

**Manchester City Council  
Report for Resolution**

**Report to:** **Schools Forum**

**Subject:** **Free School Meals Eligibility**

**Report of:** **Directorate Finance Lead – Children Services and Education**

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**Summary**

The Local Authority (LA) reported to Schools Forum May 2018 that Manchester had undertaken a range of proactive measures in order to maximise Free School Meal (FSM) funding to schools. Last year, Manchester changed the way FSM eligibility was captured for funding purposes after undertaking a data exercise that assessed FSM eligibility which appeared to have been under-reported in the past.

This report assesses the impact on the numbers of children eligible for FSM since the implementation of new method of capturing FSM eligibility last year.

**Recommendations**

Schools Forum is asked to:

- comment on the report
- note that the Local Authority will seek Forum approval to de-delegate the cost of the on-line checker at an Autumn term Schools Forum meeting.

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**Background documents (available for public inspection):**

The following documents 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.

14 May 2018: Schools Forum - Dedicated Schools Grant and School Balances  
2017/18

## 1. INTRODUCTION

- 1.1 The costs of free school meals take-up is borne by schools from within their delegated budgets. Currently Manchester's local schools formula allocates out £497.95 and £477.75 for every primary and secondary pupil respectively ever eligible for Free School Meals in the last six years. The entitlement to free school meals also has a direct impact on the allocation of Pupil Premium, at the per pupil rate of £1,320 for primary and £935 for secondary.
- 1.2 In Manchester 28.1% of pupils are currently eligible for free school meals, as recorded on the January 2019 school census.
- 1.3 A May 2018 report to Schools Forum noted that the LA had introduced an on-line checker at school level in order to improve the capturing of FSM eligibility and in turn maximise the levels of Pupil Premium and Dedicated Schools Grant resource to in the City.

## 2. FREE SCHOOL MEALS (FSM) TRENDS

- 2.1 In October 2017 there was a decline of 1.5% in Manchester's recorded FSM eligibility of 24.8%, as demonstrated in table one below. This decline in eligible FSM did not correlate with the increasing number of pupils living in the 10% most deprived area in the country, as measured by the IDACI index. In 2016 45.4% of Manchester's pupils live in the top 10% most deprived areas. The FSM data match exercise (reported to Schools Forum May 2018) using MOSAIC geodemographic model based on postcode identified potential under reporting of FSM at schools. Schools reported that the downward trend in FSM was due to: introduction of universal infant free schools meals, changes in benefits criteria and parent's not FSM claiming, rather than reduced level of need.

Table one: FSM eligibility in Manchester from October 2016

Table One: FSM Eligibility in Manchester from October 2016 to

	2016/17		2017/18			2018/19		2018/19	
	Census : Oct-16		Census : Oct-17			Census : Oct-18		Census : Jan-19	
	Total Pupils	% Eligible for FSM	Total Pupils	% Eligible for FSM		Total Pupils	% Eligible for FSM	Total Pupils	% Eligible for FSM
Nursery	210	13.8%	102	30.4%	May 18 New FSM Checker	183	18.0%	158	34.8%
Primary	53,518	25.8%	53,907	24.4%		54,219	26.1%	54,917	27.7%
Secondary	24,069	26.5%	25,647	24.9%		26,898	26.7%	26,849	27.7%
All Through	2,880	22.3%	2,983	21.6%		3,217	21.7%	3,220	22.8%
Special	1,299	48.6%	1,427	46.8%		1,528	51.0%	1,600	52.1%
PRU	326	58.9%	272	71.0%		288	74.0%	392	70.4%
Total	82,763	26.3%	84,409	24.8%		86,741	26.7%	87,541	28.1%

