

WIRRAL BOROUGH COUNCIL

REPORT TO THE SCHOOLS FORUM

ACTING CHIEF FINANCE OFFICER

EDUCATION WELFARE BENEFITS UPDATE AND THE FUTURE

4 JULY 2012

THE PRESENT SYSTEM

1. Housing Benefits Section took over the direct administration of Free School Meals (FSM) in April 2011. A major exercise was undertaken to data cleanse and link records for Housing/Council Tax Benefit with Education Welfare awards on the existing HB/CTB software system. This combined system enabled data matches to be carried out to identify those parents who had qualifying benefits and school aged children, but had not claimed free school meals.
2. Customer services staff and Housing Benefit staff are trained to maximise claims for free school meals and to look for opportunities to help and assist claimants receive their full entitlements. Telephone applications were introduced in August 2011 to simplify the process and make it more accessible.
3. All of our processing officers were registered with the online national entitlement checking service (ECS) which is populated with data supplied by Her Majesty's Revenues and Customs (HMRC) and The Department for Work and Pensions (DWP). This enables timely and accurate checking of free school meals entitlement to be carried out and enables regular full caseload audits to be done, ensuring only those entitled continue to receive the award.
4. Letters were developed to invite and encourage applications; these addressed the reasons why parents/carers can be reluctant to apply for free school meals and also explained that some school funding is based on the volume of free school meals awards per school. The explanations were designed to break down pre conceptions and dismiss stigmas that still remain about the way free school meals are handled on a daily basis within schools. It also encouraged those parents who prefer to send packed lunches with their children to also apply, to secure the additional funding for their child's particular school.
5. Additional activities to promote take up and understanding of free school meal awards include; HB managers attending school financial briefing meetings; website information being regularly updated; application form updated, press releases to encourage take up, introduction of e-mail applications and contacts with schools and parents, secure electronic despatch of daily updates and summary lists to schools.
6. The overall free school meals take up activity culminated prior to the January 2012 Census in the HB visitor service carrying out a pro active exercise to visit all existing potentially qualifying claimants, who had failed to respond to telephone calls and letters. HB visitors are experienced officers trained to encourage and explain about benefit maximisation. The exercise was carried out within existing resources and had no additional cost to the Authority. This resulted in an additional 147 awards from "hard to reach families". The visiting work has continued and all families who would initially not engage via letter/telephone have now been seen and appropriate awards made.

7. The overall take up task was very resource intensive; each claim and family has been checked and the appropriate action taken. The data has been retained so we can ensure we don't revisit when there is no requirement. The majority of reasons for applications not being made are older children who have left school. Here there are also a small number of home educated children and some who are educated out of the area. Those who adamantly refused to apply were in the minority.
8. The amount of pupils receiving free school meals stands generally at about 9600, representing 20% of all pupils, from approximately 5600 households. There is a weekly movement of 100 - 200 pupils who become ineligible/eligible as their parents or carers have changes in their income. These changes are reported daily to schools and it is important that schools do take the notified changes on board and adjust their own records.
9. Some families experience more changes in their income than others; these are often the parents/carers who find short term employment, resulting in repeated awards and then subsequent cancellation of free school meals. This is one area that schools find arduous when records are constantly requiring updating. This is the nature of a means tested welfare benefit within a depressed economy.
10. Whilst some schools have embraced the electronic delivery of reports there are a small number of individual schools who five months later are still struggling with the change in the way they are notified of new and cancelled awards. Help and support is available from dedicated officers within the Finance Department and contact details have been made widely available.
11. It is also pertinent to say that there is a discernable difference in the way individual schools notify the Benefits team when they have mid-term pupil changes. The intensity of activity as a census date approaches could be minimised if every school promptly advised their own pupil changes. There is future planned activity to allow direct access for Benefits officers to the CYPD software system that records weekly changes, but until this is made live all changes need to be reported by each individual school.
12. Take up activity and periodic bulk checking continues in the ways already mentioned to maintain a valid caseload.
13. The next activity currently being planned is the exercise to move relevant pupils in years 2 and 6 to their new schools in readiness for the 2012/13 academic year. This is currently a manual exercise and is aided by data supplied by the CYPD Admissions team. The close working relationship has developed with relevant teams within CYPD and the Finance Department; this has assisted greatly in the accuracy and timely administration of free school meals.
14. The pupil movements for older children present different challenges and again the planning is currently underway to make sure those pupils who return to sixth form are re-awarded their free school meal. This is more problematical as the data is not centrally available from the Admissions team until October each year and the changes rely on parents notifying the Director of Finance which school their child is to attend from September. Again this exercise is resource intensive. Any assistance schools can give in raising awareness about the importance of this information being submitted promptly would help greatly

