

Report of:	Director of Environment and Commercial Services: Geoff Field Executive Member for Environment: Cllr Dennis McCabe
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Submitted to:	Executive, 8 th October 2019
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Subject:	School Meal Price Increase
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Summary

Proposed decision(s)
That Executive agrees to consult on the proposed school meal price increase.

Report for:	Key decision:	Confidential:	Is the report urgent?¹
Decision	Yes impacts two or more wards.	No	No

Contribution to delivery of the 2018-22 Strategic Plan		
Business Imperatives	Physical Regeneration	Social Regeneration
The proposed price increase is required to ensure that school meal prices are set at the appropriate level.	The proposals do not directly impact on the Councils Physical Regeneration strategic objectives and catering standards will remain fit for purpose.	The proposals impact all school children.

Ward(s) affected
The proposals impact across all wards.

¹ Remove for non-Executive reports

What is the purpose of this report?

1. That Executive considers seeks to consult on increasing school meal prices in April 2020.

Why does this report require a Member decision?

2. The proposed savings affect more than two wards and therefore considered a key decision requiring approval by the Executive.

Report Background

3. School catering operates in 33 Schools. There are 20 Academies we provide meals for, two of them are Secondary Schools.
4. Financially, school catering broke even last year and is set to break even this year having delivered savings of £75k to the change programme last year.
5. Paid meal prices to parents in both Primary and Secondary have not increased since 2009 and this has been one of our strengths in service delivery to date, however, with rising food costs and the commitment from the Council to support the Living Wage Foundation wage rates, we are now in danger of not being in a position to cover all associated costs within the service area.
6. At present the current meal prices for school meals are:
 - Primary is £1.90
 - Secondary is £2.00
7. Secondary Academies in Middlesbrough that have their own service in-house, the meal prices are below:

i. Kings	£2.40
ii. Macmillan	£2.20
iii. UCA	£2.20
iv. Nunthorpe	£ 2.20
8. Many of our paying parents are from low income families, the council has made great efforts to keep prices as low as possible. It is acknowledged that if prices increase too much, the numbers of those taking up school meals could drop and unhealthy packed lunches would increase.
9. It should be noted that at present the service serves 537,000 free school meals, alongside 529,000 universal free school meals to primary schools and 74,000 free school meals to secondary schools.
10. The effect of the price increase is not thought to be significant in respect of those in receipt of Universal Credit. The present position is that those who are in receipt of Universal Credit could earn up to £7,500 before free school meal provision is affected.
11. We are seeking agreement to propose an increase in meal prices charged to parents with effect from April 2020. The proposal is that school meal prices are set

at the lowest level of the other Tees Valley authorities and that moving forward the school meal price would track this level.

12. The meal price for other Tees Valley authority areas are shown below.

13. Area	Primary	Secondary
REDCAR	£2.10	£2.20
HARTLEPOOL	£2.05	£2.25
STOCKTON	£2.05	£2.15
DARLINGTON	£2.05	£2.25
Proposed Charge	£2.05	£2.15

** Primary and Secondary Schools in Redcar use Private Providers for school meals or in-house Academy, meals are not provide by the LEA so we have took an average figure from a number of the of the schools.*

13. The financial effect of the increase are shown below.

- i. an increase in price from £1.90 to £2.05 on Primary School paid meal price this would give an increased income of £61,355 per year.
- ii. an increase in price from £2.00 to £2.15 on Secondary School paid meal price this would give an increased income of £13,154 per year.
- iii. Total Income for a full year from April 2020 £74,509.

14. It is proposed that a full consultation process is undertaken both with schools and parents. This will be undertaken through the use of:

- a. Electronic consultation via the Council's web site and the council's consultation portal.
- b. Individual consultations with schools.

15. The consultation period will last for 10 weeks.

Recommended Options

16. It is recommended that Executive agree to consult on the proposals to increase school meal prices in line with the average of the Tees Valley authorities.

What decision(s) are being asked for?

17. That Executive agrees to consult on a school meal price increase for April 2020.

Why is this being recommended?

18. The proposed price increase ensures that school meal prices reflect increase costs associated with the provision of school meals.

Other potential decisions and why these have not been recommended

19. Not increasing price could require a reduction in the quality of school meal quality.

Impact(s) of recommended decision

Legal

20. Consultation will take place with respect to the proposed price increase.

Financial

21. The increase will raise income of approximately £74,509. This will support the financial position of Environment and Commercial Services and contribute towards the change programme 2020/21.

Policy Framework

22. The report sets out potential proposals in accordance with the council's approach to the delivery of efficient services.

Equality and Diversity

23. An Impact Assessment (IA) has been carried out in respect of Stage 1 as the proposals impact on children. However, it is considered that the provision of free school meals mitigates the effect of these proposals.

Risk

24. The major risk associated with this report is that the service is able to operate within budget.

Actions to be taken to implement the decision(s)

25. Consultation will commence with both schools and parents in respect of the proposed price increase in October and last for 10 weeks. A report following the consultation will be presented to the January Executive meeting.

Appendices

26. Appendix 1 Equality Impact assessment

Background papers

27. No background papers

Contact: Geoff Field Director Environment and Commercial Services.

Email: Geoff_field@middlesbrough.gov.uk