

Notice of meeting of

Decision Session - Executive Member for Children & Young People's Services

To: Councillor Runciman (Executive Member)

Date: Monday, 20 July 2009

Time: 4.00 pm

Venue: The Guildhall, York

AGENDA

Notice to Members - Calling In:

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by:

10:00 am on Friday 17 July 2009, if an item is called in *before* a decision is taken, *or*

4:00 pm on Wednesday 22 July 2009, if an item is called in *after* a decision has been taken.

Items called in will be considered by the Scrutiny Management Committee.

1. **Declarations of Interest**

At this point Members are asked to declare any personal or prejudicial interests they may have in the business on the agenda.

2. Minutes

(Pages 1 -
4)

To approve and sign the minutes of the Executive Member for Children and Young People's Services Decision Session held on 9 June 2009.

3. Public Participation

At this point in the meeting, members of the public who have registered their wish to speak at the meeting can do so. The deadline for registering is Friday 17 July 2009 at 5.00 pm.

4. School Meals

(Pages 5 -
16)

This report considers the following issues:

- The school meals price to be charged from September 2009
- The allocation of the School Lunch Grant

5. Urgent Business

Any other business which the Executive Member considers urgent under the Local Government Act 1972.

Democracy Officer:

Name: Jayne Carr

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For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

City of York Council

Committee Minutes

MEETING	DECISION SESSION - EXECUTIVE MEMBER FOR CHILDREN & YOUNG PEOPLE'S SERVICES
DATE	9 JUNE 2009
PRESENT	COUNCILLOR RUNCIMAN (EXECUTIVE MEMBER)

1. DECLARATIONS OF INTEREST

The Executive Member was invited to declare at this point in the meeting any personal or prejudicial interests she might have in the business on the agenda. None were declared.

2. MINUTES

RESOLVED: That the minutes of the last meeting of the Executive Member for Children and Young People's Services and Advisory Panel held on 12 March 2009 be approved and signed as a correct record.

3. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of Annex C of agenda item 6 ("Quality and Access for all Young Children" – Allocations of Capital Grant) on the grounds that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). This information is classed as exempt under Paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

4. PUBLIC PARTICIPATION

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

5. APPOINTMENT OF LOCAL AUTHORITY SCHOOL GOVERNORS

The Executive Member considered a report that informed her of the current position with regard to vacancies for Local Authority (LA) seats on governing bodies, listed current nominations for those vacancies (detailed in Annex 1 to the report) and requested the appointment or reappointment

of the listed nominees. It was noted that references had been received for the nominees and that they had been CRB cleared.

RESOLVED: That the appointment and re-appointment of LA Governors, as proposed in Annex 1 of the report, be approved¹.

REASON: To ensure that local authority places on school governing bodies continued to be effectively filled.

Action Required

To notify nominees and governing bodies of the appointments

CB

6. "QUALITY AND ACCESS FOR ALL YOUNG CHILDREN" - ALLOCATIONS OF CAPITAL GRANT

The Executive Member considered a report that sought approval of bids from the Private, Voluntary and Independent (PVI) sector against the local authority's allocation of the "Quality and Access for all Young Children Capital Grant". These bids had been recommended by a panel established for this purpose. This was the second tranche of applications and a further three tranches were planned.

The Executive Member requested that future reports on this grant application included the address and postcode of the provider making the request. It was agreed that it was also important for analysis to be carried out as to the geographical spread of the allocations as this would identify whether a targeted response was required in particular areas.

Officers were questioned as to the way in which the funding was allocated to the successful applicants and the quality assurance arrangements that were in place to ensure that the funding was being used effectively. The Executive Member was informed that 50% of the grant was paid in advance and that the remaining funding was allocated on completion of the project, subject to invoices being provided. A monitoring process had been developed to enable officers to assess the impact of the funding, this included an assessment six months after the funding had been received. Applicants were asked to sign a contract that gave a commitment to continue to offer services for three years after the receipt of grant funding.

It was noted that, in future tranches, there were likely to be fewer bids but for larger amounts of funding.

