

Children and Families Committee

12 February 2024

Future Options for the School Catering Service

Report of: Deborah Woodcock, Executive Director Children's Services

Ward(s) Affected: All

Purpose of Report

- 1 This report sets out the findings in relation to the options, risks and issues for the future delivery of the catering service to remove the current subsidy from the council. It seeks a decision from members on the future delivery of this service.

Executive Summary

- 2 Schools are responsible for the provision of school food and must provide a school lunch for pupils where a meal is requested and either the pupil is eligible for free school lunches, or it would not be unreasonable for lunches to be provided. Cheshire East schools currently have a number of different arrangements for the provision of their school meals, including some that buy back from Cheshire East's Catering Service or use another third party provider and some who provide school lunches themselves.
- 3 Cheshire East's Catering Service (operating under the name of Fresh) currently provides a traded service to 87 schools (82 primary schools, 4 special schools and 1 pupil referral unit) to deliver lunches/snacks.
- 4 In recent years this service has been operating with a subsidy from the council. However, as a non-statutory function, and given the financial position of the council, the catering service needs to be self-financing or cost-neutral to the council.
- 5 There has been increasing pressure on the catering budget due to food and transport inflation and pay rises that have impacted on running costs. Although in previous years, the school catering service operated at a profit, which benefited the council, in more recent years there has been a shortfall between income and expenditure. In 2023-24, the school catering service budget includes £515,580 of council base budget. Forecasts as at quarter 3,

suggest that there is an estimated pressure on the budget of approximately £422,955, so an overall projected subsidy of approximately £938.5k.

- 6 The cost of a school meal was increased from January 2024 to £2.53 for a free school meal (in line with the amount received by schools from the government) and a 15% increase for paid meals. Prior to this, prices had not been increased since before 2019. The January increase should offset this year's school catering shortfall by approximately £207,600 and provide a full year increase of £709,900. However, the increased charge will not support its long term viability. Further action is required for the service to be self-financing.
- 7 An external review of the school catering service carried out by APSE (Association for Public Service Excellence) was completed in April 2023. This set out five priority area to improve the existing service. The report stated that once the management team are delivering to their roles, the service has broken even and service development has recommenced, there are several delivery models that could be considered. The report did not fully explore these models or recognise the full extent of the council's subsidy.
- 8 Ensuring that our most vulnerable children have access to nutritious food is important. However, analysis by the Public Health Team shows no clear correlation between poverty levels and the catering service operating in the school. Additionally, no correlation could be drawn between excess weight and the school catering service. As a result, changes to the subsidy may have an impact on some of the schools most challenged by poverty and excess weight, but not all. Additionally, from a strategic perspective, the funding has not been sufficiently targeted to the high poverty areas, meaning there is an argument that we have not been subsidising our most vulnerable children through this service during a period of high need.
- 9 It is now essential to make a decision on the council's proposed approach to remove the subsidy to the catering service which, based on the review of options at Appendix 1 and result of a survey to schools, is to cease trading at the earliest opportunity.

Recommendations

The children and families committee is recommended to:

- a. Consider the assessment of options at Appendix 1 and approve the preferred option to cease Cheshire East's Catering Service.
- b. Approve the proposal to enter into discussions with those schools who buy into the service to cease the provision by the end of December 2024, if possible;
- c. Delegate authority to the Executive Director of Children's Services to make all necessary arrangements for the council to cease trading the catering service to schools and any further price increases required to limit the financial pressure to the council;
- d. Note that it will receive a progress update report in September 2024.

