**Appendix: Proposed Increase to Domiciliary Care Payment Rates**

The calculation shown below considers the additional cost associated with changes to the National Minimum Wage for those aged under 25, and the Living Wage Supplement for those aged 25 and over. These are then weighted to reflect the proportion of staff aged under and over 25.

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Under 25's** | **Aged 25 +** |
| **Basic wage increase**  (Rising from £6.50 to £6.70 for those aged under 25; rising from £6.50 to £7.20 for those aged 25 and over) |  | £0.20 | £0.70 |
| **NI marginal rate**  (This is based on the marginal NI rate of 13.8% multiplied by 74%, being the proportion of staff working sufficient hours to reach the threshold for paying NI) | 10.2% | £0.02 | £0.07 |
| **Pension rate**  (This is the auto-enrolment contribution rate) | 1% | £0.00 | £0.01 |
| **Proportion of staff in receipt of pension**  (This is based on a drop-out rate of 15%, although noting that not all are eligible) | 85% |
|  |  | **£0.22** | **£0.78** |
| **Annual leave on-cost**  (Based on 28 days holiday) | 12.1% | £0.03 | £0.09 |
| **Travel Time on-cost**  (Based on an average 7 minutes travel time) | 11.7% | £0.03 | £0.09 |
| **Training / Supervision Time on-cost**  (Based on 4 days training and supervision time per year) | 1.7% | £0.00 | £0.01 |
|  |  | **£0.28** | **£0.98** |
|  |  |  |  |
| **Proportion of Staff in each age group**  (Based on data submitted as part of a previous procurement exercise) |  | 13.7% | 86.3% |
|  |  |  |  |
| **Weighted Increase to Hourly Rate** |  | **£0.88** | |