RESOLVED: (i) That the recommendations of the panel for the second tranche of bids for the "Quality and Access Early Years Capital Grant Allocation" be accepted as follows¹:

- Annex A approved
- Annex B accepted in principle but required additional information to be provided to officers

- Annex C required substantial reworking and should be declined at this stage

- (ii) That approval be given for the Early Years and Extended Schools Service to bulk purchase certain items under £2500 and distribute them directly to settings.
- (iii) That a copy of the monitoring documentation be forwarded to the Executive Member².

- REASONS:
- (i) To enable the further development of early years provision in York, in accordance with government guidelines.
 - (ii) To obtain economies of scale.
 - (iii) To ensure that appropriate quality assurance processes are in place.

Action Required

- | | |
|--|----|
| 1. Notify applicants of the outcome of their bid | CB |
| 2. Forward copy of documentation to Executive Member | CB |

Cllr Runciman Chair

[The meeting started at 4.00 pm and finished at 4.15 pm].

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Agenda Item

Decision Session - Executive Member for
Children and Young People

20th July 2009

Report of the Director of Learning Culture and Children's Services

School Meals

Summary

1. This report considers the following issues:
 - the school meals price to be charged from September 2009
 - the allocation of the School Lunch Grant

Background

2. School meals remain high on the political and media agenda with further more stringent nutritional guidelines for both primary and secondary schools. These new guidelines are already in place in primary schools (from September 2008) and in secondary schools they will be compulsory from September 2009.

Consultation

3. Schools Forum were consulted on 2 July on the use of the School Meals Grant and its potential effect on school meal prices from September 2009. They considered four options and these are considered in more detail in the section below.

Options

4. The options available to the Executive Member:
 - a. to confirm the uplift in school meals prices as agreed in July 2007 or
 - b. to allocate the School Lunch Grant in such a way as to vary the agreed uplift in school meal prices given alternative calls on this grant funding.

Agreed school meals price increase

5. In July 2007, the Schools' Forum received a report that discussed the school meal price, the impact of a low take up and rising costs for the Contractor.

6. The school meals contract is currently delivered through County Caterers which is part of North Yorkshire County Council. Fifty schools have opted into the authority procured contract with the remainder making their own arrangements. Schools not in the contract are free to set their own prices in conjunction with their provider (although all schools must follow the nutritional guidelines).
7. Following consultation with the Executive Member for Children's and Young People's Service the Schools' Forum agreed a three year annual uplift in prices as follows:

Year	Primary price	Secondary notional price
2007	1.90	2.05
2008	2.05	2.15
2009	2.20	2.30

8. The current catering contractor (North Yorkshire County Caterers) have indicated that they require a contract price of £2.30 per meal from September 2009. This will mean that either a subsidy of 10 pence per meal from the School Lunch Grant or some alternative way of funding the difference will have to be sought or the selling price will need to rise to £2.30.
9. Despite the price increases previously agreed, the Contractor continues to report that they are losing money on this contract. The main reason for this is that the average take up in schools remains low despite a number of initiatives to increase it (although there has been some success through work with the School Food Trust).
10. The deficit on the contract for 2008/9 is £16,020 which will be met during the course of 2009/10 as a one off payment to North Yorkshire County Caterers. Annex 1 shows comparison of primary school pupil meal take up between academic years 2006/7, 2007/8 and 2008/9. Annex 2 shows comparison of secondary school pupil meal take up between academic years 2007/8 and 2008/9.
11. The School Food Trust recently reported on the take up of school lunches. In England in 2008-2009, national take up of school meals increased by +0.1% in primary schools and increased by +0.5% in secondary schools. This slight upward trend is reflected in York schools.

Using the School Lunch Grant

12. The Government recognised that the introduction of new nutritional guidelines would impose additional costs on schools and chose to help with these additional costs. The purpose of this new School Lunch Grant is to focus on increasing school lunch take-up, specifically by helping to keep down the price of a school lunch.
13. The conditions of the grant require local authorities and schools to use the funding to help meet the direct costs of a school lunch. The grant can only be spent in four ways. Local authorities and schools can use the funding to:
 - Pay for ingredients for school lunch;
 - Pay labour costs of catering staff;
 - Buy individual pieces of kitchen equipment, for example, microwaves, ovens, combi-ovens, mixers, dishwashers etc.;
 - Pay for the nutrient analysis software required to assess whether a menu meets the nutrient based school lunch standards and the expertise to operate the software.

