



association for public service excellence

State of the Market 2024

Local authority catering services



Briefing 24/18
June 2024

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State of the Market 2024

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 2024

APSE conducted an online survey in December 2023 and January 2024, 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. Most 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

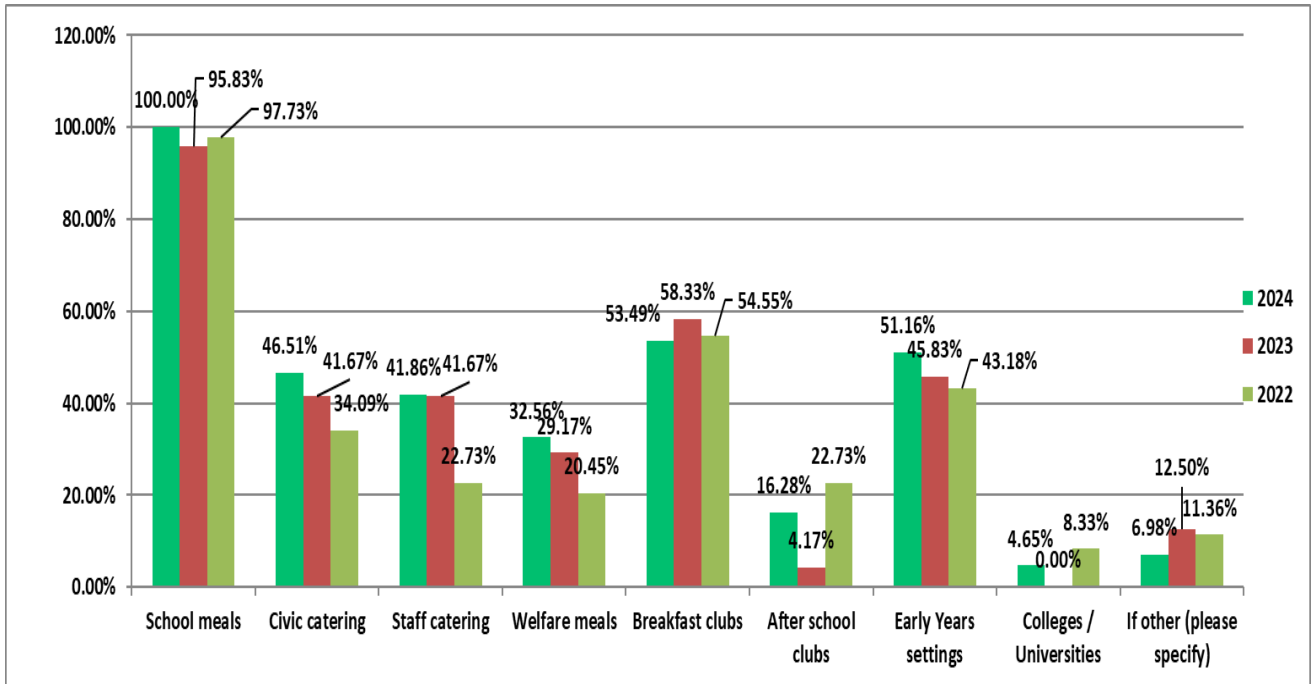
Respondents were UK wide with 60% of respondents from England, 36% from Scotland, 2% from Wales and 2% from Northern Ireland. The survey, therefore, reflects APSE's UK-wide membership and provides a national reflection of opinion. It should be noted that responsibility for Education Catering within Northern Ireland sits with the Northern Ireland Education Authority.

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 2024.

The responses to the 2024 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 100% of respondents advising that they provide this service.



The data shows that the number of respondents reporting that they provide civic and staff catering has seen an increase from early 2022, this could be due to staff returning to the office and civic functions now taking place again.

The percentage of respondents reporting that they cater for breakfast clubs has seen a slight decrease for 2024 but over 50% of respondents report providing the provision, this could in part be to mitigate the impact of the cost-of-living crisis on families.

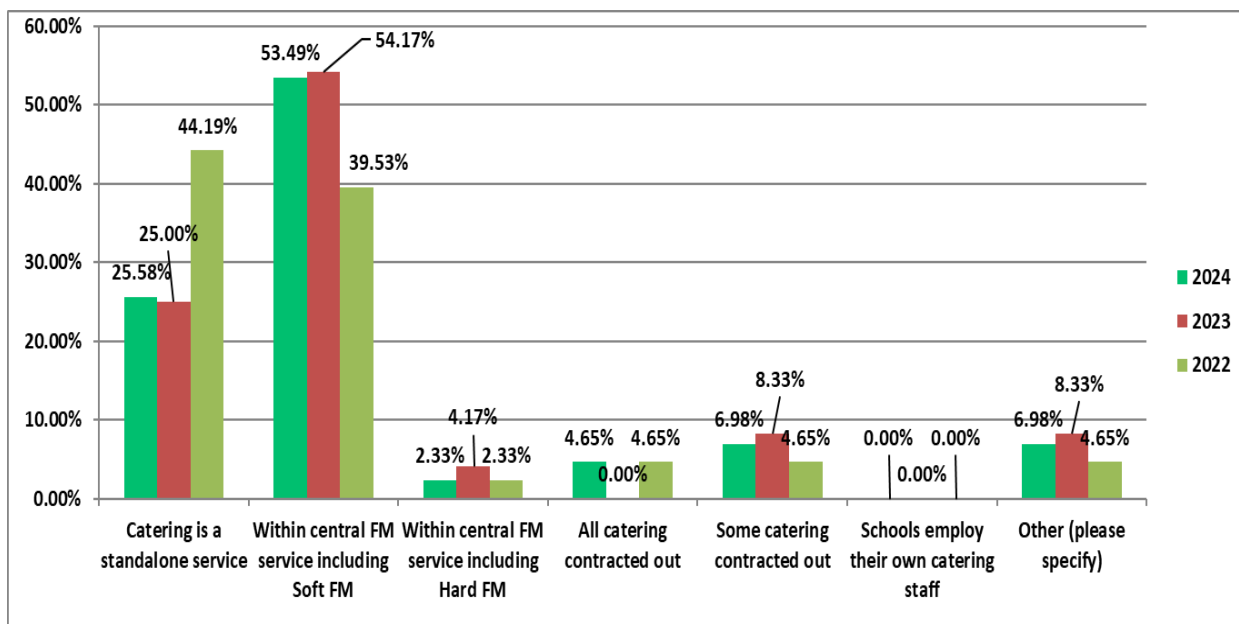
There has been an increase of 12.11% of respondents who report that they provide catering for after-school clubs and a slight increase to 32.56% of those that advise that they provide welfare meals. Similar to breakfast clubs, this could be in direct response to the cost-of-living crisis and councils focusing on mitigating the impact of for their communities.

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 25.58%. The number of respondents reporting that catering sits in a central FM service is comparable with 2023 at 53.49% after the increase reported from 2022 to 2023.

The decrease in catering as a standalone service could be a response to the severe budget pressures local authorities are experiencing and the need to find efficiencies.

4 Workload

4.1 How do you expect the 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 (83.78%) expected that their personal workload would increase, 8.11% thought it would stay the same and 8.11% of the respondents believed their personal workload would decrease. When referring to the catering section, 81.08% of respondents expected that the workload would increase, 13.51% thought it would remain the same over the next year and 5.41% believed it would decrease. The percentage of respondents believing that the workload of the catering section and personally would increase remains high, this could be attributed to the range of services the service provides, the impact of retention and recruitment issues and reduced budgets.

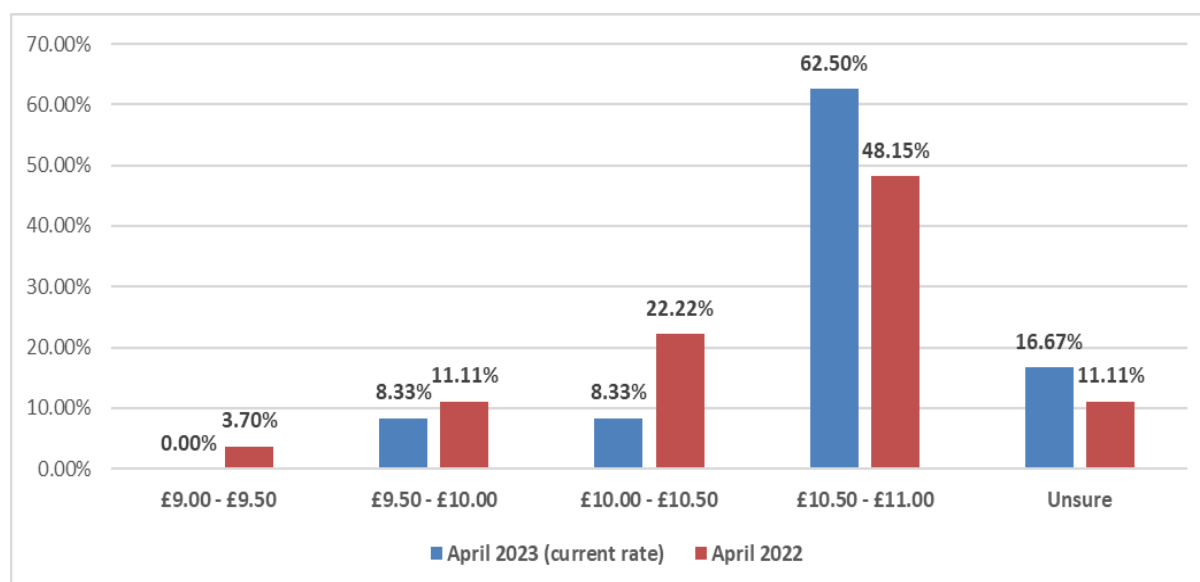
5 Staffing

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

The vast majority of respondents, 86.11%, report that they pay the higher Living Wage with only 13.89% 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:



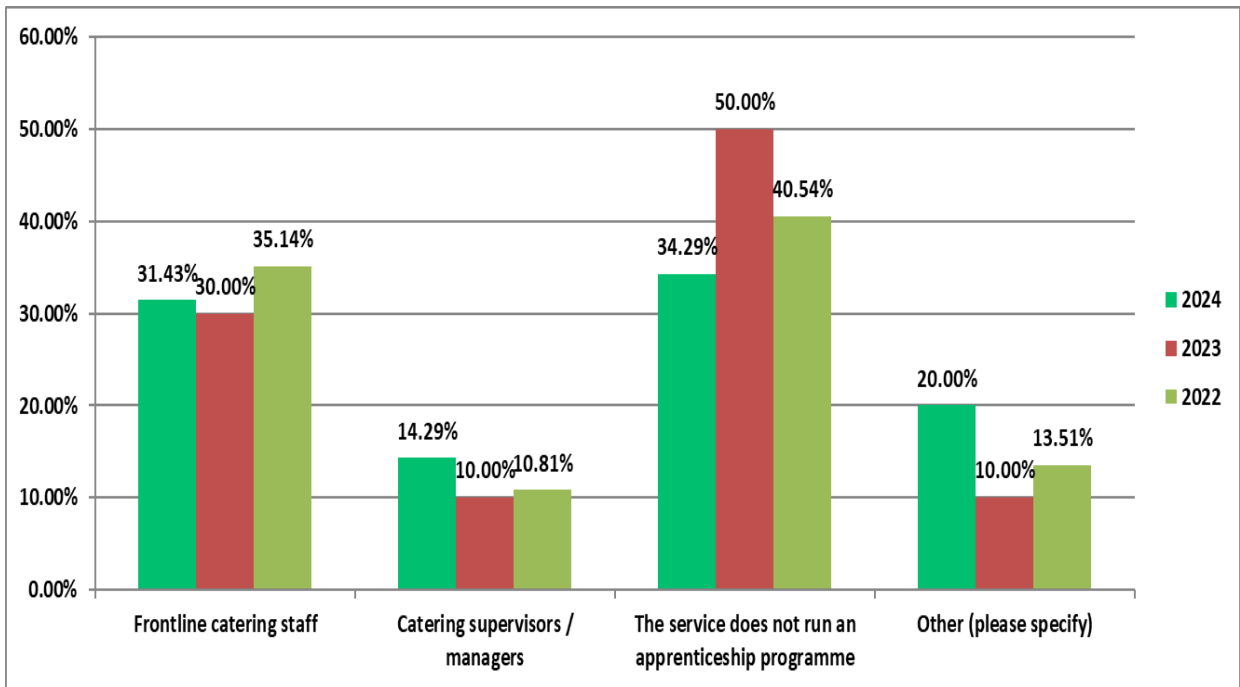
The most common rate reported in 2023 was £10.50 to £11.00 per hour with 62.50% of respondents reporting this to be the case. When compared with 2022 there has been an increase of 14.35% in the number of respondents stating that this was the rate of pay for a catering assistant. There has been a decrease in the number of respondents reporting the rates of £9.50-£10.00 and £10.00-£10.50.

This could reflect the recent NJC pay agreement which specifically weighted pay towards lower graded posts, providing a higher overall percentage rise to this band of workers and the rates of pay are set to increase further with the increase agreed in November 2023.

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 2024, 2023 and 2022.

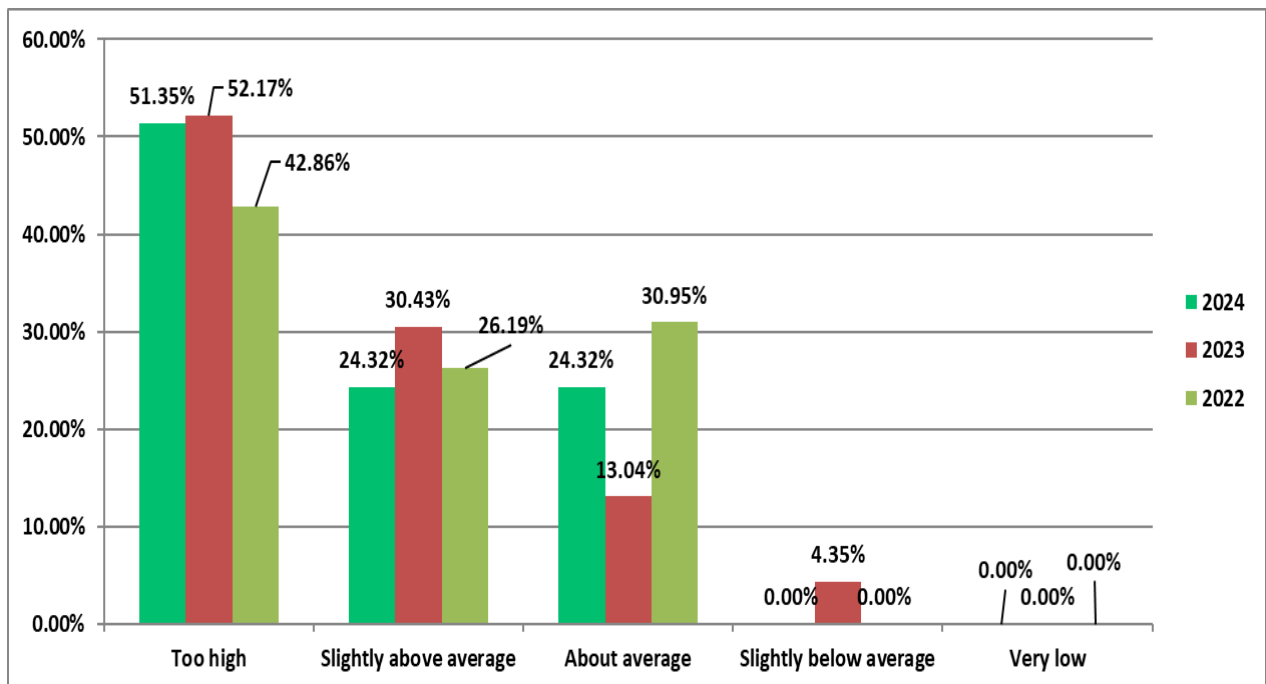


The most common apprenticeship offered continues to be for frontline catering staff with 31.43% of respondents reporting this to be the case. It is commented that the catering service also offers apprenticeships in business administration and data analysis. For those councils advising that they do not 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 2024, 2023 and 2022:



The vast majority of respondents in 2024, (75.67%) perceived that staff absence was slightly above average or too high which has slightly decrease since 2023 where 82.60% of respondents report this. 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%.

The State of the Market survey asks for the perception, however the APSE Performance Networks data reports on actuals and for 2022/23 the UK average for frontline staff absence was 6.09% compared with 5.64% the previous year and 4.16% in 2021. The data for 2023/24 financial year is not currently available but looking at the trend, the average absence rate has been increasing year on year since 2019/20, therefore it is logical to conclude that there will be a further increase in the average.

The perception of over half of the respondents to the survey that state staff absence to too high indicates that there are other factors that are in play influencing the perception such as the issues with recruitment and retention.

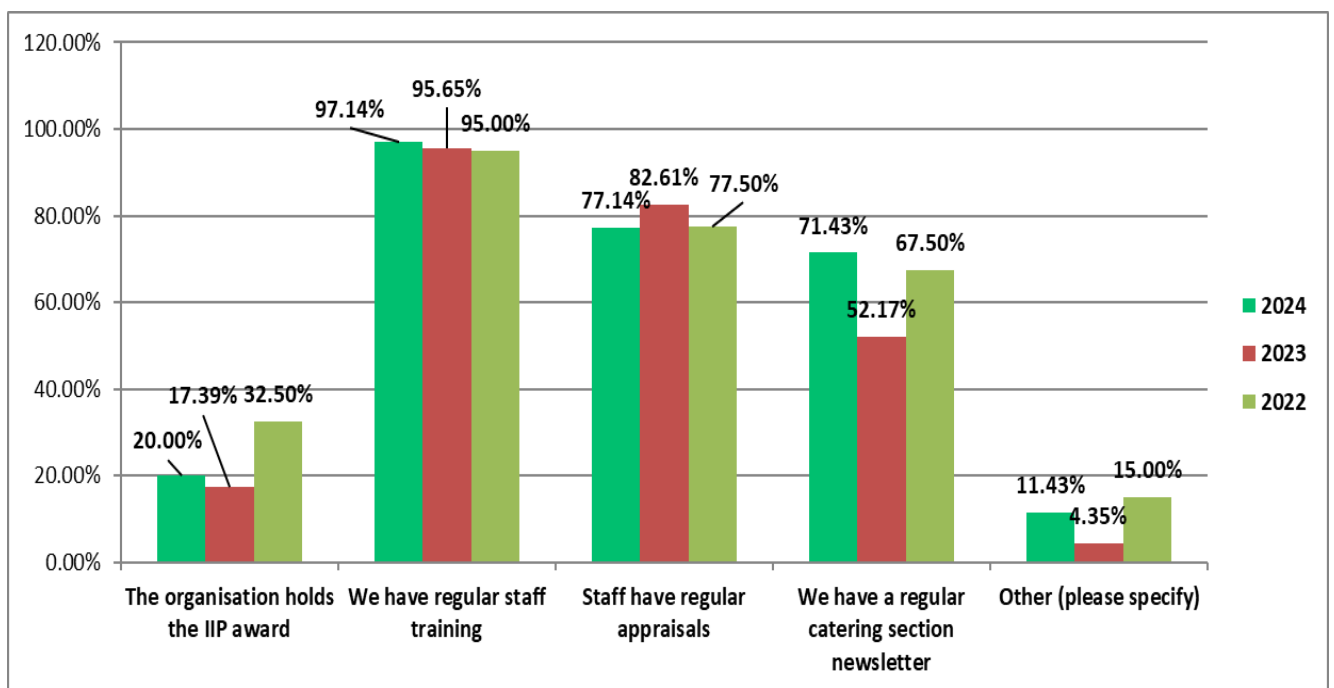
Although not asked for in the survey, but reported by councils at the APSE Catering Advisory Group there has been an increase in the number of staff being off work for stress and mental well-being related conditions. This increase could be a direct result of the pandemic, the number of experienced staff leaving and the recruitment

issues, alongside lengthy NHS waiting lists for referrals to mental health support and treatments.

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 responses for the last three years are consistent and demonstrate that local authorities invest in their staff through the training that they provide.

Regular staff training has remained above 95% for the last three years, and over 77% of respondents have reported that they hold regular staff appraisals.

