

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Services and Public Health
Date:	22 July 2022
Title:	Meals on Wheels Service
Report From:	Director of Adults' Health and Care

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Purpose of this Report

1. The purpose of this paper is to seek approval from the Executive Member for Adult Services and Public Health to spend up to £30m over a maximum ten-year period on a contract for a Meals on Wheels service, commencing 1 October 2023.
2. The contract would run for an initial term of five years with an option to extend by up to a further five years, giving a maximum potential term of ten years. The estimated value of the contract, for which approval is being sought, is approximately £2.4m, (£2.88m incl VAT) in the first year. The total contract value for up to the ten years could be £25m, (£30m inclusive of VAT).

Recommendation

3. That the Executive Member for Adult Services and Public Health approves spend of up to £30m (Inclusive of VAT) over a maximum ten-year period (5 years + a period or periods of up to 5 years) on a service contract for a Meals on Wheels service commencing 1 October 2023 as outlined in this report

Executive Summary

4. This paper seeks to:
 - Set out the background to the existing Meals on Wheels service
 - Outline the previous options considered for Community Meal services
 - Consider the financial implications of the proposed contract

Contextual information

5. The current contract commenced in October 2018. Procured on an initial 3-year term with option to extend by up to a further 2-years, this option was

exercised in June 2021 to take the current contract expiry to 30 September 2023.

6. The service primarily delivers a hot, two-course lunchtime meal. The meals cater for special dietary requirements and if necessary, the meal can be plated and cut up. In addition, drivers are trained to carry out a wellbeing check whilst delivering the meal and will ensure clients have access to a drink to maintain hydration. Customers can request a third course for their lunchtime meal and a cold afternoon tea as part of the delivery (at an additional cost). Meals are available 7 days a week and as of April 2022 the service is self-financing with the provider collecting the cost of the meal (excluding VAT) directly from individuals receiving the service. Each customer currently pays £5.67 for a 2-course lunchtime meal and £3.25 for a tea-time pack.
7. The contracted service is provided to customers who need support in the form of nutritious meals. A referral may be made by frontline care practitioners, including teams seeking to discharge people from hospitals. Referrals can also be made by individuals self-referring into the service or by friends and relatives of individuals seeking support. Individuals are required to confirm they meet the eligibility criteria outlined in appendix 1 when completing their application. For some people, the service helps meet a need to manage and maintain nutrition, while for others it is a preventative service that helps maintain independence.
8. There are around 1,300 active customers receiving Meals on Wheels at any one time and just over 30,000 lunchtime meals are delivered each month. The Meals on Wheels service contributes to supporting people to live in their own homes, maintaining their independence and remaining a part of the community. The inclusion of the welfare check ensures that wellbeing and safety concerns can be identified, and action is taken in a timely fashion. Drivers regularly report concerns to the relevant Hampshire County Council team or call for emergency services where necessary.

Procurement of a service contract - Rationale

9. The current service was procured on the basis of a nil subsidy service contract, however negotiations with the provider post tender resulted in the Council subsidising the service on a sliding scale. As of April 2022, the service has reached a cost-neutral basis with no further subsidy payable, therefore it is considered that a continuation of current service contract arrangements best meets the key requirements to ensure a consistent and robust service across the whole of Hampshire, 365 days a year, in a way that can help contribute to the affordability of meals for service users in these challenging times.
10. A number of options considered during the previous tender process have been reviewed including the cessation of the service, procurement of a frozen meal delivery service and the possibility of bringing services in house. However, it was not felt the key requirements outlined above could be met utilising these alternative options.

11. Hampshire County Council is responsible for the full cost of the contract, however, the provider acts as an agent for Hampshire County Council and collects the cost of the meals from the customers on our behalf. The customers would pay the provider the full cost of the meal (net of VAT) enabling the cost of the meal to remain affordable. VAT charges would be claimed by the provider from the County Council, who in turn can recover the VAT from HMRC.

