

SCHOOLS FORUM

2 February 2011

Free School Meals Pooling Scheme

Purpose of the paper

1. To seek Schools Forum's agreement to distribute all, or some, or none of the surplus balance on the Free School Meals pool at the end of 2010-11 and to agree the distribution method.

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. Last year 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. We are estimating the balance at the end of 2010-11 to be £132,965.

Main Considerations

9. In 2008/09 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. Should 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.

Proposals

11. If Schools Forum wish to make a redistribution of the balance it is proposed that the same methodology used in 2008/09 is applied.
12. That Schools Forum decides how much of the balance should be redistributed. Appendix A shows:

Option 1 = 60%	Cashback £71,387	Leaving £61,577
Option 2 = 80%	Cashback £95,183	Leaving £37,781
Option 3 = 90%	Cashback £107,081	Leaving £25,883
Option 4 = 70%	Cashback £83,285	Leaving £49,679
Option 5 = 100%	Cashback £118,979	Leaving £13,985

Recommendation

13. Schools Forum is asked to comment on the proposals and to decide whether a redistribution of the balance should be made in 2010-11 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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