

State of the Market Survey 2022

Local Authority Catering Services



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

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State of the Market 2022

APSE conducted an online survey in December 2021 and January 2022, which was sent out to local authority catering contacts throughout the UK and 59 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 majority of the questions have been surveyed since 2008 and trends are now apparent.

The data collected through these surveys is intended to provide a snapshot of the perception of local authority caterers. For a detailed and verifiable comparison of both financial and performance data, authorities should consider joining APSE performance networks. It should also be noted, that due to the Covid-19 health pandemic, it is sensible to read across the 2022 results to 2020, rather than 2021, to provide a better comparator on emerging trends due to the impact of the pandemic on catering services.

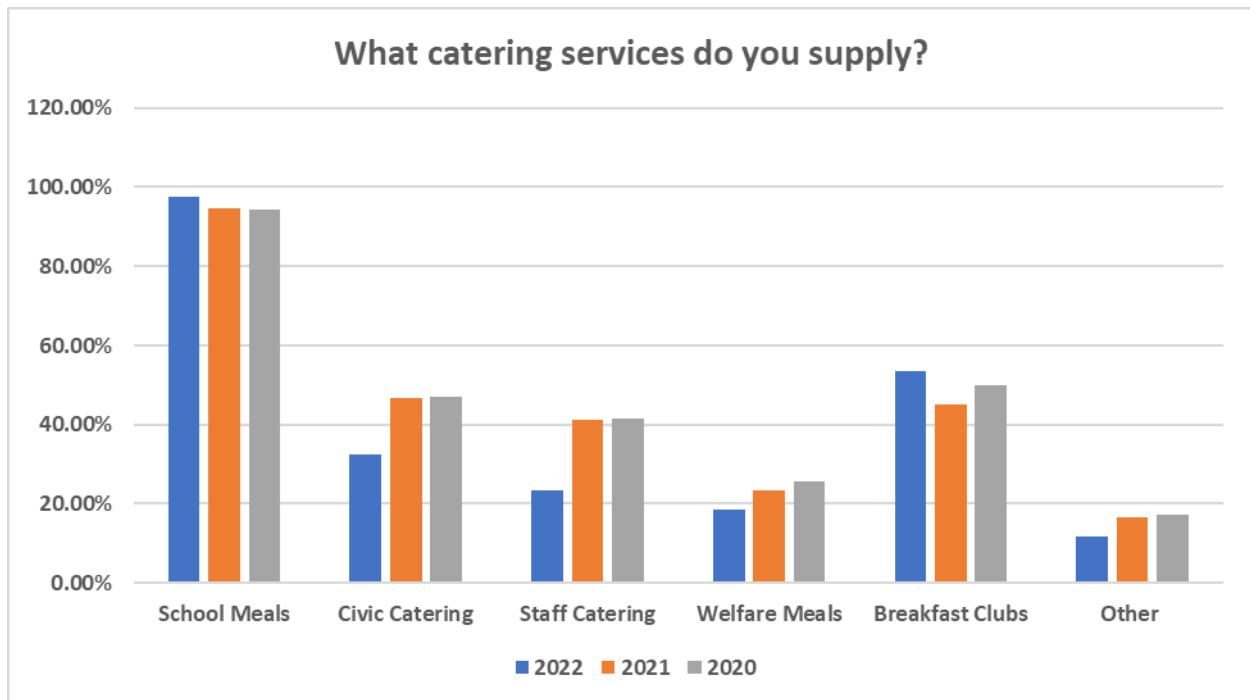
1. Results

Respondents were UK wide with 64.40% of respondents from England, 23.73% from Scotland, 6.78% from Wales and 3.39% from Northern Ireland. The survey, therefore, reflects APSE's UK-wide membership and provides a national reflection of opinion.

2. Scope of the catering service

What catering services do you supply?

The graph below outlines what catering services councils supply for 2022 and it also provides a comparison with the surveys undertaken in 2021 and 2020.



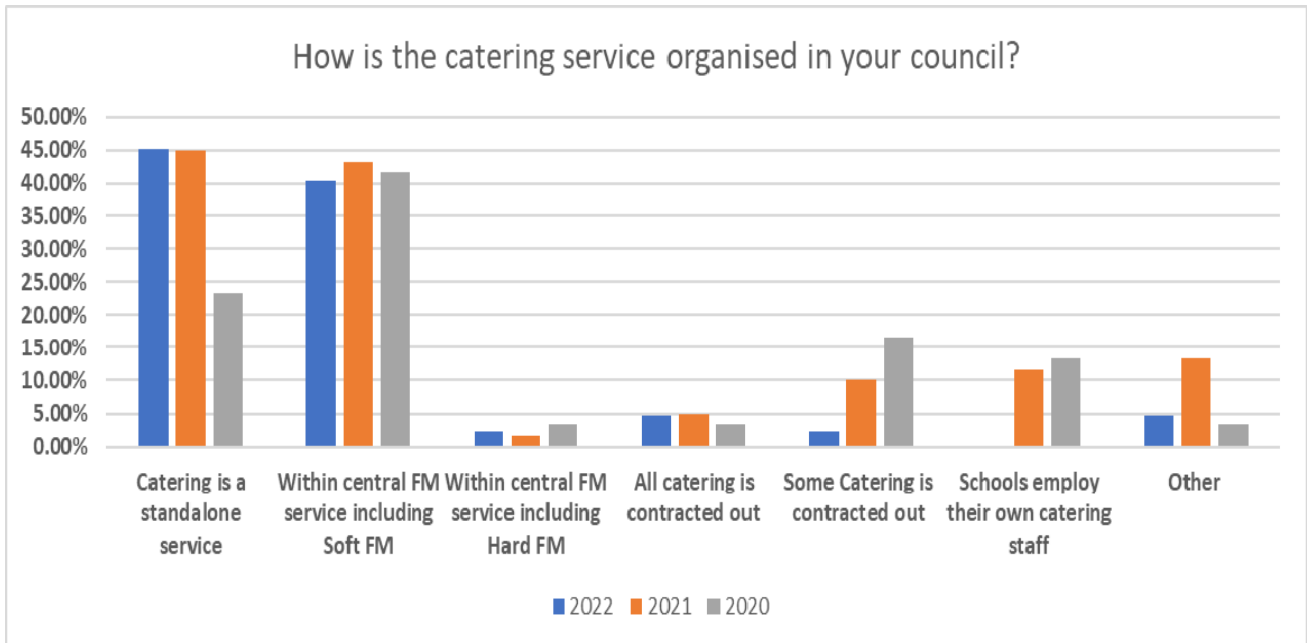
The responses to the 2022 survey show that the scope of the Catering Service remains consistent with the last two surveys and it is clear that school catering remains the dominant service with 97.67% of respondents advising that they provide this service. The number of respondents reporting that they provide welfare meals has further decreased by 7.11% since 2020. The greatest change from 2021 can be seen in the number of respondents reporting that they provide civic catering, with a 14.02% decrease. This can be attributed to the restrictions that were imposed due to the COVID-19 pandemic with many civic buildings being closed and functions cancelled.

