

# WIRRAL COUNCIL

## CABINET

13 MARCH 2014

<b>SUBJECT:</b>	<b>SCHOOL MEALS AND UNIVERSAL FREE SCHOOL MEALS FOR INFANTS</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF CHILDREN'S SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR TONY SMITH</b>
<b>KEY DECISION?</b> <i>(Defined in paragraph 13.3 of Article 13 'Decision Making' in the Council's Constitution.)</i>	<b>YES</b>

### 1.0 EXECUTIVE SUMMARY

This report seeks approval for an increase in the price of all paid school meals provided by METRO services to £2.30 with effect from 1<sup>st</sup> September 2014. In addition the report sets out the arrangements that will need to be put in place in order to implement the new statutory requirement for universal free schools meal for infants from September 2014.

### 2.0 BACKGROUND AND KEY ISSUES

#### 2.1 School Meal Price Increase

2.1.1 School meal prices are determined by school governing bodies. Where a meal service is provided by the Council on behalf of schools, prices are still determined by the school, having taken account of advice provided by the Local Authority.

2.1.2 The Council's advisory meal price was last increased in September 2008 from £1.70 to £2.00. There has been no change since that date as the service has broken even. This situation changed in the last year and it is now necessary to increase the charge per meal. Moving forward we will ensure an annual review takes place which is in line with the Council's annual review of fees and charges.

2.1.3 The Council METRO service provides a meals service to 80 schools in Wirral

3 nursery schools  
64 primary schools  
13 special schools

It is estimated that in 2013-14 the service will provide over 6,100 meals a day, In a year 600,000 are paid meals (52%) and 550,000 are free (48%). A number of schools have in recent years made their own arrangements for school meals which has reduced the overall number of meals served by METRO. The service has a turnover in excess of £4m per annum, giving a unit cost per meal of £2.87.

2.1.4 In the current year the service is unlikely to breakeven and may declare a loss (within the schools budget) of up to £80,000. The main factors are:

- Food costs. Inflation in this area is significant; price increases have only recently started to slow down. The unit cost per meal is 90p set against a target of 76p.
- There has been a reduction in the number of free school meals and an increase in paid meals, where there is a subsidy of 30%.

The expansion of the school meals service described below will tackle some of these increased costs, in providing greater economies of scale. Menus will be reviewed and cost comparisons in kitchens will identify where further action is needed. The outcome from these changes will also be reflected in a review of the School Meals Service Level Agreements.

2.1.5 Recently there has been a change in the number of pupils who are entitled to Free School Meals (FSM). The number of pupils aged 5-16 registered for free school meals in January 2014 fell to 8,439 from 8,936 12 months previously, an overall reduction of 5%. This reduction reflects the increasing numbers of parents claiming Working Tax Credit, rather than Child Tax Credit. Overall the FSM percentage has reduced from 25% to 20% over the period 2008 to 2014. The change in the balance of meals provided in schools will increase the reliance on income generated from paid meals, where there is currently a large subsidy as indicated below.

2.1.6 In the area the current comparable meal prices are:

Cheshire West and Chester	£2.15
Lancashire	£2.20
Sefton	£1.75
Cheshire East	£2.10
Halton	£2.10
Knowsley	£1.70
St Helens	£2.10

Whilst Wirral's price would exceed those quoted above, these rates apply to 2013-14 only. All meal services will be facing increased cost pressures.

## 2.2 Universal Free School Meals for Infants – additional revenue funding

The Chancellor of the Exchequers Autumn Statement confirmed both revenue and capital funding to introduce free school meal entitlement for all children in reception, year 1 and year 2 with effect from September 2014. This will be a legal duty, included as part of the Children and Families Bill.

More recently at the end of January the Secretary of State indicated that funding will be provided to schools at a rate of £2.30 for each meal taken – based on those infant pupils that are newly eligible for a free meal.

Evidence from national pilot schemes indicates that not all parents of infant aged children will take up an offer for a free meal; and on this basis take up may be between 80 – 90%. However pilots do point to a likelihood that the introduction of free meals for infants is likely to lead to greater take up of school meals in other year groups too.

At 90%, the overall number of additional infant meals is estimated to be 1,500,000 per annum, resulting in a revenue grant of £3,450,000, a share of which would be payable to each maintained primary school.

