

**SCOTTISH BORDERS COUNCIL**  
**EXECUTIVE COMMITTEE**  
**TRADING OPERATIONS SUB-COMMITTEE**

MINUTE of MEETING of the TRADING OPERATIONS SUB-COMMITTEE held in the COUNCIL CHAMBER, COUNCIL HEADQUARTERS on 28 August 2007 at 2.10 p.m.

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Present: - Councillors M. Cook (Chairman), J. Brown, N. Calvert, J. Fullarton, G. Garvie, K. Gunn, L. Wyse.

In Attendance:- Acting Head of Roads and Fleet, SBc Contracts Manager, Acting Head of Catering and Cleaning, Business Support Officer, Catering and Cleaning, Business Manager, Roads and Fleet, Parks Manager, Management Accountant, Environmental Services, Team Leader, Technical Services Business Support, Corporate Finance, Committee Officer, (H. Reid.)

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**MINUTE**

1. There had been circulated copies of the Minute of 18 June 2007.

**DECISION**

**NOTED the Minute of Meeting of 18 June 2007.**

**SBc CONTRACTS SIGNIFICANT TRADING OPERATION**

2. There had been circulated a report by the Director of Technical Services on Contracts Significant Trading Operations for the period 1 April to 30 June 2007. It was noted that based on the available data to June 2007, SBc Contracts were on target to meet the 2007/08 budgeted surplus target of £318k. SBc Contracts Manager explained that SBc Contracts had had a very successful first quarter in terms of tenders, winning a further £5.6 million of tendered work at a success rate of 37% on value. This compared very favourably with the same period last year when only £2.5 million of work was won at a success rate of 39% on value. This new work won coupled with the high level of tender work secured in 2006/07 supported the belief that SBc Contracts would exceed last year's turnover in this financial year. With regard to resources the latest improvement would be the replacement of the Peebles depot with the new Eshiels facility. The latest recruitment exercise had been relatively successful and offers of employment had been made to 20 applicants who would be taken on over the coming weeks pending successful reference checks. However further members of the existing staff had now left employment. It was noted that the new employees should contribute positively to this year's financial outcome by boosting the labour account recovery and reducing reliance on sub-contractors. Members asked questions on the accuracy of the projections, on the Bear contract awards and on Health and Safety measures.

**DECISION**

**(a) NOTED the report; and**

**(b) AGREED that for the next meeting a more realistic, specific and detailed projection surplus report be submitted.**

**FLEET MANAGEMENT**

3. There had been circulated a report by the Director of Technical services to update Members on the performance Fleet Management Trading operation from 1 April to 31 June 2007. The Head of Roads and Fleet explained that the data available for the first quarter of the year indicated that the surplus would be around £2k lower than the budget of £25k. Members noted that there had been

an alarming and sudden decline in the number of fitters currently employed. In the past four weeks 6 skilled fitters had left Council employment, and a seventh fitter having been granted early retirement. This left the overall number of fitters employed in the workforce at only 12 against a budgeted establishment of 20. It was noted that this was an issue that needed to be addressed quickly as it posed both financial and service threats for Fleet Management, as recently the service had made proposals to both Eildon Housing and to Borders College to undertake maintenance on their respective vehicle fleets. Recruitment and retention had been an issue for some time and was now becoming acute. The remedial measure under consideration to rectify the problem would be the payment of a market rate premium but no budget had been allocated in 2007/08 to pay for a market related wage supplement. It was also noted that resources were required to undertake essential depot upgrading work at the Newtown and Duns depots, which would be the subject of a forth-coming report to the Capital Management Group detailing a full costing of the requirements. Members discussed the costs involved in the payment of a market rate premium and the possibility of rationalising the function.

## **DECISION**

**NOTED the report.**

### **CATERING AND CLEANING**

4. There had been circulated a report by the Director of Technical Services to update Members on the Catering and Cleaning operation from 1 April to 30 June 2007. The Acting Head of Catering and Cleaning advised that the Scottish Executive had 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 was scheduled to start in mid October 2007 and would run for a six month period until March 2008. The Scottish Executive had advised that they would fund the projects and had identified an approximate sum of £593,000, which would be provided through a specific grant in two instalments, one in September and one in December. It was noted that the Executive had assumed an uptake of 85% pupils taking the free meals, so based on this information, a desktop exercise had 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 would be drawn up in consultation with Corporate Finance to be presented to Senior Managers and Members, by mid September. As the uptake of meals in 2006-2007 in Scottish Borders Primary Schools was 36% take-up of the primary school population and 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. The most immediate concerns would be the lack of kitchen production capacity, insufficient chilled and frozen food storage capacity, insufficient dining room capacity and difficulties in employing sufficient additional experienced and trained catering staff to cater for the pupils. It was anticipated around 26 new staff and a similar number of increases in working hours would be required. Following on from the menu planning workshop held in May 2007, a revised protocol had been developed for the planning of the primary school menu and this was currently being piloted for the new Autumn and Winter 2007-2008 Primary School Menus. Members were also updated on the implementation of the Hungry for Success Initiative with a seven point plan having been developed by Education and Lifelong Learning with Technical Services. Whilst detailed budgets would need to be established for the Free School Meals pilot a £55k budget trading surplus had been set for the year. There would be 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 were a factor in the loss of surplus during the 2006/07 financial year. Members asked questions on the rational of the pilot covering the whole school network and on the numbers of regeneration kitchens still in operation within the Scottish Borders.

## **DECISION**

**(a) NOTED the report; and**

**(b) AGREED that details on the percentage and geographic spread of regeneration kitchens within the Scottish Borders be submitted to the next meeting of the Committee.**

## **MEMBER**

Councillor Calvert left the meeting during consideration of the undernoted item.

## **GROUNDS MAINTENANCE**

5. There had been circulated a report by the Director of Technical Services to update Members on the on the Ground Maintenance operation from 1 April to 30 June 2007. The Parks Manager explained that the section was currently carrying out its summer maintenance programme including grass cutting and collection, flower bed maintenance, weed control and litter picking. Additional budget funding of £35,000 to increase the frequency of grass cutting in cemeteries from previous years was being used to fund increased overtime being worked allowing the section to improve the utilisation of equipment. It was noted that Grounds Maintenance current contract with SBHA, would end on 2 of March 2008 and if not renewed would result in an income reduction in the current year, negotiations were on going with SBHA to extend this contract. The section had 86 full time permanent manual staff and recruited 50 seasonal staff for approximately twenty six weeks per year to cover the increased work load during the growing season. The recruitment and retention of seasonal staff continued to present a challenge to the section and it was explained that the use of agency staff may have to be considered to fill short term seasonal vacancies in future years. The particularly wet weather conditions in the first quarter had made staff planning particularly difficult although four apprentices had been recruited and their induction had taken place. Applications for the four posts were received from in excess of 70 applicants. The posts were initially two year fixed term contracts, funded through natural wastage of other posts. It was also noted that a report on the future sourcing of plants previously grown at the Glenraig Nursery in Peebles was being prepared and would be presented to a future meeting of the Committee. With reference to paragraph 6(c) of the Minute of 19 June 2007 there was tabled a discussion note on the grass cutting service provided by the Grounds Maintenance Service. Members asked questions SBHA contract, on the criteria for grass cutting and on the budget setting process for the trading surplus. Discuss took place on various proposals to take the service forward to meet the aspirations of the Scottish Borders Council Tax Payers.

## **DECISION**

**(a) NOTED the report;**

**(b) AGREED:-**

- (i) that more information on the operations budget setting process be submitted to the next meeting of the Committee; and**
- (ii) that any proposals for increased grass cutting would require to be considered in early October to enable any increased expenditure to be considered with the Budget Setting process.**

## **REVIEW ON ONE AREA OF SERVICE**

6. Members agreed that consideration for adopting a strategy for a review on one particular area of service be deferred until the next meeting of the Committee.

## **DECISION**

**AGREED**

*The meeting concluded at 4.10 p m*

**24th October 2007**

**REPORT BY DIRECTOR OF TECHNICAL SERVICES**

**SBc CONTRACTS TRADING OPERATION**

**1 Purpose of Report**

- 1.1 To update the members of the Trading Operations Sub-Committee of the activities of the SBc Contracts trading operation for the period 1<sup>st</sup> of April to 31st of August 2007.**

**2 Background**

- 2.1** SBc Contracts is the councils only Significant Trading Organisation and performs a range of capital and revenue contracted and ad-hoc roads related maintenance and construction work for Network Roads, other SBC departments, other public sector bodies, and a wide range of external companies and private individuals.

**3 Business Performance and Update**

**3.1 Workload:**

SBc Contracts has continued to have success in tendering for external work. In the first five months of this fiscal year a total of £6.4 million of tendered work has been won at a success rate of 32% on value. This compares favourably with the same period last year when £5.5 million of work was won and strongly ahead of the position in 2005 when £2.8 million of work had been won. Although last years success rate of 44% is considerably higher, as always there remain a number of tender decisions in the current year where the client has yet to make the final award of contract. Success in some of these will further boost the value of work won and the overall success rate.

	<b>Apr - Aug 2007</b>	<b>Apr - Aug 2006</b>	<b>Apr - Aug 2005</b>
<b>Number of tenders completed</b>	<b>387</b>	<b>331</b>	<b>300</b>
<b>Number of tenders won</b>	<b>120</b>	<b>145</b>	<b>164</b>
<b>% Success rate</b>	<b>31%</b>	<b>44%</b>	<b>55%</b>
<b>Value of tenders completed</b>	<b>20.2</b>	<b>14.3</b>	<b>6.4</b>
<b>Value of tenders won</b>	<b>6.4</b>	<b>5.5</b>	<b>2.8</b>
<b>% Success rate</b>	<b>32%</b>	<b>38%</b>	<b>44%</b>

Trunk road work orders through BEAR via their sub-contractor Aggregate Industries continues to be very slow. In the first five months of this fiscal year work undertaken for BEAR amounted to only £56k compared to a value of £1,463k for AMEY work undertaken during the same five months last year. The slow start on trunk road work arising from BEAR has allowed us to press ahead planned internal client works on the

local road network arising from the revenue budget and the additional £3 million in the capital programme. It must be stressed that this switch in workload composition does have adverse margin implications for SBc Contracts.

