



# **Free school meals and Universal Credit**

## *Briefing on Government's proposed changes to eligibility criteria for free school meals*

This briefing sets out our concerns with the Government's proposal to change the eligibility criteria for free school meals under Universal Credit. It also explains why the Government should instead continue to allow all Universal Credit claimants to claim free school meals.

The Children's Society is a national charity that runs local services, helping children and young people when they are at their most vulnerable, and have nowhere left to turn. We also engage with decision makers to help disadvantaged families get the support they need to escape poverty and give their children the best start in life.

Further details of calculations and full references can be found in our detailed response to the Government's consultation<sup>1</sup>.

### **Key points**

- Up to now the Government has allowed all claimants on Universal Credit to receive free school meals. Introducing the proposed net earnings threshold of £7,400 represents a huge step backwards from this position.
- A million children in poverty will miss out on a free school meal under the Government's proposal. Children are going hungry at school and the Government is missing a golden opportunity to address this.
- The proposal deeply undermines the principle of 'making work pay' and the likely success of Universal Credit.
- Free school meals bring crucial educational and health benefits.
- Universal Credit should instead complete its rollout under existing legislation, under which all Universal Credit claimants are eligible for free school meals. This would cost around £500 million more per annum than the Government's proposals, but potential cost mitigation measures could be explored if necessary.
- Pupil premium and measurement of disadvantaged pupils' performance will be affected by any changes to free school meal eligibility, but these can be decoupled from the provision of a free lunch and addressed separately via a range of options.

### **The current position**

Universal Credit is gradually rolling out and is expected to have completely replaced the old legacy benefit system by 2022. Under existing legislation, all families claiming Universal Credit are entitled to free school meals.

Entitlement under the old benefits system is complicated but families are normally entitled if they are not eligible for Working Tax Credit – this means that they are working under 16 hours per week (or 24 hours for couples) and their income is under £16,190 per annum.

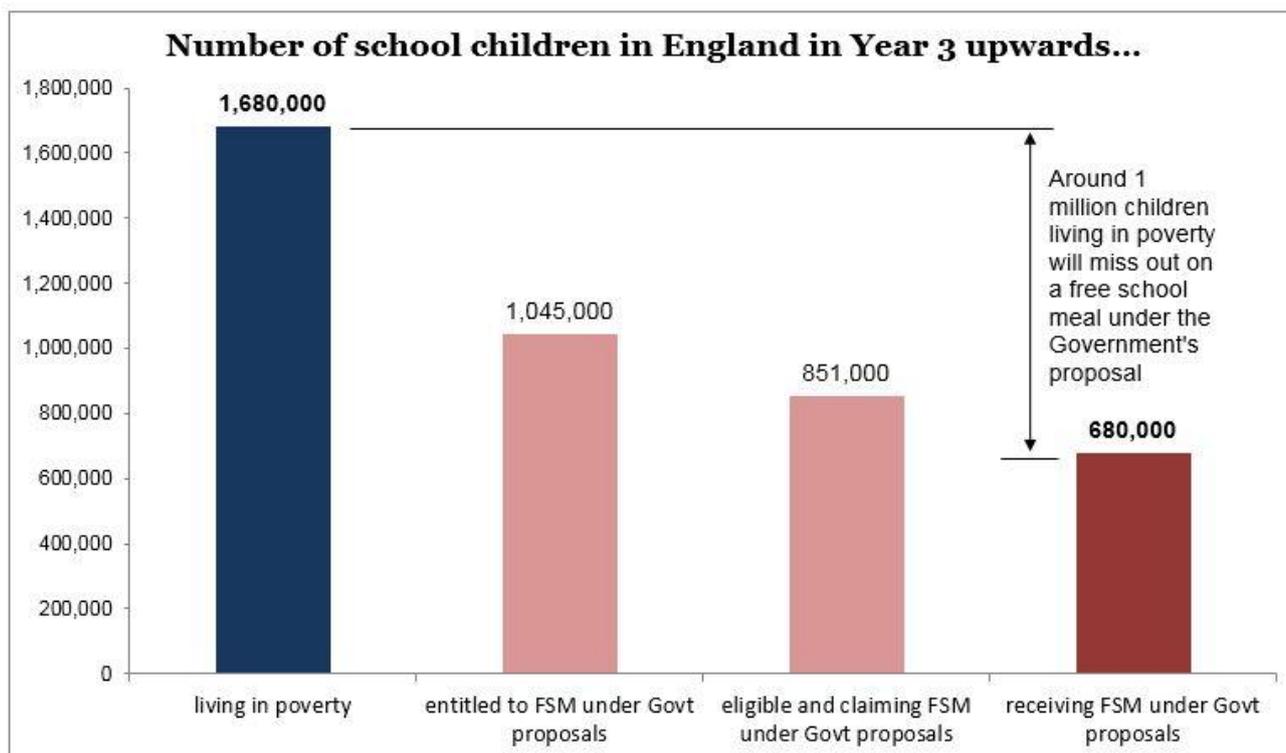
The Government has now put forward proposals to introduce an earnings threshold for eligibility to free school meals under Universal Credit, restricting free school meals to families with net earnings under £7,400 per year. This would come in from April 2018, with transitional protections for those who would lose current entitlement to free school meals.

## A million children in poverty will miss out on free school meals

We estimate that around a million children living in poverty in England will miss out on free school meals under the Government's proposal, almost entirely in working families.

It also means that around 1.1 million fewer children in total will receive free school meals compared to if Universal Credit completes its rollout under existing legislation. This is based on an estimated total of 2.8 million children who would be entitled to free school meals under existing Universal Credit legislation, 2.3 million of which would register to claim those meals and 1.8 million of which would actually receive those meals.

