

State of the Market Survey 2008

Report

Local Authority Catering Services





The state of the market survey was conducted by Rob Bailey, APSE Principal Advisor for Catering Services

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Local Authority Catering State of the Market 2008

APSE conducted an on-line survey during July and August 2008, sent out to over 900 local authority catering contacts throughout the UK. 135 responses were received representing a statistically significant response rate of just over 15%.

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.

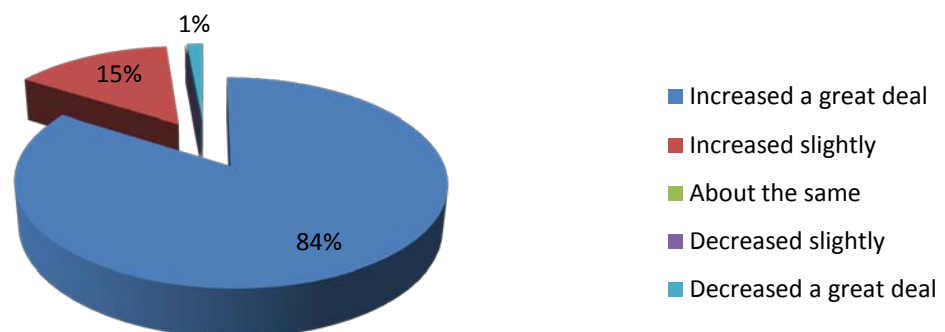
Catering managers are facing mounting pressures with:

- A large increase in the cost of staple foods and an increasingly strict nutritional regime
- Increases of up to 25% in the cost of labour as the results of job evaluation and single status role
- An anticipated drop in paid meal demand as parents try to save money by switching their kids to packed lunches as economic worries persist.

Results

Of those completing the survey, 82.2% were in-house service providers and 74.6% expected to remain within local authority control for the forthcoming year. 7.6% expected the service to be outsourced over the same period.

Wage costs following job evaluation

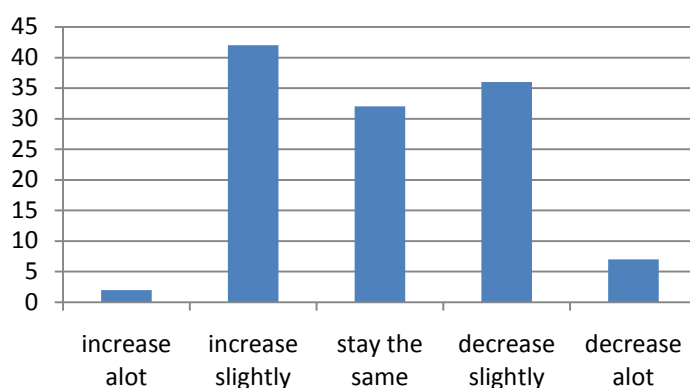


57.3% had completed job evaluation within their authority with 92% of those stating that it had the effect of increasing wage costs a great deal. None had seen a decrease in wage costs. The average hourly wage for a catering assistant was given as £6.44, but ranges from a minimum of £5.81 to a maximum of £9.19.

Facilities management is increasingly the organisational form taken by local authority caterers and cleaning departments. 22.7% regarded themselves as being in such a structure and a further 15.5% anticipated being so within 2 years. 47.3% saw themselves remaining as a defined unit.

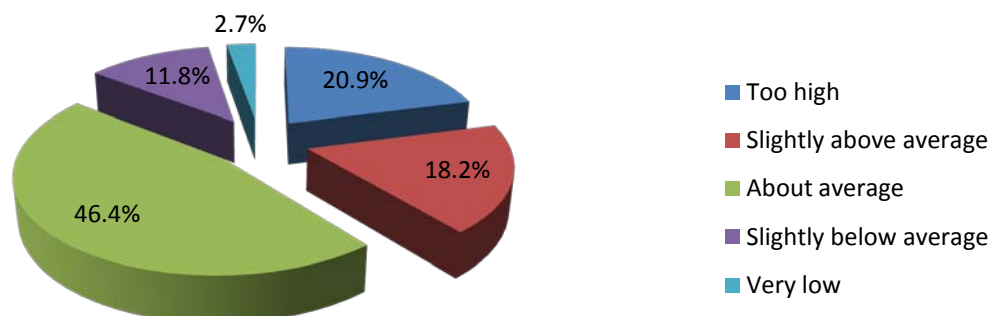
In-house providers have no separate legal status to the rest of the authority so typically use service level agreements as a substitute to contracts with the schools they supply. Whilst the majority 63.6% have SLAs in place a further 20% have no agreements at all.

Expectations for school meal uptake



School meal uptake has been volatile for some time, with large falls at secondary level although they have now stabilised. Overall caterers are split on what will happen over the forthcoming year with roughly 1/3 predicting a slight decrease, 1/3 a slight increase and 1/3 that it would stay the same. 5.9% did however predict that numbers would decrease a lot.

