

Expanding the provision of Free School Meals in Wales: Practical considerations

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Contents

Summary	1
1. Introduction.....	2
2. Increased cost directly associated with expanding provision.....	3
2.1 Increased revenue cost	3
2.2 Increased capital cost	4
3. Cost implications for other policies	6
3.1 Free School Meals and the Pupil Development Grant - Access.....	6
3.2 The Revenue Support Grant	7
3.3 Pupil Development Grant.....	7
3.4 The School Holiday Enrichment Programme	8
3.5 Free school breakfast	8
4. The impact on local authority administration	10
4.1 Administrative challenges.....	10
4.2 Administrative opportunities.....	10
5. The role of food in schools	12
6. Other considerations	14
7. Conclusion.....	16
References	17

Summary

The pandemic has raised the profile of Free School Meals (FSM) as a political issue as never before. The arguments in favour of reform are long established. Too many children who are trapped in poverty are denied access to FSM due to arbitrary eligibility criteria. This means that children miss out on the health and educational benefits of a healthy meal, whilst already struggling families are placed under significant financial pressure.

Whilst there is broad political consensus that the FSM system is in need of reform, there have been concerns about some of the practical barriers to implementation in recent months. This briefing explores those barriers and considers some possible solutions.

The briefing reveals that:

- There are barriers to expanding eligibility to FSM so that all children in Wales are eligible on a universal basis in the immediate future. The possible need to enact primary legislation and the need for greater investment in school catering facilities mean that any such expansion is likely to need to be rolled out over time. The ongoing revenue costs associated with such a change, however, are manageable and the potential benefits significant.
- There are no major barriers to expanding the eligibility criteria for FSM to all children whose families receive Universal Credit. The cost of expanded provision is small in the context of the Welsh Government's budget whilst many of the practical barriers are easily surmountable. Such a change could therefore be introduced reasonably swiftly, in time for the start of the school year in September 2022 at the very latest. Given the enormous benefits that such a change would provide families across Wales, we believe this should be a priority for the next Welsh Government.

1. Introduction

The pandemic and in particular Marcus Rashford's campaign has raised the profile of Free School Meals (FSM) as a political issue as never before. Whilst the Bevan Foundation and other members of the Wales Anti-Poverty Coalition have been working on the issue for a number of years, few would have imagined little over a year ago that this would be an issue that would lead to manifesto pledges by all three major parties heading into the Senedd election.

The arguments in favour of reform are long established. Too many children who are trapped in poverty are denied access to FSM due to arbitrary eligibility criteria.¹ This means that children miss out on the health and educational benefits of a healthy meal, whilst already struggling families are placed under significant financial pressure.

The purpose of this report is not to revisit the debate about whether FSM eligibility criteria should be expanded but rather to look at the practical considerations that would need exploring were any reform to take place. These considerations range from the capacity of schools and local authorities to provide more meals to the impact on Welsh Government programmes such as the Pupil Development Grant. In doing so this briefing complements a report developed by Policy in Practice on behalf of the Bevan Foundation and the Wales Anti-Poverty Coalition looking at the potential cost of expanding FSM eligibility.²

To gain a clearer understanding of some of the potential barriers to expanding the eligibility criteria for FSM and to explore some of the opportunities that expanded provision may present, the Bevan Foundation has engaged with a range of stakeholders. These have included conversations with Welsh Government officials, the Welsh Local Government Association and members of the Wales Anti-Poverty Coalition.

In addition the Bevan Foundation hosted two virtual roundtable discussions with local authority officers with the support of the WLGA. The first of these roundtables was attended by 14 officers who worked in revenue and benefits roles at 12 different Welsh local authorities. The second was attended by 20 officers who worked in catering roles at 14 local authorities.

This briefing is divided in five parts. Each section highlights a practical consideration that should inform any expansion of the provision of FSM. These are:

- Increased cost directly associated with expanding provision
- Cost implications for other policies
- Impact on local authority administration
- The role of food in schools
- Other considerations

Where we identify any barriers to expanding the FSM we set out some possible solutions, all of which have been developed based on the evidence we have gathered through our research.

2. Increased cost directly associated with expanding provision

Increasing the number of children who are eligible for FSM would have clear financial implications for the Welsh Government, Welsh local authorities and Welsh schools. The more children that eat FSMs then the greater the cost of purchasing and preparing the food. Expanding FSMs could also lead to some additional capital costs, for example, if schools are required to extend their kitchens or purchase new equipment to accommodate an increase in demand for their services. Our research has uncovered that the scale of these additional costs may not be so significant as to make expanding provision impossible.

