



**Notice of meeting of
Scrutiny Management Committee (Calling In)**

To: Councillors Healey (Chair), Funnell (Vice-Chair), Orrell, Scott, Simpson-Laing, Taylor, R Watson and Waudby

Date: Monday, 27 July 2009

Time: 5.00 pm

Venue: Guildhall, York

AGENDA

1. Declarations of Interest

At this point Members are asked to declare any personal or prejudicial interests they may have in the business on this agenda.

2. Public Participation

At this point in the meeting, members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the Committee's remit can do so. The deadline for registering is **5:00 pm on Friday, 24 July 2009.**

3. Minutes

(Pages 3 - 6)

To approve and sign the minutes of the last meeting of the Scrutiny Management Committee (Calling In), held on 13 July 2009.

4. Called In Item: School Meals (Pages 7 - 24)

To consider the decisions taken by the Executive Member for Children and Young People's Services on the above item, which have been called in by Cllrs Douglas, Scott and B Watson in accordance with the provisions of the Council's Constitution. A cover report is attached setting out the reasons for the call-in and the remit and powers of the Scrutiny Management Committee (Calling In) in relation to the call-in procedure, together with the original report to and decisions of the Executive Member.

5. Any other business which the Chair considers urgent under the Local Government Act 1972

Democracy Officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 551027
- E-mail – fiona.young@york.gov.uk

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting. Contact details are set out above:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

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- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
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Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

Access Arrangements

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If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

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Holding the Executive to Account

The majority of councillors are not appointed to the Executive (38 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Decision Session) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

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City of York Council

Committee Minutes

MEETING	SCRUTINY MANAGEMENT COMMITTEE (CALLING IN)
DATE	13 JULY 2009
PRESENT	COUNCILLORS HEALEY (CHAIR), FUNNELL (VICE-CHAIR), ORRELL, SCOTT, SIMPSON- LAING, TAYLOR, WAUDBY AND ASPDEN (SUBSTITUTE)
APOLOGIES	COUNCILLOR R WATSON

5. DECLARATIONS OF INTEREST

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda. No interests were declared.

6. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of part of Annex B to agenda item 5 (Called In Item: Effective Organisation Programme – Efficiency Review), on the grounds that it contains information relating to the financial or business affairs of a particular person, which is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by the Local Government (Access to Information) (Variation) Order 2006).

7. MINUTES

RESOLVED: That the minutes of the Scrutiny Management Committee (Calling In) held on 15 June 2009 be approved and signed by the Chair as a correct record.

8. PUBLIC PARTICIPATION

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

9. CALLED-IN ITEM: EFFECTIVE ORGANISATION PROGRAMME – EFFICIENCY REVIEW

Members received a report which asked them to consider the decisions made by the Executive on 7 July 2009 in relation to a report setting out the initial findings of a review undertaken by the Council's efficiency partners, Northgate Kendrick Ash (NKA), and proposing a programme of work to ensure the provision of efficient and effective Council services.

Details of the Executive's decisions were attached as Annex A to the report. The original report to the Executive was attached as Annex B. The decisions (specifically, nos. (iii) and (iv)) had been called in by Cllrs Scott, Gunnell and Simpson-Laing for the following reasons:

"The Executive has agreed to the recommendations in paragraphs 58 and 59 [of the original report] against the advice of the Shadow Executive."

Members were invited to decide whether to confirm the decisions of the Executive (Option A) or refer them back to the Executive for reconsideration and / or amendment (Option B).

Cllr Scott spoke on behalf of the Calling In Members, explaining that they were objecting both to the failure to examine alternatives to the risk / reward model of payment to NKA and to the fact that the Executive had delegated authority to Officers without explaining precisely which powers had been so delegated. In response to questions from Members, the Director of Resources confirmed the advice he had given at the Executive meeting; namely, that the recommendations in the report, as approved by the Executive, conferred no additional powers on Officers and that all decisions in relation to the programme would be made in accordance with the Constitution. With regard to the risk / reward model, this was based upon set fees and if NKA achieved more than the required efficiencies the Council, not NKA, would benefit.

