



association for public service excellence

State of the Market 2023

Local authority catering services



Briefing 23/26
April 2023

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State of the Market 2023

Local authority catering services

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About APSE

The Association for Public Service Excellence (APSE) is a not-for-profit local government body working with over 300 councils throughout the UK.

Promoting excellence in public services, APSE is the foremost specialist in local authority frontline services and operates one of the UK's largest research programmes in local government policy and frontline service delivery matters.

1 Local authority catering services – State of the Market 2023

APSE conducted an online survey in December 2022 and January 2023, which was sent out to local authority catering contacts throughout the UK.

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 who are not already members, should consider joining APSE performance networks, the UK's largest, and longest established, voluntary data benchmarking service for local councils.

2 Results

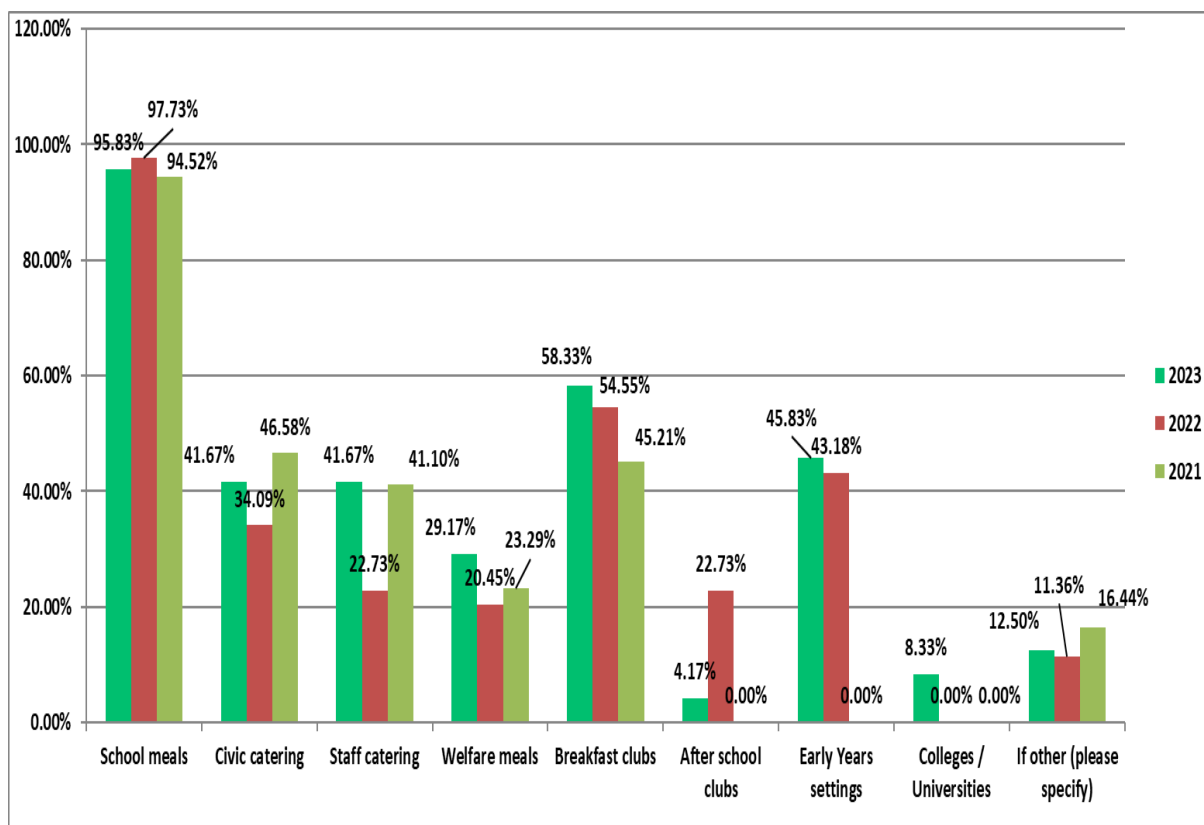
Respondents were UK wide with 51.42% of respondents from England, 34.29% from Scotland, 11.43% from Wales and 2.86% from Northern Ireland. The survey, therefore, reflects APSE's UK-wide membership and provides a national reflection of opinion. It should be noted that responsibility for Education Catering within Northern Ireland sits with the Northern Ireland Education and Libraries Board.

3 Scope of the catering service

3.1 What catering services do you supply?

The graph below outlines what local authority catering services supply for 2023.

The responses to the 2023 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 95.83% of respondents advising that they provide this service.



The data shows that the number of respondents reporting that they do civic and staff catering has returned to levels reported in early 2021, this could be due to staff returning to the office and that civic functions are now taking place again.

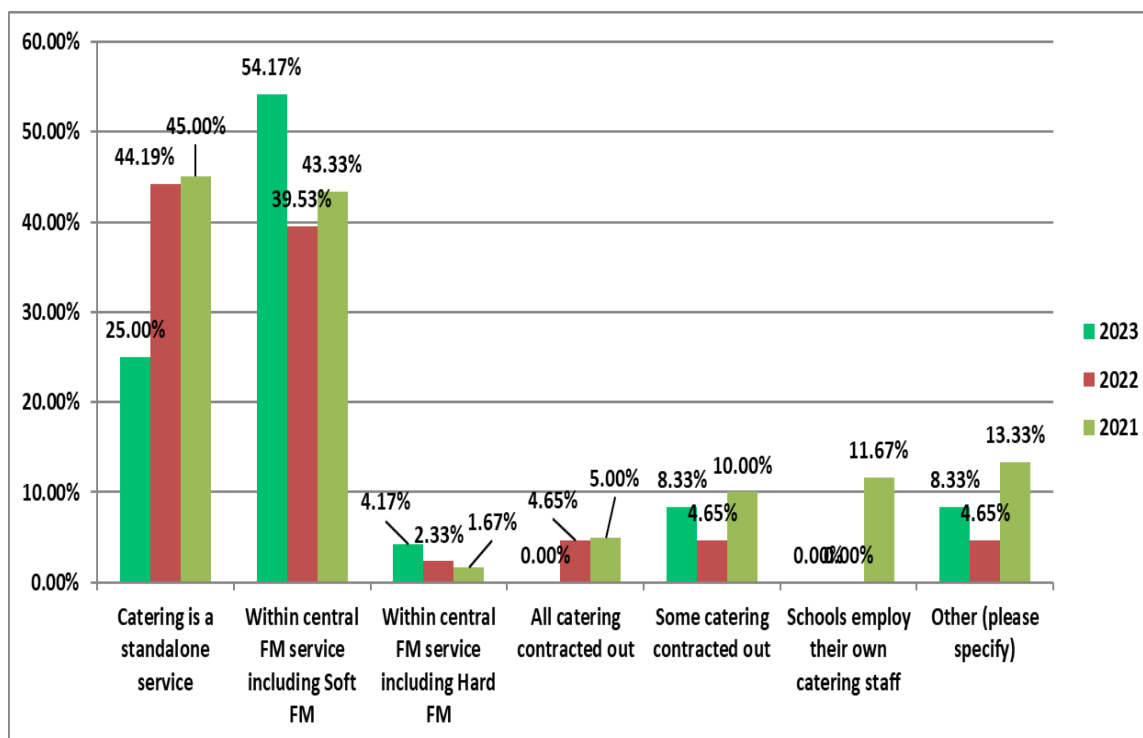
The percentage of respondents reporting that they cater for breakfast clubs has seen a steady increase over the last three years, this could in part be to mitigate the impact of the cost-of-living crisis on families.

