Glendinning, C., Kirk, S., Guiffreda, A. & Lawton, D. (2001) Technology-dependent children in the community; definitions, numbers and costs, *Child Care Health and Development*, 27, 4, 321-334.

2 Glendinning, C., Kirk, S., with Guiffreda, A. & Lawton, D. (1999) The Community-Based Care of Technology-Dependent Children in the UK: Definitions, numbers and costs. Research Report commissioned by the Social Care Group, Department of Health. National Primary Care Research and Development Centre, University of Manchester.

3 Netten, A., Dennett, J. & Knight, J. (1998) *Unit Costs of Health and Social Care 1998*, Personal Social Services Research Unit, University of Kent.

4 Dobson, B. & Middleton, S. (1998) *Paying to Care; the Cost of Childhood Disability*, York, Joseph Rowntree Foundation.

6.6.1 Technology dependent children: Case A

Type of case

Case study A was a 6 year old girl with a congenital neuromuscular condition who needed continuous ventilatory support and was fed by a gastrostomy; she was also incontinent. Her divorced mother gave up work as a secretary to care for her and they lived in local authority housing which was adapted to provide a downstairs bedroom and bathroom. They had no car, so used taxis or pay friends to take A out. She attended a special school and received home visits from an outreach nurse from the specialist regional hospital 10 miles away, monthly visits from the local paediatric nursing team and physiotherapy once a week. A's mother had round the clock help from a team of specially trained home carers (who also care for A at school); some home help for housework and to take A's sibling to school; and quarterly visits from a social worker. She also received counselling and medication to help cope with the stress of caring for A. She had extra phone bills and the costs of refreshments for the home carers, over and above those normally associated with a severely disabled child.

Items	Average cost per annum	Description of items
Equipment non recurrent costs	£10,140	Includes housing adaptation, bed, wheelchair, two ventilators, electricity generator, pulse oximeters, two suction machines, one humidifier. Costs for all cases ranged from £7,646 to £13,518 per annum. Costs have been annuitised over a lifetime of 4-6 years at a discount rate of 3.5 per cent. Housing adaptation costs were annuitised over a lifetime of 10-15 years.
Equipment recurrent costs	£14,447	Includes clinical waste removal service, consumables, servicing ventilator, pulse oximeters, servicing suction machines and humidifier and gastrostomy feeding.
Annual staffing costs	£101,292	Based on a health care assistant, qualified nursing supervision, community nursing input, specialist outreach nurses, GP involvement, social worker involvement home help type input, community and hospital paediatricians, community children's nurse, community physiotherapist, OT and social worker and teacher. Costs for all cases ranged from £96,068 to £106,515 per annum.
Consequences of health costs to mother	£630	Includes prescription for anti-depressants, counselling from psychologists and GP appointments. Costs for all cases ranged from £475 to £753.
Social security benefits	£12,492	Includes income support and premium for lone parent, child allowance, disabled child premium, highest care DLA, highest care mobility DLA.
Education	£2,995	Includes transport to the school by taxi and community therapist input. Costs for all cases ranged from £2,675 and £3,317.
Family costs	£13,982	Includes increased electricity bills, laundry and clothing, incontinence and consumables, travel costs, home carers, telephone calls to hospitals, purchase of mobile phone and loss of earnings. Costs for all cases ranged from £13,176 to £14,790 per annum.

Unit Costs Available 2003/2004

£129,504 Service costs; £141,996 Costs to state agencies; £143,486 Social costs.

6.6.2 Technology dependent children: Case B

Type of case

Case study B was 4 months old. She suffered severe anoxia at birth, has a tracheostomy and was fed through a naso-jejunal tube. She was likely to be severely disabled. Her parents owned their house 50 miles from the regional specialist hospital. They had no personal transport. B's father switched from full to part-time work to help with her care. They had quarterly visits from a specialist outreach nurse from the hospital and monthly visits from the local district nurse, health visitor, occupational and physiotherapists and Portage workers. A weekly service removed clinical waste from the house. Trained home carers provided a break for B's parents three nights a week. A social worker was involved in multi-disciplinary planning/review meetings about B. B's parents used taxis or paid relatives' petrol costs instead of public transport, purchased a mobile phone and spent extra on phone calls to hospital.

Items	Average cost per annum	Description of items
Equipment non recurrent costs	£216	Includes suction machines and one humidifier. Costs for all cases ranged from £185 to £264 per annum. Costs have been annuitised over a lifetime of 4-6 years at a discount rate of 3.5 per cent.
Equipment recurrent costs	£4,467	Includes clinical waste removal service, consumables, servicing suction machines and humidifier.
Annual staffing costs	£22,400	This includes a home carer support, a specialist outreach nurse, GP involvement, social worker involvement, district nurse, health visitor, community therapist, OT, physiotherapist, portage worker, paediatricians, and district nurse. Costs for all cases ranged from £22,077 to £22,727.
Social security benefits	£5,123	Invalidity care allowance and highest care DLA.
Family costs	£6,284	Costs for all cases ranged from £5,061 to £7,170.
Unit Costs Available 2003/2004		
£27,083 Service costs; £32,206 Costs to state agencies; £33,367 Social costs.		

6.6.3 Technology dependent children: Case C

Type of case

Case study C was an 11-year old boy with renal failure. He received continuous cycling peritoneal dialysis every night and overnight feeding through a gastrostomy. He lived with his younger sibling in an owner-occupied house, which has had some minor adaptations to improve hygiene and storage facilities. His father worked full time; his mother cut her hours and lost promotion opportunities because of C's care. They owned their own car. C lived 20 miles from the specialist hospital, which he attended regularly for outpatient monitoring; both parents therefore needed extra time off work and incurred associated travel costs. C was visited at home each month by a specialist outreach nurse and also had annual visits from the dietician and social worker based at the hospital. C attends mainstream school, but requires no extra support there. However, his parents have bought mobile phones/pagers in case of an emergency.

Items	Average cost per annum	Description of items
Equipment non recurrent costs	£1,196	Includes dialysis machine. Costs for all cases ranged from £1,020 to £1,461 per annum. Costs have been annuitised over a lifetime of 4-6 years at a discount rate of 3.5 per cent.
Equipment recurrent costs	£41,421	Includes clinical waste removal service, consumables, gastrostomy feeding and associated drug therapy. Costs for all cases ranged from £41,317 to £41,524 per annum.
Annual staffing costs	£854	Includes a specialist outreach nurse, hospital dietician involvement, hospital social worker involvement and GP involvement. Costs for all cases ranged from £814 to £895.
Social security benefits	£2,972	Includes highest care DLA.
Family costs	£3,817	Includes increased electricity bills, laundry and clothing, travel costs, home carers, telephone calls to hospitals and loss of earnings. Costs for all cases ranged from £212 to £1,478 per annum.
Unit Costs Available 2003/2004		
£43,471 Service costs; £46,443 Costs to state agencies; £47,288 Social costs.		

6.7 Services for children in care

The article by Ward, Holmes and Soper on pages 21-24 looks at the processes involved in placing a child in care. However, children's specific needs are likely to impact both on the types of placement they are offered, and on the demand for additional support services provided by other agencies such as education, health, youth offending teams and the Child and Adolescent Mental Health Service.

Children's characteristics have cost implications for the authorities that place them. Children's age, and to some extent their primary need at admission, as well as their parents' circumstances, influence the length of time they will require care or accommodation; other characteristics such as ethnicity and first language may have implications for the recruitment of carers and the provision of services. Moreover the complexity and extent of children's needs will influence the type and cost of placements.

Information from practitioners and managers, gathered in the course of developing unit costs for social work processes (Ward, Holmes, Soper & Olsen, 2004), indicated that the prevalence of children within the care population who display the following attributes — or combinations of them — is likely to have an impact on the cost of placements: disabilities; emotional or behavioural difficulties; and offending behaviour. Unaccompanied asylum seeking children comprise a further group whose circumstances, rather than their attributes, engender a different pattern of costs. In any population of looked after children, some will display none of these additional support needs and it is expected that those authorities with a higher proportion of these children in care or accommodation will incur lower costs per looked after child. However in reality their overall expenditure on children's services may be greater, for such authorities may place a higher proportion of their whole population of children in need away from home than do those with better developed family support services.

The study by Ward and colleagues (2004) identified different combinations of additional support needs. There were five simple groups of children who display none or one of the exceptional needs expected to affect costs, and six complex groups of children who display two or more additional support needs. In the sample of 478 children, 129 (27 per cent) showed no evidence of additional support needs, 215 (45 per cent) displayed one; 124 (26 per cent) children displayed combinations of two; and a very small group of children (2 per cent) displayed combinations of three or more.

The care package costs for children described in the schemata illustrate an example of a child in some of these groups, taken from the study sample.

6.7.1 Children in care: low cost — no evidence of additional support needs

Child A is a boy aged fourteen with no evidence of additional support needs. These costs show the total cost incurred by social services and other agencies from February 2000 to October 2001 uprated using the PSS Pay and Prices inflator. He first became looked after at the age of six, as the result of neglect. Since then he has been placed with the same local authority foster carers — a placement that had lasted eight years by the start of the study. In June 2001, his case was transferred to the leaving care team. Reviews were held at six monthly intervals and his care plan was updated every six months. He attended six monthly dental appointments and an annual looked after child medical. During the time period shown above, this young person attended weekly, hour-long physiotherapy sessions as a result of a neck injury. A care order was obtained in 1992. He completed his statutory schooling in summer 2001 and obtained seven GCSEs. He attended mainstream school until Summer 2000. He then progressed to further education to start an A level course.

Child A had a relatively inexpensive placement with local authority foster carers. He incurred some educational costs, in that he attended school, and some health care costs, but there was no exceptional expenditure.

Process	Cost to LA	Total £	Cost to others	Total £
Care Planning	£104 x 3	312	£128 x 3	384
Maintaining the placement	£421 x 87 weeks minus £5,188 ¹	31,439		
Review	£353 x 3 + £10 ²	1,069	£41 x 3	123
Legal	£4.10 ³ x 87 weeks	357	£7.60 ⁴ x 87 weeks	661
Transition to leaving care	£1,006	1,006		
Cost of services				
Mainstream schooling			£19.30 ⁵ per day	5,501
FE College			£19.60 ⁶ per day	608
Dentist			£6.50 ⁵ x 3	19.50
Looked after child medical			£21	21
Physiotherapy			£44 x 87 weeks	3,828
Total		£34,183		£11,146

1 Cost includes payment made for the placement and all activity to support the placement. There is a reduction in cost as a result of reduced activity once the placement has lasted for more than one year.

2 An additional cost is incurred for the first 16+ review.

3 The cost of obtaining a care order has been divided over the total number of weeks between admission and the child's eighteenth birthday.

4 Selwyn, J., Sturgess, W., Quinton, D. & Baxter, K. (2003) *Costs and Outcomes of Non-Infant Adoptions*, Bristol University, Bristol.

5 Berridge, D. et al. (2002) *Costs and Consequences of Services for Troubled Adolescents: An Exploratory, Analytic Study*, University of Luton, Luton.

6 Provisional cost based on the cost of mainstream schooling taken from Berridge, D. et al (2002) *Costs and Consequences of Services for Troubled Adolescents: An Exploratory, Analytic Study*, University of Luton, Luton.

6.7.2 Children in care: median cost — children with emotional or behavioural difficulties

At the start of the time period until April 2001, Child B was placed with local authority foster carers (within the area of the authority). She then changed to another placement with local authority foster carers within the area of the authority. A care order was obtained for this young person when she first became looked after in March 1995. During the timeframe three review meetings were held and her care plan was also updated on three occasions. Child B attended mainstream school during the time period. From December 2000 until June 2001 she received support from a personal teaching assistant for four hours a week. This young person attended six monthly dental appointments and also her annual looked after child medical. Child B received speech therapy until July 2001. Following a self-harm incident she was taken to the accident and emergency department. As a result of this incident she was referred to a clinical psychologist and began weekly sessions in September 2000.

Costs to social services are relatively low, largely because she was placed with local authority foster carers within the area of the authority throughout the study period. Although she did experience a change of placement the costs of this change were relatively low because she was not classified as difficult to place. There were relatively high costs to other agencies, designed to meet both her health and educational needs.

Process	Cost to LA		Cost to others	
	Unit costs	Total £	Unit costs	Total £
Care Planning	£104 x 3	312	£128 x 3	384
Maintaining the placement	£375 x 87 weeks minus £3,876 plus £248 ¹	28,997		
Finding subsequent placement	£177	177		
Review	£353 x 3	1,059	£41 x 3	123
Legal	£52 x 87 weeks	435	£9.20 ³ x 87 weeks	800
Cost of services				
Mainstream Schooling			£19.30 ⁴ per day	6,118
Dentist			£6.50 ⁴ x 3	19.50
Looked after child medical			£21 ⁵	21
Speech therapy			£41 x 60 weeks	2,460
Clinical psychologist			£69 x 52 weeks	3,588
Hospital accident and emergency visit			£83	83
Personal teaching assistant			£33 ⁴ (4 hrs per week for 25 weeks)	3,300
Total		£30,980		£16,897

1 Cost includes the payment made for the placements and all activity to support the placements. There is a reduction in cost as a result of reduced activity for the first placement which has lasted for more than one year. There is an increase in cost in the first three months of the second placement due to increased social worker activity.

2 The cost of obtaining a care order has been divided over the total number of weeks between admission and the child's eighteenth birthday.

3 Selwyn, J., Sturges, W., Quinton, D. & Baxter, K. (2003) *Costs and Outcomes of Non-Infant Adoptions*, Bristol University, Bristol.

4 Berridge, D. et al. (2002) *Costs and Consequences of Services for Troubled Adolescents: An Exploratory, Analytic Study*, University of Luton, Luton.

5 Based on the unit cost of a surgery consultation with a general practitioner (see Schema 9.8b)

6.7.3 Children in care: high cost — children with emotional or behavioural difficulties and offending behaviour

Child C was aged fifteen at the start of the study. He first became looked after at the age of eleven when his parents needed relief. Prior to the start of the study he was placed in secure accommodation on five separate occasions. He had also been placed in various residential homes, schools and foster placements, many of which had broken down. As a consequence he had been classified as 'difficult to place'. During the study period Child C experienced ten different placements. He also refused all statutory medicals and dental appointments, furthermore, he refused any mental health support. Child C did not complete his statutory schooling as a result of numerous exclusions and non-attendance. Prior to the start of the study he had a history of offending, this continued throughout the study with him committing ten further offences. He ceased being looked after in summer 2001 when he refused to return to any placement provided by the local authority.

The costs to social services were relatively high, both because of a number of out-of-authority, residential placements provided by agencies and due to nine changes of placement. There were substantial costs to other agencies (Youth Offending Team and the Police) as a result of his offending behaviour. Additional health care costs were not incurred for this young man because of his refusal to engage in the services offered to him.

Process	Cost to LA	Total £	Cost to others	Total £
Care Planning	£104 x 2	208	£124 x 2	248
Maintaining the placement	£202,221 plus £909 ¹	203,130	£41 x 74 weeks ²	3,034
Ceased being looked after	£228	228		
Find subsequent placements	£6,724 ³	6,724		
Review	£353 + £705	1,058	£149 x 2	298
Cost of services⁴				
YOT involvement/ criminal costs			£841 ⁵ x 74 weeks	62,234
Total		£211,348		£65,814

1 This cost includes the payment made for the placement and all activity to support the placements. There is an increase in cost in the first three months of a placement due to increased social worker activity.

