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To: Adult Social Services Policy Overview and Scrutiny
Committee - 12 January 2011

Subject: **AGE CONCERN UPDATE**

Classification: Unrestricted

Summary: To provide an update on the work being undertaken with Age Concerns across Kent to:

- Ensure the future viability of the organisations
- Meet the personalisation agenda
- Increase individual's choices.

Background

1. (1) This is a time of rapid and significant change for Adult Social Services, in Kent and nationally. The drivers for change may be summarised as being:

- a) Demographic change – the rate of population increase and Social care exposure to vulnerable elements of the population are increasing at a much greater rate than overall population profiles. This particularly in terms of the numbers of older people living longer, and the numbers within this group who develop dementia.
- b) Self Directed Support – the national changes in the access and provision of social care and support will require traditional service provision to adapt so that it can better meet individual need and personal preference. The availability of Direct Payments is likely to attract more vulnerable people to apply for Social Care support.
- c) Comprehensive Spending Review – the scale of savings required by Central Government over the next 4 years is of such degree that all council services will need to be reviewed to ensure that the spend is appropriate and efficient in terms of attaining specified outcomes.

Partnership with Age Concerns

2. (1) KASS values the contributions that Age Concerns make and is seeking to develop the role of the voluntary sector and specifically Age Concerns, in view of their strategic importance. Given the impact of the Comprehensive Spending Review, KASS is working with all the Kent Age Concerns to:

- a) To ensure high quality services for older people are provided through financially viable organisations which are able to sustain themselves through the major economic changes which lie ahead;

- b) To ensure the best use of scarce resources, staff, skills and infrastructure and seeking every opportunity to reduce transaction costs through collaborative working;
- c) To prepare for the expected reductions in public funding at a time when we know there will be steady increases in the numbers of older people;
- d) To ensure a more meaningful allocation of funding of Age Concerns across the county and clarity on the outcomes expected from the KASS funding;
- e) To promote greater opportunity for efficiency and value for money as a result of the above.

KASS Commitment to Age Concerns

3. (1) To help the Age Concerns achieve this, KASS has committed to:
- a) Protect current funding for Age Concerns. The resources committed to Age Concerns have been ring-fenced and no KASS funding for Age Concerns is currently in question.
 - b) Pursued continuing service agreements to support personalisation
 - c) Committed to regular ongoing partnership working arrangements
 - d) Invested money over two years from the Social Care Reform Grant as part of a shared process of transition towards personalised services.
 - e) Supported Age Concerns to be stronger and more sustainable organisations
 - f) Involved Age Concerns in our plans to re-provide services where they may be affected by proposals to outsource and close existing in-house care provision
 - g) Committed to long term project management resource to support our change proposals
 - h) Protecting and enabling change by agreeing the 5% top-slice mechanism to support personalisation and equity of funding, all as agreed with Age Concerns
 - i) Looked to develop links with newly built Extra Care Sheltered Housing schemes to enable out-reach services and creation of additional capacity for service provision
 - j) Joint work with Age Concerns to ensure maintenance of good quality services and a reliance on Age Concerns to monitor their own performance

Issues raised by Age Concerns

One Payment per locality

4. (1) There was initial reaction from some Age Concerns that they did not understand this stance taken by KASS and felt manoeuvred into 'mergers' and locality groupings. This process has largely worked itself through albeit there continues to be some level of discontent. KASS cannot require mergers of Age Concerns but will support them where they meet local circumstances and are seen to be beneficial. KASS is seeking to protect Age Concern services by making them more sustainable during a difficult medium term period.

(2) At the most recent County Advisory Group on 25 October 2010, Age Concerns representatives gave updates on how they were working across localities:

- a) **South West Kent** are in favour of joint working and the Trustees are seeking independent legal advice. Tunbridge Wells is still in discussion.
- b) **Dartford, Gravesham and Swanley** were hoping to have made further progress in their proposal to merge into one body but this has currently stalled. It is hoped that this will be moved forward so that there will be at least a consortium in place for April 2011
- c) **Maidstone and Malling** Trustees have given the Chief Officers authority to move forward. They hope to have a consortium in place for April 2011
- d) **Canterbury and Swale** have agreed to a consortium agreement and Faversham have agreed to take the lead.
- e) **Ashford, and Shepway** have agreed to accept one grant per locality and have met to consider the consortium paperwork. Romney Marsh are still in discussion
- f) **Dover and Thanet** are acting on legal advice, and Deal intend to establish a single purpose vehicle (social enterprise) and bid for the money.

(3) Work is ongoing on firming up these proposals which will be reported at the next County Group Meeting in February 2011.

