



**REPORT TO: EDUCATION, CHILDREN'S AND LEISURE SERVICES
COMMITTEE ON 24 NOVEMBER 2021**

**SUBJECT: INFORMATION REPORT: UNIVERSAL FREE SCHOOL MEALS
(PRIMARY SCHOOLS) - IMPLEMENTATION**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND
ORGANISATIONAL DEVELOPMENT)**

1. REASON FOR REPORT

- 1.1 The report provides an update to Committee on the status of the Scottish Government (SG) initiative to provide universal Free School Meals (FSM) for all primary school children within the 2021/2022 timeframe.
- 1.2 This report is submitted to the Council in terms of Section III (D) (1) of the Council's Scheme of Administration relating to all the functions of the Council as an Education Authority.

2. BACKGROUND

- 2.1 SG and Local Authority (LA) Leaders reached a joint agreement in May 2021 on the implementation of a phased approach to universal free school meals for primary children. A phased introduction of universal and targeted FSM support was planned for academic year 2021/22:
- Phase One – July 2021 – Commencement of FSM holiday support to all children and young people who are eligible for FSM on the basis of low income
 - Phase Two – August 2021 – Expansion of Universal FSM to P4 children
 - Phase Three – January 2022 – Expansion of Universal FSM to P5 children
 - Phase Four – Aug 2022 – Expansion of Universal FSM to P6-P7 children
- 2.2 A total of £49.75 million has been allocated to local authorities in 2021/22, with the following funding distribution and allocation to Moray, provided through a redetermination of the General Revenue Grant to local authorities, in March 2022:
- £250,000 – Phase One – FSM holiday support

- £525,000 – Phase Two and Three – expansion of universal FSM to P4 and P5. It has been determined that this will cover loss of revenue and additional food costs for these two Phases.
- 2.3 Further financial work is underway to recommend distribution of funding for Phase 4. Neither SG nor COSLA have indicated when the specifics of this funding analysis will be shared with local authorities.
 - 2.4 The joint agreement also established governance arrangements for the delivery of the programme in 2021/22. A Scottish Government and COSLA jointly chaired Governance Board was established to monitor implementation and oversee the financial monitoring of the programme and the development of proposals. A Programme Operations Group (with officials from SG, Scottish Futures Trust (SFT) COSLA, Association of Directors of Education Scotland (ADES), Directors of Finance, Assist Facilities Management (ASSIST FM) FM and Association for Public Service Excellence (APSE)) was also established and reports to it and undertakes all the required survey work with local authorities on potential capital and infrastructure costs.
 - 2.5 An initial review by Catering showed an average of 47-56% take up of school meals pre-COVID within the Associated School Groups in Moray. Specifically within the target P4-P7 FSM target group this ranged from 22% (Lossiemouth ASG) – 41% (Keith ASG) although within these averages a maximum 75% and minimum 18% are recorded at specific schools.
 - 2.6 A directed online survey of all primary children families (resulting in a response rate of 35%) indicated that 80% would take up FSM. Following discussion with other local authorities a planning figure of 78% (1852 additional children) was used to ascertain the impact of the implementation of universal FSM to primary school children in Moray.
 - 2.7 Catering have assessed that the current capacity/capability (kitchen outputs, staff support and dining spaces) would support the Phase Two extension of FSM provision to P4 from Aug 21 without any significant impact in Moray. This assessment was confirmed with Head Teachers and QIMs. A similar assessment applies to Phase Three of the implementation of FSM to P5 from January 2022. This is not the case for all LAs.
 - 2.8 Impact analysis of the provision of FSM for up to 78% of all primary school children resulting from the Phase Four implementation of FSM to P6-7 planned for August 2022 has highlighted a number of significant risks and issues and additional capital and ongoing revenue requirements that have not been considered within SG funding calculations.
 - 2.9 The following additional costs to implement universal FSM have been determined and a detailed breakdown on a school-by-school basis shared with SFT:

- **Capital**

An estimated capital budget of £1.2M is required to support the:

- Reinstatement of two servery kitchens to production - Portgordon and Findochty.
- Expansion of dining spaces at three schools – Aberlour, Bishopmill and Cluny.
- Additional kitchen equipment (10x combi ovens, 20x fridges and freezers, 3x food mixers, 2x pass-through dishwashers, 2x potato rumpers and 1x food steamer) and servery equipment (9x mobile hot and cold trolleys)
- Additional dining room seating and tables

For all construction costs we have applied the Learning Estate Investment Programme metric of £3700/m² and added an additional uplift of 30% to account for market volatility (with respect to materials and resources)

