

**Manchester City Council
Report for Resolution**

Report to: Schools Forum

Subject: Free School Meals Transitional Protection

Report of: Directorate Finance Lead – Education and Schools

Summary

Schools receive additional funding for eligible free school meals (FSM) pupils, such as pupil premium and deprivation funding within the funding formula. Pupils are entitled to free school meals based on low earning threshold of their parent/carer, that is where the annual net earned income does not exceed £7,400 or £616.67 per month. Since the start of the rollout of universal credit in April 2018, the Government have put in place transitional protection whereby a child's FSM eligibility is protected, despite any change in circumstances. This protection is in place until the full rollout of universal credit, which is expected to be March 2023.

This report considers the possible future impact on Manchester schools funding following a cessation of the transitional protection March 2023.

Recommendations

Schools Forum Members are asked to provide a view and comment on:

- The future potential impact on Manchester's schools funding as a result of the free school meals (FSM) transitional protection ending March 2023
-

Contact Officers:

Name: Anne Summerfield
Position: Directorate Lead Education and Schools
Telephone: 0161 234 1463
E-mail: anne.summerfield@manchester.gov.uk

Name: Nehal Ayub
Position: Principal Finance Lead - Schools
Telephone: 0161 234 1467
E-mail: nehal.ayub@manchester.gov.uk

Background documents (available for public inspection):

The documents overleaf disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Supporting Reports:

14 May 2018	Schools Forum - Free School Meals
17 June 2019	Schools Forum - Free School Meals Eligibility

1. INTRODUCTION

- 1.1 The Government recognises the benefits of providing a healthy school meal to the most disadvantaged pupils. The Education Act 1996 requires maintained schools and academies (including free schools) to provide free school meals to disadvantaged pupils who are aged between 5 and 16 years old.
- 1.2 The costs of free school meals take-up is borne by schools from within their delegated budgets. In 2022/23, Manchester's local funding formula allocates:
- £529.09 and £537.52 for every primary and secondary pupil respectively eligible for FSM in the last six years (FSM6).
 - £470 per primary and secondary pupil based on FSM eligibility as at October preceding the funding period.

The entitlement to free school meals also has a direct impact on the allocation of the Pupil Premium Grant, at the per pupil rate of £1,385 for primary and £985 for secondary pupils.

- 1.3 Manchester changed the process of capturing FSM eligibility in order to minimise under reporting of need and in turn maximising funding provided to Manchester. In the past few year's schools have used an on-line FSM checker.
- 1.4 In Manchester, 39.7% of pupils are currently eligible for free school meals, as recorded on the October 2021 school census, against the national average of 20.8%.
- 1.5 The Government introduced FSM transitional protection arrangements to ensure families are not disadvantaged during the rollout of universal credit. The FSM transitional protection is expected to end March 2023, following the completion of the universal credit rollout. Once the protection ends there is a risk that schools may notice reducing number of FSM pupils in future years.

2. FREE SCHOOL MEALS (FSM) TRENDS

- 2.1 FSM eligibility in Manchester has risen steadily from October 2018 (the first year of the on-line FSM checker) and has continued to rise, which will include the impact of the FSM transitional protection, that is pupils have remained eligible despite change in circumstances. The most recent October 2021 schools census shows a total increase of 13% since October 2018, as detailed in table one below.

Table one: FSM eligibility in Manchester from October 2018 to October 2021

	Oct-18		Oct-19		Oct-20		Oct-21	
Manchester	Total	% Eligible	Total	% Eligible	Total	% Eligible	Total	% Eligible
Nursery	183	18.0%	142	20.4%	112	21.4%	96	38.5%
Primary	54,219	26.1%	54,849	29.4%	53,845	35.5%	53,695	39.2%
Secondary	26,898	26.7%	28,265	30.6%	29,454	35.8%	30,848	40.1%

