

# ***The UK Government needs to invest in children through properly funding both FSM and Education***

*Professor Greta Defeyter<sup>1</sup>, Professor Paul Stretesky<sup>2</sup>, John Paul Wright<sup>3</sup>*

<sup>1.</sup> *Dean of Social Mobility, Northumbria University, Newcastle upon Tyne NE1 8ST*

<sup>2.</sup> *Direct of Learning and Teaching, School of Social and Political Science, University of Lincoln, LN6 7TS*

<sup>3.</sup> *CEO, Alliance 4 Children, UK*

## ***Introduction***

Earlier this year, Defeyter (2025) published an opinion paper titled, “No Such Thing as a Free Lunch”. In this article, Professor Defeyter, welcomed the UK Government’s changes to the eligibility criteria for means-tested Free School Meals (FSM) to include all pupils from households in receipt of universal credit. However, as with most policies, the devil is in the detail, and for school meals to have the positive health, social, and educational outcomes that have been stated in numerous ministerial press releases, then the specific details are very important. This article builds upon the original case studies presented in Defeyter (2025) by providing detailed analyses of the funding mechanisms for UK government funded FSM, universal infant free school meals (UIFSM), and how recent changes to FSM associated pupil premium will further impact on school budgets, and pupils’ educational attainment and health.

On 05/06/2025, the UK Government announced that at the start of the 2026-27 school year, all pupils from households, in England, in receipt of Universal Credit will be entitled to FSMs. The government predicts that as a result of these changes over half a million more children will be eligible to receive free school meals <https://explore-education-statistics.service.gov.uk/find-statistics/estimate-of-additional-children-claiming-free-school-meals-following-expansion-of-eligibility/2025>

This new entitlement will apply to children in all settings where free school meals are currently delivered, including schools, school-based nurseries and Further Education settings. The UK Government expects that most schools will allow parents to apply for this FSM entitlement before the start of the 2026-27 school year, by using the UK Government’s FSM eligibility checker.

## ***Transitional Protections***

Transitional protections for free school meals have been in effect since 1 April 2018, meaning that pupils have continued to receive FSM, even if their household circumstances have changed. All pupils becoming eligible for free school meals under the benefits-based criteria, should continue to receive this entitlement, regardless of any change in household circumstances or phase of education until the end of the 2025/26 school year. Our understanding is that the UK Government figures regarding the number of pupils eligible for FSM (2026-2027) have taken into account this forthcoming change to transitional protections.

## ***National Funding Formula***

The National Funding Formula, for UK Government funded school meals, is complicated but basically it is calculated by dividing the total funding per pupil (i.e., £460) by the number of days during the year that pupil attends school (i.e., 190 education days). Final funding allocations

are determined by actual FSM uptake data taken on school meal census dates. The funding covers staffing, preparation, fuel and food costs. Funding for FSM, under the National Funding Formula, increased from £2.47 in 2022-23 to £2.58 in 2023-24. In September 2025 the amount of funding per FSM, per day, will increase to £2.61. However, this amount of funding per meal (i.e., £2.61) is still relatively low in England when compared to Scotland where meals are funded at £3.30 per meal and Wales where meals are funded at £3.20 per meal. Moreover, increases in FSM funding in England have not kept up with inflation. In particular, the IFS estimates that if FSM funding had increased with inflation, school meals would now be funded at a minimum of £3.18 per meal. One of the issues is that the DfE calculate the funding for FSM by the GDP Deflators of the previous June rather than CPI. As the National Funding Formulation is not based on CPI, many school caterers report that due to sharply rising costs (e.g., staff, NI, fuel, and food) they are struggling to provide nutritious school meals at the current funding rate.

School caterers have repeatedly warned that the National Funding Formula does not allow for increased costs of providing healthy meals and a recent Teacher Tapp investigation painted a worrying picture of school lunches. Whilst there are examples of good practice across England, there are also worrying, unreported, examples of poor-quality school food, small portion sizes etc. that do not adhere to the current School Food Standards (SFS), and this is especially pronounced in secondary schools. This is particularly pertinent given that the DfE is currently revising SFS for England that will hopefully include nutritional standards, increased fibre etc. Economies of scale may lower costs, but they also may exclude smaller caterers from securing contracts.

