Thank you for choosing us as your school caterers. We take huge pride in our food and never compromise on the quality, choice or value we offer our customers, which is why we are writing to you. There are two significant challenges affecting our industry: the rising costs of food and the availability of good people. We have included a summary of the situation below.

**Food Inflation**

We are seeing near weekly increases in the prices of food and drink. Supply volumes have dropped, due to factors such as the invasion of Ukraine, bird flu, swine fever and extreme weather internationally, pushing prices up. The latest food inflation figures reported show a 16.5% increase, pressures further compounded by soaring interest rates. We have taken actions to absorb and mitigate the increases – from amending recipes and reducing our overall product range to switching to more cost-effective suppliers – all whilst maintaining quality, portion sizes and variety. We have been able to keep fruit and yoghurt pricing static.

**Employee Availability and Funding**Both Brexit and Covid affected the availability of people; there are currently over 100,000 vacancies in the UK hospitality sector. To help address the issue, the government increased minimum wage rates by 9.7% in April 2023. The positive move is providing much needed financial support to individuals and families but has created cost pressures for employers. As well as increases for core teams, funding for supervisory and management roles has had to rise to maintain the attractive differentials necessary to retain strong site level leadership. As a result, we have introduced significant wage increases.

Despite our best efforts to suppress rising costs, we need to pass some of the increases on to our customers. **We will be applying a below inflation tariff increase of 6.6% from September 2023.** This will allow us to maintain quality services and support our catering teams. We also request that the free school meal allowance is reviewed and increased in line with inflation of 8.7%

We hope you, as one of our valued clients, understand the situation we find ourselves in and can continue to enjoy our services. Irrespective of the uplift we believe our food continues to offer excellent value. We have provided a similar communication to share with parents and guardians explaining the current challenges we face and reasons for the increase.

We will always be open and honest with you and will continue to seek your input and support as new challenges arise. Should you wish to discuss this letter, or anything else relating to your catering service, please get in touch. Thank you for your ongoing support.

Kindest regards

**Ken Navin**

**Client Relationship Director**