

# Revised eligibility criteria for free school meals

Revised eligibility criteria for free school meals in Wales due to the rollout of Universal Credit

## Introduction

The Welsh Government consulted on its proposals for revised eligibility criteria for free school meals between 6 June and 14 September 2018. A total of 98 responses were received and these were analysed by *Strategic Research and Insight* on the Welsh Government's behalf. Their subsequent report details the issues raised by respondents and a copy can be accessed via the following link:

<https://beta.gov.wales/eligibility-free-school-meals>

Responses to the consultation can be grouped into a number of overarching themes. These themes have been used as section headings in this document, which sets out the Welsh Government's response to the issues raised and which should also be read in conjunction with the consultation response summary.

## Welsh Government response to issues raised during public consultation

### Misunderstandings about the threshold

The analysis of responses revealed that there were a number of respondents who were unclear how the annualised net earned income threshold of £7,400 would be calculated and how it would be applied. In some cases it was thought that £7,400 was in relation to the total income received and not *earned* income only. In other cases, respondents were unsure whether the earnings threshold was per household or per person and what exactly constituted "earnings".

The consultation document does state that the net earnings threshold does not represent a household's total income and points out, that a typical family earning

around £7,400 per annum would, depending on their exact circumstances, have a total household income of between £18,000 and £24,000 per annum once benefits are taken into account<sup>1</sup>.

As outlined in the consultation document, for the purpose of this policy, net earned income is defined as “*household income after taxes and deductions. It does not include income from Universal Credit or other benefits. Net income from employee earnings and declared self-employment earnings would be taken into account*”<sup>2</sup>.

The Summary of a Draft Regulatory Impact Assessment, published as part of the consultation, also states: “*The same threshold would apply to single adult and two-adult families. For the purpose of this policy, a household/family is defined as “one or two adults (living together as a couple) plus any dependent children they are living with”.*”<sup>3</sup>

There was also some misunderstanding about the meaning of the phrase “end of the rollout of Universal Credit”. This refers to the point in time when all existing claimants of ‘legacy benefits’ (i.e. those benefits and tax credits that Universal Credit is replacing) across the UK have been moved over to Universal Credit. The Department for Work and Pensions’ timetable is subject to change, and the timetable has been updated twice since the Welsh Government consultation was published. However, DWP’s latest expectation at the time of writing is that the rollout of Universal Credit is will be completed by the end of December 2023.

There was also concern that the earnings threshold would not be linked to inflation, so that families eligible for free school meals do not lose their entitlement if their earnings rise in line with inflation.

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<sup>1</sup> Welsh Government consultation document ‘Revised eligibility criteria for free school meals’ (2018), page 11:  
<https://beta.gov.wales/sites/default/files/consultations/2018-06/revised-eligibility-criteria-for-free-school-meals-consultation-document-v2.pdf>

<sup>2</sup> See footnote 9, page 11 of the Welsh Government consultation document ‘Revised eligibility criteria for free school meals’ (2018).

<sup>3</sup> Developing new eligibility criteria for free school meals under Universal Credit - Summary of a Draft Regulatory Impact Assessment (RIA) (2018), page 2:  
<https://beta.gov.wales/sites/default/files/consultations/2018-06/regulatory-impact-assessment-ria.pdf>

The analysis on which our threshold is based does include forecasts of earnings and National Living Wage projections, employment rates, and benefits eligibility. In our consultation document<sup>4</sup>, we state that although our intention is to keep the threshold constant until the end of the rollout of Universal Credit, we will keep the threshold under review, by monitoring whether the number of eligible pupils differs substantially to what we have projected. If there is a significant variation to our projections, the threshold may need to change.

Some of the responses to the consultation indicated that respondents thought that the earned income threshold would mean children would lose their free school meals. However, it's not a case of the Welsh Government taking free school meals from children who are currently receiving them. It's about comparing two possible future scenarios – one where all children in families receiving Universal Credit are eligible for free school meals and the other where we introduce an earned income threshold of £7,400. Under both of these scenarios more children will receive free school meals than would have done previously, under the legacy benefits system. For the children who cease to be eligible for free school meals, there will be generous transitional protection arrangements in place. It is important to note that no child will lose their free school meals during the rollout of Universal Credit (and then until the end of their school phase) due these arrangements.

