

LONDON BOROUGH OF NEWHAM

MAYORAL PROCEEDINGS

Is it a key decision?	Yes
Is it in the Forward Plan?	Yes
Date report published	28/11/11
Date of meeting	01/12/11

Subject: Decommissioning contracts for meals in the home and meals at the Resource Centre

Source: Adult Services

Wards affected: All wards affected

Exempt Information

There is no exempt information in this report.

Purpose of Report

This report provides a background to the meals services including current costs and demand and a proposal to decommission the service in order to develop alternative approaches to meeting assessed needs.

Adult Services currently provide meals in the home and meals at the Resource Centre, Chargeable Lane (primarily for older people) via a contracted provider. Until recently this service has been heavily subsidised by LBN. Charges were increased in October in line with the Charging Policy.

Having reviewed needs, demand, cost and likely future demand, Adult Services proposes to decommission the current meals in the home service. Instead we propose to provide people with information and support to choose alternatives that are available in the local community or to use their support in a different way so that they can be supported to prepare a meal. Individuals would be responsible for the costs of their own meals and Adult Services will provide information and support where necessary according to individual need.

Adult Services also proposes to decommission the meals at the Resource Centre contract and instead offer a business opportunity to establish a self sustaining café at the Resource Centre that operates independently from the local authority.

Recommendations

The Mayor is asked to:

- Agree to decommission and serve notice on the current contracts with Fresh CM, the meal provider, in line with contract provisions.

Reasons for the Recommendations

- Whilst Newham has a statutory duty to assess an individual's presenting needs for social care services it has no statutory duty or responsibility to provide a meals in the home services to individuals.
- Officers believe there are better ways of meeting individual's needs that provide more choice and control to individuals, promoting independence and resilience.
- The meals service no longer fits with the current model of personalisation within adult social care.
- The current service no longer provides value for money to individuals or the local authority.
- The proposals will free up money from a block contract to enable people to make individual choices in the future.
- The consultation indicated that people are not happy with the current service at the new costs.

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Local Government (Access to Information) Act 1985

Background papers used in preparing this report:

- SMT report – meals and laundry (Adult Services Senior Management Team)
- Meals business case
- Meals project plan

List of enclosures / Appendices:

- EQIA - meals

Report - Part A

1. Introduction and Background

- 1.1 Meals in the home have historically been provided to disabled, older and vulnerable people living in their own homes who are unable to prepare their own hot meal. Meals have been provided to all individuals attending the Resource Centre at Chargeable Lane (older people).
- 1.2 Meals have historically been provided at a largely subsidised cost to older, disabled and vulnerable people. The meals service is currently provided by Fresh CM on a 5 year contract that began in October 2008.
- 1.3 There are difficulties with the administration and recovery of charges from some individuals under the current arrangements and it is anticipated that these may increase with the increased charges.
- 1.4 A proposal has been made to decommission the meals in the home service to encourage people to find local solutions and for individuals to purchase their own food in the future, while being provided with information and support where necessary.
- 1.5 A proposal has also been made to decommission the meals at the Resource Centre and instead develop a local business opportunity to create a self sustaining café offering a range of hot and cold meals and snacks at a variety of prices.
- 1.6 It is proposed that the local authority serve notice on the Fresh CM contract as there is a further 2 years remaining. The contract has a 6 month exit clause with no financial consequence.

2. Key Considerations and Sustainability

- 2.1.1 Approximately 190 people are currently receiving meals from Fresh CM, the majority of these being a hot meal and a small proportion are frozen meals. The costs of the meals to LBN range from £4.53 to £10.49 for special diet meals. Until recently the charge to individuals for the service has been £2.50 per meal. Under the new charging policy the meals charges to individuals has increased to £5.35.
- 2.1.2 The volumes stated in the contract are to provide approximately 7746 hot meals and 1140 frozen per month. However we anticipate that these volumes will reduce with the increase in charges to individuals which will result in increased unit costs.
- 2.1.3 The increase in meals charge has led to 40 people to date (22.11.11) cancelling the meals in the home service as they do not wish to pay the increased cost for the quality of the meal they receive. Lunches at the Resource Centre have dropped by between 54 and 62 meals per week since the increase in charges.
- 2.1.4 The estimated total contract value was £2,144,445 for the 5 years so the annual payments are around £433,180 pa. Actual spend for 2010/11 was £406,397 for

meals in the home and £75,945.23 for meals at the Resource Centre, totalling £482.

