

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE – 22 JULY 2008

REPORT BY HEAD OF COMMUNITY AND CULTURAL SERVICES

6. REVIEW OF COMMUNITY MEALS SERVICE

WARD(S) AFFECTED: All

'D' RECOMMENDATION: that the report and presentation from the WRVS be received.

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1.0 Purpose of Report

1.1 To review the first two years of the three year community meals service delivered through contract by the WRVS (formerly the Women's Royal Voluntary Service) and to identify options for arrangements after the contract ends on 30 July 2009.

1.2 To introduce the WRVS, who will make a presentation on the first two years of the new service (copies of the power-point slides will be made available).

2.0 Contribution to the Councils Corporate Objectives

2.1 Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.

3.0 Background

3.1 Following a best value review and subsequent tendering process, the Council entered into a three year contract to provide a district wide community meals service with the WRVS starting 31 July 2006. Prior to that date the service had been fragmented with an inconsistent offer to customers across the district, delivered by a number of different providers. The new contract was designed to bring an improved service to the customer with a consistent seven day a week offer.

## 4.0 Report

4.1 The new contract was awarded to WRVS for a three year period to run from 31 July 2006 to 30 July 2009. This report provides a review of the service and points to a number of options for arrangements from 30 July 2009.

### **The basics of the service**

4.2 The WRVS offers a hot meal up to seven days a week either to the customer at home or through two lunch club venues; at Apton Road for Bishop's Stortford Age Concern and at Marsh Lane for Hertfordshire County Council.

4.3 The original prediction was that between 100,000 to 110,000 meals would be delivered per year. The actual number of meals currently being delivered is between 60,000 and 65,000. The reason for the discrepancy, between the estimated and actual, was the inadequacy and inaccuracy of the data bases that were available in relation to the previous fragmented service.

4.4 There are a number of referral routes for new customers including via Hertfordshire County Council's (HCC) Adult Care Services or by contacting East Herts Council directly. The qualifying criterion is that the applicant must testify that they are unable to prepare a meal themselves. During the course of the new contract, steps have been taken to make the referral as simple as possible for the customer, with the preferred route now being direct to East Herts Council's Customer and Community Services administrative team.

4.5 The contract is monitored on a quarterly basis with a review meeting between client, contractor and HCC.

4.6 The current price charged to the customer for a meal is £2.80, for the financial year 2008/09. In the 2007/08 it was £2.60 and £2.50 in 2005/06. The current operational cost of providing a meal is £5.98: this 'unit' cost is variable depending on both the number of meals delivered - with a higher rate for a lower number of meals and other variables as specified in the contract relating to fuel costs. Hertfordshire County Council reimburses East Herts Council 27% of the subsidy cost of provision (27% of the difference between the unit cost payable to the WRVS i.e. £5.98 and the price paid by the customer i.e £2.80). Therefore, the current operational subsidy (excluding support service and other internal overheads) provided by East Herts Council is approximately £2.33 per meal for a delivery of

approximately 64,000 meals.

- 4.7 Taking into account council overheads, the net cost of the service for the first full year of operation in 2007/08 was £196,416. The estimated budget net cost for 2008/09 is £175,850.

### **Issues arising from current contract**

- 4.8 The marketing of the service is monitored at quarterly review meetings to ensure that the maximum number of potential customers are aware of the service. The service is advertised widely, with a leaflet distributed to a range of locations, including sheltered housing schemes and doctors' surgeries. The prediction is that the overall number of meals is unlikely to increase significantly over the remaining year of the contract.
- 4.9 The current charge of a meal to the customer is £2.80. Appendix 'A6' (page 6.5) sets out the charges in other Hertfordshire districts and boroughs. The comparable prices charged elsewhere would suggest that the charge could be increased to £3 for the next financial year without any significant loss of custom. If such an increase were to be implemented, additional income of approximately £13,200 would be generated.
- 4.10 The contract requires the WRVS to undertake quality control and customer satisfaction surveys, in addition to responding to specific complaints. Appendix 'B6' (pages 6.6 – 6.12) shows the level of customer satisfaction in a range of areas to be high, with 84% considering that the service provides good value for money and 74% stating they would recommend the service to a friend or relative.

### **Options for the service from the end of the current contract**

- 4.11 The council has a number of options to consider:
- a) cease provision of a community meals service
  - b) re-tender for a new three year contract (or some other contract length period)
  - c) re-tender for a new three year contract (or some other contract length period) in partnership with another local authority or other local authorities
  - d) negotiate an interim extension to the existing contract
  - e) negotiate an arrangement with HCC to provide the service through the newly established social enterprise Hertfordshire Community Meals (HCM)

4.12 Initial discussions are currently taking place with WRVS, HCC, neighbouring authorities and HCM to explore the options set out in paragraph 4.11 above. In relation to option e), Hertfordshire Community Meals now operates the Meals on Wheels service in North Herts, Watford, Stevenage and Hertsmere.

4.13 A report recommending a preferred option will be presented to 27 January 2009 Community Scrutiny Committee.

#### 5.0 Consultation

5.1 The report has been drawn up in discussion with the WRVS and HCC.

#### 6.0 Legal Implications

6.1 There are no new legal implications.

#### 7.0 Financial Implications

7.1 There are no new financial implications.

#### 8.0 Human Resource Implications

8.1 There are no new human resources.

#### 9.0 Risk Management Implications

9.1 There are no new risk management implications.

#### Background Papers

None

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