Financial Implications and risks

12. Individuals who meet the eligibility criteria as outlined in appendix A, and who wish to use the Meals on Wheels service, would continue to be required to pay the provider directly for their meal. This includes residents referred by the Adults' Health and Care Department as well as those who self-refer.
13. Under the terms of the new contract, in addition to the provider being responsible for the collection of the income, the provider would also be responsible for ensuring there is a robust debt recovery process in the event of non-payment of monies due. However, there may be some risk for the County Council in this arena as any debt due after this process had been followed would be the responsibility of the County Council. Under previous contracts, the County Council's liability in this area has been minimal.
14. The contract value included within this report is an estimate as the meal price will be set by the provider (in consultation with the County Council). Meal volumes will be subject to demand; however, it is anticipated that referrals into this service will remain steady over the next five years. It is likely that the cost of meals will also increase over the period of the contract, however, the contract will look to include a formula to ensure these increases are not excessive.
15. As the provider will be collecting payment directly from customers of the service, the estimated contract value is the value to the provider rather than the amount that the County Council will be required to pay. The contract has an estimated value of £25m (£30m including VAT) to the provider over the whole proposed contract term.

Consultation and Equalities

16. To try and establish market preferences for a new contract, a survey was published via the Hampshire Portal and In-Tend from 14th April 2022 to 6 May 2022. The questionnaire was also distributed to registered providers on the 'ESPO' framework. The response to this questionnaire highlighted the limited provider market for these services in Hampshire.
17. An Equalities Impact Assessment has been undertaken and is attached to this report. Consideration has been made for those protected characteristics which relate specifically to people using the Meals on Wheels service, particularly disability, age and religion. The proposed new contract would have a positive impact on these characteristics through ensuring continued provision of a valued service to those over 55 and younger adults who have a dementia, disability, mental health or substance misuse issue including

meeting the need for any special dietary requirements due to health concerns/ conditions. Any customer with specific religious requirements and beliefs will also be provided with an appropriate meal.

18. There will also be a positive impact on those living rurally as the Meals on Wheels service will operate across the full geographical jurisdiction of Hampshire County Council ensuring accessible provision of meals for this client group.

Climate Change Impact

19. Hampshire County Council uses two decision-making tools to assess the carbon emissions and resilience impacts of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
20. Having reviewed the proposals against the decision-making tools, it has been identified that the service is moderately vulnerable to the impact of climate change, especially with respect to extreme weather be this heat, cold or flooding.
21. There is also the possibility of increased carbon emissions due to the manufacturing of the meals dependent on where raw materials are sourced from and the delivery of the meals utilising diesel vehicles.
22. These risks are mitigated through contractual arrangements encouraging the use of electric vehicles wherever possible. However, this needs to be balanced against the cost of purchasing the vehicles. In addition, the provider is encouraged to source locally produced ingredients with which to manufacture meals in order to support minimal impact due to food miles. However, again this needs to be balanced against the cost of the meal to the consumer.
23. Lastly, the provider must establish local 'hubs' in the event of extreme weather to ensure those most vulnerable are still able to access a hot meal.

Legal implications

24. Under the Care Act 2014 the County Council has a duty to meet a person's eligible needs including managing and maintaining nutrition. In addition, the County Council has a general duty to promote an individual's well-being and must have a regard to the importance of preventing or delaying the development of needs for care and support.
25. The County Council will ensure these services are procured in line with any relevant requirements of the Light Touch Regime, regulations 74-77 PCR 2015 and the Concession Contracts Regulations 2016. This would mean that procurement process would be subject to the standstill period.

HR Implications

26. TUPE may apply should current providers of services change. This will be dealt with in accordance with normal procurement processes and the staffing situation at the relevant times.
27. Existing Hampshire County Council staff will not be affected by this proposal.

