

# State of the Market Survey 2018

## 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

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## State of the Market 2018

APSE conducted an online survey, which was sent out to local authority catering contacts throughout the UK and 65 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.

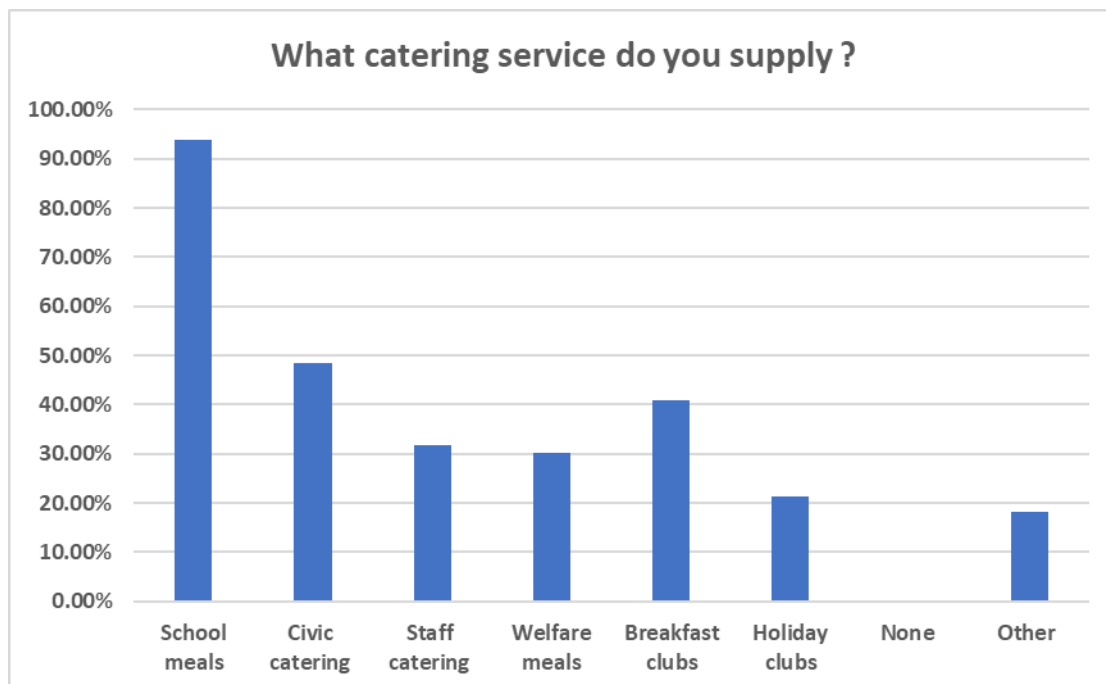
The data collected through this survey is intended to provide a snapshot of the perception of local authority caterers. For detailed and verifiable comparison of both financial and performance data, authorities should consider joining APSE performance networks which covers education, civic and welfare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

## Results

Respondents were UK wide with 72.73% from England, 15.15% from Scotland, 12.12% from Wales. The survey therefore reflects APSE's UK wide membership and provides a national reflection of opinion.

## Scope of the catering service

The graph below outlines what catering services councils supply



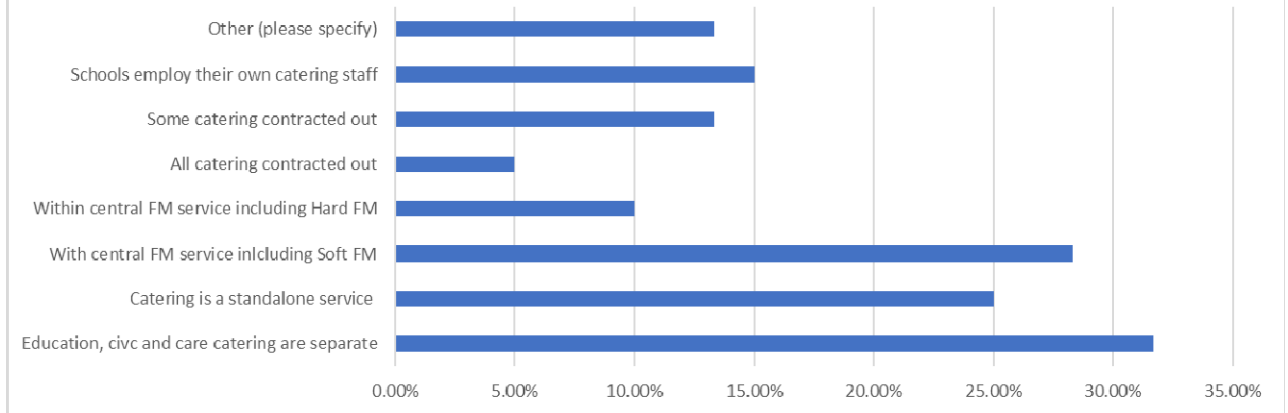
Amongst the respondents, school catering remains the largest area with 93.94% of caterers delivering this service, 48.48% deliver civic catering, 31.82% deliver staff catering

and 30.30% deliver welfare meals. 40.91% also deliver breakfast clubs and 21.21% 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
- Lunch clubs

