

School Meals Scrutiny Review - Interim Report

Purpose of Report

1. This interim report presents the final information gathered in support of this review and asks the Task Group to identify their review conclusions and draft recommendations.

Review Background

2. At a meeting in June 2013, this Committee considered an introductory briefing provided by the Head of School Services & Directorate Support on the take up of school meals in general, and the take up of free school meals (FSM). The Committee agreed the topic was suitable for scrutiny review and requested a scoping report for their July 2013 meeting.
3. In July 2013, the Committee received an introductory paper on the current provision of school meals and FSM in York, and considered a proposed timetable for carrying out the review. Based on the information provided, the Committee agreed the review remit detailed below, and set up a Task Group to carry out the review on their behalf.

Review Remit

4. Aim: To improve the take-up of school meals and free school meals
5. Objectives:
 - To explore reasons for the relatively small increase in take-up of school meals across all York schools.
 - To investigate why some parents/carers who are entitled, do not register and claim for free school meals and consider how the Local Authority working with partners can encourage them to do so.

- To investigate the reasons why significant numbers of entitled pupils whose parents/carers **have** registered and claimed, do not take up the offer of a free school meal.
- To look at the effectiveness of cashless payment systems for school meals and their impact on school meal take-up.

Review Terminology:

6. Entitled to FSM – Pupils are entitled to receive a FSM if they live in households claiming qualifying benefits
7. Registered and claiming FSM – This relates to those who meet the entitlement criteria and register with the LA to claim FSM. This is what is reported by the School Census and described in publications as ‘known to be eligible for and claiming FSM’
8. Taking FSM – This relates to how many of the pupils registered to claim FSM actually take the meal on any given day.
9. Pupil Premium – Additional Government funding of £653 per pupil per year for every pupil registered for free school meals

Consultation & Timetable for Review

10. In August 2013 the Task Group agreed a timetable for the review detailing the work they would carry out and the consultation they would undertake - see Annex A.
11. In September 2013, the Task Group met with representatives of the Youth Council to gather their views on school meals – see paragraphs 38-42 below. They also carried out a number of school visits in support of their work on this review and gathered the views of parents – see paragraphs 44-46 below.

Information Gathered

12. School meal take up across all York schools (approx 34% of all pupils) has remained fairly static over the last few years with only a small percentage increase since ISS (Education) became the main school meal provider. There are variations to this picture in individual schools.

School Meals – Cost of Current Provision

13. Of the 64 schools in York, 44 are in the Local Authority's school meals contract with ISS (Education). The Local Authority manages the ISS contract on behalf of those schools and was obliged to delegate the 17p subsidy for each meal provided to schools from September 2013. Whilst the LA encourages schools to keep their selling price as low as possible, schools are now free to choose whether to subsidise the selling price or pass the cost on to parents. The recommended current primary school meal price is £2.25, and the average cost for a secondary school meal is £2.40.
14. York's Local Authority contract with ISS was intended to ensure that the amount each school charges is not based on the size of each school or number of meals taken there. Each primary or secondary meal costs the same price across the authority. However, whilst this provides fairness, it is recognised that this does mean that the larger schools are likely to be subsidising the high number of York's smaller primary schools and York's special school, as those schools would find it extremely difficult to be able to provide freshly prepared school meals if the city-wide contract was not in place. From November 2013, because of the subsidy delegation and more schools expressing an interest in taking on-line payments, schools will be banking the school meals income and will be recharged for all meals taken at their school. Previously, only some primaries paid for their pupils' unpaid debts, i.e. having tried everything to collect payment for all school meals, primaries eventually wrote off unpaid debts. This meant that the council paid them by default.
15. Compared to neighbouring Local Authority (LA) areas the price of a school meal in York is high. The type of contracts in place in other LA areas and what they include dictate their cost. Variations in provision can include:
 - Staff costs: for example, staff who transfer to a catering contractor under TUPE on local authority terms and conditions, as was the case in York, means that employer costs for pension contributions and sick pay will be substantially more than for those recruited by the contractor. These costs reduce through staff turnover over the duration of the contract.
 - Whether all meals are freshly prepared on site from mostly raw ingredients. In York, all meals are freshly prepared in school except for two small schools which have dining centres served with freshly

cooked meals daily taxed from nearby primary schools. No meals are periodically delivered frozen or chilled to be reheated as happens in some other authorities' small schools.

