

<b>Committee</b>	Education and Economy Scrutiny Committee
<b>Title of Report</b>	School Meal Debts
<b>Date of Meeting</b>	22 November 2018
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<b>Cabinet Member</b>	Councillor Gareth Thomas

## 1. BACKGROUND

- 1.1 A request was received from the Chair of the Education and Economy Scrutiny Committee for school meal debts to be an item for the Education and Economy Scrutiny Committee, following a report in the media that the total debts for school meals in Gwynedd was £85,589.47.
- 1.2 In this report, an attempt to address the Chair's request is made, allowing the Committee members to scrutinise the situation regarding school meal debts, the processes that have been used to respond to a situation where there are debts, as well as further steps the Department intend to take in order to respond appropriately to the situation, and reduce school meal debts over time.
- 1.3 It is fair to note that the situation regarding school meal debts is only relevant to primary schools. A different methodology is implemented in secondary schools. Secondary schools operate on a cafeteria system where pupils pay at the till for the food they have chosen.
- 1.4 Some secondary schools are moving to an on-line payment system where parents will be able to pay into a pupil's school meals account beforehand, and the pupil will be able to choose food up to the value of the money that has been paid into his/her account beforehand.
- 1.5 The remainder of this report, therefore, concentrates only on the School meal debts in Gwynedd primary schools.

## 2. PRIMARY SCHOOL MEAL DEBT PROCEDURE

- 2.1 Historically, a procedure involving the use of paper-based 'School Books' was used by individual primary schools. The 'School Books' kept a record of the school meals taken by pupils and the cash or cheques received to pay for those meals. The School Meals Clerk would reconcile all pupils' accounts weekly. At the end of the month a paper form would be sent to the Authority noting the situation regarding school meals. The monthly forms noted the total debts owed to the school.

- 2.2 Currently, the responsibility for identifying a debt on an individual pupil account rests with the school. The school is expected to send a letter to parents who have not paid for school meals for a fortnight (see **Appendix 1**).
- 2.3 If neither a valid reason nor payment has been received within a fortnight of the first letter, a second letter is to be sent which tells parents that they need to make alternative arrangements for their child's meals until a payment is received (see **Appendix 2**). Although the second letter says that no further school meals will be provided for the pupil, in the majority of cases, schools do not operate a policy of refusing to serve a meal to a child.
- 2.4 If the debt has not been paid after these two letters, the school is expected to transfer the debt to the Authority. When a debt is transferred to the Authority, an invoice is raised against the parent which is payable within 28 days, and the debt on the school books is cleared.
- 2.5 The Education Department receives money from the Council centrally for the value of the invoice raised and the Council will take steps to recover the debt from the parents. Recovering the debt from parents can take a long time. In a few cases, the debt is 'written off' by the Council. In these instances, the Education Department will not receive the money owing.
- 2.6 Some pupils are entitled to Free School Meals (FSM). If the entitlement to FSM has not been timely recognised and a pupil is accruing a debt, but it is found later that the pupil should have been receiving free school meals, the accrued debt on the school books is deleted.

### 3. SITUATION REGARDING DEBTS ON SCHOOL BOOKS

- 3.1 The figure reported in the media recently (£85,589.47 seen at the middle of the bottom of Table A represents the debts on the School Books at the end of March 2018.

**Table A – School Meal Books**

Year	School Meal Books		
	Income	Total of debts carried forward month 12	Largest debt by an individual school
<b>2013/2014</b>	£2,904,884.34	£36,356.78	£2,490.50
<b>2014/2015</b>	£2,927,648.25	£32,173.01	£3,112.79
<b>2015/2016</b>	£3,157,313.56	£36,269.73	£7,015.27
<b>2016/2017</b>	£3,236,111.24	£69,289.33	£14,037.92
<b>2017/2018</b>	£3,123,362.23	<b>£85,589.47</b>	£17,990.09

- 3.2 As a matter of interest, the situation at the end of October 2018 was total debts of £73,763.59, with debts in 81 (of the 87) primary schools. The debts in individual schools ranged from £2.50 to £6,987.02, with 23 schools having debts of over £1,000.
- 3.3 It can be seen from the table that the debts on school books increased significantly in 2016-17 and 2017-18. This corresponds to the years in which there were significant increases in the price of school meals (firstly to £2.30 in September 2017 and then to £2.50 in September

2017). However, we have no firm evidence to prove that this is the basis of the school dinner debts.

