

State of the Market Survey 2017

Local Authority Catering Services



The state of the market survey was conducted by Vickie Hacking, APSE Principal Advisor.

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Local Authority Catering Services

State of the Market 2016

APSE conducted an online survey during May 2017, which was sent out to local authority catering contacts throughout the UK and 61 responses were received.

A series of questions were asked covering attitudes to the issues currently facing catering, the operation of the catering organisation and challenges for the future. The same set of questions have been surveyed since 2008 and trends are now apparent.

The data collected through this survey is intended to provide a snapshot of the perception of local authority caterers. For detailed and verifiable comparison of both financial and performance data, authorities should consider joining APSE performance networks which covers education, civic and welfare catering.

Results

Respondents were UK wide with 63.93% from England, 21.31% from Scotland, 13.11% from Wales and 1.64% from Northern Ireland. The survey therefore reflects APSE's UK wide membership and provides a national reflection of opinion.

Of those completing the survey, 97.92% were in-house service providers although only 72.92% expect to remain within local authority control in 2 years' time; 20% expect to move to a Council wholly owned arm's length company, 16.67% expect to change to a joint venture with schools, 33.33% expect to have a joint service with another Council and 8.57% expect the service to be delivered by a private contractor. It was noted from the comments that were received in response to this question, that there was a view that the landscape of Local Authority Education Catering in the next two years would be to a large extent dictated by schools' due to the increased devolved powers they now have.

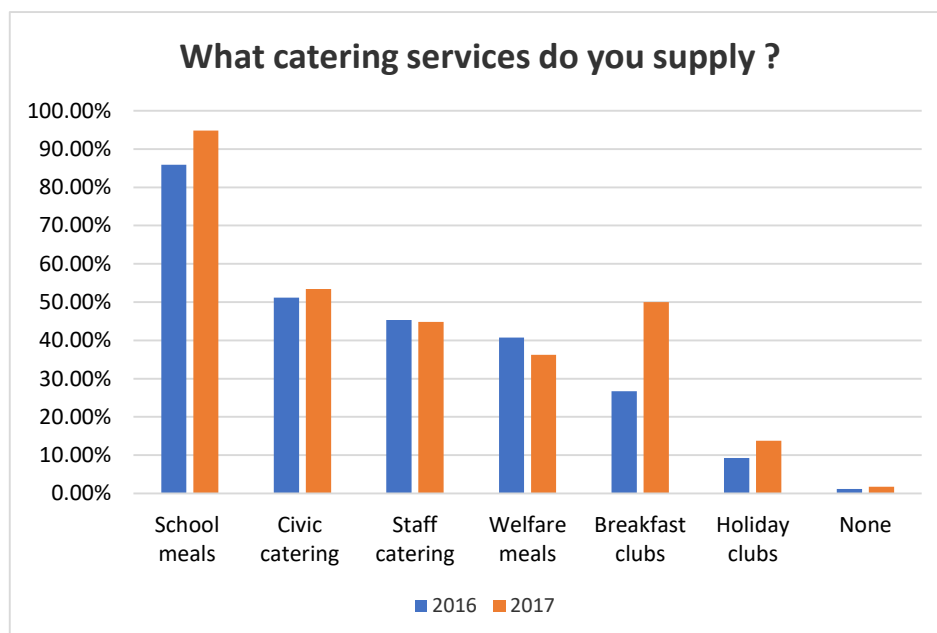
Amongst the respondents, school catering remains the largest area with 94.83% of caterers delivering this service, 53.45% deliver civic catering, 44.83% deliver staff catering and 36.21% deliver welfare meals. 50% also deliver breakfast clubs and

13.79% deliver holiday clubs. Other catering services supplied by respondents included:

- Commercial catering and hospitality (e.g. cafes, bars, functions, events/meeting catering)
- Tourism catering (e.g. catering services in country parks)
- Nursery catering
- Residential care catering
- Meals on wheels
- Lunch clubs

Personally 88.33% of catering managers anticipated an increase in their workload over the next 12 months, (in previous surveys the figures were reported as 89.7% in 2016 and 90.1% in 2015), against a 68.97% increase in that of the catering section as a whole (in previous surveys the figures were reported as 61.6% in 2016 and 75.0% in 2015), with only 5.56% personally expecting decreases and 5.17% expecting a decreased workload for the catering section. This is likely due to the continued implementation and fine tuning of Universal Infant Free School meals.

