

Report to: Schools Forum

Subject: Universal Infant Free School Meals (UIFSM) Implementation

Date of meeting: 16th July 2014

Report from: Julian Wooster, Director of Children's and Adults' Services

Report by: Mike Stoneman, Strategic Commissioning Manager

Wards affected: All Wards

Key decision: No

Full Council Decision No

1. Purpose of report

- 1.1. The purpose of this report is to provide Schools Forum with an update on the implementation of the Universal Infant Free School Meals (UIFSM) initiative and to highlight a future change to the price of school meals to parents subject to the conclusion of contract re-negotiations with ISS.

2. Recommendation

2.1 It is recommended that Schools Forum:

- a) **Note the progress that has been made in implementing the Universal Infant Free School Meals initiative**
- b) **Request that officers bring back to a future Schools Forum meeting a paper setting out the proposed future cost per meal to parents/carers once the re-negotiations of the existing contract with ISS have been completed.**

3. Background to UIFSM

- 3.1 Following the Government announcement in September 2013, that every child in Year Reception, Year 1 and Year 2 in state-funded schools will be able to receive a free school lunch from September 2014, the Chancellor confirmed in the Autumn Statement on 5 December 2013 how the project will be funded. The government is making £150 million of capital available. £70 million of this will be new money from the Treasury and around £80 million will be from unspent DfE maintenance budgets. The capital allocation for Portsmouth was announced on 18 December 2013 confirming a total allocation of £488,985 for LA maintained schools (academies will be required

to bid to Academies Capital Maintenance Fund). The government will also be providing revenue funding of £450 million in 2014 to 2015 and £635 million in 2015 to 2016 to the Department for Education to fund this commitment. This represents new money into the DfE budget

- 3.2 This is now a legal requirement following an amendment to the Children and Families Bill, to place a legal duty on primary schools to offer free school meals to all infant aged pupils. The legislation also includes a power to extend the policy to additional year groups in future. Existing entitlements to free school meals for disadvantaged pupils in nursery classes and key stages 2-4 will continue as now.
- 3.3 The aim of the initiative is to improve academic attainment and save families money – over the course of a year the average family spends £437 on school lunches per child. At the same time, the government will extend free school meals to disadvantaged students in further education and sixth form colleges.
- 3.4 Universal free school meals for primary school pupils were a key recommendation in a recent review of school food produced independently for the Department for Education. The review was led by Henry Dimbleby and John Vincent of Leon Restaurants and culminated in the publication of The School Food Plan in July 2013 which set out a list of actions needed to improve food provision for millions of children including the provision of free school meals. The review found that, in pilots where all children have been given a free school dinner, pupils were academically months ahead of their peers elsewhere and more likely to eat vegetables at lunchtime instead of less healthy food like crisps. It recommended therefore that the government embark on a phased roll out of free school meals for all children in all state funded primary schools. The School Food Plan presented evidence that this would lead to positive improvements in health, attainment and social cohesion, and help families with the cost of living.

4. Delivery of school meals in Portsmouth

- 4.1 ISS is the current provider of school meals in Portsmouth which the City Council manages on behalf of all primary schools (with the exception of Northern Parade Schools) and four secondary schools (King Richard School, The Portsmouth of City Boys' School, Mayfield School and Springfield School). The current contract extends for a period of four years from 1st September 2012 to 31st August 2016 with an option to extend for a further three years. The Council is currently re-negotiating the contract with ISS in light of the significant increase in school meal numbers that will result from UIFSM. These negotiations are at an advanced stage and are likely to be concluded by the end of June 2014 (refer to section 8).
- 4.2 As part of this arrangement there are 56 sites comprising 16 production kitchens (school kitchens that serve other schools); 16 stand alone kitchens (school kitchens that serve just their own school) and 24 serveries (schools that receive school meals from other production kitchens - food is transported between schools by the Council's Dispatch Service).

- 4.3 The current uptake of school meals in those schools which form part of the contract is 36% for primary schools and 30% for secondary schools. The uptake has increased by 3% since ISS took over the contract in September 2012.