### 3.2 **Budget:**

SBc Contracts is forecasting that it will meet its revised surplus target of £357k subject to the interest charge issue referred to under point 3.3 being resolved corporately.

### 3.3 **Updated Projections:**

Appendix 1 shows the updated SBc Contracts financial results agreed at the last budget monitoring round.

### 3.4 **Resources:**

We intend to make use of the newly available council credit card payment facility within SBc Contracts. We foresee benefits in making an integrated credit card payment facility available at the Langlee re-cycling facility where we have around one thousand small transactions each year from clients. This arises either from clients paying to deposit waste materials or purchasing relatively small quantities of re-cycled aggregates. We expect this volume of transactions to grow as a result of our enhanced recycling capacity at Langlee. This credit card payment facility will reduce the number of small value invoices to be processed by our costing staff, speed-up payments and income receipts and provide our clients with a convenient instant payment facility which they have been requesting for some time.

Credit card payments received will be eventually be interfaced directly to our own systems via a planned broadband connection.

### 3.5 **Staffing:**

SBc Contracts now has 219 manual workers in place against a budgeted establishment figure of 228. This is a comfortable increase on the level of 206 manual workers available at the start of this financial year which should help to boost our labour account recovery performance in the second half of this year.

### 3.6 **Training :**

We continue to develop our training facilities. We have recently installed a section of road at our Langlee training facility to help with the practical training of our roads workers. It is planned in the near future that a deep manhole unit and pipe section will also be installed to allow us to undertake confined space training.

We currently have two SQA and CITB fully accredited trainers. It is known that the SQA is planning to channel their future training only through designated training centres. We are hopeful that the development efforts and emphasis placed on training within SBc Contracts, together with our upgraded facilities will make Langlee a natural choice as one of these designated training centres.

### 3.7 **Health and Safety ;**

SBc Contracts has seen a significant drop in the level of accidents which required to be reported to the HSE which is down from 9 last year to only 4 so far in the current year as shown below. This is probably directly attributable to the emphasis and training being put in place to mitigate the accident risk

The number of minor incidents recorded has risen compared to the same period and probably a direct consequence of us placing very strong emphasis on our staff

reporting any incidents which occur in the course of their work.

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#### **4 Financial Implications**

4.1 It is expected that SBc Contracts will meet its enhanced trading surplus of £357k in the current financial year.

#### **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 Attracting and retaining employees and staff remains an on-going risk. The final outcome of single status is still awaited and also remains a potential risk for SBc Contracts.

8.2 Health & Safety issues can always be potential source of risk for a contracting organisation. We continue to invest heavily in workforce training in order to mitigate and minimise these risks.

#### **9 Summary**

9.1 The volume of external tender work won remains very satisfying and is running comfortably ahead of 2006 and strongly ahead of 2005 levels.

#### **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

**Background Papers:**

**ADD AS APPROPRIATE**

**Previous Minute Reference:**

## REVENUE BUDGET MONITORING 2007/08

Based on actuals to 31 Aug 2007

## TECHNICAL SERVICES TRADING OPERATION - SBc Contracts

Ref	Description (Expenditure)	Actual Expenditure to 31/08/07	Projected Outturn	Current Approved Budget for the Year (2)	Ref	Description (Income)	Actual Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year (6)
	(1)	(3)	(4)	(2)		(5)	(7)	(8)	(6)
		£'000	£'000	£'000			£'000	£'000	£'000
	<b>Expenditure - Internal Recoverable</b>					<b>Income</b>			
A	Employee costs and on-costs	2,460	6,755	6,593	L	From SBC client accounts	-2,758	-7,976	-7,975
B	Signshop on-costs	22	52	67	M	From SBC capital accounts	-2,266	-4,250	-4,000
C	Depot on-costs	188	547	518	N	From outside bodies	-3,761	-12,410	-12,391
D	Management, admin and office oncosts Includes central support and asset rentals	509	1,558	1,481					
E	Own plant and vehicles	1,298	3,825	3,825					
F		<b>4,477</b>	<b>12,737</b>	<b>12,484</b>					
	<b>Expenditure - External (Direct to Jobs)</b>								
G	Direct materials and stock	2,790	6,733	6,744					
H	Sub contractors	2,043	4,199	4,171					
I	Hired plant and vehicles	313	610	610					
J		<b>5,146</b>	<b>11,542</b>	<b>11,525</b>					
K	<b>Total Expenditure</b>	<b>9,623</b>	<b>24,279</b>	<b>24,009</b>	P	<b>Total Income</b>	<b>(8,785)</b>	<b>(24,636)</b>	<b>(24,366)</b>
					Q	<b>Net (Surplus) / Deficit</b>	<b>838</b>	<b>(357)</b>	<b>(357)</b>
					R	<b>Variance</b>			<b>0</b>

## Notes

A to D Labour Overhead Account Expenditure (chargeable via labour hours)

E Plant and Vehicle Account Expenditure (chargeable via plant hours)

J External Costs (charged direct to jobs)

## REVENUE BUDGET MONITORING 2007/8

Based on actuals to 31 Aug 2007

## TECHNICAL SERVICES TRADING OPERATION - FLEET

Description  (1)	Actual Expenditure/ Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year	Variance (3) - (4)	Proposed Virement	Projected over/(under) spend after virement (5) - (6)	Comments on outturn and virements
	(2) £ 000	(3) £ 000	(4) £ 000	(5) £ 000	(6) £ 000	(7) £ 000	
<b>Income</b>							
Internal Charges	(1,068)	(3,071)	(3,241)	170		170	Reduction in income - mainly dayworks repairs Budget includes £89k support recharge income
External Charges	(28)	(87)	(98)	11		11	Less income from outside (NSN)
Interest Received	0	0	0	0		0	
	<b>(1,096)</b>	<b>(3,158)</b>	<b>(3,339)</b>	<b>181</b>	<b>0</b>	<b>181</b>	
<b>Expenditure</b>							
Employees	368	999	1,111	(112)		(112)	Mechanics leaving - some posts not filled
Premises Related Expenses	61	162	181	(19)		(19)	Reduction in depot cost charges
Transport Related Expenses	233	506	461	45		45	Increase in hired vans
Supplies & Services	283	1,041	1,155	(114)		(114)	Budget includes £89k support recharge cost
Payments to Other Bodies	122	366	339	27		27	Increase in sub contracted work
Interest Charged	0	0	0	0		0	
Central Support Charges	0	48	48	0		0	
Asset Rentals	0	19	19	0		0	
	<b>1,067</b>	<b>3,141</b>	<b>3,314</b>	<b>(173)</b>	<b>0</b>	<b>(173)</b>	
<b>Net (Surplus)/Deficit</b>	<b>(29)</b>	<b>(17)</b>	<b>(25)</b>	<b>8</b>	<b>0</b>	<b>8</b>	



## REVENUE OUTTURN MONITORING 2007/08

## TECHNICAL SERVICES TRADING OPERATION - CATERING AND CLEANING

Description  (1)	Actual Expenditure/ Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year	Proposed Virement	Projected over/(under) spend after virement ( 3 ) - ( 4 )	Comments on outturn and virements
	(2) £ 000	(3) £ 000	(4) £ 000	(5) £ 000	(5) £ 000	
<b>Income</b>						
Internal Charges	(1,384)	(4,343)	(4,308)		(35)	
External Charges	(131)	(275)	(331)		56	
	<b>(1,515)</b>	<b>(4,618)</b>	<b>(4,639)</b>	<b>0</b>	<b>21</b>	
<b>Expenditure</b>						
Employees	1,072	2,850	2,917		(67)	
Premises Related Expenses	28	92	87		5	
Transport Related Expenses	36	97	95		2	
Supplies & Services	331	1,248	1,209		39	
Payments to Other Bodies	57	149	149		0	
Central Support Charges	0	121	121		0	
Asset Rentals	0	6	6		0	
	<b>1,524</b>	<b>4,563</b>	<b>4,584</b>	<b>0</b>	<b>(21)</b>	
<b>Net (Surplus)/Deficit</b>	<b>9</b>	<b>(55)</b>	<b>(55)</b>	<b>0</b>	<b>0</b>	

## REVENUE OUTTURN MONITORING 2007/08

## TECHNICAL SERVICES TRADING OPERATION - GROUNDS MAINTENANCE

Description  (1)	Actual Expenditure/ Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year	Proposed Virement	Projected over/(under) spend after virement (3) - (4)	Comments on outturn and virements
	(2) £ 000	(3) £ 000	(4) £ 000	(5) £ 000	(5) £ 000	
<b>Income</b>						
Internal Charges	(1,236)	(2,986)	(3,035)		49	
External Charges	(158)	(438)	(438)		0	
	<b>(1,394)</b>	<b>(3,424)</b>	<b>(3,473)</b>	<b>0</b>	<b>49</b>	
<b>Expenditure</b>						
Employees	1,005	2,372	2,326		46	
Premises Related Expenses	35	56	56		0	
Transport Related Expenses	391	785	839		(54)	
Supplies & Services	36	88	85		3	
Payments to Other Bodies	5	39	39		0	
Interest Charged	0	0	0		0	
Central Support Charges	0	75	75		0	
Asset Rentals	0	9	9		0	
	<b>1,472</b>	<b>3,424</b>	<b>3,429</b>	<b>0</b>	<b>(5)</b>	
<b>Net (Surplus)/Deficit</b>	<b>78</b>	<b>0</b>	<b>(44)</b>	<b>0</b>	<b>44</b>	

**24th October 2007**

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**REPORT BY DIRECTOR OF TECHNICAL SERVICES**

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**FLEET MANAGEMENT TRADING OPERATION**

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**1 Purpose of Report**

- 1.1 To update the members of the Trading Operations Sub-Committee of the activities of the Fleet Management trading operation for the period 1<sup>ST</sup> of April to 31st of August 2007.**

**2 Background**

- 2.1** Fleet Management is a trading organisation which provides vehicle procurement, fleet management, vehicle maintenance and a repair service for SBc Contracts, and a range of other SBC departments as well as some external private clients.

**3 Business Performance and Update**

**3.1 Workload:**

There have been no further developments on the proposals made to Eildon Housing and to Borders College to undertake maintenance on their respective vehicle fleets. We are not actively pursuing either of these potential clients currently due to the on-going productive capacity restrictions caused by the loss of skilled fitters during July and August.

