

Bevan Foundation Free School Meals Consultation Response

1. Introduction

The Bevan Foundation is an independent, charitable think-tank that develops solutions to Wales' most challenging problems. We are grateful for the opportunity to respond to the consultation on the "Revised eligibility criteria for free school meals in Wales due to the rollout of Universal Credit". The views in this paper draw on our extensive work on poverty and inequality in public services and the extensive experience of our board of Trustees.

2. Free School Meals – a policy in need of radical change

We believe that the provision of free school meals is a key tool for solving child poverty in Wales. There is already a wealth of scientific evidence that highlights how children's academic attainment and their long-term health benefit from a nutritious and balanced diet.¹ Evidence suggests that the diets of those living in poverty are not as nutritious as those on higher incomes.² The provision of free school meals helps to tackle this inequality whilst also easing some of the financial pressures faced by parents on low income, reducing their risk of poverty.

Despite these clear benefits the policy currently in place in Wales, and the proposals by the Welsh Government, fall well short of what is required to make a real difference to child poverty.

Category	Approximate number of children
Children living in poverty	150,000
Children living in poverty and in full time education	134,500 ³
Children who currently receive free school meals	76,200
Children who will be eligible for free school meals under the Welsh Government's proposal	79,200
The number of children, living in poverty and in full time education that will not be eligible to a free school meal	55,000

Sources: Stats Wales - Children in relative income poverty by economic status of household, Welsh Government - Revised eligibility criteria for free school meals, Consultation Document, Stats Wales- School census, Pupil by local authority and age group, Stats Wales - Unique learners enrolled at further education institutions by age group, mode of learning and gender

¹ For example, see <https://www.childrenssociety.org.uk/news-and-blogs/our-blog/addressing-obesity-through-school-meals>; <https://www.nature.com/articles/ejcn2010150?foxtrotcallback=true>; and <http://discovery.ucl.ac.uk/10015414/>

² https://jech.bmj.com/content/63/Suppl_2/16; and <https://theconversation.com/poor-diet-is-the-result-of-poverty-not-lack-of-education-26246>

³ The Welsh Government do not breakdown child poverty statistics according to age. They do carry out an annual school census, however. According to the findings of the most recent census there were approximately 446,500 children in school in Wales, with a further 34,000 16 to 18-year olds enrolled on a full-time course at Further Education Colleges. This suggests that there are approximately 134,500 children in full time education in Wales who live in relative income poverty.

As can be seen from the table above, according to the latest statistics available, approximately 150,000 children live in relative income poverty in Wales after the deduction of housing costs.⁴ That's 28% of all children living in Wales.⁵ With approximately 134,500 of these in full time education,⁶ and with only some 76,200 children eligible for free school meals,⁷ thousands of children who live in poverty currently do not receive a free school meal.

Even allowing for the provision of an extra 3,000 free school meals under the Welsh Government's policy proposals, more than 40% of children who live in relative income poverty in Wales will not be eligible for free school meals.⁸ That's around 55,000 children in full time education, who are living in relative income poverty, who will not be entitled to any support with the cost of their school meal.

This is not the only major weakness with the current system. Research suggests that thousands of children do not take advantage of their entitlement to free school meals due to the stigma attached to them or to their families.⁹ Research undertaken by the Children's Society in 2012 suggested that large number of the children who would be eligible for free school meals in Wales did not register to receive their free meal with their schools, with a further group of children who had registered, not actually taking up the option of having a free meal.¹⁰ According to the information gathered by Welsh Government on school census day in 2017/18, 24% of children, eligible for a free school meal did not eat one.¹¹ This means that on school census day 2017/18, less than half the children, who live in relative income poverty and who are in full time education in Wales, actually received a free school meal.

We do not believe that the Welsh Government's policy proposal will be effective in tackling these issues and in fact, risks exacerbating some of the existing problems within the system. As noted around 55,000 children in relative income poverty will still not be eligible for free school meals, after the policy is put into practice. Furthermore, the Welsh Government's proposal does not consider individual family circumstances. A household where there two adults and one child, requires less income than a household where there are two adults and

⁴ <https://statswales.gov.wales/Catalogue/Community-Safety-and-Social-Inclusion/Poverty/childreninrelativeincomepoverty-by-economicstatusofhousehold>

⁵ <https://statswales.gov.wales/Catalogue/Community-Safety-and-Social-Inclusion/Poverty/childreninrelativeincomepoverty-by-economicstatusofhousehold>