Perhaps most importantly, there are no published papers on how schools are having to take money from teaching and learning budgets to pay catering teams the difference

between the money they receive from the DfE and the money paid to the caterer for the school meal. These costs are also significant. For instance, while a FSM, in England, is currently funded at £2.58 (will be funded at £2.61), caterers currently charge schools between £2.75 and £3.20 per meal (with a median of around £3.00). This amount varies often according to the size of the contract, employment conditions etc. It is important to point out that caterers' report that they, like schools, are taking 'a hit' as a charge of £3 is still below the 'real cost' of producing a school meal that adheres to School Food Standards. The IFS estimates the real cost at around £3.10 per meal, based on inflation, with caterers and some lobbying groups arguing that recent rises in labour costs and food inflation mean that the real cost is closer to £3.15 to £3.40 per meal.

Currently, many schools top up the national FSM funding to pay caterers for FSM. This money comes from schools teaching and learning budgets (more on this below). Our modelling shows that this currently amounts to £284,459,948 per year across the 24,479 schools in England (School and Pupils Statistics Team, 2025), with an increase to £310,231,580 for 2026/2027. As we will show, schools with the most FSM students (aka the most disadvantaged schools) spend more of their school operating budgets to top up the funding they receive from the UK Government.

As noted, when the new FSM eligibility criteria (uplift to all household in receipt of universal credit) takes effect there will likely be an additional 622,000 children who qualify for FSM. If the cost of a FSM meal averages £3.00 per meal and the amount of government funding per meal is equal to £2.61 then schools in England will be expected to find the additional money in order to pay caterers. For instance, schools in England will be pay an additional £0.39, on average, per meal per day for ALL pupils in receipt of FSM (including those pupils on UIFSM, those already in receipt of means-

tested FSM, and those pupils who will now qualify for means tested FSM, under the new eligibility criteria. Currently, the total additional costs for FSM, paid for from schools teaching and learning budgets equates to £284,459,948, with a rise to £310,231,589 in 2026/2027 (including some relief from the additional uplift in government funding from £2.58 to £2.61 (and assuming no other demographic changes occur between the 2024/25 and 2026/27)).

### ***Where do schools find the money to top up FSM funding provided by the National Funding Formula?***

#### ***Pupil Premium***

The majority of schools have subsidised the costs of FSM from their teaching and learning budgets, often from FSM associated pupil premium. Pupil premium was introduced by the Coalition Government in 2011, with an aim of raising the attainment of disadvantaged children. Although state schools can receive pupil premium for several reasons (e.g., looked after children) for the purpose of this paper it is important to note that state schools currently receive pupil premium for children registered and eligible for FSM. Pupil premium funding is currently set at £1,455 per primary school pupil and £1,035 per secondary school pupil.

For children who receive means-tested FSM, core benefits arise through two associated pathways: Improved **Education and Employment**, and a reduction in **Obesity and Diet-related Diseases**. Improved educational attainment in the medium term leads to improved productivity and employment in the long term, associated with improved lifetime earnings. A reduction in obesity and diet-related diseases in childhood results in healthier children and improved school attendance. The association between these two pathways is clear and the underlying educational and health factors are also well-documented:

well-nourished children are ready to learn, and they learn through the provision of quality teaching and learning. In other words, both streams (food and education) of funding are needed to improve health, education and employment via investment in human capital, which in turn will drive the economy.

Importantly, the detail currently available under the newly announced FSM scheme suggests that schools and local authorities will continue to receive FSM associated pupil premium but only for those pupils who meet the existing free school meals threshold. Whilst we can appreciate the issues regarding pupil premium being associated with FSM (a proxy measure of poverty), the new policy guidelines suggests that a two-tier FSM pupil premium structure will come into being, with schools receiving FSM associated pupil premium but only for pupils who meet the current eligibility criteria of families earning less than £7,400 per year (net income and before benefits are taken into account). Schools will not receive FSM associated pupil premium funding for pupils who are newly eligible in 2026-27, whose household is in receipt of UC but whose income is above the current FSM threshold. This has further ramifications regarding school budgets.

