

Free School Meals Pooling Scheme

Purpose of the paper

1. The purpose of the report is to inform Schools Forum of the balance on the free schools meals pool and present options for redistributing a proportion of the balance

Background

2. The Free School Meals Pooling Scheme (FSM) was set up in 2001 with the aim of offering schools some financial stability to the cost of providing free school meals to their pupils.
3. Under the scheme a school can pay a premium into the pool and in return be reimbursed for the full cost of providing statutory free meals to pupils.
4. The premium payable is the amount of notional delegated funding a school receives in its budget allocation. The allocation is based on the number of free meals as recorded in the annual spring census.
5. The scheme has provided a useful means of enabling schools to have some degree of protection against unexpected changes in the number of free meals it has to provide.
6. In 2008/09 Schools Forum decided that the total balance on the pool at the end of 2007/08 should be distributed to those schools who had contributed. This was the first distribution of funds since 2002-03.
7. In 2009/10 Schools Forum decided that, in the light of the economic climate, the estimated balance on the pool at the end of 2008/09 should not be redistributed.
8. In 2010-11 £82,689 cashback was redistributed for 2008/09 & 2009/10.

Main Considerations

9. In 2010/11 the balance was distributed to schools pro-rata to each school's contribution as this was agreed to be the fairest method. The basis of any new redistribution needs to be agreed.
10. Whether the whole balance be redistributed or only a proportion. Retention of some of the balance would be used to offset any growth in free meals claims thus reducing the risk that the pool moves into a deficit.
11. The estimated balance at the end of 2011/12 is £157,281, made up as follows:

Balance b/f	£84,561
Income	£392,238
Expenditure	£319,518
	£157,281 (surplus)

Proposals

12. If Schools Forum wish to make a redistribution of the balance it is proposed that the same methodology used in 2010/11 is applied.

13. That Schools Forum decides how much of the balance should be redistributed. Appendix A shows:

Option 1 = 80%	Cashback £59,445	Leaving £97,834
Option 2 = 90%	Cashback £66,875	Leaving £90,404
Option 3 = 100%	Cashback £74,306	Leaving £82,973
Option 4 = 140%	Cashback £104,029	Leaving £53,250

Officers believe a balance of £50,000 would be adequate to offset any growth in free meals in 2012/13.

Recommendation

14. Schools Forum is asked to comment on the proposals and to decide whether a redistribution of the balance should be made in 2011-12 and if so how much.

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Unpublished documents relied upon in the production of this Report: NONE

Environmental impact of the recommendations contained in this Report: NONE
KNOWN

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