



## Education catering: Trend analysis 2011/12

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 appears to have reached a plateau, with total meal uptake now standing at 48.91% and 42.41% respectively.
- Primary school free meal uptake has shown slight declines across the UK whilst with the exception of Scotland, paid meal uptake continues to increase
- Subsidy per meal is at a UK average of 90p, with Scotland significantly above that at £1.57 and Wales below at £0.54. School funding changes in England from 2013 will create substantial pressure to pass these costs onto schools

### 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. As in previous years, this executive summary only aims to provide participating authorities with a picture of what the service trends are, what this infers and what further activity and analysis individual authorities and their benchmarking groups could consider. It is therefore a 'high level' guide which highlights key challenges facing the service and may provide a strategic overview for those wishing to 'drill down' into the drivers, policies and processes which affect their group or individual service and financial outcomes.

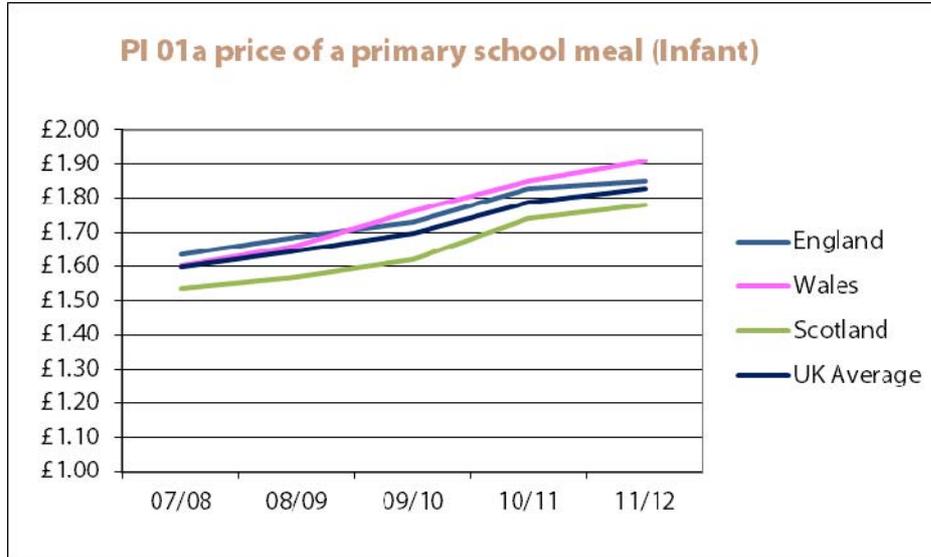
As with previous years, the analysis in this executive summary provides service wide PI outputs for 2011/12 but also highlights regional variances between Scotland, England and Wales. Reference is made throughout to previous year's outcomes where clear trends or 'direction of travel' are evident.

The analysis covers 67 authorities with a combined education catering turnover of over £300 million

## Trend analysis

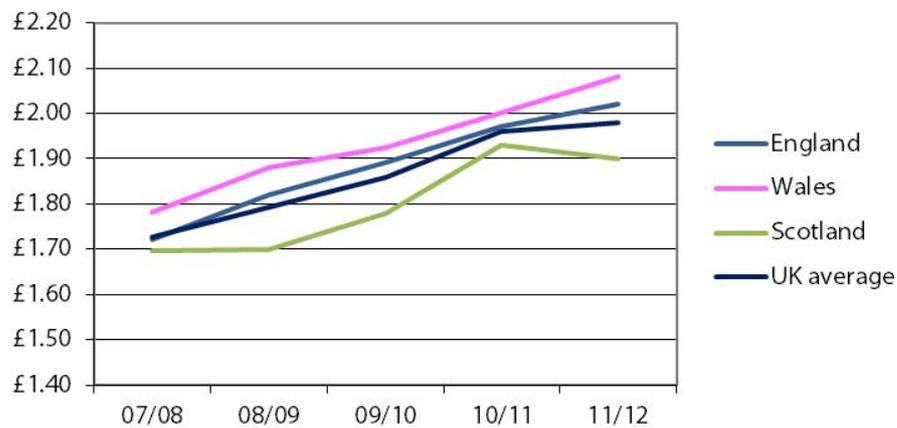
Particular points of interest are as follows:

### Meal charges



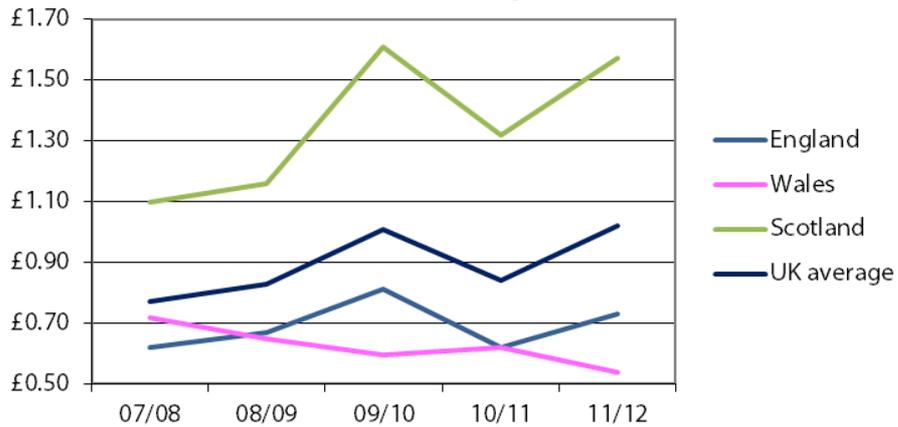
The average price of a primary (junior) meal and the free meal allowance for secondary pupils were £1.84 and £1.98 respectively for 2011/12. Other than in Wales, these rises are below inflation, (with Scotland reporting a reduction in the secondary sector), halting the trend of above inflation increases seen over recent years.

### PI 02 Secondary school free meal allowance



The graphs above highlight regional variances which are likely to have contributed to the outcomes (and movement) reflected in the reported subsidy levels shown below, together with a) continuing concerns about 'price sensitivity' in the current financial climate and b) new freedoms on 'local' pricing introduced during the year.

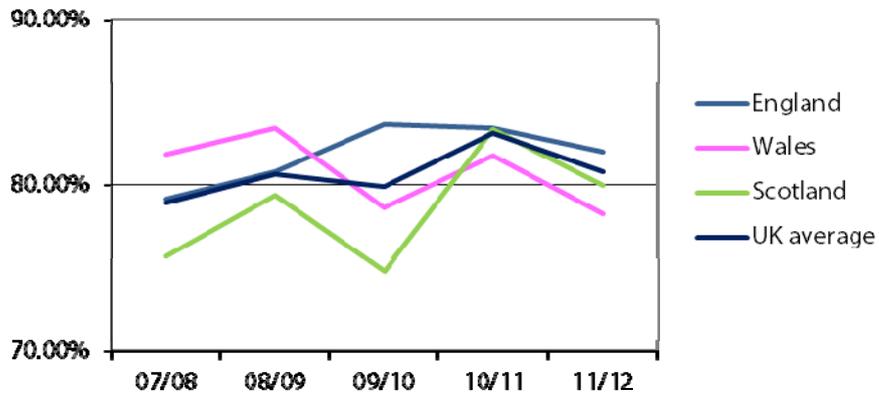
**PI 31b Subsidy per lunchtime meal (excluding free meals)**



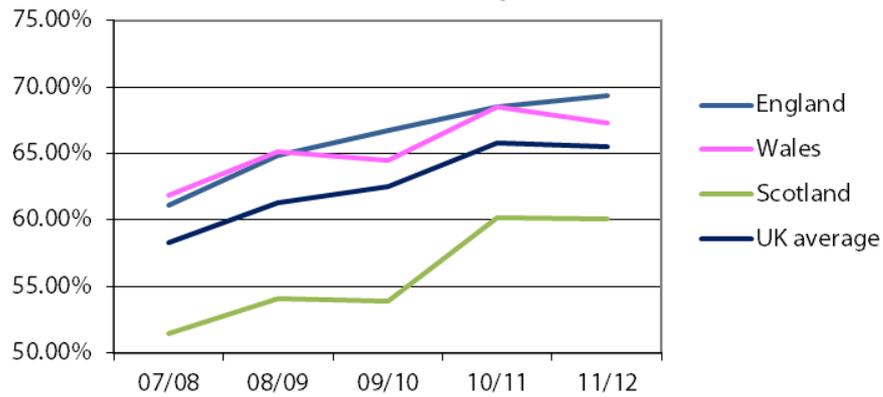
**Service uptakes**

As in previous years, we have reported both free and paid meal uptakes in the key primary and secondary sectors, 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.

