



UK introduces new income threshold for free school meals

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Free school meals are a key element of the benefit package in the UK for households with children. Eligibility after aged 8 is based on receipt of a means-tested benefit. With these benefits being replaced by Universal Credit it was hoped that more children would be eligible. But the government is being criticised for announcing a new earnings threshold which will reduce the numbers benefiting and create a new poverty trap.

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Description

School meals are provided free of charge for all children aged 5-7 but between 8 and school leaving children are only eligible if their family is on income support, income based jobseeker's allowance, income related employment and support allowance, pension credit or child tax credit with an annual taxable income of £16,190 (€18,456) or less and if they are not eligible for working tax credit. These working age benefits are being replaced by Universal Credit (UC). Receipt of UC was initially a passport for free school meals but now the Government has balked at the £600 million (€684) extra cost of providing free school meals to all children receiving UC. On 16 November 2017, the Department for Education issued a consultation proposing a net earnings threshold of £7,400 per year (€8,436; about 18 hours per week on the minimum wage) and they estimated that an extra 50,000 children would become eligible for free school meals, compared to today's number of claimants – starting in April 2018. During the rollout of Universal Credit existing recipients of free school meals will not lose their entitlements. Many of those responding to the consultation urged the government to keep paying free school meals to all those receiving UC. But in February 2018 the Department for Education published their response to the consultation.

Basically they intend to go ahead with their proposals.

Outlook & commentary

A number of free school meals pilots were established under the last Labour Government (1997-2010). They showed that there was a 23% increase in vegetable consumption, a 16% decline in the consumption of soft drinks—because there were no packed lunches—and an 18% decline in the consumption of crisps. Those pilots also benefited a child's education, with children in receipt of a free school meal in the pilot areas on average two months ahead of their peers outside the pilot areas and 2% more children reaching their target levels in maths and English at key stage 1, while at key stage 2 the impact was between 3% and 5% (Dimbleby and Vincent 2013).

The decision to introduce an earnings threshold has been much criticised by NGOs and was the subject of a debate in the House of Commons on 6 February 2018. The main criticism is that the new earnings threshold introduces a new cliff edge or poverty trap into UC, which was designed to remove such disincentives to work. For example: a single parent of two children, working 16 hours/week on the 2018 National Living Wage of £7.83 (€8.93) per hour, would earn £6,514.20 (€7,426) a year and be entitled to free school meals. If they increased their

hours to 20 hours/week on the same wage, their take-home pay would rise to £8,143.20 (€9,283) and they would lose entitlement to free school meals. They would gain £1,629 (€1,857) in earnings, but lose £1,026 (€1,170) in withdrawn Universal Credit and £800 (€912) in the value of free school meals – a total of £1,826 (€2,082). They would therefore be almost £200 (€228) worse off a year.

As highlighted by the Child Poverty Action Group: “The operation of an income threshold is also likely to create serious practical problems making fair implementation of the policy almost unworkable, and no proposals have yet been put forward for managing this.” (CPAG 2017).

Further reading

Department for Education (2017). “Eligibility for free school meals and early pupil premium under Universal Credit: Government consultation”:
https://consult.education.gov.uk/healthy-pupil-unit/fsm/supporting_documents/Consultation%20Free%20school%20meals%20and%20EYPP%20under%20Universal%20Credit.pdf

Department for Education (2018). “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”:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/681210/Government_response_FSM_and_EY_entitlements_under_Universal_Credit.pdf

House of Commons Debate on Free School Meals:
<https://hansard.parliament.uk/Commons/2018-02-06/debates/18020642000003/FreeSchoolMealsPupilPremiumEligibility>

CPAG (2017). “Free school meals and universal credit: CPAG's consultation response”:
<http://www.cpag.org.uk/content/free-school-meals-and-universal-credit-cpags-consultation-response>

Dimbleby, H. and Vincent, J. (2013). “The School Food Plan”:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/251020/The_School_Food_Plan.pdf

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