If the UK Government considers pupils from households in receipt of UC require support provided via FSM, for improved pupil and household outcomes, then the probability is very high that these same children would benefit from pupil premium as in the two associated pathways mentioned above. Whether the UK Government is simply decoupling pupil premium from the proxy measure of FSM and going to pay the same, or an increased, amount by using some other measure/formula remains to be seen.

School Meal Funding is a complex system. However, one of the main reasons for funding FSM is that these meals act as a nutritional safety net for pupils, and when accompanied by quality teaching and

learning, together they can reduce health and educational inequalities in our society. However, the amount of payment needed to top up FSM (i.e. robbing Peter to pay Paul), are not distributed evenly across schools. In fact, the most deprived schools have to pay the most from their operating budgets. Thus, the shortfall in FSM funding presents a source of significant social injustice between schools, and regions (as shown in Tables 1, 2, and 3).

## **Methods and Analysis**

To explore this issue further we analyse publicly available data to determine a) the current additional cost of FSM beyond government FSM funding and b) the predicted additional cost of FSM beyond government FSM funding once the FSM entitlement goes into effect. We organise these costs by schools (Tables 1 and 2) and by regions (Table 3). Data to compute these estimates were taken from the UK Government's *Schools, pupils and their characteristics* dataset: *Academic year 2024/25* published on 5 June 2025. The dataset was produced by the Department for Education (DfE) and is located at <https://explore-education-statistics.service.gov.uk/find-statistics/school-pupils-and-their-characteristics/2024-25>. The data provided by the DfE include the number of pupils in all England schools, the number of England schools, pupils eligible for universal credit (or UC) free school meals, and infants claiming Universal Infant Free School Meals (or UIFSM). Data on School Meals are available at different units such as schools, local authorities and regions. We estimate the amount of government support for FSM at 2.58 per meal in 2024/25 and at 2.61 in 2026/2027. We estimate the median cost schools pay for FSM to be £3.00 per meal. The UK Government predicts that an additional 622,000 pupils will receive FSM as a result of the change in eligibility criteria, with this number dropping across following years. Finally, because the 2024/25 data are the most recent school data available, we

model all data on these numbers and do not make any assumptions about increases or decreases in the number of pupils or their characteristics (except for the additional 622,000 pupils who will receive FSM) by schools and/or regions in 2026/27. Importantly, when estimating results by region, estimates for London must be viewed with extreme caution as it operates on a different funding formula due to the Mayor of London's universal free school meals, across all year groups, in all state funded primary schools across London Boroughs.

## **Projected Outcomes for Three Typical State Primary Schools and Three Typical State Secondary Schools**

Table 1 contains estimates of projected losses to school budgets for primary schools. We estimate this loss as what the school must pay to school caterers to 'top up' government funding in FY 2024/25. We then compare this current estimate to projected estimates in 2026/27. Turning to primary schools we see the typical size school and average levels of FSM pupils must pay providers an extra £11,092 in 2024/25 and £11,708 in 2026/2027, with the costs increasing as the percentage of FSM pupils increases.

Turning to secondary schools, Table 2 we see similar findings, with the average secondary school having to pay caterers an additional £21,227 in 2024/25 to £25,565 in 2025/26. Across both primary and secondary schools, the data clearly show that, as one might predict, the higher the percentage of FSM pupils in a school, the greater the cost that schools have to pay caterers.

## **Projected Outcomes by Regions**

Table 3 shows the projected losses to primary and secondary school budgets by region and the loss per pupil and FTE per region.

