



TSA Laundry Cost Index Bulletin

January 2022

Cost Pressures Continue for the Commercial Laundry Industry

The results from the TSA's wage survey conducted in November 2021 still applies as the commercial laundry industry is continuing to experience unprecedented upward cost pressures. The latest Cost Index as before does not fully reflect this because of the ways the data is gathered. This Bulletin reflects the reality.

Due to the pandemic and Brexit, the industry experienced staff shortages throughout the sector which in turn led to significant increases in wages to attract suitable applicants. The wage survey conducted in November 2021 showed that laundry labour costs increased on average by 14.25%. The current Cost Index tracks NLW and is only showing a 2.18% increase.

If we then take into account other laundry costs, we see that they are all experiencing exceptional upward pressure, with none remaining static. For example, the following numbers are being reported:

- Energy costs up 100-300%
- Insurance costs up 100%
- Pension cost pressure
- Textiles costs up 50%
- Chemical costs up 15%

These combined increases are placing extraordinary pressure on the commercial laundry market. So much so that, without implementing price increases, the sector will not be viable.

Please note, the current Laundry Cost Index for 2021/2022 FYQ3 is only showing a 9.70% increase (Q3 constitutes data for October, November and December 2021). The purpose of this Bulletin is to inform you that the current Cost Index does not reflect the current cost base.

For more information on the Laundry Cost Index, please go to our website: [Laundry Cost Index](#)

If you have any queries with regards to the above or the laundry cost index in general, please do not hesitate to get in touch with us either via email or phone:

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Textile Services Cost Index

2021/2022 FYQ3*



Annual Increase from 2020/2021 FYQ3 to 2021/2022 FYQ3

Cost Centre	Increase	Weighting	Total
Labour	2.18%	40%	0.87%
Textiles	2.81%	15%	0.42%
Energy	54.65%	10%	5.47%
Diesel	26.45%	4%	1.11%
Other Transport	2.58%	8%	0.20%
Other	7.09%	23%	1.63%
TOTAL		100%	9.70%

* FYQ3 constitutes data for October, November and December 2021 months and as per the latest release of quarterly energy prices by BEIS (Department of Business, Energy and Industrial Strategy). Additionally, please note all the numbers reflects the data at the time of publication.

Increase in the Last Three Years (Q3 2018 to Q3 2021)

Cost Centre	Increase	Weighting	Total
Labour	13.79%	40%	5.52%
Textiles	7.65%	15%	1.15%
Energy	25.64%	10%	2.56%
Diesel	8.85%	4%	0.37%
Other Transport	4.05%	8%	0.32%
Other	10.44%	23%	2.40%
TOTAL		100%	12.32%

Sources:

For the purpose of all calculations, the latest available quarterly or monthly numbers have been applied.

Labour: UK Government

<https://www.gov.uk/national-minimum-wage-rates>

Textiles: Office for National Statistics (Textile costs)*

New Index used from August 2020:

<https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/g6sn/ppi?referrer=search&searchTerm=g6sn>

Previous Index used until August 20:

<https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/k37r>

Energy and Diesel: Department of Business, Energy and Industrial Strategy

Gas and Electricity: Table 3.3.2 - Gas is weighted 75% and Electricity 25%:

<https://www.gov.uk/government/statistical-data-sets/industrial-energy-price-indices>

Diesel: Table 4.1.1:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1043434/Quarterly_Energy_Prices_December_2021.pdf



Other Transport: Office for National Statistics*

New Index used from August 2020:

<https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/g6wh/mm22?referrer=search&searchTerm=g6wh>

Previous Index used until August 20:

<https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/k38a/mm22>

Other costs: Office for National Statistics

www.ons.gov.uk/economy/inflationandpriceindices/timeseries/chaw

* Please note the previously used indexes for Textiles and Other Transport have been discontinued and replaced with new indexes due to recent methodology changes by the Office for National Statistics.