

Schools Forum

REPORT TITLE	Catering Contract Review & Price Increases		
KEY DECISION	No		Item No. 12
WARD			
CONTRIBUTORS	Education Estate & Contracts Team		
CLASS			Date: 4 th October 2018

1. Purpose of the Report

The purpose of this report is to feedback on the recently concluded Catering Contract Review.

2. Recommendation

That Forum note the outcome of the review.

3. Background

3.1 In May 2015, Lewisham Council entered into a school meals contract with Chartwells on behalf of schools for five years with the option to extend for two further years subject to the necessary approvals.

3.2 The contract was awarded inclusive of payment of the London Living Wage on a phased implementation. There are 72 schools who have bought into the school meals centralised service with contract value of circa £50m, the exact figure will vary due to the number of meals supplied and inflationary pressures.

3.3 Due to uncertainties around the impact of the new contract pricing on schools it was agreed at Schools Forum that the charge in the first year of the new contract would continue on the basis of the old contract, in the understanding that this would lead to an over-collection of funds. This led to a surplus which is now being used to subsidise the remaining years of the contract.

4. London Living Wage

4.1 Since the commencement of the contract the minimum hourly rate (London Living Wage) for staff has risen to £10.20. Under the contract terms there is an obligation to increase LLW payment each year and

therefore the rise from £9.75 will lead to a 10p per meal increase in payment to Chartwells.

- 4.2 The surplus collected at year 1 of the contract is softening the impact of price increases and therefore the uplift will not lead to an increase in the current estimates for 18/19.

5. Food Price Increases

No increase to reflect food prices was agreed in the contract and this is negotiable annually. Food prices have risen significantly since the contract onset and this along with the recent review have led to an agreement to raise the food element of each meal by 3p.

6. Contract Review

Chartwells requested a contract review which commenced in January this year. As part of this process senior managers at Lewisham agreed a break from the performance deduction for 3 months in order to resource and implement improvements to the service including;

- 6.1 Staff restructure – There has been a restructure of mobile staff. Previously there were three area managers for primary schools and one for the secondary schools. There are now two for primary and each has an assistant and a quality assessor working in their areas. The quality assurance manager for secondary schools remains and is supported by two others. All are mobile and will be available to support unit managers.
- 6.2 Improved training is to be made available for Unit Managers and all have now completed a session. These sessions are designed to help unit managers deliver expectations and manage their teams.
- 6.3 Introduction of a new daily checklist – This is designed to ensure that all staff including cover staff and agency staff are clear on how the kitchen operates and complete all tasks required. This is complete but needs to be reviewed and adjusted following feedback
- 6.4 Craft training sessions are being provided for cooks to assure and improve the quality of food provided
- 6.5 Improvements to e learning and checks to ensure completion. This task is now being managed at the office in Catford and the records are being stored on line so that we can verify.
- 6.6 A review of the relief team. In an effort to reduce the reliance on agency cover, all new staff will start on the relief team. Recruitment will be continual and there will be an ongoing effort to get the numbers right in this team.

- 6.7 Better communication and engagement with school staff and pupils – senior members of Chartwells team at Lewisham will be available for bookings every Thursday morning to liaise with staff or students.

7. Conclusion

- 7.1 The review is now complete and a number of ongoing improvements will continue to be monitored. The impact of some new initiatives will be measured through monitoring visits and spot checks.
- 7.2 London Living Wage and food price increases will lead to a 13p per meal rise in price from September 2018.

8. Further Information

- 8.1 Should you require any additional information regarding the items contained in this report please contact:

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