2.1 Increased revenue cost

The cost of expanding eligibility for FSM has long been cited as one of the major barriers to expanding the eligibility. There is no doubt that expanding eligibility either to all children whose families receive Universal Credit or to all children would lead to additional resource costs. As was set out by the Welsh Government in 2018:

The main type of cost that schools incur to offer free school meals to pupils is the cost associated with providing each additional meal. This might be the cost of ingredients and kitchen staff for schools with their own kitchens who produce their own meals, or the amount charged by a local meal provider to buy in an additional meals.³

In 2018, when the eligibility criteria for children whose families received FSM was first restricted the Welsh Government's consultation document and regulatory impact assessment both concluded that retaining the eligibility criteria as set out at the time would be "unaffordable" for this reason.⁴ New research undertaken by Policy in Practice on behalf of the Bevan Foundation and the Wales Anti-Poverty Coalition suggests that any additional costs may not be as great as first feared.

Policy in Practice estimate that the Welsh Government currently spends £38.9m annually on FSM.⁵ If eligibility were to be expanded so that all children whose families receive Universal Credit receive FSM this would increase to £49.5m, a difference of £10.5m.⁶ To put this into context the Welsh Government's total revenue budget for 2021/22 is £17 billion.⁷ If the scheme were rolled out universally Policy in Practice estimate that the annual cost would be £179.6m, an increase of £140.7m on the current system.⁸

It is worth noting that there may be some savings which are not captured by Policy in Practice's work.⁹ Stakeholders at our catering roundtable were unanimous in their belief that increasing the number of children who are eligible for FSM could lead to some savings around procurement due to economies of scale.

Many of these additional costs would be borne directly by Welsh local authorities and it is vital that the Welsh Government provides them with the extra resources to cover the additional costs. This concern was raised in relation to the Welsh Government's free school breakfast offer. Local authority officers noted that the funding they receive from the Welsh Government has not risen in line with inflation and we heard concerns that this was having an impact on the quality of provision.¹⁰ It was felt vital that these mistakes were not repeated if FSM eligibility were expanded.

Participants at both our roundtables also drew our attention to the fact that many local authorities are already having to manage a system that has already seen a sharp increase in the number of children eligible for FSM. Local authority officers at our roundtable therefore welcomed the discussion around expanding eligibility for FSM. They felt it provides an opportunity for a “transparent” conversation about the way children are fed in school as opposed to the continuation of the current approach where the numbers have increased without, in their view, a full acknowledgment of the pressures that local authorities are being put under.

2.2 Increased capital cost

Expanding the eligibility criteria for FSM would undoubtedly require investment in school catering facilities. We heard at our roundtables however, that it would be simplistic to argue that all of these costs would be additional costs. We also heard that expanding the eligibility criteria for FSM could actually provide better value for money for some investment whilst other local authority officers shared ideas about how some of these additional costs could be minimized even if the number of children who receive FSM increases.

Schools and local authorities in Wales are already having to make arrangements to feed more children as a result of an increase in eligibility for FSM due to the pandemic. In 2016/17 76,224 children were eligible for FSMs in Wales.¹¹ By 2019/20 this had already increased to 85,731, but the economic impact of the pandemic means that this number has now increased to 101,278.¹² One local authority officer at our roundtable said:

We started this conversation in terms of increasing eligibility or look at universal Free School Meals but of course we’re all actually going through it at the moment, in terms of the natural increase in the number of Free School Meal children currently, and no doubt once furlough ends we’ll see substantial increases yet again. So, whilst we are all looking at this for the future, we are all having to manage these extra Free School Meal children at the moment.

Even if the economy recovers relatively quickly the impact on the demand for FSM will be marginal due to the current arrangements for ‘transitional protection’.

When eligibility for FSM was first restricted “Transitional Protections” were introduced to protect families, who were already in receipt of FSM, providing FSM on a quasi-universal basis. As a result, any child who was receiving FSM before 1 April 2019 or who has subsequently become eligible will remain eligible until 31 December 2023 regardless of whether their family’s economic situation improves. Any child who is eligible for FSM on 31 December 2023 will continue to be eligible until the end of their school phase (i.e. end of primary or secondary education).¹³ This means that the additional 25,000 or so children who are now eligible for FSM will continue to be eligible for at least two years, meaning that short term fixes are unlikely to be enough to allow local authorities to accommodate this additional demand.