⁶ See footnote 3

⁷ <https://beta.gov.wales/sites/default/files/consultations/2018-06/regulatory-impact-assessment-ria.pdf>

⁸ <https://beta.gov.wales/sites/default/files/consultations/2018-06/revised-eligibility-criteria-for-free-school-meals-consultation-document-v2.pdf>

⁹ https://www.childrenssociety.org.uk/sites/default/files/tcs/fair_and_square_campaign_report.pdf and <https://ioelondonblog.wordpress.com/2017/06/05/greater-entitlement-to-free-school-meals-would-reduce-stigma-shame-%C2%AD-and-hunger/>

¹⁰ https://www.childrenssociety.org.uk/sites/default/files/tcs/current-provision-of-free-school-meals-in-wales_final.pdf

¹¹ <https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Pupil-Level-Annual-School-Census/Provision-of-Meals-and-Milk/pupilstakingfreeschoolmealsoncensusday-by-localauthorityregion-year>
<https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Pupil-Level-Annual-School-Census/Provision-of-Meals-and-Milk/pupilseligibleforfreeschoolmeals-by-localauthorityregion-year>

three children. By setting a cap that only considers earned income, the Welsh Government's approach risks exacerbating poverty in larger families, a group that are already at greater risk of living in poverty.

The Bevan Foundation therefore strongly disagrees with the Welsh Government's policy proposal to introduce a net earnings threshold of £7,400. Not only do we disagree with this, but, we believe that the shortcomings of the present system, along with heightened awareness of the difficulties a number of parents face when providing food for their children during school holidays, and the well-publicised issues with ensuring the fair provision of free school breakfasts,¹² suggest that there is a need for a more holistic review of the Welsh Government's policy on ensuring that children are adequately fed and nourished than what is currently under consultation.

3. The benefits of a healthy school meal

That healthy and balanced diets have long term benefits for children is beyond question. A nutritious diet in childhood can boost a child's educational attainment and prevent both short term and long-term ill health. A healthy school meal has a vital role to play in this process.

(i) Health

27.1% of children between the ages of 4 and 5 in Wales are either overweight or obese.¹³ In the short-term overweight and obese children are at a higher risk of suffering from health issues such as asthma, gallstones and non-alcoholic fatty liver disease whilst there can also be psychological effects such as the development of anxiety and depression.¹⁴ In the long-term there is a high risk that those who are overweight or obese during childhood will continue to have such issues as adults, which can lead to health issues such as heart disease, diabetes and cancer.¹⁵ The provision of healthy school meals can be a useful tool in tackling this problem.

Research suggests that school meals are far healthier than packed lunches. One study found that only 1% of school packed lunches were healthy, containing higher levels of both salt and sugar,¹⁶ whilst a survey of teachers found that they felt that only 10% of packed lunches were healthy.¹⁷ By contrast, those eating school meals get access to a more balanced diet, eating more vegetables than their counterparts who had bought pack lunches.¹⁸ With the Welsh Government committed to reducing obesity in Wales, increasing the number of

¹² <https://www.bbc.co.uk/news/uk-wales-south-east-wales-44887865>

¹³ <http://www.wales.nhs.uk/sitesplus/888/page/67795>

¹⁴ <http://everychildwales.co.uk/professionals/>

¹⁵ *ibid*

¹⁶ <https://www.nhs.uk/news/food-and-diet/packed-lunches-just-1-are-healthy/>

¹⁷ <https://www.childrensociety.org.uk/news-and-blogs/our-blog/addressing-obesity-through-school-meals>

¹⁸

<http://www.cpag.org.uk/sites/default/files/Going%20Hungry%20young%20peoples%20experiences%20of%20Free%20School%20Meals.pdf>

children who eat school meals as opposed to eating packed lunches would appear to be an important development if this target is to be realised.

(ii) *Educational attainment*

Whilst there are several factors that impact upon a child's educational attainment there is a growing body of evidence that suggests that diet and nutrition can have an impact on how well a child performs in school. Eating a healthy school meal can have a positive impact on a child's alertness,¹⁹ it can improve cognitive performance and behaviour,²⁰ and it can lead to improved academic performance.²¹

4. Free school meals and solving poverty

Whilst children from all backgrounds benefit from a healthy school meal, the positive impact on those who live in poverty is especially pronounced. These benefits do not just affect the child in question but can affect the entire family.

