



Education Catering: Trend analysis 2010/11

This briefing provides details on the performance information available from APSE's performance networks service looking at performance indicators and current policy issues for councils who deliver education catering services.

Key issues

- School meal uptake in both primary and secondary schools continues to rise for both free and paid meals, with total meal uptake now standing at 49.94% and 42.57% respectively.
- The average cost of a meal nationally stands at £2.61 against an average cost to the pupil of £1.79 representing a subsidy of £0.85 per paid meal served.
- Overall productivity remains static, but with the average number of meals served per staff hour ranging between 9 and 7 across the UK, further improvement opportunities should be available.

Overview

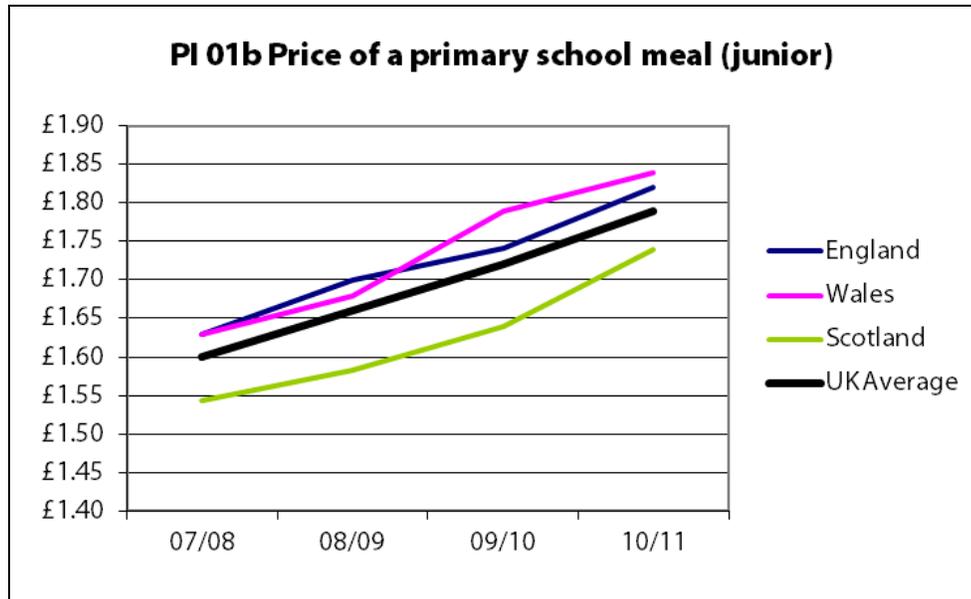
The APSE performance networks programme for education catering continues to provide performance indicators for price, service uptake, key cost indicators, productivity and qualitative measures for the service throughout the UK. Over recent years, the programme has also captured a significant amount of management data to support more detailed 'process benchmarking' of the service, including data on healthy eating and sustainable procurement. This summary aims to provide a picture of service trends, what inferences may be made and act as a 'high level' guide that highlights key challenges facing the service. Members of APSE performance networks also have the opportunity to 'drill down' into the drivers, policies and processes which affect their group or individual service and financial outcomes.

As with previous years, the analysis in this summary provides service wide PI outputs for 2010/11 but also highlights regional variances between Scotland, England and Wales. Reference is made throughout to previous year's outcomes where clear trends or 'direction of travel' are evident.

