



**Haringey** Council

**The Children and Young People's Service**

**Report to Haringey Schools Forum 25 February 2010**

**Agenda Item**

**7**

**Report Status**

For information/note   
For consultation & views   
For decision

**Report Title: School Lunch Grant (SLG) 2010-11**

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**Purpose: To seek the approval to changes in the administration of the School Lunch Grant in 2010-11.**

**Recommendation**

**To centrally retain the devolved element of the School Lunch Grant in 2010-11 for Primary and Special Schools and reimburse schools adopting the recommended price to parents at year end.**

## 1. Background.

- 1.1. The Standards Fund 'Schools Lunch Grant (SLG)' allocation in 2010-11 is £393,450 which is a 3% increase against the 2009/10 allocation of £381,921.
- 1.2. The purpose of the grant is to help manage the direct costs (examples include ingredients, employee and equipment costs) of providing school lunches; to improve healthier school lunch take-up and to reduce the price of school meals.
- 1.3. Local authorities are required to consult with Schools Forum on the allocation of the grant.
- 1.4. The School Lunch Grant in 2009/10 was used as follows:
  - £125,000 to continue the programme of kitchen improvements by purchasing items of equipment for those schools identified in the Property & Contracts kitchen Asset Management Plan as being most in need of improvement in order to meet the standards.
  - £6,000 to support marketing costs to increase the uptake of healthier school meals.
  - £10,000 allocated to PSC to help offset known inherent difficulties with PSC meal payments and free school meals registration.
  - £240,900 allocated to schools to reduce the price of a school meals.
- 1.5. The grant element devolved to primary schools was, in line with the Forum report of 18 September 2008, "allocated in the same way as funding for paid meals" i.e. effectively increasing the paid meal subsidy.
- 1.6. Secondary Schools continued to receive an allocation based on their relative AEN scores.
- 1.7. Although the price of a school meal paid by parents is set by the schools governing body, Haringey Council has recommended a maximum price per school meal based on the known cost of a school meal charged by the 'Catering DSO' and the funding allocated to schools through the schools funding formula and the 'School Lunch Grant'.
- 1.8. The average price that the DSO charged in the 2009-10 financial year is £2.23 per meal (the current price is £2.25 reflecting the fact that prices tend to be set on an academic year basis). Free meals are fully funded by subsidy through the schools funding formula. The subsidy also contributes approximately £0.21 per paid meal. The School Lunch Grant equates to a contribution of £0.12 per meal (using 2008/09 meal numbers). Therefore, the recommended price to parents taking account of the SLG funding and the school meals subsidy was £1.90 as illustrated in the table below:

£ per meal
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School income (recommended price)	1.90
Subsidy	0.21
SLG	0.12
<b>Financial Year school meals funding</b>	<b>2.23</b>
Catering DSO charge	(2.23)
<b>Net</b>	<b>0.00</b>

1.9. Having monitored prices charged by schools over financial year 2009/10 (latest survey Jan 2010) most have not reduced prices to the recommended level (£1.90). This is shown in Appendix 1.

1.10. An example of a school charging parents £2.25 per meal illustrates that a surplus of £0.33 is achieved per meal as shown in the table below:

	£ per meal
School income (recommended price)	2.25
Subsidy	0.21
SLG	0.12
<b>Financial Year school meals funding</b>	<b>2.58</b>
Catering DSO charge	(2.25)
<b>Net</b>	<b>0.33</b>

## 2. Conclusions

- The express purpose of the SLG was to lower the prices of school meals.
- In a significant number of Primary schools it is not being used for that purpose.
- Accordingly, we have concluded that we should change the way we allocate and administer the grant to strengthen the incentive on schools to keep prices at or below the recommended level.

2.1. We are proposing that the SLG should be passed to schools only where it is demonstrably used to lower the price of school meals. The recommendations below set out how this can be achieved.

2.2. The Forum should note that the figures used in this report are based on 2008/09 school year meal numbers and current (2009/10 school year) prices. Providers, including the Haringey Catering Service, may raise prices for the 2010/11 school year to take account of inflationary pressures. However, an increase in prices would also be reflected similarly in the 'recommended price' charged by schools and therefore there would be no effect on the subsidy provided by the SLG.

### 3. Recommendations.

- 3.1. That the administration of the Primary & Special Schools devolved element of the funding is changed to strengthen the incentive for schools to keep prices to the recommended level. The SLG should be centrally retained and reimbursed to schools at year end where schools adopt the recommended price, as shown in Appendix 2.
- 3.2. That schools should be informed in advance of the financial year (as now) of their allocation should they meet the condition set out in 1 above. A contingency should be held back to ensure that schools that are successful in raising meal take-up are compensated by additional school lunch grant.
- 3.3. That secondary schools continue to receive the SLG based on the existing formula (AEN). Since secondary schools operate cash cafeterias it would be difficult to administer the grant in the same way as the value of a meal varies significantly unlike Primary and Special Schools where they tend to be fixed at £2.25 per meal.
- 3.4. Any SLG not allocated to schools at year end due to schools charging more than the recommended price will be used centrally for marketing/ equipment purchase.
- 3.5. That the 'School Lunch Grant' is allocated broadly on the same basis as 2009-10 therefore giving a 3% proportional increase across each element for 2010-11 but with a small allowance for contingency as set out in the table below:

	£
Kitchen Improvements	100,000
Marketing of healthier Meals	6,150
Pupil Support Centre	10,300
Contingency	28,000
Devolved to Schools	249,000
	<u>393,450</u>