There have been no further losses of trained fitters in the period since the last report and our productive capacity appears to have stabilised for the time being. It is hoped that the new wage agreement which is now in place will help give a period of workforce stability and allow us to replace some of the lost capacity by recruiting additional fitters in the months ahead.

General workload in the form of Contract and Day-works will continue to be monitored closely on a monthly basis to identify any shortfalls that might arise from current capacity restrictions.

**3.2 Budget:**

We are forecasting a budget surplus of £17k for Fleet Management for 2007/08.

**3.3 Updated Projections:**

Appendix 1 shows the updated Fleet financial results agreed at the last budget monitoring round. We are expecting income to be some £181k below budget with most of this drop coming from reduced day-works repairs as a result of our capacity restrictions. We are using some additional sub-contracting work to bridge our current capacity limitations. There is an offsetting reduction against budget in our employee costs of £112k which is a result of the reduction in mechanic numbers resulting in unfilled posts. The additional costs for the rest of 2007/08 arising as a result of the

new wage agreement for our workforce will be carried by Fleet Management and are reflected in employee's expenditure projection in appendix 1. This wage agreement does not have budgetary implications in the current financial year for our council clients.

Overall appendix 1 shows that Fleet still expects to generate a Surplus of £17k in the current financial year. Although this is £8k below the budgeted target it still represents a very solid performance given the magnitude of the productive capacity issues the organisation has had to cope with over the past months.

In the projections made to year end it has been assumed that we will be able to fill at least two of the vacant fitter positions before Christmas. The situation with regard to employment levels, cost and income will be monitored closely and reported on further at future Trading Committee meetings.

#### **3.4 Resources:**

As highlighted in the last Trading Committee report resources funding is required to undertake essential depot upgrading work at the Newtown and Duns depots.

The Duns depot is suffering from major drainage, sewage and health and safety issues problems which were reported upon at the last meeting. The replacement of the underground fuel tanks and pumps to avoid future pollution issues remains a priority.

Resources are required for Phase 2 Newtown workshop upgrade involving the vehicle maintenance/fabrication workshops, the under-ground fuel tanks; workshop stores and an MOT testing facility remain on-going.

These depot resource requirements will be the subject of a forth-coming report to the Capital Management Group which will include a full costing of the requirements.

#### **3.5 Staffing:**

The level of skilled of fitters employed now appears to have stabilised at the level of 12 reported at the last Trading Sub Committee against a full establishment of 20. Following the agreement reached with HR to pay enhanced rates of just over 8% to our skilled fitters we are in the process of placing recruitment adverts and we plan to recruit a further three trained fitters and two apprentices. In the meantime, we are attempting to bridge the productive capacity shortfall through the use of overtime and sub-contracting to maintain the service to our council clients.

#### **3.6 Training:**

We are currently in the process of upgrading to the latest Release 8 version of Tranman software. In-house training is being provided by Civica to fully familiarise all users with the new features and the enhanced facilities available from this new version of the Tranman software. Final training is scheduled for the 18<sup>th</sup> and 19<sup>th</sup> of October and we plan to go live with the new version from the 19<sup>th</sup> of October.

#### **3.7 Health & Safety:**

The issues highlighted at the last Trading Committee with regard to depot safety still remain outstanding and awaiting appropriate capital investments at the Duns and Newtown depots as outlined under point 3.4. We remain aware that there continue to be potential Health, Safety and Welfare issues at both these depots which could ultimately lead to HSE prohibition notices.

There are also a number of welfare issues related to the Newtown depot office accommodation. This comprises two rented portacabins which provide basic and cramped accommodation and is remote from the workshop.

#### 4 Financial Implications

4.1 Fleet management is forecasting the expected surplus to be some £6k below 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 are an on-going Health & Safety risks and welfare issues at both the Newtown and Duns depots which can only be addressed by suitable capital investments to rectify the points highlighted under sections 3.4 and 3.7 of this report.

8.2 Attracting and retaining employees and staff remains an on-going risk. The final outcome of single status is still awaited and also remains a potential risk for Fleet Management.

#### 9 Summary

9.1 The decline in the number of fitters currently employed has stabilised at the level of 12 reported last time. It is hoped that the wage agreement reached with HR to pay a market supplement for this group of works will allow us to slowly reverse this trend by recruiting additional fitters over the coming months.

#### 10 Recommendations

10.1 I recommend that the Executive:

(a) Agree the contents of this report

##### Approved by

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

##### Author(s)

Name	Designation

Background Papers:

**ADD AS APPROPRIATE**

Previous Minute Reference:

## REVENUE BUDGET MONITORING 2007/08

Based on actuals to 31 Aug 2007

## TECHNICAL SERVICES TRADING OPERATION - SBc Contracts

Ref	Description (Expenditure)	Actual Expenditure to 31/08/07	Projected Outturn	Current Approved Budget for the Year (2)	Ref	Description (Income)	Actual Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year (6)
	(1)	(3) £'000	(4) £'000	(2) £'000		(5)	(7) £'000	(8) £'000	(6) £'000
	<b>Expenditure - Internal Recoverable</b>					<b>Income</b>			
A	Employee costs and on-costs	2,460	6,755	6,593	L	From SBC client accounts	-2,758	-7,976	-7,975
B	Signshop on-costs	22	52	67	M	From SBC capital accounts	-2,266	-4,250	-4,000
C	Depot on-costs	188	547	518	N	From outside bodies	-3,761	-12,410	-12,391
D	Management, admin and office oncosts Includes central support and asset rentals	509	1,558	1,481					
E	Own plant and vehicles	1,298	3,825	3,825					
F		<b>4,477</b>	<b>12,737</b>	<b>12,484</b>					
	<b>Expenditure - External (Direct to Jobs)</b>								
G	Direct materials and stock	2,790	6,733	6,744					
H	Sub contractors	2,043	4,199	4,171					
I	Hired plant and vehicles	313	610	610					
J		<b>5,146</b>	<b>11,542</b>	<b>11,525</b>					
K	<b>Total Expenditure</b>	<b>9,623</b>	<b>24,279</b>	<b>24,009</b>	P	<b>Total Income</b>	<b>(8,785)</b>	<b>(24,636)</b>	<b>(24,366)</b>
					Q	<b>Net (Surplus) / Deficit</b>	<b>838</b>	<b>(357)</b>	<b>(357)</b>
					R	<b>Variance</b>			<b>0</b>

## Notes

A to D Labour Overhead Account Expenditure (chargeable via labour hours)

E Plant and Vehicle Account Expenditure (chargeable via plant hours)

J External Costs (charged direct to jobs)

## REVENUE BUDGET MONITORING 2007/8

Based on actuals to 31 Aug 2007

## TECHNICAL SERVICES TRADING OPERATION - FLEET

Description  (1)	Actual Expenditure/ Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year	Variance (3) - (4)	Proposed Virement	Projected over/(under) spend after virement (5) - (6)	Comments on outturn and virements
	(2) £ 000	(3) £ 000	(4) £ 000	(5) £ 000	(6) £ 000	(7) £ 000	
<b>Income</b>							
Internal Charges	(1,068)	(3,071)	(3,241)	170		170	Reduction in income - mainly dayworks repairs Budget includes £89k support recharge income
External Charges	(28)	(87)	(98)	11		11	Less income from outside (NSN)
Interest Received	0	0	0	0		0	
	<b>(1,096)</b>	<b>(3,158)</b>	<b>(3,339)</b>	<b>181</b>	<b>0</b>	<b>181</b>	
<b>Expenditure</b>							
Employees	368	999	1,111	(112)		(112)	Mechanics leaving - some posts not filled
Premises Related Expenses	61	162	181	(19)		(19)	Reduction in depot cost charges
Transport Related Expenses	233	506	461	45		45	Increase in hired vans
Supplies & Services	283	1,041	1,155	(114)		(114)	Budget includes £89k support recharge cost
Payments to Other Bodies	122	366	339	27		27	Increase in sub contracted work
Interest Charged	0	0	0	0		0	
Central Support Charges	0	48	48	0		0	
Asset Rentals	0	19	19	0		0	
	<b>1,067</b>	<b>3,141</b>	<b>3,314</b>	<b>(173)</b>	<b>0</b>	<b>(173)</b>	
<b>Net (Surplus)/Deficit</b>	<b>(29)</b>	<b>(17)</b>	<b>(25)</b>	<b>8</b>	<b>0</b>	<b>8</b>	

## REVENUE OUTTURN MONITORING 2007/08

## TECHNICAL SERVICES TRADING OPERATION - CATERING AND CLEANING

Description  (1)	Actual Expenditure/ Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year	Proposed Virement	Projected over/(under) spend after virement ( 3 ) - ( 4 )	Comments on outturn and virements
	(2) £ 000	(3) £ 000	(4) £ 000	(5) £ 000	(5) £ 000	
<b>Income</b>						
Internal Charges	(1,384)	(4,343)	(4,308)		(35)	
External Charges	(131)	(275)	(331)		56	
	<b>(1,515)</b>	<b>(4,618)</b>	<b>(4,639)</b>	<b>0</b>	<b>21</b>	
<b>Expenditure</b>						
Employees	1,072	2,850	2,917		(67)	
Premises Related Expenses	28	92	87		5	
Transport Related Expenses	36	97	95		2	
Supplies & Services	331	1,248	1,209		39	
Payments to Other Bodies	57	149	149		0	
Central Support Charges	0	121	121		0	
Asset Rentals	0	6	6		0	
	<b>1,524</b>	<b>4,563</b>	<b>4,584</b>	<b>0</b>	<b>(21)</b>	
<b>Net (Surplus)/Deficit</b>	<b>9</b>	<b>(55)</b>	<b>(55)</b>	<b>0</b>	<b>0</b>	