Respondents also commented that they provided other types of catering services including: -

- Wrap around care
- Care homes
- Early Years settings
- Public and community cafes

How is the catering service organised in your council / catering organisation?

The survey sought to gain information regarding how the catering service was organised within the council. The graph below outlines the responses received and provides a comparison with the last two surveys conducted.



The responses to the survey for the last three years are relatively consistent. The 2022 survey shows that 45.24% of respondents are reporting that the catering service is a standalone service. There are 40.48% advising that the catering service sits within a central FM service including Soft FM.

There has been a decrease from 16.67% of respondents in 2020 to 2.38% of respondents in 2022 stating that some of the catering is contracted out.

3. Workload

How do you expect workload to change over the next 12 months?

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

The majority of respondents (82.50%) expected that their personal workload would increase, 15.00% thought it would stay the same and only 2.50% believed their personal workload would decrease. When referring to the catering section, 73.17% of respondents expected that the workload would increase, 21.95% thought it would remain the same over the next year and 4.88% believed it would decrease. The percentage of respondents believing that the workload of the catering section would decrease has reduced from 22.06% in 2021.

4. Staffing

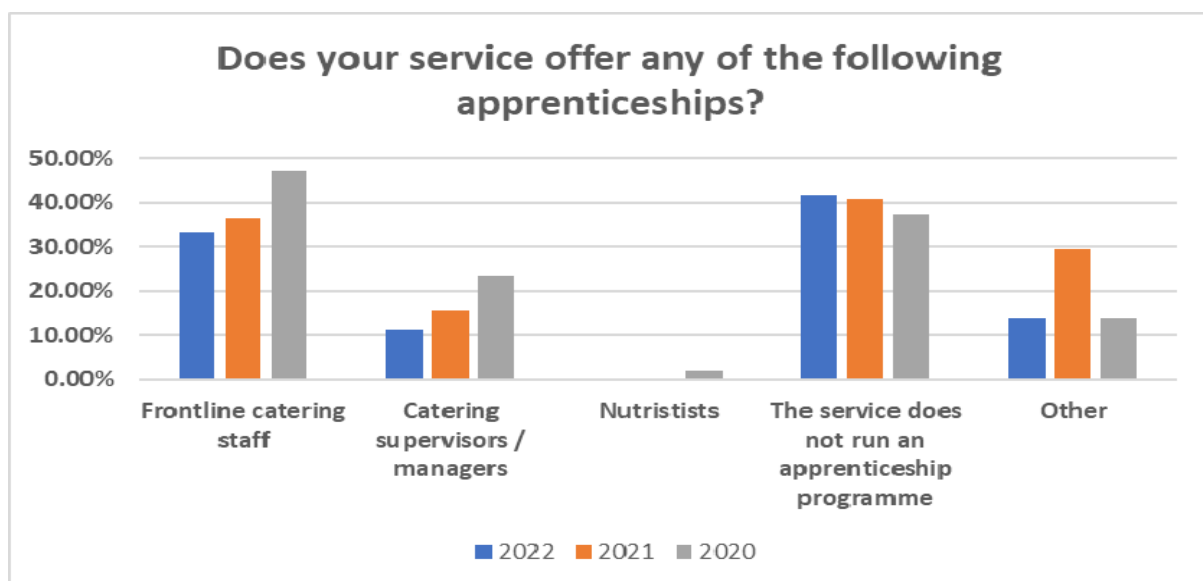
All employers must now pay the National Living Wage. However: Do you pay the higher Living Wage Foundation Living Wage?

The majority of respondents, 82.50%, report that they pay the higher Living Wage which is an increase of 6.50% from 2020, with only 10% reporting that the higher foundation living wage is not paid, and the remainder of respondents stating that implementation of the higher living wage was imminent.

The largest portion of respondents (55.26%), report that as of April 2021 the basic hourly rate for a catering assistant was given as being between £9.50 and £10.00 with 5.26% advising that the basic rate was between £10.00 and £10.50. However, this increases to 20% of respondents reporting that the basic rate will be between £10.00 and £10.50 from April 2022.

Does your service offer any of the following apprenticeships?

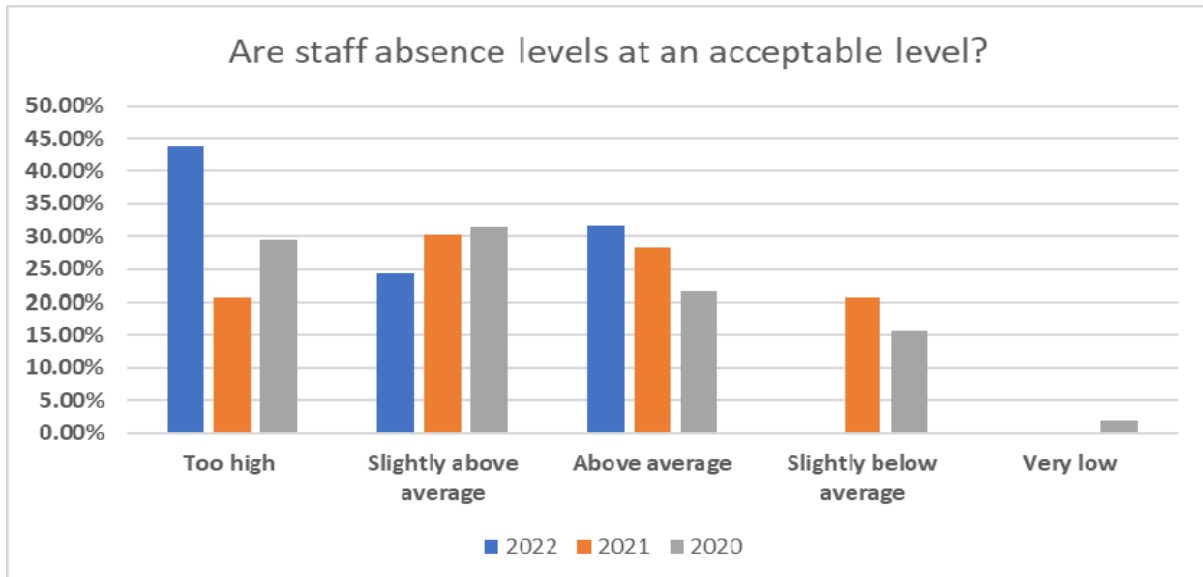
From 2018, the APSE State of the Market survey introduced new questions focusing on apprenticeship programmes and if councils were offering apprenticeships in the catering service. The graph below highlights the areas of the service where apprenticeships are in place from the responses in 2022, 2021 and 2020.



