

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 22
October 2007 at 2. p.m.

Present: - Councillors M. Cook (Chairman), J. Brown, J. Fullarton, L. Wyse.
Apology:- Councillor N. Calvert.
Absent:- Councillor K. Gunn.
In Attendance:- Director of Technical Services, Head of Corporate Finance, Acting Head of Roads and Fleet, Catering and Building Cleaning Manager, Business Manager, Technical Services, Business Support Officer, Technical Services, DLO Roads Manager, Parks Manager, Team Leader, Technical Services Business Support, Corporate Finance, Committee Officer, (S. Seivwright.)

MINUTE

1. There had been circulated copies of the Minute of 28 August 2007.

**DECISION
NOTED**

- (a) the Minute of Meeting of 18 June 2007.
- (b) With reference to paragraph 2(b) of the Minute of 18 June 2007, Members were advised that the report would be submitted to the next meeting.
- (c) With reference to paragraph 4(b) of the Minute of 18 June 2007, it was noted that the information was not presently to hand, but that a report on the number and geographic spread of regenerations kitchens within Scottish Borders Schools would be prepared for the next meeting.
- (d) With reference to paragraph 5(b)(ii) of the Minute of 18 June 2007, it was noted that an APSE review was currently being conducted on grass cutting and that the findings of the review would be submitted to the Administration Policy Working Group in due course.

CHAIRMAN

2. The Chairman expressed concern that reports being submitted to this Committee were short on substance and in some cases could go directly to the Executive. He suggested that there was a need to re-visit the remit of Committee.

DECISION

AGREED that this item be continued to the next meeting to allow officers to consider and bring to the meeting proposals for substantive agenda items and the way forward for this Committee.

SBC CONTRACTS SIGNIFICANT TRADING OPERATION

3. There had been circulated a report by the Director of Technical Services on Contracts Significant Trading Operations for the period 1 April to 31 August 2007. It was noted that

based on the available data to August 2007, SBc Contracts were on target to meet the 2007/08 revised budgeted surplus target of £357k. The report explained that SBc Contracts had had a very successful first five months of the year in terms of tenders, winning a total of £6.4 million of tendered work at a success rate of 32% on value. This compared very favourably with the same period last year when £5.5 million of work was won at a success rate of 44% on value. Although last years success rate was considerably higher, there remained a number of decisions in the current year where the client had yet to make the final award of contract. Trunk road work continued to be very slow, the work undertaken in the first five months of year had amounted to only £56,000 compared with £1.4 million last year. With regard to resources, it was intended to make use of the newly available Council credit card facility within SBc Contracts. This would be of particular benefit at the Langlee recycling facility where there were around one thousand small transactions each year. In terms of training, a section of road had recently been installed at the Langlee training facility to help with the practical training of road workers. It was planned in the near future to install a deep manhole unit and pipe section to allow confined space training to be provided. There were currently two SQA and CITB fully accredited trainers and, as it was known that the SQA was planning to channel their future training only through designated training centres, it was hoped that the development efforts and emphasis placed on training within SBc Contracts, together with the upgraded facilities would make Langlee a natural choice as one of these designated training centres. It was noted that there had been a significant drop in the number of accidents which required to be reported to the HSE, which it was felt could be attributed to the training in place to mitigate accident risk. During the discussion which followed Members discussed the accuracy of projections, how the cost of soil etc removal was calculated, and improvements in the BEAR contracts.

DECISION

NOTED the report.

FLEET MANAGEMENT

4. 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 August 2007. The Head of Roads and Fleet explained that the data available for the first five months of the year indicated that the surplus would be around £6k lower than the budget of £25k. The level of skilled fitters employed now appeared to have stabilised at 12. It was hoped that the wage agreement reached with HR would result in the recruitment of additional fitters over the coming months. In the meantime attempts were being made to bridge the productive capacity shortfall through the use of overtime and sub-contracting to maintain the service. Members noted that in the projections made to year end it had been assumed that at least two of the vacant fitter positions would be filled before Christmas. The situation with regard to employment levels, cost and income would be monitored closely and further reports would be provided. In terms of resources, the position regarding essential upgrading work at Newtown St Boswells and Duns remained as reported to the last meeting. It was however noted that a forth-coming report to the Capital Management Group would include a full costing of requirements, including the depot safety issues highlighted at the last meeting. There continued to be potential Health, Safety and Welfare issues at both these depots which could ultimately lead to HSE prohibition notices. There were also a number of welfare issues related to the Newtown St Boswells depot office accommodation, which comprised two rented portacabins providing basic and cramped accommodation and was remote from the workshop. With regard to training, final training on the Tranman software was scheduled for 18 and 19 October and it was planned to go live with the new version on 19 October 2007. Members expressed concern at the depot safety issues and the conditions under which employees were currently expected to work. It was suggested that, depending on the timing and outcome of the report to the Capital Management Group, this Committee give consideration to undertaking site visits to both depots in order to see at first hand the conditions under which the depots operated and employees were expected to work.

DECISION

NOTED the report.

CATERING AND CLEANING

5. 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 31 August 2007. The Interim Manager, Catering and Cleaning, advised that there were a significant number of operational changes currently affecting the service. She advised that preparations for the Scottish Government pilot for free school meals for primary pupils in years one to three which was due to start on 29 October 2007, were well underway. Progress on the pilot and approval of the implementation programme were reported to the Education Executive Committee on 16 October 2007. Detailed budgets had been set for the free school meals pilot and a £55k budget trading surplus had been set for the year. The information requested at the last meeting was not presently available, but would be prepared for the next meeting. The new menu in primary schools was launched on 10 September 2007 and a menu for secondary schools was currently being updated. A seven point project plan for the implementation of the Hungry for Success Initiative had been developed by Education and Lifelong Learning in consultation with Technical Services and the new food procurement contracts had all been successfully let. Proposals for the implementation of cashless catering would be reported to the Executive on 30 November 2007. She further advised that the APSE review of catering and cleaning was now complete and it was intended to present the final report to Members in late October or November 2007. The updated Catering and Cleaning projections had indicated that the trading operation surplus was expected to be in line with the budget. There was 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. During the discussion which followed Members discussed the probable uptake of free school meals, whether the European procurement requirement precluded local suppliers, and the content of the meals.

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.

GROUNDS MAINTENANCE

6. 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 31 August 2007. The Parks Manager explained that the section 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 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 continued to monitor its performance in all areas and had contributed data to the APSE performance network for 2006/07. When the results were published later in the year the section would be in a position to bench mark results with comparable local authorities. The section had 86 full time permanent manual staff and recruited 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 continued to present a challenge to the section, particularly in the Ettrick and Lauderdale area, where three seasonal posts had remained unfilled all season. The four newly appointed apprentices had commenced a day release programme at Borders College, studying SVQ in Amenity Horticulture, level 2, progressing to level 3 next year. It was noted that a report on the future sourcing of plants previously grown at the Glencraig Nursery in Peebles, was being prepared and would be presented to the next meeting of the Committee. The budget trading surplus of £44k had been reduced to break-even following a revision of the income forecast for the year. Increased overtime worked had been funded by transport cost savings. There had been an increase of 7.5% in external customer charges in this financial year. It was further noted that whilst further significant increases were being proposed for 2008/09 some clients had indicated that further increases could not be sustained. Members sought clarity on various points including, the balancing of expenditure and income from contracts, and the approach taken in relation to private owners and RSL's.

DECISION

(a) NOTED the report.

(b) AGREED that a report on the future sourcing of plants previously grown at the Glencraig Nursery would be prepared for the next meeting.

The meeting concluded at 3 p.m

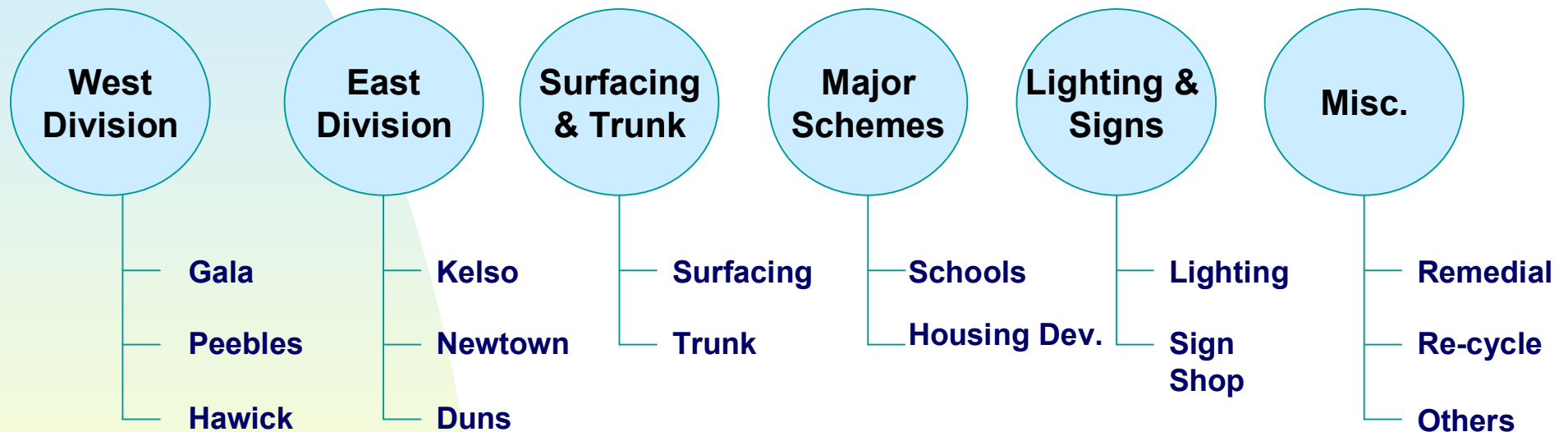
SBc Contracts : Analysis of Costs, Income & Surplus

TRADING COMMITTEE

3rd December 2007

SBC Contracts : Analysis of Costs, Income & Surplus

Servitor Cost Centres



Servitor Work Centres

- All of these Cost Centres can be engaged on both Internal and External work.

SBC Contracts : Analysis of Turnover

<u>Servitor Cost Centre</u>	<u>Turnover 2006/07</u>	<u>Labour Hours 2006/07</u>
West Division	3,021, 092	78,421
East Division	4,076, 449	106,496
Surfacing & Trunk	5,881, 086	70,602
Major Schemes	7,740, 661	66,912
Lighting & Signs	989,379	18,696
Winter Maintenance	1,761, 478	36,803
Miscellaneous	793, 254	34,877
TOTAL	24,263, 399	412, 807

SBc Contracts : Jobs Information

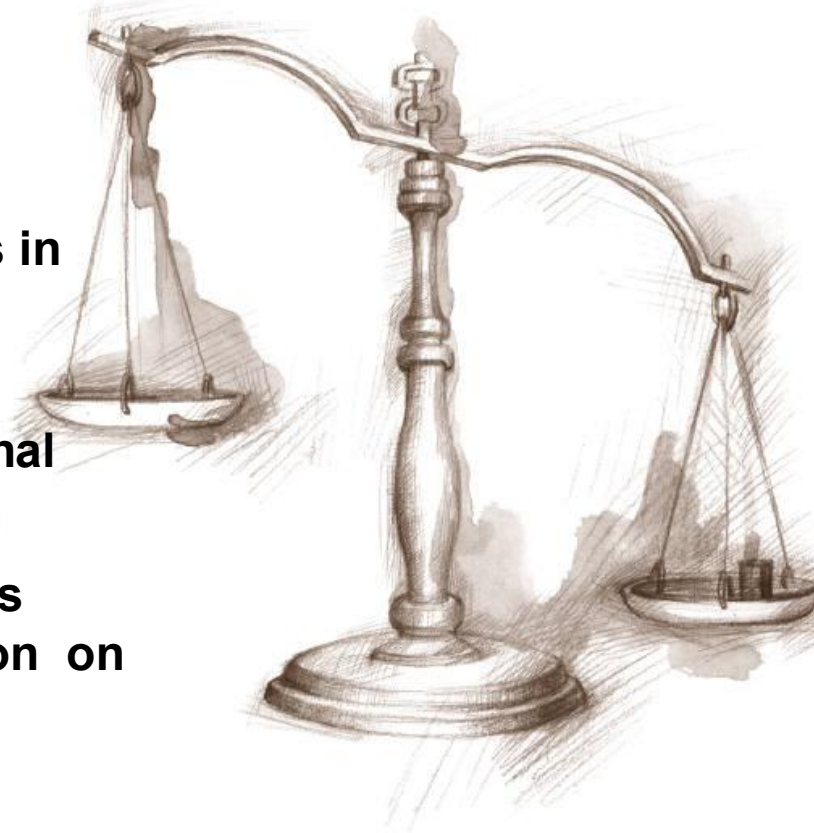
<u>Servitor Cost Centre</u>	<u>Number of Jobs</u> <u>2006/07</u>	<u>Average Job Value</u> <u>2006/07</u>
West Division	552	5,473
East Division	666	6,121
Surfacing & Trunk	638	9,218
Major Schemes	39	198,478
Lighting & Signs	674	1,468
Winter Maintenance	2	880,739
Miscellaneous	64	12,395
TOTAL	2,576	£9,419

SBc Contracts : JOB PROFITABILITY

2,576 Jobs Undertaken

INTERNAL

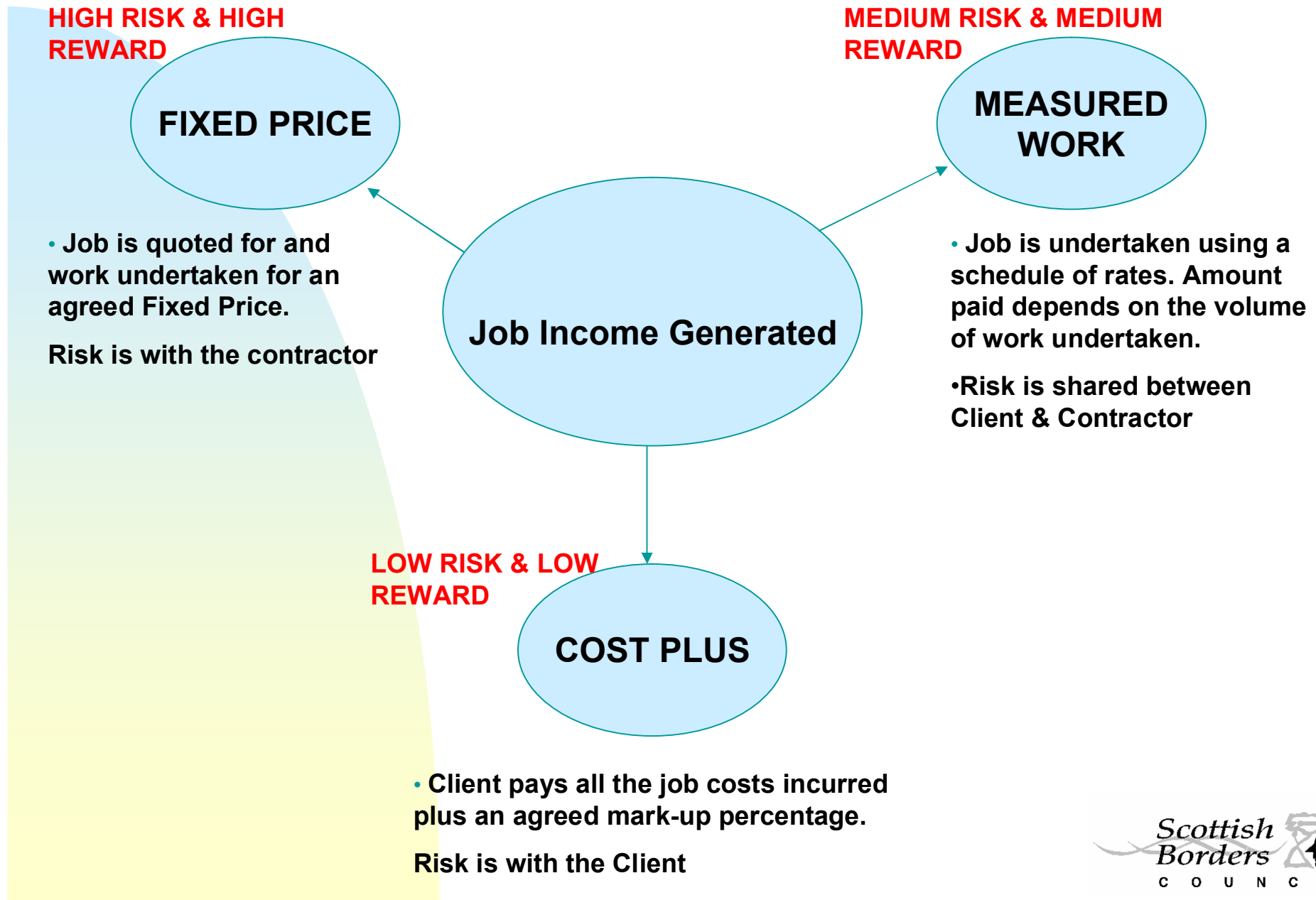
- 1,560 Internal Jobs in 2006/07
- Aim to offer “Best Value” to the internal client.
- Target for a surplus break-even situation on this family of jobs.



