

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive Meeting
Date:	14 February 2017
Subject:	Independent Sector Care Home Fees for 2017/18
Portfolio Holder(s):	Cllr Aled Morris Jones
Head of Service:	Alwyn Rhys Jones – Head of Service
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Local Members:	All members

A –Recommendation/s and reason/s
<p>From 6 April 2016 the framework for financial assessment and charging is now under the Social Services and Well-Being (Wales) Act 2014. The Local Authority is required to review independent sector care home fees annually to coincide with Central Government’s changes to benefit and pension levels.</p> <p>In setting fee levels for independent sector care homes, we need to show that we have fully considered the costs of the provision in determining our standard care fees. This is done in collaboration with the other Authorities in North Wales and the Health Board by utilizing a Regional Fee Methodology.</p> <p>To respond to calls for an updated fee structure and recognising the increasing dependence within care homes a staff survey was completed during 2016/17 to inform this model. Whilst this has shown an increase across all categories of care, the inconsistency of results both across categories and across counties has led to concerns regarding the validity and accuracy of the results.</p> <p>Acknowledging the concerns associated with the staff survey it has been decided that staff hours suggested by Care Forum Wales in its 2011 submission be utilised to shape fees. These are: Residential 21, Residential EMI 23, Nursing 25, Nursing EMI 28.</p> <p>The North Wales Methodology (Appendix 1) has recommended an increase of between 2.84% and 8.98% across the 4 categories of care. The following fees are proposed for 2017/18:</p>

Table 1 - North Wales Methodology Recommendation

Category	2016/17	2017/18	Increase £	Increase %
Residential (Adults)	£483.46	£526.87	£43.41	8.98%
Residential (EMI)	£532.07	£547.33	£15.26	2.86%
Basic Nursing Care (Social Care Element)	£546.27	£567.81	£21.54	3.94%
Nursing (EMI) (Social Care Element)	£573.58	£598.51	£24.93	4.34%

(all based on a Return on Investment of 10%)

The North Wales Adult Service Heads (NWASH) agreed in a meeting on 16/12/16, that the increases noted were consistent with the implementation of the fees model.

We are proposing to use the methodology in full for:

- EMI Residential
- Basic Nursing Care Social Care Element
- Nursing EMI Social Care Element

Implementing the model in full across all sectors was not deemed to be affordable. Having due regard to affordability of the increases, and the strategic direction the council is taking in developing alternatives to residential care, (in the form of Extra Care Housing and care at home), we propose to set the rate for residential care homes based on a lower Return On Investment of 9%.

Estimated annual pressure based on a 10% ROI for Residential Care = £789k

Estimated annual pressure based on a 9% ROI for Residential care = £659k

Estimated annual pressure based on a 8% ROI for residential Care = £529k

Ynys Mon therefore recommend the following rates for approval.

Table 2 – Ynys Mon Proposed Fee's for 2017/18

Category	2016/17	2017/18	Increase £	Increase %	ROI
Residential (Adults)	£483.46	£517.17	£33.71	6.97%	9%
Residential (EMI)	£532.07	£547.33	£15.26	2.86%	10%
Basic Nursing Care (Social Care Element)	£546.27	£567.81	£21.54	3.94%	10%
Nursing (EMI)	£573.58	£598.51	£24.93	4.34%	10%

(Social Care Element)					
<p>It will be necessary for the council to carry out consultation with local providers on the fees set. It may be necessary to consider individual submissions from providers as part of this process. Should there be clear evidence to indicate that the fee set is not sufficient in any individual case the council will need to consider exceptions to the fee rates.</p> <p>The Executive Committee is requested to:-</p> <ol style="list-style-type: none"> 1. Acknowledge the North Wales Fee Methodology as implemented hitherto by the Authorities in North Wales as a basis for setting fees in Anglesey during 2017/18 (Appendix 1). 2. Approve the recommendation to increase fee levels as noted in the above table 2 3. In line with other Authorities, authorize the Social Services and Finance Departments to respond to any requests from homes to explore their specific accounts and to utilize the exercise as a basis to consider any exceptions to the agreed fees. Any exceptions to be agreed with Portfolio Holder, Head of Finance and Head of Adult Social Care from within current budgets. In the absence of agreement the matter will be referred to the Executive for a decision. 					

B – What other options did you consider and why did you reject them and/or opt for this option?
Consideration to implementing the North Wales Fees Model in full was given. On the basis of affordability for the council this was rejected, and the model proposed in Table 2 recommended.

C – Why is this a decision for the Executive?
Local Authorities need to set care home fee levels in line with the national policy. This decision has financial implications for the Local Authority’s budget and in terms of affordability in the prevailing financial climate.

CH – Is this decision consistent with policy approved by the full Council?
This decision is in line with the approval to work with other Local Authorities in North Wales and to implement the North Wales Fee Methodology to set fees annually.

