

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

7th July 2011

REPORT OF THE CORPORATE DIRECTOR - CHILDREN

SCHOOL CATERING: OPT OUT FOR SCHOOLS

1.0 Purpose of the report

1.1 The purpose of this report is to provide further information to the Committee in relation to:

- the circumstances which led to the decision by three secondary schools to opt-out of the Catering Service and
- the arrangements in place in respect of liability, responsibility and quality control.

2.0 Connection to Corporate Improvement Objectives / Other Corporate Priorities

2.1 These proposals support many of the Corporate Themes and in particular:

- Healthy living
- Young Voices

3.0 Background

3.1 At their meeting held on 3rd April the Audit Committee received the completed audit in respect of the Catering Service. The Committee noted that there had been a reduction in income over the last three years attributable, in part, to the opting out of the service by three secondary schools. The Committee also expressed concern about the lack of clarity over where liability would lie in the case of an incident such as food poisoning in one of the opted-out schools.

3.2 The Committee noted the report and requested a further report from the Corporate Director - Children detailing the circumstances which led to the decision by three secondary schools to opt-out of the Catering Service, and the arrangements in place in respect of liability, responsibility and quality control.

4.0 Current Situation / Proposal

4.1 Bridgend County Borough Council has a very successful school catering service, with an excellent track record with regards to meal production, food safety and quality audits spanning 15 years.

4.2 The School Catering Service provides a service in schools and has an operational service level agreement (SLA) which governing bodies are encouraged to sign up to. However, under local management of schools regulations, the governing bodies of secondary school have the right to opt out of the local authority's SLA and to make their own provision of school meals. Historically the SLA was offered to schools on an annual basis but as from April 2010 the SLA is for a period of 3 years with an option to opt out subject to a 12 month period of notice.

- 4.3 The SLA sets out the roles and responsibilities of all parties, including audit monitoring and handling supplier complaints. Schools opting in to the SLA effectively remove, by transferring these to the Catering Service, the risks and the responsibility for adherence to the wide range of external requirements, e.g. nutritional standards, food hygiene, product assurance, staff training and management.
- 4.4 There are several cost elements that make up the cost of a school meal but generally they are; equipment, transport, food, staffing hours, consumables (utilities, paper, disposable products, cleaning materials), overhead management and central establishment charges. The schools' Catering Service also carries the risk of non-payment of dinner monies due to bad debt.
- 4.5 Bridgend's Financial Scheme for Schools delegates funding in respect of school meals for all secondary schools but it remains optional for primary and special schools. The funding allocation to each school with a delegated school meals budget is in three parts:
- an allocation based on free meal entitlement as at January preceding the start of the financial year. This is expressed as £x per pupil entitled to free meals;
 - a further allocation based upon gross pupil numbers as at January preceding the start of the financial year. This is expressed as £x per pupil;
 - additionally each school will also receive a lump sum, weighted to reflect the different provision and responsibilities at each school.
- 4.6 For schools that opt in to the SLA, the Authority operates an Income Sharing Scheme where 3% of income received is redistributed to the school at the end of the financial year.
- 4.7 Increasingly school are facing budgetary pressures with headteachers and governing bodies looking at options to generate additional income. One option has been to opt out of the SLA and run the catering operation in house thereby retaining all the income and operating profit. The schools which have exercised this right are:

School	Date opted out
Porthcawl Comprehensive School	April 2008
Pencoed Comprehensive School	April 2010
Maesteg Comprehensive School	September 2010

- 4.8 The three schools that have opted out stated that they were not dissatisfied with the quality of the service provided by the School Catering Services, but rather they were keen to maximise profit and felt that an in house service would be better placed to enable the school to respond to the precise needs of the school and its pupils.
- 4.9 The Welsh Government's Appetite for Life main aim is to improve pupils' lunches by replacing junk foods high in fat, sugar and salt with more nutritious and nourishing food and drinks, that may prove to be less popular with secondary pupils and could influence take up and profit margins. There are increasing links being drawn between diet, behaviour and the ability to concentrate to learn and achieve. It is therefore very important that school lunches are healthy, safe and meet the Appetite for Life nutritional guidelines. An added incentive for schools to comply is that Estyn inspections now include judgements on food and school meals. The

quality of school meals will therefore impact on the overall assessment of school performance. In the financial year 2008/09, the Welsh Local Government Association produced a Saffron nutritional analysis database for Local Authorities and opted out caterers under grant funding for that year for the schools they are responsible for. Only Porthcawl Comprehensive, of the schools that have opted out, has access to the database due to the timing of the availability of the grant funding in 2008/09. At the time, they were the only opted out school.

