

Division(s):

## **EDUCATION SCRUTINY COMMITTEE – 22 JANUARY**

### **Costs of introducing universal free school meals for children in infant classes (UFSM)**

#### **Report by Director for Children's Services**

#### **Introduction**

1. The Children and Families Act places a duty on state-funded schools in England (including academies and free schools) to provide free school meals for all Reception, year 1 and year 2 children with effect from September 2014. The Education Scrutiny Committee received a progress report on the introduction of the new arrangements in July 2014 and subsequently asked for a report on the costs of the new arrangements. This report is the response to that request.

#### **Background**

2. The new duty requires schools to provide a lunchtime meal for all children in Reception, year 1 and year 2. The meals must meet minimum national nutritional standards. There is an expectation that this will include a hot meal option. Pupils may choose, instead, to bring a packed lunch from home.
3. The responsibilities of Oxfordshire County Council (OCC) and the associated costs are in relation to Community and Voluntary Controlled schools but not Voluntary Aided schools, Academies or Free Schools
4. The government anticipated that the take-up rate of children taking free meals under the new arrangements would be 87%, the latest data in relation to Oxfordshire's schools suggests a take up in December of 79.7%.
5. In Oxfordshire, preparations for the new requirements were overseen by a project team with representatives of Children, Education & Families; Environment & Economy; and Carillion. At the beginning of September 2014 provision was in place for all schools to provide meals as required and at all but 9 of them, hot meals were available. At the time of writing just two schools for which we are responsible cannot provide a hot option and bids for additional funding have been made in respect of them (see below).
6. 134 schools were identified (excluding academies) where it was believed work was needed. This figure included schools that did not have any food production facilities at the time of the survey. These surveys enabled the limited funding available to be allocated in the most cost effective way.

All works have now been completed with the exception of minor 'snagging' and three projects, which were postponed until the majority of the works were completed. Work has now started on one of these three, with work being

programmed, for the remaining two, over the coming months (both of these schools are currently providing a hot option).

7. 47 of those 134 schools were Voluntary Aided in relation to which OCC could only propose solutions, 34 of which were surveyed and recommendations for work made at 31 of them.
8. Every opportunity was taken to utilise schools with good existing kitchen facilities to offer meals to other schools that did not have a kitchen and/or insufficient capacity
9. Head Teacher involvement was of course essential, not least in relation to the organisation of the school day (thinking particularly of the need in some cases to introduce more than one sitting).
10. The resources available did not permit 'Rolls Royce' solutions but, rather, just those which were sufficient to allow schools to comply with the new requirements, with a focus on food production, leaving schools to deal with other aspects of delivery.

### **Costs of the new requirements**

11. The costs of introducing the new requirements may be broken down, broadly, into the following areas:

- i) Capital budget requirement and funding of kitchen provision

Capital funding (£1.120m) from the government was made available for Oxfordshire's Community & Voluntary Controlled schools. An additional £0.354m was made available for Voluntary Aided schools. Academies had to bid for funding through the academies capital maintenance fund.

The Financial Monitoring Report to Cabinet on the 21<sup>st</sup> October 2014 identified the budget provision necessary to implement the new requirements as £1.993m; this remains the position (and which supersedes the previous reported position of £1.7m in July 2014).

The capital grant of £1.120m was supplemented by a further £0.873m from the Catering Investment Fund revenue reserve (£0.480m) and Dedicated Schools Grant funding (£0.393m).

At the time of writing, the capital costs incurred against this budget provision is £1.616m. Final account costs and settlement of individual site costs are being finalised.

- ii) Transitional / Small School Funding

Small schools (those with a roll of fewer than 150 pupils) received additional transitional funding to assist with improving kitchen or dining equipment. In Oxfordshire, 82 schools received such funding totalling £0.441m. This is

however one off transitional funding and there is no indication that it will continue.

iii) Revenue costs of meal provision

For the first tranche of funding (for terms 1, 2, 3 and 4) the calculation has been made on the basis of the schools census anticipating how many Reception, year 1 & 2 pupils were expected to be in each school and on the assumption that each pupil who takes free meals will have 190 meals throughout the academic year. A flat rate of £2.30 per pupil is being paid per meal (ie funding per pupil of 190 x £2.30 = £437). Funding for the first four terms has been calculated on the basis of the original expectation of 87% uptake with a balancing exercise conducted in terms 5 and 6 to reflect actual take up.