Members debated each Executive decision separately. Cllr Scott then moved, and Cllr Simpson-Laing seconded, that **decision (iv)** be referred back to the Executive for reconsideration (Option B), with a recommendation that it be amended so as to remove the reference to delegation of authority. Four Members voted for this proposal and four voted against. The Chair then exercised his casting vote for the proposal, which was declared CARRIED.

Cllr Scott then moved, and Cllr Simpson-Laing seconded, that **decision (iii)** be referred back to the Executive for reconsideration, with the recommendation that it be amended to enable the Executive to retain all authority with respect to financial commitments. Four Members voted for this proposal and four voted against. The Chair then exercised his casting vote against the proposal, which was declared LOST, and it was

RESOLVED: (i) That, in respect of decision (iv), Option B be approved and the decision be referred back to the Executive for reconsideration, with a recommendation that it be amended to read as follows:

"That the governance arrangements for the Programme be approved, including the management of efficiency arrangements and the development of detailed proposals for years 2 and 3 by the Executive Board."

REASON: In accordance with the procedures for called-in decisions and to clarify the fact that Members will retain their Constitutional responsibility for decisions on the Efficiency Programme.

(ii) That, in respect of decision (iii), Option A be approved and the decision be confirmed.

REASON: In accordance with the procedures for called-in decisions and the reasons recorded in the minutes of the Executive meeting on 7 July 2009.

10. CALLED-IN ITEM: THE ANNUAL RISK MANAGEMENT REPORT 2009

Members received a report which asked them to consider the decisions made by the Executive on 7 July 2009 in relation to a report providing information on the outcomes of risk management arrangements across the Council and seeking approval for a revised risk management policy and strategy.

Details of the Executive's decisions were attached as Annex A to the report. The original report to the Executive was attached as Annex B. The decisions had been called in by Cllrs Scott, Gunnell and Simpson-Laing for the following reasons:

"The Executive failed to take a decision on the issue of reducing parking charges as detailed in the first row of the table on page 138 [Annex A to the report to Executive].

The Executive has a duty to support the local economy and in not taking the decision to reduce car parking charges has failed to do so."

Members were invited to decide whether to confirm the decisions of the Executive (Option A) or refer them back to the Executive for reconsideration and / or amendment (Option B).

Cllr Simpson-Laing spoke on behalf of the Calling In Members, outlining and expanding upon the reasons given for the call in. Officers at the meeting explained that the contents of Annex A to the Executive report reflected the output of departmental workshops on the effects of the economic downturn and the reference to reducing car parking charges had not been intended as a recommendation to the Executive.

After a full debate, Cllr Scott moved, and Cllr Simpson-Laing seconded, that the decisions be referred back to the Executive for reconsideration (Option B), with a recommendation that they, or the Executive Member for City Strategy, take a decision on whether to reduce car parking charges, particularly for residents of the City of York. Four Members voted for this proposal and four voted against. The Chair then exercised his casting vote for the proposal, which was therefore declared CARRIED, and it was

RESOLVED: That Option B be approved and that the decisions be referred back to the Executive for reconsideration, with a recommendation that they, or the Executive Member for City Strategy, take a decision on whether to reduce car parking charges, particularly for residents of the City of York.

REASON: In accordance with the procedures for called-in decisions,
and in the interests of supporting the local economy.

P Healey, Chair

[The meeting started at 5.00 pm and finished at 6.05 pm].



**Scrutiny Management Committee
(Calling – In)**

27 July 2009

Report of the Head of Civic, Democratic and Legal Services

Called-in Item: School Meals

Summary

1. This report sets out the reasons for the call-in of the decisions made by the Executive Member for Children and Young People's Services on 20 July 2009 in relation to the school meals price to be charged in York schools from September 2009 and the allocation of the School Lunch Grant. The report also explains the powers and role of the Scrutiny Management Committee in relation to dealing with the call-in.

Background

1. An extract from the decision list published after the relevant Decision Session of the Executive Member for Children and Young People's Services is attached as Annex 1 to this report. This sets out the decisions taken by the Executive Member. The original report to the Decision Session is attached as Annex 2.
2. Councillors Douglas, Scott and B Watson have called in the decision for review by the Scrutiny Management Committee (SMC) (Calling-In), in accordance with the constitutional requirements for post-decision call-in. The reasons given for the call-in are that:-

"The Executive Member:

- *Failed to heed the advice of the Shadow spokesperson*
- *Failed to appreciate the financial implications to families in York*
- *Failed to appreciate the affect the rise will have on school meal take up in the future."*

Consultation

4. In accordance with the requirements of the Constitution, the calling-in Members have been invited to attend and/or speak at the Call-In meeting, as appropriate.