- What the contractor/provider is responsible for: contractor responsibilities also vary greatly seemingly with no two local authority models the same. For example, staffing, equipment repair, equipment replacement and annual gas appliance and PAT testing are all built into the York contract as contractor responsibilities. Whereas other contractors have none of these costly responsibilities and these lie with the local authority or schools.
- Level of subsidy from the local authority and/or schools, directly or by providing 'hidden' services. As the table below shows, York's 17p gap in selling price and contract prices is relatively modest compared to elsewhere:

Comparison of York's subsidies per meal with regional neighbours	Primary Paid	Primary FSM	Secondary
York	£0.17	£0.17	£0.17
Local Authority 1	£0.35	£0.60	£0.67
Local Authority 2	£0.70	£0.70	No subsidy
Local Authority 3	£1.81	£1.81	tbc

16. Without these subsidies, selling prices in LAs 2 and 3 would be much more than York's selling price and subsidy. LA1 would be between York's selling price and subsidised price.
17. There are 18 York schools currently not in the ISS contract. Three of those schools - Burnholme Community College, Ralph Butterfield Primary and Robert Wilkinson Primary, have brought their school meal service in-house by employing their own staff. Ralph Butterfield and Robert Wilkinson primary schools both charge £2.20 for a meal. Burnholme Community College's pricing structure follows the authority's notional allowance of £2.40 for a free secondary school meal.
18. The other 15 schools have their meals provided by either North Yorkshire County Caterers (previous provider of LA contract), or by one of two private catering contractors (Dolce or Chartwells) – see table below:

Primary	Catering Provider	Selling price
Haxby Road Primary	Dolce	£2.20
Hob Moor Oaks	Chartwells (PFI)	£2.15
Hob Moor Primary	Chartwells (PFI)	£2.15
Huntington Primary	Dolce	£2.20
New Earswick Primary	NYCC	£2.20
Ralph Butterfield Primary	In-house	£2.20
Robert Wilkinson Primary	In-house	£2.20
St Barnabas' CE Primary	Chartwells (PFI)	£2.15
St Oswald's CE Primary	Chartwells (PFI)	£2.15
Westfield Primary	NYCC	£2.25
Yearsley Grove Primary	NYCC	£2.25
Secondary	Catering Provider	FSM allowance
Archbishop Holgate's CE	NYCC	£2.35
Burnholme Community College	In-house	£2.30
Fulford	NYCC	£2.30
Huntington	NYCC	£2.35
Joseph Rowntree	Chartwells	£2.40
Manor	NYCC	£2.35
York High	NYCC	£2.30

19. Selling prices across the primary schools listed above are similar to what those schools in the LA contract charge (£2.25 with a 17p subsidy paid to the contractor):
- Chartwells: £2.15 primary schools only (to July 2013, the PFI contractor received a smaller subsidy of £0.08 from the LA to reflect less sub-contractor responsibility for equipment and facilities). Sewells advise they have recently re-tendered on the basis of no subsidy and therefore the selling and contract prices are the same at £2.15.
 - Dolce: £2.20
 - North Yorkshire County Caterers: £2.20 - £2.25 (set by each school)
20. Inevitably financial reasons are a contributing factor to why the larger secondary schools choose to contract others to provide their school meals i.e. they benefit financially from not being in the LA contract as any profit made goes directly back to the school to cover the costs of their school meals provision rather than supporting other smaller schools, as is the case with York's LA contract (as detailed in paragraph 14 above). If schools do not charge VAT to pupils for their meals then local authorities and schools are not allowed to spend any surplus on anything other than the costs associated with providing school meals.

