



The cost of school meal debt

November 2024

This short report looks at the challenges facing schools when implementing a means-tested school meal system, and the debt families are incurring for school meals in primary schools across England (excluding London where all children are offered a free school meal through the Mayor of London's universal primary policy). Our report is based on survey responses from 176 schools, with the vast majority of responses from school business managers. The survey sample includes schools in every region in England and covers primary maintained and academised schools and SEND schools. The survey looked at how schools manage payments for school meals, the levels of debt families had at the end of the 2023/24 academic year, how many families were affected by this issue, how these numbers compared to previous academic years (2021/22 and 2022/23) and the challenges around dinner money debt for parents, pupils and schools.

Summary of findings

- Managing a means-tested school meal system is complex and time consuming for schools. From registering pupils for free school meals (FSMs), to monitoring lunchtime payments and managing debt by calling families or moving children onto packed lunches, the system requires extensive coordination from school staff.
- On average, primary schools in England (maintained and academised) and SEND schools had around £1,000 of dinner money debt at the end of the academic year 2023/24. While not all schools reported debt, in schools that did, debt ranged from £3 to as much as £22,000.
- Overall, debt has risen by around 50 per cent over the past two academic years (2021/22 compared to 2023/24), but there is great variation at school level. Some schools (12 per cent) saw a decrease in debt, while others (39 per cent) saw it increase by up to 100 per cent. The remainder (49 per cent) saw no change over this period.¹
- Increases in school meal debt are likely driven by a combination of more families being indebted than before (33 per cent of schools said more families are affected by dinner money debt than in previous years) and the average level of debt per household increasing.

¹ Schools who responded to the survey (and responded to all questions on historic debt) appear broadly representative of the wider school population as their average means-tested FSM registration rate was similar to the national average. However, we cannot rule out that schools were more or less likely to respond based on unobservable characteristics related to their level of debt.

- Schools also employ different approaches to managing debt and this affects debt levels. For example, some schools do not allow any debt to be incurred, others cap debt at a set amount, and some encourage children to move to packed lunches if families are indebted.
- Schools report that challenges around paying for school meals particularly affect those just above the FSM eligibility threshold, which in England is set at £7,400 annual earned income for those in receipt of universal credit.
- Schools are working hard to support families and have put approaches in place to try to limit dinner money debt and mitigate its impact. However, managing school meal payments and dinner money debt is affecting school budgets, relationships with parents and children's experiences in the dining hall.

Introduction

In primary schools and SEND schools in England, some children have school meals and some bring in packed lunches from home. All children in reception to Year 2 are eligible for universal infant free school meals (UIFSMs). From Year 3 to Year 6, around 1 in 4 children (24.6 per cent) are eligible for government-funded FSMs based on their household income, while other families in these year groups who opt for school meals have to pay for them. Different schools use different payment methods, including online payment platforms, apps or cash. Children in primary schools are often still given lunches even if there is no credit on their lunch account, and this is how dinner money debt is incurred. Some parents are able to quickly address this negative balance. However, at a time when many families are struggling to make ends meet, these payments can be hard for some to keep up with. They can, depending on school approaches, lead to debt growing over time. In this report we explore the complexities of a means-tested system, whether the issue of debt has increased in recent years, whether it is affecting more families and what impact it has on school communities.

Findings

Schools are seeing families struggle with the cost of school meals and this is resulting in school meal debt building up. Schools observe that dinner money debt particularly affects those just outside of FSM eligibility. While the level of debt varies greatly across schools, our survey shows that on average schools had around £1,000 worth of outstanding payments at the end of the last academic year. However, some schools had no debt, and some had as much as £22,000.