Options

5. The following options are available to SMC (Calling-In) in relation to dealing with this call-in, in accordance with the constitutional and legal requirements under the Local Government Act 2000:
 - (a) To confirm the decisions of the Executive Member, on the grounds that the SMC (Calling-In) does not believe there is any basis for reconsideration. If this option is chosen, the decisions take effect from the date of the SMC (Calling-In) meeting.
 - (b) To refer the decisions back to the Executive Member, for her to reconsider or amend in part her decisions. If this option is chosen, the matter will be re-considered at a meeting of the Executive (Calling-In) to be held on 28 July 2009.

Analysis

6. Members need to consider the reasons for call-in and the basis of the decisions made by the Executive Member and form a view on whether there is a basis for reconsideration of those decisions.

Corporate Priorities

7. An indication of the Corporate Priorities to which the Executive Member's decisions are expected to contribute is provided in paragraphs 23 to 25 of Annex 2 to this report.

Implications

8. There are no known financial, HR, Legal, Property, Equalities, or Crime and Disorder implications in relation to the following in terms of dealing with the specific matter before Members; namely, to determine and handle the call-in:

Risk Management

9. There are no risk management implications associated with the call in of this matter.

Recommendations

10. Members are asked to consider the call-in and reasons for it and decide whether they wish to confirm the decisions made by the Executive Member or refer the matter back to the Executive Member for re-consideration at the scheduled Executive Calling-In meeting.

Reason:

To enable the called-in matter to be dealt with efficiently and in accordance with the requirements of the Council's Constitution.

Contact details:

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Chief Officer Responsible for the report:
Quentin Baker
Head of Civic, Democratic and Legal Services

Report Approved **Date** 22/7/09

Specialist Implications Officer(s) None

Wards Affected:

All

For further information please contact the author of the report

Annexes

Annex 1 – decision of the Executive Member for Children and Young People's Services (extract from decision list published 21/7/09)

Annex 2 – report to Decision Session held on 20/7/09

Background Papers

Agenda and minutes relating to the above Decision Session (published on the Council's website)

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DECISION SESSION - EXECUTIVE MEMBER FOR CHILDREN & YOUNG PEOPLE'S SERVICES

MONDAY, 20 JULY 2009

DECISIONS

Set out below is a summary of the decisions taken at the Decision Session – Executive Member for Children and Young People's Services held on Monday, 20 July 2009. The wording used does not necessarily reflect the actual wording that will appear in the minutes.

Members are reminded that, should they wish to call in a key decision, notice must be given to Democracy Support Group no later than 4pm on the second working day after this meeting.

If you have any queries about any matters referred to in this decision sheet please contact Jayne Carr, Democracy Officer.

4. SCHOOL MEALS

RESOLVED: (i) That the Executive Member approves option 3 (a selling price of £2.15 per primary meal) and the grant be used to fund one off initiatives in accordance with the criteria shown in paragraph 13 of the report including:

- The contingency required to fund the shortfall between the contract price and the cost of providing school meals if take up is lower than that predicted, approximately £20k.
- To fund the introduction of dishwashers in all schools (whether in the catering contract or not) that do not have them (19) as these save on staff time, water and energy consumption, approximately £160k.
- Other one off initiatives at the request of schools or arising out of work with the School Food Trust leaving a modest carry forward for 2010/11.

(ii) That officers be requested to prepare a report on the implications of providing assistance to families in receipt of working tax credits when future school meal prices are set.

(iii) That officers continue to work with schools to promote the take-up of meals and to ensure that those who are eligible are aware of their entitlement to free school meals.

- REASONS:
- (i) To allow for the purchase of equipment to improve the working conditions and efficiency of staff and to enable a lower than anticipated selling price increase (10p instead of 15p).
 - (ii) To promote the take-up of school meals.