In practice this means that some schools and catering companies in Wales are already exploring options for investing in new cooking equipment to deal with the increase in demand. At our roundtable we heard that some of this investment would have been required anyway, many schools in Wales have machinery and equipment that are in need

of updating. Some of the investment that is being considered, however, is to deal with the surge in demand.

In the view of the officers we spoke to, expanding eligibility criteria to at least all children whose families receive Universal Credit could provide better value for money for the Welsh Government and Welsh taxpayer. Officers were concerned that unless the eligibility criteria were changed, the number of children eligible for FSM would drop significantly in a few years once transitional protections are removed and once the impact of the pandemic on the economy has reduced. This means that the additional equipment they are having to invest in now may become surplus to requirements well before the end of their working life.

These concerns were shared at the time that the eligibility criteria for FSM were changed in 2018.¹⁴ The sheer scale of the additional number of children who have become eligible for FSM as a result of the pandemic, however, has significantly moved the burden of risk. Whilst fluctuation in the number of children who are eligible for FSM is an inevitable part of the system, officers felt amending eligibility so that all children whose families are eligible for Universal Credit are eligible for FSM or making provision universal, would provide greater stability and ensure greater value for money for the investments that are already having to be made.

Not all of the challenges faced by local authorities would have to be addressed through additional capital investment. At our roundtable we heard that schools in some local authorities have adopted new approaches to providing school lunches to deal with increased FSM take-up. In some areas, schools have extended the period over which lunch is served. This has allowed the schools to host multiple sittings allowing all children the time to enjoy their lunch whilst respecting social distancing requirements. This has proved extremely popular. We heard from a local authority officer:

In most of our secondary school they've expanded the lunch break, and some are thinking of keeping that after Covid. They're considering it, they're looking at it because they've staggered the lunchtime now and it seems to work better.

Adopting such an approach across other schools could provide a way for eligibility criteria to be expanded without necessarily having to invest in making dining halls and canteens larger. Such an approach would present some new revenue costs as a result of kitchen staff working extra hours, but this could provide a way of expanding provision whilst staggering the capital investment required.

3. Cost implications for other policies

A concern that has been raised by Welsh Government is that expanding the eligibility criteria of FSM could have knock on implications for other programmes.¹⁵ Eligibility for FSM is used as a proxy to allocate other Welsh Government funds. These include programmes that provide money directly to families and the allocation of funds to Welsh local authorities and schools. Each programme is considered in turn below.

3.1 Free School Meals and the Pupil Development Grant - Access

The Pupil Development Grant - Access (PDG Access) provides children from low-income families with £125 in financial support (£200 if the child is entering year 7) to buy school uniform, equipment, sports kit and kit for activities outside of school.¹⁶ The Welsh Government has recently expanded the scheme so that all children who are eligible for FSM in secondary school between years 7 and 11 and children who are eligible for FSM in reception and years 1, 3 and 5 in primary school are entitled to PDG Access.¹⁷

Given the common eligibility criteria any increase in the number of children eligible for FSM would lead to more children becoming eligible for PDG Access. This would have knock on implications for the Welsh Government's budget which would have to find additional sums to provide PDG Access to the children who are newly eligible. There would appear to be two options available to Welsh Government.

The first and our preferred option would be to retain the connection between FSM and PDG Access eligibility. Whilst this would lead to the Welsh Government having to spend more money on PDG Access this additional spend would not be significant. Assuming that all 23,396 children newly-eligible for FSM (adjusted for take-up) were eligible for PDG Access at £120 and took up their entitlement,¹⁸ the additional cost to the Welsh Government would only be £2.8m annually. This is likely to be an overestimate because children in years 2, 4 and 6 are not entitled to any PDG Access but are included in the estimate above.

If the Welsh Government was to determine that such a modest additional outlay was unaffordable, an alternative option for the Welsh Government would be to retain the current eligibility criteria for PDG Access. This would be our least favoured approach for two reasons. First, it would retain the current unfair position where children who are living in poverty are missing out on support that they needed. Second, it would reduce the ability of local authority staff to passport children from one benefit to another, creating additional work.