(i) *Poverty and diet*

There are clear links between poverty, deprivation and poor diet. In Wales 14.9% of children in the most deprived areas are obese, whilst in the least deprived areas the figure sits at 8.7%.²² One explanation for this is the fact poor diet is "intrinsically linked" to inadequate income and poverty.²³ Numerous studies have established that those living in poverty do not eat unhealthy meals through ignorance, but, as a result of them not being able to afford the ingredients to cook healthy meals.²⁴ Providing free school meals ensures that these children are guaranteed one healthy meal a day during term time. With approximately 55,000 children, living in poverty, set to miss out on free school meals, the Welsh Government risks undermining its attempts to reduce obesity in Wales.

(ii) *Family living costs*

The Welsh Government currently spends £25 million per year on its the free school meals program, estimating that it costs around £400 a year to provide a child with a free school meal.²⁵ Work undertaken by the Children's Society suggests that free school meals are worth £334 per child, to a family,²⁶ this breaks down to around £8.79 a week during term time. This small weekly saving has a significant impact on the finances of a family living on low income when it is removed. Over the summer holidays, 1 in 5 UK parents will skip a meal to ensure that their children have enough to eat.²⁷ For those families who are not eligible for free school meals, despite living on low incomes, these are pressures that they must confront year-round.

¹⁹ <https://www.nature.com/articles/ejcn2010150?foxtrotcallback=true>

²⁰ <http://discovery.ucl.ac.uk/10015414/>

²¹ https://www.iser.essex.ac.uk/files/iser_working_papers/2009-01.pdf

²² <http://www.wales.nhs.uk/sitesplus/documents/888/12743%20PHW%20CMP%20Report%20%28Eng%29.pdf>

²³ https://jech.bmj.com/content/63/Suppl_2/16

²⁴ <https://theconversation.com/poor-diet-is-the-result-of-poverty-not-lack-of-education-26246>

²⁵ <https://beta.gov.wales/sites/default/files/consultations/2018-06/regulatory-impact-assessment-ria.pdf>

²⁶ <https://www.childrensociety.org.uk/sites/default/files/uc-fsm-wales-tcs-consultation-response-final-12-sep-2018.pdf>

²⁷ <https://www.trusselltrust.org/2016/07/25/press-release-1-in-5-parents-will-skip-a-meal-this-summer/>

(iii) *Work*

There is a clear link between work and poverty. According to the latest statistics, around 7 in 10 children who live in a home where there is no working adult, live in relative income poverty.²⁸ Where there is one working adult, 3.5 in 10 children live in relative income poverty and where there are two working adults, the figure drops to 1.5 in 10 children.²⁹ A similar pattern is apparent when looking at working age adults. 6 in 10 working age adults who live in a household where there is nobody in work, live in relative income poverty, the figure drops to 3 in 10 where there is one working age adult and to 1 in 10 where all adults are in work.³⁰

The Welsh Government's consultation document notes that there is some uncertainty as to how this policy change could impact on labour market behaviour and that their analysis of the policy "*does not include the impact of any behavioural responses that may occur due to policy changes.*"³¹ This is a major source of concern. If, as a result of this policy change, some parents decided to withdraw from the labour market or reduce their working hours so that their income falls under the income threshold, this policy could lead to more children and working age adults in Wales living in poverty. Research undertaken by the Children Society suggests that a family with three children would need to increase their wages by almost £3,000 above the threshold to avoid losing out financially.³² Given that the Welsh Government has not undertaken any labour market analysis on the potential impacts of this policy change, there is a real risk that they may, unintentionally, create a poverty trap for Welsh families.

5. Policy suggestions

The Bevan Foundation believes that no child in Wales should live in poverty. In 2015, the Welsh Government had set a target for ending child poverty by 2020,³³ with 150,000 children still living in relative income poverty households in Wales, we are still some way away from achieving this goal. For the reasons set out above we believe that the policy proposed by the Welsh Government falls well short of what is required to ensure that no child, living in poverty, goes without a free school meal, undermining the Welsh Government's attempts to solve child poverty. We have therefore outlined three possible approaches that Welsh Government could adopt that could more effectively tackle child poverty in Wales than the policy that is proposed by the Welsh Government.