Local authorities and schools **cannot use** the funding to pay for central teams, training for catering staff or others, or for activities associated with encouraging pupils to eat school lunch and promoting healthy eating to parents and pupils.

14. The funding is a ring-fenced grant, which means it cannot be spent on anything other than the direct costs of school lunches. York has been allocated £244,090 in each year the funding is available. The funding ceases in March 2011.
15. The conditions of grant require all local authorities to consult and agree with, local school forums how the funding should be shared out locally. Local Authorities are not required to devolve all of the funding to schools. The funding should be allocated on a fair and equitable basis to all those that provide school lunches, whether it is the local authority (through its own service or a central contract), or a school that is providing its own lunches or using a contract.
16. The Contractor is reporting a shortfall between the contract price and the selling price, largely as a result of the level of take up. The total grant available is made up of two components:
 - The School Lunch Grant of £181,058 brought forward from 2008/9 is in line with the previously agreed pricing policy
 - School lunch grant for 2009/10 of £244,090
17. This gives a total grant available of £425,170. There are three potential calls on this money:

- a) Subsidise the school meals selling price
- b) Invest in individual items of equipment
- c) Carry funds forward to 2010/11

Analysis

18. Annex 3 shows 4 options as to how this funding may be allocated between these different calls upon it. They are:
- Option 1 (freezing the selling price) would require most of the grant to be used to subsidise the contract in 2009/10, leaving very little funding for other initiatives / equipment
 - Option 2 (a 5p (2.4%) increase in the selling price), would leave a significant amount available for equipment, but leaves no carry forward into 2010/11
 - Option 3 (a 10p (4.9%) increase in the selling price), would leave a target amount for equipment, and leaves a small carry-forward into 2010/11
 - Option 4 (a 15p (7.3%) increase in the selling price to the price set out in the last Schools Forum report), would leave an amount for equipment, and leave a significant carry-forward into 2010/11
19. Option 1 freeze the selling price is not recommended, as the grant is time limited. There would come a point where a large uplift in prices would have to be introduced if that grant funding ceases. The evidence suggests that take up would suffer significantly if this were to happen. In addition, no funding for equipment would be available.
20. Option 2 is attractive as some but not all the equipment could be purchased. However this could still leave a requirement for a large increase in 2010 albeit lower than in Option 1.
21. Option 3 allows for the purchase of equipment that the Contracts Manager advises is required in schools. In particular, the introduction of dishwashers will significantly improve the working conditions and efficiency of staff who will no longer need to wash up by hand, as well as saving water and electricity. It still leaves a lower than anticipated selling price increase (10p instead of 15p).
22. Option 4 implements the price increase previously agreed by the Executive Member. It also leaves a significant carry forward that provides for a further subsidy for 2010/11 (in addition to the school meals grant for 2010/11).

Corporate Objectives

23. The school meals service contributes particularly to two corporate objectives:

- Life long learning
 - Maintaining a healthy lifestyle
24. Research has consistently shown that good nutrition is key to educational achievement in schools. School meals provide a nutritionally balanced midday meal and therefore contribute to this objective.
25. As a nutritionally balanced meal, school meals help to maintain a healthy lifestyle.

Implications

Financial

26. The financial implications of each option is shown in annex 3 and discussed throughout the report.

Human Resources (HR)

27. There are no direct HR implications arising from this report.

Equalities

28. There are no direct Equalities issues arising from this report.

Legal

29. There are no direct legal implications arising from this report.

Crime and Disorder

30. There are no direct Crime and Disorder implications arising from this report.

Information Technology (IT)

31. There are no IT implications arising from this report.

Property

32. There are no Property issues arising from this report.

Other

33. No known implications.

Recommendation

- a) It is recommended that the Executive Member approves option 3 (a selling price of £2.15 per primary meal) and the grant be used to fund one off initiatives in accordance with the criteria shown in paragraph 13 including:
- The contingency required to fund the shortfall between the contract price and the cost of providing school meals if take up is lower than that predicted, approx £20k

- To fund the introduction of dishwashers in all schools (whether in the catering contact or not) that do not have them (19) as these save on staff time, water and energy consumption, approx £160k
- Other one off initiatives at the request of schools or arising out of work with the School Food Trust leaving a modest carry forward for 2010/11.