In the event of universal provision of free meals, if PDG Access was also available to all children then the additional cost to Welsh Government would be an estimated £37m. An alternative option for the Welsh Government might be to make PDG Access available to all children (in all year groups) who are eligible for Universal Credit, as per our preferred option above. A concern that was shared at our revenues and benefits roundtable was that any move to decouple PDG Access and FSM could lead to lower awareness amongst parents about PDG Access leading to reduced take up. Increasing eligibility for PDG Access in line with Universal Credit would therefore have the advantage of making eligibility more in line with other forms of support, potentially mitigating against this concern.

3.2 The Revenue Support Grant

The Revenue Support Grant (RSG) is the central funding that is allocated to local authorities by the Welsh Government. The RSG is used to fund a number of key services delivered by local authorities including education and social care. There are a number of indicators used when determining the allocation to each local authority, one of which is the number of children that are eligible for FSM.

For each child in primary school that receives FSM a local authority receives £2,385 annually, rising to £3,354 for each child in secondary school that is eligible for FSM.¹⁹ Expanding eligibility criteria for FSM could therefore lead to the Welsh Government having to provide local authorities with more than £75m in additional funding. Given that the total revenue funding provided by the Welsh Government to Welsh local authorities is in excess of £3.5 billion this is a very small sum, highlighting that FSM linked allocation is only a small proportion of RSG.²⁰ Furthermore, we have uncovered that the link between the number of children who are eligible for FSM and the amount of funding provided to local authorities has already been broken.

The data on FSM eligibility used when calculating RSG has not been updated since 2018.²¹ This means that the additional 10,000 children who were eligible for FSM in 2019/20 than in 2017/18 were not factored in when calculating each authority's RSG in 2020/21. Given the substantial increase in the number of children eligible for FSM as a result of the pandemic, the gap between the data used by Welsh Government when determining RSG allocation and the picture on the ground is set to become even wider.

It is clear, therefore, that regardless of whether the Welsh Government expands eligibility criteria for FSM not, there is a need to review the way that the number of children eligible for FSM is used as an indicator in determining RSG levels. In the interim, however, the Welsh Government, could continue to freeze the FSM indicator at 2018 levels whilst it expands provision. This would allow the Welsh Government to ensure that all children who are growing up in poverty are adequately fed, whilst it undertakes and overdue to review of RSG.

3.3 Pupil Development Grant

The Pupil Development Grant (PDG) provides additional funds to schools which have high proportions of pupils eligible for FSM. A school is allocated an additional £1,150 for every child that is eligible for FSM, with the budget for the programme as a whole totalling over £113m for 2021/22.²² If no changes were made to the PDG system and eligibility for FSM were extended to all children whose family receive Universal Credit then the total cost of expanded eligibility would be in excess of £147m – an additional £34m on current expenditure.

There are multiple options available for the Welsh Government on how it could respond to any expansion in FSM eligibility. The first option would be to keep the PDG system unchanged. Given that there are thousands of children living in poverty who do not receive FSM at present, retaining the connection between FSM and PDG under an expanded scenario would ensure that PDG better achieves its objectives.

If the Welsh Government decided that the increased cost is too great, then we believe that there are two options that would allow costs to be retained at current levels. The first option would be to cap the overall PDG budget annually. The allocation that each school

received would then be determined by dividing the number of eligible children by the PDG cap. If the PDG budget were set at £120m for example, this would mean that each school would receive £937.50 per pupil if 128,000 children were eligible for FSM,²³ but would rise to £1,200 per pupil if only 100,000 children were eligible for FSM. An alternative option would be for the Welsh Government to freeze the number of children eligible for FSM in each school at 2021/22 levels whilst a review was conducted to explore other suitable indicators. This would place PDG on the same footing as RSG.

If FSM were rolled out universally an alternative indicator that the Welsh Government could adopt is the number of children that are eligible for PDG Access. As stated above our preference would be for the eligibility criteria for PDG Access to be expanded to provide support to all children in receipt of Universal Credit. This would enable the Welsh Government to continue target funding at schools in Wales' poorest areas, based on a complete picture rather than the distorted snapshot provided by the current FSM eligibility data.