Scope of the catering service



Wage costs



The average hourly wage for a catering assistant was given as £8.19, but ranges from a minimum of £7.20 to a maximum of £10.12. This represents a 3.42% increase in the average hourly wage since the 2016 figure, likely due to the number of authorities paying the living wage.

62.96% of respondents currently pay the higher Living Wage Foundation rate (£9.40 in London and £8.25 elsewhere); of the remaining 37.04%, 1.85% will pay this rate imminently. This is a decrease of 24.66% from the last survey of those expecting a living wage to be brought in, although it is worth noting that this is likely due to many of those authorities now paying the living wage (there was a total number of 34 authorities paying the higher wage which represents an increase of 47.05% from 2016.)

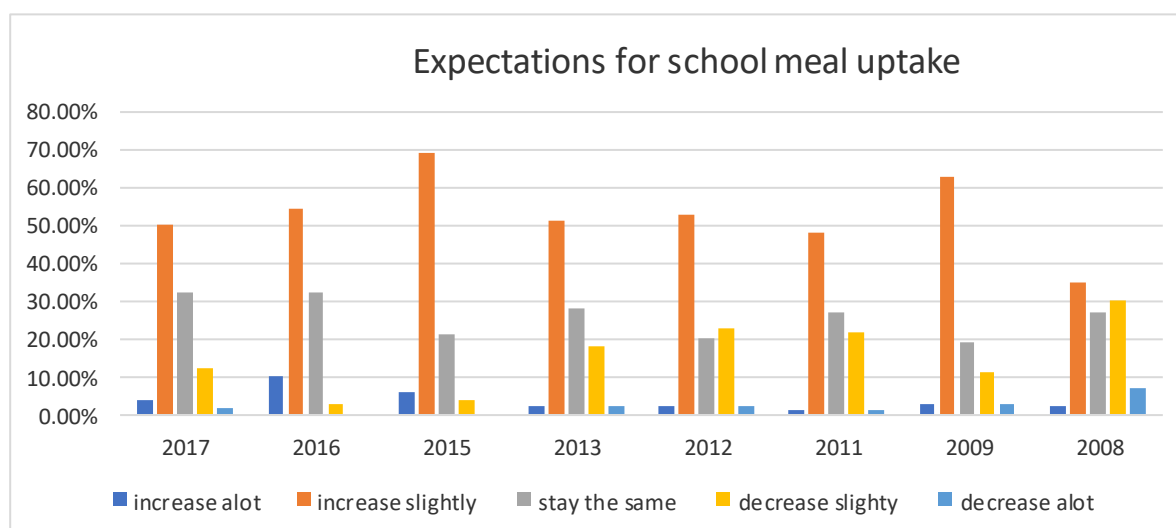
This year 38.18% of respondents operate within a central FM service including Soft FM, 5.45% operate a central FM service including Hard FM, 27.27% have a separation between education, civic and care catering, 27.27% have a standalone catering service, 14.55% have some catering contracted out, 9.09% have all catering contracted out and 18.18% reported that schools employ their own catering staff.

In-house providers have no separate legal status to the rest of the authority so typically use service level agreements as a substitute to contracts with the schools they supply. The majority (74.07%) have SLAs in place across their client base, although worryingly 20.37% have no agreement at all. This represents a 4.47% increase in those reporting they have SLAs in place and a decrease of 2.93% in those reporting that they have no agreement in place since 2016's survey.

