

ISLE OF ANGLESEY COUNTY COUNCIL

Report to:	Executive Committee
Date:	17th March, 2014
Subject:	Local Authority Homes for Older People – Setting the Standard Charge
Portfolio Holder(s):	Councillor Kenneth P Hughes
Head of Service:	Carys Emyr Edwards (Acting Head of Service)
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Local Members:	Various

A –Recommendation/s and reason/s

The Local Authority needs to set the level of its Standard Charge for the year April, 2014 – March 2015.

Members have determined a general guideline of a **5%** 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.

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.

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 2013/14 standard charge levels in respect of Local Authority accommodation in both Gwynedd and Conwy:-

- Gwynedd - £581.28
- Conwy - £508.00

The following table calculates the **estimated cost** per resident week for the year to **31 March 2014**

Number of Beds Available	161
Estimated Occupancy Rate	84.00%
Estimated Number of Resident Weeks	7,051

	2014/15	2014/15	2013/14
	£	£	£
Estimated Running Cost for 2014/15	3,876,795	549.82	459.52
Add – Depreciation charge	257,297	36.49	32.62
- Support Services	217,958	30.91	27.95
	4,352,050	617.22	520.09
Less Income From Non Residential Activities	-40,000	-5.67	-30.06
	4,312,050	611.55	490.03
Increase from 2013/14 standard charge	24.80%	£121.52	

It is therefore recommended:

- To set the standard charge for 2014/15 at £611.55 per week, which is £121.52 more than in the current financial year.
- That the Council takes account of the costs incurred within residential care from implementing the Adult Transformation Programme and that these costs are taken into account when setting the fee for 2014/15 for those contributing towards the cost of care.
- That the increase for those contributing towards the cost of care is consistent with the guidance for council services and set at 5%.

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

This is the standard fee 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. This review clearly identifies a marked reduction of 5% in self-funders choosing to move into local authority residential accommodation. Our planning assumption that the full standard charge would apply to 25% of the resident population now therefore needs to be amended to 18%. This equates to 27 individual service users.

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 at an amount equivalent to the full cost to the Authority of providing the accommodation.

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?

The total number of available beds across the Local Authority's 6 residential units and underpinning the standard charge in respect of 2012/13 was 161 coupled with an estimated occupancy level of 95%. Internal remodelling of the provision during 2012 has resulted in a reduction in the total number of beds – the reduction in the availability of double room has now resulted in the availability of Internal Provision of residential beds reducing from 169 to 161.

An analysis of occupancy levels during the period April to December 2013 has painted a picture of an increase in voids. Management action to restrict admissions to Brwynog and Garreglwyd within the Adult Transformation Programme has contributed to the overall figure.

There was an expectation that 5% efficiencies could be identified in the running costs of the homes during 2013/14 and this has been achieved.

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):