

**PRIMARY AND NON-RESIDENTIAL SPECIAL SCHOOL MEAL BUYBACK AND
THE MAJOR PRESSURES FACING THE SERVICE TOGETHER WITH SCHOOL
LUNCH GRANT 2008/9 ONWARDS**

Report of the Head of Hertfordshire Catering

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1 Purpose of report

- 1.1 A. To provide an update on the pressures facing the school meals service in respect of
- i. Nutritional standards and the healthy eating agenda
 - ii. The fabric of the kitchens and the impact of legislation
 - iii. Maintaining a trained and motivated workforce
- B. To report on the Government's Announcement about School Lunch Grant from 2008/9 onwards

2 HCC policy context

- 2.1 Funding and responsibility for the provision of school meals is delegated to schools.
- 2.2 A large majority of primary and non-residential special schools take part in a "buy-back" arrangement under which the service is provided by Hertfordshire Catering, part of Hertfordshire Business Services (HBS).
- 2.3 The basis of operation of the Primary School meal service under "buy-back" was agreed by Schools Forum in October 2004.
- 2.4 Under this basis of operation, HBS and CSF jointly report to and are accountable to Schools Forum for the provision of the service under "buyback". In particular, any increase in meal selling prices above inflation must be agreed by Schools Forum.
- 2.5 Since the agreement in 2004 on the way in which the operation of the buyback account should be reported to Schools' Forum there have been significant changes to the way the service is viewed by government and a number of pressures are now affecting the delivery of the service.

3 Background

- 3.1 Schools' Forum received a position statement in June 2007, setting out the main pressures facing the service which can be summarised as follows:
- Increasing the value of the 'Food on the Plate'
 - Improving the skills base to enable more dishes to be prepared from base ingredients and in line with the revised mandatory nutritional standards
 - Improving and modernising kitchens and kitchen equipment
- 3.2 The government has recognized that what is described above are issues faced by school meals services across the country and last year announced a number of funding initiatives focussed on them.
- 3.3 This funding extends over 6 years from 2005/6 to 2010/11 and is focused on assisting in the delivery of a high quality sustainable school meals service. For the first three years, the funding has been delivered through two Standards Fund Grants, 5A (to LEAs) and 5B (direct to Schools).
- 3.4 The Government has now announced that the two Grants will be replaced by a single School Lunch Grant from 2008/9, payable to LEAs.

4 Value of Food on the Plate

- 4.1 Schools Forum will be aware from previous reports of the measures that have been implemented by Hertfordshire Catering to address the requirement to meet the government nutritional standards. The menu regime implemented in October 2006 complied fully with the standards and, in addition, provided a nutritional analysis which was not required until 2008. A further improved menu has been introduced from October 2007, with a budgeted cost of food on the plate of 55p.
- 4.2 The government has indicated that it is expecting uptake of school meals to increase by 4% by 2008 on the 2005-6 take up, which, for Hertfordshire was 41%. Many authorities are still struggling to get back to the 2005-6 levels and will find these new take up targets extremely difficult.
- 4.3 Herts Catering has set a target of 1,500 additional meals this academic year, which would represent a 2% increase on 2005/6.
- 4.4 The launch of the new menu, which fully meets the latest nutritional standards, has been accompanied by an extensive marketing campaign. Partly as a consequence, take-up has improved and currently we expect to meet, and very possibly exceed, the 2% target.
- 4.5 Schools Forum may be aware of the cost pressures affecting food prices nationally. Our suppliers are not immune, and despite our best efforts to negotiate, the cost of the food on the plate is now running at 58p, and is expected to reach 60p before the end of the financial year. This could put pressure on overall budgets, but the Government School Lunch Grant, discussed in more detail at Section 7 below, and payable from April 2008, is specifically aimed at increasing the cost of food on the plate, and

should ensure that these cost pressures can be absorbed while the quality of food is enhanced or at the very least maintained.

5 Maintaining a trained and motivated workforce

- 5.1 It is vital to have a constant supply of capable and committed people who, with good training and support can deliver the service into the future, maintain and increase uptake and ensure consistency and excellence.
- 5.2 In order to achieve this it has been recognized that a full review of the staffing structure of Hertfordshire Catering would be required. New management arrangements are now in place, down to Area Manager level. As reported to Schools Forum in June, the review is now addressing the more general recruitment issues that are affecting Hertfordshire Catering's ability to attract, retain and progress catering staff.
- 5.3 A review of training kitchens has now been carried out and recommendations produced for the way forward. The plan is for each training kitchen to become a Kitchen of Excellence, with its own Assistant Cook. In addition, the Anglian Region has applied for funding from the School Food Trust to set up FEAST regional training kitchens. If the bid is successful, Hertfordshire should receive about £20,000 which would enable us to develop a Training Kitchen which would offer specialised training in e.g. Halal and other ethnic cooking skills.