The responses highlight that the majority of respondents to the survey reported that they did not have an apprenticeship programme (41.47%), which is consistent with the responses received in 2021. The most common apprenticeship offered continues to be for frontline catering staff. It is commented that the catering service also offers apprenticeships in business admin and data analysis. For those councils advising that they do not offer apprenticeships the reasons provided included staff only being on 30 weeks per year contracts and that apprenticeships have been put on hold due to the COVID-19 pandemic.

Are staff absence levels at an acceptable level?

The COVID-19 pandemic has undoubtedly had an impact on staff absence, therefore, the State of the Market survey sought to establish what the perception of the respondents was in relation to the level of staff absence and how this perception compared with previous years. The graph below outlines the views of the respondents for 2022, 2021 and 2020.



The greatest percentage of respondents in 2022, (68.29%) perceived that staff absence was slightly above average or too high. No respondents stated that they thought the absence was very low or slightly below average. When making a comparison with 2021 there has been a 23.25% increase in the number of respondents stating that they thought the staff absence was too high, which can be directly attributed to the COVID-19 pandemic.

Which of the following staff training applies to your authority / organisation?

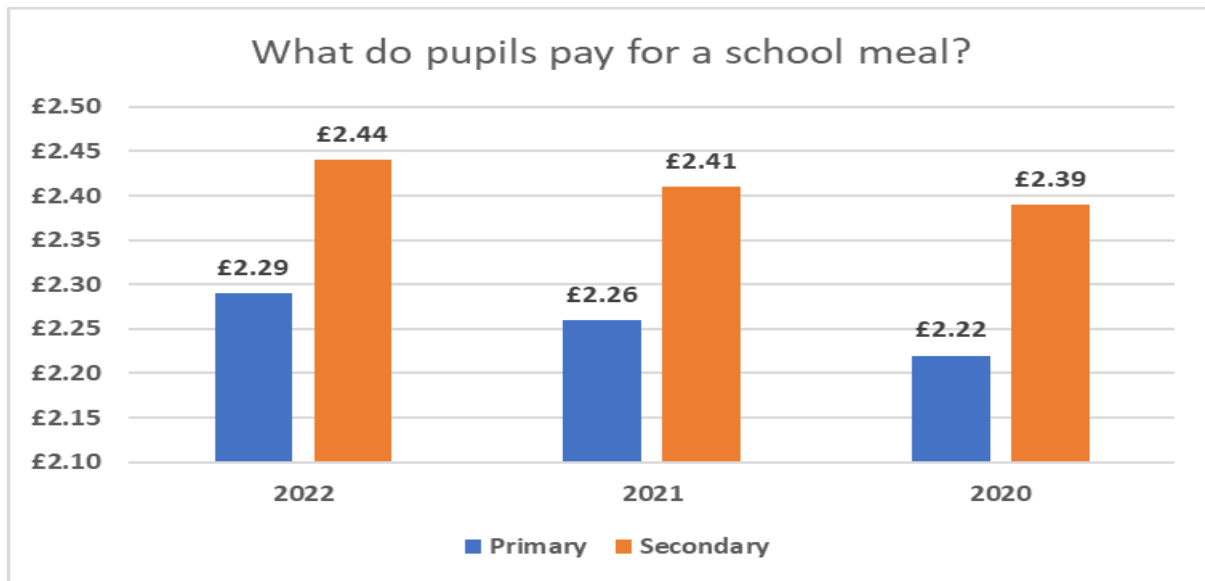
The vast majority of respondents in the 2022 survey, 94.87% report that the catering section holds regular staff training which is consistent with 2021 (95.56%), 76.92% state they have regular staff appraisals and 66.67% advise that a catering section newsletter was circulated. The number of respondents reporting that the organisation holds Investors in People remained consistent with 2020, with 30.77% of the 2022 respondents advise that they held the accreditation, compared with 28.00% in 2021. In addition, it was reported in the comments that councils had an accredited training centre and that they ran events for their catering staff. It is also clear from the comments received to this question that the method of the staff training has changed from face-to-face training to online based training as a result of the pandemic.

5. School meals

What do pupils pay for a school meal?

The survey asked respondents to state the amount pupils pay for a school meal. The lowest amount paid by pupils for a primary school meal is £1.90 and £1.95 for a secondary school meal. The highest price reported to be paid for primary schools is stated as being £2.60 and is slightly higher at £2.80 for secondary schools.

The graph below provides a comparison between 2022, 2021 and 2020 of the average prices paid in primary and secondary schools.



The average that a pupil pays for a primary school meal is £2.29 which is a slight increase from 2020. The secondary school average price is currently at £2.44 which is an increase from the last time the survey was conducted.

It should be noted that due to the nature of the school catering sector, there are a minority of respondents that reported the price paid for a school meal was dependent on the contractual arrangement with the individual school.

The 2022 survey also asked respondents how the amount charged for a school meal had changed in the last 12 months in their service. The highest percentage of respondents, 69.23% reported that the price had stayed the same and a further 23.08% advised that the price had increased by 0-20%.

Councils were also asked what aspect of the catering service had seen the greatest price rises, and the vast majority of respondents (97.44%) reported that this was food costs with 78.95% that the food costs had increased by 0-20% on average. The three main reasons cited for the increases include Brexit, food shortages/availability of products and the increase in haulage costs.