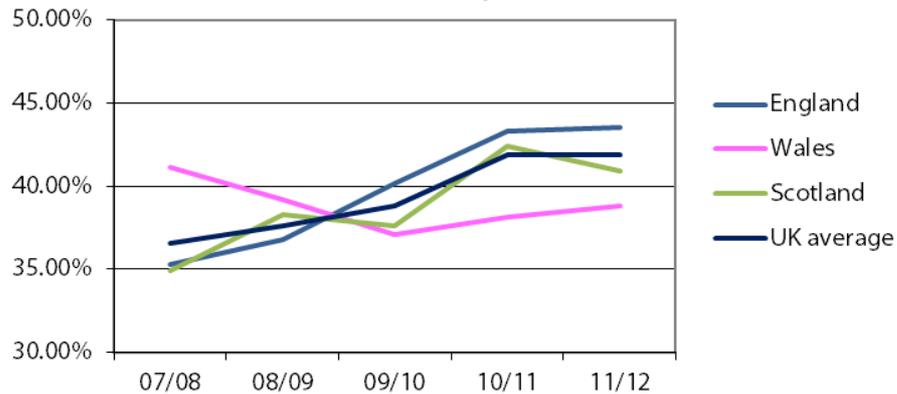
**PI 04a Primary school free meal uptake (authorities with no extended free school meals criteria)**



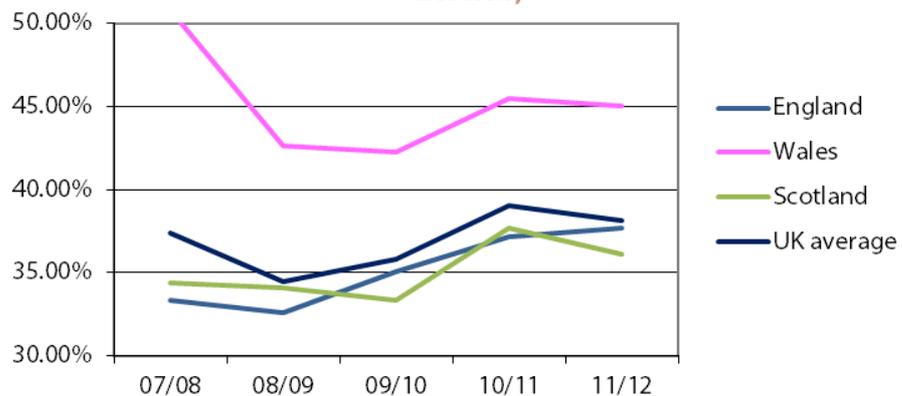
**PI 06a Secondary school free meal uptake  
(authorities with no extended free school meals  
criteria)**



**PI 08a Primary school paid meal uptake  
(authorities with no extended free school meals  
criteria)**



**PI 10a Secondary school paid meal uptake  
(authorities with no extended free school meals  
criteria)**



Analysis of these graphs suggests that there has been a marginal decline in in the UK average for free meal uptakes in both sectors over the last year, halting the equally marginal trend of increases over the previous four years.

Regional variations in primary free meal uptakes remain marginal and there has been no notable movement in the variation between Scotland and other areas in the secondary sector.

The growth evident over recent years in paid meal take-up appears to have slowed last year. Wales however, continues to show a recovery of the gap with other regions in the primary sector and appears to have been able to maintain marginal growth and its leading position in the Secondary sector, whilst adjusting to full nutritional compliance (later than other regions).

