

5th of March 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 31st January 2007.

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 £4,586k is £44k more than budget and projected expenditure of £4,568k is £75k more than budget. Overall the projected surplus of £18k is a net £31k less than the forecasted surplus of £49k. There has been a significant movement in supplies costs since the last report due to initiatives discussed in 3.1 and 3.2 below. We continue to closely monitor the new food contracts, which commenced in October 2006. We are reviewing the breakdown of the total budgets into specific activities to identify the variation which has arisen due to the increasing income not matching the increase in supplies costs.

3 Business Update

- 3.1 Hungry for Success food standards on the meal deal choices have been implemented successfully in all secondary schools and all confectionery and inappropriate fizzy drinks have been removed from the menu. There will be a full review and further development of menus, choices and quality taking into account customer preference and taste.

The initiative to provide milk and fruit juice in Primary Schools as part of the school lunch which the Executive agreed to on the 19th of December, has been fully implemented at no extra charge to the pupil, and as agreed this will be fully funded from the Hungry for Success grant funding. This is estimated to be at a cost of between £50,000 and £80,000 per annum depending on uptake, we will be able to report back on the cost at the next meeting.

- 3.2 The Multi Portion frozen meals contract awarded to Clackmannanshire Council Catering Services commenced as planned on the 15th January 2007. A Staff training day held on Friday 5th January 2007 in St Boswells Primary School was successful in its aim to familiarise the staff with the new products. Further training also was undertaken during the February "In Service" days and a visit to the production unit took place. Schools have been invited to take part in a promotion day for the new meals during week commencing 19th March 2007 which will provide every child with the opportunity to try the new meal.

- 3.3 A sum of £123,000 has been set aside from the Schools Fund Capital Grant and a phased refurbishment of specific pieces of kitchen equipment has commenced. Phase one and two are commissioned, and phase 3 is being planned to be implemented by 31 March 2007.

In Drumlanrig PS and Lilliesleaf PS there is now consultation with head teachers for the programme of improvement to overcome serving, queuing and health and safety issues. This will be funded by Hungry for Success.

There are now discussions to prepare an option appraisal to investigate services that could be provided at St. Joseph's PS in Selkirk and Fountainhall PS since there is currently no provision in either school. Funding for proposals is yet to be identified.

The upgrading of some of the regeneration kitchens that produce the meals service from frozen dishes is now underway to introduce a more sustainable method of producing soups and custards etc. The introduction of "hob" units to the kitchens is now being undertaken.

The kitchen area work at Ayton PS is in progress as part of a bid submitted by the Head Teacher and should be completed by the end of March.

- 3.4 Following comments from APSE (Association of Performance and Service Excellence) and the HMIE (Her Majesties Inspector of Education) nutritionist it is felt that we need to take a more considered approach taking on board the experience of other authorities to the implementation of Smartcard technology and a Catering and Cleaning Management Information System. The way forward for this project will be incorporated into the findings of the APSE review in the summer.
- 3.5 The 'HACCP' Food Safety system is being updated and training sessions will take place with unit managers and operational managers between now and the end of March.
- 3.6 Following the initial work by APSE to gather performance information, a review is being undertaken of financial information, procurement costs and performance figures. Findings of this review and more detailed unit costs will be reported at the next meeting.

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. The detailed review has commenced with visits to schools and consultation with Head Teachers and all other stakeholders.

We are now developing a fully joint approach to the project with the Education and Lifelong Learning Department.

- 4.2 The review looks at the attractiveness of posts, operational hours and the HR processes surrounding references and disclosure checks is now underway.

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 We are looking to relocate the Denholm P.S. equipment in Drumlanrig P.S. following

reconditioning and redesign to fit the kitchen appropriately.

8 Financial Implications

8.1 The Catering and Building Cleaning trading operation is forecasting a surplus of £18K 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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