Both our engagement with stakeholders during the consultation and the responses received indicate that, as and when a threshold is introduced, comprehensive guidance will be required in order for questions such as these to be answered quickly and accurately, and also to ensure consistency of approach across Wales.

### **The impact and the cost of changes to eligibility criteria for free school meals**

A number of consultation respondents called for:

- a transparent display of costings;
- clear identification of the number and characteristics of children affected; and,
- evidence that the implications for children and families affected by the proposal has been analysed and considered.

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<sup>4</sup> See page 12 of the Welsh Government consultation document 'Revised eligibility criteria for free school meals' (2018).

Alongside the consultation paper, we published a summary of our draft Regulatory Impact Assessment (RIA)<sup>5</sup>, which set out estimated impacts of the options analysed on the number of children eligible for free school meals, and the associated costs and benefits. The characteristics of various groups of children/families were also considered. A full RIA has since been published, as part of the Explanatory Memorandum to the Free School Lunches and Milk (Universal Credit) (Wales) Order 2019<sup>6</sup>. This provides further detail on the estimated impacts of the new eligibility criteria and transitional protection. A Welsh Language Impact Assessment<sup>7</sup>, Equality Impact Assessment<sup>8</sup> and Children's Rights Impact Assessment<sup>9</sup> were also published alongside the consultation. The Equality Impact Assessment and Children's Rights Impact Assessment set out in detail how we envisaged the proposals might affect children and families from various sectors of the community. These assessments have subsequently been updated and included in an Integrated Impact Assessment, Sections 1 and 7 of the Integrated Impact Assessment are being published in line with Welsh Government procedure.

However, it is important to highlight that it is very difficult to accurately predict the impact of any given earnings threshold on the size of the free school meals cohort. In the summary of the draft RIA which was published alongside our consultation, we stressed there is a lot of uncertainty surrounding our estimates of the impact of the new eligibility criteria due to factors such as behavioural change. Also, economic forecasts (e.g. Office for Budget Responsibility forecasts of earnings growth and employment rates) and the underlying data (e.g. Universal Credit caseload projections and the Family Resources Survey) used in the models for this analysis will continue to be updated. New data and forecasts will affect our estimates of the potential impact of the new eligibility criteria for free school meals and therefore, our estimates are subject to change.

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<sup>5</sup> <https://beta.gov.wales/sites/default/files/consultations/2018-06/regulatory-impact-assessment-ria.pdf>

<sup>6</sup> <http://www.cynulliad.cymru/laid%20documents/sub-ld12133-em/sub-ld12133-em-w.pdf>

<sup>7</sup> <https://beta.gov.wales/sites/default/files/consultations/2018-06/welsh-language-impact-assessment-wlia.pdf>

<sup>8</sup> <https://beta.gov.wales/sites/default/files/consultations/2018-06/equality-impact-assessment-eia.pdf>

<sup>9</sup> <https://beta.gov.wales/sites/default/files/consultations/2018-06/childrens-rights-impact-assessment-cria.pdf>

## **Increasing the number of children eligible for free school meals**

A recurring theme in the consultation was that Welsh Government should aim to increase the number of children eligible for free school meals. This manifested itself in a number of ways including:

- claims that Welsh Government's plans will result in a significant number of children living in poverty unable to claim free school meals
- calls for free school meals to be available to all children from families claiming Universal Credit
- adverse comparison with free school meal provision in other countries (particularly Northern Ireland where an earned income threshold of £14,000 has been adopted).
- calls for free school meals to be universally available to all pupils

A number of respondents were of the view that the Welsh Government's proposals for revised eligibility criteria would mean that a significant number of children living in poverty in Wales would remain ineligible for free school meals. The Children's Society has estimated that there are around 55,000 children in Wales who live in poverty and who are not currently in receipt of free school meals. They estimate that the vast majority of these children will continue to miss out following the introduction of a £7,400 earnings threshold. The Children's Society analysis does not include information on the data sources and methodology used. Therefore, we have not been able to verify these calculations.

Official statistics on poverty are produced by the Department for Work and Pensions (DWP) and drawn from the Households Below Average Income series, based mainly on Family Resources Survey (FRS) data. DWP do not publish data on numbers in poverty by level of earnings. There are a number of reasons why a comparison between annual earnings and poverty data are difficult to make. Calculations of poverty are based on total household income from all sources (including earnings), and sources of income reported through the survey are all transformed to weekly amounts. To measure poverty, household income is also equivalised to adjust for the composition of a household, that is, the number of household members and their age. In addition, a relatively small number of households in Wales are sampled in the

FRS each year, which means any estimates based on these data can be volatile and are subject to large confidence intervals.

