



# Revised eligibility criteria for free school meals

To: Wales

For info: Contacts from Scotland, England and Northern Ireland.

## Key Issues

On 6 June 2018, the Welsh Government issued details of a consultation relating to the proposal to revise the eligibility criteria for free school meals in Wales due to the rollout of Universal Credit.

APSE is seeking views in relation to the consultation questions set out in Appendix 1 in order to provide a response to the Welsh Government on behalf of the APSE Membership.

## 1. Introduction

The continued expansion of Universal Credit across Wales means that the Welsh Government must update the eligibility criteria for free school meals. The consultation, [Revised eligibility criteria for free school meals in Wales due to the rollout of Universal Credit](#) is inviting views on the proposals.

This briefing outlines the details contained within the consultation document and highlights the key points. Full details of the consultation can be viewed using the following link: - '

## [Revised eligibility criteria for free school meals in Wales](#)

## 2. Background

Free school meals are provided for the most disadvantaged pupils in families on low incomes. In Wales, free school meals are provided to children and young people if:

- They attend school on a full-time basis
- Their families meet the eligibility criteria for the provision of free school meals; and
- A request has been made by, or on behalf of the parent or pupil for free school meals.

Eligibility for free school meals prior to September 2013 was largely based on non-working families in receipt of certain means-tested out-of-work benefits:

- Income Support

- Income-based Jobseeker's Allowance
- Support under Part VI of the Immigration and Asylum Act 1999
- Income-related Employment and Support Allowance
- Child Tax Credit, provided they are not entitled to Working Tax Credit and their annual income does not exceed £16,190
- Guarantee element of State Pension Credit
- Working Tax Credit 'run-on' - the payment someone may receive for a further four weeks after they stop qualifying for Working Tax Credit.

Pupils who receive income-related Employment and Support Allowance, Income Support or income-based Jobseeker's Allowance in their own right could also be eligible to receive free school meals.

The cost of free school meals is met from local authority budgets and the Welsh Government expects local authorities and schools to encourage the uptake of free school meals.

The UK Government introduced Universal Credit to replace six benefits as part of the Welfare Reform agenda with the intention of simplifying the benefit system.

On 6 September 2013, the Free School Lunches and Milk (Universal Credit) (Wales) Order 2013 ("the 2013 Order") came into force and extended the eligibility criteria for free school lunches and milk to all families in receipt of Universal Credit as an interim measure to protect the children of Universal Credit claimants who would have been eligible for free school meals under legacy benefits, to ensure they were not disadvantaged because their parent(s) received Universal Credit instead.

Universal Credit has been introduced in stages across the UK and in Wales Universal Credit has been rolled out in respect of new claims for families in the Shotton area of Flintshire since January 2015. This was expanded to Flintshire County Council as a whole in April 2017, and thereafter to:

- Torfaen (July 2017)
- Neath Port Talbot and Wrexham (October 2017)
- Swansea (December 2017)
- Cardiff (February 2018)
- Denbighshire (April 2018)
- Conwy, Merthyr Tydfil and Monmouthshire (June 2018)
- Blaenau Gwent (July 2018)
- Caerphilly and Pembrokeshire (September 2018)
- Gwynedd (job centre area served by Machynlleth JCP only),
- Powys and Vale of Glamorgan (October 2018)
- Rhondda Cynon Taff (November 2018)
- Carmarthenshire, Ceredigion, Gwynedd and Anglesey (December 2018)

The roll out of Universal Credit in Wales in respect of new claims for families is due to be completed in December 2018. After the expansion process is complete, all remaining claimants in receipt of legacy benefits will begin to be migrated to Universal Credit from July 2019 (those with a change of circumstance are being migrated on to Universal Credit before then). It is currently anticipated that the full roll out will be completed by 2022 when all existing legacy benefit claimants will have moved to Universal Credit (but, this timetable may be subject to change).

### **3. Amending the eligibility criteria for free school meals**

Due to the current legislation, when Universal Credit is rolled out fully in Wales it would lead to a significant increase in the number of families eligible for free school meals. As there is no distinction between out of work and in work benefits under Universal Credit and all claimants in receipt of the benefit would be eligible for a free school meal.

The cost of free school meals is currently met by local authorities. 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. An increase in the size of the free school meals caseload would mean savings would have to be made elsewhere and reductions to other Welsh Government budgets, to fund the additional cost to local authorities of providing free school meals.

Eligibility for free school meals is used as a deprivation indicator to help determine how money is distributed for certain funding streams, such as the Welsh Government's Pupil Development Grant (PDG), the Education Improvement Grant for schools (EIG) as well as the Local Government Settlement funding formula. Changes to the number of pupils eligible for free school meals could potentially affect the amount of funding and how this is distributed.

## **4. Proposals**

### **4.1. Introduction of an annualised net earned income threshold of £7,400.**

In introducing the proposal, the Welsh Government state that there is a balance needing to be struck in ensuring that those most in need are provided with a means of accessing free school meals, while at the same time ensuring that the proposals are affordable.

It is proposed that families who receive Universal Credit and have an annualised net earned income of more than £7,400 will not be eligible to claim free school meals for their children, unless they are transitionally protected. The earned income threshold would be introduced from January 2019. It is important to note that the net earnings threshold does not represent a household's total income.

The Welsh Government have estimated that an annualised net earned income threshold for families in receipt of Universal Credit of £7,400 would increase the number of pupils benefitting from free school meals in Wales by around 3,000 by the time Universal Credit is fully rolled out in 2022 (compared to a situation where Universal Credit is not rolled out and free school meals eligibility remains the same) By way of contrast, if there is no earnings threshold in place by the time Universal Credit is fully rolled out, the Welsh Government have estimated that around half of all pupils would be eligible for free school meals (compared to 16 per cent in January 2017), which would be unaffordable.

