



APPG on School Food Report

Impact of food cost on school meals



Contents

1	Introduction	3
2	All Party Parliamentary Group on School Food – Impact of the cost-of-living crisis on school meals.....	3
2.1	<i>Results.....</i>	3
2.2	<i>In the last three months, how have food costs changed?.....</i>	4
2.3	<i>Please rank the produce in the order of greatest price increase.....</i>	4
2.4	<i>Do you anticipate that food costs will continue to rise?.....</i>	5
2.5	<i>What are you planning to introduce in response to food price rises (tick all that apply)?</i>	5
2.6	<i>In the last three months, how has dinner money debt been impacted.....</i>	6
2.7	<i>What other costs associated with the school catering service have you seen increase?.....</i>	6
2.8	<i>In the last three months, have you identified any of the following?.....</i>	7
2.9	<i>What do you believe will assist in alleviating the impact of rising food costs?.....</i>	8
3	Would you like to provide an example of the impact of the increase in the cost of food on school food?.....	9
3.1	<i>Impact on Quality.....</i>	9
3.2	<i>Impact on the menu.....</i>	10
3.3	<i>Impact on price.....</i>	10
3.4	<i>Impact on the service.....</i>	11
4	Conclusions	12

School Food Report Impact of food cost on school meals

The School Food Report was conducted by Vickie Hacking, Principal Advisor, APSE on behalf of All-Party Parliamentary Group.

For any enquires in relation to the report, Vickie may be contacted on:

Tel: 0161 772 1810

Email: VHacking@apse.org.uk

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 Introduction

The cost-of-living crisis in the UK began in 2021 and saw prices of everyday essentials increase faster than household incomes, at first brought about by the withdrawal of restrictions following the COVID-19 pandemic and changes brought about by Brexit.

The situation has been further exacerbated by the war in Ukraine with the restriction on the supply of food products such as grains and the related sanctions having a direct impact on the cost of energy and fuel.

With the gap between wages and benefits, and the cost of essentials such as food and utility bills increasing, the All-Party Parliamentary Group (APPG) for School Food wanted to gain a snapshot of how the crisis and in particular the increasing cost of food was impacting on school food.

2 All Party Parliamentary Group on School Food – Impact of the cost-of-living crisis on school meals.

APSE conducted an online survey on behalf of the All-Party Parliamentary Group (APPG) on School Food in July and August 2022, which was circulated to organisations and contacts of the APPG.

A series of questions were asked relating to how the cost-of-living crisis was impacting school food. This report provides an overview of the key findings from the survey.

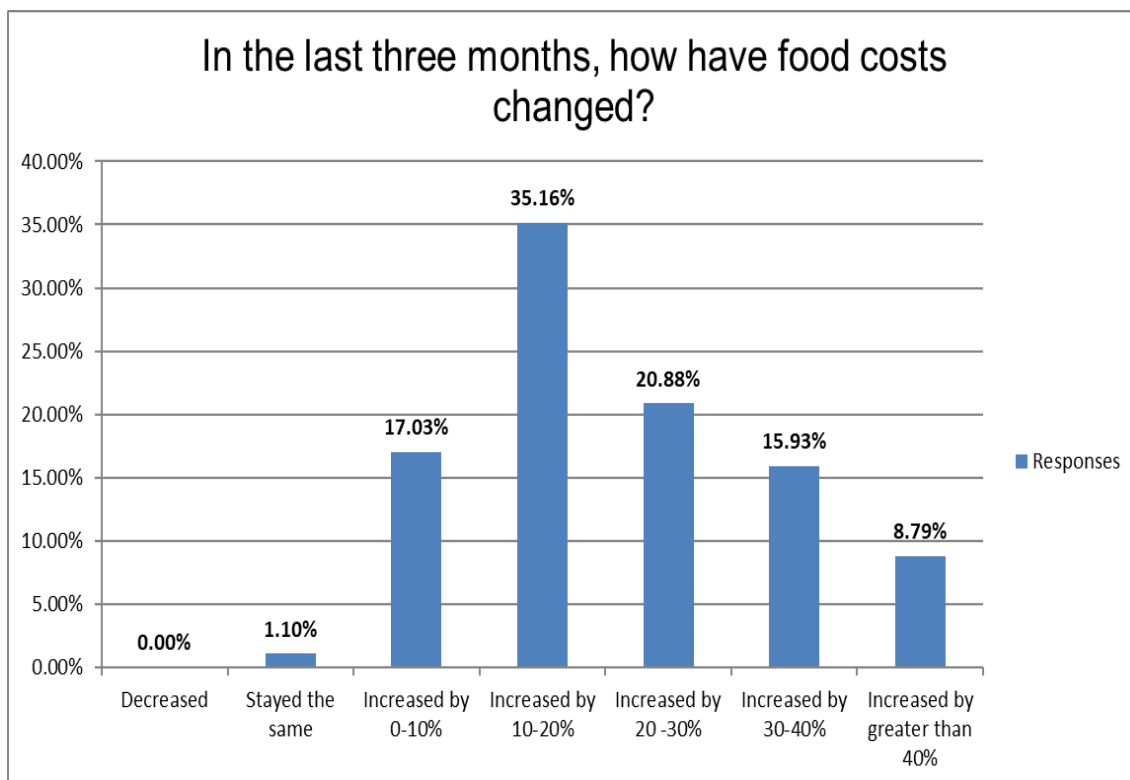
2.1 Results

There were over 180 respondents to the survey with the most majority being from England, 90.11% with a further 5.49% from Scotland, 2.75% from Wales and 0.55% from Northern Ireland. There was also a respondent that reported they operated Nationwide.

The respondents represented a cross section of views from across the school meal landscape. With 21.98% of responses from local authority catering providers, 19.23% from school catering providers, 15.38% of respondents reported that they were parents, 13.74% advised that they were teachers / support staff, 8.79% represented private sector caterers, 7.14% were a charity / not for profit organisation, there were 1.65% reporting that they were frontline catering staff and 1.10% of the responses were from school governors. A further 10.99% of 'other' respondents included School Business Managers, suppliers of food to schools, grandparents, trade unions and officers from local authorities that were not directly part of the catering service.

2.2 In the last three months, how have food costs changed?

The graph below outlines how the respondents report the changes in food costs in the last three months.



An analysis of the responses received clearly demonstrates that there has been a rise in food costs with none of the respondents advising that prices have decreased and only 1.10% stating that the costs have stayed the same. The vast majority of respondents, 97.79% reported that there had been some increase in food costs in the last three months.

The most common response indicates that there has been an increase in food costs of 10-20% with 35.16% of respondents stating this to be the case. 20.88% advise that they have increased by 20-30% and 17.03% report that the prices have increased by 0-10%.

2.3 Please rank the produce in the order of greatest price increase.

To gain an understanding of what produce has seen the largest increase, the survey provided a list of food groups and respondents were asked to rank them in order of the highest increase.

The increase in price rises on individual food groups will be dependent on several factors including how and where the product is supplied and procured, the prevalence on the menu and the quantity required.

When looking at the data, the top three food groups that ranked as having the highest price rises were meat and poultry with 36.20% of respondents ranking this as number one, 20% of respondents

reported that cooking oil had seen the greatest price rise and 10.26% ranked vegetables as being number one.

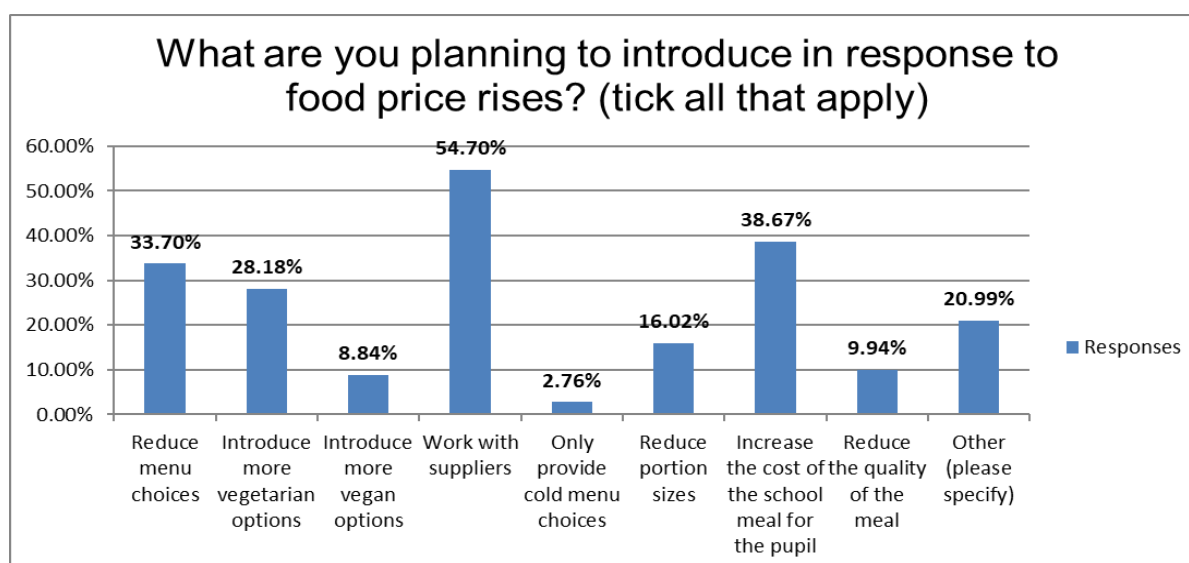
Also, in response to the question, it was commented that the increase in the price varied depending on the availability of produce. For example, for vegetables that were in season and grown in the UK, the price increase might not be as significant.

2.4 Do you anticipate that food costs will continue to rise?

To establish if the respondents believed that the price increases had reached a peak the survey asked if there was an anticipation that the prices would continue to rise. An overwhelming majority of respondents, 97.25% stated they anticipated prices would continue to rise. 0.55% ticked not applicable and 2.75% opted for other and in the associated comments it was clarified that these respondents felt that some prices would rise but not all, and that there would be a variation into what and by how much the increase would be.

2.5 What are you planning to introduce in response to food price rises (tick all that apply)?

The graph below provides an overview of the responses received to this question.



The responses demonstrate that caterers are planning on implementing a range of measures in response to the rising price of food. Over half of respondents 54.70% advise that they are working with suppliers, 38.67% are looking to pass the cost on to the customer (pupils), 33.70% are planning to reduce menu choices.

The data shows that providers are focusing on providing a hot school meal and maintaining quality with just 2.76% stating that they were planning on only providing a cold meal and 9.94% looking to reduce quality.

In addition to the choices outlined in the graph, respondents also report that they are redesigning menus and recipes to mitigate the price increase and also focusing on reducing food waste.

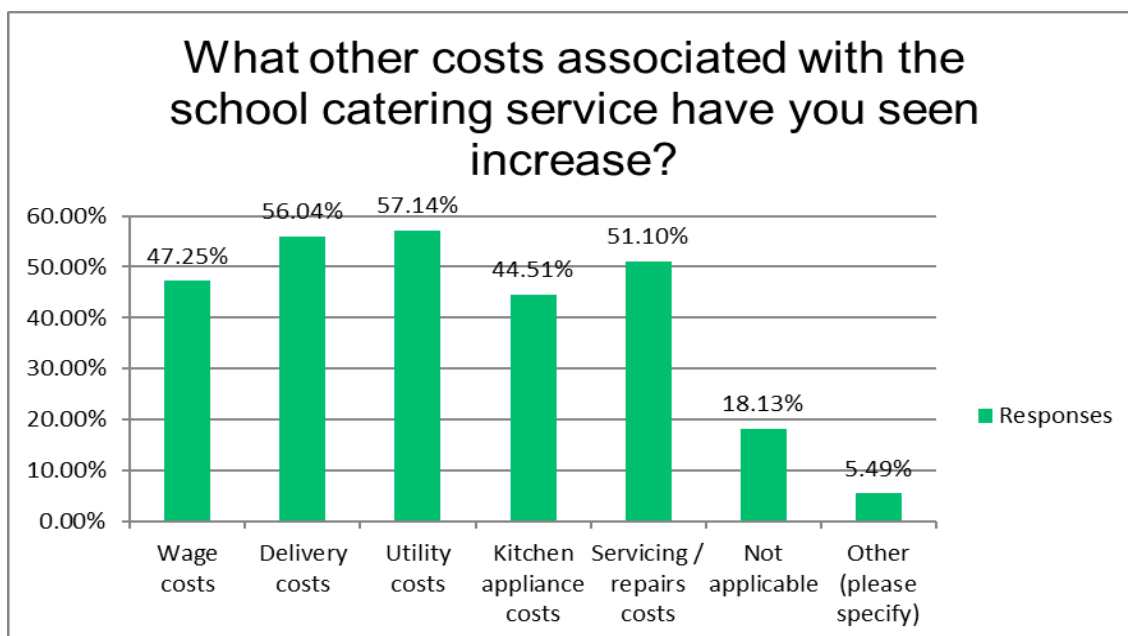
2.6 In the last three months, how has dinner money debt been impacted.

With the cost of living impacting on household budgets, the APPG survey sought to understand if there had been an increase in dinner money debt. 18.23% of the respondents could not respond to the question and stated they did not know. However, just under 60% of respondents, reported that it had either increased or significantly increased, 24.86% advised that it had stayed the same, only 0.55% said it had decreased significantly and none of the respondents confirmed that it had decreased.

This is an indication that families that do not meet the eligibility criteria for FSM and UIFSM are finding it increasingly difficult to afford a school meal, and this was also supported by the comments received throughout the survey.

2.7 What other costs associated with the school catering service have you seen increase?

In recognition that the catering service encompasses more than just the food on the plate, the survey asked respondents to indicate from a list of options what other costs had increased. The graph below provides an overview of the responses received.



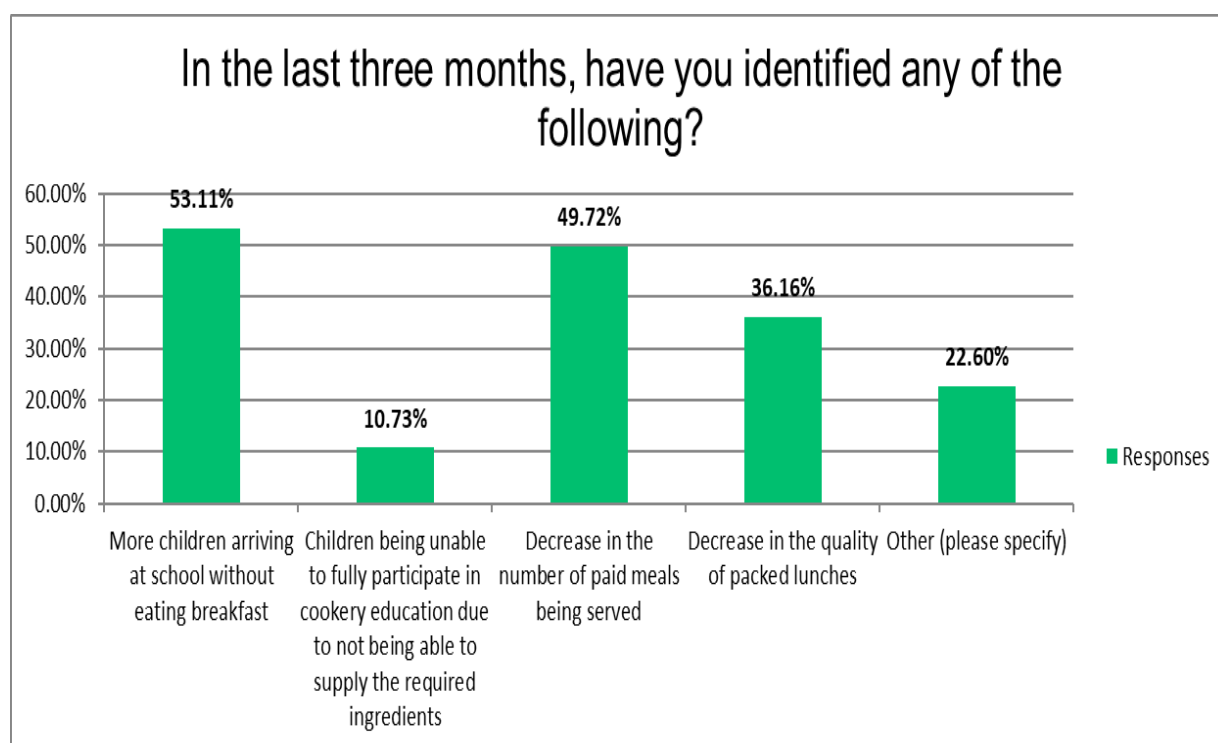
The results highlight that there have been increases in several areas. With 57.14% reporting that utility costs increased with a respondent advising that these had seen a five-fold increase. 56.04% advised that delivery costs had increased, and it was commented by one of the respondents that this was despite sourcing produce locally. 51.10% stated that service and repairs costs had increased.