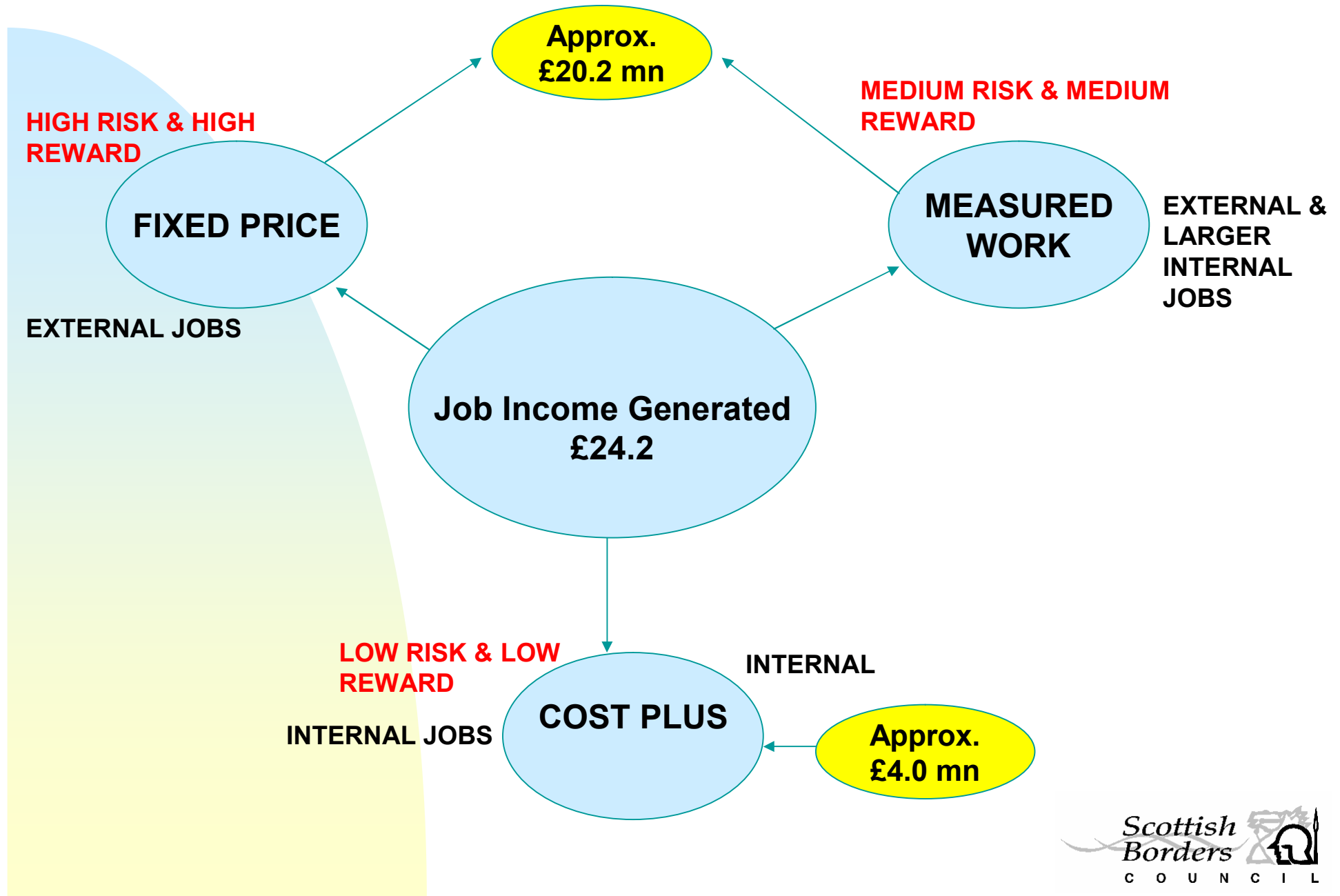
EXTERNAL

- 1,016 External Jobs in 2006/07
- Aim to offer Optimise Profits from external work.
- Target for all surplus generation to come from this family of jobs.

SBC Contracts : Analysis of Job Income Types



SBC Contracts : Analysis of Job Income Types



SBC Contracts : JOB PROFITABILITY

2,576 Jobs Undertaken

COSTS

- MATERIAL COSTS
- LABOUR COSTS
- OWN PLANT COSTS
- HIRED PLANT COSTS
- SUB-CONTRACTOR COSTS

= TOTAL JOB COSTS (**A**)



INCOME

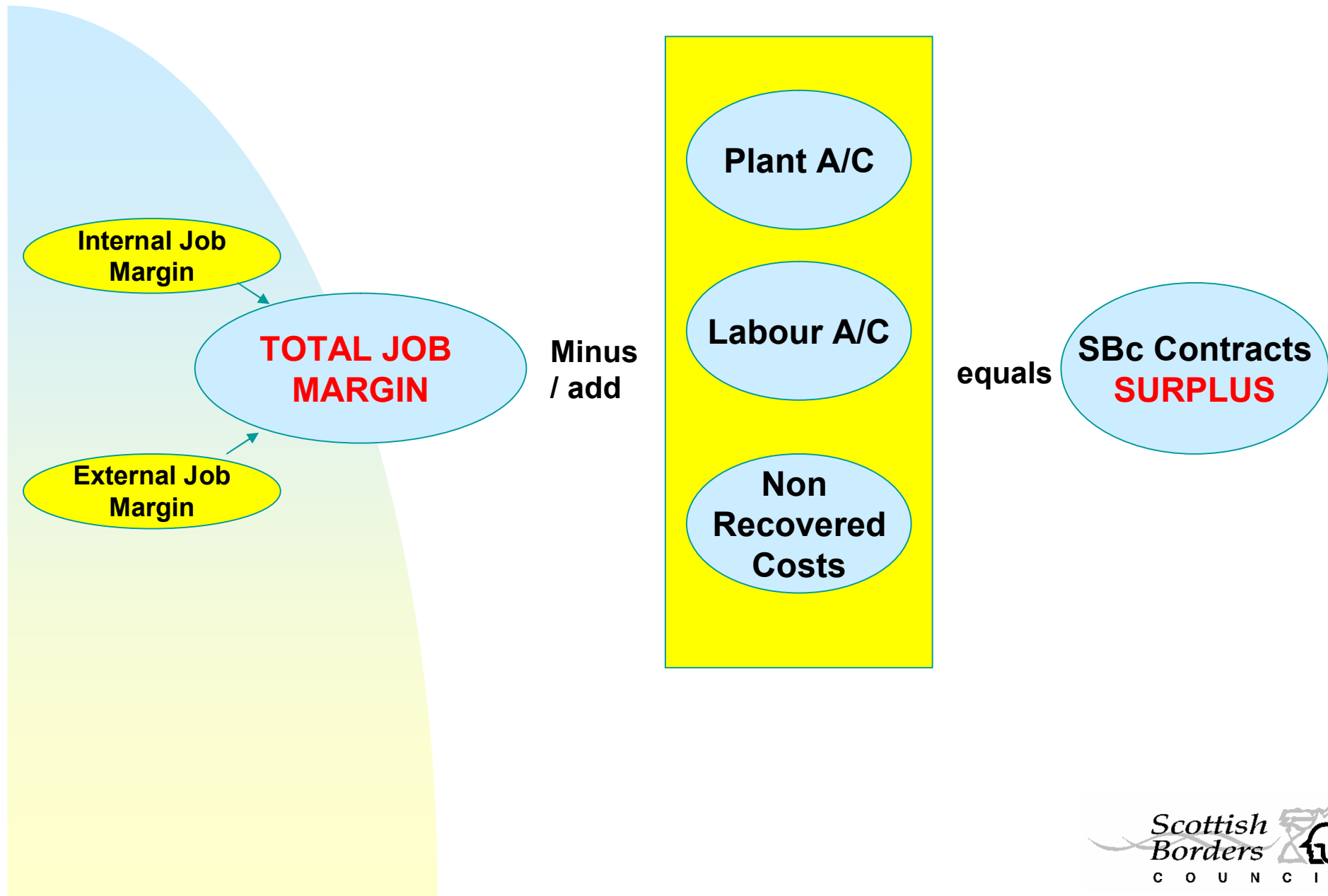
- FIXED PRICE TYPE
 - SCHEDULE OF RATES
 - COSTS PLUS
- (Depends on Job Type)

= INVOICED INCOME (**B**)

TOTAL of **B** – **A** = Job Profit or (Loss) Margin

The total amount of aggregated **Job Profit Margin** generated from all the jobs undertaken annually is available to cover the other costs of running the SBC Contracts business and to produce the annual **SURPLUS**.

SBc Contracts : Analysis of Job Margin, Other Costs & Surplus



SBc Contracts : Analysis of Other Costs

Plant A/C

- Covers over 500 items of plant, vehicles & machinery
- Recovery is generated via a plant rate which is re-set annually for each vehicle or group of vehicles.
- Influenced by the nature of the work, winter demand, major breakdowns

Labour A/C

- Covers the cost of around 260 employees of SBc Contracts.
- Recovery is generated via the hourly labour charge-out rate which are re-set annually.
- Labour account also recovers a range of Fixed and Variable Overhead expenses.
- Influenced by level of direct workers, nature of the work, market demand, overtime, interest charges etc.

Non Recovered Costs

- Covers a range of costs incurred in running the business which cannot be directly charged to jobs.
 - Training
 - Daily Vehicle checks
 - Remedial Work
 - Depot Maintenance
 - Agency staff
 - Re-cycling Centre costs
 - Vehicle maintenance
 - Small Plant Fuel

Servitor Cost Centre	Work Centre Or Description	Profit (Loss)			Notes
		Internal	External	TOTAL	
West Division	Gala	-£29,935	-£399	-£30,334	
West Division	Peebles	-£1,774	£25,221	£23,447	
West Division	Hawick	£6,893	£283	£7,176	
		-£24,816	£25,105	£289	
East Division	Kelso	£24,899	£138	£25,037	
East Division	Newtown	£8,873	£33,011	£41,884	
East Division	Duns	£22,219	-£2,431	£19,788	
		£55,991	£30,718	£86,709	
Surfacing Trunk	Surfacing Work Trunk	£101,124	£85,321	£186,445	
		£0	£328,382	£328,382	
		£101,124	£413,703	£514,827	
Major Schemes		£1,420	£325,670	£327,090	
		£1,420	£325,670	£327,090	
St Lighting	Street Lighting	£33,690	£0	£33,690	
St Lighting	Sign Shop	£1,338	£0	£1,338	
		£35,028	£0	£35,028	
MEASURED WORK TOTAL		£168,747	£795,196	£963,943	
Add other jobs	Dayworks	£79,186	£0	£79,186	4% of end Oct cost
	Winter	£3,836	£0	£3,836	4% of end Oct cost
	Non Recov Jobs	-£196,203	-£504,522	-£700,725	Pro rata projection
COST PLUS AND NON RECOV TOTAL		-£113,182	-£504,522	-£617,704	
GRAND TOTAL (ALL SERVITOR JOBS)		£55,565	£290,674	£346,239	
Servitor Jobs Surplus as a %		16.05	83.95	100.00	
Overhead	Labour Account	-£45,697	-£63,105	-£108,802	Pro rata projection
Adjustment	Plant Account	-£28,029	-£38,707	-£66,736	Pro rata projection
Total Overhead Account Balance		-£73,726	-£101,812	-£175,538	
ADJUSTED OCTOBER GRAND TOTAL		-£18,161	£188,862	£170,700	Assumes Interest Charges

**SBc Contracts
Surplus Position
April – Oct 2007**

Manager	Servitor Cost Centre	Work Centre Or Description	Profit (Loss)			Notes
			Internal	External	TOTAL	
Total	West Division	Gala	-£29,935	-£399	-£30,334	
	West Division	Peebles	-£1,774	£25,221	£23,447	
	West Division	Hawick	£6,893	£283	£7,176	
			-£24,816	£25,105	£289	
Total	East Division	Kelso	£24,899	£138	£25,037	
	East Division	Newtown	£8,873	£33,011	£41,884	
	East Division	Duns	£22,219	-£2,431	£19,788	
			£55,991	£30,718	£86,709	
Total	Surfacing	Surfacing Work	£101,124	£85,321	£186,445	
	Trunk	Trunk	£0	£328,382	£328,382	
			£101,124	£413,703	£514,827	
Total	Major Schemes		£1,420	£325,670	£327,090	
			£1,420	£325,670	£327,090	
Total	St Lighting	Street Lighting	£33,690	£0	£33,690	
	St Lighting	Sign Shop	£1,338	£0	£1,338	
			£35,028	£0	£35,028	
MEASURED WORK TOTAL			£168,747	£795,196	£963,943	
Add other jobs	Dayworks	Cost Plus	£108,000	£0	£108,000	Full year projection
	Winter	Cost Plus	£40,000	£0	£40,000	Full year projection
	Non Recov Jobs		-£336,348	-£864,895	-£1,201,243	Full year projection
COST PLUS AND NON RECOV TOTAL			-£188,348	-£864,895	-£1,053,243	
Projected Surplus (November-March)			£137,000	£548,000	£685,000	Split 20/80
GRAND TOTAL (ALL SERVITOR JOBS)			£117,399	£478,301	£595,700	
Servitor Jobs Surplus as a %			19.71	80.29	100.00	
Overhead	Labour Account		-£78,338	-£108,180	-£186,518	Full year projection
Adjustment	Plant Account		-£48,050	-£66,355	-£114,405	Full year projection
Total Overhead Account Balance			-£126,388	-£174,535	-£300,923	
PROJECTED YEAR END OUT-TURN			-£8,989	£303,766	£294,777	Assumes Interest Charges

SBc Contracts Projected Surplus April 07 – March 08

3rd December 2007

REPORT BY DIRECTOR OF TECHNICAL SERVICES

FLEET MANAGEMENT TRADING OPERATION

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 1ST of September to 31st of October 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.