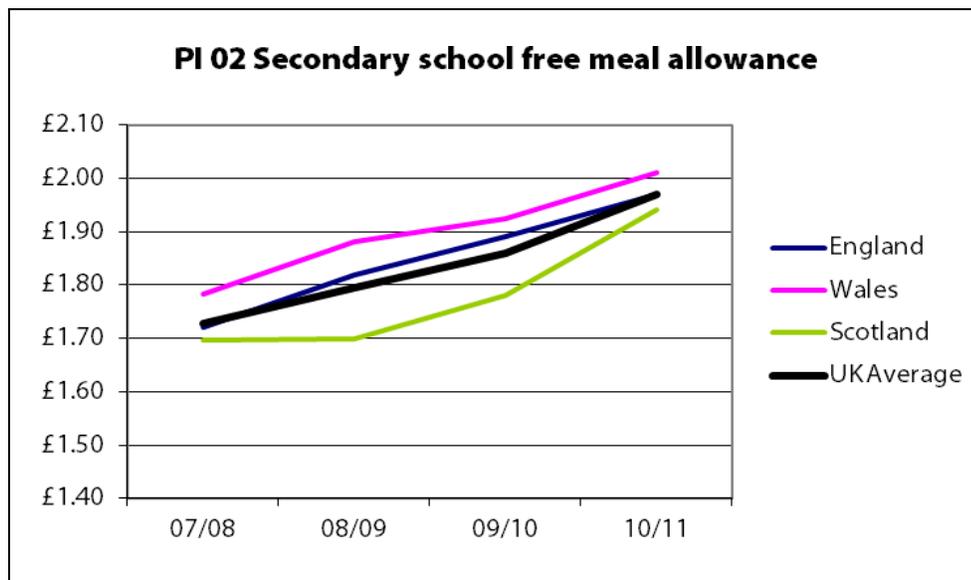
Trend analysis

Particular points of interest are as follows:

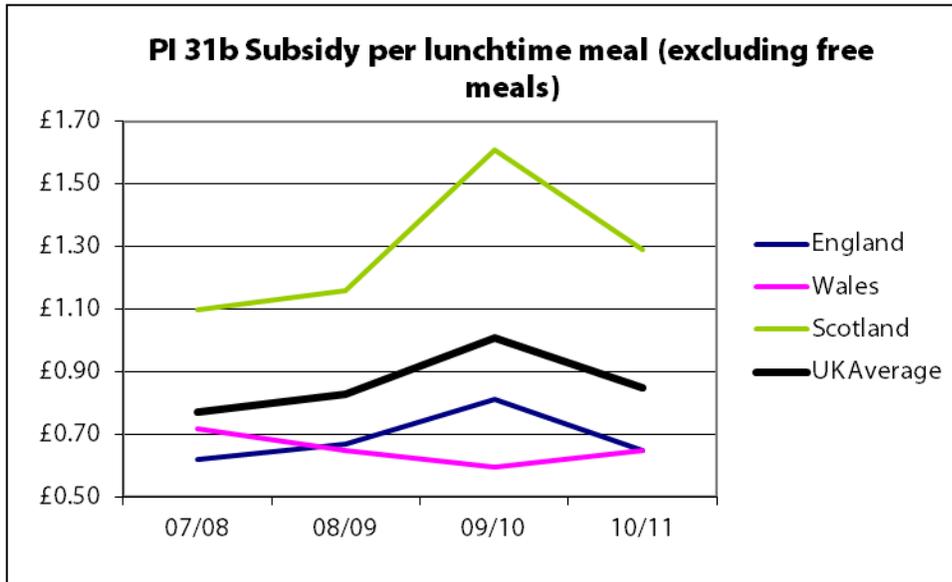
Meal charges



The average price of a primary (junior) meal and the free meal allowance for secondary pupils were £1.79 and £1.97 respectively for 2010/11, continuing the trend of marginally above inflation increases for meal charges in this service.