²⁸ <https://statswales.gov.wales/Catalogue/Community-Safety-and-Social-Inclusion/Poverty/childreninrelativeincomepoverty-by-economicstatusofhousehold>

²⁹ *ibid*

³⁰ <https://statswales.gov.wales/Catalogue/Community-Safety-and-Social-Inclusion/Poverty/workingageadultsinrelativeincomepoverty-by-economicstatusofhousehold>

³¹ <https://beta.gov.wales/sites/default/files/consultations/2018-06/revised-eligibility-criteria-for-free-school-meals-consultation-document-v2.pdf>

³² <https://www.childrensociety.org.uk/sites/default/files/uc-fsm-wales-tcs-consultation-response-final-12-sep-2018.pdf>

³³ <https://gov.wales/docs/dsjlg/publications/150327-child-poverty-strategy-walesv2-en.pdf>

(i) *Free school meals for all*

As discussed above, there is clear evidence that shows that children who eat a healthy, balanced diet gain both short term and long-term health and educational benefits. With research suggesting that the lunches of those who eat packed lunches are not as healthy as those who eat school meals, there would be clear benefits of extending free school meals to all.

Extending free school meals to all children, would also ensure that the 55,000 children who currently live in relative income poverty but who are not eligible for a free school meal would be getting the support that they and their family require. It would also remove the social stigma surrounding the benefit. As noted above, latest Welsh Government statistics reveal that 24% of children who were eligible for free school meals did not claim their entitlement on school census day.³⁴

Adopting such an approach would also ensure that children in Wales are not disadvantaged in comparison to those in England and Scotland. In both nations, all children in year 2 and under are given a free school meal.³⁵

Given the significant pressures that Welsh Government and Local Authority budgets have been placed under over recent years we understand that it may not be possible to provide free school meals to all children in full time education in the short term. We do believe, however, that the universal provision of free school meals should become a medium-term policy objective for the Welsh Government. Exploring such an approach would also provide the Welsh Government and civil society in Wales with an opportunity to consider how children, living in poverty, are fed throughout the year, including during school holidays, and at breakfast time.

In the shorter term, however, we believe that the Welsh Government should explore the feasibility of providing free school meals for all children in year 2 and under, to ensure that children in Wales are not in a worse position than children in England and Scotland.

(ii) *No introduction of an income threshold*

A second, less radical option would be for the Welsh Government not to change the present legislation so that all children who live in families who receive universal credit would be entitled to free school meals. If the Welsh Government believes that the provision of healthy school meals should be means tested, then we believe that the bar should be set at a level that covers all families on a low income. A family in receipt of universal credit has been identified by the state as a family that needs financial support. By introducing further

³⁴ <https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Pupil-Level-Annual-School-Census/Provision-of-Meals-and-Milk/pupilstakingfreeschoolmealsoncensusday-by-localauthorityregion-year>
<https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Pupil-Level-Annual-School-Census/Provision-of-Meals-and-Milk/pupilseligibleforfreeschoolmeals-by-localauthorityregion-year>

³⁵ <https://www.gov.uk/government/news/free-school-lunch-for-every-child-in-infant-school>;
<https://beta.gov.scot/policies/maternal-and-child-health/free-school-meals/>

arbitrary bench marks, the Welsh Government’s proposed policy would not guarantee that all families in need would receive support.

(iii) An income threshold that better reflects poverty

If the Welsh Government does not feel that it is able to adopt either of the first two policies, then we believe that the Welsh Government should not adopt a one size fits all threshold. One of the key issues with the approach proposed by the Welsh Government is that it does not take into account individual family circumstances. A household where there are two adults and one child, requires less income than a household where there are two adults and three children. By setting a cap that only considers earned income, the Welsh Government’s approach risks exacerbating poverty in larger families, a group that are already at greater risk of living in poverty.

In deciding at which level the threshold should be set, we believe that the Welsh Government should have regard to the poverty threshold. An international measure of relative low income is whether an individual lives in a household with whose income is less than 60% of median income for that household type. We believe that the income threshold for free school meals should be set in line with this. The table below provides an example of how the 60% median income threshold changes as a result of family type.

Different family types	60 % of median weekly income, before housing costs, 2016/17 - UK	60% of median annual income, before housing costs, 2016/17 - UK
Couple with two children aged 5 and 14	£453	£23,556
Single adult with two children aged 5 and 14	£355	£18,460

Source: Households Below Average Income. Table 2.4 Equivalent money values of overall distribution mean, median, and 60 per cent of median income for different family types in 2016/17 prices, UK

We believe that the Welsh Government’s free school meals policy should reflect the 60% of median income measure and that the threshold should be set at a level that would ensure that all children living in relative income poverty, regardless of their family size, were entitled to a free school meal.