Investment in the workforce in the form of training not only ensures that staff are kept up to date with the latest food-related legislation such as allergen awareness, but it also assists with the motivation of the workforce.

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. The table below provides an overview of the highest, lowest and average price paid by pupils for a school meal.

Year	Primary			Secondary		
	Lowest	Highest	Average	Lowest	Highest	Average
2021	£1.60	£3.00	£2.13	£1.80	£3.05	£2.27
2023	£1.90	£2.85	£2.40	£2.00	£2.70	£2.29
2024	£1.90	£3.10	£2.46	£1.80	£3.15	£2.44

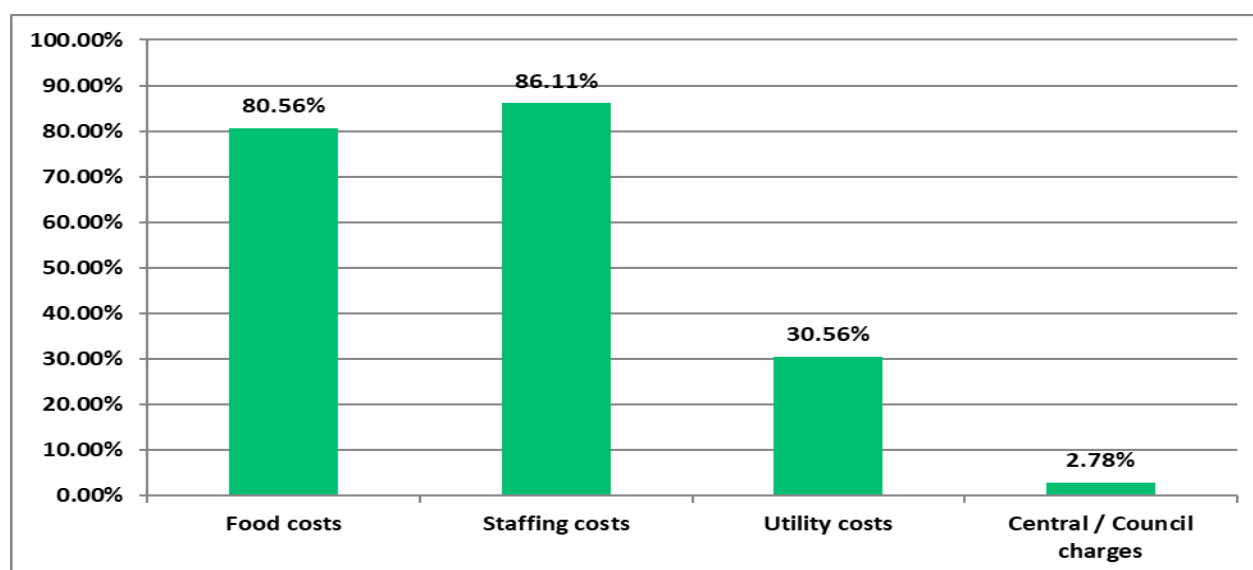
It should be noted that due to the impact of the pandemic the 2022 data for the price pupils pay for a school meal was not available. Therefore, to allow a three-year comparison the response data from the 2021 State of the Market survey has been used.

The average for both primary and secondary schools has increased. The increase for primary pupils is £0.33 since 2021 and for secondary pupils there has been an increase of £0.17 when compared to 2021.

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 cost.

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 in 2024, 2023 and 2022 surveys.

	2024	2023	2022
Worked with suppliers	82.86%	95.45%	89.47%
Increased the use of seasonal produce	57.14%	45.45%	44.74%
Introduced meat free days	42.86%	22.73%	50.00%
Reduced the options available	22.86%	22.73%	21.05%
Decreased portion sizes	8.56%	18.78%	5.26%
Other (please specify)	20.00%	9.09%	10.53%

In addition to the response choices outlined in the above table, respondents to the 2024 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.

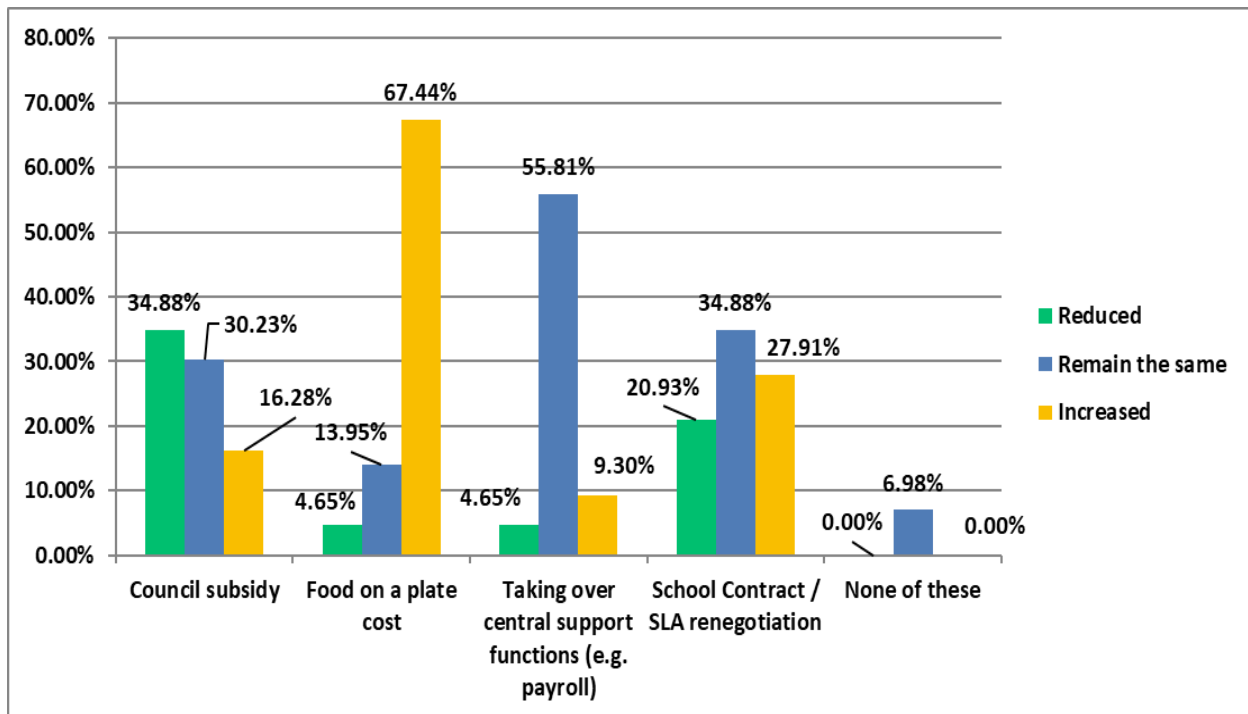
In the comments associated with this question, it is clear that every effort is being made to mitigate passing rising food costs onto the customer which is highlighted in the cost paid by the pupil for a school meal. However, with the sustained period of high inflation it is increasingly difficult for providers to maintain the cost of the meal price to the pupil at the current rates and for the service to remain sustainable.

