

**THE FUTURE OF THE
PROVISION OF SCHOOL MEALS
IN STATE SCHOOLS IN ENGLAND**

**A report produced by
BIDFOOD**



December 2024

**THE FUTURE OF THE
PROVISION OF SCHOOL MEALS IN STATE SCHOOLS IN ENGLAND**

December 2024

CONTENTS

- 1. Executive Summary**
- 2. Message to Rt Hon Sir Keir Starmer MP, Prime Minister**
- 3. Introduction**
- 4. School Meal Provision: England State Schools**
- 5. Actions**
- 6. Conclusion**
- 7. The Paper Authors**
- 8. Appendices**

1. Executive Summary

The purpose of this paper is to highlight one of the most critical issues facing our youngest generation within England and this is something that has been highlighted by countless industry bodies whose voices continue to be either ignored or not understood.

The paper explains, with supporting facts and figures, that unless urgent action is taken by the Government the school meals service will be non-existent in some areas of the country and under severe threat of failure in most areas. If this happens, as explained in the paper, children will miss out on vital meals and ten of thousands of people employed within the service will lose their jobs. The supporting producers and associated supply chains will also be at risk and many more jobs in those sectors would also be lost.

It has been eighty years since the Education Act of 1944 which introduced the provision of a school meals service. It was recognised then, as it is now, the importance to children, for both their health, wellbeing, and learning, to eat a nutritionally balanced hot meal at lunchtime.

In the paper five key actions are recommended, the most important of which is to ring fence the Universal Infant Free School Meals Allowance and the Benefited Free School Allowance to the meal providers. As explained in the paper it is common practice for schools, through a twice yearly 'census', to artificially increase the number of meals eaten and then for those schools to retain the monetary difference between the inflated meal numbers and average number of meals eaten. This has cost implications for the Government and savings could be made. These savings, in part, could be used to increase the allowance from the current £2.53 per meal to a minimum amount of £3.44.

Other actions are recommended in the paper, including increasing the eligibility of free school meals to support children whose parents are in receipt of Universal Credit in addition to extend Universal Free School Meals to Key Stage 2 and increase extend Universal Infant Free School Meals generally.

This paper highlights, in a non-political way and with absolute fact, the cause and effect of previous and current Government action and in a period of uncertainty and yet with great anticipation we are hoping that this Government will reverse what could be the loss of a critical service being made available to all of our children in state education.

2. A Message to the Prime Minister: Rt Hon Sir Keir Starmer MP

September 2024 marked eighty years since the 1944 Education Act was introduced by the Labour Government of that time. It stated that all children attending a state school in the UK would be entitled to receive a nutritionally balanced hot meal at lunchtime. The meal was to be free or paid dependent on the parent's income and financial circumstances and included were nutritional standards which had to be followed and which the school lunch had to provide. As an industry, we urge the present government to ensure the future of their inheritance and to protect this vital service for another eighty years.

3. Introduction

This is the third annual edition of this document and the first since the General Election. It is being distributed for consideration and action to the following members of the Government: the Prime Minister: Rt Hon Sir Keir Starmer MP; the Chancellor of the Exchequer: Rt Hon Rachel Reeves MP; the Secretary of State for Education: Rt Hon Bridget Phillipson MP; the Secretary of State for Health: Rt Hon Wes Streeting MP; the Secretary of State for the Department for the Environment, Food and Rural Affairs: Rt Hon Steve Reed MP, OBE; and the Cabinet Office.

It is also being sent to: the Leader of the Conservative Party: Rt Hon Kemi Badenoch MP; the Leader of the Liberal Democrat Party: Rt Hon Sir Ed Davey MP; and the Leaders of the Green Party: Carla Denyer MP; and Adrian Ramsay MP. In addition, it will also be circulated to LACA The School Food People, UNISON, The National Education Union, GMB, TGWU, charities, Local Education Authorities, Contract Caterers and other interested parties.

The purpose of this paper is to identify the facts, the challenges and the difficulties of providing school lunches to pupils/students attending the 21,266 state schools in England.

There is no doubt that at present the school lunch service is in jeopardy and under threat of being unable to continue if no action is taken to address the lack of sufficient funding by Government.

