



Charging for School Meals and Cleaning Services

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Topics



- Why Charge?
- The challenges ahead
- School meals
 - Cost plus
 - Alternatives
- Cleaning

Why Charge?



- Recover cost
- Make a profit / surplus
- To reflect risk taken
- Reflect investment (rate of return)
- Maximise turnover
- Survival
- To demonstrate quality

The Challenges



- Devolved budgets to schools
- Academies / BSF
- Budget reductions and cuts
- Area based grants cease
- Ring-fencing removed
- Focus on Value for money
- Market testing reappears

Relationship with Schools



- Majority prefer Council provider
- Lack of clarity can cause misconceptions
- Loss making business is not worth retaining
- Risk and reward should be shared
 - Incentives for higher uptake
 - Bad debt minimised

New Agreement / SLA



- Cash collection and banking by School
- Meal choices collected by school
- Extra activities charges separately
- Lunch grant passported to schools
- Overheads and management changes explicit.
- Price dependent on number of meals sold.

New Agreement / SLA



- Equipment – who owns what
 - minor maintenance – provider
 - new equipment / major breakdowns – school
- Power / water / heating – school
- Rest of SLA
 - Emphasise the added value
 - Payment arrangements in event of shutdown

Reality Check

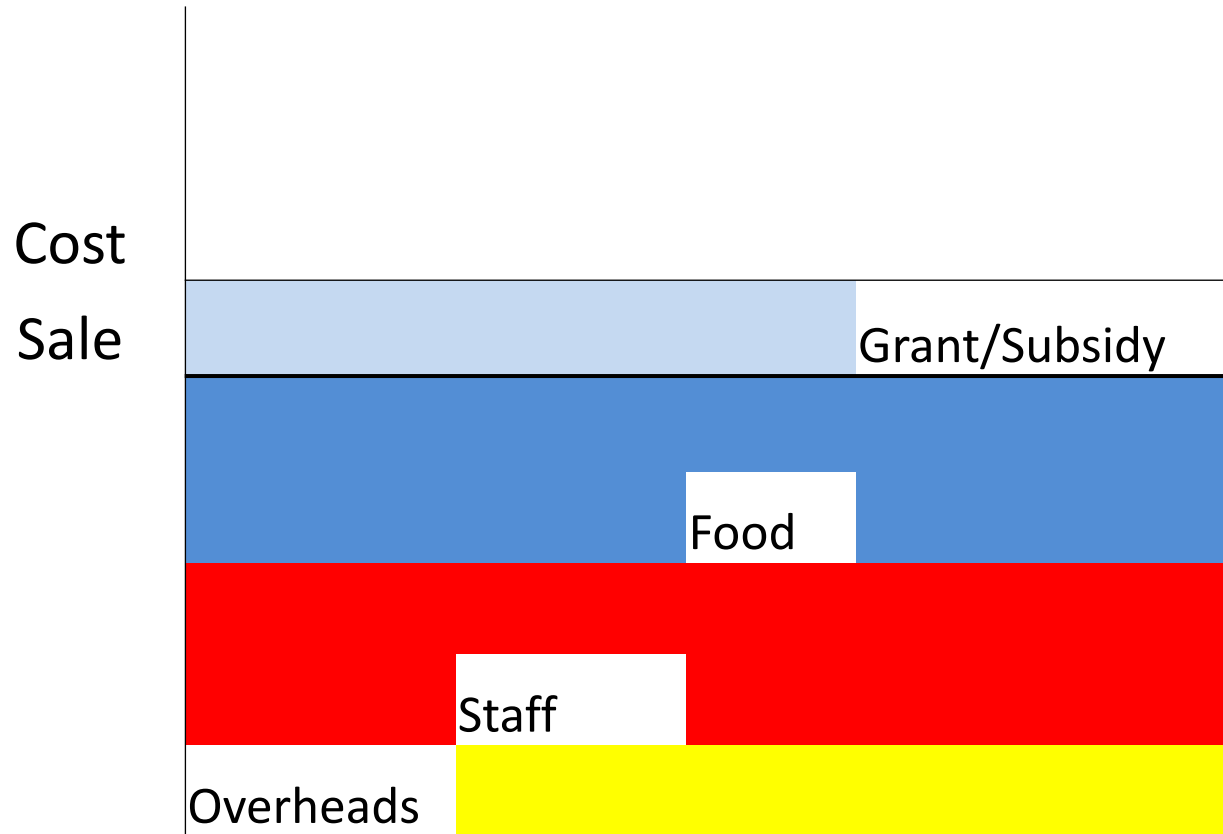


