



Education Catering: Trend analysis 2014/15

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

- The profound effect of Universal Infant Free School Meals (UIFSM) is now showing results with All Meal Uptake in English primary schools showing a year average of 65%. With Scotland implementing the policy a term later, both should show even higher uptake for 2015/16
- Subsidy per lunchtime meal averages above £1.10. Expect further pressure to reduce this if Academisation in England and devolved school budgets in Wales means this cost is born entirely by the local authority.
- Productivity continues to improve with greater than 10% improvement over recent years and this should further strengthen as the effects of higher meal numbers boost the economies of scale in individual canteens

Overview

The APSE performance networks programme for education catering provides performance indicators for price, service uptake, key cost indicators, productivity and qualitative measures for the service throughout the UK. Further, the programme continues to capture a significant amount of management data to support more detailed 'process benchmarking' of the service including its contribution to child health promotion and sustainability.

This executive summary 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 remains only as 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.

In previous years, the analysis in our executive summaries have provided PI outputs across the service and have also highlighted variances arising from the distinct policy approaches between Scotland, England and Wales, with references made to previous year's outcomes where clear trends or 'direction of travel' were evident.

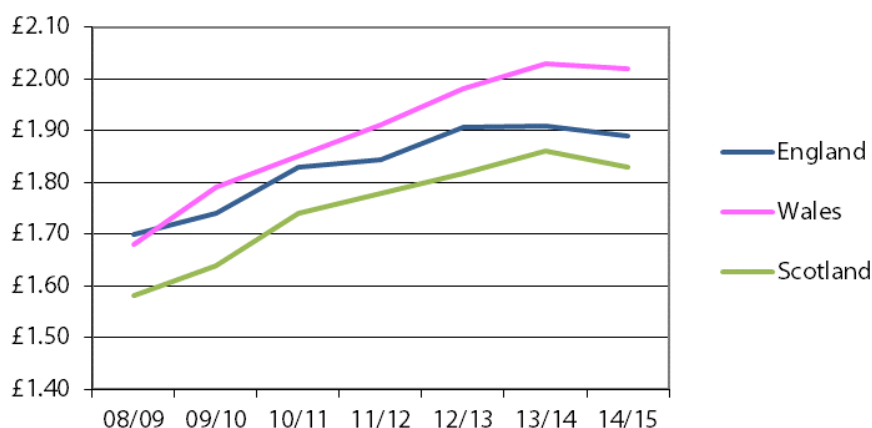
In the current (2014/15) year, the introduction of Universal Infant Free School meals (UIFSM) in England from September 2014 and Scotland from January 2015, has resulted in new data capture and PI outcomes which will be reported fully from next year. However, due to their 'part year' introduction in the current year, the effect of UIFSM can only be reported in terms of the overall effect on high level uptake and key cost PIs across the year and against any previous year trends evident within and between the countries.

Trend analysis

Particular points of interest are as follows:

Meal charges

PI 01b Price of a primary school meal (junior)



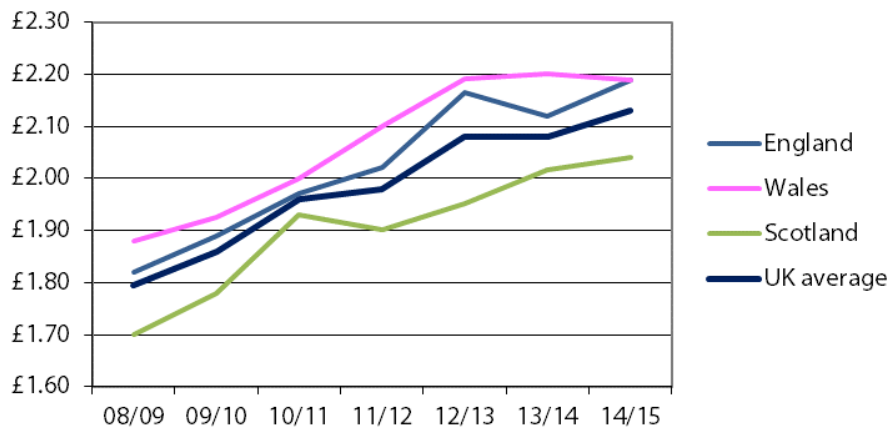
Movement in the average Junior Primary meal price for the 7 years to 2014/15 is shown above and indicates a consistent need or ability to hold or reduce prices in each country.

With continued growth in the number of Academy schools in England, the introduction of UIFSM in England and Scotland and free breakfasts in Wales, some schools have adopted their own 'commercial' or 'social pricing' policies and accordingly, from 2014/15, the programme now captures the highest and lowest prices charged to parents within each Authority.

This data shows that 20% of Authorities making a return in 2014/15 have one or more schools applying parental meal charges outwith the 'standard' set by the LA/Schools within that Authority, the average variance (between the highest and lowest prices being charged) within each country being: 40p in England, 28p in Scotland and 7p in Wales.

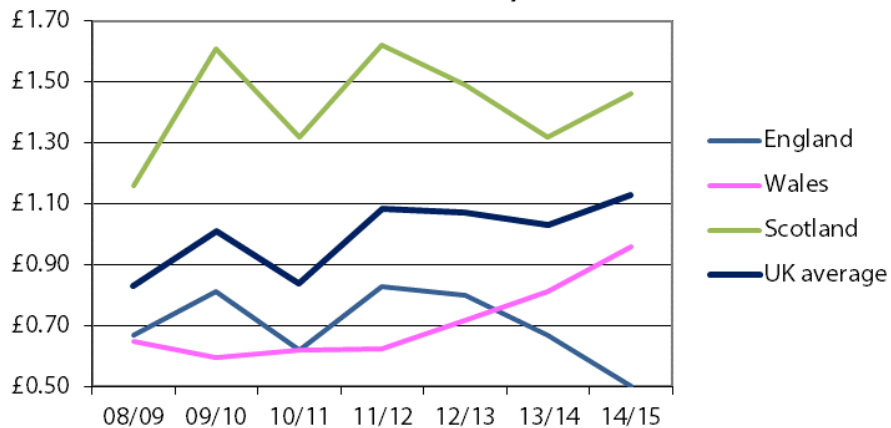
Movement in the average Secondary Free meal allowance for the 6 years to 2014/15 is shown below. With little movement over the last two years in Wales, they are now in line with the English average, whilst Scotland maintains tariffs that are consistently below the other countries by circa 10%.

PI 02 Secondary school free meal allowance



Any movement in individual school or local pricing has however, not materially changed the underlying differences between the countries in terms of its impact upon required 'subsidy' which continues to fall in England (no doubt helped by increased uptakes under UIFSM). It shows a consistent upward trend in Wales and the much higher levels of subsidy still afforded to this service in Scotland. (See graph below).

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

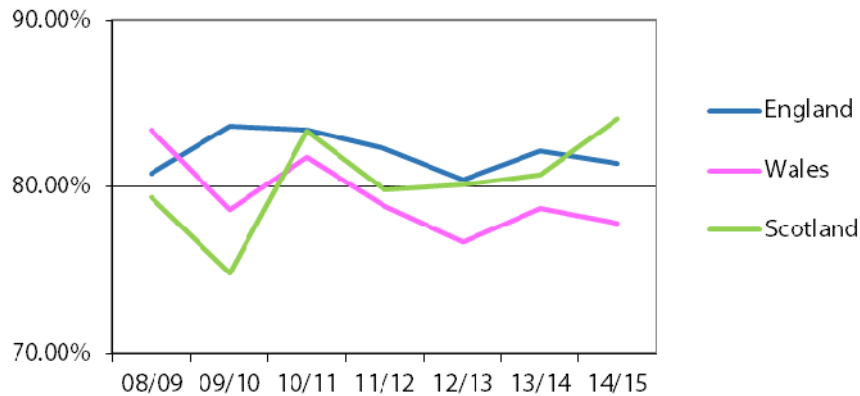


Service uptakes

As in previous years, we have reported both free and paid meal uptakes in the key primary and secondary sectors, which continue to link closely with both financial outcomes and the services contribution to child health objectives.