4. School Meal Provision in England's State Schools

During the past twenty-one years, the Education system has seen many changes and fragmentation in the way it is managed and organised. There continues to be children's services departments within local authorities, individual academy schools, academy trusts and individual schools. The funding of the school meal provision in England is a complex issue and the funding is delegated to schools and is managed and spent by the Headteachers and Governors. This funding includes:

- Universal Infant Free School Meals (UIFSM)
- Pupil Premium Funding
- Benefitted Free School Meals

The provision of school meals is also very fragmented and mostly subject to competitive tendering for the contract of school meals. There are numerous types of contracts including:

- Local Authority Contracts
- Academy Trusts
- Individual Schools

There is a wide range of catering operators providing school meals including:

- Local Authorities
- Private Catering Companies
- In-House Catering
- Charities

During the past year, the situation has got significantly worse with a number of Local Authorities unable to provide a school meals service with examples being East Cheshire and Dudley with Hampshire County Council, one of the largest Local Education Authorities serving 60,000 school meals a day, closing it's school meal service from March 2026.

Following the recent budget, the National Living Wage will increase in April 2025 from £11.44 to £12.21 per hour and in London this has also increased to £13.85 per hour.

In addition, the Employers National Insurance Contribution will rise by 1.2% for employees earning £9,100 or more to 15% and the threshold at which employers are compelled to pay national insurance will be reduced to a wage of £5,000. The employers at present pay no national insurance for these staff and there are many part time workers employed within the school meals service and this will be a 15% cost increase on an already underfunded provision.

All contract caterers will also be subject to these payments.

We are waiting for more information about NJC (National Joint Council) conditions and how it will apply to local authorities and schools and it is expected that catering staff employed in the kitchens by schools and local authorities may be classified by the Government as public sector workers. In addition, management staff working for a local authority may also be included however, the national insurance payments may have to be paid to the Treasury and then these categories will receive compensation. It is not clear at what level this compensation will be.

The Economics of the School Meal Provision

In the provision of more than four million school meals being served each school day, up to 100,000 staff are directly employed within the school catering industry. The most important provision is lunch and children require their midday meal to sustain them for the whole school day.

Funding

There needs to be a complete review and increase in the funding and carry out a reform of the present funding system to be carried out by the Department of Education along with the Treasury, the Department of Health and the Department of the Environment Food and Rural Affairs.

The provision of school meals can be divided into three groups:

- 1. Universal Infant Free School Meals** – providing free school meals for children in Reception, Year 1 and Year 2. At present the delegated funding from the Government to each school per pupil for UIFSM = **£2.53**
- 2. Benefitted Free School Meals = £2.58**
- 3. Paid School Meals**

Universal Infant Free School Meals (UIFSM)

Following the publication of the school food plan in July 2013, the then coalition Government introduced UIFSM to all primary schools in England.

When schools returned in September 2024, UIFSM entered its eleventh year since its introduction in 2014 when the allowance was £2.30. Currently the allowance is £2.53, an increase of only 10% over the past ten years.

The Government originally set the value of a meal at £2.30, which was delegated directly to the schools. Following the industry campaigning in October 2020, the allowance was increased to £2.34 and in June 2022 the Department for Education announced an increase of just 7p to £2.41 backdated to April 2022 and from April 2023 to £2.53, which at present time remains the same.

Most caterers, however, do not receive all the £2.53 as it is not currently ring-fenced to be used for the meals. The market for school meal contracts is very competitive and there is an expectation from Local Authorities, Headteachers and Governors that the contract price will be lower than the allowance. This enables the schools to retain some of these funds to spend on other areas within the school budget and we are aware that some caterers are only receiving as little as £2.00 for a UIFSM allowance.

The provision of school meals in England must comply with three laws within the Education Act and these are as follows:

- 1. The Provision of Universal Infant Free School Meals (Key Stage One)**
- 2. Free School Meals** - to provide those children entitled to free meals within the benefits system.
- 3. Food-Based Nutritional Standards** - to provide meals that meet the food-based nutritional standards

It is becoming increasingly difficult with the current inflationary rise in food, labour and other costs to maintain this service. Recruitment and retention of staff is proving difficult while overheads, management and transport costs are also increasing. The list continues with higher fuel bills of which some contractors are required to fund and there is also a lack of capital funding by the Government for kitchens and dining area improvements or replacements.