D – Is this decision within the budget approved by the Council?

Based upon detailed discussions with the Finance Department estimating the impact of these changes, and the departments proposed budget for 2017/18 it is considered that these rate rises can be accommodated within budget.

This will require the department to maintain a focus on maintaining reductions in placements of this nature as evidenced in recent years.

DD – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Supportive of report when presented to Senior Leadership Team on the 16/1/2017
2	Finance / Section 151 (mandatory)	Supportive of report when presented to Senior Leadership Team on the 16/1/2017
3	Legal / Monitoring Officer (mandatory)	Supportive of report when presented to Senior Leadership Team on the 16/1/2017
4	Human Resources (HR)	N/A
5	Property	N/A
6	Information Communication Technology (ICT)	N/A
7	Procurement	N/A
8	Scrutiny	N/A
9	Local Members	N/A
10	Any external bodies / other/s	N/A

E – Risks and any mitigation (if relevant)

1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	

F - Appendices:

Appendix 1- independent sector fees - 30.01.17

FF - Background papers (please contact the author of the Report for any further information):

Fee Calculations 2017/18: Based on CFW staffing hours (50% of hours paid at National Living Wage, 50% paid at Senior Carers rate as reported in survey)					
The figures below do not include FNC elements accepted by the Health Board					
	Fee 2016/17	Indicative Fee 2017/18	Basis of Calculation	Increase per week	Overall % Increase
1. INDIRECT COSTS -standard for all categories of care					
Utilities (electricity, gas, TV, Council Tax, Water, Telephone)	28.00	28.28	CPI Sept = 1%		
Registration (Professional Membership, CRBs etc)	£1.23	£1.24	CPI Sept = 1%		
Recruitment	£2.38	£2.40	CPI Sept = 1%		
Contract maintenance of equipment	£3.45	£3.48	CPI Sept = 1%		
Maintenance of capital equipment	£21.17	£21.38	CPI Sept = 1%		
Gardener /handyman	£8.65	£9.30	NLW 4.17% increase on amended 16/17 rate (£8.93)		
Furniture/Fittings including repairs and renewals	£12.77	£0.00	Removed for 2017/18		
Training	£2.37	£2.39	CPI Sept = 1%		
Non prescription medical supplies	£3.57	£3.61	CPI Sept = 1%		
Insurance	£5.96	£6.02	CPI Sept = 1%		
Groceries & household provisions	£27.55	£27.82	CPI Sept = 1%		
Sub-total Indirect Costs	£117.10	£105.92			
2. OTHER COSTS - standard for all categories of care					
Return on Investment	£97.79	£97.16	10% ROI		
Additional Expenses (not covered elsewhere)	£17.38	£17.55	CPI Sept = 1%		
Sub-total Other Costs	£115.17	£114.71			
3. STAFF COSTS					
Residential Homes					
Management /Admin	£47.42	47.89	1% increase		
Senior Care Staff		114.77	10.5 hours x £10.93		
Care Staff	£163.38	100.17	10.5 hours x £9.54		
Domestic Staff	£40.39	43.41	NLW 4.17% increase on amended 16/17 rate (£41.68)		
Sub-total Residential Homes' Staff Costs	£251.19	£306.24			
TOTAL RESIDENTIAL	£483.46	£526.87		£43.41	8.98%
EMI Residential Homes					
Management /Admin	£47.42	47.89	1% increase		
Senior Care Staff		125.69	11.5 hours x £10.93		
Care Staff	£211.99	109.71	11.5 hours x £9.54		
Domestic Staff	£40.39	43.41	NLW 4.17% increase on amended 16/17 rate (£41.68)		
Sub-total EMI Residential Homes' Staff Costs	£299.80	£326.70			
TOTAL EMI RESIDENTIAL	£532.07	£547.33		£15.26	2.86%
Nursing Homes					
Management /Admin	£47.42	£47.89	1% increase		
Senior Care Staff		£136.63	12.5 hours x £10.93		
Care Staff	£226.19	£119.25	12.5 hours x £9.54		
Domestic Staff	£40.39	43.41	NLW 4.17% on amended 16/17 rate (£41.68)		
Sub-total Nursing Homes' Staff Costs	£314.00	£347.18			
TOTAL NURSING	£546.27	£567.81		£21.54	3.94%
EMI Nursing Homes					
Management /Admin	£47.42	47.89	1% increase		
Senior Care Staff		£153.02	14 hours x £10.93		
Care Staff	£253.50	133.56	14 hours x £9.54		
Domestic Staff	£40.39	43.41	NLW 4.17% on amended 16/17 rate (£41.68)		
Sub-total Nursing EMI Homes' Staff Costs	£341.31	£377.88			
TOTAL EMI NURSING	£573.58	£598.51		£24.93	4.34%