

Appendix A: Proposal to increase school meal prices

Report to: Tony Ward, Head of Highways and Environmental Services

Report title: School Meal Price Increase – September 2021

Date: 17th March 2021

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1. Purpose of the Report

- 1.1. To outline the requirement to increase school meal prices by £0.20p with effect from 1st September 2021.

2. Executive Summary

- 2.1. The current prices of school meals is; £2.20 in Primary Schools – (paid and free school meals), £2.35 in High Schools (paid and free school meals) and an adult meal is £3.00 (+VAT where applicable), and has been set at these prices since 2018.
- 2.2. The Denbighshire County Council (DCC) School Catering Team have managed to maintain the School Meals at the above price(s) for the past 3 years, whilst all of our neighbouring authorities have increased their school meal prices in the last 3 years. However, the DCC School Catering Team cannot sustain the existing school meal prices for the reasons outlined in this report.

3. Recommendations

- 3.1. It is recommended that the price of school meal increases by £0.20p, with effect from 1st September 2021.
- 3.2. It is recommended that the School Catering team is authorised to automatically raise School meals by up to £0.05p each financial year. This is required to keep up with the food market prices at that time, and negates the need to seek approval for larger price rises every couple of years. This increase will be reviewed each year in line with the departments' performance and adjusted if necessary. If it is felt that a larger increase than £0.05p is required in any year, this will be highlighted via the annual budget process, and will be subject to a Lead Member Delegated Decision Report.

4. Background Information

- 4.1. BREXIT has resulted in an increase of all major commercially procured food products (and the domestic food market as well), with increases

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across all of the food market supply chains. This information is advised by TUCO (The University Purchasing Organisation), which DCC School Catering Service (and most of the North Wales authorities) use for food procurement contracts and pricing analysis information and advice.

- 4.2. The proposed increase of £0.20p on a school meal is required for the following reasons, and for ease is broken down:
 - 10p to cover BREXIT (as outlined in Paragraph 4.1 above) and general inflationary costs, and to maintain the level of service currently provided.
 - 10p to provide a contribution to the savings required to deliver the agreed council budget for FY21/22.
- 4.3. Even after a £0.20p increase, the DCC Catering Service is confident that it is providing value for money in terms of school meals. Our prices will still be relatively low compared to some of our neighbouring local authorities, and that's without taking into account any price increases that those local authorities might be considering. Furthermore, we have continued to invest heavily in modernising our School Kitchen portfolio, catering equipment and ongoing development of its 'back office' support function. The DCC School Catering Service has also just been recognised as one of the top six best performing services in the UK for 2019/2020. This recognition, from The Association for Public Service Excellence (APSE) is based upon comparisons with other school meals services from across the UK. It takes into account things such as food purchasing initiatives, school meal uptake, management costs, staff training/absence levels, communication to customers and more.
- 4.4. If we implement our first price increase in 3 years, it will ensure that the School Catering service will generate a financial saving by reducing the corporate subsidy to this service by £100,000. This saving has been agreed as part of the budget-setting process for 2021/22, so failing to implement the necessary price increase will leave the council with a budget pressure.
- 4.5. Equally important, it means that we can continue with our planned future investment/improvements in the DCC School Catering service, whilst continuing to deliver a balanced budget.
- 4.6. The proposed price increase of £0.20p would bring the cost of a school meal in Denbighshire in line with other local authorities in North Wales. In fact, the cost would remain lower than several of our neighbouring authorities (please see table below):

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DCC prices compared to North Wales region:

Local Authority	Primary	High School	Adult
Anglesey	£2.50	£2.60	£4.44 (including VAT)
Conwy	£2.70	£2.75	£3.63 (including VAT)
<i>Denbighshire (current)</i>	<i>£2.20</i>	<i>£2.35</i>	<i>£3.60 (including VAT)</i>
<i>Denbighshire (proposed)</i>	<i>£2.40</i>	<i>£2.55</i>	<i>£3.84 (including VAT)</i>
Flintshire	£2.30	£2.50	£3.10
Gwynedd	£2.50	c.£2.60 (varies)	£3.60 (including VAT)
Wrexham	£2.40	£2.45	£3.84 (including VAT)

5. Financial Implications

5.1. There are potential financial implications in that if/when the increase of the School meal price is approved, the DCC School Catering Service will see an initial decrease in the School meal uptake. This is normally the case with any price increase, (and is backed up by all of the current National trends). However, experience has shown that once accepted, the School meal uptake will steady itself, and it is expected to recover back to pre-COVID 19 figures in time.

6. Political & Public Relations Implications

6.1. There may well be political and public relations implications, and of course some negative reaction from parents/guardians themselves. Careful promotion and marketing of any price increase is imperative via the Schools themselves. It is recommended that parents/guardians are contacted by their respective schools, which they can include in their individual School social media channels. This has proven to be a much easier and quicker way of communicating any changes in School meals to parents/guardians in the past.

6.2. The DCC School Catering team will work closely with the Corporate Communications Team to create the appropriate communications, and will also work with the Education team and the individual School Head Teachers in this process.

7. Summary

7.1. Taking all of the above into consideration, and factoring in the ongoing COVID19 Pandemic; BREXIT-related food price increases; wider inflationary increases within the School Catering business; and the fact that DCC has not increased its school meal prices for over 3 years, it is

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deemed appropriate and necessary to implement a £0.20p increase in school meal prices from 1st September 2021.

- 7.2. It is imperative that the School Catering team takes a standard approach to price increases in future years, and is given authority to increase school meal prices by up to £0.05 pence on 1st April of each year, thus avoiding having to submit a report for larger price increases every few years. Any future proposal to introduce an annual increase of more than £0.05 should be subject to a Lead Member Delegated Decision Report.
- 7.3. Finally, it should be noted that DCC School Catering service remains one of the top performing School Catering services, within its peer group, within the UK. DCC School Catering service consistently outperforms our neighbouring authorities in North Wales, providing a first class School Catering service. Below is an extract of the main Association of Public Sector Excellence (APSE) School Catering performance indicators for 2019-20 APSE Report findings dated Nov 20:

<i>Performance Indicator:</i>	<i>Standing in Peer Group:</i>
Special Schools free meal uptake	3 rd in Group
Secondary Schools free meal uptake	2 nd in Group
Primary Schools paid meal uptake	2 nd in Group
Special Schools paid meal uptake	1 st in Group
Secondary Schools paid meal uptake	1 st in Group
All Meal uptake in Secondary schools	1 st in Group
Cost per lunchtime meal (Secondary schools)	Lowest in Group

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