
Report To:	Education & Communities Committee	Date:	7 May 2019
Report By:	Chief Financial Officer and Corporate Director Education, Communities and Organisational Development	Report No:	FIN/43/19/AP/CG
Contact Officer:	Craig Given	Contact No:	01475 712257
Subject:	Expansion of Free School Meals and Clothing Grant Policy		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek approval for changes to the Free School Meals and Clothing Grant policy which was agreed as part of the 2019/20 Budget .

2.0 SUMMARY

- 2.1 The Scottish Government has qualifying criteria for Free School Meals and Clothing Grants. This can be positively varied by Councils using the Education (Scotland) Act 2016.
- 2.2 Following a discussion at the Policy and Resource Committee in November, officers began looking at whether the roll out of Universal Credit within Inverclyde was having an adverse impact on eligibility criteria for Free School Meals and also at whether the Free School Meals qualification policy could be amended and expanded to address anomalies in legislation.
- 2.3 A number of options were reviewed and costed and thereafter considered by the Members' Budget Working Group. The option proposed involves increasing the earning threshold to the equivalent of working 24 hours per week at the Scottish Living Wage (SLW) of £9.00 per hour plus 0.5%. Officers believe that after allowing for an increase in take up, the extra cost of this proposal over a full year would be no more than £100,000 and that this would assist an estimated 234 families or 360 pupils.
- 2.4 The proposal clearly supports the Council's Corporate priorities and will form part of the Council's Child Poverty Action Plan which is required to be published in the summer of 2019. If approved the amended Policy would be implemented from August 2019.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee approves the amended Policy for access to Free School Meals and School Clothing Grants for implementation from the 2019/20 Academic School Year.

Alan Puckrin
Chief Financial Officer

Ruth Binks
Corporate Director Education, Communities
and Organisational Development

4.0 BACKGROUND

- 4.1 The Education (Scotland) Act 2016 permits Councils to introduce a locally enhanced Free School Meal scheme. Officers were asked to estimate the number of additional qualifying applications that could be expected and the associated cost if the statutory earnings threshold increased for Free School Meals (FSM) and School Clothing Grants (SCG). The qualifying conditions for FSM are used by Inverclyde Council for entitlement to SCG.
- 4.2 2324 applications for FSM and SCG had been approved by December 2018 and 109 applications had been rejected. The table below shows the circumstances in which applications were approved. These are in line with Scottish Government criteria. Inverclyde Council has the option to increase these criteria at the Council's expense. The number of rejected applications are low as families are generally aware of the qualifying criteria and do not apply when they know their income exceeds the threshold.

Existing FSM Qualifying Criteria 2018/19	No. of pupils in receipt of FSM
Maximum Working and Child Tax Credits with earnings less than £6,420 (£535 per month)	218
Universal Credit with earnings less than £610 per month	818
Income Support	740
Income Based Job Seekers Allowance	49
Child Tax Credit where income is less than £16,105 pa	223
Employment and Support Allowance (Income Related)	259
Asylum seeker	1
Looked after and Accommodated (no criteria)	2
Hardship/ exceptional circumstances	14
TOTAL	2324

- 4.3 An anomaly in the legislation means that families who work and claim Universal Credit are able to earn slightly more to qualify for Education benefits than those who work and claim Tax Credits. The proposed Policy change will address this issue.
- 4.4 The Council already holds household and income details to assess and award Council Tax Reduction. The criteria options were applied to Council Tax Reduction records at the beginning of February 2019 to identify the number and age of children to calculate costs. Entitlement to Council Tax Reduction is sensitive to changes in financial circumstances and household composition meaning the level of eligibility and the subsequent cost of any change to the scheme will vary according to families' circumstances.

5.0 PROPOSALS

- 5.1 Inverclyde Council has the option to increase the criteria for FSM and SCG at the Council's expense

Following consideration by the Members' Budget Working Group the recommended proposal is to increase the Earnings Threshold to the equivalent of working 24 hours per week at the Scottish Living Wage (SLW) of £9.00 per hour plus 0.5% to allow for marginal variations in the reporting or assessment of salary to ensure the policy intention is met.

