

Cabinet

14 December 2023

Community Pantries - Sustainability Option

Recommendations

That Cabinet:

1. Endorses the strategy set out in the report of making the community pantries sustainable over the longer-term, with consideration of short-term support provided by the County Council; and
2. Agrees to consider including a final time-limited allocation of £541,000 to fund the balance of the costs as part of the 2024/25 MTFS budget proposals to be considered by Council in February 2024 as transitional funding needed over the next two financial years to support the community pantries moving to operational sustainability thereafter.

1. Executive Summary

- 1.1 In March 2022, Warwickshire County Council commissioned Feed the Hungry to undertake a proof-of-concept project around community pantries which met the needs of rural and urban communities. The pantries were intended to help people move beyond immediate food crises (provided by food banks) in an empowering and community-led way. This is an important example of the Community Powered Warwickshire approach set out as a fundamental part of the 2022-2027 Council Plan, and subsequent Countywide Approach to Levelling Up.
- 1.2 There are three community pantry sites currently operational: Lillington, Camp Hill, and New Arley, which went live during March/April 2022. These locations were chosen, among other reasons, for their positions high on the Indices of Multiple Deprivation 2019, which was subsequently used to define priority areas as part of the Countywide Approach to Levelling Up.
- 1.3 Funding for the first year of the proof-of-concept (2022/23) was allocated from the Contain Outbreak Management Fund (COMF) (£306,749). Funding for the second year (2023/24) was allocated from the up to £1m Revenue Investment Fund package of cost-of-living support approved by Cabinet in October 2022 (£262,000).
- 1.4 Feed the Hungry has been working with Council officers on options for future

sustainability since April 2023. The headline proposal is that Feed the Hungry will continue at the current locations for a short period with responsibility for operational delivery transferring to a local delivery team, or teams, over time. This will enable a more sustainable model to be implemented and maintained over the longer-term. This delivery model, which is being worked on with Feed the Hungry, envisages operational delivery supported by greater volunteer input and headed up by a small paid team.

- 1.5 Considering ongoing cost of living challenges, challenges of transitioning to local delivery, and to ensure the pantries remain operational while the phased transfer of responsibility is delivered, there is a need for interim funding. The proposal is that the County Council continues funding the pantries in the intervening period (assessed as two years) whilst the development and implementation of alternative sustainable funding models is completed at an estimated cost of £541,000.
- 1.6 Subject to Cabinet's support for the longer-term strategy, this funding would need to be a time-limited allocation in the 2024/25 budget and medium-term financial strategy (MTFS) to be approved in February 2024. This funding would be a final allocation, after which the community pantries would need to operate independently and be financially self-sustaining, and the paper sets out plans to achieve this.

2. Financial Implications

- 2.1 The estimated cost of running the community pantries is c£300,000 a year, with the costs for the next two years shown in Table 1.
- 2.2 The move from pantries being fully funded by the County Council to being independent and not subsidised cannot be delivered immediately. The plan from Feed the Hungry is for a phased transfer over the next five years, from the current model to operation by local organisations or community groups.
- 2.3 As no alternative sources of funding are currently available, sustaining the community pantries will require County Council funding for the next two years of 100% and then 80% of the estimated costs. This equates to a cost to the Council of £303,660 in 2024/25 and £237,777 in 2025/26. No further funding commitment beyond this is expected and officers will continue to work with Feed the Hungry to support a sustainable delivery model into the future beyond 2025/26.

Table 1: Costings for community pantries

Pantries	2024/25 £	2025/26 £	Total £
Lillington - food	141,070	141,070	282,140
New Arley - food	56,670	47,870	104,540
Camp Hill – food	48,670	48,670	97,340
Community centre costs	10,000	10,000	20,000
Citizens Advice wraparound support services	47,250	49,612	96,862
Total costs	303,660	297,222	600,882
WCC funding %	100%	80%	
WCC grant	303,660	237,777	541,437

2.4 The fundamental costs of operation are:

- a) the cost of food;
- b) Fareshare membership (for the purchase of food - Fareshare is the UK's national network of charitable food distributors);
- c) a contribution to local infrastructure costs;
- d) buying equipment for New Arley so it can transfer from a mobile to a static pantry; and
- e) management and support costs e.g., from Feed the Hungry.

2.5 The factors impacting the costs are:

- a) a comparison of the bulk Aldi basket of food regularly bought by Feed the Hungry between April and June 2023 reveals an approximate 8% uplift in basic items in just two months;
- b) the average cost of food purchased for the food parcels in 2022/23 was £10.65 per parcel. Uplifting that by 20% (in line with Office of National Statistics figures which put annual inflation of food at 19.2% in March 2023), takes the food parcel contribution to £12.78 which has been used for this financial projection. To mitigate this the pantry membership fee could be increased to £6 per visit;
- c) the rising cost of food is also reflected in the rising cost of Fareshare membership. The pantries have experienced a deterioration in supply (diversity of products in particular). It is hoped that this situation will resolve over the coming months, but lack of diversity increases the amount of food that needs to be purchased;
- d) the contribution to community centres rental was introduced for Camp Hill and New Arley at the start of the project, £5,000 per community centre;
- e) the capital costs of buying fridges, freezers, and gondolas for New Arley so it can operate from a static kitchen; and
- f) all assets purchased through the grant would transfer to new site operators at no cost, subject to the community pantries continuing to be operational.

2.6 The update report to Resources and Fire OSC (Appendix 1) in September 2023 showed financial benefits to members of £344,980, comprising £172,039

income maximisation, £152,296 debt addressed, and £20,645 debt written off since April 2022, showing a positive benefit to cost ratio in their first year and a half of operation in addition to the benefits of accessing affordable food.

- 2.7 There is no funding currently approved to resource any contribution to the community pantries beyond March 2024. Therefore, to approve the strategy of a phased transfer to community ownership/operation requires short-term funding to be identified and approved.
- 2.8 The funding would need to be included as a time-limited allocation in the 2024/25 MTFs. Projected financial pressures on the Council as part of the MTFs mean that it is unlikely that the Council could offer financial support beyond the next two years.
- 2.9 There is therefore some risk around the long-term sustainability of the pantries, even if Council approves the two-year time limited funding allocation requested. If the strategy to identify alternative sources of funding and to move to local and sustainable operational delivery is not successful, it will be necessary to close the pantries. However, providing two years' funding would give a reasonable time for the pantries to move to a self-sustaining model, while helping communities during a time of ongoing cost-of-living pressures.

3. Environmental Implications

- 3.1 Feed the Hungry is aware of the Council's emerging Sustainable Futures Strategy and has its own complementary commitments around climate change and biodiversity.

4. Supporting Information

- 4.1 The community pantries proof of concept has been a successful project. Demand for services at all three locations has surpassed the capacity stated in the grant agreement and continues to increase, intensified by the ongoing cost-of-living challenges. While we would want to avoid residents and families becoming dependent on this type of provision, it is also recognised that it will take some time for cost-of-living challenges to lessen and in the meantime, this local support provides a lifeline for some. The wraparound services provided from the pantry sites have also engaged with people who would not normally be engaged with, supporting them out of crisis by addressing other issues that they face (such as access to benefits and debt management) and helping them to reduce reliance on the pantries. This is evidenced by data collated by Feed the Hungry which shows that out of total membership of 906 people, 524 no longer need support, for a variety of reasons including:

- membership lapsing;
- member experiencing an improvement in circumstances, such as:
 - Finding employment;

- Benefits were maximisation; and
- Debt being addressed;
- the member has moved out of the area covered by the pantry;
- the member failed to engage with wraparound services;
- the membership was terminated by the pantry (continued poor behaviour and rudeness to staff and volunteers); and
- the member passed away.

Those engaging with the pantries are presenting with more complex issues and need longer and/or multiple appointments to address their issues. The case studies have shown the positive impact the service is having on pantry members, including improvements to mental health, energy and/or food security, and support with ongoing issues with children or finances, as detailed in Appendix 1.

- 4.2 The operation of the pantries aligns well with the Countywide Approach to Levelling Up document and its principles, adopted by Cabinet in July 2022. The locations of the three pantries, all high on the Indices of Multiple Deprivation, correlate to the “places” theme, and known challenges in the three locations correlate to the “people” and “countywide priorities” theme, for example around income levels, connectivity, health, and skills and employment.
- 4.3 The pantries embed principles of community power in their operation, responding to locally identified priorities and involving the community in their delivery, for example through involving local volunteers and community groups, the latter especially in respect of the wraparound support elements.
- 4.4 The first annual report on the performance of the community pantries was taken to Resources and Fire & Rescue Overview & Scrutiny Committee on 13 September 2023, and was well received and supported. The full report is attached at Appendix 1.
- 4.5 Predicting how cost-of-living pressures will continue to impact on communities over coming years is challenging, with the factors driving the pressures becoming increasingly unpredictable and volatile, and influenced by global circumstances including the conflicts in Ukraine and the Middle East. Office for National Statistics data points to a continuation over at least the next two years of elevated food, energy, and housing costs relative to household incomes, despite inflation slowing over recent months. The cost-of-living update report for Resources and Fire & Rescue Overview & Scrutiny Committee on 13 September 2023 contains more data and statistical references around cost-of-living pressures. The report is attached as Appendix 2.
- 4.6 Taking over a community pantry is, for many organisations/groups, a significant operational and financial responsibility with many factors to be considered to ensure the transfer is sound and sustainable. Conversations with relevant local community organisations are ongoing at all 3 locations.

4.7 To support this phased medium-term approach the Council will need to provide 100% of the funding for community pantries in 2024/25 reducing to 80% in 2025/26. It is then anticipated that alternative sources of funding and/or an alternative delivery model will be in place for the remaining three years of the five-year transfer programme.

4.8 Lillington (Pound Lane Adult Education Centre)

The Lillington Pantry is co-located with Adult Education at the Pound Lane Adult Education Site. It is a static pantry operation open on Thursdays and Fridays and is well attended with around 130 families accessing support each week. It does much more than provide food with support from the Warm Hub, Citizens Advice and Family Information Services.

There is no desire to relocate the Lillington Pantry from the Pound Lane Adult Education Centre. It is well placed for the people who most need it in the community and has sufficient space to be able to connect with clients and provide them support services. However, most successful independent models of a community pantry can generate income through grant funding for activities that are secondary to the provision of food (e.g., cook and eat well programmes, sow to grow, English for Speakers of other Languages) and these grants can assist in covering the costs of operating the pantry.

At Pound Lane, because of the space available to Feed the Hungry, these opportunities are very limited. Three options exist to generate income to support the pantry and are currently under consideration, although more work is required before a final way forward can be agreed:

- i. the asset transfer of the Pound Lane Adult Education Centre (or part thereof) to Feed the Hungry. The scope and term of this proposal is being considered by Strategic Asset Management as part of the Estates Master Planning review on the basis that it should not compromise service delivery at the site, nor should it prevent future flexibility for the Council to use the site for its own purposes; and/or
- ii. establishing a charity shop in Crown Way, Lillington possibly in partnership with a local church in Lillington; and/or
- iii. develop corporate relationships with local businesses to effectively “sponsor” or “adopt” a community pantry as part of their local investment through Corporate Social Responsibility or Environmental, Social, and Governance programmes. We understand that this has had some success in other areas.

4.9 Nuneaton - Camp Hill (St. Mary and St. John Church Hall)

Feed the Hungry have worked very closely with the incumbent curate of St. Mary and St. John Church, Camp Hill. The static pantry is in the Church Hall, serves more than 30 families each week, and is already supported by members of the Church. While the curate is enthusiastic about the pantry operation, his priority is to bring the church back to full functionality after being largely disused for the last few years due to roof issues.

