

A sustainable future for the Community Meals Service

Cabinet

Date: 5th February 2020

Author: Cabinet Member for Transport and the Environment
Head of Service (Streetsmart)

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 The report makes a recommendation to secure a sustainable future for the Community Meals service, which is currently provided by the Council.
- 1.2 It provides an update from a proposal contained within the February 2019 Cabinet Budget report 'Community Meals – Preferred option to transfer operation to new provider currently running similar services elsewhere in the country' (Cabinet Minute 56 2018/19) refers.
- 1.3 This proposal contributes to Priority four: Help people to help themselves while always protecting our most vulnerable children and adults | our vision, priorities and pledges | Swindon Borough Council. The proposal achieves this by ensuring the continued delivery of the Community Meals service, which can enable service users to continue to live independently.

2. Recommendations

Cabinet is recommended to:

- 2.1 Approve a business transfer of the Council's community meals service to Age UK Wiltshire (AGUKW).
- 2.2 Authorise the Corporate, Director Communities and Housing in consultation with the Chief Legal Officer (Monitoring Officer) and the Corporate Director of Finance and Assets (s.151 Officer) to proceed with the next steps to appoint Age UK Wiltshire and to enter into a Business Transfer Agreement.
- 2.3 Authorise the Chief Legal Officer (Monitoring Officer) in consultation with the Corporate Director Communities and Housing and the Corporate Director of Finance and Assets (s.151 Officer) to complete all necessary documentation to transfer the operation including staff by means of a Business Transfer Agreement on such terms as she considers appropriate to protect the Council's interests
- 2.4 Authorise the Director of Human Resources and Organisational Development to plan and undertake a TUPE consultation exercise with all relevant staff, recognising that under the proposals staff engaged on those services will transfer to the new operator.

Further information on the subject of this report can be obtained from Ian James, Head of Streetsmart, Mob: 07717 801000, IJames@swindon.gov.uk.

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- 2.5 Authorise £50k of one-off resources to be earmarked to fund the costs of any necessary legal, property and other transaction costs to support the conclusion of the negotiations and completion of the relevant contractual documentation

3. Detail

- 3.1 The Community Meals (CM) service is currently delivered by Council employees from the Enterprise Works site.
- 3.2 This service was transferred into the Council under a Business Transfer Agreement with Cleeve Hill Healthcare Limited (Cleeve) who, following a takeover by Primus Nursing, gave notice to terminate in December 2016 due to them considering the service as no longer viable. This service has been delivered by the Council since February 2017 as part of Enterprise Works within the StreetSmart Service.
- 3.3 Although it was envisaged that the CM service could grow and generate a surplus for the Council, this has not materialised and has been delivered at a cost to the Authority (see 5.1 below). It should be noted that many other local authorities have withdrawn similar services in order to make budgetary savings.
- 3.4 The CM service currently supports approx. 250 service-users across Swindon and also in Wiltshire, and directly contributes to Priority 4 by allowing elderly and vulnerable service-users to remain in their homes for longer without the need for further domiciliary care which would incur additional cost to the Council.
- 3.5 Against this background, Cabinet approved a proposal included within the February 2019 budget report for officers to explore the opportunity to find a sustainable solution for the service at a reduced cost to the Council. As a result there has been an ongoing dialogue with AUKW to achieve this end.
- 3.6 Age UK Wiltshire (AUKW) is an independent local charity providing support and services to anyone over the age of 50 living in Wiltshire and Swindon. The charity was originally established in 1949 as the Wiltshire Older People's Welfare and has been working in the local community to help older people for 70 years. The Charity has a very experienced Board including Swindon residents. It is Brand Partner to Age UK, the national charity. AUKW is a registered Charity and must meet all of its statutory obligations and is overseen by the Charity Commission. To be Brand Partner of Age UK the Charity must also operate to an even higher standard of corporate governance as defined by the national body. Age UK Wiltshire's compliance with these standards was confirmed in December 2018 following an inspection by independent assessors. AUKW is financially stable and has provided business plans and financial accounts to demonstrate the viability of the proposal. Officers have undertaken and continue to undertake due diligence on AUKW in relation to its governance, leadership and financial standing and are satisfied to recommend proceeding on this basis.
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- 3.7 Age UK, the national charity, operates a number of meal delivery services in other parts of the country and have an established business model that AUKW are adopting in this case.
- 3.8 AUKW has plans to grow the business by providing similar services from other premises outside of Swindon, across a wider area of Wiltshire and collaborate with Age UK BANES (Bath and North East Somerset) in the Bath area. This collaboration would provide efficiencies by sharing management costs and provide financial resilience for the service. It has recently recruited an experienced Director of Paid Services who will lead not only the Community Meals service, but other paid for services which it would provide additional financial support and resilience to AUKW and mitigate any risk of service failure.
- 3.9 AUKW will have full control of service delivery, including pricing under this arrangement. Unlike other service deliverers in the area who provide a number of frozen meals to be prepared/reheated by the customer or their family members after delivery, AUKW will deliver a hot prepared meal to customers.
- 3.10 AUKW has confirmed it would underwrite any trading losses in the early years following the transfer.
- 3.11 AUKW has recently entered into a 5 year lease with the Council at the Toothill Community Centre and plans to operate a number of community services from there. It is from here that AUKW propose to operate the CM service.
- 3.12 In order to assist AUKW to set up both its wider services to older people at the Toothill Community Centre and its catering operation, the Council would fund some necessary compliance works as well as some other minor property works to the building estimated value of up to £50k, which would also include legal costs and actuarial valuation costs
- 3.13 The offer from AUKW extends beyond a meal delivery service in order to provide additional wider 'social value' benefits to clients. These social value elements seek to help reduce the risk of potential isolation by promoting more contact and social interaction between residents / customers. This "wrap-around" approach would enable service users to "link up" with other service users to expand social contact, for example by *hosting* meals with a group of service users. This is central to Age UK ethos. AUKW will also provide follow-up support to their customers, for example by offering them advice to ensure they are claiming their full benefit entitlements to help their financial stability.
- 3.14 AUKW is looking to regain a presence in Swindon, which it has not had for a number of years, and is keen to build a strong relationship with the Council in order to deliver greater benefit to the residents of Swindon. It is anticipated that this transaction would deliver a better solution for residents as well as reducing demand for adult social care services for the Council.