In addition, 61.54% stated that the second largest cost increases had been seen in staffing costs and 20.51% advised that it was utility costs. The responses to this question are consistent with what is being reported across the wider hospitality sector.

What measures has the service taken to mitigate the impact of rising food costs?

The table below provides a comparison of the measures that respondents have reported taking to mitigate the impact of rising food costs for 2022, 2021 and 2020 surveys.

	2022	2021	2020
Worked with suppliers	89.47%	87.04%	93.33%
Increased the use of seasonal produce	44.74%	40.74%	46.67%
Introduced meat free days	50.00%	38.89%	38.33%
Reduced the options available	21.05%	33.33%	28.33%
Decreased portion sizes	5.26%	3.7%	5.0%
Other (please specify)	10.53%	14.81%	15.0%

In addition to the response choices outlined in the above table, respondents to the 2022 survey also reported that they had taken the following measures: -

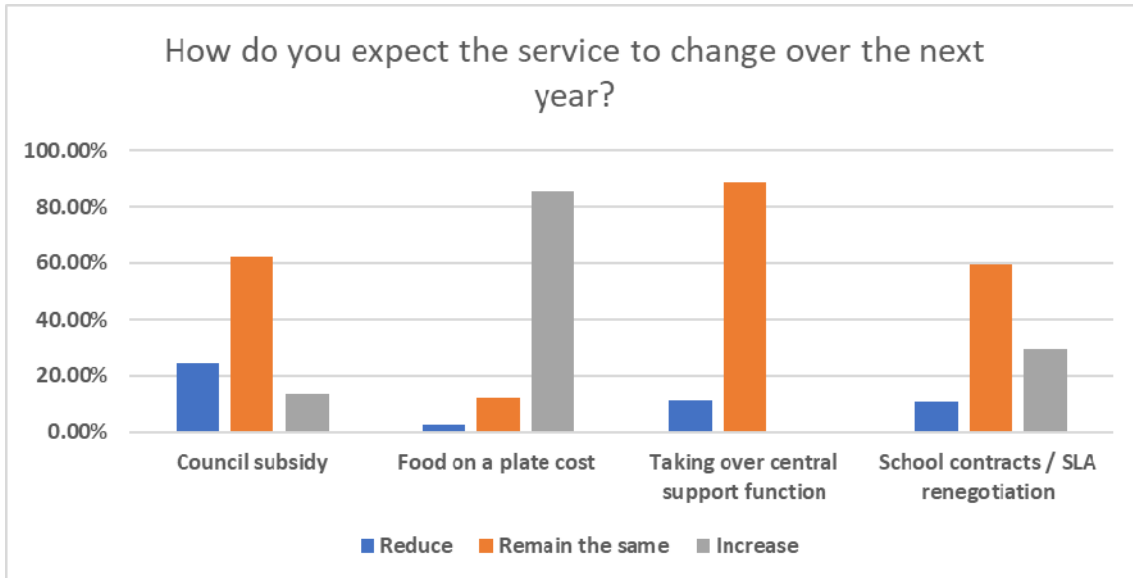
- Introduced pre-ordering systems to reduce food waste and overproduction
- Adapted recipes to include less costly ingredients
- Removed the use of agency staff

In the comments associated to this question, it is clear that every effort is being made to mitigate passing rising food cost onto the customer. However, this is becoming increasingly difficult to achieve.

6. The catering service

Overall, how do you expect the following to change over the next year?

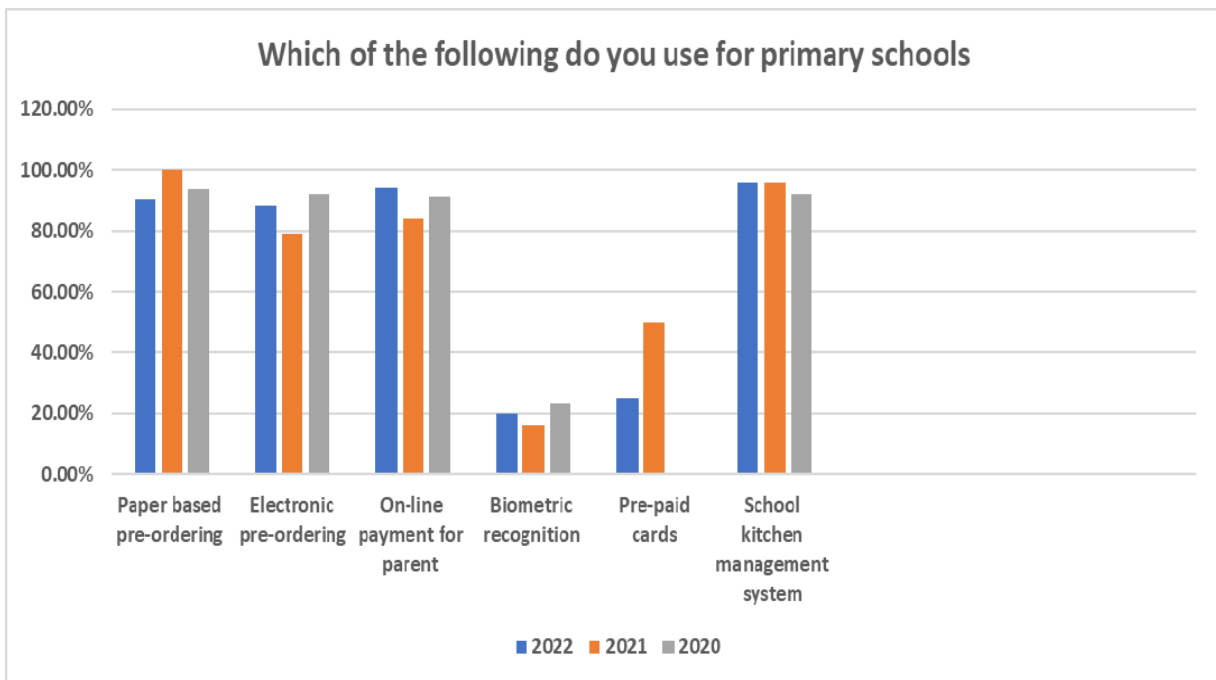
The survey sought to gain an understanding of the expectations for catering service over the next 12 months. The graph below highlights the responses received.



The survey highlighted that the majority of respondents predicted that council subsidy, central support function and contract/SLA renegotiation would remain the same. However, over 85.37% of respondents believe that the food on the plate cost would increase.