6 The fabric of the kitchens and the impact of legislation

- 6.1 There are two broad Categories of Legislation concerning the condition and operation of kitchens. The first concerns Food Safety, and the latter broader Health and Safety.
- 6.2 Environmental Health Officers (EHOs) are routinely identifying contraventions of food hygiene legislation in school kitchens following inspections. These generally relate to structural disrepair rather than matters relating to implementation of the County's Food Safety Management system. To date they have not taken formal action against the County Council despite the continued reference to legal contraventions in letters. However, they have indicated that they expect standards to improve substantially and will be taking a tougher stance if the current situation continues. EHOs now publish the findings of their inspections on a simple 1-5 star rating system, where category 0 identifies 'major non-compliance with follow up action' and 5 indicates a 'high standard of compliance'. The EHO reporting regime includes, in addition to the hygiene and food handling procedures in place, an assessment of the extent to which the condition of the kitchen fabric and equipment complies with current legislation and it is this latter where schools are most vulnerable. It is likely that a '0' star would result in formal action being taken by the EHO which could include the serving of formal notices, closure and /or prosecution if the issues are left un-remedied. The large majority of schools have scored 2 and above which reflects that in most cases EHOs are happy with our management systems, although this would not stop action being taken if the issues of structural disrepair remain outstanding during subsequent revisits.
- 6.3 Reports have now been received for most schools (some Districts have

produced detailed Inspection Reports but not actually Scored them). In the small number of cases where the score has been 1 or even 0, (or serious issues have been raised in the absence of a Score), officers have worked with the school to remedy any fabric or other condition issues identified and thereby ensured that kitchens have remained open. They will continue to do this as the remaining inspections are carried out, and indeed as re-inspections take place.

- 6.4 The County Council is in the middle of a rolling programme to install gas interlocks in all Primary, Special and Nursery School kitchens, along with the replacement of capital equipment where it does not meet current standards. The total cost of the remainder of this programme is estimated to be £2.4m, which can be met from existing Annual Provision budgets.
- 6.5 So far as School responsibilities are concerned, as stated above in some cases the EHO Inspections have not identified a fabric issue as critical at present, but could do so if it is found to be unresolved on a subsequent visit. For this reason, a more detailed survey of each school will be carried out during January 2008, to identify any remaining problems whether or not they have so far been picked up by the EHOs, and produce predicted costs for each school.
- 6.6 The detailed survey results for each school will be sent to the school concerned, together with a copy of the latest EHO report, by the middle of February 2008. These documents can then inform school budget decisions for 2008/9 onwards if appropriate.

7 School Lunch Grant 2008/9

- 7.1 The Government has announced a total of £1,771,738 as School Lunch Grant for Hertfordshire in 2008/9. Details of the basis of the calculation and the conditions of the grant are set out at Appendix A.
- 7.2 The new grant is “specifically to manage the costs of a school lunch” and can “be used for any of the direct costs of a school lunch”.
- 7.3 The grant has been allocated to local authorities on the same basis as the previous Targeted School Meals Grant; 70% pupil numbers weighted 30% by number of pupils eligible for Free School Meals.
- 7.4 Detailed proposals for the use of the grant will be brought to the January meeting, but the additional resource could be available to fund an increase in the cost of food on the plate to at least cope with the inflationary pressures referred to above, as well as to assist with the recruitment and retention measures.

8 Recommendation

- 8.1 That proposals for the allocation of School Lunch Grant 2008/9 be presented to Schools Forum in January 2008.

Appendix A

1.2. School Lunch Grant

Introduction

1. To support the improvement of school food, transitional funding of £220m was allocated to local authorities and schools between 2005-2006 and 2007-2008. That funding will cease in March 2008.
2. In September 2006, a new grant of £240 million between 2008-2009 and 2010-2011 was announced. This grant, the School Lunch Grant, will provide £80 million in each of the three years, 2008-2009, 2009-2010, and 2010-2011 and is to help manage the direct costs of providing school lunch. Local authorities and schools should note that this is a new grant and not a continuation of the Targeted School Meals/School Meals Grant that has been available between 2005 and 2008.

Purpose

3. Now that the new standards for school lunch are in place, it is crucial that the focus moves to ensuring that school lunch take-up is increased. Healthier food can cost more and is often less attractive to children, at least initially, so school lunch take-up can go down which can put at risk school lunch services.
4. Changing the eating habits of children is a long-term process and work is in place to tackle this. In the short term, keeping the price of a meal down will be an important way of persuading parents to buy in to the school lunches provided. That is why the new grant from 2008 is specifically to manage the costs of school lunches.

Conditions of grant

5. Ministers recognise that ingredient costs are only one of the elements that can dictate the price of a meal. The grant can therefore be used for any of the direct costs of a school lunch. This could include not only ingredients but also the increased costs of additional hours to prepare fresh food, increased rates of pay for employees with higher skills levels or for small pieces of extra equipment needed to provide a hot meal.
6. Local authorities must discuss the distribution of the grant between their schools with School Forums and agree arrangements that ensure that the allocation of the funding is fair, covering not only central catering services, but also those schools and other maintained establishments, such as Pupil Referral Units, that provide their own school lunches.
7. Ministers expect the funding to be treated as additional to current levels of expenditure on providing school lunches and not simply used to replace funding already provided by the local authority or school.

Allocation formula

8. The grant distribution will be weighted towards areas of greatest social need. The grant will be allocated to local authorities on the same basis as the previous Targeted School Meals Grant; 70% pupil numbers weighted 30% by number of pupils eligible for Free School Meals. Final allocations for 2008-2009 are set out at **Annex C** based on 2007 PLASC pupil numbers. Allocations for 2009-2010 and 2010-2011 will be based on the same formula and on PLASC 2008 and PLASC 2009 pupil numbers respectively.