

School Meals Proposals
2008/09 - 2010/11

Annex 3 - Options for deployment of school meals grant	Academic year 2008/09	Academic year 2009/10			
		Option 1	Option 2	Option 3	Option 4
Price increase		0p	5p	10p	15p
Price Per Meal	205p	205p	210p	215p	220p
Cost Per Meal	215p	230p	230p	230p	230p
Amount to be subsidised	10p	25p	20p	15p	10p
Number of Primary Meals (based on latest full year information)	587,263	587,263	587,263	587,263	587,263
Number of Secondary Meals (based on latest full year information)	252,348	252,348	252,348	252,348	252,348
Total meal numbers (based on 2008/09 financial year actual numbers)	839,611	839,611	839,611	839,611	839,611
	£	£	£	£	£
Expenditure					
Cost of Primary Meals subsidy)	89,559	146,820	117,450	88,090	58,730
Cost of Secondary Meals subsidy)		63,090	50,470	37,850	25,230
Subsidy equivalent funding for schools not in contract	2,258	138,290	110,630	82,970	55,310
Contract Top-up 2008/09	16,020	20,000	25,000	30,000	50,000
Subsidy equivalent funding for schools not in contract (2007/08 and 2008/09 not yet distributed)	109,445	0	0	0	0
Total Cost of Subsidy	217,282	368,200	303,550	238,910	189,270
Improvements to kitchens / equipment etc	29,740	56,970	121,620	160,000	160,000
Other activity	29,740	56,970	121,620	160,000	160,000
Total	247,022	425,170	425,170	398,910	349,270
Funded by					
School Meals Grant brought forward	183,990	0	0	0	0
School Lunch Grant brought forward	0	181,058	181,058	181,058	181,058
Schools Lunch Grant	244,090	244,090	244,090	244,090	244,090
Total	428,080	425,148	425,148	425,148	425,148
Balance to carry forward	181,058	-22	-22	26,238	75,878
Notes					
The calculation of the subsidy on the NYCC contract assumes that take-up remains constant. However, as take-up has the potential to decrease if the selling price rises, the contract top-up has been increased at higher selling price levels to try and build in the possible implications of this.					
Option 1 (freezing the selling price) would require most of the grant to be used to subsidise the contract in 2009/10, leaving very little funding for other initiatives / equipment					
Option 2 (a 5p increase in the selling price), would leave a significant amount available for equipment, but leaves no carry forward into 2010/11					
Option 3 (a 10p increase in the selling price), would leave an amount for equipment, and leaves a small carry-forward into 2010/11					
Option 4 (a 15p increase in the selling price to the price set out in the last Schools Forum report), would leave the Contract Manager's target amount for equipment, and leave a significant carry-forward into 2010/11					
The options above only cover the academic year 2009/10.					
The School Meals Grant has been confirmed until the end of 2010/11. The 2010/11 financial year allocation of approximately £244k can be used to subsidise the contract in the 2010/11 academic year.					
Broadly, every 5p subsidy on the selling price equates to approximately £70k of subsidy required, therefore, moving forward into the 2010/11 academic year the grant could support a 15p subsidy without the need for any carry forward from 2009/10.					