## REVENUE OUTTURN MONITORING 2007/08

## TECHNICAL SERVICES TRADING OPERATION - GROUNDS MAINTENANCE

Description  (1)	Actual Expenditure/ Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year	Proposed Virement	Projected over/(under) spend after virement (3) - (4)	Comments on outturn and virements
	(2) £ 000	(3) £ 000	(4) £ 000	(5) £ 000	(5) £ 000	
<b>Income</b>						
Internal Charges	(1,236)	(2,986)	(3,035)		49	
External Charges	(158)	(438)	(438)		0	
	<b>(1,394)</b>	<b>(3,424)</b>	<b>(3,473)</b>	<b>0</b>	<b>49</b>	
<b>Expenditure</b>						
Employees	1,005	2,372	2,326		46	
Premises Related Expenses	35	56	56		0	
Transport Related Expenses	391	785	839		(54)	
Supplies & Services	36	88	85		3	
Payments to Other Bodies	5	39	39		0	
Interest Charged	0	0	0		0	
Central Support Charges	0	75	75		0	
Asset Rentals	0	9	9		0	
	<b>1,472</b>	<b>3,424</b>	<b>3,429</b>	<b>0</b>	<b>(5)</b>	
<b>Net (Surplus)/Deficit</b>	<b>78</b>	<b>0</b>	<b>(44)</b>	<b>0</b>	<b>44</b>	

**24<sup>th</sup> October 2007**

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**REPORT BY DIRECTOR OF TECHNICAL SERVICES**

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**CATERING AND BUILDING CLEANING TRADING OPERATION**

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**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 1<sup>st</sup> 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**

## REVENUE BUDGET MONITORING 2007/08

Based on actuals to 31 Aug 2007

## TECHNICAL SERVICES TRADING OPERATION - SBc Contracts

Ref	Description (Expenditure)	Actual Expenditure to 31/08/07	Projected Outturn	Current Approved Budget for the Year (2)	Ref	Description (Income)	Actual Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year (6)
	(1)	(3) £'000	(4) £'000	(2) £'000		(5)	(7) £'000	(8) £'000	(6) £'000
	<b>Expenditure - Internal Recoverable</b>					<b>Income</b>			
A	Employee costs and on-costs	2,460	6,755	6,593	L	From SBC client accounts	-2,758	-7,976	-7,975
B	Signshop on-costs	22	52	67	M	From SBC capital accounts	-2,266	-4,250	-4,000
C	Depot on-costs	188	547	518	N	From outside bodies	-3,761	-12,410	-12,391
D	Management, admin and office oncosts Includes central support and asset rentals	509	1,558	1,481					
E	Own plant and vehicles	1,298	3,825	3,825					
F		<b>4,477</b>	<b>12,737</b>	<b>12,484</b>					
	<b>Expenditure - External (Direct to Jobs)</b>								
G	Direct materials and stock	2,790	6,733	6,744					
H	Sub contractors	2,043	4,199	4,171					
I	Hired plant and vehicles	313	610	610					
J		<b>5,146</b>	<b>11,542</b>	<b>11,525</b>					
K	<b>Total Expenditure</b>	<b>9,623</b>	<b>24,279</b>	<b>24,009</b>	P	<b>Total Income</b>	<b>(8,785)</b>	<b>(24,636)</b>	<b>(24,366)</b>
					Q	<b>Net (Surplus) / Deficit</b>	<b>838</b>	<b>(357)</b>	<b>(357)</b>
					R	<b>Variance</b>			<b>0</b>

## Notes

A to D Labour Overhead Account Expenditure (chargeable via labour hours)

E Plant and Vehicle Account Expenditure (chargeable via plant hours)

J External Costs (charged direct to jobs)

## REVENUE BUDGET MONITORING 2007/8

Based on actuals to 31 Aug 2007

## TECHNICAL SERVICES TRADING OPERATION - FLEET

Description  (1)	Actual Expenditure/ Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year	Variance (3) - (4)	Proposed Virement	Projected over/(under) spend after virement (5) - (6)	Comments on outturn and virements
	(2) £ 000	(3) £ 000	(4) £ 000	(5) £ 000	(6) £ 000	(7) £ 000	
<b>Income</b>							
Internal Charges	(1,068)	(3,071)	(3,241)	170		170	Reduction in income - mainly dayworks repairs Budget includes £89k support recharge income
External Charges	(28)	(87)	(98)	11		11	Less income from outside (NSN)
Interest Received	0	0	0	0		0	
	<b>(1,096)</b>	<b>(3,158)</b>	<b>(3,339)</b>	<b>181</b>	<b>0</b>	<b>181</b>	
<b>Expenditure</b>							
Employees	368	999	1,111	(112)		(112)	Mechanics leaving - some posts not filled
Premises Related Expenses	61	162	181	(19)		(19)	Reduction in depot cost charges
Transport Related Expenses	233	506	461	45		45	Increase in hired vans
Supplies & Services	283	1,041	1,155	(114)		(114)	Budget includes £89k support recharge cost
Payments to Other Bodies	122	366	339	27		27	Increase in sub contracted work
Interest Charged	0	0	0	0		0	
Central Support Charges	0	48	48	0		0	
Asset Rentals	0	19	19	0		0	
	<b>1,067</b>	<b>3,141</b>	<b>3,314</b>	<b>(173)</b>	<b>0</b>	<b>(173)</b>	
<b>Net (Surplus)/Deficit</b>	<b>(29)</b>	<b>(17)</b>	<b>(25)</b>	<b>8</b>	<b>0</b>	<b>8</b>	

## REVENUE OUTTURN MONITORING 2007/08

## TECHNICAL SERVICES TRADING OPERATION - CATERING AND CLEANING

Description  (1)	Actual Expenditure/ Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year	Proposed Virement	Projected over/(under) spend after virement ( 3 ) - ( 4 )	Comments on outturn and virements
	(2) £ 000	(3) £ 000	(4) £ 000	(5) £ 000	(5) £ 000	
<b>Income</b>						
Internal Charges	(1,384)	(4,343)	(4,308)		(35)	
External Charges	(131)	(275)	(331)		56	
	<b>(1,515)</b>	<b>(4,618)</b>	<b>(4,639)</b>	<b>0</b>	<b>21</b>	
<b>Expenditure</b>						
Employees	1,072	2,850	2,917		(67)	
Premises Related Expenses	28	92	87		5	
Transport Related Expenses	36	97	95		2	
Supplies & Services	331	1,248	1,209		39	
Payments to Other Bodies	57	149	149		0	
Central Support Charges	0	121	121		0	
Asset Rentals	0	6	6		0	
	<b>1,524</b>	<b>4,563</b>	<b>4,584</b>	<b>0</b>	<b>(21)</b>	
<b>Net (Surplus)/Deficit</b>	<b>9</b>	<b>(55)</b>	<b>(55)</b>	<b>0</b>	<b>0</b>	

## REVENUE OUTTURN MONITORING 2007/08

## TECHNICAL SERVICES TRADING OPERATION - GROUNDS MAINTENANCE

Description  (1)	Actual Expenditure/ Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year	Proposed Virement	Projected over/(under) spend after virement (3) - (4)	Comments on outturn and virements
	(2) £ 000	(3) £ 000	(4) £ 000	(5) £ 000	(5) £ 000	
<b>Income</b>						
Internal Charges	(1,236)	(2,986)	(3,035)		49	
External Charges	(158)	(438)	(438)		0	
	<b>(1,394)</b>	<b>(3,424)</b>	<b>(3,473)</b>	<b>0</b>	<b>49</b>	
<b>Expenditure</b>						
Employees	1,005	2,372	2,326		46	
Premises Related Expenses	35	56	56		0	
Transport Related Expenses	391	785	839		(54)	
Supplies & Services	36	88	85		3	
Payments to Other Bodies	5	39	39		0	
Interest Charged	0	0	0		0	
Central Support Charges	0	75	75		0	
Asset Rentals	0	9	9		0	
	<b>1,472</b>	<b>3,424</b>	<b>3,429</b>	<b>0</b>	<b>(5)</b>	
<b>Net (Surplus)/Deficit</b>	<b>78</b>	<b>0</b>	<b>(44)</b>	<b>0</b>	<b>44</b>	



## Project Plan

Issue Date : 21-Sep-07





















Project Name :	Free School Meals (P1-3) Pilot	Project :	
Project Manager :	Lynn Mirley/Vivianne Buller	Department :	Education
		Tel. :	6544

## Purpose :

To plan and schedule the activities that will lead to each product or outcome being delivered, defining the resource requirements and any dependencies.

Task Name	Start Date	End Date	Work ( Days )	Status	Resource	Comments
<b>Project</b>	<b>01-Aug-07</b>	<b>30-Apr-08</b>	<b>196</b>			
<b>Start-Up Project</b>	<b>11-Sep-07</b>	<b>12-Sep-07</b>	<b>2</b>	✓		
- Create Project Mandate	11-Sep-07	11-Sep-07	1	✓	Glenn Rodger	
- Create Business Case	11-Sep-07	11-Sep-07	1	✓	Lynn Mirley/Vivianne Buller	
- Approve Business Case	12-Sep-07	12-Sep-07	1	✓	Project Executive	
<b>Initiate Project</b>	<b>12-Sep-07</b>	<b>19-Sep-07</b>	<b>6</b>	✓		
- Create Outline Project Plan	12-Sep-07	17-Sep-07	4	✓	Lynn Mirley/Vivianne Buller	
- Create Risk Log	12-Sep-07	17-Sep-07	4	✓	Lynn Mirley/Vivianne Buller	
- Create Issue Log	12-Sep-07	17-Sep-07	4	✓	Lynn Mirley/Vivianne Buller	
- Approve "PID"	19-Sep-07	19-Sep-07	1	✓	Project Executive	Approval of report to CMT 26/9/07
<b>Deliver Products</b>	<b>01-Aug-07</b>	<b>31-Mar-08</b>	<b>174</b>			
- Executive Approval	12-Sep-07	16-Oct-07	25		LM/VB	
- School Implementation Plans	03-Sep-07	27-Sep-07	19		L M/VB	
- Administration Process Change	17-Sep-07	05-Oct-07	15		BSOs	
- Dining Room Equipment	24-Sep-07	05-Oct-07	10		BSOs	
- Recruitment of Staff	01-Aug-07	01-Oct-07	44		Catering Proj Team	
- Training of New Staff	01-Oct-07	12-Oct-07	10		Catering Managers	
- Equipment Procurement	03-Sep-07	22-Oct-07	36		Catering Managers	
- Melrose & Heriot Kitchen	03-Sep-07	29-Oct-07	41		Architects/Stellex	
- Fountainhall & St Josephs	03-Sep-07	28-Sep-07	20		Catering & School	
- Start up Free School Meals (P1-3)	29-Oct-07	31-Mar-08	111		User / Customer	
- Evaluation of Pilot	03-Jan-08	31-Mar-08	65		Lynn Mirley/Vivianne Buller	
<b>Manage Product Delivery</b>	<b>01-Aug-07</b>	<b>31-Mar-08</b>	<b>174</b>		Lynn Mirley/Vivianne Buller	
<b>Close Project</b>	<b>31-Mar-08</b>	<b>30-Apr-08</b>	<b>23</b>			
- Complete Acceptance report	31-Mar-08	30-Apr-08	23		Lynn Mirley/Vivianne Buller	
- Complete End Project Report	31-Mar-08	30-Apr-08	23		Lynn Mirley/Vivianne Buller	
- Confirm Project Closure	30-Apr-08	30-Apr-08	1		Project Executive	