Background

- 10 The responsibility for the provision of school meals currently sits with individual schools. A school lunch must be provided for pupils where a meal is requested and either the pupil is eligible for free school lunches, or it would not be unreasonable for lunches to be provided. Governing bodies are able to decide the form that school lunches take, but must ensure that the lunches and other food and drink provided meets the school food standards. Cheshire East schools currently have a number of different arrangements for the provision of their school meals, including some that buy back from Cheshire East's Catering Service or use another third party provider and some that provide school lunches themselves.
- 11 Cheshire East's catering service currently provides over two million meals each year and supports 87 schools (82 primary, 4 special schools and 1 pupil referral unit) through a traded service to deliver nutritious and healthy daily meals to young people. Historically, each school has paid a different amount for its school meal service, dependent on demand, i.e., those who have the most children taking a school meal have paid a lower price.
- 12 As a traded service to schools and a non-statutory duty of the council, it is expected that the school meals service is fully funded from income from schools. Although in previous years, the school catering service operated at a profit, which benefited the council, in more recent years there has been a shortfall between income and expenditure. These shortfalls have been met by other council funding streams.
- 13 The universal infant free school meals (UIFSM) grant provides funding for all government funded schools to offer free school meals to pupils in reception, year 1, and year 2. Schools must provide school meals to a pupil free of charge if the pupil and/or a parent meets the eligibility criteria for free school meals. In the 2022-23 academic year, the government grant was set at £2.41, but increased to £2.53 from September 2023 and assumes that pupils will take 190 school meals over an academic year. Schools also offer a paid meal service for those children who are not entitled to free school meals. Currently, approximately two-thirds of meals provided are FSM and the remainder are paid for meals.
- 14 In October 2023 schools who buy their meals from Cheshire East were informed of a price increase from January 2024 to £2.53 for a free school meal (in line with the amount received by schools from the government) and a 15% increase for paid meals. Prior to this some individual Cheshire East schools had received charge increases but there had not been a comprehensive increase since before 2019. This is in the climate of a significant increase in the cost of running the service due to inflation on food and transport costs, along with pay increases and the cost of using agency staff. The January increase should offset the 2023/24 school catering shortfall by approximately £207,600 and provide a full year increase of £709,900 in 2024/25. However, the increased charge will not support its long term viability.

- 15 Any future option for the catering service must ensure that the council subsidy is no longer required. Initial estimates suggest that the council would need to charge an average of £3.15 per meal from April 2024 to reduce the budget pressure in the 2024/25 financial year. If FSM were charged at the existing rate of funding provided by the government, then paid meals would need to raise to over £4.00. As school budgets are based on academic years, a further increase in April would put pressure on their budgets without giving them the opportunity to plan for this. It would also be outside of the expectations within the service level agreement.
- 16 A charge of £3.15 per meal would equate to a 25% increase on the January 2024 FSM rate. For paid meals, based on the lowest price prior to January 2024, the increase in price would equate to an average increase of around 40% during the academic year.
- 17 Each school currently charges a different amount for its schools meals. It is expected that schools will pass on some or all of the proposed increase in charges on to parents to bridge the gap in their budgets, so any increase in charges is likely to impact on families or the profitability of the service if those families choose not to pay for a school meal. Any significant reductions in the take up of paid meals is likely to increase the budget pressure further.
- 18 It is expected that the increased costs are likely to be unaffordable for many schools. It is therefore proposed to cease trading the school meal service at the earliest opportunity in negotiation with schools. Schools would be supported to explore all other options, including information on the process should they wish to provide their own school meals or to procure alternative provision, including the use of the established DfE approved catering framework.
- 19 Regardless of the ongoing delivery decisions, the service is currently committed to reducing costs as much as possible. Some of efficiencies which are currently being mobilised include considering the early release of eligible staff through the mutually agreed resignation scheme (MARS), increased senior management scrutiny and oversight of spend, including kitchen maintenance costs, removal of postal services, reviewing catering costs and increased scrutiny on kitchens meeting meal target costs. By implementing these cost control protocols, the service is working to limit cost increases, which would ultimately be paid for by schools/families.
- 20 The Extra Care housing service currently use the school catering team to provide food in two locations (Oakmere and Willowmere). These operations are currently subsidised by adults social care. Separate discussions are ongoing with adult services, who are currently exploring options in relation to the provision of this catering service.

Future Delivery Options

- 21 The external review of Cheshire East's catering service was completed by APSE in 2023. The review identified a number of key priorities to address the current challenges of the service and to sustain it in the future.