A number of respondents called for free school meals to be available to all Universal Credit claimants, as at present. All families in receipt of Universal Credit gained entitlement to free school meals in September 2013, with the passing of the Free School Lunches and Milk (Universal Credit) (Wales) Order 2013. However, we have made it clear from the outset<sup>10</sup> that this was always intended to be an interim measure to ensure that families who might previously have been able to claim free school meals did not lose out, pending the development of new eligibility criteria to reflect the wider rollout of Universal Credit. Introducing an earned income threshold is therefore not a reversal of the Welsh Government's policy.

Extending eligibility for free school meals to all children in families claiming Universal Credit goes beyond the aim of providing free school meals to children in the lowest-income households. Families on Universal Credit can, in some circumstances, earn over £40,000 and still receive a small amount of Universal Credit<sup>11</sup>.

If no threshold is introduced, we estimate that by the time Universal Credit is fully rolled out in 2023, around half of all pupils would be eligible for free school meals (compared to 16 per cent in January 2018). No additional funding has been provided to the Welsh Government to manage the impact of the UK Government's Welfare Reform agenda on free school meals and such a significant increase in the number of children eligible for free school meals would not be affordable. As a result of committing to such an increase, savings would have to be made elsewhere.

As we cannot afford to provide free school meals for all families claiming Universal Credit, and as this goes against our policy aim of supporting those most in need, we

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<sup>10</sup> Written Statement - Free School Lunches and Milk (Universal Credit) (Wales) Order – 16 August 2013:

<https://gov.wales/about/cabinet/cabinetstatements/previous-administration/2013/freeschoollunch/?lang=en>

<sup>11</sup> Department for Education, 'Eligibility for free school meals, the early years pupil premium and the free early education entitlement for two-year-olds under Universal Credit: Government consultation response' (March 2018):

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/692644/Government\\_response\\_FSM\\_and\\_EY\\_entitlements\\_under\\_Universal\\_Credit.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/692644/Government_response_FSM_and_EY_entitlements_under_Universal_Credit.pdf)

will have to introduce an earnings threshold. Whatever threshold we introduce must be met from existing budgets.

Some working families are able to claim Universal Credit, including those who would have received Working Tax Credit under the legacy benefits system (and therefore been ineligible for free school meals). Under Welsh Government's plans, providing their annualised net earned income does not exceed £7,400, they will be entitled to claim free school meals for their children. However, during consultation, the point was made that this will not help working families on a low income who are not in receipt of benefits, especially those whom respondents perceived to be financially worse off than benefit claimants. Eligibility for free school meals is, however, based on receipt of certain benefits and support payments, so this issue was beyond the scope of the consultation. However, extending entitlement to working families who are not benefit claimants would almost certainly increase the numbers eligible for free school meals to a level which we could not afford.

The plight of children in families with unresolved immigration status and their inability to claim free school meals was also mentioned. This was beyond the scope of this particular consultation, but, it should be noted that the Welsh Government has no plans to change the eligibility criteria for children whose parents receive support provided under Part 6 of the Immigration and Asylum Act 1999.

### **Comparing the threshold with the thresholds introduced in the other devolved administrations**

Using a net earned income threshold is consistent with the approach taken in the other devolved administrations. In August 2017, the Scottish Government introduced a net earned income threshold of £610 per month (equivalent to £7,320 per annum) and in April 2018, the Department for Education in England introduced a net earnings threshold of £7,400 per annum to assess a household's eligibility for free school meals under Universal Credit (alongside transitional protection measures).

It was suggested that if an earned income threshold were introduced, this should be in excess of £7,400. In particular, there were calls for the introduction of a threshold equal to the £14,000 earned income threshold introduced in Northern Ireland.

As we have previously stated, our priority is to ensure that those most in need are provided with a means of accessing free school meals, but, we must also ensure that any financial commitment we make can be met from within existing budgets. The higher the threshold we implement, the greater the number of pupils who will be eligible for free school meals and the greater the cost.

If we were to introduce an annualised net earned income threshold of £14,000, once Universal Credit is fully rolled out, we would expect the eligible free school meals cohort (and therefore the annual costs, not including the transitional protection) to be around twice the size of those under a threshold of £7,400.