Decision Session - Executive Member for
Children and Young People

20th July 2009

Report of the Director of Learning Culture and Children's Services

School Meals

Summary

1. This report considers the following issues:
 - the school meals price to be charged from September 2009
 - the allocation of the School Lunch Grant

Background

2. School meals remain high on the political and media agenda with further more stringent nutritional guidelines for both primary and secondary schools. These new guidelines are already in place in primary schools (from September 2008) and in secondary schools they will be compulsory from September 2009.

Consultation

3. Schools Forum were consulted on 2 July on the use of the School Meals Grant and its potential effect on school meal prices from September 2009. They considered four options and these are considered in more detail in the section below.

Options

4. The options available to the Executive Member:
 - a. to confirm the uplift in school meals prices as agreed in July 2007 or
 - b. to allocate the School Lunch Grant in such a way as to vary the agreed uplift in school meal prices given alternative calls on this grant funding.

Agreed school meals price increase

5. In July 2007, the Schools' Forum received a report that discussed the school meal price, the impact of a low take up and rising costs for the Contractor.

6. The school meals contract is currently delivered through County Caterers which is part of North Yorkshire County Council. Fifty schools have opted into the authority procured contract with the remainder making their own arrangements. Schools not in the contract are free to set their own prices in conjunction with their provider (although all schools must follow the nutritional guidelines).
7. Following consultation with the Executive Member for Children's and Young People's Service the Schools' Forum agreed a three year annual uplift in prices as follows:

Year	Primary price	Secondary notional price
2007	1.90	2.05
2008	2.05	2.15
2009	2.20	2.30

8. The current catering contractor (North Yorkshire County Caterers) have indicated that they require a contract price of £2.30 per meal from September 2009. This will mean that either a subsidy of 10 pence per meal from the School Lunch Grant or some alternative way of funding the difference will have to be sought or the selling price will need to rise to £2.30.
9. Despite the price increases previously agreed, the Contractor continues to report that they are losing money on this contract. The main reason for this is that the average take up in schools remains low despite a number of initiatives to increase it (although there has been some success through work with the School Food Trust).
10. The deficit on the contract for 2008/9 is £16,020 which will be met during the course of 2009/10 as a one off payment to North Yorkshire County Caterers. Annex 1 shows comparison of primary school pupil meal take up between academic years 2006/7, 2007/8 and 2008/9. Annex 2 shows comparison of secondary school pupil meal take up between academic years 2007/8 and 2008/9.
11. The School Food Trust recently reported on the take up of school lunches. In England in 2008-2009, national take up of school meals increased by +0.1% in primary schools and increased by +0.5% in secondary schools. This slight upward trend is reflected in York schools.

Using the School Lunch Grant

12. The Government recognised that the introduction of new nutritional guidelines would impose additional costs on schools and chose to help with these additional costs. The purpose of this new School Lunch Grant is to focus on increasing school lunch take-up, specifically by helping to keep down the price of a school lunch.
13. The conditions of the grant require local authorities and schools to use the funding to help meet the direct costs of a school lunch. The grant can only be spent in four ways. Local authorities and schools can use the funding to:
 - Pay for ingredients for school lunch;
 - Pay labour costs of catering staff;
 - Buy individual pieces of kitchen equipment, for example, microwaves, ovens, combi-ovens, mixers, dishwashers etc.;
 - Pay for the nutrient analysis software required to assess whether a menu meets the nutrient based school lunch standards and the expertise to operate the software.

Local authorities and schools **cannot use** the funding to pay for central teams, training for catering staff or others, or for activities associated with encouraging pupils to eat school lunch and promoting healthy eating to parents and pupils.

14. The funding is a ring-fenced grant, which means it cannot be spent on anything other than the direct costs of school lunches. York has been allocated £244,090 in each year the funding is available. The funding ceases in March 2011.
15. The conditions of grant require all local authorities to consult and agree with, local school forums how the funding should be shared out locally. Local Authorities are not required to devolve all of the funding to schools. The funding should be allocated on a fair and equitable basis to all those that provide school lunches, whether it is the local authority (through its own service or a central contract), or a school that is providing its own lunches or using a contract.
16. The Contractor is reporting a shortfall between the contract price and the selling price, largely as a result of the level of take up. The total grant available is made up of two components:
 - The School Lunch Grant of £181,058 brought forward from 2008/9 is in line with the previously agreed pricing policy
 - School lunch grant for 2009/10 of £244,090
17. This gives a total grant available of £425,170. There are three potential calls on this money:

- a) Subsidise the school meals selling price
- b) Invest in individual items of equipment
- c) Carry funds forward to 2010/11

Analysis

18. Annex 3 shows 4 options as to how this funding may be allocated between these different calls upon it. They are:
 - 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 (2.4%) 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 (4.9%) increase in the selling price), would leave a target amount for equipment, and leaves a small carry-forward into 2010/11
 - Option 4 (a 15p (7.3%) increase in the selling price to the price set out in the last Schools Forum report), would leave an amount for equipment, and leave a significant carry-forward into 2010/11
19. Option 1 freeze the selling price is not recommended, as the grant is time limited. There would come a point where a large uplift in prices would have to be introduced if that grant funding ceases. The evidence suggests that take up would suffer significantly if this were to happen. In addition, no funding for equipment would be available.
20. Option 2 is attractive as some but not all the equipment could be purchased. However this could still leave a requirement for a large increase in 2010 albeit lower than in Option 1.
21. Option 3 allows for the purchase of equipment that the Contracts Manager advises is required in schools. In particular, the introduction of dishwashers will significantly improve the working conditions and efficiency of staff who will no longer need to wash up by hand, as well as saving water and electricity. It still leaves a lower than anticipated selling price increase (10p instead of 15p).
22. Option 4 implements the price increase previously agreed by the Executive Member. It also leaves a significant carry forward that provides for a further subsidy for 2010/11 (in addition to the school meals grant for 2010/11).

Corporate Objectives

23. The school meals service contributes particularly to two corporate objectives:

- Life long learning
 - Maintaining a healthy lifestyle
24. Research has consistently shown that good nutrition is key to educational achievement in schools. School meals provide a nutritionally balanced midday meal and therefore contribute to this objective.
25. As a nutritionally balanced meal, school meals help to maintain a healthy lifestyle.

Implications

Financial

26. The financial implications of each option is shown in annex 3 and discussed throughout the report.

Human Resources (HR)

27. There are no direct HR implications arising from this report.

Equalities

28. There are no direct Equalities issues arising from this report.

Legal

29. There are no direct legal implications arising from this report.

Crime and Disorder

30. There are no direct Crime and Disorder implications arising from this report.

Information Technology (IT)

31. There are no IT implications arising from this report.

Property

32. There are no Property issues arising from this report.

Other

33. No known implications.

Recommendation

- a) It is recommended that the Executive Member approves option 3 (a selling price of £2.15 per primary meal) and the grant be used to fund one off initiatives in accordance with the criteria shown in paragraph 13 including:
- The contingency required to fund the shortfall between the contract price and the cost of providing school meals if take up is lower than that predicted, approx £20k
 - To fund the introduction of dishwashers in all schools (whether

in the catering contact or not) that do not have them (19) as these save on staff time, water and energy consumption, approx £160k

- Other one off initiatives at the request of schools or arising out of work with the School Food Trust leaving a modest carry forward for 2010/11.

Contact Details

Author:

Author: Barbara Kistasamy
Title: Contracts Manager
Dept: Planning and Resources
Tel No. 554219

Chief Officer Responsible for the report:

Chief Officer: Pete Dwyer
Title: Director of Learning Culture and Children's Services

Report Approved

Date 10 July 2009

Report Approved

Date 10 July 2009

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

DCSF School Lunch Grant paper

School Food Trust Statistical Release, National Indicator 52, Take up of school lunches in England 2008-2009, www.schoolfoodtrust.org.uk

