

Cabinet Member (Education)

16th July 2013

Name of Cabinet Member:

Cabinet Member (Education) – Councillor Kershaw

Director Approving Submission of the report:

Director of Children, Learning and Young People

Ward(s) affected:

All

Title:

School Meal Price Increase with effect from September 2013

Is this a key decision?

No

Executive Summary:

The purpose of this report is to seek approval to increase the price of meals, in line with the strategy.

It is proposed:

- To increase the school meal price by 5 pence for Primary and Primary Special schools
- To increase the Secondary Special School meal prices in two stages from September 2013 and January 2014
- To agree the notional value of the free meal allowance in cash cafeterias in Secondary Schools
- To agree the adult meal and teacher duty meal price from September 2013

Recommendations:

The Cabinet Member is asked to:

1. Note the budget performance for the school meal service in 2012/13.
2. Agree to increase the price of Primary & Special School meals by 5p to £2.00 per day from 3 September 2013.
3. Agree to there being no increase in the notional value of the Free Meal allowance in Secondary Schools from 2 September 2013, i.e. the notional price to remain at £2.55 per day.
4. Agree to increase the price of adult meals by 5p per meal to £3.21 for an adult meal and to £2.69 for a teacher duty/student meal from 2 September 2013.
5. Agree to increase Special Secondary School Prices in two stages from 2nd September 2013 by 10p to £2.05 per meal and 1st January by 10p to £2.15 per meal.

List of Appendices included:

Appendix 1 – Comparison of School Meal Charges with other Local Authorities.

Appendix 2 – Comparison of School Meal Take up for Primary & Special Schools

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: *School Meal Price Increase with effect from September 2013*

1. Context (or background)

- 1.1 The Schools catering service was subject to a Fundamental Service Review in 2011. The review targeted the service to achieve 43% meal take-up against Primary School numbers on roll from September 2011. Current forecasts indicate that the financial targets will not be fully achieved in 2013/2014 as projected meal numbers are below those required for a 43% take-up. Primary meal take-up is forecast to be in the region of 40.5% for 2103/2014.
- 1.2 The Schools Catering Service provides meals for 93 schools.
- 1.3 The Schools Catering Services currently operates as a fully traded service and aims to recover all costs from income generated. Due to the Service not reaching the FSR take up targets, in 2012/13 it did not achieve its budgeted income target; however it more than covered the full cost of the service by £0.1m.

2. Options considered and recommended proposal

The Schools Catering Service actively reviews and monitors its performance and regularly liaises with its suppliers to ensure that the service operates as efficiently as possible.

Having reviewed the services financial information in conjunction with different business models the proposal is:

1. To increase the price of Primary & Primary Special School meals by 5p to £2.00 per meal from 2nd September 2013. This being the final year of a pricing strategy that was agreed by cabinet in 2010.
2. Maintain the notional value of the Free Meal allowance in Secondary Schools from 2nd September 2013, i.e. the notional price to remain at £2.55 per meal. This price will allow Secondary School pupils to buy a main course, dessert and a drink without having to pay any additional money.
3. To increase the price of adult meals by 5p per meal to £3.21 for an adult meal and to £2.69 for a teacher duty/student meal from 2nd September 2013. This increase takes into account the adjustment of prices in conjunction with increases in food prices that the service has incurred.
4. To increase Special Secondary School Prices in two stages from 2nd September 2013 by 10p to £2.05 per meal and 1st January 2014 by 10p to £2.15 per meal.

Secondary Special School meals have traditionally been charged at the primary rate. This does not reflect the cost, the portion size or the actual meal delivered and over time there has been an inherent subsidy which Primary Schools have subsidised.

To bring Special Secondary School prices in line with secondary prices would be unreasonable in one jump and the nominal cost for Secondary Schools is for cafeteria style meals whereas the Special Secondary School menu is a set meal

3. Results of consultation undertaken

Head Teachers of Secondary Special Schools have been consulted and have confirmed that they concur with the rationale for a phased approach to increasing the prices of the Special Secondary School Lunch.

The 2012 Annual Parents Survey identified price as a barrier to purchasing a school lunch predominantly if a parent had more than one child at school.

The services own research has shown that families have a preference for a lower meal price and cite high prices as a deciding factor when they choose not to purchase school meals.

Head teachers and Business Managers in Primary schools are concerned that the increase in price will lead to a reduction in meal numbers.

4. Timetable for implementing this decision

- 4.1 Head teachers will receive written confirmation of the decision made by Cabinet Member and requested to communicate the price increase to parents before commencement of the Autumn Term 2013.

