

ISLE OF ANGLESEY COUNTY COUNCIL

Report to:	Executive
Date:	14th February 2023
Subject:	Independent Sector Care Home Fees for 2023/2024
Portfolio Holder(s):	Councillor Alun Roberts
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 2023/24 for Standard Residential and Standard Nursing fees. The methodology has reflected legislation changes in terms of Real living wage and inflation.

The North Wales Methodology (Table 1) has recommended an increase of between 10.05% and 12.13% across the four categories of care. The following fees are proposed for 2023/24:

Table 1 - North Wales Methodology Recommendation

Category	2022/23	2023/24	Increase £	Increase %
Residential (Adults)	£646.52	£711.83	£65.31	10.10%
Residential (EMI)	£675.17	£743.18	£68.01	10.07%
Nursing Care (Social Care Element)	£703.79	£774.54	£70.75	10.05%
Nursing (EMI) (Social Care Element)	£746.72	£837.26	£90.54	12.13%

All the above are based on 10% ROI for 2022/23 and 2023/24, excluding Local Authority Free Nursing Care (FNC) element and Health Board FNC on nursing fees as the uplift for 2023/24 is yet to be agreed. The current LA FNC rate for 2022/23 is £7.86 per week, and the current Health Board FNC rate for 2022/23 is £193.88 per week.

As part of fee setting for 2023/24, Ynys Mon consulted on the North Wales fees methodology.

The North Wales Adult Service Heads (NASH) have agreed that the increases noted were consistent with the implementation of the fees model.

Following discussion with Director of Function (Resources) / Section 151 Officer, we are proposing to use the Regional methodology for:

- Residential Care
- Nursing Care Social Care Element

During the mid-year fees review conducted in July 2022, the revised fees for Residential EMI for 2022/23 were increased further which equated to an increase of 22.31% compared to the 2021/22 fees and the revised Nursing EMI fees equated to an increase of 24.28% compared to the 2021/22 fees. This decision was taken as this service was facing unprecedented demand and we wished to encourage further provision in the field. Given that the fee increases in 2022/23 were significantly higher than that of the regional fees methodology, it is recommended that we offer a lower rate of inflation of 3% for the EMI fees in 2023/24, with the aim of harmonising the rate with the regional fees methodology over a period of time.

Ynys Mon therefore recommends the following rates for approval:

Table 2 – Ynys Mon Proposed Fee's for 2023/24

Category	2022/23 original Fee (April 2022)	2023/24 proposed Fee	Increase Compared to April Fees 2022/23	% Increase Compared to April Fees 2022/23
Residential (Adults)	£636.80	£711.83	£75.03	11.78%
Residential (EMI)	£707.17	£795.46	£88.29	12.48%
Nursing Care (Social Care Element)	£703.79	£774.54	£70.75	10.05%
Nursing (EMI) (Social Care Element)	£800.88	£915.37	£114.49	14.30%

Please note, the Authority undertook a mid-year review of fees in July 2022 and the revised fees for 2022/23 effective from 17 July 2023 are noted in Appendix A.

The above fees exclude the Local Authority Free Nursing Care (FNC) and the Health Board FNC element on nursing fees, as the uplift for 2023/24 is yet to be agreed. The current LA FNC rate for 2022/23 is £7.86, and the current Health Board FNC rate for 2022/23 is £193.88. Please note the proposed fees for 2022/23 in the mid-year fees' review were inclusive of the LA FNC rate at the time, which was £7.48, and, are therefore, not directly comparable to the figures above. The revised LA FNC rate of £7.86 was published after the mid-year fees review was conducted.

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 Committee 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 Mon during 2023/24 (Table 1);
2. Approve the recommendation to increase the fee level as follows:-
 - R1 - Residential Care (Adults) - £711.83
 - R2 - Residential (EMI) - £795.46
 - R3 - Nursing Care (Social Care Element) - £774.54 + Local Authority FNC element (TBC)
 - R4 - Nursing (EMI) (Social Care Element) - £915.37 + Local Authority FNC element (TBC)

In line with other Authorities, we request that the executive authorise Social Services and Finance Services to respond to any requests from individual homes to explore their specific accounts and to utilize 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?

Due to the nature of demand for EMI beds on the island, the service recommends that the EMI fees remain higher than the North Wales Methodology rate with the view of harmonising the fees with the North Wales Methodology over future years. We are therefore applying a lower rate of inflation in order to harmonise the rates over a period of time.

In recent years, the demand for Residential beds has been significantly lower than the supply on the Island, and as such the service decided to reduce the Return on Investment from 10% to 9% with the intention of encouraging providers to invest in EMI provision. However, in recent months it has become evident that the demand for residential beds has increased significantly. Therefore, we have increased the return on investment from 9% to 10% in order to stimulate the market.

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 for Residential and Nursing Placements for older people by circa £550k when compared with 2022/23 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.	No impact
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
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	Not applicable
8	Local Members	Not applicable
9	Any external bodies / other/s	Not applicable
F - Appendices:		
Appendix A attached		
FF - Background papers (please contact the author of the Report for any further information):		
None		

APPENDIX A

Category	Original Fees set effective from 1/4/2022 to 16/7/2022	Uplifted Fees effective from 17/7/2022 to 31/3/2023	2023/24 Proposed Fee	Increase Compared to April Fees 2022/23	% Increase Compared to April Fees 2022/23	Increase Compared to July Fees 2022/23	% Increase Compared to July Fees 2022/23	ROI
Residential (Adults)	£636.80	£643.78	£711.83	£75.03	11.78%	£68.05	10.57%	10%
Residential (EMI)	£707.17	£772.29	£795.46	£88.29	12.48%	£23.17	3.00%	10%
Nursing Care (Social Care Element)	£703.79	£744.78	£774.54	£70.75	10.05%	£29.76	4.00%	10%
Nursing (EMI) (Social Care Element)	£800.88	£888.71	£915.37	£114.49	14.30%	£26.66	3.00%	12%

The above fees exclude the Local Authority Free Nursing Care (FNC) and the Health Board FNC element on nursing fees, as the uplift for 2023/24 is yet to be agreed. The current LA FNC rate for 2022/23 is £7.86, and the current Health Board FNC rate for 2022/23 is £193.88.

Please note the proposed fees for 2022/23 in the mid-year fees' review were inclusive of the LA FNC rate at the time which was £7.48, and are, therefore, not directly comparable to the figures above. The revised LA FNC rate of £7.86 was published after the mid-year fees review was conducted.