2 Child C ceased being looked after in July 2001, therefore the time period being costed is 74 weeks.

3 Child C experienced nine changes of placement during the timeframe of the study.

4 There are no additional education costs because these are included in the costs of the placements in process three.

5 Costs taken from Liddle, M. (1998) *Wasted Lives: Counting the Cost of Juvenile Offending*, NACRO, London.

6.7.4 Children in care: very high cost — children with disabilities, emotional or behavioural difficulties plus offending behaviour

Child D experienced nine different placements from February 2000 to October 2001. Initially he was placed in an agency residential unit with education facilities out of the area of the authority. In March 2000, he was placed with agency foster carers, again out of the area of the authority. He then experienced three further placements, all out of the area of the authority and all provided by agencies: another residential unit, then another foster placement, then a third residential placement. In September he was placed overnight in a secure unit within the area of the authority. He was then placed with agency foster carers followed by a further agency residential unit before moving to a specialised one bedded, agency, residential unit in December 2000. This placement was also out of the area of the authority. Review meetings were held six monthly and his care plan was also updated every six months. This young person attended the education provision in two different residential units up until summer 2000, when he was permanently excluded. He then started sessions with a home tutor in October 2000. During the given time period he attended six monthly dental appointments and his looked after child medical. He also attended weekly sessions with a clinical psychologist from October 2000 onwards. In September 2000, he committed a criminal offence, the police were involved, but he was not convicted.

These costs are markedly higher than for the majority of other children in the sample. The greatest amount of expenditure came from the series of placements in agency residential and foster homes; monthly charges for which ranged from between £3,302 and £10,504; all were out of the area of the authority, and therefore required high levels of social work time to support them. Child D had become 'difficult to place' and increasing amounts of social work time had to be spent on finding the rare placements that were prepared to accept him. The costs of changing placements were calculated at over £1,000 per move.

Process	Cost to LA	Total £	Cost to others	Total £
Care Planning	£52 x 3	156	£128 x 3	384
Maintaining the placement	£386,611 plus £992 ¹	387,603		
Finding subsequent placements	£8,674	8,674	£70 x 8 ²	560
Review	£705 x 3	2,115	£302 x 3	906
Legal	£2.60 ³ x 87 weeks	226	£4.70 ⁴ x 87 weeks	409
Transition to leaving care	£1,006	1,006		
Cost of services				
Home tuition			£33 ⁵ per hour	6,270
Permanent exclusion			£112 ⁶	112
Dentist			6.50 ⁵ x 3	19.50
Looked after child medical			£21 ⁷	21
Clinical psychologist			£69 per hour for 52 weeks	3,588
Police costs for criminal offence			£173 ⁸	173
Total		£399,780		£12,443

- 1 The cost includes the payment made for the placements and all activity to support the placements. There is an increase in cost in the first three months of a placement due to increased social worker activity.
- 2 Child D experienced eight changes of placement during the timeframe of the study.
- 3 The cost of obtaining a care order has been divided over the total number of weeks between admission and the child's eighteenth birthday.
- 4 Selwyn, J., Sturges, W., Quinton, D. & Baxter, K. (2003) *Costs and Outcomes of Non-Infant Adoptions*, Bristol University, Bristol.
- 5 Berridge, D. et al. (2002) *Costs and Consequences of Services for Troubled Adolescents: An Exploratory, Analytic Study*, University of Luton, Luton.
- 6 Parsons, C. & Castle, F. (1998) The cost of school exclusion in England, *International Journal of Inclusive Education*, 2,4, 277-294.
- 7 Based on the unit cost of a surgery consultation with a general practitioner (see Schema 9.8b).
- 8 Liddle, M. (1998) *Wasted Lives: Counting the Cost of Juvenile Offending*, NACRO, London.

6.8 Comparative costs of providing sexually abused children with individual and group psychotherapy

As part of the Children in Need research initiative, a study by Paul McCrone et al. to be published in *Child and Adolescent Mental Health* in 2005¹ compared the costs of individual and group psychotherapy for children who have been sexually abused. Subjects were recruited to two clinics in London and randomly allocated to the two treatments. Girls between the ages of six and 14 who, within the previous two years, had disclosed sexual abuse and had symptoms of emotional or behavioural disturbance that warranted treatment were eligible for inclusion. The girls who consented to participate in the study were randomly allocated either to individual (n=35) or group psychotherapy (n=36). The individual treatment comprised up to 30 sessions of focused psychoanalytical psychotherapy. Individual therapists received supervision from a senior child psychotherapist in pairs after every other session. The group treatment consisted of up to 18 sessions with about five girls of similar ages and incorporated psychotherapeutic and psycho-educational components. Various professionals provided therapy, including child psychiatrists, psychotherapists, nurse practitioners and specialist, occupational therapists and social workers. The girls were assessed at baseline and followed up at one and two years after treatment had commenced.

Recent research found that these therapies have similar outcomes and although this is a single small study and further work is required to strengthen the evidence-base before change in practice is readily undertaken, results of the study suggest that group therapy is more cost-effective than individual therapy. Total mean costs of group therapy uprated to 2003/2004 levels were found to be £2,356 and total mean costs of individual therapy uprated to 2003/2004 levels were found to be £3,850.

Service use data extracted from case notes and therapists' files were combined with unit costs representing the long-run marginal opportunity costs of the professionals involved in providing the service. Some of these were obtained from *Unit Costs of Health & Social Care 1999* while others were estimated from (national) pay scales and any additional elements were based on similar services reported in the unit costs publication. These unit costs consist of salary, employer superannuation and national insurance contributions, overheads and capital costs. Costs shown in the tables have been up-rated to 2003/2004 levels using the appropriate indices.

Group therapy

Intervention	Sample size (n=36)	Provider	Duration (minutes)
Introductory meeting			
Mean (sd) no. of meetings	1 (0)	Consultant psychiatrist	16
Mean (sd) cost, £s	£58 (£12)	Senior social worker	16
Initial assessment		Research psychologist	120
Mean (sd) no. of assessments	1 (0)	Consultant psychiatrist/senior registrar	90
Mean (sd) cost, £s	£484 (£36)	Senior social worker	105

¹ Cost-Effectiveness of Individual versus Group Psychotherapy for Sexually Abused Girls, McCrone, P., Weeramanthri, T., Knapp, M., Rushton, A., Trowell, J., Miles, G. & Kolvin, I. (2004) *Child and Adolescent Mental Health* (in press). For further information contact Dr Paul McCrone, Centre for the Economics of Mental Health, Box PO24, Health Services Research Department, Institute of Psychiatry, De Crespigny Park, London SE5 8AF (p.mccrone@iop.kcl.ac.uk).

Intervention	Sample size (n=36)	Provider	Duration (minutes)
Therapy provided to girls			
Mean (sd) no. of sessions	13.3 (4)	Various professionals providing 18 sessions	75
Mean (sd) cost, £	£471 (£170)		
Carers' support			
Mean (sd) no. of sessions	10.1 (5.3)	Social worker providing 10 sessions	50
Mean (sd) cost, £s	£437 (£311)		
Supervision of girls' therapists			
Mean (sd) number of sessions	13.3 (4.0)	Senior social worker/cons. psychiatrist providing 18 sessions	75
Mean (sd) cost, £	£370 (£125)		
Supervision of carers' workers			
Mean (sd) number of sessions	3.4 (1.8)	Senior Social worker providing monthly sessions	60
Mean (sd) cost, £s	£179 (£127)		
Follow-up assessments			
one year follow-up		Research psychologist	30
Mean (sd) number of assessments	1.5 (0.7)	Consultant psychiatrist/senior registrar	45
Mean (sd) cost £s	£357 (£193)	Senior social worker	45
		All providing 1 session each	
Mean (sd) total cost, £	£2,356 (£581)		

Individual therapy

Intervention	Sample size (n=35)	Provider	Duration (minutes)
Introductory meeting			
Mean (sd) no. of meetings	1 (0)	Consultant psychiatrist	16
Mean (sd) cost, £s	£56 (£13)	Senior social worker	16
Initial Assessment			
Mean (sd) no. of assessments	1 (0)	Research psychologist	120
Mean (sd) cost, £s	£476 (£38)	Consultant psychiatrist/senior registrar	90
		Senior social worker	105
Therapy provided to girls			
Mean (sd) no. of sessions	26 (8.1)	Various professionals providing 30 sessions	75
Mean (sd) cost, £	£1,141 (£424)		
Carers' support			
Mean (sd) no. of sessions	14.2 (9.3)	Social worker providing 15 sessions	50
Mean (sd) cost, £s	£1,113 (£759)		
Supervision of girls' therapists			
Mean (sd) number of sessions	13.0 (4.1)	Senior child psychotherapist providing 15 sessions	60
Mean (sd) cost, £	£422 (£132)		
Supervision of carers' workers			
Mean (sd) number of sessions	4.7 (3.1)	Senior social worker providing monthly sessions	60
Mean (sd) cost, £s	£315 (£233)		
Follow-up assessments			
One year follow-up		Research psychologist	30
Mean (sd) number of assessments	1.4 (0.7)	Consultant psychiatrist/senior registrar	45
Mean (sd) cost £s	£327 (£201)	Senior social worker	45
		All providing 1 session each	
Mean (sd) total cost, £	£3,850 (1,288)		

7. Hospital and other services

- 7.1 Hospital costs
- 7.2 Paramedic and emergency ambulance services
- 7.3 NHS wheelchairs
- 7.4 Local authority aids and adaptations
- 7.5 Training costs of health service professionals
- 7.6 Rapid Response Service

7.1 Hospital costs

We have drawn on reference costs (<http://www.doh.gov.uk/nhs/refcosts.htm>) which have become more comprehensive and reliable since they were introduced in 1998. These have replaced the information derived from analysis of the TFR2 speciality and programme cost returns to the Department of Health. These unit costs are 2002/2003 figures inflated using the HCHS pay and prices index.

	Interquartile range of unit costs		National average £
	Lower quartile £	Upper quartile £	
	Cost per bed day		
Service type			
Intensive Therapy Unit/Intensive Care Unit	1,146	1,517	1,330
Coronary Care Unit	366	568	437
Paediatric Intensive Care Unit	1,272	1,856	1,570
Special Care Baby Unit	288	425	356
Stroke Patients	158	262	227
Elderly Patients	143	219	166
Speciality	Cost per first attendance		
	78	118	103
	147	313	248
	58	111	98
	78	173	168
	102	154	129
	49	101	83
	32	59	38
	139	233	202
	140	229	188
	146	311	223
	Community services type	Cost per attendance	
27		49	34
25		57	38
Mental health services (inpatient)	Cost per bed day		Cost per bed day
	301	421	307
	177	215	190
	176	221	190
	168	200	178

7.2 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 HCCHS 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.

	Paramedic unit (PU)	Emergency ambulance (EA)	Patient transport service (PTS)	Notes
Overheads and management	£116	£116	£116	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	£2.40	£2.40	£2.40	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. At 6 per cent capital costs were £3.70.
Ambulances and equipment	£15	£14	£12	PU and EAs use exactly the same type of vehicle with similar equipment on board. The ambulances cost £45,208 new and standard equipment including defibrillators costs £11,302 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 £1,695 and is replaced annually. PTSs use a different type of ambulance which costs £30,516 and is expected to last seven years. Discounting at 3.5 per cent the annual cost of a PU is £14,171; an EA is £12,517 and a PTS £4,989. The average number of journeys per emergency ambulance was 1152 and the average number of journeys per transport ambulance 520.
Crew salaries and wages	£114	£110	£85	A crucial distinguishing characteristic of the different services is the type of crew. A PU carries one paramedic (average salary £25,095 pa) and one technician (average salary £23,619). An EA is crewed by two technicians and a PTS by two care assistants (average salary £12,899). Once national insurance and pension payments are included the average annual crew cost is £54,560 for a PU; £52,906 for an EA; and £28,893 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	£248	£242	£216	
Cost per minute	£5.60	£5.50	n.a.	Based on the average length of an emergency journey: 44.4 minutes.
Average cost per patient journey	£276 ¹	£211	£43	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.

7.3 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 £166 to £884 for active user chairs and £940 to £1,658 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 2003/2004	Annual cost 2003/2004	Notes
<i>Capital costs</i>			
Self or attendant propelled	£229	£53	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. At 6 per cent, the annual cost would be £57 for a self or attendant propelled wheelchair, £139 for an active user and £278 for a Powered wheelchair. 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.
Active user	£572	£130	
Powered	£1,142	£259	
<i>Revenue costs</i>			
Maintenance			Revenue costs exclude therapists' time but include the staff costs of maintenance. The costs include all costs for pressure relief.
- non-powered		£24	
- powered		£94	
<i>Agency overheads</i>			No estimate of management overhead costs is available. They are likely to be minimal.
Unit costs available 2003/2004			
£76 per self or attendant propelled chair per year; £153 per active user per chair per year; £353 per powered chair per year.			

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

7.4 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. Although this information is rather dated, information contained in the BCIS Access Audit Price Guide, 2002² suggested that the uprated figures are in line with current building costs.

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 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 both 8 per cent and 3.5 per cent.

Equipment or adaptation	Mean	Median	Range		Median annual cost	
			Minimum	Maximum	3.5% discount	8% discount
Additional heating	£338	£313	£114	£3,892	£38	£47
Electrical modifications	£346	£404	£46	£3,080	£49	£60
Joinery work (external door)	£400	£475	£206	£981	£57	£71
Entry phones	£283	£384	£169	£2,406	£46	£57
Individual alarm systems	£300	£351	£166	£755	£42	£52
Grab rail	£74	£41	£3	£333	£5	£6
Hoist	£737	2,056	£301	£6,408	£247	£306
Low level bath	£418	£525	£283	£1,149	£63	£78
New bath/shower room	£6,131	£11,747	£3,018	£27,158	£1,412	£1,750
Redesign bathroom	£1,122	£2,628	£377	£6,035	£316	£392
Redesign kitchen	£2,265	£3,114	£553	£5,280	£374	£464
Relocation of bath or shower	£835	£1,596	£142	£8,417	£192	£238
Relocation of toilet	£681	£1,361	£135	£3,244	£164	£203
Shower over bath	£745	£693	£166	£1,901	£83	£103
Shower replacing bath	£2,036	£1,918	£373	£3,460	£231	£286
Graduated floor shower	£1,889	£2,332	£1,018	£5,312	£280	£348
Stairlift	£2,059	£2,597	£1,810	£5,804	£312	£387
Simple concrete ramp	£509	£303	£53	£2,180	£36	£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 Ltd. (2002) *Access Audit Price Guide*, BCIS, Royal Institution of Chartered Surveyors, London.

7.5 Training costs of health service professionals

This year, we have included for the first time a breakdown of 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%	Expected annual cost at 6%
Professionals Allied to Medicine							
Physiotherapist	24,293	23,275	0	0	47,567	3,892	5,738
Occupational Therapist	22,562	23,275	0	0	45,837	3,756	5,516
Speech and Language Therapist	17,498	30,514	0	0	48,012	4,033	6,195
Dietician	17,839	30,514	0	0	48,353	4,110	6,136
Radiographer	33,614	23,275	0	0	56,888	4,634	6,896
Pharmacist	26,418	38,608	5,826	4,934	75,786	5,993	n/a
Nurses							
Ward Managers/Staff Nurses	25,026	24,199	-8,754	0	40,471	3,944	5,637
District Nurse	25,026	24,199	-8,754	10,922	51,393	5,149	7,760
Health Visitor	25,026	24,199	-8,754	10,922	51,393	5,254	7,900
CPN	25,137	24,199	-8,328	10,922	51,930	4,882	7,267
Practice Nurse	25,026	24,199	-8,754	10,922	51,393	4,828	7,064
Doctors							
Pre-Registration House Officer	50,870	38,372	129,759	0	219,001	17,544	27,934
Senior House Officer	50,870	38,372	129,759	18,299	237,300	18,838	27,617
Specialist Registrar	50,870	38,372	129,759	43,310	262,311	20,788	32,677
Consultants	50,870	38,372	129,759	94,235	313,236	27,166	42,414
GP	50,870	38,372	129,759	69,894	288,895	25,732	41,103

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.

7.6 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.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£140,162 per year	This is based on a team of two whole time E grades and five B grades, 1 G grade staff nurse (0.5) and 1 G grade care manager (0.25). This includes pay enhancements for unsocial hours worked. 2002/03 costs uprated by the HCHS Pay Inflator.
B. Salary oncosts	£18,926 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£10,846 per year	The equivalent annual cost of pre-registration after the total investment cost has been annuitised over the expected working life. See schema 7.5 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	£3,484 per year £22,143 per year	Includes mobile phones, Uniform replacement for B grades nurses, stationery, thermometers, energy. 2002/2003 costs uprated by the retail price index. Includes Administrative staff (grade 3), Manager (based on I grade) (0.25). 2002/2003 costs uprated by the HCHS Pay Inflator.
F. Indirect overheads	£18,669 per year	Includes the personnel and finance functions. 2002/03 costs uprated by the HCHS Pay and Prices Inflator.
G. Capital overheads	£1,998 per year	Based on the new build and land requirements of NHS facilities. ^{1/2} 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. At 6 per cent, the cost would be £4,026.
H. Equipment costs	£1,139 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	£17,983 per year	
Case load	7 per week	The yearly case load is on average 364 patients.
Hours and length of service	7 days a week (to include weekends and bank holiays) 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 Low cost episode High cost episode	9,646 per annum 3 visits at 30 minutes for 3 days. 43 patient contact hours over three days.	Based on information about typical episodes delivered to patients. A low cost episode comprises 10 visits and includes initial assessment and travel costs. 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 1 hour	The assessment is carried out by either an E or G grade nurse. The discharge is carried out by a G grade care manager.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£19 (£20) cost per delivered hour (excludes cost for enhanced payments, cost of assessments, discharge and travel costs); cost of assessment £40 (includes travel), cost of discharge £44 (includes travel), travel per visit £4.40. £164 (£169) per low cost episode (includes assessment and travel costs); £904 (£952) per high cost episode (includes assessment, travel and unsocial hours).		

1 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

2 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

II. COMMUNITY-BASED HEALTH CARE STAFF

8. Professionals allied to medicine

- 8.1 Community physiotherapist
- 8.2 NHS community occupational therapist
- 8.3 Community speech and language therapist
- 8.4 Chiropodist
- 8.5 Clinical psychologist
- 8.6 Community pharmacist

8.1 Community physiotherapist

Using Reference costs (www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for an episode of physiotherapy services for 2003 was £81 with the minimum range for 50 per cent of services being £33 and the maximum £168.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£26,800 per year	National average salary for a senior 1 grade physiotherapist, based on the mid-point of the April 2003 pay scale. It includes an element to reflect the proportion of staff who receive a London allowance and an allowance of £1,108 for supervising students.
B. Salary oncosts	£3,117 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£3,892 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details.
D. Overheads	£3,953 per year	Comprises £2,458 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ²
E. Capital overheads	£2,303 per year	Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,554.
F. Travel	£2.30 per visit	Based on expenditure provided by a community trust.
Working time	42 weeks per annum 36 hours per week	Includes 25 days annual leave and 10 days statutory leave. ⁵ Assumes 5 study/training days, and 10 days sickness leave. ⁶
Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits	1:0.67 1:0.33 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 60 minutes	Per clinic contact. Per home visit. Based on discussions with Trusts.
Average for episode	5.2 hours	Williams ⁵ estimates of an example episode for an older person on short rehabilitation.
London multiplier	1.14 x (A to D) 1.53 x E	Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.97 x (A to D) 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 Office of the Deputy Prime Minister.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£24 (£26) per hour; £40 (£44) per hour of client contact; £32 (£35) per hour in clinic; £41 (£46) per hour of home visiting; £44 (£48) per home visit; £16 (£18) per clinic visit (includes A to E). Example episode £207 (£230).		

1 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.

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, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.

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

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula

8.2 NHS community occupational therapist

Using Reference costs (www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for Occupational Therapy services for 2003 was £120 with the minimum for the middle 50 per cent of services being £74 and the maximum £249.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£26,800 per year	National average salary for a senior 1 grade occupational therapist, based on the mid-point of the April 2003 pay scale. The sum includes an element to reflect the proportion of staff who receive a London allowance and an allowance of £1,108 for supervising students.
B. Salary oncosts	£3,117 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£3,756 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 7.5 for more details.
D. Overheads	£3,953 per year	Comprises £2,458 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ¹
E. Capital overheads	£2,303 per year	Based on the new build and land requirements of NHS facilities, ^{2/3} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,554.
F. Travel	£2.30 per visit	Based on expenditure provided by a community trust.
Working time	42 weeks per annum 36 hours per week	Includes 25 days annual leave and 10 days statutory leave. Assumes 5 study/training days, and 10 days sickness leave. ⁴
Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits	1:0.67 1:0.33 1:0.73	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 60 minutes 5.2 hours	Per clinic contact. Per home visit. Per care episode. Based on discussions with Trusts.
London multiplier	1.14 x (A to D) 1.53 x E	Allows for the higher costs associated with London compared to the national average cost. ⁵ Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁵ Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£24 (£26) per hour; £40 (£44) per hour of client contact; £32 (£35) per hour in clinic; £42 (£46) per hour of home visiting; £44 (£48) per home visit; £16 (£18) per clinic visit (includes A to E). £209 (£229) per care episode.		

1 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*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

4 Data provided by the Department of Health, Health Authority Personnel Division.

5 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

8.3 Community speech and language therapist

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£24,545 per year	National average salary for a grade 2 speech and language therapist, based on the April 2003 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance.
B. Salary oncosts	£2,817 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,033 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details.
D. Overheads	£3,826 per year	Comprises £2,458 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ²
E. Capital overheads	£2,303 per year	Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,554.
F. Travel	£2.30 per visit	Based on expenditure provided by a community trust.
Working time	42 weeks per annum 36 hours per week	Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave. ⁵
Ratio of direct to indirect time on: patient contacts clinic contacts home visits	1:0.67 1:0.33 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 60 minutes	Per clinic contact. Per home visit. Based on discussions with Trusts.
London multiplier	1.14 x (A to D) 1.53 x E	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£22 (£25) per hour; £37 (£41) per hour of client contact; £30 (£33) per hour in clinic; £38 (£43) per hour of home visiting; £41 (£45) per home visit; £15 (£17) per clinic visit (includes A to E).		

- 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.
- 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, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.
- Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- Department of Health Advance Letter (SP) 5/91, Appendix F.
- Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

8.4 Community chiropodist

Using Reference costs (www.doh.gov.uk/nhsexec/refcosts.htm), the mean average cost for chiropody/podiatry services for 2003 was £19 with the minimum range for 50 per cent of services being £17 and the maximum £26.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£21,989 per year	National average salary for a grade 2 chiropodist, based on the April 2003 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance.
B. Salary oncosts	£2,477 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications		Qualification costs are not available.
D. Overheads	£3,681 per year	Comprises £2,458 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ¹
E. Capital overheads	£2,303 per year	Based on the new build and land requirements of NHS facilities, ^{2/3} but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,554.
F. Travel	£1.20 per visit	Taken from Netten ⁴ and inflated using the retail price index.
Working time	42 weeks per annum 36 hours per week	Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave. ⁵
Ratio of direct to indirect time on: client contact		No information available. Costs are based on the number of visits per week.
Average number of visits per week	40 75	Domiciliary visits. Clinic visits. Information provided by an NHS Trust.
London multiplier	1.14 x (A to D) 1.53 x E	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004		
£20 per hour; £18 per home visit; £10 per clinic visit (includes A to E).		

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *A Ready Reckoner for Staff Costs in the NHS, Volume 2, Methodology*, page 13.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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

5 Data provided by the Department of Health, Health Authority Personnel Division.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

8.5 Clinical psychologist

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£34,623 per year	National average salary for a clinical psychologist, based on the mid-point of the April 2003 pay scale.
B. Salary oncosts	£4,226 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications		Qualification costs are not available.
D. Overheads	£4,382 per year	Comprises £2,458 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ¹
E. Capital overheads	£1,992 per year	Based on the new build and land requirements of NHS facilities, ^{2/3} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,073.
F. Travel	£1.20 per visit	Taken from Netten ⁴ and inflated using the Retail Price Index.
Working time	41 weeks per annum 36 hours per week	Includes 30 days annual leave and 10 days statutory leave. Assumes 5 study/training days, and 10 days sickness leave. ⁵
Ratios of: professional outputs to support activities	1:0.3	Five types of 'chargeable service' have been distinguished ⁶ : clinical work with patients; clinical consultancy and project work; service organisation and development; teaching and supervision; and research and service evaluation. 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.
London multiplier	1.14 x (A to D) 1.53 x E	Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.97 x (A to D) 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 Office of the Deputy Prime Minister.
Unit costs available 2003/2004		
£30 per hour; £69 per hour of client contact; £40 per professional chargeable hour (includes A to E). Travel £1.20 per visit.		

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *A Ready Reckoner for Staff Costs in the NHS, Volume 2, Methodology*, page 13.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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

5 Data provided by the Department of Health, Health Authority Personnel Division.

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

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

8.6 Community pharmacist

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£35,326 per year	Based on information in <i>Tomorrow's Pharmacist 2001</i> (Careers - Where do you start?) ¹ , mid-point of range (excluding senior management positions), uprated using the PSS Pay inflator. Salaries in community pharmacy start at around £23,550 and can go up to £47,100 or £58,877 in senior management positions.
B. Salary oncosts	£2,991 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications Pre-registration training:	£5,596 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} 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. Post graduate training :
D. Overheads	£4,373 per year	Comprises £2,458 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ⁴
E. Capital overheads	£1,229 per annum	Based on the new build and land requirements of a pharmacy, ^{5/6} plus additional space for shared facilities. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £1,896.
F. Travel	£1.20 per visit	Taken from Netten ⁷ and inflated using the retail price index.
Working time	42 weeks per annum 40 hours per week	Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: direct clinical activities patient related activities	1:1.50 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	1.14 x (A to D) 1.50 x E	Allows for the higher costs associated with London compared to the national average cost. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.97 x (A to D) 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 Office of the Deputy Prime Minister.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£26 (£29) per hour (includes travel), £65 (£74) per hour of direct clinical activities (includes travel to visits), £33 (£37) per patient related activities.		

1 Livingston, S. (2001) Careers — where do you start? *Tomorrow's Pharmacist 2001*, <http://www.pjonline.com/students/tp2001/careers.html>

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 (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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

8 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

9. Nurses and doctors

- 9.1 District nurse
- 9.2 Community psychiatric nurse
- 9.3 Health visitor
- 9.4 NHS community nurse specialist for AIDS/HIV
- 9.5 Health care assistant
- 9.6 Practice nurse
- 9.7 Nurse practitioner in primary care
- 9.8a General practitioner — cost elements
- 9.8b General practitioner — unit costs
- 9.8c General practitioner — commentary

9.1 District nurse

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£25,362 per year	National average salary, based on the April 2003 scale mid-point for a G grade district nurse. The sum does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£2,926 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,149 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. ¹ See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,286 per year	Comprises £2,458 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ²
E. Capital overheads	£1,992 per year	Based on the new build and land requirements of community health facilities, ^{3/4} but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,073.
F. Travel	£1.20 per visit	Taken from Netten ⁵ and inflated using the retail price index.
Working time	42 weeks per annum 37.5 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits	1:1.08 1:0.58 1:1.21	Dunnell and Dobbs ⁶ 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. 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	1.14 x (A to D) 1.53 x E	Allows for the higher costs associated with London compared to the national average cost. ⁷
Non-London multiplier	0.97 x (A to D) 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 the Office of the Deputy Prime Minister.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£23 (£26) per hour; £47 (£54) per hour spent with a patient; £36 (£41) per hour in clinic; £50 (£57) per hour spent on home visits (includes A to E); £18 (£20) per home visit (includes A to F).		

- 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.
- 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, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.
- Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.
- Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.
- Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.2 Community psychiatric nurse

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£25,825 per year	National average salary, based on the April 2003 scale mid-point for a G grade community psychiatric nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£2,987 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,882 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. ¹ See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,339 per year	Comprises £2,458 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ²
E. Capital overheads	£1,992 per year	Based on the new build and land requirements of community health facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,073.
F. Travel	£1.20 per visit	Taken from Netten ⁵ and inflated using the retail price index.
Working time	42 weeks per annum 37.5 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits	1:1.78 1:1.19 1:2.03	Dunnell and Dobbs ⁶ estimated that the proportion of working time spent in different locations/activities was as follows: patient's own home 25 per cent; clinics 3 per cent; other face-to-face settings 8 per cent; travel 21 per cent; non-clinical activity 43 per cent. 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	1.14 x (A to D) 1.53 x E	Allows for the higher costs associated with London compared to the national average cost. ⁷
Non-London multiplier	0.97 x (A to D) 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 Office of the Deputy Prime Minister.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£23 (£26) per hour; £64 (£72) per hour of client contact; £50 (£57) per hour of clinic contact; £70 (£79) per hour spent on home visits (includes A to E); £24 (£28) per home visit (includes A to F).		

- 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.
- 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*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.
- Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- Office of the Deputy Prime Minister (ODPM), *Property Market Report*, Spring 2003, Valuation Office.
- Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.
- Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.
- Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.3 Health visitor

National Reference Costs (www.doh.gov.uk/nhsexec/refcosts.htm), give an average cost per health visitor episode of £192.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£25,362 per year	National average salary for a health visitor, based on the April 2003 scale mid-point for a G grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£2,926 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,252 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. ¹ See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,286 per year	Comprises £2,458 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ²
E. Capital overheads	£1,992 per year	Based on the new build and land requirements of community health facilities, ^{3/4} but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,073.
F. Travel	£1.20 per visit	Taken from Netten ⁵ and inflated using the retail price index.
Working time	42 weeks per annum 37.5 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits	1:1.86 1:1.40 1:2.47	Dunnell and Dobbs ⁶ 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. 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	1.14 x (A to D) 1.53 x E	Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.97 x (A to D) 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 Office of the Deputy Prime Minister.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£23 (£26) per hour; £65 (£74) per hour of client contact; £54 (£62) per hour of clinic contact; £78 (£90) per hour spent on home visits (includes A to E); £27 (£31) per home visit (includes A to F).		

- 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.
- 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*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.
- Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.
- Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.
- Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.4 NHS community nurse specialist for HIV/AIDS

Based on a study of community services for people with HIV/AIDS in 1994/95 by Renton et al.¹

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£28,503 per year	National average salary for community nurses specialising in the care of people with HIV/AIDS. Information about the grade and enhancement allowance was collected by Renton et al. Costs have been inflated by the HCHS pay index.
B. Salary oncosts	£3,343 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,149 per year	Based on the training costs of a district nurse. See schema 7.5 for more information on training costs of health professionals.
D. Overheads: direct and indirect	£5,642 per year	Comprises £2,458 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ²
E. Capital overheads	£1,421 per year	Based on the new build and land requirements of community health facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £2,193.
F. Travel	£1.20 per visit	Based on community health service travel costs. ⁵
Working time	42 weeks per annum 37.5 hours per week	Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: face-to-face contacts	1:1.5	Based on findings by Renton et al.
Length of contact		
London multiplier	1.14 x (A to D) 1.53 x E	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£25 (£28) per hour; £62 (£69) per hour of client contact (includes A to E). Travel £1.20 per visit.		

- 1 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.
- 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*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.
- 3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- 4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- 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*, Page 15.
- 6 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.5 Health care assistant

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£13,057 per year	National average salary for a health care assistant, based on the April 2003 scale mid-point for a B grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£1,289 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£0	No professional qualifications assumed.
D. Overheads	£3,175 per year	Comprises £2,458 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ¹
E. Capital overheads	£807 per year	Based on the new build and land requirements of community health facilities, ^{2/3} but adjusted to reflect shared use of both treatment and non-treatment space. 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. At 6 per cent, the cost would be £1,245.
F. Travel	£1.20 per visit	Taken from Netten ⁴ and inflated using the retail price index.
Working time	44 weeks per annum 37.5 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 20 days annual leave and 10 statutory leave days. Assumes 10 days sickness leave, but no study/training days.
Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits	1:0.61 1:0.27 1:0.64	Dunnell and Dobbs ⁵ 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. 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	1.14 x (A to D) 1.53 x E	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and ODPM/Valuation Office.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004		
£11 per hour; £18 per hour spent with a patient; £14 per hour in clinic contacts; £18 per hour spent on home visits; £7 per home visit (includes A to F).		