5. Comments from Director of Finance and Legal Services

- 5.1 Financial implications

Although the Schools Catering Service is forecast to more than cover the full cost of the service in 2013/14, the forecast position against budget is a shortfall of £0.3m. This is as a result of the service not meeting meal take up targets set by the Schools Catering FSR. It is recognised that this shortfall will only be addressed by increasing the take up of school meals.

If meal prices are not increased the impact of inflation on staffing and provisions would worsen this forecast budgetary position. Factoring in inflation on staffing and provisions the calculated increase in meals price needs to be 5p per meal which is in line with 2010 School Meal Price increase Cabinet report.

Primary School Meals

The Primary school meal price is currently £1.95 which is in line with the Schools Catering Service FSR 3 year pricing strategy.

The final price increase of the 3 year strategy is an increase to £2.00 from 3rd September 2013 for paid and free meals.

Special School Meals

The Schools Catering FSR also recommended the same increase in the Special school meal price from £1.95 to £2.00 from 3rd September 2013.

It is proposed to increase the Primary Special meal price to £2.00 in line with the pricing strategy, it has been identified that the cost of providing a Secondary Special school meal is significantly higher than a Primary meal. It is therefore proposed to implement a staggered price increase of 10p (£2.05) per meal from 3rd September 2013 and a further 10p in January 2014 (£2.15) on Special School paid and free meal price.

This increase will assist in reducing the deficit per meal which the Schools Catering Service will be looking to address through work with individual sites to improve efficiency and improve take up.

Adult Meals

In line with increases in child meals it is proposed to increase the price of adult meals by 5p per meal to £3.21 for an adult meal and £2.69 for a teacher duty meal from 3 September 2013.

Secondary School Meals

The Schools Catering Service only provides meals to one secondary school. It is the schools responsibility for determining the price of school meals in their school and the City Council only needs to determine the appropriate rate for the free school meal price.

The additional income expected from the above proposed price increases is as follows:-

	Additional Income 2013/14 £'000
Primary (Sept'13 increase)	66
Special (Sept'13 and Jan'14 increase)	12
Total	78

There will be an impact in the current financial year as inflation has impacted from April 2013 but proposed price increases are from September 2013. This pressure will be managed within the Schools Catering Service and reported as part of the budgetary control process.

5.2 Legal implications

Section 512 of the Education Act 1996 provides that the local authority must provide in any maintained school, such facilities as they consider appropriate, for the consumption of meals or other refreshments brought into the school by registered pupils, and may provide registered pupils and other persons who receive education at such a school with milk, meals and refreshments. Section 512 ZA permits the local authority and school governing bodies to charge for the provision. Where a charge is made all pupils must be charged the same amount for the same quantity. The Education Act 1996 does not stipulate what charges can be made to adults on school premises or the notional value of a free school meal.

The local authority is also required to provide free school lunches where requested to do so, to those pupils who meet certain eligibility criteria (which includes but is not limited to where the pupil's parents are in receipt of income support; income-based job seeker's allowance; income related employment and support allowance or support provided under Part 6 of the Immigration and Asylum Act 1999).

6. Other implications

The Service relies on the Services of Schools based staff to collect cash in schools and also to administer the theme days and promotional activity. It is recognised that schools may not actively support the administration of activities designed to increase uptake and promote the service if they have other priorities. The service will not be able to address the issue of increasing uptake fully across the city if schools are unable to support the promotional activity.

- 6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

*Promote healthy lifestyles:
Every Child Matters:*

When improving the diet of young people outside of the home the school meal service is a key contributor, not only in terms of food purchased/consumed but also the role it plays in supporting curriculum and other health messages. Good school food helps our children develop good eating habits and enables them to understand how important good nutrition is to their long term health and wellbeing.

There is continuing evidence that well-fed children contribute to academic achievement and improved behaviour standards in schools. The School Catering Service can make a significant contribution in supporting schools through the development of appropriate menus and services.

Our goal is to provide good nutrition and a balanced diet through the food our children actually choose to eat.

- 6.2 How is risk being managed?

A marketing strategy is being developed to target the parents of Free School Meal pupils who do not take up their free school meal entitlement and parents of reception pupils who will be starting school in September 2013.

The Service is also working closely with its suppliers to ensure that price increases are minimised. Justification must be provided for all price increases that are presented.

All Kitchen Staff have been set performance targets that are directly linked to the food cost per meal and labour cost per meal.

The Service is working to the spirit of the nutritional standards to ensure that attractive menus are prepared for customers.

The Service is working with schools to ensure that meals are promoted positively.