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:

Budget surplus forecasts updates are usually synchronised with the Council's revenue monitoring cycle and so are not available due to the timing of this meeting. A verbal update / best estimate will be provided at the meeting. The surplus projection will be formally updated in the report for the Trading Committee meeting on 16th of January 2008.

3.3 Updated Projections:

Similarly, updated Fleet financial results will be published in the next Trading Committee report.

3.4 Operational Issues

3.4.1 Accident Reduction Scheme:

At present, the Council operates a series of "local" accident reduction schemes for occupational drivers (i.e. staff employed to drive Council vehicles). These schemes are designed to identify drivers with poor accidents records, and take action to reduce or prevent occurrence. These schemes vary in their effectiveness.

A recent review has suggested that a more systematic approach, with a common,

structured approach to dealing with drivers who are involved in more accidents than others could significantly improve driver performance, and substantially reduce repair costs.

There is also a risk – if this issue is not effectively addressed – that the Council could be liable to prosecution under Corporate Manslaughter legislation and 3rd party claims if an occupational driver with a known accident record continued driving without some type of corrective intervention by the Council, and was then the cause of a serious or fatal accident.

To address this issue, a new system (based on a successful scheme running in another local authority) will be trialled within Technical Services in the coming months. The scheme has been developed in collaboration with colleagues in Human Resources.

In the new scheme, details of every incident would be recorded consistently across all services, and any drivers involved would be interviewed on a one to one basis by an identified member of staff who would record all details of the incident.

Penalty points would be allocated to the driver based on the incident assessment. As individual drivers accumulated points this would trigger additional and appropriate driver training on a sliding scale. The objective of the scheme would be to establish a culture of training and responsibility within our drivers. In extreme cases a driver may be temporarily, or even permanently removed from driving duties.

Managers and foremen are presently being briefed on this issue, and negotiations with the unions have started. The scheme will be introduced to drivers in a series of meetings over the coming weeks. It is expected that the scheme will start around mid December.

Further reports will be brought to the committee once the scheme has been running for some months, and performance data has been analysed.

3.4.2 Fuel

Fuel costs remain high, and seem settled. Whilst there have been spikes in fuel prices previously, these have not been sustained and average unit costs over the year have generally come close to the budgeted average values but this may not be possible in 2008/9. The attached appendix 1 provides an analysis of the fuel usage throughout SBC.

The service has recently participated in a questionnaire issued by the Tripartite Fleet Review Board for the “blue light” emergency services. This was part of an investigation aimed at collaboration in fuel sourcing with the aim of reducing costs and maintaining strategic energy sources of supply in times of emergency.

The cost advantages to the Council of maintaining its own fuel supplies of fuel have always been marginal when the full cost of storing, maintaining and administering fuel supplies are taken into account. However, the argument for maintaining a reliable strategic source of fuel supply out-with the public network is very compelling and was again strongly emphasised by the Tripartite Fleet Review Board. Independently controlled fuel supplies also features in some of the Council’s business continuity plans.

3.4.3 Car Policies

Following recent changes in the regulations, there is a risk that the Council may be exposed to litigation and / or 3rd party claims if it does not administer the use of private (casual and essential users) and lease cars engaged on Council business effectively.

At present the system is largely self-policing, with the drivers themselves required to

ensure they are fit to drive, have valid licences and insurance and that their vehicles are roadworthy.

It is strongly recommended that legal opinion is sought on the position and - if necessary - funding is made available to ensure that an appropriate management regime is established.

3.5 Staffing:

The service has successfully recruited two additional fitters to work on agricultural, horticultural and plant maintenance work. This will help to relieve the capacity pressure on the plant side of our business and allow us to minimise the level of external work we have to commission. Unfortunately, it has not yet been possible to recruit any additional commercial vehicle fitters.

A recruitment drive for new apprentice fitters and managers were very pleasantly surprised by the level and high quality of applicants. Two new apprentices will be appointed, one for Duns and one for the Newtown depot. Managers are considering a third appointment if it continues to prove difficult to recruit a qualified heavy goods mechanic.

3.6 Training:

Training has now been completed on the latest Release 8 version of Tranman Management Information software.

A skills audit has been completed for all workshop staff.. Each staff member now has an individually tailored package of training courses defined to suit their particular needs which will be undertaken over the next 6 -12 months.

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.

4 Financial Implications

4.1 Fleet management is forecasting the expected surplus to be some £6k below budget. The full financial report and supporting appendices will be updated in the report for the Trading Committee meeting on 16th of January 2008.

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, or will be reported at the meeting.

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 potential risk of litigation / 3rd party claims if the Council does not have an effective accident reduction / driver training scheme in place of occupational drivers. This will be mitigated by the introduction of the trial scheme 3.4.1

8.2 There is a potential risk of litigation / 3rd party claims if the Council does not have an effective administrative scheme in place for private drivers / cars undertaking Council business. This can be mitigated by the actions proposed in section 3.4.3

8.3 There is a risk that high fuel prices, if sustained, will impact on all operational services

ability to achieve budgeted surpluses. Measures will be taken to compensate, as far as possible

- 8.4 The risk of staff losses has been partially mitigated by recent recruitment
- 8.5 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.
- 8.6 The final outcome of single status is still awaited and remains a potential risk for Fleet Management.

9 Summary

- 9.1 An accident reduction scheme is about to be trialled by Technical Services.
- 9.2 Fuel costs are causing concern and highlighting the advisability of maintaining control of supplies.
- 9.3 There are issues with controls of private vehicle use for council business.
- 9.4 Two plant fitters and two apprentices have been recruited.

10 Recommendations

10.1 I recommend that the sub committee

(a) Note the contents of this report

(b) Instruct the director of Technical Services to seek a legal opinion on the private car/driver issues set out in section 3.4.3 and to recommend appropriate action.

Approved by

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

Author(s)

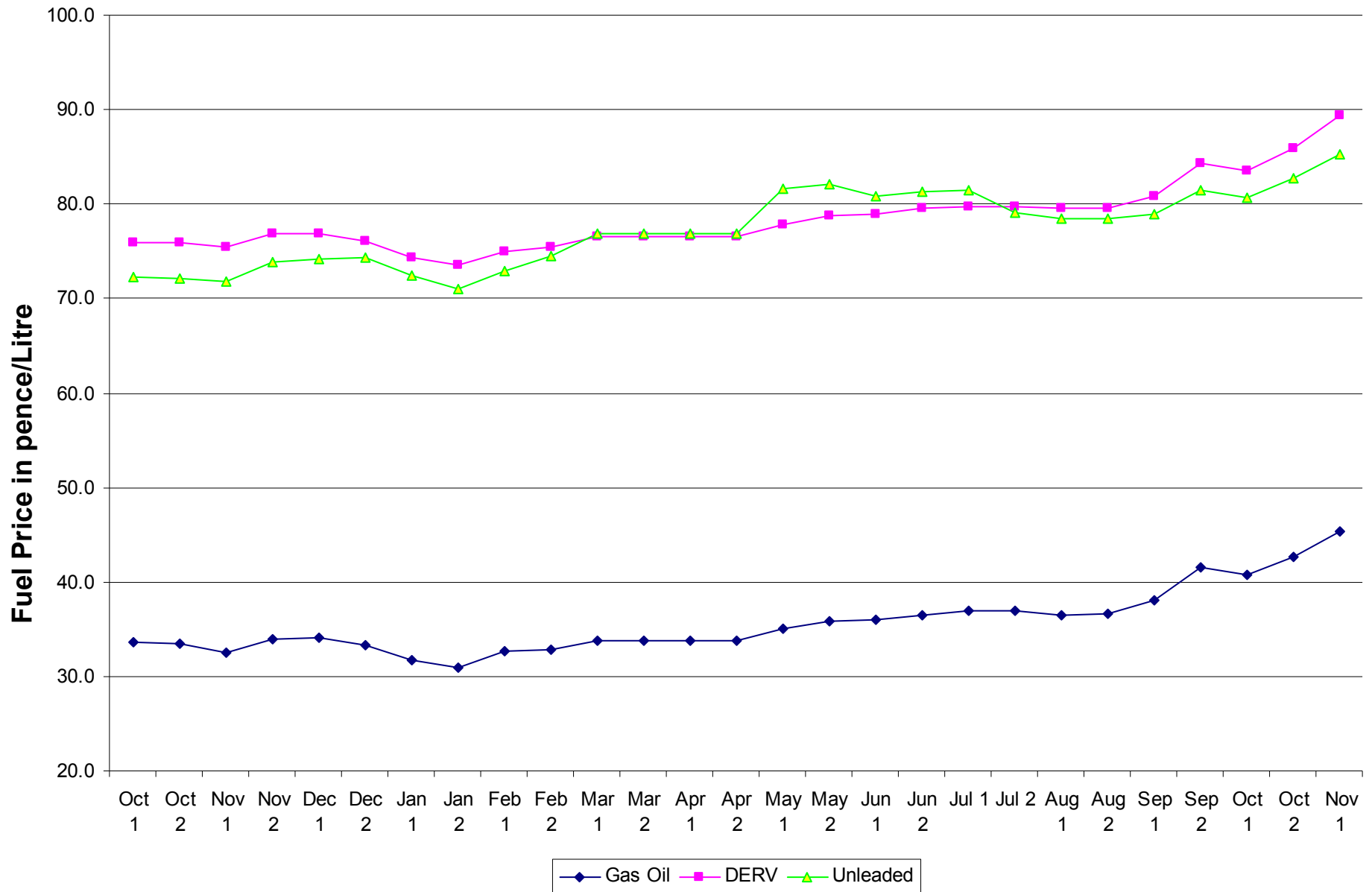
Name	Designation
John Martin	Fleet Manager

Background Papers:

ADD AS APPROPRIATE

Previous Minute Reference:

Analysis of Fuel Price Changes



3rd December 2007

REPORT BY DIRECTOR OF TECHNICAL SERVICES

CATERING AND BUILDING CLEANING TRADING OPERATIONS

1 Purpose of Report

- 1.1 To update the members of the Trading Operations Sub-Committee on the performance of the Catering and Building Cleaning trading operations for the period 1st of September to 31st October 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 Free School meals Pilot for Primary pupils in years one to three commenced on Monday the 29th October 2007. The average take-up of meals in all primary schools for the first three weeks of the trial has risen to 48% compared to the average 36% take-up of meals in 2006/07.

The percentage of primary pupils in year's 1-3 pupils taking a school meal has averaged at 62% and this has surprised everyone because it means that 38% of parents have declined to take up the option of a free school meal for their child.

The Education Department have taken the opportunity to introduce a new advance ordering system for parents and it is hoped that this will encourage more parents to allow their children to stay for a free school lunch.

Education Minister Fiona Hyslop joined pupils and staff for lunch at Langlee Primary School on Monday 12th November and was pleased to hear that over 80% of the Primary 1 -3 pupils in this particular school were taking up their free meal entitlement.

3.1.2 APSE Review

The ASPE review report was presented to the Administration Policy Working Group on the 13th November 2007 and all the recommendations were accepted and endorsed. A draft of the Implementation Plan is scheduled to be presented to the Executive on the 18th December.

The papers are attached at Appendix 1 and 2

3.1.3 Cashless Catering

A proposal for the detailed implementation of cashless catering is scheduled to be reported to Executive on the 18th December 2007.

3.1.4 Regeneration Kitchen by Geographical Area

Following a request from members a list of Regeneration Kitchens by geographical area has been prepared and is attached as Appendix 3 and a map at Appendix 4

3.1.5 Milk and Fruit Juice initiative - Primary Schools

This initiative to provide milk and fruit juice in primary schools as part of the school lunch was agreed by the Executive on 19th December, 2006.

This was fully implemented in January, 2007 at no extra charge to the pupil, and as agreed will be fully funded from the Hungry for Success grant funding. This was estimated to be at a cost of between £50,000 and £80,000 per annum depending on take-up.

The cost from April to September, 2007 was £27,000 and the annual estimate is £60,000. However, with the implementation of the Free School Meals Pilot on 29 October, it will increase in accordance with the increased take-up of meals. Early indications suggest an additional cost of around £6,000 for the period 29 October to 28 March, making a total annual estimate of £66,000

3.2 Budget

The main financial report and supporting appendices will be presented to the meeting on the 16th January 2008

3.3 Updated Profile

The updated profile will be reported to the meeting on the 16th January 2008

3.4 Resources

The proposed upgrading of Melrose Grammar School kitchen to a production kitchen has been delayed because of an insufficient electricity supply to support the kitchen. Scottish Borders Council has applied to Scottish Power to increase the electricity supply to the school and once this work has been completed, the new kitchen can be installed. No dates have been advised for the installation of the supply. We will advise the Trading sub committee on the 16th of January of the updated position.

3.5 Staffing

The recruitment project to employ the additional catering staff necessary to facilitate the Free School Meals Pilot has proved to be very successful. The joint collaborate project was ably supported by Human Resource managers, Business Support officers from Technical Services working in partnership with the Catering and Cleaning Management Team. The exclusive advertising campaign included 29 slots on Borders Radio, with a local press stand alone advert and adverts at all the Job Centres This ensured that there were sufficient applicants for interview at the group interview sessions held at 5 venues around the Scottish Borders.

3.6 Training

60 school catering managers attended an Elementary Food Safety Course on the 8th and 9th November and all the attendees achieved a 100% exam success rate.

4 Financial Implications

4.1 There are no financial implications directly associated with this report.

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 The APSE review has helped to identify and alleviate risks to the service

9 Summary

9.1 The significant operational changes which are affecting all the services continue to place significant demands on the whole team as they continue to deliver services.