The grant in respect of Wirral's 80 schools who buy a METRO service would be £2,300,000. This reflects an estimated increase of 1 million meals which would increase current meal volumes by more than 80%. The Meal Grant would fund additional food costs, maintenance, training and staffing. At this time it is thought likely that the school kitchen workforce will need to increase from 270 by a further 80 to 100 posts.

This report is seeking the initial approvals in order to start a recruitment process that will have trained staff in post by 1<sup>st</sup> September 2014.

### 2.3 Universal Free School Meals for Infants – additional capital funding

The new policy for free school meals is supported by additional capital funding. This provides funding for the investment required in kitchens to increase capacity. Wirral's allocation from an overall sum of £150m is £623,802 for maintained schools and £241,048 for Aided Schools giving £864,850 in total. The allocation is in the form of a capital grant.

All school kitchens have been surveyed; most funding will be directed towards increasing storage, equipment and food preparation areas. There will also be a need for additional dining furniture. At one or two sites where there is limited space some structural alterations may also be necessary. Investment will be made as prioritised as required across all school sites, irrespective of meals provider.

The allocation for maintained schools of £623,802 will be added to the Children and Young People's capital programme for 2014-15.

### **3.0 RELEVANT RISKS**

- 3.1 The steps that will be taken following agreement of this report will minimise any risk that the requirement to offer free meals for infant aged children in schools would not be met.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 There have been no other options considered as part of this report.

### **5.0 CONSULTATION**

- 5.1 The proposals in the report will be considered by the Schools Forum and the Primary and Special Headteacher working groups prior to implementation

### **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 6.1 There are no direct implications for VCF groups.

## **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

7.1 Wirral Infant, Primary and Primary Special Schools will receive a school meals grant in addition to their revenue budget for 2014-15. The amount in a full year has been provisionally estimated at £3,450,000, the grant from September 2014 (part year) would be in the region of £2,300,000, more precise information will be known as the scheme is implemented.

Grant in respect of 80 schools where METRO provide a meals service is estimated to be £2,300,000 (part year £1,500,000).

The grant will fund the additional costs described in schools and within the trading account

7.2 The CYP capital programme should be amended to include the school meal capital grant of £623,802, funding a programme of alterations and additional equipment in maintained primary schools. The programme for aided schools totalling £241,048 will be developed with the Dioceses.

7.3 The expansion of the meals service will result in the recruitment of additional staff. The exact number required is calculated from a ratio of staffing hours to meals produced. At this stage it is anticipated there would be a need for an additional 80 to 100 staff. Schools who self provide the meals service or use another provider are also likely to increase their staffing levels.

## **8.0 LEGAL IMPLICATIONS**

8.1 The requirement to provide Free Infant School Meals from September 2014 will be a statutory duty on maintained primary schools and academies.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(a) Yes and impact review can be found via the following link:

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010-0>

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 The preparation of additional meals will increase the use of fuel in Kitchens. From April 2014 schools have been withdrawn from the Carbon Reduction Scheme.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 Any planning requirements arising from capital work in kitchens will be complied with.

## 12.0 RECOMMENDATION/S

- 12.1 That the price of a paid school meal is increased to £2.30 from September 2014 in primary schools where services are provided by METRO Services and that this increase is recommended to governing bodies of primary and special schools.
- 12.2 Subject to Council approval that the capital grant received to implement universal free school meals for infants in maintained schools totalling £623,802 is included with the capital programme for 2014-15 and is used to progress the range of schemes described.
- 12.3 That METRO school kitchen staffing number are increased to take account of additional meal numbers, with costs funded by schools and a DfE revenue grant based on £2.30 per additional free meal served.

## 13.0 REASON/S FOR RECOMMENDATION/S

- 13.1 To make arrangements for the introduction of universal free school meals for infants in primary schools and the increase in price of paid school meals from £2.00 to £2.20.

**REPORT AUTHOR: Andrew Roberts**  
**Senior Manager School Funding and Resources**  
telephone: (0151 666 4249)  
email: andrewroberts@wirral.gov.uk

## APPENDICES

*None*

## REFERENCE MATERIAL

*Secretary of State Letter 23<sup>rd</sup> January 2014*  
*Capital Allocation 18<sup>th</sup> December 2013*

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
None	