

28th August 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 operations for the period 1st of April to 30th of June 2007.

2 Background

- 2.1 Catering and Building Cleaning trading operation provides school catering and cleaning services, internal and external cleaning contracts to a range of buildings, hospitality catering, and specialist cleaning services.

3 Business Performance and Update

3.1 Workload:

3.1.1 Scottish Executive Free Meal Pilot for Primary 1 - 3

The Scottish Executive has chosen Scottish Borders Council as one of the five Scottish authorities to pilot free school meals for Primary pupils in years one to three.

The pilot project will target some of the most vulnerable pupils as part of the Governments initiative to improve Scotland's health and encourage good eating habits from a young age.

The Minister for Schools and Skills, Maureen Watt visited Scottish Borders on the 11th July to launch the initiative at St Cuthbert's Primary School, Drumlanrig.

The pilot is scheduled to start in mid October 2007 and will run for a six month period until March 2008. The Scottish Executive has advised the Council that they will fund the projects and have identified an approximate sum of £593,000. The funding will be provided through a specific grant in two instalments, one in September and one in December. They have said that if their estimated costs differ significantly from the actual costs as the trials unfold, then they will consider what adjustments are required. They are assuming an uptake of 85% pupils taking free school meals and the figures take account of those pupils already in receipt of free school meals.

The Executive have assumed an uptake of 85% pupils taking the free meals, so based on this information, a desktop exercise has been undertaken to calculate the additional staffing requirements to provide the service and the additional costs of food supplies, additional running costs and one off items of equipment required. A detailed report setting out the proposed expenditure plans will be drawn up in consultation with Corporate Finance to be presented to Senior Managers and Members, by mid September.

The uptake of meals in 2006-2007 in Scottish Borders Primary Schools was 36% take-up of the primary school population. If as the Scottish Executive predict, 85% of the P1

– P3 pupils were to stay for lunch then the projected meal numbers would rise significantly.

Senior officers from ELL and Technical Services have formed a Project Group to manage the project and have developed an Action Plan which has identified the issues which need to be taken into consideration and a number of resource implications have already been identified. Officers are in contact with the Scottish Executive who are appointing consultants to manage and monitor the project, and with other Councils involved in the pilot.

The most immediate concerns are the lack of kitchen production capacity, insufficient chilled and frozen food storage capacity, insufficient dining room capacity and the difficulties in employing sufficient additional experienced and trained catering staff to cater for the pupils.

It may be necessary to consider whether additional or alternative processes to those normally used to recruit the staff will be necessary since this will be key to success by the date anticipated by the Scottish Executive. It is anticipated around 26 new staff and a similar number of increases in working hours will be required.

3.1.2 Operational Action Plan

A copy of the Catering and Cleaning Services Business Action Plan for 2007 -2008 is attached as appendix 1 to this report.

3.1.3 Menu Planning

Following on from the menu planning workshop held in May 2007, a revised protocol has been developed for the planning of the primary school menu and this is currently being piloted as we plan the new Autumn and Winter 2007-2008 Primary School Menu.

In the past, considerable emphasis has gone into a menu that was nutritionally very strong but contained food choices that were unpopular with the pupils. Information has been collected from pupils and parents as well as the views of the school catering managers about the pupils the specific likes and dislikes. There was clear evidence that pupils were refusing to stay for a school lunch on certain days in the week and this is reflected in a lower than expected uptake of school meals on those days.

The new menu is being designed to provide the pupils with nutritious food but more importantly to ensure that there are food choices on every day that will appeal to the pupils.

When the new menu is introduced in October 2007 the take-up of meals and the food choices being made by the pupils will be carefully analysed to assess which dishes are popular and which choices the pupils simply do not like.

The Menu Planning Protocol has several review processes built in to ensure that there is sufficient consultation with all stakeholders including the pupils, to ensure the nutritional standards and the acceptability of the menu to the pupils is kept in balance.

3.1.4 Hungry For Success

In order to implement the key recommendation under the Hungry for Success Initiative a seven point project plan has been developed by ELL in consultation with Technical Services.