1 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*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM), *Property Market Report*, Spring 2003, Valuation Office.

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

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

6 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.6 Practice nurse

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£22,622 per year	Based on the April 2003 scale mid-point for a F grade nurse. A study in Sheffield found the average hourly rate for a practice nurse was £9.79 in 1997/1998 which is the equivalent of an F grade district nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance in order to provide a national average.
B. Salary oncosts	£2,561 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,828 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. ¹ See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£4,976 per year	Comprises £2,381 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ²
E. Capital overheads	£3,198 per year	Based on the new build and land requirements of community health facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. See editorial. At 6 per cent, the cost would be £4,934.
F. Travel	£0.60 per visit	Atkin and Hirst ⁵ 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. 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	42 weeks per annum 37 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits	1:0.18 1:0.12 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	Per home visit. Based on a one week survey of 4 Sheffield practices. ⁶
Client contacts	98 per week 109 per week	No. of consultations per week. No. of procedures per week. ⁷
London multiplier	1.14 x (A to D); 1.67 x E	Allows for the higher costs associated with London compared to the national average cost. ⁸ BCIS and ODPM.
Non-London multiplier	0.97 x (A to D) 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 Office of the Deputy Prime Minister.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£21 (£24) per hour; £25 (£28) per hour of client contact; £24 (£27) per hour in clinic; £8 (£9) per consultation; £7 (£8) per procedure; £31 (£35) per hour of home visits (includes A to E); £11 (£16) per home visit (includes A to F).		

- 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.
- 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*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.
- Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- Atkin, K. & Hirst, M. (1994) *Costing Practice Nurses: Implications for Primary Health Care*, Social Policy Research Unit, University of York.
- Centre for Innovation in Primary Care (1999) *Consultations in General Practice — What do they cost?*, Centre for Innovation in Primary Care, Sheffield.
- Jeffreys, L.A., Clark, A. & Koperski, M. (1995) Practice nurses' workload and consultation patterns, *British Journal of General Practice*, 45, August, 415-418.
- Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.7 Nurse practitioner in primary care

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£30,321 per year	Taken from the Royal College of Nursing recommended pay, terms and conditions 2003/2004. Based on the mid-point for a grade H/I nurse practitioner (which is an hourly rate of £15.9). It includes an element to reflect the proportion of staff who receive a London allowance in order to provide a national average.
B. Salary oncosts	£3,585 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£6,915 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ The RCN recommends that nurse practitioners should undertake a specific course of study to at least honours degree. 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 £3,704.
D. Overheads	£5,848 per year	Comprises £2,458 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ²
E. Capital overheads	£3,198 per year	Based on the new build and land requirements of community health facilities, ^{3/4} but adjusted to reflect shared use of treatment (£1,967) and non treatment space (£1,231). Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
Working time	42 weeks per annum 37.5 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days and 10 days sickness leave.
Length of consultation: Surgery Home Telephone	15 minutes 25 minutes 6 minutes	Information provided by 27 nurse practitioners working in primary care contacted about length of consultations. Venning et al ⁵ 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.
Ratio of direct to indirect time on: face-to-face contacts patient contact (incl. telephone)	1:0.71 1:0.55	Information provided by 27 nurse practitioners on time use. 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).
London multiplier	1.14 x (A to D) 1.67 x E	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister/Valuation Office.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Office of the Deputy Prime Minister, Transport and the Regions.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
Cost per hour £27 (£32), cost per hour in surgery £47 (£55), cost per hour of client contact £42 (£49), cost per surgery consultation £12 (£14).		

1 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.

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*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, Quarter 1, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 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*.

6 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.8a General practitioner — cost elements

Costs and unit estimation	2003/2004 value	Notes (for further clarification see Commentary)
A. Net remuneration	£70,052 per annum	Intended average net income for 2002/2003 uprated using the HCHS pay inflator, plus expected further earnings associated with higher target payments less expected expenses associated with the activity. This figure has been adjusted to reflect the expected income for a whole-time equivalent GP. ¹ See commentary.
B. Practice expenses – Direct care staff – Travel – Other	£15,943 per annum £4,598 per annum £50,493 per annum	On average in 2003/2004, each wte principal employed 0.43 of a practice nurse and 0.06 of other direct care staff. Travel costs are estimated using the car allowance for GP registrars. ² This is the latest estimation made and 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. Other practice expenses are estimated on the basis of Inland Revenue Schedule D expenses for 2002/03, less expenditure on direct care staff, trainees, associates, locum staff, computer equipment and travel (see commentary). Expenditure is inflated using the HCHS pay and prices inflators, and adjusted to allow for wte principals. Excludes all expenditure on drugs. Average prescription costs per consultation are £30.52 ³ .
C. Qualifications	£24,787 per annum	The equivalent annual cost of pre-registration and postgraduate medical education. The investment costs of a medical degree, one year spent as a pre-registration house officer, two years as senior house officer and one year as a GP registrar have been annuitised over the expected working life of the GP. See schema 7.5 for more information on training costs of health professionals.
D. Ongoing training	£945 per annum	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 (provisional). Adjustment has been made to reflect assumed usage of educational facilities.
E. Capital costs – Premises – Equipment	£7,117 per annum £1,653 per annum	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. At 6 per cent the cost would be £10,982. Expenditure on computer equipment is used as proxy for annuitised capital costs (see commentary).
F. Overheads	£6,074 per annum	Estimated assuming an average list size of 1885 (1996 figure, personal communication with NHS Executive). When inflated using the HCHS pay index and adjusted to allow for a wte GP, the costs were: family health services administration £1.71 per head (3,225 per GP), strategy and development £0.69 (£1,300), and supporting primary care-led purchasing £0.82 (£1,548). ⁴
Working time	46.5 wks p.a. 44.7 hrs p.w.	Derived from the GMP Workload Survey 1992/1993. Allows for time spent per year on annual leave, sick leave and study leave.
Ratio of direct to indirect time: surgery/clinic/phone contact home visits	1:0.57 1:1.46	Based on proportion of time spent on home visits (10.5 per cent), surgery contacts (surgery consultations 36.6 per cent; telephone consultations 7.7 per cent; clinics 2.9 per cent) reported in the 1992-1993 survey of GMPs. ⁵ 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.
Consultations: Surgery Clinic Telephone Home visit	9.36 ⁶ minutes 12.6 minutes 10.8 minutes 13.2 minutes	Based on GMP workload survey. The time spent on a home visit just includes time spent in the patients home. On average 12 minutes were spent 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.
Unit costs for 2003/2004 are given in the table overleaf		

1 Information provided by Department of Health.

2 Information provided by Department of Health..

3 Figures have decreased since last year due to a reduction in the number of prescriptions per consultation.

4 Griffiths, J. (1998) *Roles, Functions and Costs of Health Authorities*, NHS Executive, Leeds.

5 General Medical Practitioners' Workload Survey 1992-93, Final Analysis (1994) Joint evidence to the Doctors' and Dentists' Review Body from the Health Departments and the GMSC.

6 Review Body on Doctors' and Dentists' Remuneration, Thirtieth-First Report 2002, CM 5341 TSO, London.

9.8b General practitioner — unit costs

Unit cost 2003/2004	Including direct care staff costs		Excluding direct care staff costs	
	With qualification costs	Without qualification costs	With qualification costs	Without qualification costs
Annual	£181,662	£156,875	£165,718	£140,931
¹ Per hour of GMS activity	£85	£73	£77	£66
¹ Per hour of patient contact	£135	£116	£123	£104
¹ Per surgery/clinic minute	£2.24	£1.92	£2.03	£1.72
¹ Per home visit minute	£3.49	£3.00	£3.18	£2.69
¹ Per surgery consultation lasting 9.36 minutes	£21	£18	£19	£16
¹ Per clinic consultation lasting 12.6 minutes	£28	£24	£26	£22
¹ Per telephone consultation lasting 10.8 minutes	£24	£21	£22	£19
Per home visit lasting 13.2 minutes ² (plus 12 minutes travel time)	£65	£56	£59	£50
Prescription costs per consultation	£30.52			
Average costs incurred by patient when attending a GP surgery.	£7.22 ³ (Includes weighted average loss of waged time and non-waged time plus oncosts plus cost of travel).			

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.

³ Kernick, D., Reinhold, D. & Netten, A. (1999) What does it cost to see the doctor? *British Journal of General Practice*, 2000, 50, 401-403.

9.8c General practitioner — commentary

GP expenditure. On 1 April 2004, the new GMS Contract was implemented across the UK to which almost 100 per cent of practices have now signed up to. The contract's new funding formula marks a radical change in the funding of GP practices, shifting the focus from doctor numbers, to take into account the needs of patients and practice workload. It has moved away from using the complex structure of Intended Average Net Income (IANI) (explained in previous volumes), for GPs, expenses and the balancing mechanism and the associated problems. Under the new contract, the concept of the intended average net remuneration for GP principals has disappeared and the new allocation formula will mean that practice income will no longer be based on the number of individual practitioners, but will increasingly reflect the particular health needs of each practice's local community. This year however, our figures have been updated as the Department of Health are in the process of reworking the method of calculation and results will be available only after the 2005 Inland Review enquiry has been published.

Allowing for whole time equivalence (wte). NHS Executive estimated that there would be 28,360 unrestricted principals in 2002/03¹. On the basis of information provided by the Department of Health about proportion of part time GPs, it was estimated that this was the equivalent of 25,552 wte GPs.

*Direct care staff.*² On average in 2003 each wte principal employed 0.43 of a practice nurse.

Allowing for expenditure not associated with GP activity. GPs IAGI covers trainees, associates, locums and assistants whose activity results in separate outputs. Expenditure on trainees and associates is deducted based on information from HA annual accounts. Locum expenses are also deducted: HAs pay 60 per cent when GPs qualify so the remaining 40 per cent is deducted from indirectly reimbursed expenses. On the basis of HA accounts and assuming that GPs pay locums 75 per cent of intended net remuneration, 4.4 locum days per wte GP are purchased when GPs qualify for allowances. It is known that GPs employ locums when they do not qualify for allowances, so the total amount deducted has been increased to allow for four weeks per GP. The assistants' allowance has been deducted from HA expenditure, but no further adjustment has been made. The resulting unit costs are not very sensitive to assumptions about the level of locum activity: rounded unit costs per consultation and per home visit do not change if the number of locum weeks purchased is one or four weeks.

Other practice expenses. These are estimated by deducting specific expenditure, care staff, travel etc. from total expenditure. Not too much should be read into variations between individual years as they may well result from individual year's estimates being too low or a little high.

Computer equipment. A study of 1995/1996 and 1996/1997 accounts found that 51.1 per cent of computer reimbursements were for equipment. Fifty per cent of computer capital reimbursements are made through HAs - the remainder are paid by GPs. Total capital expenditure is deducted from overall expenses. At present the total amount deducted is identified in the schema as computer equipment costs. This should be replaced by an annuitised figure reflecting the level of computer equipment in GP surgeries. The situation at present is very variable between GPs and changeable over time, making it difficult at present to make any realistic assumptions.

Prescription costs. These are based on information about annual numbers of consultations per GP (9,432 in 2002)³ number of prescriptions per GP (24,905 in 2003)⁴ and the average total cost per prescription (£11.56 at 2003 prices)⁵. The number of prescriptions per consultation (2.64) probably reflects repeat prescriptions arising from initial consultations.

Overheads. Family Health Services administration includes administration of the contracts of GPs, financial payments to practitioners, transfers of patients' medical records, registration and allocation of GPs' patients, and breast and cervical cytology screen systems. Strategy and development includes the costs of primary care strategy and development, and practice premises, staff, IT and personnel development. Supporting primary care-led purchasing includes the cost of support for activities such as locality commissioning, fundholding, and employment of GPs.

Activity. The GMP Workload Survey (1992/1993) was conducted for every week of the year. The difference between the average number of hours per week of doctors undertaking GMS activity and those not undertaking such activity is the number of weeks leave/sick etc. Full-time doctors activity was used in order to ensure that we are estimating for wte doctors. In order to convert the annual hours worked into weeks the average number of hours worked on GMS duties each week by GMPs carrying out GMS duties was used. On this basis wte GMPs work 46.5 weeks a year for 44.7 hours per week.

Coverage. Figures refer to Great Britain rather than England. GPs in Scotland do have lower incomes than GPs in England on average. This has been found to be due to lower list sizes and correspondingly lower levels of activity.⁶

Fundholding. No allowance for fundholding has been included as the fundholding allowance covers the cost of managing the commissioning of secondary care so are not strictly a cost of primary care.

1 NHS Executive TSC Report, December 2003.

2 NHS Executive (2003) *General and Personal Medical Services Statistics, England and Wales*, October 2003.

3 Department of Health estimate (2002).

4 Department of Health Prescribing Analysis and Cost (PACT) system data. February 2003.

5 Prescription Cost Analysis (2003) Department of Health, London.

6 General Medical Practitioners' Workload Survey 1992-93, Final Analysis (1994), Joint evidence to the Doctors' and Dentists' Review Body from the Health Departments and the GMSC.

III. COMMUNITY-BASED SOCIAL CARE STAFF

10. Social care staff

- 10.1 Social work team leader
- 10.2 Social worker (adult)
- 10.3 Social worker (children)
- 10.4 Social work assistant
- 10.5 Home care worker
- 10.6 Personal home care
- 10.7 Community occupational therapist (local authority)
- 10.8 Intensive case management for older people
- 10.9 Adolescent support worker
- 10.10 Family support worker

10.1 Social work team leader

Costs and unit estimation	2003/2004 value	Notes
A. Salary	£31,735 per year	Information taken from a survey carried out by PSSRU of 40 authorities during 2003 and adjusted to reflect data changes in Social Worker salaries from the Social Services Workforce Survey 2003. ¹ Wage levels reflect the average level of wages paid in 38 of the authorities. The information was weighted by authority size and social work team leader staff numbers. The midpoint between the average minimum and the average maximum was calculated. The salaries ranged from £22,547-£35,372 and the median salary was £30,351 outside London and £35,655 in London.
B. Salary oncosts	£3,960 per year	Employers' national insurance plus 4.5 per cent of salary for contribution to superannuation.
C. Qualifications		
D. Overheads	£5,354 per year	Fifteen per cent of salary costs for management and administrative overheads. ²
E. Capital overheads	£1,956 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. At 6 per cent, the cost would be £3,019.
F. Travel		No information available about travel costs for social work team leaders.
Working time	42 weeks per annum 37 hours per week	Includes 20 days annual leave and 10 statutory leave days. Ten days sickness leave and 10 days for study/training have been assumed.
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, ⁵ 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.
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 × A 1.65 × E	Based on the same source as the salary data. Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.93 × (A to D) 0.97 × E	Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004		
£28 per hour; £36 per hour of client-related work (includes A to E).		