- 3.4 For 2017-18 specifically, it is noted that the debt in one school was almost £18k (which was more than 1/5 of all the debt in schools). Intensive work has been undertaken with this school recently.
- 3.5 The debts on school books affect the figure noted as 'lack of income' which is reported by the Catering Service in financial reports considered by the Cabinet.

#### 4. SITUATION REGARDING DEBTS OF INVOICES STILL OWING

- 4.1 The figures in the table above and that reported in the media recently represents the debts on the School Books only. This figure did not include the value of the invoices which were still outstanding on 31 March 2018.

**Table B – Debts transferred to the Authority - Invoices**

Debts transferred to the Authority				
Year	Number of invoices raised in the year	Value of invoices raised in the year £	Value of invoices still owing at 31 March 2018 £	% of value of invoices still owing at 31 March 2018 %
2013/2014	352	£4,797.45	£4,797.45	21.87%
2014/2015	369	£6,387.27	£6,387.27	24.01%
2015/2016	392	£9,823.22	£9,823.22	33.58%
2016/2017	459	£13,333.17	£13,333.17	36.40%
2017/2018	469	£16,890.63	£16,890.63	42.68 %
<b>Total value of invoices still owing at 31 March 2018</b>			<b>£51,231.74</b>	<b>33.27%</b>

- 4.2 On taking the situation over the last 5 years in their entirety, **£136,821.21** (£85,589.47+ £51,231.74) was owed to the Council at the end of March 2018.

#### 5. WHAT COULD HAVE LED TO THE CURRENT SITUATION?

- 5.1 Perhaps not every school has followed the procedure noted in 2 above as expected – either by not sending letters to parents or by not transferring debts to the Authority. This has led to debts accruing on the school books.

- 5.2 Historically, the monthly dinner forms (which noted debts) were passed on to the Income Department who checked the income only. There was no specific/formal procedure for monitoring the level of debt in individual schools, although they were recorded.

## **6. STEPS ALREADY TAKEN BY THE DEPARTMENT**

- 6.1 Tighten up on schools' implementation of expected procedures.
- 6.2 During the 2017-18 academic year, two new systems were introduced to primary schools in order to (eventually) reduce the administrative work required by the School Meal Clerks. Each school received an on-line payment system enabling parents to make electronic payments directly into their children's meal account.
- 6.3 Every primary school also received the SIMS Dinner Money system to replace the paper-based 'School Books'. SIMS Dinner Money automatically reconciles the account for each pupil by receiving information regarding on-line payments (this is done automatically from the on-line payments system) and information about cash or cheque payments (which have to be recorded by the School Meals Clerk). The system produces electronic reports to replace the paper forms used under the old procedure, and it is possible for the Authority to identify debts on individual pupil accounts rather than just the total debts owed to a school.
- 6.4 The 'school books' have been replaced by SIMS Dinner Money, which allows us to receive regular, more specific reports, on the debts in individual schools. This will help in following up on those schools who appear to be allowing debts to accrue rather than transferring them to the Authority. A specific/formal procedure should be established to monitor the debts in individual schools.
- 6.5 As was done with the school that had debts in the region of £18,000, intensive work should be undertaken with individual schools that appear not to be transferring debts to the Authority. This includes:
- Ensuring that the Headteacher and School Meals Clerk understand the procedure for collecting debts and discuss the next steps to be taken by them:
    - Contact parents to inform them that they are required to settle their debts by a certain date
    - After this date, the School should forward a PY20 spreadsheet to the Authority in order to arrange raising invoices for the debts of the parents.
- 6.6 The on-line payment system also makes it easier for families to pay for school meals at a time which is convenient for them, since the system is available 24/7. This should lead to fewer debts.

## **7. FURTHER STEPS TO BE IMPLEMENTED**

- 7.1 Ensure that every school is aware of the procedure to be followed when school meal debts arise, as well as understanding the benefits to the school in transferring the debt to the

Authority. Similarly, develop a procedure that monitors that debts are transferred to the Authority in a timely fashion.

- 7.2 Establish a central system of chasing up on debts on the basis of the electronic reports, rather than expecting schools to send the warning letters out.
- 7.3 Establish a system to identify families that go into debt often or repeatedly, and refer them to services/agencies that can offer support to them regarding financial matters.