

Why it pays for the government to fund Free School Meals

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Parents must earn almost three times more than it would cost the government to feed their children over the Christmas holidays.

New analysis by Policy in Practice finds that parents will have to earn almost three times more than it would cost the government to feed their children over the Christmas holidays.

The government's decision not to extend the free school meal vouchers to the October half term has become a hotly contested issue over the last few weeks. Our analysis backs Marcus Rashford's campaign to expand free school meals to all children in families in receipt of Universal Credit, and undermines the argument made by some backbenchers that "It's not for schools to provide food to pupils during the school holidays".

The government issued meal vouchers worth £3 a day during the Easter and summer school holidays for each child that qualified for free school meals. Because of the way in which Universal Credit is withdrawn, at a rate of 63 pence for each pound earned, parents keep 37p for each pound they earn. This means that parents earning above their work allowance would have to earn £8.11 to pay for a school meal costing the government £3. With the minimum wage at £8.72 per hour, this means that a parent would have to work one additional hour per child, per school day to pay for their school meal. This would be challenging in normal circumstances, and impossible during a pandemic.

The work allowance is £292 per month for people with housing costs, or eight hours per week at the minimum wage, or £512 per month and 14 hours per week for people without housing costs, meaning that this level of earnings would be reached by almost anyone entering work.

Without action from the government, parents will have to find an additional £81 per child over the Christmas holidays. This equates to an additional £117m when extrapolated to all families in receipt of free school meals, compared to £43m for the government.

	Cost to government	Cost to parents
Daily cost of a free school meal	£3.00	£8.11
Cost over the christmas holiday	£30.00	£81.08
Cost over 13 weeks of school holidays	£195.00	£527.03
Total cost over Christmas	£43m	£117m
Total cost over all school holidays	£281m	£759m

This analysis builds on a [report](#) originally put to the social security advisory committee in 2013 to improve work incentives within Universal Credit, and to the department for education in 2018, as part of a [joint campaign](#) with the Children's Society and Child Poverty Action Group to extend free school meals to all children in receipt of Universal Credit.

The campaign calls on the government to extend free school meals to all children on Universal Credit. This is because the most a household can earn and still be eligible for FSM is £617 per month. Once they cross this threshold, they face a considerable cliff-edge in their work incentives.

Universal Credit data: An alternative to free school meals

This half term, the government has asked local authorities to bridge the gap, referencing the £9 million holiday activities and food programme funding and the £63 million in welfare assistance funding to local authorities to support families with urgent needs, we argue that there is more government can do to help local authorities target support to children and families most in need.

Marcus Rashford's campaign also calls for an expansion of the healthy start voucher scheme. [Learn how Policy in Practice used benefits administration data to help Croydon council target food vouchers to families most in need.](#)

It's possible for the government to identify every child eligible for healthy start vouchers using Universal Credit data. Councils can use this data to identify families facing food insecurity, and help them to access a host of other benefits during this pandemic, including council tax support and social tariffs.



Who's eligible for food vouchers?

- Women who are at least 10 weeks pregnant
- Families who have a child under 4 and receive certain income-related benefits



Who's eligible for Free School meals?

- All infant children (from reception to year 2)
- All children between 5-16 whose family is in receipt of Universal Credit, earning below £7,400
- All children between 5-16 whose family is in receipt of certain income-related out of work benefits

Policy in Practice has written to DWP calling for Universal Credit data to be shared across government. The white paper on the [public interest case for Universal Credit data](#) argues that sharing data with local authorities can improve the pandemic response. We continue to engage constructively with the department on this and other social security issues.

In summary, Policy in Practice are proud signatories to [Marcus Rashford's petition](#) to end child food hunger. We have called previously on the government to extend free school meals to 1m more children on Universal Credit, to improve work incentives for families.

It's difficult for parents to work during the school holidays at the best of times. To expect parents to find additional earnings during a pandemic, when it costs the government 60% less to achieve the same end goal, the best policy is to take responsibility.

Notes for Editors

1. The Universal Credit taper rate is 67%. This means for every pound earned over a household's work allowance (£292/month for those receiving housing support or £512/month for those not receiving the housing element of Universal Credit), 63% is taken away from their Universal Credit award for each pound earned. This leaves the household's better off by 37p for each additional pound that they earn.
2. To work out the effect of this taper rate on households already earning over the work allowance, who need to meet the £3 meal cost they would usually receive during term time, we must work out how much they would need to earn per day in order that the 37% was enough to replace the value of the meal vouchers (£3). The calculation for this is: $\text{£}3 / 0.37 = \text{£}8.11$. Therefore, a household who already earned higher than their work allowance would need to earn £8.11 to retain £3 net of Universal Credit (37% of £8.11).
3. This daily cost can then be multiplied by each school day missed to arrive at values for any holidays where FSM vouchers are not provided by the government. The Christmas holidays last for two weeks, including 10 weekdays where free school meals would usually be received. Over the school year, there are 13 weeks of holiday in total.
4. National statistics for January 2020 show 1,440,788 children were eligible for free school meals (available [here](#)). By multiplying the holiday costs by the total number of children eligible for free school meals we can estimate the relative total costs to all parents and to the government.
5. As the eligibility figures are from January 2020, it is likely that the significant increases in Universal Credit claimants since the onset of the COVID-19 pandemic mean more children will now be eligible for free school meals, so these estimates underestimate the true costs to parents.

About Policy in Practice

Policy in Practice is an independent organisation founded by one of the architects of Universal Credit to make policy work for people on the frontline. It provides policy expertise, analytics and software available through GOV.UK through their benefit calculation engine.

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