Rating the introduction of services

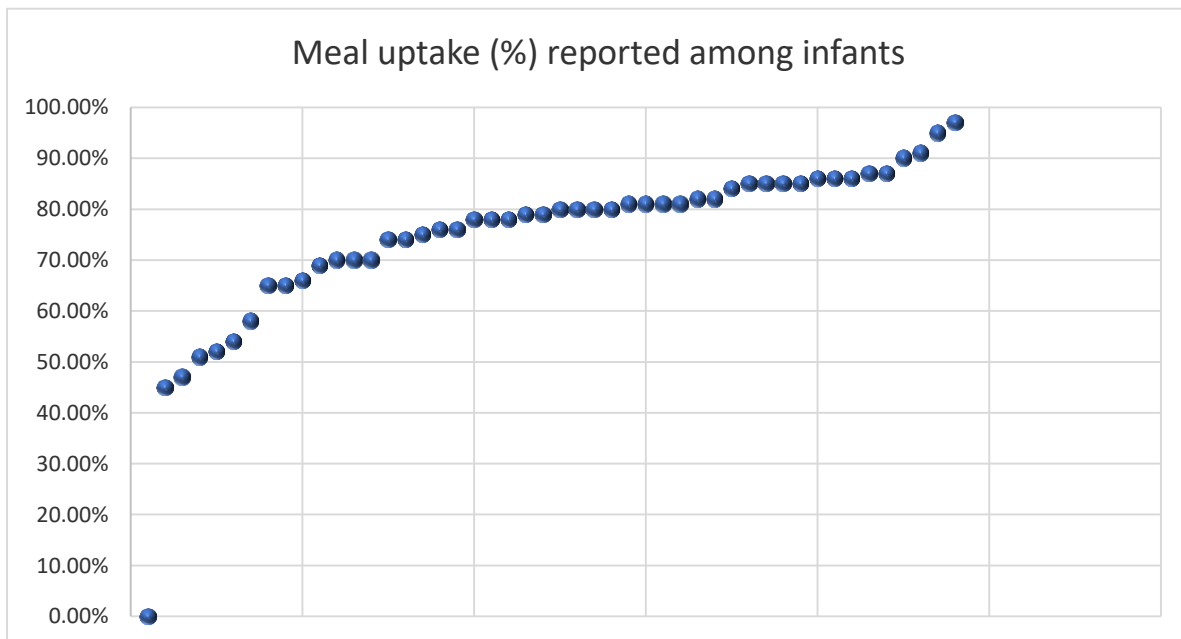
Answer options	1 (Low)	2	3	4	5 (High)	Rating average
Universal Infant Free School Meals	0.00%	1.75%	7.02%	21.05%	54.39%	3.81
Revised School Food Standards	0.00%	3.51%	19.30%	28.07%	33.33%	3.44
Food Allergen Labelling	0.00%	3.51%	15.79%	33.33%	45.61%	4.16

Expectations for school meal uptake



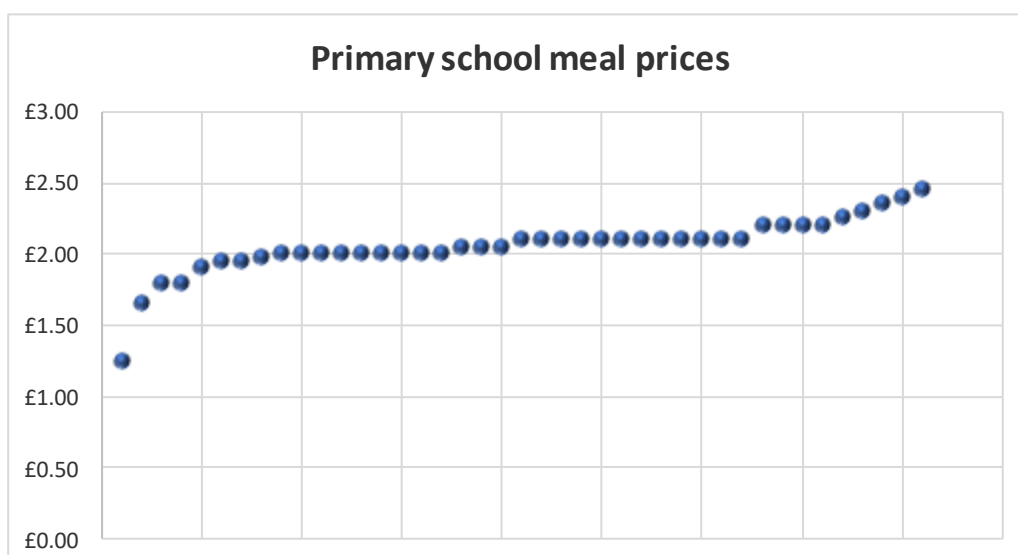
Expectations for school meal uptake have remained high, with a total of 64.9% expecting increases, 32.5% expecting uptake to remain the same and only 2.6% expecting a decrease in uptake.