3.4 The School Holiday Enrichment Programme

The School Holiday Enrichment Programme (SHEP) is a school-based programme that provides food and nutrition education, physical activity, enrichment sessions and healthy meals to children in areas of social deprivation during the school summer holidays. The Welsh Government provides half the funding for the programme with the remainder coming from the local authority, school, Local Health Board or partner agency.²⁴

Only schools where more than 16% of children are in receipt of FSM can apply for funding to host SHEP.²⁵ Expanding the eligibility for FSM to all children whose families receive UC would therefore be likely to lead to an increase in the number of schools that qualify for SHEP funding. Such an increase would not automatically lead to increased expenditure for the Welsh Government, however. The SHEP programme does not have a statutory footing and the Welsh Government could raise the threshold for eligibility or chose to reject any application.

Expanding eligibility for FSM could provide a welcome boost for the SHEP programme. The Welsh Government have stated their ambition to grow SHEP with significant extra investment promised for 2021/22. In 2019, there were 76 SHEP schemes across Wales, providing a total of 3,680 places.²⁶ Increasing the number of schools that are eligible for the programme could boost awareness and lead to an increase in the number of children benefitting from what the scheme has to offer.

In the event that FSM were made available universally then the criteria for SHEP could be adapted to be based on the number of children eligible for PDG Access in line with the proposals set out above.

3.5 Free school breakfast

A final programme which might be affected by a change in the eligibility for FSM is the Welsh Government's free school breakfast programme. Historically there has not been a link between FSM and free school breakfast. Free school breakfasts have been provided on a universal in primary schools that opt in since 2004. The Welsh Government are currently undertaking a pilot however, that provides children in Year 7 who are eligible for FSM with an extra £1 allowance towards the cost of a breakfast.²⁷ If this programme were

expanded there would be clear cost implications for the Welsh Government and local authorities.

If eligibility criteria for FSM were extended to cover all children whose families receive Universal Credit and the take up rate was at the same level as estimated by Policy in Practice with regards to FSM, then the expanded breakfast allowance would cost an additional £7.8m annually. The true is cost is likely to be far less significant, however. The Welsh Government's own figures suggest that only 12,564 children who were eligible for a FSM eat a free school breakfast on school census day in 2020, around a quarter of the number of primary school children who are eligible for FSM.²⁸ If this were replicated in secondary schools then the total cost of an expanded pilot would be less than £2m. The current pilot should provide us with a clearer indication of the scheme's true cost.

4. The impact on local authority administration

Changing FSM eligibility would undoubtedly have an impact on the work of local authority revenue and benefits staff who would be tasked with administering the new system. Officers at our roundtable highlighted that any reform could provide them with both some challenges and some opportunities.

4.1 Administrative challenges

Local authority officers at our revenue and benefits discussion raised concerns that an increase in eligibility could lead to their workload increasing.

Many local authority revenue and benefits departments have seen their workload increase following the introduction of the transitional protection system. One reason for this is that the change has increased the number of “standalone cases”. A standalone case refers to a household that does not fit in to the standard process used by local authorities.

Many local authorities have software systems that allow them to more easily ensure that each household is receiving the support they are entitled to. In many local authorities the software does not accommodate children who are eligible for FSM as a result of transitional protections. Local authorities must therefore manually input these children into their datasets to ensure that they receive FSM. This has led to a significant increase in staff workload and has forced some to recruit extra staff to manage the system.

There were concerns raised by local authority officers that expanding eligibility to all children whose families receive Universal Credit could pose similar challenges. We heard from local authority officers that some families who are in receipt of Universal Credit and Child Tax Credits are not automatically eligible for other locally administered benefits such as the Council Tax Reduction Scheme. This would create “standalone cases” leading to additional work. Local authority officers also noted that even if FSM expansion did not lead to additional standalone cases, the fact that they were having to process more applications would lead to a greater workload.

It should be noted that no officer at our roundtable believed that these concerns were reasons that would merit a decision not to expand eligibility to all children whose family receives Universal Credit. Indeed, many officers were very supportive of the idea of expanding eligibility, especially to all children who receive Universal Credit. They did note however, that for any change to work smoothly their teams would need further investment, at least in the short to medium term whilst IT systems were amended.

4.2 Administrative opportunities

Officers at our roundtable were eager to note that expanding eligibility might also offer some benefits to their teams. We heard that their teams often deal with queries from families asking whether they are eligible for FSM as they are unsure whether their earned income falls under the £7,400 annual cap. Dealing with such queries does not only take up local authority resource, but officers at our roundtable were concerned that there may be some children who do not take up their entitlement despite the best effort of schools and local authorities to make their families aware they are eligible for support. Officers felt that expanding eligibility so that all children whose parents receive Universal Credit were eligible for FSM would make the system far easier to understand, leading to greater take up.