The survey asked how the catering service was organised in the council/organisation, the graph below sets out details of the responses received.

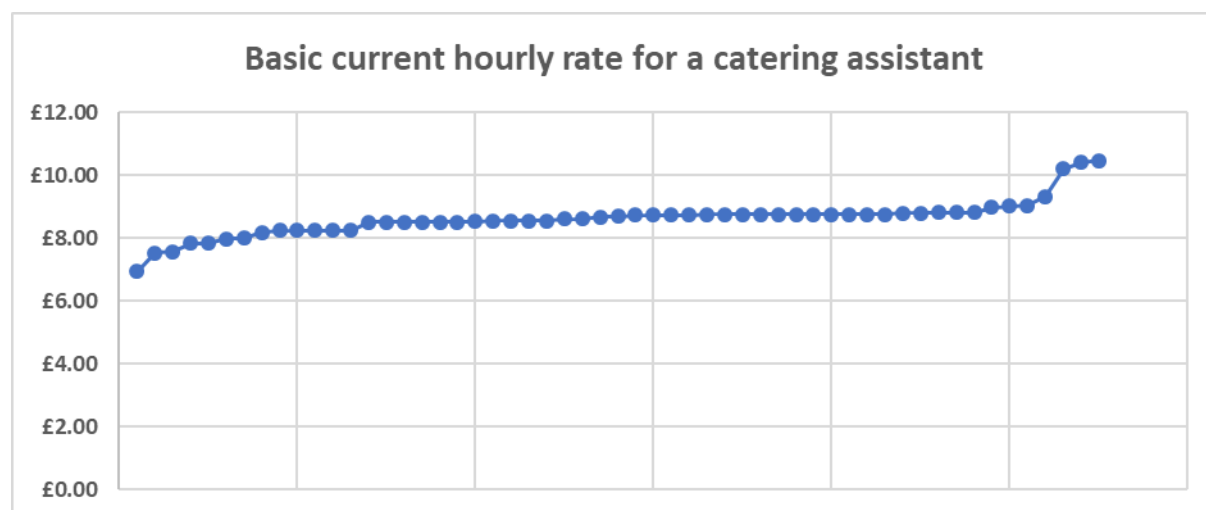
## How is the catering service organised in your Council / Catering organisation



There was 28.33% of respondents operate within a central FM service including Soft FM, 10% operate a central FM service including Hard FM, 31.67% have a separation between education, civic and care catering, 25% have a standalone catering service, 13.33% have some catering contracted out, 5% have all catering contracted out and 15% 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 (SLAs) as a substitute to contracts with the schools they supply. The majority (75.86%) have SLAs in place across their client base, although worryingly 15.52% have no agreement at all. The number of respondents reporting that they have SLAs in place is consistent with the 2017 survey. A small number of respondent (8.62%) have a few in place which may indicate that the councils who had not had SLAs in place previous are starting to adopt this approach.

## Staffing



The average hourly wage for a catering assistant was given as £8.62, but ranges from a minimum of £6.94 to a maximum of £10.46. This represents a 5.25% increase in the average hourly wage since the 2017 figure, likely due to the number of authorities now paying the living wage.

The vast majority of respondents 77.19% report that they pay the National Living Wages which compares with 62.96% of respondents in the last survey.

