

**Report to Keith Hinkley, Director of Adults and Health**

**March 2022**

**Award of Contract – Meals on Wheels Service**

**Report by John Figgins, Head of Catering Services**

**Electoral division(s): All**

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**Summary**

The purpose of this report is to seek approval to award the contract for the Countywide Meals on Wheels Service and meals for Specialist Day Centres.

Approval was provided to commence a competitive procurement process to award a new contract for food supply and delivery of the Meals on Wheels service to customers and West Sussex County Council Operated Specialist Day Centres.

**Recommendation**

The Director of Adults and Health is asked to approve the award of the contract, as detailed within section 2 of this report, to Apetito Limited, to run from the 19 October 2022 for an initial duration of 5 years, with the option to extend for a further two (2) years to a maximum term of 7 years.

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**Proposal**

**1 Background and context**

- 1.1 The Countywide Meals on Wheels service is currently operated by Apetito Limited under a contract awarded in October 2015.
- 1.2 The current contract is fully extended and therefore an options appraisal was carried out to identify whether to continue providing the service was appropriate.
- 1.3 In total the current contract value is approximately £1.2m per annum.
- 1.4 The Service has around 700 active customers and serves around 200,000 meals per annum, having grown from an initial 134,000 meals per annum when the current contract commenced in 2015.

- 1.5 The Service operates a 365 day model, requiring significant Business Continuity planning to ensure delivery despite weather, traffic, fuel, supply and staffing operational challenges.
- 1.6 The current Service Provider has reduced Carbon by 70% over the course of the current contract, winning a Queens award for this work in 2019.
- 1.7 The Council won the National Association of Care Caterings (NACC) Meals on Wheels Service award in 2019 and were finalists again in 2021.
- 1.8 The Service is cost neutral to the Council (anything other than Day Centre meals ordered), as the service users pay directly for the meals to the Service Provider.
- 1.9 During 20/21 in West Sussex over 95% of customers rated the service as good or excellent overall.
- 1.10 The Service employs around 35 local people, operating from 2 depots in West Sussex.
- 1.11 Meals provided under this contract are nutritious, safe and cover all dietary requirements such as cultural preferences, allergies and texture modified. Meals comply with and exceed minimum industry standards (NACC).
- 1.12 Meals are delivered hot after having been regenerated in specially designed vehicles that contain ovens.
- 1.13 Customers are primarily elderly over the age of 80, housebound and often recovering from illness or hospitalisation. The service can support the discharge of people from hospital and enables them to live independently in their own homes.
- 1.14 The Service Provider undertakes Service marketing and awareness activity, with the assistance of the Councils Catering Service and internal stakeholders.
- 1.15 The contract covers the provision of meals within Adult Services Specialist Day Centres, delivered frozen weekly. The meals are initially paid by the Council and costs recovered from Day Centre Service Users. This form of communal feeding is economical as it avoids waste and reduces labour to a minimum in the settings. Feedback is generally very positive with the client group.

## **2 Proposal details**

- 2.1 A competitive procurement was entered into for a service provider to provide the Countywide Meals on Wheels Service and Community Meals in Adult Day Care Centre through an open tender process. The procurement is fully compliant with The Public Contracts Regulations (2015), the Concession Contracts Regulations 2016 and the Council's Standing Orders on Procurement and Contracts.
- 2.2 A Contract Notice was published to the Find a Tender Service on 17<sup>th</sup> December 2021. The opportunity was also promoted on the West Sussex e-Sourcing Portal and Contracts Finder.

- 2.3 On receipt of the submitted tenders, Officers undertook compliance checks on the tender submissions to ensure all schedules required were duly submitted and that the tenders were correct.
- 2.4 Following the procurement and evaluation process as detailed in this report it is proposed that the Meal on Wheels Service and meal provision for the Specialist Day Centres be awarded to Apetito Limited, to run from the 19 October 2022 for an initial duration of 5 years, with the option to extend for a further two (2) years to a maximum term of 7 years.

The contract is to cover two different Service areas:

- (1) The Meals on Wheels delivery service to customers living at home
- (2) The Meals on Wheels delivery service, supply of meals, to customers at Adult Services Specialist Day Centres

### **3 Other options considered (and reasons for not proposing)**

- 3.1 An options analysis was completed before the procurement commenced, which considered several alternatives, and the use of a single provider contract emerged as the most favourable in terms of the most economically advantageous route to market.