The proposed changed qualifying criteria:

Universal Credit Claimant – monthly take home pay of no more than £915

Working Tax Credits and/or Child Tax Credit – annual gross earnings of no more than £11,288

The Councils current policy criteria if aligned with legislation for 2019/20 would be:

Universal Credit Claimant – monthly take home pay of no more than £610

Working Tax Credits and/or Child Tax Credit – annual gross earnings of no more than £6,900.

- 5.2 The assessment of earnings used to assess entitlement to Education benefits is carried out by DWP for Universal Credit claimants and by HMRC for Tax Credit claimants. The previous options did not leave any room for those whose earnings slightly exceed the threshold. Applications from those who marginally exceed the threshold will be refused unless there is a small tolerance built in to ensure the policy intention is achieved. It is therefore proposed to have a 0.5% tolerance level built into the policy..
- 5.3 Children of P1 – P3 age were excluded from the calculation because of the Scottish Government universal entitlement and P4 were excluded due the 2019/20 Council budget decision to provide universal support for this year group. The proposed costs do not take into account capital expenditure that may be incurred to provide additional capacity. The proposal also does not take into account lost income from those who would normally purchase a school meal as it is believed that the vast majority of pupils who will be supported by this Policy change will not currently pay for school meals on a regular basis.

Based on these criteria the qualifying children and estimated costs are as follows:

	Qualifying Children	Cost
School Clothing Grant	360	£52,200
Free School Meals P5-P7	88	£16,720
Free School Meals S1-S6	156	£29,640
Contingency		£1,440
TOTAL		£100,000

The above figures are based on the school clothing grant being paid at 2018/19 rate of £145 per pupil and the Council having to incur these costs with no extra additional top up from the Scottish Government.

FSM costs are based on £1 a day for materials. In addition to the contingency, there is currently an £8,000 underspend in the School Clothing Grants budget which could be added to the above contingency.

234 families would qualify. In 2018, 70 applications from families in these circumstances were rejected.

6.0 IMPLICATIONS

6.1 Finance

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
			0		

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
School Clothing Grants and Catering			100		In the event that the budget is over subscribed, officers will report back to Committee

6.2 Legal

There are no specific legal implications arising from this report

6.3 Human Resources

The are no specific human resources implications arising from this report.

6.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

7.0 CONSULTATIONS

7.1 The MBWG supported the proposals contained in this report.

8.0 LIST OF BACKGROUND PAPERS

8.1 N/A

Equality Impact Assessment

This document should be completed at the start of policy development or at the early stages of a review. This will ensure equality considerations are taken into account before a decision is made and policies can be altered if required.

SECTION 1 - Policy Profile

1	Name/description of the policy, plan, strategy or programme	Expansion of Free School Meals and Clothing Grant Policy
2	Responsible organisations/Lead Service	Education
3	Lead Officer	Corporate Director Education, Communities and Organisational Development
4	Partners/other services involved in the development of this policy	Finance
5	Is this policy:	New <input type="checkbox"/> Reviewed/Revised <input checked="" type="checkbox"/>
6	What is the purpose of the policy (include any new legislation which prompted the policy or changes to the policy)?	To amend the free school meal and school clothing grant qualification criteria to expand the scheme with clear revised qualifying criteria to include more low income families, in line with strategic child poverty aims.
7	What are the intended outcomes of the policy?	To increase the number of qualifying children/ families, within budget.
8	Geographical area (Inverclyde wide or a specific location)	Inverclyde wide
9	Is the policy likely to have an impact on any of the elements of the Council equality duty (if yes, please tick as appropriate)?	<input type="checkbox"/> Eliminate discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010 <input checked="" type="checkbox"/> Advance equality of opportunity between people from different groups <input type="checkbox"/> Foster good relations between people from different groups
10	Will those who may be directly or indirectly affected by this policy be involved in its development?	No

SECTION 2 – Impact on Protected Characteristics

Which of the protected characteristics will the policy have an impact upon? (see guidance for examples of key considerations under each characteristic)