1 Social Services Workforce Survey 2003 (2004) *Employers' Organisation for Local Government*, July 2004.

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

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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

10.2 Social worker (adult)

Costs and unit estimation	2003/2004 value	Notes
A. Salary	£23,319 per year	Information taken from Social Services Workforce Survey 2003 ¹ and weighted to take into account the number of social worker staff numbers in London and the rest of England. The midpoint between the average minimum and the average maximum was calculated. The salaries ranged from £15,933 to £37,260. The midpoint between the minimum median salary and the maximum median salary was £22,247 outside London and £27,045 in London. Information taken from a survey carried out by PSSRU of 40 authorities during 2003 and uprated using the PSS Pay Index found that the midpoint between the average minimum and the average maximum was £23,857, the midpoint between the minimum median salary was £23,366 outside London and £28,370 in London and that salaries ranged from £21,418 to £27,477. ²
B. Salary oncosts	£2,770 per year	Employers' national insurance plus 4.5 per cent of salary for employers' contribution to superannuation.
C. Qualifications		
D. Overheads	£3,913 per year	Fifteen per cent of salary costs for management and administrative overheads. ³
E. Capital overheads	£1,956 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 year at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,019.
F. Travel		No information is readily available about travel costs for social workers.
Working time	42 weeks per annum 37 hours per week	Includes 20 days annual leave and 10 statutory leave days. Ten days sickness leave and 10 days for study/training have been assumed.
Ratios of direct to indirect time on: client-related work direct outputs face-to-face contact	1:0.30 1:0.85 1:4.00	Ratios are estimated on the basis that 77 per cent of time is spent on client-related work, ^{6/7} 54 per cent on direct outputs for clients, ⁷ and 20 per cent on face-to-face contact. ^{8/9} 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	1.21 x A 1.65 x E	Based on the same source as the salary data. Building Cost Information Service and Office of the Deputy Prime Minister, Transport and the Regions.
Non-London multiplier	0.93 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004		
£21 per hour; £27 per hour of client-related work; £38 per hour of direct outputs; £99 per hour of face-to-face contact (includes A to E).		

1 Social Services Workforce Survey 2003 (2004) *Employers' Organisation for Local Government*, July 2004.

2 The Social Services Workforce Survey report wider ranges than we have shown in the past as they include all grades of social worker. The PSSRU survey distinguished between social workers, assistants and team leaders.

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

4 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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

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

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

9 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.

10.3 Social worker (children)

Costs and unit estimation	2003/2004 value	Notes
A. Salary	£23,718 per year	Information taken from Social Services Workforce Survey 2003 ¹ and weighted to take into account the number of social worker (children) staff numbers in London and the rest of England. The midpoint between the average minimum and the average maximum was calculated. The salaries ranged from £15,933 to £40,917. The midpoint between the minimum median salary and the maximum median salary was £22,397 outside London and £27,738 in London. ² Information taken from a survey carried out by PSSRU of 40 authorities during 2003 and uprated using the PSS Pay Index found that the midpoint between the average minimum and the average maximum was £24,194, the midpoint between the minimum median salary was £23,693 outside London and £28,767 in London and that salaries ranged from £21,308 to £28,700.
B. Salary oncosts	£2,826 per year	Employers' national insurance plus 4.5 per cent of salary for employers' contribution to superannuation.
C. Qualifications		
D. Overheads	£3,982 per year	Fifteen per cent of salary costs for management and administrative overheads. ³
E. Capital overheads	£1,956 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. At 6 per cent, the cost would be £3,019.
F. Travel		No information is readily available about travel costs for social workers.
Working time	42 weeks per annum 37 hours per week	Includes 20 days annual leave and 10 statutory leave days. Ten days sickness leave and 10 days for study/training have been assumed.
Client-related work <i>Ratio of direct to indirect time on:</i> Home visits	1:1.5	In a study of the determinants of expenditure on children's personal social services, Carr-Hill et al. ⁶ found that the annual input per child was 2,973 minutes, or about 50 hours per week in 1998 and that 40 per cent of social work time directly associated with clients was on home visits. Travel time was included where appropriate.
Client related work	1:0.5	In a study commissioned by the Department of Health, ⁷ it was found that 66 per cent of a children's social worker's time was spent on client-related activities, allowing an hour spent on client-related activities to be costed. This is not the same as the cost per hour spent with a client.
London multiplier	1.23 x A 1.65 x E	Based on the same source as the salary data. Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.93 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004		
£21 per hour; £32 per hour of client-related work; £52 per hour's home visit; £100 per child per week (includes A to E).		

1 Social Services Workforce Survey 2003 (2004) *Employers' Organisation for Local Government*, July 2004.

2 The Social Services Workforce Survey report wider ranges than we have shown in the past as they include all grades of social worker. The PSSRU survey distinguished between social workers, assistants and team leaders.

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

4 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

6 Roy, A., Carr-Hill, R., Nigel, R. & Smith, P.C. (1999) The determinants of expenditure on children's personal social services, *British Journal of Social Work*, 29, 679-706.

7 Department of Health (2001) The Children in Need Census 2001 — National Analyses, www.doh.gov.uk/qualityprotects/work_pro/analysis1.htm.

10.4 Social work assistant

Costs and unit estimation	2003/2004 value	Notes
A. Salary	£17,672 per year	Information taken from a survey carried out by PSSRU of 40 authorities during 2003 and adjusted to reflect data changes in Social Worker salaries from the Social Services Workforce Survey 2003. ¹ Wage levels reflect the average level of wages paid in 35 of the authorities. The midpoint between the average minimum and the average maximum was calculated. The information was weighted by authority size and social work assistant staff numbers. The salaries ranged from £13,538-£20,305. The median salary was £16,993 outside London and £21,736 in London.
B. Salary oncosts	£1,991 per year	Employers' national insurance plus 4.5 per cent of salary for contribution to superannuation.
C. Overheads	£2,949 per year	Fifteen per cent of salary costs for management and administrative overheads. ²
D. Capital overheads	£1,956 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. At 6 per cent, the cost would be £3,019.
E. Travel		No information is readily available about travel costs for social work assistants.
Working time	43 weeks per annum 37 hours per week	Includes 20 days annual leave and 10 statutory leave days. Ten days sickness leave and 5 days for study/training have been assumed.
Ratios of direct to indirect time on: client-related work face-to-face contact	1:0.18 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 ⁵ included 52 social work assistants who spent 27 per cent of their time in face-to-face contact. Work by Netten gives more information. ⁶
London multiplier	1.22 x A 1.65 x D	Based on the same source as the salary data. Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.93 x (A to D) 0.97 x D	Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004		
£15 per hour; £18 per hour of client-related work; £57 per hour of face-to-face contact (includes A to E).		

1 Social Services Workforce Survey 2003 (2004) *Employers' Organisation for Local Government*, July 2004.

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

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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

6 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.

10.5 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. The original data were for 1998/1999 and have been uprated to 2003/2004 prices. This can be compared with a mean hourly cost of LA home care of £16.50 based on PSS EX1 2002/03¹ uprated by the PSS Pay and Prices Index. Average cost of all LA home care including LA and independent provision (see schema 10.6) was £13 per hour.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£6.20 per hour	Information taken from the Social Services Workforce Survey 2003 ² and weighted to take into account the number of home care worker staff numbers in London and the rest of England. The midpoint between the average minimum and average maximum was calculated. The midpoint between the minimum median and the maximum median was £7.10 in London and £5.90 outside London.
B. Salary oncosts	£0.70 per hour	Employers' national insurance plus 4.5 per cent of salary for employers' contribution to superannuation.
C. Direct overheads	£1.80 per hour	Direct overheads include administration, management, office costs, insurance, training and premises. For those authorities for which the information was available, these costs comprised about 15 per cent of total hourly costs on average in the 14 authorities. Total hourly costs include unsocial hours payments.
D. Indirect overheads	£0.90 per hour	Indirect overheads include general management and support services such as finance departments and human resource departments. For those authorities for which the information was available, these costs comprised about 8 per cent of total hourly costs on average. Total hourly costs include unsocial hours payments.
E. Travel	£0.50 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	43 weeks per annum 39 hours per week	Although there were a small number of authorities and considerable variation in the level of non-productive time reported, the assumption of 20 days annual and 10 days statutory leave appeared to be reasonable. Average levels of sick leave were much higher than had previously been assumed, however: 15 days compared with 10. A few of the authorities also allowed time off for training. The majority of the authorities employed home care workers for a 39 hour working week.
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	7.6 hours per week	Average number of local authority home help contact hours received per household per week. ³ Based on a study of community care packages, ⁴ it has been estimated that 6.4 hours are worked weekdays between 9 a.m. and 5 p.m., 0.1 hours weekdays after 5 p.m., and 0.53 hours each on Saturday and Sunday. 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 7.6 which are being received since the time of the study (previously 5 hours) raises the number of visits to 9.6.
Unsocial hours multipliers	1.2 1.5 2.0 1.3	Weekdays 8 p.m to 10 p.m Saturday Sundays and bank holidays Evenings
Unit costs available 2003/2004		
£12 per weekday hour (£14 per hour weekday evenings; £18 per hour Saturdays; £24 per hour Sundays); £14 per hour face-to-face weekday contact (£16 per hour weekday evenings; £21 per hour Saturdays; £27 per hour Sundays) (Includes A to D). £115 typical home care package if all hours are provided by the LA.		

1 PSS EX1 2002/03, Department of Health.

2 Social Services Workforce Survey 2003 (2004) *Employers' Organisation for Local Government*, July 2004.

3 Department of Health (2002) <http://www.doh.gov.uk/public/hh2001.htm>

4 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.

10.6 Prices of independently provided personal home care

The data presented below are drawn from a study of 155 personal home care providers in 11 local authorities conducted in 1999.^{1/2/3} The analyses of these data revealed average mark-up rates of 11.6 per cent. On this basis the underlying average unit cost per weekday hour would be £8.65. The analyses allowed the prediction of different prices based on the characteristics of the service, the providers, the clients, and the contracting arrangements with the local authority. The predicted prices shown below are based on these analyses, holding all other factors constant. All prices have been updated to 2003/2004 levels using the PSS Pay Index.

	N	Mean	Minimum	Maximum	Std. Deviation
Prices by timing of visit					
Weekday, daytime	122	10	6.50	19	2.10
Weekday, night-time	82	11	6.80	20	2.60
Weekend, daytime	112	11	6.50	24	2.80
Weekend, night-time	85	12	7.30	24	3.00
Prices by location					
<i>North</i>					
Weekday, daytime	61	9	6.50	19	2.00
Weekday, night-time	39	9.60	6.80	16	1.80
Weekend, daytime	55	10	7.30	19	2.10
Weekend, night-time	41	10	7.30	18	2.10
<i>South</i>					
Weekday, daytime	61	11	6.50	17	2.00
Weekday, night-time	43	12	8.00	20	2.60
Weekend, daytime	57	13	6.50	23	2.80
Weekend, night-time	44	13	9.70	23	3.40

Predicted weekday prices by characteristics of service and clients

Characteristic	Predicted weekday price per hour
Staff have nursing qualification	£10
Live-in service constitutes over 50 per cent of hours delivered	£10
Over 25 per cent of clients incontinent	£10
Over 75 per cent of clients have special needs	£12
No client is over the age of 65	£11

1 Netten, A., Rees, T. & Harrison, G. (2001) *Unit Costs of Health and Social Care 2001*, Pages 19-23. Personal Social Services Research Unit, University of Kent, Canterbury.

2 Forder, J., Kendall, J., Knapp, M., Matosevic, T., Hardy, B. & Ware, P. (2001) Prices, contracts and domiciliary care, Discussion Paper 1609/2, Personal Social Services Research Unit, London School of Economics.

3 For further information about this study, please contact Julian Forder at the PSSRU, LSE, Tel: 0207 955 6173; email: J.Forder@lse.ac.uk or Tihana Matosevic at the PSSRU, LSE, Tel: 0207 955 6315; email: T.Matosevic@lse.ac.uk.

10.7 Community occupational therapist (local authority)

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£26,719 per year	Information taken from a survey of 76 local authorities. ¹ The midpoint between the average minimum and the average maximum in each local authority was inflated by the PSS Pay Index. The sum includes an element to reflect the proportion of staff who receive a London allowance. The national average for an occupational therapist, based on the mid-point of the April 2003 pay scale was £25,695.
B. Salary oncosts	£3,240 per year	Employers' national insurance plus 4.5 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£3,756 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	£4,494 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 7.4.
E. Capital overheads	£1,956 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. At 6 per cent, the cost would be £3,019.
F. Travel	£1.20 per visit	Taken from Netten ⁶ and inflated using the retail price index.
Working time	42 weeks per annum 37 hours per week	Includes 25 days annual leave and 10 statutory leave days. Ten days sickness leave and 5 days for study/training have been assumed.
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. ⁷ No information is available about local authority occupational therapists.
Length of visit	40 minutes	Taken from Netten. ⁵
London multiplier	1.07 x A 1.65 x E	Based on a telephone survey carried out by PSSRU of 40 authorities in 2003. Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.93 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004 (costs including training given in brackets)		
£23 (£26) per hour; £46 (£51) per hour of client contact (includes A to E); £32 (£35) per home visit (includes A to F).		

- 1 Local Government Management Board & Association of Directors of Social Services (1994) *Social Services Workforce Analysis*, 1993, LGMB & ADSS, 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*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.
- 4 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- 5 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- 6 Netten, A. (1992) *Some cost implications of Caring for People: interim report*, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.
- 7 Government Statistical Service (1994) *Summary Information Form KT27, Physiotherapy Services*, Table 7, 1994, England and Wales.

10.8 Intensive case management for older people

The information in the schema reflects an experimental intensive case management scheme working with long-term cases.¹ The team referred cases to the case managers, who were not involved in screening or duty work. All clients were elderly and suffering from senile dementia.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£30,729 per year	The salary is the midpoint of minimum and maximum salaries for care managers given in a sample of 47 authorities in 1992/1993. ² This was updated to current salary scales using the PSS Pay Index. A PSSRU survey of 32 authorities carried out in 2001 found the average weighted salary for a care manager to be £24,843. Uprated using the PSS Pay Index. Thirteen of the 32 authorities included the care manager in their job titles but the salary ranges may not represent the above responsibilities.
B. Salary oncosts	£3,793 per year	Employers' national insurance plus 4.5 per cent of salary for employers' contribution to superannuation
C. Qualifications		No information available.
D. Overheads: direct and indirect	£5,524 per year	Based on health authority overheads of 16 per cent since the case managers were based in a health authority multidisciplinary mental health team.
E. Capital overheads	£1,956 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. At 6 per cent, the cost would be £3,019.
F. Travel	£1.20 per visit	Based on community health service travel costs and inflated using the Retail Price Index.
Working time	42 weeks per annum 37 hours per week	Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
<i>Ratios of direct to indirect time on:</i> client-related work direct outputs face-to-face contact	 1:0.28 1:0.96 1:4.55	Ratios are used to estimate the full cost of direct and indirect time required to deliver each output. The study found that 78 per cent of time was spent on all client-related work. Fifty-one 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. 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 18 per cent of working time.
Frequency of visits	9	Average number of visits per week per worker.
Length of visits	45 minutes	Average length of visits overall in teams.
Caseload per worker	14	Number of cases per care manager. Limited turnover.
London multiplier	1.07 x (A to D) 1.65 x E	Relative London costs are drawn from the same source as the base data for each cost element.
Non-London multiplier	0.93 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004		
£27 per hour; £35 per hour of client-related work; £53 per hour of direct output activity; £150 per hour of face-to-face contact; £70 per case per week (includes A to E); £36 per home visit (includes A to F).		

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

2 Local Government Management Board & Association of Directors of Social Services (1994) Social Services Workforce Analysis, 1993, LGMB & ADSS, London.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

10.9 Adolescent support worker

The information in this schema is based on an unpublished study of unit costs of children's services in York, by Anna Semlyen in 1997-1998.¹ The work was funded by the NHS Maternal & Child Health Research and Development Programme. The aim of the study was to measure the additional, marginal costs of behaviour problem children compared to a 'normal child' for a year. The components of support for the children were identified and detailed costing completed. The estimated unit costs of resources used form the basis of information in this schema. Costs have been inflated to 2003/2004 value and adjusted for consistency with other of methodology with other services. This service was run by community (social) services. The team comprises five full-time equivalent staff and works with children aged 11 and over.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£22,474 per year	Median salary taken from the City of York Council budget and uprated using the PSS Pay Inflation.
B. Salary oncosts	£2,654 per year	Employers' national insurance plus employers' contribution to superannuation.
C. Training		No information available.
D. Overheads:		
Direct	£1,256 per year	Five per cent of salary costs added for equipment, management and administrative overheads.
Indirect	£3,285 per year	Indirect overheads include office expenses and secretarial staff costs.
E. Capital overheads	£2,013 per year	Building Cost Information Service and Office of the Deputy Prime Minister. ^{2/3} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,106.
F. Travel	£1,397 per year	Travel is based on an annual car allowance plus mileage (budget estimates).
Working time	44 weeks per annum 39 hours per week	Includes 26 days annual leave and 8 statutory leave days, 5 study/training days, and 2 days sickness leave.
Ratio of: Individual client to all working time	1:0.30	Assumes 77 per cent of time is spent on client-related activities.
London multiplier		These are non-London costs. No London multiplier is available.
Unit costs available 2003/2004		
£19 per hour; £24 per hour of client-related activity.		

1 Semlyen, A. (1998) *Unit Costs of Children's Services in York*, Centre for Health Economics, University of York, York.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

10.10 Family support worker

A study was conducted on family support workers working with carers of people with schizophrenia¹ to investigate the outcomes of a training scheme on costs.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£21,167 per year	1996/1997 costs inflated by the PSS Pay Index. Information taken from a survey of 14 family support workers (FSWs).
B. Salary oncosts	£3,214 per year	Includes employers' national insurance plus employers' contribution to superannuation (8 per cent).
C. Training	£1,908 per year	1996/1997 costs inflated by the PSS Pay and Prices Index. The training consisted of 12 day sessions attended by 14 FSWs. ² 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. The total cost was £37,106 or £2,654 per trainee. 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 £1,890.
D. Overheads	£6,752 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	44 weeks per annum 39 hours per week	FSWs were entitled to 25 days leave plus bank holidays and had on average one week a year as sick leave.
<i>Ratios of direct to indirect time on: client related work</i>	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		These are non-London costs. No London multiplier is available.
Unit costs available 2003/2004 (costs including training given in brackets)		
£18 (£19) for a basic hour; £31 (£33) for a contact hour.		

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

11. Health and social care teams

- 11.1 NHS community multidisciplinary mental health team key worker for elderly people with mental health problems
- 11.2 Community mental health team
- 11.3 NHS child clinical psychiatry team member
- 11.4 NHS child clinical psychology team member
- 11.5 Educational psychology team member
- 11.6 Educational social work team member
- 11.7 Behaviour support service team member
- 11.8 Learning support service team member
- 11.9 Counselling services in primary medical care

11.1 NHS community multidisciplinary mental health team key worker for elderly people with mental health problems

The information in the schema reflects the operation of two specialist multidisciplinary teams for elderly people with mental health problems.¹

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£29,393 per year	Weighted to reflect input of psychiatrists, OTs, CPNs, psychologists and social workers. Analysis of time use information identified two types of team member: core and extended role. When those activities of extended role team members which reflected responsibilities outside the teams were excluded, both types of team member operated in a similar key worker role.
B. Salary oncosts	£3,703 per year	Based on employers' national insurance contribution, and employers' superannuation at 4.5 per cent.
C. Qualifications		Information not available for all care staff.
D. Overheads: Direct and indirect	£5,760 per year	Comprises £2,450 for indirect overheads and 10 per cent of salary costs for direct revenue overheads.
E. Capital overheads	£1,992 per year	Based on the new build and land requirements of an NHS office and shared facilities for waiting, interviews and clerical support. ^{2/3} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,073
F. Travel	£1.20 per visit	Taken from Netten ⁴ and inflated using the retail price index.
Working time	42 weeks per annum 37 hours per week	Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
<i>Ratios of direct to indirect time on:</i>		Ratios are used to estimate the full cost of direct and indirect time required to deliver each output.
client-related work	1:0.3	The study found that 77 per cent of time was spent on all client-related work.
direct outputs	1:0.85	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.
face-to-face contact	1:2.45	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	8	Average number of visits per week per worker.
Length of visits	60 minutes	Average length of visits overall in teams.
Caseload per worker	17 cases	The low caseload reflects the characteristics of the experimental scheme.
London multiplier	1.14 x (A to D); 1.53 x E	Relative London costs are drawn from the same source as the base data for each cost element.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004		
£26 per hour; £34 per hour of client-related work; £49 per hour of direct output activity; £57 per case per week; £91 per hour of face-to-face contact (includes A to E); £50 per home visit (includes A to F).		

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

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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

11.2 Community mental health team

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£26,579 per year	Based on Adult Mental Health Service Mapping data ¹ and drawing on Onyett et al. ² . The teams included CPNs, social workers, nurses, occupational therapists, support workers, doctors and psychologists. 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. ³
B. Salary oncosts	£3,228 per year	Employers' national insurance plus 4.5 per cent of salary for employers' contribution to superannuation.
C. Qualifications		Information not available for all care staff.
D. Overheads: Direct and indirect Administrative and management costs	£5,067 per year £5,031 per year	Regional health authority overheads estimated to be 17 per cent. ² Based on the Adult Mental Health Service Mapping data ¹ and national salary for a grade 6 administrative and clerical staff worker.
E. Capital overheads	£1,992 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. At 6 per cent, the cost would be £3,073.
F. Travel	£1.20 per visit	Taken from Netten ⁶ and inflated using the retail price index.
Working time	42 weeks per annum 37 hours per week	Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: patient-related work face-to-face contact	1:0.28 1:1.50	Estimates were taken from Jackson et al. ⁷ who studied patterns of work in a CMHT. Patient-related activity comprised 75 per cent of social workers' time, 79 per cent of CPNs' time; 70 per cent of occupational therapists' time, 61 per cent of psychologists' time and 90 per cent of psychiatrists' time. Face-to-face contact comprised 38 per cent of social workers' and CPNs' time, 31 per cent of occupational therapists' time, 22 per cent of psychologists' time and 44 per cent of psychiatrists' time. For support workers, specialist therapists and 'others', client contact was estimated to take 54 per cent and patient-related work 75 per cent of working time. On this basis, patient-related work took 78 per cent, and face-to-face contact 40 per cent of time overall.
London multiplier	1.14 x (A to D); 1.53 x E	Relative London costs are drawn from the same source as the base data for each cost element.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004		
£27 per hour; £35 per hour of patient-related work; £67 per hour of patient contact (includes A to E). Travel £1.20 per visit.		

- 1 Department of Health, Adult Mental Health Service Mapping, Table 20a: Community Mental Health Team Workforce, September 2003.
- 2 Onyett, S., Pillinger, T. & Muijen, M. (1995) *Making Community Mental Health Teams Work*, The Sainsbury Centre for Mental Health, London.
- 3 Beecham, J., Chisholm, D. & O'Herlihy, A. (2001) The costs of child and adolescent psychiatric inpatient units, in A. Netten & L. Curtis (eds) *Unit Costs of Health and Social Care 2002*, Personal Social Services Research Unit, University of Kent, Canterbury.
- 4 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- 5 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- 6 Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.
- 7 Jackson, G., Percival, C., Gater, R. & Goldberg, D. (1996) Patterns of work in a multidisciplinary community mental health team, unpublished.

11.3 NHS child clinical psychiatry team member

The information in this schema is based on a national survey of child and adolescent mental health services in England.¹ The hourly rates reflect the average salary of team members. On occasions where the whole team meets to discuss a case, the appropriate hourly unit cost would be for the team.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£36,721 per year	National weighted average salaries of psychiatrists, nurses and other care staff employed in 139 teams.
B. Salary oncosts	£4,740 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications		Information not available for all care staff.
D. Overheads: Direct	£8,707 per year	Overhead costs are based on the costing of a sample of 29 of these teams. ² Direct overheads reflect the additional costs associated with other staff employed in the teams and training and other staff costs. These were found to be 21 per cent of care staff costs. Indirect overheads include administration, general services and so on, and were estimated as 12 per cent of care staff salary costs.
Indirect	£4,975 per year	
E. Capital overheads	£1,992 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. At 6 per cent, the cost would be £3,073.
F. Travel	£829 per year	Reflects the level of expenditure associated with the care staff salaries (2 per cent of salary plus on-costs) in the teams.
Working time	43 weeks per annum 36 hours per week	Includes 20 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: client contact	1:0.85	Time use is assumed to be similar to that reported in the study of specialist community mental health teams by von Abendorff et al. ⁵
London multiplier	1.14 × (A to D); 1.53 × E	Relative London costs are drawn from the same source as the base data for each cost element.
Non-London multiplier	0.97 × (A to D) 0.97 × E	Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004		
£37 per hour per team member; £68 per hour of client contact per team member; £344 per hour of team working/meeting (includes A to E).		

1 Kurtz, Z., Thornes, R. & Wolkind, S. (1994) *Services for the Mental Health of Children and People in England: a National Review*, Report to the Department of Health, London.

2 Beecham, J., Knapp, M. & Asbury, M. (1994) The cost dimension, in Z. Kurtz, R. Thornes & S. Wolkind (eds) *Services for the Mental Health of Children and People in England: a National Review*, Report to the Department of Health, London.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 von Abendorff, R., Challis, D. & Netten, A. (1994) Staff activity patterns in a community mental health team for older people, *International Journal of Geriatric Psychiatry*, 9, 897-906.

11.4 NHS child clinical psychology team member

The information in this schema is based on a national survey of child and adolescent mental health services in England.¹ The hourly rates reflect the average salary of team members. On occasions where the whole team meets to discuss a case, the appropriate hourly unit cost would be for the team.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£29,594 per year	National weighted average salaries of psychologists, nurses and other care staff (who were assumed to receive average social worker salaries) employed in 138 teams.
B. Salary oncosts	£3,638 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications		Information not available for all care staff.
D. Overheads:		
Direct	£1,994 per year	Overhead costs are based on the costing of a sample of 14 of these teams. ² Direct overheads reflect the additional costs associated with other staff employed in the teams and training and other staff costs. These were found to be 6 per cent of care staff costs. Indirect overheads include administration, general services and so on, and are estimated as 11.5 per cent of care staff salary costs.
Indirect	£3,822 per year	
E. Capital overheads	£1,992 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. At 6 per cent, the cost would be £3,073.
F. Travel	£999 per year	Reflects the level of expenditure associated with the care staff salaries (3 per cent of salary plus on-costs) in the teams.
Working time	43 weeks per annum 36 hours per week	Includes 20 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratios of: professional outputs to support activities	1:0.25	Based on a study ⁵ which found that psychologists who specialise in working with children and their families spent 64.5 per cent of their time on clinical work with individual patients and families, and 80 per cent of their time on professional outputs.
client to non-client contact	1:0.55	
London multiplier	1.14 x (A to D); 1.53 x E	Relative London costs are drawn from the same source as the base data for each cost element.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. Building Cost Information Service and Office of the Deputy Prime Minister.
Unit costs available 2003/2004		
£27 per hour per team member; £41 per hour of client contact per team member; £33 per professional chargeable hour per team member; £126 per hour of team working/meeting (includes A to E). Costs exclude travel and subsistence.		

1 Kurtz, Z., Thornes, R. & Wolkind, S. (1994) *Services for the Mental Health of Children and People in England: a National Review*, Report to the Department of Health, London.

2 Beecham, J., Knapp, M. & Asbury, M. (1994) The cost dimension, in Z. Kurtz, R. Thornes & S. Wolkind (eds) *Services for the Mental Health of Children and People in England: a National Review*, Report to the Department of Health, London.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, February, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

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

11.5 Educational psychology team member

The information in this schema is based on a study of unit costs of children's services in York, by Anna Semlyen in 1997-1998.¹ The work was funded by the NHS Maternal & Child Health Research and Development Programme. The aim of the study was to measure the additional, marginal costs of behaviour problem children compared to a 'normal child' for a year. The components of support for the children were identified and detailed costing completed. The estimated unit costs of resources used form the basis of information in this schema. Costs have been inflated to 2003-2004 value and adjusted for consistency. The educational psychology team comprises six full-time equivalent staff members and works with children aged 5-16.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£40,580 per year	Median salary taken from the City of York Council budget and uprated using the PSS Pay inflator.
B. Salary oncosts	£5,490 per year	Employers' national insurance plus employers' contribution to superannuation.
C. Training	£296 per year	Taken from City of York Council budget for staff training uprated using the PSS Pay inflator.
D. Overheads:		
Direct	£2,303 per year	Five per cent of salary costs added for equipment, management and administrative overheads.
Indirect	£2,732 per year	Indirect overheads include office expenses and secretarial staff costs uprated using the PSS Pay and Prices inflator.
E. Capital overheads	£2,013 per year	Building Cost Information Service and Office of the Deputy Prime Minister. ^{2/3} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,106.
F. Travel	£1,406 per year	Travel is based on an annual car allowance plus mileage.
Working time	42 weeks per annum 37 hours per week	Includes 34 days annual leave and 8 statutory leave days, 7 study/training days, and 2 days sickness leave.
Ratio of:		
Individual client to all working time	1:0.25	Based on management estimates. Eighty per cent of all time is spent on individual client-related activities. Twenty-five per cent of time is spent on face-to-face client contact. Fifty-five per cent of time is spent on non-face-to-face client contact.
Face-to-face to non-face-to-face client contact.	1:1.2	
London multiplier		These are non-London costs. No London multiplier is available.
Unit costs available 2003/2004		
£34 per hour; £43 per hour of individual client-related activity; £75 per hour face-to-face client contact (includes A to E). Costs exclude travel and subsistence.		

1 Semlyen, A. (1998) *Unit Costs of Children's Services in York*, Centre for Health Economics, University of York, York.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office..

11.6 Educational social work team member

The information in this schema is based on an unpublished study of unit costs of children's services in York, by Anna Semlyen in 1997-1998.¹ The work was funded by the NHS Maternal & Child Health Research and Development Programme. The aim of the study was to measure the additional, marginal costs of behaviour problem children compared to a 'normal child' for a year. The components of support for the children were identified and detailed costing completed. The estimated unit costs of resources used form the basis of information in this schema. Costs have been inflated to 2003-2004 value and adjusted for consistency. The core educational social work team comprises eight full-time equivalent staff members and works with children aged 5-16.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£20,129 per year	Median salary taken from the City of York Council Budget and uprated using the PSS Pay inflator.
B. Salary oncosts	£2,330 per year	Employers' national insurance plus employers' contribution to superannuation.
C. Training	£495 per year	City of York Council Budget for staff training and uprated using the PSS Pay Inflator.
D. Overheads:		
Direct	£1,123 per year	Five per cent of salary costs added for equipment, management and administrative overheads.
Indirect	£2,049 per year	Indirect overheads include office expenses and secretarial staff costs uprated using the PSS Pay and Prices inflator.
E. Capital overheads	£2,013 per year	Building Cost Information Service ² and Office of the Deputy Prime Minister. ³ Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,106.
F. Travel	£2,715 per year	Travel is based on an annual car allowance plus mileage.
Working time	41.4 weeks per annum 37 hours per week	Includes 26 days annual leave and 8 statutory leave days, 15 study/training days, and 5 days sickness leave.
Ratio of: Individual client to all working time	1:0.39	Based on service plan information. 71.7 per cent of time is spent on individual client-related activities.
London multiplier		These are non-London costs. No London multiplier is available.
Unit costs available 2003/2004		
£20 per hour; £27 per hour of individual client-related activity (includes A to E). Costs exclude travel and subsistence.		

1 Semlyen, A. (1998) *Unit Costs of Children's Services in York*, Centre for Health Economics, University of York, York.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

11.7 Behavioural support service team member

The information in this schema is based on an unpublished study of unit costs of children's services in York, by Anna Semlyen in 1997-1998.¹ The work was funded by the NHS Maternal & Child Health Research and Development Programme. The aim of the study was to measure the additional, marginal costs of behaviour problem children compared to a 'normal child' for a year. The components of support for the children were identified and detailed costing completed. The estimated unit costs of resources used form the basis of information in this schema. Costs have been inflated to 2003-2004 value and adjusted for consistency. This team is a peripatetic service to schools working with children aged 5-16 and has six full-time equivalent staff.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£31,016 per year	Median salary taken from the City of York Council budget and uprated using the PSS Pay inflator.
B. Salary oncosts	£3,835 per year	Employers' national insurance plus employers' contribution to superannuation.
C. Training	£162 per year	Taken from City of York Council Budget for staff training uprated using the PSS Pay inflator.
D. Overheads:		
Direct	£1,743 per year	Five per cent of salary costs added for equipment, management and administrative overheads.
Indirect	£1,288 per year	Indirect overheads include office expenses and secretarial staff costs uprated using the PSS Pay and Prices inflator.
E. Capital overheads	£2,013 per year	Building Cost Information Service and Office of the Deputy Prime Minister. ^{2/3} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,106.
F. Travel	£1,068 per year	Travel is based on an annual car allowance plus mileage.
Working time	37.2 weeks per annum 32.4 hours per week	Staff work 3 terms each of 13 weeks. Within this time there are 6 study/training days, and 3 days sickness leave.
Ratio of: Individual client to all working time	1:0.18	Manager estimates based on recent staff time diary information. Eighty-five per cent of time is spent on client-related activities.
London multiplier		These are non-London costs. No London multiplier is available.
Unit costs available 2003/2004		
£33 per hour; £39 per hour of client-related activity (includes A to E). Costs exclude travel and subsistence.		

1 Semlyen, A. (1998) *Unit Costs of Children's Services in York*, Centre for Health Economics, University of York, York.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

11.8 Learning support service team member

The information in this schema is based on an unpublished study of unit costs of children's services in York, by Anna Semlyen in 1997-1998.¹ The work was funded by the NHS Maternal & Child Health Research and Development Programme. The aim of the study was to measure the additional, marginal costs of behaviour problem children compared to a 'normal child' for a year. The components of support for the children were identified and detailed costing completed. The estimated unit costs of resources used form the basis of information in this schema. Costs have been inflated to 2003-2004 value and adjusted for consistency. The team comprises six full-time equivalent members including a manager and works with children aged 5-16.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£31,016 per year	Median salary taken from the City of York Council budget uprated using the PSS Pay inflator.
B. Salary oncosts	£3,835 per year	Employers' national insurance plus employers' contribution to superannuation.
C. Training	£360 per year	Taken from City of York Council Budget for staff training uprated using the PSS Pay inflator.
D. Overheads:		
Direct	£1,743 per year	Five per cent of salary costs added for equipment, management and administrative overheads.
Indirect	£2,732 per year	Indirect overheads include office expenses and secretarial staff costs uprated using the PSS Pay and Prices inflator.
E. Capital overheads	£2,013 per year	Building Cost Information Service ² and Office of the Deputy Prime Minister ³ Capital has been annuitised at a rate of 3.5 per cent. At 6 per cent, the cost would be £3,106.
F. Travel	£1,330 per year	Travel is based on an annual car allowance plus mileage.
Working time	36.6 weeks per annum 32.4 hours per week	Staff work three terms of 13 weeks. Within this time are 10 study/training days, and 2 days sickness leave.
Ratio of: individual client to all working time	1:0.25	Based on management estimates. Eighty per cent of time is spent on individual client-related activities. Twenty-five per cent of time is spent on face-to-face client contact. Fifty-five per cent of time is spent on non-face-to-face client contact.
face-to-face to non-face-to-face client contact.	1:1.2	
London multiplier		These are non-London costs. No London multiplier is available.
Unit costs available 2003/2004		
£35 per hour; £44 per hour of client-related activity; £77 per hour face-to-face client contact (includes A to E). Costs exclude travel and subsistence.		

1 Semlyen, A. (1998) *Unit Costs of Children's Services in York*, Centre for Health Economics, University of York, York.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

11.9 Counselling services in primary medical care

The information in this schema is based on nine GP practices in Derby.¹ Each practice employed BAC accredited counsellors for a total of 1535 hours per year. The cost for a qualification of this nature is wide- ranging and covers different levels. In 1999/2000 the basic certificate cost £145 and an advanced diploma £3,795. In order to incorporate training costs into unit costs, information is needed about distribution of the qualification and expected working life of people with the qualification.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£39,767 per year	Based on Senior Clinical Grade 3 Band 19 taken from the Grading Criteria and Pay Scale for Counsellors in the NHS. This is the nearest equivalent to the hourly rate paid in the study of GP practices.
B. Salary oncosts	£5,150 per year	Employers' national insurance plus 4 per cent of salary to employers' superannuation.
C. Overheads: Direct	£4,492 per year	Ten per cent of salary costs added for equipment, management and administrative overheads.
D. Capital overheads	£1,026 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. At 6 per cent, the cost would be £3,106.
E. Travel	£0	All appointments were on-site in the GP surgery.
Ratio of direct to indirect time on: client contact	1:0.30	On average each session lasted 55 minutes and the mean number of sessions was 7 (median 6). Seventy-seven per cent of the time was spent on face-to-face contact and 23 per cent of the time on other work.
Working time	1535 hours per year	Each practice employed counsellors for between 6 and 49 hours per week. In total, they worked on average 1535 hours per year
Unit costs available 2003/2004		
£33 per hour (includes A to D).		

¹ 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.

IV. HOSPITAL-BASED HEALTH CARE STAFF

12. Professionals allied to medicine

- 12.1 Hospital physiotherapist
- 12.2 Hospital occupational therapist
- 12.3 Hospital speech and language therapist
- 12.4 Dietitian
- 12.5 Radiographer
- 12.6 Hospital pharmacist
- 12.7 Hospital therapy support worker

12.1 Hospital physiotherapist

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£26,800 per year	National average salary for a senior 1 grade hospital physiotherapist, based on the mid-point of the April 2003 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance. It also includes an allowance of £1,108 for supervising students.
B. Salary oncosts	£3,117 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£3,892 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details on cost of qualifications.
D. Overheads	£2,450 per year	Comprises £2,450 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	£3,919 per year	Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. 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. At 6 per cent, the cost would be £6,048.
F. Travel	£2.30 per visit	Based on expenditure provided by community trust.
Working time	42 weeks per annum 36 hours per week	Includes 25 days annual leave and 10 days statutory leave. ⁵ Assumes 5 study/training days, and 10 days sickness leave. ⁶
Ratio of direct to indirect time on: patient contacts clinic contacts home visits	1:0.54 1:0.46 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.
London multiplier	1.14 × (A to D); 1.63 × E	Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 × (A to D) 0.97 × E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£24 (£27) per hour; £37 (£41) per hour of client contact; £35 (£39) per hour in clinic; £47 (£52) per hour in home visiting (includes A to E). Travel £2.30 per visit.		

- 1 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.
- 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, Page 13.
- 3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- 4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- 5 Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.
- 6 Williams, J. (1991) *Calculating Staffing Levels in Physiotherapy Services*, Pampas, Rotherham.
- 7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

12.2 Hospital occupational therapist

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£26,800 per year	National average salary for a senior 1 grade hospital occupational therapist, based on the mid-point of the April 2003 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance. It also includes an allowance of £1,108 for supervising students.
B. Salary oncosts	£3,117 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£3,756 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details on cost of qualifications.
D. Overheads	£2,450 per year	Comprises £2,450 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	£3,919 per year	Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. 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. At 6 per cent, the cost would be £6,048.
Working time	42 weeks per annum 36 hours per week	Includes 25 days annual leave and 10 days statutory leave. ⁵ Assumes 5 study/training days, and 10 days sickness leave. ⁶
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	1.14 x (A to D); 1.44 x E	Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to D) 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 of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£24 (£26) per hour; £40 (£44) per hour of client contact (includes A to E).		

- 1 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.
- 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, Page 13.
- 3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- 4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- 5 Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.
- 6 Williams, J. (1991) *Calculating Staffing Levels in Physiotherapy Services*, Pampas, Rotherham.
- 7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

12.3 Hospital speech and language therapist

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£24,545 per year	National average salary for a grade 2 speech and language therapist, based on the April 2003 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance.
B. Salary oncosts	£2,817 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,033 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details on cost of qualifications.
D. Overheads	£2,450 per year	Comprises £2,450 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	£3,797 per year	Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. 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. At 6 per cent, the cost would be £5,858.
Working time	42 weeks per annum 36 hours per week	Includes 25 days annual leave and 10 days statutory leave. ⁵ Assumes 5 study/training days, and 10 days sickness leave. ⁶
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	1.14 × (A to D); 1.45 × E	Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 × (A to D) 0.97 × E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£22 (£25) per hour; £37 (£41) per hour of client contact (includes A to E).		

- 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.
- 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, Page 13.
- Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.
- Williams, J. (1991) *Calculating Staffing Levels in Physiotherapy Services*, Pampas, Rotherham.
- Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula

12.4 Dietitian

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£26,800 per year	National average salary for a senior 1 grade hospital dietitian, based on the mid-point of the April 2002 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance. It also includes an allowance of £1,108 for supervising students.
B. Salary oncosts	£3,117 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,110 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details on cost of qualifications.
D. Overheads	£2,450 per year	Comprises £2,450 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	£3,277 per year	Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect share use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £5,057.
F. Travel	£2.30 per visit	Taken from Netten ⁵ and inflated using the retail price index.
Working time	42 weeks per annum 37 hours per week	Includes 25 days annual leave and 10 days statutory leave. ⁶ Assumes 5 study/training days, and 10 days sickness leave. ⁷
Ratio of direct to indirect time on: face-to-face contacts clinical settings home visits	1:0.33 1:0.27 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	1.14 x (A to D); 1.49 x E	Allows for the higher costs associated with London compared to the national average cost. ⁸ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to D) 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 of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£23 (£26) per hour; £31 (£34) per hour client contact; £29 (£32) per hour in clinic; £52 (£58) per hour of home visiting (includes A to E). Travel £2.30 per visit.		

- 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.
- 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*, Page 13.
- Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent, Canterbury.
- Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.
- Williams, J. (1991) *Calculating Staffing Levels in Physiotherapy Services*, Pampas, Rotherham.
- Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

12.5 Radiographer

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£26,800 per year	National average salary for a senior 1 grade radiographer, based on the mid-point of the April 2003 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance. It also includes an allowance of £1,108 for supervising students.
B. Salary oncosts	£3,117 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,634 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for more details on cost of qualifications.
D. Overheads	£2,450 per year	Comprises £2,450 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	£6,229 per year	Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £9,612.
Working time	42 weeks per annum 35 hours per week	Includes 25 days annual leave and 10 days statutory leave. ⁵ Assumes 5 study/training days, and 10 days sickness leave.
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	1.14 x (A to D); 1.50 x E	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£26 (£29) per hour; £44 (£49) per hour of client contact; £15 (£16) per 20 minute clinic visit (includes A to E).		

- 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.
- 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*, Page 13.
- Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.
- Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

12.6 Hospital pharmacist

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£33,557 per year	National average salary for a D grade pharmacist based on the mid-point of the April 2003 pay scales. The sum includes an element to reflect the proportion of staff who receive a London allowance. Pharmacists who commit to working in Emergency also receive an emergency duty commitment allowance of £2,371 per annum.
B. Salary oncosts	£4,107 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,596 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. ^{1/2} 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.
Post graduate training:	£396 per year	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. Those costing exercises which are concerned with narrowly defined costs to the provider organisation would not want to incorporate qualification costs. See schema 7.5 for further details on training costs for health professionals.
D. Overheads	£2,450 per year	Comprises £2,450 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	£1,818 per year	Based on the new build and land requirements of a pharmacy, ^{4/5} plus additional space for shared facilities. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,919.
F. Travel	£1.20 per visit	Taken from Netten ⁵ and inflated using the retail price index.
Working time	42 weeks per annum 39 hours per week	Includes 25 days annual leave and 10 statutory leave days. Assumes 4 study/training days (30 hours), and 10 days sickness leave.
Ratio of direct to indirect time on: direct clinical patient time patient related activities	1:1 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	1.14 x (A to D) 1.50 x E	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x(A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£26 (£29) per hour; £51 (£58) per cost of direct clinical patient time (includes travel); £36 (£42) per cost of patient related activities.		

1 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.

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

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, Page 13.

4 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

12.7 Hospital therapy support worker

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£11,801 per year	National average salary for a therapy helper aged 19 and over, based on the mid-point of the April 2003 pay scale. The sum includes an element to reflect the proportion of staff who receive a London allowance. This does not include lump sum allowances or unsocial hours pay enhancements.
B. Salary oncosts	£1,122 per year	Employers' national insurance plus 4 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	£2,450 per year	Comprises £2,450 for indirect overheads. ¹ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Capital overheads	£2,540 per year	Based on the new build and land requirements of NHS facilities, ^{2/3} but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,919.
Working time	44 weeks per annum 36 hours per week	Includes 20 days annual leave and 10 days statutory leave. ⁴ Assumes 10 days sickness leave. No study/training days have been assumed.
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	1.14 x (A to D); 1.44 x E	Allows for the higher costs associated with London compared to the national average cost. ⁵ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁵ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004		
£11 per hour; £14 per hour of client contact (includes A to E).		

1 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, Page 13.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

4 Whitley Councils for the Health Services (Great Britain) (1995) *Pay and Conditions of Service Handbook, Professions Allied to Medicine and Related Grades of Staff (PTA) Council*, Department of Health, Leeds.

5 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

13. Nurses

- 13.1 Ward manager, day ward
- 13.2 Ward manager, 24-hour ward
- 13.3 Staff nurse, day ward
- 13.4 Staff nurse, 24-hour ward
- 13.5 Health care assistant

13.1 Ward manager, day ward

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£25,825 per year	National average salary for a staff nurse, based on the April 2003 scale mid-point for a G grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It does not include any lump sum allowances and it is assumed that no unsocial hours are worked.
B. Salary oncosts	£2,944 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£3,944 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for further details on training for health professionals.
D. Overheads	£2,450 per year	Comprises £2,450 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	£2,052 per year	Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,166.
Working time	42 weeks per annum 37.5 hours per week	Includes 25 days annual leave and 10 statutory leave days. ⁵ Assumes 5 study/training days, and 10 days sickness leave.
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	1.14 x (A to D); 1.47 x E	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£21 (£24) per hour; £47 (£53) per hour of patient contact; £158 (£177) per shift (includes A to E)		

- 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.
- 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*, Page 13.
- Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- Nursing and Midwifery Staffs Negotiating Council (1992) *Nursing and Midwifery Staffs Conditions of Service and Rates of Pay*, Department of Health, Leeds.
- Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

13.2 Ward manager, 24-hour ward

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£29,149 per year	National average salary for a staff nurse, based on the April 2003 scale mid-point for a G grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It assumes that the hours include working 13.2 hours a week evening and Saturdays at 1.3 of basic rate, and 4.8 hours a week on Sundays at 1.6 of basic rate.
B. Salary oncosts	£3,380 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£3,944 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for further details on training for health professionals.
D. Overheads	£2,450 per year	Comprises £2,450 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	£2,052 per year	Based on the new build and land requirements of NHS facilities. ^{3/4} but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,166.
Working time	42 weeks per annum 37.5 hours per week	Includes 25 days annual leave and 10 statutory leave days. ⁵ Assumes 5 study/training days, and 10 days sickness leave.
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	1.14 x (A to D); 1.47 x E	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£24 (£26) per hour; £52 (£58) per hour of patient contact; £176 (£195) per shift (includes A to E)		

- 1 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.
- 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*, Page 13.
- 3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- 4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- 5 Nursing and Midwifery Staffs Negotiating Council (1992) *Nursing and Midwifery Staffs Conditions of Service and Rates of Pay*, Department of Health, Leeds.
- 6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

