Report on Second Priory House Business Plan and Associated Issues

This report has been prepared by Philip Mickelborough of LaingBuisson for Southend-on-Sea Borough Council

12 November 2013

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Declared fee

We are aware that the Council's declared fee for high dependency residents is £434 but we have used £430 in our calculations to be consistent with the figures presented in the revised plan.

Summary

Viability

The revised plan is not viable for the following main reasons.

a) It is based on weekly self-funding fees that do not reflect market rates. Average local fees are £575 whereas the revised plan envisages £800. As Priory House lacks en-suite facilities it may not be possible to achieve even average local fees.

b) It is based on weekly NHS step-down fees that do not reflect market rates. The revised plan is based on £952 per week, whereas the NHS is likely to pay less than £500 for this type of care.

c) The effect of the two above points gives the shortfall in revenue below:
- 2014/15 - £170,165
- 2015/16 - £298,210
- 2016/17 - £361,390.

d) The physical structure of Priory House, in particular its lack of en-suite rooms, makes it unlikely that it could attract the self-funders that are critical to the revised plan, even at fees that are below average for the area.

e) The revised plan envisages reductions in costs that we do not believe would be achieved in the time available, if they could be achieved in a small public sector organisation at all.

f) The revised plan envisages a cumulative surplus of £75,000 after three years. Using the market fees in the calculation leads to a cumulative loss of over £750,000 after three years, even after assuming the required number of self-funders are attracted and the cost reductions achieved. The annual losses are:
- 2014/15 - (£288,006)
- 2015/16 - (£247,958)
- 2016/17 - (£218,510).

Desirability

Even if the revised plan had a chance of success, there are reasons why the Council might not wish to implement it.

g) The revised plan envisages a care home primarily for self-funders, a financially secure group for whom the Council carries no financial responsibility. There is therefore no reason why Members' and Officers' time spent, or the Council's money should be put at risk, on that group.

h) Many care associations have taken councils to the High Court over the fees they pay care homes; Southend's position in any action would be seriously weakened if it were seen to be charging residents almost twice what it pays for care home places.

i) If the Council offered places in Priory House at £800 it might have the effect of pushing up prices in other care homes and so the Council could have to pay more for the beds it purchases from the independent sector.

j) The Council would be attempting to fight the independent sector at its own game, a challenge that would be near to impossible given the democratic accountabilities and constraints under which public authorities operate, the need to transfer staff under Tupe and the lack of economies of scale.

k) The use of local authority trading companies (LATCs) has the potential to be an effective way for local authorities to provide services, but doing so does not fundamentally change the underlying economics. The proposed business model, whether operated by a new LATC or an existing one such as the Council’s ALMO, would remain non-viable for reasons including the difficulty in reducing costs and near-impossibility of achieving the projected income in the local market with a building with Priory House's limited facilities.

l) The Council would be unwise to "*Give it a try and see whether we can make a go of it*". If the LATC failed, or in our considered view when it failed, the Council would be responsible for the LATC's operating debts and its capital debts (as Council guarantees for the LATC's borrowing would be needed). The Council would have damaged its reputation for financial management as well as for its concern for older people.

m) Very importantly, Priory House's residents would be unsettled a second time on the LATC's failure. Whatever reassurance and comfort could be offered on their transfer to the LATC would carry no credibility on a second transfer following it's winding up.

Report on Second Priory House Business Plan and Associated Issues for Southend-on-Sea Borough Council

1. Background and objectives of this report

1.1 Background

Southend-on-Sea Borough Council owns and operates two care homes for frail older people and people with dementia, Priory House and Delaware. Council officers have prepared and put out to consultation proposals for the future of these two homes. These include a recommendation to close Priory House.

Councillor Woodley prepared an alternative business plan for Priory House for consideration by the Council; this is referred to as the 'initial plan' in this commentary. Council officers asked LaingBuisson to review this plan before presentation to the Council; our first report was issued on the 14th October.

At the People Scrutiny on 22 October 2013 where the draft report was presented for pre Cabinet scrutiny, Councillor Woodley tabled a revised business plan and commented on our first report; this second report addresses the revised business plan and those comments. The revised business plan not only changes some aspects but also provides further information. The passage of time has allowed us to gather further information to enhance our report. This is our amended report taking into account the second business plan and its accompanying documents.

1.2 Supporting documents

In preparing this second report we have relied primarily on the following:

- <Priory Delaware House - Business Plan.xlsx>
- <Priory Business plan appendix 1.xlsx> an Excel workbook with sheets labelled 'Priory – Financial Analysis', 'Redundancy Costs', 'App 3-Redundancy Costs' and 'App 4 Capital Programme'
- <Briefing Paper Priory House Version appendix 8.docx> entitled 'Financial Plan Briefing Paper/Assumptions'.

We have also had regard to:

- <Busininess plan 2.doc>
- <Appendix 7 - Professional Services Draft.doc>
- <Appendix 6.pdf>
- <Appendix 5.pdf>
- <PRIORY HOUSE condition report V 3 and final.doc>
- <Priory House day Centre FF.pdf>
- <Priory House & Day Centre Ground Floor (1).pdf>.

We have undertaken a survey of care homes locally to determine their fees. We also contacted the Clinical Commissioning Group and acquired information from the acute Trust to find out the fees they pay for step-down beds.

1.3 The plan

The revised plan envisages setting up a local authority trading company (LATC) for professional care services for older people to be known as Southend-on-Sea Professional Elderly Care Services (SPECS). This would eventually operate Priory House and Delaware, although the plan deals only with Priory House.

The other key aspects of the revised plan are:

- Priory House will increase from 28 to 30 beds (the initial plan proposed 32 beds). The plan states that the two extra bedrooms will be created by using already available rooms, but is no more specific
- day care will be provided using the existing care home management but this service will not be provided in the main care home as was proposed in the initial plan
- over three years the current Council-supported residents will be replaced by a mixture of self-funders, NHS step-down and Council-supported residents
- most staff will TUPE across to SPECS; there will be minor job losses with redundancy costs that are much less than the Council-proposed ones
- only urgent and essential repairs and refurbishments will be undertaken during the first few years
- there will be less contract monitoring.

The revised plan has added as a benefit '*once established to move all adult care within the council control under the trading company umbrella*'.

2. Income projections

2.1 Demand

The plan assumes that the demand for care home places will increase over the next two years, in line with an increase in the population at or over age 65. While we have not undertaken one of our Age–Standardised Demand analyses, which would usually look 10-20 years ahead and projects demand by age band, we think that this is likely to be correct. We say this with the proviso that some of this demand will be met by alternatives to care home placements, such as extra care housing and intensive homecare, in line with central and local government aims.

The plan notes that the generations of care home residents over the next few years will have sufficient private resources to fund themselves in care homes. In the East of England region 50 per cent of residents self-fund; the percentage in Southend is likely to be not far from this and we agree with the plan that this is likely to continue to be the case over the next few years.

2.2 Care home survey

We surveyed by telephone 20 care only homes within one mile of Priory House and another 24 within three miles. A list of these is given in Table 5. These had an average of 23 beds within one mile and 25 beds within three miles with a range from ten to 77 beds. The average occupancy within one mile was 91 per cent and within three miles 93 per cent. We obtained answers to the availability of en-suites and only three of the 42 reported none, but some have a washbasin and WC only.

We obtained care only fees from 44 homes. Within one mile these ranged from £435 to £850 per week, with an average fee of £575, and within three miles these ranged from £400 to £850 per week, with an average fee of £574 per week.

Table 1 Self-funding fees

	I mile	3 miles
Mean	£575	£574
Median	£576	£575
Minimum	£435	£400
Maximum	£850	£850

The median is the middle fee if all are lined up in ascending or descending order

2.3 Care home income

Care home income projections

The revised business plan gives forecast revenues of £976,529, £1,153,714 and £1,257,610 for 2014/15, 2015/16 and 2016/17 respectively. There was a ten per cent contingency allowance in the initial plan, which appears to have been allocated to funding the reduced occupancy, but this leaves nothing available for unexpected and unplanned contingencies.

We do not believe these income forecasts are achievable for the reasons set out below. In summary, we think the planned revenue is unlikely to be achieved because of unrealistic assumptions for fee rates and strong doubts over Priory House's ability to attract sufficient self-funding and NHS residents.