New Recipes are being developed to support the phased introduction of production kitchens from September 2013.

New Menus and recipes are being developed for Regeneration Kitchens.

The service is recouping debts for unpaid meals from schools ever six weeks.

Free meals to Teaching Assistants and Nursery Nurses have ceased due to the cost that was placed upon the service for this provision. Schools may continue to offer free meals for their staff, but they have to pay for them

6.3 What is the impact on the organisation?

During consultations clients have cited that an increase in price as a primary barrier to purchasing a school lunch. This is supported by the findings of a School Food Trust survey which identified that take up often declines when meal prices increase. The Service is aware that this may happen when the price reaches £2.00. A City Wide marketing plan is in place to encourage customers to continue to purchase a school lunch.

6.4 Equalities / EIA

The school meals service seeks to meet the catering needs of all pupils in schools through the provision of varied menus and appropriate dining facilities and equipment.

The proposed increase in the price charged for a school meal will impact on parents/carers of children and young people of school age; however, the school meal service still reflects remarkable value for money and the price increase will assist the Catering providers to further improve menu quality.

Those pupils entitled to a FSM will benefit from a two course meal a every school day. Secondary school pupils entitled to a FSM will not be disadvantaged and will be able to choose a meal that is comparable to those that pay.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None

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Appendix 1

Comparison of School Meal Prices with other Local Authorities

In terms of comparisons with other Authorities, the price of Coventry's primary/special school meal is currently placed at the midpoint.

The table below reflects the current/proposed prices of other Local Authorities;

Authority	Secondary Free School Meal Allowance 2012/2013 & Proposed	Primary Meal Prices Actual 2012/2013 Price (Academic Year)	Primary Meal Prices Actual 2013/2014 Price (Academic Year)
Staffordshire	£2.20 Secondary	£2.10 Primary	£2.10 Primary
Nottinghamshire	Information not provided	£2.00 Primary & Secondary	£2.00 Primary & Secondary
Wolverhampton	£2.10 Secondary	£2.00 Primary	£2.00 No change anticipated
Derbyshire	£2.25 Secondary	£1.90 Primary	No Plans to increase
Solihull	£2.00 Secondary	£1.90 Primary	No Plans to increase
Coventry	£2.50 2010/11 £2.55 Sept 2011 No change in Sept 2012	£1.95	£2.00
Birmingham	£2.05 Secondary	£1.90 Primary	No Increase anticipated
Sandwell	£2.05 Secondary	£2.00 Primary	Increased on April 13 th
Warwickshire	£1.95 – £2.10 Secondary	£1.90 Primary	5p Increase from September
Dudley	£1.90 Primary & Secondary	£1.90 Primary & Secondary	Increased to current price April 13
Leicester City	£2.05 Secondary	£1.75 Primary	£1.75 Primary
Nottingham City	£1.70 Secondary	£1.70 Primary	£1.70 Primary

Appendix 2

Comparison of School Meal Take-up for Secondary, Primary & Special Schools

Secondary Schools

Information is not available for all schools as The Schools Catering Service only has responsibility for one Secondary School and does not have access to the information from other Secondary Schools

COMPARISON OF SCHOOL MEAL TAKE UP – PRIMARY SCHOOLS						
Financial Year	Daily average paid meals	% Take-up to Nos. on Roll (NOR) less FSM registration	Daily average free meals	% Take up against entitlement	Daily average paid & free	Overall % total meal take-up against NOR
2007/8	5,048	26.20%	4,428	82.30%	9,476	38%
2008/9	4,846	24.80%	4,486	82.70%	9,332	37%
2009/10	4,903	25.50%	4,931	82.90%	9,834	39%
2010/11	5,217	26.90%	5,138	83.50%	10,355	41%
2011/12	5,036	25.35%	5,004	82.66%	10,039	39%
2012/13	5,593	26.36%	5,192	76.94%	10,786	39.2%

Data up to end of March 2013

COMPARISON OF SCHOOL MEAL TAKE UP – SPECIAL SCHOOLS						
Financial Year	Daily average paid meals	% Take-up to Numbers on Roll (NOR) less FSM registration	Daily average free meals	% Take up against entitlement	Daily average paid & free	Overall % total meal take-up against NOR
2007/8	194	43.90%	251	84.00%	445	60%
2008/9	201	45.50%	250	84.80%	451	61%
2009/10	177	42.10%	250	79.40%	427	58%
2010/11	168	40.70%	244	81.90%	412	58%
2011/12	177	41.59%	243	84.65%	420	59%
2012/13	209	53.90%	257	77.80%	466	64%

Data up to end of March 2013