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

- Care homes
- Holiday provision
- Public and community cafes

3.2 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 with the exception that the respondents reporting that catering is a standalone service has decreased from 44.19% to 25.00%. However, there has been a 14.64% increase from 2022 in the number of respondents reporting that catering sits in a central FM service.

4 Workload

4.1 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 (82.61%) expected that their personal workload would increase, 17.39% thought it would stay the same and none of the respondents believed their personal workload would decrease. When referring to the catering section, 73.91% of respondents expected that the workload would increase, 17.39% thought it would remain the same over the next year and 8.70% 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.

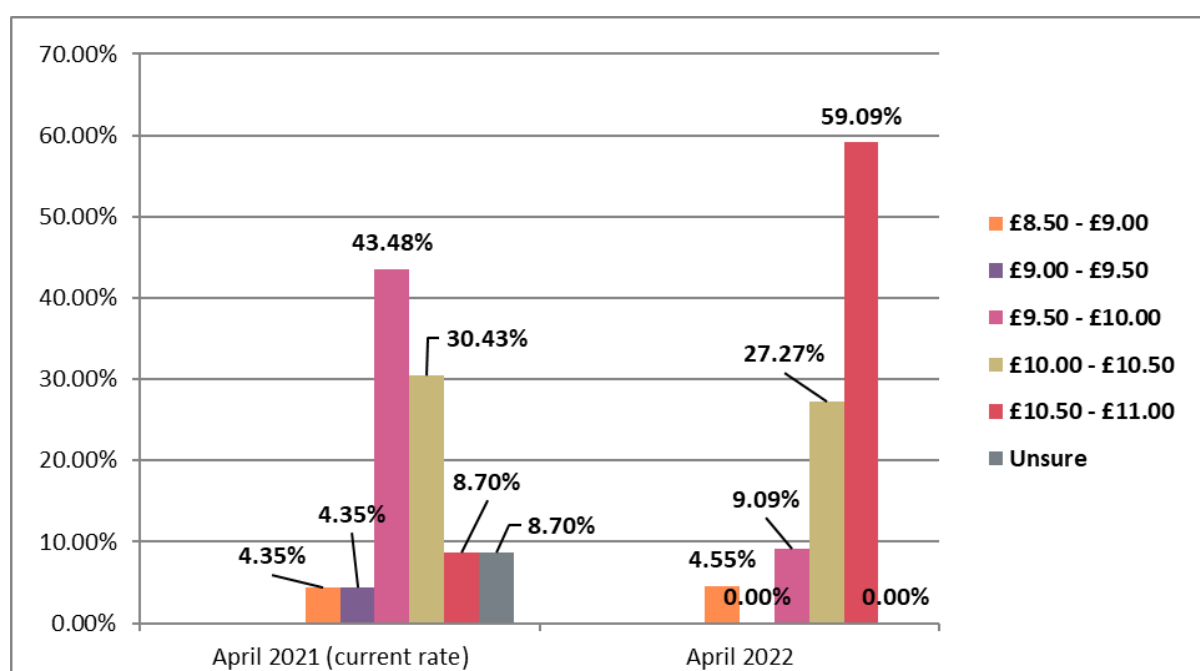
5 Staffing

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

The vast majority of respondents, 95.65%, report that they pay the higher Living Wage with only 4.35% reporting that the higher foundation living wage is not paid.

5.2 What is the basic current hourly rate for a catering assistant (before tax) in £

The graph below provides an overview of the hourly rates for a catering assistant:

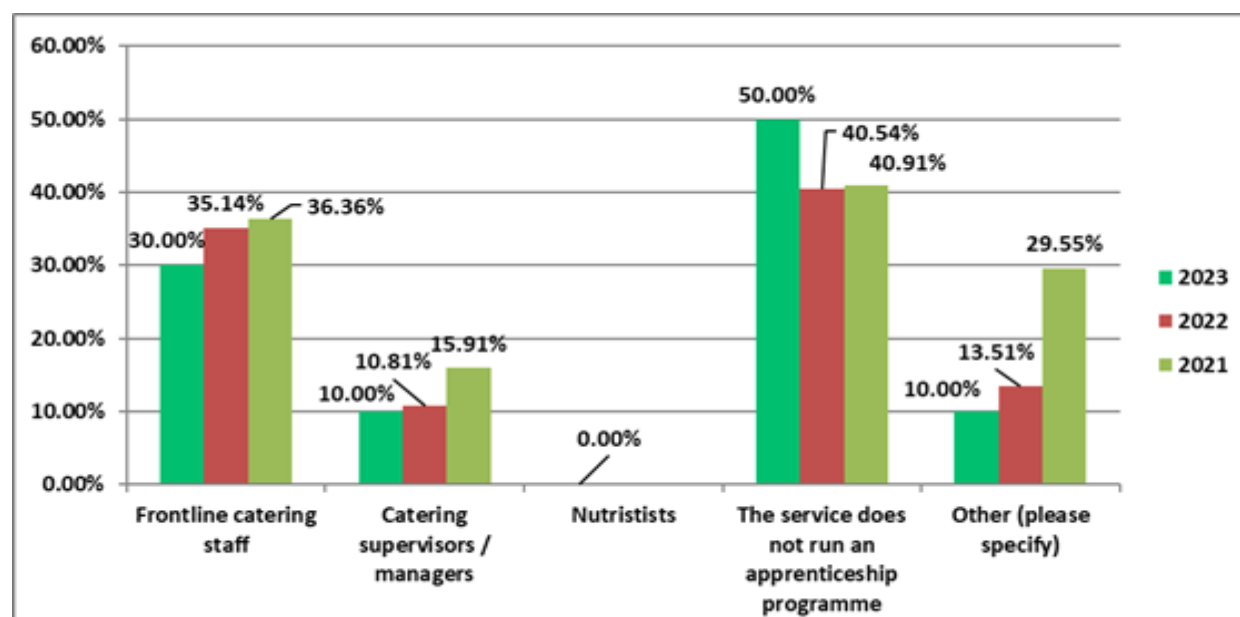


The most common rate reported in 2021 was £9.50 to £10.00 per hour with 43.48% of respondents reporting this to be the case. For 2022, over half of the respondents are reporting that an hourly rate of £10.50- £11.00. This could be a reflection of the recent NJC pay agreement which specifically weighted pay towards lower graded posts, providing a higher overall percentage rise to this band of workers.

