

Universal Free School Meals Offer and Paid Meals Prices

1. Purpose of this Report

The purpose of this report is to update Forum members on the universal free schools meals offer to reception and Key Stage 1 pupils made by the Government and to consider both the revenue and capital financial impact. It seeks the Forum's view on the planned price increase of paid meals to other pupils.

2. Recommendations

The Forum note the position.

3. Summary position

In the coming academic year (starting September 2014) schools will be paid £2.30 for each school meal taken. Please note this funding is for those pupils not entitled to a free meal under the current arrangement's eligibility criteria. The rate is standard across the country and does not take into account London weightings. Indicative allocations will be made to schools based on an estimate of national take-up and then adjusted to the actual number of meals taken in individual schools. This will require a robust performance model to be implemented and maintained to ensure the meal uptake is monitored and schools receive representative funding.

Additional one-off funding will be provided in the 2014 to 2015 financial year to small schools (those with fewer than 150 pupils in total) to help with transitional costs. None of Lewisham's schools qualify for this support.

The government is providing £150 million of capital funding in the 2014 to 2015 financial year to support the rollout of UIFSM. In Lewisham we will receive £837k next year. Of this, £664k relates to maintained schools and the remaining £173k is for voluntary aided schools.

Existing entitlements to free school meals for disadvantaged pupils in nursery classes and at key stages 2-4 will continue, based on the existing free school meals eligibility criteria.

Schools will be expected to offer FSMs to all infant pupils, but will not be expected to make take-up of meals by infant pupils mandatory, although take up should be encouraged. Schools will still have the freedom to set their own policies in relation to packed lunches.

4. Revenue funding

Revenue funding will be based on a rate of £2.30 for each meal taken by pupils who will become newly eligible for a FSM as a result of the UIFSM policy. Schools will be expected to continue to fund meals for pupils eligible for FSMs under the existing criteria in the same way that they do currently. The Schools Census will be amended so that schools can state how many newly eligible infants (i.e. infants not eligible for free school meals under the existing criteria) are taking a FSM. This new indicator will be introduced from October 2014.

Schools will be notified of their provisional full year revenue funding allocation for the 2014 to 2015 academic year in June 2014. Local authorities will receive the first 2014 to 2015 payment for maintained schools at the end of June 2014, with payments for academies and free schools following shortly after in their next scheduled payment in early July, and newly opening academies and free schools receiving payments in early September.

This payment will provide funding for the first two terms of the academic year (which represents the remainder of the 2014 to 2015 financial year).

This allocation will be based on pupil data from the January 2014 Schools Census as well as planning assumptions that (i) 87% of newly eligible pupils will take meals, and (ii) those pupils will take 190 school meals in the course of a full academic year. This provisional allocation will be revised later in the academic year based on actual take-up data derived from an average of the October 2014 and January 2015 Schools Censuses, and the payment for the third term of the 2014 to 2015 academic year will be adjusted accordingly.

Schools with an actual take-up rate above the assumed take-up rate of 87% will have an increased payment in the third term, whilst those below this take up rate will have it adjusted downwards. Those schools with low levels of take-up may in fact receive no extra payment in the third term.

The exact allocation methodology for the 2015 to 2016 academic year will be confirmed by the DFE in due course. The Government's policy beyond the 2015 to 2016 financial year will be considered as part of the next Spending Review, along with all other government expenditure.

Universal Free School Meals Offer

The DFE are expected to provide detailed terms and conditions and further advice on issues such as closing schools and the year-end accounting treatment for an academic year grant.

The basis on which pupil premium funding is calculated will not be affected by the introduction of UFSM. However it is acknowledged that the introduction of a universal free school meal offer may compromise the registration of Pupil Premium. As a result local authorities have lobbied the DFE and they are expected to introduce a standard form for parents to complete to enable “eligibility” for pupil premium to be determined.

5. Capital Funding

As noted above the Government has allocated £150 million in capital to facilitate the implementation of the Universal Free School Meal offer for key stage one. Lewisham’s allocation is £837k. Of this, £664k relates to maintained schools and the remaining £173k is for voluntary aided schools. It is acknowledged that this is not a large sum of money, so its likely funding will be utilised to purchase equipment rather than any extensive capital improvements to kitchen or dining facilities

However, since the announcement in September 2013 the Council have been considering the implications with our catering contractor Chartwells and seeking good practice through networking with other boroughs, such as Southwark, who have already implemented a universal free school meal offer.

In order to harness the full potential of this scheme and ensure our schools are prepared for the September 2014 commencement, the Council has procured the services of the Health Education Partnership who advised and supported Southwark Council with the implementation of their universal free school meal offer. The scope of their commission includes an audit of our school kitchens, dining facilities and management approach of each school with a view to recommending investment and management practices in order to implement the service effectively.

The preparation for this commission has commenced with Chartwells having met with a number of schools already, in order to obtain baseline information. However further requests for more detailed information maybe made in the next few weeks. It is hoped the final report and recommendations will be completed by mid March in order that we can share the findings in April and plan to implement recommendations, procure works and/or equipment where identified, during the May half term or Summer Holidays, thus ensuring we are prepared for the Autumn term.

6. Impact of funding government grant being set at £2.30.

For those schools within the current contract operated by Chartwells it will mean schools will see a reduction in the charge per meal for catering provision. Although the information on meals for reception and Key stage 1 children is not currently collected, we estimate the following position will exist in the coming September.

Total Meals In Reception And Key Stage 1

Total Potential Meals	1,551,000
Current Free Meals	386,000
Bought Meals	664,000
Packed Lunch Or No Meal	451,000

The charge for a school meal is currently £1.80 instead of this £2.30 will be received. This provides an increase in income of 0.50p per meal for schools for this age group. In total this amounts to an extra £332,000 (664,000 meals per above table multiplied by 0.50p).

The net charge for a meal to a school is £1.50 the extra income will reduce this to £1.40.

Under the guidance it appears that for those schools within the contract, the £2.30 will have to be passed to them but a subsequent charge will return this to the Local Authority to be applied against the contract cost. (If the regulations allows we propose to offset the income against the contract without passing it through the schools account).

For those schools not in the central catering contract the full £2.30 will be passed to them.

Some schools may find that there are other increased costs which will offset the reduced charge. For example, there may be a need for extra meal time assistants time or rent for extra dinning room space.

7. School Meals price increase

Over the past few years a policy of increasing school meal prices has been adopted. It is planned to increase these again from May 2014 by 10p. This will bring the cost of a primary school meal to £1.90.

Due to the UFSM offer this will only apply to children in Key stage 2 and above.

In making this proposal, consideration has been giving to benchmarking the cost of meals with other Local Authorities in London. This shows that we still have one of the lowest charges, despite the recent increases.

Discussions have taken place with the catering contractors. As with any price increase there is a potential to reduce the demand for meals taken. While a price increase should increase income, overall it can have a negligible or even an detrimental impact on income levels. The contractors believe that there will not be a material drop off in demand until the price goes above the £2.00 barrier.

8. Conclusion

The Universal Free Schools Meals initiative is welcome, however there are still some practical problems with its introduction to overcome. It is hoped future guidance will clarify the exact mechanics of how the funding will work.

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