Just under half of the respondents, 47.25% stated that wage costs had increased. In the comments it was reported that despite the wage costs rising, due to competition for staff in the wider hospitality sector and from supermarkets, it was increasingly difficult to recruit and retain staff, and they did not have the ability to increase wages to make the roles in the school catering service more attractive.

Additional comments also made it clear that consumables such as cleaning products, bin liners and packaging / labels were all increasing. The issue with regards to the label and packaging increasing had been further exacerbated by the introduction of Natasha Law, which is positive legislation, and welcomed within school catering services, in terms of protecting the child, but has required changes to IT systems and additional labelling, which have added cost to the service and individual wrapping food has increased due to COVID-19.

2.8 In the last three months, have you identified any of the following?

The school meal is just one part of the school day; therefore, a question was asked to identify from a list of options of a range of additional impacts. The graph below highlights the responses received.



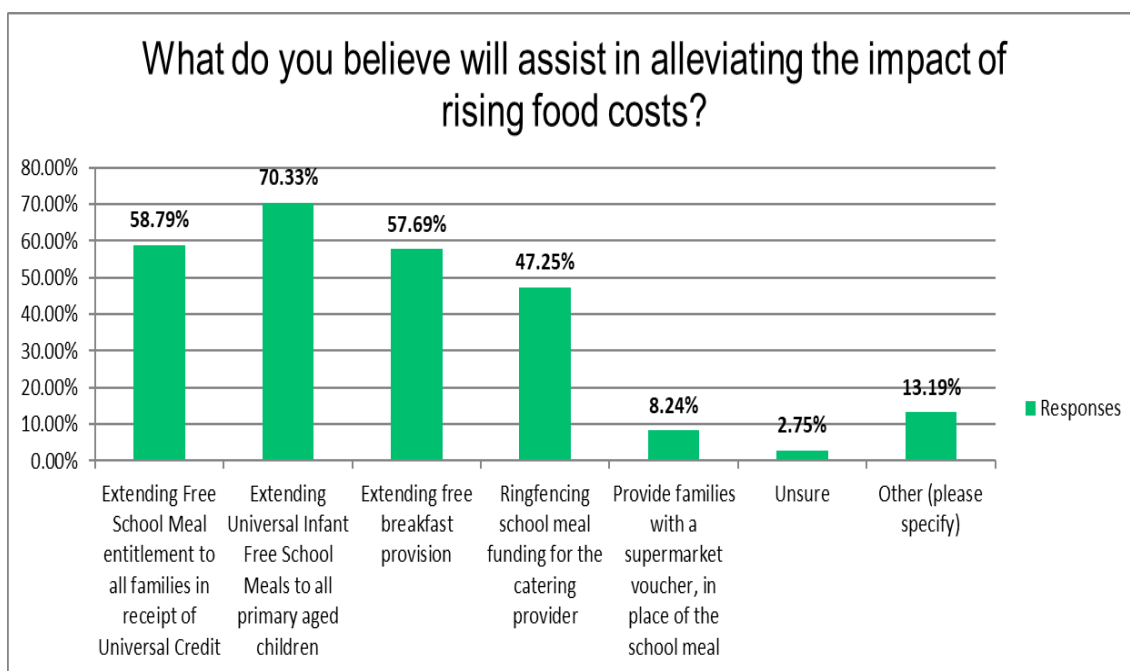
Over half of the respondents, 53.11% report that they have identified more children arriving at school without eating breakfast. 49.72% report that they have seen a decrease in the number of paid meals being served and 36.16% advised that there has been a decrease in the quality of packed lunches.