Meal uptake (%) reported among infants



The average percentage of meal uptake among infants was 74.74% for 2017 compared with 76.3% in 2016, with the lowest being reported as 0% and the highest being 97.0%.

Primary school meal prices

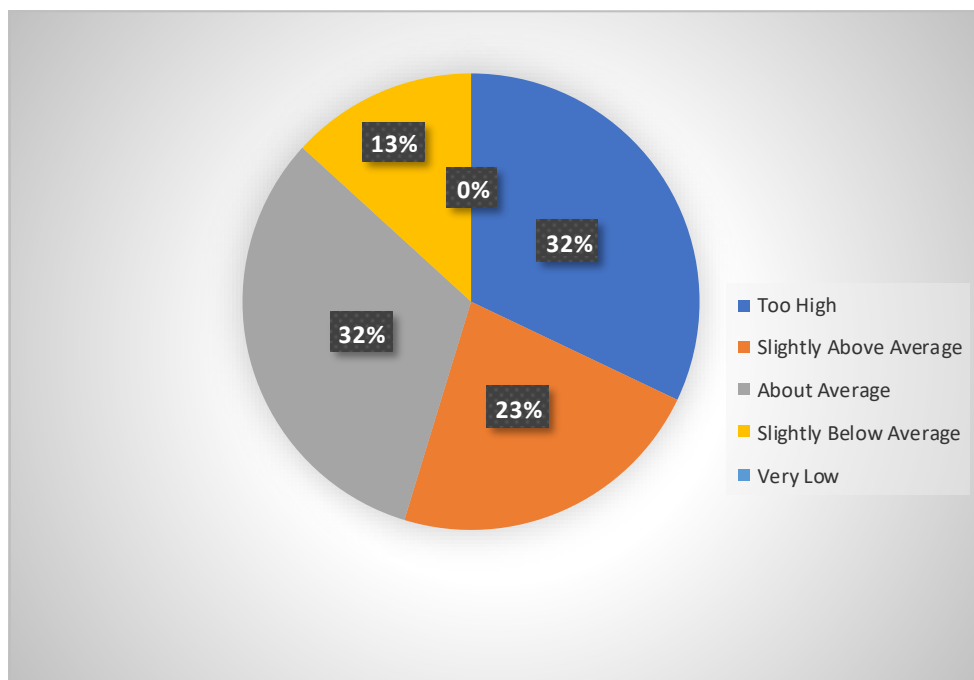


The most frequently quoted price for school meals is £2.10 with 12 of the responders quoting this price, although meals range from £1.25 to £2.45. The overall average has risen very slightly to £2.05 from the reported average of £2.03 in 2016.

Expectation of change to catering income over the next year.

Answer options	Increase A Lot	Increase Slightly	Stay the Same	Decrease Slightly	Decrease A Lot
Catering Income 2017	1.75%	54.39%	21.05%	21.05%	1.75%
Catering Income 2016	10.8%	45.8%	30.1%	13.3%	0.0%

