



A New Meal Deal



A campaigning briefing on the future of school meals, 2026

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About APSE



The Association for Public Service Excellence (APSE) is a not-for-profit local government body working with over 300 councils throughout the UK.

Promoting excellence in public services, APSE is the foremost specialist in local authority frontline services and operates one of the UK's largest research programmes in local government policy and frontline service delivery matters.

About The School Food People



The national voice for school catering across England and Wales. Since 1989 we've represented caterers, shaped policy, and raised standards so that every child has access to nutritious, well-prepared food at school.

The School Food People set high standards of professionalism in education catering, act as the lead consultative body to Government on healthy eating policy, and equip members with the skills, knowledge and support to meet a changing sector. We exist to give everyone who provides catering within education a voice - along with the resources to make nutritious, well-prepared meals part of everyday school life.

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1.1 A New Meal Deal: securing the future of school food

A campaign briefing for local authorities, school caterers and government decision-makers to inform the debate on the future of education catering services and the value of school meals.

1.2 Executive summary

School meals are an essential public service, but the system that delivers them is under severe and growing pressure. Demand is expanding, standards are rising and the costs of food, pay, pensions, energy, transport and equipment continue to increase, while funding has not kept pace with the true cost of delivery. Local authorities, school-led services and smaller specialist caterers cannot absorb these losses indefinitely. If they withdraw, provision is likely to consolidate among a small number of large providers, reducing choice, weakening local accountability and placing nutrition, workforce standards and public value under greater pressure. Government action is needed on full-cost funding, capital investment, workforce support, consistent oversight and procurement that protects a diverse provider base. The alternative is a more concentrated market, less public-sector capacity and a system that will be increasingly difficult and costly to rebuild.

England's school food system is operating at unprecedented scale — and the pressure is increasing. In 2025/26, schools serve more than 8.9 million pupils. Some 26.5% are eligible for free school meals, up from 25.7% in 2024/25 and representing more than 2.2 million children. Almost 1.6 million infant pupils took a free meal on census day, including more than 1.2 million through Universal Infant Free School Meals; overall infant lunch take-up rose from 88.2% to 88.4%. These figures describe a national service on which millions of children and families now depend every school day.

That responsibility will grow further as free school meal eligibility is extended to children in families receiving Universal Credit. Department for Education modelling estimates that around 720,000 additional children will claim a free meal in 2026/27

compared with 2023/24. Even assuming an 89% take-up rate, this is a major expansion of entitlement. It must be matched by sufficient funding, kitchen capacity, equipment and skilled staff; expanding eligibility without strengthening delivery capability risks creating a promise that the system cannot reliably fulfil.

A school meal is far more than food on a plate: it is essential public infrastructure. For local authorities, it is a frontline service that tackles child poverty, supports public health and anchors inclusive local economies. For schools and caterers, it helps children arrive in the classroom ready to learn and provides a daily point of stability for families. For policy-makers, it is one of the most direct ways to turn commitments on opportunity, prevention and growth into a visible service reaching millions of children.

The evidence shows what purposeful public intervention can achieve. Research into the Mayor of London's expansion of free school meals found that up to 300,000 additional primary school children were supported in 2025/26. Families avoided one school food bill, saving more than £500 per eligible child each year; 84% of surveyed families said universal free school meals helped or significantly helped household finances, while 33% said the policy reduced debt. School meals are therefore not a peripheral benefit: they are a direct and visible response to the cost-of-living crisis and a vital source of support to families in poverty.

The educational case is equally important. School meals operate alongside other interventions, so their effect on attainment cannot always be isolated. However, the available evidence supports the contribution of school meals to better learning outcomes: recent University of Essex research found that universal free school meal access improved reading progress by about two weeks by Year 6, while international reviews report measurable gains in mathematics and literacy.

The public health case is urgent. Government research informing the revised School Food Standards found that more than 90% of children consumed insufficient fibre and that children consumed twice the recommended amount of free sugars; only 8% of primary pupils and 5% of secondary pupils met the guidelines. Obesity affects 10.5% of children starting school, rising to 22.2% by the end of primary school and to nearly 30% in more deprived areas. Dental decay remains the leading cause of hospital admission among children aged five to nine. The revised standards —

covering fibre, fruit, vegetables, pulses, sugar, foods high in fat, salt and sugar, and breakfast provision — raise expectations, but those expectations cannot be delivered without properly funded, well-equipped kitchens, trained staff and robust oversight.

School food also sustains local economies. The sector supports up to 100,000 direct local jobs and more than 20,000 additional jobs across the wider supply chain. Its workforce consists predominantly of women and part-time workers; decent pay, pensions and employment conditions generate wider public value: household spending stays local, tax revenues are generated and retirement incomes are more secure.

Schools account for 60% of the UK's £5 billion annual public-sector food spend; the system serves around one billion meals a year and spends an estimated £1.16 billion on food purchasing, with the Universal Credit expansion expected to increase that purchasing requirement by 7%.

