THE HIDDEN COST OF FOOD IN THE OFFICE.

FOODLES

WHAT DOES FOOD iN THE WORKPLACE REALLY COST?

Providing food at work is one of those perks that everyone appreciates. According to the [Avados' Employee Benefit Trends in the UK 2024](#), 70% of employees are more likely to stay with a company that offers well-structured benefit packages. **It brings teams together, keeps people energised, and shows employees they're valued.** It's a simple, tangible way to boost morale and create a positive workplace culture.

But while the benefits are clear, the hidden costs often go unnoticed. We're not just talking about the price of the food itself, there's the time employees spend coordinating orders, the admin involved in managing receipts and budgets, and the frustration when things don't go smoothly. **These invisible burdens can quietly chip away at productivity and team focus.**

When we understand the full picture of what it really takes to provide food in the office, we can start finding smarter, more efficient ways to do it, ways that still deliver all the upsides, without the extra hassle.

If you want to dive deeper into why food matters so much, read our whitepaper: ["Why Meals Might Be the Best Investment for Employee Retention."](#)

Let's take a closer look:

01. Delivery apps
02. Onsite canteen or cafe
03. Vending machines
04. Catering
05. Expense-based meal programs
06. Making the right choice for your business

DELIVERY APPS

Delivery apps offer a great deal of convenience and often allow you to set up a company account, where you can establish rules about who can order, when they can order, and how much each staff member can spend. However, there are several considerations that might not be immediately obvious:

DIRECT COSTS

Service & Admin Fees
-
At first glance, the price of the item on the menu may not seem very high, but once you click through to checkout, there's often a **service charge of up to 10% of the total order value.**

Delivery Fees
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Depending on how busy the driver network is and how far the business is from the workplace, **delivery fees can change throughout the day and range from £1 to £5.**

Menu Markups
-
Delivery apps often include hidden markups, **as restaurants raise menu prices to cover high platform commissions, sometimes up to 30%.** For companies with tight budgets (e.g., £15 per person), **this reduces the real value employees get from set budgets, with fees potentially consuming up to 40% of the total order cost.** As reported by the BBC, these platforms can charge restaurants substantial commission rates, leading to higher menu prices for customers.

Invoicing Fees
-
If you go for a company account, **these services typically charge between 5% and 10% on top of the total invoice amount.** This fee is charged on the total order, including the VAT on food, so it becomes very expensive.

INDIRECT COSTS

Administration Time
-
An overlooked burden is an employee's time spent managing food orders through delivery apps. **Organising group orders, preferences, dietary restrictions, payments, and delivery issues takes focus away from core responsibilities,** disrupting productivity and can lead to team frustration, especially when things go wrong.

ONSiTE CANTEEN & CAFÉ

An onsite canteen or café can be a great solution for larger businesses with a high number of employees. These setups can vary widely, from high-quality, freshly prepared meals to more standard, mass-produced options. While it can be a convenient and appreciated perk, it's also typically the most expensive onsite food option.

DIRECT COSTS

Operational
-

Operational costs are often the largest expense when running a canteen or café. **Beyond the obvious staffing needs, the hidden costs quickly add up: ingredients, energy bills, and daily supplies.** These seemingly small expenses escalate rapidly and can catch businesses off-guard.

Space & Fit-Out
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Fit-out costs can be substantial. **The larger and more sophisticated the space, the higher the investment needed to get everything up and running.** Learn more about how much a commercial kitchen costs to build on Checkatrades article here.

Equipment & Maintenance
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Running an onsite food operation requires various equipment - ovens, fridges, coffee machines, and more, which need regular maintenance, repairs, and occasional replacement. These ongoing costs are essential to ensure reliability and avoid service disruptions.

Health & Safety Compliance
-

From food hygiene and allergen management to fire safety and sanitation, there are strict regulations that need to be followed. This often involves regular staff training, inspections, certifications, and ongoing documentation.

Insurance
-

Public liability and employee coverage to protection against equipment damage or food safety incidents, having the right policies in place is essential. Insurance costs can vary depending on the size and complexity of your setup.

INDIRECT COSTS

Risk of Foodborne illnesses
-

Onsite food operations risk foodborne illness, creating potential legal liability and lasting reputational damage. Even one incident can destroy customer trust permanently. This makes food safety protocols and staff training essential investments, not optional expense.

VENDING MACHINES

Vending machines can seem like a low-maintenance way to offer snacks and drinks in the workplace, but they come with their own set of costs and considerations, some more visible than others.

DIRECT COSTS

Rental Agreements & Contract Terms
-
Vending machines **often come with long-term rental or subscription contracts, including monthly fees and maintenance costs.** While it may seem straightforward, these **fixed costs can add up quickly,** especially if the machine isn't well-used.

Ongoing Servicing & Restocking Costs
-
While vending machines are often promoted as a hands off solution, there's more going on behind the scenes. **Regular restocking is essential to keep selections fresh and appealing and this service usually comes with a recurring fee.** In addition, machines require routine maintenance to stay functional and hygienic. **Whether it's fixing technical issues, cleaning, or replacing outdated stock, these ongoing costs can quietly eat into your budget over time.**

INDIRECT COSTS

Rising Service Costs Over Time
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Though initially small, **vending fees often increase over time due to ongoing maintenance and service costs.** These gradual rises can add up, so businesses should account

for them when assessing long-term value and total cost of ownership.

