

COMMUNITY MEALS SERVICE

Briefing Paper – Part I



I. BACKGROUND

The Education Catering Service was requested to take over the provision of freshly prepared, hot community meals in 2012/13. CATERed Limited was formed as a cooperative trading company by schools and the Council to deliver the school meals service in 2015. The community meals service transferred with the school meals operation on a nil cost to CATERed basis with all costs over and above revenue received from customers met by the Council.

A formal commissioning or contractual arrangement between the Council's adult social care service and CATERed in respect of community meals was never established but it is accepted that there is an implied contract via custom and practice. The intention was for the service to work toward achieving break even with adult social care covering costs with a subsidy the meantime. People are merely signposted to CATERed along with other potential suppliers if they need help with meals by social care.

- I.1. Currently, there are approximately 150 community meals service customers, and a total of approximately 770 meals are served per week. Around 50% of the customers are also in receipt of an adult social care support package.

In 2024/25 the meal costs were £8.25 for customers who have a care package, and £9.95 for customers without a care package (without a care package the meal service is subject to VAT).

The table below is taken from the most recent national comparison of community meals prices, made in 2023 as part of a study undertaken by the Association for Public Service Excellence (APSE).

Region	2023 cost	Note
East of England	£5.25	The lowest price charged for a two-course meal in 2023 by a local authority is £1.90, but it is worth noting that this is in Northern Ireland, under a different administrative arrangement.
East Midlands	£6.79	
London	£4.34	
North West	£6.70	The highest price charged for a meal is £8.00 by a local authority in the Southwest of England. (Plymouth)
South East	£5.45	
South West	£6.62	
West Midlands	£4.35	All prices refer to 2 course meals

The community meals service in Plymouth is funded through income CATERed receives from customers purchasing meals. However, despite the higher prices charged by CATERed, it has consistently also required a subsidy from the Council's adult social care budget to break even.

In the first year of providing community meals (2013/14) CATERed were subsidised by £650,000. It is to be commended that by 2023/24 the level of subsidy had reduced to £180,000. However, in 2024/25 the subsidy required for community meals to break even increased to £216,000. The economy, increases in labour costs, and increases in food costs have impacted on CATERed and they have not been able to bring the service to a break-even position. It is also acknowledged that since the transfer of the Service to CATERed it has

provided a cumulative saving to the Council of over £4million based on the original budget (even after not allowing for inflation).

Based on 770 meals per week, a subsidy of £216,000 equates to just under £5.40 per meal. Adding that subsidy to the 2024/25 prices charged to customers with / without an adult social care package equates to a total cost of £13.65 or £15.35 respectively per meal.

- 1.2 Research undertaken by APSE found that only 29% of UK local authorities and less than 18% of English local authorities still offer a 'meals on wheels' type service. In common with most Councils across the country, our neighbouring local authorities in Devon, Torbay and Cornwall do not offer a community meals service, but signpost people to commercial and voluntary, community, and social enterprise sector providers who offer various options for home delivered food including fresh and chilled or frozen meals.
- 1.3 Nationally and locally the economy and public sector finances are under extreme pressure. Local authorities face unprecedented challenges to make savings and reduce expenditure as they strive to deliver balanced budgets.

By subsidising the cost of all community meals, the Council is technically not acting in accordance with the duties of the Care Act 2014, within which meals are considered a daily living cost. Adult social care funding can contribute to daily living costs, but this depends on the individual's financial circumstances and the type of care they need. If a person has been assessed as having eligible needs for social care support, the local authority may contribute towards the cost of their care, including some daily living costs. However, individuals may still be expected to contribute towards these costs, especially if they have savings or income.

Adult social care should not be funding or subsidising care for people who are self-funding. Individuals who do not qualify for local authority adult social care support should pay for all care costs including daily living costs.

2. PROPOSED CHANGES AND REASONS

- 2.1. Cessation of the Council subsidy to CATERed for the community meals service, with effect from 28 February 2026, to ensure that the Council is not acting in a way which is not in accordance with its duties under the Care Act 2014.
- 2.2. Following notification of the Council's intention to cease subsidising the provision of community meals, CATERed will need to take a commercial decision regarding whether it will be able to continue to provide a community meals service beyond 28 February 2026. It is recognised that the withdrawal of the subsidy would make the extremely challenging.