- 2.1.5 The service is no longer financially viable to continue, it does not provide value for money. Unit costs for meals will increase as numbers of service users decreases.
- 2.1.6 A change is needed to the meals service at the Resource Centre as many service users are unhappy with the quality of the meals that are currently provided and the increase in costs. People would like more choice and smaller sized meals within a range of prices.
- 2.1.7 The proposals will free up money from block contracts to allow individuals to have more choice and control about the food they eat. Individuals will be supported to find local solutions, become more resilient and less reliant on the local authority providing the meals. The proposal is not to re-commission or fund this service in the same way in the future but rather to find individual solutions for people in their local community that they can choose to purchase as they wish. In the future individuals will be responsible for meeting the full cost of their food but may be eligible for support services (e.g. preparing meals) from Adult Services.
- 2.1.8 For individuals using the meals in the home service this will include:
- Providing information about local cafes and meals services that provide meal delivery services.
 - Providing information about lunch clubs that individuals could access.
 - Providing information about companies that deliver frozen ready meals.
 - Supporting people to use their personal budgets in different ways to use some of their support to prepare their own meals at home.
 - A full review of individual needs by a social worker
- 2.1.9 For meals at the Resource Centre options may include:
- Using local cafés for lunch.
 - Individuals bringing their own lunch from home.
 - Opportunity for a small business to establish a café at the Resource Centre.
 - Individuals being supported to prepare their own meals.
- 2.2 Other options considered for meals in the home and day service:
- 2.2.1 Continue with the current contract until contract end in 2013
Advantages – no change
Disadvantages – LBN will continue to fund the service and subsidise meals. Meal prices will increase as less people wish to use the service. Debt issues will increase as people are unable/unwilling to pay the higher meal charges and money will continue to be tied into a contract.
- 2.3 The proposed course of action for the meals services supports the Resilience agenda – supporting individuals to find local solutions to their meal requirements and giving people alternative opportunities (e.g. lunch clubs)
The proposal also fits with the Sustainable Community Strategy in building personal and economic capacity as it will enable individuals to find sustainable solutions to meet their social care needs around meals and also benefit the local

community providing opportunities for local businesses including cafes and universal services (e.g. lunch clubs) to provide services to some individuals.

- 2.4 An EQIA has been completed for this work and can be found in appendix A.
- 2.5 The majority of people using the meals services are older, disabled and vulnerable people who are unable to prepare their own meals. The EQIA identifies the protected characteristics groups and how they will be affected but also identifies in the action plan the ways in which the impacts on these groups will be mitigated. See part B and Appendix A.

3. Service Delivery and Performance Issues

- 3.1 The decommissioning of the meals services will improve individuals' quality of life by offering more choice and control, enabling people to make their own decisions about the food they want to eat and how much they want to pay for it. If the proposal is not implemented, the individuals who need support with their meals will continue to rely on the council and receive a service that does not provide value for money. The local authority will continue to subsidise meals and the levels of dissatisfaction would probably increase.
- 3.2 The contract has a 6 month exit clause with no penalty. This gives Adult Services sufficient time to complete full reviews with individuals and implement the plan with a phased approach monitored by the project group.

4. Comments of the Finance Officer

- 4.1.1 The increase in the charge from £2.50 per meal to £5.35 per meal has resulted in a reduction in the number choosing to purchase meals with CM Fresh Foods.
- 4.1.2 There are some who may not accept the increased price and request for the meal to cease or make no contribution, however there are significant risk if the meal provision were removed. The meals on wheels provision will continue whilst Adult Social Care continues to work with the individual and/or their family members to seek appropriate alternative solution.
- 4.1.3 As the number of meals decrease, the average costs of the meal to the Council will continue to increase as the fixed overhead costs will be spread over a smaller number of meals being delivered. However, the average costs of the meal charged to the service user will remain at £5.35 per meal.
- 4.2 It is envisaged that there will be a point where it ceases to be financially beneficial to either the provider or the Council to continue the service as the numbers continue to decrease. This will form part of the ongoing discussions with CM Fresh Foods.

5. Comments of the Legal Officer

- 5.1 In light of the service change recommended in this report the Council is required to carry out an Equalities Impact Assessment and a copy of this is attached herewith in appendix A.

Consultation has also taken place with affected groups and representatives and feedback taken into consideration re: recommendations/ future planning.

As for the current contract this has 2 years left to run but provisions of the contract allow for termination by way of 6 months notice in writing for any reason.

6. Risk Management

6.1 Risks have been identified and actions identified to mitigate these.

Identified risks include:

- Safeguarding issues – vulnerable people not receiving a hot meal.
- Individuals not having information on alternative services available to them.

Risks will be mitigated by the following actions:

- A social worker will complete a full review with all current service users to identify their needs for the future.
- Information will be sourced on alternative options that individuals could use in the future, e.g. lunch clubs, local cafes/businesses who offer a delivery service, frozen meals providers who offer a delivery service.
- Information being offered in leaflet format and on the IAG internet site.

6.2 A risk register is in place for this proposed change and is reviewed on a regular basis by the corporate risk team and project manager.

7. Consultation

7.1 Consultation has been held with the following groups:

- Service users at the Resource Centre (17,19,20 October 2011 – approximately 50 service users consulted)

Consultation took place at lunchtimes over 3 days to capture a wide range of service users. General feedback was that they are not happy with the meals provided at the Resource Centre, they do not have enough choice and are often served cold meals. Some service users said they would like smaller meal portions and lighter choices. Others said that the meals are too expensive.

- Disability Reps Forum (11 October 2011)

The disability reps forum were more concerned about the introduction of charging and that we should not be expecting disabled and older people to pay for their meals and certainly not withdrawing the service. They felt that the proposals are penalising the most vulnerable people in society and that many other services are provided free of charge in Newham so meals should be too.

- Older People's Reference Group (10 November 2011)

The Older People's Reference Group were interested to hear about the proposals around the meals services and thought it is good if people will have more choice and control around their meals. They raised issues around the fact that the Social Worker doing the review of the individuals using the meals service are unlikely to know the person.

- Executive member (10 November)

The executive member, Cllr Joy Laguda, was briefed on 10 November 2011. Cllr Laguda did not express any major concerns about the proposal but sought reassurances around the numbers of people affected and that people will not be left at risk as a result of the proposed changes. Cllr Laguda was reassured that all individuals will have a full review with a social worker and will not be left at risk without support for their meals.