

SCHOOL CATERING AREAS OF POTENTIAL OPTIONS

1	<p>Reduction of kitchens from 58 which currently produce meals, to turn some sites into large production kitchen to cook meals and despatch to other schools.</p>	
	<p>Strengths</p> <ul style="list-style-type: none"> • Reduction of production costs. • Reduction of cost of providing/upkeep of equipment 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Quality of food will be reduced. Food is produced much earlier, kept warm whilst being transported which does affect quality • Reduced choice of meals owing to transportation. Menus would be limited as some foodstuff does not transport or hold well. • Increase in cost of delivering food. The service would need vans, delivery drivers and thermos transport equipment to deliver meals to schools. • Redundancies and redundancy costs. • Purchase and installation of equipment at production schools. Also may need extra space/extension.
	<p>Opportunities</p> <ul style="list-style-type: none"> • Sell appliances/equipment no longer needed, although in most schools this is minimal as appliances and equipment are old. 	<p>Threats/Risks</p> <ul style="list-style-type: none"> • Schools may want meals to be cooked on site and therefore go to a private company or take the service “in house” Or alternatively pay a much increased price via the Service Level Agreement. • Meal take up will decrease due to reduced quality and parents perception of “brought in” meals. This has been the experience at St John the Evangelist which already receives despatched meals. This will also have a knock on effect with the Every Child Matters & Obesity Strategy
<p><i>Potential Savings need to be costed in detail, but will vary depending on which staff are retained and the number of schools willing to participate in this option is known. Full business case to be undertaken if option is going forward.</i></p> <p><i>How long before any cost benefit is realised?</i> <i>A business case will need to be developed taking on board consultation that will take place with the Schools in the Autumn term. As noted this approach may lead to the Service being universally unpopular with schools as they may wish to retain provision on site as recommended by the Turning the Tables on School Meals report.</i></p> <p><i>What resources will be required to implement the option?</i> Vans and thermos equipment to transport meals. Some production kitchens will need upgrading with more cooking and refrigeration appliances.</p> <p><i>Has this option been successful elsewhere?</i></p> <p><i>Note: Following the publication of the Transforming School Meals paper by the Government in 2005 due to a school meals review, the recommendations are as follows... Recommendation 3..Schools should aspire to achieve the highest quality of provision, which is a hot meal, cooked on site from fresh seasonal ingredients.</i></p>		

	<i>Recommendation 23... The DfES should undertake further work to consider the options for schools which no longer have their own kitchens. Schools and LA`s should be encouraged to reach the highest standards of provision and kitchens should be a priority in all schools capital investment programmes.</i>
--	---

2	Reduction of labour guide scales for staff hours. All kitchens use staffing guide scale on a weekly basis to calculate the following weeks hours needed based on the weeks meals produced. Hours can fluctuate weekly as meals increase/decrease.	
	Strengths <ul style="list-style-type: none"> • Reduction of staff costs • Immediate and easy implementation with minimum disruption to service delivery 	Weaknesses <ul style="list-style-type: none"> • Potential reduced menu options due to less production hours.
	Opportunities <ul style="list-style-type: none"> • Higher Productivity –meals per hour produced. 	Threats/Risks <ul style="list-style-type: none"> • Higher staff turnover, smaller numbers of contracted hours available.
	<p><i>Potential Saving of? Estimated annual savings of £175,000</i></p> <p><i>How long before any cost benefit is realised? Immediate.</i></p> <p><i>What resources will be required to implement the option? Possible redundancy or notice costs due to reduction of some current contractual hours.</i></p> <p><i>Has this option been successful elsewhere? This was done by some authorities very radically and has since been adjusted to allow more hours in kitchens to enable staff to meet nutritional standards and food based standards and customer needs. The guide scale hours proposed are sufficient to continue to meet all required standards.</i></p>	
3	Only provide a cold meal e.g. sandwiches, wraps, fruit etc	
	Strengths <ul style="list-style-type: none"> • Reduction of production costs • Reduced costs to School and Catering • Reduction of appliances/facilities needed e.g. ovens 	Weaknesses <ul style="list-style-type: none"> • Number of those receiving paid school meals may reduce, as parents may not be prepared to pay for cold meal • Restricts choice • Increased Food Costs • Recommendation 3 of Transforming School Meal report states” Schools should aspire to achieve the highest quality of provision which is a “hot” meal. • Redundancies and redundancy cost. • Initial schools to change kitchen layouts and equipment
	Opportunities <ul style="list-style-type: none"> • Sell appliances/equipment no longer needed, again minimal due to old appliance sin some schools 	Threats/Risks <ul style="list-style-type: none"> • Schools may want hot meals also provided and therefore go to a private company or take service “in house” • Reduction in take up having a detrimental effect on child health/