THE FUTURE OF FREE SCHOOL MEALS WITHIN WELFARE REFORM

15. The government's massive Welfare Reform programme becomes effective from 1 April 2013, although changes prior to that to current schemes have been laying the groundwork for the significant impacts that are to be faced.
16. From April the Council Tax Benefit is abolished and replaced by a locally set and administered scheme "Council Tax Rebate" which will protect pensioners and the vulnerable at the level they receive now but overall the government will reduce funding by 10%, over £3.1m in Wirral, nor cover any ongoing increase in take up which for Wirral is 2% per annum. Councils can make up the shortfall from other budgets or will have to reduce the level of award of this low income support to the working age that in Wirral only makes up 40% of the 43,000 caseload.
17. Community Care Grant and Crisis Loan awards are also abolished and move to a locally defined and administered scheme from next April called Local Welfare Assistance.
18. Both of these major schemes have to be publicly consulted on and be in place by early 2013 to be operative from April, the lack of clear direction and details from the government along with IT timescales development issues make the timetable challenging in the extreme for all local authorities.
19. The largest and most significant element of Welfare Reform is Universal Credit which will see Housing Benefit combined in its single payment for working age claimants. Universal Credit is a combination of several of the 30+ working age benefits. It will be paid monthly in arrear and in nearly all circumstances to the claimant who will be expected to manage its budget as a way of preparing for handling a salary as it moves back into work and will largely engage by digital channels with limited support for Call Centre and face to face contact. The latter of which the authority may retain some support role in. The transfer of new cases will begin in Wirral in October 2013 although in some North West pilot authorities it will be start from April. The transfer is set for a four year timetable.
20. The government's most recent view on the future of Education Welfare Benefits was set out in their May response to the Social Security Advisory Committee (SSAC) responses to its consultation on Welfare Reform change.
21. The Coalition Government recognised that free school meal eligibility is important to securing the policy objective of providing a nutritious meal to a defined group of children and that some families struggle to afford school lunches and a school lunch may be the only balanced meal some disadvantaged children get. They recognised that free school meal eligibility is also used as a proxy indicator of deprivation, for example in allocating the Pupil Premium to schools and in school performance tables and other research. The Government wants to ensure that the eligibility criteria under Universal Credit can continue to be used in this way in England.
22. The Government's aim is to ensure that the Eligibility Checking System will continue to check data from the Department for Work and Pensions once Universal Credit has been introduced. The Department for Education will work with local authorities to ensure a seamless transition and to see whether it is possible to make any improvements to the system.

23. The provision of free school meals to all recipients of Universal Credit would almost treble the numbers currently eligible. Although the Government is sympathetic to the arguments for extending eligibility to free school meals, this is viewed as unaffordable in the current economic climate. In England, the Department for Education is, therefore, likely to propose defining eligibility in relation to a fixed income threshold assessed within Universal Credit and will be consulting on new eligibility criteria later this year. The focus of the consultation will be on setting criteria which can be put in place for the change to Universal Credit from October 2013.
24. In relation to the longer term strategy for free school meals it will also seek comments on the longer term strategy. The Department for Education has not decided whether free school meals would be included in any future generic approach to passported benefits. Any model used will need to ensure there is a positive impact on the take up of free school meals and would need to ensure school's could identify children who attract the Pupil Premium.
25. Link to full 200+ page report - www.dwp.gov.uk/docs/ssac-rev-of-pass-bens.pdf