Proposed care home fees

The revised plan envisages a resident mix within three years of two Council-supported residents, six NHS-funded step-down ones and 22 self-funders, paying £430, £952 and £800 per week respectively. The revised plan postulates that the mixture of NHS and self-funded residents could vary, so long as the revenue was the same. As the proposed fees are different the revenue could not be the same, however, with a different mix.

Self-funding fees

Our survey showed that the mean fee for self-funders in care only homes within one mile is £575 per week and within three miles £574, markedly less than the £800 planned for two years hence. While we accept that fees in some parts of Southend Borough may be higher, such as if there were a modern nursing home with a sea view on the Front, Priory House is not in such a location and it is unrealistic to assume that Priory House can compete with homes with the best facilities and in the best locations. In our view this proposed fee for self-funders could not be achieved.

NHS step-down and step-up fees

Step-down beds are a way of enabling people to leave hospital early or to avoid going into hospital (step up) by moving to and being specially cared for in a care home bed. They should not be confused with services provided under NHS Continuing Healthcare.

Most of the step-down beds purchased by the NHS are in nursing homes, for which they pay up to £600; the few in care only homes are usually part-funded by the NHS to £250 and the balance by Adult Social Services, with the combined funding ranging from £420 to £560 per week.

The plan is based on a figure of £952, which the author attributes to the Director of Public Health. We enquired about this figure, and it appears that this could reflect the total cost to the NHS of keeping someone in a step-down bed, including the cost of primary care (including GP services), physiotherapy, occupational therapy and other community and outreach services. Alternatively the plan may be using an average fee for NHS Continuing Healthcare.

Care home occupancy

The revised plan appears to allow for revenue ten per cent below maximum, implying 90 per cent occupancy. Private and voluntary sector care only homes within one mile of Priory House are operating at 91 per cent occupancy, and within three miles 93 per cent, so the plan reflects market conditions in this respect.

Self-funding residents are the target of all care homes; throughout the country self-funding residents subsidise local authority-funded ones. For reasons that will be explained below we have serious doubts whether Priory House will be able to attract them against the competition.

The numbers of each type of resident in 2016/17 is specified in the revised plan and for the two earlier years they have been calculated from the revenues in the revised plan and are shown in Table 2.

Residents' expectations

Self-funders generally, and increasingly, expect en-suite WC, washbasin and bath or shower. Within one mile all the homes we asked had en-suite rooms, although this was sometimes only a WC and basin. New purpose-built care homes have all three in every room and in the East of England 78 per cent of homes have them. We understand that none of Priory House's rooms have these en-suites, so we expect it would be a struggle to attract significant numbers of self-funders. We accept that some of the competition may not have them either, but the pattern in the country is for small homes to close (the average size of a residential home that deregistered in 2012 was 20 beds) and be replaced with fewer new larger purpose-built homes that have en-suite facilities.

We have now reviewed the room sizes in Priory House, and they are a mixture of inadequate, adequate and generous when it comes to meeting the room size expectations of self-funders. If we quote from Laing & Buisson's Care of Elderly People Market Survey 2012/13 "*Most new care homes now being developed primarily for a private pay clientele are 'future proofed' with much more generous room space of 14, 16 or even over 20 m2 excluding en-suite facilities.*" Some care homes are attracting self-funders with *'care suites'*; a bedroom and sitting room with full en-suite enabling people to entertain family and friends in comfort and privacy.

The NHS frequently does pay better than adult social services for care home places, but the reasons for this include the need for spacious rooms to allow access on both sides and the placement of equipment, the higher staffing costs of looking after NHS patients and the shorter lengths of stay that lead to longer void periods. Again they are attractive to care homes and there can be strong competition for NHS residents, so even if Priory House was able to win NHS contracts the plan appears not to allow for these extra costs.

2.4 Day care

Viability of day care at Priory House

The initial business plan assumed that day care could be provided in the care home. This raised certain questions not addressed in that plan but which no longer apply as the revised business plan returns day care to the day centre.

It is not certain that the Council will wish to purchase day care there. The Council is providing day care at the annex to Priory House because it owns and operates the building, but if it did not would Priory House be the most economic and convenient place to purchase day care for 12 people?

Day care income

The Council pays £45 per day for day care, so delivering day care to 12 people for 52 weeks of five days would produce the plan's estimate of

£140,400. The plan assumes that the day centre would operate at 90 per cent occupancy when it is operated by a LATC.