# Appendix 1

Specialist Task	Work (Days)	Specialist Resource	Sequence	Status	Deliverable	Requirements
Executive Approval	1	LM/VB		 	Report Approved by Executive	
School Implementation Plans	1	L M/VB		 	Implementation Plan per School issued	
Administration Process Change	1	BSOs		 	Change to weekly data gathering for meals	
Dining Room Equipment	1	BSOs		 	Additional Dining Room Equipment ordered	
Recruitment of Staff	1	Catering Proj Team		 	26 posts filled & additional hours allocated	
Training of New Staff	1	Catering Managers		 	New Staff Induction Completed	
Equipment Procurement	1	Catering Managers		 	All additional Heavy & Light Equip inplace	
Melrose & Heriot Kitchen	1	Architects/Stellex		 	New kitchen in place	
Fountainhall & St Josephs	1	Catering & School		 	New service in place	
				 		

Project Risk Log

Issue Date : 21-Sep-07

Project : Free School Meals (P1-3) Pilot  
 Proj. Manager : Lynn Mirley/Vivianne Buller  
 Department : Education  
 Project Code :  
 Tel : 6544

Risk ID.	Date Identified	Cat.	Risk Title	Risk Description	Status	Risk Prob.	Risk Impact	Risk Score	Review Date	Mitigation Plan	Progress	Owner
1	01-Aug-07	O	Recruitment	Inability to recruit staff	A	4	3	12	27-Sep-07	Recruitment group established with TS/HR	Recruitment days held, significant advertising, some posts now recruited to, further work to progress non filled posts	Vivianne Buller
2	01-Aug-07	O	Dining Room Management	Inability to manage meal volume in dining room	A	3	3	9	27-Sep-07	Individual school implementation plans	School plans to be complete 24/9/07, 'hot spot schools identified' for special meetings	Lynn Mirley
3	01-Aug-07	O	Dining Room Supervision	Inability to supervise addition pupils and longer lunch	A	3	3	9	28-Sep-07	Individual school implementation plans	School plans to be complete 24/9/07, 'hot spot schools identified' for special meetings early October	Lynn Mirley
4	01-Aug-07	O	Equipment	Inability to source additional equipment in time for pilot	A	3	3	9	29-Sep-07	Processes in place to source equipment	Most of equipment needs identified and ordered	Vivianne Buller
5	01-Aug-07	O	Uptake	Inaccurate projections of uptake affecting operational delivery	A	3	3	9	30-Sep-07	Initial verification of numbers, questionnaire to parents, further consultation with parents, overall evaluation for Scottish Government, continued monitoring	Initial verification of numbers, questionnaire to parents	Project team
6	01-Aug-07	F	Uptake	Inaccurate projections of uptake creating additional cost	A	3	3	9	01-Oct-07	Initial verification of numbers, questionnaire to parents, further consultation with parents, overall evaluation for Scottish Government, continued monitoring	Initial verification of numbers, questionnaire to parents	Project team
7	01-Aug-07	S	School Dining Administration	Lack of capacity of current administration staff to manage higher uptake volumes	A	3	3	9	02-Oct-07	Plans for activity with administration staff and individual school implementation plans. New consistent recording method to be introduced.	Meeting with Administrative staff, action plan developed.	Lynn Mirley
8	01-Aug-07	S	Overall project success	Project failure as a result of lack of commitment from SBC or failure to inform Scottish Government/Members of progress	A	2	4	8	03-Oct-07	Project plans, communication plans, links to SE and other pilot authorities	A number of communication plan actions complete, meeting with SE on 25th Sept.	Project team
9								0				
								0				

**COST ESTIMATE FOR IMPLEMENTING FREE SCHOOL MEALS PILOT**

Total cost £

**Technical Services Department – set up costs**

Heavy Catering equipment	Fridges, freezers, ovens, dishwashers, food mixers (vire to capital)	48,000
Light catering equipment	Pots and pans, cutlery, plates, beakers, baking tins	44,000

**Technical Services Department – ongoing costs**

Catering employees	26 new employees and additional hours worked by existing staff – including recruitment costs	139,000
Food costs	Incremental food costs	170,000
Running costs	Cleaning materials, kitchen consumables	10,000

**Education and Lifelong Learning Department – set up costs**

Dining room furniture	Reduced Estimate - £600 per unit - have 3 second hand spare	15,000
Printing and marketing	Envelope system & for parental mailings	19,000

**Education and Lifelong Learning Department – ongoing costs**

Income Lost	From paying P1-3 pupils	162,000
Dining room supervision	Both additional hours and free meals to teachers supervising	50,000

**TOTAL ESTIMATED EXPENDITURE****657,000**

Scottish Government Grant	593,000
SBC Cost Subsidy Saving (14p per meal)	12,600
Hungry for Success Price Subsidy Saving (i.e. 5p per meal)	4,500
Hungry for Success Equipment Budget	15,000
School Fund - capital grant	31,900

**TOTAL RESOURCES TO FUND EXPENDITURE****657,000**

16<sup>TH</sup> OCTOBER 2007

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**REPORT BY DIRECTORS OF EDUCATION & LIFELONG LEARNING AND  
TECHNICAL SERVICES**

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**FREE SCHOOL MEALS (P1-3) PILOT**

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**1 PURPOSE OF REPORT**

**1.1 To gain approval for the implementation plan for the Free School Meals (Primary 1 – 3) Pilot.**

**2 BACKGROUND**

- 2.1 In June 2007 the Scottish Government announced the undertaking of a Free School Meal Trial for Primary 1 to Primary 3 (P1-3) pupils. They have approached five Local Authorities to pilot this project and Scottish Borders Council has been selected to be one of these.
- 2.2 The other authorities in the pilot are Glasgow, Fife, East Ayrshire and West Dunbartonshire.
- 2.3 To support the pilot, which is to run in all primary schools in the Council between October 2007 and March 2008, a grant of £593,000 has been awarded. This is to cover the costs of the additional free meals to pupils who either previously paid for meals, had packed lunches or went home for lunch. The grant conditions allow for capital expenditure on building, equipment and furniture where this is required.
- 2.4 Within the Scottish Borders the enrolled pupils in P1-3 as at August 2007 is 3,507 pupils with an 287 of these pupils currently eligible for Free School Meals on the income determination basis.
- 2.5 Current indication from the Scottish Government is that they expect the pilots to be up and running by the 29<sup>th</sup> October 2007.
- 2.6 The current estimated number of total primary meals that will be required on a daily basis during the pilot is approximately 4,800 meals per day. This is a 58% increase on the 2006/07 daily average of 3,039 meals per day. This significant increase in volume is due to the current low level of primary school uptake (versus the Scottish average) in paying pupils. This poses significant challenges for Scottish Borders Council compared with the other pilot authorities, and particularly in some schools where take up is currently

particularly low.

### **3 IMPLEMENTATION PLAN**

3.1 The key challenges in delivering Free School Meals for all P1-3 pupils in the by the end of October 2007 are:

a) *Catering Staffing*

To deliver the projected increase in daily meal volume, it is anticipated that an additional 700 hours per week is required in the kitchens through additional hours and new part-time posts.

b) *Dining Room Management*

The increase in pupil numbers and the young age of these pupils will mean that management of the school lunchtime will become more challenging. There is a likelihood that in many of our schools a staggered lunchtime will be required to be adopted. This has implications for the hall usage for curricular activities and potential knock impacts on teaching arrangements.

c) *Dining Room Supervision*

The potential of a lengthened lunchtime and a greater number of young pupils who need support has raised the issue of additional dining room supervision hours for certain schools, this is expected to be an average of one hour per day per school, but will vary significantly from school to school.

d) *Equipment*

The volume of additional meals projected will require an investment in heavy equipment of £48,000 (e.g. catering production equipment), light equipment of £44,000 (e.g. cutlery, plates, beakers) and dining room furniture of £15,000.

e) *Administration*

The increased volume will require a change in process from the current daily collection of meal choices to allow the catering operations staff to procure the quantity of food and minimise waste. This will mean a change to the current administration arrangements to allow weekly information collection from parents across all classes (i.e. not just P1-3).

3.2 Technical Services (TS) and Education & Lifelong Learning (E&LL) officers have been working together since the June announcement on the creation of an implementation plan for this initiative.

3.3 The key elements of the implementation plan are:

- a) Project Management
- b) Communications
- c) Catering Operations
- d) School Operations
- e) School/Catering Linkages
- f) Menu planning
- g) Scottish Government liaison
- h) Information & Evaluation

**3.4** A copy of the project plan and risk log is contained in Appendix 1

### **3.5 PROGRESS TO DATE**

#### 3.6 Communication

- a) Prior to the start of the new term, catering staff were brought together for a pre-term workshop which included discussions on the pilot.
- b) During the first week of term an information session for Head teachers and Catering staff was held to allow everyone affected to be briefed on the initiative. At these sessions feedback sheets were issued for individual schools to raise specific issues and challenges.
- c) In the second week of term a letter to all P1-3 parents was issued with the aim of gather more robust information on expected meal uptake during the pilot. This had two objectives, one to raise awareness and one to gather data. Unfortunately the data gathering aspect was not as successful as anticipated but has highlighted the challenges of engaging parents and carers in the project and has influenced the communications approach from herein.
- d) An inter-authority meeting was held by the Scottish Government on the 25<sup>th</sup> September. This was successful and there was a good dialogue of the issues facing SBC. The meeting further reinforced the particular challenges faced by the significant increase in take-up.

