



Briefing 10-02 January 2010

Education Catering: Trend analysis

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

- Primary school meal paid uptake across the UK appears to be showing modest gains to 38.5% of pupils although secondary school uptake has fallen further to 34.5%.
- The average cost of a meal nationally stands at £2.56 against an average cost to the pupil of £1.65 representing a subsidy of £0.82 per paid meal served.
- Productivity continues to rise although staff costs are rising due mainly to the implementation of job evaluation

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, builds on those produced over the last five years and aims to provide authorities with a picture of what the service trends are, what this infers and what further activity and analysis individual participating authorities and their benchmarking groups could consider.

As with previous years, the analysis is based on service wide averages across all family groups for 2008/09, but also highlights variances on certain KPIs 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 £1.65 and £1.79 respectively for 2008/09, representing increases that have been marginally above inflation across the UK in the last year.

The average price of a primary (junior) meal rose by 5p in England to £1.69 and 4p in Scotland to £1.58. The largest rise was in Wales where an 8p rise took the average charge to £1.68. The Free Meal Allowance in secondary schools rose by 9p in England to £1.81 and again, by a much smaller margin of 2p to an average of £1.72 in Scotland. Again, the largest rise was in Wales where an 12p rise took the average to £1.90

Service uptakes

All regions have seen a two year rise in free meal take-up since the low of 70% across the UK in 2006/07, last year's rise being circa 4% in each region to achieve 74% in England, 69% in Scotland and 79% in Wales.

After a three year fall, paid meals across all schools showed a very marginal increase in 2007/08 and a similar (0.2%) increase in 2008/09. Regional analysis shows that this rise has in fact been in the order of 2% in England and Scotland (largely from within the Primary Sector), offset by a fall of circa 4% in Wales. The average for all schools in England, Scotland and Wales now show 36.1%, 37.0% and 38.9%, Wales having fallen from circa 43% in 2007/08.

Only Scotland has avoided a fall in paid meals within the Secondary Sector, maintaining an average 34.7% against England's 32.7% (a fall of 0.5%) and 40.9% in Wales which is never the less, significantly down on their previous years return.

In summary, we appear to be seeing a confirmation that previous falls in the Primary Sector have bottomed out and that it is the more recent introduction of nutritional standards in the Secondary Sector, which now presents the greatest challenge to schools and service providers in maintaining meal take-up against local and national targets for this service.

Against this, it is notable that the Government backed free school meals initiative for Primary 1 – 3 launched in Scotland this year and the pilot schemes operating in 3 English authorities from September 2009, are still very much aimed at increasing take-up in the primary sector, having fallen far short of the targets set at the outset of the respective regional campaigns for this service.

Key cost indicators

With only a recent and small increase in service uptakes, (and the end of H4S funding in Scotland), authorities across the UK have continued to focus on containing rising 'unit' (meal) costs during the last year. Scotland has in fact show a reduction in average meal costs for the year 2008/09 as evidenced by this and other key cost indicators below:

The UK average total service cost/meal (PI 12) has remained at the 2007/08 'second batch' figure of £2.51, with a fall in Scotland from £2.79 to £2.62 and only a 3p rise in England to £2.43. Reflecting the fall in take-up, Wales has seen the greatest rise - circa 5% or 11p per meal, to an average of £2.49 for 2008/09.

Primary food only costs (excluding drinking milk) have remained directly in line with the figures reported in 2007/08, the average for each region being 65p in England, 60p in Wales and 74p in Scotland. This tends to support now widely held belief that further investment in the quality of the food offer will not in itself, generate interest in children or act as a driver to increase meal take-up.

Against the containment of food costs, labour (as a proportion of direct meal costs) has continued to rise in England and Wales by circa 14 and 17p respectively. By contrast, Scotland has seen a fall of around 8p per meal in the labour element of their direct costs.

Productivity

Despite the rise in direct labour costs, England and Wales have maintained last year's trend of rising productivity (following the sharp fall between 2004 and 2006), with the number of meals served per staff hour in the primary and special sectors increasing by 0.4 to 8.7 in England and by 0.9 to 9.5 in Wales. In Scotland, the figure of 7.1 for 2008/09 shows no material movement on the previous year.