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:

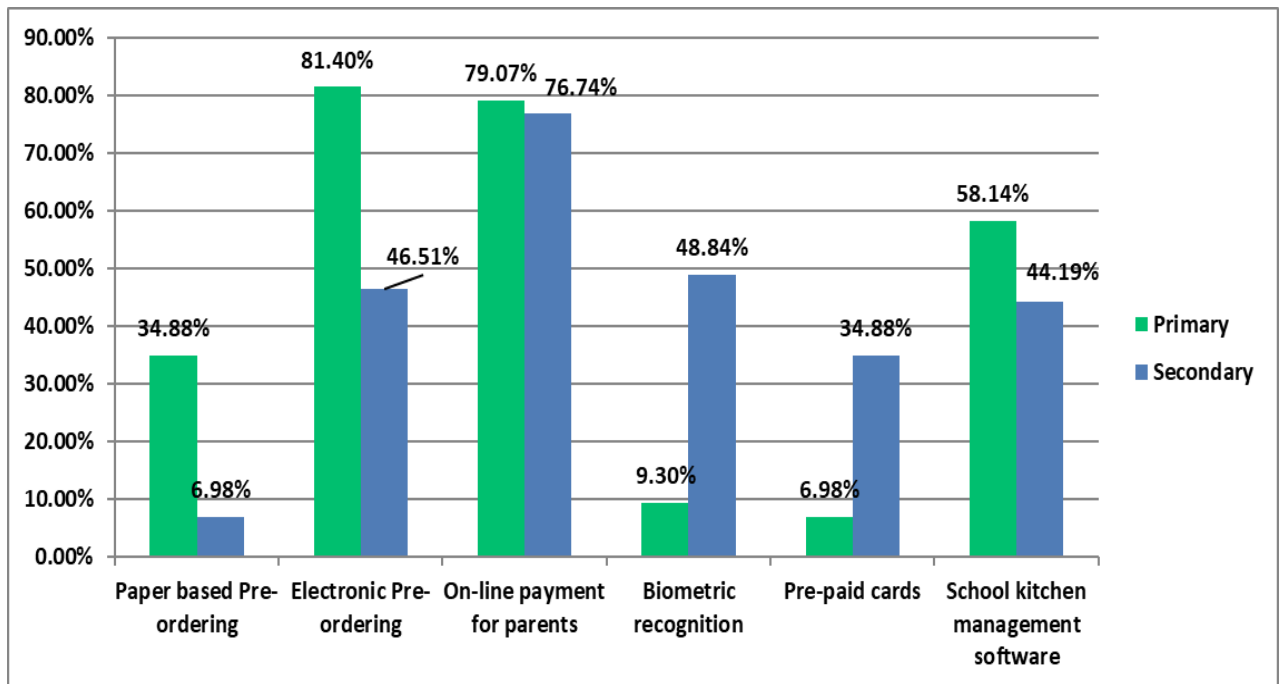


The survey highlighted that 34.88% of respondents predicted that council subsidy would reduce and the majority of respondents 67.44% anticipated that the food on the plate cost would increase. 55.81% thought that taking over central support functions would remain the same and 34.88% anticipated that school contracts / SLA renegotiation would also remain the same.

At the time the survey was undertaken the inflationary pressure on food had started to reduce slightly and this is reflected in the responses as in 2023 with 83.33% reported that food on a plate cost would increase, which represents a 15.89% decrease in respondents expectations for the current year.

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, reducing queuing, waste management, 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. With 79.07% of respondents for primary and 76.74% for secondary schools reporting that they have an online payment system for parents. The vast majority of respondents (81.40%) state that they have an electronic pre-ordering system in primary schools.

There has been a move away from paper-based systems prior to the COVID-19 pandemic. However, the state of the market surveys highlights 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.

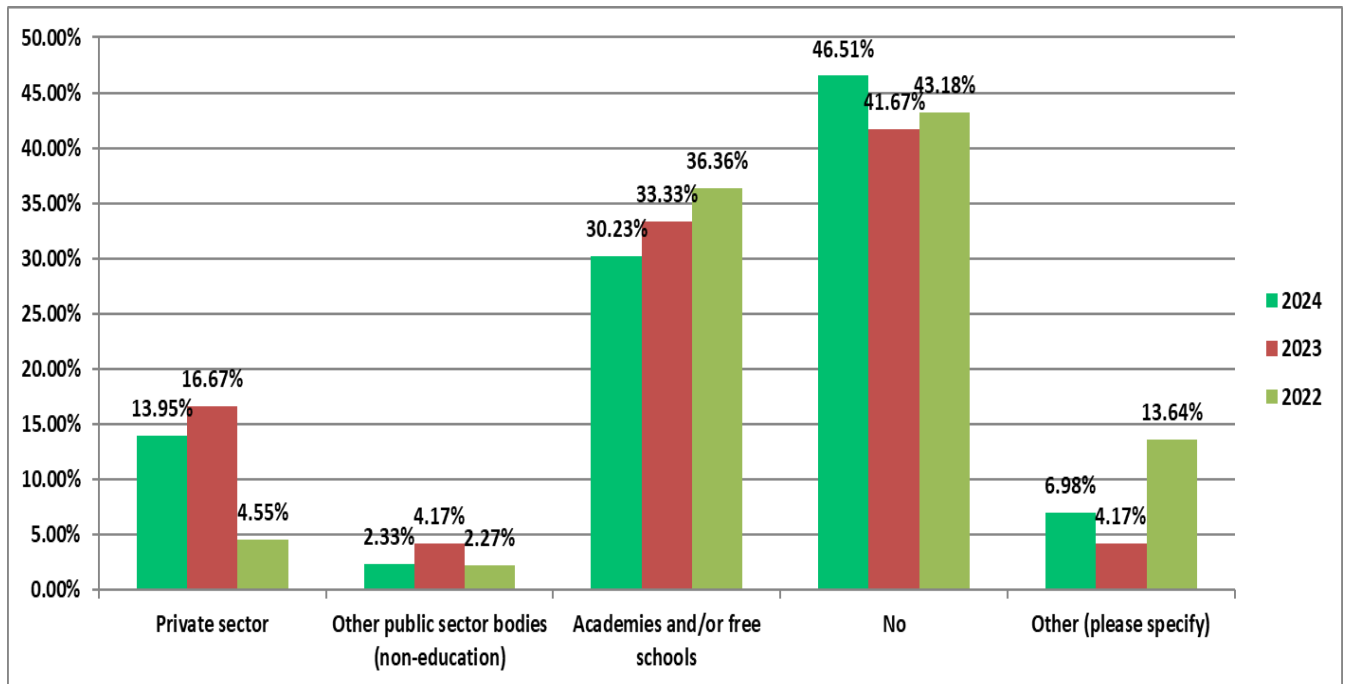
There could be many reasons for this acceleration, including the pandemic. During this time there are examples of school catering services developing mobile apps as a way of communicating with parents. There is also a need to have real-time data to control costs, the need to become more sustainable and 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 2024 survey and provides a comparison with the responses from 2023 and 2022:



There is a clear trend emerging from the last three years of responses to the survey in that there has been a decline in all areas that local authorities sell their services to. However, when discussing the reasons for this with local authorities at the APSE Catering Advisory Group, the main reason cited for the decline in commercial work centres around the challenges in recruiting and retaining staff.