#### 3.7 Catering Operations

- a) **Recruitment of additional Staff**  
A major recruitment project has been established within Technical Services with support from Human Resources. The promotion of these vacancies has been via standalone adverts in the local press, 29 slots on Radio Borders, posters and information at Job Centres and advertising via school newsletters/notice boards. Information and Interview days on 13<sup>th</sup> and 14<sup>th</sup> of September were used to accelerate the recruitment and selection process. This has been very successful with all but two posts now offered. Follow up action is now in place to ensure successful induction takes place.
- b) **Procurement**  
*Food:* Discussions have been held with all major food suppliers to ensure that they will be able to meet the additional demand including via additional school deliveries.  
*Heavy & Light Kitchen Equipment:* Lists by school have been prepared and costed by the catering managers and orders are currently in the process of being placed. Property Maintenance has been engaged to secure the tradesmen to do any installation activity.  
*Dining Room Equipment:* The feedback sheet from the information session specifically requested comment on the needs in this area and these responses are currently being collated.
- c) **Specific Key Kitchen issues**  
Due to practicalities, timing of the implementations will have to be closely monitored and may mean some changes need to be agreed to

the pilot implementation in these schools.

*Melrose:* Currently E&LL are developing a plan to allow a production kitchen to be delivered during the 07/08 term (part of the existing capital programme) to provide the necessary volumes for the school and relieve pressure on the Langlee production kitchen. Unfortunately it has not been possible to install the new kitchen in time for the project's commencement, however work is being done to see what can be achieved during the next six months in terms of transfer. Contingency plans are being implemented developed to provide the increased meal volumes from Langlee kitchen until the Melrose production kitchen is available.

*Heriot:* E&LL as part of the Heriot Extension project are installing a production kitchen to replace the current DMS service.

*Fountainhall:* No current school meal provision at this school, however the new kitchen at Heriot due to be completed before end December 2007, will mean that there is an opportunity to create a Dining Centre at Fountainhall. Work is being identified in relation to the requirements in terms of equipment to allow a delivered meals service to commence as soon as this is available.

*St Josephs, Selkirk:* No current school meal provision at this school. As with Fountainhall work is ongoing to allow a delivered meals provision via Selkirk High School.

d) **Menu**

The new Autumn/Winter menu went live on the 10<sup>th</sup> September and will be in place for the entirety of the pilot. The menu is a refinement of previous menus, with the removal of the least popular items.

e) **Scottish Government**

The Scottish Government have completed and gained approval for the parliamentary processes to change the legislation to allow the pilot to be undertaken.

f) **Individual School Action Plans**

A draft plan for each school has been issued with an aim to have these finalised by Friday the 19<sup>th</sup> October. These are to ensure that Head teachers, school based staff and catering staff are all fully briefed and clear on the requirements and actions to deliver. Meetings are underway with Head teachers in those schools with the most significant challenges.

g) **Administration**

Following discussions have been held with a representative group of school administrators, a revised procedure for administering school meals money, choices and number collection has been identified and is being developed into a detailed proposal. The key change will be to reduce the in class work and to have parents submit weekly choices, and for P4-7 weekly payment for these to improve management of catering and school operations.

h) **Cost Plan**

The cost plan for the pilot has been developed and is attached in Appendix 2.



## **4 CONSULTATION AND FINANCIAL IMPLICATIONS**

- 4.1 As mentioned above, a cost plan is contained in Appendix 2. The allocation of the expenditure for SBC has been particularly challenging due to the considerable impact of set up/infrastructure costs as a result of increase in take up. In order to make best use of the funds to ensure the pilot is successful, efficiencies have been made in the increased costs of staff due to economies of scale and additional sources of funding for the equipment deficits have been identified.
- 4.2 The plan indicates that the grant award is sufficient to cover all incremental costs of the pilot from a catering perspective and also a significant amount of equipment, and a budget for marketing and lunchtime supervision and the lost income from the sale of meals to Primary 1 -3 paying pupils.
- 4.3 The Scottish Government indicated in their letter of the 29<sup>th</sup> June 2007, "Clearly, if our estimated costs differ significantly from actual costs as the trials unfold, then we can consider what adjustments are required." There is also a reference to this in the Grant offer letter of the 10<sup>th</sup> September 2007. In light of the additional anticipated expenditure the intention is to submit this to the Scottish Government for agreement in the December grant claim.
- 4.4 The Heads of Corporate Finance, Financial Administration, Corporate Administration and legal Services are in the process of being consulted and where possible their comments have been included in this report.
- 4.5 Reporting deadlines for this paper have meant that the normal consultation process could not be followed and not all responses had been received at the time of writing and any further comments will be reported at the meeting.

## **5 RISK COMMENTARY**

- 5.1 The key risks to the delivery of this project are set out in the Risk Log in Appendix 1 and are summarised below:
- a) The inability to recruit sufficient staff (Risk1)
  - b) The management of the lunchtime (dining room management, supervision and administration) and the impact on the curriculum in school (Risks 2, 3 and 7)
  - c) That the level of uptake is not as per the current estimate (5 and 6)
  - d) That there are delays in identifying, sourcing and procuring equipment required (Risk 4)
  - e) There is an unanticipated reason for project failure that has not been informed to the Scottish Government. (Risk 8)
- 5.2 In relation to recruitment, the project initiated by Technical Services has successfully mitigated much of this risk however until the induction phase is complete there is a risk the Council is unable to ensure appropriate staff are in post and appropriate employment checks are fully complete in a timely way. It is proposed to start appointments on 15<sup>th</sup> October to allow for a training period.
- 5.3 In relation to management of the lunchtime, the individual school action plans are the tool in which the solutions will be explored to reduce the impact on other curricular activities. Meetings have been arranged to visit

highest risk schools.

- 5.4 In relation to the level of uptake not being at the predicted level, there is a risk either way in relation to this and the early parental questionnaire was intended to be a key way of mitigating this risk. There will need to be continued consultation and monitoring throughout the pilot in accordance with Scottish Government requirements. In addition, the new menu has been developed to remove the "low uptake days" due to unpopular choices for pupils.
- 5.5 Procurement of equipment is now well underway, with the exception of dining room furniture which is being finalised in more detail with individual schools. This is not seen to be a significant risk, since most schools already accommodate those pupils taking packed lunches.
- 5.6 From discussions with the Scottish Government and other authorities, it is believed that the project is well progressed overall given the timescales involved, however, unanticipated events cannot be mitigated.

## **6 ENVIRONMENTAL IMPACT**

- 6.1 There is environmental impact of the pilot; however it is a mixed one. In one respect encouraging more school meals reduces packaging in packed lunches, parents travelling to school to collect children for lunch and will improve the healthy eating habits of P1-3. However the pilot will also increase production in our kitchens and potentially increase wastage and utilities usage.

## **7 EQUALITIES**

- 7.1 There are no equalities implications of this pilot as all pupils in P1-3 whatever their circumstances will be eligible for a free school meal.
- 7.2 In addition, consideration is being made to make materials available in other languages.

## **8 SUMMARY**

- 8.1 The Scottish Borders is one of 5 Local Authorities participating in a six month pilot to 31<sup>st</sup> March 2008 to provide Free School Meals to all Primary 1 – 3 pupils.
- 8.2 Key issues have been identified in relation to staffing, dining room management and equipment.
- 8.3 An implementation plan to deliver the start of 22<sup>nd</sup> October 2007 has been developed and work on delivering this has commenced.

## **9 RECOMMENDATION**

- 9.1 It is recommended that the Executive endorse this project as set out in the report above and Appendix 1.
- 9.2 That Executive approves the budget set out in Appendix 2.

### **Approved by**

Name	Designation	Signature
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Glenn Rodger	Director of Education & Lifelong Learning	[insert signature]
Callum Hay	Director of Technical Services	[insert signature]

**Author(s)**

Name	Designation
Lynn Mirley	Head of Business Services
Vivianne Buller	Interim Manager – Catering & Cleaning Services

**Background Papers:**

**Previous Minute Reference:**

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

**Contact us at linsert name, address, telephone number, fax, e-mail]**

# Catering & Building Cleaning Trading Operation – Appendix 3

## Hungry For Success

### 1 PURPOSE

- 1.1 This report provides an overview of progress made in relation to the Hungry for Success initiative and an update on the Health Promotion Accreditation Scheme.

### 2 BACKGROUND

2.1 Hungry for Success is a national initiative and forms part of the Scottish Executives drive for health promotion initiated in 2002. The drive for improvement led to the establishment of an Expert Working Panel with the focus of a whole school approach to food, revitalising the schools meals service and connecting school meals with the curriculum.

2.2 The following underlying principles were established:

- Positive School/Whole Child Ethos
- Partnership Working
- Pupil Consultation
- Eliminating Stigma
- Managing the Process
- Influencing Choice
- Incentives to Improve Uptake of School Lunches

2.3 Key and guiding recommendations were set out from these principles and in line with these in June 2004, Education Executive agreed the following key objectives to support Scottish Borders Council with the initiative:

- Agree a whole school food policy for Borders schools
- Ensure all primary school meals meet national nutrient standards by December 2004
- Ensure all secondary school meals meet national nutrient standards by December 2006
- Increase the take up of school meals
- Increase the take up of those children entitled to free school meals and to remove any stigma attached to this service
- Provide free fruit to infant classes in every primary school
- Provide chilled fresh water dispensers in every school

In order to successfully implement the Hungry for Success programme across all schools a multi-agency team involving representatives from Education, Catering, the appointment of two Development Officers and an NHS Dietician was established. The working group meets on a regular basis to work towards the achievement of the key objectives.

### 2.4 SCHOOLS (HEALTH PROMOTION & NUTRITION) ACT 2007

The Act was passed by Scottish Parliament in March 2007 and the legislation builds upon and links existing policies, such as Hungry for Success and health promoting schools to endeavour to put health promotion at the heart of all local authority schools.