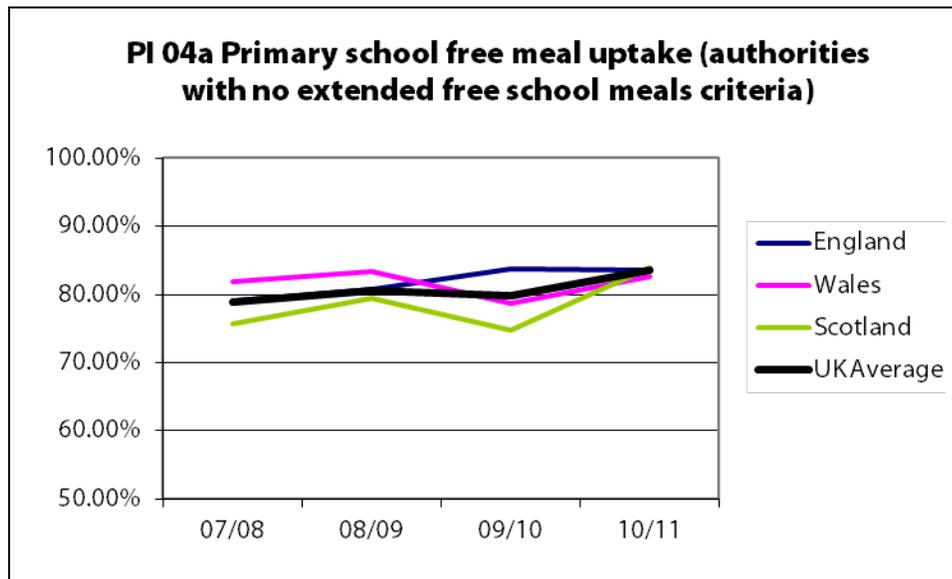
The graphs above highlight regional variances which may have contributed to the 'efficiency measures' which are otherwise reflected in the reported subsidy levels shown below. There are however, increasing concerns about 'price sensitivity' in the current financial climate.