For those respondents answering 'other', they reported that there had been an increase in the number of children taking up the free school meal or UIFSM entitlement, parents are complaining about the price of the school meal even though the prices had not increased, and charities / not for

profit organisations have stated that they have seen an increase in the number of families looking to access their services, such as food programmes.

2.9 What do you believe will assist in alleviating the impact of rising food costs?

The survey asked respondents to outline what they felt would assist in alleviating the impact of rising food costs. The graph below provides an outline of the responses received.



The majority of respondents (70.33%) believed that extending UIFSM to all primary aged children would assist, 58.79% indicated that extending free school meal entitlement to all families in receipt of universal credit would assist and 57.63% stated that they believed extending free breakfast provision would in part alleviate the impact of rising food costs.

The responses to this question highlight that there is a belief that there is not one intervention that is needed to reduce the impact of rising food costs, but a range of actions.

During the pandemic, the government implemented a voucher scheme to support families eligible for free school meals. However, the survey indicates that providing families with a food voucher in place of a school meal is not an intervention that is seen as a measure to alleviate the impact of rising food costs with less than 10% of respondents selecting this as one of the options.

The comments in response to the question show that there is a clear consensus that the government funding for school meals needs to increase and this funding needs to be ringfenced to school meals.

Other comments focused on free school meals to be extended to those not on benefits as many of these families were also struggling.

3 Would you like to provide an example of the impact of the increase in the cost of food on school food?

To gain an understanding of the impact that the increase in food costs was having on school food the survey asked respondents to provide an example. There are four clear categories that the examples can be grouped into, impact on quality; impact on the menu; impact on price and impact on the service. Outlined below are a selection of summarised examples provided by respondents that highlight the impact the increase cost of food is having on school food: -

3.1 Impact on Quality

- Our children have begun receiving things like a sausage roll and a piece of fruit for lunch’
- The quality and quantity of school meals is very poor and represents very poor value for money. The school is tied into using the catering company for many years and complaints to the company have not been taken seriously. I think the privatisation of school meals has led to prioritising profit over children's wellbeing and I strongly feel that these catering companies should be held to account: it is a waste of taxpayers’ money to boost these companies' profits by paying for tiny unappetising school meals for children who are most in need.
- Buying budget produce and having to bulk up with other things to make enough for’
- School choosing items quicker to cook rather than nutritious’
- The standard of the food provided is not as good as when my son started primary school in Reception - he is now coming to the end of Year 3 and the variety isn't as good.’
- Serving fish every Friday is one of the most popular dishes in our menu structure. The cost of fish means we often replace a standard fillet with fish fingers. Whilst we remain within the school food standards protocol, we are actively considering the need to reduce food portion sizes.’
- Looking at the origin of the supply and taking what is available at the best price to meet the School Food Standards. The School Food Standards are not being fulfilled due to cost pressures so this will have a longer-term impact. Food consumed outside of school is often cheaper foods and full of fats and sugars we need to maintain the Standards.’
- The rise in produce means schools are limited in what they can purchase to make healthy food.
- At our primary school portion sizes began shrinking several years ago, with the introduction of the bun less burger and other such innovations that meant kids came home hungry. I cannot see there is a lot left to cut.