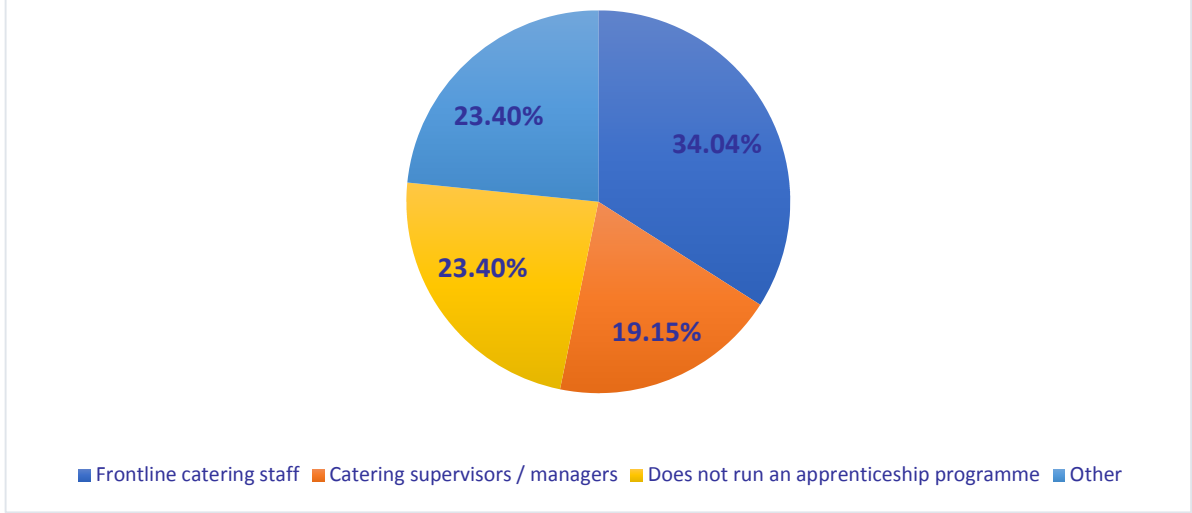
## Workload

The survey asked how workload was expected to change over the next 12 months both personally and for the wider catering section.

The majority of respondents (82.81%) expected that their personal workload would increase, 15.63% thought it would stay the same and 1.56% believed their personal workload would decrease. When referring to the catering section, 67.69% of respondents expected that the workload would increase, 26.15% thought it would remain the same over the next year and just over 6% believed it would decrease.

For 2018, the APSE State of the Market survey asked questions regarding apprenticeship programmes and if councils offered apprentices in the catering service. The chart below highlights the areas of the service that councils have apprenticeships in place.

### Does your service offer any of the following apprenticeships

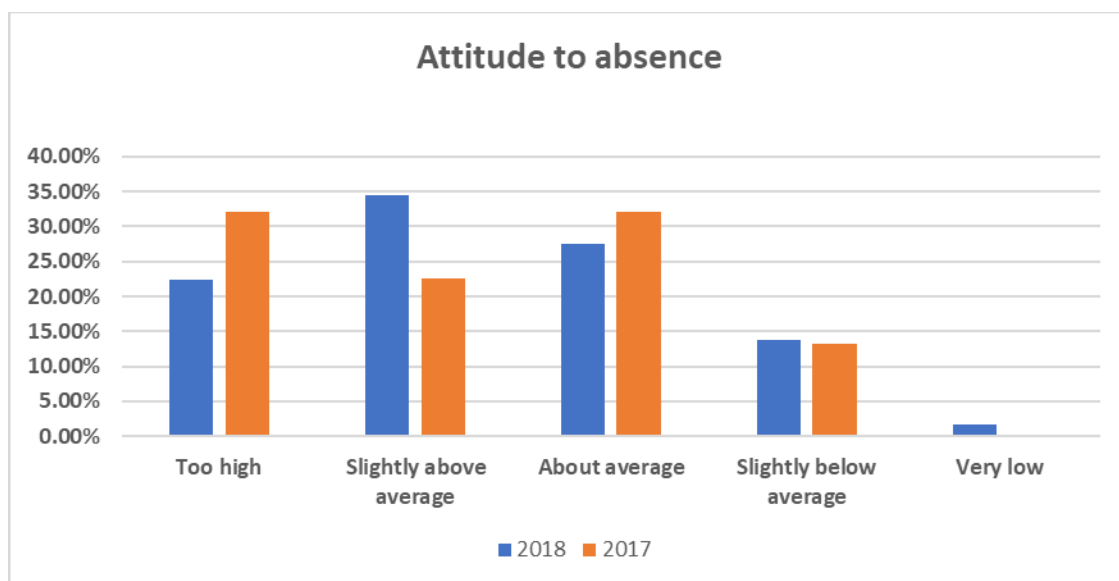


From the respondents who stated other they reported that they offered apprenticeships in the services back-office function, such as a business support apprenticeship.

The survey also queried what percentage of the workforce were apprentices. The vast majority of respondents (95.83%) advised that apprentices made up 0-5% of the workforce, with 2.08% stating that apprentices accounted for 5 – 10% of the workforce.