Day centre management

The business plan envisages four job losses resulting from combining the management structures of Priory House and Priory Daycare Centre. This makes the undemonstrated assumption that there is sufficient spare management capacity in the care home to manage the day centre as well.

Table 2 Comparison of plan and market fees

	Number			Revised plan at plan fees				Revised plan at market fees			
	14/15	15/16	16/17	Fee	2014/15	2015/16	2016/17	Fee	2014/15	2015/16	2016/17
Council funded @ 100% OR	17	8	2	£430	£380,120	£178,880	£44,720	£430	£380,120	£178,880	£44,720
NHS funded @ 100% OR	3	6	6	£952	£148,512	£297,024	£297,024	£490	£76,440	£152,880	£152,880
Self funded @ 100% OR	10	16	22	£800	£416,000	£665,600	£915,200	£575	£299,000	£478,400	£657,800
Day centre @ 100% OR	12	12	12	£225	£140,400	£140,400	£140,400	£225	£140,400	£140,400	£140,400
Total revenue @ 100% OR					£1,085,032	£1,281,904	£1,397,344		£895,960	£950,560	£995,800
Total revenue @ 90% OR					£976,529	£1,153,714	£1,257,610		£806,364	£855,504	£896,220

2.5 Effect of market fees

As we have said above, we do not think the Priory House will succeed in attracting self-funding residents, but nevertheless putting in the figure of £575 for self-funders and a mid-range price of £490 for NHS step-down beds gives the income and annual losses shown in Table 3. This indicates that the first-year loss will be just under £290,000 and the third-year loss will be just under £220,000, even if the cost savings were to be achieved. The cumulative loss by the end of 2016/17 will be over £750,000. More details are given in Table 4.

Table 3 Effect of using market fees

	2014/15	2015/16	2016/17
Market fees	£806,364	£855,504	£896,220
Costs	£1,094,370	£1,103,462	£1,114,730
Annual profit/(loss)	(£288,006)	(£247,958)	(£218,510)

3. Staffing

3.1 Staffing levels

The plan envisages redundancy for 3.5 staff; we assume this means that four members of staff will be made redundant, of which one is part-time. We recognise the reasons why the plan does not go into sensitive details about the jobs that will be lost, but the assumptions behind these redundancies do need to be tested.

The normal occupancy of Priory House is 28 supported residents, and under the revised plan the home will run at 90 per cent occupancy of 30 beds; the plan projects a minimal change in resident numbers and so staffing levels are not projected to change.

3.2 Staff costs

Agency staff costs

The plan envisages eliminating the use of agency staff. This is good for three main reasons: better continuity of care, the increased safety that comes with staff who are familiar with the home and the cost saving that results.

This should be achievable if the right steps are taken; many if not the bulk of care homes operate with minimal if any agency staff. On the other hand all care homes would like to operate without agency staff and a significant number fail to do so despite taking all the steps they can think of.

We understand that the present high level of agency staff usage is in part due to potential recruits' uncertainty over the future of the care home and the Council's wish not to increase redundancy costs. We cannot therefore pass an opinion as to whether the plan's intention to eliminate agency staff usage would be achieved.

In comparing the 2012/13 actual staffing costs with the plan's 2014/15 estimates we have allowed for half the agency staff costs to be counted as staff; as agency fees are approximately double staff wages.

General care and other staff

The plan has used current staffing levels increased for inflation and allowing for redundancies. We have not studied the current staffing levels and so will not address this figure.

4. Other revenue costs

The normal occupancy of Priory House is 28 supported residents, and under the revised plan the home will run at 90 per cent occupancy of 30 beds; the plan projects a minimal change in resident numbers and so changes in costs are not related to resident numbers.

4.1 'Miscellaneous costs'

We have used the current inflation rate of 2.7 per cent to project 2012/13 actual costs to 2014/15 prices so that we can compare them.

Achievability

The plan allows for a reduction in the non-staff costs (including PII but not recharges) of 17 per cent from the 2014/15 projection of the 2012/13 actuals. There is no doubt that purchasing often can be made more economically, and that a LATC might do its best to address this.