Wastage
-
Most of the time with vending machines companies will need to cover the cost if the wastage is over a specific percentage. For example; **the vending machine company could say there is a threshold of 60% of items sold that needs to be met. So if they had £1000 of food and only £200 got sold. The company would need to pay £400 to get it to 60%.**

Administration
-
Vending machines may seem hands-off, but they still require time and effort to manage effectively. **Ensuring success involves selecting the right location, gathering feedback, offering the right product mix, and addressing waste, making ongoing oversight essential to justify the investment.**

Employee Satisfaction & Retention
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Lack of variety, lower quality and the placement of the vending machine, could make or break it's success. **You could end up paying rental and service fees for something that's offering little to no value to your team.** In the long run, this might contribute to lower staff satisfaction, which could even impact morale and retention.

CATERiNG

Catering services are a great way to offer high-quality meals and diverse cuisine options, especially in larger or remote workplaces. Depending on the provider, they may even include staff to help set up, serve food, or manage clean-up. However, these benefits come with notable costs.

DIRECT COSTS

Increased Per-Person Costs
-

Catering typically comes with a higher price per person due to freshly prepared meals, varied menus, equipment and added services like setup or serving staff. While it can offer great quality, the costs can add up quickly, especially for custom menus, dietary accommodations, premium ingredients and for larger groups or events.

Event-based Charges
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In catering, event based charges such as minimum headcount and equipment fees, help cover fixed costs like staffing, preparation, and logistics. **Clients are billed for a set number of guests regardless of turnout, and additional fees for items like serving ware or furniture reflect the resources needed for full-service delivery,** making them essential parts of the overall budget.

INDIRECT COSTS

Administration
-

Catering often requires a lot of behind-the-scenes admin work. **From collecting headcounts and dietary requirements to placing orders, confirming delivery times, and coordinating setup, it can take up a surprising amount of employee time.** This extra layer of planning and communication adds to the overall cost, especially if someone has to manage it regularly alongside their regular workload.

Wastage
-

When it comes to catering, wastage can be a big issue. Since meals are often prepared in bulk and ordered in advance, it's difficult to adjust for last-minute changes like no-shows or smaller appetites. This often leads to uneaten food, especially if there's a set menu or fixed portion sizes. **Unlike more flexible food solutions, catering doesn't always allow for real-time adjustments, so leftover meals can quickly add up, resulting in higher costs and avoidable waste.**

EXPENSE -BASED MEAL PROGRAMS

Expense-based meal programs give employees the freedom to buy their own meals and claim costs back, but they often lead to high admin workloads, difficulty enforcing spend limits, and poor visibility of overall food expenses.

DIRECT COSTS

Varied Reimbursements
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One of the challenges is the inconsistency in reimbursement amounts. **Without clear limits or structured guidelines, employees may spend very differently, some opting for budget-friendly options, while others choose premium meals.** This lack of standardisation can make it difficult for finance teams to forecast costs and control budgets.

Incorrect Claims
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It's hard to ensure everyone follows the same rules. **Some employees may accidentally or knowingly claim more than they should, while others might not claim enough or follow different habit**s. This can lead to unfairness, confusion, and extra work for finance teams trying to check and correct the claims.

INDIRECT COSTS

Forecast & Budget
-
Expense-based meal programs can be unpredictable, making it difficult for finance teams to forecast costs or set accurate budgets. **With spending varying widely by employee, location, and month, there's little visibility or control over the overall spend.** This lack of consistency often leads to overspending or the need for mid-year budget changes, creating added strain on financial planning.

Administration
-
Expense-based meal programs often create more work behind the scenes than expected. **Finance and admin teams spend time tracking receipts, processing claims, and handling reimbursements creating extra work and taking time away from more important tasks**. These hidden costs can make the program less efficient and more expensive in the long run.

MAKING THE RIGHT CHOICE FOR YOUR BUSINESS

Food at work can do a lot of good - support a positive work culture, show appreciation, and bring people together. But not all meal programs are equal, and the hidden costs add up fast. Whether it's admin time, budget unpredictability, or wasted food, the impact often goes beyond what you see on the invoice.

There are also bigger things to think about. If meal programs aren't set up properly, they can create tax or compliance issues. **It's not just about picking what's convenient, it's about choosing what actually works for your team and your business.**

So before making a decision, look at the full picture: cost, time, usage, tax, and day-to-day management. And if you want to understand more about the risks and benefits, check out our whitepaper:
Why Meals Might Be the Best Investment for Employee Retention

At Foodles, we've spent the past 10 years thinking about how to make workplace meals work better for everyone. We know it's not easy, trying to offer accessible and inclusive food options at work while staying on budget can feel like a lot to manage. That's why we created our smart food solutions: a flexible, convenient way to offer fresh, chef prepared meals without the hidden costs.

If you want to learn more about how you can make Foodles work for you, feel free to reach out here or scan the QR code below: