

WIRRAL COUNCIL

SCHOOLS FORUM – 26th SEPTEMBER 2018

REPORT OF THE CORPORATE DIRECTOR FOR CHILDREN SERVICES

FREE SCHOOL MEALS ELIGIBILITY

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to summarise the current position with regards to Free School Meals eligibility, and to outline the options for 2019-20 onwards, and to seek the views of Schools' Forum.

2.0 BACKGROUND

2.1 Free School Meals eligibility is a key measure in schools' funding. Wirral's local funding formula in 2018-19 allocates £1,943.99 to primary schools and £2,349.10 for every pupil currently eligible for a free school meal.

2.2 Following the introduction of the "soft" National Funding Formula from 2018-19 the ESFA allocates Local Authorities, via the Dedicated Schools Grant, £440 for every pupil currently entitled to a free school meal, as well as £540 and £785 for every primary and secondary pupil respectively who has been eligible for a free school meal in the last six years.

2.3 The entitlement to free school meals also has a direct impact on the allocation of Pupil Premium, at the rate of £1,320 for primary and £935 for secondary.

2.4 As recorded in the October 2017 census, 17.65% of Wirral pupils are currently eligible for free school meals, with 31.30% being eligible in the last 6 years. In total schools have been allocated £15.137m for pupils eligible for Free School Meals via the local funding formula (based on October 17 census data) and Pupil Premium (January 18 census data):

Per October 17 census:	Primary	Secondary	Special	Total
Total Pupils	25,983	17,420		43,403
No. eligible for FSM (current)	4,850	2,810		7,660
% eligible for FSM (current)	18.67%	16.13%		17.65%
No. eligible for FSM (last 6 years)	7,680	5,906		13,586
% eligible for FSM (last 6 years)	29.56%	33.90%		31.30%
2018-19 allocations:				
Via local funding formula	£9.428m	£6.601m	£0	£16.029m
Via Pupil Premium	£9.595m	£4.894m	£0.648m	£15.137m

2.5 The entitlement and eligibility of free school meals is currently administered by the Benefits Team within the Business Management department, with a contribution being made to their costs via de-delegation and Academy buy-back. As part of

this Wirral has adopted an opt-out process, whereby parents are advised that they will be recorded as eligible for free school meals unless they request to opt out.

3.0 BENEFITS SYSTEM AND CENSUS CHECKS

- 3.1 Following the introduction of Universal Credit, from April 2018 all existing FSM claimants on Universal credits will continue to receive FSM during the rollout period (April 2018 to March 2022) even if their earnings increase. Once fully rolled out existing claimants that no longer meet the eligibility criteria will remain eligible until the child completes their current phase of education (i.e. Primary, Secondary).
- 3.2 However, when an application for Universal Credit is made, the Benefits system is only able to check eligibility for free school meals for 3 months if no Universal Credit payment is made. If assessment of Universal Credit is delayed and payment is made after this period, the parent would need to apply again for free school meals.
- 3.3 As households with children move onto Universal Credit they will no longer make a Benefits claim to the Council for Housing Benefit as the rent element will be paid as part of their Universal Credit. The Council will still be able to check if a family is entitled to free school meals, but only if it knows of an intention to claim. The change in the benefits regime and the reduced contact with the Council increases the risk that schools will not always be able to identify a pupil's entitlement to free school meals.
- 3.4 A small number of Wirral schools have independently purchased Capita's On-Line Free School Meals Checker software to check eligibility themselves. This has resulted in additional checks for the Benefits team, as well as the Schools Insight Team (Information Team), in respect of eligible pupils identified by the on-line software but not the Benefits team, to ensure they are eligible, and can therefore be included on the census.
- 3.5 The contribution from schools budgets also does not meet the costs of administering the eligibility by the Benefits Team. The current contribution in 2018-19 is £19,300 and is based on a historic amount. There are actually on average 2.5 FTE in the Benefits team working on free schools meals entitlement, costing a total of £58k, and this cost will only increase as more schools purchase the online software and increased checks are required as a result.
- 3.6 Legal Services have also advised that the opt-out process should also cease following the implementation of GDPR regulations.

4.0 ONLINE FREE SCHOOL MEALS SYSTEM

- 4.1 As stated in paragraph 3.4 a small number of Wirral Schools have purchased Online Free School Meals system. This is a Capita online system that is maintained by the school, and checks a pupil's eligibility to free school meals. It can be used by the parents directly, or schools can collect information from the parents and complete on their behalf.
- 4.2 The system is not linked to Capita SIMS, so FSM eligibility still needs to be entered on SIMS. It will also result in additional administration work for the schools, particularly for the initial input of existing pupils.

- 4.3 However, the system will help schools to maximise funding through DSG and Pupil Premium, and may identify additional eligible pupils.
- 4.4 The LA has conducted an audit of the system with one of the schools that has purchased the system and it is effective, robust and user friendly, and it includes a clear and comprehensive declaration form for parents to complete to give the school consent to check eligibility.
- 4.5 Once the system is in place and the pupil details added it checks eligibility regularly so once information is entered, it will stay in the system while the child remains at the school.
- 4.6 The system also includes a Local Authority area. Confirmation is being sought if this can be used by the LA Schools Insight Team (Information Team) to verify census data.
- 4.7 The 2018-19 annual cost of the license is £700 for a Primary or Special School, and £1,100 for a Secondary School. However it is likely the Council will be able to negotiate a significant reduction, potentially up to 50% of these costs, if the licences are purchased on behalf of all Wirral schools for 5 years. This would result in an annual cost of approximately £50,000. A discount of around 35% is likely for a 3 year contract. Any schools that have already purchased the system directly from Capita would be transferred over and refunded from the point of Wirral's contract commencing.

5.0 DE-DELEGATION

- 5.1 As described in paragraph 3.5, the current level of de-delegation does not cover the current cost of administering free school meal eligibility, and would therefore need to increase for 2019-20 if agreed by Schools Forum. This would also increase as more schools purchased the online system directly from Capita.
- 5.2 However, an alternative would be for the Local Authority to purchase the Online Free School Meals system on behalf of all schools at the discounted rate, which would result in an increase in the de-delegated budget for maintained schools and buy back for Academies and Special Schools. However, based on the costs outlined in paragraph 4.7 this is lower than the revised administration cost of the Benefits team.
- 5.3 If Forum agreed to the system being purchased, the de-delegation requirement would be higher in the first year (2019-20) for the transition period of moving from the current system to the online system.

6.0 CONCLUSION

- 6.1 Running the two systems simultaneously is not a viable option long-term, due to the discrepancies between the Online Free School Meals system and the Benefits system (as outlined in paragraph 3.4). The increasing checks that would be required as more schools purchase the system would result in significantly increased cost for the Benefits team, and the Schools Insight Team (Information Team).

- 6.2 Some of the schools who have purchased the Online Free School Meals system individually have identified additional children eligible for Free School Meals not identified by the Benefits system. Although de-delegation costs would increase, even without a discount the additional income attracted via DSG and Pupil Premium for one child would be more than the annual purchase cost for an individual school.
- 6.3 The issues referred to in section 3, including the end of the opt-out process, risk a reduction in the uptake of Free School Meals, and a subsequent drop in funding for Wirral schools.

7.0 RECOMMENDATIONS

- 7.1 That the Forum notes the report.
- 7.2 That the views of Schools Forum are sought on Free School Meals eligibility checking and the two systems outlined in this report, and the possible purchase of Online Free School Meals system.
- 7.3 That Schools Forum approves the purchase of Capita's Online Free School Meals system, to be funded via an increase in de-delegation from April 2019.

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