



Department
for Work &
Pensions

Free school meal entitlement and child poverty in England

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Introduction

1. In England a Free School Meal (FSM) is a statutory benefit available to school-aged children from families who receive other qualifying benefits and who have been through the relevant registration process.
2. On 17th September 2013 the Department for Education announced that all infant school pupils (pupils in reception and years 1 and 2) in state funded schools in England will be eligible for a free school meal from September 2014.
3. This statistical release estimates the number of children in relative and absolute poverty by FSM entitlement in the current system and looks at the impact on this of the announced extension of FSM to all infant school pupils for 2014/15. In addition, this release presents analysis of the number of families currently on FSM in relative and absolute poverty which would stand to benefit from being able to increase working hours without losing FSM following the increase in FSM entitlement.

Queries about the content of this document

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Background

Free School Meals

4. Under current rules, if parents receive any of the following support their children may be entitled to receive free school meals:
 - Income Support
 - Income-based Jobseekers Allowance
 - Income-related Employment and Support Allowance
 - Support under Part VI of the Immigration and Asylum Act 1999
 - the guaranteed element of State Pension Credit
 - Child Tax Credit (provided they are not also entitled to Working Tax Credit and have an annual gross income of no more than £16,190)
 - Working Tax Credit run-on - paid for 4 weeks after qualification for Working Tax Credit ends
 - Universal Credit (currently in place in pathfinder areas only)

5. Under current rules, children who receive a qualifying benefit in their own right are also allowed to receive free school meals. Children under the compulsory school age who are in full-time education may also be entitled to receive free school meals.

Child Poverty

6. The Child Poverty Act (2010) defines an individual to be in relative poverty if household equivalised income (see glossary) is below 60 percent of the median in that year. It defines a household in absolute poverty as a household in which equivalised income is below 60 percent of the 2010-11 median income, adjusted for inflation.

7. There are further poverty measures described in the 2010 Act and the Government is currently committed to developing measures which include, but go beyond income. This release examines only relative and absolute poverty because we are currently only able to model these measures.

The Policy Simulation Model

8. The estimates in this release come from the Department for Work and Pensions' modelling via the Policy Simulation Model (PSM) based on the Family Resources Survey. The PSM models the benefit and tax credit systems projected forwards to the year 2014/15, taking account of projected changes in demography from the Office for National Statistics (ONS) and the economy from the Office for Budget Responsibility (OBR). The modelling is consistent with Budget 2013 policies and does not reflect Autumn Statement 2013 announcements. Clearly any estimates into the future will have an element of uncertainty; however, this analysis uses the best available data to provide a robust assessment of the likely pattern of impacts resulting from these changes. The modelling is not able to anticipate behavioural responses that may result due to policy changes.
9. All estimates contained in this release are based on the PSM within the current benefit system.

Methodology

10. The PSM can be used to simulate the number of children or families in relative and absolute poverty by FSM entitlement under different policy scenarios. Using tax, benefit and income information it can compare current FSM entitlement with entitlement under the announced extension of FSM to all infant school pupils. The projected changes in demography from the ONS and the economy from the OBR allow us to project these estimates forward to 2014/15 when the announced extension will take place.
11. For the purposes of this modelling we have taken infant school-aged pupils to be aged between 4 and 6 years, and school-aged pupils to be between 4 and 15 years. The announced FSM extension refers to infant children in state-funded schools only. However this analysis does not exclude non state-funded schools due to data limitations.
12. In this release, estimates refer to the year 2014/15 in England. Percentages have been rounded to the nearest 10 per cent while figures for numbers of children and families and have been rounded to the nearest 100,000 to reflect sampling and modelling uncertainty. However, we have not produced precise confidence intervals around the estimates in the time available.

Results

Table 1: the proportion of children in absolute and relative poverty by FSM entitlement in the current system and under the announced extension of FSM to all infant school pupils

FSM Policy Rules	in absolute poverty		in relative poverty	
	entitled to FSM	not entitled to FSM	entitled to FSM	not entitled to FSM
Current FSM entitlement	60%	40%	60%	40%
Universal FSM for infant school children	70%	30%	70%	30%

Source: DWP Policy Simulation Model (based on FRS 2010/11) in 2014/15, England. Percentages are expressed as a proportion of all school-aged children in relative or absolute poverty and rounded to the nearest 10 per cent. Percentages in absolute and relative poverty appear the same due to rounding. This analysis does not exclude non state-funded schools due to data limitations.

13. The proportion of children in absolute or relative poverty but not entitled to FSM falls from around 4 in 10 to around 3 in 10 following the extension of FSM to all infant school children.

Table 2: the number of children in absolute and relative poverty that gain from the announced extension of FSM to all infant school pupils

FSM Policy Rules	in absolute poverty	in relative poverty
Universal FSM for infant school children	100,000	100,000

Source: DWP Policy Simulation Model (based on FRS 2010/11) in 2014/15, England. Figures rounded to the nearest 100,000 children. This analysis does not exclude non state-funded schools due to data limitations.

14. The number of children in absolute poverty who benefit from the extension of FSM to all infant school pupils is 100,000 when rounded. The number of children in relative poverty who benefit from the extension to all infant school pupils is also 100,000 when rounded.

15. When a child benefits from a free school meal it impacts their overall family income. It is therefore useful to look at the impacts of the FSM extension at a family level.

Table 3: the number of families with infant school-aged children in absolute and relative poverty by school age currently entitled to FSM

families with children	entitled to FSM in the current system	
	In absolute poverty	In relative poverty
infant school- aged	200,000	100,000

Source: DWP Policy Simulation Model (based on FRS 2010/11) in 2014/15, England. Figures rounded to the nearest 100,000 families. This analysis does not exclude non state-funded schools due to data limitations.

16. Under the current benefit system, the potential loss of FSM resulting from increasing working hours is generally offset by receiving Working Tax Credits. However the infant universal extension will create a greater incentive for parents of infant age pupils to increase their hours as they will now be able to receive FSM together with Working Tax Credits. Table 3 shows around 200,000 families with school-aged children in absolute poverty and 100,000 families in relative poverty currently eligible for FSM will be able to increase their hours of work without losing FSM benefits. This is an upper-bound estimate of the actual impact on parental employment and hours worked as we cannot be sure all of those who face improved financial incentives will actually take up more work due to other factors which play a role in this decision.

Glossary

Equivalisation

Equivalisation adjusts incomes for household size and composition, taking an adult couple with no children as the reference point. For example, the process of equivalisation would adjust the income of a single person upwards, so their income can be compared directly to the standard of living for a couple.

Median

Median household income divides the population, when ranked by equivalised household income, into two equal-sized groups. Contemporary median income refers to the median income in the survey year being considered.

The Family Resources Survey

The Family Resources Survey (FRS) collects information on the incomes and circumstances of private households. Data for the survey is collected between April and March each year and covers the United Kingdom. Further background information and statistics derived from the survey can be found at <http://research.dwp.gov.uk/asd/frs/>.

Family

The definition of a family used in the FRS is a single adult or couple living as married and any dependent children. From January 2006 same-sex partners (civil partners and cohabitees) are also included in the definition of family.