3.2 Impact on the menu

- We normally use an average amount of recommended product size range in our recipes, these have been reduced to the minimum.’
- We have heard the following from schools we work with: 'We have had to re-cost and downsize our entire menu - at the same time as raising prices'
- Difficult to create dishes to come in budget.’
- Due to lots of the UK Fish being caught in Ukraine waters, we have now seen a massive increase in price and therefore have had to consider removing fish from the menu.’
- Range of options has reduced in my daughter's high school.’
- Our menu has reduced in variety of dishes offered, there is less meat and fish on the menu. We have a two-week rolling menu now rather than a 3- or 4-week rolling men’
- Our menus have been hugely simplified.’
- Certain foods are now off menu.’
- Our percentage of protein per meal/child has been cut substantially.’
- Our vegetable selection has been reduced to the cheapest veg only’
- We are considering serving meat one day of the 5-day week.’
- We have had to substitute expensive items for less expensive and re jig the menu.’
- Meat that used to be from the UK is now from the EU. Food that used to be freshly prepared is now packet mixes (e.g., cake mix).’
- Less choice, and last-minute substitutions
- Some items have had to be taken off the menu as we are unable to sustain the rising costs.’
- Suppliers are giving us monthly raises on costs however we are unable to pass these on to the school or parent in this way. the price of a school meal only raises once a year.’
- We must consider alternative cheaper products to ensure that our food costs do not spiral, this means removing popular choices such as steak pie and replacing with more cost-effective options’
- Having to look at the different quality of products and reducing meat whilst increasing lentils in a dish. Finding it harder to meet School Food Standards and Food for Life

3.3 Impact on price

- Anything cooked in oil needs to be priced double.’
- Every invoice has between 10 and 20 % increase every delivery.’
- So far, we have a 5% increase, so the same food as last year is costing £15000 more, we do need to increase our prices.’
- As a college we take the hit on budget to ensure the prices are kept low. For schools I believe that they must really struggle to provide a decent meal with the current budget given to them from the government. We have seen a range of price increases from 5% to 60% with an average of around 25%.’

- Classic supply and demand impacts - increased use of pulses / beans is capitalised on by supply chain increases’
- Dairy has increased by 30%.’
- We have been able to keep the same food but the cost of sourcing it has increased.’
- I currently work in senior school, nutrition in meals are being cut back due to rise in food and also lack of food supplies from companies we used due to shortage on food, children who are entitled to FSM do not get the value for money and parents paying for their children’s meals are definitely not also I’ve seen a lot of debt with children’s account whose parents pay for their meals some children’s account are over £80 but for safe guarding reasons we still have to feed them the children.
- Fresh farm assured meat prices have increased most significantly. Our steak pie option will now become a steak and sausage pie to cope with the steak price increase.’
- Local beef burgers last time they were on the menu they were £0.59 each, this week £0.80’
- Dairy and eggs - year on year inflation at 16.61%, meat and poultry - year on year inflation 25.41%, fish and seafood - year on year inflation 21.54%’
- The impact on food costs is around 6p per meal’
- Prices of Red Tractor meat is increasing or not available, we have seen several products discontinued with no alternative British substitute ‘
- We have seen on average a 15% rise in the cost of all our goods, we are also experiencing shortages on our deliveries. We are having to juggle the menus on an almost daily basis
- Our average food cost per day have gone from 88p to 95p’
- Nine of the ten food and drink categories measured by the Foodservice Price Index recorded inflation in April 2022, with seven of them reaching double-digits and three exceeding 20%.’

3.4 Impact on the service

- Due to increasing food and utility costs, we cannot raise wages for staff which leads to high vacancy rates. This then increases the food cost as we must use more expensive, and less engaged agency staff. Some food prices are so high, we have had to remove them from our menus.’
- Significant challenges to procure core products and at a price that is sustainable to make a basic nutritious meal which is affordable and allows caterers to provide a decent service.’
- Reduced contribution to supporting the kitchen and service provision with equipment repairs and replacement. Schools under pressure with their budgets and where might have had a slight surplus on the accounts now running with deficits.’
- Uncertainty in how we fund ourselves going forward. Uncertainty about our ability to provide school meals within government funding rates at the rate food is increasing.’
- We are a remote rural school. Our catering company decided to cancel the contract. The increasing costs of fuel, wages and utilities made it impossible. No other catering

company would tender. Thankfully, a parent has stepped in but is now saying that its now costing her money and will probably have to finish. We are now feeding more and more children at our self-funded breakfast club and having to give food to pupils who arrive having not eaten or have limited food with them.’

