

Item 3.

Change to Meals on Wheels Service Area

File No: S100814.001

Summary

This report seeks Council's endorsement to expand the City of Sydney's Meals on Wheels service area to include the suburbs of Balmain, Birchgrove, Annandale, Leichhardt, Lilyfield, Camperdown, Rozelle and Tempe, from 1 July 2020, following a request from the Commonwealth Department of Social Services (the Commonwealth) for the City to take on the servicing of these areas.

The City receives funding from the Commonwealth via the Community Home Support Program to support clients over 65 years of age. Funded services include Meals on Wheels, centre based social programming to support older people, and some sector development activities to support local aging service providers.

For several years the Commonwealth has been working towards transitioning the aged care system to a new consumer directed care model. Individuals assessed as eligible will receive a funding package that they can use to purchase services from a provider of their choice. Service providers are expected to generate income on a fee-for-service basis. This will replace block funding to organisations to deliver services, including Meals on Wheels.

It was expected that this transition would occur in 2020, with block funding from the Commonwealth for the Commonwealth Home Support Programme (CHSP) to cease on 30 June 2020. Funding arrangements have now been extended by the Commonwealth to 30 June 2022, to allow time to consider the recommendations of the report of the Royal Commission into Aged Care Quality and Safety to be released later in 2020.

The Commonwealth has advised that Inner West Council will make changes to their Meals on Wheels service from 30 June 2020. They have requested the City consider expanding its Meal on Wheels service area to include the suburbs of Balmain, Birchgrove, Annandale, Leichhardt, Lilyfield, Camperdown, Rozelle and Tempe from 1 July 2020. These areas are shown in Attachment A. There are currently 36 clients receiving meal services in these areas with an estimated demand of 9,000 meals per annum.

The City has assessed the implications and determined that the expansion of the City's Meals on Wheels service into these areas and additional demand can be largely accommodated within existing resources. Additional grants income, and income derived from meal fees will offset small increases in operational and staffing expenditure, as compared to the current operating position.

The Covid-19 pandemic has demonstrated the critical importance of services such as Meals on Wheels to vulnerable people in our community and neighbouring areas. The City Meals on Wheels Service enables the City to adapt and respond to emerging community food security needs, and it will continue to do so in line with other initiatives being developed and implemented by City staff.

Recommendation

It is resolved that:

- (A) the City of Sydney's Meals on Wheels service area is expanded to include the suburbs of Balmain, Birchgrove, Annandale, Leichhardt, Lilyfield, Camperdown, Rozelle and Tempe, currently serviced by Inner West Council from 1 July 2020; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a revised agreement with the Commonwealth Department of Social Services in respect of the recommendation outlined in clause (A) above.

Attachments

- Attachment A.** Proposed Additional Meals on Wheels Service Areas - from 1 July 2020
- Attachment B.** Changes to Meals on Wheels Service Area and Impact on Operating Result (Confidential)

Impact of reforms in ageing and disability sector to Meals on Wheels

1. In both the aged care and disability systems, funding and service reforms have occurred or are in progress. In both systems, it is currently proposed that instead of service providers receiving funding to deliver services, a new consumer directed care model will be introduced. Individuals assessed as eligible will receive a funding package, which they can use to purchase services from a provider of their choice. Service providers are expected to generate income on a fee-for-service basis.
2. Block funding for disability services ceased on 30 June 2018, and eligible people have been transitioned to the National Disability Insurance Scheme (NDIS), a new consumer directed care model, where individuals assessed as eligible receive a funding package they can use to purchase services from a provider of their choice.
3. Nationwide reforms to the aged care sector are ongoing, with the introduction of the My Aged Care system, a single point of entry and assessment introduced in recent years. In 2018, it was expected that similar reforms to those in the disability sector would occur for aged care services in approximately 2020.
4. In light of the changes occurring and anticipated, in 2018, City staff explored options for the City's funded aging and disability services, including Meals on Wheels, centre-based meals and social support activities offered in our community centres. As a result of that analysis, Council endorsed that the City:
 - (a) cease provision of meals in centres and transition vulnerable customers to Meals on Wheels as of 1 July 2018;
 - (b) register the City's Meals on Wheels service as a National Disability Insurance Scheme provider; and
 - (c) continue to provide free or low costs social programs (centre based social support) in community centres regardless of changes to funding.
5. The provision of centre-based meals ceased on 1 July 2018. Eligible customers requiring regular meals were registered as Meals on Wheels clients, and all other service users now have access to a range of new innovative food-based programs in the City's community centres. Commonwealth Home Support Program funding attributed to centre based meals was transferred to the City's Meals on Wheels service.
6. The Commonwealth has now halted the reform agenda for aged care, awaiting the final report of the Royal Commission into Aged Care Quality and Safety, which was announced in 2018. The final report is expected in late 2020.
7. Block funding for the Commonwealth Home Support Program was expected to cease on 30 June 2020, however funding arrangements have been extended by the Commonwealth to 30 June 2022.
8. The City continues to receive funding from the Commonwealth via the Community Home Support Program to support clients over 65 years of age. Funded services include Meals on Wheels, centre based social programming to support older people, and some sector development activities to support local ageing service providers.

9. Much of the funding from the Community Home Support Program is for the delivery of the City's Meals on Wheels Service. In the 2019/20 financial year, the City is forecast to receive a total of approximately \$455,000 in funding for Meals on Wheels through this program.
10. Funding received is used to partially fund the operational costs of the City's Meals on Wheels program. In line with the current grant agreement Meals on Wheels are only provided within the City Local Government Area.

Table 1: Meals on Wheels income and expenditure 2019/20

Commonwealth funding	Fees Income	City Contribution	Total forecast expenditure 19/20
\$455,038	\$266,198	\$514,205	\$1,235,441
36.8%	21.5%	41.6%	100%

11. Since the City became a registered National Disability Insurance Scheme service provider, there has been very little demand from customers aged under 65, resulting in a decline in overall demand for Meals on Wheels. Demand from people over 65 remained relatively stable, at approximately 30,000 meals per year over the past three years.

Table 2: Meals on Wheels - demand and active clients 2016-2019

Client Cohort	2016/17		2018/19	
	Active Clients	Meals Sold	Active Clients	Meals Sold
Over 65	125	30,972	120	29,759
Under 65	77	18,173	20	7,896
Total	203	49,145	140	37,655

12. The total number of meals sold to clients under 65 declined by 57 per cent over the two years. A similar decline occurred in active clients aged under 65, from 77 clients to only 20.
13. This has resulted in overall decline of approximately 20,000 meals over two years, and overall decline of 40 per cent of meals sold.

Commonwealth Request to Extend the City's Meals on Wheels Service Area

14. The Commonwealth has recently contacted the City advising that Inner West Council will make changes to their Meals on Wheels services as of 30 June 2020.

15. As a result, the Commonwealth has requested the City consider expanding our Meal on Wheels service area to cover parts of the Inner West service area. This includes the suburbs of Balmain, Birchgrove, Annandale, Leichhardt, Lilyfield, Camperdown, Rozelle and Tempe. The City would be required to service these areas from 1 July 2020. These areas are shown in Attachment A.
16. There are currently 36 clients receiving meal services in the areas the City has been asked to take on, with an estimate of 9,000 meals per annum (mixed chilled, frozen and hot) provided to these clients.

