

COMMUNITY SERVICES DEPARTMENT

OFFICER CONTACT: Keith Hillman (713956) email keithhillman@wiltshire.gov.uk

REFERENCE: CS-005-07

THE FUTURE PROVISION OF COMMUNITY MEALS

Purpose of Report

To provide an overview on the current Community Meals Service and seek:

- (i) Approval for officers to complete negotiations with Sodexo leading to the early termination of the provision of delivered hot community meals in its current form.
- (ii) Authorisation for officers to commence discussions with the marketplace for an alternative delivered meal system at nil County Council subsidy.
- (iii) Approval for officers to finalise arrangements with clients and stakeholders to ensure a seamless transfer of service provision from the existing method of service to the new arrangements.

Consultation

None appropriate, all users will be advised.

Options Considered

Owing to the reducing demand for the service and the high level of subsidy 'doing nothing' is no longer a viable option. To reduce the County Council's high rate of fixed subsidy it is now necessary to seek alternative solutions in the marketplace. A full analysis of all the options in the marketplace will be carried out if approval is given.

Reason for Decision

Community meals are currently provided by Sodexo under contract until March 2008. The meals are provided in one of the following ways:

- As Meals on Wheels which are hot meals delivered to the recipient's own home each day
- As frozen meals delivered to the recipient's home once per week in bulk for regeneration by the client
- As hot meals delivered to a centre or a lunch club on the required days

The pricing structure agreed at the start of the contract has worked against the County Council at a time when meal numbers have been falling. The gross cost is approximately £700,000 and the County Council's subsidy after income is approximately £500,000. Clients currently pay £2.30 per meal and the County Council pays a further subsidy of approximately £5 per meal.

Sodexo have indicated that without an increase in the subsidy the service is unviable and is having a detrimental effect on operating costs. Due to the wide range of geographical locations they are unable to further reduce either their fixed or variable costs.

Sodexo have indicated a willingness to explore an agreed early termination of the contract and further negotiations are now required. This decision will give approval to officers to pursue these negotiations and to establish alternative service provision for appropriate clients.

I approve entering into further negotiations with Sodexo to facilitate an early termination of existing contract arrangements for community meals on terms to be agreed by the Director of Community Services and the Solicitor to the Council providing they reduce the current service budget.

Approval is also given to officers to seek alternative services at nil subsidy by the County Council following appropriate notice and discussion with current recipients of meals.

The following supporting documents are attached:

None

The following supporting documents are available from the officer named above:

Financial information

Date4th April, 2007.....



John Thomson
Cabinet Member for Community Services

CABINET MEMBER FOR COMMUNITY SERVICES

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Background

2. Community meals are currently provided by Sodexo under contract until March 2008. The meals are provided in one of the following ways:
 - As Meals on Wheels which are hot meals delivered to the recipient's own home each day
 - As frozen meals delivered to the recipient's home once per week in bulk for regeneration by the client
 - As hot meals delivered to a centre or luncheon club on the required days for consumption by its members
3. Client contribution for the two-course meal is currently £2.30 and a subsidy is paid by the Council to the supplier. This fluctuates dependent on the volume of meals ordered. The pricing structure agreed at the start of the contract gives a reduction to the County Council in the cost of a meal if the volume of meals increases, an increase in price is paid if numbers reduce. Current delivered meal costs have risen to:

	£
Hot meals	7.07
Frozen meals	11.02
Lunch clubs	11.02

4. Although this cost does include a "safe and well" check the service has become unviable both in terms of cost to the County Council and the cost of service provision to Sodexho. The current annual cost of the service to the County Council is in excess of £600,000 per annum and monthly meal numbers have fallen from a maximum of circa 10,500 to around 5,000. Sodexho have raised concerns that they are unable to maintain the current banding levels and this is now having an impact on their operating costs.
5. Recently new eligibility criteria have been introduced and this means that the number of people in receipt of community meals will continue to fall but the County Council's subsidy will stay the same.
6. Discussions with Sodexho commenced in early December and a number of options have been explored. Without considerable capital investment from the County Council none of these alternatives appears viable. As a consequence more recent discussions with Sodexho have given rise to the possibility of early termination of the Community Meals Service.

Main Considerations for the Council

7. As a result of discussions it has been necessary to consider alternative methods of service provision. The service is seen as an important part of the overall package of care to some of the most vulnerable people in the community. It is therefore important to ensure that any possible alternative maintains client well-being.
8. In this respect there is the question of how much additional support the County Council will then have to put into those care packages where individuals might find it difficult to cope with new service delivery methods. Where existing care cannot be rearranged to support this, some provision may have to be made for recipients at risk.
9. The move away from the current system will also have benefits for service recipients as it will give individuals and lunch clubs more choice and options for flexible service delivery, for example cold meals where appropriate.
10. Any change to service provision will need to be fully explained to service users and stakeholder groups who will then have a role in shaping the new services.
11. The initial discussions with Sodexho have indicated that they would require approximately three months to exit from the current arrangement. This would allow sufficient time for client discussions, negotiations with staff and to explore alternative service provision.
12. Some 'soft' market testing has been carried out and a number of alternatives are possible. These will be further researched and developed in the coming weeks.
13. It is intended to set up a small project team under the direction of the Director of Community Services to ensure a smooth transition between the current service and any new provision.

Environmental Impact of the Proposal

14. There are no direct impacts from the proposal but alternative service options will consider the possibility of reducing delivery miles by the new provider.

Risk Assessment

15. The major risk is to ensure the continued provision of home meals to those vulnerable clients entitled to receive them. As part of the continued discussion with Sodexho and the development of alternative services individual assessments will be carried out to minimise risk.

Financial Implications

16. The financial implications will not exceed available resources in 2007-08 and may lead to savings in 2008-09.

Options Considered

17. A full options appraisal will be carried out as part of the negotiation process. To do nothing will mean the County Council continuing to support fewer home delivered meals.

Reason for Proposal

18. To enable completion of negotiations with Sodexho, the current service provider, and to consider options for future provision of home delivered meals and lunch club meals.

Proposal

19. To seek approval:
 - (i) For officers to complete negotiations with Sodexho leading to the early termination of the contract to provide hot delivered community meals.
 - (ii) For officers to commence marketplace discussions for an alternative cost-effective delivered community meals service.
 - (iii) To finalise arrangements with clients and stakeholders to ensure a seamless transfer of services from the existing method of service to the new arrangements.

The following unpublished documents have been relied on in the preparation of this Report:

Correspondence with Sodexho