21. In August 2013 the Task Group met with representatives from ISS (Education) the Local Authority's school meal provider. They provided detailed information on their contract and highlighted the challenges they had faced since taking up the contract three years before i.e.:
- Ensuring Health & Safety environment was appropriate in each school i.e. food preparation and presentation areas
 - Catering Staff Training
 - Improving relationship and partnership working with each school
22. Take-up of School Meals
Take-up of school meals across York Schools varies with some schools not in the ISS contract having a significantly better take-up particularly in the larger secondary schools e.g. Fulford and Manor, compared to those schools in the LA contract. However there are also other schools not in the LA contract whose take-up is lower than the LA average. For those York Schools with a Breakfast Club, there was no evidence to suggest an impact on whether pupils chose to take a meal at lunchtime or not.
23. The Task Group considered detailed data on the take-up of school meals and take-up of FSM for all York's primary and secondary schools, going back to Autumn 2009, one year before ISS took over the contract in 2010. Information on the current take-up of school meals and FSM is shown at Annex B.
24. In August 2013 the Task Group met with ISS to discuss what they perceive to be the barriers to increasing take-up. They acknowledged the small percentage increase in take-up they had achieved since taking on the contract (resulting in the current 34% take-up), was not the 40% they had been aiming for, and confirmed that the amount of take up directly affects their selling price.
25. In their view, in some York schools there is a need for a cultural change and improved engagement with some Head Teachers to improve approach and ethos, and a more inclusive attitude from schools towards their catering team. They also acknowledged that the culture in York is more pack-up based at lunch time. Anecdotal evidence is that families tend to eat together in the evening and prefer children to take a packed lunch. Whereas they referred to another large LA with high take up which has several secondary schools that serve rural communities, and reported that a majority of their pupils who are from a farming background expect a hot meal at lunch time.

26. Acknowledging that the quality, type and variety of food being served, and the preference for a packed lunch affects the level of take-up, ISS highlighted some of the ways they had tried to encourage greater take-up and provided example menus and information on the varied promotions they run to try to increase take-up, including themed days, inviting parents and grandparents and taster sessions. ISS produces a calendar of promotions which they circulate around schools, and schools can choose which promotions to take part in.
27. Some of York's larger primary schools offer sandwiches, but take-up is variable. In addition, all primary schools now provide jacket potatoes as an alternative to the standard school meal. However there are some reservations about the provision of jacket potatoes in regard to nutritional standards compliance (see paragraph below and paragraph 47).
28. Nutritional Standards
Many parents mistakenly imagine that a packed lunch is the healthiest option. ISS confirmed it is far easier to get the necessary nutrients into a cooked meal – even one of mediocre quality. A recent Government initiative led to the creation of a school food plan designed to support Head teachers to deliver healthy nutritional food that pupils want to eat – for detailed information see: <http://www.schoolfoodplan.com/contact/>
29. Free School Meals
Pupils are entitled to receive free school meals if they live in households claiming qualifying benefits. At the start of the review, there were 2503 pupils in York schools whose parents/carers had registered and were claiming free school meals. 919 of these pupils attend secondary school whilst 1584 attend primary school.
30. Schools receive additional funding of £653 per pupil per year as a pupil premium from the Government, for every pupil registered for free school meals. Since the introduction of this pupil premium, some York schools have engaged with parents/carers to encourage more of those who are entitled, to claim.
31. A national Department for Education report (Data source: DWP December 2011) indicated that a further 400 pupils in York might be entitled to free school meals but their parents **had not** registered and claimed for the benefit. This not only means that those pupils are missing out on a free meal but York schools are not receiving the additional funding per pupil as detailed above.

