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RECOMMENDED SELLING PRICE FOR A JUNIOR MEAL 2016/17

Report of the Director of Children's Services

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1. Purpose

- 1.1 To seek agreement in the context of a National Funding Formula for 2017/18 to cease setting a recommended price for a Junior Meal from September 2016.

2. Summary

- 2.1 In the context of a rapidly changing political and financial landscape for schools, this paper considers the continuation of Schools Forum setting a recommended meal price in the primary sector.

3. Recommendation

- 3.1 Given a significant split in Junior Meal selling prices, In 2015/16 and a National Funding Formula being introduced from 2016/17, Forum ceases to recommend a Junior Meal price.
- 3.2 Schools are advised to set their selling price to cover the charge per meal made by their catering partner plus overheads as calculated at a local level.

4. Background

- 4.1 In previous years, Schools Forum has recommended meal price for junior meals. Prior to 2015/16 this was set at the charging price of an

HCL meal. In 2015/16 recognising the direct costs in meal production borne by schools, a differential of 10p between the HCL selling price per meal was £2.20 and the recommended meal price £2.30 was agreed by Forum.

- 4.2 55% of schools adopted the recommended selling price of £2.30 and 45% adopted a selling price of £2.20 to mirror the HCL charging price. It was expected that more schools would adopt the recommended selling price given increased financial pressures.
- 4.6 The strategy presented in the 2015 School Meal Price Allocation Paper following consultation with schools was “That the recommended selling price is increased incrementally over the next three years to reflect the actual costs of school meal services.” Based on this recommendation, the recommended meal price would increase by around 5p in 2016/17 and 2017/18 when the £2.40 would be reached.
- 4.7 It is noted that HCL will increase their school meal charge to £2.25 per meal from September 2016 to 31 March 2017. The primary driver of the cost increase being the impact of the National Minimum Wage and the National Living Wage.
- 4.8 There is currently a 10p (around £19 per year) difference charged in the selling price of almost half the schools in Hertfordshire, increasing the recommended selling price in 2016/17 in line with the original strategy to £2.35 is likely to result in this differential remaining and undermines the case for having a recommended selling price.
- 4.9 Given that HCL are seeking to review their pricing structure beyond 31 March 2017, the LA is expected to step-back from its role in education and primary schools will start to form and join MATs, it seems sensible to enable schools to set a meal price that enables them to best meet their transitional needs.

5. Recommendations:

- 5.1 Noting the points above, and in particular, the significant split in meal prices, it is recommended that that Forum ceases to set a selling price for a Junior Meal and schools move to determining their own meal price at school level.