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:

Appendix 1 - APSE APWG Report

Appendix 2 - APSE Executive Summary

Appendix 3 – Regeneration Kitchens by Geographical Area

Appendix 4 – Regeneration Kitchens by Geographical Area Map

ADMINISTRATION POLICY WORKING GROUP

ITEM NO 5(c)

13th NOVEMBER 2007

REPORT BY DIRECTOR OF TECHNICAL SERVICES AND THE DIRECTOR OF EDUCATION AND LIFELONG LEARNING

APSE REVIEW OF CATERING AND CLEANING

1.0 Purpose of Report

- 1.1 **To provide Members with the opportunity to discuss the findings of the APSE review of Catering and Cleaning and to propose future actions.**

2.0 Background

- 2.1 The Association of Public Sector Excellence (APSE) were engaged to undertake a review of Catering and Cleaning services to provide a robust assessment of the level, quality and costs of the services provided and to deliver an action plan, following the early retiral of the Catering and Cleaning Manager in January 2007. It was recognised that this service was one of concern to both officers and members and a review was desirable.
- 2.2 APSE brought a considerable amount of experience to the review through their Consultant John Bedwell, who has worked with many other organisations and local authorities in Scotland and the rest of the UK. In addition, specialist support was provided for skills auditing and other local authorities were contacted. APSE's performance networks facility (a benchmarking service) was also used to identify best practice advice, and gather data from other authorities for comparison.
- 2.3 The review was structured into four work elements based on the Best Value '4 C's' of Challenge, Consult, Compare and Compete.
- 2.4 Both Education and Lifelong Learning and Catering and Cleaning Staff have provided considerable commitment to support the review – particularly the extensive benchmarking and consultation exercises.

3.0 Findings

- 3.1 The executive summary of findings is attached at Appendix 1. A presentation of findings will be made to Members by John Bedwell at the APWG meeting. The full report is available for Members by request.
- 3.2 Members are asked to review the findings and to consider in respect of the recommendations set out in section 10.0 of the report.

4.0 Financial Implications

4.1 The executive summary indicates financial issues in section 5.4. Dependent on the views of the working group, these would be worked into detailed proposals for the budget process, and for approval for Members through the budget process and detailed Executive reports.

5.0 Consultation

5.1 The Heads of Financial Administration, Legal Services, Corporate Finance and Corporate Administration will be consulted and their comments reported to the meeting.

To ensure that the APSE representative can be present to outline the findings of the review and answer members questions, this report had to be presented to the 13th November meeting, which has meant that there was not time for the usual consultation sequence to be followed.

Any comments from consultees will be incorporated in the final version of the report to the Executive Committee.

6.0 Equality

6.1 There are no equality implications to this report.

7.0 Environment

7.1 There are no environmental implications to this report.

8.0 Risk Commentary

8.1 The purpose of the review has been in part to reduce risks associated with providing the service and to ensure that future service changes are effectively directed.

9.0 Summary

9.1 *Members are asked to consider the Executive Summary of the Review of Catering and Cleaning Services.*

10.0 Recommendations

10.1 I recommend that the Administration Policy Working Group:

- (a) Identifies any points in the report for clarification.**
- (b) Endorses the findings of the review and service improvement plan.**
- (c) Agrees in principle to the proposed service option and restructuring, and considers a potential timescale for implementing the new structure.**
- (d) Agrees in principle to the need to develop corporate service delivery, funding and pricing policies.**
- (e) Accepts the concerns regarding school cleaning specifications and the need to undertake further work in this area.**
- (f) Agrees to the development of the resourcing and financial implications for integration into the budget process.**

- (g) Considers the approach to the development of service improvement planning (as guided during the presentation), future detailed plans and outcome/success criteria.
- (h) Identifies any areas for more detailed information to be provided to Members prior to further work being undertaken.
- (i) Agrees that an updated report, to include these findings and views from these discussions is submitted to the Executive Committee for formal approval in due course.

Approved by

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

Author(s)

Name	Designation
Carol Smith	Head of Business Management (Technical Services)

Background Papers: N/A
Previous Minute Reference: N/A

	REPORT CONSULTATIONS / TIMING		
Report Title:	SAME AS TITLE		
Estimated Time Required for Presentation and Discussion:			30 mins
<u>MANDATORY CONSULTATIONS</u>			
<u>Service</u>	<u>Date Sent</u>	<u>Reviewed by</u>	<u>Date</u>
LEGAL SERVICES	6/11/07		
CORPORATE FINANCE	6/11/07		
CORPORATE ADMINISTRATION	6/11/07		
FINANCIAL ADMINISTRATION	6/11/07		
<u>OPTIONAL CONSULTATIONS</u> (depending on report content)			
IT			
PERSONNEL			
Any others – detail)			
DIRECTOR OF SOCIAL WORK			
TECHNICAL SERVICES MT			
PORTFOLIO HOLDERS			
<u>MANAGEMENT TEAM:</u>	If YES, date when consulted		

ADD HERE COMMENTS RECEIVED FROM EMAIL RESPONSES DURING DRAFTING, IF APPROPRIATE

SCOTTISH BORDERS
APSE CATERING AND CLEANING SERVICES REVIEW

Executive Summary

1. INTRODUCTION

This report summary has been written in the context of providing corporate stakeholders with an overview of the reviews findings, (supported by data gathered, consultation with key stakeholders and comparative evidence under final documentation) to inform decisions to be made regarding the future delivery of Education Catering and Cleaning Services within the Scottish Borders. It includes:

- Summary of Findings (Linked to the agreed scope of review)
- Analysis of Future Delivery Options
- Key Recommendations
- Service Improvement Planning

2. SUMMARY OF FINDINGS

2.1 Challenge

A significant part of any 'best value review' is the 'challenge' process. This has concentrated on how well the current services are delivered, financial and contractual arrangements, management and organisational structures, the potential for Facilities Management (FM) / Partnership approaches and other related issues. In the interests of brevity, only those which directly support or inform the reviews 'Option Appraisal' (and recommendations), have been carried into this Executive Summary.

2.1.1 Current Service Delivery

Visits were made to 10 schools including Secondary/Primary Production, 'Regen' and Dining Centre sites. During each visit, varying levels of consultation took place with the Head Teacher, Catering and Cleaning Staff, in addition to detailed observation and the recording of service standards under the headings listed below.

Food Standards

The quality of ingredients, recipes used and overall food offer to pupils was found to be generally consistent with the standards now found or being implemented throughout Scotland. Attempts to adhere to National Nutritional Standards had however resulted in development of

a menu cycle which was poorly balanced in terms of pupil acceptability, resulting in reduced uptakes and accordingly defeating its primary 'diet and health' objectives. Subsequent menu planning (following these observations and consultation with the Scottish Governments inspectors) has resulted in a more balanced approach to the implementation and achievement of nutritional standards in the Borders.

As with other Services / Authorities throughout the UK, a greater recognition by (and co-ordination between) all stakeholders, on the wider issues of 'marketing' the school food offer will be needed to maintain / increase pupil uptakes for the service is to have maximum impact upon child diet and health outcomes. (Recognition of this is evident in the Free School Meal Pilot programme in Scotland).

Food Hygiene, Health & Safety

Generally high standards are being maintained and any weaknesses noted were either linked to the 'environment' or nature of (old) equipment still found in many kitchens.

Catering Service

The current service is comparable with that achieved Nationally and Catering Staff consistently displayed a genuine care for and knowledge of the children they served. Lunchtime supervision of pupils was found to be satisfactory in most Schools visited and in the best examples seen, both Catering Staff & Lunchtime supervision contribute significantly to the promotion of healthier choices and the 'social skills' of pupils.

Standards of Building Cleaning

Each cleaning operative has an area of the school to clean which, by national comparisons, are large (in terms of meters to be cleaned per hour) and may include washroom and toilet cleaning, class room areas (from nursery to science labs) and a range of surfaces and floor coverings. However, many staff do not have access to appropriate storage and or cleaners sinks and an absence of modern equipment / materials clearly limits them to routine cleaning methods – i.e., vacuuming, dusting and damp mopping. The vacuum cleaners in use by cleaning staff are not fit for purpose.

Some Janitorial staff were reported to have access to floor cleaning equipment but many 'hard floor' areas do not benefit from any machine treatment.

Reported reductions in cleaning hours have impacted upon the 'frequency' of cleaning individual areas and in some cases (i.e. – windows) no cleaning is scheduled by either cleaning or Janitorial staff.

These and other factors, clearly do not promote cleaning standards (or efficiency) across the range of areas and surfaces to be cleaned in schools, giving rise to the below average standards observed in many during our visits.

Catering & Cleaning Staff

The general Skills & Attitude of front line catering staff were found to be satisfactory to good, based more on the relationship with their Line (Contract) Supervisors and 'inherent catering disciplines' than on current evidence of formal Training and Development Support. Their limited understanding of 'financial management' belied the level of overall cost performance evident in the current service, which could however be placed at risk during any significant change in working practices or service demands (i.e., the Free School Meal pilot) in the absence of robust and timely performance monitoring disciplines.

Overview of Facilities

Catering Facilities (Kitchen and ancillary areas) are generally satisfactory and well maintained, but in keeping with the national picture, most production and service equipment is old, counters are unheated and no chilled display facilities exist to promote salad and other 'healthier' choices in Primary Schools. In many Schools, storage (particularly chilled) and preparation space would make full compliance with good hygiene practices and regulations difficult in the event of any significant increase in service uptakes or further use of fresh meats and vegetables.

Cleaning Stores and cupboards (to support the Cleaning Service) varied dramatically and in their organisation and cleanliness. Many of those seen (that are dedicated to the cleaning service) were wholly inadequate in terms of their size and location and in some schools, they are shared by cleaning and Janitorial staff, potentially limiting control / responsibility over equipment and products by either party.

Current Service Summary

Collectively, these observations represent:

- A catering service which is generally consistent with the delivery standards currently being achieved elsewhere in Scotland by the majority of (average performing) Local Authority Service Providers.
- A below average Building Cleaning service as measured by direct observation of the range and frequency of areas cleaned, the equipment and facilities available to support the service and the majority feedback secured from Schools.

Standards of *delivery* must however, be viewed in relation to *financial outcomes*, where the Scottish Borders has recorded an above average performance on most key Catering Indicators and clearly spends less on cleaning (recording amongst the highest level of square metres

cleaned per front line employee) than most other comparator Authorities. (see 2.3 below)

2.1.2 Financial / Service Arrangements and Documentation.

In keeping with other Scottish Authorities, the budgets for these services are held by Education to meet meal and other agreed charges levied by the Service Provider. Accordingly Schools have limited knowledge or interest in the financial dynamics of these services or how their financial performance relates to the range, extent and quality of service delivery. Indeed, at the outset of this review, neither the service provider, Education 'client' or other Corporate stakeholders had a clear basis upon which to assess 'value for money' (VFM) from these services.

This is compounded by the lack of clear (contemporaneous) specifications, particularly in the light of

- a) the dramatic change in local and national demands relating to Education Catering and
- b) the evident historical pressures to reduce Building Cleaning costs, coupled with a poorly documented interface with Janitorial Staff, whose functional responsibility for cleaning currently ranges from 0 – 60% by floor area from school to school.

Whilst there is some evidence of past investment by Education (and the Service Provider from past trading surpluses) in catering equipment and facilities, this has largely been limited to that needed to 'maintain' (rather than develop) the catering service and both Cleaning and Janitorial operatives now suffer from a severe lack of appropriate and functional cleaning equipment.

Neither service benefits from developed 'Management and Performance Reporting Systems and Procedures' and 'bespoke' reporting is therefore a drain on available financial / admin resources and inadequate to ensure targeted and timely corrective action by operational and management staff.

2.1.3 Management Structure Review

Background

The initial scope for this review identified the need to carry out a Structural review of Management and Support Staff resources, informed by a 'Basic Skills Assessment' audit.

This initial and 'basic' audit highlighted the need for a more detailed skills analysis, in order to inform the development of a 'best fit' organisational structure (otherwise based on the wider findings of the service review) and to effectively measure the capacity of the existing management employees to manage future service delivery under any new structure agreed.

Accordingly, and through consultation with the client during the latter part of this review, it was agreed that this more detailed Skills Audit would be carried out, commencing with a review of Job Descriptions and a further series of interviews with Managerial /Supervisory employees. It was also agreed that the detailed audit should include a clear and or recognised 'competency based' assessment process and that cognisance would be given to Council HR Policies and their existing PPD Programme.

Key Findings

Detailed analysis of the Skills Audit, including competencies exercise and the outcome from Interviews, highlighted a number of issues.

There is a clear gap between the Contract Officers perception of their core skills and the evidence gathered during the Skills Analysis process.

A similar situation was identified with the Support Teams albeit to a lesser extent. It was also evident that this team was unclear as to their status, key role and purpose and could contribute more to the effective delivery of services if this were clarified.

Conversely there is significant potential to improve and deliver services among the Contract Support Officers who are to all intents and purposes managing the unit based staff and who outscored their line Managers in seven of the eight competencies measured.

The existing organizational structure purports to deliver a twin hatted approach to the provision of Catering and Cleaning Services however it is evident that this has not been sufficiently developed with individuals tending to revert to their vocational background.

The need to improve communications at all levels was a constant theme during interviews and the absence (until recently) of open communication channels, regular structured meetings, and updates on initiatives particularly in relation to Catering has contributed to the sense of isolation expressed by many of the staff interviewed

This has resulted in certain service areas not receiving sufficient support or development as individuals have tended to concentrate on their strengths at the expense of other areas.

During the interviews there was unanimous agreement that training on core Hygiene and Health and Safety issues required to be addresses as immediate priority.

The failure by the Section to embrace the Council's PPDP process has resulted in Catering and Cleaning having no internal mechanism for linking the Business Plan to individual performance and development.

As a consequence, training is at best reactive and ad hoc and at worst unable to demonstrate that it adds any value to the business.

Consequently the failure to identify needs and provide appropriate and relevant training across the Department is potentially damaging to the Council's desire to achieve IIP accreditation in 2008

2.1.4 Potential for FM / Partnership Approaches

This review has been carried out at the same time as a wide ranging review into the future of Children's Services has been looking at how Scottish Borders can best organise schools for the future. Proposals being developed through the Children's Services Review will impact significantly on all aspects of services to schools including facilities management. Moreover the authority is in the process of determining its strategy for the management of the wider civic estate which will also have a major bearing on services such as cleaning, janitorial and building maintenance.

It is in this context that we have examined how the various elements of what is loosely termed facilities management, might best be provided to deliver improvement and cost efficiency. The major focus has been on catering and building cleaning, although consideration has also been given to janitorial services. Other services such as grounds and building maintenance, refuse collection and cleansing have not been explored but over the longer term should also be included as part of an overall approach to services to schools.

The facilities management approach to services to schools has been adopted in authorities throughout the UK, partly driven by whole school PPP initiatives but also and in particular in England, in response to a desire amongst head teachers for both cost efficiency and simplified management arrangements with a single point of contact. Head teachers remain concerned about the physical state of their schools but do not want to have spend their time acting as facilities managers. This requires maximum synergy between different service elements with uniform management models at service and school level.

At school level it has become apparent that there are significant areas of cross over between the role of janitors and that of cleaning staff. The duties associated with the role of janitors vary between schools with some involved with both cleaning and more limited aspects of minor building maintenance. In other schools janitors have other responsibilities including play ground supervision and grounds maintenance. There is a need for a common job description which in itself presents an opportunity to engage janitors in bringing services together in an FM approach for Schools. This approach should be driven by the wider Children's Services Review and will be a critical success factor if proposals for 'education hubs' are implemented. In

the interim it is not possible to propose any extension of the cleaning role of janitors because of historical gaps in employment rates and conditions of service. These will be resolved through job evaluation which exercise should also be an imperative for the creation of a generic job description.

