

Wiltshire Council

Cabinet

19th April 2016

Subject: Age UK Contracts 2016 and beyond

Cabinet member: Keith Humphries (Adult care and public health)

Key Decision: Yes

Executive Summary

This cabinet paper sets out to summarise a proposal relating to the future funding of Age UK across Wiltshire.

This document describes the proposal and seeks authority to proceed with the stated recommendation.

Proposal(s) It is proposed that the cabinet agrees the following.

To enter into a long term investment grant in partnership with the CCG with Age UK for a total maximum term of four years based on a two year agreement with the option to extend the agreement for an additional two years based on the agreement of the parties.

To enter into a one year community services contract exempt from the procurement regulations

Reason for Proposal

1. This proposal has been made so as to ensure there are a range of effective and robust community based prevention services available across the County of Wiltshire. The proposal will provide the Council and CCG with a key strategic partner with which to achieve shared objectives around developing resilient communities and delivering services within the community. The proposal will deliver efficiencies through rationalising the allocation of resources ensuring best value is achieved.

2. The recommendation to enter into a two year agreement with a single Age UK organisation will give commissioners from across the CCG and the Council the opportunity to develop a strategic partnership with Age UK which can be used to drive community based prevention activities, deliver the shared objectives set out in this document and support strategic objectives shared by both the council and CCG delivered through the Health and Well Being Board.
3. The strategic partnership will also be a key element of working across the system to ensure that prevention, information and voluntary services are coordinated and deliver the best value for both health and care sectors.
4. The optional extension will be considered based on the service providers ability to evidence how it is delivering the objectives shared by the commissioning organisations and that they can work as a key strategic partner across the system. A report will be submitted for the cabinet's consideration in the autumn of 2017 setting out the impact of extending the long term investment grant based on the data collated during the term.
5. The Community service contract will give commissioners the time to agree how these services will be delivered after April 2017.

Maggie Rae
Corporate Director

Wiltshire Council

Cabinet

19th April 2016

Subject: Age UK funding proposal

Cabinet member: Keith Humphries Adult Social Care

Key Decision: Yes

Purpose of Report

1. This report sets out a proposal for the consideration of the cabinet regarding entering into two agreements with a single Age UK organisation covering the whole of Wiltshire.
2. The report is required in advance of two exemptions from the Councils procurement regulations so that the Council and Clinical Commissioning Group can enter into a long term investment grant and a separate community services contract with Age UK.

Relevance to the Council's Business Plan

3. Both of these agreements will be purchased to support the delivery of the Councils business plan objectives. In particular the agreements will protect the most vulnerable people living in our communities. The agreements will provide services, information and opportunities so that older people can maintain their wellbeing and are able to participate in their local communities as they grow older.
4. The services will also support the development of resilient communities that are not reliant on statutory health and social care services. The long term investment Grant will provide a foundation for commissioners to work with Age UK to deliver community based projects and initiatives that reduce reliance on social care services and prevent the need for acute health services. This will include developing and promoting services that reduce social isolation amongst older people, working with key partners from across the system to develop joined up services and through the provision of information and advice.
5. The proposals represent a joint initiative by the CCG and Council to commission community based prevention services that will improve people's wellbeing, this will support the delivery of the requirements of the Care Act (2014)
6. It is proposed the long term investment grant is established to support the objectives listed below.

Strategic Objective
<ul style="list-style-type: none"> • Bring communities together to enable and support them to do more for themselves.
<ul style="list-style-type: none"> • Ensure that older people have access to information and advice that will allow them to live as independently as possible.
<ul style="list-style-type: none"> • Support self care initiatives, supporting patients to manage long term conditions as independently as possible.
<ul style="list-style-type: none"> • Ensure that older people have a voice, locally and across the County.
<ul style="list-style-type: none"> • Work in partnership with commissioners, the County's area boards and other key stakeholders to prevent people needing to access statutory care and support services.

