

SCHOOLS FORUM

24th January 2013

Free School Meals Pooling Scheme

Purpose of the paper

1. The purpose of the report is to update Schools Forum of the balance on the free schools meals pool and make a proposal for how to calculate the premiums for next year.

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. 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. 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.
3. In recent years any surplus balance within the pool has been redistributed to schools with a small working balance retained in the pool each year. 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.
4. In 2010/11 £82,689 cashback was redistributed for 2008/09 & 2009/10.
5. In 2011/12 £76,210 cashback was redistributed for 2010/11
6. Currently the premium payable in to the scheme is the amount of notional delegated funding a school receives for free school meals in its budget allocation. The allocation is based on the number of free meals as recorded in the annual spring census

Main Considerations

7. At this point in the year it is difficult to forecast a year end position or an estimate of the cashback due to schools. Claims tend to be late coming in as the schools can't claim until they have received their invoice. At the moment we are showing a gain to the pool (premium – claims) of £251,201 compared to last year's £89,714 and it is expected that this will reduce as claims are submitted. It is therefore proposed that any estimate of cashback be brought to the March meeting for consideration.
8. Changes to the local funding formula following school funding reform will affect the calculation of the premium for 2013-14 (see point 8 above). The premium can no longer be based on an identifiable line within each school's budget as there will be no single allocation purely for free school meals. It is proposed to base the premium for the 2013/14 scheme on the number of FSM pupils in the October 2012 census multiplied by the unit rate applied in 12/13. This will give consistency in the method of calculation but the move to using October numbers will reflect the pupil numbers on which schools are to be funded.

Recommendation

9. The calculations for Cashback and year end predictions to be prepared and brought to the next Schools Forum Meeting (March).
10. To base the premium for the 2013/14 scheme on the number of FSM pupils in the October 2012 census multiplied by the unit rate applied in 12/13.

CAROLYN GODFREY
Corporate Director

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

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

Report Author: **Liz Williams, Head of Finance**

Tel: 01225 7138675

e-mail: elizabeth.williams@wiltshire.gov.uk