In the long term it is possible to envisage a unified cleaning and janitorial service organised around educational hubs, perhaps with links to the FM needs of the wider estate. This latter aspect would need to be driven by the developing asset management strategy which is expected to bring about rationalisation of the estate and also to be a mechanism for releasing resources to fund much needed improvements to the cleaning service which has been under-resourced for some time.

2.2 Consultation

At the outset and throughout this review, particular emphasis has been placed on Consultation with Head Teachers, who, despite their lack of direct budget responsibility, have a significant interest in the delivery of these services and the impact they can have upon pupil health and welfare. This was achieved by service wide distribution of separate Questionnaires, formulated and driven by one to one meetings with individual School Heads during surveys of their Catering and Cleaning Services / Facilities. Given its evident overlap with Cleaning services, a separate questionnaire was formulated by E&LL regarding Janitorial Services and our comments below make reference to feedback from this survey where relevant to this review.

Questions asked of Head Teachers, can be broadly grouped under the following headings:

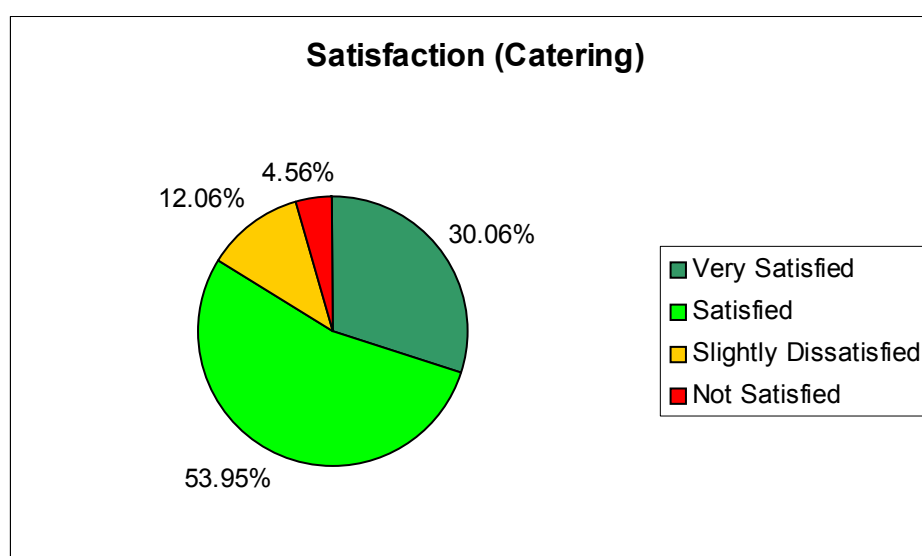
- The level of satisfaction with the current service provision.
- Staffing & Relationships
- Facilities and Environmental conditions
- The way the service is provided

Questionnaires were returned by circa 50% of Secondary and 75% of Primary Schools and their combined responses can therefore, arguably be seen to reflect a majority view on behalf of all schools within the Scottish Borders. In addition, this review canvassed the views of a wide range of other groups / 'stakeholders' who impact upon or are affected by the Education Catering and or Cleaning Services.

2.2.1 Head Teacher Consultation

Current Service Satisfaction Highlights

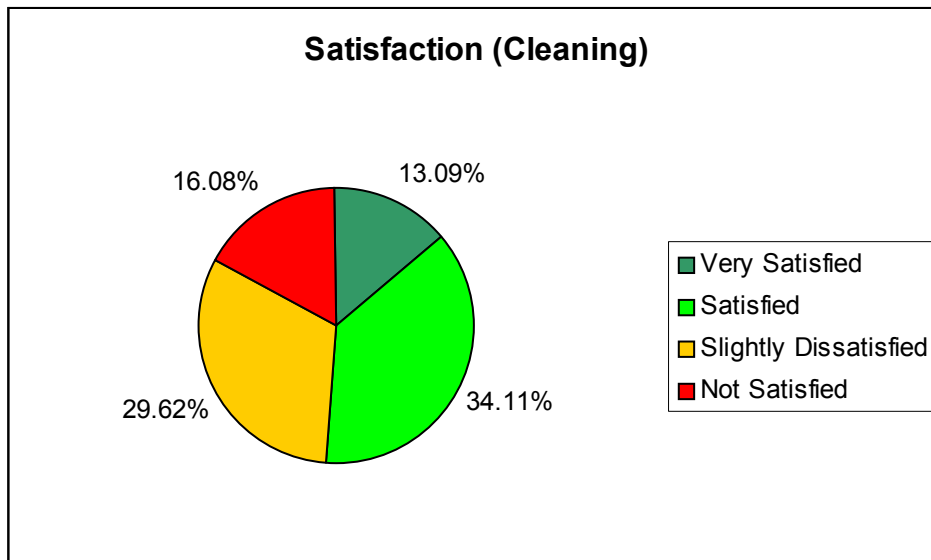
The following Graphs represent collective response to all questions directly relating to 'satisfaction' with the current services.



The 'Slightly Dissatisfied' responses were most evident in:

- The variety of food and menu choice (Reviewed since this survey)
- Whether the current meal price represents value to parents.
- The level of information schools receive about service costs and quality.

The areas in which Schools recorded the highest levels of satisfaction were in the 'care shown towards pupils' and 'hygiene standards' maintained by on-site catering staff.



This graph shows that nearly half of Schools are less than satisfied with element of the cleaning service – most evident in:

- General standards of cleaning
- Level of information about the service
- Adequacy of hours allocated to cleaning staff

The areas in which Schools recorded the highest levels of satisfaction were in the 'reliability and punctuality of cleaning staff'.

Staffing & Relationship Highlights:

No significant issues were raised by Schools in either Catering or Cleaning responses save:

- Some dissatisfaction with the contribution that stakeholders (particularly the Council) make to promoting the Catering service and
- The importance of establishing (and documenting) clarity between the roles of Janitorial and Cleaning Staff.

Facilities and Environmental issues:

- More than half of schools consider that dining environments are less than adequate in meeting their needs.
- More than half of schools consider that the quality and appropriateness of cleaning equipment (for building cleaning) is inadequate and all schools consider that investment is needed in this area.

The Way Services are provided

- A great majority of schools consider it 'quite' or 'very' important that they be able to 'influence' and or agree specific changes to services at their school in the future.
- A large majority consider it important to have a 'quality / client advisory' resource, independent of the Service Provider.
- Less than half of those responding to the Cleaning questionnaire, considered that the current 'single point of management contact' for catering and cleaning is of importance to them or that any extension of a Facilities Management approach would be of interest. Less than on third of schools recorded any interest to the same questions when asked within the Catering questionnaire.

Janitorial Services

As noted above, a separate questionnaire was formulated by E&LL regarding Janitorial Services which we understand will be subject to detailed analysis by them. However, the following highlights feedback on key areas of overlap with the Catering and particularly Cleaning Services:

- Less than half of Schools have a 'Full Time Janitor' a small percentage being Part Time and the balance being provided by a 'Peripatetic service managed by E&LL.
- The range of duties undertaken by Janitors differs significantly from school to school both in terms of 'functional' responsibility and frequency.
- The vast majority of schools consider it important to have a source of support and guidance relating to the recruitment, training and competencies of Janitorial Staff, together with clearer guidance on the 'standards of service to expect'.
- 94% of schools consider that central involvement in a monitoring and advisory role is important and all schools would like to see clearer documentation of roles and responsibilities.
- 64% of schools believe that alternative ways to provide the service should be reviewed.

These key points and more detailed analysis of feedback from the Head Teacher Questionnaires (across all three service areas), should

be used to inform the development of new forms of agreement (specifications) structures and support for the ongoing delivery of these services.

2.2.2 Survey of Parents Views on School Meals

Of the 119 parents canvassed in a 'clip board' survey, 70% reported that their Children take School Meals on one or more days every week.

Our survey highlighted that the 'average' child now only takes a school meal 3 days per week – their choice no doubt being affected by the 'acceptability' to children of the new dishes now incorporate within menus, to balance against the National Nutritional Standards.

Of the remaining 30%, parents gave the following reasons (ranked by frequency of response) for their child not taking a school meal:

- Doesn't like School Meals
- Prefers or friends have Pack Lunch
- Funny / Fussy Eater
- Cost (in larger families)

Parents ranked the following questions in order of importance to them (the percentages shown being 'very' important):

- Nutrition / Healthy Eating 93%
- Child Appeal 83%
- Choice and Variety 78%
- Value for Money 58%
- Social Activity / Fun 48%
- Convenience (for parent) 34%

2.2.3 Other Stakeholder Consultation

Consultation with other stakeholders identified a wide range of concerns and views on the future development of this service. The following bullet points highlight those areas in which a high degree of consistency exists between them:

Key Concerns:

- Historical concerns about 'relationships' with and within the service providers structure, individual competencies and their collective capacity to deliver efficiency and change.
- The services ability to respond to Corporate and National objectives relating to food quality, diet and health.
- A lack of clarity in specifications, roles and responsibilities, particularly within the Cleaning (and overlap with Janitorial) services.

- The absence of clear benchmarking and performance data (and the systems and procedures to drive it).
- A recognised lack of past investment specifically relating to the Food in Schools agenda (kitchen and dining environments) and targeted at standards and 'efficiency' within the day to day delivery of the cleaning service.

Whilst this review found evidence to support these concerns, it was also clear that the 'relationship' issues referred to above had given rise to an environment in which the service provider felt 'threatened' and under valued and perceived a lack of clear policy direction / leadership by the Council / corporate stakeholders.

The need for Member and Senior Officer leadership to establish clear policies and priorities for the future of these services remain, alongside the following objective identified by other Council stakeholders:

- Establishing the structures and relationships needed to optimise efficiency and deliver on National, strategic and local objectives.
- Better communication, documentation and more 'holistic' approaches to service delivery within and between Council departments and other key stakeholders
- Recognition of good practice and value within Council services and its commitment to service improvement, efficiency, health and well being.

2.3 Performance Comparisons

2.3.1 Comparative data has been taken from the Association for Public Service Excellence (APSE) Performance Networks programme, to which the Authority has subscribed for this review and for ongoing annual benchmarking across a range of services.

The data used represents returns made by circa 60 Authorities for both Education Catering and Cleaning services nationally, which includes over 20 Scottish Authorities (now including the Scottish Borders).

Given the divergence between Scotland and the rest of the UK in Central and Local Government policies, investment and performance outcomes (not least in initiatives such as 'Hungry for Success') we have drawn reports for and measured the Authorities performance against Scottish Authorities only for this review.

Tables across the full range of indicators covering Education Catering and Building Cleaning have been provided as an attachment to this executive report, the following representing key highlights only for each service area.

2.3.2 Education Catering

Year 2005/06

PI No.	PI Description	Scottish Ave	Scot 'Top Quartile' (Where relevant)	Scottish Borders
1a)	Price (parental charge) per Primary Meal	£1.44	N/A	£1.58
1b)	Secondary Free Meal Allowance	£1.60	N/A	£1.96
4	Free Meal Uptake (Primary only)	78.5%	85.0%	92.7%
6a	Free Meal Uptake (Secondary)	52.7%	56.7%	77.7%
8	Paid Meal Uptake (Primary Only)	36.4%	39.8%	32.3%
10a	Paid Meal Uptake (Secondary)	37.4%	42.4%	39.2%
12	Total Cost Per Meal (Inc. CECs)	£2.46	N/A	£2.24
17a)	Primary Food Only Costs per Meal	£0.71	N/A	£0.59
31b)	Subsidy per Meal (Excluding Free Meal Costs)	£0.79	N/A	£0.72
22	Mgt. Ratio to Total Staff Costs	11.6%	N/A	15.5%
13	Meals served per Staff Hr.	7.26	8.04	7.74
23	QA and Stakeholder Consultation	43	55	38
24	Human Resources and People Mgt.	36	58	Not recorded

Whilst helping to reduce 'subsidy' (PI 31b), the Borders Primary School meal pricing may be impacting upon Primary Paid meal uptakes, being the only 'hard' indicator where the services performance falls below the

Scottish Average. The extremely high uptakes of free meals (amongst the highest in Scotland) would suggest that the quality and range of food is not at issue and we would note that parents of 'paying' pupils did not raise 'value for money' as a priority issue during our survey but did seem to readily accept their children's food tastes and preferences.

On key cost indicators, the service performs well, supported by above average 'productivity' (PI 13) and effective procurement and food cost control.

In keeping with our direct observations, PI 22 evidences the higher than average Management to staff cost ratio in this service, which is however, not reflected in an appropriate focus on staff training and development, Quality Assurance or effective consultation with customers.

2.3.3 Building Cleaning

Year 2005/06

PI No.	PI Description	Scottish Ave	Scot 'Top Quartile' (Where relevant)	Scottish Borders
1a)	Cost per Sq Mtr. Cleaned (inc CECs)	£12.32	£11.15	£11.47
1b)	Sq Mtr. Cleaned per staff hour (Secondary)	8.7	N/A	9.1
4	Sq Mtr. Cleaned per staff hour (Primary)	7.8	N/A	7.6
6a	Sq Mtr. Cleaned per annum per front line employee	1280	1406	1543
8	Front line Staff cost per Mtr. cleaned	£9.97	£9.27	£8.42
10a	Material cost ratio	2.7%	N/A	2.2%
12	Equipment cost ratio	1.3%	N/A	0.5%
17a)	Front line employee cost ratio	84.7%	N/A	73.6%
31b	Other costs as a %age of total expenditure	5.7%	N/A	14.2%
23	QA and Stakeholder Consultation	79.6		12
24	Human Resources and People Mgt.	36.1		23

This table shows the Scottish Borders to have:

- A highly competitive overall cost per square metre cleaned.
- Above average 'productivity' in secondary schools and a significantly higher total area cleaned per front line employee.
- Below average cleaning material and significantly lower equipment replacement costs.

- As with Catering, a high 'Other cost' ratio (inc. Management / Support), whilst falling well below average scores on QA and Human Resources

3. ANALYSIS OF FUTURE SERVICE DELIVERY OPTIONS

3.1 External Partnering

It is understood that some consideration has been given to bringing in an external supplier to provide services to the Council's schools along similar lines to those provided under the three PPP contracts.

This review has found no evidence of a desire amongst schools themselves to see key aspects of Facilities Management (i.e. -building maintenance, janitorial, catering and or cleaning services etc.) externalised into contractual arrangements that in our view, might restrict options for the long term and therefore constrain the Children's Services review.

Further, National benchmarking has indicated that the current Catering Service is generally cost effective and that issues with cleaning standards are at least in part, due to aggressive cost reductions in the past and beyond reasonable efficiency expectations and current market rates.

Aside from the restricting nature of long term contractual relationships there is also evidence emerging that PFI contractors in England are looking for significant increases in rates for FM services at contract review stages, suggesting that they are not immune to the rising costs that beset direct service provision.

On balance we do not think that an approach to the market would deliver any benefit and that any decision so to do should be driven by the long term vision emerging from the Children's Services Review and the developing Asset Management Strategy, rather than as an inappropriate response to difficulties relating to the need for management reorganisation within the existing services.

