

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive
Date:	19/02/18
Subject:	Local Authority Homes for Older People – Setting the Standard Charge
Portfolio Holder(s):	Councillor Llinos Medi Huws
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Local Members:	Various

A –Recommendation/s and reason/s
<p>The Local Authority needs to set the level of its Standard Charge for local authority care homes for the year April 2018 – March 2019.</p> <p>Members have determined a general guideline of a 3% 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 2017/18 standard charge levels in respect of Local Authority accommodation in both Gwynedd and Conwy:-</p> <ul style="list-style-type: none"> • Gwynedd - £581.28 • Conwy - £571.00 <p>During 2017/18, the Standard Charge was calculated at £698.46 per week due to an occupancy rate of 89.7% 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 £584.29 per week during 2017/18.</p> <p>In calculating the Standard Charge for 2018/19, we have again omitted the number of beds kept unoccupied at Garreglwyd Residential Home during 2017/18 as the intention is to remodel the Home. We have also again omitted the number of beds kept unoccupied at Haulfre due to the remedial work that took place there during the course of 2016/17. The occupancy rate for the remaining 4 Council run homes during the first 8 months of 2017/18 was 93.4% based on a total of 109 beds.</p>

The following table calculates the estimated cost per resident week for the year to 31 March 2019:

Number of Beds Available	109
Estimated Occupancy Rate	93.4%
Estimated Number of Resident Weeks	5,309

	Running Costs 2018/19 £	Standard Charge 2018/19 £	Standard Charge 2017/18 £	Fee Charged 2017/18 £
Estimated Running Cost for 2018/19	3,141,444	629.39	641.07	547.91
Add – Depreciation charge	235,220	44.31	35.79	38.89
- Support Services	155,726	29.33	29.37	33.33
Less Income From Non Residential Activities			-7.77	-35.84
	3,732,390	703.03	698.46	584.29
Increase from 2017/18 standard charge		0.66%	£4.57	

Based on the above table the estimated cost per resident week for the year to 31 March 2019 is £703.03.

The estimated cost per resident week for the year to 31 March 2019 is higher when compared to the estimated cost for the year to 31 March 2018. This is as a result of increased salary costs and inflation. However, the year-on-year increase is not as high as one might expect as a result of the increase in the occupancy rate for the homes (from 89.7% to 93.4%), which leads to a lower unit cost.

Acknowledging the council's decision for 2017/18 and the significant rise that a move from £584.29 to £703.03 would entail it is recommended:

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

- That the increase for those contributing towards the cost of care is consistent with the guidance for council services and set at 3% and that a fee of £601.82 is set.

By not charging self-funding residents the full cost of placement within these homes the council is subsidising each user by an estimated £101.21 a week or £5,262.92 per year. Over the current 29 self funders this equates to an estimated £152,625 a year.

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.

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 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?

E – Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	

2	Finance / Section 151 (mandatory)	
3	Legal / Monitoring Officer (mandatory)	
5	Human Resources (HR)	
6	Property	
7	Information Communication Technology (ICT)	
8	Scrutiny	
9	Local Members	
10	Any external bodies / other/s	

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

FF - Appendices:

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