The consultation states that it is intended that once introduced the threshold will remain constant until the end of the roll out of Universal Credit in a bid to provide some stability. The number of eligible pupils will be monitored and if there is a significant variation to projections, the threshold will be reviewed.

### **4.2. Transitional protection for families affected by the change**

The consultation advised that moving from eligibility criteria based on hours worked to criteria based on earnings means that some families will lose entitlement (mainly those in receipt of Child Tax Credit and earning above the earnings threshold level when they migrate to Universal Credit). However, these will be replaced by families who gain entitlement to free school meals (mainly those in receipt of Working Tax Credit who work too many hours to be eligible for free school meals but are low paid).

The Welsh Government propose to introduce transitional protection which will ensure that the change to the free school meals eligibility criteria would cause the minimum possible amount of disruption. Pupils eligible for free school meals when the criteria are changed on 1 January 2019, or any new claimants who gain free school meals during the rollout of Universal Credit (to 2022), will be protected against losing free school meals whilst Universal Credit is rolled out across Wales, even if their eligibility changes. From 1 January 2019, this protection would therefore encompass:

- families whose children are already registered as eligible for free school meals because the family receives Universal Credit, whose earnings are currently above the new threshold.
- families whose children are already registered as eligible for free school meals because the family receives Universal Credit, but whose earnings subsequently rise above the new threshold during the rollout period.
- families whose children are registered as eligible for free school meals because the family receives legacy benefits, where the family transfers onto Universal Credit during the rollout period, and whose earnings are above the new threshold.
- families whose children are already registered as eligible for free school meals because the family receives legacy benefits, and subsequently have a change in circumstances which means that they are taken out of the benefit system altogether, and are not transferred onto Universal Credit.
- families who are not in the benefit system but who become Universal Credit claimants during the rollout period, and whose children are registered as eligible for free school meals because the family is below the new threshold, even if their earnings subsequently rise above the new threshold during the rollout period.

Once Universal Credit is fully rolled out (based on the Department for Work and Pension's latest timetable, this is currently due to be in 2022, but could be subject to change), any existing claimants who no longer meet the eligibility criteria (because they are earning above the threshold) will continue to receive protection. This will continue until the end of their current phase of education (e.g. primary, secondary).

#### **5. Financial support to manage the impact of the threshold and transitional protection**

The cost of free school meals is currently met by local authorities, including through funding provided through the Local Government Settlement. The Welsh Government is considering financial support to meet the impact of the £7,400 threshold and the transitional protection offer. It is stated that they will work with local authorities to manage the distribution of this financial support, in particular through the Distribution Sub-Group which advises on the Local Government Settlement formula.

#### **6. Managing the impact on deprivation indicators**

The Welsh Government measure the attainment of pupils who are eligible for free school meals and use it to help 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 numbers eligible for free school meals will impact on the ability to monitor the progress made in narrowing the attainment gap. It is also stated that they remain committed to publishing data on the attainment of disadvantaged pupils but recognise that consideration will need to be given to the increases in the numbers of pupils eligible for free school meals whilst Universal Credit is rolled out.

## **APSE COMMENT**

The roll out of the Universal Credit represented an opportunity to review the eligibility criteria for Free School Meals. The consultation documents set out the proposals for setting eligibility criteria based on an income threshold rather than a threshold based on the number of hours worked which will provide much needed assistance to working families on low incomes that are facing poverty and previously fell outside the hour's threshold.

APSE is concerned that by continuing to use an application process rather than using a system of auto registration there are children missing out on the provision of a free school meal. The introduction of Universal Credit presented an opportunity to review the options for introducing an auto enroll system, that could negate the need for applying for the benefit and reduce some of the stigma associated with applying.

On a final point, APSE would like to see the government invest in the future generation by providing a free school meal to every primary school pupil because providing a healthy lunchtime meal not only helps families that are in poverty but will contribute to saving resources and expenditure on obesity related conditions in the future.

**Vickie Hacking**  
Principal Advisor, APSE

## **Appendix 1 - Revised eligibility criteria for free school meals in Wales due to the rollout of Universal Credit – Consultation Questions.**

### **Question 1(a):**

We are proposing a net earning threshold of £7,400 per annum to determine eligibility for free school meals under Universal Credit. We should have a net earnings threshold. Do you:

- Agree
- Disagree

### **Question 2 (a):**

Pupils who are eligible at the point the threshold is introduced in January 2019, and new claimants under the threshold who gain Free School Meals during the rollout of Universal Credit, should have their entitlement to Free School Meals protected. Do You:

- Agree
- Disagree
- Neither agree nor disagree

**Question 2 (b):**

**Is there anything else we need to take into account in terms of protecting families affected by the change which has not been covered in the consultation document?**

**Question 3:**

**Do you think there is anything else we need to take into account, which has not been covered in the consultation document?**

**Question 4:**

**We would like to know your views on the effects that amending the eligibility criteria for free school meals would have on the Welsh language, specifically on:**

1. Opportunities for people to use Welsh
2. Treating the Welsh language, no less favourably than the English language

What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

**Question 5:**

Please also explain how you believe the proposed policy amending the eligibility criteria for free school meals could be formulated or changed so as to have:

1. Positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourable than the English language.
2. No adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably the English language.

**Question 6:**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them.**