5. Potential take-up in Portsmouth and capital cost implications

- 5.1 ISS has undertaken an analysis to determine the additional potential infant take up of school meals taking into account numbers of infant pupils on roll at each school, the current take up of school meals and the possible take up (based on 80% of eligible roll). The detail of this analysis is given at Appendix 1. It shows a rise from 2242 to 5355 school meals per day for Years R, 1 and 2, an increase of 3113 meals per day and an annual cost of £1.2m.
- 5.2 The total number of school meals per day for all year groups that ISS delivers for is on average 5,300. The estimated increase of 3113 meals per day would bring the total number of meals per day to 8,413 an increase of 59%
- 5.3 The Council has been working closely with ISS and primary schools to ascertain what arrangements would need to be put in place and the associated investment that would be required in order to support such an increase in school meals. The analysis has taken into account several key factors including: space requirements; equipment requirements; capacity of kitchens and serveries; transport of school meals; and staffing.
- 5.4 **Space requirements** - ISS has been in discussion with schools about the logistics of seating so many infant children during the lunch hour and ways in which this can be delivered. This has included
- Extension of the lunch period and extra sittings
 - Children who have packed lunches to eat their lunch in other suitable areas in order to alleviate dining space e.g. classrooms
 - Ensuring lunches are pre-ordered allowing children to have their first choice of menu item and to maximise the speed of service
 - Deciding to opt for a two choice menu instead of the current three
 - Cold meal option trial at College Park Infant School
 - Trialling the service where items such as baked bread and fresh fruit are placed on the tables to support the speed of service at the counters.
- 5.5 The majority of schools have confirmed that they will be able to accommodate all children who want a school meal. However, there are a few schools where there were concerns about the space and ability to provide a school meal within the lunch period and the potential impact this will have in terms of the delivery of the curriculum. This included:

- **Court Lane Infant School** (4 form entry)- the school will be one of three schools involved in the trial in early July to test out the new arrangements.
- **Solent Infant School** (3 form entry) - modifications are taking place to the music room to open up another area for dining. The school will be one of three schools involved in the trial in early July to test out the new arrangements.
- **Devonshire Infant School** (2 form entry) - the school is considering renting temporary accommodation to ease the pressure on the existing dining space. The school has limited options and cannot extend the lunch hour due to the fact they share the playground with Fernhurst Junior School and have to co-ordinate with the Junior School play times.
- **Portsdown Primary School (2 form entry)** - the school will be opening up another hall space but is having to change the flooring to a more suitable material that can cope with school meal spillages

5.6 Equipment requirements - a detailed analysis of the additional equipment that will be required has been undertaken. This takes into account 'light' equipment (cutlery, cups, plates, meal trays, utensils, cooking equipment, dining tables and chairs) and 'heavy' equipment (ovens, fridges, freezers, hot cupboards, dishwashers, etc). The total cost for the 'light' equipment is £45,566 (includes tables and chairs) and the total for 'heavy' equipment is included in the figure below for upgrades and installation.

5.7 Capacity of kitchens and serveries - the current arrangements are not sufficient to meet the additional demand. Churches were commissioned to survey all kitchens and serveries affected by UIFSM to assess the capacity and suitability and what upgrades would be needed to cope with the new equipment e.g. utilities, canopies (extraction systems). This work has now been completed. The total cost for the upgrades (including the installation and cost of the heavy equipment) is £372,696.

5.8 Transport - an analysis of the transport requirements has been undertaken by ISS and PCC's Dispatch Services. The transport routes between schools with production kitchens and schools with serveries have been revised and three more vans have been ordered to cope with the increased volume of meals at a total cost of £58,535. In addition, thermal boxes and fixed handled trolleys have also been ordered at a total cost of £28,846.

5.9 Staffing - to meet the increased demand additional staff (43 staff will need to be recruited for the kitchens plus an additional business support manager). These costs will be met through the increased revenue the service provider will receive from the increase in school meals. Schools will also have to consider if the current levels of supervision will be sufficient to cope with the additional numbers of children having school meals. These costs will be met by the schools through the revenue allocation.

Table 1: breakdown of capital costs

Items	Cost
Kitchen Light Equipment (plates, cutlery, bowls, pots, pans, clearing trolleys, etc)	£31,394
Dining Room Furniture (clearing trolleys, tables and chairs)	£14,172
Upgrades to kitchen (e.g. utilities, extraction systems) and installation of 'heavy equipment'	£372,696
Survey of kitchen and serveries - Churches	£12,250
Transport - thermal boxes (200) and fixed handle trolleys (28)	£28,846
Transport - purchase of three multi use purpose vans	£58,535
Modifications to schools to create extra dining space: <ul style="list-style-type: none"> • Solent Infant School (use of music room and replacement of flooring) • Portsdown Primary School (use of another hall and replacement of flooring) • Devonshire Infant School (rental of temporary accommodation) 	£4,771 £3,000 £15,000
Modifications to ramps/access	tbc
Cost of providing cold meal option	tbc
Newsletter/FSM forms design and printing	£504
Total	£541,168 plus items tbc

5.10 A **working group** has been established since January 2014 involving representatives from PCC, ISS and three Headteachers and three governors from local schools (Gatcombe Park Primary, Court Lane Infant and College Park Infant). This group is responsible for overseeing the implementation of UIFSM.

5.11 A regular newsletter is being issued to schools to keep them informed of developments. Issues 1 and 2 are attached at Appendices 2a and 2b.

6. Timescales and trial

6.1 There are significant logistical issues in preparing for the implementation of free school meals for infant aged children from September 2014. For this reason it was recommended that a trial be considered w/c 30 June 2014

- 6.2 Originally it was hoped that the trial week could involve all Primary and Infant Schools. However, due to the challenges of completing all of the kitchen upgrades and installation of equipment, this has not be possible. An alternative and more limited trial is now being proposed which will focus on those schools where there are logistical challenges due to numbers and / or space. Details of the trial have been confirmed and will involve Solent Infant, Court Lane Infant and Southsea Infant Schools on 2nd, 3rd and 4th July 2014. Funding for these trials will be met by ISS (1 day) and PCC (2 days - to be paid through the pay back mechanism the Council has with ISS as part of the school meals catering contract). Northern Parade Infant School (which is not part of the ISS contract) has also confirmed that it will be running a trial on the same days, to be funded by the school.
- 6.3 The trial will allow ISS and the Council to test out the new arrangements in terms of the capacity of the kitchens and serveries, new transport routes, testing of new equipment and training of staff.
- 6.4 The timescales for having everything ready for September 2014 are very challenging. ISS intend to recruit staff (at their own risk) before the summer in order to carry out the necessary induction and training.
- 6.5 Despite the above and the challenges all partners have had to overcome, the Council is confident that everything will be in place for September 2014. A project plan is in place (refer to [Appendix 3](#)) and progress against the key milestones are monitored regularly by the working group.

7. Funding - capital and revenue

Capital funding

- 7.1 The Autumn Statement on 5th December 2013 included an announcement of the capital and revenue funding available nationally to cover this initiative
- 7.2 Details of the capital allocation were announced on 18 December 2013. The total universal infant free school meals capital budget is split across various sectors using pupil numbers from the January 2013 census.
- 7.3 The total allocation for Portsmouth (for LA maintained schools) is £488,985. Academies will have to bid in to the Academies Capital Maintenance Fund (ACMF) for any additional funding they require to support kitchen upgrades and new equipment.
- 7.4 The total estimated capital costs in order to implement UIFSM in Portsmouth is estimated to be £541,168 plus value of items that have yet to be confirmed (refer to Table 1). Additional costs over and above the allocation to Portsmouth will be met through the payback element of the catering contract with ISS.

Revenue funding

- 7.4 Details of the revenue funding for schools have recently been announced. A flat rate of £2.30 has been agreed which will cover the cost of the meal (in Portsmouth this will remain at £2.00 for 2014/15) and any additional costs the school will incur (e.g. supervision). The initial allocation to schools will be based on 87% uptake. This will be revised later in the year based on actual take up. A briefing note on revenue funding is attached at [Appendix 4](#).
- 7.5 The Council previously circulated a spreadsheet to schools which illustrated the estimated income primary and infant schools can expect to receive as a result of UIFSM and the flat rate of £2.30 per pupil per meal, and potential surplus this will generate taking into account the cost of the meal at £2.00. The Council also provided an estimated figure for the potential additional funding (less costs) per pupil in Years R, 1 and 2. Helpfully, the DfE has now published the Universal Infant Free School Meals (UIFSM) Conditions of Grant and calculator at:
<https://www.gov.uk/government/publications/universal-infant-free-school-meals-conditions-of-grant>
- 7.6 Provisional main allocations and small schools allocations will be published during June 2014. The second payment of this grant will be made in the 2015/16 financial year
- 7.7 The Council has also had to increase the costs to schools in terms of the traded services offer. Following discussions with school representatives from the UIFSM Working Group the Council has confirmed the variation and an increase of £9 per pupil in order to cover additional costs associated with Universal Infant Free School Meals. It is important to note the following:
- The increase only applies to Year R, 1 and 2 pupils
 - It is a flat rate increase across all primary and infant schools in the school meals catering contract
 - The increase seeks to recover the additional ongoing revenue costs to the Council in terms of: kitchen equipment maintenance, servicing and replacement; transport costs; food testing; and contract management
 - The costs will be reviewed during the course of the year and whilst the additional cost per pupil may come down if the UIFSM uptake is not as great as expected, the Council has confirmed that the £9 additional cost per pupil will not be increased any further for the duration of the existing contract with ISS