Contact Details

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Chief Officer Responsible for the report:
Chief Officer: Pete Dwyer
Title: Director of Learning Culture and Children's Services

Report Approved **Date** 10 July 2009

Report Approved **Date** 10 July 2009

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

DCSF School Lunch Grant paper

School Food Trust Statistical Release, National Indicator 52, Take up of school lunches in England 2008-2009, www.schoolfoodtrust.org.uk

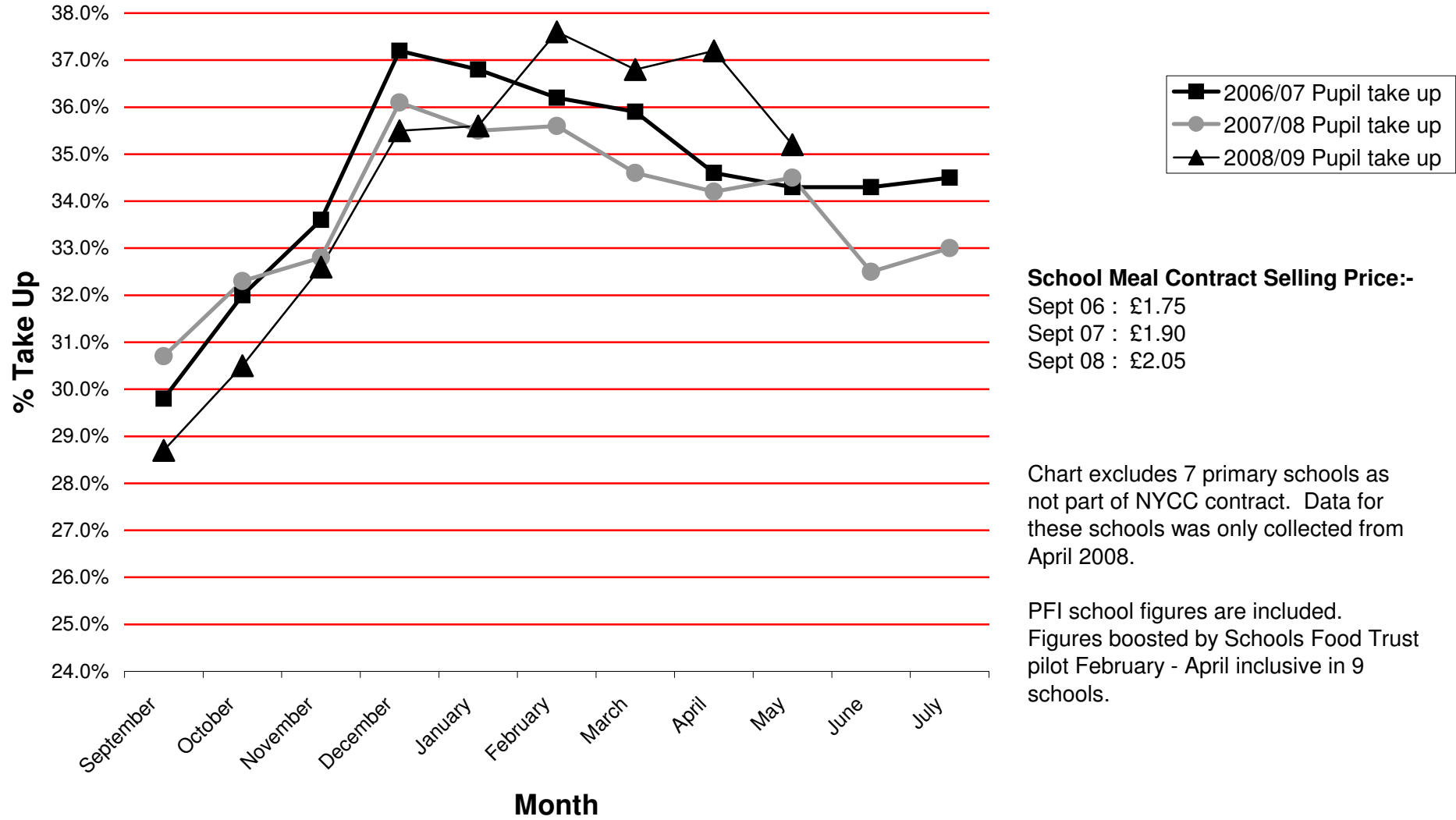
Annexes

Annex 1 shows comparison of primary school pupil meal take up between academic years 2006/7, 2007/8 and 2008/9.