Comparing the criteria for free school meals in Northern Ireland and Wales is not comparing like with like. Comparison between Wales and Northern Ireland should be treated with caution. Under the Northern Ireland Act 1998, social security, pensions and child support are devolved to Northern Ireland. Even before the introduction of a net earned income threshold of £14,000, the eligibility criteria for free school meals were different to those in Wales.

Some of the respondents to the consultation called for universal free school meals, aimed at all children. However, this goes beyond the aim of providing free school meals to children in the lowest-income households, and would come at an even greater cost.

### **Well-being of Future Generations (Wales) Act 2015**

A number of respondents cited the Well-being of Future Generations (Wales) Act 2015, which requires that Welsh Government considers the long term implications of its actions. It has been pointed out that provision of free school meals to children from deprived backgrounds will have a potentially beneficial impact on their nutrition and thus their health and educational attainment levels. It was reasoned that funding for free school meals should be viewed as preventative spending because it will help improve nutrition and health outcomes for children from deprived backgrounds. This has, in fact, been a major consideration for Welsh Government and our priority is to ensure that those most in need should be eligible for free school meals.



Our central estimate is that overall an annualised net earnings threshold of £7,400 will increase the number of children benefitting from free school meals in Wales by around 3,000 by the time Universal Credit is fully rolled out in 2023-24. This represents the estimated net change in the cohort size due to the new eligibility criteria proposed. It is relative to the estimated number of children that would have received free school meals under the benefit system that Universal Credit is replacing, and excludes the impact of transitional protection. We estimate the total number of children receiving transitional protection in any given year during the Universal Credit rollout period will be in the tens of thousands. In order to meet the cost of these commitments, we are making an additional £7 million available for free school meals through the Local Government Settlement in 2019-20. We are also providing additional funding of £5 million to local authorities in 2018-19, as a specific grant to local authorities.

### **Legal requirement for parents to make a request for a free school meal**

Some respondents felt that the current legal requirement for parents to make a request for a free school meal prior to gaining eligibility means that some do not end up making a claim. This, coupled with the fact that some parents are unaware that they can claim, it was pointed out, leads to children missing out. Some respondents suggested that automatic registration for those eligible for free school meals should be put in place. Although we want to make sure as many eligible children as possible are claiming free school meals, there are practical difficulties around this, not least around identifying families who meet the eligibility criteria but have not applied for free school meals, and this is beyond the scope of this consultation. However, there may be scope to use the free school meal eligibility checking system (see page 12) for automatic registration. In England, the Department for Education has stated<sup>12</sup> that they are exploring what opportunities may exist in the longer term to make the registration processes more efficient. Welsh Government officials will continue to liaise with their counterparts in the Department for Education to monitor

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<sup>12</sup> Eligibility for free school meals, the early years pupil premium and the free early education entitlement for two-year-olds under Universal Credit, Government consultation response, Department for Education (March 2018): [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/692644/Government\\_response\\_FSM\\_and\\_EY\\_entitlements\\_under\\_Universal\\_Credit.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/692644/Government_response_FSM_and_EY_entitlements_under_Universal_Credit.pdf)

developments in England around the eligibility checking system, and consider whether they might be applied in Wales.

### **Introduction of multiple earnings thresholds or a sliding scale**

It was suggested by some respondents that a single threshold was inappropriate and that a variable threshold or sliding scale should be introduced:

- A single threshold creates a “cliff edge” which is contrary to the ethos of Universal Credit
- It treats families with more than one child or those who are experiencing additional financial pressures such as debt, unfairly.

A single threshold was considered by some to undermine fundamental principles of Universal Credit which aims to make work pay and encourage claimants to progress in the world of work. It was suggested that this created a perverse incentive whereby families whose earnings were close to the £7,400 threshold may be better off financially if they did not increase their earnings and thus retained their eligibility for free school meals. It was felt that a sliding scale was more in keeping with the ethos of Universal Credit.

This will not affect existing recipients of free school meals throughout the Universal Credit rollout period (and then until the end of the school phase) as households whose income increases above the free school meals threshold will retain eligibility for free school meals throughout this period due to our transitional protection measures.