Furthermore, the policy poses a risk to families in receipt of universal credit who earn more than the annual income threshold at the start of an assessment period, but who see their income drop below the threshold over the following weeks. There is likely to be a lag in these families receiving the support they need, placing them under greater financial stress. Those who are self-employed workers, who now account for 14.5% of the workforce in Wales,³⁶ and those who work within the gig economy or who are on zero hours contracts, face an additional risk. A number of these workers may earn more than the £7,400 income threshold over the course of the year, but, given the precarious nature of their employment, many of these workers may not receive a steady monthly income. This may mean that

³⁶ <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Employment/Persons-Employed/statusofemployedpersons-by-welshlocalauthority-measure>

whilst over the year, an individual earns over £7,400 there may be some weeks or months where finding the funds to pay for a school meal is a real challenge. We believe that any income threshold should be set with sufficient flexibility to allow such families to receive support when it is required, and that any system acts in a proactive way to work with these families.

6. Addressing potential barriers to our suggestions

(i) Cost

The potential costs of any policy change on free school meals was highlighted as a concern in the Welsh Government's consultation document. The costs for providing free school meals currently comes out of Local Authority budgets and the policy adopted in England sees no additional funds devolved to the Welsh Government which can be passed on to them.

The Bevan Foundation believes that the Welsh Government needs to take a longer-term approach when considering the impact of the provision of free school meals on its budget. As has been noted above, children who eat an unhealthy diet are more likely to develop both short and long-term health conditions. This has major implications on the health budget. According to some projections by 2048 the Welsh Government will need to spend 66% of its budget on the health service, if demand increases as currently expected.³⁷ Diverting funds to free school meals in the short term could potentially ease some of the longer-term pressures on the health service in Wales.

Moving money from one policy area to another is not the only option available to the Welsh Government. Some tax raising powers have already been devolved to the Welsh Government and from 2019 the Welsh Government will have some powers over income tax. These provides the Welsh Government with an opportunity to seek to increase its revenues so that money can be spent on assisting those most in need e.g. revenue from a tax on disposable take-away food packaging could contribute to the cost of free meals.

There are also both revenue and capital expenditure arguments in favour of not introducing an income threshold for free school meals in the short term, and in working towards providing universal free school meals in the medium term. Whilst both approaches will require the Welsh Government and local authorities to increase spending on facilities in schools and to recruit more staff, the Welsh Government's interim proposals are also likely to be costly. Some schools will need to increase the size of their kitchens and recruit new staff to ensure that they have adequate capacity during the interim period. These new facilities and staff would become unnecessary once the income threshold applied to all children, in effect becoming wasted capital expenditure. By moving towards a universal approach, these new facilities will continue to be used, providing better value for money for the initial expenditure outlay. In addition to this, moving to a universal system would reduce the administrative costs of the free school meals policy. This would ensure that better value

³⁷ <https://www.bbc.co.uk/news/uk-wales-44708356>

for money was provided for each meal delivered to a child in a Welsh school.

(ii) Free school meals and its impact on other Welsh Government policies

Another concern cited by the Welsh Government is that the number of children eligible for free school meals is a measure that is used when calculating other statistics such as deprivation rates in Wales, and to calculate how funding should be allocated to schools or Local Authorities through other policies such as the Pupil Deprivation Grant.³⁸ The Welsh Government have expressed concern that if any changes are made to its free school meals policy, this would have an impact on these programmes and statistics.³⁹

We believe that by linking free school meal statistics to the allocation of other funding, and by including it as a measure of deprivation, the Welsh Government is developing policy based on information that does not accurately reflect poverty and need in Wales. With the current approach meaning that the needs of approximately 55,000 children, living relative income poverty are not considered when policy is drafted, we believe that the Welsh Government should either cease to use the number of children in receipt of free school meals as a measure of deprivation and as a factor that influences the allocation of its sums, or it should ensure that its free school meals policy provides for all children living in poverty in Wales.

³⁸ <https://beta.gov.wales/sites/default/files/consultations/2018-06/regulatory-impact-assessment-ria.pdf>

³⁹ *ibid*