Across the UK, meeting nutritional standards in secondary schools is however still cited as a negative driver on growth and in England. This has created some conflicts of interest in competing for or managing the transfer of services to the increasing number of schools converting to Academy status.

### **Authorities offering extended free school meal initiatives**

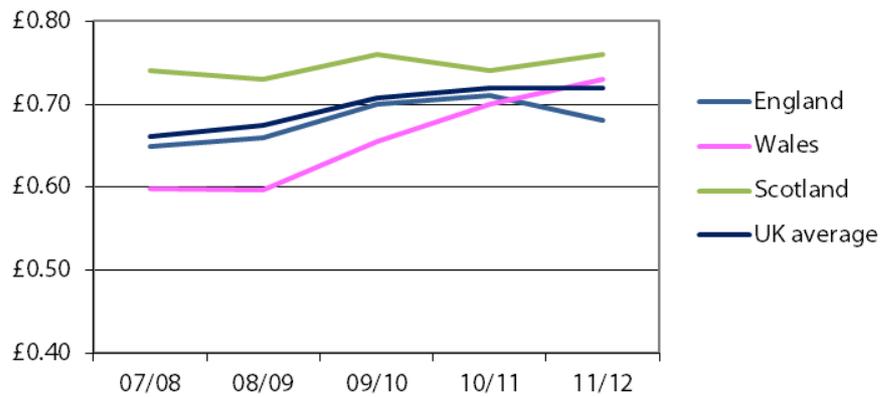
Four years ago, additional uptake PIs were created to provide separate reports for those authorities offering 'extended free school meal initiatives. Analysis of uptake data for those LAs does not appear to increase free or paid meal 'percentages' but clearly can increase the total number of children benefitting from a school meal, i.e., 'All meal uptake' figures.

Further, those Authorities offering substantial price discounts on paid meals (now made easier by changes in legislation enabling local variation from otherwise common pricing policies) continue to achieve upper quartile performance on paid meal uptakes, helping to offset the otherwise higher subsidies expected by such a policy.

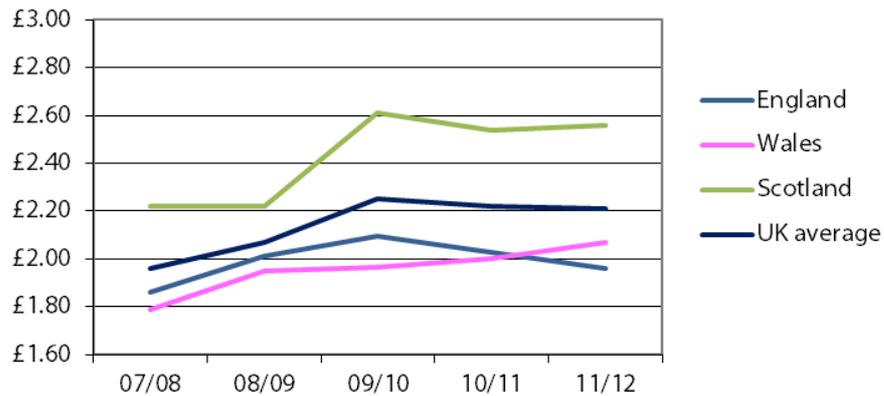
### **Key cost indicators**

In 2007, food only costs reflected the differing approaches and timescales being applied regionally to the food in school agenda with Scotland clearly investing more in the 'food on the plate' at that time. Their food cost per meal in the primary and special school sectors have however remained largely flat over the last 5 years, with 2011/12 otherwise showing a fall in this PI representing the continued pressure on overall service cost across the UK.

**PI 17b Food only cost per lunchtime meal excluding milk (primary and special schools)**



**PI 18 Direct costs per lunchtime meal (primary and special schools)**



Likewise, the containment of labour costs would appear to be evident in this year's direct cost outcomes with Scotland's relative position against national averages perhaps reflecting their policy to maintain a 'living wage' within public sector service provision alongside productivity outcomes reflected in PI15a below.