13.3 Staff nurse, day ward

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£19,590 per year	National average salary for a staff nurse, based on the April 2003 scale mid-point for an E grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It does not include any lump sum allowances and it is assumed that no unsocial hours are worked.
B. Salary oncosts	£2,125 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£3,944 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for further details on training for health professionals.
D. Overheads	£2,450 per year	Comprises £2,450 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	£1,160 per year	Based on the new build and land requirements of NHS facilities. ^{3/4} but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £1,790.
Working time	42 weeks per annum 37.5 hours per week	Includes 25 days annual leave and 10 statutory leave days. ⁵ Assumes 5 study/training days, and 10 days sickness leave.
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	1.14 x (A to D); 1.44 x E	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to D); 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£16 (£19) per hour; £29 (£34) per hour of patient contact; £121 (£139) per shift (includes A to E)		

- 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.
- 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*, Page 13.
- Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- Nursing and Midwifery Staffs Negotiating Council (1992) *Nursing and Midwifery Staffs Conditions of Service and Rates of Pay*, Department of Health, Leeds.
- Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula

13.4 Staff nurse, 24-hour ward

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£22,468 per year	National average salary for a staff nurse, based on the April 2003 scale mid-point for an E grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It assumes that the hours include working 13.2 hours a week evenings and Saturdays at 1.3 of basic rate, and 4.8 hours a week on Sundays at 1.6 of basic rate.
B. Salary oncosts	£2,503 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£3,944 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ¹ See schema 7.5 for further details on training for health professionals.
D. Overheads	£2,450 per year	Comprises £2,450 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	£1,160 per year	Based on the new build and land requirements of NHS facilities, ^{3/4} but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £1,790.
Working time	42 weeks per annum 37.5 hours per week	Includes 25 days annual leave and 10 statutory leave days. ⁵ Assumes 5 study/training days, and 10 days sickness leave.
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	1.14 x (A to D); 1.44 x E	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£18 (£21) per hour; £36 (£41) per hour of patient contact; £136 (£155) per shift (includes A to E)		

- 1 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.
- 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*, Page 13.
- 3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- 4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- 5 Nursing and Midwifery Staffs Negotiating Council (1992) *Nursing and Midwifery Staffs Conditions of Service and Rates of Pay*, Department of Health, Leeds.
- 6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

13.5 Health care assistant

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£15,181 per year	National average salary for an auxiliary nurse working in a hospital, based on the April 2003 scale mid-point for a B grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It assumes that the hours include working 13.2 hours a week evening and Saturdays at 1.3 of basic rate, and 4.8 hours a week on Sundays at 1.6 of basic rate.
B. Salary oncosts	£1,546 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Overheads	£2,450 per year	Comprises £2,450 for indirect overheads. ¹ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
D. Capital overheads	£1,160 per year	Based on the new build and land requirements of NHS facilities, ^{2/3} but adjusted to reflect shared use of office space for administration, and recreational and changing facilities. 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. At 6 per cent, the cost would be £1,790.
Working time	44 weeks per annum 37.5 hours per week	Includes 20 days annual leave and 10 statutory leave days. ⁴ Assumes 10 days sickness leave. No study/training days have been assumed.
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	1.14 x (A to C); 1.44 x D	Allows for the higher costs associated with London compared to the national average cost. ⁵ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to C) 0.97 x D	Allows for the lower costs associated with working outside London compared to the national average cost. ⁵ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004		
£12 per hour; £21 per hour of patient contact; £92 per shift (includes A to D)		

1 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, Page 13.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

4 Nursing and Midwifery Staffs Negotiating Council (1992) *Nursing and Midwifery Staffs Conditions of Service and Rates of Pay*, Department of Health, Leeds.

5 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

14. Doctors

- 14.1 Pre-registration house officer
- 14.2 Senior house officer
- 14.3 Specialist registrar
- 14.4 Consultant: medical
- 14.5 Consultant: surgical
- 14.6 Consultant: psychiatric

14.1 Pre-registration house officer

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£27,248 per year	Based on payment for 40.7 basic hours per week on duty (of which 88.7 per cent are actually worked), and 31.7 additional hours per week (of which 59.6 per cent are actually worked at a rate of 50 per cent of basic rate). ¹ It does not reflect payments for London allowances.
B. Salary oncosts	£2,903 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£17,544 per year	The equivalent annual cost of pre-registration medical education. The investment in training has been annuitised over the expected working life of the doctor. ² See schema 7.5 for further details on training for health professionals.
D. Overheads	£2,450 per year	Comprises £2,450 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	£2,549 per year	Ongoing training is calculated 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. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£2,569 per year	Based on the new build and land requirements of NHS facilities. ^{4/5} 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. At 6 per cent, the cost would be £3,964.
Working time	44 weeks per annum	Includes 25 days annual leave and 10 statutory leave days. Assumes 5 days sickness leave. No study/training days have been assumed.
London multiplier	1.14 x (A to E); 1.49 x F	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£11 (£17) per hour on duty; £15 (£23) per hour worked (includes A to F).		

1 Review Body on Doctors' and Dentists' Remuneration, Thirty First Report 2002, The Stationery Office, 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*, Page 13.

4 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

14.2 Senior house officer

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£37,557 per year	Based on payment for 38.9 basic hours per week on duty (of which 87 per cent are actually worked), and 33.6 additional hours per week (of which 48 per cent are actually worked at a rate of 50 per cent of basic rate). ¹ It does not reflect payments for London allowances.
B. Salary oncosts	£4,427 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£18,838 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. See 7.5 for further details on training for health professionals.
D. Overheads	£2,450 per year	Comprises £2,450 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. Ongoing training	£3,272 per year	Ongoing training is calculated 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. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£2,569 per year	Based on the new build and land requirements of NHS facilities. ^{3/4} 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. At 6 per cent, the cost would be £3,964.
Working time	38 weeks per annum	Includes 25 days annual leave and 10 statutory leave days. Assumes 30 study/training days, and 5 days sickness leave.
London multiplier	1.14 x (A to E); 1.49 x F	Allows for the higher costs associated with London compared to the national average cost. ⁵ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁵ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£17 (£25) per hour on duty; £25 (£37) per hour worked (includes A to F).		

1 Review Body on Doctors' and Dentists' Remuneration, Thirty First Report 2002, The Stationery Office, London.

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*, Page 13.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 Provisional and published analysis using data from the Department of Health's weighted capitation formula.

14.3 Specialist registrar

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£41,299 per year	Based on payment for 39.9 basic hours per week on duty (of which 89 per cent are actually worked), and 30.7 additional hours per week (of which 43 per cent are actually worked at a rate of 50 per cent of basic rate). ¹ It does not reflect payments for London allowances.
B. Salary oncosts	£5,054 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£20,788 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer and two years as a senior house officer have been annuitised over the expected working life of the doctor. ² See 7.5 for further details on training for health professionals.
D. Overheads	£2,450 per year	Comprises £2,450 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	£3,272 per year	Ongoing training is calculated 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. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£2,569 per year	Based on the new build and land requirements of NHS facilities. ^{4/5} 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. At 6 per cent, the cost would be £3,964.
Working time	37 weeks per annum	Includes 30 days annual leave and 10 statutory leave days. Assumes 30 study/training days, and 5 days sickness leave.
London multiplier	1.14 × (A to E); 1.49 × F	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 × (A to E) 0.97 × F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£20 (£29) per hour on duty; £29 (£42) per hour worked (includes A to F).		

1 Review Body on Doctors' and Dentists' Remuneration, Thirty First Report 2002, The Stationery Office, 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, Page 13.

4 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

14.4 Consultant: medical

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£71,331 per year	Average salary for a consultant physician based on the April 2003 scale midpoint including £8,505 corresponding to the third discretionary point. ¹ The sum also includes £576 to reflect the national level of distinction award payments. It does not reflect payments for London allowances.
B. Salary oncosts	£10,379 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£25,659 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer, two years as a senior house officer and four years as a specialist registrar have been annuitised over the expected working life of the consultant. ² See 7.5 for further details on training for health professionals.
D. Overheads	£27,833 per year	Comprises £6,199 for indirect overheads and £21,634 for secretarial staff costs.
E. Ongoing training	£1,507 per year	Ongoing training is calculated 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. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£3,798 per year	Based on the new build and land requirements of NHS facilities. ^{3/4} 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. At 6 per cent, the cost would be £5,860.
Working time	41 weeks per annum 48.2 hours per week	Includes 30 days annual leave and 10 statutory leave days. Assumes 10 study/training days, and 5 days sickness leave. Research carried out in 2000/2001 involving 300 consultants showed that they worked an average of 51.5 hours a week in the NHS. They spent an average 3.3 hours per week on private practice or other non-NHS work, such as medico-legal reports. ⁵
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. ⁶ Time spent teaching has been disregarded, and non-contact time has been treated as an overhead on time spent in patient contact.
London multiplier	1.14 x (A to E); 1.51 x F	Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£69 (£86) per hour; £92 (£114) per patient-related hour (includes A to F).		

1 NHS Executive (2003) *Advance letter (MD) 1/2003*.

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 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 British Medical Association (2002) Consultants survey, *Health Service Journal*, February 2002.

6 Audit Commission (1996) *The Doctors' Tale Continued*, HMSO, London.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

14.5 Consultant: surgical

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£71,301 per year	Average salary for a consultant surgeon based on the April 2003 scale midpoint including £8,505 corresponding to the third discretionary point. ¹ The sum also includes £546 to reflect the national level of distinction award payments. It does not reflect payments for London allowances.
B. Salary oncosts	£10,378 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£25,659 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer, two years as a senior house officer and four years as a specialist registrar have been annuitised over the expected working life of the consultant. ² See 7.5 for further details on training for health professionals.
D. Overheads	£27,833 per year	Comprises £6,119 for direct overheads and £21,634 for secretarial staff costs.
E. Ongoing training	£1,507 per year	Ongoing training is calculated 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. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£3,798 per year	Based on the new build and land requirements of NHS facilities. ^{3/4} 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. At 6 per cent, the cost would be £5,860.
Working time	41 weeks per annum 48.2 hours per week	Includes 30 days annual leave and 10 statutory leave days. Assumes 10 study/training days, and 5 days sickness leave. Research carried out in 2000/2001 involving 300 consultants showed that they worked an average of 51.5 hours a week in the NHS. They spent an average 3.3 hours per week on private practice or other non-NHS work, such as medico-legal reports. ⁵
Ratio of direct to indirect time on/in: patient-related activity operating theatre	1:0.35 1:2.17	Assuming 68 per cent of consultant time spent on patient-related activity and 29 per cent in theatre. ⁶ Time spent teaching has been disregarded, and non-contact time has been treated as an overhead on time spent in patient contact.
London multiplier	1.14 x (A to E); 1.51 x F	Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£69 (£86) per hour; £219 (£272) per hour operating; £93 (£116) per patient-related hour (includes A to F).		

1 NHS Executive (2003) *Advance letter (MD) 1/2003*.

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 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 British Medical Association (2002) Consultants survey, *Health Service Journal*, February 2002.

6 Audit Commission (1996) *The Doctors' Tale Continued*, HMSO, London.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

14.6 Consultant: psychiatric

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£71,193 per year	Average salary for a consultant psychiatrist based on the April 2003 scale midpoint including £8,505 corresponding to the third discretionary point. ¹ The sum also includes £438 to reflect the national level of distinction award payments. It does not reflect payments for London allowances.
B. Salary oncosts	£10,374 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£25,659 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer, two years as a senior house officer and four years as a specialist registrar have been annuitised over the expected working life of the consultant. ² See 7.5 for further details on training for health professionals.
D. Overheads	£27,833 per year	Comprises £6,119 for indirect overheads and £21,634 for secretarial staff costs.
E. Ongoing training	£1,507 per year	Ongoing training is calculated 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. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£3,798 per year	Based on the new build and land requirements of NHS facilities. ^{3/4} 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. At 6 per cent, the cost would be £5,860.
Working time	41 weeks per annum 48.2 hours per week	Includes 30 days annual leave and 10 statutory leave days. Assumes 10 study/training days, and 5 days sickness leave. Research carried out in 2000/2001 involving 300 consultants showed that they worked an average of 51.5 hours a week in the NHS. They spent an average 3.3 hours per week on private practice or other non-NHS work, such as medico-legal reports. ⁵
Ratio of direct to indirect time on: face-to-face contacts patient-related activity	1:2.17 1:0.37	Assuming 29 per cent of consultant time spent in face-to-face contact and 67 per cent on patient-related activity. ⁶ Time spent teaching has been disregarded, and non-contact time has been treated as an overhead on time spent in patient contact.
London multiplier	1.14 x (A to E) 1.51 x F	Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£69 (£86) per hour; £95 (£118) per patient-related hour; £219 (£272) per hour patient contact (includes A to F).		

1 NHS Executive (2003) *Advance letter (MD) 1/2003*.

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 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 British Medical Association (2002) Consultants survey, *Health Service Journal*, February 2002.

6 Watson, J.P. (1985) Psychiatric manpower and the work of the consultant, *Bulletin of the Royal College of Psychiatrists*, Vol. 9, September.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

V. MISCELLANEOUS

Inflation indices

Glossary

References

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Inflation indices

Year	BCIS/ABI ¹		Gross Domestic Product Deflator ²		Retail Price ³	
	Rebuilding Cost Index (1988=100)	% increase	Market Prices Index	% increase	Index (1986/87= 100)	% increase
1993	115.3	-1.4	102.5	2.5	140.5	3.0
1994	118.7	2.9	104.0	1.5	143.8	2.3
1995	126.0	6.1	107.0	2.9	147.9	2.9
1996	129.2	2.5	110.8	3.5	152.3	3.0
1997	134.6	4.2	113.6	2.5	156.5	2.8
1998	143.3	6.5	116.9	2.9	160.6	2.6
1999	148.9	3.9	119.4	2.2	164.3	2.3
2000	154.6	3.8	121.0	1.3	168.1	2.1
2001	165.7	7.2	124.1	2.6	172.1	2.4
2002	176.6	6.6	128.3	3.4	177.6	3.2
2003	183.8	4.1	132.0	2.8	182.6	2.8

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 pay awards. 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.

Personal Social Services (PSS) pay and prices indices are based on information supplied by the Department of Health using New Earnings Survey data. A three-year average of the Pay variable real terms increases is used to obtain a trend estimate of the annual growth which is then applied to the Pay index in real terms to obtain its estimated value for 2003/2004.

Year	Hospital & Community Health Services (HCHS)				Personal Social Services (PSS)			
	Pay and Prices Index (1987/8=100)	Annual percentage increases			Pay and Prices Index (1992/3=100)	Annual percentage increases		
		Pay and Prices	Pay ⁴	Prices ⁵		Pay and Prices	Pay ⁶	Prices ⁷
1994/95	159.6	2.6	3.4	0.9	103.5	0.0	-0.6	1.5
1995/96	166.0	4.0	4.4	3.2	106.8	3.2	3.3	2.9
1996/97	170.6	2.8	3.3	1.5	111.4	4.4	4.8	3.5
1997/98	173.5	1.7	2.5	0.4	116.1	4.1	4.8	2.5
1998/99	180.4	4.0	4.9	2.5	121.6	4.8	5.6	2.9
1999/00	188.5	4.5	6.9	1.2	125.6	3.3	3.8	2.2
2000/01	196.4	4.2	7.1	-0.3	131.2	4.4	5.7	1.3
2001/02	201.1	2.4	4.0	0.1	137.0	4.4	5.2	2.6
2002/03	206.5	2.7	3.6	1.3	143.4	4.7	5.2	3.4
2003/04 (E)	212.5	2.9	3.2	2.5	151.0	5.3	6.4	2.8

1 Building Cost Information Service (2004) Indices and Forecasts, BCIS, Royal Institution of Chartered Surveyors, London.

2 Prices obtained from HMT GDP Deflator as updated 30/03/04.

3 Source www.statistics.gov.uk/statbase.

4 Estimated figures provided by PSSRU, based on NHS pay awards.

5 Provided by the Department of Health

6 Prices obtained from relevant years of the New Earnings Survey — ONS

7 Prices obtained from HMT GDP Deflator as updated 30/03/04

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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