### **4 Consultation, engagement, and advice**

- 4.1 Catering Services & Procurement held meetings with Adults Services Commissioners, Day Centre Management, Occupational Therapists, and Senior Social Workers. The overriding feedback from professional teams was that the Meals on Wheels service is a powerful and agile means of securing nutritious food, often at short notice, to vulnerable and often isolated residents across the County. The service can also provide emergency provision for Nursing and Residential Care homes, thus improving the sectors resilience. This ability proved invaluable on several occasions during the Covid-19 pandemic.
- 4.2 Discussions with Adult Services professional's suggest that the service fits with the Councils new strategy for Adult Social Care in West Sussex 2022-2025 'The life you want to lead' that sets out five priorities to guide the future development of West Sussex County Council's adult social care services up to 2025. Feedback from Senior Operational Managers is that the contract allows meals to be delivered at short notice, and often is a lifesaver as in some rural areas domiciliary carers can be difficult to arrange, but that the Service helps with this issue. People that are receiving nutritious hot meals at home will be better placed to recover from hospital treatments, remain healthy and continue to live in their own homes for longer. This can help avoid costly treatments and stays in both the NHS and in care homes. The service can contribute to achieving 3 of the 5 key priorities as set out in the strategy.
- 1) Building relationships and connections - Recognising the importance of three key different types of relationships: with families and close support, with help and support, as well as to wider social networks.
  - 2) Empowerment - Putting the emphasis on enabling and supporting people to be equal partners in, and where possible lead on, decisions about what happens in their lives and to maximise their independence and ability to lead a fulfilling life.

3) Home - Supporting people to be in their own homes and where independent living is not possible, in places that feel like home recognising that having good connections to other people such as family, friends and neighbours is important

- 4.3 Catering Services & Procurement held talks with the market providers to understand what options were available on the market, and to stimulate future interest.
- 4.4 Benchmarking took place during autumn 2021 evaluating neighbouring councils and private and third sector partners to explore alternative scope of services that are currently available.
- 4.5 Customer feedback has been especially noted over the past year, with a 52% survey return rate, and very high levels of customer satisfaction. Featuring highly, as well as the meal, is the daily visit from a welfare and interaction, wellbeing perspective.
- 4.6 A full options appraisal has been undertaken around service models and opportunities and was included in the Commercial panel on 13 September 2021.
- 4.7 The project team received approval to continue with the MOW service as a requirement and proceed as proposed with an open tender on the basis of a single supplier managed service model.
- 4.8 29 September 2021 at the Procurement Board meeting it was agreed that the competitive procurement can proceed.

## **5 Finance**

### 5.1 Revenue consequences

The Meals on Wheels Service does not carry an un-recoverable cost to the Council but holds the benefits of being a corporate contract that ensures that a seamless, consistent, and safe service is delivered across the whole of West Sussex and Specialist Day Centres. This allows the contract to be managed effectively by Catering Services and for other Council services such as Libraries, Public Health, and the Fire & Rescue service to work closely with the service in beneficial joint messaging to the client group.

- 5.2 The Service Provider has an annual opportunity to apply for an increase in the meal charges and must produce a robust set of evidence for any annual price increase to be agreed by the Council. The meal price for the first year of the contract will remain in place until at least 30 September 2023.
- 5.3 Specialist Day Centre meals are purchased by the Service Users that attend the Day Centres. Service Users are at liberty to either bring their own packed lunch in, or purchase the meals supplied by the Service Provider. The cost of the meals supplied to the Service User is subject to the Councils annual Fees and Charges decision process. For the first contract year there will be no increase to the Day Centre meal price and therefore no in-year financial impact to the Council or the Service Users.
- 5.4 The effect of the proposal:

(a) **How the cost represents good value**

The procurement was undertaken via a competitive Open Tender process. The successful bid scored the highest total on Technical, Social Value and Commercial sub criteria.