Expanding provision so that all children receive FSMs on a universal basis may offer additional benefits. Providing FSM on a universal benefit could reduce the workload faced by local authority officers, given that officers would not have to manage applications. This could free up local authority resources, allowing staff time to manage and promote other means tested benefits such as the Council Tax Reduction Scheme and Discretionary Housing Payments. It should be noted that some of these benefits would be reduced if PDG Access were to be retained on a means tested basis.

5. The role of food in schools

The benefits of FSM are well known. It puts money back into pockets of families²⁹ and ensures that a child is guaranteed at least one healthy, nutritious meal a day. This support benefits the health of children and their parents, and can have a positive impact on a child's educational attainment.³⁰ Catering staff from local authorities at our roundtable felt that expanding eligibility offered a further significant benefit, the reinforcement of the importance of food and healthy eating within schools.

One of the key concerns that we heard from local authority officers was that, with some exceptions, the length of lunch time, and the size of catering facilities were usually amongst the first things to be cut when a school or local authority sought to save money. This feeling was captured clearly by one officer at the roundtable who said:

Over the years the school day has been condensed and it's been at the detriment of the lunch break or the meal time, whatever you want to call it and I think that is something that we really need to talk about because we've got more and more children and as my colleague said, it does become a bit like a cattle market where we're just pushing them through. Social skills for eating have been lost as the years have gone by and I think it's not just about eating it's the whole social experience.

Local authority officers therefore felt that expanding FSM, either to all children in receipt of Universal Credit or on a universal basis provided a real opportunity to reinforce the importance of the school lunch. Indeed, officers at our roundtable were supportive of the Welsh Government taking further action alongside expanding provision, such as providing local authorities and schools with guidance around the minimum length of time allocated for a school lunch to strengthen this commitment further.

Linked to this, local authority officers were also hopeful that any commitment to expanding eligibility for FSM would lead to greater priority being given to catering facilities at new schools through the 21st century school programme. We heard from officers that their experiences of being involved in the planning of new schools through the programme varied across Wales. Some officers were very positive about how catering staff had been involved in the development process, others were concerned that whilst the cooking facilities installed in new schools were very modern, they were not fit for purpose. We heard particular concern that new schools sometimes lacked storage space for catering and dining equipment, whilst dining halls were often too small. These concerns are likely to be exacerbated as a result of the impact of Covid 19. Officers therefore felt that expanding provision could provide an opportunity to force the relevant teams in their authority to revisit their approach.

The potential benefits around the role of food in schools are not limited to the lunch hour, however. Officers at our roundtable were hopeful that expanding provision, either to all children whose families receive Universal Credit or universally, could provide more opportunities to involve children in the preparation of meals and better integrate the work of kitchen staff and local food producers within the broader work of the schools. These opportunities were felt to be especially pronounced given the new curriculum that is set to be rolled out following the election.

It is not just the role of food in schools that could benefit from expanding eligibility for FSM. Officers at our roundtable believed that expanding eligibility could provide tangible benefits to local producers, to local economies and improve the quality of our broader food system.

We heard from catering officers that local producers can often miss out on contracts to supply local schools as their production costs are too high. An increase in the number of children receiving food in schools however, could permit local producers to produce at greater scale, reducing production costs per unit and making them a more attractive proposition. This would ensure that more public money remained in the local economy, creating new opportunities for producers to expand and take on more staff.

There is already interesting work going on in this area. Food Poverty Alliance Cymru for example, have called on the Welsh Government to establish a Food System Commission.³¹ Such a Commission could explore how Wales ensures that everyone has a healthy adequate diet, whilst also producing food in a sustainable way. The participants at our roundtable believed that expanding FSM provision could provide the catalyst for such innovative thinking.

6. Other considerations

In addition to the factors discussed above we heard two further concerns during our research relating to the proposals to expand FSM.

The first of these related to the legislative time required to bring about reform. A concern that was raised that proponents of expanded FSM have underestimated the number of legislative steps that would need to be taken to enable reform. We have heard some concerns that it may take up to two years to get the legislation in place to permit change to the eligibility criteria.

These concerns may be valid with regards to expanding eligibility for FSM to all children on a universal basis. Section 512ZB of the Education Act 1996 provides the statutory basis for the provision of FSM in Wales.³² The Act sets out the conditions a child must meet to be eligible for FSM. Given that the Act does not permit universal provision, the Senedd may need to enact primary legislation to permit the Welsh Government to provide FSM on a universal basis. The same is not true for expanding legislation to all children who are in receipt of Universal Credit, however.