Attitude to absence

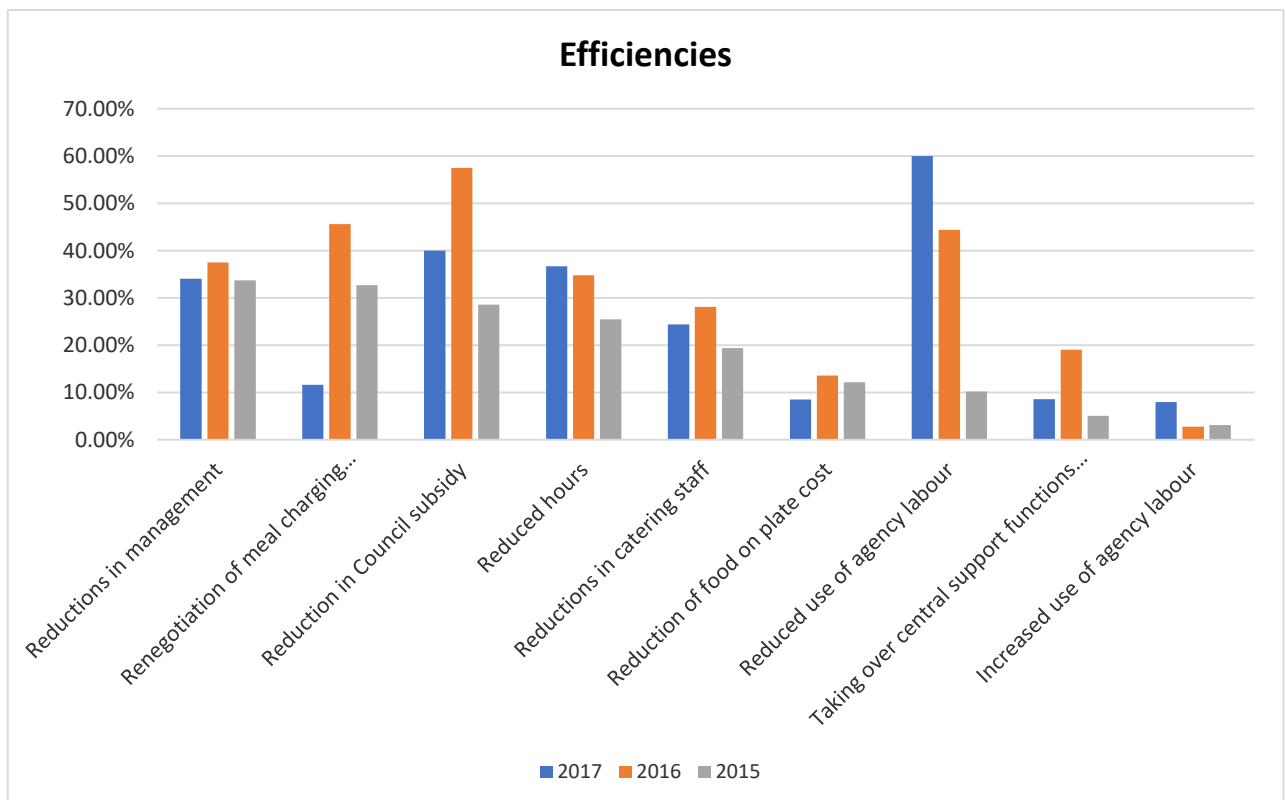


Attitudes to absence show that 32.08% feel this is too high, 22.64% report this is currently slightly above an acceptable level, with 32.08% reporting this is 'about average' and the remaining 13.21% reporting this is 'slightly below average'. Those reporting absence rates being too high or slightly above average has increased by 19.2% since the last survey, showing that this is an area of concern in many authorities. 96.08% have regular staff training, 84.31% have regular staff appraisals and 39.22% currently hold an Investors in People Award (continuing a downward trend from 42.7% in 2015 through to 62.0% in 2011). 58.82% have a regular catering section newsletter.

Data collected by APSE performance networks for 2015-16 across more than 50 authorities shows an average absence rate of 4.65% in catering services.