On census day, the Headteacher instructs the school caterer to provide a very popular menu, such as pizza and ice cream, which results in schools often will have an increased uptake of 90% on census day and it is on this percentage that the local authority and schools are funded. The next day the numbers return to 60%, but the funding is based on 30% more.

Please see below a table outlining the cost implications of this system:

Number of pupils entitled to UIFSM = 2,500,000

	90% Take Up	60% Take Up	Difference
Number of Pupils (UIFSM)	2,250,000	1,500,000	750,000
Cost of UIFSM to Government (Take Up x £2.53)	£5,692,500	£3,795,000	£1,897,500

In essence, schools are retaining a total of £1,897,500 which does not go to the caterer and this inflates the cost of UIFSM which is not used for the provision of school meals. In some instances, Headteachers are providing funds to school caterers to subsidise the lack of funds.

The cost for UIFSM that the Government, the Treasury and the DofE record should be 60% not 90%.

Benefitted Free School Meals

The cost of Benefitted Free School Meals is delegated to local authorities and schools directly and there are currently insufficient funds to sustain this provision. There are 4.6 million children living in poverty in England and many are not receiving their free meals due to the complex Universal Credit system. The current allowance for Benefitted Free School Meals is £2.58 and this is insufficient to cover the cost of the meals.

It is important to compare England with the other three nations in the UK. In Scotland there are Universal Free School Meals provided for Primary School Children in Reception, P1, P2, P3, P4 and P5 but at present the introduction of Universal Free School Meals has been delayed for years P6 and P7. The allowance from the Scottish Government is **£3.30 per meal**.

In Wales Universal Free School Meals are now being provided for all Primary School Children (Key Stages 1 and 2) and the allowance from the Welsh Government is **£2.90 per meal**.

The Mayor of London, Sadiq Khan, has extended the provision of Universal Free School Meals for all primary children within London Boroughs with funding at **£3.00 per meal**.

Paid Meals

The take up of paid meals has considerably dropped and the selling price is determined by the local authority or school and the price varies significantly across England and the selling price is dramatically increasing across England to cover inflation.

Parents, particularly those on low incomes or those with earnings just above the Universal Credit threshold, are simply not able to afford to pay for their children's school meals.

5. Actions

Please see below five key actions that the school food industry urges Government to take for the provision of school meals.

Action 1: Ring-Fence UIFSM / Benefitted FSM Allowance

Our most important priority is to request Government to ring-fence the UIFSM allowance and Benefitted Free School Meals purely for school meals and this should be delegated to the caterers for this use only.

The amount of funds delegated by the Department of Education to each school for UIFSM is based on two census days, recorded in October and January, on the number of UIFSM served.

We would recommend for schools to calculate an average of meals served and submit a return to the DfE each school term which would also reduce the cost of UIFSM overall, allowing savings and additional funds to increase allowances for UIFSM and Benefitted Free School Meals.

Action 2: Increased Funding

To increase the allowance for UIFSM and Benefitted Free School Meals from £2.53 to a minimum of £3.44 as calculated in Appendix 3 (please see tables below).

Action 3: Increase Eligibility of Free School Meals

To Increase eligibility of free meals to all children whose parents are in receipt of Universal Credit benefits and this would result in one million extra meals a day.

Action 4: Extension of Universal Free School Meals to Key Stage 2 (Juniors)

Action 5: Extension of Universal Infant Free School Meals

To extend Universal Infant Free School Meals to key stage two junior pupils.

In addition, there is a significant supply chain operation including manufacturers, wholesale food distributors, farmers, SMEs and local suppliers who service the Education sector on a daily basis and the value of the business is calculated to be in excess of £2.2 billion a year.

If the provision ceased, companies would go out of business, most of the directly employed staff (100,000) would lose their jobs and there would be a considerable number of redundancies for those working within the supply chain.

The loss to the overall economy in England would be significant and the Government would lose the receipt of income tax, business tax and national insurance contributions and there would be a huge increase in the number of people entitled to receive Universal Credit payments. The Government's revenue would reduce by a significant amount and unemployment numbers would increase by thousands.