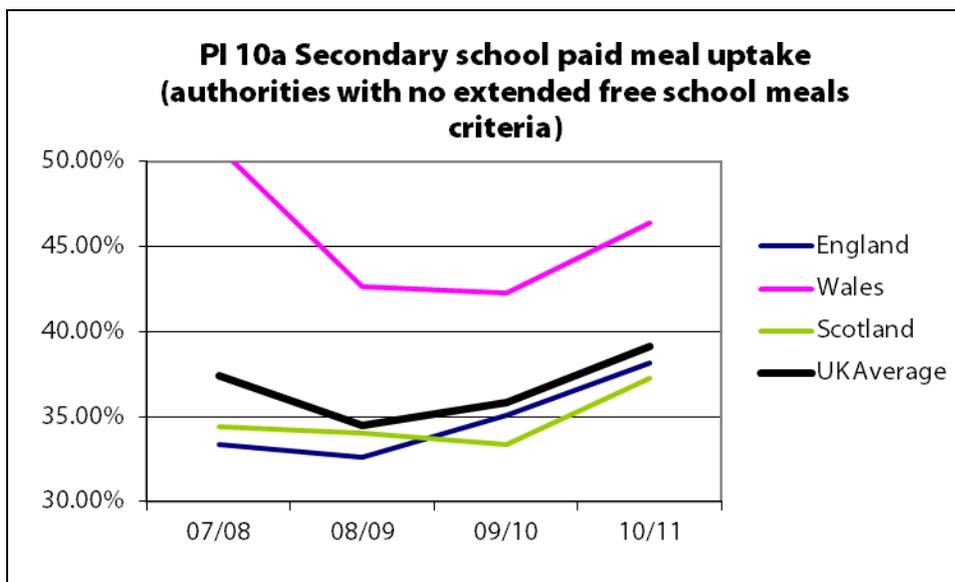
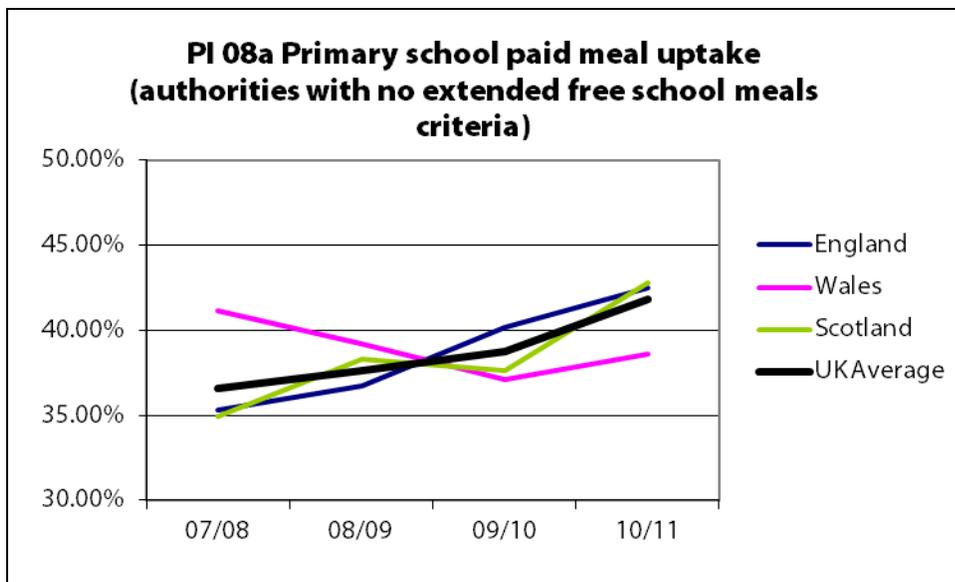
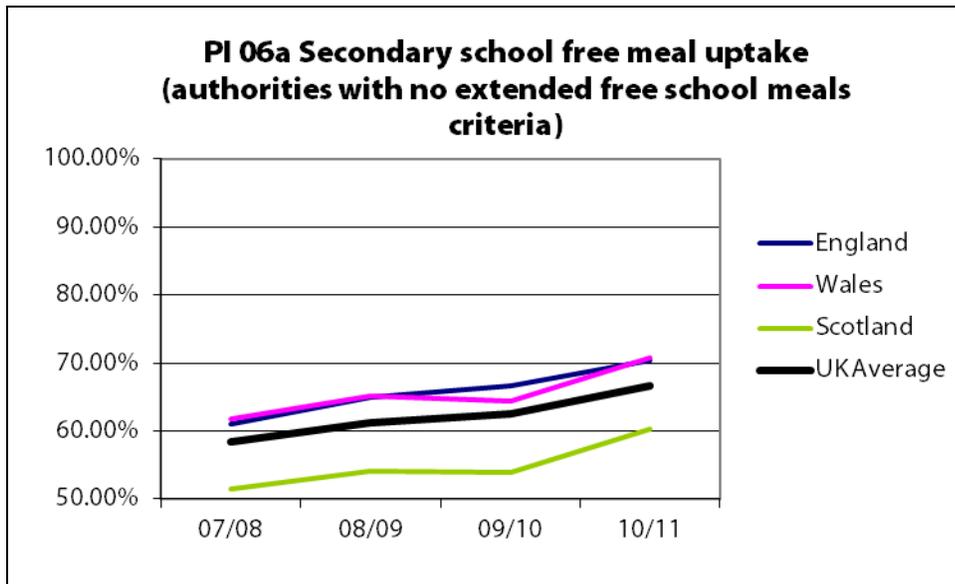


Service uptakes

Three years ago, PIs for uptake were amended to reflect the establishment of national indicators for this service and the establishment of free meal pilots in both Scotland and England.

The programme has however maintained free and paid meal uptake data in each school sector, which continue to provide a clear indication of progress (or otherwise) against the core national objectives to increase school meal uptakes in the interest of wider child health outcomes. The following graphs highlight trends and outputs over the last four years in this respect.





The gradual rise in free meal take-up since 2007 has been maintained in the secondary sector and data returns for both Scotland and Wales have corrected the apparent dip reported last year. Regional variations in primary free meal uptakes appear to have converged in 2010/11 at around 83%. Paid meal uptakes in this sector have also shown an apparent recovery against the early 4 year trend.