In the longer run, we regard a threshold to be the most practical and clear option for schools and local authorities to implement. A sliding scale or taper would add complexity to the system and significantly increase the administrative burden on schools and local authorities. The more complex the system, the greater the risk of errors, which increases the risk of eligible children losing out on their free school meals.

As explained by the Institute for Fiscal Studies (IFS)<sup>13</sup> a ‘cliff-edge’ occurred under the passporting criteria for free school meals under the legacy system. It also occurs under the interim arrangements whereby all Universal Credit recipients are eligible for free school meals – the cliff-edge is just simply moved further up the income distribution rather than removing it . The IFS state that **it would not be straightforward to avoid such a cliff-edge under any system for means-testing free school meals.**

Some respondents were of the view that a single threshold was unfair to larger families because their expenditure would naturally be higher than families with only one child. There was also a suggestion that the threshold should be increased for families with higher levels of financial commitment such as debt repayment. It was suggested that a number of thresholds could be set in place which would increase in line with the number of children in a family or a family’s outgoings. However, a threshold which is adjusted according to a family’s level of debt might be considered to introduce a perverse incentive.

It was also suggested that the introduction of an earnings threshold might be considered discriminatory in the case of religious or ethnic groups where larger families are more prevalent. A respondent pointed out that, according to the 2011 census, 60 per cent of Muslim and 52 per cent of Jewish children lived in families with 3 or more dependent children, whereas the comparable figure for non-religious families was 29 per cent.

It should also be noted, however, that the same census records that 66 per cent of Muslims live in the most deprived half of Wales and are the religious group with the highest proportions of people in the “never worked and long-term unemployed” categories. We would therefore expect this group to be more likely to have no or low earnings and thus qualify for free school meals compared to other religious groups. The Jewish population had the highest proportion overall of people in the 50 per cent

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<sup>13</sup> Free school meals under universal credit, IFS Briefing note BN232: <https://www.ifs.org.uk/uploads/publications/bns/BN232.pdf>

least deprived areas and it could be maintained that they are therefore less likely to claim free school meals than other religious groups.<sup>14</sup>

### **Fluctuating earnings and the minimum income floor**

A number of consultation respondents were concerned about claimants who are paid weekly or four-weekly pay and those whose earnings fluctuate (in which case it can give the impression that an individual's net earned income exceeds £7,400 when, in fact, it does not). There were concerns that this could ultimately lead to a situation where children were entitled to free school meals one month and then not entitled the following month. This in turn, it was feared, would result in a system which would place a considerable administrative burden on local authorities.

Our transitional protection offer means that once children are identified as being eligible for free school meals, they will retain their eligibility until the end of the rollout of Universal Credit in December 2023, and thereafter to the end of their school phase<sup>15</sup>. For new claimants, a claimant's earning will be checked for a maximum of three Universal Credit assessment periods.

The Department for Education in England runs the free school meal eligibility checking system and the Welsh Government pays for all local authorities in Wales to use this system to enable them to check eligibility online. The eligibility checking system takes data held by the Department for Work and Pensions, the Home Office and HM Revenue and Customs in order to establish free school meal eligibility. The system allows a claimant's eligibility to be checked using the parent's name, date of birth and national insurance number, as opposed to the claimant having to provide paper proof of benefit. Technical changes are being made to the eligibility checking system so that, from 1 April 2019, it will allow local authorities in Wales to check earnings over three Universal Credit assessment periods as follows:

- In the first instance, the claimant will be checked for monthly earned income not exceeding £616.67 (a twelfth of an equivalent yearly income of £7,400) in the most recent Universal Credit assessment period;

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<sup>14</sup> A statistical focus on religion in Wales, 2011 Census:

<http://gov.wales/docs/statistics/2015/151027-statistical-focus-religion-2011-census-en.pdf>

<sup>15</sup> Transitional protection will not be extended to claimants who are not on Universal Credit or legacy benefits, and are therefore unaffected by the change in free school meal eligibility criteria.

- If the earned income exceeds £616.67 for the most recent Universal Credit assessment period, the claimant will be checked for earned income not exceeding £1,233.34 (a sixth of an equivalent yearly income of £7,400) in the two most recent Universal Credit assessment periods, provided there are two such assessment periods;
- If the earned income exceeds £1,233.34 for the two most recent Universal Credit assessment periods, the claimant will be checked for earned income not exceeding £1,850 (a quarter of an equivalent yearly income of £7,400) in the three most recent Universal Credit assessment periods, provided there are three such assessment periods.