'We have a small pocket of families that have difficulties with dinner money debt – they sit just above Pupil Premium children [who are eligible for FSMs] – so have tried several times to make a claim but do not qualify but really struggle to pay for their meals and other items – we would really value some help with that category of children as they just cannot pay but do not qualify for any help.' School business manager, Yorkshire and the Humber

'Most impacted are working families who are just past threshold of FSMs and struggle to find money to pay for dinners.' School business manager, North East

'Dinner money debt and the cost of living crisis is a real-life prevalent issue in schools and lots of families in need should qualify for FSMs but are marginally over threshold. The two-child benefit cap is very restrictive and impacts very worryingly on people.' School business manager, North West

To prevent school meal debt rising further some families are moving children to packed lunches. In some cases, schools also encourage families to take up this option (45 per cent of schools said this is

one of the ways they manage debt). However, school staff reported that this shift can lead to children having a less nutritious meal in the middle of the day, and more children being hungry.

'We have had an increase in packed lunches, [however] the quality and quantity of the food parents provide in the lunch boxes has declined.' School business manager, North West

'The main thing that's happening in our school is due to rising costs as soon as children go into juniors they start bringing a packed lunch so they don't incur debt. This is detrimental to young children's health especially in the winter months when they would benefit greatly from a hot meal. In my opinion all primary school children should get FSMs to promote healthy eating.' School business manager, North East

As food prices have gone up in recent years, the cost of school meals has increased both for families and for schools who often subsidise catering. Schools feel that the money they receive for government-funded schemes like UIFSMs is not enough, and at the same time they are trying to avoid passing on rising costs to families who are paying for school meals.

'For the last 5 years, we have kept the price of school dinners low to the point where the school is subsidising them to keep them affordable. This obviously has a knock-on effect to other areas of the budget.' School business manager, North West

The issue of dinner money debt has worsened in recent years. Our survey shows families' dinner money debt has risen overall by 50 per cent between the academic years 2021/22 and 2023/24. This is likely because more families than before now owe money for school meals and because the amount that individual households owe is higher than in previous years.

'We have a lot of families who don't quite qualify for FSMs, but who have very little disposable income and struggle to make ends meet every month. I believe the FSM threshold is ridiculously low.' School business manager, North West

However, while debt overall has increased, this is not a consistent trend across all schools. Thirty-nine per cent of schools have seen increases, while 49 per cent reported that debt has stayed the same over this period. Many schools (70 per cent) also reported that they cap school debt so it cannot go over a set amount. A few schools (13 per cent) said that debt has decreased, with some attributing this to new systems that didn't allow families to incur debt eg, meals can only be pre-ordered if money is on the account.

The build-up of school meal debt has a knock-on effect on school budgets (71 per cent of schools agree or strongly agree). Schools reported that while school budgets are already tight, outstanding school meal payments are adding to strains. Some schools are absorbing these costs with 28 per cent of schools reporting they wipe debt for some families.

'Some families are really struggling – in an increasing number of cases we wipe off all or a significant sum of the debt ourselves. Rising costs forced upon us are not helping the situation as schools themselves are struggling with an ever-diminishing budget. We tend to get back approx 60-70 per cent of the long-term outstanding debts and seek ways to write off the rest / make adaptations for the next academic year.' School senior leader, North West

'We will always feed our children – especially the most vulnerable. It therefore ultimately adds to the strain on an already depleted school budget.' School senior leader, West Midlands

Managing and monitoring school meal payments and debt is taking up staff time and capacity (82 per cent of schools agree or strongly agree). Schools shared the various approaches they were taking to

manage lunchtime payments and the time spent, particularly by admin staff, tracking dinner money debt, making calls to parents and managing unpaid balances. They also shared that without these processes in place debt levels would be higher.

'School invests a huge amount of staff time monitoring and chasing dinner money, without this debts would be a lot higher.' School business manager, Yorkshire and the Humber

'This unpaid debt is a considerable burden on our school. Chasing these debts consumes a significant amount of staff time – the administrative workload involved in tracking down payments, sending reminders, and managing unpaid balances is substantial.' School business manager, Region unknown

'Chasing debt' creates a clear tension between parents and schools and can make it harder for schools to speak to families about other things. Seventy-three per cent of schools reported that school meal debt puts a strain on relationships with parents. They shared that families often feel embarrassed or defensive when speaking about this issue and sometimes avoid phone calls from the school when debt is outstanding. The majority of schools (70 per cent) also carry debt over to the new academic year so tensions with families are often ongoing.