### Absence

The State of the Market survey sought to establish whether respondents felt that the level of staff absence was acceptable in their service. The graph below outlines the views of the respondent and provides a comparison to what was reported in the 2017 survey.



The percentage of respondents in the 2018 survey reporting that absence is too high has seen a decrease of 30.14%. However, there has been an increase by 34.34% of respondents reporting that it is slightly above average. The findings of the survey highlight that staff absence continues to be an ongoing concern with the vast majority of respondents (84.48%), stating that staff absence is above average; slightly above average; or too high.

Investing in staff training remains high with 96.43% of reported that they have regular staff training and 78.57% report that regular staff appraisals are undertaken. There are 33.93% of organisation holding an Investor in People certification, and 67.86 state that they have a regular catering section newsletter.

## Rating the introduction of services

The State of the Market survey asked respondents to rate the impact of the introduction of various policies on to the organisation on a scale of 1 (negative impact) to 5 (positive impact). The table below outlines a summary of the findings.

Answer options	1 (Low)	2	3	4	5 (High)	Does not apply
Universal Infant Free School Meals	3.17%	1.59%	3.17%	25.40%	52.38%	14.29%
Revised School Food Standards	1.64%	9.84%	34.43%	24.59%	21.31%	8.20%
Food Allergen Labelling	0.00%	4.84%	40.32%	32.26%	22.58%	0.00%
Brexit	16.39%	18.03%	40.98%	6.56%	16.39%	1.64%

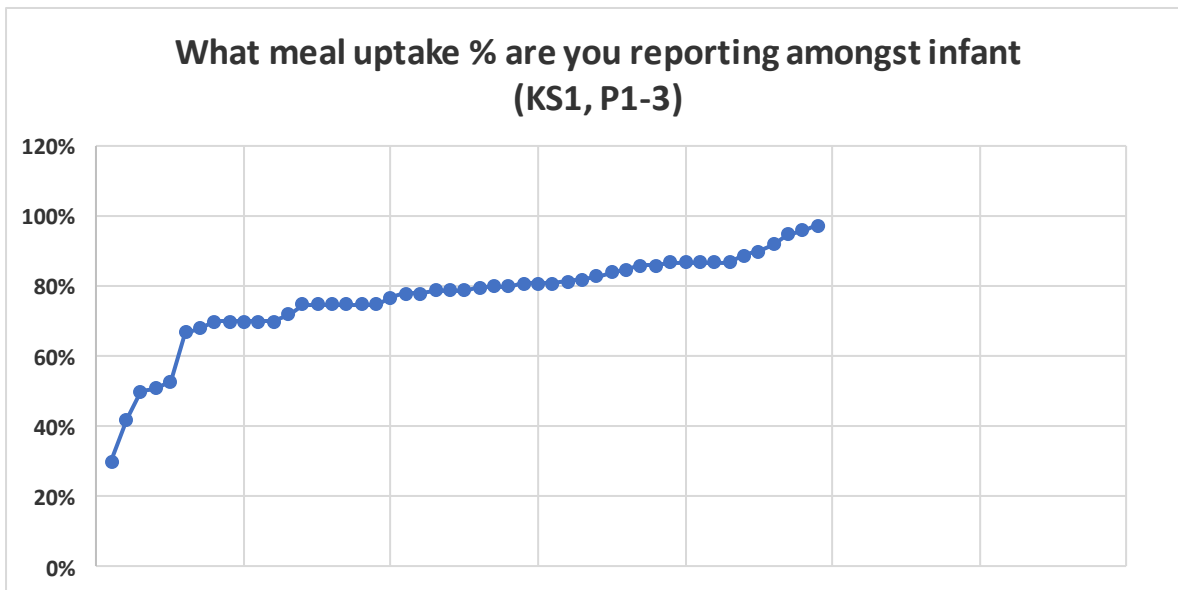
## Expectations for school meal uptake

The expectation of increases in uptake have seen a gradual downward decline since 2015 with 28.34% of respondents in 2018 anticipating that uptakes will increase slightly or increase a lot in the next year, which represents a decrease of 47.09% in expectation from 2017.

School Meal Uptakes	Responses			
	2018	2017	2016	2015
Increase a lot	1.67%	3.57%	10.40%	6.00%
Increase slightly	26.67%	50.00%	54.50%	69.00%
Stay the same	38.33%	32.14%	32.50%	21.00%
Decrease slightly	28.33%	12.50%	2.60%	4.00%
Decrease a lot	5.00%	1.79%	0.00%	0.00%

## Meal uptake (%) reported among infants





The average percentage meal uptake among infants has seen an increase to an average uptake of 77% in 2018 from the average stated 2017 (74.74%). The infant uptakes for 2018 ranged from the lowest of 30% and the highest was stated as being 97.50%.

