

### Resources and value for money

The Executive Board report (para 9.10) identified potential net savings of £875,000 across all of the identified homes. A more significant figure would be the estimated cost of improving the homes to the standard set out by the Care Quality Commission in 2000, which would amount to £9.58 million. This is in the context of the Comprehensive Spending Review of 2010, which left the Council facing a £145 million pressure on its budget over the last two financial years, with a further £55 million having to be found in the current financial year.

A more detailed financial breakdown, as you request, is as follows:

#### *Savings from the Proposed Closure of Primrose Hill – Current Position*

The actual savings from a potential closure of Primrose Hill cannot be known at this stage as they will depend on the number of people resident at the time of closure, were that to be agreed, and the price paid for places in the homes to which people may transfer. However, the £149,830 savings included as part of the Executive Board report figures can be updated based on the current position.

Updating the figures to a 2013/14 price base increases the savings from the closure of Primrose Hill to £179,350. This increase results from inflation increases in staffing costs combined with a reduction in the typical weekly costs to the council of purchasing places in independent sector homes.

There are currently 23 permanent residents in Primrose Hill, an occupancy level of 70% rather than the 95% average used to calculate the Executive Board report figures. Using this current occupancy rate and the typical weekly cost of external homes, the savings from closing Primrose Hill would be £365,630 per year. As the typical weekly charge for alternative accommodation is lower than that for council-run homes there will also be a reduction in residents' contributions for those who fully-fund their own care. Taking account of this would reduce the gross savings from the closure of Primrose Hill from £365,630 to £326,610 per year. The table below shows a mapping of the variables in the calculations in more detail.

	Price Base									
	2012/13	2013/14	2013/14	2013/14	2013/14	2013/14	2013/14	2013/14	2013/14	2013/14
Max no beds	33	33	33	33	33	33	33	33	33	33
Occupancy number	31 35	31 35	23	23	23	23	31	31	31	31
Occupancy percentage	95%	95%	69.7%	69.7%	69.7%	69.7%	93.9%	93.9%	93.9%	93.9%
Employee costs	£745,270	£764,850	£764,850	£764,850	£764,850	£764,850	£764,850	£764,850	£764,850	£764,850
Premises costs	£46,510	£48,290	£48,290	£48,290	£48,290	£48,290	£48,290	£48,290	£48,290	£48,290
Supplies costs	£64,990	£65,070	£65,070	£65,070	£65,070	£65,070	£65,070	£65,070	£65,070	£65,070
Transport	£570	£500	£500	£500	£500	£500	£500	£500	£500	£500
<b>Gross Cost</b>	<b>£857,340</b>	<b>£878,710</b>	<b>£878,710</b>	<b>£878,710</b>	<b>£878,710</b>	<b>£878,710</b>	<b>£878,710</b>	<b>£878,710</b>	<b>£878,710</b>	<b>£878,710</b>
Reprovision price per week	£434	£429	£429	£650	£600	£734.70	£650	£800	£46.10	£46.10
Reprovision cost	£707,510	£699,360	£513,080	£777,400	£956,800	£878,700	£1,047,600	£1,289,600	£878,700	£878,700
Change to residents' contributions			£39,020							
<b>Saving / Cost</b>	<b>£149,830</b>	<b>£179,350</b>	<b>£326,610</b>	<b>£101,310</b>	<b>-£78,090</b>	<b>Breakeven</b>	<b>-£169,090</b>	<b>-£410,890</b>	<b>Breakeven</b>	<b>Breakeven</b>

#### *Savings from the Proposed Closure of Primrose Hill – Future Projections*

The savings from proposed closures are shown gross and do not include any income from resident's contributions that will remain largely unchanged if people move to another home. Using this gross expenditure basis, the current savings from the closure of Primrose Hill set out in the section above to are updated reflect two scenarios, i.e. all residents transferring to a home costing £800 per week (based on Wetherby Manor) or all residents transferring to a home costing £650 per week (based on Ashfield).