



EDUCATION FOR LIFE SCRUTINY COMMITTEE – 28TH FEBRUARY 2013

SUBJECT: CASHLESS CATERING SYSTEMS IN THE SCHOOL MEAL SERVICE

REPORT BY: CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To inform Scrutiny Committee members of the benefits and constraints of installing cashless payment systems throughout all school catering operations in Caerphilly CBC.

2. SUMMARY

- 2.1 Within the school food sector in the UK, over the last ten years in particular has seen rising demands for, and growth in the installation of cashless catering systems in the school meal provision. At the meeting of Education for Life Scrutiny Committee of 29th November 2012 Members requested that a report detailing the cost implications of rolling out the cashless system to all schools.
- 2.2 12 secondary school catering operations already have a cashless systems installed, however 2 Secondary and 79 Primary Schools are still operating a cash only system. Caerphilly Catering do not manage either of the Secondary schools that are not operating a cashless system, they are Risca Comprehensive and Cwmcarn High school.
- 2.3 Cashless Systems are recognised as good models of practice and successful strategies for schools to maximise the take up of both free and paid meal provision.

3. LINKS TO STRATEGY

- 3.1 Links include the Welsh Government's Food and Fitness Strategy and 'Appetite for Life'. School meals are an important aspect of the Welsh Assembly Government's antipoverty strategy.
- 3.2 Caerphilly County Borough Council's Improvement Plan 2009-12 specifically prioritises Healthy Schools (Welsh Network of Healthy Schools Schemes) and nutrition within the health, social care and well being strategy.

4. THE REPORT

- 4.1 The table below shows the number of free school meals served across the secondary sector in 2011 together with the percentage take up. The percentage take up in all Secondary schools in Caerphilly is 60%, and is 67% when looking at just the Secondary schools served by Caerphilly Catering. The national average take up of free school meals in Secondary schools is 63%. A number of factors will influence these figures including the recent

implementation of Appetite for Life, how many inset days are taken by individual schools, and school attendance rates related to those pupils eligible for free meals. Steps are taken to promote school meals generally and free school meal uptake in particular. Caerphilly Catering is the first Local Authority Catering Service to achieve Appetite for Life standards in the Secondary school sector.

	Pupil Free Meals Served 2011	Percentage take up %
Bedwas Comprehensive	18,830	56
Blackwood Comprehensive	21,684	61
Cwmcarn High School	10,022	50
Heolddu Comprehensive	23,688	74
Lewis Girls	18,540	63
Lewis School Pengam	18,239	55
Newbridge Comprehensive	20,188	68
Oakdale Comprehensive	13,378	62
Pontllanfraith Comprehensive	16,416	60
Rhymney Comprehensive	26,500	59
Risca Comprehensive School	13,706	67
St. Cenydd Comprehensive	26,680	75
St. Martins Comprehensive	21,378	43
Ysgol Gyfun Cwm Rhymni	16,373	60
Total Free School Meals	265,622	60

The Secondary schools at Risca and Cwmcarn do not operate cashless systems and therefore it is difficult to draw any conclusions from the table above as to the impact of such systems on free school meal take up. Neither school has yet implemented Appetite for Life compliant menus; the Welsh Government deadline for this is September 2013. In the Primary sector no schools are operating a cashless system and there is considerable variation in free school meal take up, currently ranging from 34% to 100%.

4.2 Cashless Catering Systems use information technology, which removes the handling of cash at the point of sale and speeds up the food service. Schools can choose a system that meets their specific requirements such as bio metric, card system, fob, or PIN system. Cashless Systems can also be used to make on line payments for not only school meals but for school trips, uniform, photos etc removing the need for schools to handle any cash. The systems can also enable the school to use them as security devices on doors, issue library books and as class registration.

4.3 Currently none of the Primary Schools within Caerphilly are operating cashless payment systems. The system that they operate relies on pupils bringing money to school in the form of cheques or cash on an allotted day to pay for their meals. The system of collecting dinner money varies in individual schools and is determined by many factors such as: -

- How many days the school clerk works
- If the pupils can pay for meals daily, weekly, monthly etc

- How they process free meal allocations
- What resources are available to individual sites
- Collection and banking procedures

4.4 No Primary schools issue dinner tickets or free meal lists to the school caterer only numbers of dinners ordered. In the dining room environment there is no distinguishing factor between a paying pupil and a free meal pupil.

