

**NORTH YORKSHIRE COUNTY COUNCIL**

**YOUNG PEOPLE OVERVIEW AND SCRUTINY COMMITTEE**

Minutes of the meeting held on 25 July 2007 at County Hall, Northallerton.

**PRESENT:-**

County Councillor Heather Garnett in the Chair.

County Councillors:- Michelle Andrew, Keith Barnes (substitute for County Councillor Brian Simpson), Bernard Bateman (substitute for County Councillor David Heather), Tony Hall Michael Heseltine, Bill Houtt (as substitute for County Councillor Caroline Seymour), Christopher Pearson, Paul Richardson (substitute for County Councillor Andrew Backhouse), Jim Snowball, Melva Steckles and Herbert Tindall.

Members other than County Councillors:- Michael Barrie (Parent Governor).

**In attendance**

Executive Members County Councillors Caroline Patmore and John Watson.

Call-In Signatories – County Councillors Eric Broadbent and Margaret-Ann de Coursey-Bayley.

Officers:- Stephanie Bratcher, Mary Davies, Graham Foxtton, Nick Posthma, Keith Tillbrook, Cynthia Welbourn and Jane Wilkinson.

Apologies for absence were received on behalf of County Councillors Andrew Backhouse, David Heather, Caroline Seymour, Brian Simpson, Voluntary Sector Representatives Maggie Allen and Judith Bromfield and Helen Suckling (Parent Governor).

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**COPIES OF ALL DOCUMENTS CONSIDERED ARE IN THE MINUTE BOOK**

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The Chairman welcomed County Councillor Herbert Tindall to his first meeting following his recent appointment to the Committee.

**114. MINUTES**

**RESOLVED –**

That the Minutes of the Meeting held on 29 June 2007, having been printed and circulated be taken as read and be confirmed and signed by the Chairman as a correct record.

**115. PUBLIC QUESTIONS OR STATEMENTS**

The Committee was advised that no notice had been received of any public questions or statements to be made at the meeting.

**116. CALL IN OF THE DECISION OF THE CORPORATE DIRECTOR – CHILDREN AND PEOPLE’S SERVICE RELATING TO SCHOOL MEAL PRICES – SEPTEMBER 2007**

**County Councillors Bernard Bateman, Paul Richardson, Heather Garnett, Christopher Pearson, Margaret-Ann de Coursey-Bayley, Michelle Andrew and**

**Michael Barrie all declared a personal interest in the following item as school governors in North Yorkshire.**

CONSIDERED –

The report of the Head of Committee Services, together with a report of the Assistant Director – Finance and Management Support on the decision made by the Corporate Director – Children and Young People’s Service, in consultation with Executive Members, for the Service to recommend an increase in the school meal price from £1.62 to £1.80 from September 2007.

The Chairman drew the Committee’s attention to the tabled proposed order of meeting as recommended in the County Council’s Scrutiny Protocols. She referred to the previous meeting where the matter had been brought to the attention of the Committee. The Committee had resolved to establish a Member task group to review the emerging strategy for school meals following consideration of various options. The task group had not yet met but arrangements would be made for it to do so as soon as possible.

The Corporate Director – Children and Young People’s Service introduced the report which she had considered in coming to her decision. She said that the proposed price increase was not as a result of poor performance. Improvements in the quality of the food served and its nutritional value had led to an increase in the take-up of school meals. She emphasised that survival of the Service was dependant upon successful trading and therefore any financial challenges it faced had to be addressed.

In reaching her decision she had taken account of various factors. The School Meals Grant currently funded 8p per meal towards food costs some of which had risen following improvements in nutritional standards introduced in September 2006. The grant monies were temporary and were due to come to an end in 2008/09. Following the increase in school meal prices made in 2006 there had been no reduction in take-up. Against the national trend take-up in North Yorkshire had actually increased. Despite the improvements made however the service was still currently operating at a deficit. On top of this the impact of job evaluation had serious implications which were outlined in paragraphs 3.3 to 3.8 of the report. If the price of school meals was not increased then the service had a forecasted deficit of £1.1M. In order to break even meal prices would have had to be increased by 36p and this would almost certainly have had an adverse impact on take-up. The County Council in recognition of these circumstances had provided financial assistance to the service for 1 year only. That assistance was conditional upon action being taken to operate a viable service in 2008/09. She was not seeking to fully recover the cost of provision as this would not be in the best interests of the service or pupils.

