

**ISLE OF ANGLESEY COUNTY COUNCIL**

<b>Report to:</b>	<b>Executive</b>
<b>Date:</b>	<b>21<sup>st</sup> January 2025</b>
<b>Subject:</b>	<b>Local Authority Homes for Older People – Setting the Standard Charge 2025/26</b>
<b>Portfolio Holder(s):</b>	<b>Councillor Alun Roberts</b>
<b>Head of Service / Director:</b>	<b>Arwel Wyn Owen, Adult Services Manager</b>
<b>Report Author:</b> Tel: E-mail:	<b>Carwyn Edwards, Finance Manager</b> 01248 752699 CarwynEdwards@ynysmon.llyw.cymru
<b>Local Members:</b>	<b>All Members</b>

**A –Recommendation/s and reason/s**

**Recommendation**

**R1** - It is recommended that for Residential Homes the full cost of the service is charged, which is **£983.86** per week, in 2025/26.

**R2** – It is recommended that for EMI Residential Homes the full cost of service is implemented over a 3 year period, meaning that the full cost of service is discounted to **£1,046.41** per week in 2025/26.

The Local Authority needs to set the level of its Standard Charge for local authority care homes for the year April 2025 – March 2026.

In previous years, the cost of all the Council's homes (excluding Garreglwyd and Plas Crigyll, which are deemed a specialist service provision) were pooled together to calculate an average standard charge for standard residential care, in accordance with National Guidance.

In 2024/25, the Standard Charge for Residential care was calculated at £927.77 per week, based on an occupancy rate of 93% across the 3 in-house residential homes (excluding Garreglwyd and Plas Crigyll, which are EMI provisions).

It is recommended that we introduce a separate charge for EMI Residential care from 2025 / 26.

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.

**Residential Care Home Fees**

The following table calculates the estimated cost per resident week for the year to 31 March 2026, based on 2024/25 occupancy levels and running costs from 2024/25 plus inflationary increases:-

Number of Beds Available	77
Estimated Occupancy Rate based on 2024/25 data	93.00%
Estimated Number of Resident Weeks based on 2024/25 data	3,733.95

	<b>Forecasted Running Costs 2025/26 £</b>	<b>Standard Charge 2025/26 £</b>	<b>Standard Charge 2024/25 £</b>
Estimated Running Costs for 2025/26, based on 2024/25 running costs + inflation	3,283,962	879.49	832.80
Add - Depreciation charge	227,337	60.88	53.55
- Support Services	162,386	43.49	41.42
<b>TOTAL</b>	<b>3,673,685</b>	<b>983.86</b>	<b>927.77</b>
<b>Increase compared to the standard charge in 2024/25</b>	<b>6.05%</b>		<b>£56.09</b>

Based on the above table, the estimated cost per resident week for the year to 31 March 2026 is £983.86

The estimated cost per resident week for the year to 31 March 2026 is higher when compared to the estimated cost for the year to 31 March 2025. This is as a result of inflationary increases and reduction in occupancy rates.

### **EMI Residential Care Home Fees**

The following table calculates the estimated cost per resident week for the year to 31 March 2026, based on 2024/25 occupancy levels and running costs from 2024/25 plus inflationary increases:-

Number of Beds Available	51
Estimated Occupancy Rate based on 2024/25 data	93.00%
Estimated Number of Resident Weeks based on 2024/25 data	2,393.36

	<b>Forecasted Running Costs 2025/26 £</b>	<b>Standard Charge 2025/26 £</b>	<b>Standard Charge 2024/25 £</b>
Estimated Running Costs for 2025/26, based on 2024/25 running costs + inflation	2,524,905	1,054.96	832.80
Add - Depreciation charge	170,719	71.33	53.55
- Support Services	108,257	45.23	41.42
<b>TOTAL</b>	<b>2,803,881</b>	<b>1,171.52</b>	<b>927.77</b>
<b>Increase compared to the standard charge in 2024/25, based on full cost of care</b>	<b>26.27%</b>		<b>£243.75</b>

Based on the above table, the estimated cost per resident week for the year to 31 March 2026 is £1,171.52. This is an increase of £187.66 when compared with the residential rate of £983.86 for 2025/26.

It is recommended that the increase is implemented over a 3 year period. Therefore, we propose to increase the EMI fee to £1,046.41 in 2025/26, with further increases in 2026/27 and 2027/28 to bring the fees to actual cost of care by 1<sup>st</sup> April 2027.

	% Increase	Standard Charge 2025/26 £	Standard Charge 2024/25 £
EMI Standard Charge (Full Cost)	26.27	1,171.52	927.77
Residential Standard Charge (Full Cost)	6.05	983.86	927.77
Difference between EMI Standard Charge and Residential Standard Charge		187.66	0.00
1/3 of difference between EMI Standard Charge and Residential Standard Charge		62.55	0.00
<b>Proposed EMI Rate for 2025/26</b>	<b>12.79</b>	<b>1,046.41</b>	<b>927.77</b>

**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. 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

**Dd – Assessing the potential impact (if relevant):**

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.
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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 for 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.	Not applicable
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Not applicable
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 / Leadership Team (LT)</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		