

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>THE EXECUTIVE</b>
<b>Date:</b>	<b>18.02.2019</b>
<b>Subject:</b>	<b>Local Authority Homes for Older People – Setting the Standard Charge</b>
<b>Portfolio Holder(s):</b>	<b>Councillor Llinos Medi Huws</b>
<b>Head of Service:</b>	<b>Alwyn Rhys Jones, Head of Adult Services</b>
<b>Report Author:</b> Tel: E-mail:	<b>Rhys Ll. Roberts, Finance Manager</b> <b>01248 752690 RhysRoberts2@ynysmon.gov.uk</b>  <b>Dafydd Bulman, Business &amp; Transformation Manager</b> <b>01248 752013 DafyddBulman@ynysmon.gov.uk</b>
<b>Local Members:</b>	<b>Various</b>

<b>A –Recommendation/s and reason/s</b>
<p>The Local Authority needs to set the level of its Standard Charge for local authority care homes for the year April 2019 – March 2020.</p> <p>Members have determined a general guideline of a <b>3%</b> increase for fees and charges. Charges in relation to local authority owned residential accommodation can be treated as an exception as it is governed by a statutory provision which sets out how it should be calculated.</p> <p>As in previous years, the cost of all the homes has been pooled to calculate an average standard charge for the homes in accordance with National Guidance.</p> <p>Caution should be taken if the standard charge is compared with that of other authorities, since despite guidance, other authorities may not have calculated the charge on exactly the same basis. However, in terms of background information, we note below the 2018/19 standard charge levels in respect of Local Authority accommodation in both Gwynedd and Conwy:-</p> <ul style="list-style-type: none"> <li>• Gwynedd - £622.37</li> <li>• Conwy - £592.00</li> </ul> <p>For 2018/19, the Standard Charge was calculated at £703.03 per week due to an occupancy rate of 93.4% across the 4 in-house residential homes (excluding Garreglwyd and Haulfre). The Council decided to impose a 3% rise in the weekly standard charge and to accept the differential as a management cost in transforming in-house residential care provision. The weekly charge for residents was therefore set at £601.82 per week during 2018/19.</p> <p>In calculating the Standard Charge for 2019/20, we have again omitted Garreglwyd from the calculation as the Home has been re-modelled and now provides a specialist service. We have not omitted Haulfre from the calculation this year as the remedial work that took place there is now complete. Plas Penlan is no longer included in the calculation as provision of service there has come to an end following the opening of Hafan Cefni. The occupancy rate for the remaining 4 Council run homes during the first 9 months of 2018/19 was 93.25% based on a total of 101 beds.</p>

The following table calculates the estimated cost per resident week for the year to 31 March 2020:

Number of Beds Available	101
Estimated Occupancy Rate	93.25%
Estimated Number of Resident Weeks	4,911

	<b>Running Costs 2019/20 £</b>	<b>Standard Charge 2019/20 £</b>	<b>Standard Charge 2018/19 £</b>	<b>Fee Charged 2018/19 £</b>
Estimated Running Cost for 2018/19	3,308,262	673.64	629.39	564.35
Add – Depreciation charge	197,061	40.13	44.31	40.06
- Support Services	190,609	38.81	29.33	34.33
Less Income From Non Residential Activities				-36.92
	<b>3,695,931</b>	<b>752.58</b>	<b>703.03</b>	<b>601.82</b>
<b>Increase from 2018/19 standard charge</b>	<b>7.05%</b>	<b>£49.55</b>		

Based on the above table the estimated cost per resident week for the year to 31 March 2020 is £752.58.

The estimated cost per resident week for the year to 31 March 2020 is higher when compared to the estimated cost for the year to 31 March 2019. This is as a result of increased salary costs and inflation.

Acknowledging the council's decision for 2018/19 and the significant rise that a move from £601.82 to £752.58 would entail it is recommended:

- That whilst the Council acknowledges the costs incurred within residential care, that the actual cost of delivery is not fully reflected in the charge to residents.

- That in line with the savings proposal made to remove the subsidy given to self-funders over the next three years, that the increase for those contributing towards the cost of care is set at 3% plus each user's share of a third of the subsidy given to self-funders.
- That the fee for 19/20 be therefore set at  $£601.82 + 3\% + (1/3 \times £132.7) = £664.11$ .

By not charging self-funding residents the full cost of placement within these homes the council is subsidising each user by an estimated £88.47 a week or £4,612.83 per year (after removing a third of the subsidy in 2019/20). Over the current 24 self funders this equates to an estimated £110,708 a year. This subsidy will be removed over the next 3 years in line with the savings proposal.

**B – What other options did you consider and why did you reject them and/or opt for this option?**

**C – Why is this a decision for the Executive?**

Local Authorities are required under Section 22 of the National Assistance Act 1948 to set the Standard Charge for their homes.

The standard fee is that which the Authority is obliged to charge those residents who have the **financial means to pay the full cost** of their residential care. Our planning assumption around our local self-funding population has been reviewed over recent weeks to ensure that it still remains current. As noted in A we have considered increasing this charge to the full cost of provision, but have but have rejected it on the basis that this would require a significant and disproportionate increase for residents.

**D – Is this decision consistent with policy approved by the full Council?**

This decision is consistent with National Policy as outlined in section C above.

**DD – Is this decision within the budget approved by the Council?**

Yes

**E – Who did you consult?**

**What did they say?**

1	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	
2	<b>Finance / Section 151</b> (mandatory)	
3	<b>Legal / Monitoring Officer</b> (mandatory)	
5	<b>Human Resources (HR)</b>	
6	<b>Property</b>	
7	<b>Information Communication Technology (ICT)</b>	
8	<b>Scrutiny</b>	
9	<b>Local Members</b>	
10	<b>Any external bodies / other/s</b>	

<b>F – Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	

<b>FF - Appendices:</b>

<b>G - Background papers (please contact the author of the Report for any further information):</b>