5.3 Does your service offer any of the following apprenticeships?

With the introduction of the Apprentice Levy and the important role that apprenticeships play in future proofing the workforce, from 2018, new questions focusing on apprenticeship programmes were added to the APSE State of the Market survey.

The graph below highlights the areas of the service where apprenticeships are in place from the responses in 2023, 2022 and 2021.

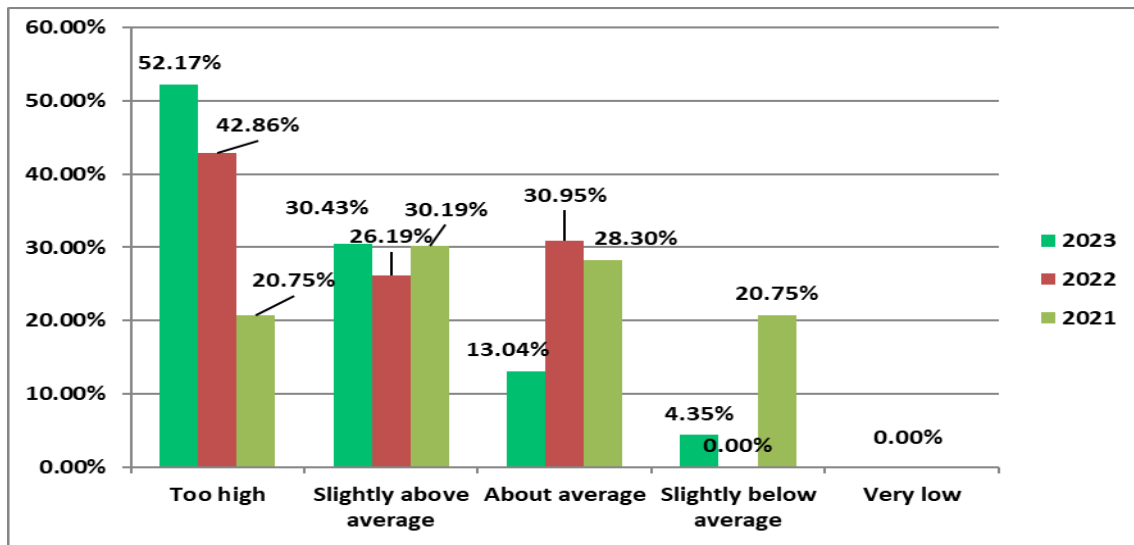


The responses highlight that half of respondents to the survey reported that they did not have an apprenticeship programme. The most common apprenticeship offered continues to be for frontline catering staff with 30% of respondents reporting this to be the case. It is commented that the catering service also offers apprenticeships in business administration 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 the part-time nature of the work.

5.4 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 2023, 2022 and 2021:

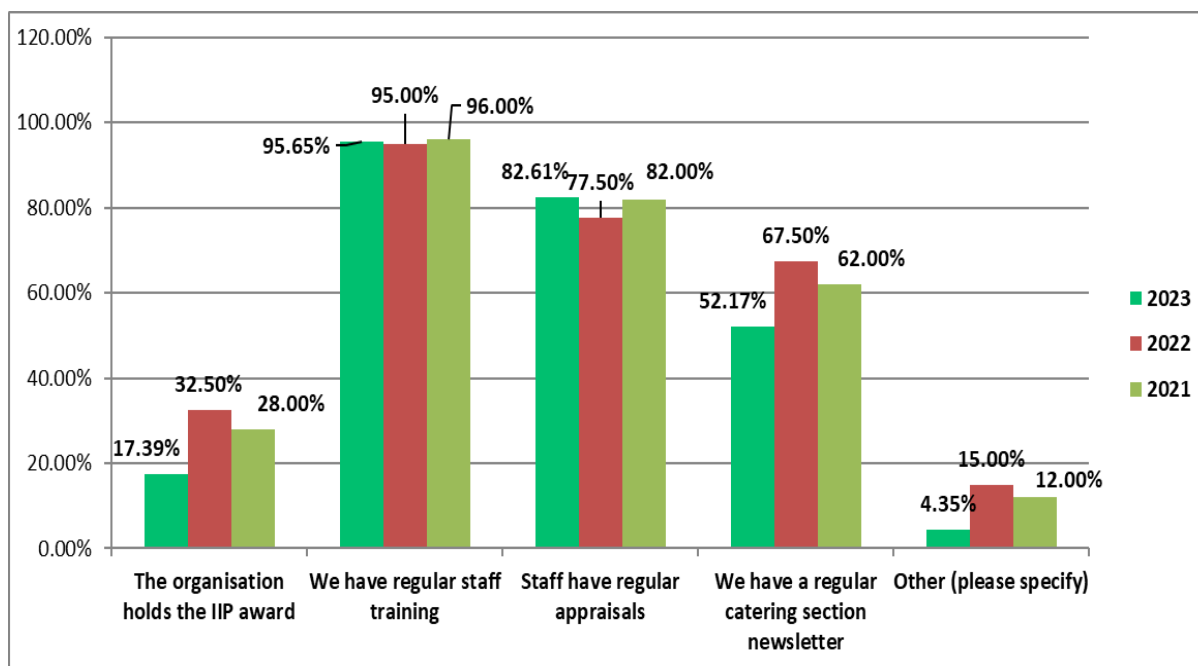


The vast majority of respondents in 2023, (82.60%) perceived that staff absence was slightly above average or too high. No respondents stated that they thought the absence was very low or slightly below average. The responses received to this question reflect what councils have been reporting at the APSE Catering advisory group with some local authorities reporting that they are experiencing a staff absence rate of over 12%.

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

Evidence shows that a well-trained workforce not only is a positive representative of the service but providing training is an investment in the future and quality of provision.

The graph below highlights the staff training that applies to respondents:



The vast majority of respondents, 95.65%, have regular staff training sessions and 82.61% hold regular staff appraisals.

6 School Meals

6.1 What do pupils pay for a school meal?

The survey asked respondents to provide details of the price pupils pay for a school meal in primary and secondary schools. When making a comparison with the responses received two years ago, in 2021 the lowest price for a primary school meal was £1.60, this compares with £1.90 for 2023. The highest price for a primary school meal was reported as £3.00 in 2021 and £2.85 in 2023.

The lowest price paid for a secondary school in 2021 was £1.80 and for 2023 it was reported as £2.00. The highest price reported for secondary schools was quoted at £3.05 in 2021 and £2.70 in 2023.

When looking at the averages, the average paid for a primary school meal in 2021 was £2.13 and for 2023 it is £2.40. The respondents report that the average for a secondary school meal in 2021 was £2.27 and for 2023 it was £2.29.

6.2 How has the amount charged for a school meal changed in the last 12 months?

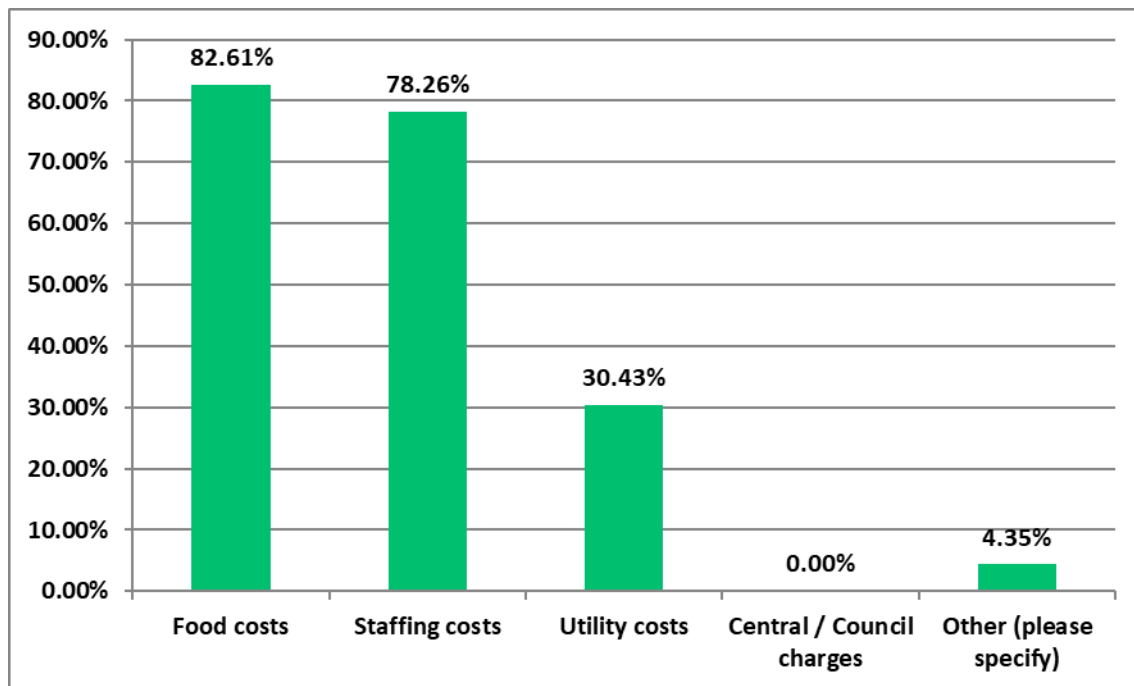
The survey asked respondents to state how the amount charged for a school meal had changed in the last 12 months.

The majority of councils, 63.34% of councils report that they have not increased their prices of a school meal and 31.82% reported that it had increased by 0%-20%.

6.2 What aspect of the catering service has seen the greatest price rises?

The last 12 months have seen a cost-of-living crisis and the highest inflationary price rises in decades. Therefore, the survey sought to ascertain where the greatest price rises were in the service.

The graph below provides an overview of the responses received:



It is evident from the responses that the two aspects of the service that have seen the greatest impact from the price rises are food cost and staff costs.

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

To gain an understanding of what measures councils are undertaking to mitigate the impact of price rises the survey asked respondents to indicate what they are doing to mitigate the rises.

The table below provides a comparison of the measures that respondents have reportedly taken to mitigate the impact of rising food costs for 2023, 2022 and 2021 surveys.

	2023	2022	2021
Worked with suppliers	95.45%	89.47%	87.04%
Increased the use of seasonal produce	45.45%	44.74%	40.74%
Introduced meat free days	22.73%	50.00%	38.89%
Reduced the options available	22.73%	21.05%	33.33%
Decreased portion sizes	18.78%	5.26%	3.7%
Other (please specify)	9.09%	10.53%	14.81%

In addition to the response choices outlined in the above table, respondents to the 2023 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.

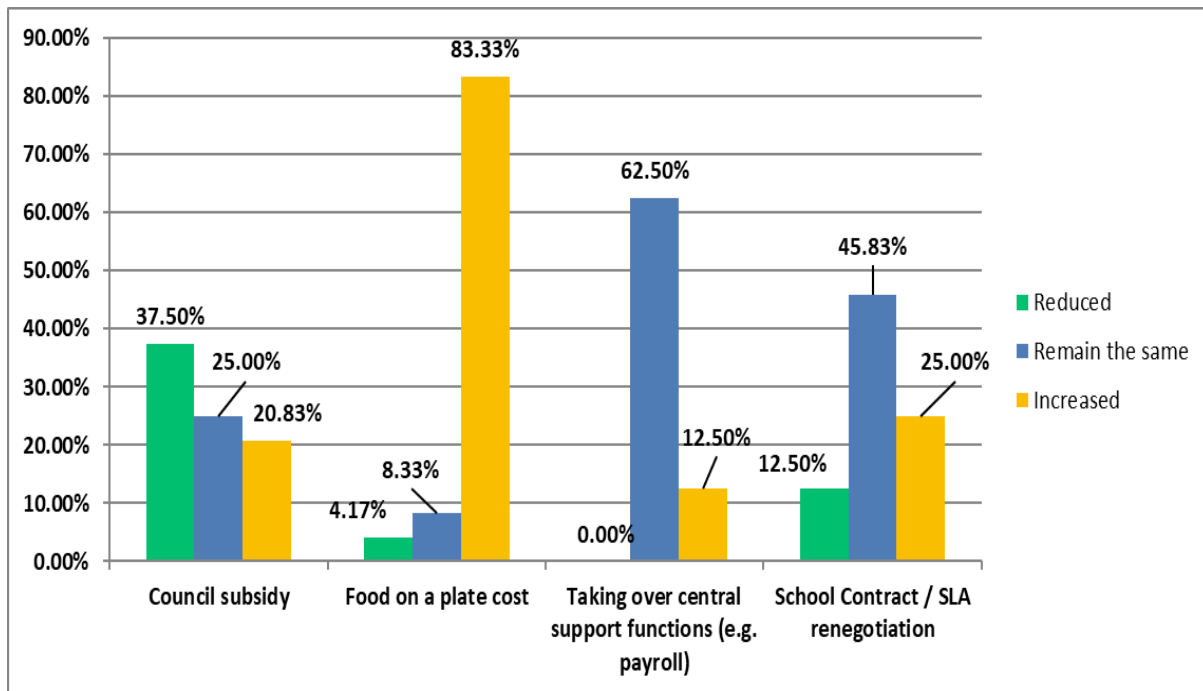
In the comments associated with this question, it is clear that every effort is being made to mitigate passing rising food costs onto the customer which is highlighted in the cost paid by the pupil for a school meal. However, this is becoming increasingly difficult to achieve.