Annex 2 shows comparison of secondary school pupil meal take up between academic years 2007/8 and 2008/9.

Annex 3 shows selling price options and deployment of School Lunch Grant.

Annex 1 - Comparison of Primary School Pupil Meal take up between academic years 2006/07 and 2008/09



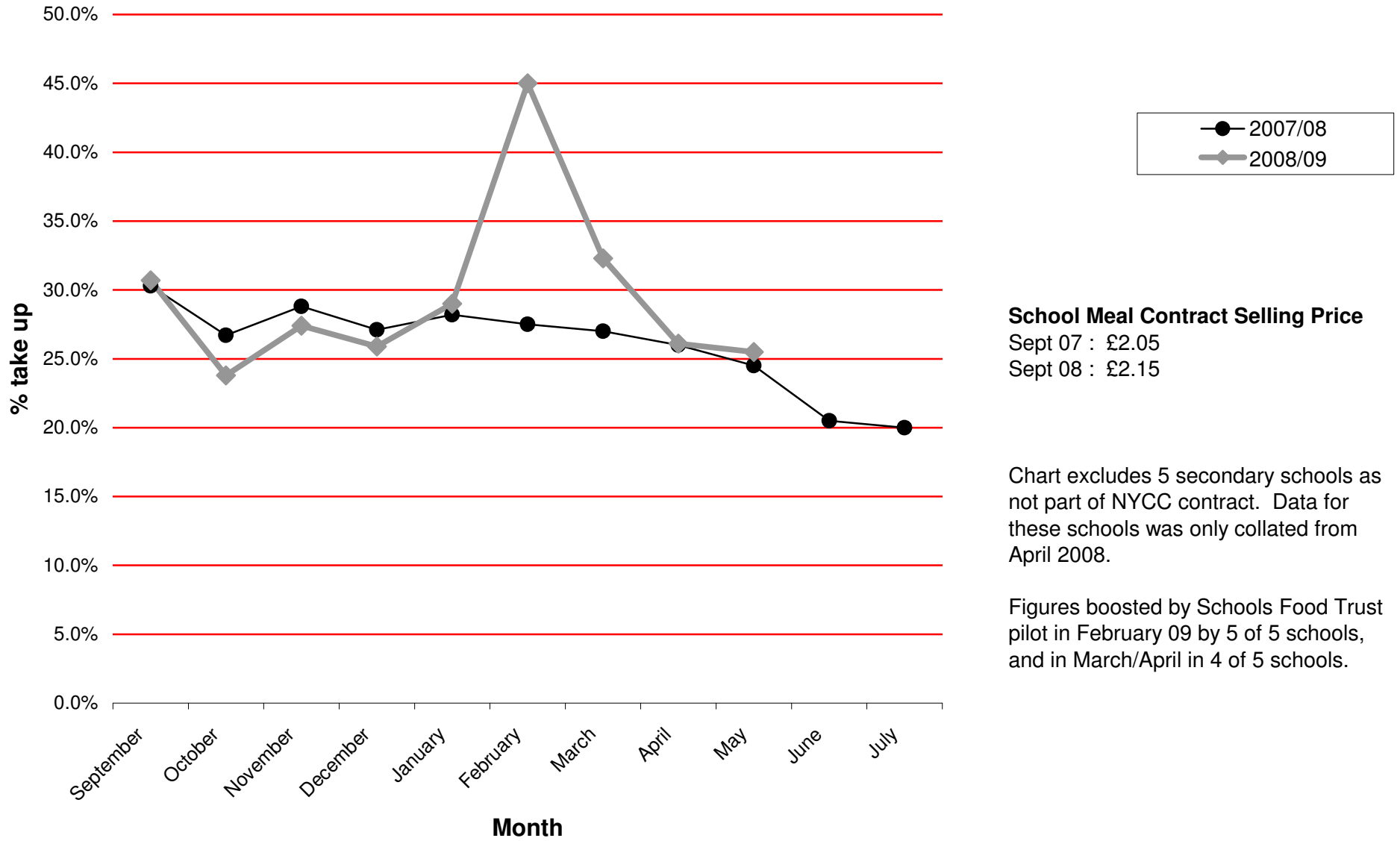
School Meal Contract Selling Price:-
 Sept 06 : £1.75
 Sept 07 : £1.90
 Sept 08 : £2.05

Chart excludes 7 primary schools as not part of NYCC contract. Data for these schools was only collected from April 2008.