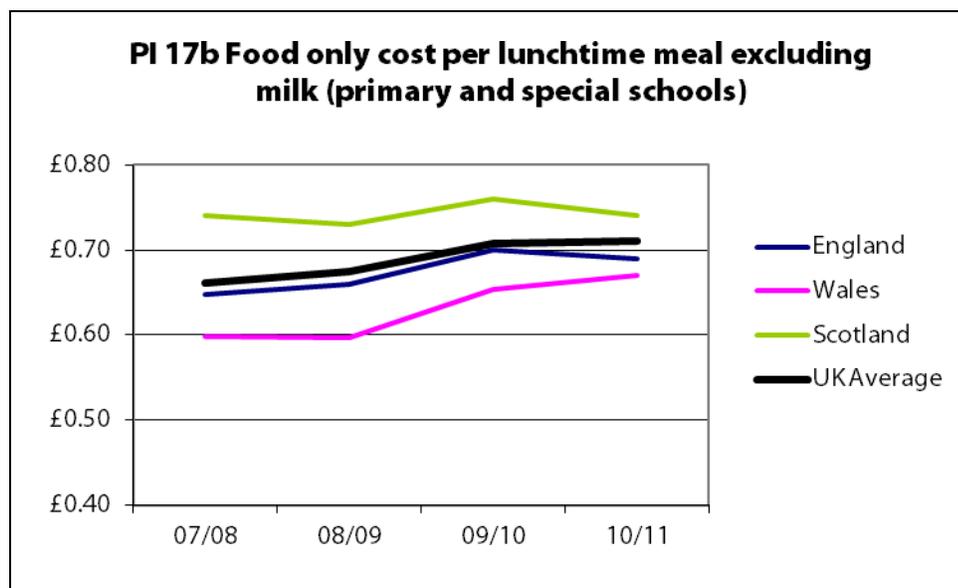
Paid meal take-up in the primary sector has continued to show gradual improvement in England and Scotland and the reported 3 year fall from its previously high levels appears to have been arrested in Wales. In the current climate, there is however still some concern there about the impact of full nutritional compliance, now set for Wales by 2012. The implementation of nutritional standards in secondary schools continues to be sited as a negative driver on growth but increased engagement with schools and organisational initiatives (including 'closed gate' policies), appears to be aiding a recovery in this sector

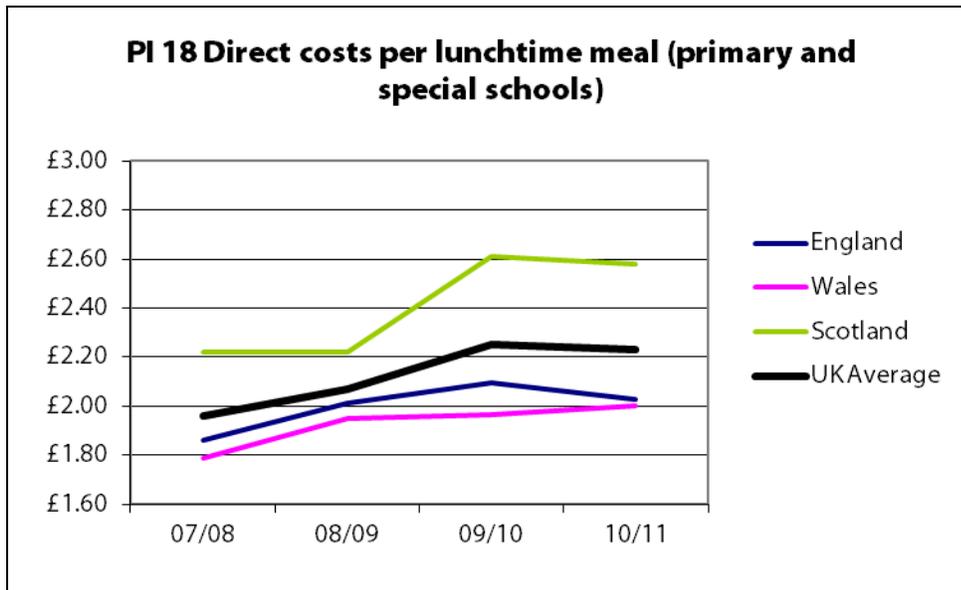
The 7% increase reported last year following the introduction of 'extended free meal criteria' taken up by some authorities in Scotland for Primary 1 – 3 pupils has been maintained and uptake in those schools remains at an average of circa 45%, (PI 08b)

A similar 'average' outcome is being achieved by those English authorities operating some form of free (or reduced cost) meal initiative with individual authorities showing more marked improvements worthy of more detailed process and subsidy analysis.

