

15th January 2007

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 November 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 £11k more than budget and projected expenditure of £4,493k is in line with budget. Overall the projected surplus is a net £11k over the forecasted budget of £38k. We continue to monitor the new food contracts which commenced in October 2006.
- 2.2 A comparison of meals from April 2006 to November 2006 compared to the same period April 2005 and November 2005 indicates an overall decrease of 2.56%. A further breakdown of primary school meals into traditional meals and frozen meals (regeneration meals) indicates that traditional meals have decreased by 5.32% while frozen meals have decreased by 0.08%. Appendices 2.1, 2.2 and 2.3 indicate the trends for the above information. Indications as to the down turn in meals uptake are difficult to pinpoint.
- The school meal dinner price was increased in August to £1.60 (true cost £1.65 – 5p subsidy from Hungry for Success funds)
 - There is an overall reduction in the Primary School roll.
 - A new menu was introduced to Traditional school meals in October 2006. The Delivered Meals Service (frozen meals) menu has not been altered since it was introduced in April 2006 due to negotiations as to where the meals will be sourced in the future.

All these issues or a combination of these issues may impact on the service.

Steps are being taken by both the Catering and Cleaning Service and the Education and Lifelong Learning Department to identify specific reasons and schools where take up has fallen. A key priority for the next year will be addressing how to improve take-up using a variety of methods and using the APSE review to identify priorities.

3 Business Update

- 3.1 The two Hungry for Success pilot schools, Berwickshire HS and Earlston HS continue to be monitored. 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 17.5% (21.36%) whereas the figures for Earlston HS show a decrease of 10.57% (15.63%).

It can be seen from appendix 3 that the trend is for an improving situation.

Phase 2 and 3 of the implementation of Hungry for Success in the remaining seven secondary schools has now commenced and is being closely monitored, and will be reported in detail in the next trading sub committee report. Additional equipment is being purchased to support the implementation.

The Executive agreed on 19th of December to provide milk and fruit juice as part of the school lunch. This will be at no extra charge to the pupil and will be funded from the Hungry for Success grant funding. This is estimated to be a cost of between £50,000 and £80,000 per annum.

3.2 The outstanding tendering for supplies of disposables has been awarded to Bunzl Cleaning and Hygiene Supplies. The Multi Portion frozen meals contract has been awarded to Clackmannanshire Council Catering Services and will commence with effect from the 15 January 2007. From this point all schools will be operating on one menu based on the traditional meals service. A staff training day has been arranged for Friday 5 January 2007 in St Boswells Primary School to familiarise the staff with the new products. Further training is planned during the February "In Service" days.

3.3 A sum of £124,600 has been set aside from the Schools Fund Capital Grant and a phased refurbishment of specific pieces of kitchen equipment has commenced. Two phases have been identified at present with a further phase to be identified after the Christmas/New Year holiday period. The identified phases can be seen at Appendix 4. In the initial phases fourteen schools will benefit from the funding which seeks to address issues surrounding health and safety and energy savings. The new equipment consists of combination ovens to replace old conventional ovens and new dishwashing systems to replace the sterilising sinks presently found in the majority of kitchens.

In addition to this the introduction of new servery areas has been approved for Drumlanrig PS and Lilliesleaf PS to overcome serving, queuing and health and safety issues. This will be funded by Hungry for Success.

An investigation into the upgrading of some of the regeneration kitchens that produce the meals service from frozen dishes, has been undertaken to introduce a more sustainable method of producing soups and custards etc. The introduction of "hob" units to the kitchens will be undertaken after the Christmas/New Year holidays.

The kitchen area at Ayton PS is presently being reviewed with a view to increasing space and preparation areas. This is being undertaken as part of a bid submitted by the Head Teacher and would entail encroaching into the present dining area. These changes have been discussed and agreed by the Head Teacher as part of the consultation process.

3.4 A revised report on the proposed introduction of Smartcard technology and a Catering and Cleaning Management Information System, incorporating comments from APSE and the revised financial position will be taken to the Capital Management Steering Group early in the new year. An update will be provided in the next report.

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. So far the work has included a benchmarking exercise designed to give an indication of performance against other similar authorities throughout the UK. Initial performance information is currently being gathered and a detailed review will commence shortly.

Early discussions are to be held in conjunction with Education and Lifelong Learning to ensure that the review delivers the requirements of the client department.

4.2 Recruitment and retention of staff still remains a risk to the service. In particular

Galashiels Academy lost almost half of their domestic staff in one week, with the opening of the new 24 hour Tesco and Asda stores. The Catering and Cleaning Manager is actively considering the use of agency staff and Aptus as recommended by Midlothian Council. Further reviews are also on-going to look at the attractiveness of posts, operational hours and the HR processes surrounding references and disclosure checks.

4.3 Two new external contracts have commenced at Selkirk Riverside and Tweed Horizons. Discussions are taking place to consider the best methods for meeting their requirements.

4.4 The two reviews reported in the September report to look at provision for packed lunches and nursery class children are now underway with a conclusion date of December 2006 for the packed lunch review and March 2007 for the nursery review.

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 There are no issues that impact on the environment.

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)

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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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