To put this cost-cutting into perspective, the 2010 spending review estimated that there would be a 14 per cent real-terms reduction in local authority income between 2010/11 and 2014/15. Local authorities are struggling to achieve this over four years where they have the option of cutting services. It is unreasonably optimistic, therefore, to assume that a LATC will achieve a greater saving in one year during which it is being established and where few purchases could be eliminated.

Major savings

The reduction in expenditure on repairs and maintenance will be considered later.

The plan proposes a 38 per cent reduction in expenditure on *'Sundries and Transport'*. It is possible that there is that much unnecessary purchasing of these items, but we think that this saving is unlikely.

The plan proposes a 79 per cent reduction in expenditure on '*Photocopier/printing'*. The revised plan states that this will be achieved by combining the two offices and removing one printer/photocopier. The increasing use of the internet will lead to a reduction in these costs, but unless the current day centre is particularly profligate in its use of these 79 per cent appears optimistic. We are assuming that the author of the plan has confirmed that there is no long-term photocopier contract that could prevent this.

We would express similar opinions on the 50 per cent reduction in telephone and associated costs.

4.2 Recharges

The plan proposes to replace '*Support Service Recharge'* and '*Departmental Support Charge'* totalling £142,925 at 2014/15 prices with a '*Departmental Support Charge'* of £18,750. While we are not familiar with the internal charging processes within the Council, we assume these are charges for services provided to the home by the adult services and other Council departments. It would be reasonable therefore that these should not be paid by a LATC that does not take these services, and the reduction appears reasonable.

Many of these services will still have to be provided, however, and the plan appears not to allow fully for the staff and facilities that will be needed to manage the new organisation. The revised plan specifies that the £18,750 covers only accountancy and auditing. Other necessary costs will include legal services, purchasing, premises, IT expertise and human resources. We do not agree with the revised plan's statement that these can be *'covered by existing staff through training and support'*.

Furthermore the new body will need a board of directors with secretarial support.

The plan proposes a 23 per cent reduction in *'Depreciation/building rent'* charges, replacing depreciation with a rental payment. This appears reasonable to us.

5. Capital programme

5.1 Two new bedrooms

The revised plan states that the two new bedrooms will come from converting rooms that are already available. Without knowing which rooms they are, and what they are currently used for, we cannot comment on the viability of this aspect.

5.2 Planned capital expenditure

The Council believes that £1.09 million must be spent on the building over the next ten years; 21 per cent within three years, 58 per cent between three and five years and the 21 per cent after five years. The plan suggests that the Council's view of the state of the building is unduly pessimistic and the home requires only £803,000 over the next ten years; 21 per cent within three years, 30 per cent between three and five years and the 49 per cent after five years.

We are not in a position to judge which view is correct but we should point out the following:

- emergency repairs or replacement of equipment is usually more expensive than planned work or replacement; predicting the life expectancy of lifts and boilers is not an exact science but more a matter of probability
- the building has a limited life as a care home however well-maintained because of the shortage of en-suite rooms, people's increasing expectations for bedroom sizes and the poor economics of operating a care home of 28-30 beds. A replacement roof and new equipment would not be used for its planned life and so the annual depreciation would be much higher than if the home were to continue indefinitely
- self-funding potential residents and their relations are likely to expect more of the physical environment than Council-supported ones, and the requirement to undertake repairs and decoration would be higher.

6. Response to LaingBuisson's first report

The briefing paper (Appendix 8) associated with the second plan included some questions regarding some statements in our report. We address these below.

Summary

We have now had time to learn the room sizes but this has not changed our overall view on the attractiveness of Priory House.

The proposed fees are top of the range for the local area, and more widely we believe the proposed fees are high for the limited facilities on offer. We believe the author may have mistakenly used nursing fees in his estimates of Southend care home fees.

We now understand that the contingency allowance was for 90 per cent occupancy.

We understand the changes to day centre provision envisaged in the revised plan.

We retain our view that the non-staff cost reductions are unrealistic in the time available.

We have identified no references to or cost-analyses for the Governance of the LATC in the plan.

We accept that major essential works will be undertaken, but we consider it unrealistic to try to attract self-funders when other works are outstanding.

Page 2

As we state above, we think these may be the total costs of a step-down bed and not the fees paid to the care home.

Page 3

We refer to our comment under *Summary* above.

There may be a care home in Southend charging £1,200 per week but we are certain that its services and facilities are not comparable with Priory House.