Yet the organisations delivering this essential service are being pushed towards failure. Food, pay, pension, transport, utility, compliance and infrastructure costs are rising without funding that reflects the full cost of a meal. Local authorities, schools and caterers have responded by subsidising services, increasing prices, changing menus and reducing staffing, but these measures cannot close a structural funding gap indefinitely. APSE and The School Food People's 2026 survey found that 71% of respondents answering the question on three-year sustainability were not confident their service would remain financially sustainable. This is no longer a warning about future pressure; it is evidence of a system already hollowing out.

The pressure is already changing the provider landscape. Across England, established council-backed school meal services are closing, withdrawing or relying on emergency rescue arrangements:

- CATERed: Plymouth's prominent council-backed co-operative, serving 59 schools, ended school meal provision in July 2026.
- Leicestershire Traded Services: Leicestershire County Council closed its school meal service at the end of the 2025/26 academic year, affecting 117 schools.
- Cheshire East Council: The council ceased its school catering service completely in April 2025.

- Hampshire County Council: The council formally announced the closure of its in-house school catering service under the weight of financial pressures.
- Twelve15, Surrey County Council: After its contracts fell from 160 to just 49, the service faced imminent closure in 2026 and survived only through a last-minute intervention by Hertfordshire Catering Limited to absorb the remaining operation.
- Warrington Borough Council: The council approved the removal of its £500,000 school meal subsidy, leaving 66 partner schools to secure alternative arrangements by September 2027.

Private-sector withdrawals are harder to document because of commercial confidentiality. Evidence from the market nevertheless indicates that regional and independent small and medium-sized caterers are under particular strain. Without the purchasing power and scale of multinational groups, some are serving notice on contracts because they cannot absorb food inflation and increases in the National Living Wage.

Without intervention, financial failure will become irreversible market concentration. As local authority, school-led and smaller specialist providers withdraw, contracts will increasingly pass to a small number of very large, profit-driven companies with the scale to absorb short-term losses and dominate procurement. The consequence will not be a healthier or more efficient market, but a near-monopoly in which schools have fewer providers to choose from, councils have less influence over a vital public service and communities become more exposed when a major contract fails. Commercial pressure to protect margins will intensify, placing meal quality, workforce conditions and local supply chains at risk. At the same time, large catering conglomerates are already withdrawing from schools they regard as commercially “unviable”, particularly small and rural schools. This creates a two-tier system: profitable contracts attract competition, while the schools with the greatest delivery challenges — and often the fewest alternatives — face higher prices, reduced provision or no viable service at all.

Losing a contract is not the only risk; councils can also lose kitchens, skilled teams, purchasing relationships and the operational knowledge needed to step back in. Once that public sector capacity disappears, rebuilding it will be slow and expensive. Policymakers must act before managed decline becomes systemic collapse.

Pressure extends across the school food supply chain. At a July 2026 roundtable convened by The School Food People on the revised School Food Standards, suppliers identified reformulation costs, falling demand, risks to jobs and manufacturing, higher prices, reduced product choice and uncertainty about requirements for cheese, fruit spreads, meat alternatives, fried products and desserts. They called for precise definitions, realistic funding, practical implementation guidance and sustained collaboration. Without that support, suppliers will struggle to provide food that is compliant, nutritious, affordable, practical to produce and appealing to pupils.

The case for urgent action	
71% Not confident about financial sustainability over the next three years	48% Cited an insufficient funding rate among the principal reasons for withdrawal or reduction
59% Use a school subsidy to bridge the funding gap	89% Identify alleviating child poverty as a leading benefit of school meals

Supplier sentiment: a snapshot of market pressure

The School Food People undertook a supplier survey to capture a timely snapshot of sentiment across organisations serving the school food market. The findings are indicative rather than a representative census, but they provide an important supply-chain perspective on the pressures affecting school catering and reinforce the case for urgent action.

Food inflation and funding pressures were the issues most frequently raised with suppliers by their customers, each cited by 87.5%, followed by the new School Food Standards at 81.3%. Staffing and recruitment, and allergens or special diets, were each cited by 62.5%. Suppliers are therefore managing higher costs, workforce constraints and more demanding standards at the same time.

Sentiment about the new standards was weighted towards concern: 37.5% expected some negative impact and 25.0% expected a significant negative impact, compared with 18.8% anticipating some positive impact and 6.3% a significant positive impact. Customer-base experience was mixed, with 29.4% reporting a significant increase but the same proportion reporting a slight decrease, suggesting uneven conditions across the market.

These findings reinforce the case for reform that does not depend on suppliers and caterers absorbing further costs and operational risk. Full-cost funding, clear implementation guidance, investment in kitchens and equipment, and procurement that protects a diverse and resilient provider base are essential if higher standards and wider entitlement are to be delivered without reducing choice, weakening supply chains or accelerating market concentration.

1.3 What the survey tells us

APSE and The School Food People also surveyed local authorities, schools and education establishments, private providers, suppliers and specialist organisations across England. The survey was designed to provide a snapshot of informed sector experience rather than a statistically representative census of every school meal service.

