

DERBYSHIRE COUNTY COUNCIL

CABINET

7th July 2015

**Report of the Strategic Director for Children &
Younger Adults**

**REQUEST TO INCREASE THE RECOMMENDED SELLING PRICE OF
SCHOOL MEALS – (CHILDREN AND YOUNG PEOPLE)**

1. Purpose of the Report

To seek approval to increase the recommended selling price of school meals for children and adults in Secondary, Primary, Nursery and Special Schools with effect from 7th September 2015. Approval is also sought to increase the value of the free school meal offer for eligible pupils and agree the charging price for Universal Infant Free School Meals to school.

2. Information and Analysis

The school catering budget was delegated to Primary schools from April 2013, having already been delegated to Secondary schools. Under delegation the responsibility for charging now lies with schools. However Derbyshire County Council will continue to recommend a selling price to aid schools and to provide consistency. As part of this recommendation, schools would be reminded that, under Section 533 Education Act 1996, the price they charge to pupils for school meals must not exceed the cost of providing them.

The recommended price for all school meals were last reviewed and increased by 5p for Primary and Nursery Schools and 10p in Secondary and Special Schools in September 2013. The current recommended prices for meals are:

Primary/Nursery Schools	£1.95
Secondary/Special Schools	£2.05
Adult Meals	£2.76

In September 2014 the Universal Infant Free School (UIFSM) provision started for all Key Stage 1 pupils (Reception, Year 1 and Year 2 pupils). This was funded directly to eligible schools at £2.30 per pupil.

Although the service faces some rising costs it has been possible to mitigate these through the development of efficiencies and an income generation programme.

We have ensured that our policy of procuring quality food items and producing healthy, nutritionally balanced meals for our customers is maintained. This will contribute to a key Council priority in tackling obesity.

Furthermore, during the past 12 months the service has again seen an increase in the take up of both paid and free meals. The figures show an increase in Primary and Nursery Schools of 1.5% over the previous year to 51.2% (School Lunch Take up 2013-2014). Secondary Schools have increased by 2.2%, to a total of 48.0%. These increases, plus the introduction of UIFSM have helped improve the efficiencies of the service.

The increased take-up experienced in the last 12 months has contributed to a surplus of £417,000 in 2014/15. However, the 3 year forecast (with no price increase) shows a small surplus of £11,000 in 2015/16.

The impact of no further increase in the selling price would mean a loss of £87,000 in 2016/17 and £294,000 in 2017/18.

If the price of school meals is increased, there will need to be a corresponding increase in the value of the Secondary free school meal offer, to ensure that eligible pupils continue to receive an equivalent meal. It is recommended that the value of the free school meal offer is increased from £2.30 to £2.35.

Additional Revenue

In order to meet these financial pressures it is proposed to increase the recommended selling price by 5p in Primary, Special and Secondary Schools from 7th September 2015 (and by 5p per adult meal – excluding VAT). The charge to schools for UIFSM would be at a rate of £2.10 per meal (previously £2.00).

It is estimated that with -1% reduction in demand this will generate additional income of:

	Additional Income in 2015/16 £'000s
Primary, Nursery	74
Secondary/Special	27
Universal Infant Free	226
Adult	8
Total	335

The Catering Service has undertaken a benchmarking review of selling prices and identified that the proposed increase compares favourably with other authorities. These comparisons are shown at Appendices A, B and C to this report.

3. **Financial Considerations**

Covered in the body of the report.

4. **Other Considerations**

In preparing this report the relevance of the following factors has been considered: - prevention of crime & disorder, equality of opportunity, and environmental, health, legal, and human rights, personnel, property and transport considerations.

5. **Background Papers**

File in County Catering Service office.

6. **Key Decision**

No

7. **Is it necessary to waive the call-in period in respect of the decisions being proposed within this report?**

No

8. **Officer's Recommendation**

That Cabinet:

- approves a 5p increase in the recommended price of school meals for pupils in Secondary, Primary, Nursery and Special Schools, to take effect from 7th September 2015.
- approves an increase of 5p (excluding VAT) in the recommended price of adult meals provided in Secondary,

Primary, Nursery and Special Schools, to take effect from 7th September 2015.

- approves an increase in the value of the Secondary Free School Meal offer to £2.35, with effect from 7th September 2015.
- approves an increase in the charge of 10p for Universal Infant Free School Meals, to take effect from 7th September 2015.