7 The catering service

7.1 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.

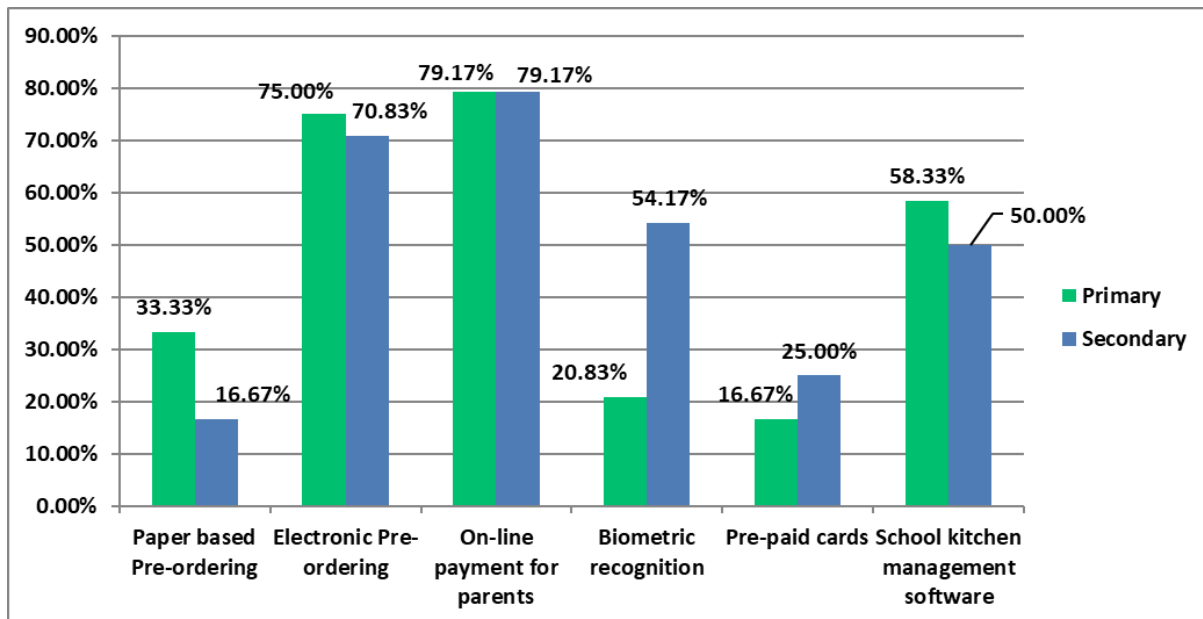
The graph below highlights the responses received:



The survey highlighted that 37.50% of respondents predicted that council subsidy would reduce and the vast majority of respondents 83.33% anticipated that the food on the plate cost would increase. However, 62.50% thought that taking over central support functions would remain the same and 45.83% anticipated that school contracts / SLA renegotiation would also remain the same.

7.2 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 graph below outlines the percentage of respondents that report the systems that are utilised in at least one school for both primary and secondary schools.



The majority of councils are reporting that they are now using electronic pre-ordering and online payment systems for parents, in both primary and secondary schools. Around half of respondents, 58.33% for primary and 50.00% for secondary schools have school kitchen management software in place.

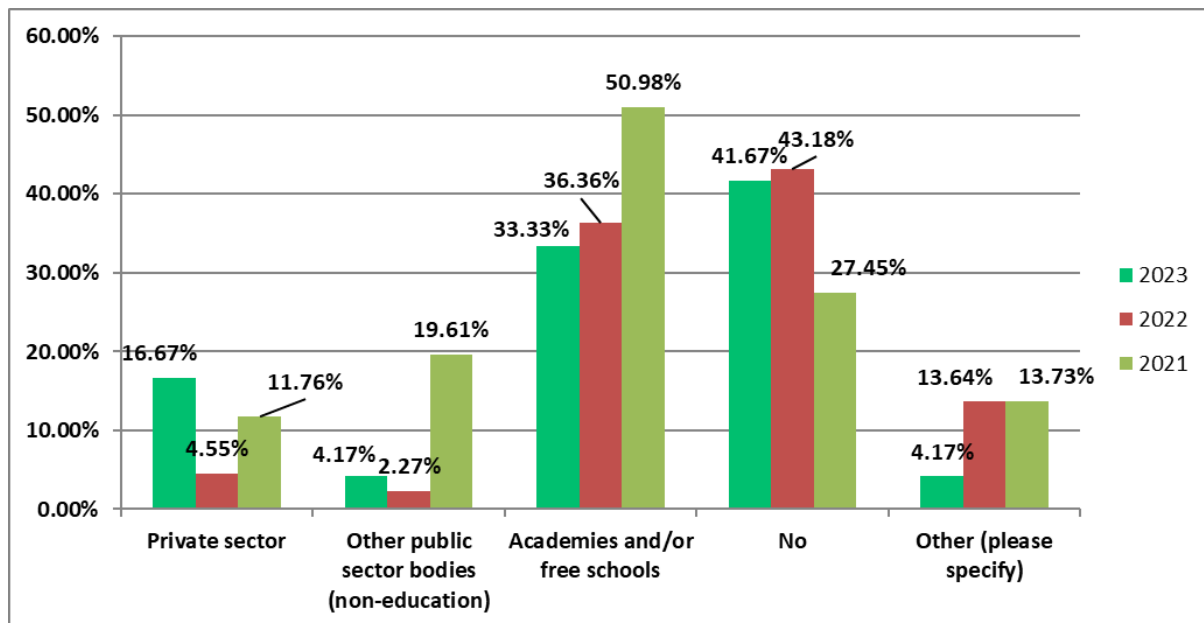
There has been a move away from paper-based systems prior to the COVID-19 pandemic, however, the state of the market surveys highlight that the transition to online has accelerated. When making a comparison with two years ago in 2021, 57.69% of respondents used electronic pre ordering in primary schools and 50.00% in secondary schools. These compares with the responses for 2023 of 80.95% in secondary schools and 85.71% in primary school reporting that they used electronic pre-ordering system. In addition, the use of online payments has increased by 8.02% from 2021. There could be many reasons for this acceleration, including the pandemic. During this time there are examples of school catering services developing mobile apps as a way of communicating with parents. There is also a need to have real-time data to control costs and also the need to become more sustainable and reduce food waste.