Page 4

The revised plan clarifies this point, and we have adjusted our projections of the annual loss correspondingly.

In our experience care quality and facilities are both important.

We have acquired further information and have addressed the issue of room sizes under *Residents' expectations*.

Page 5

The revised plan indicates that the job losses will be in non-care areas and we have adjusted our projections of the annual loss correspondingly.

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We have used slightly different figures to project inflation but this does not materially affect the calculations.

Our reduction of 17 per cent comes from £172,154 inflated twice by 2.7 per cent and then compared with £151,193 using the formula (172154*1.027*1.027-151193)/(172154*1.027*1.027). We have been unable to reproduce the revised plan's claim of eight per cent and have no idea where it came from.

A similar calculation applies to the 38 per cent reduction in Sundries and Transport.

We address the office and photocopier costs under *Major savings* above.

We address the services other than accountancy and auditing under *Recharges* above.

We recognise that the revised plan no longer requires the conversion of the day centre.

7. Conclusions

Viability

The revised plan is not viable for the following main reasons.

a) It is based on weekly self-funding fees that do not reflect market rates. Average local fees are £575 whereas the revised plan envisages £800. As Priory House lacks en-suite facilities it may not be possible to achieve even average local fees.

b) It is based on weekly NHS step-down fees that do not reflect market rates. The revised plan is based on £952 per week, whereas the NHS is likely to pay less than £500 for this type of care.

c) The effect of the two above points gives the shortfall in revenue below.

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Market rates	£806,364	£855,504	£896,220
(Shortfall)	(£170,165)	(£298,210)	(£361,390)

d) The physical structure of Priory House, in particular its lack of en-suite rooms, makes it unlikely that it could attract the self-funders that are critical to the revised plan, even at fees that are below average for the area.

e) The revised plan envisages reductions in costs that we do not believe would be achieved in the time available, if they could be achieved in a small public sector organisation at all.

f) The revised plan envisages a cumulative surplus of £75,000 after three years. Using the market fees in the calculation leads to a cumulative loss of over £750,000 after three years, even after assuming sufficient self-funders are attracted and the cost reductions achieved.

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Desirability

Even if the revised plan had a chance of success, there are reasons why the Council might not wish to implement it.

g) The revised plan envisages a care home primarily for self-funders, a group for whom the Council bears no financial responsibility. There is therefore no reason why Members' and Officers' time should be spent, or the Council's money should be put at risk, on that group.

h) Many care associations have taken councils to the High Court over the fees they pay care homes; the Council's position in any similar action would be seriously weakened if it were seen to be charging residents almost twice what it pays for care home places.

i) If the Council offered places in Priory House at £800 it might have the effect of pushing up prices in other care homes and so the Council could have to pay more for the beds it purchases from the independent sector.

j) The Council would be attempting to fight the independent sector at its own game, a challenge that would be near to impossible given the democratic accountabilities and constraints under which public authorities operate, the need to transfer staff under Tupe and the lack of economies of scale.

k) The use of local authority trading companies (LATCs) has the potential to be an effective way for local authorities to provide services, but doing so does not fundamentally change the underlying economics. The proposed business model, whether operated in-house or by an LATC, would remain non-viable for reasons including the difficulty in reducing costs and near-impossibility of achieving the projected income in the local market with a building with Priory House's limited facilities.

l) The Council would be unwise to "*Give it a try and see whether we can make a go of it*". If the LATC failed, or in our considered view when it failed, the Council would be responsible for the LATC's operating debts and its capital debts (as Council guarantees for the LATC's borrowing would be needed). The Council would have damaged its reputation for financial management as well as for its concern for older people.

m) Very importantly, Priory House's residents would be unsettled a second time on the LATC's failure. Whatever reassurance and comfort could be offered on their transfer to the LATC would carry no credibility on a second transfer following it's winding up.

Further revisions

There may be a temptation to revise the second business plan in order to take account of the points we have raised in this report. We consider the plan to be so fundamentally flawed that doing so could not produce a viable third or subsequent business plan, and we therefore advise against any attempt to do so.