Table 3: Meals on Wheels - Forecasted demand and active clients 2020/21

Client Cohort	2020/21	
	Active Clients	Meals Sold
Over 65	156	38,759
Under 65	20	7,896
Total	176	46,665

17. Should the City take on the additional service areas, sales of 9,000 meals to current clients located in the Inner West Local Government Area would provide an estimated additional \$58,000 per annum for the City in income derived from meal fees, based on the price of the most popular meal at \$6.20 per meal.
18. The 36 new clients will increase the City's annual demand to approximately 46,000 meals per annum, only slightly below demand exercised during 2016/17 prior to the introduction of the National Disability Insurance Scheme in our area (see table 2). In effect, the new clients will make up a large part of demand reduction over the past two years.
19. The Commonwealth has advised that the City would receive additional grant funding to assist with costs involved in taking on the areas proposed.

Proposed transition arrangements

20. If the recommendation that the City takes on servicing parts of the Meals on Wheels area currently serviced by Inner West Council from 1 July 2020 is endorsed by Council, City staff will work with the Commonwealth to execute and administer a revised funding agreement.
21. Following the execution of an agreement, the City would then work with Inner West Council to transition the 36 customers from the Inner West Council service to the City of Sydney service.
22. It is proposed clients transitioned from Inner West to the City are charged the same meal fee as existing City of Sydney Meals on Wheels clients. The most popular meal is \$6.20 per meal, which is slightly less than the current fee of \$8.40 charged by Inner West Council.

Strategic Alignment - Sustainable Sydney 2030 Vision

23. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This program is aligned with Direction 6 - Vibrant Local Communities and Economies.
- (a) A resilient and inclusive City is one where mainstream City services are inclusive of the whole community, and where specialist services are available to support those older people and people with disability who need additional support to live independently within home and communities, and maintain their social, emotional and physical wellbeing.
- (b) The City is seeking to ensure continuity of service for vulnerable service users.

Organisational Impact

24. There are no increases in fixed costs, for example vehicle and depot costs, as a result of the small increase in clients, and only minor increases to marginal costs for staffing and food supplies.. Two existing contracted part time administrative positions would be expanded from four days per week to full time hours for a two-year period, requiring an increase to the Meals on Wheels Salary budget of \$27,288 per annum.
25. Where possible, existing City staff impacted by the Covid-19 pandemic will be redeployed for at least six months, to take on some of these additional hours.

Social / Cultural / Community

26. Despite declining demand for Meals on Wheels over the past decade, because of the Covid-19 pandemic it has never been more critical to ensure the City can continue to provide services to vulnerable people in our community and neighbouring areas. Maintaining the City Meals on Wheels service infrastructure will also enable the City to adapt and respond to emerging community food security needs in line with other initiatives being developed and implemented by City staff.

Economic

27. The continued operation of the Meals on Wheels service contributes the economic security of the City's suppliers of meals.

Budget Implications

28. The additional grant funding will cover the anticipated incremental cost of the service and will not adversely impact the City's 2020/21 operating result. Confidential Attachment B shows in more detail the expected impact on the operating result for Meals on Wheels.

Relevant Legislation

29. Local Government Act 1993, Chapter 6, Part 1 Section 24 outlines councils role in the provision of goods, services and facilities and carrying out of activities, such that they "are appropriate to the current and future needs within its local community and of the wider public, subject to this Act, the regulations and any other law".

30. Local Government Act 1993 - Section 10A provides that a Council may close to the public so much of its meeting as comprises information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.
31. Attachment B contains confidential details of Council's negotiations which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
32. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

33. The Commonwealth has requested that the City commence servicing the proposed areas shown in Attachment A currently serviced by Inner West Council from 1 July 2020. To allow City staff adequate time to execute and administer a revised agreement with the Commonwealth, a decision by Council is required no later than the May meeting cycle.

Options

34. City staff considered the proposal of extending our service area against our current service parameters. This proposal was found to have both significant social benefits in ensuring service continuity for older people in neighbouring communities, especially at a time of increased anxiety around Covid-19, as well as improving the efficiency of service delivery for the City by more effectively utilising existing resources and increasing income for the service.
35. Should Council decide not to endorse the recommendations, there is a risk approximately 36 older people in neighbouring communities will not have access to important food and social checks provided by Meals on Wheels.

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