

Open letter to Prime Minister calling for the extension of Free Schools Meals to all households on Universal Credit

Dear Prime Minister

Removing the poverty trap for households on Universal Credit

On Tuesday 31 May education and teachers union leaders, representing one million teachers across the UK, asked for Free Schools Meals (FSM) to be extended to all households on Universal Credit to mitigate the impact of the cost of living crisis.

As one of the architects of Universal Credit, I want to highlight that extending free school meals to all households on Universal Credit will significantly reduce the poverty trap for families with children, and make work pay. It is a Conservative solution and a perfect idea for this government, taxpayers and families with children.

The poverty trap

Families currently lose entitlement to free school meals once their earnings rise above £7,400, creating a poverty trap. Families that are earning just above the threshold can be significantly worse off than families earning just below the threshold, as the table below illustrates.

Number of children	Annual cost of free school meal ¹	Increase in gross earnings required to make up for withdrawal of free school meals	
		On Universal Credit	Not on Universal Credit
1	£456.30	£1,165.72	£608.02
2	£912.60	£2,331.44	£1,216.04

A family with two children would need to earn an additional £2,331.44 to make up for the loss of free school meals worth £912.60. This is because of the way earnings are withdrawn under Universal Credit, with the family keeping 45p of each £1 earned. **This is five additional hours of work per week for a family on minimum wage.**

Many of these families also lose out on additional support measures provided in conjunction with free school meals, such as free school transport. This poses large additional costs, especially for large families whose outgoings will increase significantly due to the rise in the cost of living. For these families, the withdrawal of free school meals means that the goal of Universal Credit to make work pay is not realised.

The expansion of free school meals would support positive health and educational outcomes for children. It also boosts work incentives and builds financial resilience for low-income families.

¹ <https://www.theguardian.com/business/2022/may/17/inflation-uk-schools-meal-food-bidfood>

Education is a key route out of poverty. The expansion of free school meals to households on Universal Credit is an effective way to support children receiving their education.

- **It is a cost-effective** mechanism to provide support to low-income families as the government is able to take advantage of economies of scale to feed children for cheaper than parents can.
- **Hungry children cannot learn**, and FSM minimises health inequalities and food insecurity by providing nutritious food for children.

In the context of the current crisis, this change is affordable, deliverable, and will show that the government is committed to promoting work and helping families to manage the increased cost of living.

Extending free school meals to all households on Universal Credit will remove one of the few remaining poverty traps in Universal Credit and make work pay for low income families, ensuring a fairer and more efficient benefits system.

Yours sincerely



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