

**ISLE OF ANGLESEY COUNTY COUNCIL**

<b>Report to:</b>	<b>Executive</b>
<b>Date:</b>	<b>23 January 2024</b>
<b>Subject:</b>	<b>Independent Sector Care Home Fees for 2024/2025</b>
<b>Portfolio Holder(s):</b>	<b>Councillor Alun Roberts</b>
<b>Head of Service / Director:</b>	<b>Arwel Wyn Owen</b>
<b>Report Author:</b> Tel: E-mail:	<b>Carwyn Edwards, Finance Manager</b> <b>01248 752699 CarwynEdwards@ynysmon.llyw.cymru</b>
<b>Local Members:</b>	<b>All Members</b>

**A –Recommendation/s and reason/s**

**Recommendation**

We recommend increasing Residential, Residential EMI, Nursing and Nursing EMI fees by 8.8%. The recommendations are summarised at the end of this section (R1 – R4)

**Background**

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 a benchmark, as done in previous years. We have used this model as a benchmark for 2024/25. The methodology has reflected legislation changes in terms of Real living wage and inflation. We have adapted the regional methodology toolkit to include a market supplement for EMI provision again this year. When reviewing fee levels, consideration is given to local circumstances, demand pressures and availability of provision in addition to the regional formula.

At this current stage, we have not received confirmation as to whether all Authorities within the region will use the regional methodology as a basis to set their fees for 2024/25. We have received correspondence from one local authority, confirming that they have referred to the regional fees methodology as a benchmark, but have however decided to add a market supplement considering the financial pressures within the sector. Work is ongoing with our counterparts across the North Wales region to ensure that our fees are comparable.

Following discussions with Director of Function (Resources) / Section 151 Officer, and in recognition of the financial pressures faced by our providers, we propose to increase our fees by 8.8%, which exceeds the inflationary uplifts calculated using the regional methodology toolkit. It must be noted that we as the Local Authority are facing financial pressures, particularly so following the release of the provisional revenue budget for 2024/25. The provisional settlement from Welsh Government amounts to 2.5%, therefore in order to fund the increase of 8.8%, we as an authority must implement efficiency savings across all service areas.

Table 1 below sets out the fees based on inflationary uplifts and table 2 sets out Ynys Mon's proposed rates, recognising the pressures faced by providers.

The below fees for nursing care in Tables 1 and 2 include the Local Authority Free Nursing Care (FNC) element but excludes the Health Board FNC element, as the uplift for 2024/25 is yet to be agreed. The current Health Board FNC rate for 2023/24 is £206.95.

**Table 1 – Proposed Fees for 2024/25 based on adapted 2023/24 fees methodology plus inflationary uplifts.**

Category	2023/24 original Fee (April 2023)	2024/25 proposed Fee	Increase Compared to 2023/24 fees	% Increase Compared to 2023/24 fees
Residential (Adults)	£711.83	£753.04	£41.21	5.79%
Residential (EMI)	£795.46	£842.19	£46.73	5.87%
Nursing Care (Social Care Element)	£782.91	£828.71	£45.80	5.85%
Nursing (EMI) (Social Care Element)	£923.74	£978.89	£55.15	5.97%

**Table 2 – Ynys Mon Proposed Fees for 2024/25**

Category	2023/24 original Fee (April 2023)	2024/25 proposed Fee	Increase Compared to 2023/24 fees	% Increase Compared to 2023/24 fees
Residential (Adults)	£711.83	£774.47	£62.64	8.80%
Residential (EMI)	£795.46	£865.46	£70.00	8.80%
Nursing Care (Social Care Element)	£782.91	£851.81	£68.90	8.80%
Nursing (EMI) (Social Care Element)	£923.74	£1,005.03	£81.29	8.80%

The 8.8% increase if approved will apply to homes who accept our standard rates. Anyone currently in receipt of fees about our indicative rate will be asked to share financial information, with consideration of a monetary uplift.

In Exceptional circumstances, 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 Adults' Services Portfolio holder, Director of Function (Resources) / Section 151 Officer and Head of Adult Social Care.

The Executive Committee is requested to:-

**1. Approve the recommendation to increase the fee level as follows.**

- R1 - Residential Care (Adults) - £774.47 per week
- R2 - Residential (EMI) - £865.46 per week
- R3 - Nursing Care (Social Care Element) - £851.81 per week
- R4 - Nursing (EMI) (Social Care Element) - £1,005.03 per week

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 Adults' Services 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?**

We considered basing our fees on the regional methodology toolkit, however in recognition of the pressures faced by providers, we have decided to deviate away from the regional methodology this year and offer a higher % uplift.

**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?**

We have previously been granted approval to work with other Local Authorities in North Wales and to implement the North Wales Fee Methodology to set fees annually. As we have deviated away from the regional methodology this year, the executive are requested to approve this change in approach.

**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.

<b>Dd – Assessing the potential impact (if relevant):</b>		
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	Discussions are ongoing regionally
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
<b>E - Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT)</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>	Not applicable
8	<b>Local Members</b>	Not applicable
9	<b>Any external bodies / other/s</b>	Not applicable
<b>F - Appendices:</b>		
N/A		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
None		