

ISLE OF ANGLESEY COUNTY COUNCIL	
<b>Report to:</b>	<b>Executive</b>
<b>Date:</b>	<b>02/03/2020</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>Carwyn Edwards, Finance Manager</b> <b>01248 752699 CarwynEdwards@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 2020 – March 2021.</p> <p>Members have determined a general guideline of a <b>3%</b> increase for fees and charges. However, 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 2019/20 standard charge levels in respect of Local Authority accommodation in both Gwynedd and Conwy:-</p> <ul style="list-style-type: none"> <li>• Gwynedd - £690.96</li> <li>• Conwy - £565.00</li> </ul> <p>For 2019/20, the Standard Charge was calculated at £752.58 per week due to an occupancy rate of 93.25% across the 4 in-house residential homes (excluding Garreglwyd). The Executive made a decision to increase the fees in line with actual cost of provision gradually over a 3 year period. A decision was made to raise the fees for 2019-20 to £664.11 per week (£601.82 + 3% + (1/3 x £132.70)).</p> <p>In calculating the Standard Charge for 2020/21, we have again omitted Garreglwyd from the</p>

calculation as the Home has been re-modelled and now provides a specialist service. The occupancy rate for the remaining 4 Council run homes during the first 9 months of 2019/20 was 93.44% based on a total of 101 beds.

The following table calculates the estimated cost per resident week for the year to 31 March 2021:

Number of Beds Available	101
Estimated Occupancy Rate	93.44%
Estimated Number of Resident Weeks	4,921

	<b>Running Costs 2020/21 £</b>	<b>Standard Charge 2020/21 £</b>	<b>Standard Charge 2019/20 £</b>	<b>Fee Charged 2019/20 £</b>
Estimated Running Cost for 2019/20	3,343,133	679.37	673.64	
Add – Depreciation charge	206,148	41.89	40.13	
- Support Services	192,515	39.12	38.81	
	<b>3,741,796</b>	<b>760.38</b>	<b>752.58</b>	<b>664.11</b>
<b>Increase from 2019/20 standard charge</b>	<b>1.03%</b>	<b>£7.80</b>		

Based on the above table the estimated cost per resident week for the year to 31 March 2021 is £760.38

The estimated cost per resident week for the year to 31 March 2021 is higher when compared to the estimated cost for the year to 31 March 2020. This is as a result of inflation.

Acknowledging the impact of a significant rise from £664.11 to £760.38 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 between 2019-20 and 2021-22 that the increase for those contributing towards the cost of care is set at 3% plus each user's share of the reduction in the subsidy given to self-funders.
- That the fee for 2020-21 be therefore set at £722.21 ( $£664.11 + 3\% + (1/2 \times £76.35)$ ).

By not charging self-funding residents the full cost of placement within these homes the council is subsidising each self-funding client by an estimated £38.17 per week or £1,990.29 per year (after removing two thirds of the subsidy between 2019/20 and 2020/21). Over the current 20 self funders this equates to an estimated £39,806.00 a year.

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

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 previously 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.

**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.

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

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

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

Yes

CC-016749-LB/229501

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	Report discussed in SLT on 10/02/2020
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	Report discussed in SLT on 10/02/2020
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	Report discussed in SLT on 10/02/2020
<b>4</b>	<b>Human Resources (HR)</b>	n/a
<b>5</b>	<b>Property</b>	n/a
<b>6</b>	<b>Information Communication Technology (ICT)</b>	n/a
<b>7</b>	<b>Procurement</b>	n/a
<b>8</b>	<b>Scrutiny</b>	n/a
<b>9</b>	<b>Local Members</b>	n/a
<b>10</b>	<b>Any external bodies / other/s</b>	n/a

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

<b>F - Appendices:</b>
n/a

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