

Compendium

Chapter 5: Home produced 'nutrition' services

The Household Satellite Account (HHSa) presents estimates of unpaid home production in the UK. It captures a range of non-market services produced by households which are not included in the core UK National Accounts.

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1 . What are nutrition services of households?

Nutrition services of households include all activities related to the provision of food and drink, such as cooking, shopping, setting the table, and washing up. As most nutrition-related services carried out by a household's members could be delegated to another person, it is deemed to be a part of the productive role of households.

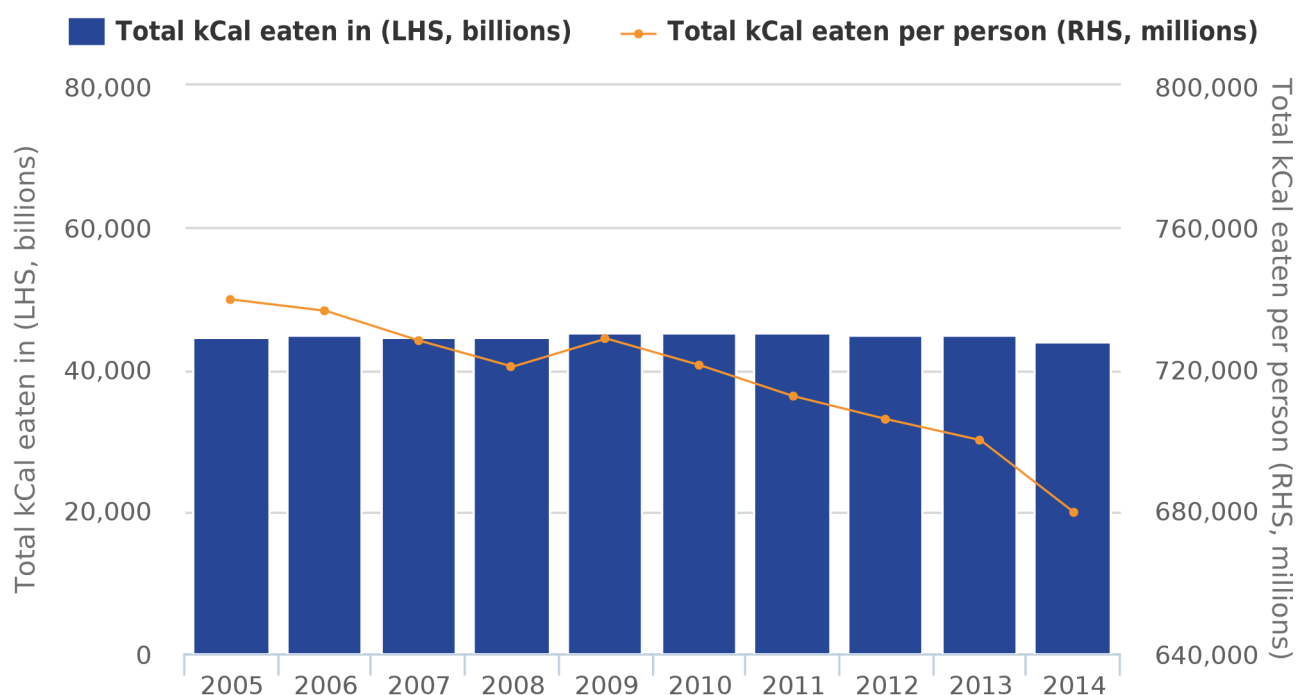
The output of nutrition services of the household are the meals, snacks and drinks prepared for members of the household, the final product of the activities listed above. Output is estimated by multiplying the total number of calories consumed in the home, by the cost per calorie eaten out. A detailed explanation of the methodology can be found in the annex.

2 . Quantity of calories produced

This methodology accounts for the variation in meal sizes by using calories eaten at home to estimate volume of nutrition services that households produce. This implicitly makes a number of assumptions. First, it assumes that consumption is equal to production, and therefore does not value any food produced but not eaten. Second, a decrease in the number of calories consumed per person will lead to a decrease in the output of nutrition services. This might not be the case if households are preparing healthier meals, with less calorific content. Finally, it is not possible to isolate specific foods that require no preparation. However, the data does identify calories consumed as part of alcoholic beverages. These are removed as it is assumed that the preparation of alcohol requires no productive activity.