3.2 Service Re-Structuring

Evidence gathered for this review clearly indicates that some reorganisation of Management structures, roles and responsibilities will be required if Catering, Cleaning (and Janitorial Services) are to remain as an internal service provision. Beyond development of management competencies under the existing structure, options would include:

- Combining Catering, Cleaning and Janitorial functions into a single (Soft FM) Management Team, either under a new combined Head of Service or transferred to the Technical Services Building Management FM Function.
- Create dedicated Catering Service Team, transferring Cleaning for consolidation with Janitorial Services to either Education or the Technical Services Building Management FM Function

We would discount the first option at this stage, given that we do not believe that it would be appropriate to incorporate school catering into a wider FM approach, for the following key reasons:

- Our Survey found no importance to Schools in maintaining multi functional Management (but did find a significant level of satisfaction with the current catering service.)
- Catering is a service to school pupils, rather than to school buildings and does not therefore sit comfortably, particularly at authority management level, with services that are directly concerned with the physical use ability of schools.
- The Scottish Borders is to be a pilot for the Scottish Government's free school meals initiative which presents a huge logistical challenge that will be best met by dedicated management of the service.
- Having made progress in recent months, dedicated management of the catering service would better maintain focus and momentum on still developing child diet and health agenda.

We are however conscious that both the Cleaning and Janitorial services require significant re-modelling, built on a review and or revision of specifications, service needs and human resource implications and that the burden of 'transfer' might be unrealistic in the short term.

The Children's Services Review offers some real opportunities over the longer term for integrating and coordinating all of the services the Council provides to schools. The Asset Management Strategy could represent a way of releasing resources to ensure that these services are consistent with a renewed vision for education in Scottish Borders. For the moment though we must recommend that the catering, cleaning and janitorial services should be managed in a manner that will maximise synergy between them, for example by exploring the role of janitors in relation to the supervision of cleaning but that they are not at this stage brought together as a single FM service.

In the longer term and driven by the outcomes of the Children's Services Review it would be desirable to develop an offer to schools which brings together a number of 'Soft' FM services including cleaning and minor element of day to day building maintenance, into a coordinated offer using the janitorial service to coordinate and supervise services at the school level. School catering should probably be left out of this arrangement and continue to be provided as a dedicated service to school children as opposed to schools.

4. RECOMMENDATION

In the light of our analysis above and the findings of the Skills Audit, we would recommend an Interim Management Structure, which maintains Building Cleaning within Technical Services whilst establishing dedicated functional Management for it and Catering Services.

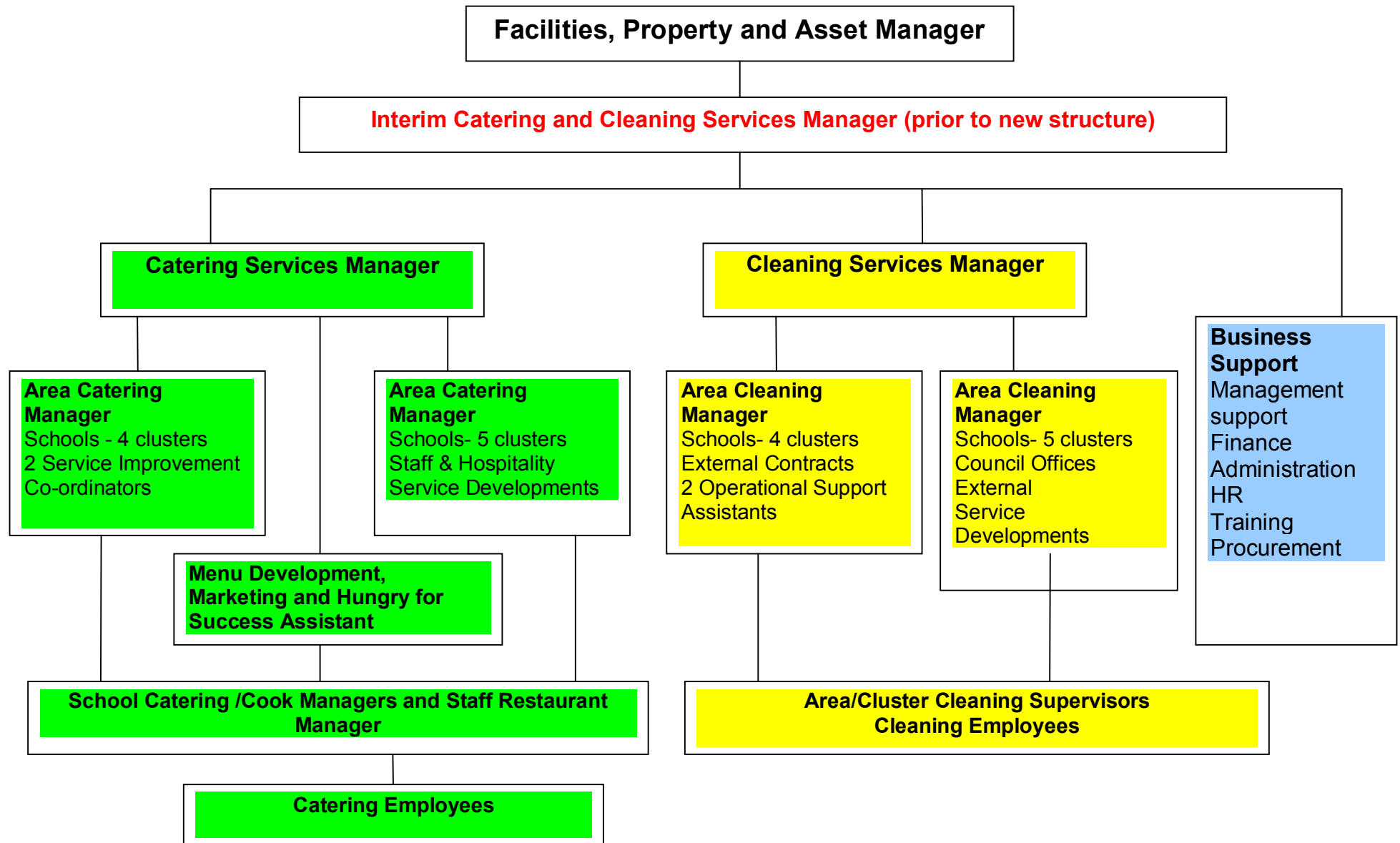
In this respect, we understand that Technical Services are prepared to maintain the Interim 'Head of Service' resource provided by APSE into next year, which we believe will allow time for a measured review of the specifications, service and equipment needs towards and improved Cleaning Service, whilst E&LL adopt a similar approach to this and the human resource implications associated with the Janitorial Function.

On completion of this process, (and the Children's Services Review) greater clarity may exist to enable consideration of the potential benefits of a Cleaning service combined with or managed by the Janitorial Function.

In addition to the proposed organisation structure below (designed to focus new and existing skills in each distinct service area) we would make the following key recommendations relating to development of the services key resource – its people:

- A phased and monitored introduction of the Council's PPDP should be introduced for Management and Support Staff with immediate effect.
- Develop and introduce an 'abbreviated' form of PPDP for Front Line Staff.
- A series of 'road shows' should be delivered to present the Business and Service Improvement Plans (for each service) and to outline what arrangements are to be introduced for improving communications, training and the development of all staff to achieve their potential.
- Establish the frequency and 'Core Agenda' for a range of Operational / Support Staff and 'Inter Departmental' meetings, to improve communication within and between the service, Schools, E&LL and other stakeholders.
- Redraft existing job descriptions to reflect roles within the revised structure and alignment to the Council's Behavioural Competencies Framework.
- The Authority may wish to consider commissioning further external support to accelerate these and other 'people development' initiatives.

SCOTTISH BORDERS CATERING AND CLEANING SERVICES



Implementing the revised structure arrangements

Whilst the revised structure proposals outlined above would generate an 'efficiency gain', it would require that at least 3 individuals at managerial level be considered candidates for redeployment.

During the course of the Skill Audit, one of these has made it clear that they would consider leaving the authority if a suitable inducement were provided.

We recognise the necessity to align these proposals with existing Council arrangements including where appropriate, discussions with Trades Unions over the redeployment of surplus / displaced employees.

Whilst initial clarification on such an arrangements was sought during preliminary discussions with the Personnel Adviser, further detailed discussion and guidance for our Interim Manager, would be required on the procedures for achieving this.

5. SERVICE IMPROVEMENT PLANNING

In the event that the 'structural' recommendations arising from this review are adopted, there will be a need to commence detailed 'Service Improvement Planning' at both a 'Strategic' and 'Operational level.

To aid in that process, we have provided a sample 'Service Improvement Planning Structure' and have carried forward below, key observations / recommendations made throughout this review, as bullet points under these two key Headings.

These are given as an initial guide only and more detailed consultation with Schools and other stakeholders is recommended following completion of the Children's Services review, which it is hoped will help to inform the most appropriate operational and support structures (and line reporting responsibilities) in the longer term.

5.1 Strategic (Short Term)

- Establish Corporate and Political Service Delivery and Funding Priorities including investment in:
 - Catering Equipment and Environments
 - Cleaning Equipment / Technology.
 - Our 'People', - Front line, Management and Support Resources
 - Performance monitoring Systems and Procedures.
- Corporate (Human Resources) support to any agreed organisational structure changes including procedural guidance, Training and Development support, redeployment and general 'change management' counselling.
- Assessment of the cost / benefits of Job Evaluations in terms of:
 - The cost of ongoing service delivery and
 - Implications relating to the potential consolidation of Janitorial and Cleaning functions (including potential benefits).
- Consider future 'Pricing Policy' for School Meals (Against Scottish averages) and the contribution which can be made to 'Marketing; the service' by the wider Council and Corporate stakeholders, particularly following cessation of the Free School Meals Pilot project.
- Review Catering, Cleaning and Janitorial SLAs and Specifications, a process requiring:
 - Consultation and agreement between Schools, Corporate, 'Commissioning' and Provider stakeholders, to establish and review 'affordability' against desired 'core service levels'.

- Clarity in core service pricing and charging arrangements
- The flexibility to deliver any 'premium' services required by individual schools but including the costing and charging arrangements appropriate to those individual requirements.

Priorities in this process should be on the Cleaning Service (by the Providers 'Interim' Management Team) and the Janitorial Service (by E&LL support services).

- In conjunction with operational colleagues, prepare a detailed 'Service Improvement Plan' for each service. (Led by Technical Services / E&LL and supported by the Interim Management Team) and linked to future Business Plans and budgets.

5.2 Operational (Short Term)

- Commence implementation of agreed Management, Financial & Admin Support Structures.
- Undertake a detailed review Head Teacher (Review survey) Feedback to identify and resolve specific (critical) Catering or Cleaning issues with Individual Schools
- Support the development of revised Specifications for the Cleaning Service and advise on the Technical and cost (revenue and capital) implications of varying levels of service / standards.
- Support the drafting and ongoing measurement of Key Improvement Activities' linked to individual Service Improvement Plans
- Plan for and deliver basis Hygiene, Health and Safety and 'Nutrition' Training for Unit Catering Staff – aligned to current and developing National standards.

5.3 Operational (Ongoing)

- Menu Planning, Food & Nutrition
 - Balancing Nutritional Standard targets against pupil 'acceptability'.
 - Develop appropriate 'Food Policies and Specifications' for the service (in conjunction with SLA development)
- The Development and 'engagement' of Staff.
In addition to the Structural and People Development recommendations made in 4 above:
 - Secure the understanding and commitment of staff to the 'change' and Service Improvement process (simple lines of communication).
 - The development of a 'Training Plan' for each service, linking Business / Service Improvement objectives to Personal Development Plans.

- Focus on attainment of IIP status by 2008.
- Engage with E&LL and support Schools in the development of Lunchtime Supervisory Staff (Inc Training support re children's social skills and consumption of healthy choices)
- Systems & Procedures
 - Identify minimum requirements for the effective monitoring of service delivery and financial management (enabling appropriate, targeted and timely corrective action by operational staff).
 - Identify minimum school and corporate requirements for periodic reporting and information on service quality and performance.
 - Liase with direct and Technical Services Support Staff on the acquisition / development of both operational and periodic school / corporate reporting requirements.
- Benchmarking
 - Develop Performance Reporting capability around Performance Networks and local financial and quality indicators.
 - Develop capacity to engage with Performance Networks, APSE advisory and local (Scottish) network groups towards analysing, recognising, adopting and adapting 'best practice'.
- Marketing and Promoting the School Meals Service
 - Promote the Joint 'Marketing' of the service with Schools and other Stakeholders (including the identification of Council, E&LL or other Agency initiatives / funding for this purpose).
 - Engage with E&LL and 'External Partners' on health promotion and maximise funding opportunities
 - Improved co-ordination with and support to schools in delivering 'nutritional education' within the curriculum.
 - Promote wider 'engagement' of both Pupils and Parents.

5.4 Financial Implications

Combined, and built upon within a competent Service Improvement Plan, these recommendations represent an opportunity to meet the reasonable expectations of Schools and corporate stakeholders relating to future service quality and longer term cost efficiency.

However, against a projected annual saving in the proposed structure (Section 4 above) some investment is now needed to develop the strength in the Cleaning and Catering Services capacity to deliver and maintain consistently high quality services, together with service specific investment in Cleaning Equipment and Catering environments.