iv) Costs of initial project

The project team which oversaw implementation of the new requirements comprised, as mentioned above, officers of Oxfordshire County Council and representative of OCC's partner, Carillon. This resulted in no additional costs for OCC. The project was a contributory factor in Carillon expanding its team dedicated to supporting schools but, again, did not result in any additional costs to OCC.

v) Costs to schools of failure of parents to declare entitlement to FSM under the previous (and current) criteria

Prior to the implementation of the new requirements, parents in receipt of certain state benefits were entitled to free school meals (FSM) for their children. This entitlement remains, in parallel with the new UIFSM entitlement. The original entitlement is important not only for the financial and nutritional benefits which it provides for the families and children but also, very significantly, for the financial benefits it provides for the schools. The latter benefit flows from the fact that schools receive some funding via the 'pupil premium' the amount of which, is, in part, a function of the number of pupils claiming free school meals. Put simply, the more pupils claiming free school meals (under the original criteria) the more a school will receive in pupil premium.

Schools are very aware of the importance of maximising the take up of FSM and do all they can to ensure that as many parents who are entitled to claim do so. There were concerns that, given the automatic entitlement granted by the new arrangements, some parents might choose not to declare their entitlement under the original criteria; this is a matter that schools have to address with some tact and delicacy.

To give a sense of the sums involved, each primary school pupil identified as eligible for deprivation Pupil Premium (based on eligibility for free school meals currently or who has been eligible at any point in the past six years) attracts funding of £1,300 in the 2014-15 financial year. The funding implications for individual schools are highly variable, depending on size, location and social factors. A small rural Primary school may identify few eligible children, whereas a larger school with 30 pupils identified as eligible for deprivation Pupil Premium would attract funding of £39,000. A Primary

## ESC10

school at the higher end of the scale, identifying 229 eligible pupils, would receive funding of £297,700. Allocations are made based on the school which the eligible pupil attends at the time of the January school census. (In the 2015-16 financial year, the funding increases to £1,320 for each Primary pupil registered as eligible for free school meals at any point in the last 6 years).

Our latest intelligence indicates that the proportion of children known to be eligible for free school meals under the original arrangements decreased in 2014. In primary schools this was from 11.4% in October 2013 to 10.3% in October 2014. However this decrease can be seen in every year group throughout primary and secondary schools and not just in those subject to universal free school meal entitlement. This implies the decrease in eligibility is due to external influences and not the impact of the universal free school meal entitlement.

		% known to be eligible for FSM	
	Year group	2013	2014
Primary	R	8.8	7.5
	1	12.3	11.0
	2	12.5	10.9
	3	12.6	11.8
	4	12.6	11.5
	5	12.0	12.0
	6	12.1	10.8
Secondary	7	12.0	11.1
	8	11.7	10.4
	9	11.5	9.9
	10	10.2	9.9
	11	9.4	9.2

### vi) **Costs to schools of implementation**

It has been for schools to find the means of delivering the new requirements on a day to day basis. In some cases this will have included the need to arrange two sittings and some small consequential additional staffing costs. No data have been collected about these costs or other school related costs. In the case of small schools the additional funding mentioned in ii) above can be used in any way the schools wish in support of the initiative although as noted, it has been provided on a one off basis with no indication that it will be repeated

## **The future**

12. Since introduction of the new requirements the Department for Education (DfE) has allocated an additional £20m capital funding to support schools which most need it to ensure effective implementation of UIFSM.
13. Local authorities were invited to bid for this funding on behalf of their maintained schools up to the value of £0.250m. Oxfordshire has made bids in relation to six projects, all of which were made under the top priority category of requiring capital in order to provide hot meals (or to continue to provide hot meals). Early indications suggest that we are likely to be successful in at least one of these bids.

## **Conclusion**

14. In respect of OCC's responsibilities, the majority of the immediately identifiable costs have been met. Nonetheless, as set out above, there was a shortfall of £0.873m which has had to be met from other sources (see 11 (i) above). Assuming the scheme continues, more or less in its present form, some on-going costs to schools will remain (see 10 (vi)) above which are unfunded
15. Of course the costs of this initiative should not be viewed in isolation but considered alongside its benefits. The advantages of ensuring that children are properly 'fed and watered' extend to their health, wellbeing and capacity to learn effectively. It is likely that some children will now benefit from a healthy and nutritious meal who might not otherwise have done so and this is likely to have a positive impact on their learning. To that extent the introduction of the scheme is a 'good thing' and the costs of its implementation may be seen to be mitigated to a greater or lesser extent by its benefits.

## **RECOMMENDATION**

- 16. The Committee is RECOMMENDED to note this report**

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