Staffs cost ratios in the secondary sector have risen slightly (circa 1%) in Scotland and Wales and have fallen by a similar margin in England to maintain the UK average reported in 2007/08 being 47.7%

QA and stakeholder consultation (PI 23) and human resources (PI 24)

Last year, we reported that the scores for QA and Stakeholder consultation had levelled off (following a consistent rise over the previous 8 years) and despite a wide spread view that we need to engage more effectively with children, these scores have fallen for the first time by an average of 3 points in each region to a figure of 41.8 for 2008/09.

By contrast, there has been an increase averaging 2.5 points across the UK in the 'Human Resources' score, the figure for 2008/09 being 53.7. The greatest increase in this score was seen in Wales (from 49.2 to 56.8) perhaps reflecting their higher than average increase in direct labour costs per meal and their continued focus on training in food nutrition and health (see below).

Nutrition and healthy eating

After a sharp rise in the number of staff trained in food nutrition over the 3 years to 2007/08, only Wales has reported a further and substantial increase (circa 19%) to achieve a total of 67% in 2008/09. Scottish Authorities have reported the sharpest fall (circa 16% on 2007/08 figures) and a 6 point fall in England brings the UK average to circa 45%

This may reflect the drawing in of indirect (or previously grant funded) support costs but it should also be noted that the range of percentages being reported to the programme range from all staff (100%) to as low as 1 member of staff and accordingly, small changes in the number or profile of annual submissions, can result in a marked change in the regional and service wide averages for this PI.

The percentage of schools holding the regional variations of a 'Healthy Schools' award has risen from 46% in 2005/06, and by a further 15% between 2007/08 and 2008/09 to now sit at just over 86%. Again, Wales achieves the highest percentage of just under 92% and 20% of all authorities report this attainment by all of their schools.

During the last year, the programme has started collecting data on the number of schools offering a breakfast (funded in Wales by the Welsh Assembly Government) and or after school service. As a percentage of all schools, the regional totals for these services were:

	England	Scotland	Wales
Breakfast	13.7%	17.7%	36.8%
After school	2.4%	3.4%	0.3%

Sustainable procurement and the environment

Having reported some key outcomes under this heading for the first time last year, the following highlights some notable changes in 2008/09 against the previous year's base line:

	2007/08	2008/09
Percentage of authorities using local/regional suppliers for more than 10% of total food purchases	42%	60%
Average percentage of total food purchased from Local/Regional Suppliers	41%	39%

With the large increase in the number of authorities using local and regional suppliers, it is not surprising that the average percentage of total food purchased in this way has fallen slightly. It is also worthy of note that some Authorities now buy most of their food products from local suppliers and/or SMEs

In 2008/09, 53% of authorities report having a sustainable procurement policy and a further 17% are working towards it. 23% have a specific 'environmental policy' relating to catering operations and a similar percentage are working towards one. These are both significant increases on 2007/08.

In 2007/08, only 2 Authorities (3%) reported having a specific energy/ water conservation policy operating in all schools. This has risen to 51% in 2008/09 and a similar percentage have some level of recycling relating to catering waste in all of their schools.

Interpretation of data

Analysis of these trends and other data tends to support the following key observations:

During the last year, we have seen a clear acknowledgement by local / regional government and related agencies, that initial targets set for school meals have not been and are unlikely to be realised by further investment in food and craft skills alone. From an initial point that 'parents should pay more', the focus now is increasingly on 'affordability', both for parents and in terms of managing total service costs, and this has been reflected in the 2008/09 outcomes above.

Investment in food, staff hours and other 'service improvement' areas started to level out in 2007/08 and the total spend in these areas has reduced in real terms over the last year.

Against rising staff costs (not least associated with Single Status and Job Evaluation), productivity is now showing a marked up turn following the sustained investment in craft / nutritional skills over recent years. The national focus on the environment and sustainable procurement is also reflected in the data returned for 2008/09.

There is still a clear focus on increasing meal take up, in part, to improve the financial viability of individual services but importantly, to contribute to child health outcomes. The free meal initiatives currently receiving regional government support are designed to achieve and measure this contribution, but the costs are significant and will no doubt be weighed against these outcomes in terms of affordability and the way in which the service is funded in the future.