Efficiencies

This survey took place against a continuing pressure on local authority budgets. Anticipating the drive for value for money and efficiency we gauged the anticipated actions to realise savings:



The 2017 survey highlighted that the following three areas were expected to be the focus for change over the next year: -

- Reduction in agency labour – 60%
- Reduction in Council subsidy – 40%
- Reduction in hours – 36.73%

This compares to the survey in 2016 where the three areas of expected change were reported as being: -

- Reduction in Council subsidy – 57.5%
- Renegotiation of meal charging methodology – 45.6%
- Reduction in the use of agency staff – 44.4%

The survey in 2015 reported that the three main areas were: -

- Reductions in management – 33.7%
- Renegotiation of meal charging methodology – 32.7%
- Reduction in Council subsidy – 28.06%

The changes in the three areas of focus over the years highlight that as austerity continues to impact on Councils' budgets Councils continue to look at ways to improve efficiency and be more commercial in the services they offer.

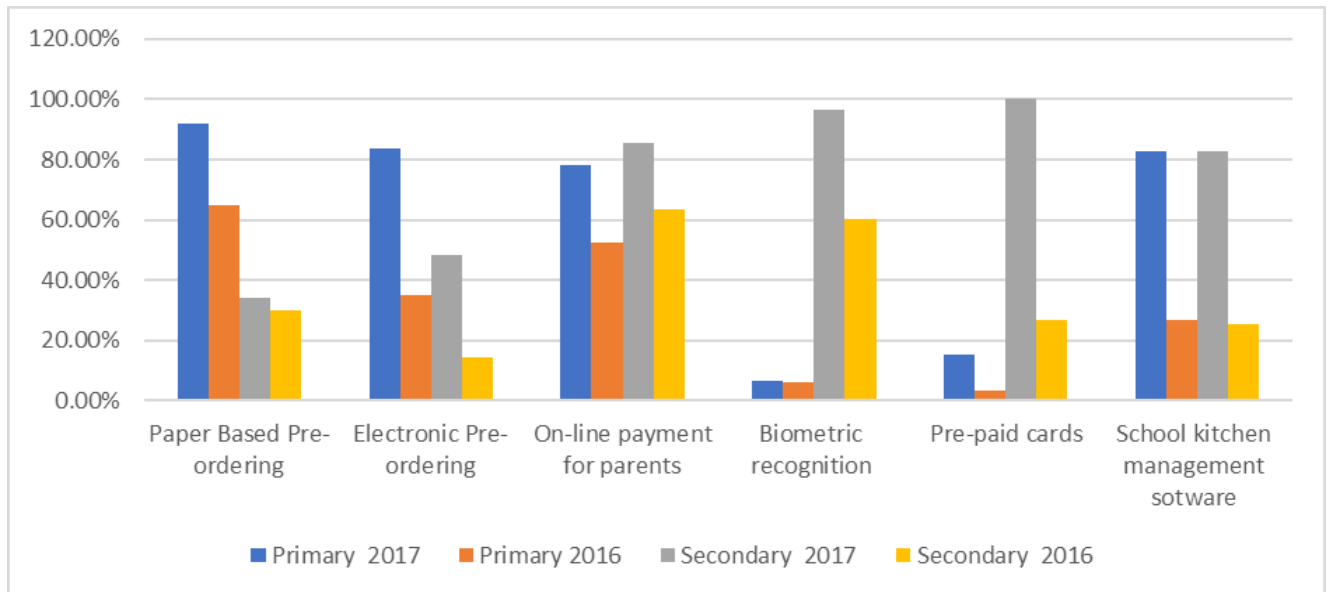
Healthy eating agenda

Caterers were asked to provide their opinion on a range of statements shown below:

Answer options	Disagree Strongly	Disagree	Agree	Agree Strongly	No opinion
We receive too many catering/food surveys	1.75%	57.89%	10.53%	1.75%	28.07%
The Healthy Eating agenda has gone too far	15.79%	49.12%	21.05%	5.26%	8.77%
School meals should be free for all pupils	3.51%	21.05%	35.09%	35.09%	5.26%
All Academies should be subject to food standards too	0.0%	0.0%	22.81%	68.42%	8.77%
School meals are an important facet in tackling obesity	0.0%	7.02%	19.30%	68.42%	5.26%
The Sugar Tax should be extended to all sugary items	5.26%	26.32%	40.35%	21.05%	7.02%

The majority of respondents disagreed with the statements 'we receive too many catering/food surveys' (57.89%) and 'the Healthy Eating agenda has gone too far' (49.12%). Respondents either agreed or agreed strongly with the following statements: 'school meals should be free for all pupils' (70.18%), 'all Academies should be subject to food standards too' (91.23%) and 'school meals are an important facet in tackling obesity' (87.72%). The responses to the last statement 'the sugar tax should be extended to all sugary items' also showed that the majority agreed or strongly agreed (61.40%).