8. Appendices

Table 4 Costs and Revenues 2012/13 and 2014/15-2016/17

	Actuals	Revised plan at plan fees			Revised plan at market fees		
	2012/13	2014/15 Plan	2015/16 Plan	2016/17 Plan	2014/15 Plan	2015/16 Plan	2016/17 Plan
Salaries	753,496	703,058	710,089	717,189	703,058	710,089	717,189
Vacancy Allowance							
Overtime/cover pay	11,861	9,072	9,253	9,346	9,072	9,253	9,346
Statutory sick pay/protected pay	4,297	4,383	4,427	4,471	4,383	4,427	4,471
Allowances	321	0	0	0	0	0	0
National Insurance	53,364	48,513	48,998	49,488	48,513	48,998	49,488
Salaries superannuation	96,759	94,766	95,713	96,671	94,766	95,713	96,671
Agency staff	69,829	0	0	0	0	0	0
Total Staffing Costs	**989,927**	**859,792**	**868,480**	**877,165**	**859,792**	**868,480**	**877,165**
Professional Indemnity Insurance	1,662	1,662	1,662	1,662	1,662	1,662	1,662
Recruitment	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Associated Staff Costs	**3,012**	**3,012**	**3,012**	**3,012**	**3,012**	**3,012**	**3,012**
Repairs & maintenance contracts	28,807	25,000	25,000	25,000	25,000	25,000	25,000
Energy cost (gas & electricity)	18,917	20,856	18,750	18,750	20,856	18,750	18,750
Water services & rates	4,370	4,820	5,060	5,312	4,820	5,060	5,312
Sundries /Transport	37,360	24,394	24,994	25,618	24,394	24,994	25,618
insurance premises/Premises provision	2,755	2,895	2,967	3,042	2,895	2,967	3,042
Tools/Equipment/Furniture	13,676	13,676	13,676	13,676	13,676	13,676	13,676
Cleaning materials	14,184	13,920	14,269	14,626	13,920	14,269	14,626
Catering/food/beverages	43,889	40,771	41,790	42,835	40,771	41,790	42,835
Photocopier/printing costs	2,936	663	670	676	663	670	676
Telephone & associated costs	2,260	1,198	1,228	1,258	1,198	1,228	1,258
Subscriptions	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Miscellaneous Costs	**172,154**	**151,193**	**151,404**	**153,793**	**151,193**	**151,404**	**153,793**

Table 4 continued	Actuals	Revised plan at plan fees			Revised plan at market fees		
	2012/13	2014/15 Plan	2015/16 Plan	2016/17 Plan	2014/15 Plan	2015/16 Plan	2016/17 Plan
Support Service Recharge	75,788	-	-	-	-	-	-
Departmental Support Charge	59,721	18,750	18,938	19,127	18,750	18,938	19,127
Depreciation/Building rent	61,732	50,000	50,000	50,000	50,000	50,000	50,000
Total Support Charges	**197,241**	**68,750**	**68,938**	**69,127**	**68,750**	**68,938**	**69,127**
Capital Revenue Charge	0	13,520	13,520	13,520	13,520	13,520	13,520
Total Expenditure	**1,362,334**	**1,094,370**	**1,103,462**	**1,114,730**	**1,094,370**	**1,103,462**	**1,114,730**
Revenue - Current Value							
Income - Care Home 30 residents	366,459	944,632	1,141,504	1,256,944	755,560	810,160	855,400
Income - Day Centre - 12 clients	13,170	140,400	140,400	140,400	140,400	140,400	140,400
Total income @ 100% occupancy		1,085,032	1,281,904	1,397,344	865,020	906,360	925,080
Total income @ 90% occupancy		**976,529**	**1,153,714**	**1,257,610**	**£895,960**	**£950,560**	**£995,800**
Total Income	**379,629**	**976,529**	**1,153,714**	**1,257,610**	**£806,364**	**£855,504**	**£896,220**
Actual Net Profit / (Loss)	**(982,705)**	**(117,841)**	**50,252**	**142,880**	**(288,006)**	**(247,958)**	**(218,510)**

