

To: Fairer Renfrewshire Sub-Committee

On: 15 November 2023

Report by: Director of Finance and Resources

Heading: School Meal Debt

1. Summary

- 1.1 In early 2023, members of the sub-committee requested further information in relation to school meal debt in Renfrewshire, with a focus on understanding how the issue is handled and what level of support is provided to families that may be experiencing financial insecurity. Officers from the Policy and Partnerships team raised this issue through the Fairer Renfrewshire Officer Group and were advised of ongoing work that was underway to review local arrangements in relation to school meal debt, in response to the findings of a local internal audit review of related processes and systems, and emerging national guidance and policy developments in relation to school meal debt.
 - 1.2 In the intervening period, there have been a range of policy developments at a national level, following a study undertaken by Aberlour and new best practice principles for the management of school meal debt which have been published by COSLA.
 - 1.3 As reported to Leadership Board in June 2023, it is important that any review of school meal debt management supports local partnership activities to tackle the level of financial insecurity and poverty which is being faced by low-income families in Renfrewshire. This paper provides an initial update for members on the work that has been undertaken locally to review existing school meal debt processes and sets out next steps in terms of implementing a more holistic approach to school meal debt management in Renfrewshire. The report also advises elected members of the write-off of historic school meal debt that has been actioned by the Director of Finance and Resources under delegated authority.
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2. Recommendations

- 2.1 It is recommended that the Fairer Renfrewshire sub-committee note:
- the update provided on the review of school meal debt processes which is currently being progressed.
 - that further engagement work is proposed with the Fairer Renfrewshire Lived Experience Panel to strengthen this work.
 - that, under his delegated authority, the Director of Finance and Resources has written off the sum of £47,573.25 of invoiced school meal debt.
 - and that a further update on the implementation of the revised school meal debt process will be submitted to the sub-committee in early 2024.
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3. Background

- 3.1 In 2022, children's charity Aberlour conducted research into the prevalence of school meal debt in Scotland. They published a series of reports outlining their findings and conclusions based on information collated from local authorities in 2021 and 2022, including a specific report prepared for the Scottish Parliament's Social Injustice and Social Security Committee on low income and debt. The report, entitled "[Robbing Peter to pay Paul: Low Income and the Debt Trap](#)", estimated that there were around 25,000 children in Scotland whose families had some level of debt because they could not afford to pay for school meals. The report also noted that school meal debt in Scotland was over £1m in mid-2022.
- 3.2 The report made several recommendations for Scottish Government, COSLA, and local authorities in relation to school meal debt:
- We recommend that the Scottish Government works with COSLA and local authorities to write-off individual school meal debt to allow families a clean slate as they move into the new school year and possible new school setting.
 - We urge the Scottish Government to implement its free school meal expansion as soon as possible.
 - We recommend that COSLA works with local authorities on a national school meal policy, which is founded on human rights and removes stigma, to ensure that children are treated with dignity in a consistent and fair way.
- 3.3 Whilst a number of these recommendations continue to be discussed at a national policy level, COSLA began by undertaking a survey of current policy and processes across local authorities. COSLA recognised that responding to the findings of the Aberlour report could be challenging for local authorities in light of the current financial context in which they are operating, and that there needed to be flexibility for local authorities to respond in ways that meet local need and also align to existing programmes of work.
- 3.4 To assist and inform local policy decisions, COSLA worked with partners to publish a number of best practice principles for the management of school meal debt in February 2023:

- The design and implementation of school meal debt policy should support the needs, rights and welfare of children and families at the centre, and consideration should be given as to how the views of children and families could inform policy;
- The approach to school meal debt management should be compassionate, proportionate and minimise stigma;
- Processes should be clear and accessible;
- The approach to developing and implementing an approach should be co-ordinated across all council services;
- Local authorities should set a threshold at which unpaid meals become 'debt';
- Local authorities should consider routine reviews of debt levels to minimise the risk of any family accruing a large debt;
- Communication practice around school meal debt should be reviewed to ensure information is appropriate and timely;
- Local authorities should be promoting and maximising uptake of free school meals and other available support (such as clothing grants and free bus travel);
- When staff become aware of debt accruing, they should signpost/refer families to appropriate services for support;
- Local authorities should consider how they could use their discretionary powers on free school meal provision to support families experiencing financial hardship;
- Local authorities should retain discretion over whether to write-off any school meal debts;
- Local authorities should consider which other mechanisms could be used to support families and/or clear debts, including discretionary use of Pupil Equity Funding.