The 1996 Act has been amended to permit the Welsh Government to provide FSM to a child whose parents are *"in receipt of universal credit in such circumstances as may be prescribed for the purposes of this paragraph"*.³³ This provision means that secondary legislation passed by the Senedd would permit the Welsh Government to amend the eligibility criteria in relation to a family that receive Universal Credit. This would place far less onerous time and resource pressures on the Welsh Government.

Evidence of this can be found when looking at the process the Welsh Government utilised when it recently amended the eligibility criteria for FSM to reduce the number of children who are eligible for support. The Welsh Government opened consultation on the proposed changes on 6 June 2018.³⁴ By 6 December 2018 a summary of responses had been collated with an order made on 5 February 2019.³⁵ On 6 February 2019 the order was laid before the Senedd with the order coming into force on 1 April 2019.³⁶ The whole process from start to finish took less than 10 months. If the Welsh Government and the Senedd had the legislative capacity to amend the eligibility criteria for FSM to reduce the number of children who would receive support within 10 months, it is difficult to see why the legislative process to reverse this cut would need to take longer.

The second concern was the implication of changing the eligibility criteria for FSM on a number of Welsh Government indicators. The education **"attainment gap"** between children living in poverty and children who are not, for example, is measured by comparing the GCSE results of children who are in receipt of FSM versus those who do not. We do not believe this concern is a valid one.

First, using FSM eligibility as an indicator for poverty as currently applied is not fit for purpose. Given that nearly a quarter of children living in poverty are not eligible for FSM it is not an accurate indicator of child poverty in Wales today and risk providing a distorted picture.³⁷ Second, whilst it is important to gather data on the impact of poverty on children in Wales, the need to gather such data is not a reason to decide against taking action to reduce the number of children living in poverty. Third, as has been already set out in this briefing there are readily accessible alternative indicators at the disposal of the Welsh

Government, for example, eligibility for PDG Access could be used instead of eligibility for FSM is provision were made universal.

7. Conclusion

Expanding eligibility for FSM would undoubtedly lead to additional costs for both the Welsh Government and Welsh local authorities. As has been clearly set out by this briefing however, it is important that a distinction is made between any increase in costs that is directly associated with any change to the eligibility criteria for FSM and any cost implications for other policies.

The costs directly associated with expanding provision of FSM to all children who are in receipt of Universal Credit are relatively modest. Policy in Practice estimate that the additional revenue cost is £10.5m, a mere 0.06 per cent of the Welsh Government's total revenue budget for 2020/21. The cost of doing so on a universal basis are more significant, an estimated £140.7m, this is still less than 1 per cent of the Welsh Government's total revenue budget.

In addition to increased revenue cost, expanded provision would also lead to some additional capital costs. This briefing has uncovered, that there are some practical workarounds that could allow this investment to be spread over time and allow eligibility to be expanded before the investment has been completed.

The cost implications for other policies are far greater than the costs directly associated with expanding provision of FSM. As this briefing, has demonstrated, however, there are easy amendments that could be made to these policies to ensure that they still deliver the support they were designed for, even if they are decoupled from FSM. The use of FSM as an indicator for determining how funds are allocated to local authorities and schools is therefore not a hurdle to expanding eligibility.

There are barriers to expanding eligibility to FSM so that all children in Wales are eligible on a universal basis in the immediate future. The possible need to enact primary legislation and the need for greater investment in school catering facilities mean that any such expansion is likely to need to be rolled out over time. The ongoing revenue costs associated with such a change, however, are manageable and the potential benefits significant.

The same is not true for expanding eligibility criteria for FSM to all children whose families receive Universal Credit. The cost of expanded provision is small in the context of the Welsh Government's budget whilst many of the practical barriers are easily surmountable. Such a change could therefore be introduced reasonably swiftly, in time for the start of the school year in September 2022 at the very latest. Given the enormous benefits that such a change would provide families across Wales, we believe this should be a priority for the next Welsh Government.

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³³ *ibid*

³⁴ Welsh Government, n(4)

³⁵ Welsh Government n(14) and The Free School Lunches and Milk (Universal Credit) (Wales) Order 2019

³⁶ *ibid*

³⁷ Policy in Practice n(2)