Cost breakdown of Catering & Cleaning

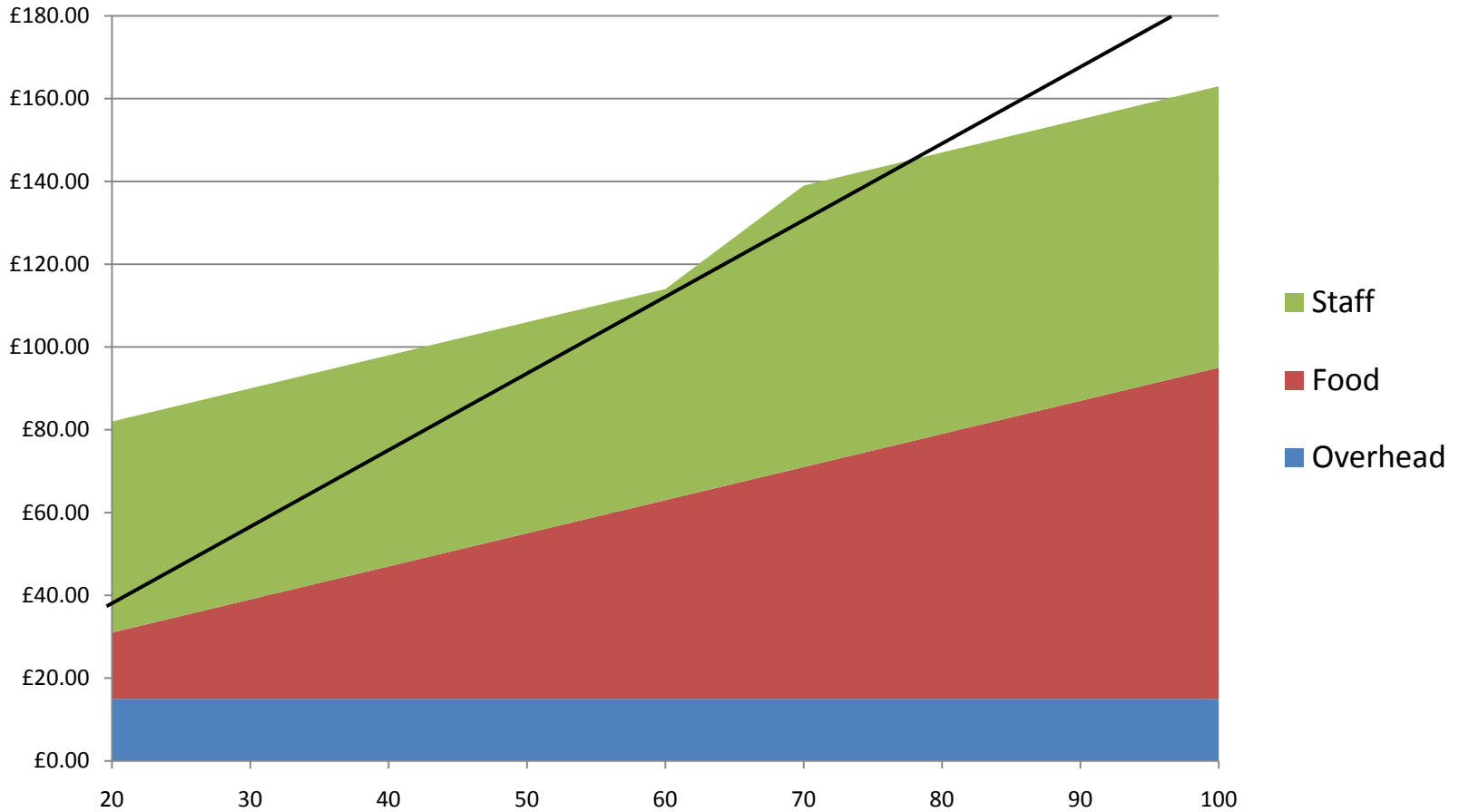
| Catering | |
|-------------------------------|---------------------|
| Cost area | % total cost |
| Front line staff costs | 44.00% |
| All staff costs | 48.87% |
| Food costs | 38.16% |
| Direct Costs | 81.60% |
| Overheads | 18.4% |
| Central establishment changes | 4.68% |

| Cleaning | |
|-------------------------------|---------------------|
| Cost area | % total cost |
| Front line staff costs | 82.53% |
| All staff costs | 90.36% |
| Central establishment changes | 4.55% |
| Cleaning materials | 4.00% |
| Cleaning equipment | 1.27% |

Cost plus



Variable costing





| Meal Numbers Served | Indicative prices pence per meal | |
|----------------------------|-----------------------------------------|-----------|
| | from | to |
| under 50 | 239.50 | 247.00 |
| 51-70 | 223.94 | 231.44 |
| 71-90 | 205.88 | 213.38 |
| 91-110 | 195.05 | 202.55 |
| 111-130 | 186.90 | 194.40 |
| 131-150 | 181.07 | 188.57 |
| 151-170 | 177.40 | 184.90 |
| 171-190 | 173.93 | 181.43 |
| over 190 | 171.15 | 178.65 |

Cleaning



- Know your buildings – sizes / floors
- Calculate actual hours required
- Specifications - challenge
- Make cost reduction / improvement implicit
- Share the savings with the customer
- Emphasise the ‘value added’

Conclusions



LOCAL SERVICES

LOCAL SOLUTIONS



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