

AGENDA MANAGEMENT SHEET

Name of Decision maker Portfolio Holder Decision Making – Adult Social Care

Date of Decision Not before 30 September 2011

Report Title Proposed Changes to Community Meals Service

Summary This report presents members with the proposals for conducting a customer consultation relating to charges for the Community Meals service. The outcomes of the consultation will inform:

- Future pricing for the service
- Planning how we will lower the costs of the service to the Council by reducing or removing the current subsidy paid by WCC to zero by the end of the contract.
- Activity to improve the financial viability of the service which has received lower than expected volumes following transfer of provider.

For further information please contact:

Andrew Sharp
Service Manager
Tel: 01926 745610

Tim Hamson
Service Redesign
Officer
Tel: 01926 745614

Would the recommended decision be contrary to the Budget and Policy Framework?

No.

Background papers

AHCS Overview & Scrutiny - 7th September 2011, Agenda Item 8: Proposed Changes to Community Meals Service

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

Other Committees

Adult Social Care and Health O&S Committee – September 2011

Local Member(s)

Not Applicable

- Other Elected Members Councillor L Caborn, Councillor D Shilton, Councillor S Tooth, Councillor C Watson, Councillor C Rolfe
- Cabinet Member Councillor I Seccombe
- Chief Executive
- Legal Alison Hallworth, Adult and Community Team Leader
- Finance Chris Norton, Strategic Finance Manager
- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION NO

SUGGESTED NEXT STEPS:

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

Portfolio Holder Decision Making – Adult Social Care

Proposed Changes to Community Meals Service

Recommendations

1. That the Portfolio Holder authorises formal consultation on proposals for an increase in meals charges from 1st April 2012.
2. That the Portfolio Holder delegates any final decision (based upon the consultation findings) to the Strategic Director of Adult, Health and Community Services in consultation with the Portfolio Holder for Adult Social Care.

1. Background

- 1.1 Community Meals (Meals on Wheels) is a service available to adults in Warwickshire who require the delivery of a nutritious meal direct to their door. This includes cooked, hot lunches and frozen meals.
- 1.2 The community Meals Service is currently provided countywide, 365 days a year by County Enterprise Foods (CEF), a subsidiary of Nottinghamshire County Council. A 3 year contract (with an option for a 1 year extension) was awarded to the provider in May 2010 following a comprehensive tender process.
- 1.3 For 2011/12 the budget available to subsidise the community meals service is £192k. The contract started in May 2010 and ends in April 2013 with an option to extend for a further year. It is the directorate's objective to maintain the service at the current level whilst reducing this subsidy to a nil contribution by the end of the contract. Within the contract there is provision for a yearly review of the meal pricing.
- 1.4 The initial pricing levels were set at a standard charge for all types of meals of £4.20, with the customer contributing £3.50 per meal irrespective of whether they are a Social Care or Self referral. The balance of 0.70p is paid by AH&CS for each meal provided, with a higher subsidy per meal paid of £0.90p if the meals level falls below 150,000. Currently there is no differential made between FACS and Non FACS customers, either in respect of subsidy level or customer contribution.
- 1.5 The uptake of the service has not been to the level that was expected when the contract commenced. With lower numbers of orders the unit costs of the service to the provider have been much higher than expected, compromising the financial viability of the service. In order to address the shortfall in income for the provider, an increase in customer contribution from £3.50 to £4.00 per

meal has been implemented from the 1st June 2011 (the customer contribution was last increased in October 2009).

- 1.6 In addressing the shortfall in income for the provider, their ability to continue to deliver the service has been strengthened. The benefits therefore being that the risk of customers experiencing a disruption in service is reduced, WCC are less likely to have to use resources to arrange alternative provision and there is no need for WCC to provide payment to the provider to account for their reduced income.

2. Activity to Date

- 2.1 As of 1st June 2011, customers incurred a price rise of 50 pence per meal (irrespective of meal type); therefore the new customer contribution will be £4.00 per meal. This price increase was agreed between WCC and County Enterprise Foods. No customer consultation was carried out as WCC legal services advised that as this was a small, non-means tested flat rate charge; the decision to raise prices could be taken without consultation.
- 2.2 The current price level was not part of the AHCS fairer charging consultations as the contract had only just been awarded at the time of these consultations, and it was thought fairer to the new provider, to allow the new service provision to establish and meal levels to settle.
- 2.3 In addition to the recent price increase, marketing activity by way of inclusion on the Council's Resource Directory, a future article in Working 4 Warwickshire and Warwickshire View (to increase staff awareness) and a webpage on Warwickshire Direct (which includes a podcast link) has been completed in order to increase awareness of the service.
- 2.4 Further to this recent increase, the price that customers will pay for their meals from 1st April 2012 also needs to be considered in the context of our intention to reduce the subsidy. A consultation exercise is necessary in order to gain the views of service users as further increases to the price that they are currently paying would be considered a significant change to service when take in conjunction with the increased price in June.
- 2.5 Ideally the consultation exercise needs to be completed by the end of November 2011. This would allow sufficient time to consider customer feedback prior to making any future changes to the service or customer contribution level ahead of 2012/13.

3. Consulting with Customers

- 3.1 In order to consider an additional price increase to that made in June 2011, a consultation exercise is required with customers so that any future decisions take into account the views of service users. Consultation is also needed since a future price increase on top of the June 2011 change, would be considered significant.
- 3.2 It is proposed that the consultation take place throughout November 2011.

This would be carried out by using a survey questionnaire to accompany the customer's meal delivery. In addition to this, feedback from Older Peoples Forums will be sought and this is scheduled to take place during November.

- 3.3 Areas which customers would be asked for their viewpoint on would include:
- Their perception of what is a reasonable price for the existing service.
 - How satisfied they are generally with the current service re: food quality / choice & diversity / customer service.
 - Differential pricing depending on an individuals FACS eligibility.
 - Whether they would consider any variation to the current meals delivery time windows (which may help to alleviate some of the cost pressures).

If the customer contribution had to increase in the future, what enhancements to the current service might they appreciate.

4.0 Views of the Adult Social Care and Health Overview and Scrutiny Committee.

This report was considered by the Overview and Scrutiny Committee on 7 September and the following points were noted:

- Concern that increasing the price of meals would result in a decrease in demand, which would further impact on the sustainability of the provider.
- The proposed increase is in line with most other local authorities.
- Steps have been taken to ensure there would be no break in services provided to users.
- The importance of the social contact element of meal providers going into homes
- It was suggested that there be more publicity about meals on wheels, to make it more acceptable.

The Committee supported the recommendations in the report and asked that recognition be given to the importance for Warwickshire County Council to maintain a meals on wheels service for residents.

The Committee also wish to receive a progress report on developments following the consultation.

Report Author: Tim Hamson / Darren Spencer

Head(s) of Service: Claire Saul

Strategic Director(s): Wendy Fabbro

Portfolio Holder(s): Izzi Seccombe