



Schools Forum Date: 20 March 2014 Time: 8:30 a.m. Venue: Shrewsbury Training and Development Centre	<u>Item</u> Public	<u>Paper</u> E
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UNIVERSAL INFANT FREE SCHOOL MEALS

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1 Summary

The Coalition Government has announced that, from September 2014, all state funded infant school children (ie those in reception, year 1 and year 2) will be eligible to receive a free school meal. This applies to pupils in maintained schools, academies, free schools and pupil referral units. It does not extend to pupils in maintained nursery schools. Legislation will place a legal duty on schools to deliver this commitment (including powers to extend to additional year groups in the future).

Capital funding of £150 million is available nationally in 2014-15 to upgrade kitchens and to increase dining capacity where required. Transitional funding of £22.5 million is also being made available in 2014-15 to support small schools (ie schools with up to 150 pupils on roll) in addressing the particular challenges they will face. Revenue funding of £1 billion will be made available in 2014/15 and 2015/16 academic years to provide a flat rate of £2.30 per meal taken based on actual take-up by newly eligible infant pupils.

This report provides Schools Forum with details on the grant funding allocated to Shropshire Council and provides a recommendation on the distribution of the capital funding.

2 Recommendation

To note the allocation of funding to Shropshire Council for the implementation of universal infant free school meals (UIFSM) initiative and to agree the basis for distributing the capital funding allocated to the authority in 2014-15 using the proposed model in this report.

REPORT

3 Background

- 3.1 The School Food Plan (www.schoolfoodplan.com) presented evidence that the introduction of universal free school meals will lead to positive improvements in health, attainment and social cohesion, and help families with the cost of living. Evidence from pilot projects indicates universal free school meals have significant benefits for individual children and for the broader life of the school.
- 3.2 The Children and Families Bill places a legal duty on state-funded schools in England, including academies and free schools, to offer a free school lunch to all pupils in reception, year 1 and year 2. Existing entitlements to free school meals (FSM) for disadvantaged pupils in nursery classes and at key stages 2-4 will continue, based on existing FSM eligibility criteria. Royal Assent was received on 13 March 2014, meaning that the new duty on schools will come into force from September 2014.
- 3.3 The Bill does not change the current position for children who are registered in a nursery class of a maintained school, or in a maintained nursery school. They will continue to receive a free school meal if they meet the existing eligibility criteria and they are in receipt of full-time education or education both before and after the lunch period.
- 3.4 In the 2014/15 academic year schools will receive revenue funding at a flat rate of £2.30 for each meal taken by each newly eligible pupil. Initial provisional allocations will be based on an estimate of national take-up and then adjusted once the Department for Education has details of the actual number of meals taken by individual schools. Schools will be notified in June 2014 of their provisional full year revenue funding allocation for the 2014/15 academic year. Local authorities will receive the funding for the autumn 2014 and spring 2015 terms around the same time. The allocations will be based on an 87% take-up by newly eligible pupils. Payments for the summer term 2015 will be adjusted to take into account actual take-up.
- 3.5 Capital funding of £150 million in the 2014-15 financial year has been allocated to local authorities to support the roll out of UIFSM. Additional one-off funding from a national allocation of £22.5 million will also be provided for small schools - those with up to 150 pupils on roll – to help with transitional costs.
- 3.6 Targeted advice and support will be provided to schools and local authorities through the UIFSM implementation support service.

4 Shropshire Allocations

- 4.1 Shropshire Council has been allocated a total of £662,822 in capital funding in the financial year 2014-15 to upgrade kitchens and to increase dining capacity where required. Of this, £75,458 is being made available for

voluntary aided schools, with the balance of £587,365 being made available to all other eligible schools.

- 4.2 No guidelines have been provided on how this funding should be distributed to schools. Local authorities are being tasked with liaising with their schools to identify the most appropriate basis for allocating funding based on local circumstances. A number of allocation options have been considered which include:
- a flat rate per pupil based on pupil numbers in reception, year 1 and year 2 – this equates to approximately £75-80 per pupil
 - a fixed sum per establishment and a variable element based on pupil numbers
 - a needs basis using factors such as existing capacity, condition of kitchen, equipment and so on
 - a bidding process, with schools submitting estimates on what they believe they require to meet the potential increased take up of meals.
- 4.3 In determining the most appropriate basis for allocating the £662,822 capital grant it is worth considering the basis on which the national funding of £22.5 million for small schools is being allocated. All schools with infant pupils who are not eligible for FSM in the January 2014 census, and have up to 150 pupils on roll, will receive at least £3,000 in additional funding. Funding will be provided as a one-off lump sum in June 2014 and can be spent as schools choose in support of their implementation of the policy including for improving kitchen or dining equipment. In this respect there is little to differentiate this funding from the capital grant.
- 4.4 Allocations will be calculated with reference to the Government’s allocation model as detailed in the table below. Where that is below the minimum level the allocation will be uplifted to £3,000.