Given that overheads (as a percentage of total service costs) have remained broadly in line with 2010/11 figures and that direct service costs have risen by less than inflation over the last year, the relative rise in the total cost per lunchtime meal in 2011/12 is likely to reflect one or more of the following: a) the slowing of growth in meal uptakes, b) a fall in revenue (schools and or school roles), c) a failure to contain central establishment charges in line with other service costs, d) the effect of any renegotiation of SLAs (e.g. with academies, refurbished or new build schools) affecting margins or the loss of 'profitable' schools within individual services portfolios.

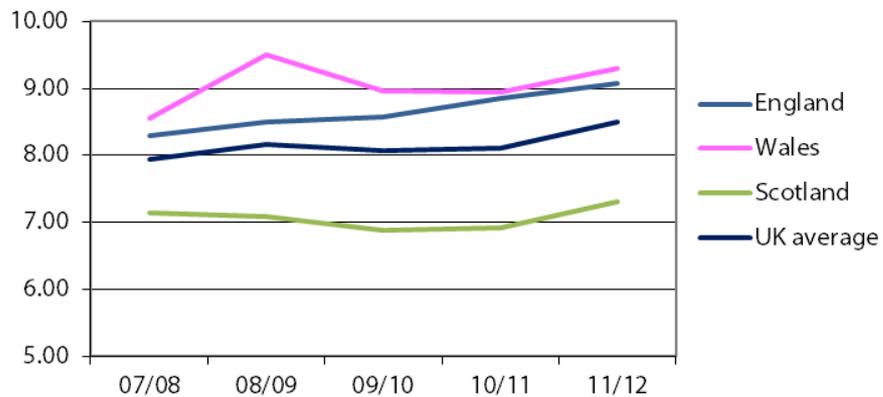
### PI 12 Total cost per lunchtime meal (including CEC)



### Productivity

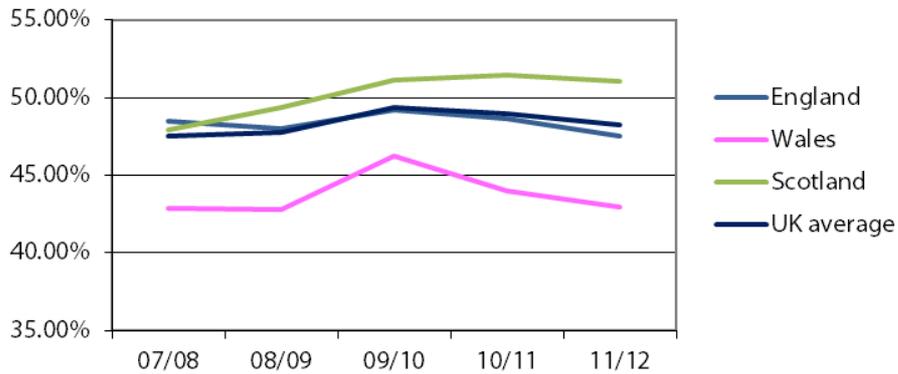
All regions show a marginal improvement in the following productivity indicators, both in 2011/12 and over the last three years.

### PI 15a Primary and special school lunchtime meals served per staff hour



As a measure of productivity within secondary schools, this PI also shows a three year trend of improvement in each region, despite evidence of a slowing of growth in this sector.

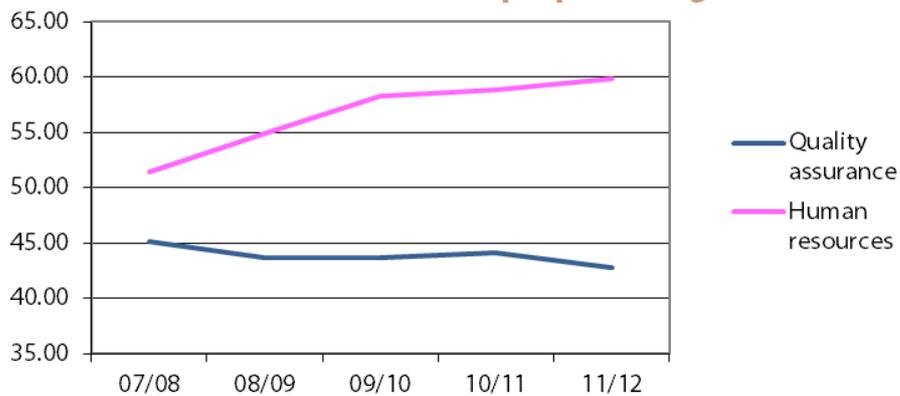
### PI 20 Unit staff cost ration (secondary schools)