Main Considerations for the Council

7. . The Council is asked to consider the following proposals;

- To enter into a long term investment Grant with a single Age UK organisation for a term of two years with the option to extend for a further two years (unless ended earlier by either party in accordance with the terms of the agreement). The agreement will have an annual value of £202,000 per annum with an agreement that this will reduce annually based on the agreement of the parties. This agreement will be jointly funded (50/50) by the CCG and Wiltshire Council to pay for core costs including but not limited to, staffing, office costs and fundraising activities.
- To enter into a community service contract (Without Competition) for a one year term with Age UK to deliver the following community services.
 - Community Day service support (£60,000)
 - Evergreen community day service for older people with a learning disability (£66,000)
 - Information and Advice services for older people (£84,000) this will be jointly funded by the CCG and Wiltshire Council.

These services will be commissioned through compliant procedures, delivered differently or de commissioned in advance before April 2017.

Background

8. Age UK (previously Age Concern) is the largest charity operating in England with the sole purpose of improving the life's of older adults. Age UK delivers services that support older people, campaigns to raise awareness about issues effecting older people and provides the information people need so as to live as independently as possible. The charity has a well established presence in Wiltshire delivering a variety of services including;

- Information and advice for older people and their families
- Befriending services

- Nail cutting services
 - Social events and opportunities
 - Volunteering opportunities
9. Age UK also work across the health and social care sector with commissioners, health and care providers. Examples of this include their involvement in the Home First programme and their partnership as part of the recently commissioned community health contract.
10. The Council and CCG have traditionally commissioned a range of services from two Age UK organisations operating across Wiltshire; Age UK Salisbury and Age UK Wiltshire. Both organisations have operated independent boards of trustees and senior management structures. By commissioning one organisation this will reduce management and overhead costs so that efficiencies can be made while directing more resources to service delivery.
11. A range of services have been purchased from these two organisations via commissioned contract, grant and partnership arrangements. This has generated an over complicated funding arrangement where it is challenging to differentiate the costs of individual services and evaluate the financial impact. It is expected that by splitting the
12. The Age UK boards have agreed to formally and legally merge the two Age UK organisations as of 31st of March 2016 on the basis that the commissioners will purchase services from a single Age UK organisation.
13. An interim solution has been proposed to Age UK to ensure continuity of service for customers and to allow time for the cabinet to consider the proposals in this paper. Subsequently a two month temporary agreement with Age UK has been agreed by the procurement board based on the proposals set out in this paper.
14. The CCG are supportive of the proposals presented in this paper.

Overview & Scrutiny Engagement

15. This paper will be considered by the Health Select Committee on the afternoon of the 19th of April 2016.

Safeguarding Implications

16. Any agreements established with Age UK will contain robust safeguarding clauses in line with best practise, Council policy and current legislation.

Public Health Implications

17. The proposed agreements will provide a series of community based services and prevention activities. These activities will supplement public health activities and initiatives, as well as those identified as priorities by the Better Care Plan's Prevention Board.

18. Commissioners from the adult care team will work closely with colleagues from the public health team to identify opportunities to work together to achieve organisational and population objectives. This will include using these agreements to raise awareness of key public health messages and campaigns and working to develop a voluntary sector that is able to effectively support communities and individuals with their wellbeing.

Procurement Implications

19. It is proposed the long term investment grant will be exempted from the regulations on the basis that the agreement will be made via a grant rather than a contracting arrangement.
20. The one year community services contract which will be re procured or de commissioned in accordance with the regulations by 2017
21. After this one year community contract has concluded the community services will either be re-commissioned which will require a procurement process, delivered differently for instance by giving the resources directly to customers or decommissioned. Based on the commissioning decisions procurement actions will be taken accordingly.

Equalities Impact of the Proposal

22. This proposal will ensure that members of groups with protected characteristics including in particular older adults and carers will have the opportunity to continue to live the lives that they choose within their community.
23. Both the grant and community service agreements will help to ensure that older people and their carers have access to the same opportunities other groups have to remain active members of their local community.
24. The services commissioned will be required to comply with all equalities legislation and best practice and shall be made available to everyone living within the community area.

