

## Portfolio Holder for HR and ICT

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Meeting Venue

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Meeting date  
**Friday, 15 April 2016**

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Meeting time

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For further information please contact

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County Hall  
Llandrindod Wells  
Powys  
LD1 5LG

11 April 2016

### AGENDA

1.	<b>CATERING SERVICE: REVIEW OF FEES AND CHARGES</b>
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**CYNGOR SIR POWYS COUNTY COUNCIL**

**Report for Delegated Decision by  
Cllrs Phil Pritchard (Portfolio Holder for Property and Assets)  
and  
Arwel Jones (Portfolio Holder for Education and Children's Services)  
April 2016**

**REPORT AUTHOR:** Cheryl Leighton  
Catering and Cleaning Services Development Manager

**SUBJECT:** Catering service:  
Review of Fees and Charges for April 2016

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**REPORT FOR:** Decision by Portfolio Holder

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## **1. Summary**

- 1.1 To review the current scale of charges for the Council's Catering Service and to recommend changes where appropriate. The schedule of charges for school meals was last increased in April 2014. The authority has not increased the cost of school meals since this date.

Following the closure of approximately 20 small schools the Catering Service has had a reduction to the subsidy received from School Services during 2013-14 of £150,000 and has managed to make efficiencies to offset £95,000 but with a proposed further reduction in the subsidy of £292,000 in 2014-15 the catering service are working with the schools service to identify areas of cost reduction and cost transfer. The Catering Services has further efficiencies identified over the next 3 years and will need to increase its income.

To enable the Catering service to stay in line with current budget targets and complying with Welsh Government's standards, as well as nutritional standards, the service now requests an increase from 6<sup>th</sup> June 2016. The Catering school meals service provides both a statutory and non-statutory service within Powys.

The current average cost of the food element of the meal is 85p with the highest cost of a meal within the 3 week menu being £1.35p and the lowest 62p. This average is based on the hot meal including pudding. The average cost of the main meal does not reflect the true food cost, e.g. waste due to size of packages, refunds due to absences or preparation time. An analysis of the menu indicates that any further reduction in food costs would result in the Authority being non-compliant in terms of the Welsh Government standards.

- 1.2 The RPI on food and catering percentage has decreased to -1.1% for 2015 due to the fall in price of certain food products. Applying this rate of inflation would decrease the current meal price.

## **2. Proposal**

- 2.1 It is proposed that the following price increases, exclusive of VAT are implemented with effect from 6<sup>th</sup> June 2016:

- The daily primary school meal increases from £2.20 to £2.25 which is a 2.4% increase
- The primary school free meal increases from £2.25 to £2.30 which is a 2.4% increase.
- the meal of the day in High School increases from £2.25 to £2.30 which is a 2.4% increase
- the high school free meal increases from £2.30 to £2.35 which is a 2.4% increase
- the price of adult meal tickets from £3.42 to £3.60 (ex VAT or £4.32 including VAT)
- the price of adult meals paid on the day to increase to £4.32 (including VAT)
- the price of meals on wheels to increase to £4.32 (including VAT)

2.2 In addition, the staff restaurants to have an increase of up to a maximum of 5.5%. Individual menu items will be reviewed in line with food costs before any uplift is implemented.

### **3. Corporate Improvement Plan**

3.1 Risks to the Council if these increases are not implemented are that the Catering Service does not meet the set efficiencies, however the requested uplift may potentially also reduce take-up of the service and impact on the School Meals budget of School Services.

### **4. Options Considered/Available**

- 4.1 Leave the charges for school and staff meals as is – the set efficiencies are not met.
- 4.2 An increase of 05p on 5,000 meals per day over 185 days would generate an estimated additional income of £46k per annum based on October 2015 take-ups. This will enable the Service to create the set efficiency and meet the increased food costs.

### **5. Preferred Choice and Reasons**

- 5.1 Option 4.2 is the preferred choice as £2.20 per primary meal does not recover all costs to provide the meal in line with the Healthy Eating in Maintained Schools (Wales) Measure 2009 and the set efficiency. That is school meal increases to be 05p and the remaining services are increased as per 4.2.
- 5.2 The Authority is now legally required to monitor the compliance with the Healthy Eating in Maintained Schools (Wales) Measure 2009 which has incurred further additional costs, staffing structure has been reorganised to achieve this.

### **6. Sustainability and Environmental Issues/Equalities/Crime and Disorder, Welsh Language/Other Policies etc.**

- 6.1 All adult meals will be £4.32 inclusive of VAT from June 2016 maintaining equalities.

## **7. Children and Young People's Impact Statement - Safeguarding and Wellbeing**

7.1 The Service promotes and is seeking to promote further, the take up of free school meals which will have the same 05p increase as paid meals. The service will continue to support the Schools Service in promoting the uptake of School Meals.

## **8. Local Member(s)**

8.1 The proposal will impact on families in all wards across the Authority.

## **9. Other Front Line Services**

9.1 The proposal will have a direct impact on the costs charged to the schools service and schools delegated budgets, the service will undertake discussions with senior officers within the schools service on how the service will meet the additional costs around free schools meals.

## **10. Support Services (Legal, Finance, HR, ICT, BPU)**

10.1 Legal – The recommendation can be supported from a legal point of view provided that adequate notice of the increases are given.

10.2 Finance – agrees with the recommended option as the Service aims to meet the set efficiency target and also meet the increased food cost.

## **11. Local Service Board/Partnerships/Stakeholders etc**

11.1 No specific implications for LSB

## **12. Communications**

12.1 The report is of public interest and requires use of news release and social media to publicise the decision.

## **13. Statutory Officers**

13.1 The Solicitor to the Council ( Monitoring Officer) has commented as follows: “ I note the legal comment and have nothing to add to the report.

13.2 The Strategic Director Resources (Section 151 Officer) notes the comments made by finance.

## **14. Members' Interests**

14.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If a portfolio holder has an interest he should declare it, complete the relevant notification form and refer the matter to Cabinet for decision.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
The catering increases set out in paragraph 2.1 and 2.2 of the report are implemented from 6 <sup>th</sup> June 2016.	To increase income in line with budget target.

<b>Relevant Policy (ies):</b>			
<b>Within Policy:</b>	Y	<b>Within Budget:</b>	Y

<b>Relevant Local Member(s):</b>	All Members
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<b>Person(s) To Implement Decision:</b>	Principal Catering Manager (Place)
<b>Date By When Decision To Be Implemented:</b>	6 <sup>th</sup> June 2016

<b>Contact Officer Name:</b>	<b>Tel:</b>	<b>Fax:</b>	<b>Email:</b>
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