For existing recipients who are eligible at the point the threshold is introduced, and those who become eligible for free school meals during the rollout of Universal Credit, fluctuating earnings should not be an issue, as our transitional protections over the course of the rollout will mean that children from these families do not lose eligibility. Moreover, the Welsh Government has procured change management support for local authorities to help them update their processes and systems in order to support the introduction of the earned income threshold and the transitional protection offer. In the lead up to the threshold being introduced on 1 April 2019, local authorities are receiving detailed guidance setting out how claims should be processed and highlighting potential processing pitfalls. This guidance is to ensure that no free school meal claimant is disadvantaged because of the way their wages are paid.

Concerns were raised about the treatment of self employed claimants, and whether a minimum income floor would be introduced<sup>16</sup>. Under the new The Welsh Government will use declared earned income to assess eligibility for free school meals for self employed claimants.

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<sup>16</sup> A minimum income floor is an assumed level of earnings which is used to calculate an award of Universal Credit for a claimant who has been self employed for 12 months or longer. When an individual who has been self employed for 12 months or longer makes a claim for Universal Credit, a minimum income floor is calculated for them. The minimum income floor is based on what the Department for Work and Pensions would expect an employed person to receive in similar circumstances.

### **Impact on other policy areas (particularly the Pupil Development Grant)**

Welsh Government is particularly mindful of the impact which changes in the numbers of pupils eligible for free school meals will have on other policy areas and this was an issue which was also raised by some consultation respondents.

There was particular concern about the impact that the introduction of an earnings threshold would have on the Pupil Development Grant (PDG). Any change in the definition of children eligible for free school meals will be reflected in a corresponding increase or decrease in the amount of PDG a school might receive. We have fixed the amount of PDG payable in 2019/20. The potential change in numbers eligible for free school meals was an important part of the rationale underpinning this decision.

Eligibility for free school meals is also a qualification for payment of PDG Access. This is a grant of up to £125 to help cover the cost of school uniforms, sports kit and kit for sports and activities outside of school such as scouts and guides. Some respondents felt that loss of eligibility for free school meals would deal a double blow to parents who would also lose out on PDG Access.

As already stated, the vast majority of families will see no change in their eligibility for free school meals. These families will therefore still be able to claim PDG Access. Also, our central estimate is that an annualised net earnings threshold of £7,400 will increase the number of children eligible for free school meals in Wales by around 3,000 by the time Universal Credit is fully rolled out in 2023-24. These pupils will also be eligible to claim PDG Access.

Concerns were also raised about the impact of eligibility for free school meals being used as a deprivation indicator for the local authority revenue support grant, particularly in respect of local authorities at the later stages of the rollout of Universal Credit. The Welsh Government has been working with local authorities, through the Distribution Sub Group<sup>17</sup>, which advises on the Local Government Settlement formula, to manage any distributional impact. The distribution of additional funding

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<sup>17</sup> <https://gov.wales/topics/localgovernment/finandfunding/dsg1/?lang=en>

being provided for free school meals and transitional protection has also been considered by the Distribution Sub-Group.

Eligibility for free school meals is also used as a proxy indicator for deprivation elsewhere and it was pointed out during the consultation that the change in eligibility criteria for free school meals might result in the impact of poverty and deprivation not being accurately assessed and inappropriate provisions for support being set in place. It was felt that safeguards need to be put in place to ensure that those from the most impoverished backgrounds are not unfairly impacted.

We currently measure the attainment of pupils who are eligible for free school meals and use it to help us monitor the progress made in narrowing the attainment gap between pupils who are from more deprived backgrounds and those who are not. Changes in the definition of children eligible for free school meals could have an impact on our ability to monitor the progress made in narrowing the attainment gap. We remain committed to publishing data on the attainment of disadvantaged pupils. However, we recognise that we will also need to take into consideration increases in the numbers of pupils eligible for free school meals as a result of changes in eligibility for free school meals. For this reason we are asking local authorities and schools to keep accurate records of transitionally protected pupils. This will enable us to distinguish between pupils who are eligible for free school meals and those who can continue to receive free school meals because they are transitionally protected. Information on transitional protection will be captured in the Pupil Level Annual School Census from January 2020 onwards.

### **Transitional Protection**

The consultation specifically asked respondents to comment on our plans for transitional protection.