8. Selling services outside the council

8.1 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 2023 survey and provides a comparison with the responses from 2022 and 2021:



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

With the restrictions being lifted, the responses highlight that the service is starting to sell services to outside the local authority again with 16.67% saying that they sell services to the private sector in comparison with 4.55% that was reported in 2022.

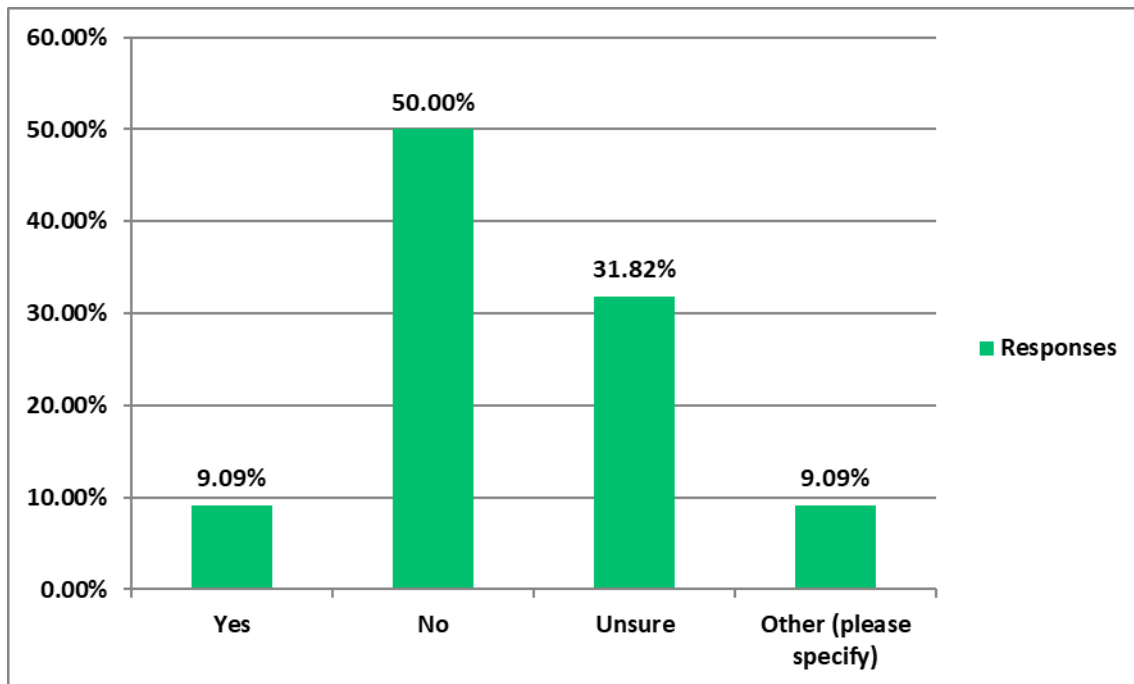
However, the selling of services to academies and free schools outside the local authority area has decreased from the high of 50.98% in 2021 to 33.33% in 2023, This could be in part due to the issues the catering service is experiencing with workforce recruitment and retention and not being able to tender for work as they are unable to resource new contracts outside of the local authority area.

9. Impact of COVID-19 and recovery

APSE was keen to understand the impact that COVID-19 has had on local authority catering and as such the survey asked questions to ascertain the impact of the pandemic.

9.1 Have you seen a return of contracts to local authority providers as a result of the COVID-19 pandemic?

The graph below highlights the responses received to whether there had been a return of contracts to local authority providers.



A small percentage, 9.09%, report this to be the case, while half of respondents report that contracts have not returned to the local authority providers.

9.2 Did the catering service provide food parcels for vulnerable households during lockdown?

During the lockdown, the majority of respondents (73.91%) provided food parcels to vulnerable households, with 17.39% stating that they did not. With the remainder 8.70% advised that they were unsure.

9.3 Did the catering service deliver food parcels to children eligible for Free School Meals during lockdown?

Fewer respondents reported that they provided food parcels to children eligible for Free School Meals with 65.22% reporting this to be the case, 26.09% advised that they did not provide food parcels. With, 4.35% of respondents stating that they were unsure.

However, 17.39% had other arrangements in place during the lockdown and looking at the comments the support was provided in the form of food vouchers.

9.4 What additional information would you like to provide regarding the catering services response to COVID-19?

Looking at the wider comments regarding how local authority catering services responded to the pandemic, there was a range of support provided to ensure that every

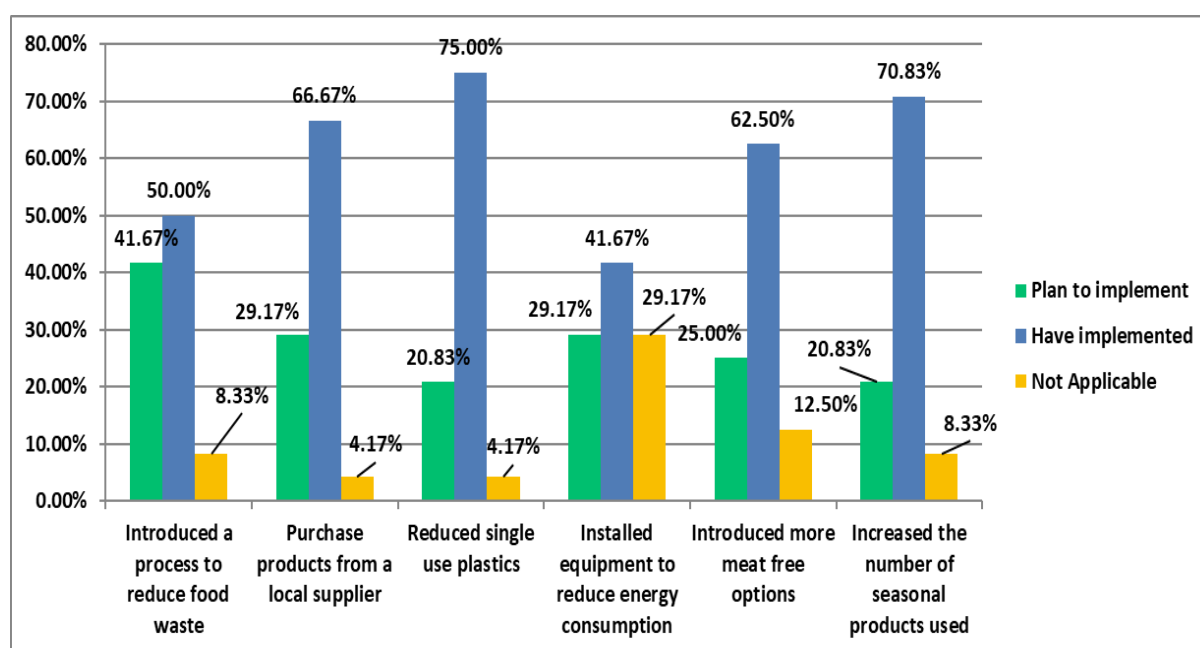
child who needed a meal received one, that the vast majority of councils did not furlough their workforce and they provided additional support over and above the school meal, such as, providing food parcels and meals for people required to isolate.