Table 5 Care homes contacted

Home name	Beds	Client groups	Primary client group	Sector
Braemar Lodge Residential Home	13	Older People (65+),Dementia	Older People (65+)	For-Profit
Bradbury Eventide Home	36	Older People (65+),Dementia	Older People (65+)	Not-For-Profit
Meyrin House	15	Older People (65+),Dementia	Older People (65+)	For-Profit
Cedars Care Centre	46	Dementia,Older People (65+)	Dementia	For-Profit
Crowstone Manor	12	Older People (65+)	Older People (65+)	For-Profit
Fairview House	53	Older People (65+),Dementia	Older People (65+)	For-Profit
Abbeyfield St George's House	26	Older People (65+)	Older People (65+)	Not-For-Profit
Elkington House	25	Dementia,Sensory Impairment,Older People (65+)	Dementia	Not-For-Profit
Milton House	28	Older People (65+)	Older People (65+)	For-Profit
Newbrae Eventide Home	10	Older People (65+),Dementia	Older People (65+)	For-Profit
Nightingale	30	Older People (65+),Dementia	Older People (65+)	For-Profit
Meteor Rest Home	15	Older People (65+),Dementia	Older People (65+)	For-Profit
St Martins	25	Older People (65+),Dementia,Physical Disability,Mental Health,Sensory Impairment	Older People (65+)	Not-For-Profit
Chadwick Lodge Residential Home	15	Older People (65+),Dementia	Older People (65+)	For-Profit
Aarandale Lodge	20	Older People (65+),Dementia	Older People (65+)	For-Profit
Beaufort Lodge	21	Older People (65+),Dementia	Older People (65+)	For-Profit
Astral Lodge Residential Home	14	Older People (65+),Dementia	Older People (65+)	For-Profit
Westerley Westcliff	19	Older People (65+)	Older People (65+)	Not-For-Profit
Ailsa House	18	Older People (65+),Dementia	Older People (65+)	For-Profit
Palmerston House Care Home	22	Older People (65+),Dementia	Older People (65+)	For-Profit
Elgin Rest Home	17	Older People (65+),Dementia	Older People (65+)	For-Profit
Abbottswood Lodge	13	Dementia,Mental Health,Older People (65+)	Dementia	For-Profit
Sandringham	20	Older People (65+),Dementia,Mental Health,Physical Disability,Sensory Impairment,Adults under 65 years	Older People (65+)	Not-For-Profit
Melrose House	34	Older People (65+),Dementia,Physical Disability,Sensory Impairment	Older People (65+)	For-Profit
The Lilacs	17	Older People (65+),Dementia	Older People (65+)	For-Profit
Silversea Lodge Residential Care Home	15	Older People (65+),Dementia,Physical Disability,Sensory Impairment	Older People (65+)	For-Profit
Bliss Residential Care Home	15	Older People (65+),Dementia	Older People (65+)	For-Profit
Crowstone House	54	Older People (65+),Dementia,Physical Disability,Sensory Impairment	Older People (65+)	For-Profit
Catherine Miller House	30	Older People (65+),Dementia	Older People (65+)	For-Profit
Willowdale Lodge	14	Older People (65+),Dementia,Physical Disability,Sensory Impairment,Adults under 65 years	Older People (65+)	For-Profit
Manor Rest Home	19	Older People (65+),Dementia,Mental Health	Older People (65+)	For-Profit
Windermere Rest Home	10	Older People (65+),Dementia	Older People (65+)	For-Profit
Victoria Court	29	Older People (65+),Dementia	Older People (65+)	For-Profit
Brambles Care Home	22	Older People (65+),Dementia	Older People (65+)	For-Profit

Home name	Beds	Client groups	Primary client group	Sector
Adalah	30	Older People (65+),Dementia	Older People (65+)	For-Profit
Brook Care Home	20	Older People (65+),Dementia,Mental Health	Older People (65+)	For-Profit
St Edith's Court	39	Older People (65+),Dementia	Older People (65+)	Not-For-Profit
Grandville Lodge	19	Older People (65+),Dementia	Older People (65+)	For-Profit
Whittingham House	77	Older People (65+),Dementia	Older People (65+)	For-Profit
Kimberley Grace Care Home	17	Older People (65+),Dementia	Older People (65+)	For-Profit
Havengore House	22	Older People (65+),Dementia,Adults under 65 years,Physical Disability	Older People (65+)	For-Profit
Cavell Lodge	36	Older People (65+),Dementia	Older People (65+)	For-Profit
Memory House Care Centre	39	Older People (65+),Dementia	Older People (65+)	For-Profit
Legra Residential Care Home	20	Older People (65+)	Older People (65+)	For-Profit