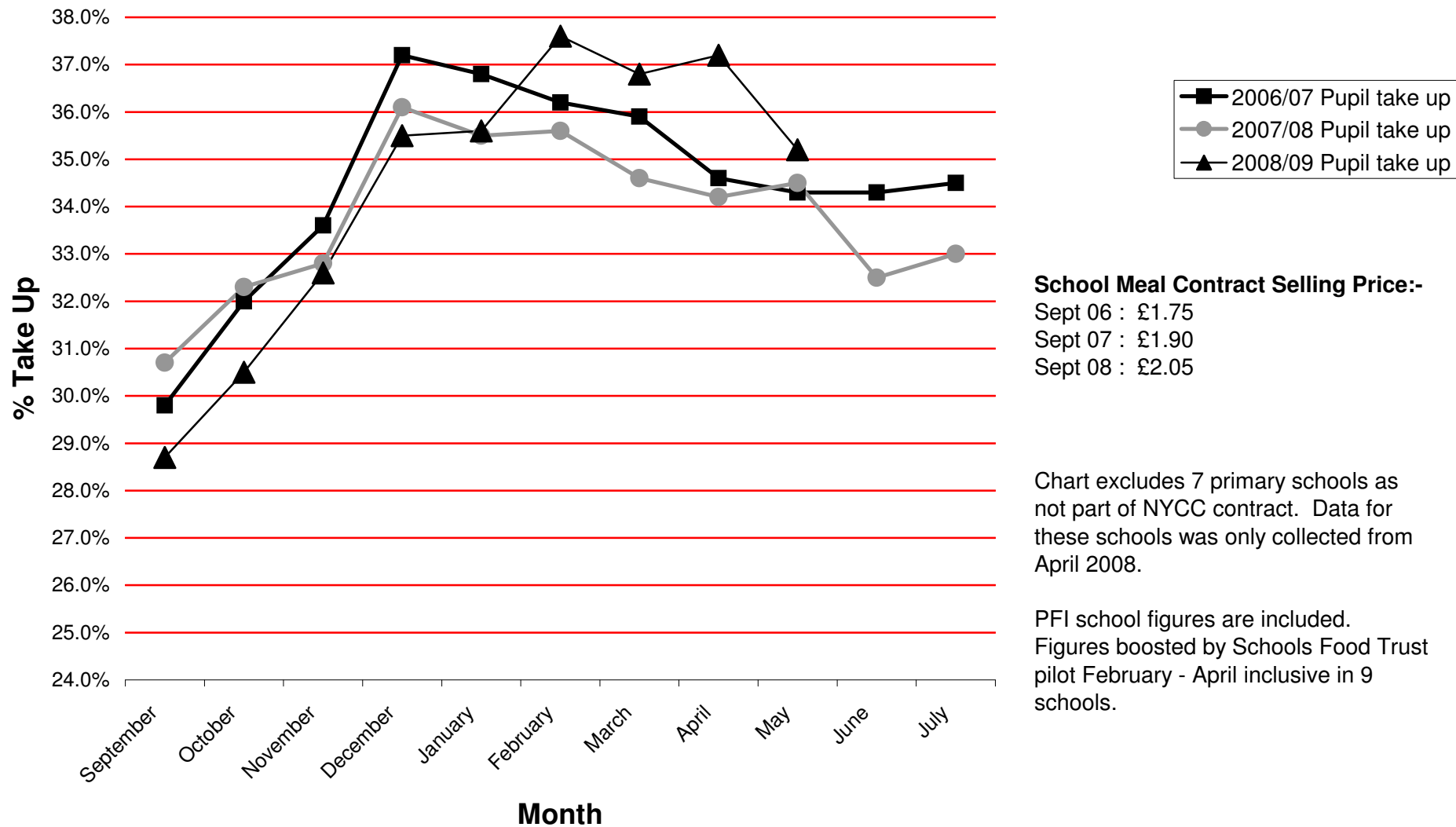
Annexes

Annex 1 shows comparison of primary school pupil meal take up between academic years 2006/7, 2007/8 and 2008/9.

Annex 2 shows comparison of secondary school pupil meal take up between academic years 2007/8 and 2008/9.

Annex 3 shows selling price options and deployment of School Lunch Grant.