- 22 The report stated that once the management team are delivering to their roles, the service has broken even and service development has recommenced, there are several delivery models that could be considered. However, the report did not fully acknowledge the level of subsidy from the council or the need to remove this as soon as possible.
- 23 A focus group of legal, finance, procurement, HR, improvement and school catering colleagues was established to look at the future delivery options of the catering service. This group identified the following three main options to remove the council subsidy:

A. Stop delivering the service (preferred option)

- CEC would give notice to schools that it would cease trading its catering services, in negotiation with schools, as soon as possible and by the end of December 2024, if possible.
- The current notice period in the SLA states that any party wishing to leave the catering agreement must give notice by September of any given year, with the amends taking affect in March the following year. However, given the significant price raises and school's expression of leaving the arrangement we would propose to negotiate an earlier arrangement with schools.
- Schools would be required to establish their own catering arrangements. Schools would have two options, they could either procure an independent company to provide their school meals, or they could hire and appoint an in-house member of staff to deliver. In the event of choosing to procure their own provider, there is an established DfE approved catering framework (please see: [Food and Catering | Catering Services DPS – 879 \(ypo.co.uk\)](https://www.ypo.co.uk)). The YPO framework would provide templates and would be able to provide assistance with School's procurement exercises, Cheshire East would also be able to provide some light touch procurement and legal support.
- Several contracts would be required to be terminated, including multi-temp food (£1.2m per year – C0108), Fresh produce (£730k per year, C1575), Kitchen management software (£60k per year, C0299), Fresh Meat contracts (£450k per year across 3 butchers – C0467, C0592, C0664). The contracts have varying notice periods, ranging from 4 months to immediate effect.
- The Catering Service currently employs approximately 270 staff, 13 of which are central staff (4 of which are mobile staff). In the event of Cheshire East stopping the service, as many staff as possible would TUPE over to the new provider. It is likely that any staff associated with a school would be eligible for TUPE, however the central management team would be considered for redeployment.
- Redundancy costs associated with this option are predicted to cost approximately £200k alongside pension costs which have been estimated at a further £200k. Please note, any pension package exceeding £100k is required to be approved by the council.
- A further price increase is likely to be necessary depending on how quickly the service could be ceased.

B. Retain the current traded service and ensure it is self-funding

- Charging a price that removes any “subsidy” element.
- Further increasing the school meal prices in 2024/25 to reduce the shortfall in funding.
- Restructure/revamp of workforce/management structure to facilitate service transformation.
- Consider the development of a partnership board to provide oversight and joint ownership (schools and CEC, including adult services).
- Align closely with the APSE recommendations, including potentially developing new business.

The options below have not been explored for the following reasons:

C. Outsource the service with council involvement

- This option was not explored as it would require the retention of a Cheshire East Management team which would continue to require core funding, requiring the retention of the subsidy.

D. Do nothing

- This would mean that the subsidy from the council would remain in place and this is not a legal position as it would mean that the council is potentially subsidising schools, not necessarily children and families.

E. Set up as an ASDV (alternative service delivery vehicle) or Teckal company¹

- Given the current financial position of the council, there is unlikely to be the investment of time and money needed to make this happen
- The development of new ASDVs is not in line with current direction of travel of the council.

Consultation and Engagement

- 24 The removal of the council’s subsidy to the school catering service is included in the budget proposals for 2024/25 that are subject to public consultation.
- 25 In addition to the public consultation, a survey was sent out to those schools who buy into the school catering service on the 11 January 2024. This survey sought responses to the primary options and payment rates and initial findings are set out below.
- 26 **Responses** - as of 18 January 2024, a total of 64 schools responded (90% primary, 6.67% special schools and 3.33% other).
- 27 **Price of FSM/paid meal** - the data currently shows that 81.97% believe the price of a FSM meal should be the same as a paid meal and 81.9% either agree or strongly agree that all schools should pay the same price for meals, with 11.5% indifferent, 3.3% disagree and 3.3% unsure.