**Table 1. Projected State Funded Primary School Losses Associated with 'Top Up' Payments to FSM Providers in 2024/25 & 2026/27 for Three Typical Schools**

School Year	Typical Schools, by % FSM	No. Pupils (1)	UIFSM (R-2) Pupils (2)	UC FSM Pupils (3)	Total FSM Pupils (UIFSM + UC)	Top Up' Costs per Meal (4)	No. Meals Topped Up' per Pupil	Estimated Cost to School
2024/25	School A - 15% UC FSM, Years 3-6	272	94	27	121	£0.42	190	(£9,656)
	School B - 25% UC FSM, Years 3-6	272	94	45	139	£0.42	190	(£11,092)
	School C - 35% UC FSM, Years 3-6	272	94	62	156	£0.42	190	(£12,449)
2026/27	School A - 21% UC FSM, Years 3-6	272	94	38	132	£0.39	190	(£9,781)
	School B - 36% UC FSM, Years 3-6	272	94	64	158	£0.39	190	(£11,708)
	School C - 50% UC FSM, Years 3-6	272	94	89	183	£0.39	190	(£13,560)

(1) The mean size of a primary school in England; (2) Mean number of UIFSM pupils per school; (3) No. pupils based on school UC FSM (e.g., if 25% of pupils in 'School B' receive UC FSM in 2024/25 this corresponds to 45 pupils). In 2026/27 estimates are calculated on each school's increase (weighted by existing FSM pupils); (4) The difference between provider charges and government funding.

**Table 2. Projected State Funded Secondary School Losses Associated with 'Top Up' Payments to FSM Providers in 2024/25 and 2026/27 for three Typical Schools**

School Year	Typical School, by % FSM	No. Pupils (1)	UC FSM Pupils (2)	'Top Up' Costs per Meal (3)	No. Meals 'Topped Up' per Pupil	Estimated Cost to School
2024/25	School A - 15% FSM	1062	159	£0.42	190	(£12,688)
	School B - 25% FSM	1062	266	£0.42	190	(£21,227)
	School C - 35% FSM	1062	372	£0.42	190	(£29,686)
2026/27	School A - 19% FSM	1062	206	£0.39	190	(£15,265)
	School B - 33% FSM	1062	345	£0.39	190	(£25,565)
	School C - 45% FSM	1062	482	£0.39	190	(£35,716)

(1) The mean size of a secondary school in England; (2) Number of pupils based on school FSM (e.g., if 25% of pupils in 'School B' receive FSM this corresponds to 266 pupils. In 2026/27 estimates are calculated on each school's increase (weighted by existing FSM pupils) in FSM pupils; (3) the difference between provider charges and government funding.

**Table 3. Projected Primary and Secondary School Losses Associated with 'Top Up' payments to FSM Providers in 2024/25 & 2026/27 by Region**

School Year	Region	No. Pupils	UIFSM Pupils	FSM Pupils (1)	Total FSM Pupils (UIFSM + means tested FSM)	Top Up' Costs per Meal f(2)	Meals 'Topped Up' per Pupil	Estimated Cost to Schools in Region	Estimated Teacher Lost (FTE)	Loss Per Pupil by Region
2024/25	East Midlands	760534	123206	184569	307775	£0.42	190	(£24,560,445)	614	£32
	East of England	1033905	151098	199947	351045	£0.42	190	(£28,013,391)	700	£27
	London*	1436792	212474	359540	572014	£0.42	190	(£45,646,717)	1141	£32
	North East	406905	58723	127665	186388	£0.42	190	(£14,873,762)	372	£37
	North West	1198114	188748	331416	520164	£0.42	190	(£41,509,087)	1038	£35
	South East	1497448	244988	276748	521736	£0.42	190	(£41,634,533)	1041	£28
	South West	821167	137794	161041	298835	£0.42	190	(£23,847,033)	596	£29
	West Midlands	1003086	135094	296421	431515	£0.42	190	(£34,434,897)	861	£34
	Yorkshire / The Humber	874475	140620	234569	375189	£0.42	190	(£29,940,082)	749	£34
	Total for England	9032426	1392745	2171916	3564661	£0.42	190	(£284,459,948)	7111	£31
2026/27	East Midlands	760534	123206	237426	360632	£0.39	190	(£26,722,864)	668	£35
	East of England	1033905	151098	257208	408306	£0.39	190	(£30,255,507)	756	£29
	London*	1436792	212474	462506	674980	£0.39	190	(£50,016,031)	1250	£35
	North East	406905	58723	164226	222949	£0.39	190	(£16,520,528)	413	£41
	North West	1198114	188748	426328	615076	£0.39	190	(£45,577,127)	1139	£38
	South East	1497448	244988	356004	600992	£0.39	190	(£44,533,503)	1113	£30
	South West	821167	137794	207160	344954	£0.39	190	(£25,561,122)	639	£31
	West Midlands	1003086	135094	381311	516405	£0.39	190	(£38,265,608)	957	£38
	Yorkshire / The Humber	874475	140620	301746	442366	£0.39	190	(£32,779,290)	819	£37
	Total for England	9032426	1392745	2793916	4186661	£0.39	190	(£310,231,580)	7756	£34