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

Whilst the human resources score has shown no real change over the last three years, 2011/12 has seen a notable fall in the quality assurance and stakeholder consultation PI which for some authorities, is undoubtedly a reflection on the reduction in management resources now available to maintained the processes represented by this PIs scoring criteria.

### PI 23 Quality assurance and stakeholder consultation process PI 24 Human resources and people management



## Nutrition and healthy eating

The number of staff trained in food nutrition is broadly consistent with the levels reported in 2010/11, the average across the UK now standing at circa 59%

The number of schools offering a breakfast service (as a percentage of all schools by country, shows the following movement over the last four years:

Breakfast	England	Scotland	Wales
<b>2008/09</b>	13.7%	17.7%	36.8
<b>2009/10</b>	13.8%	26.0%	45.1%
<b>2010/11</b>	16.1%	23.9%	52.6%
<b>2011/12</b>	15.9%	22.4%	61.4%

There has been no material change in the marginal level of after school food services where only 1.5% of all schools included in 2011/12 returns offer these services.

Other than in Wales, where breakfast services still receive government funding, these figures may reflect a marginal shift in priorities towards the commercial imperatives placed on this and other services nationally.

## Sustainable procurement and the environment

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

	2008/09	2009/10	2010/11	2011/12
Percentage of authorities using local/regional suppliers for more than 10% of total food purchases	60%	56%	60%	86%
Percentage of food sourced from local suppliers	28%	31%	31%	34%

The number of authorities buying more than 10% of their food from local/regional suppliers has again increased this year, as has the percentage of total food spend with these suppliers which now sits at circa 34% of total food purchases.

In 2011/12, 70% of authorities report having a sustainable procurement policy or are working towards it. This represents a 12% fall on the level reported in 2010/11. Further, the number of authorities reporting recycling initiatives in some or all of their schools (as a percentage of all authorities making a return) has fallen slightly to the levels reported in 2009/10.

	2008/09	2009/10	2010/11	2011/12
Percentage of authorities reporting recycling initiatives in some or all of their schools	43%	49%	52%	49%

## Interpretation of data

In our 2010/11 executive summary, we reported that there was already evidence that increasing financial pressures on households will impact upon service uptakes, which remain the greatest challenge and driver on future cost and productivity outcomes.

During the last year, we have seen evidence of a) the impact of price resistance on service subsidies, b) a slowing of growth in meal uptakes and c) the continued drive on containing food and labour costs to meet the financial objectives placed on this and other services nationally.

For the second year in a row, data shows that food costs, front line labour and direct overheads have fallen in real terms but the relative rise in the total cost per lunchtime meal in 2011/12 is likely to reflect the slowing of growth in meal uptakes, together with: a) a fall in revenue (schools and or school roles), b) a failure to contain central establishment charges in line with other service costs, and c) the effect of any renegotiation of SLAs (e.g. with academies, refurbished or new build schools) affecting margins or the loss of 'profitable' schools within individual services portfolios.

We may also be seeing early evidence of these financial imperatives on the direct, management and support resources developed over recent years to drive and monitor the services contribution to the wider child health and wellbeing agenda.

As yet, there is limited evidence of the freedom to use price discounting at individual school and LA levels to support growth in meal uptakes which, whilst helping to offset otherwise higher subsidies, still requires schools and political support to address the otherwise conflicting priorities faced by this service.

Managing the competing objectives of child health and financial outcomes will continue 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 where these impact upon children's 'lunchtime experiences'.

This will require ever more effective planning and engagement with schools and strategic stakeholders and will continue to require robust performance measurement tools to establish transparency in baselines, develop future business cases and set realistic targets for on-going service and financial outcomes.

## Rob Bailey

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