Conclusion

28. This report has summarised the background to the meals on wheels service and outlined the rationale for Hampshire County Council to continue with the service, including the preferred contractual arrangements.
29. The report has also provided details of the Equality Impact Assessment (EIA) and Climate Change Impact Assessment (CCIA) that have been produced in respect of the proposal.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Issue details - Meals on Wheels Service About the Council Hampshire County Council (hants.gov.uk)	17/01/2018
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

Service Name: Hampshire Meals on Wheels Service

Service Description: The Hampshire meals on wheels service delivers a choice of suitable, nutritious hot 2-course lunchtime meals to adults who are at risk of malnutrition and live within Hampshire County Council's (HCC's) geographical jurisdiction. The service is available 365 days a year. Afternoon tea will also be delivered if requested. A health and well-being check will be carried out during every delivery.

New Project/ Change: It is proposed to enter into a new contract for the meals on wheels service to commence 01 October 2023

Engagement: In order to establish market preferences for a new contract, a questionnaire for potential providers was published via the Hampshire Portal and In-Tend from 14th April 2022 to 6th May 2022. Despite opportunities to do so, engagement with the questionnaire was not high, highlighting the limited market within Hampshire.

No further consultation or engagement has taken place. The current service is working well, delivering against its KPIs and providing the required service throughout Hampshire.

Impact Assessment:

Age:

Public Impact: Positive

Staff Impact: Neutral

Rationale: The Meals on wheels service will ensure that older adults over the age of 55 who are unable to shop or cook for themselves or are feeling unwell, are still able to access hot nutritious meals on a daily basis enabling them to maintain their independence.

Disability:

Public Impact: Positive

Staff Impact: Neutral

Rationale: The meals on wheels service is available to those adults aged 18 or over who have dementia, a physical or learning disability, mental health condition or have historically used substances.

The service means that if these individuals are unable to shop or cook for themselves, or are feeling unwell, they are still able to access a hot nutritious meal daily; enabling them to maintain their independence.

The service will also cater for any health-related requirements such as those with coeliac disease or those needing a pureed diet

Gender Reassignment:

Public Impact: Neutral

Staff Impact: Neutral

Rationale: In order to be eligible for the service, individuals must live in HCC's geographical jurisdiction. The individual must be over 55 or be 18 to 54 and have at least one of the following:

- Dementia
- A learning disability
- A physical disability
- A mental health issue
- A history of substance misuse

In addition, they must also need support to manage and maintain their nutrition. This is defined as meeting at least one of the following:

- struggling to cook for yourself, or
- have just come out of hospital, or
- have a carer or relative who needs a break from cooking, or
- feeling unwell, either physically or mentally, or
- have difficulty shopping for food

Access to the service will not be restricted on the grounds of gender reassignment.

Pregnancy and Maternity:**Public Impact:** Neutral**Staff Impact:** Neutral**Rationale:** In order to be eligible for the service, individuals must live in HCC's geographical jurisdiction. The individual must be over 55 or be 18 to 54 and have at least one of the following:

- Dementia
- A learning disability
- A physical disability
- A mental health issue
- A history of substance misuse

In addition, they must also need support to manage and maintain their nutrition. This is defined as meeting at least one of the following:

- struggling to cook for yourself, or
- have just come out of hospital, or
- have a carer or relative who needs a break from cooking, or
- feeling unwell, either physically or mentally, or
- have difficulty shopping for food

Access to the service will not be restricted on the grounds of pregnancy and maternity.

Race:**Public Impact:** Neutral**Staff Impact:** Neutral**Rationale:** In order to be eligible for the service, individuals must live in HCC's geographical jurisdiction. The individual must be over 55 or be 18 to 54 and have at least one of the following:

- Dementia
- A learning disability
- A physical disability
- A mental health issue
- A history of substance misuse

In addition, they must also need support to manage and maintain their nutrition. This is defined as meeting at least one of the following:

- struggling to cook for yourself, or
- have just come out of hospital, or
- have a carer or relative who needs a break from cooking, or
- feeling unwell, either physically or mentally, or
- have difficulty shopping for food

Access to the service will not be restricted on the grounds of Race. There is a small overlap between religion and belief and race. Those whose race may mean there are dietary requirements linked to their religion or belief, their dietary requirements will be met as outlined in the religion/ belief assessment.

