

21 January 2015

Agenda Item: 8**REPORT OF SERVICE DIRECTOR, TRANSPORT, PROPERTY &  
ENVIRONMENT.****TRADING SERVICES: SCHOOL MEAL PRICES 2015/2016 AND BUILDING  
CLEANING CHARGES FOR 2015/17****Purpose of the Report**

1. To seek approval of the Committee to new school meal prices to be charged to schools and academies, charges for the building cleaning services provided by the County Council.

**Information and Advice**

2. The Environment & Resources Department provides a range of Catering & Facilities management services to schools and academies across the county. Income for the service trading account comes from academies/schools and other departments. The financial objective of these services is to achieve full cost recovery and break-even.

**School Meal Prices 2015/16**

3. Traditionally the primary school meals service has operated on a group buy-back basis; which means the school meal selling prices are the same across the board. However, quite a number of schools who self-manage the service or academies/secondary sector managed by NCC set their own selling prices. These currently range from £2 to £2.50
4. It should be noted that schools are charged for the service through a combination of the charges for free school meals ordered and allowances/grants schools get from the Government for school meals. In addition schools are responsible for the receipt and accounting of all cash income.
5. The business operating model for the service in academies/secondary school sector is based on individual service level agreements with schools. Any surpluses made are either reinvested in the service or returned to schools after the cost of the service has been paid for to NCC. In effect NCC bears the commercial risk of controlling costs, and risks on overall profitability rest with individual schools.
6. The decision on the school meal price now rests with schools rather than the County Council. In view of this it is considered appropriate that in future NCC determines the price schools will pay to the County Council as a service provider as opposed to what the prices are charged to pupils.

7. Accordingly it is proposed that the cost of the school meals provided by NCC to is set at £2.15 (currently £2.10) a meal from the Summer Term 2015 with a recommendation that academies and schools set the meal prices to pupils at the same level.

### **Building Cleaning & Grounds Maintenance 2015/16 and 2016/17**

8. It is proposed that the prices increase by 3% for each of the next two years (in total 6% increase) to recover the increased cost of the service.
9. The two year pricing strategy is aimed at achieving an overall break-even financial result for the Catering & FM trading services.

### **Other Options Considered**

10. Not revising the school meal prices and Building Cleaning & Grounds Maintenance charges to schools would not recover the increased costs of the service and will result in a financial deficit which would fall on NCC at the expense of other spending priorities of the Council.

### **Reasons for Recommendation**

11. The increase in charges will allow the service to recover costs.

## **Statutory and Policy Implications**

12. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **Financial Implications**

13. The financial implications are contained within the body of the report.

## **RECOMMENDATION**

1. That the Committee approves the pricing structure for the School Meals and Building Cleaning and Grounds Maintenance Services and as outlined in the report.

**Jas Hundal**

**Service Director – Transport, Property & Environment**

## **For any enquiries about this report please contact:**

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## **Constitutional Comments**

This report is for noting only no Constitutional Comments are required

## **Financial Comments (TMR 19/12/2014)**

The financial implications are set out in the report.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

**None**

Electoral Divisions and Members Affected

**All**