The Strategy being devised by the Catering Board with support from the Overview and Scrutiny Committee would consider all the options available to provide a sustainable Catering Service that offered healthy meals that met minimal nutritional stand and contributed to the “Every Child Matters” agenda. To re-structure the service properly would take time. If it was done quickly then it would more than likely involve job losses and staff having their hours reduced which would knock the heart out of the service which was not something she was prepared to do. Therefore whilst this Strategy was being developed interim arrangements had to be made. She had considered the analysis of the three options to increase school meal prices outlined in the report and had also consulted comparator information (tabled at the meeting and a copy placed in the Minute Book) from other similar county councils to benchmark the Council’s position. The comparator data showed that £1.79/80 was rapidly emerging as the average price of a school meal. The proposed increase had been approved by the City of York Council. She stressed that it had been a difficult

decision to make and that she had reached it through consideration of service priorities.

Executive Member County Councillor John Watson added that the guarantee given by the County Council that job evaluation would not have an impact was not relevant in this instance as it applied to situations where staff had been adversely affected and suffered a financial loss. In the case of the Catering Service staff had received a well deserved rise. He believed that £1.80 for a school meal represented good value for money with high quality ingredients.

County Councillor Eric Broadbent said that the timing of the price increase was incredible especially as the County Council had as part of its bid for unitary status promoted a caring image. The proposed increase was 11% which was twice as high as permitted Council Tax rises which were capped by the Government at 5%.

County Councillor Michelle Andrew supported the healthy schools initiative but believed that many families would struggle to afford the proposed price increase especially those who had more than one child. The average wage in the Scarborough area was £18,000 which was above the threshold for free school meal entitlement and potentially many families faced having to spend one third of their food budget on school meals. She was extremely concerned that as a result many children faced the prospect of not having a hot meal whilst at school. The increased staff wages as a result of job evaluation should have been anticipated earlier and provision made. She argued that the decision to increase school meal prices should be deferred until the outcome of the scrutiny review and Catering Board strategy were known as otherwise the service would be detrimentally affected.

County Councillor Margaret-Ann de Courcey-Bayley stated that she believed the proposed price increase would have a detrimental affect on take-up as more families would as a result be on the margins of affordability and would choose to opt out. As the rise was not directly linked to the threshold for free school meal entitlement those families most in need who were already entitled to free school meals but who did not claim them would not be encouraged to take advantage of their entitlement. The impact of job evaluation should have been anticipated. She was concerned that reduced take-up would have a detrimental affect on the local economy as reduced monies would be available to be spent on local produce as part of the healthy schools initiative.

In response Cynthia Welbourn, Corporate Director – Children and Young People's Service said she was aware that this was a politically sensitive time but did not believe that the proposed price increase meant that the County Council was uncaring rather that it was facing up to what had to be done and would ensure that children in North Yorkshire received high quality nutritious food. The bid for unitary status said that the County Council was financially prudent and this was what she was being. She recognised the concerns that had been expressed about affordability which also applied to access to school music lessons and the outdoor education service. Families would have to prioritise their budgets. The increase would be hard for some families but represented good value for money and was not unaffordable. If Members wanted to award financial relief to those families on the margins of free school meal entitlement then this would have to be debated in another forum and if agreed the County Council would need to amend the priorities it had agreed as part of its Medium Term Financial Strategy. The decision she had taken was within the operational parameters set for her Directorate by the County Council. Finally it would have been impossible to predict in advance the impact of job evaluation and had she attempted to do so she suspected that Members would have refused to speculate and deferred action until the outcome was certain. Until people were faced with the reality of a situation it was her experience that they would not engage properly in any negotiations.