Attitude to absence



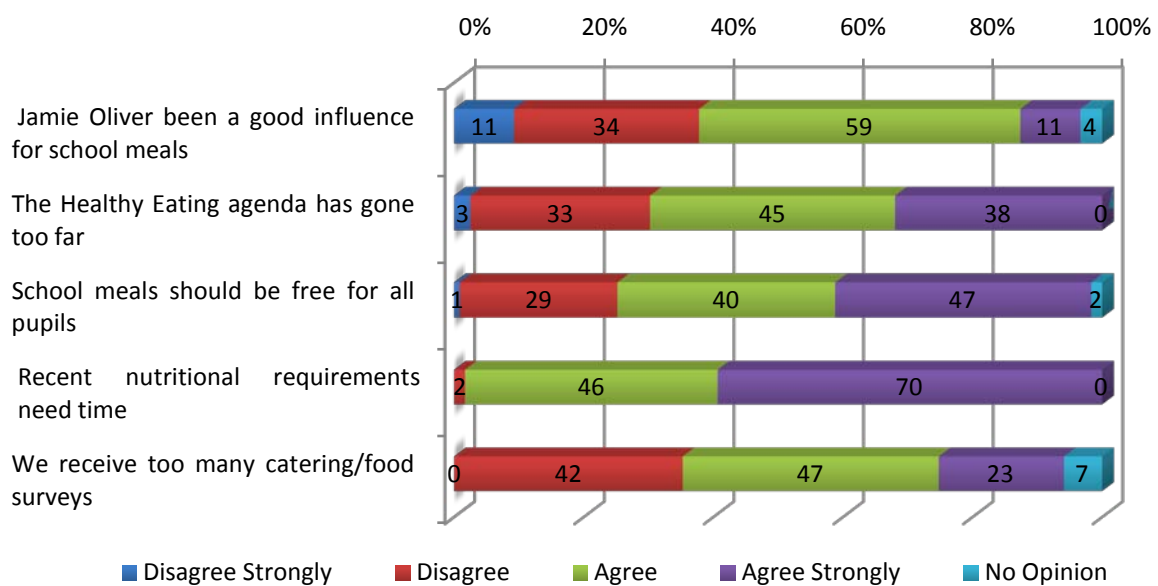
Personally 80% of catering managers anticipated an increase in their workload over the next 12 months, reflecting a 61.5% increase in that of the catering section as a whole. Perhaps this increased workload explains the near 40% (39.1%) who regard staff absence

as above average. This is despite 94.4% holding regular staff training, 72.2% regular appraisals and 59.3% holding investors in people. 61.1% have a staff newsletter for catering staff.

Data collected by APSE performance networks for 2006/07 across 60 authorities shows an average absence rate of 5.17% in catering services. The 2007/08 figures are anticipated shortly and preliminary figures show absence to be stable with the average across all direct services of 5%.

Healthy eating agenda

Caterers were asked to provide their opinion on a range of statements shown below:



Perhaps surprisingly a clear majority (60%) agreed that Jamie had been a good influence on school meals and caterers supported the influence he has had in highlighting the healthy eating agenda. Unfortunately many are struggling to cope with the consequences with 70% now believing that the healthy eating agenda has now gone too far with a massive 97% calling for a period of stability to allow caterers to bed down the recent changes.

Free school meals are being piloted in some authorities and 74% of caterers are supportive of such a move being rolled out nationally.

Comments on the future

Respondents were asked to provide their thoughts on potential factors that would either increase or decrease take up in the short to medium term.

A substantial number of caterers are worried about the impact of the new nutritional standards on take up at secondary level. Unlike primary schools where children are required to remain at school, secondary pupils have the option to seek alternative lunch options outside. Nutritional standards that further restrict the menu from 2009 are therefore unwelcome and some predict may make continued meal provision unsustainable in some schools.

As the survey was under completion the 'credit crunch' began to loom large in the headlines and has subsequently deteriorated further. Catering staff have predicted that parents will transfer to packed lunches in order to save money and depress numbers across the sector. An increase in free school meal entitlements may also become apparent although it is too early to quantify this as term starts.

The continued media spotlight on healthy eating and the work of government agencies in promoting school meals is seen as helpful in the continued struggle to maintain uptake. Caterers themselves are being very creative in their marketing and highly focussed on delivering a quality dining experience to their customers. A continued emphasis on soft marketing and pupil involvement around food in the curriculum are seen as the most likely areas to provide long term stability to caterers and a benefit to pupils.

APSE

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 authorities 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:-

- Efficiencies, procurement and service transformation
- Building cleaning
- Citizen engagement
- Local authority, police and fire authority partnerships
- Community safety and security
- Housing management, construction and building maintenance
- Parks, horticultural and ground maintenance
- Roads, highways and street lighting
- Social care
- Leisure management and community venues
- Vehicle maintenance and transport operations
- Waste management, refuse collection and street cleansing
- Workforce strategy and employee relations