5% Top slice

5. (1) There has been a sustained unease from Age Concerns about this mechanism, which has been seen by some more as a penalty than as a way of achieving a shared ambition. The 5% will be transferred from each years funding for day care provision and redirected within Age Concerns to either:

- a) Address the historic inequity of funding and instil more meaningful allocations based on sound demographic information and/or
- b) Secure innovative ways to progress the personalisation agenda.

(2) The intention on the part of KASS is to build a mechanism into our future agreements that will support Age Concerns to amend their existing business plans and to incrementally work towards greater personalisation of care and support.

(3) The top slice will also provide greater equity and transparency about the funding from KCC, which has been requested by the Age Concerns. In addition KASS sees advantage in this in terms of achieving more standardised quality of services, within a personalised model of support.

(4) Whilst the level of Age Concern funding overall will stay the same across East Kent and across West Kent as a result of any adjustments made to move towards greater equity, there will of course be those that give up resource and those that gain, according to how such a mechanism is applied.

Equity formula

6. (1) A formula for calculating funding equity was discussed at the Age Concern Group meeting on 25 October 2010. All decisions relating this have been shared in this way and progress has been based in agreements with the Age Concerns.

(2) The formula is constructed using a collection of indicators of need such as older people populations, deprivation, life expectancy, rurality and hospital admissions, and provides a helpful comparative position statement across the county. Age Concerns seem to want the formula to better recognise issues of the actual individual needs of service users, and also to be based around the constraints and characteristics of existing Day Centres.

(3) Whilst quality of care, and actual dependency are important factors in managing services on a day to day basis, they do not lend themselves to measuring aggregate need and the potential for call on Age Concern services. These are probably better dealt with through the service specification and performance monitoring processes than within a funding mechanism.

(4) As regards a formula based on current Day Centre capacity, this would be unhelpful at a time when our shared aim of personalisation will result in demand for new and different opportunities, activities and care services.

(5) Utilising the 5% top-slice mechanism for both equity and personalisation is intended to represent an affordable year on year progression to assist Age Concerns to plan their businesses for the changes that Self-Directed Support and personalisation will bring. There is no view that equity adjustments will be absolute, depending in some small measure as to what the formula comprises. Any move towards equity will be capped by the 5% annual restriction for as many years as we agree to apply it.

Funding Mechanism

7. (1) At the Age Concern Group meeting on 25 October 2010 the question of a Grant funded or a Contracted service was discussed. KASS expressed a firm commitment to contribute to Age Concerns' work in Kent is by grant funding.

(2) In 2006 Age Concerns, along with some other voluntary sector organisations, were given 3 year agreements in response to their requests for increased financial stability and also in line with the shared aspirations of the Kent Compact. Subsequent to this, and given the scale of KASS funding for Age Concerns in Kent, legal advice was received which suggested that this may be acting outside of European Guidance on Awarding Contracts, if undertaken without a competitive tender process. As an immediate response to finding an acceptable way of moving forward in the face of this competing guidance KASS proposes to utilise a one year agreement in 2011/12 to ensure our valuable partnership work is well grounded.

(3) To do so would be contrary to current Government's guidelines on the Big Society and also to KCC's policy of Bold Steps for Kent, both of which advocate increased use of local Voluntary Sector Organisations. Further advice has been sought as we could not jeopardise the hard won support of Age Concerns by going out to tender for this service when we are so close to an agreement.

(4) In order to resolve this situation before April 2011, KASS have agreed to offer the Age Concerns grant funding for one year only with a much less specific Service Grant Agreement. Market research demonstrates that Age Concern consortia are the only organisations that can provide the quantity and breadth of access to day services for Older People and that they represent excellent Value for Money.

(5) The new documentation was sent out for consultation by 17 November and a small working group of Age Concern and KASS staff will meet and discuss any necessary changes to the Service Grant Agreement. It is anticipated that by April 2011, there will be an effective and efficient day opportunity services for older people in Kent. Further work will be undertaken to resolve the discord between the legal advice and the aims for Kent expressed in Bold Steps, before the next grant is made in April 2012.

Summary

8. (1) There is a strong and lasting partnership between KASS and Age Concerns and the common ground remains greater than the areas of concern.

(2) KASS does not fund all of the services provided by Age Concerns, but it remains their most significant commissioner of services, and remains responsible for the spending of public monies. It is a responsibility of KASS to take a commissioning stance that is compatible with the Government and legal requirements that are placed with KASS.

(3) The developing partnership process reflects the drivers for change that are set out above, and seeks to protect and enable service change, and organisational change as it affects Age Concerns in responding to the challenges of personalisation and consumerism in Adult Social Care.

Recommendations

9 (1) Members of the Adult Social Services Policy Overview and Scrutiny Committee are asked to NOTE the content of this report.

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Background documents: None