Technology



Many Councils use a catering software package to comply with nutritional requirements. Several systems exist to assist with productivity to reduce queuing, waste and the requirement to handle cash. The graph shows those confirming that they use techniques in at least one school, and includes a comparison between 2016 and 2017. The use of paper-based pre-ordering in primary schools has increased by 27% from 2016 to 92.11%, electronic pre-ordering has also seen a significant increase in primary schools with an increase of 48.97% to 83.87% of respondents reporting the use of this method. Online payments are utilised in primary and secondary schools and the survey shows that there has been an increase to 78.05% and 85.37% respectively. Biometric recognition and pre-paid cards have both seen significant increases in secondary schools with 96.77% reporting the use of biometric recognition and 100% reporting using prepaid cards in secondary school. However, the results of the survey show that these technologies are not currently utilised in primary schools.

The use of kitchen management software has seen a significant increase in both primary and secondary schools with 82.61% of respondents reporting that they use the software in both areas, which has increased significantly from 27% in primary schools and 25.4% in secondary schools.

Comments on the future

Growth areas

Clearly there will be some variance in answers between the authorities responding to this question, with a minority reporting that they do not foresee any area of growth for their service. Catering managers saw growth for the service over the next 12 months in the following areas:

- Primary and secondary school meals (with increased KS2 pupils coming from the universal infant free school meals service)
- Increasing nursery meals provision
- Schools in other authorities (contracts outside local authority area)
- Private sector managed or self-managed schools, especially those falling foul of food safety legislation
- Education service - Providing food safety and nutrition knowledge and training to groups of children and specific groups / selling training to schools
- Commercial private sector selling (hospitality catering and local businesses)
- Internal and external partnership working with other departments and local Authorities
- Holiday food

Areas of future decrease

Again, many local authorities responding to this question reported that they do not expect any areas of decrease in their service. Decreases in work for the service were identified in the following areas:

- Additional catering service delivery to other departments due to diminishing budgets
- Civic catering
- Academies in general
- Academy trusts already having a procured catering provider / academies taking on contracts themselves / schools taking catering in-house
- Competitors offering lower priced services
- Removal of advisory role to social care services
- Loss of secondary contracts
- Possibilities of external contractors being awarded internal services
- Staff welfare

- School meals in the event UIFSM funding is withdrawn
- Social / Welfare meals

The Association for Public Service Excellence

APSE member authorities have access to a wide range of membership resources to assist in delivering council services. This includes our regular advisory groups, specifically designed to bring together elected members, directors, managers and heads of service, together with trade union representatives to discuss service specific issues, innovation and new ways of delivering continuous improvement. The advisory groups are an excellent forum for sharing ideas and discussing topical service issues with colleagues from other councils throughout the UK.

Advisory groups are a free service included as part of your authority's membership of APSE and all end with an informal lunch to facilitate networking with peers in other councils. If you do not currently receive details about APSE advisory group meetings and would like to be added to our list of contacts for your service area please email enquiries@apse.org.uk.

Our national advisory groups include: -

- Building Cleaning
- Catering
- Cemeteries and Crematoria
- Environmental Health Advisory Group
- Housing, Construction and Building Maintenance
- Local Authorities Commercialisation, Income and Trading Network
- Parks, Horticulture and Grounds Maintenance
- Renewables and Climate Change
- Roads, Highways and Street Lighting
- Sports and Leisure Management
- Vehicle Maintenance and Transport
- Waste Management, Refuse Collection and Street Cleansing

If you require any further information on the findings of this State of the Market survey 2017 please contact Vickie Hacking at vhacking@apse.org.uk or by phone at 0161 772 1810.