Figure 5.1: Volume of calories eaten in, total and per person, 2005 to 2014

UK



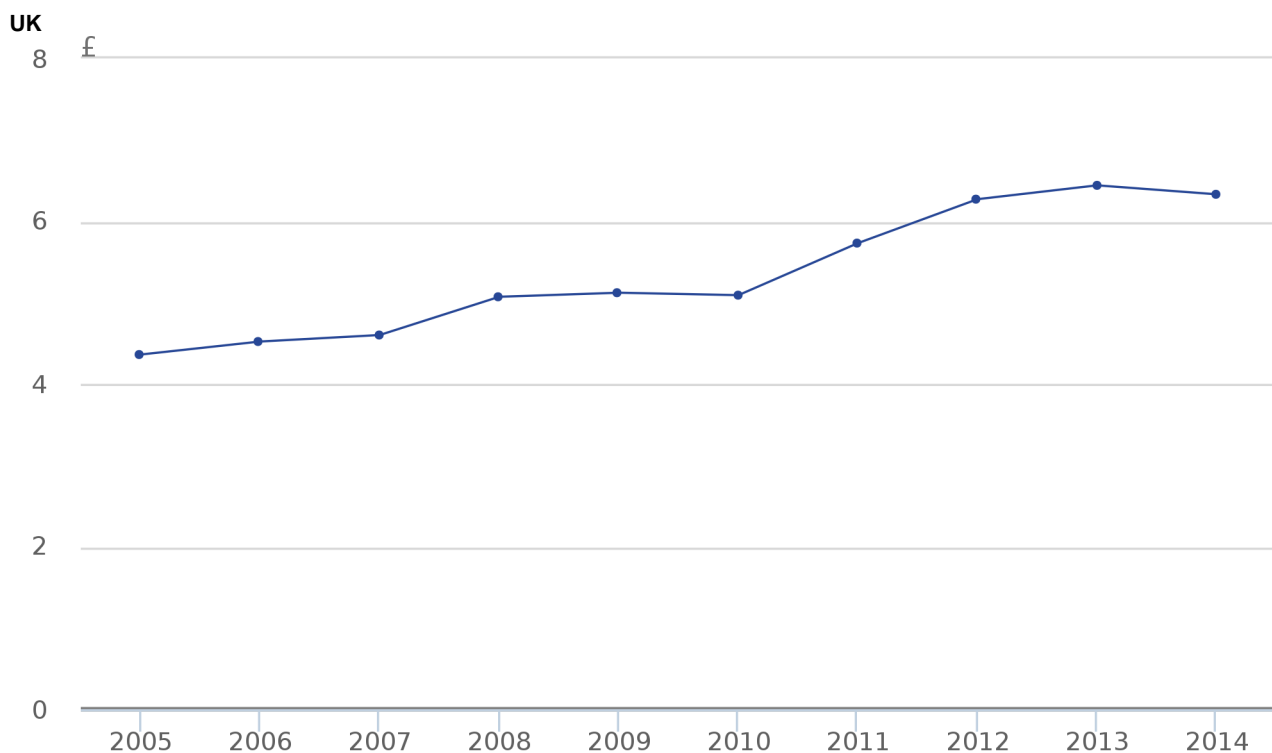
Source: Office for National Statistics

Figure 5.1 shows that growth in the total number of calories eaten in has been largely flat, with average annual growth of negative 0.2% between 2005 and 2014. The 1.8% increase between 2008 and 2009 was largely offset by a 2.2% decline between 2013 and 2014. This result is surprising given that the UK population has grown by 6.9% between 2005 and 2014. However, as the right hand axis of figure 5.2 highlights, the impact of the population increasing is negated by a reduction in the number of calories eaten in per person, which declined 8.1% between 2005 and 2014.

3 . Cost of calories eaten out

The price of the market equivalent of production, namely the price of food and drink eaten out from establishments such as restaurants, cafes, and pubs is used to attribute a monetary value to the production at home. This is achieved by dividing the number of calories eaten out by the expenditure on food eaten out to obtain expenditure per calorie.