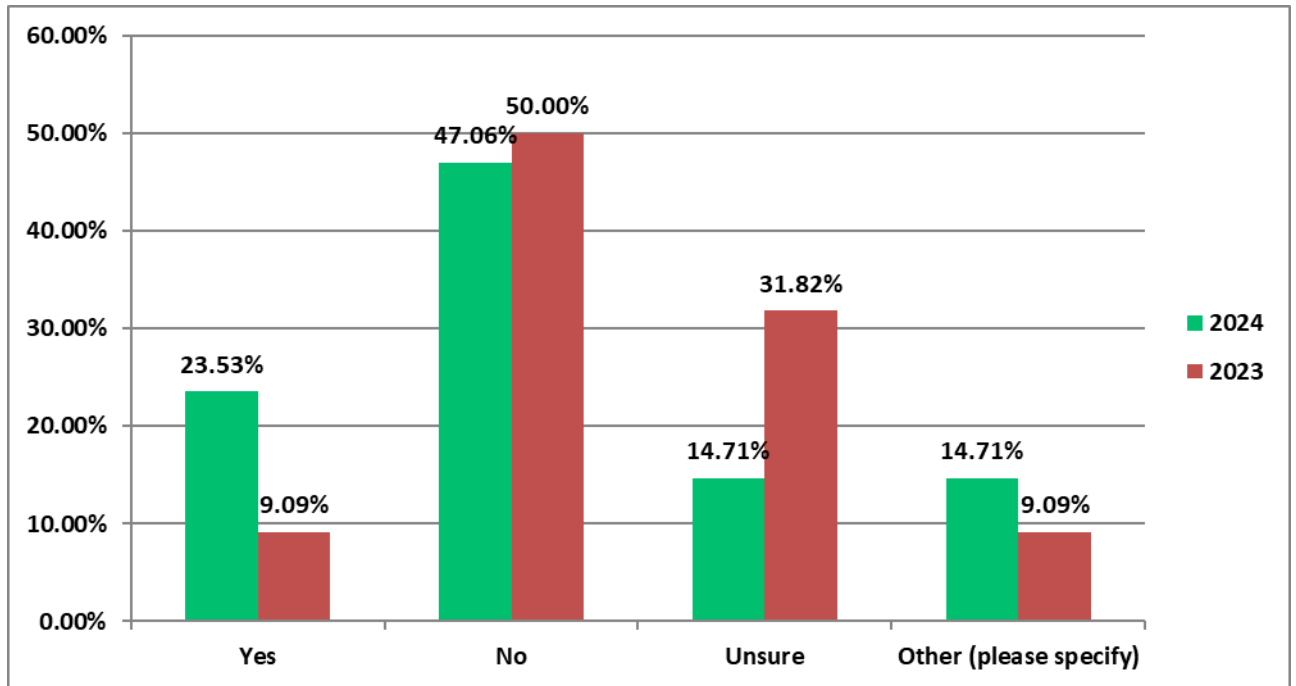
Councils who are experiencing staffing shortages are opting not to tender or take on new work currently, to ensure the existing contracts are not negatively impacted and this could explain why there has been a slight increase to 46.51% of respondents reporting that they do not sell their services.

9. Impact of COVID-19 and recovery

The State of the Market survey in 2022 and 2023 asked questions regarding the impact that COVID-19 had on local authority catering. However, as 'normal' service has resumed, these questions have been removed from the survey but a question about contracts has been retained. This is due to many SLAs and contracts being in place for two to three years, resulting in a delay in the impact being felt.

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 as to whether there had been a return of contracts to local authority providers for 2024 and 2023.



There has been an increase of 14.44% in the number of respondents reporting that there had been a return of contracts to the local authority. Just under half of the respondents, 47.06%, state that contracts have not been returned to the local authority providers.

For the 14.71% that advise they are unsure if the contract has returned to the local authority as a result of the pandemic. This in all likelihood is due to the reasons for the contract returning back to the council not being cited and the potential for other reasons such as providers pulling out of the school food sector due to rising costs.

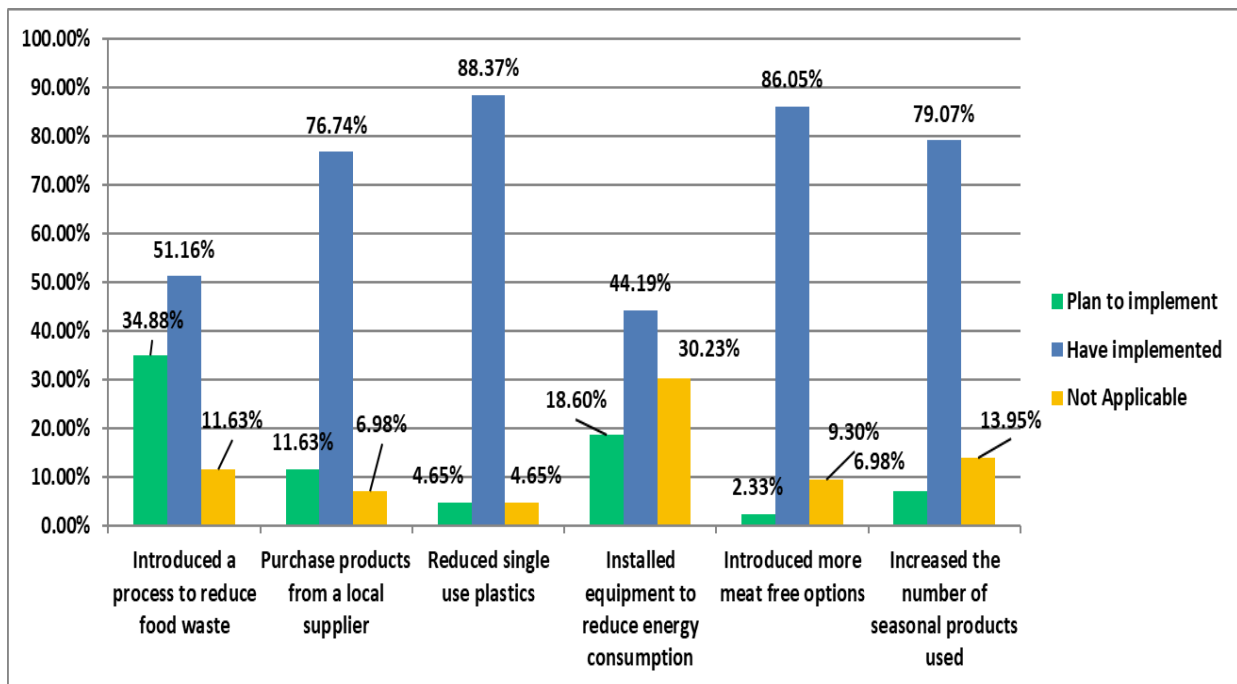
8 Sustainability

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, 88.37%, report that they have reduced single use plastics which compares with 75.00% in 2023, 79.07% have increased the number of seasonal products which represents an increase of 8.24% in the number of respondents reporting this to be the case.