Future focus

Last year, we reported that:

For many agencies and observers in the school meals and related child health arena, 2008 was indeed a year of realisation that investment in food, nutrition and service 'standards' may not in itself have been a key driver in improving meal uptakes. Indeed, many catering providers and informed observers have been of the view that the ridged application of 'nutritional balance' within school menus has and will continue to dissuade many pupils from using the service and that this requirement must be accompanied by a greater focus on 'affordability' and a better level of engagement with pupils (and parents) within and beyond current curriculum and marketing activity.

2008/09 has seen an increased focus on the roll of 'education' in supporting the take up of healthy school meals, both in terms of the curriculum and through more local support in the 'marketing' of food and the dining environment at individual schools.

For most local authorities, schools and service providers, the current financial environment will however, necessitate a renewed focus on 'efficiency' and 'value

for money' and the APSE performance networks programme will continue to be developed to support measurement of both financial and other indicators relating to the environment, sustainability and social factors affecting the diet and wider health and wellbeing outcomes for children. APSE performance networks is now the acknowledged partner for education catering performance measurement with the Welsh Audit office centring around their Appetite for Life programme and providing an increased coverage on a range of PIs.

APSE will also continue to work with national bodies and agencies engaged with or who can impact upon this service at a strategic level and at the cross over with the health, fitness and lifestyle of younger people.

In 2004 the Gershon efficiency agenda in England and Northern Ireland, paralleled with the Scottish Governments efficiency programme and Making the Connections in Wales, set out the process for creating greater efficiencies from public services. Since 2004, local government has over-reached the targets set and new targets of some £35 billion now exist for England, and in the next Spending Review period additional efficiencies to help support the economy and front-line services rising to £9 billion by 2013-14. The outcome of the Scottish Spending Review confirmed the Scottish target to deliver 2% increasing cash-releasing efficiencies each year, would amount to £1.6 billion in 2010-2011. Within Wales, the annual local government settlement discussions assume a 1% efficiency saving from the revenue support grant which equates to approximately £38m per annum. In order to achieve improvements in the quality and efficiency of public services in more challenging economic times, innovation and service redesign are deemed critical to achieving 'more for less'. Performance management within the public sector is seen as a means of ensuring the best use of limited resources and is therefore becoming more important to the future of local government.

The recent HM Treasury '**Operational Efficiency Programme**' has taken a close look at achieving greater efficiency in a number of cross-cutting areas. A number of themes emerged throughout the programme, building on the best of private and public sector practice to achieve:

- **consistent, comparable data** – organisations need consistent, comparable data to be able to benchmark their performance against others to know whether the services they deliver constitute good value for money. Both public and private sector best practice should be used to raise standards
- **incentives** – an effective system of incentives and sanctions across the public sector would create the right conditions for all organisations and individuals to maximise their contribution to the delivery of high quality public services in an efficient manner
- **structures and tools** – the right structures (e.g. shared service centres and professional buying organisations) and tools (such as software which allows access to collaborative procurement deals) need to be in place to help organisations and their staff achieve the savings they are being asked to achieve

- **accountability and performance management** – organisations should have the flexibility to decide on the most appropriate methods of delivering savings, suited to their circumstances, but all elements of the public sector must respond to the efficiency challenge. To maximise the benefits across the public sector, there is a need for robust, proportionate accountability mechanisms. With consistent, comparable data, those who are currently under-performing can be identified and supported to improve quickly

Source: HM Treasury website, 2009

In order to claim efficiencies under the Efficient Government initiative, Audit Scotland have reiterated the need for councils to demonstrate that service outcomes have been maintained or improved, and to evidence the link between resources and performance measurement. In Wales, the new local government (Wales) measure reinforces the importance of benchmarking and legislates for local authorities to have a duty to compare their performance using the most appropriate performance data. In Northern Ireland, Environment Minister Arlene Foster's statement to the Assembly in March 2008 on the future shape of local government highlights the need for performance management to deliver modern, high quality and efficient public services.

Across the UK, public sector performance management will form the basis of achieving efficiencies and value for money within local government. Performance management is about how the best use can be made of limited resources to maximise performance in terms of both cost and quality. Local robust performance measurement tools are increasingly being recognised as a means for improving services and as a result systems that have been developed and refined over the years by local authorities such as APSE's performance networks will be a more invaluable tool than ever.

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