

| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b> |   |
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| <b>Report to:</b>                      | <b>Executive Committee</b>  |
| <b>Date:</b>                           | <b>1<sup>st</sup> March, 2016</b>   |
| <b>Subject:</b>                        | <b>Local Authority Homes for Older People – Setting the Standard Charge</b> |
| <b>Portfolio Holder(s):</b>            | <b>Councillor Aled Morris Jones</b>   |
| <b>Head of Service:</b>                | <b>Alwyn Rhys Jones, Head of Adult Services</b>                             |
| <b>Report Author:</b>                  | <b>Alwyn Jones, Head of Adult Services</b>                                  |
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| <b>Local Members:</b>                  | <b>Various</b>  |

| <b>A –Recommendation/s and reason/s</b>  |  |
|--|--|
| <p>The Local Authority needs to set the level of its Standard Charge for local authority care homes for the year April 2016 – March 2017.</p> <p>Members have determined a general guideline of a <b>5%</b> 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 2015/16 standard charge levels in respect of Local Authority accommodation in both Gwynedd and Conwy:-</p> <ul style="list-style-type: none"> <li>• Gwynedd - £581.28</li> <li>• Conwy - £535.00</li> </ul> <p>During 2015/16, the Standard Charge was calculated at £648.64 per week due to an occupancy rate of 85.8% across the 5 in-house residential homes (excluding Garreglwyd). The Council decided to impose a 5% 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 £540.26 per week during 2015/16.</p> <p>In calculating the Standard Charge for 2016/17, we have again omitted the number of beds kept unoccupied at Garreglwyd Residential Home during 2015/15 as the intention is to sell the Home. The occupancy rate for the remaining 5 Council run homes during the first 9 months of 2015/16 was 89.7% based on a total of 133 beds.</p> <p>The following table calculates the estimated cost per resident week for the year to 31 March 2016.</p> |  |

|                                    |       |
|------------------------------------|-------|
| Number of Beds Available           | 133   |
| Estimated Occupancy Rate           | 89.7% |
| Estimated Number of Resident Weeks | 6,221 |

|  | 2016/17          | 2016/17        | 2015/16       |
|--|------------------|----------------|---------------|
|  | £                | £              | £             |
| Estimated Running Cost for 2016/17           | 4,114,030        | 661.31         | 506.62        |
| Add – Depreciation charge                    | 238,989          | 38.42          | 35.96         |
| - Support Services                           | 185,264          | 29.78          | 30.81         |
| Less Income From Non Residential Activities  | -40,000          | -6.43          | -33.14        |
|  | <b>4,498,284</b> | <b>723.08</b>  | <b>540.26</b> |
|  |                  |                |               |
| <b>Increase from 2015/16 standard charge</b> | <b>33.84%</b>    | <b>£182.82</b> |               |

Based on the above table the estimated cost per resident week for the year to 31 March 2017 is £723.08. Acknowledging the council's decision for 2015/16 and the significant rise that a move from £540.26 to £732.66 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 5% and that a fee of £567.27 is set.

#### **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 rejected it on the basis that this would require a significant and disproportionate increase for residents.

**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.

**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?**

| <b>E – Who did you consult?</b>   | <b>What did they say?</b>                            |
|---|--|
| <b>1</b><br><b>Chief Executive / Strategic Leadership Team (SLT)</b><br>(mandatory) | No Comments  |
| <b>2</b><br><b>Finance / Section 151</b><br>(mandatory)                             | Supportive   |
| <b>3</b><br><b>Legal / Monitoring Officer</b><br>(mandatory)                        | Timeline did not allow for comments within timescale |
| <b>5</b><br><b>Human Resources (HR)</b>   |  |
| <b>6</b><br><b>Property</b>   |  |
| <b>7</b><br><b>Information Communication Technology (ICT)</b>                       |  |
| <b>8</b><br><b>Scrutiny</b>   |  |
| <b>9</b><br><b>Local Members</b>  |  |
| <b>10</b><br><b>Any external bodies / other/s</b>                                   |  |

**F – Risks and any mitigation (if relevant)**

|          |                           |  |
|----------|---------------------------|--|
| <b>1</b> | <b>Economic</b>           |  |
| <b>2</b> | <b>Anti-poverty</b>       |  |
| <b>3</b> | <b>Crime and Disorder</b> |  |
| <b>4</b> | <b>Environmental</b>      |  |
| <b>5</b> | <b>Equalities</b>         |  |

|   |                    |  |
|---|--------------------|--|
| 6 | Outcome Agreements |  |
| 7 | Other              |  |

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| <b>FF - Appendices:</b> |
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| <b>G - Background papers (please contact the author of the Report for any further information):</b> |
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