

ISLE OF ANGLESEY COUNTY COUNCIL

Report to:	Executive
Date:	3 March 2022
Subject:	Independent Sector Care Home Fees for 2022/2023
Portfolio Holder(s):	Councillor Llinos Medi Huws
Head of Service / Director:	Arwel Wyn Owen
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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 2022/23, which has reflected legislation changes in terms of Real Living Wage and inflation.

The North Wales Methodology (Appendix 1) has recommended an increase of between 6.73% and 7.37% across the four categories of care. The following fees are proposed for 2022/23:-

Table 1 - North Wales Methodology Recommendation

Category	2021/22	2022/23	Increase £	Increase %
Residential (Adults)	£605.73	£646.52	£40.79	6.73%
Residential (EMI)	£631.40	£675.17	£43.77	6.93%
Nursing Care (Social Care Element)	£657.04	£703.79	£46.75	7.12%
Nursing (EMI) (Social Care Element)	£695.49	£746.72	£51.23	7.37%

All the above are based on 10% Return on Investment (ROI) for 2021/22 and 2022/23, excluding Local Authority Free Nursing Care (FNC) element on nursing fees as % uplift is yet to be agreed.

As part of fee setting for 2022/23, Ynys Môn consulted on the North Wales fees methodology.

The North Wales Adult Services Heads (NWASH) 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:-

- Residential Care;
- Nursing Care Social Care Element.

The Service recommends that the fees for Residential Elderly Mentally Infirm EMI and Nursing EMI are increased by 12%, as this has been identified as an area of demand and we wish to encourage further provision. The service recommends that the ROI for Nursing EMI placements remains at 12%, whilst the ROI for Residential EMI remains at 10%, this recognises the pressures in this area.

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 retain 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 2022/23

Category	2021/22	2022/23	Increase £	Increase %	ROI
Residential (Adults)	£596.01	£636.80	£40.79	6.84%	9%
Residential (EMI)	£631.40	£707.17	£75.77	12.00%	10%
Nursing Care (Social Care Element)	£657.04	£703.79	£45.75	7.12%	10%
Nursing (EMI) (Social Care Element)	£715.07	£800.88	£85.81	12.00%	12%

The above fees exclude the Local Authority Free Nursing Care (FNC) element on nursing fees as % uplift is yet to be agreed.

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 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 2022/23 (Appendix 1).
2. Approve the recommendation to increase the fee level as follows:-
 - R1 - Residential Care (Adults) - £636.80
 - R2 - Residential (EMI) - £707.17
 - R3 - Nursing Care (Social Care Element) - £703.79 + Local Authority FNC element (TBC)
 - R4 - Nursing (EMI) (Social Care Element) - £800.88 + Local Authority FNC element (TBC)

In line with other Authorities, authorise the Social Services and Finance Services 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. Furthermore, due to the nature of demand for EMI beds on the Island, the service recommends increasing the EMI fees by 12%, whilst maintaining 10% ROI for Residential EMI fees and 12% ROI for Nursing EMI fees.

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?

The additional cost of funding the above fees has been factored in the Authority's budget setting process. The increase in fees is expected to increase the annual costs by circa £890k when compared with 2021/22 fees and client numbers.

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	This is intended to support and encourage new provision in growth areas.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Not applicable
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	We have discussed the proposals on a North Wales basis.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	No citizen engagement but we have been in regular discussion with providers.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	This is intended to support individuals protected by the Act.