(b) **Future savings/efficiencies being delivered**

Whilst every effort has been made to secure savings on meal costs to both Community Customers and Specialist Day Centers there has been no overall savings made. This is due to current catering market and supply chain conditions which have been exacerbated by BREXIT, the Covid-19 pandemic and by the increase in labor costs across the industry, both in the supply chain and locally. However, the service will remain cost neutral to the Council as the Community Service Users pay directly for the meals to the Service Provider, whilst the Day Centre Service Users pay the Day Centers for their meals ordered.

The Contract does not deliver future savings directly. It does however offer the potential to offer savings to the Council in terms of hospital avoidance due to malnutrition, as well as offering a food service delivery that helps facilitate timely discharge from hospital to home. The Provider may also identify through their 'Safe and Well' checks issues surrounding customers such as safeguarding concerns, fuel poverty, scam traders, fire risks in the home, decline in health. Concerns such as these are escalated to professional teams and or Next of Kin (NOK) as appropriate. The savings connected to early identification of such issues and appropriate intervention are not possible to monitor but are likely to occur during the contract duration. Prevention of such issues could lead to cost avoidance both to the Council, NHS, and Public Services in the longer term. Most importantly the focus is around supporting people to stay in their own homes for as long as they are able, as we know this is the wish for the majority of elderly people.

(c) **Human Resources, IT and Assets Impact**

There are no Human Resources, IT or Assets Impact, to this proposal.

**6 Risk implications and mitigations**

<b>Risk</b>	<b>Mitigating Action (in place or planned)</b>
Not awarding the contract will increase risks linked to the wellbeing and safety of residents and service users in relation to receiving nutritional meals.	The contract, its implementation and the ongoing monitoring are intended to mitigate the risk associated with vulnerable people. The safe and well checks carried out by the Provider and the provision of nutritional and safe food are key
Poor performance of the delivery of the contract	The Provider will continue to be contract managed by the Councils Catering Services Team, that are based within the Communities Directorate. Regular engagement with named Adult Service Commissioners will continue, including involving colleagues with quarterly and annual Contract Review Meetings.

## **7 Policy alignment and compliance**

- 7.1 The contract has been tendered with consideration as to how the suppliers will provide added social value, measured using a set of Key Performance Indicators, reflecting the County Council's duty under the Public Services (Social Value) Act 2012.
- 7.2 The procurement was undertaken in compliance with the Concessions Contracts Regulations 2016 and the Public Contracts Regulations 2015. Public procurement general principles of fairness, non-bias and transparency were complied with in the procurement process. Robust, clear, and transparent evaluation methodologies were designed to result in a successful outcome.
- 7.3 The successful bidder will sign terms and conditions drafted in-house by Legal Services that are compliant with the Council's Standing Orders on Procurement and Contracts and the above-mentioned Regulations.
- 7.2 Along with alignment to the Adult Social Care in West Sussex 2022-2025 strategy(4.2), the Meals on Wheels contract will contribute to the following West Sussex Plan Objectives:
- A strong, safe and sustainable place
  - Independence for later life
  - A Council that works for the community
- 7.3 The Service will deliver meals across the whole of West Sussex and support the local economy with employment of a current local workforce of 37 people.
- 7.4 **Equality and Human Rights Assessment**
- All West Sussex residents have a right to access the Meals on Wheels service. The service Provider has a range of ethnic, medical and lifestyle diet meals that it can supply to customers. All meals are sold to customers at the same price, regardless of cost to produce. The Service Provider pays all its staff as a minimum the Living Wage Foundations 'Real Living Wage', an enhancement on the statutory Government 'National Minimum Wage' mandatory scheme.
- 7.5 **Social Value and Sustainability Assessment**
- Social Value was included within the procurement and the proposals therefore included consideration of the positive impact the Service Providers could have on social value and sustainability.
- 7.6 **Crime and Disorder Reduction Assessment**
- The proposal has no implications under the Human Rights Act 1998. There are no anticipated Crime and Disorder implications.

## 7.7 **Climate Change**

The Service Provider will be introducing a number of electric delivery vehicles into West Sussex to deliver on the shorter customer delivery routes. During the procurement the Service Provider demonstrated good measures of having already demonstrated carbon reduction in their supply chain, as well as future advancements in their production facility and their wider supply chain. These developments will be monitored as part of the contract management process of the contract.

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### **Appendices**

None

### **Background papers**

None