		<p>weight, behaviour and attainment</p> <ul style="list-style-type: none"> • Both schools and parents unlikely to opt to feed children cold food at all times particularly in the autumn/winter term
<p><i>Potential Saving of? Detailed costing can only be provided once meal numbers and participating schools are known.</i></p> <p><i>How long before any cost benefit is realised?</i></p> <p><i>A business case will need to be developed taking on board consultation that will take place with the Schools in the Autumn term. As noted this approach may lead to the Service being universally unpopular with schools as they may wish to retain provision of hot meals as recommended by the Turning the Tables on School Meals report.</i></p> <p><i>What resources will be required to implement the option?</i></p> <p><i>Has this option been successful elsewhere?</i></p> <p><i>Note:</i> Schools' duty to provide nutritious meals Provision of meals Governing bodies are required by law to provide meals to pupils within the school, specifically:</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Free school meals to pupils entitled to receive them (i.e. those whose parents are receiving certain benefits) • <input type="checkbox"/> Paid school meals to other pupils on request <p>For some years, funding for school meals has been delegated to all secondary schools, with other schools able to opt for delegated funding by choice. Delegation of the budget transfers the obligation to provide free and requested meals from the LEA to the school's governing body.</p> <p>Governing bodies have a responsibility to decide on the content and cost of meals, and to ensure that they comply with the minimum nutritional requirements.</p>		

4	Only providing a service for free school meals (Hot)	
	<p>Strengths</p> <ul style="list-style-type: none"> • Reduction in subsidy provided by SBC?? This would need to be checked with a full detailed costing. It might not reduce. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • If still providing meal at no subsidy for those who pay, number of those receiving paid school meals may reduce, as parents who cannot afford to pay full cost may send children to school with packed lunch • Does not support the Obesity Strategy or the Council's objective to promote healthier lifestyles • Conflicts with the Transforming School Meals report • Will disadvantage low income families who do not qualify for free school meals • Many vans and despatch equipment would need to be purchased and in some cases may only be delivering 5 meal in a school with low FSM entitlement, this is not financial viable in schools with low FSM numbers. • Redundancies and the cost of redundancies
	<p>Opportunities</p> <ul style="list-style-type: none"> • Move to production kitchens to provide meals for all schools. 	<p>Threats/Risks</p> <ul style="list-style-type: none"> • Quality of food may be reduced if moved to a production kitchen • Reduction in take up having a detrimental effect on child health/ weight, behaviour and attainment • Costs of service in each school to deliver the meal to pupils will be huge due to low fsm numbers on most sites • Meals takeup will decrease due to reduced quality and parents perception of 'bought in' meals. This will also have a knock on effect with the Every Child Matters & Obesity Strategy. • There is a risk of stigma towards free school meals children as they are no longer anonymous as they are the only children receiving meals in schools could result in increased bullying. Therefore meals would decrease further and seriously disadvantage children entitled to a free meal • Massive redundancy costs.
<p><i>Potential Saving of? Detailed costing can only be produced once meal numbers and participating schools are known.</i></p> <p><i>How long before any cost benefit is realised? Following consultation,</i></p> <p><i>What resources will be required to implement the option? Potentially additional transport</i></p>		

	<p><i>offset against staff saving costs</i></p> <p><i>Has this option been successful elsewhere</i></p> <p>Note: Schools' duty to provide nutritious meals Provision of meals Governing bodies are required by law to provide meals to pupils within the school, specifically:</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Free school meals to pupils entitled to receive them (i.e. those whose parents are receiving certain benefits) • <input type="checkbox"/> Paid school meals to other pupils on request <p>For some years, funding for school meals has been delegated to all secondary schools, with other schools able to opt for delegated funding by choice. Delegation of the budget transfers the obligation to provide free and requested meals from the LEA to the school's governing body. Governing bodies have a responsibility to decide on the content and cost of meals, and to ensure that they comply with the minimum nutritional requirements.</p>
--	---

5	Only providing a service for free school meals (Cold)	
	<p>Strengths</p> <ul style="list-style-type: none"> • Nil cost to SBC – Needs to be costed and SLAs agreed with Schools 	<p>Weaknesses</p> <ul style="list-style-type: none"> • If still providing meal at no subsidy for those who pay, number of those receiving paid school meals may reduce, as parents who cannot afford to pay full cost may send children to school with pack lunch • Does not support the Obesity Strategy or the Council's objective to promote healthier lifestyles • Conflicts with the Transforming School Meals report • Will disadvantage low income families who do not qualify for free school meals Meal take up will decrease do to reduced quality and parents perception of "brought in" meals. This will also have a knock on effect with the Every Child Matter & Obesity Strategy
	<p>Opportunities</p>	<p>Threats/Risks</p> <ul style="list-style-type: none"> • Quality of food may be reduced if moved to a production kitchen • Reduction in take up having a detrimental effect on child health/ weight, behaviour and attainment • The only viable way to deliver this option would be to outsource the provision of cold free meals • Major Redundancy Costs

	<p><i>Potential Saving of? Detailed costing can only be provided once meal numbers and participating schools are known.</i></p> <p><i>How long before any cost benefit is realised? Following consultation period</i></p> <p><i>What resources will be required to implement the option? Major Redundancy Costs.</i></p> <p><i>Has this option been successful elsewhere?</i></p> <p>Note: Schools' duty to provide nutritious meals Provision of meals Governing bodies are required by law to provide meals to pupils within the school, specifically:</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Free school meals to pupils entitled to receive them (i.e. those whose parents are receiving certain benefits) • <input type="checkbox"/> Paid school meals to other pupils on request <p>For some years, funding for school meals has been delegated to all secondary schools, with other schools able to opt for delegated funding by choice. Delegation of the budget transfers the obligation to provide free and requested meals from the LEA to the school's governing body.</p> <p>Governing bodies have a responsibility to decide on the content and cost of meals, and to ensure that they comply with the minimum nutritional requirements.</p>
--	---