Protected Characteristic	Impact					Reason/Comments
	Positive High	Positive Low	Neutral	Negative High	Negative Low	
Age	X					Children in low income families
Disability			X			
Gender reassignment			X			
Marriage and civil partnership			X			
Pregnancy and maternity			X			
Race			X			
Religion or belief			X			
Sex (male or female)	X					The parents and carers who are expected to benefit from the revised policy are likely to be predominantly female
Sexual orientation			X			
Other groups to consider (please give details) Adults with low income and with responsibility for children		X				Employment is considered to be a key socio-economic driver. Losing entitlement to FSM/SCG may be a barrier for some parents or carers from taking up employment or increasing their hours at work. Increasing the earnings threshold will ensure entitlement is retained by more families able to work, leading to improved socio-economic chances for the household. Additionally, families who are entitled to Free School Meals also qualify for free Breakfast Club provision. Therefore, the revised Policy should have a positive impact on the reduction of poverty for children.

SECTION 3 – Evidence

<p>What evidence do you have to help identify any potential impacts of the policy? (Evidence could include: consultations, surveys, focus groups, interviews, projects, user feedback, complaints, officer knowledge and experience, equalities monitoring data, publications, research, reports, local, national groups.)</p>	
Evidence	Details
<p>Consultation/Engagement (including any carried out while developing the policy)</p>	<p>There was no direct consultation with service users while developing the policy because officers knowledge and research was considered sufficient.</p> <p>Informal consultation- with parent groups suggests that Breakfast Clubs are used for three main purposes: to provide child care for working parents; to provide a meal for children at the start of the school day; and to enable children to benefit from the social interaction provided at such Clubs.</p>
<p>Research</p>	<p>Inverclyde Council Corporate Plan 2018/22 Inverclyde Local Child Poverty Action Plan Inverclyde Local Outcomes Improvement Plan 2017/22 Examination of other Council's policies Proposed qualifying criteria was processed against anonymised Council Tax Reduction records to estimate the cost of the proposed scheme</p>
<p>Officer's knowledge and experience (including feedback from frontline staff).</p>	<p>Officers are aware that the current policy based on legislation, is less generous to legacy benefit claimants than those who claim Universal Credit. Officers are aware of distressed families in particularly challenging circumstances whose income marginally exceeds the threshold of the criteria current policy</p>
<p>Equalities monitoring data.</p>	<p>None</p>
<p>User feedback (including complaints)</p>	<p>More than 100 applications were rejected in 2018/19 although it is acknowledged that others don't apply because they are aware of the qualifying criteria and so don't make speculative applications.</p>
<p>Stakeholders</p>	<p>Education Service Parents and carers Schools</p>

Other	
What information gaps are there?	The number of those who do not apply for Council Tax Reduction because they are not aware they will qualify or because they expect entitlement will be low outweighing the effort of applying.

SECTION 4 – CONSEQUENCES OF ANALYSIS

What steps will you take in response to the findings of your analysis? Please select at least one of the following and give a brief explanation.		
1. Continue development with no changes	<input type="checkbox"/>	The alteration to the policy, together with the promotion of the revised qualifying criteria will achieve the intended outcome to reduce child poverty
2. Continue development with minor alterations	<input type="checkbox"/>	
3. Continue development with major changes	<input type="checkbox"/>	
4. Discontinue development and consider alternatives (where relevant)	<input type="checkbox"/>	
How will the actual effect of the policy be monitored following implementation?		
The number of children who become entitled to FSM/SCG within the expanded qualifying criteria will be tracked by Education Services.		
When is the policy due to be implemented?		
May 2019 - in time for School Clothing Grant and Free School Meal applications opening for academic year 2019/20. The revised criteria will be communicated in a press release and will be included on the 2019/20 application form.		
When will the policy be reviewed?		
The policy will be reviewed in line with Education Service's School Clothing Grant and Free School Meal monitoring arrangements		
What resources are available for the implementation of this policy? Have these resources changed?		

Approval for increased budget will be sought at Education & Communities Committee 7th May 2019
Employee resources will not change – additional administration duties will be absorbed within existing resources at Customer Services and Education Services administration and by schools to prepare and serve additional meals.

Name of Individual(s) who completed the Assessment

Name(s): Tracy Bunton

Position: Benefits Team Leader

Date: 3rd April 2019

Authorised by

Name:

Position:

Date:

Please send a copy of all completed forms to Karen Barclay, Corporate Policy Officer at karen.barclay@inverclyde.gov.uk