(1) In 2026/27 estimates are calculated on a national increase of 622,000. Individual region estimates for 2026/27 reflects a weighted FSM estimate; (2) The difference between providers charge and government funding per meal.

\* London FSM funding may depart from other regions so should be viewed with caution.



level. To illustrate, if we look at the difference between the North East and the East of England, while a shortfall in FSM funding to secondary schools in both regions have a significant deficit to their teaching and learning budgets, there are clear regional differences at the pupil level between regions, with a loss of £41 per pupil in the North East of England compared to a loss of £29 per pupil in the East of England, fuelling disparities between regions.

We have also included a column for the estimated loss in funding for schoolteachers, based on how many FTE teachers could be employed, if school meals were properly funded.

This final table clearly shows that whilst the UK Government's policy for FSM will provide an additional 622,000 families with FSM, thereby alleviating some of the existing financial pressures on families; it comes at a cost to many pupils, particularly those attending schools that have a high percentage of FSM children on the school roll. This is mirrored in the regional data that clearly show that poorer regions of the country experience, proportionally, greater losses as calculated by the loss per pupil.

### **Conclusions and recommendations**

The reported losses at pupil, school and regional level, presented in this paper, result from the UK Government not properly funding FSM in England and will undoubtedly result in some school being able to provide fewer learning opportunities (e.g. forest schools) to our most disadvantaged pupils, further entrench the well-known gap in educational attainment, and reduce upward social mobility through a lack of proper investment in children and young people. Whilst we support the UK Government's new eligibility criteria for FSM, it appears that, in effect the UK Government is asking many schools 'to rob Peter to pay Paul'. Decades of research has shown that health and education go hand in hand! It is no good having children who are not too hungry to learn if the UK

Government is not properly investing in the learning.

### **Recommendations**

- Increase UK Government funding per FSM to enable all caterers to offer a healthy, nutritious meal that complies to SFS, using locally sourced food where/when possible.
- Stop schools from having to take money from their teaching and learning budgets to breach the deficit between DfE funding and costs charged by school caterers.
- Explore funding models and mechanisms that are more socially just to all school caterers and schools regardless of size and geographic location.
- Increase funding, aligned to school meal funding in the devolved nations, to enable effective implementation and delivery of the current, and forthcoming revised, SFS.
- Provide flexibility in the delivery of food to SEND pupils and cost appropriately.

### **References**

LG Inform: Improving services through information. Available at [https://lginform.local.gov.uk/reports/lgastandard?mod-metric=2198&mod-area=E10000019&mod-group=AllCountiesInCountry\\_England&mod-type=namedComparisonGroup&mod-period=1](https://lginform.local.gov.uk/reports/lgastandard?mod-metric=2198&mod-area=E10000019&mod-group=AllCountiesInCountry_England&mod-type=namedComparisonGroup&mod-period=1)

School and Pupils and Statistics Team. 2025. Schools, Pupils and Their Characteristics, Academic Year 2025/25. Available at <https://explore-education-statistics.service.gov.uk/find-statistics/school-pupils-and-their-characteristics/2024-25>

### **Corresponding author:**

[greta.defeyter@northumbria.ac.uk](mailto:greta.defeyter@northumbria.ac.uk)



