

ISLE OF ANGLESEY COUNTY COUNCIL

Report to:	Executive
Date:	22/03/2021
Subject:	Independent Sector Care Home Fees for 2021/22
Portfolio Holder(s):	Cllr Llinos Medi Huws
Head of Service:	Iola Richards – Interim Head of Service
Report Author:	Carwyn Edwards – Finance Manager
Tel:	01248 752699
E-mail:	CarwynEdwards@ynysmon.gov.uk
Local Members:	All members

A –Recommendation/s and reason/s

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.

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 utilising a Regional Fee Methodology, as done in previous years. We will continue to use this model for 2021/22, which has reflected legislation changes in terms of national living wage and inflation, as well as costs attributed to cover agency staff costs.

The North Wales Methodology (Appendix 1) has recommended an increase of between 3.42% and 3.73% across the four categories of care. The following fees are proposed for 2021/22:-

Table 1 - North Wales Methodology Recommendation

Category	2020/21	2021/22	Increase £	Increase %
Residential (Adults)	£585.72	£605.73	£20.01	3.42%
Residential (EMI)	£609.91	£631.40	£21.49	3.52%
Basic Nursing Care (Social Care Element)	£641.37	£664.46	£23.09	3.6%
Nursing (EMI) (Social Care Element)	£677.65	£702.91	£25.26	3.73%

All the above are based on 10% ROI for 2020/21 and 2021/22.

As part of fee setting for 2021/22, Ynys Môn consulted on the North Wales fees methodology.

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

Following discussion with the Director of Function (Resources) / Section 151 Officer, we are proposing to use the Regional methodology for:-

- EMI Residential;
- Basic Nursing Care (Social Care Element).

The Service recommends that the ROI for Nursing EMI placements remains at 12%, this recognises the pressures in this area and the approach is in line with fees offered by nearby local authorities.

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 offer a lower return of investment of 9%, as in previous years.

Ynys Môn, therefore, recommends the following rates for approval:-

Table 2 – Ynys Môn Proposed Fee's for 2021/22

Category	2020/21	2021/22	Increase £	Increase %	ROI
Residential (Adults)	£576.00	£596.01	£20.01	3.47%	9%
Residential (EMI)	£609.91	£631.40	£21.49	3.52%	10%
Basic Nursing Care (Social Care Element)	£641.37	£664.46	£23.09	3.6%	10%
Nursing (EMI) (Social Care Element)	£697.08	£722.34	£25.26	3.62%	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, Director of Function (Resources) / Section 151 Officer 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 Môn during 2021/22 (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 Resources Function to respond to any requests from individual homes to explore their specific accounts and to utilise the exercise as a basis to consider any exceptions to the agreed fees. Any exceptions to be agreed with the Portfolio Holder, the Director of Function (Resources) / Section 151 Officer and the Head of Adults from within current budgets.

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

We decided to adopt a slightly amended 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?		
<p>The estimated impact of these changes on the Service's budget for 2021/22 can be accommodated within budget.</p> <p>Based on 2020/21 resident numbers, the proposed fee increases would result in a cost pressure of Circa £140k, this is after taking account of the inflation applied for 2021/22. Data and statistics show that there has been a reduction in demand for both Nursing and Residential placements over the last 6 months, possibly due to a reduction in consumer confidence as a result of the Covid19 pandemic. It is important to note that consumer confidence may improve over a period of time. Assuming that demand increases again, we will need to identify the financial pressures whilst setting the fees for 2022/23.</p>		
DD – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT)(mandatory)	
2	Finance / Section 151(mandatory)	Discussed with the Section 151 Officer on 8-3-21
3	Legal / Monitoring Officer (mandatory)	TBC
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	n/a
2	Anti-poverty	n/a
3	Crime and Disorder	n/a
4	Environmental	n/a
5	Equalities	n/a
6	Outcome Agreements	n/a
7	Other	n/a
F - Appendices:		
Appendix 1 – The North Wales Methodology		
FF - Background papers (please contact the author of the Report for any further information):		
n/a		