The greatest increase is in the introduction of more meat free options, as 62.50% reported that this measure had been implemented in 2023, compared with 86.05% in 2024.

The introduction of measures to make the service more sustainable can not only be helpful in achieving net zero targets but can also support the financial sustainability of the catering service. Therefore, when reviewing working practices and implementing new measures, a clear strategy can ensure that any opportunities to improve the future 'green' and financial sustainability of the service are adopted.

11 Comments on the future

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

The 2024 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	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Paid meal numbers	2.70%	0.00%	21.62%	13.04%	18.92%	13.00%	48.65%	43.48%	8.11%	26.09%
Free meal numbers	8.11%	60.87%	70.27%	34.78%	18.92%	0.00%	2.70%	0.00%	0.00%	0.00%
UIFSM numbers	8.11%	43.48%	45.95%	34.78%	37.84%	13.04%	8.11%	0.00%	0.00%	0.00%
Catering income	2.70%	0.00%	56.76%	26.09%	21.62%	13.04%	16.22%	43.48%	2.70%	17.39%
Holiday provision	8.11%	13.04%	13.51%	34.78%	56.76%	43.48%	18.92%	0.00%	0.00%	0.00%
Breakfast provision	10.81%	0.00%	5.41%	30.43%	75.68%	60.87%	2.70%	0.00%	0.00%	0.00%

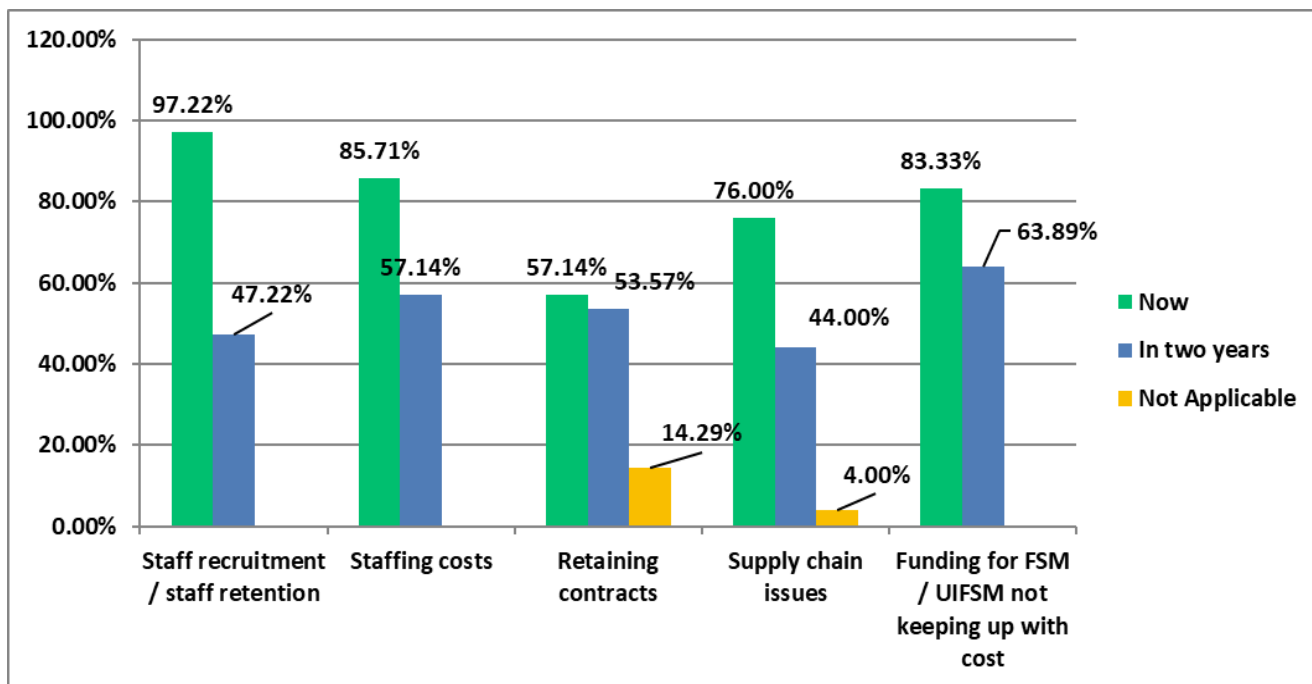
In 2023, 60.87% of respondents believed that free meal numbers will increase significantly, compared with 8.11% in 2024. This could be attributed to the increase in the families becoming eligible during the pandemic, and now the number falling into the eligibility threshold stabilising.

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 54.06% of respondents reporting that they expected UIFSM to increase significantly or increase slightly.

In 2023, 60.87% of respondents advised that they expected catering income to decrease slightly or decrease significantly, this compares with 18.92% expecting this to be the case in 2024. 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 in 2023, and in 2024, the inflationary pressures have eased slightly changing expectation.

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, 97.22%, 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.

