

Schools Forum 16 March 2010

Report of the Director of Children's Services

Standards Fund 1.2 School Lunch Grant 2010/11

Purpose of Report

1. The purpose of this report is to agree the distribution of the School Lunch Grant for 2010/11 using a fair and equitable allocation model.

Budget Working Group Discussed

2. To be discussed - 3 March 2010 and reported back to Schools Forum.

Schools Forum Role and Responsibilities

3. Schools Forum is required to agree the distribution methodology for the School Lunch Grant to ensure that the allocation of funding is fair.

Action for Schools Forum

4. To agree on a methodology for distributing the 2010/11 School Lunch Grant.

Attachments to Report

5. Detailed school budgets based on two methods of distribution - Appendix A

Penny Rushen
Head of Catering
1 March 2010

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Purpose of Report

1. The purpose of this report is to agree the distribution of the School Lunch Grant for 2010/11 using a fair and equitable allocation model.

Background

2. A new standards fund grant was announced as part of the 2008-11 announcement: 1.2 School Lunch Grant. This was a new ring fenced grant and not a continuation of the previous two grants Grant 105a and 105b.
3. The 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 2010/11 is £498,360 (£516,233 in 2009/10).
4. 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 was specifically to manage the costs of school lunches.
5. 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.
6. 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.
7. Schools can use the Standards Fund Lunch Grant towards the cost of their catering services whether it is provided by Dudley Catering or an external contractor.

8. Schools Forum agreed in December 2008 that the basis for distribution of the 2009/10 School Lunch Grant would be in line with 'method 1' subject to this decision being reviewed annually and in light of individual service level agreements being developed for schools from April 2009.

Proposals for 2010/11

9. For 2010/11 two methods of distribution are proposed; these are summarised in paragraphs 9. Appendix A provides a detailed breakdown by school together with a variance analysis.
10. Method 1 is summarised in Table 1. This distributes the grant in line with the proportions of the previous grant 105b: a lump sum and the remainder on a per pupil basis. This recognises the fixed cost nature of the provision with the inclusions of a lump sum basic allocation for all schools. This method also provides consistency in funding between 2008/09, 2009/10 and 2010/11

Table 1 - Method 1 – 2010/11 Proposed Distribution

| | Lump Sum Allocation | Per Pupil |
|------------------|--------------------------------|------------------|
| | £ | £ |
| Primary | 3,563 | £1.73 |
| Secondary | 4,995 | £1.73 |
| Special | 3,563 | £1.73 |

11. Method 2 would be distributed on an un-weighted per pupil basis at a flat per pupil rate of £10.78 across all sectors. This method allocates a lower proportion of the grant to smaller schools which may be a disadvantage as larger schools will benefit from the economies of scale.

Finance

12. The funding of schools is prescribed by the DCSF through the School Finance (Amendment) (England) Regulations 2008.
13. 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.
14. From 1st April 2006, the Schools Budget has been funded by a direct DCSF grant: Dedicated School Grant (DSG).

Law

15. 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

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

Recommendation

17. Schools Forum is invited to support the continuing use of Method 1 as a basis of distributing the School lunch grant in 2010/11.

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