'Full time job chasing debt. Feel embarrassed constantly contacting parents. Parents complain when we chase. Request child to bring packed lunches until debt is cleared. Repetitive cycle.' School business manager, Yorkshire and the Humber

'It's socially embarrassing for parents having school contact them re dinner.' Senior leader of a Multi-Academy Trust (MAT), East Midlands

'It causes a breakdown in relationships with staff and parents. We try and help by not allowing debt to escalate and encourage pack ups or going home for lunch.' School business manager, Yorkshire and the Humber

Challenges around dinner money debt directly affect children. Schools use different approaches to manage school meal debt, which include providing different meal options or alternative lunchtime arrangements for those with outstanding debt (9 per cent of schools) and encouraging families to move to packed lunches (45 per cent of schools). However, this can mean children have a tough time in the dining hall, with staff reporting that children feel embarrassed or upset if they don't have a packed lunch or have to have an 'alternative lunch'.

'It is not nice for children to be seen having an alternative lunchtime option.' School business manager, East of England

'Relationships is the main one. Children start to resent things and look upset at lunchtime. Some refuse to eat. Staff talk of the time it takes to sort out who is on a dinner and who isn't. Children sneak into the line to take a lunch.' Senior leader of a MAT, North West

Schools are working hard to support families in a range of ways, often working with parents to ensure debt doesn't get too high and monitoring debt so families are signposted or signed up to wider support.

'We work really hard to support our families, a significant number of whom are on free school meals. We keep a close eye on dinner money debt and contact parents straight away to stop it building up. Where there are circumstances that mean a family is having difficulty paying for meals but are not eligible for FSMs we would clear the debt, we would also offer free places at breakfast and after school clubs where appropriate. We also operate a food bank at the school which is open to any family who may need it.' School business manager, South East

'We use an online payment system that doesn't allow a family to go into debt. When a child takes a meal and there is insufficient money on the account an email is auto-generated to the parent, this is followed up by a member of the admin team. If the family is struggling financially they are referred to our parent support worker who will signpost support.' School senior leader, North West

Conclusion

Our research suggests that many families of primary-aged children are currently struggling to pay for school food. This is resulting in increased school meal debt in the system that schools have to regularly monitor and manage. Schools are responding to this in a variety of ways from absorbing debt to capping it, calling up parents who are indebted or moving children to packed lunches or 'alternative' meals. Sometimes they are using a combination of these approaches, and all of this consumes staff time. These approaches are also affecting relationships with parents and sometimes children are paying the price at lunchtime. Managing a means-tested school food system is complex and takes great coordination from schools – taking up time that could be spent elsewhere.

CPAG is calling on government to:

- Urgently review the FSM threshold so that all children in low-income households can get access to a hot, filling meal at lunchtime.
- Work towards removing means-testing from lunchtime altogether, relieving the strain on schools who are managing this system, and ensuring that all children and families can access the benefits of school food.

Method

Between July and September 2024, we surveyed head teachers, senior school leaders, academy trust executives and school business managers across England to understand more about dinner money debt in primary schools and SEND schools. We had 176 responses with representation from every region of England. On average, the FSM eligibility rate was 25 per cent, broadly in line with the national average (24.6 per cent). The sample was self-selecting. The survey asked a mixture of quantitative and qualitative questions.

With thanks

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About CPAG

Child Poverty Action Group works on behalf of the more than one in four children in the UK growing up in poverty. It doesn't have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good. We provide training, advice and information to make sure hard-up families get the financial support they need. We also carry out high profile legal work to establish and protect families' rights. Child Poverty Action Group is a registered charity in England and Wales (294841) and Scotland (SC039339).

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