10 Sustainability

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

Many local authorities have declared a climate emergency and frontline services are required to implement measures to allow the council to achieve net zero targets. Therefore, for last year 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 the measures that respondents have reported that they plan to implement or have implemented:



The greatest number of respondents, 75.00%, report that they have reduced single use plastics, 70.83% have increased the number of seasonal products and 66.67% state that they purchase from local suppliers.

11 Comments on the future

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

The 2023 survey sought to gain an understanding of the expectations that respondents have for the next year.

The table below outlines the responses received.

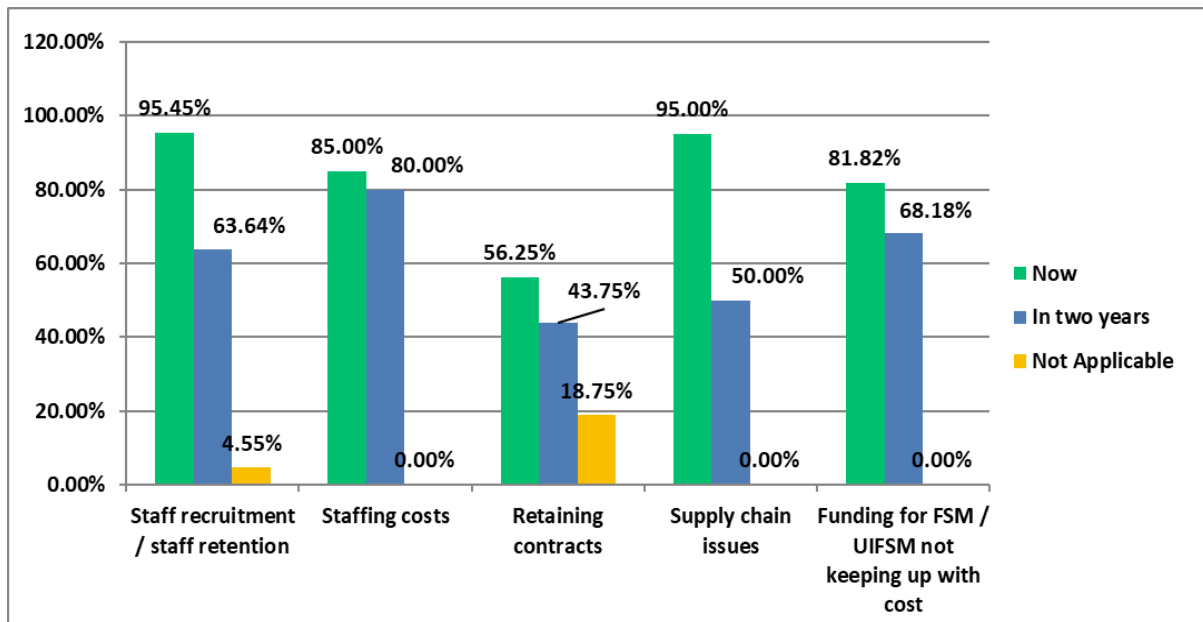
	Increase significantly	Increase slightly	Stay the same	Decrease slightly	Decrease significantly
Paid school meal numbers	0.00%	13.04%	13.04%	43.48%	26.09%
Free school meal numbers	60.87%	34.78%	0.00%	0.00%	0.00%
Universal Infant Free School meal numbers	43.48%	34.78%	13.04%	0.00%	0.00%
Catering income	0.00%	26.09%	13.04%	43.48%	17.39%
Holiday provision	13.04%	34.78%	43.48%	0.00%	0.00%
Breakfast provision	0.00%	30.43%	60.87%	0.00%	0.00%

The greatest percentage of respondents, 43.03% believe that there will be a slight decrease in paid school meals and the vast majority, 95.65% anticipate that free school meal numbers will increase significantly or slightly, which could be in response to the cost-of-living crisis. The responses to the survey reflect the recent changes in government policy with the phased increase in eligibility for UIFSM in Scotland and UPFSM in Wales, with 78.26% of respondents reporting that they expected UIFSM to increase significantly or increase slightly.

Over 60.87% of respondents think that the catering income will decrease slightly or decrease significantly. This could be due to the increased pressures being placed on budgets from inflationary cost of food and increased staff cost, with the funding for school meals not increasing at the same pace and the reduction in the number of paid meals.

11.2 What do you think are the greatest challenges facing the sector?

The graph below highlights what respondents believe to be the greatest challenges currently facing the sector and what the challenges will be in two years' time.



