

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>Executive Committee</b>
<b>Date:</b>	<b>16<sup>th</sup> February, 2015</b>
<b>Subject:</b>	<b>Local Authority Homes for Older People – Setting the Standard Charge</b>
<b>Portfolio Holder(s):</b>	<b>Councillor Kenneth P Hughes</b>
<b>Head of Service:</b>	<b>Alwyn Rhys 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, 2015 – March 2016.</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 2014/15 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 - £517.00</li> </ul> <p>During 2014/15, the Standard Charge was calculated at £611.55 per week due to an occupancy rate of 84.0% across all 6 in-house residential homes. 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 £514.53 Per week during 2014/15.</p> <p>In calculating the Standard Charge for 2015/16, we have omitted the number of beds kept unoccupied at Garreglwyd Residential Home during 2014/15 as discussions have progressed with the sale of the property. The occupancy rate for the remaining 5 Council run homes during the first 9 months of 2014/15 was 85.8% based on a total of 133 beds.</p>	

The following table calculates the estimated cost per resident week for the year to 31 March 2015.

Number of Beds Available	133
Estimated Occupancy Rate	85.8%
Estimated Number of Resident Weeks	5,952

	2015/16	2015/16	2014/15
	£	£	£
Estimated Running Cost for 2015/16	3,388,340	569.28	482.50
Add – Depreciation charge	290,053	48.73	34.25
- Support Services	222,317	37.35	29.35
Less Income From Non Residential Activities	-40,000	-6.72	-31.56
	<b>3,860,711</b>	<b>648.64</b>	<b>514.53</b>
<b>Increase from 2014/15 standard charge</b>	<b>26.06%</b>	<b>£134.11</b>	

Based on the above table the estimated cost per resident week for the year to 31 March 2015 is £648.64. Acknowledging the council's decision for 2014/15 and the significant rise that a move from £514.53 to £648.64 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 £540.26 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?**

1	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	✓
2	<b>Finance / Section 151</b> (mandatory)	✓
3	<b>Legal / Monitoring Officer</b> (mandatory)	✓
5	<b>Human Resources (HR)</b>	✓
6	<b>Property</b>	
7	<b>Information Communication Technology (ICT)</b>	
8	<b>Scrutiny</b>	
9	<b>Local Members</b>	
10	<b>Any external bodies / other/s</b>	

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

1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	

**FF - Appendices:**

**G - Background papers (please contact the author of the Report for any further information):**