

## Business Development Plan Proposal

As we are all aware, we are making a huge loss of around £5000 a month. This is not sustainable, and if we continue at this rate CCCV will go out of business in a few months resulting in the staff losing their jobs, the user members losing their care, and the shareholders losing their investments. This proposal addresses the need to change this trajectory by putting our charges on a more sustainable footing.

Following a Homecare Association Formula to determine costs and charge rates of the service we provide, we have established that we would need to charge each person a minimum of £26.64 per hour just to break even.

We added 80p profit to bring it to £27.44. As a non-profit organization we cannot build, progress, improve or develop the service without building a surplus (ie profit) to plough back into it. The 80p is also based off the Homecare association formula. Link below.

<https://www.homecareassociation.org.uk/resource/homecare-association-minimum-price-for-homecare-2022-2023.html>

*On the next page you will find the formula that we have used. Page 3 is our calculation using our Care worker Costs and Gross Margin.*

For information purposes – The below are the rates we receive from:

Direct Payments - £20.94

CHC - £21.22

Below is how many UMS are being charged what:

£20.94 = 4

£21.00 = 1

£24 = 1

£25 = 14

£26 = 2

£28 = 2

*CHC is Continuing Healthcare – an NHS, non means tested funding. Its not easy to meet the criteria for this and we are not currently on the official providers list, however we are currently supporting 2 people on CHC funding. The bonus often found with CHC is longer visits. Below we have 1 block of 6 hours and 3 blocks of 3 hours. Plus more.*

Minimum price for homecare at Scotland's minimum pay rate for careworkers of £10.02 per hour (2022-2023)					Costs		
Careworker costs	Gross pay	Hourly rate for contact time	Scotland careworkers' minimum wage (2022-2023)		£10.02	£12.06	£17.40
		Careworkers' travel time	20.37% of contact time		£2.04		
	NI & pension	Employer's National Insurance	8.80% of gross pay		£1.05	£1.41	
		Pension contribution	3.00% of gross pay		£0.36		
	Other wage related on-costs	Holiday pay	12.55% of gross pay, NI & pension		£1.69	£2.41	
		Training time	1.73% of gross pay, NI & pension		£0.23		
		Sickness pay	3.33% of gross pay, NI & pension		£0.44		
		Notice & suspension pay	0.30% of gross pay, NI & pension		£0.04		
	Travel costs	Mileage reimbursement	£0.35 per mile for 4.33 miles per hour of contact time		£1.52	£1.52	
	Gross margin		Management & supervisors	18.20% of careworker costs		£3.17	
		Staff recruitment	1.50% of careworker costs		£0.26		
		Training and supervision	2.65% of careworker costs		£0.46		
		Statutory registration fees	1.19% of careworker costs		£0.21		
Business costs		Rent, rates and utilities	1.80% of careworker costs		£0.31	£6.24	
		IT & telephony	2.70% of careworker costs		£0.47		
		PPE and consumables	2.00% of careworker costs		£0.35		
		Stationery and postage	0.90% of careworker costs		£0.16		
		Governance costs	3.50% of careworker costs		£0.61		
		Other business overheads	1.40% of careworker costs		£0.25		
Profit	Profit / surplus	3.00% of careworker costs & business costs		£0.71	£0.71		
Total price based on Scotland's minimum pay rate for careworkers of £10.02 per hour (2022-2023)					£24.35	£24.35	£24.35

### Our Formula

Homecare minimum pay rate of £11.20 per hour					
Hour Rate		£11.20	£13.66	£19.23	£26.64
Travel Time		£2.46			
NI		£1.20	£1.61		
Pension		£0.41			
Holiday		£1.92			
Training	2.73%	£0.42			
Sickness		£0.00			
Notice Pay		£0.00	2.34		
Mileage		£1.52	1.52		
Manager		£3.50		£7.41	
Recruitment		£0.29			
T&C		£0.51			
Registration		£0.23			
Rent rates		£0.35			
IT phone		£0.52			
PPE		£0.39			
Stationary		£0.17			
Governance		£0.67			
Other	4.03%	£0.78			
Profit		£0.80			
		£27.44			

We propose that our charge rates change to reflect a standard or complex needs package. This will be based on an individual assessment of each user member.

The 2 rates are described below in more detail:

## £28 and £30

### 2 Service Packages – Standard and Complex

Standard	Charge £28
<b>Standard Care Needs:</b> <ul style="list-style-type: none"><li>• Full Capacity to Mid Lack of Capacity – Assessed though Mental Capacity Assessment – MCA 2005</li><li>• Full Mobility to Difficulty with Mobility</li><li>• Support with Dressing – UM directed - assisting.</li><li>• Washing - UM directed - assisting.</li><li>• Support with Dressing – UM directed - assisting.</li><li>• Support with Meals – preparing/cooking</li><li>• Medications – Prompt, Assisting, Administering</li><li>• Fully Continent</li><li>• General Cleaning</li><li>• Full Cleaning Call</li><li>• Companionship</li><li>• Shopping</li><li>• Appointments</li><li>• Family mainly responsible for healthcare needs</li></ul>	

Complex	Charge £30
<b>Complex Care Needs:</b> <ul style="list-style-type: none"><li>• Mid Lack of Capacity to No Capacity– Assessed though Mental Capacity Assessment – MCA 2005</li><li>• Complex Health Care Needs of any kind – Life Changing Conditions – Long term Health Issues</li><li>• Limited to No Mobility – Moving and Handling support by CCCV Team</li><li>• Full support with Dressing – Care Team Led.</li><li>• Full support with Washing - Care Team Led.</li><li>• Full support with Dressing – Care Team Led.</li></ul>	

- Full support with Meals – preparing/cooking, including feeding
- Medications – Prompt, Assisting, Administering – Care Team Led
- Prescriptions – Ordering, re-ordering, collecting
- Incontinent – Pad changes, monitoring bowel movements and urine output, catheters
- End of Life support – Palliative Care
- General Cleaning
- Full Cleaning Call
- Companionship
- Shopping
- Appointments
- CCCV mainly responsible for healthcare needs including making appointments, liaising with healthcare professionals including social workers, attending appointments, advocacy service and positive outcomes focus.
- Key worker for 6 to 12 weeks

### **Considerations:**

Our main target market will be self-funders, although we could decide that our 'customer base' should include a small percentage of direct payment and CHC user members

An individual training budget is needed to enhance skills – further than the training included in the careworker costs already stated in the formula

There will be inevitably be a transition period until we are providing care just to self funders – this will be temporary until we can feasible afford to have DP funders unless they can top up to min £28.

All New Ums since Jan 1<sup>st</sup> will be asked to increase their rates by 1<sup>st</sup> April to £28

Marketing angle is the value we provide through our quality of care. Pushing on positive outcomes, dignity until the end, transformations, new found freedom for full time carers of loved ones. Marketing budget for this will be around £1200 for new leaflets, posters and a semi-professional video and photos for social media including social media adverts / boosting posts. Poss vouchers for family members who participate.

**To summarize**

Propose the new charge rates

Request of £1200 marketing budget

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