Some respondents were concerned that transitional protection will introduce an inequitable system whereby two families in the same circumstances with the same earnings will find themselves in a position where one is eligible for free school meals and the other is not. Other respondents felt that the transitional period was too long and that it should be limited until the end of the school year in which eligibility was

lost or that the eligibility of those who were transitionally protected should be reviewed annually to test whether they still needed it. There were also those who felt that there are certain categories (e.g. families receiving legacy benefits and whose circumstances change, taking them out of the benefits system altogether) who should be excluded from transitional protection.

We recognise that the sudden loss of free school meal eligibility because of a change in policy could be a significant change for many vulnerable families and the Welsh Government's aim, by introducing transitional protection, is to shield them from the impact of the change in eligibility criteria by allowing them time to adjust. We understand that there will be anomalies, with some families being able to claim and others, in much the same circumstances, who will not, but this will happen whatever system of transitional protection we introduce.

We also want to make the system as straightforward as possible so that it can be readily understood by both members of the public and the schools and local authorities who will need to administrate it. We want to avoid placing an unmanageable administrative burden on schools and local authorities, as this would increase the risk of eligible children missing out on free school meals.

There were also misconceptions about the way in which transitional protection will work. There were concerns that there would be a single cut off point for all families at the date on which the rollout of Universal Credit was completed. In fact, any child whose eligibility for free school meals is protected at that point will have their eligibility protected until they reach the end of their current school phase (i.e. until they finish primary or secondary school).

In England, schools receive "Pupil Premium" funding to support the learning of pupils. The Pupil Premium grant is provided for each pupil registered as eligible for free school meals at any point in the last 6 years. This is known as the Ever 6 funding model. It was suggested that this model should be adopted in Wales for free school meal eligibility so that pupils continue to be able to receive free school meals for six years after their eligibility has ceased.



Under our transitional protection offer, some children may be protected for this amount of time or longer, because transitional protection will continue to the end of the school phase (primary or secondary) after the rollout of Universal Credit has completed in December 2023.

### **The impact of the proposals on local authorities**

It was pointed out that the introduction of the earned income threshold for free school meals and transitional protection would potentially place a significant administrative burden on local authorities. It was noted that the changes would necessitate changes to local authority information management systems. Respondents also cited particular circumstances (such as the five week wait for payment of Universal Credit) and highlighted the need for detailed guidance from Welsh Government.

We recognise that the changes will increase the administrative burden on local authorities and our aim has been to minimise this. The Regulatory Impact Assessment, published as part of the Explanatory Memorandum to the Free School Lunches and Milk (Universal Credit) (Wales) Order 2019<sup>18</sup>, has explored in more detail the impact on local authorities' administrative processes. Feedback from the consultation made it clear that there was work to do to prepare local authorities for the change in eligibility criteria and the transitional protection offer. This is why the introduction of the earned income threshold was postponed from 1 January 2019 to 1 April 2019, to ensure local authorities have sufficient time to prepare for the changes, and are given appropriate change management support.

As asserted throughout this document, our aim has been to make the revised system as straightforward as possible both in order for it to be readily understood by members of the public, schools and local authorities and also in order to minimise the administrative burden it will impose. A more straightforward system will also minimise the changes local authorities need to make to their information management systems.

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<sup>18</sup> <http://www.cynulliad.cymru/laid%20documents/sub-ld12133-em/sub-ld12133-em-w.pdf>

The Welsh Government has funded changes to the Department for Education's eligibility checking system so that local authorities in Wales can continue to use it to check claims for free school meals and has put in place a programme of tailored change management support to ensure that local authorities are able to transition to using the new system as smoothly as possible.

Stakeholders have identified a number of key practical issues which require clarification. These include:

- how claims for free school meals made during a Universal Credit claimant's five week waiting period should be treated;
- what will happen when children with transitional protection move across the English/Welsh border?

Before the introduction of the earned income threshold on 1 April 2019, the change management team will cover these and other issues raised by stakeholders, and this will be supported by written guidance.

## **The Welsh language**

The most recurrent theme in the consultation responses to questions on the Welsh language was that respondents could not see the relevance of the question, because both English-speaking and Welsh-speaking learners would be equally impacted by the change in free school meal eligibility criteria.

Other respondents suggested there might be an impact on educational attainment, as hungry children would not be able to engage with the Welsh language, or indeed, with other subjects.