Key areas for **Investment** will be in:

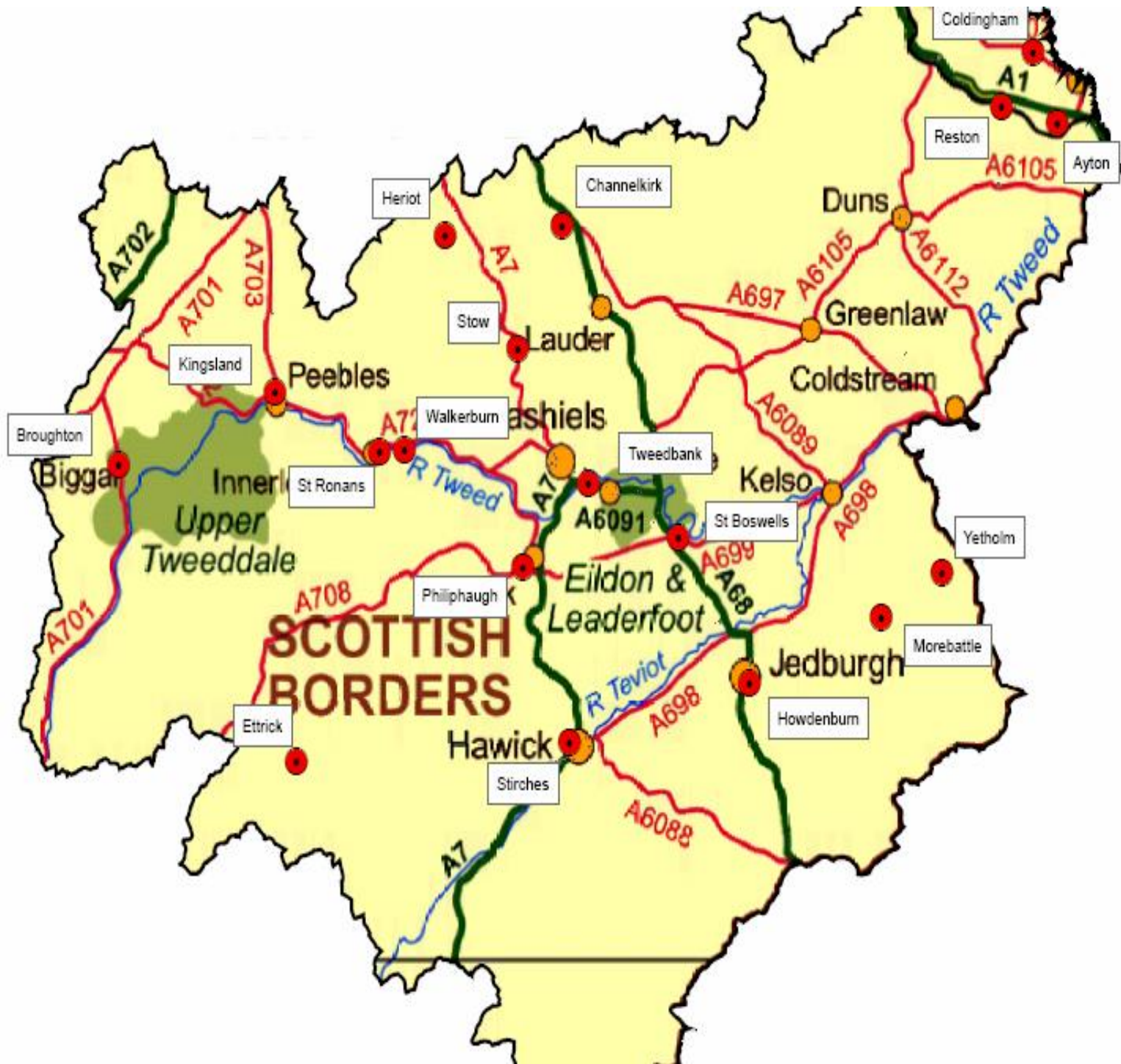
- People
- Catering Equipment, Kitchen and Dining Room Environment
- Cleaning Equipment and Technology
- Systems and Procedures for Performance Monitoring

Ongoing costs will be required to cover the increase in cleaning hours in order to achieve national cleaning standards.

Short term **resourcing costs** will be required in order to:

- Develop the Service Improvement Plans
- Redraft the Catering and Cleaning Services Specifications.
- Develop Service Level Agreements for the Clients.

Contract Manager	Cluster / Catchment Area	Service Provision	School Roll	Daily Meals 2006-2007	% Take-up	Number of Regeneration Kitchens
	EARLSTON					
DM	Channelkirk Primary	Regeneration	57	28	49%	
MB	St Boswells Primary	Regeneration	108	39	36%	
	EARLSTON TOTAL		165	67	41%	2
	EYEMOUTH					
DM	Reston Primary	Regeneration	57	34	60%	
DM	Ayton Primary	Regeneration	53	33	62%	
DM	Coldingham Primary	Regeneration	48	31	65%	
	EYEMOUTH TOTAL		158	98	62%	3
	GALASHIELS					
EM	Heriot Primary	Regeneration	56	25	45%	
EM	Stow Primary	Regeneration	79	36	46%	
LG	Tweedbank Primary	Regeneration	188	42	22%	
	GALASHIELS TOTALS		323	103	32%	3
	HAWICK					
MB	Stirches Primary	Regeneration	133	27	20%	
	HAWICK TOTALS		133	27	20%	1
	JEDBURGH					
MB	Howdenburn Primary	Regeneration	179	63	35%	
	JEDBURGH TOTALS		179	63	35%	1
	KELSO					
LG	Yetholm Primary	Regeneration	43	12	28%	
	KELSO TOTALS		43	12	28%	1
	PEEBLES					
EM	Broughton Primary	Regeneration	93	28	30%	
EM	St Ronan's Primary	Regeneration	202	82	41%	
EM	Kingsland Primary	Regeneration	338	78	23%	
EM	Walkerburn Primary	Regeneration	40	20	50%	
	PEEBLES TOTALS		673	208	31%	4
	SELKIRK					
LG	Ettrick Primary	Regeneration	13	5	38%	
LG	Morebattle Primary	Regeneration	86	34	40%	
LG	Phillphaugh Primary	Regeneration	109	56	51%	
	SELKIRK TOTALS		208	95	46%	3
	GRAND TOTALS		1,882	673	36%	18



3rd December 2007

REPORT BY DIRECTOR OF TECHNICAL SERVICES

GROUNDS MAINTENANCE TRADING OPERATION

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 1st of September to 31st October 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 completed the summer maintenance programme and has commenced with the autumn schedule of maintenance which includes, grass cutting, leaf collection, shrub bed pruning, hedge cutting, sports pitch maintenance, litter picking, play area maintenance, landscaping including planting of trees and shrub/rose beds.

3.2 Budget

The current approved budget for the year is a trading surplus of £44k. The Financial report and supporting appendices will be reported at the Trading Sub Committee on the 16th of January 2008.

3.3 Updated Projections

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

3.4 Resources

A report on sourcing of plants previously grown at the Glenraig Nursery in Peebles has been prepared. Due to the nature and content of the report it is now being considered by the Administration Policy Working Group in December.

Following the last round of reporting, the service commissioned a review by APSE into general service provision, with a focus on grass cutting operations. A separate report on this issue is presented at Appendice 1.

3.5 Staffing

The section continues to employ its full compliment of 86 FTE manual staff, and 7 APT&C staff.

3.6 Training

The service has been successful in its application for recognition by Investors In People (IIP) as meeting the standard of IIP. The section's approach to training was a major part of that achievement.

3.7 Health and Safety

The section has continued to review risk assessments. One emerging issue is that of cutting grass on embankments. In anticipation of the outcome of the risk assessment review, a trial of grass cutting machinery operated by remote control has been undertaken at the Mote hill in Hawick. The trial proved reasonably successful attracting press and community interest. Further trials are being arranged in other such locations around the borders, to ascertain the usability and functionality of the machinery in a range of different settings.

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 outcome of the national Beautiful Scotland competition has seen both Galashiels and Peebles achieve national recognition for their efforts. Galashiels was awarded four Thistles (with five being the highest mark) in their category, effectively placing them third in their national category. Recognition was also achieved by Whitsome in the neighbourhood awards.

Risk Commentary

- 8.1 Recruitment and retention of seasonal staff remains a challenge for the section, due to competition in the local employment market.
- 8.3 Two significant contracts with local RSLs are due for retendering this financial year, Elidon Housing association and SBHA. Eildon have intimated that they are to go to open competitive tender, and SBHA has initiated a discussion over a contract extension. Both of these issues will be concluded early in the new year.
- 8.4 The final outcome of the job families re-structuring, and single status is still awaited and also 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
Jason Hedley	Parks Manager

Background Papers: **ADD AS APPROPRIATE**
Previous Minute Reference:

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¶ ... [1]

REPORT CONSULTATIONS / TIMING			
Report Title:	<i>Grounds Maintenance Trading Operation</i>		
Estimated Time Required for Presentation and Discussion:	10 mins		
MANDATORY CONSULTATIONS			
<u>Service</u>	<u>Date Sent</u>	<u>Reviewed by</u>	<u>Date</u>
LEGAL SERVICES	23 Nov 2007	Ian Wilkie	
CORPORATE FINANCE	23 Nov 2007	Sandy Brown (<i>send to Pam Spink</i>)	
CORPORATE ADMINISTRATION	23 Nov 2007	Neville Dundas	
FINANCIAL ADMINISTRATION	23 Nov 2007	Alan Bowman	
OPTIONAL CONSULTATIONS (depending on report content)			
IT			
PERSONNEL			
Any others – detail)			
DIRECTOR OF SOCIAL WORK			
DIRECTOR OF EDUCATION AND LIFELONG LEARNING			
TECHNICAL SERVICES MT			
PORTFOLIO HOLDERS			
MANAGEMENT TEAM:	If YES, date when consulted		

ADD HERE COMMENTS RECEIVED FROM EMAIL RESPONSES DURING DRAFTING, IF APPROPRIATE

3rd DECEMBER 2007

REPORT BY DIRECTOR OF TECHNICAL SERVICES

A MINI-REVIEW OF PARKS AND OPEN SPACES

1 PURPOSE OF REPORT

- 1.1 This covering report introduces an interim report by APSE on the Parks and Open Spaces service.**

2 BACKGROUND

- 2.1 The Department is conducting a phased series of operational reviews of services to help address immediate performance issues and shape future service development. A review of the Cleaning and Catering Service has just completed, and a similar review for Parks and Open Spaces was planned to start in the last quarter of 2007.
- 2.2 At the meeting of 19th June 2007, the Trading Operations sub-committee requested that a review of grass cutting operations be brought forward to a future meeting.
- 2.3 At the meeting on 20th September, the Scrutiny committee also considered the need for a review of grass cutting. The Committee decide to postpone a decision until the Trading Operations sub-committee had considered the departments findings.
- 2.4 Considering these different but linked demands, and the difficulty of resourcing an effective, independent review internally, the department approached APSE (Association for Public Service Excellence) for assistance.

An experienced APSE consultant, with an impressive background in Land Services management was engaged to conduct a mini-review of the service. The review was structured to allow continuation at a more detailed level (as originally planned) in 2008 but with a break point to allow reporting to committee in December 2007.

3 REPORT FINDINGS

- 3.1 A copy of the interim report is attached at Appendix 1
- 3.2 The key findings are:
- Standards were found to be reasonable with the quality of grass cutting being on a par with other authorities.
 - Management information is limited – estimating costs is difficult
 - Costs appear to be above average – although it is not clear if this is because of overheads (e.g. geography) or inefficiencies
 - There is a trend developing - from planned work to “fire fighting”
 - Activities are largely based on historical practices

The report concludes that there is scope for improvement, but investment in capacity and information systems will be necessary.

- 3.3 With particular reference to **grass cutting**, the report recommends
- a detailed examination of what land is currently maintained
 - better matching of service standards to the purpose of each site
 - Agreeing and applying a hierarchy of standards (higher and lower)
 - Addressing capacity issues

- Machinery – types, numbers, locations
- Skills
- More effective enablement and empowerment of staff

However the report also recommends that this should be undertaken as part of a comprehensive review of the service as a whole

- 3.4 Summarising - if agreement can be reached on a hierarchical approach (some areas maintained to a higher standard, others less so) then it should be possible to address many of the members concerns about grass cutting within existing budgets.

However, this cannot be done effectively on an ad-hoc basis so should be done systematically. A systematic approach will inform decisions about changes to standards, equipment and help identify the training and changes in management practices required to deliver an improved service.

4 PROPOSALS

- 4.1 It is proposed that the review work is concluded in 2008 to

- Resolve the immediate concerns over grass cutting (particularly in high amenity and/or high profile areas) prior to the next cutting season and develop proposals for a hierarchical approach so that this can be achieved within the existing budget.
- Identify the development resource required to address the recommendations, and develop a detailed improvement plan for approval
- Once approved, start implementation (within available budgets).

5 FINANCIAL IMPLICATIONS

- 5.1 There are no direct financial implications arising from this report.

- 5.2 Proposals have been included in 2009/10 budget proposals for an enhanced development capacity in Environmental Services to ensure that an improvement programme can be developed and delivered.

6 CONSULTATION

- 6.1 The Heads of Corporate Finance, Financial Administration, Corporate Administration, and Legal Services have been consulted and their comments have been incorporated into the report or will be reported at the committee.

7 EQUALITY

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

8 ENVIRONMENT

- 8.1 There are no environmental issues directly associated with this report.

9 RISK COMMENTARY

- 9.1 There is a risk that if the recommendations outlined in the report are not followed through, the service is unlikely to improve.

9 SUMMARY

9.1 *This report introduces a mini-review of the parks and Open Spaces service. The review, detailed in Appendix 1, concludes that grass cutting operations are reasonable and comparable with other authorities. However, improvement is possible but needs to be tackled in a systematic way. The review concludes with several recommendations to deliver improved services*

10 RECOMMENDATIONS

10.1 I recommend that the Committee

(a) Note the content of this report

(c) Agree that the review process should continue (including improvements to grass cutting, to be made prior to the next cutting season) and that a further report should be brought to the committee within 6 months, detailing progress.

Approved by

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

Author(s)

Name	Designation
Callum Hay	Director of Technical Services

Background Papers:

None

Previous Minute Reference:

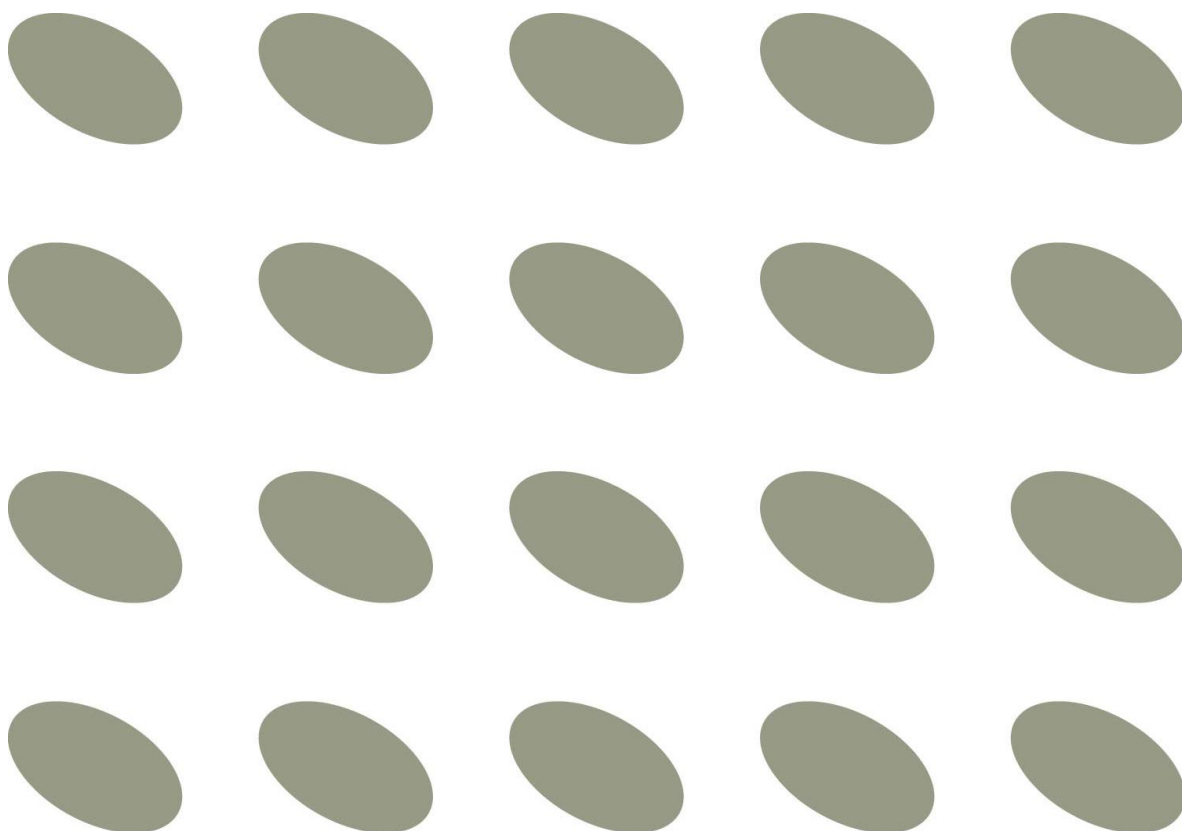
**Trading Operations Sub Cttee
19th June 2007 item 6(c)**