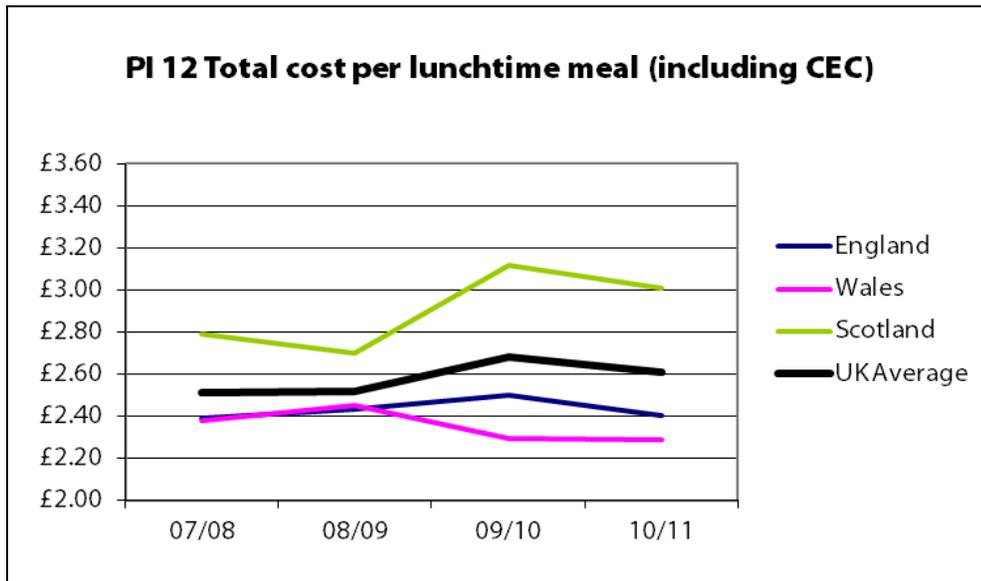
Key cost indicators

Wales (who will be the last to implement full nutritional compliance in 2012) is the only region not showing a marginal fall in food only costs over the last year, which is otherwise taken to reflect the significant efforts being made to control this key cost against increasing inflationary pressures.