PFI school figures are included. Figures boosted by Schools Food Trust pilot February - April inclusive in 9 schools.

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Annex 2 - Comparison of Secondary School Pupil Meal take up between academic years 2007/8 and 2008/9



School Meal Contract Selling Price

Sept 07 : £2.05

Sept 08 : £2.15

Chart excludes 5 secondary schools as not part of NYCC contract. Data for these schools was only collated from April 2008.

Figures boosted by Schools Food Trust pilot in February 09 by 5 of 5 schools, and in March/April in 4 of 5 schools.

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School Meals Proposals
2008/09 - 2010/11

Annex 3 - Options for deployment of school meals grant	Academic year 2008/09	Academic year 2009/10			
		Option 1	Option 2	Option 3	Option 4
Price increase		0p	5p	10p	15p
Price Per Meal	205p	205p	210p	215p	220p
Cost Per Meal	215p	230p	230p	230p	230p
Amount to be subsidised	10p	25p	20p	15p	10p
Number of Primary Meals (based on latest full year information)	587,263	587,263	587,263	587,263	587,263
Number of Secondary Meals (based on latest full year information)	252,348	252,348	252,348	252,348	252,348
Total meal numbers (based on 2008/09 financial year actual numbers)	839,611	839,611	839,611	839,611	839,611
	£	£	£	£	£
Expenditure					
Cost of Primary Meals subsidy)	89,559	146,820	117,450	88,090	58,730
Cost of Secondary Meals subsidy)		63,090	50,470	37,850	25,230
Subsidy equivalent funding for schools not in contract	2,258	138,290	110,630	82,970	55,310
Contract Top-up 2008/09	16,020	20,000	25,000	30,000	50,000
Subsidy equivalent funding for schools not in contract (2007/08 and 2008/09 not yet distributed)	109,445	0	0	0	0
Total Cost of Subsidy	217,282	368,200	303,550	238,910	189,270
Improvements to kitchens / equipment etc	29,740	56,970	121,620	160,000	160,000
Other activity	29,740	56,970	121,620	160,000	160,000
Total	247,022	425,170	425,170	398,910	349,270
Funded by					
School Meals Grant brought forward	183,990	0	0	0	0
School Lunch Grant brought forward	0	181,058	181,058	181,058	181,058
Schools Lunch Grant	244,090	244,090	244,090	244,090	244,090
Total	428,080	425,148	425,148	425,148	425,148
Balance to carry forward	181,058	-22	-22	26,238	75,878
Notes					
The calculation of the subsidy on the NYCC contract assumes that take-up remains constant. However, as take-up has the potential to decrease if the selling price rises, the contract top-up has been increased at higher selling price levels to try and build in the possible implications of this.					
Option 1 (freezing the selling price) would require most of the grant to be used to subsidise the contract in 2009/10, leaving very little funding for other initiatives / equipment					
Option 2 (a 5p increase in the selling price), would leave a significant amount available for equipment, but leaves no carry forward into 2010/11					
Option 3 (a 10p increase in the selling price), would leave an amount for equipment, and leaves a small carry-forward into 2010/11					
Option 4 (a 15p increase in the selling price to the price set out in the last Schools Forum report), would leave the Contract Manager's target amount for equipment, and leave a significant carry-forward into 2010/11					
The options above only cover the academic year 2009/10.					
The School Meals Grant has been confirmed until the end of 2010/11. The 2010/11 financial year allocation of approximately £244k can be used to subsidise the contract in the 2010/11 academic year.					
Broadly, every 5p subsidy on the selling price equates to approximately £70k of subsidy required, therefore, moving forward into the 2010/11 academic year the grant could support a 15p subsidy without the need for any carry forward from 2009/10.					

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