32. The Local Authority's School Services Team confirmed they also had data that suggested a further 400 pupils per day whose parents/carers **had** registered and claimed for free school meals were not taking up the offer of their free meal.
33. FSM Application Process
The School Services Team is responsible for the administration of the free school meals process. Over the last three years significant changes have taken place to reduce the administrative bureaucracy associated with this process in an attempt to encourage all those eligible to apply, by reviewing the application process both in terms of the initial application and renewing a pupil's free school meal claim. The criteria for being eligible are based on eligibility for certain income-related benefits but not in receipt of any Working Tax Credit. This has not been affected by the introduction of Universal Credit.
34. Encouraging more applications from those families that are eligible has been the main focus of the team. Working in conjunction with schools has also been a priority particularly when for schools additional funding is available to the school, through the pupil premium funding for those pupils on free school meals. Improvements have included:
- One application per family
 - One educational benefit form (free school meals, uniform grants and transport)
 - Automatic renewals – Applying only once
 - Application linked to school admission request
35. Although in-terms of reducing bureaucracy (2500 less application forms) the changes have been successful, there is still a gap between those parents/carers who are eligible and those parents/carers who apply. Since the latest data was received indicating that approximately 400 pupils in York whose parents were in receipt of benefits entitling their children to a free school meal had not applied, more work has been done to try and close this gap. In addition, contact has been made with those LA's where take-up is significantly higher than in York, and the clear messages coming back were:
- Closer liaison between education and benefits teams including the local Job Centre plus staff.
 - Increasing options for application process including on-line applications
 - Real time review of eligibility rather than annual review

36. CYC Colleagues across the schools services, benefits and the improvement teams met to consider possibilities of increasing the number of those eligible parents/carers applying. A number of options were considered and the following progress made:

- Being able to have identified all those families and their children who are eligible;
- All those families contacted before the start of term;
- An on-line application process has been identified which would allow parents/carers to apply and receive an instant decision as to whether they are eligible or not for free school meals;
- Changes have been made to the IT benefits system which will allow them to inform parents/carers immediately when they are in receipt of the appropriate qualifying benefit that their child(ren) will be eligible for free school meals. Benefits staff can then encourage or assist them in completing the application process.

37. Cashless Payment Systems

A number of schools within York, particularly in secondary schools have introduced cashless payment systems. Cashless systems allow parents to pay for school meals as well as other school costs (uniform, photograph, trips) on-line without pupils having to bring cash into schools. Other benefits for schools include a reduction in administration and less cash handling. These systems allow all pupils to be dealt with in the same way which helps to reduce the perceived stigma of receiving free school meals. However, the cost of installing and running these systems is expensive (£20-£25k to buy and approximately £3k a year to maintain), which deters some schools from purchasing them.

38. Meeting with Youth Council Representatives

In September 2013 two members of the Youth Council (both pupils at Fulford School) met with the Task Group to give their views on school meals. They confirmed that one of them regularly took up the hot food option while the other bought sandwiches. They both agreed that prices at Fulford were very reasonable - £1.80 for a hot meal and a hot pudding, but gave evidence that friends at other schools were paying £2.20 for "just a small plate of food".

39. They confirmed that Fulford School had in place a cashless payment system to which every pupil was registered. In regard to the 'stigma' attached to free schools meals they clarified that unless people physically looked at the screen there was no way of knowing how meals were financed. Other benefits to their cashless system included parents

being able to log on to the system to check what their children had bought.

40. The Head of School Services confirmed that at some York primary schools had a cashless system which enabled parents and pupils to pick their meals at home and pre-book them online.
41. In regard to the health and nutrition of schools meals, the Youth Council representatives view was that while healthy and nutritious meals were available, there was no incentive to choose the healthier options because they were always more expensive. Both raised the issue of freshness, explaining that meals such as tray-bakes, pizza and pasta were made days in advance and while they were fine at the beginning of the week, towards the end of the week they were less fresh and less appealing. Queuing for meals at lunchtime was also considered a major issue; particularly for people on later sittings, and the reason why more pupils did not have school meals was simply because they did not like the food.
42. Finally, the pupils provided the Task Group with a copy of the York Youth Council Best Practice Guide regarding school meals recently published – see Annex C.
43. Food for Life Partnership & Flagship Award Scheme
At their August meeting, the Task Group received information on a national Food for Life Partnership and its Flagship Award Scheme – see Annex D.
44. School Visits & Parents Views
As part of the review the Task Group agreed they would like to carry out a number of visits to schools. The 8 schools listed below were visited by the Task Group members in late 2013:
 - i. Carr Junior School: Cllr Potter and Andrew Pennington
 - ii. Westfield School: Cllr Fitzpatrick and Cllr Brooks
 - iii. Joseph Rowntree: Cllr Potter and Andrew Pennington
 - iv. York High: Cllr Fitzpatrick and Cllr Brooks
 - v. Woodthorpe Primary: Cllr Fitzpatrick and Cllr Brooks
 - vi. Burton Green: Cllr Potter and Andrew Pennington
 - vii. Elvington: Cllr Brooks and Andrew Pennington
 - viii. Robert Wilkinson: Cllr Fitzpatrick and Cllr Brooks

