

NORTH LANARKSHIRE COUNCIL
REPORT

To: Education (Resources) Sub-Committee	Subject: Increase in School Meal Prices
From: Director of Education	
Date: 20 May 1996	

Purpose of Report

To report an increase in school meal prices to reflect contract conditions and the withdrawal of EC Milk Subsidy for secondary schools.

Recommendations

The Resources Sub-committee is asked to:

- (a) note the increase in the contract catering charges payable to DSO (catering) and the resulting increase in school meal prices.
- (b) note the withdrawal of the EC Milk Subsidy scheme for secondary schools and the compensating price rise in secondary school milk prices.

Members wishing further information about this report should contact:

Michael O'Neill, Director of Education, on 01236 441478, or
Murdo Maciver, Head of Service, on 01236 441372

NORTH LANARKSHIRE COUNCIL : EDUCATION DEPARTMENT

Increase in School Meal Prices

Report by Director

1 BACKGROUND

- 1.1 The existing contract for school meals allows for an annual price tender revision to take account of any change in the July Retail Price Index (RPI). There are 2 elements in the adjustment.
- (1) Fixed price element. Further details of the items included are given in appendix 1. The RPI (All Items Index) is used to calculate the adjustment.
 - (2) Variable price element. Further details are given in appendix 1. The RPI (Food Cost Index) is used to calculate the adjustment.
- 1.2 On the basis described above it is anticipated that the increase in school prices will be about 5%.
- 1.3 It is proposed that these increases should be reflected in school meal prices from August 1996.
- 1.4 It is also proposed to increase the price of school milk to compensate for the recent withdrawal of the EC Milk Subsidy. This decision affects secondary schools only and primary/pre-5 children are not affected. For this reason and to maximise milk drinking among younger children it is proposed that the price increase resulting from the subsidy loss should be in secondary schools only.

2 RECOMMENDATIONS

The Resources Sub-committee is asked to:

- (a) note the increase in the contract catering charges payable to DSO (catering) and the resulting increase in school meal prices.
- (b) note the withdrawal of the EC Milk Subsidy scheme for secondary schools and the compensating price rise in secondary school milk prices.

MM/RD/LA
20 May 1996

Appendix 1

FIXED PRICE

Fixed Lump Sum

The tenderer was required to submit for each location within a contract, a fixed lump sum to cover all items except food (e.g. labour, transportation, management fee / profit and any other non-food expenditure including telephones, light equipment, protective clothing, stationery, disposables, cleaning materials, insurance, etc). The fixed lump sum will be reviewed in line with the movement in the retail price index (all items index). This will occur at each anniversary of the starting date of the contract using the retail price index (all items index) which was in force at the starting date of the contract as the base point for the calculation.

VARIABLE PRICE (variable dependant of volume of meals uptake)

Percentage of Income Value (Cash and Vouchers)

The tenderer was required to enter a percentage of his estimated total income value (net of VAT) which he requires to cover his food costs. Income value includes cash, vouchers and tokens surrendered for meals or refreshments provided by the contractor at the serving counter, serving area and from vending machines. It excludes all income for special catering. This percentage will remain fixed for the duration of the contract. The Council may change the selling prices charged at any time throughout the life of the contract and the effect of such changes will be discounted as and when the changes occur.

Charges for Meal Specified (non cash)

The tenderer was required to submit a five week cycle of menus with supporting recipes for breakfast, luncheon, dinner / evening meal and morning and afternoon refreshments break, etc. as appropriate to each location.

The bid price expressed as a monetary value is for food costs only, all other costs and profit having been included in the fixed lump sum as detailed above.

The bid price is fixed for the duration of the contract, other than at the first and each subsequent anniversary date of the start of the contract when any increase or decrease in costs will be taken into account by applying the movement in the retail price index (food cost index) to the payments to the contractor in the forthcoming year.

School Meals Sample Prices

Item	Primary Price		Secondary Price	
	Current	Proposed	Current	Proposed
Milk	5p	6p	8p	15p
Filled Rolls	45p	47p	45p	47p
Toasted Sandwiches	47p	49p	47p	49p
Baked Potato	22p	23p	22p	23p
Soup	24p	25p	24p	25p
Main Course	60p	63p	60p	63p
Dessert	24p	25p	24p	25p