Total Number of Pupils on School Roll in January 2014 Census	Unit Funding Per Non-FSM Eligible Infant Pupil	Number of Shropshire Schools/Academies/Free Schools in Band
1-30	£210	1
31-60	£190	20
61-90	£160	24
91-120	£135	15
121-150	£100	19

Based on some initial analysis, it would appear that a total of 79 Shropshire schools (62.7%) will qualify for this additional funding. A further 47 schools (38.3%) have infant pupils but are above the 150 pupil threshold to receive this transitional funding. Using the census data of current infant pupils who are not eligible for FSM in the 79 qualifying schools indicates potential additional funding of nearly £390,000 (see Appendix A). This means that the funding available to Shropshire schools in 2014-15 to implement the policy could be as high as £1.052 million. Until the individual school figures are

confirmed officially by the Department for Education they should be treated as indicative only.

- 4.5 The options for allocating the capital funding of £662,822 referenced in paragraph 4.2 above – and any variations on them - have limitations. The first two, using pupil numbers and establishment factors, don't take any account of existing school meals provision and could result in funding not reaching the schools with the greatest challenges in implementing the UIFSM policy. Equally, the other two options require detailed intelligence of existing provision and would require time and capacity to administer which is simply not available given the short implementation period between now and, effectively, the end of the summer term.
- 4.6 The model being proposed seeks to take into account the difference between the existing take-up of school meals and the likely increases in numbers taking a meal from the implementation of a universal provision. As noted in paragraph 3.4 above, the Government is assuming a take-up of 87% by newly eligible pupils. It is therefore possible to calculate for each individual school the likely additional pupil numbers they will need to cater for from September 2014 and to use these numbers to pro-rata the capital funding (both for voluntary aided and other eligible schools). The model indicates that there will be over 3,600 additional meals produced in Shropshire primary schools each day.
- 4.7 The take-up data for the vast majority of schools has been provided by Shire Services and is the percentage take-up of meals in the summer and autumn terms 2013. Where Shire Services aren't the catering provider, the take-up information has been provided by individual schools. As the data is not held at the key stage level, it relates to take-up across the whole school. It is believed that this will not have a material effect on most schools' allocations and is the best indicator available at present and in the time available to determine allocations.
- 4.8 Initial modelling highlighted a major 'step-down' in funding for schools with more than 150 pupils on roll when the small schools transitional funding is combined with the capital grant allocation. A school with 147 pupils on roll and around 34 more meals per day would be receiving £12,276 (£6,200 small schools funding plus £6,076 capital grant), while a school with 160 on roll and 33 extra meals per day would receive £5,858.
- 4.9 While recognising the importance of targeting funding to small schools who are likely to have greatest challenges in meeting their new legal responsibilities, the differential in funding for each new pupil taking a meal is significant – in the above example £358 for the 147 NOR school and £177 for the 160 NOR school. The model for the capital grant has therefore been adapted to put the minimum funding of £3,000 for small schools into all schools, with the funding for the schools with more than 150 pupils on roll coming from the capital grant. This reduces the per pupil funding to £319 for the 147 NOR school and £229 for the 160 NOR school. Appendix B details the indicative individual school allocations.

- 4.10 It is proposed that the capital grant will be transferred into a separate capital cost centre and subjective code for maintained schools, while free schools and academies will be expected to manage the funding in a similar way. Individual capital cost centres are being set up for Devolved Formula Capital from April 2014. The UIFSM funding will go into the same cost centre but all spend will be charged to a separate subjective code to DFC spend. Only capital expenditure related to the implementation of the UIFSM can be charged to this subjective code. Any underspends in the delegated funding could potentially be clawed back for recirculation to other schools in need.
- 4.11 Note that the small schools grant will be delegated into schools' revenue budgets, but can be transferred in part or in whole into the capital cost centre as a revenue contribution to capital outlay. If the funding is retained within the school's revenue budget it is expected that it will be ring-fenced for the implementation of the UIFSM policy.
- 4.12 Schools with dining centres are recommended to have a dialogue with their existing or proposed partner schools exporting meals to them to determine whether there is scope or merit in pooling part, or all, of their allocated capital grant to meet the needs of pupils in their schools.
- 4.13 Schools Forum are asked to consider and agree the proposed basis for the distribution of the UIFSM capital grant.