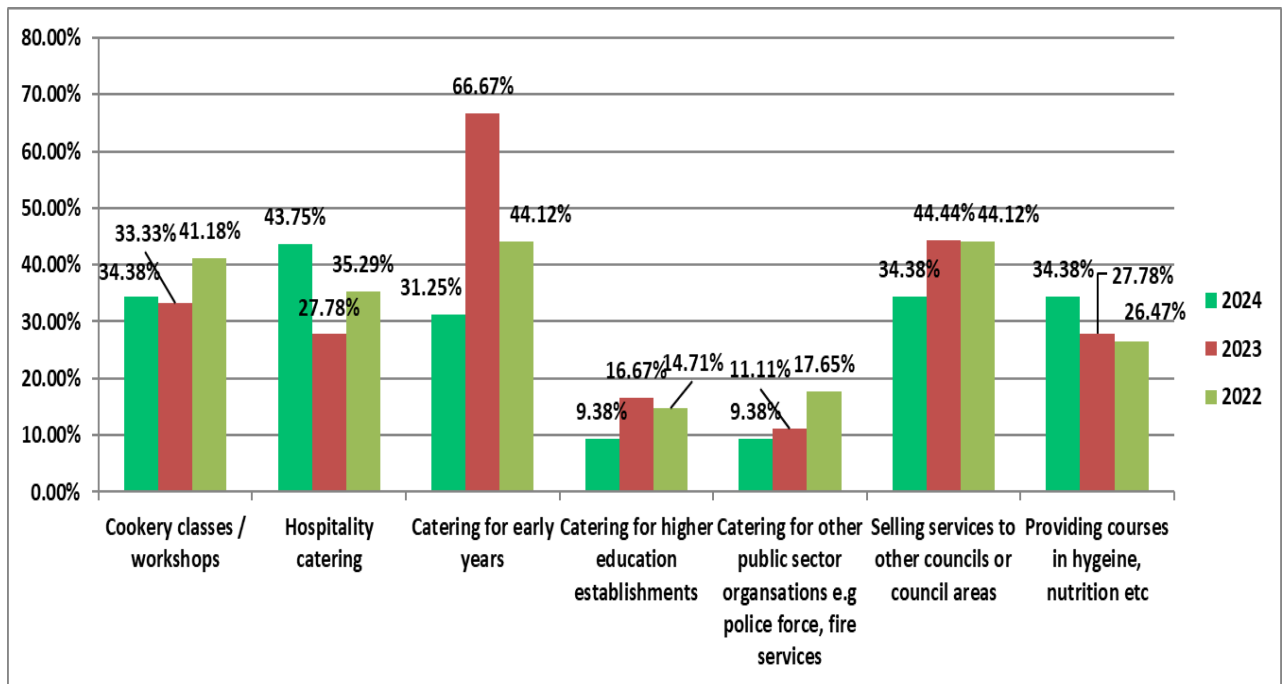
Looking to the future, 63.89% of respondents anticipate that the greatest challenge will be that the funding received for free school meals will not keep pace with costs and 57.14% predict that the greatest challenge will be staffing costs.

These two concerns are understandable as there are challenges which sit outside of the control of services managers and as such make it difficult for service managers to mitigate the risk.

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 2024, 2023 and 2022:



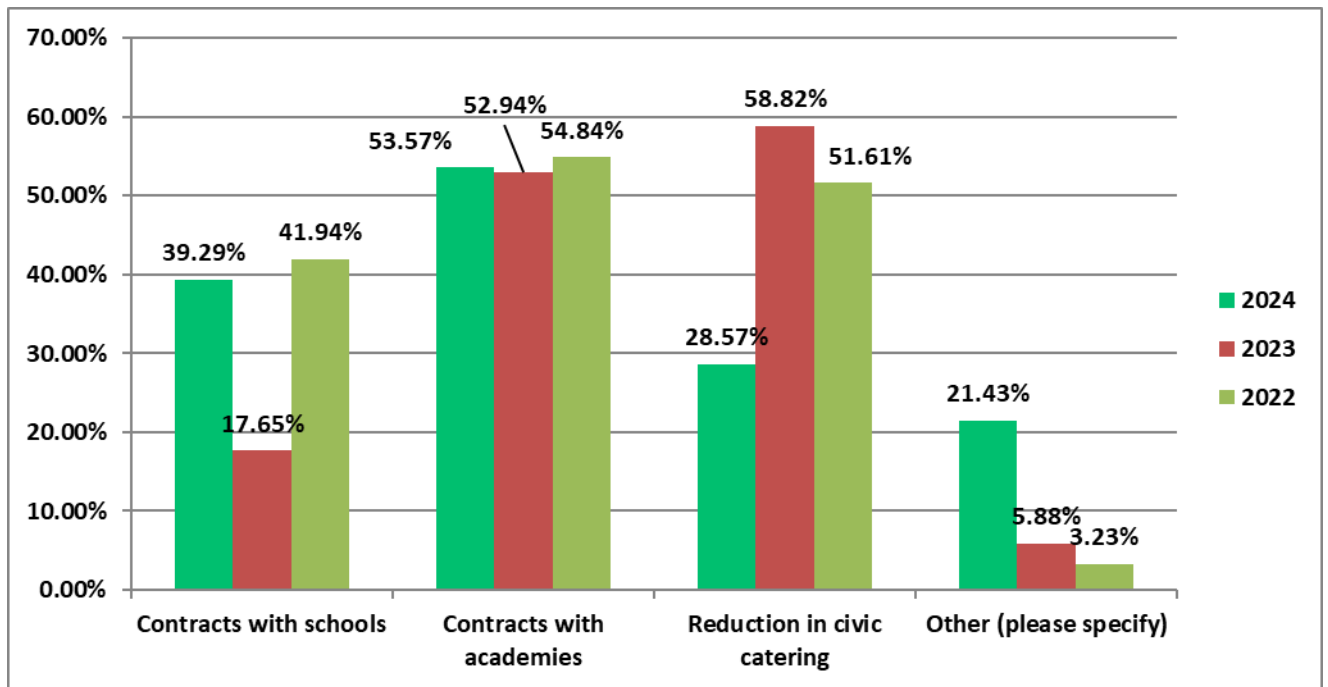
The responses are comparable over the last three surveys, with the exception that the provision of catering for early years which has seen a decrease of 35.42% to 31.25%, and selling services to schools which has decreased from 44.44% in 2023 to 34.38% in 2024. The decline in the number of respondents reporting that they saw catering for early years as a growth area could be in part due to the fact the Scottish government introduced the policy in August 2021 and as it was being rolled out respondents saw it as a future area of growth. However, now it has been implemented it is not seen as such.

The number of respondents reporting that hospitality catering is seen as an area of growth is at the highest for three years at 43.75%, this is likely due to the increase of events in civil building requiring catering and the requirement for the service to seek commercial opportunities to assist in safeguarding the future sustainability of the service.

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 there was an expectation that the catering service will see a decrease for 2024 in the reduction in contracts with academies, with 53.27% reporting this to be the case. This is not a surprise and has been a common concern since the inception of academies.

In addition, there has been a 21.64% increase in the number of respondents reporting that this would be an area of decrease in 2024. Although the reasons for this are not explicit, evidence shows that the budgets allocated to schools are under pressure, resulting in schools looking to reduce costs resulting in schools in England awarding tenders based on cost, generally to private sector companies that have lower rates of pay and less favourable conditions than that of the local authority.

APSE comment

The value of school meals, particularly during the cost-of-living crisis 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.

However, the service, in terms of its education catering side, still operates in the vast majority of cases within a market-model. Furthermore 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, continue to present significant challenges. Within England specifically whilst there are some potential opportunities, the service remains restricted by the current model of education provision.

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 has consistently called for a return to greater local authority involvement in education provision; this we have argued 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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Sign up for APSE membership to enjoy a whole range of benefits.

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
- Roads, highways, and street lighting
- Sports and Leisure Management
- Vehicle Maintenance and Transport
- Waste Management, Refuse Collection and Street Cleansing

Visit www.apse.org.uk for more detail.



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