Environmental and Climate Change Considerations

25. There are no specific environmental or climate change considerations. As described in this document it is anticipated the grant will reduce in value annually and one of the ways this may be achieved is through reducing paper related costs which will help to reduce the environmental impact of these services.

Risk Assessment

Risks that may arise if the proposed decision and related work is not taken

26. If the services are not commissioned there is a risk that large numbers of potentially vulnerable people living within our communities will no longer have

access to the range of community and prevention services delivered through these agreements.

27. This potential reduction in service is very likely to increase demand on statutory health and social care services.
28. Age UK may continue to operate as two Wiltshire based organisations and the forecast savings associated with rationalising commissioning arrangements will not be achieved.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

29. If the proposal is taken there is a risk of challenge as the proposal is based on an exemption from the procurement regulations. This risk has been mitigated as the value of the community service contract is below the 750,000 euro limit for social care procurement activity.
30. After year one funding for Age UK is likely to reduce significantly as the community services are de commissioned or commissioned differently. Commissioners will work with Age UK over the term of this community service contract so as to ensure changes do not impact on the long term investment grant funding.

Financial Implications

31. The financial implications of this proposal have been detailed below.
32. The figures presented below are based on the recommended option included in this paper. So in the case of the Grant the proposal represents a minimum commitment of £404k (£202k Wiltshire Council) and a maximum commitment based on the optional extension of £808k (£404k Wiltshire Council).

Long term investment Grant

Year	Wiltshire Council contribution	Clinical Commissioning Group Contribution	Total Spend
2016-17	£101,000	£101,000	£202,000
2017-18	£101,000	£101,000	£202,000
2018-19 (Optional extension)	£101,000	£101,000	£202,000
2019-20 (Optional extension)	£101,000	£101,000	£202,000
Total	£404,000	£404,000	£802,000

Please note the values have been provided based on maximum costs. The grant will include a provision for annual efficiencies which will reduce the annual value and total contract value over the term.

Community Services Contract 2016-17

Element	Wiltshire Council contribution	Clinical Commissioning Group Contribution	Total Spend
Evergreen day centre	£66,000	£0.00	£66,000
Community day service support	£60,000	£0.00	£60,000
Information and advice	£42,000	£42,000	£84,000
Total	£168,000	£42,000	£210,000

Savings will be achieved on this contract in 2017-18 by commissioning evergreen day services through individual personal budgets rather than a block payment this as already been discussed with Age UK and will save a minimum of £20,000 (based on 2016 personal budget rates) in 17-18. The other services will be decommissioned, re-commissioned or delivered differently.

Legal Implications

33. Please see procurement considerations for information. The two Age UK organisations are proposing to legally re constitute as a single charitable body with one board of trustees that will provide services across the county.

Options Considered

34. A number of options were considered before arriving at the proposal set out in this paper.

Option 1- To enter into a long term investment grant for a term of five years and a community service contract as described in this paper. This option would provide Age UK with continuity of funding and allow for the establishment of long term strategic projects. The length of this agreement poses a risk in terms of changes to the way information, advice and prevention services are commissioned in the future.

Option 2- to decommission all or part of the services delivered by Age UK. This option was discounted due to the significant impact it would have on the availability of community prevention services. The recommendation to enter into a two year grant arrangement with a single Age UK organisation will give commissioners the opportunity to work in partnership with service provider to develop a strategic relationship that will support the delivery of shared objectives. The impact and benefits of this work can be assessed before making further commissioning decision.

Option 3- to re commission all of the services through a competitive process. This option may be taken up in the future however it was felt the requirement to ensure clarity in terms of funding while rationalising the existing spend was required before this could be completed. Elements of the community services contract will be re commissioned in advance of April 2017. The proposal to work

with a single Age UK organisation will secure cost efficiencies but will also allow the Commissioners to develop a strategic relationship with a single Age UK partner. If Age UK were not to merge then this option would require further consideration.

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Background Papers

None