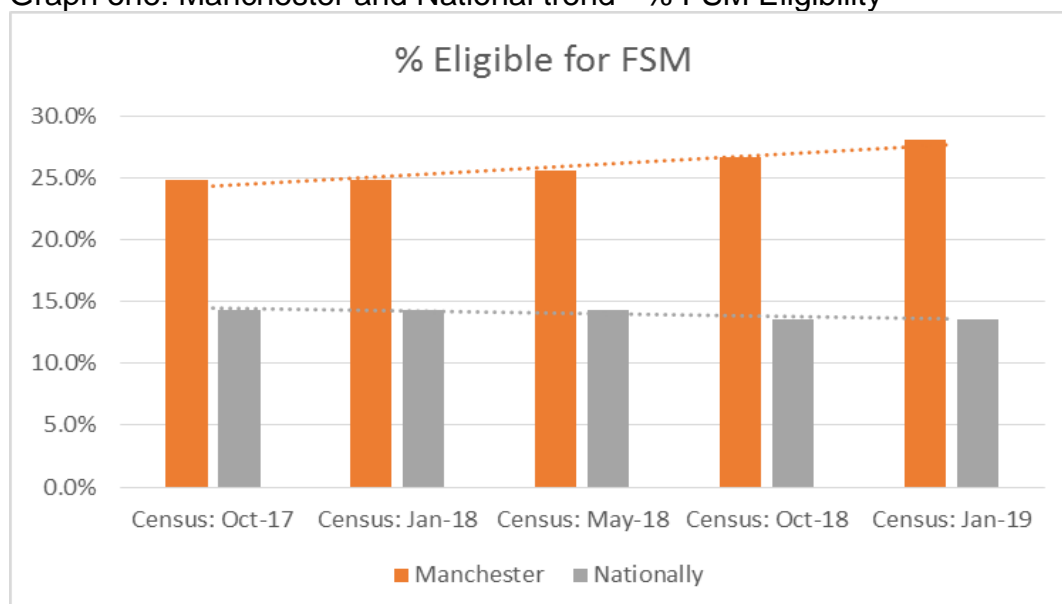
- 2.2 Table one above shows an upward trend for Manchester from October 2018 of 1.9% compared to the previous October. Whereas at the same time nationally the eligibility for FSM dropped by 0.7%, see table two below comparing Manchester to national statistics.

Table two: Manchester compared with National % Eligible for FSM

% Eligible for FSM					
	2017/18		2018/19		
	Census: Oct-17	Census: Jan-18	Census: May-18	Census: Oct-18	Census: Jan-19
<b>Manchester</b>	24.8%	24.8%	25.6%	26.7%	28.1%
<b>Nationally</b>	14.3%	14.3%	14.3%	13.6%	13.6%

- 2.3 Since May 2018 Manchester has seen a steady growth in the pupils identified for FSM, which is in contrast to the national trend. Manchester has seen a 2.5% increase from May 2018 to January 2019. Compared to national data where it has remained constant with a small downward trend from October 2018. Graph one below compares Manchester and national trend of FSM eligibility from October 2017 to January 2019.