6. Conclusion

It is a physical fact that whilst the living wage has risen from 2015 to 2024 by some 70.7%, which is necessary and welcomed, it has in fact been ignored or overlooked that the physical feeding of children has moved by only 10% at a time where the Consumer Price Index, in the same measured period, has moved by 29.60% and is continuing to rise.

The provision of school meals is so important for all our children as it is part of their education as it means that they learn about food and diet. It is a proven scientific fact that children who are properly fed and hydrated, retain information and learn more effectively in the classroom. It prepares them to eat healthy food in adult life and prevent the onset of diabetes, obesity and other food related diseases thus saving costs to the NHS in the future.

It is a sad fact that in 2024 there are many children whose only hot meal is the one provided at school. Without over dramatising the current situation, there is no doubt that without extra funding the school meals service is going to have difficulty sustaining its high values and service to the children. Many millions of children are going to bed hungry every day and this is totally unacceptable and a sad reflection on our country and society in 2024.

Our generation is therefore dependent on the Government decisions to be able to fulfil their maximum potential and it is to be hoped that this paper will be helpful and will influence the Government and all the political parties to include the actions in their future policies.

It is acknowledged that the Government has inherited a difficult financial situation however the provision of school meals in England is in a dire state.

7. The Paper Authors

Dr Andrew Kemp MBE: FIH. Bidfood BFS Group Executive Director

andykemp@bidfood.co.uk

07740 582276

Patricia Fellows MBE. JP: FIH. Consultant

p.fellows@btinternet.com

07915 614301

8. Appendices

Universal Infant Free School Meals - Allowance Increase

From our research we believe the industry supports our recommendation for a significant increase to the allowance of Universal Free School Meals.

Please see below a summary, which includes the following information:

- Appendix 1: Labour & Food Cost Movements (from beginning of UIFSM)
- Appendix 2: Universal Infant Free School Meal Funding (Original and Current)
- Appendix 3: Recommended Universal Free School Meal Funding

Appendix 1: Labour and Food Cost Movements – 2015-2023

Year	National Living Wage	RPI Food & Catering	Food Inflation	CPI
	£	%	%	%
2015	£6.70	-0.90%	-2.30%	0.20%
2016	£7.20	-0.80%	-2.30%	1.30%
2017	£7.50	3.20%	3.01%	2.80%
2018	£7.83	1.80%	1.50%	2.20%
2019	£8.21	2.00%	1.80%	1.70%
2020	£8.72	0.30%	-0.10%	0.70%
2021	£8.91	2.00%	0.80%	2.90%
2022	£9.50	9.50%	9.80%	8.20%
2023	£10.42	13.6%	14.8%	6.40%
2024	£11.44	2.80%	1.90%	3.20%
	70.70%	33.50%	28.91%	29.60%

*Projected

Source = <https://www.gov.uk/national-minimum-wage-rates>

Source = <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/czbi/mm23>

Source = <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/l55o/mm23>

Source = <https://tradingeconomics.com/united-kingdom/food-inflation>

RPI = Retail Price Index

CPI = Consumer Price Index

Appendix 2: Universal Infant Free School Meal Funding (Original and Current)

	Date From	% Increase	UIFSM Fund
Original UIFSM Funding	Sep-14		£2.30
Previous UIFSM Funding	Sep-20	1.70%	£2.34
Revised UIFSM Funding	Sep-22	3%	£2.41
Revised UIFSM Funding	Sep-23	5%	£2.53
Current UIFSM Funding	Sep-24	0%	£2.53

The above illustrates the significant increases from 2015 to date of the National Living Wage, RPI, CPI and Food Inflation and how this increase in cost has simply not been reflected within the UIFSM funding.

Appendix 3: Recommended Universal Free School Meal Funding (based on original funding £2.30)

Scenario	% Increase	UIFSM Fund
National Living Wage / RPI	52.10%	£3.50
National Living Wage / Food Inflation	49.80%	£3.44
National Living Wage / CPI	50.15%	£3.45

In Appendix 3, we have recommended three separate proposals for the increase of UIFSM funding all being based on the National Living Wage and combined with one of the three areas' below:

- RPI
- Food Inflation
- CPI