

WIRRAL COUNCIL

CABINET – 7<sup>TH</sup> JUNE 2007

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

## **SCHOOLS MEALS PROVISION**

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### **Executive Summary**

1.0 The purpose of this report is to provide an update on:

- i) the current position in respect of school meals provision in Wirral schools;
- ii) specific issues related to the council's Metro Catering operation;
- ii) national developments and initiatives in respect of school meals;
- iii) capital investment in meals facilities.

1.1 The report updates the Board on the position since the previous reports in July 2004 and July 2005.

### **Background**

#### 2.0 Current position in respect of school meals provision in Wirral Schools

The developing diversity in meals provision reported in July 2005 remains the case, with a mixture of Metro, private contractor, PFI and school self performing provision in place. Metro Services continues to provide a service to the most schools, 107 locations in the primary and special sector, whilst all but one secondary school have contracts with private providers or self perform the service. The number of private contractors working in Wirral schools has increased and schools continue to be approached by consultants offering to support changes in the meals provider and subsequent support to contracted or self-performing meals provision.

2.1 Currently school meals are provided as set out below:

|                   |    |                            |      |
|-------------------|----|----------------------------|------|
| Secondary Schools | 10 | Private Catering Company   | ( 9) |
|                   | 2  | In-house "self performing" | ( 2) |
|                   | 1  | Metro Services             | ( 2) |
|                   | 8  | PFI – private provider     | ( 8) |
| Primary Schools   | 3  | Private Catering Company   | ( 5) |
|                   | 5  | In-house "self performing" | ( 1) |
|                   | 91 | Metro Services             | (95) |
|                   | 1  | PFI – private provider     | ( 1) |
| Special Schools   | 12 | Metro Services             | (12) |
| Nursery Schools   | 3  | Metro Services             | ( 3) |

Figures in brackets denote the position at the last report in July 2005, during which period 2 kitchens have closed or amalgamated as a result of the primary review. Two further kitchens will close in July 2007.

- 2.2 Funding for school meals is delegated to schools and the choice of provider, cost of a meal and compliance with national requirements are the responsibility of each governing body. Against a background of pro-active private sector contractor and consultancy approaches to schools, the mixed nature of the current provision will continue, with continued fluctuations in type of provision. The secondary sector provides the most attractive commercial opportunity for the private sector and it is anticipated that all secondary schools will be with private providers or self-performing within twelve months.
- 2.3 The provision set out above is operating against a background of falling rolls and new national requirements regarding food provision in schools, which impact upon meal numbers, take up of free meals and potential for profit – all of which will influence the nature of provision in the future.
- 2.4 In respect of the nine PFI schools, at the outset of the contract in 2001 Wirral School Services Ltd (WSSL) engaged Scolarest to provide the meals services. Due to contractual difficulties between WSSL, Jarvis and Scolarest, Scolarest withdrew from the contract and Jarvis Accommodation Services (JAS) took over the meals provision alongside other services they provided to the PFI schools under contract to WSSL. As reported to Cabinet on 14<sup>th</sup> December 2006, proposals have been put to the authority by WSSL for a change of Facilities Management provider from JAS to Hochtief, with Scolarest again providing the meals service. This is part of the exit by Jarvis from their remaining involvement through JAS in the Wirral PFI scheme. These proposals will be the subject of a further report to Cabinet in the near future and negotiations are continuing with WSSL. In principle this proposed change has positive support from the Heads, schools and PFI team, subject to detailed agreement.
- 2.5 In terms of the cost of a meal, the most recent recommendation to governing bodies was made in July 2004 on the basis of a £1.40 charge. This figure related both the Metro charge and as guidance to schools with other providers or self performing. Some schools, including the PFI schools, have £1.50 as the current charge. At the same time as issuing this guide price a labour review was initiated to reduce the cost of Metro Services meals provision, with the intention that the revised price plus the review would eradicate a £280,000 deficit, a situation which was achieved in 05/06. The current position in relation to Metro is set out below in paragraph 2.9 and confirms a deficit situation in 06/07 and a worsening position projected in 07/08 if no further action is taken.
- 2.6 In discussions with schools and against a background where the cost of producing a meal currently by Metro Services is approximately £2.10, it is intended that the guidance to schools is that £1.70 is charged per meal from September 2007. In the case of Metro this charge, combined with continuing monitoring of staffing levels, will reduce the deficit position and the charge will also better reflect the cost across all providers and self performing schools. In all cases, except possibly high volume, large secondary schools, it still does not represent the full cost of producing a meal.
- 2.7 Specific Issues relating to Metro Catering Services

As set out at 2.1 above, Metro Services continue to provide a catering service to the majority of school sites, with modest changes in numbers since the 2005 report. The service has also managed in a positive way the staff and operational issues resulting from the closure of 2 kitchens as a result of school amalgamations and closures. As has been reported previously, the most cost effective element of the service ie. secondary is now, as a result of individual decisions taken by schools, either managed

by the private sector or self managed. In most cases the private sector have negotiated contracts with schools of varying lengths, mainly linked to individual levels of additional capital investment in service areas, an approach that Metro could not follow. This has resulted in the Metro service increasingly meeting the needs of the smaller, less economic school meals sites, providing meals in the range of approximately 15 to 400 per day at individual schools.

- 2.8 As a result of the position outlined in 2.7 above, combined with the falling pupil roll, the Metro Service had a deficit budget of £280,000 in 03/04. In response to this, Cabinet agreed both a meal price rise and a labour review in July 2004. The outcome of the review was that 65 members of staff took early voluntary retirement with redundancy and 28 took severance. These measures resulted in a break even budget position in 05/06.
- 2.9 In 2006-07 the school meals deficit is £86,000 less than the expected figure of £340,000. Whilst this is an improvement on earlier forecasts it has only been achieved by reducing repairs and investment in kitchen equipment to minimum levels. In 2006-07 meal numbers fell by 5%. Numbers are likely to continue to fall in 2007-08. Without further measures the position will worsen in 2007/08 and beyond, an unacceptable situation both in departmental terms and in the context of the council's Efficiency Plan. The current cost of producing a Metro Services meal is approximately £2.10, against a current charge of £1.40. It is therefore proposed that a recommendation is made to schools of a guideline cost of £1.70, this is also the planned figure in the PFI contract and a figure which a number of schools have already decided to move to following a recent series of briefings for Headteachers. Alongside this it is proposed that staffing levels within Metro Services are continually monitored in consultation with the relevant trade unions with a view to keeping, as far as possible, to staffing levels in each kitchen in line with current meals numbers.
- 2.10 Menu provision was radically changed in June 2003, moving away from a cash cafeteria style menu which gave pupils the freedom to choose a wide range of foods, many of which were regarded as unhealthy due to high fat, salt and sugar content. Metro Catering moved to a new choice of healthy meals for pupils to select from. The concept was developed by Metro Services in partnership with agencies including local Primary Care Trusts, Dental Health and Health Promoting Schools. Following this collaboration the "Meal Deal" concept was piloted in four schools and after further consultation was rolled out across the remaining school meal service. The meal concept has resulted in interest from other Local Authorities and national media and radio attention. The Metro "Meal Deal" offers three packages to select from:

**Meal Deal 1**

Traditional style meal including a hot main course, desert and iced water.

**Meal Deal 2**

Filled baked jacket potato meal, salad, desert and iced water.

**Meal Deal 3**

A lunchbox deal includes assorted sandwiches, salad, home-baked biscuit and fresh fruit drink.

The menu developed took into account the need for increased portion sizes.

- 2.11 When developing the new meal concept emphasis was given on achieving a balanced menu incorporating the increased use of fresh ingredients. The development of healthier dishes, which included reducing salt, sugar and fat content in all recipes, endeavoured to procure foods which are lower in artificial additives and make the menus attractive to pupils. This fits into the subsequent DfES strategy for transforming school meals announced in March 2005.
- 2.12 Menus are constantly being developed by Metro Services in consultation with cooks, headteachers and pupils via assemblies, school councils and other feedback. Parents are encouraged to visit school and participate in sampling sessions and to come into schools at lunchtime to experience the meals on offer. This consultation is key to service development and to ensure that food on offer will be eaten by pupils to ensure good nutritional intake during the school day. New innovations include a healthy packed lunch in a bag "Munch Bag", which is popular during summer months when pupils take their lunch outside and socialise with friends.
- 2.13 The introduction of the Meal Deal was accompanied by training, which pre-dated the DfES Initiative "Transforming School Meals, Setting the Standard" published in May 2005 and subsequent Policy which has flowed from the debate on school meals over the last two years. Although the local meal deal concept pre-dates the national debate and subsequent policies, it met many of the aims and desired outcomes of current national policy. It has therefore formed a good basis for the development of the national developments set out later in this report.
- 2.14 The Metro Service continues to provide sandwich and meal service at other locations, with food production based at Acre Lane. The Acre Lane kitchen and three others also continue to produce Meals on Wheels on a year round basis, including Christmas Day. The Director of Social Services continues to review the procurement of Meals on Wheels, any changes will clearly impact on the current Metro operation. The manager of the Metro Service is part of the working group on Meals on Wheels provision.
- 2.15 National developments and initiatives in respect of school meals provision

A summary of the national developments and initiatives in respect of school meals are attached to this report.

Appendix 1 Timetable for Regulations to be introduced for Food and Nutrient Based Standards for School Lunches

Appendix 2 What do the Standards Contain?

Appendix 3 Additional Funding . What's been done so far?

(Announcement by Government, 2005, of a new Standards Fund Grant 105a to support their commitment to improve school meals, £248,000 2005/06 and £348,000 2007/08. The letter explains current and future role of Wirral School Food Reference Group).

## 2.16 Capital Investment

All schools, including Early Years and Special schools now have on-site kitchen facilities capable of producing meals on site. Day to day and planned maintenance to kitchen premises form part of the works covered by schools Devolved Formula Capital, with large scale works – re-roofing, re-wiring etc funded as resources allow

from the main departmental capital programme. Metro Services are able to invest some funding each year to replace old and failed equipment and some individual contracts with the private sector negotiated by schools include capital investment in facilities.

The council programme of renewal of World War 2 HORSAs kitchens has continued with the completion of a new dining/kitchen facility at Woodslee Primary School last year and demolition and reinstatement of the site of the HORSAs unit and the completion of a similar project at Christchurch C of E Aided School in Moreton. Work is currently on site at Town Lane Infant School to replace the HORSAs kitchen/dining with a new combined kitchen/dining/Children's Centre facility due for completion in September. Again this will allow for the demolition of the HORSAs unit and the provision of car parking on the site for the Children's Centre. The 2007/08 departmental draft Capital programme proposes a HORSAs replacement scheme at Stanton Road Primary School, to be built in 2008, again with demolition of the existing unit. This will leave two units, at Heygarth Primary School and Overchurch Infant School to be replaced in future years programmes.

In the PFI schools new kitchen and dining facilities are complete and in full use at Leasowe Primary, Wallasey School, Weatherhead High School, Bebington High School, Prenton High School and Park High School, with refurbished/extended areas in use at Wirral Grammar School for Girls, South Wirral High School and Hilbre High School.

Further details are awaited from the DfES in respect of any specific funding related to the current school meals national initiatives.

### **Financial and Staffing Implications**

3.0 Staffing levels and the overall financial position will continue to be monitored. The actions outlined in this report are intended to respond to the current school meals deficit position.

### **Equal Opportunities Implications**

4.0 All staff currently working in school kitchens for Metro Catering are female.

### **Human Rights Implications**

5.0 There are none arising directly from this report.

### **Local Agenda 21 Statement**

6.0 There are no issues arising directly from this report.

### **Community Safety Implications**

7.0 There are no issues arising directly from this report.

### **Planning Implications**

8.0 There are no issues arising directly from this report.

## **Local Member Support Implications**

9.0 Metro Catering provides a Borough wide service.

## **Background Papers**

10.0 Cabinet report 22 July 2004: School Meals Service – Staffing and Meal Costs.  
Primary School Meals Provision – Discussion Paper, November 2002.  
Wirral School Meals Service – Select Committee report July 2005.  
DfES Guidance and Policy documents re School Meals  
Financial and Operational records held in the CYPD.

## **Recommendations**

That the report be noted.

**Howard Cooper**  
**Director of Education & Cultural Services**