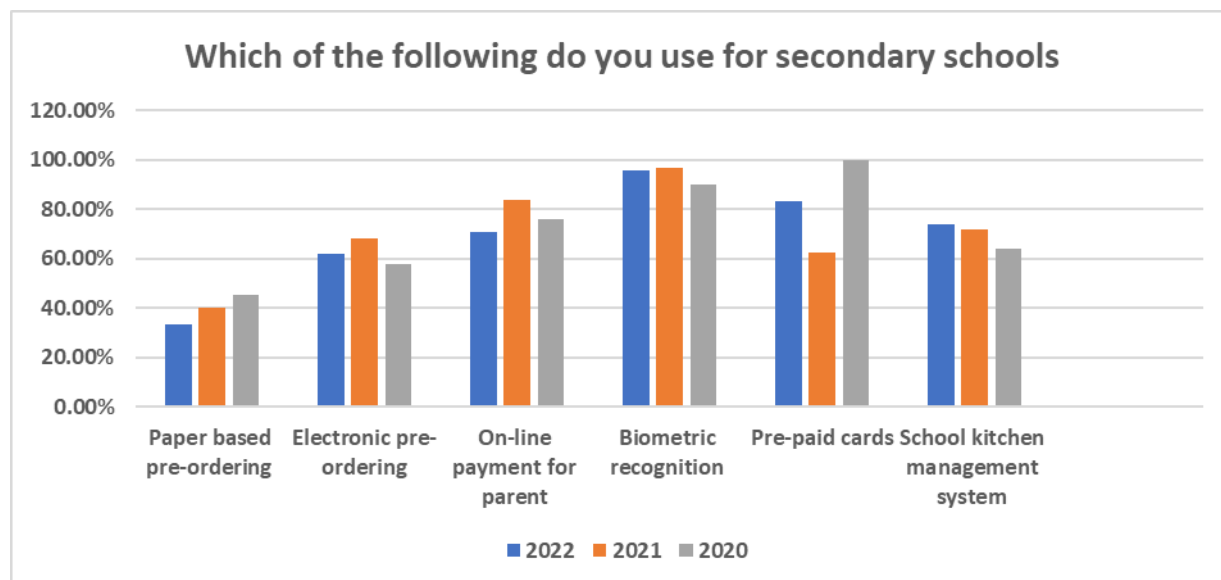
Which of the following do you use?

Many Councils use a catering software package to comply with nutritional requirements and to meet the requirements of Natasha’s Law. Several systems exist to assist with productivity to reduce queuing, waste and the requirement to handle cash. The graphs below outline the percentage of respondents that report the systems that are utilised in at least one school for both primary and secondary schools.



For primary schools the use of paper-based pre-ordering and school kitchen management software has remained consistent over the last three years.

The use of electronic pre-ordering that saw a decrease in 2021 has now returned back to a similar level to that reported in 2020, with circa 90% of respondents reporting that they had this system in place.



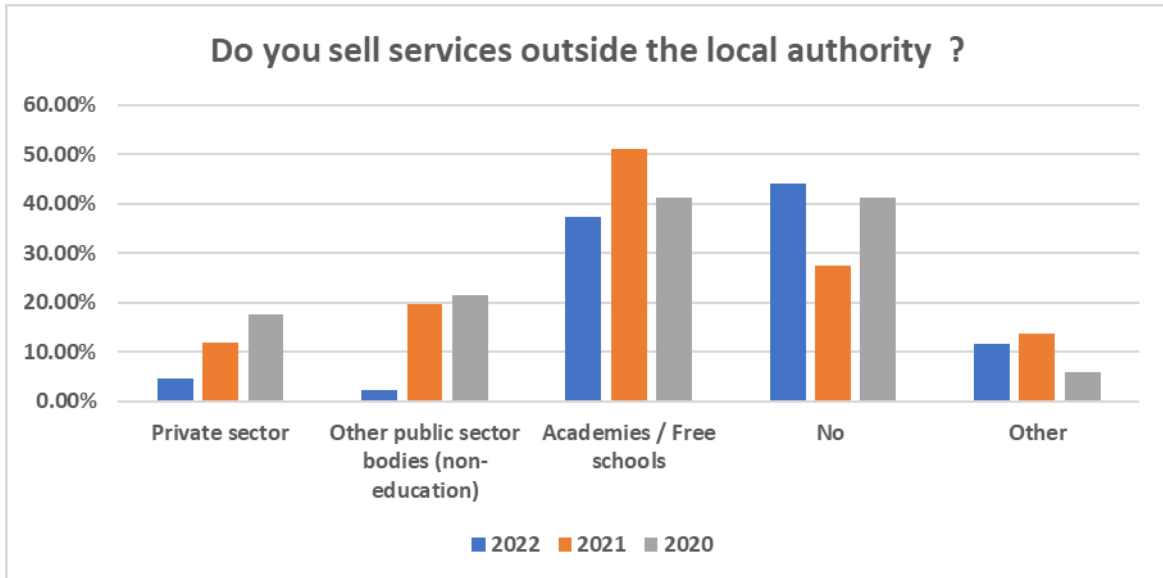
In secondary schools the responses outlined that there continues to be a decrease in the use of paper-based ordering with a reduction from 45.45% reported using this method in 2020 to 33.33% using a paper-based system in 2022.

The use of pre-paid cards has seen the greatest increase, with an increase of 20.83% when compared to 2021. However, the increased level is consistent with the percentage of respondents advising that nearly 100% of their secondary schools used pre-paid cards.

7. Selling services outside the council

Do you sell your services outside of the Local Authority?

As councils seek opportunities to commercialise and safeguard the service budget, APSE was keen to establish where local authorities were selling their services. The graph below highlights the results from the 2022 survey and provides a comparison with the responses from 2021 and 2020.