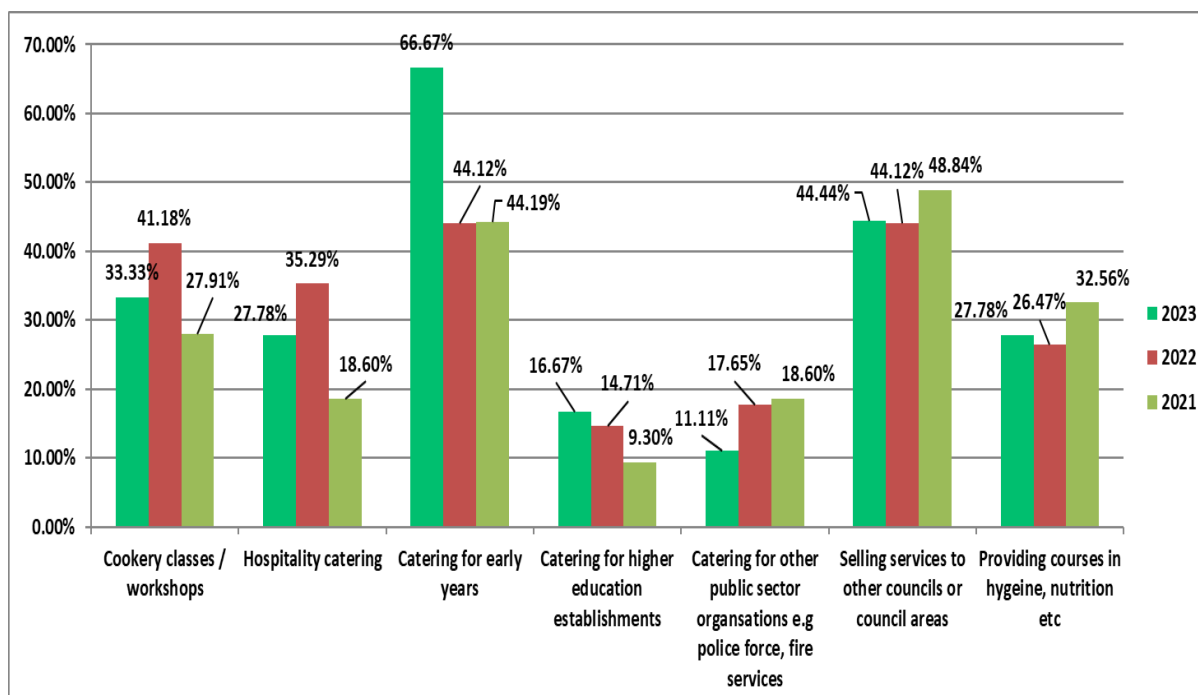
The vast majority of respondents, 95.45%, report that staff recruitment and retention represent the greatest current challenge, closely followed by supply chain issues and staffing costs. The findings from the survey are consistent with the discussions that have taken place at the APSE catering advisory group over the past few months.

Looking to the future, 80% of respondents anticipate that staffing cost will be the greatest challenge, with funding not keeping pace with costs also being a concern with 68.18% advising that they foresaw this was going to be an issue.

12. Growth areas

Clearly, there will be some variation in answers between the authorities responding to this question.

The graph below highlights the areas where respondents anticipated growth in 2023, 2022 and 2021:



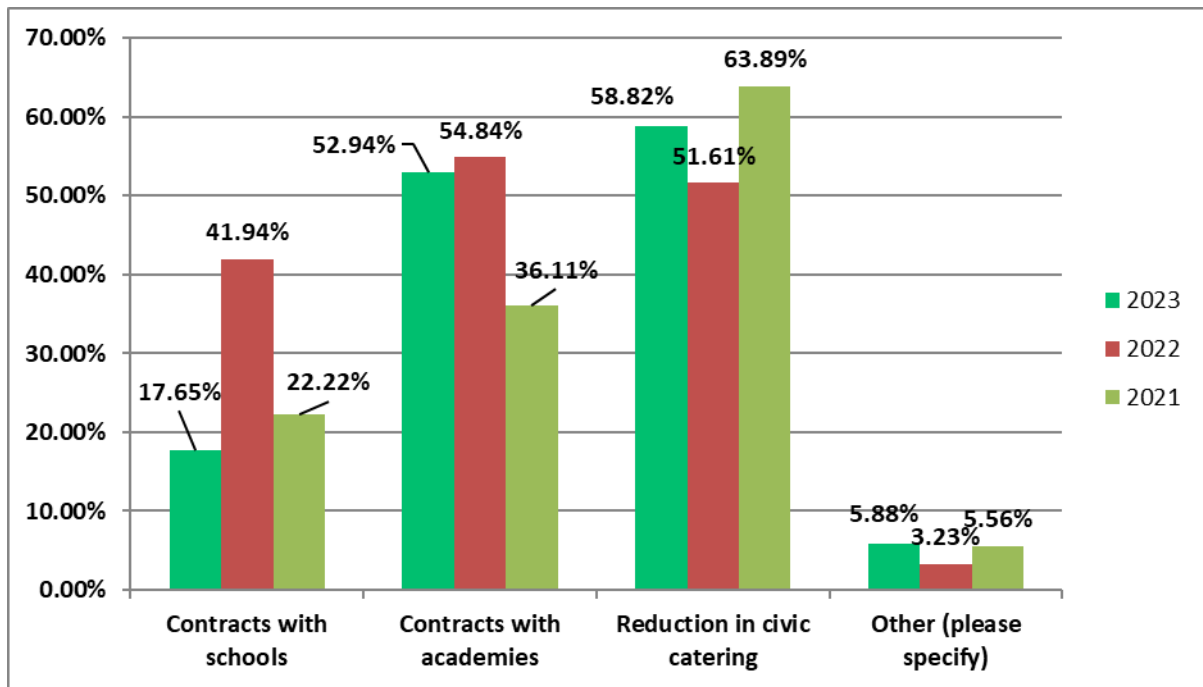
The responses are comparable over the last three surveys, with the exception that the provision of catering for early years would increase 22.55%, more respondents reporting this to be an expected area if growth than two years ago. This could be in part due to the policy in Scotland of extending the free meal provision to children attending early years settings.

The provision of cookery classes and workshops has seen a decrease from 41.18% in 2021 to 33.33% in 2023. This may be attributed to the challenges in recruiting and retaining staff, therefore not being able to resource such sessions but also the rising cost associated with food and produce making such provision unviable.

13. 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 for 2023 is in the reduction in civic catering, with 58.82% reporting this to be the case. This is not a surprise with hybrid working being a common theme and as such, local authorities are rationalising their estates and the pressure being placed on council budgets reducing the requirement for civic catering.

A reduction in contracts with academies is seen as a high area in which the service predicts there will be a decrease with 52.94% of respondents stating this to be the case, which is comparable with the 54.84% that thought this would be the case in 2022.

In 2022, 41.94% of respondents anticipated that contracts with schools would decrease. However, for 2023 this has reduced to 17.65%. Although the reasons for this are not explicit, it could be as a result of the relationship local authorities have fostered with schools and the added value that the service brings that is leading to respondents being more confident in retaining contracts with schools.

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 which 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, 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, health and wellbeing outcomes for children and young people, and the role that the school meal can play in the cost of living crisis and sustainability objectives.

Research conducted by APSE, '[Local authority education service: More than just a service](#)' explores the challenges of delivering the service, outlines the benefits of councils providing school meals and also sets out five recommendations for national governments regarding fixing school meal provision.

On a final point, 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.

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APSE member authorities have access to a 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:-

- FM and Building cleaning
- Catering (School Meals)
- Cemeteries and Crematoria
- Cost of Providing/Cost of Living Network
- Highways and Street Lighting
- Housing, Construction and Building Maintenance
- Local Authority Commercialisation, Income and Trading Network
- Parks, Horticulture and Grounds Maintenance
- Recovery and Renewal
- Renewables and Climate Change
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