

SCHOOL CATERING BUSINESS PLAN

2006 – 2011



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1. INTRODUCTION

1.1 Purpose of the Plan

The purpose of this plan is to set the direction in which the Service aims to progress over the next five years and to give staff and others with an interest in it an understanding of the purpose and the environment in which the service operates.

1.2 Background

The school catering service operates with an expenditure of approximately £7.90 million, the actual turnover at £7.92 million (2004/05) and this service is expected to show a break-even position over its core activities.

The major recent influences on the service have included:-

- Best Value Review of the Service in 2000.
- The removal of the Client/Contractor split, the demise of Commercial Services and the integration of Trading Services into the wider mainstream Council activities.
- The Scottish Executive's Initiative Expert Panel report "Hungry for Success – A Whole School Approach to School Meals in Scotland".
- A new and improved working relationship between Education and Catering that has driven the Hungry for Success agenda forward making significant progress to date.

The Council's Scrutiny & Audit Committee carried out a full investigation into the School Meals Service in 2003/04 and after the publication of their report, the Council adopted their recommendations and the recommendations of Hungry for Success as key objectives for the Catering Service.

Since 1 April 2003, Council's are required to report on 'significant trading activities' in their accounts as laid out in the Local Government Scotland Act 2003. 'A Best Value Approach to Trading Accounts' (BVACOP) produced by CIPFA and LASAAC provides guidance notes to support adherence to this requirement. The Council undertook a review of its activities in Autumn 2003 and designated School Catering as a Statutory Trading Account.

1.3 Aims of the Catering Service

The principal aim of the Catering Service is to provide a quality service to all its customers. The Service will: -

- meet the Council's policy of providing a universal meal service across all schools by offering menus that are nutritionally balanced with a variety of dishes to meet customer expectations. These expectations will be established through customer research and feedback.
- support the Council's Strategic Intention to promote community well being by working with all partners to reduce health inequalities and promote healthy lifestyles.
- meet the requirements of the Education & Recreation Service through the mechanism of the Service Level Agreement that was signed off in May 2005 by both Service Directors.
- work with schools to develop and encourage a whole-school approach towards food in schools to improve and enhance the dining experience, maximise meal uptake and de-stigmatise the provision of free school meals.
- conform to nutrient, quality and quantity standards prescribed under Hungry for Success or any replacements approved by Her Majesty's Inspectors of Education (HMIE).
- use as much locally produced food as possible and source as much of that food through local suppliers.

1.4 Wider Context

The Scottish Executive's vision for a healthier Scotland is set out in their policy documents: -

*Towards a Healthier Scotland (1999); and
Improving Health in Scotland – The Challenge (2003)*

These documents seek to provide leadership and direction from the Scottish Executive to its partner organisations, NHS Scotland, Local Health Boards, COSLA and individual Local Authorities.

The Scottish Health Promoting Schools Unit was set up to have the national leadership role, championing, facilitating and supporting the implementation of the Health Promoting Schools concept throughout Scotland.

In 2002 the Expert Panel set up by the Scottish Executive to look at School Meals published its report entitled "Hungry for Success" and significant funding was made available to Local Authorities to assist them to implement the twenty-three recommendations. Since 2002 £2.828 million has been received through

Hungry for Success funding and although yet to be confirmed we expect funding to be in the region of £1.150 million per annum for the next three years.

Aberdeenshire Council's Scrutiny & Audit Committee in their report on the review of School Catering expressed the view that the School Meals Service has the potential to be the largest public health campaign in Aberdeenshire.

At the Council's Policy & Resources Committee of 16th September 2004, the commitment was given to revitalising and re-focusing the in-house catering service with a clear aim of providing quality school meals to improve children's diets and thereby improving public health.



2. KEY CURRENT ACTIVITIES AND BUSINESS LEVEL

The level of service is defined in the Service Level Agreement with Education & Recreation. At the end of the financial year 2004/05 the business level was as follows:–

	154 PRIMARY SCHOOLS	4 SPECIAL SCHOOLS	17 SECONDARY SCHOOLS
	School Roll of 20,051	School Roll of 260	School Roll of 15,975
Paid meals provided to pupils	1,622,522	22,191	1,019,085*
% uptake	43.74	46.1	34.48
Pupils entitled to free meals	1603	519	771
% of roll	7.99	22.69	4.82
Free meals to pupils	224,590	5250	83,766
% uptake of those entitled to free meals	75.73	48.01	58.72
Paid meals to staff	72,733	735	31,358
Free meals to staff	49,904	5,468	9,045

**Meal numbers are calculated by dividing cash income by the average daily meal allowance equivalent of £1.93*

Traditionally, the Council has one of the lowest entitlements to free school meals in Scotland with current levels at just under 8%. With an average meal uptake against the school roll of 45%, this means that around 85% of our current customers choose to pay for the school meals on offer.

In addition to the provision of a School Catering service, responsibility also rests with the Service for Catering at the Council's Headquarters at Woodhill House, Aberdeen. The staff cafeteria, Members restaurant and coffee bars operate with a current turnover of approximately £350,000 and these services are provided by 18 staff.

Around 70,000 meals are provided for the Housing and Social Work Service for "Meals on Wheels" and Day Care Centres. Volunteers deliver this service and meals are cooked in various school kitchens.