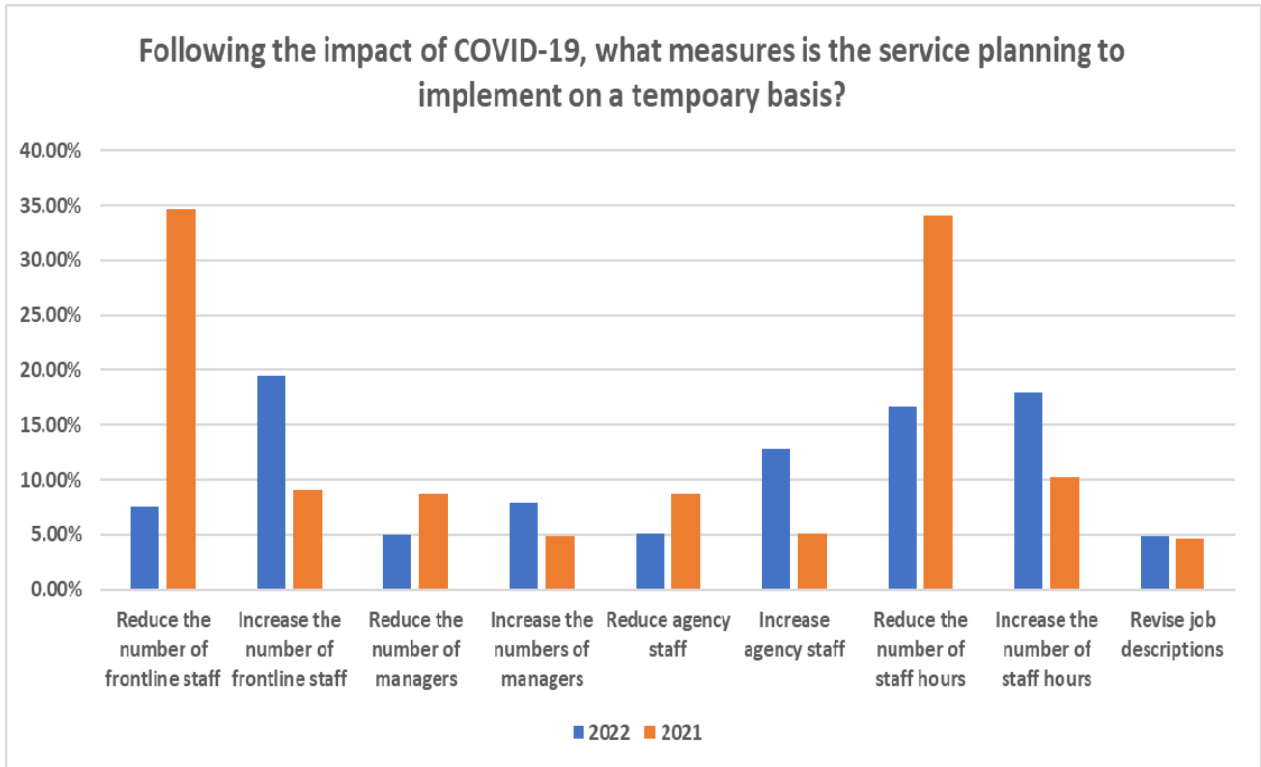


It is clear from the responses that there has been a decline in all areas that local authority's sell their services to in 2022. However, this can be explained by the impact of the COVID-19 restrictions that have been in place, limiting the number of opportunities available.

8. Impact of COVID-19

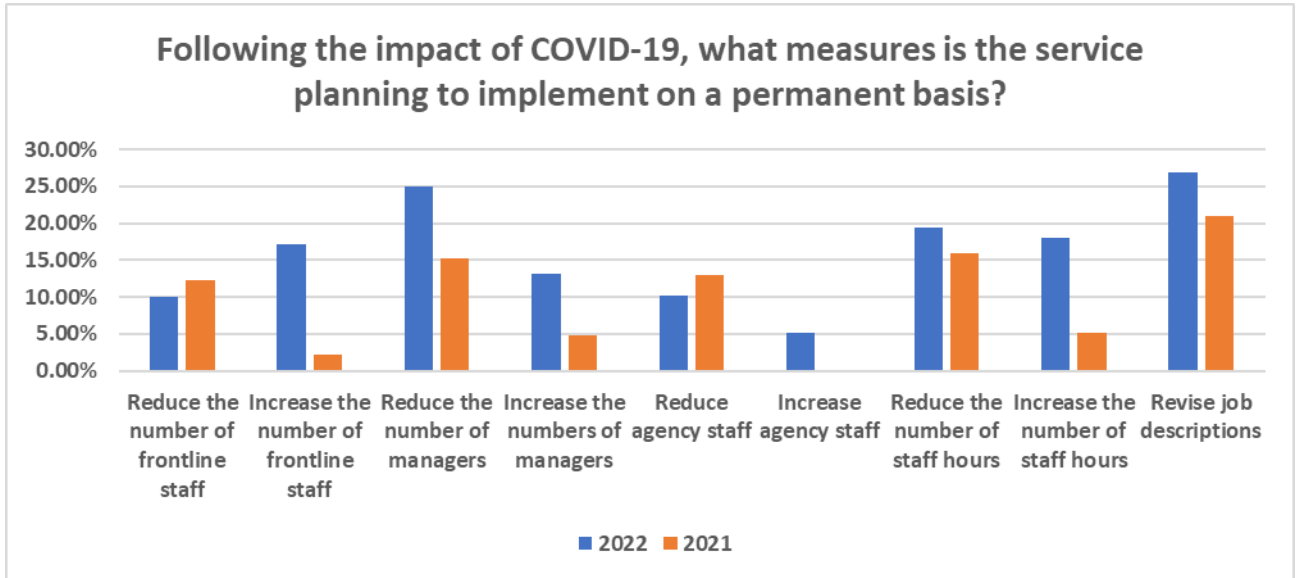
Following the impact of COVID-19, what measures is the services planning to implement?

This survey and the 2021 survey asked what measures the service was planning to implement on a temporary and permanent basis as a result of COVID-19, and as this question has been asked for the past two years, a comparison can be made of the responses. The graph below highlights the measures that are planned to be implemented on a temporary basis.



It is clear from the 2021 survey that the focus was on temporary reducing frontline staff numbers or temporary reducing staff hours with 34.69% and 34.09% of respondents reporting this to be the case. This was in response to the reduction in the number of school kitchens open and the decrease in the number of hot meals being served due to the restrictions in place at the time.

The 2022 survey highlights that this has now changed with the focus being on temporary increasing the number of frontline staff and staff hours. This can be attributed to the measures and ways of working introduced as a result of the pandemic, such as phased dining times that have increased the length of the dinner service and the requirement to have additional staff hours to cover members of the workforce who are required to self-isolate.