Figure 5.2: Expenditure per 1000 kCals eaten out, £'s, 2005 to 2014



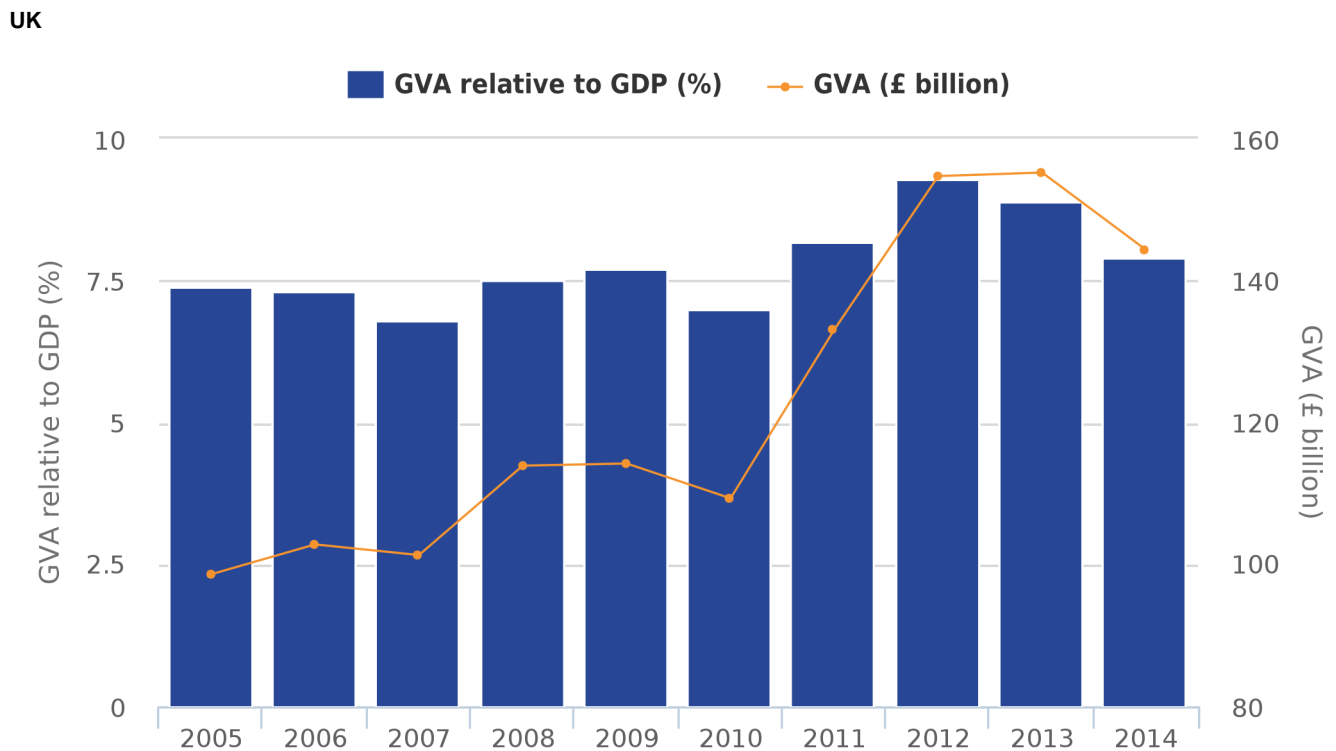
Source: Office for National Statistics

Figure 5.2 shows expenditure per 1,000 kilocalories (kCals) (excluding alcohol) increased by 45.1% from £4.36 to £6.33 between 2005 and 2014. Most of the increase occurs between 2005 and 2012, where the expenditure per calorie grew by an average of 5.3% per year. Most notably, expenditure per 1,000 kCals increased by 12.7% between 2010 and 2011. This was driven by an 8.6% decline in reported calories consumed out coupled with an increase in expenditure of 3.0%.

More recently, between 2012 and 2014, average growth in the cost of calories consumed out of the house only grew by an average of 0.4%. The recent slowdown in the cost of calories corresponds [with our Consumer Price Inflation index for restaurants and cafes](#). While the rate of inflation for restaurant and café services was 4.8% in 2011, it declined in 2012 (to 3.3%), 2013 (2.8%) and 2014 (2.5%).

4 . Gross value added

Figure 5.3: GVA of nutrition services and GVA relative to GDP, 2005 to 2014



Source: Office for National Statistics

Figure 5.3 shows GVA of nutrition services of households increased by 46.4% between 2005 and 2014. This was largely driven by average annual growth of 6.7% between 2005 and 2012. However, growth in the value of nutrition services declined by 6.8% between 2012 and 2014, driven by a decline in the number of calories consumed at home, and a flattening of the cost per calorie eaten out over this period.

In 2014, the value of nutrition services was £144.3 billion, equivalent to 7.9% of GDP. This is a largely similar position to 2005. However, within the period considered nutrition services as a proportion of GDP has fluctuated between 6.8% in 2007 and 9.3% in 2012.