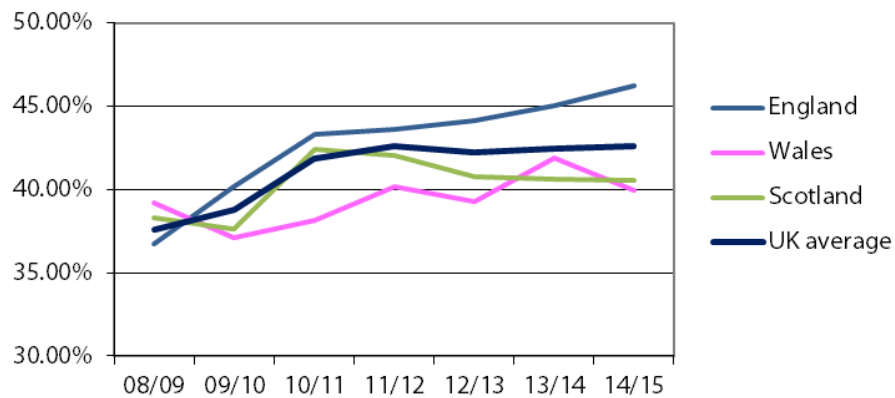
In the Primary Sector, the introduction of UIFSM (free meals) for younger pupils in England shows that uptake of 'universal' free meals (now included in PI 04c) is broadly consistent with previous 'registered free' meal uptakes, whilst Scotland reports a material increase during the 2014/15 year.

**PI 04a Primary school free meal uptake
(2014/15 data taken from PI 04c - Inc. UIFSMs)**



Concerns about the potential impact of UIFSM on older (KS2/Junior) paying pupils is not evident to date in outcomes on PI 08a, where only Wales shows a dip on the previous years high.

**PI 08a Primary school paid meal uptake
(2014/15 data taken from PI 08c)**

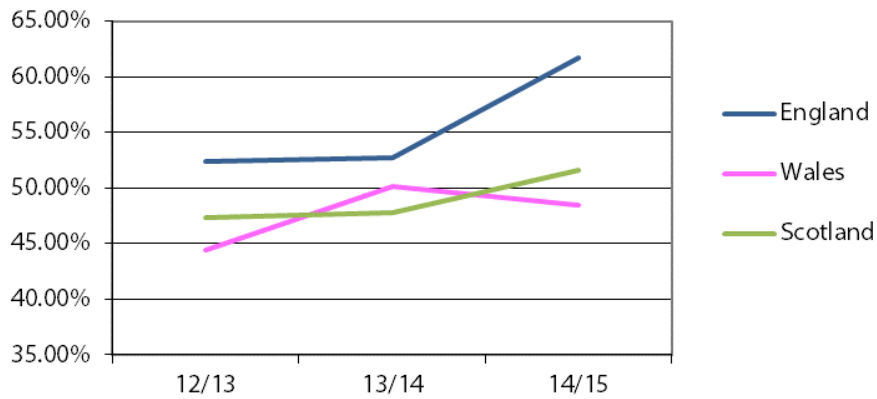


Neither of the above graphs highlight the impact of UIFSM, which is perhaps more evident in the following 'All meal Uptake' PI for the Primary/Special school Sectors.

Not surprisingly, the effect of up to 40% more 'Key Stage 1' / Infant children now taking a hot school meal is more evident in England, where the year's data represents two terms of UIFSM as opposed to one in Scotland.

It should also be noted that against an apparent marginal fall in lunchtime (all meal) uptakes, approaching 80% of children in Wales are now reported to have access to a free breakfast at their School.