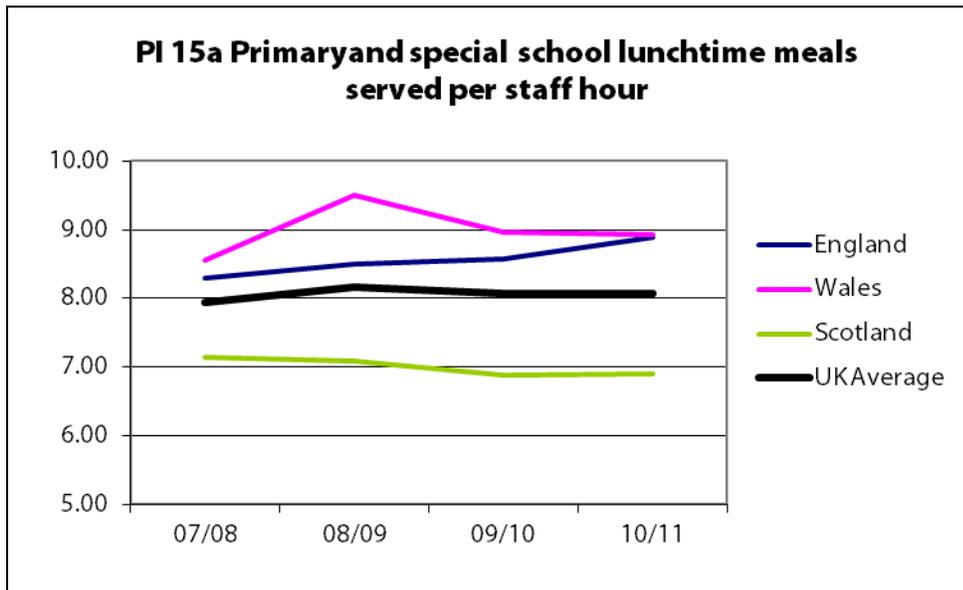


Likewise, the containment of labour costs would appear to be evident through comparison of the two graphs above, no doubt supported by public sector pay freezes in each region. Importantly, these outcomes are also supported by improvement in both free and paid meal uptakes over the last year which, together with the containment (and in many cases, a reduction) of management costs and overheads, has resulted in a fall in overall service costs, as evident in the following graph.

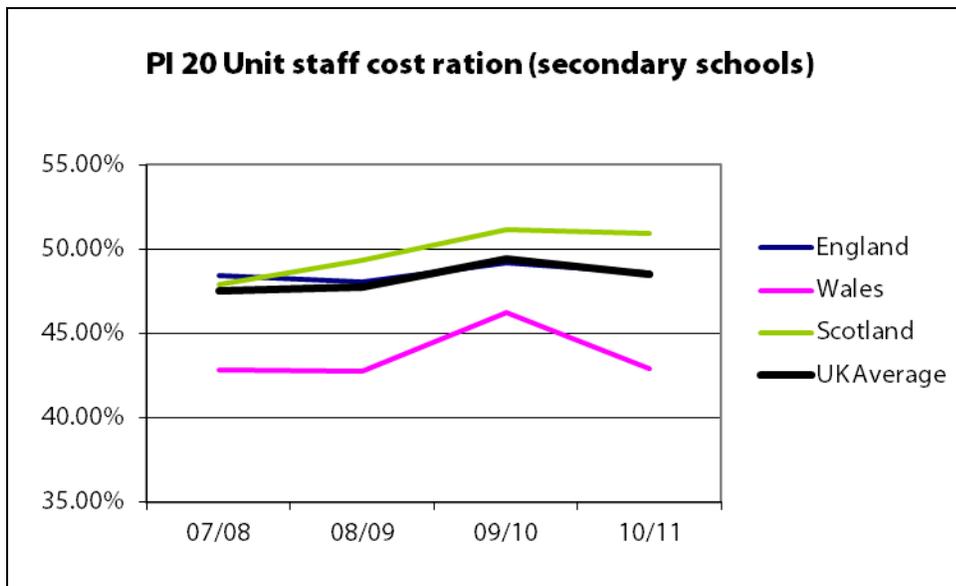


Productivity

Only England shows a marginal improvement in the following indicator which otherwise, remains relatively static against each region's four year trend. It is however worthy of note that significant variations exist between individual authorities within each region and that uptakes remain the most potent driver (both in positive and negative terms) on this indicator.



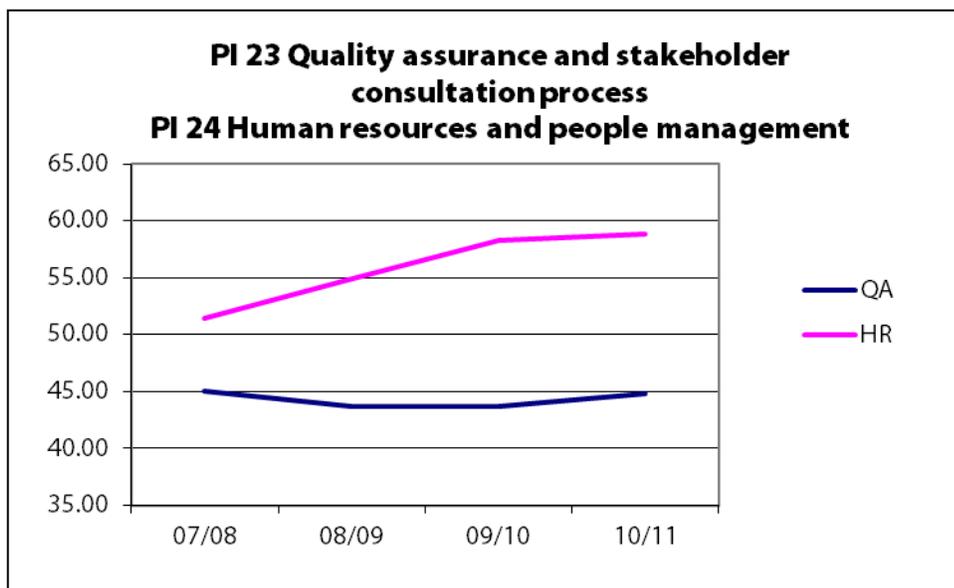
The reported fall in staff cost ratios in the secondary sector (below) is likely to be a direct reflection on both uptakes and the containment of unit labour costs (rates) referred to above.



