The Rt Hon Kwasi Kwarteng MP

Chancellor of the Exchequer

HM Treasury

1 Horse Guards Road

London

SW1A 2HQ

XX September 2022

Dear Chancellor,

**Give workers a ‘Real Meal Deal’ to help with rising food costs**

As you know, the rising cost of living is putting workers across the country under immense pressure, particularly when it comes to the cost of food.

As a group of leading restaurant and food providers, we are writing to urge you to support a tax-relief scheme that would **give employees up to £220 a month to spend on food** during the working day, without requiring direct spending from the Government and providing an economic boost across the country.

A UK meal card scheme would give **all employees at participating employers** a meal card loaded with up to £220 each month (£10 per working day) to spend on food and non-alcoholic beverages at local restaurants and food providers that opt-in to the scheme.

This daily allowance would be provided in addition to employees’ existing salaries, and would be free of tax for both employers and employees.

The scheme would support millions of workers across the country, **cutting food bills for the lowest-income households by as much as 50%** whilst supporting the hospitality sector in a time of immense pressure.

The scheme is particularly relevant given the increasing cost pressures being felt by employees. From 1 April 2021 to 31 March 2022, the Trussell Trust’s network provided more than 2.1 million parcels to people facing financial hardship across the country. According to the Trussell Trust, around 14% of people accessing food banks are in work.

Independent economic analysis by Ignite Economics commissioned by the Real Meal Deal Campaign found that introducing a meal card scheme would provide a major boost for Britain, creating 300,000 new jobs and adding £6.4bn in GVA to the UK economy.

The scheme would be **easy for the Government to implement**, with a simple change to HMRC’s existing exemptions list for employee benefits and expenses, extending the exemption to employees without access to on-site canteens. This would offer a vital lifeline to our employees in the midst of the worsening cost of living crisis. It would also help to create greater parity between employees at large employers with access to on-site canteens that currently benefit from the Government’s existing tax-reliefs, and employees at SMEs that do not have access to these facilities.

Meal cards are proven to be highly successful, and similar schemes operate in 35 countries around the world, benefiting over 50 million people.

By boosting people’s spending power**, the scheme would drive an average 18% uplift in turnover for restaurants and food providers**, helping to alleviate pressure currently being felt by the sector in light of spiralling energy bills. This increased turnover would unlock additional tax revenue for the Treasury entirely offsetting the scheme’s costs and creating £2.5bn in net-benefits for the public purse, helping to drive long-term economic growth in the UK.

The scheme would also help to encourage employees back to town and city centres following the rise in remote working during the Covid-19 pandemic, and help local employers, food providers and restaurants to foster closer relationships, strengthening communities.

Restaurants and food providers are doing what they can to protect jobs in light of significant pressure. However, we believe the Government must do more to help employers support their employees, and to support the hospitality sector.

In times of crisis, we cannot afford to rely on the same ideas over and over again. We must instead embrace innovative policy solutions to drive the outcomes our communities desperately need. We believe the changes set out above represent the fresh thinking needed to tackle the challenge at hand, and we urge the Treasury to act quickly to seize the opportunity.

Signed: