



CABINET REPORT

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| Date Written | 6 th April 2021 |
| Report Author | Fairyal Pabani, Anthony Lewis |
| Service Area | Learning |
| Committee Division | Portfolio |
| Exempt/Non-Exempt | Non-Exempt |
| Committee Date | 21 st April 2021 |

To: Chair, Ladies and Gentlemen

School Meal Prices 2021/22

1.0 SUMMARY OF THE REPORT

1.1 To update members on the current position regarding school meals provision and agree prices to be charged for school meals during financial year 2021/22.

2.0 RECOMMENDATIONS that

2.1 A price freeze on school meals for the financial year 2021/22 be approved.

3.0 INTRODUCTION AND BACKGROUND

3.1 The local authority offers a catering service to schools for the provision of school meals under the terms of a Service Level Agreement (SLA). The main purpose of the School Meals SLA is to cater for all pupils eligible for a free school meal (eFSM) and the SLA charge covers the cost of providing school meals to eFSM pupils.

3.2 The SLA also includes the provision of school meals to non-FSM pupils for a price per meal that is budgeted to cover the full cost of the additional meals provided. Therefore, the local authority is responsible for ensuring that the price charged per meal covers the cost of delivering the paid meal element of the service.

3.3 The price of school meals is usually set in either April or September each year and were most recently increased in April 2019 by a uniform increase across all schools of 20p. This set prices at £2.30 in Primary schools and £2.70 in Secondary schools.

- 3.4 No price increase was considered during financial year 2020/21 due to the coronavirus pandemic and the interruption to the service delivery that was experienced.

4.0 SCHOOL MEALS 2020/21

- 4.1 No school meals were provided during the Summer Term 2020 due to the first lockdown. When schools reopened for the three-week period prior to the Summer holidays all pupils were required to bring a packed lunch because Catering staff had been furloughed.
- 4.2 School meals were then reintroduced across all schools during the Autumn Term 2020 from week commencing 14th September. A reduced menu was offered across all schools to ease service logistics during the current restrictions.
- 4.3 During the trading period to the end of December 2020, overall trade was at around 50% compared to year-on-year data. Actual cash sales were 39% of prior year levels with the number of free school meals served daily at 73% of pre-pandemic figures.
- 4.4 The daily average meals provided did increase during the period of trading and this may indicate increasing confidence on behalf of parents and pupils to receive a school meal in the COVID secure environment that schools and the meals service were operating in.
- 4.5 The school meals service was reintroduced on a staggered approach in Primary schools during the second half of the Spring Term 2021, with Foundation Phase pupils being provided meals from 1st March 2021 and KS2 pupils being provided with meals from 15th March 2021.
- 4.6 The reduced trading days and reduced meal sales because of COVID has had a significant impact on the service budget during 2020/21 and the combination of staff being furloughed during Summer Term 2020 and Spring Term 2021 as well as an income loss claim to Welsh Government via the Hardship grant has been necessary to balance the budget.
- 4.7 The number of pupils eFSM has also increased significantly over the pandemic period with an increase of 24.9% in total pupils eFSM in February 2021 compared to January 2020.

5.0 SCHOOL MEALS PRICING 2021/22

- 5.1 The increase in the number of pupils eFSM has resulted in the SLA income from schools being increased by 230k to £1.5 million when setting the budget for next financial year 2021/22.
- 5.2 This budgeted increase offsets the loss of income expected from reduced cash sales due to fewer pupils being required to pay for their meals.