However, other respondents felt that rollout of Universal Credit in Wales was being delayed in the mainly Welsh speaking areas until the end of the rollout timetable (for new claims and those on legacy benefits who have a change in their circumstances<sup>19</sup>), so that families living in the predominately Welsh speaking areas would be less likely to benefit from transitional protection.

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<sup>19</sup> The full managed migration of legacy benefit claimants who do not have a change in their circumstances will take place between November 2020 and December 2023.

The rollout of Universal Credit in Wales, in respect of new claimants (or claims from those on legacy benefits who have had a change in their circumstances), has been later in Carmarthenshire, Ceredigion, Gwynedd and Anglesey, the Welsh rural heartlands. However, if we look at actual numbers as opposed to percentages of Welsh speakers, the areas with the highest numbers of Welsh speakers aged 5-15 at the last census<sup>20</sup> were:

- Carmarthenshire - 13,613
- Gwynedd - 13,038
- Cardiff - 11,835

Whilst Universal Credit was rolled out in Carmarthenshire in December 2018, and across Gwynedd in October and December 2018, in Cardiff, Universal Credit was rolled out in February 2018.

Moreover, school census data for 2018 indicates that the percentage of pupils who are eligible for free school meals in Welsh medium schools is less than the national average (10.5% of pupils in Welsh medium schools are eligible for free school meals, compared with the national average of 15.7%). This would seem to indicate that Welsh speakers are less likely to be in receipt of free school meals, and therefore less likely, as a school population, to be affected by the changes.

The point at which Universal Credit was rolled out to local authorities will have no impact on the length of the transitional protection for free school meals. The schedule for rollout of Universal Credit to new claimants (and those on legacy benefits who have a change in their circumstances) in Wales was completed by December 2018 and transitional protection for free school meals will apply across Wales after the earned income threshold is introduced in April 2019, until the end of the full rollout of Universal Credit (in December 2023) and thereafter to the end of the school phase. The managed migration of those on legacy benefits who have not had a change in their circumstances has not yet started and the Department for Work and Pensions have not yet published a detailed timetable. for this.

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<sup>20</sup> <https://statswales.gov.wales/Catalogue/Welsh-Language/welshspeakers-by-la-broadage-2001and2011census>

Other respondents stressed it was vital for free school meals be promoted to Welsh speakers especially as there are communities with a high density of Welsh speakers with average salaries among the lowest in the UK. This links to research<sup>21</sup> by Bangor University, which suggests that head teachers believe parents in rural areas are more likely to be put off taking up free school meals because of 'rural pride'. This would affect rural areas in the Welsh speaking heartlands. However, uptake and breaking down stigma around free school meals is not the same as the eligibility criteria that are the focus of our policy here.

Taking these factors into account, the evidence doesn't support the assertion that the changes to eligibility for free school meals will impact more or differently on Welsh speakers, Welsh speaking areas or Welsh medium education than it will on their English speaking counterparts.

## **Next steps**

The Welsh Government will introduce an annualised net earned income threshold of £7,400 for Universal Credit claimants who wish to claim free school meals for their children with effect from 1 April 2019. This is being accompanied by a transitional protection offer, as set out in the consultation document.

As stated above, we are acutely aware that schools and local authorities will need detailed guidance about the new eligibility criteria for free school meals as well as comprehensive guidance about how to process claims. In order to ensure that the transition to the new system for processing claims introduced by the changes in eligibility criteria runs as smoothly as possible, we are ensuring that a programme of individual change management support is made available to local authorities in the run-up to 1 April 2019, to include detailed guidance on key issues.

We will also make information on the revised eligibility criteria available for families/members of the public via the Welsh Government's website, and will encourage local authorities to communicate with families in their area about the changes.

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<sup>21</sup> Re-thinking Educational Attainment and Poverty (REAP) - in Rural Wales (November 2017): [https://research.bangor.ac.uk/portal/files/21807216/ap\\_Gruffudd\\_G.S.\\_et\\_al.\\_2017\\_REAP\\_Rethinking\\_Educational\\_Attainment\\_and\\_Poverty\\_in\\_Rural\\_Wales\\_Final\\_Report.pdf](https://research.bangor.ac.uk/portal/files/21807216/ap_Gruffudd_G.S._et_al._2017_REAP_Rethinking_Educational_Attainment_and_Poverty_in_Rural_Wales_Final_Report.pdf)