¹ The current public procurement regime applies the Teckal exemption where a contracting authority contracts with a legally distinct entity – usually this will be a company that the authority has set up, either on its own or in concert with others – to provide services.

- 28 **Service options** - from our current responses, 20% of schools support retaining the service and making it self-funding and 18.33% propose closing the service down as a whole, whilst 61.67% responses were unsure / don't know.
- 29 **School response to price increase** - in response to how schools would respond to price increases to make the service self-funding 6.56% said they would pay the price, 40.98% said they would seek alternative provision, 8.2% said they would deliver catering inhouse, 36.07% said they were unsure / don't know and 8.2% were 'other'.
- 30 Analysis of the data suggests that we received a strong response rate to the survey, with 64/87 schools (74% of those surveyed) responding to the survey. There is also a consensus that pricing for FSM and paid meals should be the same, alongside a fixed pricing schedule for all schools. There are additional comments made by schools expressing concern that the implementation of this may have a disproportionate impact on schools with high FSM percentages, and that the increased pricing may have a negative impact on uptake which may have repercussions for economies of scale for the service.
- 31 The survey data also shows that generally schools would prefer the service to remain being provided by the local authority, however the price required to pay to make the operation self-sufficient would drive a lot of schools into considering alternative options. Of the schools who were unsure about their next steps, their comments largely suggested the price rises would be unaffordable but also that they need further support to expand their awareness of the wider catering market.
- 32 Respondents have expressed various concerns and opinions on potential changes, including price increases and the possibility of the local authority withdrawing the subsidy for school meals. A summary of the key points are:
- 33 **Affordability for families** - concerns about price increases being too much for families and the potential impact on families with low incomes who may not qualify for Free School Meals (FSM).
- 34 **Financial impact on schools** - worries about the financial burden on schools, especially smaller ones, if they have to cover the costs or seek alternative catering services.
- 35 **Equality and pricing** - calls for consistent pricing across all schools to avoid discrimination. Concerns about the impact on schools in areas of high deprivation.
- 36 **Consideration of alternatives** – suggested we explore alternative providers or options, including obtaining contracts for multiple schools to benefit from bulk purchases. There were concerns about the lack of clear direction and the 6-month notice required for changes.

- 37 **Impact on meal uptake** - observations of a reduction in children accessing school dinners after recent price increases. Fears that further cost increases may lead to a decline in service use.
- 38 **Quality of service** - some respondents mention dissatisfaction with the current service, including the presentation of meals, portion sizes and staff.
- 39 **Council's role** - disappointment with the local authority's inability to provide affordable meals. Calls for the council to consider maintaining responsibility and exploring cost-efficient solutions.
- 40 **Communication and information** - requests for more detailed information before making informed decisions. Some respondents express surprise at receiving information about high costs with short notice. Concerns about the lack of clarity in the council's direction, making it difficult for schools to plan.
- 41 **Service viability**- worries that a significant price increase may lead to the service becoming unviable. Suggestions to explore other ways to subsidise the service rather than increasing prices.
- 42 **Smaller schools** - concerns about the challenges faced by smaller schools in terms of meal numbers and staffing costs.
- 43 It is evident that there are diverse opinions and concerns among the respondents, reflecting the complexities and challenges associated with school catering services. We propose to support schools to mitigate against the risks of the above issues.

Reasons for Recommendations

- 44 A decision about the future delivery of the school catering service to remove the council's subsidy is needed as soon as possible to remove the financial pressures of the service.
- 45 As a non-statutory service, the school catering service needs to be self-financing as the council is effectively subsidising schools. However, significant transformation would be required to transform the service, including financial investment, major recruitment drives to fill catering vacancies, and internal project management resource to restructure, recruit and implement the APSE recommended transformations. Alongside this investment, the local authority would also need to continue to subsidise the service during transformation (for potentially many years), whilst also accepting the risk the service may still not be commercially competitive post transformation.
- 46 School catering is a privatised, profit generating enterprise. This has attracted many commercial providers to the space, who have the expertise to deliver school catering at a more competitive price than the local authority, whilst retaining food standards in schools. Over half of Cheshire East's schools currently use alternative arrangements to the local authority's catering service, with many local authorities across the nation ceasing to provide catering internally and successfully delivering it externally.

