

6th NOVEMBER 2006

REPORT BY DIRECTOR OF TECHNICAL SERVICES

CATERING AND BUILDING CLEANING TRADING OPERATION

1 Purpose of Report

- 1.1 To update the members of the Trading Operations Sub-Committee on the performance of the Catering and Building Cleaning trading operation for the period 1st April to 30th September 2006.

2 Business Performance and Monitoring

- 2.1 Appendix 1 provides an analysis of income and expenditure and of the projected outturn for 2006/07 compared to budget. Projected income for the year of £4,542k is £31k more than budget and projected expenditure of £4,493k is £20k more than budget. Overall the projected surplus remains a net £12k over the forecasted budget of £38k. The surplus may increase once the new food contracts have been established for a period of time.
- 2.2 A comparison of meals for the first quarter of 2005 and 2006 has been undertaken as part of the ongoing school meals performance indicators. Overall there has been a decrease in uptake of primary school meals. This decrease equates to 3.25%. A further breakdown of primary school meals into traditional meals and frozen meals (regeneration meals) indicates that traditional meals have decreased by 2.48% while frozen meals have decreased by 5.44%. Appendices 2.1, 2.2 and 2.3 indicate the trends for the above information. Further work will be undertaken to identify the reasons for this trend and reported back to the next Sub-Committee meeting.

3 Business Update

- 3.1 The secondary school Hungry for Success pilots undertaken at Berwickshire HS and Earlston HS between April and June 2006 have now been updated to take account of the period from the commencement of the school term after the summer holidays to the end of September 2006. The updated figures can be viewed at Appendix 3. This indicates that in the case of Berwickshire HS there has been a decrease in income of 21.36% whereas the figures for Earlston HS show a decrease of 15.63%. Taking account of the lessons learned from the pilot schools a phased approach to the removal of high sugar & high fat products will be undertaken in the remaining seven secondary schools as part of the Hungry for Success initiative. The timings for the phased introduction to secondary schools and the removal of specified products are shown at Appendix 4. Introducing the changes in the seven remaining high schools will be a challenge and it is likely that those changes will need some time to become effective.
- 3.2 The supplies tendering process that the Catering/Cleaning section has been undertaking in partnership with the Corporate Procurement Section, has now been

completed for three out of the five categories. The following categories have been contracted to the companies indicated with the contracts commencing on the 2 October 2006 for a period of three years with an option to extend for one year.

Dry Goods – Brake Brothers

Frozen Foods – 3663

Chilled Products – Campbell

The contract for Disposables has been awarded to Bunzl and commences on 1 December, 2006. The Multi Portion frozen meals contract has been awarded to Clackmannanshire Council Catering Services and will commence at a date yet to be determined. In the meantime these meals are continuing to be supplied by the present contractor.

- 3.3 School kitchens are presently introducing a recycling initiative by separating tins and plastics from general kitchen waste.

4 Issues & Risks Commentary

- 4.1 The Association for Public Service Excellence (APSE) are undertaking a wide-scale service review for both Catering and Cleaning, which has now been scoped. Initial performance information for comparison purposes with other authorities is currently being gathered and a detailed review will commence shortly. Early discussions are to be held with Education and Life Long Learning to ensure that the review delivers the specific requirements of the client department.
- 4.2 The two reviews reported in the September report to look at provision for packed lunches and nursery class children have now commenced with a conclusion date of December 2006 for the packed lunch review and March 2007 for the nursery review. The completion date for the packed lunch review has been brought forward by three months to allow a reasonable timescale for the introduction of an in-house packed lunch service should the demand be there.

5 Consultation

- 5.1 The Heads of Corporate Finance, Financial Administration, Corporate Administration, and Legal Services have been consulted and their comments have been incorporated into the report.

6 Equality

- 6.1 It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

7 Environment

- 7.1 The introduction of the separation of kitchen waste will contribute to the Council's targets for recycling.

8 Financial Implications

- 8.1 The Catering and Building Cleaning trading operation is forecasting a surplus of £49K in 2006/07. Full analysis of this forecast can be seen in Appendix 1.

9 Recommendation

- 9.1 I recommend that the Trading Operations Sub-Committee:
- a) agree the contents of this report
 - b) approve the projected outturn as revised approved budget.

Approved by

Name	Designation	Signature
Callum Hay	Director of Technical Services	[insert signature]

Author(s)

Name	Designation
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Background Papers:

ADD AS APPROPRIATE

Previous Minute Reference:

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Collette Lamb can also give information on other language translations as well as providing additional copies.

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