- **Revenue**

An estimated total ongoing annual revenue budget of £1.17M is required to support increased costs to cover the delivery of an estimated additional 1852 school meals per day, this includes:

- Loss of income – loss of £2.30 per paid meal for P4-P7 pupils taking school meals (2019/2020 figures) equates to £522K. The allocated P4-P5 general revenue grant will cover this for 2022/23 but no current SG commitment to commit to this as an annual increase beyond this point; however, they are working on a national cost per meal rate that will seek to cover loss of income, additional food and increased catering staff costs.
- Additional food costs – an additional 1852 meals x current food costs (£1.35/meal) for 189 days equates to £472K.
- Increase in catering staff to support additional meal production and serving estimated at an additional 20.41 FTE equates to £451K.
- Additional education staff to support lunchtime supervision is averaged across all schools as an additional 7.5hrs. Increases will require changes to the current DSM formula.
- Energy increase estimated to be 14kWh/year to account for reinstated kitchens and additional meal production.
- Cleaning time and materials, increased food waste disposal and additional equipment and building repair and maintenance costs.
- Additional building rates to account for increased dining room space (Rebate for initial 12 months)

- 2.10 The Scottish Future Trust intend to collate impact assessments from all LAs and provide a national level impact report to SG within the next few weeks.
- 2.11 The established Moray Council Universal FSM working group, with representation from Education, Property, Catering and Finance, will continue to engage with SFT directly and await a formal response from SG to the impact assessment.
- 2.12 Senior officers will also continue to engage on the risks and issues related to the FSM roll out programme through COSLA, ADES, ASSIST FM and APSE who will represent LA interests within the dedicated Programme Operations Group.

3. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

This report supports the LOIP outcomes:

Building a better future for children and young people in Moray

- A place where children and young people thrive;
- A place where they have a voice, have opportunities to learn and can get around;
- A place where they are able to reach their full potential.

and the Aims of the Corporate Plan to:

- Provide opportunities where young people can achieve the potential to be the best they can be.

(b) Policy and Legal

There are no policy or legal implications arising from this report.

(c) Financial implications

The redetermination of the General Revenue Grant to local authorities in March 2022 will support the P4-P5 FSM roll out loss of revenue and increased food costs only.

The P6-P7 roll out will require greater catering and dining room capacity together with additional staffing to support delivery of an anticipated additional 1895 meals across Moray primary schools.

Capital costs within 2021/22 to support refurbishments, new construction and catering equipment purchase is estimated at £1.2M. Ongoing revenue costs for additional staffing, meal production costs and loss of revenue have been estimated at £1.17M.

(d) Risk Implications

The following key strategic risks have been identified and reported to SFT:

- With no funding as yet in place to support the financial commitments, Moray Council would only be able to successfully support the implementation of universal FSM to the P4-P5 year groups for the majority of primary schools.
- The lack of availability of contractors to undertake and complete design and construction works before the current Aug 22 target for P6-P7 rollout.
- The ability of the supply chain to deliver kitchen (e.g. combi ovens, fridges, freezers) and dining room (hot/cold trolleys) equipment within project timescales expected.
- The lack of sufficient Education and Catering staff resources to recruit to support additional meal production and delivery within project timescales expected.
- The SG is currently proposing a rate of £3.33/per head to produce a primary school meal, which would cover loss of income, and additional food and catering staffing costs. This falls short of the pre-Covid Local Financial Returns (LFR) for Moray, and other rural LA, actual meal production costs. Should the SG in progress work to update the national cost per meal rate persist with the current discrepancy it will result in a further shortfall of funding required to produce the additional 1895 FSM meals in Moray.

(e) Staffing Implications

Additional catering staff (20.41 FTE) and educational staff hours (7.5 hrs per primary school per week) will be required from start of 2021/22 academic year.

The additional education staff hours will require a change to the DSM budgeting formula.

(f) Property

The additional production capacity requirement will require servery kitchens at Portgordon and Findochty primary schools to be reinstated as operational kitchens for the start of the 2021/22 academic year.

The additional dining space requirements will require expansion of dining facilities at Aberlour, Bishopmill, Cluny primary schools.

Minor works will be required at a number of primary schools to support the use of mobile hot and cold servery stations.

Survey work will be undertaken as soon as possible to determine the full scale and scope of works required.

(g) Equalities/Socio Economic Impact

The implementation of universal FSM will support non-stigmatising provision of services and supports health and well-being of our young people.

4. CONCLUSION

- 4.1 Committee is asked to consider and note the information contained in this report. A further update will be provided following a response from SG on the funding allocation for P6-P7 FSM implementation.**

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Background Papers:

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