When making a comparison between 2022 and 2021, the greatest number of respondents, 26.38% for 2022 and 20.93% for 2021, state that they are looking to revise job descriptions, this could be due to the need for greater flexibility being required to enable the service to ask staff to work in alternative establishments to meet business need or alternative to be able to undertake different roles.

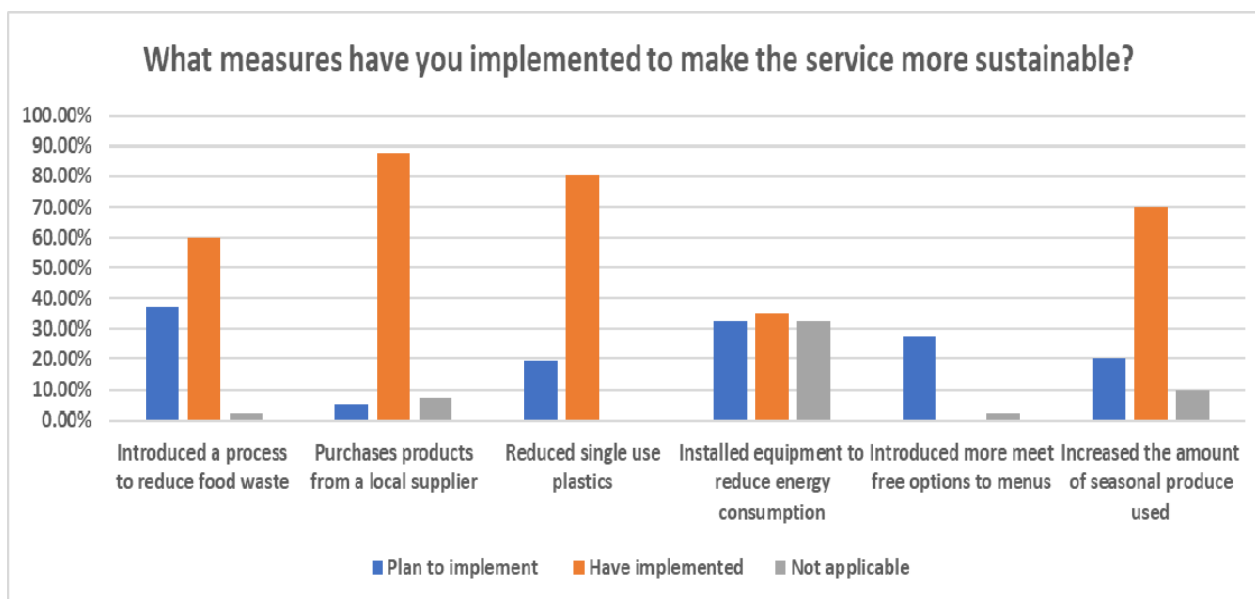
It is also clear from the 2022 responses that the service is looking to reduce the number of managers with 25% of respondents reporting this to be the case, and 17.07% of respondents advising that they plan to increase frontline staff. This could also be due to the need for additional frontline staff but also the requirement to remain competitive and budget restrictions.

9. Sustainability

What measures have you implemented to make the service more sustainable?

Many local authorities have declared a climate change emergency and frontline services are required to implement measures to allow the council to achieve net zero targets. Therefore, for 2022 an additional question has been added to the State of the Market survey to gain a snapshot of what measures the catering service has implemented or is planning to implement to make the service sustainable.

The graph below outlines these measures.



The greatest number of respondents, 87.80% report that they purchase products from local suppliers, 80.49% have implemented measures to reduce single use plastics and 70.00% respectively state that they have implemented more meat free options to menus and an increase in the number of seasonal products.

10. Comments on the future

Overall, how do you expect the following to change over the next year?

The 2022 survey sought to gain an understanding of the expectations that respondents have for the next year. The table below outlines the responses received.

	Increase significantly	Increase slightly	Stay the same	Decrease slightly	Decrease significantly
Paid school meal numbers	2.56%	15.38%	20.51%	41.03%	20.51%
Free school meal numbers	51.28%	41.03%	5.13%	2.56%	0.00%
Universal infant free school meal numbers	23.68%	44.74%	23.68%	7.89%	0.00%
Catering income	0.00%	53.85%	12.82%	23.08%	10.26%
Holiday provision	29.73%	37.84%	32.43%	0.00%	0.00%
Breakfast provision	13.51%	35.14%	45.95%	2.70%	2.70%

The greatest percentage of respondents, 41.03% believe that there will be a slight decrease in paid school meals and the vast majority, 92.31% anticipate that free school meal numbers will increase significantly or slightly, which could be in response to the number of families claiming benefits due to COVID-19 and the transition period resulting in the child maintaining eligibility until the end of their current phase of education.

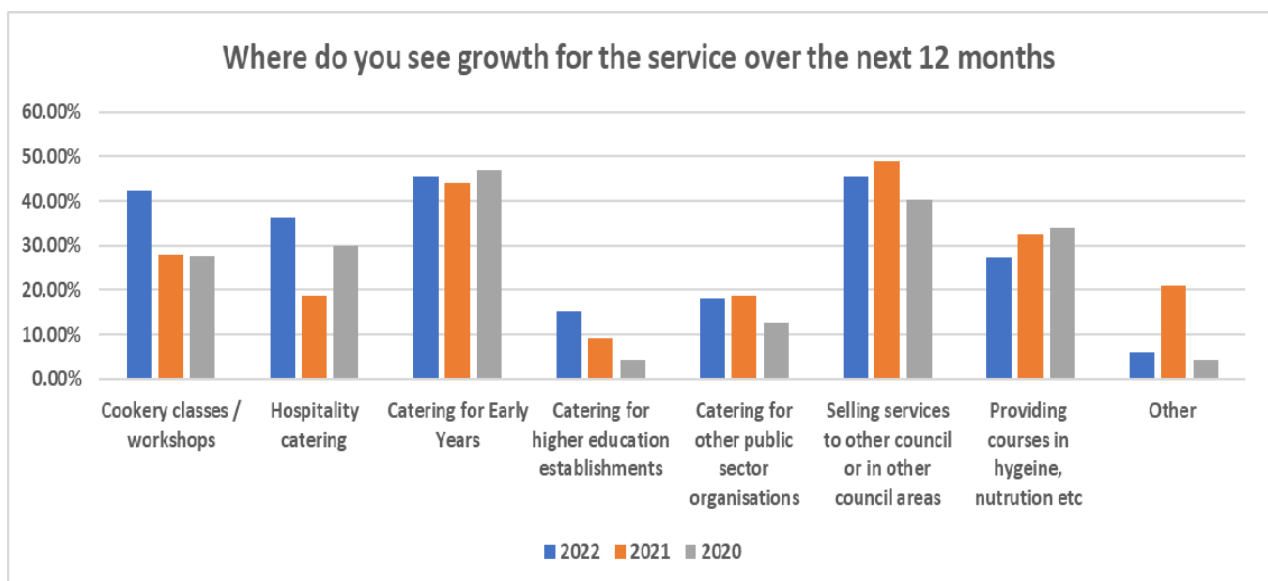
The responses to the survey reflect the recent changes in government policy with the phased increase in eligibility for UIFSM in Scotland and the Welsh governments commitment to introduce UIFSM in Wales, with 68.42% of respondents reporting that they expected UIFSM to increase significantly or increase slightly,