**Scrutiny Cttee
20th September 2007 item 7(e)**



Scottish Borders Council

A Mini Best Value Review of the Parks and Open Space Service (Grass Cutting)



Scottish Borders Council

Mini Best Value Review of the Parks and Open Space Service (Grass Cutting)

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GB 11409



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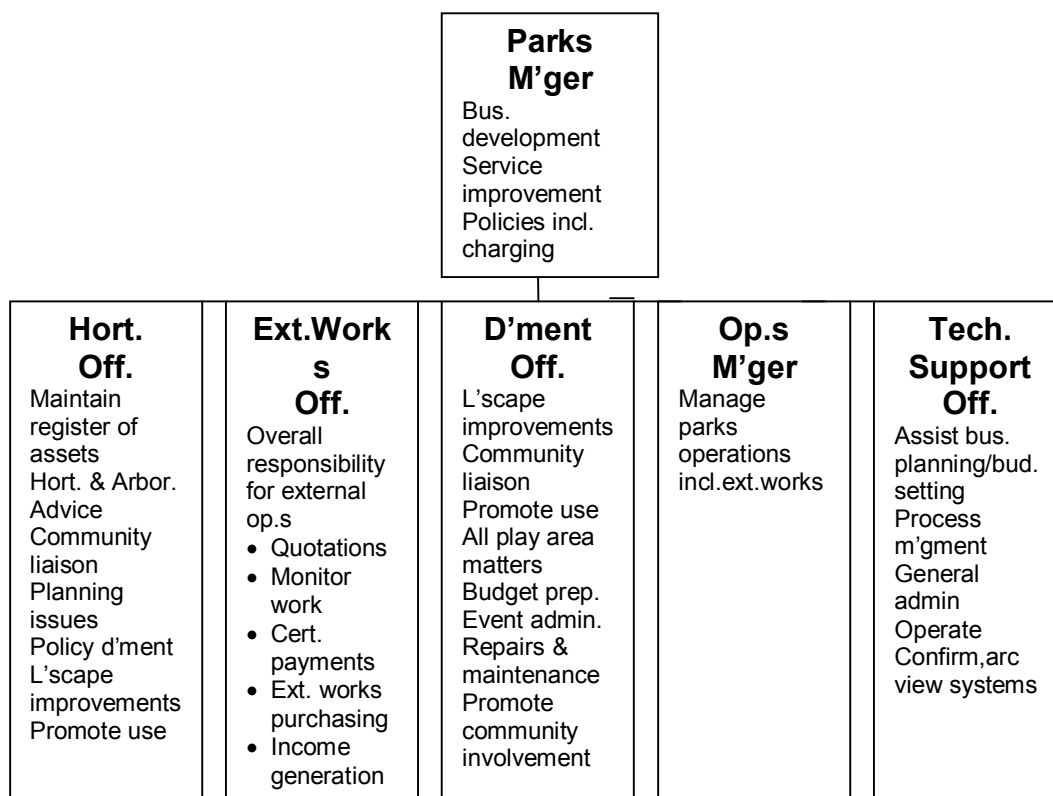
1.0 Introduction

1.1 This report contains the findings of a mini Best Value Review which was commissioned to look at grass cutting activities undertaken by the Council. As these form part of an integrated horticultural service, the opportunity was taken to review grass cutting within the context of all activities undertaken by the Parks and Open Spaces Section. (see appendix A).

2.0 Background

2.1 The functions performed by the Parks and Open Spaces section fall into two broad categories – client support,/development, and operations. Across the Council, similar and related functions are also undertaken by other sections - Bereavement Services, Education and Lifelong Learning, Property Management, Cleansing, S.B Local and by Planning.

2.2 Parks and Open Spaces has an establishment of 92 FTE staff and funding for a further 46 seasonal staff for 26 weeks of the growing season. It is managed by a team of five plus a Technical/Administrative Support Officer. These are based at the Newton St. Boswells and Galashiels offices, both of which present a customer interface.



- 2.3 The Parks Operational Manager, supported by an Assistant, is responsible for the delivery of all grounds maintenance activities .Operatives work a 41 hour week in the summer and a 33 hour week in the winter.
- 2.4 They are organised into five geographical teams. There are two nurseries - Wilton Park and Glenraig – with the latter being under review.
- 2.5 Overall, the service has a budget of £1.75m. It also attracts an annual income totalling approximately £1.4m from internal and external clients.

3.0 How good is the service?

3.1 Client support and development

3.1.1 The client support and development work of the section is limited due to a lack of capacity. This has resulted in the Parks Manager undertaking a substantial part of this work personally, distracting him from his leadership role.

3.1.2 Work in progress includes:

- The Open Space Audit and Plan which is at an advanced stage of preparation and should prove to be a major building block for the future of the section's work.
- Improvements to play areas of which the Authority would appear to be well provided.
- The implementation of two woodland management plans supported by over £100k of external funding.
- Preparation of an application to the Heritage Lottery Fund's "Parks for People" Programme for Wilton Lodge Park, Hawick
- Increasing community involvement especially in the regional *Scotland's Floral Gateway Competition* and the national *Beautiful Scotland competition*..
- Day to day administration of allotments and pitch bookings.

3.1.3 All of this work, however, is being undertaken in the absence of up-to-date policies/strategies and there is poor connection between the council-wide corporate plan and operational delivery on the ground. If this situation was reversed,the Council's ability to attract investment both from developers through the Section 68 and 75 planning processes and from central funding would be greatly enhanced. With a 15% increase in population and 24% increase in households predicted

for the area by 2024, the opportunities for the former and the ability to improve the quality of life in the Borders are significant

- 3.1.4 Landscape management is a low priority. This seems to be contrary to the Council's positive approach to sustainability. The Authority may be at risk in relation to claims for negligence especially regarding tree management.

3.2 Operations

- 3.2.1 Given the size of the Borders area, its sparsity, and the diversity that exists in terms of topography, climate etc, the task of maintaining the area to a consistently acceptable level should not be underestimated. In recent years the situation has become even more challenging with unexpected variations in climate which has lengthened or shortened the growing season from one year to the next. Year on year there have also been real difficulties with recruitment – particularly of seasonal staff.

- 3.2.2 On the whole, the service has risen to these operational challenges, but has not fully reconciled the issues in terms of outlook following local government reorganisation. The service does not seem to be resourced other than for the “day job” with documentation and management information systems having not kept pace. Consequently, the service continues to be operationally as opposed to outcome focussed and is becoming more and more reactive. For example, during the 2006-07 season a number of unacceptable operational lapses were reported by councillors which should not have occurred.

- 3.2.3 The lack of good management information systems makes it difficult to assess the effectiveness of individuals, teams and the service when compared to best practice. Industry comparisons indicate that productivity is below average and costs above average - but given the lack of reliable management information, such comparisons need to be treated with extreme caution:

- 3.2.4 Given the lack of performance information available from within the service, a selection of sites in the Galashiels, Jedburgh, Selkirk and Hawick areas, including three cemeteries, were visited during September, 2007. Specific attention was paid to the quality of grass cutting – it was considered to be of an acceptable level in comparison with the standards commonly adopted by Councils across the UK.

3.2.5 This view is supported by a major external customer and by those residents who responded to the Council's 2006 General Household Survey. 71% were satisfied with the quality of grass cutting. This figure rises in Teviot and Liddesdale (91%) and Tweeddale (87%) but in Berwickshire satisfaction falls to 66%. It is recommended that a thorough investigation is undertaken to identify the cause of this differential performance.

3.2.6 On travelling through the area, other aspects of the section's operational activities also appeared satisfactory with bedding out achieving a high standard. The parks themselves, although somewhat bland and lacking in variety, are well looked after as were play areas.

3.2.7 The depots visited were found to be satisfactory – ordered storage, clean, well maintained - as was the machinery. There appeared to be no shortage of machinery, and opportunities may exist to review the existing use of machinery with a view to rationalisation.

3.2.8 The operatives who were spoken to were impressive, being positive, committed and cited examples of using their initiative (e.g. documenting their own rounds). Problems were reported in relation to the poor quality of some sites that were being handed over to them for maintenance. They also acknowledged that substantial opportunities existed to “manage out” high cost problem sites.

3.2.9 In summary:

- Under the circumstances, standards were found to be reasonable with the quality of grass cutting being on a par with other authorities.
- Management information is limited – estimating costs is difficult
- Costs appear to be above average – although it is not clear if this is because of overheads (e.g. geography) or inefficiencies
- There is a trend developing - from planned work to “fire fighting”
- Activities are largely based on historical practices which have changed little over time. Operatives are largely trusted to get on with what they have always done. This works well, but is a risk.
- There is scope for improvement, but investment in capacity and information systems will be necessary

4.0 Will the service improve?

4.1 In relation to the service generally, it has benefited from the improvements that have been made over the last two years regarding staff training (*“training has improved remarkably”* Several Staff), communication and staff involvement which should be commended. The recent recruitment of trainees is also to be applauded especially given the relatively high age profile of the current staff. However, to achieve a step change in terms of effectiveness and efficiency, more is required.

4.2 In particular, attention is required to address

- Improved and updated policies / strategies
- A move from operational routine to customer driven outcomes
- Better management and performance information
- Service direction informed by customer feedback and performance data
- More active supervision, and less reliance on custom and practice
- Risk management – with special emphasis on liability for trees
- Dependency on seasonal staff.

4.3 There are a number of capacity issues.

- There is a gap in operational middle management
- Roles, responsibilities and accountabilities need to be re-defined
- Development needs must be identified and resourced, through continuing and meaningful community dialogue

If all the above are addressed, it is considered that the service will significantly improve.

In relation to **grass cutting**, improvements will necessitate

- a detailed examination of what land is currently maintained
- better matching of service standards to the purpose of each site
- Agreeing and applying a hierarchy of standards (higher and lower)
- Addressing capacity issues
 - Machinery – types, numbers, locations
 - Skills
 - More effective enablement and empowerment of staff

However this should be undertaken as part of a comprehensive review of the service as a whole

- 4.4 The Parks and Open Space service is a core function of the Council and contributes significantly to the achievement of the Council's objectives. This contribution needs to be formally recognised and steps taken through the introduction of a performance management framework to facilitate delivery. The current business plan needs to become more outward looking with targets that are SMART.

5.0 Recommendations

5.1 Short Term

- 5.1.1 That a more effective system for recording, acting upon and responding to all complaints is put in place.
- 5.1.2 That the improved level of communications with staff be further developed.
- 5.1.3 That elected members and major stakeholders are proactively informed of issues such as inclement weather conditions which are adversely affecting maintenance operations and landscape quality
- 5.1.4 That a formal means of consulting /engaging with the public and stakeholders generally, including providing feedback, is established; that the feedback process commences with a thorough investigation into the poor levels of public satisfaction in the Berwickshire area.
- 5.1.5 That problem sites are identified and action plans prepared for 2008-09 season.
- 5.1.6 That an annual calendar of key events and operational milestones is prepared and that local event organisers are consulted to assist with work planning
- 5.1.7 That a system for monitoring the maintenance/ management of leased fine turf sites is established.
- 5.1.8 That a system of quality checks is introduced and that records of such and action taken reported to staff and members.
- 5.1.9 That a detailed examination of the current budget is undertaken to improve understanding of the current baseline position.

5.2 Short - medium term

- 5.2.1 That the strategic importance of the Parks and Open Spaces Service and how it contributes to the policy objectives of the Council be documented and communicated to senior management and elected members.
- 5.2.2 That a comprehensive review of the Parks and Open Space functions be undertaken within the context of meeting the Council's policy objectives.
- 5.2.3 That the above review addresses the issues identified in the current client and development functions, notably:
- The capacity issues relating to policy/strategic planning
 - Tree maintenance/management
 - Better use of the opportunities provided by Section 69 and 75 planning processes in relation to the provision, upgrading and maintenance/management of parks and open spaces.
- 5.2.4 That a comprehensive asset register of all land currently maintained by the Parks and Open Space Service be prepared including ownership, function and maintenance regime.
- 5.2.5 That a comprehensive review of how specifications are developed and implemented, to maximise operational efficiency - to include staffing levels, depots, the type, quantity and means of procurement of all plant, the procurement of all related supplies and services.
- 5.2.6 That the impact and overall benefit to the Council of undertaking external work is assessed prior to any new contracts being agreed

Appendix A - Parks and open space functions

A: Client support and development

- Parks management
 - Liaising /consulting with communities and groups
 - Problem solving
 - Oversee events
 - Advise others on parks issues
 - Education/awareness raising
 - Allotment management & admin.
- Play area provision
 - Developer negotiations
 - Inspect and maintain
 - Advise others
 - Quality of life programme
- Administer Trade in the private sector
- Policy & Strategy

B: Operations

- Grounds maintenance including;-
 - grass cutting
 - Shrub/hedge maintenance
 - Nursery provision, Bedding &Floral decoration
 - Tree work (pruning, felling, planting)
 - Weed control
 - Woodland maintenance
 - Sports Pitch maintenance
 - Cemetery maintenance
 - Rural path maintenance
 - Dog fouling enforcement
 - Litter picking
 - Bin emptying
 - Seats and signs maintenance
 - Landscaping incl cemetery improvement programme

Appendix B - Members' complaints

The following complaints from elected members prompted the Head of Service to prepare a discussion note to The Trading Operations Sub-Committee which then resulted in this "mini" six day review.

- **Jedburgh**-accused of using wrong machinery (rotary v cylinder) which resulted in lines of grass clippings along, for example, the linear grassed areas through the centre of the town. Matter raised at Trading Committee. Complex issue involving weather, time of year, driver ability, machinery available - will require comprehensive overview of what assets need to be maintained and to what standard, but set against other demands on budget
- **Coldstream**- complaint from Chair of Scrutiny re lack of backup work (strimming, herbicide treatment). Subsequent investigation conformed poor / unacceptable performance - acknowledged.
- **Coldstream Civic Festival** – photos showing dignitaries standing in long grass with yellow long clippings being very evident on enclosing embankment. Totally unacceptable - operatives claim they visited the site twice that week but no checks carried out and, given lack of systems, no other records available. Breakdown of culture of trust and responsibility
- **Selkirk** – photos showing path with overhanging weeds/nettles as opposed to one metre wide mown verge. Clearly had been missed all season and, possibly, longer. Councillor claims same problem arose last year. Better and more systematic documentation of rounds would reduce risk of such failures - and if they did occur, someone could be held accountable.