

Report to: Partnerships Scrutiny Committee

Date of Meeting: 14th March 2013

Lead Member/Officer: Lead Member for Social Care, Adult and Children's Services/ Head of Adult and Business Services

Report Author: Business Service Manager

Title: Residential Care Fees 2013/14

1. What is the report about?

The report is an update of the Regional Care Home Fee Setting Methodology and the impact on costs to the Authority.

2. What is the reason for making this report?

To inform Members of regional developments and the impact of the application of the methodology on costs for 2013/14.

3. What are the Recommendations?

That Members consider the report, provide observations and continue to support the regional approach to fee setting as agreed by Cabinet in February 2012.

4. Report details.

4.1 Last year a very detailed report was presented to Scrutiny explaining the new methodology, the process followed and the cost impacts. During recent months that same methodology has been revisited and inflationary increases have been applied to the components within the fees. Those increases vary between 1.8% for salaries, for instance, and 9% for energy costs. On average the increase in fees will be approximately 2.4%.

4.2 The work this year was carried out by a team of Finance Officers from Wrexham, Flintshire and Denbighshire County Council. They have considered inflation and referred to the annual application from the Care Forum. They have also worked individually with the Heads of Service in their authorities to calculate the cost of these fee increases and the budgetary impact.

4.3 The effect on standard fees is detailed in the table below. Fees for Nursing Homes exclude the NHS contribution which currently stands at £120.56 per week.

CATEGORY	2012/13	2013/14
Residential	£439.96	£450.51
EMI Residential	£481.91	£493.22
Nursing	£494.17	£505.70
EMI Nursing	£517.74	£529.69

- 4.4 There are currently 420 people residing in care homes that fall under these standard rates. In addition, there are some 90 people with non-standard rates due to historical arrangements or high levels of need.
- 4.5 The numbers of people in care homes is reducing as the Council continues to be successful in providing community-based alternatives. At 31 March 2012 there were 544 people and by 1 April 2013 it is forecast that there will be 500 people.

5. How does the decision contribute to the Corporate Priorities?

Ensuring that the fees we pay cover the full cost of delivering quality services supports vulnerable people in our community. It also ensures that staff employed in the sector are appropriately paid for the work they do thus supporting the local economy.

6. What will it cost and how will it affect other services?

The 510 people in care homes equates to an annualised cost of £14.3m. Based on current occupancy of care homes, an average 2.4% increase in fees would equate to £343k. However, the forecast of 500 people would produce a more modest rise of £56k. This is manageable within the budgeted inflation uplift for Adult Services.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

There is no Equality Impact in respect of this methodology of calculating Care Home Fees, see attached document (Appendix 1) The standard fees set by this process can be easily amended to take into account the individual needs of a resident or the specific additional costs of a particular care home which meets those needs.

8. What consultations have been carried out?

Representatives from Denbighshire, Wrexham and Flintshire County Councils have worked together on the fee process and have consulted with a Senior Policy Officer from Care Forum Wales. The methodology has subsequently been agreed by the Isle of Anglesey County Council and Gwynedd County Council. Conwy County Council are currently involved in the work and are considering the adoption of the methodology.

Care home owners and managers will be invited to individual meetings during March to ensure that these fees meet their costs. Letters sent out to providers will also offer to give consideration to audited accounts which demonstrate higher expenditure than used in these calculations.

The methodology was presented to Scrutiny and to Cabinet in February 2012 and was agreed at that time.

9. Chief Finance Officer Statement

The proposed fee increase is arrived at after following a reasonable methodology. The model used to calculate the fees has taken account of numerous factors and

recognised areas where costs may have increased. It is important that community alternatives and extra care options continue to be developed to try to reduce reliance on residential care provision.

10. What risks are there and is there anything we can do to reduce them?

- 10.1 There is a risk that more people will require residential care than planned for but the provision of preventative and re-abling services are continuing to reduce people's reliance on intensive support.
- 10.2 There is also a risk that individual care homes will present audited accounts that show eligible expenditure that is higher than the fee rates. This is mitigated by the application of the methodology as agreed with Care Forum Wales.

11. Power to make the Decision

Welsh Government has issued statutory commissioning guidance to Local Authorities under Section 7 of the Local Government Act. The effect of this is that Local Authorities have to take all legitimate costs of provider services into account in setting a fee and also to have a clear rationale set out.

Article 6 of the Council's Constitution

Contact Officer:

Business Service Manager

Tel: 01824 706556