

ISLE OF ANGLESEY COUNTY COUNCIL	
<b>Report to:</b>	<b>Executive</b>
<b>Date:</b>	<b>03/03/2020</b>
<b>Subject:</b>	<b>Independent Sector Care Home Fees for 2020/2021</b>
<b>Portfolio Holder(s):</b>	<b>Cllr Llinos Medi Huws</b>
<b>Head of Service:</b>	<b>Alwyn Rhys Jones – Head of Service</b>
<b>Report Author:</b> Tel: E-mail:	<b>Dafydd Bulman – Strategic Transformation and Business Manager</b> <b>01248 752013 <a href="mailto:Dafyddbulman@ynysmon.gov.uk">Dafyddbulman@ynysmon.gov.uk</a></b>  <b>Delyth LI Jones – Senior Finance Officer</b> <b>01248 752785 <a href="mailto:DelythJones@ynysmon.gov.uk">DelythJones@ynysmon.gov.uk</a></b>
<b>Local Members:</b>	<b>All members</b>

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 benefits 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, as done in previous years. We will continue to use this model for 2020/21 which has reflected legislation changes in terms of pensions, national living wage and inflation.</p> <p>The North Wales Methodology (Appendix 1) has recommended an increase of between 3.77% and 4.7% across the four categories of care. The following fees are proposed for 2020/21:</p>				
<b><u>Table 1 - North Wales Methodology Recommendation</u></b>				
Category	2019/20	2020/21	Increase £	Increase %
Residential (Adults)	£564.41	£585.72	£21.31	3.77%
Residential (EMI)	£587.20	£609.91	£22.71	3.86%
Basic Nursing Care (Social Care Element)	£617.00	£641.37	£24.37	3.95%

Nursing (EMI) (Social Care Element)	£651.18	£677.65	£26.47	4.07%
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All the above are based on 10% ROI for 2019/20 and 20/21.

As part of fee setting for 2020/21, Ynys Mon consulted on the North Wales fees methodology and no feedback was received regarding the methodology.

The North Wales Adult Service Heads (NASH) have agreed that the increases noted were consistent with the implementation of the fees model.

Following discussion with Head of Finance (Section 151), we are proposing to use the Regional methodology for:

- EMI Residential;
- Basic Nursing Care Social Care Element

The department recommends an increase in the ROI on Nursing EMI placements of 12% in recognition of the pressures in this area, and in line with fees offered by nearby local authorities.

Estimated annual pressure based on a 10% ROI for Nursing EMI = £14,662.58  
Estimated annual pressure based on a 11% ROI for Nursing EMI = £34,935.74  
Estimated annual pressure based on a 12% ROI for Nursing EMI = £55,188.05

Consistent with the strategic direction the Council is taking in developing alternatives to residential care in the form of Extra Care Housing and care at home, and having due regard to the affordability of the increase proposed for Residential Care Homes, we propose to set the rate for residential (Adults) care based on a lower return of investment of 9%.

Estimated annual pressure based on a 10% ROI for Residential Care = £191,120.39  
Estimated annual pressure based on a 9% ROI for Residential care = £103,945.82  
Estimated annual pressure based on a 8% ROI for residential Care = £16,860.93

Ynys Mon therefore recommends the following rates for approval:

**Table 2 – Ynys Mon Proposed Fee's for 2020/21**

Category	2019/20	2020/21	Increase £	Increase %	ROI
Residential (Adults)	554.69	576.00	21.31	3.84%	9%

Residential (EMI)	587.20	609.91	£22.71	3.86%	10%
Basic Nursing Care (Social Care Element)	617.00	641.37	24.37	3.95%	10%
Nursing (EMI) (Social Care Element)	670.62	697.08	£26.46	3.94%	12%

It may be necessary to consider individual submissions from providers regarding these fees. 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. It is proposed that any such decisions are delegated to the Portfolio holder, Head of Finance and Head of Adult Social Care.

The Executive Committee is requested to:-

1. Acknowledge the North Wales Fee Methodology as implemented hitherto by the Authorities in North Wales as a basis for setting fees in Ynys Mon during 2020/21 (appendix 1);
2. Approve the recommendation to increase the fee level as noted in Table 2;
3. In line with other Authorities, authorise 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 the Portfolio Holder, the Head of Finance and the Head of Adults from within current budgets. If no agreement can be made this will be go back to the Executive.

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

We decided to adopted a slighted amdened ROI for 2 categories based upon the reasons noted within the report

#### **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 discussion with the Finance Department, the estimated impact of these changes, and the department proposed budget for 2020/21, it is considered that these rate increases can be accommodated within budget.

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

<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

**E – Risks and any mitigation (if relevant)**

<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>	
Appendix 1 – The North Wales Methodology	

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

<b>Draft Fee Calculations 2020/21</b>					
	<b>Fee 2019/20</b>	<b>Indicative Fee 2020/21</b>	<b>Basis of Calculation</b>	<b>Increase per week</b>	<b>Overall % Increase</b>
<b>1. INDIRECT COSTS -standard for all categories of care</b>					
Utilities (electricity, gas, TV, Council Tax, Water, Telephone)	£29.83	£30.34	CPI Sep 2019 = 1.7%		
Registration (Professional Membership, CRBs etc)	£1.31	£1.33	CPI Sep 2019 = 1.7%		
Recruitment	£2.53	£2.57	CPI Sep 2019 = 1.7%		
Contract maintenance of equipment	£3.67	£3.73	CPI Sep 2019 = 1.7%		
Maintenance of capital equipment	£22.55	£22.93	CPI Sep 2019 = 1.7%		
Gardener /handyman	£10.18	£10.81	NLW increase on 19/20 rate		
Furniture/Fittings including repairs and renewals	£0.00	£0.00	Removed in 2017/18		
Training	£2.52	£2.56	CPI Sep 2019 = 1.7%		
Non prescription medical supplies	£3.81	£3.87	CPI Sep 2019 = 1.7%		
Insurance	£6.35	£6.46	CPI Sep 2019 = 1.7%		
Groceries & household provisions	£29.34	£29.84	CPI Sep 2019 = 1.7%		
<b>Sub-total Indirect Costs</b>	<b>£112.09</b>	<b>£114.44</b>			
<b>2. OTHER COSTS - standard for all categories of care</b>					
Return on Investment	£97.16	£97.16	10% ROI		
Additional Expenses (not covered elsewhere)	£18.51	£18.82	CPI Sep 2019 = 1.7%		
<b>Sub-total Other Costs</b>	<b>£115.67</b>	<b>£115.98</b>			
<b>3. STAFF COSTS</b>					
<b>Residential Homes</b>					
Management /Admin	£49.83	£50.83	2% increase		
Senior Care Staff	£127.68	£135.66	10.5 hours x £12.92		
Care Staff	£111.62	£118.34	10.5 hours x £11.27		
Domestic Staff	£47.52	£50.47	NLW 6.2% increase on 19/20 rate		
<b>Sub-total Residential Homes' Staff Costs</b>	<b>£336.65</b>	<b>£355.30</b>			
<b>TOTAL RESIDENTIAL</b>	<b>£564.41</b>	<b>£585.72</b>		<b>£21.31</b>	<b>3.77%</b>
<b>EMI Residential Homes</b>					
Management /Admin	£49.83	£50.83	2% increase		
Senior Care Staff	£139.84	£148.58	11.5 hours x £12.92		
Care Staff	£122.25	£129.61	11.5 hours x £11.27		
Domestic Staff	£47.52	£50.47	NLW 6.2% increase on 19/20 rate		
<b>Sub-total EMI Residential Homes' Staff Costs</b>	<b>£359.44</b>	<b>£379.49</b>			
<b>TOTAL EMI RESIDENTIAL</b>	<b>£587.20</b>	<b>£609.91</b>		<b>£22.71</b>	<b>3.86%</b>
<b>Nursing Homes</b>					
Management /Admin	£49.83	£50.83	2% increase		
Senior Care Staff	£152.00	£161.50	12.5 hours x £12.92		
Care Staff	£132.88	£140.88	12.5 hours x £11.27		
Domestic Staff	£47.52	£50.47	NLW 6.2% increase on 19/20 rate		
Local Authority contributuion to FNC	£7.01	£7.27	Following notification from BCUHB		
<b>Sub-total Nursing Homes' Staff Costs</b>	<b>£389.24</b>	<b>£410.95</b>			
<b>TOTAL NURSING</b>	<b>£617.00</b>	<b>£641.37</b>		<b>£24.37</b>	<b>3.95%</b>
<b>EMI Nursing Homes</b>					
Management /Admin	£49.83	£50.83	2% increase		
Senior Care Staff	£170.24	£180.88	14 hours x £12.92		
Care Staff	£148.82	£157.78	14 hours x £11.27		
Domestic Staff	£47.52	£50.47	NLW 6.2% increase on 19/20 rate		
Local Authority contributuion to FNC	£7.01	£7.27	Following notification from BCUHB		
<b>Sub-total Nursing EMI Homes' Staff Costs</b>	<b>£423.42</b>	<b>£447.23</b>			
<b>TOTAL EMI NURSING</b>	<b>£651.18</b>	<b>£677.65</b>		<b>£26.47</b>	<b>4.07%</b>