

## The benefits of healthy school meals

Since 2005, the quality of school meals has improved considerably and pupils opting for school lunches now get healthy, tasty and varied meals. These include at least two portions of fruit and vegetables each day (providing vitamins and minerals) and have limited fat, sugar and salt content. Eating healthy meals encourages children to try new foods, eat more healthily at home, and helps them to develop healthy eating habits that can last a lifetime. In contrast, a recent survey found that only one per cent of packed lunches met the standards for school meals.

Responding in March 2012 to a report on the impact of Universal Credit, the Government stated that “healthy school food underpins work to improve academic standards, improve behaviour at school, reduce incidence of preventable illness and improve social equality. Healthy school dinners are an important source of nourishment, particularly for children from poorer families. Some families struggle to afford school lunches and a school lunch may be the only balanced meal some disadvantaged children get”.

The educational benefits of free school meals were evident in a July 2012 evaluation of a two year pilot programme that extended entitlement to free school meals to all primary school children in Newham and Durham. This found a significant improvement in attainment. The researchers also noted that the improvements were most pronounced in pupils from poorer homes and amongst those with lower prior attainment.

Sadly, many families continue to struggle to afford school meals. In March 2012, the average meal price was £1.88 in primary schools and £1.98 in secondary schools and so, over the course of a year, school meals for a single child could cost an average of £367. A recent Ofsted report on school food highlighted the case of one family where, anxious for their children to have school meals but unable to afford them for both children, the parents had to arrange for the children to take it in turns to have the meals while the other had a packed lunch.

# FREE SCHOOL MEALS

## a new model of entitlement

Under the new Universal Credit welfare system, the criteria for determining which families are entitled to receive free school meals will have to change. This is an opportunity to introduce new criteria – outlined in this briefing – to ensure that public spending on free school meals makes the best contribution to improving children’s health and education, and to ensure that families are always better off by working.

## An opportunity for a better system

The current system for determining which children receive free school meals is far from perfect. Families getting out of work benefits such as Income Support and Job Seekers Allowance are entitled to free school meals, but generally lose this entitlement if they move into work. As many children living in poverty have at least one parent in work, up to 700,000 children who need free school meals are not entitled to them. In addition, many children who are entitled to free meals fail to take them because they are worried about being identified as being from a low-income family. In some schools children getting free meals have to queue separately or are treated differently in some way.

The need to reset eligibility criteria for the new Universal Credit welfare system is a valuable opportunity to ensure that free school meals are available, at minimum, to all children living in poverty.



Children's Food Campaign

## Potential problems

The welfare white paper suggests that under the new Universal Credit system, free school meal eligibility would be withdrawn once families reached a certain income threshold. However, using such criteria would introduce two problems:

- **Work disincentives:** The sudden withdrawal of such a valuable benefit creates a 'benefit cliff edge' where families that move just above this level are worse off by working more, because of the benefits they lose. For a family with three children, free school meals are worth an average of £1,100. If the deductions from tax, National Insurance and reduced Universal Credit entitlement are applied as their income increased, the total deduction rate would be 76 per cent, so families would have to earn an extra £4,583 to be better off from working. Under the current system, the 'cliff edge' faced by families when they lose entitlement to free school meals is partially mitigated by the Working Tax Credits that become available at that point; but under the new system there will be no equivalent benefit.
- **Unfairness to families with greater needs:** A fixed threshold fails to take into account family size and circumstances. A couple with three children would lose their entitlement at the same level of income as a single parent with just one child, even though the smaller family would be relatively better off at this point.

## Potential solutions

We believe that the health and educational benefits of healthy school meals, as well as the work disincentives that the withdrawal of this benefit introduces, are sufficient to justify a universal free school meals policy. Such a policy would also create local jobs, reduce the administrative burden on schools, introduce economies of scale, and could be used to support farmers with higher production standards, including some British farmers. Universal free school meals could be introduced in stages, with the first step being to provide free school meals to all primary school children.

However, given that Universal Credit is due to be introduced from 2013, interim criteria may need to be established. If so, we believe that a system with the following features would best address the problems outlined above.

- **Point of withdrawal:** Rather than introducing a fixed income threshold, the point at which free school meals are withdrawn should be related to families' Universal Credit entitlement and earnings disregards (the amount that they are able to earn before losing benefits). This is designed to reflect family size and other factors such as any disabilities in the family.

- **Means of withdrawal:** Avoiding a 'cliff edge' could be managed by introducing a taper, where the support families receive for school meals is withdrawn gradually as their income increases. However, if such a taper is implemented at a low income, or whilst Universal Credit is being withdrawn, this would reduce or even eliminate the gains from working. A taper would therefore only be appropriate if it is applied after other Universal Credit support has been withdrawn.

In addition, the practical implications of implementing a tapered withdrawal would need to be considered. A smooth taper would require either cash to be paid directly to families (which we do not recommend) or credit transferred onto an 'oyster'-style card like those already used in some schools. If all pupils used these cards, such a system could not only avoid the stigma for pupils taking free meals, it would also reduce administration for caterers. However, some capital investment would be needed to set up such a system.

Alternatively, if a tapered withdrawal of free school meals is not considered practical or desirable, the impact of the sudden withdrawal of free school meals could be reduced if it occurred once families had had all their Universal Credit withdrawn. It would then take a much smaller increase in earnings for them to be better off in work, as they would no longer have Universal Credit deducted as their earnings increased. This would mean that all children whose families received Universal Credit would get free school meals, providing a simple system which ensured that all children that needed free meals were entitled to them.

**In summary, a system in which all families receiving Universal Credit were entitled to free school meals would be the most effective in ensuring work incentives and providing meals, with their health and educational benefits, to those children that need them.**

*The long overdue Department for Education consultation on the eligibility criteria for free school meals, and other 'passport' benefits, under Universal Credit is now expected this autumn. When it is published, visit [www.childrensfood.org.uk](http://www.childrensfood.org.uk) and add your voice to the call for free school meals to be available to all children living in poverty.*



## Contact us

For more information about free school meals and proposals for the new criteria, contact Charlie Powell, Children's Food Campaign Director on 020 7837 1228 or [charlie@sustainweb.org](mailto:charlie@sustainweb.org)