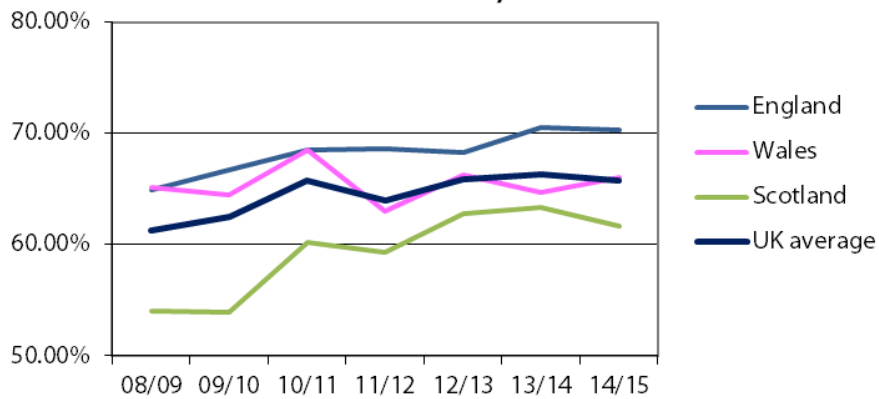
**PI 36e All Meal Uptake - Primary & Special Schools
(Previously NI 52)**



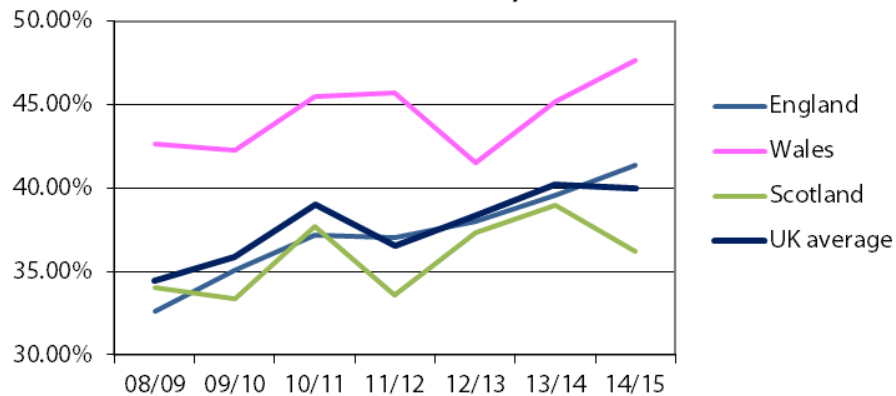
Notwithstanding some apparent peaks and troughs in paid meal, the underlying long term trend in the secondary sector shows a small but continued year on year growth in all but particularly paid meal uptakes.

Wales continues to remain at the higher end of this improving picture across the sector but across all meal uptakes, the continued transfer to Academy status and wider competitive pressures in this sector, may account in part for the more consistent improvement on this PI in England.

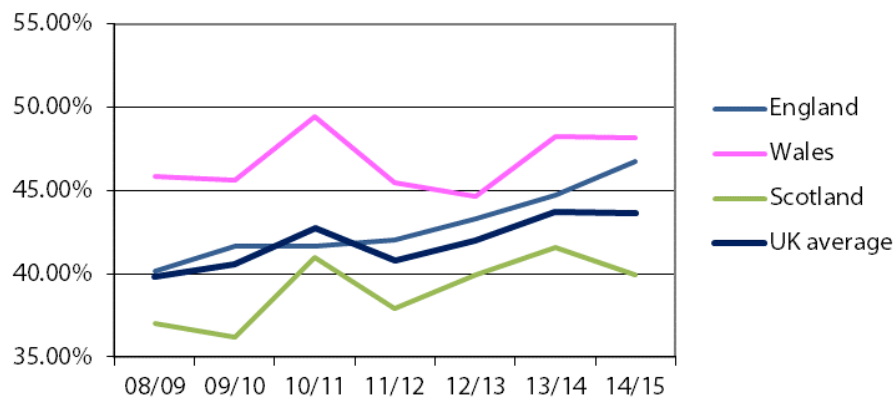
**PI 06a Secondary school free meal uptake
(authorities with no extended free school meals
criteria)**