45. The Task Group members attended during the lunchtime period and carried out a brief survey to aid them in their discussions with pupils, school staff and catering staff. The detailed findings from those visits are shown at Annex E.
46. Finally, the Task Group agreed they would like to gather the views of parents so the Head of School Services was tasked with producing a press release requesting parent's feedback on school meals. Following advice from the Communications Team a decision was taken to delay the press release until early 2014, as the School Services Team were concerned there would be little or no responses either pre or during the Christmas period. The plan now is to put a piece in 'Your Voice' the first week in February 2014 along with a piece in the York Press, alongside a story on school meals. Any resulting feedback will need to be presented to this Task Group when it meets for a final time in early March 2014.
47. Free School Meals for Infants
In light of a recent Government announcement regarding their plans to provide free school meals for infant school children (school years 1-3), the Task Group recognised this would lead to a substantial increase in the numbers receiving a school meal, and requested additional information to understand the knock on effects of this on schools and on the council's current contract with ISS.

The Head of School Services met with ISS to discuss this and provided feedback at a meeting of the Task Group in late November 2013. A representative from ISS also attended the meeting to explain their solutions to the challenges to come and what offer they had made to the authority. The likely cost implications were highlighted and the Task Group received information on how the Authority was working with schools to help address the knock on effects.

Analysis

48. Cost & Take-up
The Task Group noted that the cost in York was the highest in ISS's portfolio, but recognised that their cost prices for each LA were based on what was included in each contract.
49. The also noted that the selling price in York's primary schools was the highest in the Yorkshire and Humber region and in comparison to its statistical neighbours. Also, that York's secondary schools selling price was the highest in comparison to a majority of other LA areas – see

comparison data at Annex F, which also includes details of the number of pupils in each LA area, the percentages known to be eligible for and claiming free school meals, and those actually taking up free school meals. The Task Group again acknowledged that all those selling prices were based on what was included in each LAs contract i.e. labour costs, food costs, overheads and margin costs. It was also influenced by the quality of food provided and in the case of York, the relatively high number of small primary schools within the LA contract.

50. Taking into account all of the information provided in regard to cost and take-up, the Task Group agreed that the cost of a school meal in York was a prohibitive factor in increasing take-up. They noted the cost in other Local Authority areas where take-up was good (£1.80-£2) and asked what level of take-up would be required in York in order to bring down the price in York schools to £2 (without needing to raise the Local Authority subsidy). The Head of School Services confirmed that ISS had estimated an increase in take-up to approximately 55% (currently 38%) would be required to reduce the selling price to £2.

51. Nutritional Standards

The Task Group queried whether schools had considered providing a pack-up for those pupils entitled to a free school meal, but were informed it was difficult to provide a packed lunch that complies with the current nutritional standards in place. Only 1% of packed lunches meet the nutritional standards (both legislatively and contractually) that currently apply to school food – see copy of The Education (Nutritional Standards & Requirements for School Food) Regulation 2007 at Annex G.