Over 50% of respondents think that the catering income will increase slightly and this could be due to the number of children eligible for UIFSM and Free School meals.

Just under 70.00% of respondents (67.57%) state that they expect holiday provision will increase significantly or slightly. This may well be in part due to a legacy of COVID-19 where holiday provision was provided, the funding being made available to local authorities to facilitate the provision in the UK and also the increasing number of children that are living in poverty and eligible for Free School Meals.

Growth areas

Clearly, there will be some variance in answers between the authorities responding to this question. The graph below highlights the areas where respondents anticipated growth in 2022, 2021 and 2020.

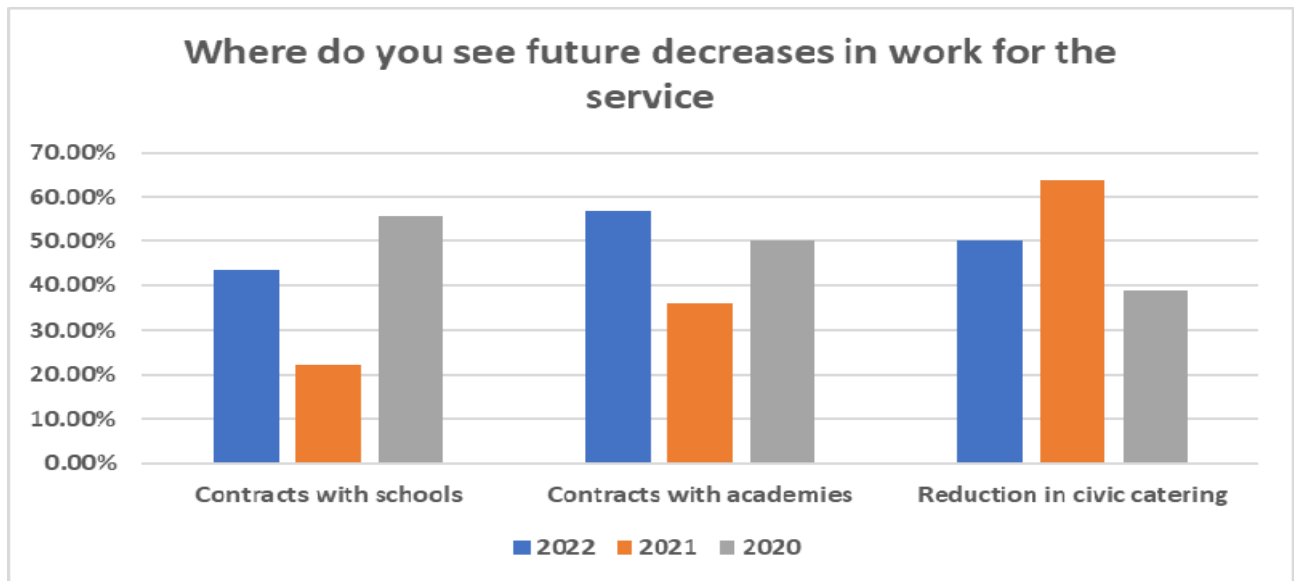


The responses are comparable over the last three surveys, with the exception of the provision of cookery classes and hospitality catering being seen as an area of the greatest potential for growth in the 2022 survey, with a 14.51% increase in respondents seeing cookery classes as an area for growth and 17.76% of respondents anticipating that hospitality catering will grow when compared with 2021.

Areas of future decrease

Many local authorities responding to this question reported that they do not expect any areas of decrease in their service. However, where respondents commented on where

they anticipated that there would be a decrease in work for the service this is summarised in the graph below:-



It is clear from the responses received that where the catering service sees a decrease the main reason that respondents believe this will be the case, in 2022, is due to the loss of contracts with schools and academies. With 43.33% stating that contracts with schools was an area where they experienced decreases and 56.67% believing that decreases could be seen in contracts with academies. This reflects that in England the requirement for schools to tender for school meals in a competitive market place, against the backdrop of rising prices and squeezed school budgets, could lead to a decrease in the local authority catering service.

APSE Comment

The value of school meals, particularly during the pandemic, has been recognised as a means by which to support children and families. Catering services were also able to flex their service to support vulnerable people in the community, as well as recipients of free school meals, during the pandemic, in sourcing, cooking and delivering meals.

However, the service, in terms of its education catering side, still operates in the vast majority of cases within a market-model and fragmentation as a result of academies, and price-based competition for the service, tends to undermine the health and wellbeing aspects of catering, as a valued part of the armoury of joined-up local public services. Whilst there are some potential opportunities, within England, with new measures which would provide councils with a greater opportunity to develop local authority led academies, the service remains restricted by the current model of education provision within England.

It is notable that the considerable divergence in policy within Scotland and Wales, reflects greater synergy between the schools meals service and health and wellbeing outcomes for children and young people.

APSE is reminded of its Local Government Commission recommendation that calls for a return to greater local authority involvement in education provision; this the Commission argues will enable the holistic support of children and young people within local communities. APSE will continue to press for public policy changes in this regard and to support the All Party Parliamentary Group on School Food to campaign for greater awareness and recognition of the value of school food to children and young people.

Vickie Hacking, APSE Principal Advisor

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 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 Network
- 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 2022 please contact Vickie Hacking at vhacking@apse.org.uk or by phone at 0161 772 1810.