The Hungry For Success 2007-2008 Project Planner has seven project areas:-

- Developing an Approach for Specialist Diets
- Structured Process for Consultation with Schools, Parents and Pupils
- Menu Development and Nutritional Analysis

- Promotion and Incentive Scheme
- Investigation of Cashless Catering and Nutritional Software Systems
- Monitoring of Quality and Audit of Catering Services.
- Process for HMIs Inspections

3.1.5 **Food Procurement Contracts (Fresh Meat, Fresh Fruit, Fresh Vegetables, Fresh Hens Eggs, Fresh Milk and Dairy Products, Fresh Fish and Bread and Bakery Products**

The closing date for tenders was the 22nd June 2007 and tenders have been through part one of the evaluation. The product sampling and supplier audits have been completed and the preferred suppliers have been short listed for interview.

3.1.6 **Cashless Catering**

A proposal to commence the implementation of cashless catering was reported to Executive on 14 August 2007. A project plan is being commenced to consult on the best way forward, and further detail will be reported to a subsequent Executive Committee.

3.2 **Budget**

Detailed budgets will need to be established for the Free School Meals pilot.

A £55k budget trading surplus has been set for the year.

3.3 **Updated Projections**

Projections are still under preparation of the current budget monitoring round and will be reported in full at the next Trading Committee meeting.

There are pressures on the surplus due to the impact of food cost inflation as a result of weather conditions, and due to loss of income on some contracts which was a factor in the loss of surplus during the 2006/07 financial year.

3.4 **Resources**

There is a proposed upgrading of Melrose Grammar School kitchen, which is part of the Hungry for Success programme, to be undertaken during the Autumn of 2007, it is proposed that if possible this should be complete before the Free Meals Pilot is introduced.

Tenders have been received for the new kitchen for Denholm School as part of the overall rebuild project.

A review is currently underway of equipment requirements for the free meals pilot, the trading operation is reviewing the kitchen equipment, and ELL is reviewing needs in dining rooms.

3.5 **Staffing**

A review of the salaries for the High School Catering Managers is being considered. Two managers have resigned and the posts have been advertised, but there have been no applicants.

Work has been underway to review and allocate all posts into new job roles as part of the Single Status project.

As mentioned above there will be a significant impact on staffing as a result of the Free School Meals pilot.

3.6 Training

HACCP and customer care training has been undertaken. The managers are currently investigating programmes for craft, nutrition and managerial skills.

3.7 Health and Safety

A programme to develop a consistent approach to risk assessment is currently being developed.

4 Financial Implications

4.1 There are significant financial implications to the introduction of the Free School Meals pilot, which is hoped should be self funding, continuing discussions with the Scottish Executive should clarify this position as the pilot progresses.

There are some other pressures on the trading surplus, but it is hoped that these can be contained within the service overall or otherwise within the overall Technical Services Budget.

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 There are no equality issues directly associated with this report.

7 Environment

7.1 There are no environmental issues directly associated with this report.

8 Risk Commentary

8.1 There is a detailed risk assessment being prepared as part of the Free School Meals pilot.

8.2 The APSE review should help to identify and alleviate risks to the service.

9 Summary

9.1 There are a significant number of operational changes currently affecting the service. The input from the APSE consultant, John Bedwell and HR Advisor, Jamie Ward has been significant, but there will continue to be demands on the team over the next few months to continue to deliver the service in a time of continuous change.

10 Recommendations

10.1 I recommend that the Trading Operations Sub-Committee

(a) Agree the contents of this report

Approved by

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

Author(s)

Name	Designation
Vivianne Buller	Interim Manager

Background Papers:

ADD AS APPROPRIATE

Previous Minute Reference:

Catering and Cleaning Services Business Action Plan for 2007- 2008

1) Agree methodology for development of external contracts for catering, cleaning and other services
2) Develop relationships with Schools and E&LL Department
3) Implement and develop regeneration meals partnership with Clackmannanshire
4) Undertake review of regeneration meals in accordance with Executive paper timescales
5) Undertake new supplies procurement for 2007/08
6) Manage changes to the management structure and links to facilities management
7) Undertake APSE review and prepare plan based on findings
8) Implement outcomes of APSE review
9) Develop Service Level Agreement and Business Management approach
10) Prepare plan for equipment renewal needs
11) Strengthen approaches to Project Planning in Catering and Cleaning Department
12) Strengthen approaches to Marketing
13) Address operational issues as they arise
14) Continue to develop the Primary School Menu
15) Continue to develop the Secondary School Menu
16) Develop the Vending Policy
17) Promote and market hungry for success
18) Undertake Training Needs Analysis
19) Develop procedure for specialist diets
20) Develop and adapt pupil and staff incentive schemes