These estimates are solely for children in Year 3 and above as all infants receive universal infant free school meal provision. The figures are summarised in the chart below:



Free school meals are worth around £400 a year per child to a family. This cost can represent a substantial proportion of a struggling family's income (even if they are in work) - over £1,200 per year for a family with three children.

In addition, free school meals often act as a passport to other support, such as help with school clothing, trips or music lessons, or discounted access to leisure facilities. This means that entitlement to free school meals can be worth significantly more to struggling families than just the direct meal value itself.

Our evidence unfortunately shows that children are going hungry in many schools. Free school meals enable children to have an adequate meal when food may be tight at home. For some disadvantaged children a free school lunch may often be the only healthy cooked food they get, and for some it can be their only meal of the day. The importance of making sure all children in poverty can access a free school meal is clear.

***"I see a significant number of pupils who do not have a mid-day meal because they have no money."*** Teacher

***"I am aware that some pupils do not have food for breakfast or packed lunches, and who survive on their evening meal."*** Teacher

## Undermining the principle of 'making work pay'

***“Universal Credit... marks the beginning of a new contract between people who have and people who have not. At its heart, Universal Credit is very simple and will ensure that work always pays and is seen to pay. Universal Credit will mean that people will be consistently and transparently better off for each hour they work and every pound they earn.”***

*Secretary of State for Work and Pensions, foreword to Universal Credit: Welfare that works*

The Government insists that Universal Credit will support families into work, ensuring they are always better off for every hour that they work. But this proposal deeply undermines that objective. In fact, many families will actually end up on a lower overall income as a result of taking on additional work.

A family with three children currently earning just under the proposed £7,400 earnings limit would lose over £1,200 each year if they were to work a few more hours or get a pay rise. To make up for this they would have to increase their annual wages by over £3,600 - equivalent to over a day of extra work every week at the National Living Wage. Even a similar family with just one child would have to work 2.4 additional hours every week to make up for the loss of free school meals.

This also means that many families currently earning just over the proposed earnings limit will be better off overall if they work less or take a pay cut.

This benefits 'cliff edge' doesn't normally occur in the legacy benefits system because Working Tax Credit provides an offsetting income boost at the point free school meals are withdrawn. There is no equivalent mitigation in Universal Credit.

Maintaining eligibility to free school meals for everybody on Universal Credit would mean this 'cliff edge' would occur at much higher earnings, which would greatly reduce its significance and give more support to working families with a slightly higher income who are nevertheless living in poverty.

## Crucial educational and health benefits

Research for the Department for Education found that extending entitlement to free school meals would lead to positive improvements in attainment and social cohesion, with academic improvements most marked among children from less affluent families.

There is also evidence that improved school food standards have a positive effect on pupil concentration and engagement with lessons, and that improved school meals reduced sickness absences by 15% and led to better Key Stage 2 results in English and Science.

School meals are now consistently more nutritious than packed lunches, giving the children who eat them a better foundation for good health. Only 1% of packed lunches meet the overall nutritional standards that currently apply to school food.

The health benefits of free school meals are particularly important for disadvantaged families, with poor diets more prevalent in more deprived areas. Poor children on average eat half the recommended fruit and vegetable intake, exceed recommended intakes of sugars and saturated fat and do not consume enough iron, folate and vitamin D.

## Recommendation

All Universal Credit claimants should continue to be eligible for free school meals, to:

- help ensure that all children in poverty receive a free school meal<sup>2</sup>, mostly benefiting lower income working families;
- help Universal Credit achieve its core aim that 'work always pays', by avoiding creating a serious benefits 'cliff edge'; and
- tackle hunger and bring proven educational and health benefits to more children.

## Policy costing

We estimate that it would cost the Government around an additional £500 million per annum to keep all children in families on Universal Credit eligible for free school meals. This assumes that overall free school meal take-up rates remain at current rates.

## Pupil premium and measuring 'disadvantage'

Any changes to free school meal entitlement would currently impact pupil premium funding and measurement of 'disadvantaged' pupils' performance. However, there is no inherent reason why these all need to be linked.

On pupil premium specifically, we are not calling here for the total pupil premium funding pot to be expanded beyond its current £2.4 billion. Instead, the indicator used for allocation of pupil premium could be amended to keep pupil premium funding at current levels.

Similarly, the 'disadvantage' performance measure could be altered so as to keep the cohort size the same. It would require a little more administrative effort and appropriate engagement with parents, but the ability to do so exists. Options include, for example:

- Removing the 'Ever 6' criterion (which currently means a child is deemed 'disadvantaged' for pupil premium and performance measurement purposes if they claimed free school meals in any of the last six years).
- Allocating pupil premium and/or applying the 'disadvantaged' indicator only to pupils in families on Universal Credit with earnings under a specified level (such as £7,400).
- Using an area-level deprivation measure, such as the Income Deprivation Affecting Children Index ('IDACI'), to allocate pupil premium or measure disadvantage.

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<sup>1</sup> The Children's Society (2018) - Government consultation on eligibility for free school meals and the early years pupil premium under Universal Credit: The Children's Society response  
<https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/universal-credit-and-free-school-meals-response-to-government>

<sup>2</sup> It should be noted that even this recommendation would not help many children living in the most acute levels of poverty. Access to free school meals is often entirely out of reach for children in families whose immigration status is unresolved (making them 'undocumented'), and children in families with the legal right to remain in this country but with a condition attached of having 'no recourse to public funds' ('NRPF'). The Government must also do more to ensure that these children are given access to free school meals.