A sustainable future for the Community Meals Service

Cabinet

Date: 5th February 2020

4. Alternative Options

- 4.1 Retaining the service in-house is likely to result in increased budgeted costs to the Council without the opportunities for growth and efficiencies achievable by AUKW and without the same level of added social value delivered by AUKW.
- 4.2 Another alternative would be to close the service in its entirety in order to meet the financial challenge of the Council. This would have a negative impact on service users and would likely to result in increased demand and cost for other adult social care services.
- 4.3 Transfer the service to a provider other than AUKW, subject to availability. However the value added that AUKW brings is that they will provide a service that will help to link existing provision of support services e.g. HFH & At Home and provide an exponential increase in social impact and contact with their target beneficiary. From the perspective of the customer, they will benefit from increased social contact, the availability and promotion of charitable services, free at the point of delivery, for example access information, advice and referrals to relevant services which could improve their independence, wellbeing and overall quality of later life

Aligned with this the AgeUKW management team have developed a full understanding of the operations of this service and how this service will successfully interface with SBC Adult Social Care

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 The transfer will deliver a £33k budgeted saving to the Council and avoid an additional unbudgeted pressure of £17k incurred in 2019/20 in future years.
- 5.2 Additional one-off funding of up to £50k will be used to cover the costs of any necessary legal, property and other transactional costs required to support the conclusion of the negotiations and completion of the relevant contract documentation. This sum will be earmarked within a Council specific reserve.

Legal and Human Rights Implications

- 5.3 Legal and Human Rights implications have been taken into account in preparing this report. It is considered that the recommendations are compatible with Convention Rights. The Chief Legal Officer will prepare the necessary legal documentation.
- 5.4 The legal nature of the transaction to be documented will be that of a business transfer. Accordingly and as would be routine for such a transaction AUKW, as transferee, will likely require from SBC certain warranties. These will relate to SBC's "business" of providing this service, any assets owned and used by SBC

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in connection therewith and which will be transferred. Warranties will also be required in respect of any business contracts with third parties which will be novated over to AUKW and most importantly and potentially most significantly, employees and pensions.

Climate Change Impact

- 5.5 The proposals would not bring a change to service delivery and Officers believe that there is no expected effect on the Council's carbon footprint.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.6 A TUPE consultation exercise with all relevant staff, will take place recognising that under the proposals staff engaged on those services will transfer to the new operator.

Diversity Impact Assessment

- 5.7 A DIA has been completed and a copy can be obtained from the report author. Officers have not identified any impact within the DIA that requires mitigation to be put in place.

Risk Management

- 5.8 A risk register has been prepared to identify clearly all risks and mitigating actions.

6. Consultees

- 6.1 The Corporate Director of Finance and Assets (Section 151 Officer) and Chief Legal Officer are consulted in respect of all reports.

7. Background Papers

- 7.1 AUKW Business case
7.2 AUKW / Nationwide Feasibility Study Report

8. Appendices

- 8.1 None

9. Key Decision/Decision in Cabinet Work Programme and Forward Plan

- 9.1 This is a Key Decision and is included in the Cabinet Work Programme and Forward Plan for February 2020.