

Report To: Education & Communities
Committee

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Subject: Free School Meals P1-P3 Pupils

1.0 PURPOSE

1.1 The purpose of this report is to:

- a) Summarise the proposed national framework for delivery of Free School Meals to P1-P3 pupils
- b) Outline the proposed local implementation of this policy

2.0 SUMMARY

- 2.1 On 07 January 2014, the Scottish First Minister committed to give all children in P1 to P3 the option of a daily, free school meal from January 2015. Communication was received from Scottish Government's Learning Directorate in July 2014, outlining the financial allocation to allow Inverclyde's implementation of the policy.
- 2.2 Inverclyde is set to receive 1.3% of the £70.5m national allocation for this initiative. This equates to revenue funding of £215k for period Jan – Mar 2015, followed by £703k for the full Financial Year 2015/16. This is all the funding that has been announced formally to date. Additional funds are likely to be allocated to cover capital expenditure relating to this policy.
- 2.3 This funding will be used to recruit additional staff to support the expected increase in uptake of school meals, will finance the inevitable rise in food costs, and also will cover the purchase of additional equipment and (via the capital allocation) enhancements to dining facilities in schools.
- 2.4 During the pilot phase of this programme, participating authorities recorded increases in school meals uptake to, on average, 75% of their school roll. Taking this as our working assumption, it is currently expected that £56k will be required to recruit additional catering staff in Inverclyde. Facilities Management have calculated that 237.5 additional staff hours per week will be required across the 20 primary schools in the authority, and this for 38 weeks in the year, equalling 9025 hours. Catering Staff are currently paid at Grade B which is £6.59, rising to £7.21 for longer serving staff. Living Wage increment will be an additional factor for costings, and this will also be covered by the Scottish Government allocation. Recruitment of staff is already underway, in preparation for a January 2015 start.

3.0 RECOMMENDATIONS

- 3.1 The Education & Communities Committee notes the content of this report.
- 3.2 The Education & Communities Committee notes the preparatory work being done to get ready for the implementation of the policy in local primary schools.
- 3.3 The Education & Communities request an update report on the experience of implementing this policy

Patricia Cassidy
Corporate Director
Education, Communities & Organisational Development

4.0 BACKGROUND

- 4.1 The Scottish Government committed to fully funding revenue costs arising from the P1-P3 offer. The initial national allocation was announced as £55m over 2 years, but this has increased to £70.5m, after discussions with local government representatives. £16.5m of the overall revenue allocation will cover the costs of implementation in the partial year 2014/15, with £54m allocated for revenue costs in 2015/16.
- 4.2 The allocations for P1-P3 Free Meals will be added to the Council's General Revenue Grant for each relevant year, paid as part of the block grant.
- 4.3 In determining the levels of funding to be distributed to each individual local authority, the Scottish Government have used, as their base document, the Healthy Living Survey (HLS) from 2014. Within this return, each authority outlines their school rolls and the percentage of each roll currently eligible for Free School Meals. The allocation for the new initiative has therefore been calculated to provide funding for the remaining percentage of P1-P3 pupils. This approach was approved by the COSLA Leaders on 30 May 2014.
- 4.4 Scottish Government have indicated that, once the 2016 HLS data can be incorporated into the GAE distribution, this initial methodology will be revisited. The implication from this comment is that the initiative will continue beyond the 2 years already announced.
- 4.5 Scottish Government has also indicated that reasonable capital costs associated with the policy will also be met. This allocation is yet to be agreed between Government and COSLA. Capital requirements have been alluded to in section 2.3 of the report, however no detail can be provided as to anticipated spend, until financial parameters are set. Discussions are underway between catering, education, finance and school estates officers to ascertain the level of additional physical resources required to implement the policy fully across all schools.
- 4.6 As stated in section 2.2, Inverclyde is set to receive £215k revenue funding for period Jan – Mar 2015, followed by £703k for the full Financial Year 2015/16. Revenue allocation is therefore £918,000. This information is also presented in the tables of section 6.1.
- 4.7 The policy will result in loss of income to the Council, and this must also be factored into the financial landscape for the implementation period (income from paid school meals). Calculations estimate the scale of this loss of income at around £260k, based on an average of 766 paid meals, over 190 days at a cost of £1.80 (2013/14 cost to pupils / parents).
- 4.8 The additional cost of providing meals must also be considered. 54.4% of P1-P3 pupils taking school meals (free and paid) over 190 days at a cost of £2.58 per meal (from 2012/13 LFR data), costs £643,183 per year. If we assume that uptake will rise to the pilot average of 75%, the cost to the Council of providing meals increases by £243,221 (inclusive of additional staffing costs) during the implementation period. A summary of the loss of income and increased costs has been provided in Appendix 1, and is also expressed in section 6.1
- 4.9 A very small number of Inverclyde's Primary Schools are likely to be particularly challenged with regards to the logistics of higher uptake of school meals within their establishments. This is mainly due to the fact that their current dining halls are multi-purpose, serving also as Assembly and Gym Halls. Discussions have already taken place with these schools, and learning has been garnered from colleagues outwith the authority who were involved in the pilot phase of the policy, to mitigate the challenges.

