

<b>Report to</b>	Cllr Gill German: Lead Member for Education, Children and Families
<b>Date</b>	11 <sup>th</sup> March 2024
<b>Lead Officer</b>	Hayley Jones Principal Catering & Cleaning Officer
<b>Head of Service</b>	Paul Jackson: Head of Highways & Environmental Services
<b>Report author</b>	Paul Jackson / Hayley Jones
<b>Title</b>	School Meal Prices from 1 <sup>st</sup> April 2024

## **1. What is the report about?**

1.1. This report is about a required increase in the price of school meals in Denbighshire.

## **2. What is the reason for making this report?**

2.1. School meal prices need to be reviewed annually in order to ensure that inflation does not create an additional financial burden on the authority.

## **3. What are the Recommendations?**

3.1. That there is a 30p increase in the price of a school meal in Denbighshire secondary schools, from 1<sup>st</sup> April 2024, and that this is progressed via a Lead Member Delegated Decision.

## **4. Report details**

4.1. The principal was established (via a Lead Member Delegated Decision report on 2nd June 2021) that the service is authorised to automatically increase school meals by up to £0.05p each financial year to keep up with the food market prices. Any proposed increase above £0.05p would be subject to a Lead Member Delegated Decision Report.

- 4.2. The budgets and pricing mechanisms for school catering are complex. This has become more complex following the introduction of Universal Free School Meals (FSM) for Primary Schools. There are different funding mechanisms for “universal” FSM and “real” FSM (i.e., those pupils who would qualify for FSM due to their financial circumstances).
- 4.3. The funding for Universal FSM currently covers the cost of providing the service. WG currently provide £3.20 per Universal FSM provided in Primary Schools, and the true cost has been calculated at c.£3.17.
- 4.4. Responsibility for the provision of ‘Real’ FSM resides with the Council and is therefore funded from base budget. There is a need to review numbers of pupils eligible for Free School Meals and those who claim the benefit, and to link that through to the catering budget through the annual budget setting process as a demand led service. Especially in the light of the roll out of Universal Free School Meals for Primary School aged children.
- 4.5. Therefore, as primary school meals are now all either Universal or Real FSM, the service receives funding to cover the cost of delivering all primary school meals. This includes a £250k budget for maintenance and equipment. It will be important that the service is able to put any end-of-year surplus from the catering budget into a reserve for future use to replace equipment in order to avoid a significant pressure in future years. The roll-out of Universal FSM has involved a large investment in new equipment which will all need to be replaced in future years, possibly all at the same time.
- 4.6. There are essentially two categories of meal in secondary schools: FSM (for those who qualify) and meals paid for by pupils. Again, base budget covers the true cost of providing FSM in secondary schools. However, this is not like primary schools, where the pupil is provided with a set meal. In secondary schools, FSM pupils can use their FSM “allowance” to purchase a set 2-course meal (which is the value of the daily FSM allowance), or they can purchase separate items throughout the day to the value of the FSM allowance. That is why we need to set the price of a meal in our secondary schools. Currently, that “price” is £2.65. We intend to increase that by £0.30 to £2.95 from 1<sup>st</sup> April 2024. Because we need to offer a set 2-course meal, we will need to ensure that the individual prices of everything sold in our secondary schools will still enable pupils to buy a reasonable and nutritious meal for £2.95.

4.7. The service believe that the individual prices of all items can be increased to enable the cost of a school meal to increase to £2.95. This will not only cover inflation, which is still running very high for food and drinks, but it will also enable to service to deliver a £300k saving for 2024-25. This £300k would form part of the £1,347,000 that Highways & Environmental Services is required to deliver as part of the Council Budget for 2024-25.

4.8. The table below shows current and proposed prices in Denbighshire compared to other local authority areas in North Wales. This demonstrates that, even after the proposed 30p price increase, a school meal in Denbighshire will still cost less than in other areas in the region. It should be noted that all other Local authorities are currently likely to be reviewing their process, and they are also therefore to increase from 1<sup>st</sup> April 2024.

Local Authority	Primary	High School	Adult
Anglesey (Awaiting 2024/25 increase)	£2.20	£2.60	£4.44 (including VAT)
Conwy (Awaiting 2024/25 increase)	£3.00	£3.10	£3.63 (including VAT)
Denbighshire (current)	£2.50	£2.65	£3.96 (including VAT)
Denbighshire (proposed)	£3.20	£2.95	£4.22 (including VAT)
Flintshire (Awaiting 2024/25 increase)	£2.80	£3.05	£4.11 (including VAT)
Gwynedd (Awaiting 2024/25 increase)	£2.50	c.£3.10 (varies)	£3.60 (including VAT)
Wrexham (Awaiting 2024/25 increase)	£2.40	£2.65	£3.84 (including VAT)

## 5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?

5.1. The school catering service supports a number of themes within the Corporate Plan but is primarily linked to the Learning and Growing Denbighshire theme. Pupils require access to an affordable and nutritious meal in schools in order to maximise their academic potential.

## **6. What will it cost and how will it affect other services?**

- 6.1. Any decision to increase the price of a school meal will require support from Education in terms of assisting with the necessary engagement with schools.

## **7. What are the main conclusions of the Well-being Impact Assessment?**

- 7.1. A well-being impact assessment will be required prior to starting any Lead Member Delegated Decision process.

## **8. What consultations have been carried out with Scrutiny and others?**

- 8.1. Discussions have taken place with the Lead Member, who understands the need to increase prices and is supportive of the proposal.

## **9. Chief Finance Officer Statement**

- 9.1. The recommendation is supported given it aligns with our Fees and Charges Policy that charges should increase in line with inflation and that income generated should cover costs

## **10. What risks are there and is there anything we can do to reduce them?**

- 10.1. The main risk of not increasing prices is that we're not able to cover the increasing cost of providing school meals and create an additional financial pressure for the council. We would also be unable to create a service reserve to deal with the inevitable (and significant) future cost of replacing all the new equipment installed to provide the expanded Universal FSM service.
- 10.2. The main risk with increasing prices is the risk of adverse publicity and criticism for placing an additional financial burden on households. This could be mitigated via good quality communication, and we also need to remember that those households who are least able to deal with increased charges will not have to do so because they will be eligible for FSM.

## **11. Power to make the decision**

11.1. The Councils Constitution delegates authority for officers and lead members to make certain decisions. The extent of that delegation is set out in Section 13 of the Constitution, which accordingly covers this Lead Members Delegated Decision. Appendix 2 (b) to Section 13 of the Constitution sets out the Scheme of Delegations to Lead Members.