

Item: 14

Policy and Resources Committee: 19 June 2018.

School Meals Service to Pre-school and Nursery Children.

Joint Report by Executive Director of Corporate Services and Executive Director of Education, Leisure and Housing.

1. Purpose of Report

To review the position regarding the provision of free school meals to pre-school and nursery children and consider options around charging in some circumstances.

2. Recommendations

The Committee is invited to note:

2.1.

That the increase in entitlement for Early Learning and Childcare, from 600 hours to 1,140 hours, will start to be phased in by the Council from August 2018 onwards.

2.2.

That the Scottish Government has estimated that the 1,140 hours of Early Learning and Childcare entitlement provides families and carers with an estimated annual saving in childcare costs of more than £4,500 per child per year.

2.3.

That savings made through the School Meals budget in recent years means that the service is no longer able to cover the cost of free school meals currently provided to children taking up the 600 hours entitlement to Early Learning and Childcare.

2.4.

That the requisite Government funding to cover the cost of universal provision of free school meals is only expected to be forthcoming from April 2020.

2.5.

That children attending pre-school or nursery, who meet the free school meal criteria, will continue to receive free school meals, as Government funding has been provided to cover the cost of this element of free school meal provision.

2.6.

That the roll out of 1,140 hours entitlement to Early Learning and Childcare from August 2018 will increase the number of school meals required and the settings meals are required in, resulting in an estimated funding gap of £29,487 in the School Meals budget, for which no additional funding has been provided by the Government.

2.7.

The options available to the Council in respect of covering the funding gap of £29,487 in the School Meals budget, as set out in section 5 of this report.

It is recommended:

2.8.

That, with the increase in entitlement for Early Learning and Childcare from 600 hours to 1,140 hours, except for children who would otherwise be entitled to free school meals due to other reasons, a meal charge equivalent to the charge for P4 to P7 primary school meals, less 10p per meal, should apply to pre-school and nursery children who are present at school over the lunchtime period and require a mid-day meal.

3. Background

3.1.

Since January 2015 all children in primaries 1, 2 and 3 have been entitled to free school meals. Additional funding has been provided to local authorities to deliver this initiative by Scottish Government since April 2015. This initiative and funding did not include provision for nursery and pre-school children.

3.2.

At its meeting held on 4 February 2015, when considering options available in respect of extending provision of free school meals to pre-school and nursery children, the Education, Leisure and Housing Committee recommended:

3.2.1.

That the provision of free school meals be extended to pre-school and nursery children who were present at school over the lunchtime period and required a mid-day meal, to be funded from within the existing school meals budget. The base budget for school meals was increased by £236,000 for 2015 to 2016 to reflect the additional cost of the Primary 1 to 3 children.

3.2.2.

That the provision, referred to above, should be reviewed in March 2016 to ensure that it reflected the Government's policy for provision to Primary 1 to 3 children.

4. Current position

4.1.

Since 2015 free school meals have continued to be provided to pre-school and nursery children, with the costs being absorbed within the School Meals budget.

4.2.

In 2017 the Scottish Government committed to providing 1140 hours of preschool education to all 3 and 4 year olds, and vulnerable 2 year olds, by 2020.

4.3.

For 2018 to 2019, Orkney submitted a bid to the Scottish Government for £600,000 of funding to deliver the roll out of the 1140 hours. This bid included costs for providing free school meals for all pre-school and nursery children, not just those covered by the free school meals criteria.

4.4.

The amount of money allocated to Orkney was £296,178, less than half of the required amount, and did not include funding for the universal provision of free school meals for all pre-school and nursery children. This amount includes re-occurring revenue from previous years and is not all new money. As a result of this gap in funding the delivery plan has been scaled back.

4.5.

The multi-year revenue and capital allocations letter issued to the Council by the Scottish Government Children and Families Directorate on 1 May 2018 confirmed that the funding will only be provided for children entitled to free school meals under the free school meals criteria. The funding for children meeting the free school meals criteria within the £296,178 has been confirmed at £11,275, being £7,437 for continuation of provision and £3,838 towards the expansion.

4.6.

In 2017 to 2018, the funding allocated to Orkney was based on a calculation of the number of children who would have been entitled under the free school meals criteria and assumes that free school meals are provided to 8.9% of the nursery children, rather than the 100% that are currently given this provision. Indications from Government are that funding will not be provided to extend free school meals to all pre-school and nursery children until 2020 to 2021.

4.7.