Annex 1 - Comparison of Primary School Pupil Meal take up between academic years 2006/07 and 2008/09



School Meal Contract Selling Price:-

Sept 06 : £1.75

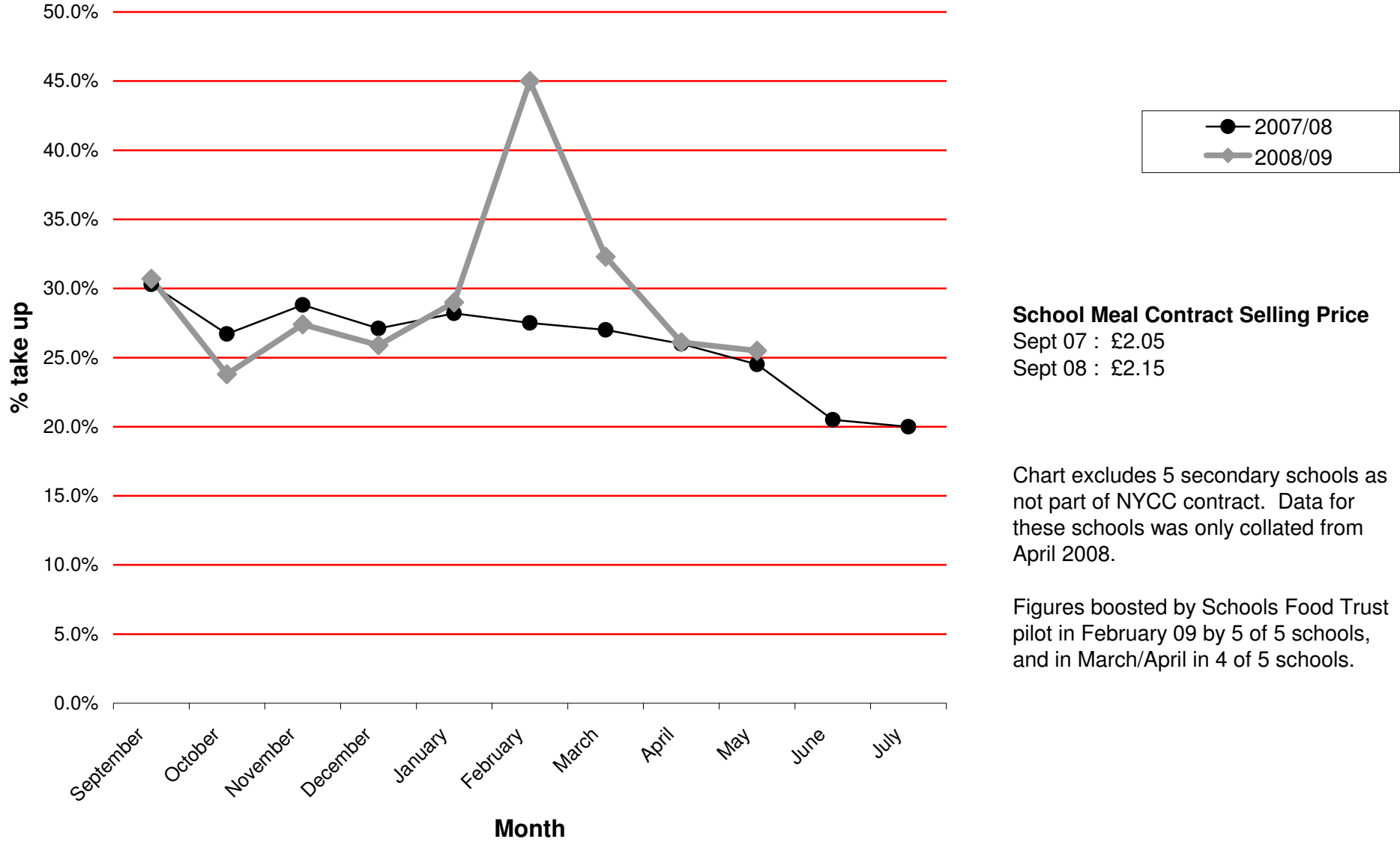
Sept 07 : £1.90

Sept 08 : £2.05

Chart excludes 7 primary schools as not part of NYCC contract. Data for these schools was only collected from April 2008.

PFI school figures are included. Figures boosted by Schools Food Trust pilot February - April inclusive in 9 schools.

Annex 2 - Comparison of Secondary School Pupil Meal take up between academic years 2007/8 and 2008/9



School Meal Contract Selling Price

Sept 07 : £2.05

Sept 08 : £2.15

Chart excludes 5 secondary schools as not part of NYCC contract. Data for these schools was only collated from April 2008.

Figures boosted by Schools Food Trust pilot in February 09 by 5 of 5 schools, and in March/April in 4 of 5 schools.

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**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.					

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