



DERBY CITY COUNCIL

SCRUTINY MANAGEMENT COMMISSION 29 JUNE 2010

Report of the Chief Executive

Review of the Schools Meals Service – Review update

RECOMMENDATION

1. That the Commission note the Report.

SUPPORTING INFORMATION

Background

- 1.1 This Commission received an initial report in September 2009 on the review being carried into the provision of schools' meals school. An update was provided as part of Environmental Services and Public Realm Capital Programmes for 2010/11 to 2012/13 in February of this year.
- 1.2 The February report set out the key aim of the review, which was undertaken by officers in partnership with a specialist catering consultancy, as to identify ways to deliver school meals within the allocated budget. It stated that every school meal in the catering package sold costs the Council approximately £3.00 to provide, while the charge to parents of primary school pupils is £2. Therefore it is costing the Council £1 for every paid meal provided.
- 1.3 The report also stated that:
 - the Service is also considering options on the actual meal preparation method. This included new catering methods which delivered operational improvements, widened choice to customers (in line with community demands) and ensured constant food quality through a number of standardisation mechanisms. The new meal preparation method would aim to keep costs of the service to a minimum whilst continuing to meet the 'Food based Standards for School Lunches' legislation. Two options were being considered:
 - an in-house centralised kitchen that will prepare meals that will then be sent to kitchens where they are "regenerated" prior to serving
 - an outsourced meal preparation service, that prepares and delivers meals to a Council run central hub that then sends the meals to kitchens where they are 'regenerated' prior to serving
 - the scheme is targeted to meet the budgeted savings of £660 000 per year once fully implemented, with the savings mainly occurring through reduced staffing requirements.

Current position

- 1.4 Since the last report, eight primary schools have withdrawn from the service, leaving 69 still using the service. Five secondary schools use the service and one has already indicated its intention to withdraw at the end of the financial year. This, together with the cost of providing a meal rising to £3, has increased the budget problem with deficits of £295 000 forecast for 2010/11, for which one-off budget provision of £220 000 has been made, and potentially around £600 000 in 2011/12, compounded by the anticipated loss of the School Lunch Grant in September 2011, for which one-off budget provision of £170 000 has been made. Clearly, then it is important that this issue progresses quickly.
- 1.5 Head teachers have been consulted and their preferred option is 'cook from scratch', that is to say meals prepared and cooked on site. The costs of this are significantly in excess of the income generated. Regenerated meals (essentially 'ready meals' reheated on site) do, however, have advantages in that:
- meal consistency is maintained which meets the Food based Standards for School Lunches legislation. Currently an issue for those schools without a cooking kitchen
 - a wider choice of hot meal can be offered. Customer feedback has shown a desire for a wider range of 'choice of menu' to be made available. This cannot be delivered within the existing constraints of the school meal service kitchens.
- 1.6 The options considered now include:
- A) Partial outsourcing – Derby City Council to procure prepared meal and deliver to a Derby City Council hub. Meals distributed to schools and regenerated on site
- B1) Outsourcing to private or public provider - cook from scratch
- B2) Outsourcing to private or public provider - regeneration direct to school kitchens
- C) Derby City Council - Central production kitchen with regeneration in local school kitchens
- D) Derby City Council – In-house modernised cook from scratch service in school kitchens
- E) Derby City Council - Cook from scratch
- 1.7 It is intended to take a report to Council Cabinet in the near future, setting out the options with aim of selecting a way forward.
- 1.8 Other means of mitigating current losses are being considered including meal price increase (last increased in October 2009) and choice of meals.

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Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

- 1 The budget implications of the existing service are outlined in the report. The meal provision finally selected will determine the overall cost of the service.

Legal

- 2.1 The minimum legal requirement is for the Council to provide a meal for every child receiving a free school meal.
- 2.2 Any changes to school meal provision must be delivered in accordance with all Food Safety Legislation and the '*Food based Standards for School Lunches*' legislation.

Personnel

- 3 Staffing implications will depend on the method of meal provision selected. The Council's procedures and policies will be followed, including Trade Union consultation to ensure staff are treated fairly and equitably. .

Equalities impact

- 4 A key aim of the review is to produce culturally appropriate meals in line with Derby City Council's Equalities and Diversity statement

Corporate priorities

- 5 The schools' meal service review will contribute to City for Children and Young People ... who enjoy a healthy, safe and happy childhood; Cultural City that inspires, engages and celebrates diversity; healthy City, where people enjoy long, healthy and independent lives; and Council Organisational Development, in particular 'to deliver value for money across all services.