6	Increasing the cost of the school meal for those who pay	
	<p>Strengths</p> <ul style="list-style-type: none"> • Decreases the subsidy provided by SBC 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Number of those receiving school meals may reduce, as parents who cannot afford to pay increased rate may send children to school with packed lunch • Disadvantage low income families who are not entitled to Free School Meals.
	<p>Opportunities</p> <ul style="list-style-type: none"> • 	<p>Threats/Risks</p> <ul style="list-style-type: none"> • Reduction in take up having a detrimental effect on child health/ weight, behaviour and attainment • Major decrease in meal uptake therefore cost will increase overall to the service. • Historical drop in meal numbers due to price increase.
	<p><i>Potential Saving of:-</i></p> <p><i>Assuming no reduction in pupil paid meal numbers, the potential additional income per annum at the following prices are:-</i></p> <p>£1.90 - £40,000 £2.00 - £120,000 £2.10 - £200,000</p>	

	<p><i>Price from September 2010 is £1.85 per meal.</i></p> <p><i>How long before any cost benefit is realised? Depends on the date price increase will take affect from.</i></p> <p><i>What resources will be required to implement the option? None</i></p> <p><i>Has this option been successful elsewhere? No, other authorities have significantly increased meal price to parents and due to the huge loss of paid meals have since reduced the cost to the customer.</i></p>
--	--

7	Do not carry out/reduce the “added value” work	
	<p>Strengths</p> <ul style="list-style-type: none"> • Reduce staffing cost • Revised management Team structure 	<p>Weaknesses</p> <ul style="list-style-type: none"> • May lead to a reduced uptake in schools meals • Does not support the Obesity Strategy or the Council's objective to promote healthier lifestyles • Potential redundancies
	<p>Opportunities</p> <ul style="list-style-type: none"> • Greater involvement of schools in educating children about healthy eating 	<p>Threats/Risks</p> <ul style="list-style-type: none"> • Potential negative effect on the teaching of healthy eating and nutrition to children
	<p><i>Potential Saving of? Potential saving of up to £50,000 in salary costs</i></p> <p><i>How long before any cost benefit is realised? 2011/12</i></p> <p><i>What resources will be required to implement the option? None</i></p> <p><i>Has this option been successful elsewhere?</i> <i>Note. Recommendation 12 of TSM report</i> <i>Catering Staff need to be central to the whole school approach. Their practical skills should be valued and utilised to the full and they should be represented on groups like “School Nutrition Action Groups”. In Stockton this recommendation is met by on site staff and area managers.</i></p>	

8	Partnering with Darlington BC	
	<p>Strengths</p> <ul style="list-style-type: none"> • Reduced management costs – minimal saving • Pooling of resources and shared expertise • Savings through economies of scale and joint procurement? Prices already purchased through NEPO • Shared services can retain the ability to respond to local need and democratic control 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Possible loss of local control and accountability • Possible set up costs • Potential difficulties in consolidating different working practices/ fees etc.

<p>Opportunities</p> <ul style="list-style-type: none"> • Potential to work well between councils that have a history of effective joint working, similar political viewpoints, shared objectives, and similar issues facing the areas covered by the partners. 	<p>Threats/Risks</p> <ul style="list-style-type: none"> • Potential dip in performance during transformation period • The commitment of partners would need to be for the long term. • Poor communication and decision making can affect the success of an established partnership.
<p><i>Potential Saving of? The potential saving are difficult to ascertain at this stage as a full business case would need to be completed.</i></p> <p><i>How long before any cost benefit is realised? Following any redundancies</i></p> <p><i>What resources will be required to implement the option? Potential redundancy costs</i></p> <p><i>Has this option been successful elsewhere?</i></p>	

9	Outsource School Meals Service	
	<p>Strengths</p> <ul style="list-style-type: none"> • Reduction / removal of Council subsidy 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Would be difficult to control the quality of the food provided in schools by the contractor • Kitchen staff would ultimately have reduced terms and conditions (not SBC issue?) • Client role would be required
	<p>Opportunities</p> <ul style="list-style-type: none"> • 	<p>Threats/Risks</p> <ul style="list-style-type: none"> • Probable reduced take up due to possible additional cost of school meal • Reduction in take up having a detrimental effect on child health/ weight, behaviour and attainment • Costs and subsidy required by the private sector are not identified until the tender process is implemented. • Potential Council subsidy required if tenders are not affordable
<p><i>Potential net saving of £300K in direct costs. There should also be additional savings through indirect costs such as HR support, which will need to be established if this option is approved.</i></p> <p><i>How long before any cost benefit is realised?</i></p> <p><i>What resources will be required to implement the option?</i></p> <p><i>Has this option been successful elsewhere?</i></p>		