3.5 Councils across Scotland have responded in different ways to this guidance, with some bringing forward proposals to write off school meal debt on a one-off basis, whilst others like Renfrewshire have taken a whole system approach to the management and treatment of school meal debt. As reported to Leadership Board in June 2023:

Work has commenced in Renfrewshire to review current processes and policy in relation to the management of school meal debt. In line with the COSLA principles and the focus of our local Fairer Renfrewshire programme, proposals are being developed for consideration by elected members which would seek to remove the issue of school meal debt for vulnerable families living in Renfrewshire. This will include actions to improve the efficiency of systems used and most importantly ensure that support is provided within the school environment to families who may be experiencing issues, at the earliest opportunity and in as non-stigmatising and supportive a way as possible.

A key element of the COSLA principles being considered in the local review, is the opportunity to write off current debt accrued by our most vulnerable families, with a particular focus on those families as being at most risk of poverty. A specific proposal will be brought forward for approval as close as possible to the start of the new academic term in order to address this issue at start of the school year, with ongoing outreach and preventative work also to be progressed through the schools advice models which will be piloted.

- 3.6 This paper provides an overview of the work undertaken to date on this issue, the development of outreach and advice models to support families experiencing financial insecurity and confirms proposals for debt write off by the Director of Finance and Resources.
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4. How school meal payments are managed in Renfrewshire

- 4.1 As elected members will be aware free school meal entitlement has now been rolled out for all pupils across Scotland in P1-P5, with work being undertaken to expand this further in line with Scottish Government policy. For all children, payment for school meals is handled through an online system which supports “cashless catering” across schools and early years establishments.
- 4.2 In 2021, Renfrewshire Council completed the roll-out of a new Online School Payments Cashless Catering system in all its schools and early years establishments. This system, known as Parent Pay, operates by having parents put funds in the relevant account and each pupil’s purchases of school catering are then paid for from that account. The Parent Pay system allowed for a complete overview of school debt for the first time; prior to implementation, each school maintained its own records.
- 4.3 The system is credited each day with a sum covering the cost of the lunchtime meal where a pupil is in receipt of a free school meal. The system is automatically updated from the schools SEEMIS system every day so that any new entitlements are added to Parent Pay accounts as swiftly as possible.
- 4.4 Upon implementation, Parent Pay did not have any upper limit on spend applied to it, which made it possible for debt to be accrued quickly. Account balances are visible to catering staff at the point of purchase, and they advise pupils when their balance is low; pupils who are not in receipt of free school meals are not able to buy morning items if there are no funds in the account.
- 4.5 Renfrewshire Council has a policy of never allowing a child to go hungry at lunchtimes and a plated meal option will always be available even if there are no funds in the account. If this is the case for two days, catering staff notify the school’s pastoral support staff.
- 4.6 As part of the process, Head Teachers have also had discretion over how any Parent Pay debt is managed. Weekly reports are available to all schools which identify where debts are accruing, though account balances can be viewed at any time. At this stage, pastoral staff should contact families to ascertain the circumstances and if appropriate, signpost them to council services such as Advice Works, who can advise on maximising income, applying for free school meals and other supports. The Head Teacher has authority to use their budget to allow the debt to be waived in particular circumstances.
- 4.7 Local authorities also have discretionary power to grant free school meal provision outside of the statutory criteria.

- 4.8 The original process implemented in 2021 transferred debts from Parent Pay to the Council's Enterprise Resource Planning System (ERP) once an invoice was raised. Non-payment would then trigger the sundry debt recovery processes which involves passing unpaid debts to the Council's collection agent if they remain unpaid after the timetable for recovery has passed. The collection agent has no powers to take any form of legal recovery action but will contact a customer regarding any unpaid debt. In order to pursue legal action, a court decree would be required, and the Council has never sought to obtain a decree in relation to school meal debt. In light of the current review of school meal debt, the use of a collection agent for school meal debt has been paused.
- 4.9 The Council's Internal Audit team undertook an audit of the "Unpaid Meals Management process" relating to school meal debt in early 2023 and found that not all schools were implementing it effectively or consistently. A range of recommendations were made for action by relevant Council services, and it was agreed that a full end to end review for school meal debt would be progressed.
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5. Review of School Meal Debt

- 5.1 Children's Services are currently engaging with other council services in order to review and refresh the school meal debt process from end to end. It is important that this approach is taken in order to fully recognise and respond to the best practice guidance produced by COSLA, and specifically to ensure that the management of school meal debt is undertaken as part of our wider partnership response to tackling poverty and inequality for low-income families across Renfrewshire. Officers are currently reviewing existing processes to ensure that they minimise the level of debt which can be incurred and that there is a supportive response when debt arising is identified by our systems and staff.
- 5.2 It is anticipated that the updated process will be implemented in early 2024, and as outlined above, debt management and recovery processes have been paused whilst this work is finalised. To date the focus of the review has been on:
- The system triggers that will be in place which will allow any potential support requirements or financial difficulties to be flagged to school staff for action.
 - The offer of support that will be made to families and parents experiencing financial difficulties through Advice Works and new school advice models being implemented in Renfrewshire.
 - The communication materials which will be used when contacting parents or carers to discuss school meal debt and to offer support as part of a debt management process.
- 5.3 It is important that any new processes implemented recognise the impact of financial insecurity on local families, and the stigma and challenges that arise as a result. A request has been made to the Fairer Renfrewshire Lived Experience Panel to engage with officers on the review work undertaken, in order to strengthen our approach further.

- 5.4 In terms of links to the wider Fairer Renfrewshire programme, officers have been considering anecdotal evidence which suggests that pupils in receipt of free school meals may be accruing debt because they use the funds in their account to purchase food outside lunchtime. This is possible because payments are credited to Parent Pay accounts each morning for free school meal provision. Options are being developed in response to this issue, which include the related consideration of breakfast club provision in Renfrewshire. This will be reported to members as part of wider Fairer Renfrewshire proposals in early 2024.
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6. Advice and support for families experiencing financial insecurity.

- 6.1 As outlined in previous updates to the Leadership Board on this issue, it is important that any revised school meal debt process proactively responds to financial insecurity issues being experienced by families fully, rather than solely concentrating on one-off measures such as write-offs as a response. As part of the Council's wider Fairer Renfrewshire Programme, there is a strong focus on providing support to low-income families and reaching out to provide support proactively through our local advice services, with new approaches being piloted across our learning establishments. There is a clear opportunity to ensure all of the support that is available for families is aligned to the new process when this is implemented.
- 6.2 For example, the new School Support Service, provided by Renfrewshire Citizens Advice Bureau, is now operating in all Renfrewshire secondary schools. It embeds advice workers in our schools and can take referrals for pupils aged 16 and over, parents and carers, and school staff. The service has been operational since August 2023, and is an additional resource to support children, young people and families.
- 6.3 The Council's Advice Works service is also developing a Family Advice Service to complement this; it will work alongside our early years and primary school settings and focus on helping families with younger children maximise their income and increase take-up of Council supports such as clothing grants.
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7. Debt Write-off

- 7.1 It is recognised in the COSLA guidance that local authorities may also wish to consider their local response to the Aberlour review recommendations on the write-off of school meal debt. As noted above, whilst the review of the current school meal debt processes is underway, no new invoices for accrued debt will be issued. For those cases where an invoice has already been issued, the Director of Finance and Resources will use his delegated authority to write-off the debt. The amount to be written off is £47,573.25.
- 7.2 An additional £44,853.87 of debt has been accrued on Parent Pay as at the October 2023 school break and has not yet been invoiced or passed to a recovery/debt management stage. No invoices will be raised whilst the process review is underway; as noted above, the review will give consideration as to how this debt is to be managed in the future.

8. Next Steps

- 8.1 Council services will continue to work together on a revised school meal debt process, which will retain an emphasis on pastoral support and appropriate signposting and referrals to services which can support families experiencing financial insecurity.
- 8.2 As outlined above, a request has been made to the Fairer Renfrewshire Lived Experience Panel to support the review process and to ensure it strengthens opportunities to support families as well as reducing stigma.
- 8.3 A further update will be provided to the sub-committee in early 2024 on the implementation of the revised process for school meal debt.

Implications of the Report

- 1. **Financial** – The cost of writing off the debt outlined within the report will be met from bad debt provisions maintained by the Council.
- 2. **HR & Organisational Development** – none.
- 3. **Community/Council Planning** – The issues raised in this report relate to the Council Plan theme “Fair” and the Community Plan theme “Fair”. “Supporting low-income families” is one of three focus areas for the Community Plan.
- 4. **Legal** – none
- 5. **Property/Assets** – none
- 6. **Information Technology** – none
- 7. **Equality & Human Rights** – The decision to write-off debts has no negative impact on any group at this time. Any changes to council policy in relation to unpaid meals debt will be impact assessed by the responsible service in line with the statutory requirements.
- 8. **Health & Safety** – none
- 9. **Procurement** – none
- 10. **Risk** – none
- 11. **Privacy Impact** – none

12. **COSLA Policy Position** – COSLA has provided national guidance on this issue, as detailed in Section 4 of the report.
13. **Climate Change** – none

List of Background Papers: none

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