Free school meal criteria, which would be applied, are as follows:

- Universal Credit, and from 1 August 2017 monthly income must be under £610 (previously this was set at £500).
- Income Support.

- Income-Based Job Seeker's Allowance.
- Income-Related Employment and Support Allowance (contributions-based is not accepted).
- Child Tax Credit **but not** Working Tax Credit, and annual household income is less than £16,105.
- Child Tax Credit **and** Working Tax Credit, and annual household income is less than £6,420.

4.8.

The roll out of the 1140 hours plan has increased both the number of meals required and the settings they are required in. The current estimate, based on the revised roll out plan, is that the number of meals required from August 2018, will be around 800 per week. Additional meals will be required in some schools where the current staffing levels are insufficient to absorb the extra workload.

4.9.

The increase in numbers and locations, and previous efficiency savings made to the school meals budget, mean that it will not be possible to absorb the cost within the school meals budget from August 2018 onwards. The funding gap is estimated at £29,487 for the remainder of 2018 to 2019.

5. Options Appraisal

5.1.

There is a funding gap of £29,487 in the School Meals budget which means that unless additional funding can be found, free school meals cannot be provided from August 2018 onwards for pre-school and nursery children who do not meet the free school meals criteria.

5.2.

Option 1 would be to introduce a charge for all pre-school and nursery meals provided apart from those to children who would otherwise qualify for a free school meal. This charge would be dropped in 2020 once Government funding is provided to allow free school meals to all nursery and pre-school children. The charge would be 10p per meal less than a primary school meal.

5.3.

Option 2 would be for funding to be found from within the Council to meet the estimated funding gap of £29,487 from August 2018 until Scottish Government funding is provided from April 2020. Despite discussions between Services, it has not been possible to identify the £29,487 required to meet this funding gap.

6. Equalities Impact

An Equality Impact Assessment has been undertaken and is attached as Annex 1 to this report.

7. Links to Council Plan

The continued provision of free school meals to all nursery and pre-school children would support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priorities of Caring Communities and Thriving Communities. However, it should be noted that children who are entitled to have free school meals under the criteria would continue to receive free school meals.

8. Links to Local Outcomes Improvement Plan

The continued provision of free school meals to all nursery and pre-school children would support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priority of Strong Communities and Living Well.

9. Financial Implications

9.1.

Efficiency savings have been made in the school meals service as part of the budget setting process over several years which means that there is no longer scope within the School Meals service budget to cover the cost of nursery meals required under the 600 hours of early learning, or as a result of the expansion to 1140 hours for which the only current government funding provision is for those children who would be eligible for “free school meals”. It is expected that funding will be provided by Government, but only from financial year 2020 to 2021 at which point any charges could be dropped.

9.2.

The budget for financial year 2018 to 2019 in respect of school meals is £964,200, down from £994,800 in 2017 to 2018. This includes the Scottish Government funding to cover the cost of providing free meals to Primary 1 to 3 pupils which was baselined in the budget at £236,000 in financial year 2015 to 2016.

9.3.

It is estimated that the funding gap from August 2018 until Scottish Government funding is provided from April 2020 would be approximately £29,487pa, although the take up of the 1140 hours and the configuration of those hours during the week is far from certain. A higher level of take up could increase the funding gap whilst more children attending nursery at times that do not cover lunch times may reduce the budget requirement.

9.4.

The introduction of a charge for school meals in pre-school and nursery settings at the same rate as is charged for primary children, currently £2.30 for a two-course meal, would largely cover the funding gap. School meals currently provided are charged as follows:

- Nursery and pre-school children – free.

- P1 to P3 – free.
- P4 to P7 - £2.30.
- S1 to S6 - £2.40.

9.5.

The recommendation is that a meal charge equivalent to the charge for P4 to P7 primary school meals, less 10p per meal, be introduced for pre-school and nursery meals.

9.6.

The Scottish Government has estimated that the 1,140 hours of Early Learning and childcare entitlement provides families and carers with an estimated annual saving in childcare costs in excess of £4,500 per child per year.

10. Legal Aspects

In terms of Article 2 of the Education (School Lunches) (Scotland) Regulations 2015, pre-school and nursery children are entitled to a free school meal if they meet certain statutory criteria. These criteria include the receipt by one of their parents of qualifying statutory benefits. In cases where the statutory criteria are not met, the Council has a discretionary power to provide pre-school and nursery children with a school meal either with or without charge.

11. Contact Officers

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12. Annex

Annex 1: Equality Impact Assessment.