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



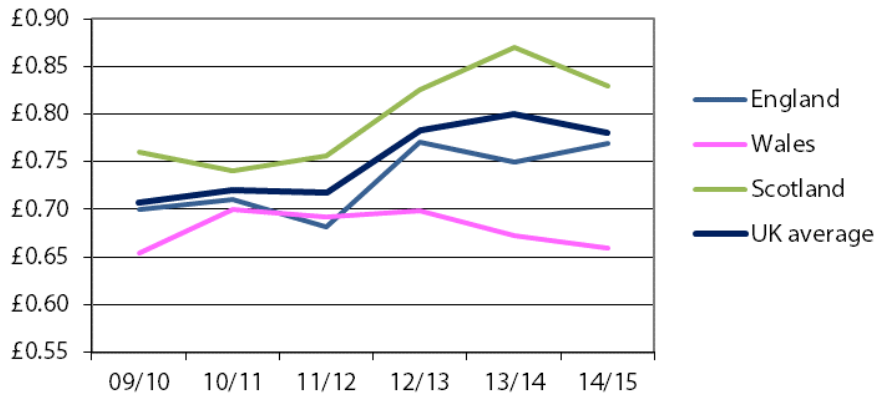
**PI 36d All Meal Uptake - Secondary schools
(Previously NI 52)**



Key cost indicators

The UK average for Food only cost per meal in the primary and special school sectors has risen slightly in England (returning to the level in 2012/13) but fallen in the other countries and most sharply in Scotland, who still retain the highest spending in this area. The return to food based standards arising from the School Food Plan are unlikely to have been a key driver on the outcome in England but more Authorities now holding the 'Food For Life Catering Mark' may be a factor.

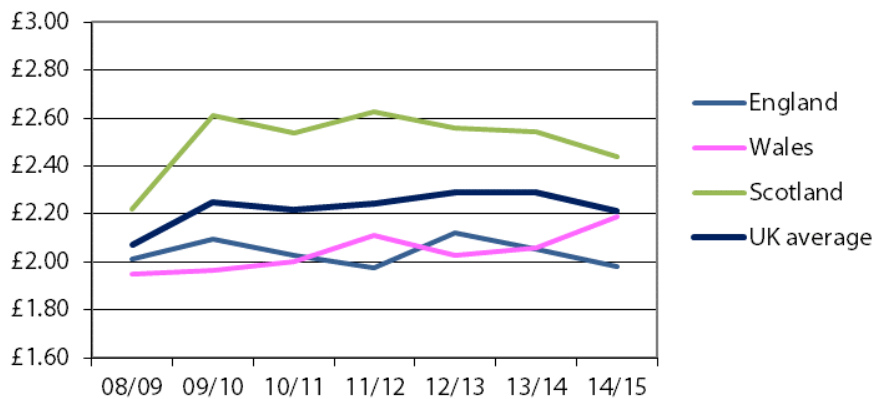
PI 17a Food only cost per lunchtime meal (primary and special schools)



With a continued move towards the 'living wage', many Authorities have used the introduction of UIFSM to offset the effect on direct (and overall) meal costs as evident from the graph below, where only Wales shows a marked increase in Direct Costs (their food cost element of this PI having fallen in the last two years).

For Scotland, geographical drivers and average school roles continue to be a factor for many Authorities in outcomes on this and other PIs.

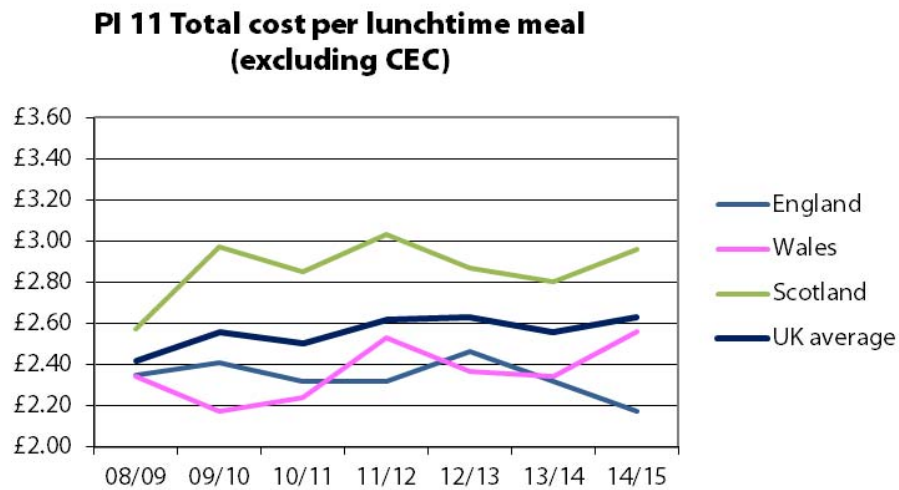
PI 18 Direct costs per lunchtime meal (primary and special schools)