4.10 New Arley (Community Centre)

New Arley presents the most complex transition. The St. Michael's and New Arley Community Centre hosts the mobile pantry. The mobile pantry cannot be transferred to a local community group. Feed the Hungry's current strategy at New Arley involves converting this operation from a mobile to a static solution. The facilities at the site are excellent and include a kitchen and café area, but these are not currently available to Feed the Hungry.

The church is owned by the Diocese of Coventry and Warwickshire, but the operations of the centre, on a day-to-day basis, rests with a legally separate management team. Discussion on the future use of this facility is ongoing between the Diocese and the centre management.

If Feed the Hungry are unable to continue here, then they could support the local community with ambient food parcels distributed either through a primary care provider or a local school. Feed the Hungry has experience of providing this service in Leicestershire.

4.11 Assumptions for the funding proposal

Finding a local partner willing to succeed Feed the Hungry and take on the financial risk and operational responsibilities of operating a food pantry has proved to be difficult. While the best solution for the pantries would be local ownership (a local church, community centre or pantry), running a pantry is as complex as running a small business such as a shop, coupled with nuances of understanding the social support landscape of the area in which it operates.

The primary assumption is that Feed the Hungry will carry on at the current locations with the responsibility for operation transferring to a local team over time. There will be a drive towards a delivery model based on greater levels of volunteering headed up by a small paid team and/or exploration that involves more mobile provision that could secure greater reach across the county, however that equally requires a willing local community organisation and sufficient volunteers to operate.

The model assumes the continued support by Feed the Hungry. With charitable status, this could improve the organisation's ability to secure external funding for years 3 to 5 of the transition plan, and to achieve the aim of transferring ownership into local hands.

- 4.12 Feed the Hungry has developed a strategy paper for taking advantage of bulk offers (donated and purchased) and securing sustainable food sources for the region. Resolving food insecurity requires big thinking. Relationships with wholesalers and manufacturers means being able to receive, break down, and redistribute volume purchases and donations. Feed the Hungry is also in discussions with food organisations in Leicester and Sheffield about shared supply chains to take advantage of volume procurement and sharing this between regions. Should these discussions prove successful, this could be valuable for Warwickshire, benefitting from a more regional approach to food supply, however it is recognised that this may take some time.

- 4.13 The Lillington Community Pantry has been proactive in seeking out corporate partnerships with a variety of local businesses. They are keen to provide opportunities that allow individuals to create real practical change and have had volunteers from a range of businesses in the area, all of whom have been vital to providing support on a practical level to the pantry.
- 4.14 Corporate volunteer days of these kind have allowed Feed the Hungry to form longer-term relationships with each of these businesses. For example, Feed the Hungry has been invited by Sodexo to talk at its annual conference about the work of the pantry, encouraging those attending to bring donations of food. Feed the Hungry has also been Leamington Tennis Club's "Charity of the Year", whereby they have hosted various events with the funds being donated to the Lillington Pantry.
- 4.15 As a community organisation, Feed the Hungry works with local groups, businesses and partners to bring people together to work towards the same goal of lifting people out of poverty and into a place of stability. Engagement is often leveraged through Corporate Social Responsibility or Environmental, Social, and Governance policies adopted by large corporate organisations. At Feed the Hungry head office in Coventry such programmes are already being used with great success to receive volunteer and financial support.

5. Timescales associated with the decision and next steps

- 5.1 The community pantries are funded until 31 March 2024. If funding is ended, then Feed the Hungry will begin to scope their exit strategy from the three pantry sites. If further investment can be made for the next two years the Council will continue to work with Feed the Hungry to explore and implement sustainability options beyond March 2026. Full Council will consider the further two-year time limited investment proposal at its budget meeting on 8 February 2024.

Appendices

Appendix 1: Community Pantries Proof of Concept, Resources and Fire & Rescue Overview and Scrutiny Committee, 13 September 2023

Appendix 2: Cost-of-living Update, Resources and Fire & Rescue Overview and Scrutiny Committee, 13 September 2023

Background Papers

None

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