

## ISLE OF ANGLESEY COUNTY COUNCIL

<b>Report to:</b>	<b>Executive</b>
<b>Date:</b>	<b>3 March 2022</b>
<b>Subject:</b>	<b>Local Authority Homes for Older People – Setting the Standard Charge 2022/23</b>
<b>Portfolio Holder(s):</b>	<b>Councillor Llinos Medi Huws</b>
<b>Head of Service / Director:</b>	<b>Arwel Wyn Owen</b>
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<b>Local Members:</b>	<b>All Members</b>

### **A –Recommendation/s and reason/s**

The Local Authority needs to set the level of its Standard Charge for local authority care homes for the year April 2022 – March 2023.

As in previous years, the cost of all the Council's homes (excluding Garreglwyd which is deemed a specialist service provision) have been pooled together to calculate an average standard charge for the homes in accordance with National Guidance.

For 2021/22, the Standard Charge was calculated at £786.50 per week, based on an occupancy rate of 93.25% across the 4 in-house residential homes (excluding Garreglwyd, as noted above). Due to the effect of the Covid19 pandemic on the occupancy levels, a decision was taken to base the 2021-22 fees calculation on data for the first 6 months of the 2020/21 financial year. The Executive made a decision to increase the fees in line with actual cost of provision gradually over a 2 year period and, as a result of this decision, the fees for 2021/22 were set at £754.36 per week as opposed to the calculated cost of care of £786.50 per week.

Due to changes in occupancy levels during 2021/22 owing to the Covid19 pandemic, the decision was taken to apply inflationary increases to the 2021/22 running costs and the pre Covid19 occupancy levels have been used to calculate the fees for 2022/23. Calculating the fees based on actual expenditure incurred in 2021/22 plus inflation on running costs with lower occupancy levels would increase the fees significantly and would not reflect the actual cost of care once occupancy levels increase.

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.

The following table calculates the estimated cost per resident week for the year to 31 March 2023 based on 2021/22 occupancy levels and running costs from 2020/21 plus inflationary increases over 2 years.

Number of Beds Available	101
Estimated Occupancy Rate based on 2020/21 data	93.25%
Estimated Number of Resident Weeks based on 2020/21 data	4,911

	Running Costs 2022/23 £	Standard Charge 2022/23 £	Standard Charge 2021/22 £	Fee Charged 2021/22 £
Estimated Running Cost for 2022/23 based on 2020/21 running costs + inflation	3,489,340	710.52	697.44	
Add - Depreciation charge	250,550	51.02	49.47	
- Support Services	196,385	39.99	39.59	
<b>TOTAL</b>	<b>3,936,275</b>	<b>801.53</b>	<b>786.50</b>	<b>754.36</b>
<b>Increase compared to the standard charge in 2021/22</b>	<b>1.91%</b>		<b>£15.03</b>	

Based on the above table the estimated cost per resident week for the year to 31 March 2023 is £801.53.

The estimated cost per resident week for the year to 31 March 2023 is higher when compared to the estimated cost for the year to 31 March 2022. This is as a result of inflation.

### **Recommendation**

R1 - Given that 2022/23 is the final year of the 2 year plan to increase the fees, it is recommended that the full cost of the service is charged, which is **£801.53** per week.

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

The setting of the standard charge follows a prescribed method which does not allow for options to be considered. It is possible for the Executive to set a fee which differs from the Standard Charge. The Executive deferred the introduction of a fee that equates to the standard charge in 2021/22, but it has been the intention to bring the two together for a number of years. Charging less than the standard charge results in the Council subsidising the cost of care of clients who have been identified as having the financial means to pay the full cost of their care. As a result, the option has been discounted.

### **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

<b>Dd – Assessing the potential impact (if relevant):</b>		
1	How does this decision impact on our long term needs as an Island?	The setting of the fee will only impact on a small number of clients who pay the full cost of their care. This decision will have minimal impact on the long term needs of the Island.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	The decision eliminates the subsidy that the Council provides to those clients that have been identified as having the means to pay their full cost of care.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	Not applicable
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	The decision would impact on the clients who have been assessed as having the means to pay for their full cost of care. These are not a group that are experiencing socio-economic disadvantage.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	No impact on the Welsh Language.
<b>E - Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	
2	<b>Finance / Section 151</b> (mandatory)	
3	<b>Legal / Monitoring Officer</b> (mandatory)	
4	<b>Human Resources (HR)</b>	Not applicable
5	<b>Property</b>	Not applicable
6	<b>Information Communication Technology (ICT)</b>	Not applicable
7	<b>Scrutiny</b>	
8	<b>Local Members</b>	Not applicable
9	<b>Any external bodies / other/s</b>	Not applicable
<b>F - Appendices:</b>		
None		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		

None