Religion or belief:**Public Impact:** Positive**Staff Impact:** Neutral**Rationale:** The contractual requirements of the meals on wheels service ensure that dietary requirements for individuals due to religion or belief are able to be catered for.**Sex:****Public Impact:** Neutral**Staff Impact:** Neutral**Rationale:** In order to be eligible for the service, individuals must live in HCC's geographical jurisdiction. The individual must be over 55 or be 18 to 54 and have at least one of the following:

- Dementia
- A learning disability
- A physical disability
- A mental health issue
- A history of substance misuse

In addition, they must also need support to manage and maintain their nutrition. This is defined as meeting at least one of the following:

- struggling to cook for yourself, or
- have just come out of hospital, or
- have a carer or relative who needs a break from cooking, or
- feeling unwell, either physically or mentally, or
- have difficulty shopping for food

Access to the service will not be restricted on the grounds of Sex.

Sexual Orientation:**Public Impact:** Neutral**Staff Impact:** Neutral**Rationale:** In order to be eligible for the service, individuals must live in HCC's geographical jurisdiction. The individual must be over 55 or be 18 to 54 and have at least one of the following:

- Dementia
- A learning disability
- A physical disability
- A mental health issue
- A history of substance misuse

In addition, they must also need support to manage and maintain their nutrition. This is defined as meeting at least one of the following:

- struggling to cook for yourself, or
- have just come out of hospital, or
- have a carer or relative who needs a break from cooking, or
- feeling unwell, either physically or mentally, or
- have difficulty shopping for food

Access to the service will not be restricted on the grounds of Sexual orientation.

Marriage and Civil Partnership:**Public Impact:** Neutral**Staff Impact:** Neutral**Rationale:** In order to be eligible for the service, individuals must live in HCC's geographical jurisdiction. The individual must be over 55 or be 18 to 54 and have at least one of the following:

- Dementia
- A learning disability
- A physical disability
- A mental health issue
- A history of substance misuse

In addition, they must also need support to manage and maintain their nutrition. This is defined as meeting at least one of the following:

- struggling to cook for yourself, or
- have just come out of hospital, or
- have a carer or relative who needs a break from cooking, or
- feeling unwell, either physically or mentally, or
- have difficulty shopping for food

Access to the service will not be restricted on the grounds of Marriage or Civil Partnership.

Poverty:**Public Impact:** Negative - Low**Staff Impact:** Neutral**Rationale:** The cost of individual meals is to be paid by the individual service user. Those who are on a low income may be prohibited from access the service due to the cost**Mitigations:** Hampshire will be procuring the service through a method that enables Hampshire to claim back the cost of VAT on the meals from HMRC helping to ensure the cost of the meals remains low.

In addition a formula for calculating future inflationary cost increases will be built into the contract ensuring the cost of the meals do not increase excessively to the point of unaffordability

Rurality:**Public Impact:** Positive**Staff Impact:** Neutral**Rationale:** The meals on wheels service is available throughout Hampshire County Council. The service ensures that even those living rurally are able to access a hot nutritious two-course lunch when they meet the eligibility criteria.

Appendix 1: Eligibility Criteria

Current Eligibility Criteria for Meals on Wheels

HCC residents over 55 years

or

HCC residents over 18 years who have:

- Dementia
- A learning disability
- A mental health issue or a history of substance abuse, or
- A physical disability

and

- Are struggling to cook for themselves,
- Have just come out of hospital,
- Have a carer or relative who needs a break from cooking,
- Are feeling unwell, either physically or mentally, or
- Have difficulty shopping