

24th October 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 31st of August 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 Government pilot for free school meals for Primary pupils in years one to three is due to start on 29 October 2007.

Preparations are well underway; progress on the pilot and approval of the implementation programme were reported to the Education Executive Committee on 16 October 2007. The paper is attached at Appendix 2.

3.1.2 Menu Planning

The new menu in primary schools was launched on 10 September 2007. We are reviewing this new menu thoroughly through extensive consultation in preparation for the new spring menu.

A menu development group are in the process of updating the secondary school menus.

3.1.3 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

Hungry for Success was the subject of a scrutiny review on 6 September 2007; the report and minute of this meeting are attached at Appendix 3 of this report.

3.1.4 **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 new procurement contracts have all been successfully let.

3.1.5 **Cashless Catering**

A proposal for the detailed implementation of cashless catering will be reported to Executive on the 30th October 2007.

3.1.6 **APSE review**

The work for the APSE review of catering and cleaning is now complete and the final report is being written. It is proposed that this will be presented to Members during late October or November.

3.2 **Budget**

Detailed budgets have been established for the Free School Meals pilot.

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

3.3 **Updated Projections**

The Catering and Cleaning forecast shows that the trading operation surplus is expected to be in line with budget. There is an expected loss of income of £21k, projected underspend on employee costs of £67k and pressure of £39k due to uncertainty over the effect on food costs as a result of the national flooding this summer. Detailed projections are attached at Appendix 1 to this report.

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 let for the new kitchen for Denholm School as part of the overall rebuild project.

A review has been completed of equipment requirements for the free meals pilot, procurement is underway.

3.5 **Staffing**

Proposals to increase the salary of High School Catering Managers are currently for consideration through an emergency powers report in order to bring them in line with market rates.

Work is complete to allocate all posts into new job roles as part of the Single Status project.

There will be a significant impact on staffing as a result of the Free School Meals pilot; the recruitment process is well underway.

3.6 Training

The managers are currently investigating programmes for craft, nutrition and managerial skills. As part of the conclusion of the APSE review a skills and competency audit has been undertaken.

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 are set out in the attached report.

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