As a percentage of total service costs, overheads have fallen again in England, increased marginally in Scotland and by circa 3% in Wales. Again, the added volumes created by UIFSM will have contributed to these outcomes and we might expect to see further reduction in all but Wales with the full year effect of increased uptakes in the current year.

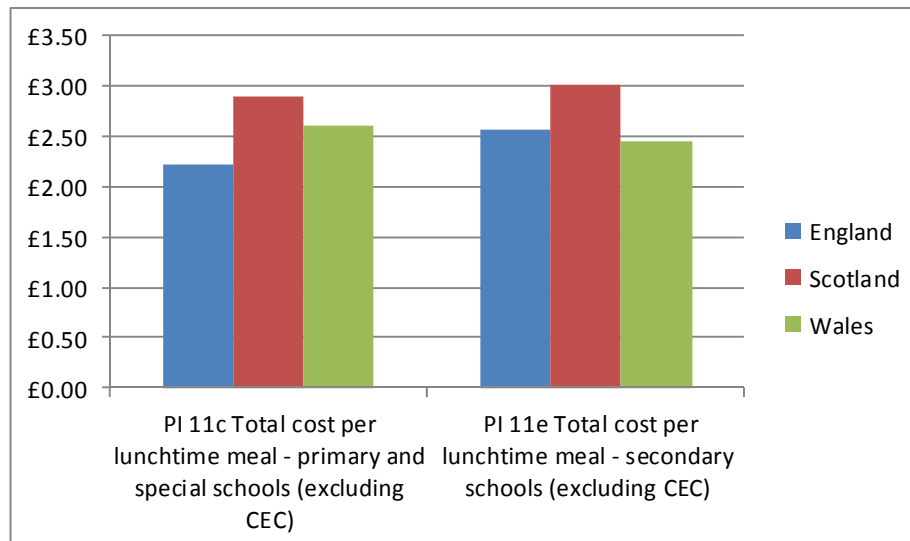
The same trend/outcome is evident in management costs (as a percentage of total staff costs) where the ratio has fallen by approaching 1% in England and Scotland (to around 8%) but increased in Wales by circa 1.5% (to around 11.5%) over the last two years.

The impact on total costs per meal across all sectors is shown in the graph below.



To aid in more detailed analysis of this PI, the programme has collected and reported on this and other high level PIs by sector (Primary/Special and Secondary Schools) for the first this year.

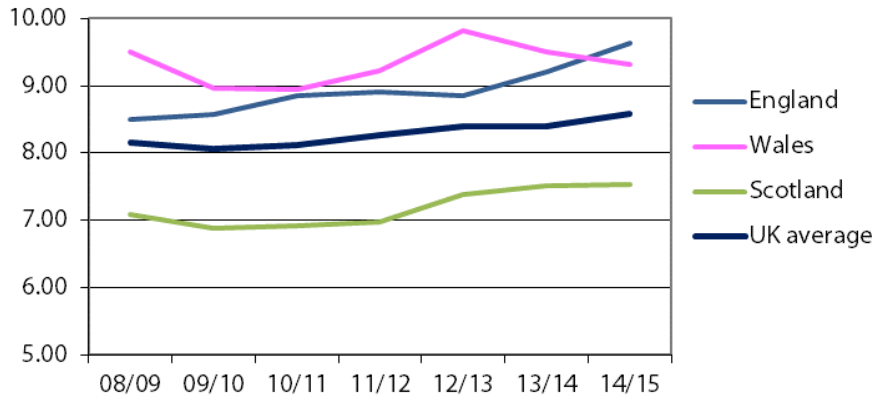
The following graph shows how the total cost per meal varies between these sectors in each country, with only Wales reporting lower costs in the Secondary sector, an area in which they have consistently achieved uptakes well above UK averages.