Executive Member County Councillor John Watson added that whilst the take-up figures were encouraging he stressed that every 1% fall in take-up meant a gross income reduction for the service of £50,000 which equated to revenue costs of between £20/25000. The service anticipated a reduction in take-up next year of 2% as the evidence available suggested that demand was not elastic in relation to price.

The Chairman then invited questions.

County Councillor Bill Hoult said that in previous years monies had been set aside for staff training. If any such monies were available this year he suggested that they be used to subsidise school meal prices whilst the outcome of the review was awaited. He also sought an explanation for the difference in the turnover figures for the service quoted in the current report and the report used for the previous call-in. Finally he questioned the rationale behind increasing school meal prices by 11% when one possible effect could be that some of the larger schools could decide to opt out of the county meal service which would increase the overall cost of provision which would then be transferred to small schools which the proposed price increase sought to protect.

Nick Posthuma replied that the turnover of £11.4M for the service included all schools both secondary and primary and those within the boundaries of the City of York Council. The figures quoted in the original report referred to just primary schools in North Yorkshire.

The budget for the current year did include provision for staff training which he considered essential. The move towards fresh food meant that many staff needed to be re-skilled and some were undergoing vocational qualifications. The geography of North Yorkshire meant that access to training for staff was limited so some of the monies were being used to establish a training kitchen where an analysis of the nutritional content of school meals as required by government standards could also be carried out. Officers were aware of the importance of retaining a critical mass of schools if the service was to remain viable. Of the six schools that had opted out two had since elected to return to the in-house service. Most head teachers were reluctant to take on the responsibility for the provision of school meals.

County Councillor Herbert Tindall asked if the rise in Council Tax meant that parents would in effect be paying twice for the service.

The Corporate Director assured Members this was not the case. Council Tax levels were based on the cost of policies which formed the County Council's policy framework. As the County Council did not have a policy for subsidising school meal prices parents would not be charged twice.

Members were concerned that a call-in following an increase in school meal prices would become an annual event and asked if the underspend in the Directorate reported to the last Council meeting could be diverted to subsidise school meal prices on an interim basis whilst a long term strategy was developed.

The Corporate Director replied that projects to utilise the underspend had already been identified namely transformation agenda (asset rationalisation and business process re-engineering), SEN/BESD Delegated Resources and Children's Centres.

In response to a question from a Member the Corporate Director stated that a lot of work was being done with both primary and secondary schools to emphasise the range of benefits they could gain from an increased take-up. Schools were being encouraged to improve take-up rates of pupils entitled to free school meals. Work being done in children's centres to change eating habits and encourage healthy eating would hopefully mean that when children started school they would be familiar

with this. This type of community service was still in its infancy but nevertheless a medium/long term view was needed.

Members referred to falling rolls and asked what effect this would have on school meal prices. The Committee was advised that falling rolls whilst important did not at the present time have a direct impact on the price of school meals.

Michael Barrie, Parent Governor Representative said that at the school where he was a governor affordability/cost was not the only reason why take up of school meals averaged at about 45%. He questioned whether the marketing techniques being used were working and said that examples of good practice from schools with good performance and take up should be circulated to all schools.

Segregation of pupils taking a packed lunch and those having a school meal, dining facilities, lack of choice of food and queuing times were all suggested by other Member of the Committee as possible reasons for low take-up.

The Corporate Director said that school governors along with schools had an important role to play as advocates for the service this was one of the reasons why the letter appended to the agenda papers had been sent to primary heads. She urged Members to use the school governor network as a way of promoting the service. Officers were aware of the issues that had been raised but it was not easy to offer immediate practical solutions and one size would not fit all.

The Chairman then invited the Corporate Director and Executive member, followed by the signatories to sum up their respective arguments.

In conclusion the Chairman thanked everyone for their contributions to what had been a comprehensive, open, frank and useful debate. The Corporate Director had given Members a valuable insight into corporate finance and the policy framework within which her directorate operated and she looked forward to receiving the outcome of the review into school meals.

Members of the Committee were then invited to vote on whether they wished to refer the decision.

#### **RESOLVED –**

That the Committee does not wish to refer back the decision relating to school meal prices to the decision maker or to refer the matter to full Council.

JW/JD