

FSG COST OF CARE MODEL

Appendix 1

REPRESENTATIVE 23 BED RESIDENTIAL HOME

Annual Financial Data for year ending : April 2014	Care Home Providers Submission					Trafford Revisions	Notes	
	Number of Beds		Total	Cost per bed week				
	Per Financial statements	Adj						
Occupancy percentage					88%	92%	95%	Higher occupancy assumption not unrealistic give demand for beds in borough
Direct Costs								
Wages	£268,502							
Food	£27,093							
Effective wages to reflect owner role / contribution		£33,500	£329,095		£311.83	£298.27	288.85	
Indirect costs (cash only)								
Utilities (gas, water, electricity & council tax)	£21,765							
Telephones, stationery, postage and advertising	£1,909							
Legal, professional & accountancy fees	£6,455							
Repairs, maintenance and renewals	£27,272							
CQC registration and insurance	£6,243							
Miscellaneous expenses	£954							
Bank charges	£2,248							
Household expenses (medical supplies, uniforms, staff training, motoring clinical waste, equipment hire purchase, entertainment etc..)	£3,701							
			£70,547		£66.85	£63.94	61.92	
Total Direct and Indirect costs			£399,642		£378.68	£362.21	£350.77	
Capital Costs								
Current estimated	£1,000,000				£100.06	£100.06	£66.71	Interest rates are currently at an all time low and projected to continue so for the immediate future therefore a rate of 8% is considered more appropriate.
Estimated value per bed	£43,478							
Required return	12%							
Total costs					£478.74	£462.27	417.48	
Inflation adjustment		3%			£14.36	£13.87	4.79	Inflation is currently running at 0.3%. An allowance of 1% has been assumed which covers the part year effect of the minimum wage increase from October 2015.
Proposed Fee					£493.10	£476.14	£422.27	

Current Trafford Rate - Band B

£402.71