Productivity

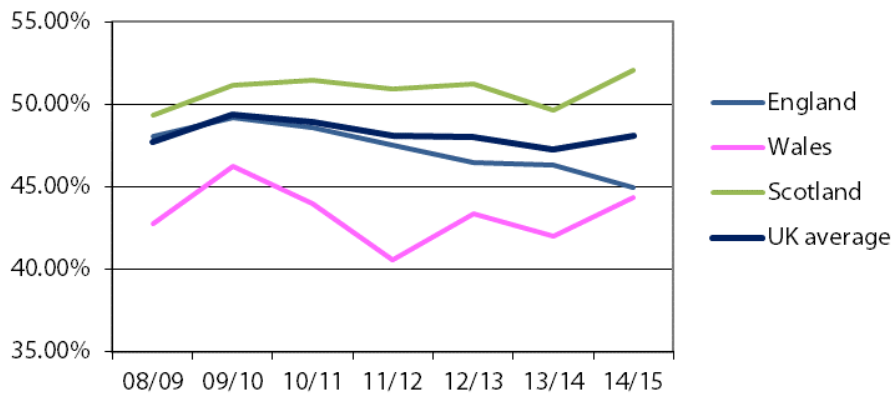
Over the last two years, only Wales has reported a marginal fall in this key indicator of productivity, the rate of improvement in Scotland and England again showing links to the period over which UIFSM applied in the year to these countries.

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



This reported average for Wales does however, continue to reflect well on a service characterised by a high number of small primary schools and the long term trend of growth in secondary meal uptakes remains a key driver on staff cost ratios and cost outcomes in this sector.

PI 20 Unit staff cost ratio (secondary schools)

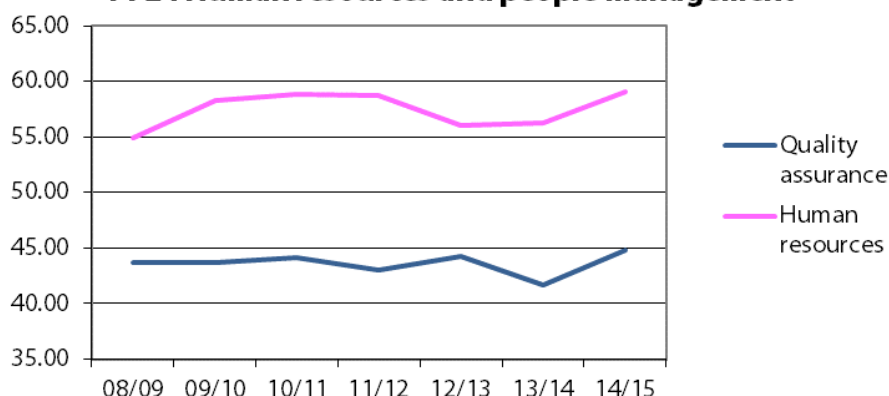


Quality assurance and stakeholder consultation (PI 23) and human resources (PI 24)

Following the dip in outcomes reported last year, these PIs have shown a marked increase in 2014/15 and now show the highest 'scores' achieved over the period reported below.

Minor adjustments of the criteria used to drive these PI scores have been made in the current year to reflect and update the QA procedures and 'qualifications' more commonly used in this service going forward.

**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 has remained largely stable over the past 4 years, with only a small drop on last years high, the average across the UK now standing at circa 68%.

The number of schools offering a breakfast service (as a percentage of all schools) has moved in each country as shown in the following 7 year table.