- 47 There has not been a plan to extend the service outside of the borough or to actively market the current offer, so Cheshire East's Catering service has experienced a slow decline in usage over time, from over 2.8 million meals provided 10 years ago, to currently around 2.2 million.

Other Options Considered

- 48 A number of options for increasing charges are set out at Appendix 1.

Implications and Comments

Monitoring Officer/Legal

- 49 If after a consideration of the options in Appendix 1 Members support the recommendation that the council cease school meals provision; then consideration needs to be given to the contractual provision.
- 50 For schools where school meals are currently provided there is in place a service level agreement which would in the first instance govern any exit arrangement. The agreement requires notice to be given in any given year by not later than 30 September, being a notice to terminate with effect from 31 March in the following year. This notice period is of a suitable length to allow schools to find alternative arrangements. If arrangements are proposed to be terminated by the end of December 2024; then this will have to be agreed with individual schools on a case by case basis; if sufficient notice to secure alternative arrangements is given; then it would be hoped that schools would be amenable to this; but it will require agreement, it should be noted that the service level agreement provides for price review and price setting as follows; it is understood that this mechanism has been deployed to provide for the increases already instituted and if further increases are proposed would be applied again.

4 Price and Charging

- 4.1 The SLA price will be estimated annually and reviewed at the end of each term to take into account the effect of inflation, tariff changes, any service improvements, any decisions taken by the school that effect the trading position, changes in pupil numbers on roll, and any changes to legislation.
- 4.2 This process will provide a rolling agreement between Cheshire East Catering and the School identifying the outcome for the previous term, likely outcome for the following term, and an agreed and joint plan of action. It will be based on open access by the School to the income and expenditure analysis relating to Catering in the School.
- 4.3 The SLA price will represent a price net of income and will be charged on a bi annual statement , which will include:-
- Calculation of the SLA charge or payback
 - Details of the charge for any staff meals supplied
 - Details of the charge for any pupil free meals supplied
- 51 If the council ceases its catering provision, there will be staffing implications to consider. Approximately 270 staff are engaged in the catering service. Assuming the schools and extra care services find alternative providers, it is likely that TUPE could apply to transfer the employment of CEC staff to the new provider(s). For TUPE to apply there needs to be an organised grouping

of employees who are essentially dedicated to the service, and the service needs to remain fundamentally the same after the proposed transfer. TUPE imposes strict legal obligations on consultation and engagement with affected staff which will need to be adhered to or risk claims for failure to consult. It is unlikely that TUPE would apply to management positions and so there will need to be redundancy consultation for any staff not subject to TUPE. Redundancy costings should be sought and consideration of any suitable alternative employment.

- 52 There will likely be on-going pension costs to consider as the Council will need to enter into a pass-through admission agreement arrangement with any new provider regarding their admission into the Local Government Pension Scheme for transferring staff. Further information and costings should be sought from the Pension Fund regarding this.

Section 151 Officer/Finance

- 53 Significant work has taken place to increase the financial monitoring of the service and to therefore understand the cause and effect of changes in forecasts in order to achieve a better year end position.
- 54 In 2023-24, the council has contributed £515,580 to the schools catering service budget. Forecasts as at quarter 3, suggest that there is an estimated pressure on the budget of approximately £422,955, so an overall projected subsidy of approximately £938.5k.
- 55 The January increase should offset this year's school catering shortfall by approximately £207,600 in 2023/24 and provide a full year increase of around £709,900 in 2024/25. However, the increased charge will not support its long term viability. A further increase in charges or change to the delivery model will need to be made in order for the service to be fully self-funding and remove the subsidy, as there is still a remaining forecasted gap after the January 2024 uplift, plus the costs to deliver the service will increase in 2024/25 linked to pay increases and inflation on costs. This increase would need to happen in order to remove the local authority subsidy for this non-statutory service.
- 56 A summary of year end figures for 2022/23 are shown below resulting the loss of £51,782 over and above the £361,775 council contribution and £100,000 Public Health contribution of so a total subsidisation of £513,557.

