

Kirsty Williams AC/AM  
Ysgrifennydd y Cabinet dros Addysg  
Cabinet Secretary for Education



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref MA-P KW/3815/18

Lynne Neagle AM  
Chair  
Children, Young People and Education Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

22 November 2018

Dear Lynne,

Thank you for your letter of 24 October 2018. I have set out responses to each of the questions you raised below.

- ***How did the Welsh Government decide on a net annual income threshold of £7,400?***

Our primary consideration is that those most in need should be entitled to free school meals. It is also essential that our proposals are affordable and represent effective use of public money. It is important to note 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.

Following analysis of the potential impact of a number of annualised net earned income thresholds, we believe the most appropriate threshold to be £7,400, given the above considerations. Our most up-to-date analysis suggests that more children will be eligible for free school meals throughout the Universal Credit roll out period because of this policy than otherwise would have been under the old legacy system.

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 once benefits are taken into account. Therefore, the net earnings amount does not represent a household's total income as it does not include income from benefits, which significantly increase a household's overall income.

A further important consideration for the Welsh Government is to ensure that any change to free school meals eligibility criteria would cause the minimum possible amount of disruption. Our proposals therefore also include transitional protection so that pupils eligible for free school meals when the criteria are changed, or any new claimants who

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

gain free school meals during the rollout of Universal Credit (currently expected to be completed by December 2023), will be protected against losing them until the rollout is complete, even if their eligibility changes.

Once the rollout is complete, any existing free school meal claimants who no longer meet the eligibility criteria (because they are earning above the threshold) will continue to receive protection until the end of their current phase of education (e.g. primary, secondary).

We will be keeping the threshold under review to ensure those most in need are receiving free school meals.

- ***Did the Welsh Government consider any other thresholds, for example £14,000 as in Northern Ireland?***

The [Summary of a Draft Regulatory Impact Assessment](#), published as part of the consultation, considered three policy options as follows:

- **Maintain the status quo.** This would mean that the temporary blanket free school meal eligibility criteria for all Universal Credit claimants would remain. Our analysis indicates that by the time Universal Credit is fully rolled out, around half of all pupils would be eligible for free school meals (compared to 16 per cent in January 2018). This would be unaffordable.
- **Introduce an annualised net earnings threshold of £6,200.** We estimated this to be broadly cohort (and cost) neutral by the time Universal Credit is fully rolled out.
- **Introduce an annualised net earnings threshold of £7,400.** This was our preferred option for the reasons set out above.

Although policy for free school meal eligibility in Northern Ireland is also devolved, comparison between Wales and Northern Ireland should be treated with caution. Under the Northern Ireland Act 1998, social security (welfare) is 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. One of the main differences is that families in Northern Ireland who are in receipt of Working Tax Credit with an annual income below £16,190 are eligible to claim free school meals for their children. However, in Wales families in receipt of Working Tax Credit are not eligible for free school meals. A straightforward comparison between the free school meal eligibility criteria in Northern Ireland and in Wales is therefore not possible, as you are not comparing like with like.

- ***How many more pupils does the Welsh Government estimate would be eligible for free school meals if a net annual income threshold of £14,000 was applied and what would be the additional costs of this?***

We expect the eligible free school meals cohort (and therefore the annual costs not including the protections) to be around twice the size under an annualised net earned income threshold of £14,000 compared to a threshold of £7,400 once Universal Credit is fully rolled out

- ***What implications would the adoption of a higher threshold than the proposed £7,400 have on eligibility for the Pupil Development Grant and associated costs?***

Eligibility for the Pupil Development Grant is based on the number of pupils who are eligible for free school meals. If we were to adopt a higher net earned income threshold

than £7,400, this would increase the number of pupils entitled to free school meals and result in an increase in the number of pupils entitled to the Pupil Development Grant. I announced in March that we were fixing the Pupil Development Grant allocations of schools for the current and next financial years; the potential change in numbers eligible for free school meals was an important part of the rationale underpinning this decision.

Changes in the number of pupils eligible for free school meals will impact on a number of other policy areas such as the distribution of local authority funding and the way in which we use eligibility for free school meals to measure the attainment levels of pupils from deprived backgrounds. Before making a decision about new eligibility criteria for free school meals, I need to consider the responses to our recent public consultation and any wider implications. I will keep the Committee updated.

I will issue a Written Statement shortly to set out our next steps, to include information on timescales.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kirsty Williams', written in a cursive style.

**Kirsty Williams AC/AM**

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