- 5.3 If the number of pupils eFSM continues to increase during the financial year 2021/22 then this may have a further negative impact on the income recovered via meal sales and presents a risk to the School Meals budget during 2021/22 which will require further monitoring during the year.
- 5.4 An increase in school meal prices at the current time is expected to result in a further reduction to meal sales and would have an adverse impact on income recovery, particularly when meal numbers have fallen significantly during the pandemic when trading has been able to take place.
- 5.5 A period of trading stability is required to provide opportunity for school meal sales to recover to pre-pandemic levels and to assess any ongoing impacts to demand for school meals, both free school meals and paying meals, in the aftermath of the pandemic.
- 5.6 Continued interruption to service delivery due to COVID will result in ongoing income loss during 2021/22 and will require further claims via the Hardship fund for as long as this remains an option.
- 5.7 In addition to the uncertainty regarding school meals income the likely impact on the unit food costs to provide a school meal are unknown at present.
- 5.8 The current collaborative procurement arrangements for food and beverages are due to expire in August 2021 however due to the current uncertainty in the market because of the implications of the pandemic, options are being explored to potentially extend these arrangements for up to 24 months.
- 5.9 The implications for there to be a change in prices requested by suppliers as part of any extension either due to Brexit or the pandemic's impact is not yet clear and so contract prices and unit food costs will require further monitoring and review.
- 5.10 It is therefore proposed that during this period of uncertainty the cost of school meals remain at current prices with a further review undertaking as part of budget setting for financial year 2022/23.
- 5.11 Table 1 illustrates school meal prices being charged by local authorities across the Central South Consortium region for the financial year 2020/21 with proposed prices for 2021/22

Table 1 – Central South Consortium - school meal prices financial years 2020/21 and proposed prices 2021/22 (based on available information)

| | Merthyr | | Bridgend | | Cardiff | | RCT | | Vale of Glamorgan (Big Fresh Ltd) | |
|------------------|---------|----------------------|----------|----------------------|---------|----------------------|-------|---------------------------------|-----------------------------------|-------|
| | 20/21 | 21/22 | 20/21 | 21/22 | 20/21 | 21/22 | 20/21 | 21/22 | 20/21 | 21/22 |
| Primary | £2.30 | No increase proposed | £2.20 | No increase proposed | £2.50 | No increase proposed | £2.55 | Fixed for 2 years until 2023/24 | £2.35 | £2.40 |
| Secondary | £2.70 | No Increase proposed | £2.50 | No Increase proposed | £2.95 | No Increase proposed | £2.80 | Fixed for 2 years until 2023/24 | £2.55 | £2.60 |

6.0 FINANCIAL IMPLICATION(S)

6.1 The school meals budget has been set for 2021/22 using the current school meal prices and no further financial implication is noted.

7.0 INTEGRATED IMPACT ASSESSMENT

| | Positive Impacts | Negative Impacts | Neutral/Not Applicable | |
|---|---|-----------------------------|------------------------|-------------------------------|
| 1. Merthyr Tydfil Well-being Objectives | 0 of 4 | 0 of 4 | 4 of 4 | |
| 2. Sustainable Development Principles - How have you considered the five ways of working? <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement | 5 of 5 | 0 of 5 | 5 of 5 | |
| 3. Protected Characteristics (including Welsh Language) | 0 of 10 | 0 of 10 | 10 of 10 | |
| 4. Socio-economic Disadvantage | 0 of 6 | 0 of 6 | 6 of 6 | |
| 5. Consultation and Engagement | Undertaken | Due to be Undertaken | Not Required | |
| | 0 of 1 | 0 of 1 | 1 of 1 | |
| 6. Data and Evidence to inform the proposal | Yes | | No | |
| | 1 of 1 | | 0 of 1 | |
| 7. Biodiversity and the resilience of Ecosystems | Maintained | Enhanced | Reduced | Neutral/Not Applicable |
| | 0 of 1 | 0 of 1 | 0 of 1 | 0 of 1 |
| Summary | | | | |
| The main positive impacts are: | Maintaining school meal prices provides a sustainable approach in the current circumstances to delivering the school meal service within a balanced budget. | | | |
| The main negative impacts are: | There are no negative impacts. | | | |

SUE WALKER
CHIEF OFFICER, LEARNING

COUNCILLOR MYTTON
LEADER OF THE COUNCIL
CABINET MEMBER FOR LEARNING

| BACKGROUND PAPERS | | |
|--|--------------------------------|--------------------------|
| Title of Document(s) | Document(s) Date | Document Location |
| Cabinet Report ISB Funding Reductions 2019- 20 | 19 th December 2018 | INTRANET |
| School Meals New Menu November 2018 | 24 th October 2018 | INTRANET |
| Does the report contain any issue that may impact the Council's Constitution? | | |

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.