

**Proposed Decision to be taken by the
Portfolio Holder (Finance, Improvement and IT)
on or after 21st December 2012**

Community Meals Service

Recommendation

- 1) That the Portfolio Holder for Finance, Improvement and IT grants permission to tender for a community meals service provider to be in place from 1 April 2013 for a period of three years with an option to extend for a further two years.

This service will support customers who are eligible at a critical or substantial level under Fair Access to Care Services (FACS) criteria and vulnerable adults who, although not eligible, will benefit from support as an aid to maintaining independence. The current annual cost to the Council in subsidy for this service is in the region of £140,000 per annum.

1.0 Background

- 1.1 Most Councils across the Country (at least 76% of authorities based on data submitted in national returns) provide or commission a community meals (Meals on Wheels) service as part of their approach to meet the needs of customers who are eligible for support and/or unable to or have difficulty with cooking meals. The Community Meals Service is designed to ensure that customers are able to access a meal of a high nutritional standard on a regular basis and to ensure that mechanisms are in place to maintain contact with customers. The meals service in Warwickshire is currently provided by County Enterprise Foods on a contractual basis. County Enterprise Foods (CEF) are a subsidiary of Nottinghamshire County Council. The current contract with this organisation is for three years (due to end 31 March 2013) with an option to extend for a further year by mutual agreement (CEF have declined the option to extend).
- 1.2 The current contract which was let through a competitive tender process managed on behalf of the Council by the Eastern Shires Purchasing Organisation (ESPO) is based upon provision of hot and frozen meals across the County on a seven day a week basis. The service is available to customers who are funded by adult social care and to those who choose to purchase their own support. The service is currently delivered to 851 customers (415 funded and 436 self-funding) which equates to an annual meals volume of approximately 160,000.

- 1.3 The total annual value of the contract taking into account customer contributions and Warwickshire County Council subsidy is in the region of £820,000, made up of customer contributions of £680,000 and a Council subsidy of £140,000.

2.0 Key Messages

- 2.1 Our existing contractual agreement with CEF comes to an end on the 31 March 2013. The provider has declined to enact the optional one year extension to the contract.
- 2.2 Our objective is to ensure that we have alternative provision in place to support the delivery of community meals by the 1 April 2013. In terms of the service specification, it is our intention to continue to commission a service to the same level and standard as that which is currently in place. However, we will be seeking to work with a new provider to increase the proportion of frozen meals accessed by customers where appropriate in order to reduce the current commitment to hot meals over time. One of the mechanisms to achieve this will be to consider the use of a mixed delivery service with the customer receiving a delivery every other day with a hot meal and a frozen meal for the following day being provided at the same time. In addition, we will be seeking to encourage a new provider to increase the numbers of self-funding customers accessing the service and to provide meals to voluntary sector agencies such as lunch clubs. By increasing the level of activity for the provider in other areas of meals provision, this will encourage economy of scale in both production and delivery costs, which should mitigate the potential for increased costs to either the customer or the Council and enable the provider to remain sustainable within the market.
- 2.3 In order to maintain service delivery to the standard and quality of our existing arrangements, and to ensure that we retain charges for the service in line with the Cabinet decision so that customers do not detect a difference in provision, we have two commissioning options which we are currently exploring. These are as follows:
- 2.4 **Enter into a sub-regional commissioning arrangement with Coventry City Council, which will involve using their existing contract over an expanded area (Warwickshire):**

The current contract in Coventry delivered by ICare is based upon the Warwickshire agreement as colleagues from this authority saw our approach as an example of good practice. Based upon this, if we are to enter into an agreement of this nature then all of our service and commissioning requirements will be met. There is the real potential for economy of scale due to the level of meal volume that would be generated through a joint arrangement both in the short and longer term. Our expectation is that if agreement is reached it will be beneficial in terms of financial resources. In terms of the price to customer, the charge in Coventry is comparable (£4.21). Discussions are on-going to secure this as our preferred option.

2.5 Re-tender the service through ESPO utilising their framework based on a slightly amended service specification:

The use of this approach will ensure that an alternative provider can be sourced in a way which meets our constraints in relation to provider change by the 1 April 2013. The ESPO framework means that checks and balances have been undertaken to ensure the level of quality and safety offered by the providers who might bid for the work. We are able to use the framework at a low cost which reduces both the resources required and administrative burden which is normally associated with the procurement process.

2.6 Our preferred option is to enter into a sub-regional agreement with Coventry City Council and ICare and negotiations to facilitate this are progressing well. Utilising this approach will ensure that we are able to deliver against our commissioning intentions to maintain service continuity and quality. In addition based on our understanding of the market place through feedback from providers and ESPO we will be able to determine the level of additional financial value that can be delivered as part of this approach. We have provided them with a clear specification of our expectations, data in relation to service provision and TUPE details gathered from our existing provider. We have also entered into negotiations around pricing and service costs with a view to reaching agreement in principle, subject to officer and Member approval in December. However, as this is a negotiated process there is the potential that we may not reach an agreement which is suitable to all parties and for this reason we are seeking to undertake a tender process through the ESPO framework at the same time as continuing these discussions to mitigate the risk of loss of service continuity. It is important to note that if agreement is reached with the Coventry provider, then the tender process through ESPO can cease at any time.

3.0 Risk Management

3.1 A risk register in relation to our work to re-commission community meals has been developed with the key issues being in relation to service continuity and financial implications for customers and the Council. In order to ensure that we are able to secure alternative provision for the service to commence at the end of the current contract period (31 March 2013), negotiations with the provider operating in Coventry continue and, subject to approval, we will commence a mini tender through the ESPO framework as a twin track approach. From a financial perspective, our work to join contractual arrangements with Coventry City Council is intended to ensure that we mitigate against a potential increase in costs to either the customer or the Council. In addition, it will assist with the alignment of our contractual arrangements with Coventry to allow for a full sub-regional tender across both authority areas to take place in 2015.

3.2 From a budget perspective, we are seeking to maintain our commitment at the existing level; however, feedback from ESPO does suggest that changes in

the market might mean that our contribution may need to be increased in order to retain the existing price paid by customers. The full extent of the financial implications is difficult to predict as the tender process has not commenced. To address this we are exploring options to ensure that any budget pressure is mitigated and these will be considered through Overview & Scrutiny and Cabinet processes.

- 3.3 Tender documents for use through the ESPO framework have been prepared and, subject to approval, we will commence the process in December this year with a view to identifying a preferred bidder early in 2013.
- 3.4 In addition to bringing this report for approval to tender, a separate report has been presented to the Adult Social Care and Health Overview and Scrutiny Committee on the 5 December to inform them of the approach that is being taken.

	Name	Contact Information
Report Author	Andrew Sharp	01926 745610
Head of Service	Christine Lewington	01926 745101
Strategic Director	Wendy Fabbro	01926 412665
Portfolio Holders	Cllr Mrs Izzi Seccombe	01295 680668
	Cllr David Wright	01788 522311