6	If this is a strategic decision, note any potential impact that the decision would have on those 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.	
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)	
4	Human Resources (HR)	Not applicable
5	Property	Not applicable
6	Information Communication Technology (ICT)	Not applicable
7	Scrutiny	
8	Local Members	Not applicable
9	Any external bodies / other/s	Not applicable
F - Appendices:		
None		
FF - Background papers (please contact the author of the Report for any further information):		
None		

Appendix 1

Draft Fee Calculations 2022/23 (Real Living Wage/ Unchanged Care Hours)

	Fee 2021/22	Indicative Fee 2022/23	Basis of Calculation
1. INDIRECT COSTS -standard for all categories of care			
Utilities (electricity, gas, TV, Council Tax, Water, Telephone)	£30.95	£31.91	CPI 3.1% (September 2021)
Registration (Professional Membership, CRBs etc)	£1.36	£1.40	CPI 3.1% (September 2021)
Recruitment	£2.62	£2.70	CPI 3.1% (September 2021)
Contract maintenance of equipment	£3.80	£3.92	CPI 3.1% (September 2021)
Maintenance of capital equipment	£23.39	£24.12	CPI 3.1% (September 2021)
Gardener /handyman	£11.05	£11.78	NLW 6.6% increase on 2021/22 rate
Training	£2.61	£2.69	CPI 3.1% (September 2021)
Non prescription medical supplies	£3.95	£4.07	CPI 3.1% (September 2021)
Insurance	£6.59	£7.25	10% Increase
Groceries & household provisions	£30.44	£31.38	CPI 3.1% (September 2021)
Sub-total Indirect Costs	£116.76	£121.22	
2. OTHER COSTS - standard for all categories of care			
Return on Investment	£97.16	£97.16	10% ROI
Additional Expenses (not covered elsewhere)	£19.20	£19.80	CPI 3.1% (September 2021)
Sub-total Other Costs	£116.36	£116.96	
3. STAFF COSTS			
Residential Homes			
Management /Admin	£51.85	£52.89	2% increase (estimated local govt pay award)
Senior Care Staff	£136.70	£152.40	10 hours x £15.24
Care Staff	£119.10	£133.20	10 hours x £13.32
Agency (5% of hours - hourly pay rate + 40%)	£13.38	£14.87	1 hour x £14.87 (av of (£9.90 + £10.34) +40%)
Domestic Staff	£51.58	£54.98	NLW 6.6% increase on 2021/22 rate
Sub-total Residential Homes' Staff Costs	£372.61	£408.34	
TOTAL RESIDENTIAL	£605.73	£646.52	
EMI Residential Homes			
Management /Admin	£51.85	£52.89	2% increase (estimated local govt pay award)
Senior Care Staff	£149.34	£166.50	10.925 hours x £15.24
Care Staff	£130.12	£145.52	10.925 hours x £13.32
Agency (5% of hours - hourly pay rate + 40%)	£15.39	£17.10	1.15 hours x £14.87 (av of (£9.90 + £11.34) +40%)
Domestic Staff	£51.58	£54.98	NLW 6.6% increase on 2021/22 rate
Sub-total EMI Residential Homes' Staff Costs	£398.28	£436.99	
TOTAL EMI RESIDENTIAL	£631.40	£675.17	
Nursing Homes			
Management /Admin	£51.85	£52.89	2% increase (estimated local govt pay award)
Senior Care Staff	£162.33	£180.98	11.875 hours x £15.24
Care Staff	£141.43	£158.17	11.875 hours x £13.32
Agency (5% of hours - hourly pay rate + 40%)	£16.73	£18.59	1.25 hours x £14.87 (av of (£9.90 + £11.34) +40%)
Domestic Staff	£51.58	£54.98	NLW 6.6% increase on 2021/22 rate
Sub-total Nursing Homes' Staff Costs	£423.92	£465.61	
TOTAL NURSING	£657.04	£703.79	
EMI Nursing Homes			
Management /Admin	£51.85	£52.89	2% increase (estimated local govt pay award)
Senior Care Staff	£181.81	£202.69	13.3 hours x £15.24
Care Staff	£158.40	£177.16	13.3 hours x £13.32
Agency (5% of hours - hourly pay rate + 40%)	£18.73	£20.82	1.4 hours x £14.87 (av of (£9.90 + £11.34) +40%)
Domestic Staff	£51.58	£54.98	NLW 6.6% increase on 2021/22 rate
Sub-total Nursing EMI Homes' Staff Costs	£462.37	£508.54	
TOTAL EMI NURSING	£695.49	£746.72	