- 4.10 'Opted out' schools face additional responsibilities and risks as governing bodies are responsible for the delivery of all aspects of the catering service in their capacity as a food business operator. These include food hygiene, procurement and the maintenance of nutritional standards.
- 4.11 In respect of food hygiene opt out schools must have a HACCP system in place which identifies hazards and critical control points and a structured maintenance programme for equipment. Schools will also be responsible for:
- reviewing food preparation areas including contact surfaces, work tools and equipment;
 - the disposal of waste products;
 - the personal hygiene of staff;
 - all packaging of foods and contamination of products;
 - staff training.
- 4.12 Opted out schools will face food hygiene inspections that will be conducted in accordance with the risk rating scheme defined in the Food Law Code of Practice (Wales) 2008. The code specifies the frequency of inspection based on the risk score of the food business. When a premises is inspected its risk assessment will be recalculated based on the inspector's findings. This will result in some movement of premises between risk categories. Premises with improved performance will move to lower risk categories and under-performing business will move to higher risk categories and receive more frequent inspections.
- 4.13 With regards to procurement, opt out schools must also ensure that they:
- comply with EU Procurement Directives;
 - take advantage of collaborative economies of scale;
 - undertake third party supplier audits;
 - have product traceability; and a
 - complaints procedure.
- 4.14 In relation to nutritional standards, 'opted out' schools must ensure that they comply with the Appetite for Life Food Based Standards and the Appetite for Life Nutritional Standards. Furthermore the Healthy Eating in Schools (Wales) Measure 2009 specifies that school governors are required to report what steps have been taken to promote healthy eating in the school.
- 4.15 Following the E-Coli outbreak in 2005 a Public Inquiry was held, chaired by Professor Hugh Pennington. The report published in March 2009 not only focused attention on the preparation and delivery of school meals but also highlighted that the system for contract monitoring was not operated properly and the system for recording complaints was seriously flawed. In accepting responsibility for the provision of school meals the governing bodies of the 'opted out' schools need to be mindful of the recommendations contained in the Report.

- 4.16 The local authority retains certain responsibilities for the provision of large scale kitchen equipment and also some health and safety functions and in the event of a similar E-Coli outbreak media attention would, no doubt, focus on the authority as well as the school concerned.
- 4.17 The School Catering Service is able to offer a SLA to the 'opted out' schools covering the provision of a catering consultative / advisory service for all aspects of food production and delivery This would include:
- a supplier complaints procedure and complaints monitoring system that is compliant with procurement requirements;
 - bi-annual quality assurance food audits to ensure food safety and legislative requirements are met.
- 4.18 To date, there has been some discussion with headteachers about the availability of a quality assurance service. Managers now intend to offer the Service Level Agreement that has been developed.
- 4.19 The last inspection of Porthcawl Comprehensive School in December 2009 resulted in the issue of a Silver Welsh Food Hygiene Award. The inspection of Maesteg Comprehensive School in March 2010 resulted in the issue of a Bronze Welsh Hygiene Award. The inspection of Pencoed Comprehensive School in May 2010 resulted in the identification of the need for a written food safety management system as this was the first inspection completed after the change over. All three schools are due for inspection during this financial year at which time an assessment will be made for the appropriate Food Hygiene Rating Score to be given.

5.0 Effect upon Policy Framework and Procedure Rules

There is no effect upon the policy framework or procedure rules.

6. Equalities Impact Assessment

6.1 There are no equality issues.

7.0 Financial implications

7.1 There are no financial implications

8.0 Recommendation

8.1 That the Committee notes the report.

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