Row Labels	2022/23 Outturn		
	Sum of Budgets £	Sum of Actuals £	Sum of Variance £
Employees	3,361,581	3,851,925	490,344
Income	-5,270,506	-5,643,484	-372,978
Premises-Related Expenditure	0	14,198	14,198
Public Health Contribution	0	-100,000	-100,000
Supplies & Services	2,242,470	2,271,012	28,542

Transport-Related Expenditure	28,230	19,906	-8,324
Grand Total	361,775	413,557	51,782

- 57 The quarter 3 budget forecast for this financial year (2023-24) is set out below.

Row Labels	Sum of Budgets £	Sum of Forecast Outturn	Sum of Variance £
Employees	3,924,090	4,045,820	121,730
Income	-5,617,774	-5,362,499	255,275
Premises-Related I	36,725	41,788	5,063
Supplies & Service	2,152,712	2,186,722	34,010
Transport-Related	19,827	26,704	6,877
Grand Total	515,580	938,535	422,955

- 58 The factors that impacted on the shortfall in 2022-23 have continued in 2023-24 have largely been external factors and the service has worked to make changes and mitigate against these. Issues include:

- **Higher than expected pay increases** (as many staff working in schools are some of the lowest paid, there have been increases of 10% in some cases)
- **Cover for staff absence** - the levels of additional hours which are needed to cover staff absence/shortage. This has been significant as the service is unable to operate without certain staff.
- **Increase in the cost of supplies and services.** Considering the impact of the significant rises in foodstuffs over the previous 12 months, this has not been as significant as it could have been as the service has managed expenditure of food items and undertaken close liaison with suppliers to minimise the impact on service delivery.
- **An annual increase in charges has not been implemented** – if a charge had been introduced from September 2023 or last year, the impact on the budgets would have been significantly less.

- 59 A high level business case has been proposed in the recent 2024/25 MTFS to remove the council subsidy from the school meals service from 2024/25.

- 60 Projections for 2024/25 indicate that there will continue to be a shortfall in the budget for school catering unless there is a significant further price increase for school meals. If we take existing assumptions and assume inflationary increases for staff and meal costs, even with an increase in all school meal prices (both free and paid for) to £3.15 in September 2024, there would still be an estimated shortfall of almost £220k next financial year up to the end of December. This would rise to nearly £430k by the end of December if there were no further increases next financial year. To end the contract in March 2025 would have a further impact on the budget shortfall for 2024/25.

- 61 These figures are based on estimated levels in inflation in costs, as well as estimated numbers of school meals. As this is an activity based income stream it is not possible to accurately say what the actual income will be.

Policy

- 62 The school catering service promotes the council's commitment to becoming a more open and enabling service and one which empowers and cares about people especially in terms of providing nutritious foods for our young people.
- 63 Any future delivery option decided for school catering is likely to impact on the council's policy.

Equality, Diversity and Inclusion

- 64 An EIA has been completed.

Human Resources

- 65 All proposed options are likely to impact on approximately 270 staff employed by the Catering Service. Based on the recommendation to cease the service, there would be significant work required to put in place TUPE arrangements for those staff based in schools, along with redeployment or redundancy for staff in the central team.

