



FLA RESPONSE TO THE DFES CONSULTATION ON 'Turning the Tables: Transforming School Food'

1. Since the Finance & Leasing Association has only a couple of highly specific concerns about the consultation on school food, we are providing a short note describing these concerns, rather than sending back the whole consultation form. As well as commenting on the Main Report on school food published in September, we are also mindful that the Secretary of State said at the Labour Party Conference:
"because children need healthy options throughout the school day, I can also announce that from next September no school will be able to have vending machines selling crisps, chocolate and sugary fizzy drinks."
2. The FLA is the major UK industry body for the asset finance, consumer finance and motor finance sectors. Our full members provide asset finance to business, consumer credit, point of sale, credit card and instalment finance. Our associate members provide services or goods to those industries and support the Association's vision.
3. FLA members achieved £93.3 billion of new business in 2004. Of this £25.0 billion was provided to the business sector and UK public services, and represented over a quarter of all fixed capital investment in the UK in 2004 (excluding real property). (The remaining £68.3 billion was provided to the consumer sector and represented 29.3% of all unsecured lending in the UK.) Included in the above total is £18.3 billion of finance provided to the motor sector. FLA members financed at least 50% of all new car registrations in the UK in 2004. Total outstanding business finance in 2004 was £66 billion, 47 per cent of all outstanding finance provided by FLA Members.



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4. A number of FLA members are active in the education sector. They lease a variety of equipment to schools and colleges, sometimes direct, sometimes via local education authorities. This includes the leasing of vending machines on a significant scale.
5. That gives rise to the key point that we wish to make. Any legislation or guidance which implements the results of this consultation should not be based on the misconception that schools, colleges and local authorities own all the vending machines in question. Often they will belong to the finance company, leased for a fixed period.
6. We believe that very often the vending machines will be as able to dispense healthier food of the kind discussed in the Report, as easily as they dispense snacks and fizzy drinks. That is a matter for the manufacturer to advise upon, ultimately. FLA Members would be keen to support the new policy by providing whatever finance is needed to ensure a continued supply of suitable vending machines. But the implementation of the policy needs to respect the industry's contracts with the education sector. Any guidance sent out by the Department needs to make that point.
7. It is also perhaps worth mentioning that typically our Members' contracts with schools and colleges ensure a revenue stream for schools and colleges from the vending machines covered by the finance. Changing the food and drink supplied in the machines may, at least in the short run, reduce those payments, in some institutions. This is not of course an argument against promoting a healthier diet for pupils, but it needs to be considered in assessing the impact on the education sector of the new policy.

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