1.4 Funding no longer matches the cost of delivery

Reported primary meal prices were generally around £2.75–£3.20, while estimates of the full cost were often higher, commonly £3.25–£4.25 and sometimes considerably more.

The responses are not paired consistently enough to calculate a single sector-wide gap, but the overall picture is clear. Among those who explained how the gap is covered, 59% cited a school subsidy, 37% price increases, 26% menu or portion changes, 19% council subsidy and 15% staffing reductions. For the latest complete financial year, 36% reported a deficit, 21% broke even and just 11% generated a surplus; 29% were unsure.

Financial sustainability: confidence over the next three years	
Not at all confident	43%
Not so confident	29%
Somewhat confident	14%
Very confident	4%
Extremely confident	0%
Unsure or other	14%

Principal reasons for reducing or withdrawing school meal services	
Insufficient funding rate	48%
Food inflation	48%
Sustained financial deficit	44%
Pay and pension costs	37%
Loss of contracts or schools	37%
Inability to compete on price	33%
Falling meal uptake	26%
Academy fragmentation	26%
Capital or kitchen condition	15%
Compliance burden	15%
Recruitment difficulties	11%
Procurement constraints	7%
Political decision	7%
Other	4%

1.5 A workforce and compliance challenge

Recruitment is the biggest workforce concern, selected by 69%, followed by staff absence at 66% and pay, hours or contracts at 55%. Retention and an ageing workforce were each selected by 34%. Oversight is also inconsistent: 61% said they had a mechanism for monitoring the School Food Standards, while 25% had none and 14% were unsure. The responses point to a patchwork of in-house checks, council audits, contract management and menu reviews. If standards are to be national, the arrangements for checking them need to be clear, properly funded and consistent.



1.6 School food delivers value far beyond the plate

The wider value of school meals came through strongly; 89% said they help alleviate child poverty, 75% linked them to better educational attainment and 50% highlighted local employment. A further 39% pointed to their role in reducing childhood obesity and 32% to support for the wider local economy.

There is scope to build on that value through local sourcing, but cost and capacity remain real obstacles: 75% identified higher prices as a barrier and 50% said suppliers could not provide the volumes required. Policy should reflect the full educational, social, economic and public-health value of school food, rather than treating each meal as a lowest-price purchase.

The survey also shows how fragmented purchasing and price-led competition can destabilise provision. Some 26% of respondents identified academy fragmentation as a principal reason for reducing or withdrawing school meal services, while 37% cited the loss of contracts or schools and 33% an inability to compete on price. These pressures sit alongside the wider public value at stake: 50% said school meals provide employment in the local community and 32% said they support the wider local economy. Procurement decisions should therefore test public value, service resilience and workforce standards alongside price.

The operational evidence reinforces this case. Leicestershire's service closed with 117 schools affected, while Surrey's Twelve15 operation shrank from 160 contracts to 49 before a last-minute rescue. Although local sourcing can retain more value in communities, 75% of respondents identified higher prices and 50% identified

insufficient supplier capacity as barriers. A public-interest test would enable schools to weigh the longer-term costs of provider failure, fragmented purchasing and lost local capacity against an apparently cheaper headline bid.

Greatest benefits of providing school meals	
Helps alleviate child poverty	89%
Improves educational attainment	75%
Provides employment in the local community	50%
Reduces childhood obesity	39%
Supports the wider local economy	32%
Other	7%
Unsure	0%

1.7 Recommendations

- 1. Fund the full cost of every meal.** Introduce a transparent, independently reviewed funding formula that covers food, fair pay, pensions, utilities, transport, compliance and kitchen overheads, with automatic annual inflation uprating.
- 2. Create a national school kitchen and equipment renewal programme.** Provide long-term capital funding so local authorities and schools can replace failing kitchens, expand capacity for increased free school meal eligibility and meet the revised School Food Standards.
- 3. Protect a diverse provider market.** Require procurement and commissioning to assess resilience, local economic value, workforce standards, nutritional quality and market concentration — not price alone — and design contracts that local authority, not-for-profit and smaller providers can realistically bid for.
- 4. Build and value the workforce.** Establish a sector workforce plan covering recruitment, training, progression, secure hours, fair pay and pensions, backed by funded implementation rather than relying on providers to absorb additional costs.
- 5. Strengthen accountability and give school food a national voice.** Establish consistent, properly resourced monitoring of the School Food Standards, publish comparable data on funding, uptake, quality and provider concentration, and create a cross-government school food strategy with clear ministerial ownership.
- 6. Ensure schools apply a public-interest procurement test when sourcing school meal providers.** The evidence on fragmented purchasing, contract loss and provider withdrawal shows that price-led decisions can transfer costs from individual school budgets to the wider public purse while weakening service resilience, local capacity and fair employment standards. Schools should therefore assess whole-life public value—including nutritional quality, workforce conditions, local economic benefit, provider resilience and the risk of market concentration—alongside price.

A new meal deal must recognise school food as an investment in children, learning and resilient local communities — not a discretionary cost to be squeezed.

NEW MUNICIPALISM

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