4.5 In the Secondary sector where cash is collected by the individual school caterer this could lead to discriminating practices occurring if a cashless system is not available. This is because in some cases pupils in receipt of free meals could be requested to only use one till point as their details are registered to that till in the form of a list. In other cases the pupils are issued with a free meal ticket that they have to present at the till for purchase of their lunch. These practices are discriminating to pupils in receipt of free meals.

4.6 Depending on the type of system used the benefits of installing a Cashless Catering Systems are: -

- Removes stigma for free meal pupils by protecting their anonymity at the point of sale
- Reduces queuing time by speeding up delivery at the point of sale
- Removes cash from pupils pockets so reduces the opportunity for bullying or theft
- It is easy to use
- Parents can pay by cheque or cash directly to the school administrator or catering manager, which ensures the money is used to purchase breakfast/lunch through a revaluer point (an allocated machine that accepts cash and cheque payments directly onto the individuals account)
- Parents can pay on-line and access information about their child's account
- Parents can pay by direct debit through the Local Authority or school portal
- Parents can request a report on the eating habits of their children
- Individual daily spends can be allocated to accounts
- Cashless systems can deal with large volumes of customers within the fixed time constraints of the school day
- Potential increases in school meal up-take by removing the stigma that can be associated with alternative free meal administration systems
- Reduces the risks associated with cash handling
- Enables nutritional reporting on Appetite for Life compliance
- Can be developed to integrate and link with other management systems
- Can be used to promote healthy eating

4.7 The constraints of installing a Cashless Catering Systems are: -

- The initial costs of installing the system the system with current budgetary constraints
- Possibility of disruption of installing the system
- On going annual maintenance costs

4.8 There are 3 main solutions that could be considered for implementation across the authority. All the solutions will remove knowledge of which pupils are in receipt of free school meals. Solutions 2 and 3 include online payment options: -

- Solution 1 "Whiteboard" which does not include online payment options would cost approximately £3,200 to introduce at each site and therefore for 79 Primary Schools would cost approximately £252,800.

On-going annual costs are approximately £1,000 and therefore the cost for 79 Primary Schools is around £79,000 a year.

- Solution 2 "Whiteboard and online payment" is approximately £4,000 per school and £316,000 to introduce in all 79 Primary Schools.

On-going annual costs are approximately £1,500; £118,500 for all 79 Primary Schools
There will also be transaction charges of £30 per month per school for up to 500 transactions and credit / debit charges amounting to an additional £28,440 per year for all schools.

- Solution 3 “Traditional Cashless as per secondary school with online payment” would cost approximately £7,000 for each site and therefore for 79 Primary Schools would cost approximately £553,000 to introduce in all 79 Primary Schools. The cost of introducing this system into the 2 remaining cash only Secondary Schools would also be £7,000 each.

On-going annual costs –of £2,400 amounting to approximately £189,600 for all 79 Primary Schools. There will also be transaction charges which is £30 per month per school for up to 500 transactions and credit / debit charges, an additional £28,440 per year for all Primary Schools.

5. EQUALITIES IMPLICATIONS

- 5.1 By improving the payment methods in schools across Wales, all pupils who access the School Meals service, regardless of their individual circumstances and backgrounds, will benefit from Cashless Payment Systems as they will remove discriminating practices of cash collection and free school meals administration, which may exist in school establishments.

6. FINANCIAL IMPLICATIONS

- 6.1 The costs of introducing cashless payments depend upon the system chosen. As can be seen from paragraph 4.8 above costs are estimated to range from £252,800 to £553,000 to implement in all Primary Schools with on-going annual costs ranging from £79,000 to £218,040. No budget has been identified for these costs.

7. PERSONNEL IMPLICATIONS

- 7.1 Staff training would be required for all catering and school administration staff to be able to use the systems effectively.
- 7.2 Implementation of a cashless payment system would free up some capacity for school clerks/administration time.

8. CONSULTATIONS

- 8.1 The report has been sent to Consultees listed below, and there are no consultation responses which have not been reflected in the recommendations.

9. RECOMMENDATIONS

- 9.1 That Members note the content of this Report.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 Report requested by Scrutiny Committee.

Author: Marcia Lewis Principal Officer Catering
Consultees: Cllr Wynne David, Chair of Education for Life Scrutiny Committee
Cllr Denver Preece, Vice-Chair of Education for Life Scrutiny Committee
Cllr Rhiannon Passmore, Cabinet Member for Education & Lifelong Learning
Cllr Dave Poole, Cabinet Member for Community & Leisure Services
Anthony O'Sullivan, Chief Executive
Sandra Aspinall, Corporate Director – Education & Lifelong Learning
Tony Maher, Assistant Director – Planning and Strategy
Robert Hartshorn, Head of Public Protection