Ian Johnson, Strategic Director for Children & Younger Adults

Appendix A – Near Neighbours

Neighbouring Authority	Primary Meal Price September 2014	Current Primary Meal Price May 2015	Proposed Primary Meal Price September 2015
Cheshire West & Chester Council	£2.15	£2.15	£2.20
Nottinghamshire County Council	£2.10	£2.15	£2.15
Leicestershire County Council	£2.10	£2.10	£2.15
Cheshire East Council	£2.10	£2.10	£2.10
North Lincolnshire County Council	£2.10	£2.10	£2.10
Staffordshire County Council	£2.10	£2.10	tbc
Tameside MBC	£2.05	£2.05	£2.05
Derby City Council	£2/£2.15	£2/£2.15	£2/£2.15
Derbyshire County Council	£1.95	£1.95	£2.00
Nottingham City Council	£1.70	£1.75	£1.75
Shropshire County Council	£1.50-£2.25 (average £2)	£1.50-£2.25 (average £2)	£1.50-£2.25 (average £2)

Neighbouring Authority	Secondary Meal Price September 2014	Current Secondary Meal Price May 2015	Proposed Secondary Price September 2015
Leicestershire County Council	£2.35	£2.35	£2.35
North Lincolnshire County Council	£2.30	£2.30	£2.30
Cheshire West & Chester Council	£2.25	£2.25	£2.30
Cheshire East Council	£2.25	£2.25	£2.25
Staffordshire County Council	£2.20	£2.20	tbc
Nottinghamshire County Council	£2.10	£2.15	£2.15
Shropshire County Council	£2.15	£2.15	tbc
Derbyshire County Council*	£2.05/2.30	£2.05/2.30	£2.10/2.35
Tameside MBC	£2.05	£2.05	£2.05
Derby City Council	£2-£2.15	£2-£2.15	£2-£2.15
Nottingham City Council	£1.75	£1.80	£1.80

*Price without a drink/price with a drink

Appendix B - Statistical Neighbours

Authority	Primary Meal Price September 2014	Current Primary Meal Price May 2015	Proposed Primary Meal Price September 2015
Kent County Council(5 contractors)	Ext contractors varies by school		
Cumbria County Council	External caterers,set own prices		
Lincolnshire County Council	£2.43	£2.43	£2.43
Northamptonshire County Council	£2.00	£2.25	£2.25
Lancashire County Council	£2.20	£2.20	tbc
Nottinghamshire County Council	£2.10	£2.15	£2.15
Staffordshire County Council	£2.10	£2.10	tbc
Warwickshire County Council	£2.05	£2.10	£2.10
Dudley MBC	£2	£2	£2.10
Derbyshire County Council	£1.95	£1.95	£2.00
Wigan Council	£2.00	£2.00	tbc

Authority	Secondary Meal Price September 2014	Current Secondary Meal Price May 2015	Proposed Secondary Price September 2015
Kent County Council(5 contractors)	External contractors varies by school		
Warwickshire County Council	Cash cafeteria no set price		
Cumbria County Council	External caterers,set own prices		
Northamptonshire County Council	£2.25	£2.30	£2.30
Staffordshire County Council	£2.20	£2.20	tbc
Lancashire County Council	£2.20	£2.20	tbc
Nottinghamshire County Council	£2.10	£2.15	£2.15
Wigan Council	£2.10	£2.10	tbc
Derbyshire County Council*	£2.05/2.30	£2.05/2.30	£2.10/2.35
Dudley MBC	£2	£2.00	£2.10

*Price without a drink/price with a drink

Appendix C - Comparison of Adult Meal Selling Price Inclusive of V.A.T

Neighbouring Authority	Proposed Increases	April 2015	Proposed Selling Price September 2015
North Lincolnshire County Council	Individual items purchased no set price		
Staffordshire County Council	£4.84	£4.84	tbc
Tameside MBC	TBC	£3.50	£3.50
Shropshire County Council	None	£2.50	£2.50
Derbyshire County Council	None	£2.30 (plus VAT)	£2.35 (plus VAT)
Leicestershire County Council	None	£2.35	£2.35
Cheshire West and Chester Council	5 pence	£2.25	£2.30
Nottingham City	12 pence Nov 2015	£2.16	£2.16
Nottinghamshire County Council	None	£2.15	£2.15
Cheshire East	None	£2.10 in Primary School, £2.25 in Secondary School	£2.10 in Primary School £2.25 in Secondary School
Derby City Council	None	£2/£2.15	£2/£2.15