Impact on pupil premium funding

- 7.8 The introduction of UIFSM presents a risk to schools in terms of a reduction in the level of pupil premium a school might receive as parents / guardians of children in Year R, 1 and 2 will no longer have any incentive to register for free school meals. To combat this risk the Council issued to all primary and infant schools (and Mayfield School and Mary Rose Academy) a letter and form to be distributed to schools to help assess the likely uptake of free school meals, check on whether a special diet was required, but most

importantly allow the Council to check for FSM eligibility and therefore claim for pupil premium funding. Schools are returning these forms to the Council in batches which the Free Schools Meals Checking Service is administering.

7.9 A copy of the letter and form is attached at Appendix 5

8. Contract re-negotiations with ISS

8.1 The Council is currently in advanced contract re-negotiation discussions with ISS. This has been triggered by the significant increase in the volume of school meals that ISS will be delivering from September 2014 as a result of UIFSM. The expectation is that it will result in:

- a considerable increase in the amount of funding the Council will receive through the payback mechanism (currently 5p for every school meal), all of which is used to re-invest in the service (e.g. kitchen upgrades) on behalf of schools and academies who are in the contract
- the price of school meals being held at £2.00 until August 2016, rising to 2.05 for a further three years. This will represent very good value and some of the lowest prices in the country.

8.2 Following the conclusion of those discussions a paper will be brought back to Schools Forum to provide confirmation of any future price rises in school meals

9. Head of Legal Services' comments

9.1 Legal comments are incorporated in the body of the report. Issues arising from the renegotiation of the ISS contracts cannot be dealt with until the precise terms of the variation are known

10. Head of Finance comments

10.1 The majority of finance comments are incorporated in to the main body of the report.

10.2 As explained within the report, the new responsibilities in respect of free school meals for reception, Yr1 and Yr2 pupils rest with the schools and the governing bodies. The Education Funding Agency is providing additional funding for schools and Academies through the Universal Infant Free School Meal Grant to meet these responsibilities.

10.3 The Education Funding Agency has now issued the conditions of grant relating to the Universal Infant Free School Meals and an updated funding briefing note (Appendix 4) has been prepared for schools setting out:

- the funding arrangements
- payment arrangements
- clarification of the arrangements regarding amalgamating and closing schools and academy conversions.

- 10.4 The initial funding allocation is expected to be received by the Council in June 2014. This funding will be passed to the individual maintained schools as soon as possible after the receipt of the funding and the individual school level allocation data. Academy Schools will receive their funding directly from the Education Funding Agency.
- 10.5 The final allocation for the 2014-15 academic year will be calculated and allocated to schools in Spring 2015. The calculation will be based on October 2014 and January 2015 census data. Where the final allocation is calculated to be less than the initial allocation in June 2014, any funding will be deducted from the grant allocation for the 2015 to 2016 academic year.

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Signed by:

Appendices

Appendix 1	Potential take-up of infant school meals in Portsmouth
Appendix 2a	UIFSM Newsletter Issue 1
Appendix 2b	UIFSM Newsletter Issue 2
Appendix 3	UIFSM Project Plan
Appendix 4	Briefing note on revenue funding
Appendix 5	Letter and form sent to parents / guardians

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Education Funding Agency: Universal Infant Free School Meals: Conditions of Grant	https://www.gov.uk/government/publications/universal-infant-free-school-meals-conditions-of-grant

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Signed by:
Julian Wooster
Director of Children's and Adults' Services