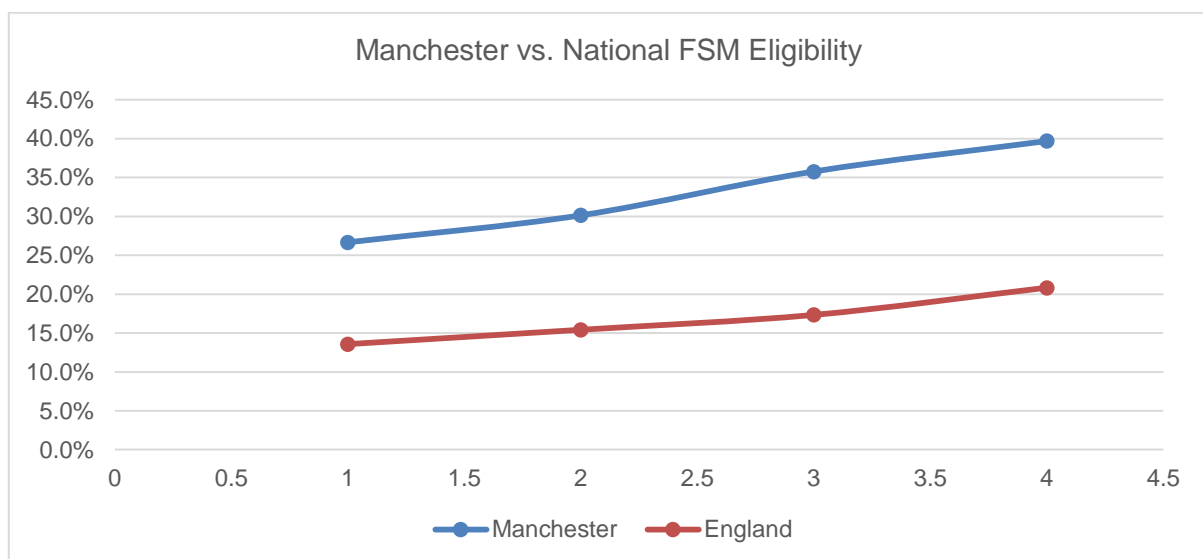
	Oct-18		Oct-19		Oct-20		Oct-21	
All Through	3,217	21.7%	3,289	25.6%	3,343	29.2%	3,421	32.7%
Special	1,528	51.0%	1,684	54.9%	1,827	56.8%	1,962	56.2%
PRU	288	74.0%	222	74.8%	197	77.7%	184	84.8%
Sixth Form					540	20.6%	499	30.1%
Total	86,741	26.7%	88,902	30.1%	89,318	35.8%	90,705	39.7%

2.2 National averages for FSM eligibility have been consistently and significantly lower, almost half when compared to Manchester. Table two below compares Manchester to national statistics trend of FSM eligibility from October 2018 to 2021, also illustrated on graph one below.

Table two: Manchester compared with National % Eligible for FSM

	Oct-18 % Eligible	Oct-19 % Eligible	Oct-20 % Eligible	Oct-21 % Eligible
Manchester	26.7%	30.1%	35.8%	39.7%
England	13.6%	15.4%	17.3%	20.8%

Graph one: Manchester and National trend - % FSM Eligibility



3. FSM TRANSITIONAL PROTECTION

3.1 The Government introduced FSM transitional protection arrangements to ensure families are not disadvantaged during the rollout of universal credit. These came into effect on 1st April 2018 and meant that:

- Any child eligible for free school meals on 31 March 2018 will retain their eligibility until the end of the rollout, March 2023, regardless of whether their circumstances change.
- Any child who becomes eligible during the rollout of universal credit (from 1 April 2018 to March 2023) will retain their eligibility until the

end of the rollout, March 2023, regardless of whether their circumstances change.

- Once the rollout of universal credit is complete, no child will lose their entitlement and will continue to be transitionally protected until the end of their current phase of education.
- Transitional protection applies to all children whether eligible through legacy benefits or universal credit.

3.2 The transitional protection was aimed at ensuring that all existing free school meals claimants continue to receive free school meals whilst universal credit is rolled out. This applies even if their circumstances change, and their earnings rise above the threshold (annual net earned income does not exceed £7,400 or £616.67 per month) during the rollout period.

3.3 Transitional protection is on an **individual child basis**, not on a family basis. This means that the protection applies to the pupil and not the parent/carer, so it is possible that one child may be eligible for FSM due to being protected but their sibling does not. Children must meet the eligibility criteria at the time the application for FSM is made in order to be entitled.

3.5 This transitional protection was initially scheduled to end in March 2022 but has been extended a further year to March 2023.

4. IMPACT OF CESSATION OF FSM TRANSITIONAL PROTECTION

4.1 When the FSM transitional protection ends March 2023, the immediate impact will be on pupils moving to the next school phase in September 2023. High schools may start to see a drop in the number of FSM pupils in year 7, from September 2023.

4.2 Examples below, where pupils have been identified as eligible for FSM before March 2023.

Example One: Year 5 primary pupil this year will be protected and remain eligible for FSM until they leave primary school July 2023, the transitional protection will not continue to year 7 high school place.

Example Two: Year 7 high school pupil this year will be protected and remain eligible for FSM until they leave July 2025.

Example Three: Year 1 primary pupil this year will be protected and remain eligible for FSM until they leave primary July 2027.

Primary school pupils in reception, year 1 and 2 all qualify for FSM under the Universal infant free school meals (UIFSM). It is important to identify those pupils eligible for FSM in these year groups before March 2023, as under the present guidance those pupils would be protected until they leave year 6, see example three above.

- 4.3 Over time as pupils move to a different school phase there could be a steady decline in FSM pupils, although the general financial claimant will also impact on the numbers. If FSM pupils' numbers decline so will the related funding linked to those pupils, such as pupil premium, and the allocation for deprivation when measured by free school meal eligibility within the funding formula.
- 4.4 Schools need to ensure they identify the pupils eligible for FSM before March 2023 for the protection to apply until the end of that school phase, which will also support funding levels related to FSM pupils.
- 4.5 The Council does not hold information on the levels of protection applied this information is held at individual school level.

5. CONCLUSION AND RECOMMENDATIONS

Schools Forum Members are asked to provide a view and comment on:

- The future potential impact on Manchester's schools funding as a result of the FSM transitional protection ending March 2023.