

**Schools Forum 11 December 2007**

**Report of the Director of Children's Services**

**Standards Fund 1.2 School Lunch Grant**

**Purpose of Report**

1. The purpose of this report is to discuss the distribution of the grant at School Forum and agree arrangements that ensure that the allocation of the funding is fair, covering not only central catering services, but also those schools and other maintained establishments such as Pupil Referral Units, that provide their own school lunches

**Background**

2. A new standards fund grant was announced as part of the 2008-11 announcement. 1.2 School Lunch Grant. **This is a new ring fenced grant and not a continuation of the previous two grants Grant 105a and 105b.**
3. Grant 105a and grant 105b for School Meals were paid to Local Authorities and schools in 2005/6 and 2007/8. These were transitional and have ended.
4. Grant 105A was held by Catering Services and Grant 105B was distributed to schools based on a lump sum allocation and per pupil funding. The lump sum was in recognition that there are certain costs which are not in proportion to the number of meals provided.
5. *The purpose of these two grants:* 105a was to support the transformation of school meals and was ring fenced. The purpose of this grant was to reintroduce hot meal provision where it did not exist and develop initiatives linked with healthy school programme activities and other health initiatives, and to meet Nutritional Standards, which became mandatory in September 2007.

105b is given directly to schools, and is intended as transitional money to target spending on areas that the schools feel would have the biggest impact on school meals. This money is not ring fenced. As referred to at point 4.

6. The new School Lunch grant will provide £80 million in each of the three years, 2008-2009, 2009-2010, and 2010-2011 to all local authorities and is to help manage the direct costs of providing school lunch. Dudley MBC's allocation for 2008/9 is £512,596.
7. The purpose of the grant is to enable schools, to embrace the new standards for

school lunches, with the focus on increasing the uptake of school lunches. It recognises healthier food can cost more and is often less attractive to children (at least initially) resulting in reducing meal numbers. This will impact on the take up of school lunches which will put these services at risk. Changing the eating habits of children is a long-term process and work is in place to tackle this. In the short term, keeping the price of a meal down will be an important way of persuading parents to buy in to the school lunches provided. That is why the new grant from 2008 is specifically to manage the costs of school lunches.

8. Ministers recognise that ingredient costs are only one of the elements that can dictate the price of a meal. The conditions of the grant therefore state it can be used for any of the direct costs of a school lunch. This could include not only ingredients but also the increased costs of additional hours to prepare fresh food, increased rates of pay for employees with higher skills levels or for small pieces of extra equipment needed to provide a hot meal.
9. It is expected that the funding be treated as additional to current levels of expenditure on providing school lunches and not simply used to replace funding already provided by the local authority or school.
10. Those schools that receive a catering service via an individual agreement can therefore use the grant to pay any deficit arising from additional costs of production or falling meal income.
11. Schools who use an external contractor can use the grant to fund their contract
12. Schools that currently buyback and pass on their delegated budget (lump sum and FSM) will be expected to contribute their grant

#### Proposals

13. Two methods of distribution have been proposed. See appendix 1 for full breakdown by school. These are indicative as they are based on 07/08 PLASC data.
14. Method 1 – Distribution as per the proportions of the previous grant 105b. 84% as a lump sum and 16% on per pupil.

	Lump Sum Allocation	Per Pupil
Primary	3593	£1.76
Secondary	5037	£1.76

Special schools have been treated as Primary Secondary depending on status

15. Method 2 – Allocation would be calculated using the same methodology as the grant was received by the Authority. This was calculated on a 70/30 split on weighted pupil numbers and free school meal numbers.

	Per Pupil	FSM per pupil
Primary	7.69	20.45
Secondary	7.69	20.45

16. The summary is shown below:

	Method 1	Method 2
Minimum Allocation	3619	192
Maximum Allocation	7417	15356

### **Finance**

17. The funding of schools is prescribed by the DCSF through the School Finance (Amendment) (England) Regulations 2007.

18. Schools Forums are regulated by the School Forums Regulations 2002 as already amended by the Schools Forums (Amendment) Regulations 2004 and the Schools Forums (Amendment) 2005 Regulations.

19. From 1<sup>st</sup> April 2006, the Schools Budget is funded by a direct DCSF grant: Dedicated School Grant (DSG).

### **Law**

20. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

### **Equality Impact**

21. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

### **Recommendation**

22. Schools Forum to support the allocation of grant 1.2 as per method 1

23. Schools Forum recognise that this forms part of their allocation and will form part of any standard buyback agreement with catering services.



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