5.0 PROPOSALS

It is proposed that:

- 5.1 Preparations continue for implementation of the policy, which will commence on the first day of the school term starting January 2015.
 - Recruitment of staff
 - Purchasing equipment

- Assessment and amendments to canteen facilities as required

5.2 Committee request a follow up report post-implementation, providing an update on the actual uptake / costs.

6.0 IMPLICATIONS

Finance

6.1 One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	Budget Years	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
Primary Schools	Contract Catering	2014/15 2015/16	75 243	N/A N/A	Jan to Mar Full Year
Primary Schools	School Meals Income	2014/15 2015/16	81 261	N/A N/A	Jan to Mar Full Year

Legal

6.2 No direct legal implications.

Human Resources

6.3 There will be a requirement to recruit new staff / offer extended hours to current staff. This has been articulated within the report.

Equalities

6.4 Positive impact likely, as this will be advantageous to households with lower incomes and the national rollout takes away current disparities between individual local authorities. Despite age being a protected characteristic, it is the only one where direct discrimination is lawful, therefore there should be no challenges to this being limited to P1-P3 only.

Repopulation

6.5 No direct implications on the repopulation of Inverclyde.

7.0 CONSULTATION

7.1 A series of discussions have taken place between COSLA and the Scottish Government in the negotiation of this national policy.

7.2 At a local level, operational discussions have taken place including all stakeholders in the delivery of this policy – education, catering, finance and school estates staff.

7.3 Additionally, communication with parents and pupils has begun, and will continue until commencement of the initiative. This is a national policy therefore scope for consultation (as opposed to communication) has been limited.

8.0 BACKGROUND PAPERS

8.1 Appendix 1 - Costings paper: loss of income and cost of provision based on 2012/13 LFR.

**Scottish Government
Introduction of FSM for P1-P3 from January 2015**

Announcement:

This new package of support will be funded using consequentialials from the UK Government's autumn budget statement. Free school meals will cost £1.3m in year in 2014-15 and £4.2m in 2015-16.

Source: 2012 Census Data

LA Name	SeatCode	School Name	School Type	Total School	P1	P2	P3	Total P1-P3
Inverclyde	8640122	Alleymill	Local Authority	316	67	47	40	154
Inverclyde	8640220	All Saints	Local Authority	344	48	46	63	157
Inverclyde	8640327	Andgowan	Local Authority	380	55	58	46	159
Inverclyde		Garvel			2			2
Inverclyde	8641323	Gourrock	Local Authority	233	35	34	30	99
Inverclyde	8642923	Inverkip	Local Authority	240	31	34	37	102
Inverclyde	8643024	Kilmacollm	Local Authority	221	38	32	28	98
Inverclyde	8640521	King's Oak	Local Authority	324	49	51	52	152
Inverclyde	8640920	Lady Alice	Local Authority	239	35	40	30	105
Inverclyde	8641420	Moorfoot	Local Authority	285	42	32	48	122
Inverclyde	8640025	Newark	Local Authority	452	74	74	67	215
Inverclyde	8641820	St Andrew's Primary	Local Authority	248	33	30	40	103
Inverclyde	8643822	St Francis'	Local Authority	190	25	35	43	103
Inverclyde	8643628	St John's	Local Authority	233	27	26	26	96
Inverclyde	8641927	St Joseph's	Local Authority	154	15	17	43	62
Inverclyde	8642222	St Mary's	Local Authority	287	57	54	37	148
Inverclyde	8643725	St Michael's	Local Authority	244	32	43	35	110
Inverclyde	8642826	St Ninian's	Local Authority	323	48	36	53	137
Inverclyde	8642524	St Patrick's	Local Authority	287	37	36	34	107
Inverclyde	8644721	Wemyss Bay	Local Authority	151	20	22	20	62
Inverclyde	1000527	Whinhill primary school	Local Authority	284	35	36	47	118
				5,151	805	783	823	2,411

Cost of providing meals to 54.43% of P1-P3 school roll
(Based on 2012/13 LFR data)

	No. of pupils	No. of meals @ 190 days	Price	
	1,312	249,296	£ 2.58	£ 643,183
Cost of providing meals to 75.00% of P1-P3 school roll (Based on SG free school meals trial showing increase from 53% to 75%)	1,808	343,568	£ 2.58	£ 886,404
Increased cost of providing school meals	496	94,272	£ 2.58	£ 243,221

Loss of Income
P1-P3 no. of paid school meals

	766	145,595	£ 1.80	£ 262,071
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Increased cost to Inverclyde Council - full year

£ 505,293

Cost of providing meals to 75% of P1-P3 school roll

	2014/15	2014/15	2014/15	2015/16
	Aug - Dec	Jan - Mar	Total	Total
	£ 223,393	£ 154,247	£ 377,640	£ 505,293

Scottish Government funding
Budget Pressure for early introduction

	£ 223,393	£ 154,247	£ 223,393	£ 505,293
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