### Primary school meal prices

The most frequently quoted price for school meals is £2.20 with 7 of the responders quoting this price, although meal prices range from £1.50 to £2.50. When making a comparison with 2017, the most quoted price was £2.10, and meal prices ranged from £1.25 to £2.45. It should be noted that for 2018 there were a percentage of the respondents reporting that there the price was set by the school; therefore, they were unable to state a single figure.

### Expectation of change to catering income over the next year.

There are 6.35% of respondents reporting that catering income will increase a lot in the next year which is an increase from the 2017 survey. The expectation that income will increase slightly has seen a decrease, however this is still the expectation from the majority of respondents.

Answer options	Increase A Lot	Increase Slightly	Stay the Same	Decrease Slightly	Decrease A Lot
Catering Income 2018	6.35%	<b>33.33%</b>	28.57%	25.40%	6.35%
Catering Income 2017	1.75%	<b>54.39%</b>	21.05%	21.05%	1.75 %
Catering Income 2016	10.8%	<b>45.8%</b>	30.1%	13.3%	0.0%

### 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 2018 survey highlighted that the following three areas were expected to be the focus for change over the next year: -

- Reduction in Council subsidy – 57.14%
- Reduction in agency labour – 51.52%
- Reduction in staff hours – 45.45%

In 2017, the respondents reported that they believed the following three areas would see the highest reductions: -

- 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 three areas of focus over the past three years highlight that as austerity continues to impact on Councils' budgets and Councils continue to look at ways to improve efficiency and be more commercial in the service they offer, a reduction in staff hours and agency is to be expected with the largest proportion of costs to the service being attributed to staffing.

## **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	0.00%	0.00%	0.00%	0.00%	100%
The Healthy Eating agenda has gone too far	12.70%	60.32%	17.46%	6.35%	3.17%
School meals should be free for all pupils	6.35%	11.11%	30.16%	47.62%	4.76%
All Academies should be subject to food standards too	0.00%	0.00%	14.29%	77.78%	7.94%
School meals are an important facet in tackling obesity	3.17%	3.17%	33.33%	57.14%	3.17%
The Sugar Tax should be extended to all sugary items	7.94%	22.22%	36.51%	25.40%	7.94%

The majority of respondents disagreed with the statement that ‘the Healthy Eating agenda has gone too far’ (60.32%). Respondents either agreed or agreed strongly with the following statements: ‘school meals should be free for all pupils’ (47.62%), ‘all Academies should be subject to food standards too’ (77.78%) and ‘school meals are an important facet in tackling obesity’ (57.14%). 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 (36.51%).

## 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 above shows those confirming that they use techniques in at least one school. The use of paper-based pre-ordering in primary schools has increased slightly from the 92.11% reported in 2017 to 93.33%, electronic pre-ordering has also seen an increase of 7.46% to 90.63% in primary schools. Online payments are

utilised in primary has increased. However, it has decreased from 85.37% in secondary sector to 79.17% in the latest survey.

A large proportion of respondents are reporting that they use of kitchen management software, 95.65% in the primary sector and 78.26% in the secondary sector.

The survey results highlight that local authority catering services are increasingly using of technology which could be a direct response to the need to make the service more efficient.

## **Selling services outside the council**

As councils seek opportunities to commercialise and safeguard the service budget, APSE was keen to establish where local authorities were selling their services. The highest percentage of respondents (46.55%) state that they sold services to Academies / Free Schools. 22.41% sell to other public sector bodies, 17.24% state that they sell the service to the private sector. A further 36.21% advise that their authority does not sell to outside the local authority. In responding to this question, there was a range of other areas that the council catering service provided services for which included: -

- Cookery classes and workshops
- Hospitality catering
- Catering for early years

## **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:

- Increasing nursery meals provision (with the introduction of the 30 hours free childcare).
- 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
- Academy trusts already having a procured catering provider / academy 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](mailto: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

The APSE Facilities, Catering and Building Cleaning Seminar scheduled on the 24 and 25 January 2019 at the Nottingham Belfry Hotel will provide an excellent opportunity to share knowledge and discuss challenges of issues such as holiday hunger and childhood obesity with sector experts and colleagues.

Details of the Seminar and how to book can be accessed via the following link: -

[APSE Facilities, Catering and Building Cleaning Seminar](#)

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](mailto:vhacking@apse.org.uk) or by phone at 0161 772 1810.