Graph one: Manchester and National trend - % FSM Eligibility



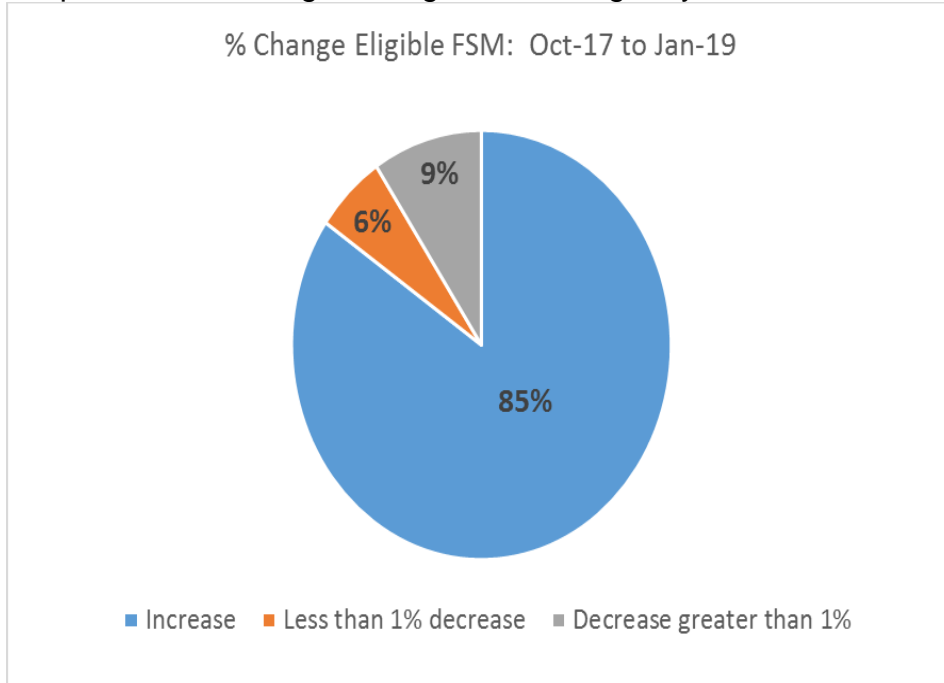
### 3. IMPACT OF FREE SCHOOL MEAL ELIGIBILITY CHANGES

- 3.1 The roll out of Government's Universal Credit regime meant there were changes to the FSM eligibility criteria. From April 2018 FSM eligibility is for children from households with an income of up to £7,400 a year, excluding benefits, which is equivalent to £18,000 to £24,000 a year including benefits. A transitional protection is now applied to FSM, so all existing claimants will continue to

receive FSM during the Universal Credit rollout period (April 2018 - March 2023), even if earnings increase. Once fully rolled out, existing claimants that no longer meet the eligibility criteria will then continue to be eligible for FSM until their child has reached the end of their current phase of education (e.g. primary, secondary). In recognition of this, there has been an additional fund granted to schools, the FSM Supplementary Grant.

- 3.2 In Manchester up until May 2018, entitlement to FSM had been identified as part of the claim process for housing benefit and council tax support. This has meant that the eligibility of most families was captured as part of this process. However as households with children move on to Universal Credit they will not make a claim for housing benefit via the council; the rent element will be paid as part of their claim for Universal Credit. The Council would only be able to check if a family is entitled to FSM, if it knows of an intention to claim. The change in the benefits regime and the reduced contact between the claimant and council increased the risk that pupils not being identified for their entitlement to FSM.
- 3.3 As reported to Schools Forum May 2018, to try and mitigate this risk for Manchester pupils the Council purchased a licence for **all maintained schools** to use FSM checker software to ensure that all children entitled to free school meals and Pupil Premium are identified.
- 3.4 The Council negotiated a significant reduction of 50% on the cost of the licence compared to the purchase price quoted for individual schools seeking to buy direct. The lower cost was only secured as a block of three-year licences were purchased. The Council funded the first year from May 2018 and secured Schools Forum approval to de-delegate c.£38k for the 2019/20 licence. Academies are responsible for carrying out their own FSM checks. As part of the Council's negotiations in May 2018 with the FSM checking software provider, academies in the City were able to purchase the licence at the discounted rate for a limited period.
- 3.5 Schools welcomed the change and have been positive during the period of change to the on-line FSM checker. It was anticipated that this change will lead to more children being recorded as being eligible for FSM. The chart below demonstrates that since October 2017 and January 2019 85% of schools in the City have seen an increase in recording eligible FSM pupils in Manchester. Appendix one shows this at individual school level, the overall increase from October 2017 to January 2019 was 3.3%. It is likely a number of factors have contributed to this: introduction of the on-line checker, roll out of Universal Credit, and the free school meal transitional protection. It is difficult to isolate and quantify the impact of each individual factor.

Graph two: Percentage Change in FSM eligibility at Individual School Level



#### 4. CONCLUSION AND RECOMMENDATIONS

4.1 Since the introduction of the on-line FSM checker, the identification of eligible FSM has increased by 2.5% in Manchester, whereas nationally there has been a reduction of 1.3%. Therefore it can be concluded that if Manchester had not initiated the roll out of the on-line checker the identification of eligible FSM would not have increased in the manner it has.

4.2 Schools Forum is asked to:

- comment on the report
- note that the Local Authority will seek Forum approval to de-delegate the cost of the on-line checker at an Autumn term Schools Forum meeting.