Quality assurance and stakeholder consultation (PI 23) and human resources (PI 24)

After a marginal dip in scores for quality assurance and stakeholder consultation, this PI has returned to the 8 year high achieved in 2007/08 and remains an important indicator of the need to engage with pupils (and other ‘customers’) to achieve financial and wider outcomes for this service.

Whilst less marked than in previous years, the human resources and people management score continues to show an upward trend, the most marked improvement being evident in Wales over the last year.



Nutrition and healthy eating

The number of staff trained in food nutrition continues to rise, the most marked increase again, coming from Wales who now report a level of 82.3% - 10% up on the previous year. Scotland also shows an average of 7% increase on the previous year and England has maintained the levels achieved in 2009/10. The average across the UK now stands at 61.3%

In 2007/08, the programme started collecting data on the number of schools offering a breakfast (funded in Wales by the Welsh Assembly Government). As a percentage of all schools, the regional totals for these services were:

Breakfast	England	Scotland	Wales
2008/09	13.7%	17.7%	36.8
2009/10	13.8%	26.0%	45.1%
2010/11	16.1%	23.9%	52.6%

There has been no material change in the marginal level of after school activity in each region.

Sustainable procurement and the environment

The following highlights notable movement in procurement and environment returns over the last 4 years.

	2007/08	2008/09	2009/10	2010/11
Percentage of authorities using local/regional suppliers for more than 10% of total food purchases	42%	60%	56%	60%
Percentage of food sourced from local suppliers	23.39%	27.84%	31.24%	30.99%

Whilst the number of authorities buying more than 10% of their food from local/regional suppliers has again increased this year, the percentage of total food spend with these, remains at circa 31% of total food purchases.

In 2010/11, 82% of authorities report having a sustainable procurement policy or are working towards it. This represents a 2% increase on the previous year.

	2007/08	2008/09	2009/10	2010/11
Percentage of authorities reporting recycling initiatives in some or all of their schools	3%	43%	49%	52%

Interpretation of data

During the last year, we have seen evidence of a) the continued drive on 'growth' in meal uptakes and b) the imperative for the vast majority of authorities to find ways to reduce 'subsidy' in this (and other) services. This continues to require the 'delicate balance' reported last year, between maintaining nutritional standards, dealing with price sensitivity, improving productivity and in many cases, making the business case for investment in school environments.

2010/11 data shows that all four key areas of cost in this service, (food, front line labour, direct and indirect overheads) have fallen in real terms and that this, together with above average price increases and measurable improvements in uptake, has reduced reported subsidy in the service.

There is however, already evidence in the current year that increasing financial pressures on households will impact upon service uptakes, which remains the greatest challenge and driver on future cost and productivity outcomes.

Overcoming price resistance will require ever more effective planning and engagement with schools and strategic stakeholders, to invest in both the environment and the organisation of activities and policies which impact upon children's 'lunchtime experiences'.

In summary, increasing service uptake remains the key to improved unit cost and productivity outcomes and Service providers may have to increasingly engage with and utilise the on-going child health agenda to support the business case for local reviews of pricing, lunchtime organisational and investment decisions in their Authority.

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