	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%
2011/12	13.1%	19.7%	53.8%
2012/13	20.6%	23.7%	54.6%
2013/14	14.1%	32.8%	60.1%
2014/15	14.4%	24.9%	79.3%

The decision to focus available funding on free breakfast provision (in favour of UIFSM) is evident in the sharp rise in Wales.

There has been no material change in the marginal level of after school food services where circa 2.0% of all schools included in 2014/15 returns offer these services.

Sustainable procurement and the environment

The following table shows the average percentage of food sourced from local suppliers across the UK over the last 6 years.

09/10	10/11	11/12	12/13	13/14	14/15
31.24%	30.12%	34.84%	30.29	31.85	36.59

Whilst largely flat until last year, the average for 2014/15 has been largely driven by a 12% increase in the percentage reported by English Authorities (now 43.1%)

which may reflect to number of LAs who have sought and achieved the 'Food For Life Catering Mark' in response to the ongoing implementation of wider 'School Food Plan' objectives.

The other PIs generated in this category remain broadly in line with outcomes reported last year, i.e., the near 100% removal of disposable cutlery or crockery in the service and universally accepted targets for reduction in energy consumption.

Interpretation of data

As noted last year, area based variations in policy and approach to this service continue to be reflected across the full range of indicators maintained and reported by this programme and in making (particularly 'country') observations, we are conscious that subscribers will wish to 'drill down' into factors, processes and policies that affect evident variances between the geographical areas.

Service uptakes continue to have the greatest impact upon cost and productivity outcomes in this service as evidenced by the headline indicators outlined above.

The part year introduction of UIFSM in England, and shorter (single term) application in Scotland is clearly evident in productivity and overall cost outcomes, a factor which confirms the long held objective amongst service provider that bringing unit costs closer to or in line with paid meal charges requires overall meal uptakes in line with those likely to be achieved by the full year effect of UIFSM next year.

The decision to fund free breakfasts in Wales is also in line with the wider recognition across the UK of the contribution that school meals and children's diet can make to their health, wellbeing and educational attainment.

Last year, we reported that there had been limited evidence of the use of price discounting at individual school and LA levels to support growth in meal uptakes, but that the introduction of UIFSM could make this a financially and politically viable option in the future. Having collected data on 'highest' and 'lowest' charges within each Authority for the first time this year, there appears to be some evidence that this may be a growing consideration by schools, either to support educational, child health and social objectives within their communities, or in some cases, for more 'commercial' reasons.

As ever, 'engagement' with schools and the policies and initiatives established by governments and strategic stakeholders in each country will continue to require robust performance measurement tools to establish transparency in baselines, develop future business cases and set realistic targets against which both financial and child health outcomes can be achieved and measured.

In this respect, APSE will continue to develop and reflect regional and national targets for service improvement (under UIFSM, Breakfast services etc.) in the Education Catering performance networks programme, its PIs and supporting profile data sets.

Future focus

As local authorities continue to focus on efficiency, demand management techniques, income generation and innovative working to meet the challenges, performance measurement and management continues to be at centre stage. The need to know your own service and to learn from others has never been greater.

Performance measurement is a mechanism for local authorities to identify achievable cost savings and innovative approaches to service delivery, as well as demonstrating value for money to a range of internal and external stakeholders. Any effective service change needs to be underpinned by data intelligence, to establish a starting point and to identify future targets. Performance measurement is also a mechanism to learn how other local authorities are meeting the challenges and the impact that their service changes is making in terms of cost, quality, productivity and customer satisfaction levels.

Good performance information supports the decisions that lead to good directions, instructions and targets. APSE performance networks can assist local authorities by:

- Helping to set a clear baseline on which competitiveness, efficiency and value for money can be measured in a systematic manner.
- Identifying the impact of service changes and interventions for your own local authorities and for others.
- Assessing the quality, cost and competitiveness of the services that councils provide on a regular basis.
- Helping to report data in meaningful ways to both elected members and the public.
- Identifying direction of travel and pace of change with regard to service delivery.
- Identifying inefficiencies such as poor productivity and high cost.
- Supporting service improvement through process benchmarking and sharing best practice examples.

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