- 2.5 The Act has two main themes and lays out duties in relation to health promotion in schools and the provision of food and drink. Authorities will be required to ensure:
- All schools are health promoting
  - Ensure that food and drink provided in schools meet basic nutritional requirements
  - Promote school lunches, particularly free school lunches
  - Protect the identity of those receiving free school lunches
- 2.6 The proposed implementation dates will be January 2008 for the Health Promotion duties and August 2008 for the Food Regulations and guidance. The Act gives local authorities the power to provide food and drink to pupils, either free or at charge at other times than lunch and places duties to implement systems to protect the identity of pupils receiving free school meals and provide effective promotion and communication of school lunches.
- 2.7 Accompanying food regulation and health promoting guidance on the detail of the requirements is still in progress and has not been made available to authorities at this stage.

### 3 HEALTH PROMOTING SCHOOLS – BACKGROUND

- 3.1 Key National policies outlined in *Improving Health in Scotland: The Challenge, national priorities in education and the standards in Scotland's schools etc. Act 2000* gives schools an important role in securing the health and education of Scotland's children.
- 3.2 In 2002 the Scottish Executive announced that all schools should become a Health Promoting School by 2007. This was further clarified in June 2007 that all schools should be on the pathway to becoming a Health Promoting School by December 2007.
- 3.3 'A health promoting school is one in which all members of the school community work together to provide pupils with integrated and positive experiences and structures which promote and protect their health.' (World Health Organisation, 1995)
- 3.4 Health Promoting Schools encompass the various strands of Health Promotion presently being undertaken by schools such as Hungry for Success, Active Schools, Mental Health, Safer routes to school along with other initiatives.

#### LOCAL ACCREDITATION SCHEME

- 3.5 The local accreditation scheme has been implemented in consultation with teachers and other health professionals. This was then endorsed by the Scottish Health Promoting Schools Unit in October 2006. In March 2007 a Co-ordinator was appointed to work with the schools and take them through the scheme.
- 3.6 The accreditation scheme is divided in two specific phases:
- Phase 1 – schools have to audit the current health work that is taking place and identify 6 actions they wish to take forward over the next 3 years (3 actions for small schools). These actions will be written into the school's Improvement plans and this will also help health professionals to target their work they undertake in schools.

Phase 2 - schools must have completed these 6 actions and have evaluated them.

- 3.7 The schools are accredited through the Children and Young People's Health Improvement Group which reports to the Joint Health Improvement Team and the Children and Young People's Planning Partnership.
- 3.8 The 1<sup>st</sup> June 2007, 5<sup>th</sup> October 2007 and March 2008 are the dates set for submissions.
- 3.9 Within Scottish Borders Council 8 schools submitted information on the 1<sup>st</sup> June and all 8 were accredited with phase 1 Health Promoting Schools.
- 3.10 Presently further work is taking place through cluster events where information is being disseminated to teachers about how to submit for accreditation.

#### **4 HUNGRY FOR SUCCESS - PROGRESS**

- 4.1 Since June 2004 and the introduction of Hungry for Success the following progress has been made against the key objectives:
- 4.2 *Whole School Food Policy*  
The whole school food policy was developed and agreed during 2004. The policy embodies the recommendations as defined by the Expert Working Panel
- 4.3 *Improvements in school meals and uptake of school meals*

##### ***Primary Schools***

Information taken from the school meals census in February 2007 showed a decrease in uptake of 3% on the previous year. Although the momentum of growth has stalled we are still showing a large increase from our starting position in 2003 of an overall 17% increase in uptake. Data extracted from the census in terms of entitlement to free school meals highlights a very low percentage of entitlement at just 9.8% of total pupil numbers in relation to other authorities, however from those entitled an average 78% of pupils take free school meals against the Scottish average of 76.5%.

The following shows progress we have made since the commencement of the initiative and the steps that are underway to regain momentum:

##### **Progress**

- The nutrient standard primary school meal was delivered to all primary school children by the deadline set of December 2004 and meets the required standard
- Menu's continue to be analysed using Nutmeg computer software in consultation with NHS Dietician
- Free school meal claim procedures have been changed to make it easier for parents/carers to apply using one integrated form for clothing and school meals and the move from a voucher scheme to cash system. Census figures show a gradual increase in entitlement from 8.6% in 2003 to 9.8% in 2006.
- Many developments and changes to the menu have been introduced including sandwich and soup option, reduced processed foods, availability of fruit and free bread and the introduction in January 2007 of free fruit juice or milk at lunchtime to improve value for money and help to encourage a further increase in meal uptake.
- During January 2007 a change in the provision of regenerated meals was made in partnership with Clackmannanshire Council. The production method of food is in line with Hungry for Success criteria and allows the menu to replicate the traditional menu which was not previously possible. Figures taken from a

snapshot prior to and post implementation have shown an approximate 2-3% increase in total uptake.

- Promotional theme days (such as St Andrew's Day) have been introduced and been very successful.

### **Secondary Schools**

Two pilot programmes based in Earlston and Berwickshire High Schools was launched during April 2006. The pilot was rolled out to all secondary schools during December 2006 and January 2007.

We know from the school meals census, which was published recently that generally across all authorities there has been a decrease in uptake in secondary schools. The figures identified that 37% of Scottish Border secondary pupils currently took a school meal compared with the Scottish average of 43%. Therefore, there is potential to improve take-up of meals which is an overriding objective and action.

During the implementation of Hungry for Success into secondary schools the following areas of work have been undertaken:

- Introduced meal deals at more attractive pricing which meet the food group standards and reduced the availability of processed foods and chips which are now available only as part of the meal.
- Decision (in consultation with schools and pupils) was taken to remove confectionery and carbonated drinks. These were replaced with healthier alternatives such as smoothies, fruit juice and home baking.
- Dining areas were redecorated and new servery/kitchen equipment installed to improve quality and service.
- Introduction of Food4U branding concept within dining areas.
- Gained approval for cashless catering to be implemented during August 2007.

#### **4.4 Vending**

A Vending Policy was developed and approved by the Education Executive, June 2006. During this time a vending pilot was established in three secondary schools with branded vending machines removed and replaced with H-Box healthy vending style units.

Consultation was undertaken with pupils within the pilot schools following the implementation. The feedback demonstrated that the concept of healthier vending was being relatively well received with flavoured water and smoothies selling well. The main issues surrounded the suitability and reliability of the machines resulting in unavailability and non-vending of items.

With the advent of the Schools (Health Promotion and Nutrition) Act 2007 and direct changes which will affect snack items the issuing of the vending policy to schools has been delayed. The delay will ensure that changes in the standards can be made in line with the Act and embedded and amended in the vending policy.

#### **4.5 Dining & Kitchen Environment**

Various projects have been undertaken and initiated to support improvements to the dining room:

- Conversion of two pilot schools from regeneration to traditional completed during 2005
- Additional funding of £98,000 made available through the nutrition strand of the National Priorities Action Fund was allocated across all primary schools to

improve the dining environment and enhance the dining experience in April 2007

- Funding has also been identified and secured to replace and improve a selection of secondary school dining furniture
- New servery hatches & equipment installed in Drumlanrig and Lilliesleaf Primary Schools to improve quality and speed of service
- Heriot and Melrose Primary School in process of kitchen upgrade to move from regeneration and dining centre to production kitchens
- Dining and service installation in progress to provide a meal service at St Joseph's Primary which previously had no service

#### 4.6 *Free Fruit Initiative*

During 2004 free fruit was made available to all primary 1 and 2 classes three times a week and continues to be a success. This was further supported with the development and distribution of a resource pack to all schools.

#### 4.7 *Fresh Chilled Water*

Chilled fresh water dispensers have been installed in all primary and secondary schools. Continued review of water coolers to ensure planned maintenance undertaken and issues addressed.

#### 4.8 *Evaluation & Monitoring*

Her Majesty's Inspectorate of Education has commenced inspecting the recommendations for Hungry for Success as part of the standard inspection process within primary schools. No formal inspections have been undertaken in secondary schools at this stage but are planned to start during the course of the year.

#### 4.9 *General Initiatives*

During the many other areas of work have been undertaken to support the initiative and have included:

- The development of a breakfast club toolkit to assist with set-up of breakfast clubs.
- Tuck shop toolkit issued to all primary schools to act as a practical guide for healthier tuck shops and to support in the establishment of tuck shops.
- Access to an annual Community Grant Scheme run in conjunction with NHS Borders to provide funding for individual school initiatives.

#### 4.10 *Future and Planned work – 2007/2008*

- Catering review being undertaken by APSE is due to go to Executive at the end of the end of the year.
- Free School Meal Pilot – Scottish Borders Council selected along with four other Local Authorities to provide free school meals to all Primary 1 to 3 pupils in all schools due to commence October 2007. It offers significant opportunities but also challenges due to our overall low uptake in comparison to the other authorities involved in the pilot. Additional challenges include recruitment and training of staff and dining room facilities.
- Develop and implement special diets procedure as identified through HMIE inspections.
- Investigation of cashless catering & nutritional software systems.
- Undertake an audit of kitchen and dining areas.
- Audit to be carried out on quality and best practice of catering services.
- Incentive schemes for pupils, schools and staff are being explored.
- One positive step is to freeze the price of primary school meals for 2007/2008 to encourage more pupils to take school meals.



- New process of structured consultation with schools, parents and pupils to define what pupils would like to see, why they do not take school meals and how we can encourage pupils to try school lunches.
- Revised protocol for menu development which utilises consultation, statistical data and new recipe development.
- Implement tasting sessions with pupils at lunchtime to try samples of new dishes and an investigation into the feasibility of sampling items such as fruits on an ongoing basis.

## **5 SUMMARY**

5.1 Hungry for Success is a national initiative as part of Scottish Executive's drive towards health promotion. This is being further enhanced by the introduction of Schools (Health Promotion and Nutrition) Act 2007 where the new legislation will build upon and move forward existing policies, such as Hungry for Success and health promoting schools to endeavour to put health promotion at the heart of all local authority schools. A range of actions to support the Act and build upon progress to date is planned to be undertaken over the following year.

**24<sup>th</sup> October 2007**

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**REPORT BY DIRECTOR OF TECHNICAL SERVICES**

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**GROUNDS MAINTENANCE TRADING OPERATION**

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**Purpose of Report**

- 1.1 To update the members of the Trading Operations Sub-Committee of the activities of the Grounds Maintenance trading operation for the period 1<sup>st</sup> of April to 31st August 2007.**

**Background**

- 2.1 The Grounds Maintenance trading operation performs contracted and ad-hoc maintenance mainly for Parks and Open Spaces and Burial Grounds and also for local Housing Associations and private individuals.