If CATERed determine that it is unable to put the community meals service on a financially sustainable footing beyond 28 February 2026 without the subsidy, the service will come to an end. The Council will work closely with CATERed to implement a communication and support plan for community meals customers.

The communication and support plan will ensure the following:

- Community meals customers are given an appropriate period of notice and provided with information on alternative sources of home delivered meals – either freshly cooked, or chilled / frozen 'ready meals' to reheat at home and support options.
- 2.3. Customers are provided with information regarding wider support and opportunities available in the local community, including through the Council's network of Wellbeing Hubs. Information provided will include details of local befriending and 'good neighbour' schemes, as well as contact details for adult social care, so that if they are concerned that they will require additional support with ordering and/or reheating chilled/frozen meals at home and wish to request an assessment or reassessment of their own support needs and/or those of any unpaid carers.

2.4. The Council's commissioned adult social care provider, Livewell Southwest, is made aware of any community meals service customers who also have a social care package in place, and whose circumstances may need to be reviewed in case they require additional support with ordering and/or reheating chilled / frozen ready meals at home.

- Other providers commissioned by the Council, for example domiciliary care agencies, are also made aware in case any of their clients are affected and may require additional support during home visits.
- Alongside Council communications, CATERed will also need to undertake appropriate internal communication with their employees engaged in delivery of the community meals service.

3. ALTERNATIVE OPTIONS CONSIDERED

3.1. Formally commission a provider who can deliver a financially sustainable community meals service in Plymouth:

This is not considered a viable option. In 2023, commissioners undertook a soft market test to establish market interest in a three-year contract for community meals, during which the Council subsidy would gradually reduce to zero, giving the new provider time to develop and grow the service. Two interested parties were initially identified; however, this was ultimately not successful, as once information regarding Transfer of Undertakings and Protection of Employment rights (TUPE) and pension liabilities for existing employees of the service was sourced and shared, neither party sought to move forward with the process.

Conversations with potential providers identified that a volunteer-led delivery model was the only way the provision of hot fresh meals in the community could be made sustainable without subsidy. TUPE regulations mean that any new provider taking on the service would be required to justify changes to the workforce under economical, technical, or organisational reasons. The new provider would be responsible for all redundancy costs and any legal challenges to those changes. This represents too high a cost and financial risk for potential new providers.

3.2. Do nothing and continue Council subsidy of community meals for all customers:

This would leave the Council at risk of technically not acting in accordance with the duties of the Care Act 2014 by supporting people without an eligible care needs.

Research by APSE has already shown the community meals service in Plymouth to be the most expensive in the country, and without considerable growth the service will continue to require an annual subsidy or guarantee to cover losses. If the Council continues to provide this subsidy or guarantee, this will represent poor value for public money.

4. FINANCIAL IMPLICATIONS AND RISK

4.1 The cessation of Council subsidy for the community meals service will take effect on 28 February 2026; this will reduce expenditure from the Council's adult social care budget by approximately £18,000 in 2025/26 and approximately £216,000 per year from 2026/27 onwards. Removal of the subsidy effectively terminates the service by the Council. CATERed cannot spend schools money on a community meals service.

4.1. If CATERed determine that it is unable to put the community meals service on a financially sustainable footing and therefore decides to discontinue provision of the service beyond 28 February 2026, CATERed will need to establish whether its staff involved in the service can be redeployed internally. If this is not possible, there will be financial implications for CATERed in relation to potential redundancy costs that will ultimately be underwritten by the Council.

- 4.2 It is likely that at least some community meals customers have very limited social contact / visitors other than CATERed delivery drivers, and therefore their visits can act as a 'welfare' check, with the drivers contacting family members or adult social care if they have any concerns about individuals. In the event that CATERed decides to discontinue provision of the service beyond 28 February 2026, the Council will work with CATERed to ensure that information provided to customers in advance includes details of local befriending and 'good neighbour' schemes, as well as contact details for adult social care if any individuals are concerned that they will require additional support with ordering and/or reheating chilled/frozen meals at home and wish to request an assessment or reassessment of their own support needs and/or those of any unpaid carers.
- 4.3 Discontinuing the community meals service could potentially result in some increases to adult social care packages or requests for assessment, from amongst the 150 current customers.