Free School Meals & Application Process

52. The Task Group were pleased to note the work recently undertaken by the Schools Services and Benefits teams to bring the application process for FSM in York in line with other LA areas exhibiting best practice and high take-up levels. They also acknowledged there was likely to be a number of reasons for none take-up of FSM in York, including the stigma of being on free school meals, quality, type and variety of food being served, the preference in York for a packed lunch, as well as pupils being absent from school and choosing not to take a meal.

53. Having considered the data collected by the Schools Services Team (see paragraph 23 above), they agreed that further research was required and queried whether it would be possible to identify all of the parents/carers of those pupils entitled to free school meals who had not registered and claimed.

54. As a result, the School Services Team has completed a piece of work in conjunction with the Benefits Team, to identify those parents/carers. All were written to, encouraging them to apply and the Task Group are now awaiting an update to advise how successful this has been in terms of increasing the number of eligible pupils claiming free school meals.
55. Food for Life Partnership & Flagship Award Scheme
The Task Group queried whether any schools in York had participated in the scheme, and was pleased to note that all schools within the LA contract had achieved the bronze award. They learnt that a small number of schools had been approached to consider the silver award but as yet no school has taken up the offer. The Task Group noted that the criteria for schools to achieve silver status had a financial implication e.g. the purchase of plates to replace plastic trays, and agreed to gather the views of schools on achieving the silver award within their questions for their forthcoming school visits.
56. Free School Meals for Infants
The Task Group recognised the affect the forthcoming change was likely to have on schools (especially on the current kitchen facilities, space, pupils, staff and the running of the school day), and on the current local authority contract for school meals (and any future contracts) which would effect all children including those in Years 4+.

Concluding the Review

57. At this meeting, having considered the new information provided in this report i.e. the findings from the school visits and the feedback from parents, and assuming no further information is required in support of this review, the Task Group will need to identify their review conclusions and some draft recommendations.
58. One further meeting of the Task Group will then be required to consider the review draft final report before its presentation to the Learning & Culture Overview & Scrutiny Committee in March 2014. The suggested date for this final meeting is 3 March 2014.

Implications

59. **Financial** – The report does refer to the following areas which may have implications on resources:

- the current cost of subsidising the price of school meals
- the potential increase in funding to schools by increasing the number of parents/carers applying for free school meals
- The cost of installing and running costs for cashless school meals systems
- **Human Resources (HR)** – There are no HR implications
- **Equalities** - There are no equalities implications
- **Legal** – There are no legal implications

Council Plan 2011-15

60. Protect vulnerable people – by increasing free school meal take up will enable more low income families children to access a daily healthy meal.

Risk Management

61. The risks in not conducting this review are:
- Schools could lose out on additional funding which is provided to them for every child on their roll who qualifies for free school meals;
 - Pupils entitled to free school meals miss out on eating a free meal every school day.

Recommendations

62. Having considered all the information provided within this report the Committee are recommended to:
- i. Note the work on the review to date
 - ii. Agree whether any further information is still required to conclude the work on this review
 - iii. Agree any changes required to this interim report in order that it may form the draft final report for this review
 - iv. Identify some review conclusions and a number of draft recommendations for inclusion in the draft final report

Reason: To conclude the work on this review in line with scrutiny procedures and protocols.

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**Report
Approved**

Yes

Date 23 October 2013

For further information please contact the author of the report

Background Papers: None

Annexes

Annex A – Review Timetable

Annex B – Data on current take-up of school meals and FSM

Annex C – York Youth Council Best Practice Guide to School Meals

Annex D – Food for Life Partnership & Flagship Award Scheme

Annex E – Feedback from School Visits

Annex F – Comparison data for other LA areas

Annex G – The Education (Nutritional Standards & Requirements for School Food) Regulation 2007

Abbreviations

FSM	Free School Meals
LA	Local Authority
TUPE	Transfer of Undertakings (Protection of Employment)
PFI	Private Finance Initiative
NYCC	North Yorkshire County Council
DfE	Department for Education
DWP	Department for Work and Pensions
CYC	City of York Council
NOR	Numbers on Roll
PSHE	Personal, Social and Health Education