**Business Performance and Update**

**3.1 Workload**

The section has continued to undertake its summer maintenance programme including grass cutting and collection, flower bed maintenance, weed control and litter picking. Additional budget funding of £35,000 to increase the frequency of grass cutting in cemeteries has been used to fund increased overtime being worked allowing the section to improve the utilisation of its equipment.

The section continues to monitor its performance in all areas. In monitoring business performance the section has again contributed data to the APSE performance network for 2006/07, and when results are published the section will be in a position to benchmark results with comparable local authorities.

Grounds Maintenance current contract with SBHA ends on 2<sup>nd</sup> of March 2008 and if not renewed would result in an income reduction in the current year. We are currently in negotiation with SBHA to extend this contract.

**3.2 Budget**

The current approved budget for the year is a trading surplus of £44k.

**3.3 Updated Projections**

The section is currently forecasting a break-even position for the year.

**3.4 Resources**

A report on the future sourcing of plants previously grown at the Glenraig Nursery in Peebles is being prepared and will be presented to the next trading operations sub-committee meeting.

Following the last round of reporting, the service has commissioned a review by APSE

into general service provision, with a focus on grass cutting operations. This follows concerns raised by members and a perceived failing in the service. Once the report is available, it will be brought to this committee for consideration.

### **3.5 Staffing**

The section has 86 full time permanent manual staff and recruits 46 seasonal staff for approximately twenty six weeks per year to cover the increased work load during the growing season. The recruitment and retention of seasonal staff continues to present a challenge to the service, and in particular the Ettrick and Lauderdale area, where three seasonal posts have remained unfilled all season. Four apprentice posts have been filled and they have all started attending Borders College on a day release programme, studying SVQ in Amenity Horticulture, level 2, progressing to level 3 next year.

### **3.6 Training**

Core skills training continues to be delivered to all staff in the section, linked to the training matrix for the section. This is reviewed and agreed during regular performance appraisal meetings between supervisors and staff. An application has been lodged with Investors in People for accreditation.

### **3.7 Health and Safety**

The health and safety arrangements in the section are currently under review. A programme of training identified in the appraisal review is ongoing.

## **Financial Implications**

- 4.1 The budget trading surplus of £44k has been reduced to break-even following a revision of the income forecast for the year. Increased overtime worked has been funded by transport cost savings.
- 4.2 External customer charges increased by 7.5% in this financial year. Whilst further significant increases are being proposed for 2008/09 some clients have indicated that further increases cannot be sustained

## **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.

## **Equality**

- 6.1 There are no equality issues directly associated with this report.

## **Environment**

- 7.1 The Region had two entrants into the Beautiful Scotland competition, Peebles and Galashiels

## **Risk Commentary**

- 8.1 Recruitment and retention of seasonal staff remains a challenge for the section, due to competition in the local employment market.
- 8.2 Risks associated with the closure of the Glenraig nursery are considered to be minimal following a thorough review of options.

- 8.3 Two significant contracts with local RSLs are due for retendering this financial year, Elidon Housing association and SBHA. The latter has initiated a discussion over a contract extension.
- 8.4 The final outcome of single status is still awaited and remains a potential risk for Grounds Maintenance

**Recommendations**

**9.1 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
<b>Jason Hedley</b>	<b>Parks Manager</b>

**Background Papers:**

**ADD AS APPROPRIATE**

**Previous Minute Referenc**

## REVENUE BUDGET MONITORING 2007/08

Based on actuals to 31 Aug 2007

## TECHNICAL SERVICES TRADING OPERATION - SBc Contracts

Ref	Description (Expenditure)	Actual Expenditure to 31/08/07	Projected Outturn	Current Approved Budget for the Year (2)	Ref	Description (Income)	Actual Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year (6)
	(1)	(3) £'000	(4) £'000	(2) £'000		(5)	(7) £'000	(8) £'000	(6) £'000
	<b>Expenditure - Internal Recoverable</b>					<b>Income</b>			
A	Employee costs and on-costs	2,460	6,755	6,593	L	From SBC client accounts	-2,758	-7,976	-7,975
B	Signshop on-costs	22	52	67	M	From SBC capital accounts	-2,266	-4,250	-4,000
C	Depot on-costs	188	547	518	N	From outside bodies	-3,761	-12,410	-12,391
D	Management, admin and office oncosts Includes central support and asset rentals	509	1,558	1,481					
E	Own plant and vehicles	1,298	3,825	3,825					
F		<b>4,477</b>	<b>12,737</b>	<b>12,484</b>					
	<b>Expenditure - External (Direct to Jobs)</b>								
G	Direct materials and stock	2,790	6,733	6,744					
H	Sub contractors	2,043	4,199	4,171					
I	Hired plant and vehicles	313	610	610					
J		<b>5,146</b>	<b>11,542</b>	<b>11,525</b>					
K	<b>Total Expenditure</b>	<b>9,623</b>	<b>24,279</b>	<b>24,009</b>	P	<b>Total Income</b>	<b>(8,785)</b>	<b>(24,636)</b>	<b>(24,366)</b>
					Q	<b>Net (Surplus) / Deficit</b>	<b>838</b>	<b>(357)</b>	<b>(357)</b>
					R	<b>Variance</b>			<b>0</b>

## Notes

A to D Labour Overhead Account Expenditure (chargeable via labour hours)

E Plant and Vehicle Account Expenditure (chargeable via plant hours)

J External Costs (charged direct to jobs)

## REVENUE BUDGET MONITORING 2007/8

Based on actuals to 31 Aug 2007

## TECHNICAL SERVICES TRADING OPERATION - FLEET

Description  (1)	Actual Expenditure/ Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year	Variance (3) - (4)	Proposed Virement	Projected over/(under) spend after virement (5) - (6)	Comments on outturn and virements
	(2) £ 000	(3) £ 000	(4) £ 000	(5) £ 000	(6) £ 000	(7) £ 000	
<b>Income</b>							
Internal Charges	(1,068)	(3,071)	(3,241)	170		170	Reduction in income - mainly dayworks repairs Budget includes £89k support recharge income
External Charges	(28)	(87)	(98)	11		11	Less income from outside (NSN)
Interest Received	0	0	0	0		0	
	<b>(1,096)</b>	<b>(3,158)</b>	<b>(3,339)</b>	<b>181</b>	<b>0</b>	<b>181</b>	
<b>Expenditure</b>							
Employees	368	999	1,111	(112)		(112)	Mechanics leaving - some posts not filled
Premises Related Expenses	61	162	181	(19)		(19)	Reduction in depot cost charges
Transport Related Expenses	233	506	461	45		45	Increase in hired vans
Supplies & Services	283	1,041	1,155	(114)		(114)	Budget includes £89k support recharge cost
Payments to Other Bodies	122	366	339	27		27	Increase in sub contracted work
Interest Charged	0	0	0	0		0	
Central Support Charges	0	48	48	0		0	
Asset Rentals	0	19	19	0		0	
	<b>1,067</b>	<b>3,141</b>	<b>3,314</b>	<b>(173)</b>	<b>0</b>	<b>(173)</b>	
<b>Net (Surplus)/Deficit</b>	<b>(29)</b>	<b>(17)</b>	<b>(25)</b>	<b>8</b>	<b>0</b>	<b>8</b>	

## REVENUE OUTTURN MONITORING 2007/08

## TECHNICAL SERVICES TRADING OPERATION - CATERING AND CLEANING

Description  (1)	Actual Expenditure/ Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year	Proposed Virement	Projected over/(under) spend after virement ( 3 ) - ( 4 )	Comments on outturn and virements
	(2) £ 000	(3) £ 000	(4) £ 000	(5) £ 000	(5) £ 000	
<b>Income</b>						
Internal Charges	(1,384)	(4,343)	(4,308)		(35)	
External Charges	(131)	(275)	(331)		56	
	<b>(1,515)</b>	<b>(4,618)</b>	<b>(4,639)</b>	<b>0</b>	<b>21</b>	
<b>Expenditure</b>						
Employees	1,072	2,850	2,917		(67)	
Premises Related Expenses	28	92	87		5	
Transport Related Expenses	36	97	95		2	
Supplies & Services	331	1,248	1,209		39	
Payments to Other Bodies	57	149	149		0	
Central Support Charges	0	121	121		0	
Asset Rentals	0	6	6		0	
	<b>1,524</b>	<b>4,563</b>	<b>4,584</b>	<b>0</b>	<b>(21)</b>	
<b>Net (Surplus)/Deficit</b>	<b>9</b>	<b>(55)</b>	<b>(55)</b>	<b>0</b>	<b>0</b>	

## REVENUE OUTTURN MONITORING 2007/08

## TECHNICAL SERVICES TRADING OPERATION - GROUNDS MAINTENANCE

Description  (1)	Actual Expenditure/ Income to 31/08/07	Projected Outturn	Current Approved Budget for the Year	Proposed Virement	Projected over/(under) spend after virement (3) - (4)	Comments on outturn and virements
	(2) £ 000	(3) £ 000	(4) £ 000	(5) £ 000	(5) £ 000	
<b>Income</b>						
Internal Charges	(1,236)	(2,986)	(3,035)		49	
External Charges	(158)	(438)	(438)		0	
	<b>(1,394)</b>	<b>(3,424)</b>	<b>(3,473)</b>	<b>0</b>	<b>49</b>	
<b>Expenditure</b>						
Employees	1,005	2,372	2,326		46	
Premises Related Expenses	35	56	56		0	
Transport Related Expenses	391	785	839		(54)	
Supplies & Services	36	88	85		3	
Payments to Other Bodies	5	39	39		0	
Interest Charged	0	0	0		0	
Central Support Charges	0	75	75		0	
Asset Rentals	0	9	9		0	
	<b>1,472</b>	<b>3,424</b>	<b>3,429</b>	<b>0</b>	<b>(5)</b>	
<b>Net (Surplus)/Deficit</b>	<b>78</b>	<b>0</b>	<b>(44)</b>	<b>0</b>	<b>44</b>	