



ITEM:

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REPORT TO: POLICY AND RESOURCES COMMITTEE ON 2 MARCH 2010

SUBJECT: CHARGES FOR LUNCH CLUBS

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 To provide Members with an update on the cost of providing Lunch Club meals and to finalise arrangements for charges for Lunch Clubs for financial year 2010/11.
- 1.2 This report is submitted to Committee in terms of Section A(6) of the Council's Administrative Scheme relating to the setting of charges.

2. RECOMMENDATION

- 2.1 **It is recommended that Members note the cost of providing meals for Lunch Clubs and agree the arrangements for the provision of this service and the appropriate charges for 2010/11.**

3. BACKGROUND

- 3.1 Reference was made to Lunch Clubs in the Financial Plan Review agreed by the Council on 11th February 2010. Appendix 6 to the Financial Plan indicated that savings of £61,000 per annum would be achieved by charging the full cost for Older Peoples Lunch Clubs. It was agreed that where the meal could be provided for up to £3.50, full cost would be charged and otherwise the service would cease.

4. PROPOSALS

- 4.1 The full cost of providing meals for Lunch Clubs at Elgin Community Centre and Forres Community Centre are in the region of £10 per meal and these Lunch Clubs will therefore cease as soon as practicable after 1st April 2010. There are staffing implications to deal with which are likely to defer the cessation of the service until May 2010.

- 4.2 The cost of providing meals at all other Lunch Clubs is £3.50 in the current year and the catering service have indicated that the cost for 2010/11 is anticipated to be £3.60 per meal. The supply of meals is subject to VAT and therefore the Council will need to charge £3.60 plus VAT resulting in a proposed charge for 2010/11 of £4.23. It would be helpful to round this amount to £4.25 for the purposes of collecting the charges.

5. **SUMMARY OF IMPLICATIONS**

(a) Single Outcome Agreement/Service Improvement Plan

This Report is consistent with the Corporate Development Plan commitment to Sound Management of Resources.

(b) Policy and Legal

This Report is consistent with the Council's Policy on Charges. There are no legal implications.

(c) Resources (Financial, Risks, Staffing and Property)

The budget approved for 2010/11 will result in the Lunch Clubs provided at Elgin and Forres Community Centres ceasing and an increase in the charges at the remaining Lunch Clubs to pass on the full cost of providing meals for this service. At present, the Council provides a subsidy of £61,000 per year for Lunch Clubs across Moray.

(d) Consultations

The Director of Community Services has been consulted on the contents of this report and is in agreement with the proposals.

6. **CONCLUSION**

- 6.1 The proposals in this report are in line with the revenue budget approved by the Council on 11th February 2010.

Author of Report: Mark Palmer, Chief Financial Officer – Ext 3103

Background Papers:

Ref: MP/LJC/745859

Signature:

Date: 22 February 2010

Designation: Chief Financial Officer

Name: Mark Palmer