Risk Management

- 66 There are a number of risks associated with each option. These are set out in more detail at Appendix 1.
- 67 There is a risk that Cheshire East schools either struggle to find an alternative provider for their school meals or that this is only available at a much higher cost, putting further pressure on our schools and their budgets. It is difficult to make comparisons with competitors as prices tend to be prepared on a school by school basis and is commercially sensitive information. The APSE report produced in 2023 stated that the UIFSM grant is 'considered to be inadequate by LACA, the body representing school caterers, and other industry groups. In Wales the UIFSM funding is at £2.90 and in Scotland it is £3.30. According to APSE Performance Networks for the North West on Performance Indicator 11c, the average total cost per lunchtime meal excluding corporate overheads is £3.04'.
- 68 One of the risks of introducing a further charge to schools is that they may decide to that the service is unaffordable or no longer want to trade with the council and seek an alternative provider before January 2025. Parents whose children buy meals may also decide that they cannot afford the increased price and so do not buy a meal. In both cases this would increase the gap between income and expenditure.
- 69 There are risks that the cost of running the school catering service will continue to increase and we will need a charging policy that ensures that these costs are not met by the council. If the service continues to operate up to March 2025, the pressure on the budget is likely to increase.
- 70 There is a risk that uncertainty around the future of the service will impact on the workforce. Turnover and sickness of staff in schools is already an issue, which means that the school catering team often end up supporting delivery

rather than managing or developing the service. Council staff may choose to leave the service unless there is a clear future plan.

Rural Communities

- 71 There have been challenges to maintain school meal services in some smaller and rural schools and this will need to be carefully considered in wanting to maintain strong and viable performance in such schools. These schools may experience more challenges in getting an alternative school meal provider.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 72 Cheshire East's current catering offer supports children and young people with a healthy and nutritious meal each day. This is particularly important for those children who are eligible for free school meals, who are more likely to experience food poverty at home.

Public Health

- 73 Work has been done with Public Health colleagues acknowledging food security is an important determinant of health and wellbeing, ensuring the provision of nutritious meals to best meet the needs of Cheshire East families especially those who are vulnerable. Whilst previous budget contributions were made by Public Health, there is no expectation that this will be available in future years.
- 74 Analysis on provisional data showed 64% of primary and special schools in the borough use the catering service, with an average number of meals provided per school at 24,023. Of the schools the catering service deliver to, 65% are in the top 20 for highest poverty rates in Cheshire East, with a high mean of 29,884 at each school. For excess weight factors, the school catering service currently deliver in 75% of the highest 20 scoring schools.
- 75 The analysis showed no clear correlation between poverty levels and the service operating in the school, additionally, no correlation could be drawn between excess weight and the school catering service. As a result, changes to the subsidy may have an impact on some of the schools most challenged by poverty and excess weight, but not all. Additionally, from a strategic perspective, the funding has not been sufficiently targeted to the high poverty areas, meaning there is an argument that we have not been subsidising our most vulnerable through this service during a period of high need.

- 76 The Tartan Rug^[1] and Poverty JSNA^[2] highlight the extent of inequalities across Cheshire East. Provisional analysis by the Public Health team noted that whilst some of the schools in the most challenged areas were receiving catering provision via the council, there was also provision to other schools. Firstly in changing catering provision arrangements, it will be important to consider any potential negative impacts in health and wellbeing outcomes for schools, particularly in terms of our residents that experience more challenged lives and higher levels of deprivation. It will also be important to consider rural inequalities and challenges with food accessibility. These impacts cannot be fully understood without understanding the quality and cost benefits of the existing provision compared to that of alternative options. However, these impacts could potentially be monitored in our schools with higher volumes of our more vulnerable populations to ensure that alternative solutions are not impacting negatively.

Climate Change

- 77 The need to cover staff in school across Cheshire East when they are absent has increased travel for identified staff. The use of local providers is a real effort to reduce travel of food goods to schools on a weekly basis.

Access to Information	
Contact Officer:	Gill Betton, Head of Children's Developments and Partnerships Gill.betton@cheshireeast.gov.uk
Appendices:	Appendix 1 – Assessment of proposed options
Background Papers:	APSE review of Cheshire East School Catering arrangements

^[1] Cheshire East Council (2023). Health profiles for electoral wards plus primary health and social care areas. Available from: <https://www.cheshireeast.gov.uk/pdf/jsna/ward-profile-tartan-rug/tartan-rug-2022.pdf> (Accessed 15 January 2024).

^[2] Cheshire East Council (2023) Poverty JSNA. Available from: <https://www.cheshireeast.gov.uk/pdf/jsna/healthier-places/poverty-jsna-full-report.pdf> (Accessed 15 January 2024).