- The UIFSM price has barely changed since first introduced but with inflation in double digits, we will struggle to meet school food standard minimum guidelines due to the budgetary constraints
- As costs increase, this cannot be swallowed by schools or caterers. This means that in most cases, the easiest thing schools can think of is to reduce the quality of the ingredients and the choice they are giving. Most would not pass this cost onto parents. We know that ingredients/meal quality is suffering and that less pupils are now paying for a meal which in turn also impacts on service and financial viability.’
- Caterers are being forced to increase the cost of a meal to the school which is seeing school budgets stretched and a move (from paying parents) towards unhealthy packed lunches. ‘
- As meal numbers reduce, due to the increase in cost, we're forced to further increase our prices - as the lower volumes don't cover the cost of service.’
- The situation of under-funding is resulting in an unsustainable school meals model that will push families towards packed lunches and catering companies away from the market.’
- We are continuing to adhere to the school food standards and are reluctant to reduce the quality or portion sizes of our meals. Therefore, as a small, not for profit organisation we are forced to absorb the cost, meaning that the service is becoming less and less viable.’
- CPI up around 10%, wages up around 7%, Gov funding an additional 1% over 8 years of UIFSM. Basic common sense, it does not work- only can work by cutting portions/quality and reducing labour to the bare bones. The service is currently at crisis point.’
We will not alter our ingredient or meal quality or our portion sizes - this means that our service will not be viable in the next couple of years unless the price per meal increases.’
- Ultimately the school budgets will be affected as they have to pass on more of their UIFSM and Free pots to the caterer. Albeit many believe this should be ring fenced for the caterer anyway, it will ultimately impact on other areas of the schools’ budgets’

4 Conclusions

The responses from the survey clearly highlight that the rising cost of food is impacting the school meals service and the wider school day. Over 50% of respondents reporting that more children had been arriving at school without eating breakfast. Around 50% also report that there had been a decrease in the number of paid meals being served.

Examples and comments provided by respondents highlight that the importance of a hot nutritious school meal, especially in the current climate is an important aspect of the school day.

Many pointed out that this may be the only hot meal a child may receive in a day.

There is a commitment from caterers and schools to continue to provide a menu of hot food, that meets school food standards. However, due to the rising costs such as food, wages, and utilities and the differential between the funding for providing FSM and UIFSM and the cost of providing the service is increasingly unsustainable.

The comments paint a picture of caterers and schools putting in significant time and effort to source produce, redesign menus and look at different ways to mitigate and reduce the impact of rising food costs on school food quality and the cost to parents.

Interventions that could be taken to mitigate the impact of rising food costs have been outlined in the report with 70.33% of respondents to the survey believing that extending UIFSMs to all primary school aged children would help alleviate the impact.

The delivery of school meals in England is complex and has a range of interdependencies, including funding, uptakes, eligibility, quality, and competitive tendering. Short-term interventions such as increasing the funding for a free school meal would be effective and a welcome intervention. The COVID-19 pandemic and the cost-of-living crisis has highlighted the importance of a hot, nutritious school meals to all children and especially those from low-income families or of those on squeezed benefits. Therefore, a long-term strategy needs to be put in place to ensure that there is a sustainable school meals service for future generations to come.

The APPG on School Food will continue to bring together a range of organisations and stakeholders from the sector to champion the school meal service, highlight the issues at a political level and collaborate to identify best practice.

NEW MUNICIPALISM

Delivering for local people and local economies

Association for Public Service Excellence

3rd Floor Trafford House

Chester Road

Stretford

M32 0RS

Telephone: 0161 772 1810

Email: enquiries@apse.org.uk

www.apse.org.uk

INVESTORS IN PEOPLE®
We invest in people Gold