The productivity level in schools is measured by the number of meals served per labour hour and at 6.61 the Council compares favourably with other authorities with a similar rural composition, although comparison on a like-for-like basis is difficult because of differences in how Councils compile the data.

A new staffing model has been developed and, subject to agreement with the Trade Unions, will be implemented in the current year ending March 2006. This will allow an annual revision of hours to facilitate maximum efficiency and productivity.



3. ENVIRONMENT IN WHICH WE OPERATE

The major factors that affect the operation of the Catering Service are:-

Competition
Government and Council Policy
Other

3.1 Competition

External Factors

Home packed lunches brought into school
Lunches taken at home.
Local shops, fast-food outlets and mobile vans.

Internal Factors

School-operated vending machines and tuck shops
Other Education & Recreation operations involving food and drink, e.g. leisure and community centres, enterprise schemes, pupil-run snack bars, tuck shops.

3.2 Government and Council Policy

External

European Union Policies & Regulations, e.g. Procurement
Statutory Controls, e.g. Health and Safety, Food Safety, Employment Law
Government Policy, e.g. Free School Meals Policy, Hungry for Success

Internal

Service Level Agreements with the Education & Recreation and Social Work Services
Special needs of individual schools
Council's Financial Regulations and Scheme of Delegation
Promoting healthy lifestyles policy

3.3 Other

Peer Pressure

Children at all levels are influenced by what their friends think and the way they behave – it is **not** “cool” to eat vegetables, and then in Secondary schools, it **is** “cool” to go out of school at lunchtime.

School Ethos

The importance of food in the school day greatly influences the response from the pupils and their parents. Attitudes and behaviour of school management and teachers provide the lead for pupils and determine the extent of the whole-school approach.

Facilities

Many of our facilities are inadequate and inhibit the Service’s ability to deliver good quality meals efficiently. Queuing remains a major problem, particularly in secondary schools. Key to improving meal uptake and enhancing the dining experience will be the provision of modern brightly coloured dining rooms.

Pricing

The price of a two-course meal (currently £1.50) reflects income derived from customers and Council subsidy, and expenditure costs, such as food, labour and other overheads. Price increases in recent years have generally followed the prevailing level of inflation.

Advertising, Marketing and Promotion

For school meal uptake in Aberdeenshire to rise, then successful marketing and promotion of the products will be vital. However, the Service is also up against the giants such as Walkers Crisps, Coca Cola and the power of their advertising.

The recent publicity on school meals in England and Wales has reinforced negative perceptions of the quality of school meals throughout the UK and given insufficient recognition to the rise in standards in Scotland through the Hungry for Success initiative. Jamie Oliver and other critics may have performed a valuable service by reporting on poor meal quality in schools south of the border, but their negative views have unfortunately seen a decline in meal uptake in Scottish schools.

Parents and Pupils

Parent and pupil choice and perception of quality of school meals and attractiveness of the dining experience is crucial to attracting and improving customer levels. Regular surveys will continue to play an important part in the design and delivery of the service.

Weather

The weather plays a significant part in choosing what and where to eat, especially in secondary schools, with increases of 25% common on rainy days, and conversely significant downturn in dry warm weather.



4. RESOURCES

4.1 Management and Personnel

The organisational chart at appendix 1 shows the numbers and grades of staff employed in the Service plus the Whole Time Equivalent (WTE) value.

- The Catering Manager has overall day to day responsibility for the control and management of the Catering Service.
- Three Area Supervisors assist the Manager to carry out this function on an operational level. Each Supervisor has a pool of five relief staff to provide cover for absences or additional work. They also have a trainer who deals with the induction of new staff.
- Each kitchen has a Unit Supervisor who is responsible for the day-to-day provision of catering in schools under their control.
- The Operational Support Officer is responsible for purchasing and supplies and the introduction of new products.
- The Administrative Officer heads the team of clerical support who process payroll records, income data and payment of invoices.
- The Promotions Officer promotes and markets the service, runs special campaigns and trials new products and initiatives.
- A short-term Project Officer post funded from Hungry for Success has been established to drive forward recommendations of the Scrutiny and Audit report.
- The majority of staff are based in schools and are principally involved in the preparation, production and serving of meals.

Staff turnover is relatively low at 11%

Staff absence is low at 3.84% compared to a Scottish average of 5.04% (APSE figures)

Vacancies for lower graded posts are relatively easy to fill, but for cooks' posts, difficulties are experienced, especially in the rural parts of Deeside/Upper Donside.

The service is working with the Building Cleaning and Waste sections of Planning & Environmental Services to hold Recruitment Days across Aberdeenshire to increase the pool of relief labour.

4.2 Finance

The financial summary for the year 2004/05 is shown below: -

<u>Expenditure</u>	<u>£</u>
Site staff	4,266,864
Management/Admin	314,349
Overhead Costs	309,177
Transport (inc. Travel costs)	181,060
Supplies (equipment & cleaning)	305,656
Food	2,521,332
TOTAL	7,898,438

<u>Income</u>	<u>£</u>
Free School Meals	494,432
Meals for Supervisory Staff	111,451
Education & Recreation	1,532,000
Hungry for Success	407,176
Free Fruit (HFS)	132,000
Pupil Income	4,608,124
Social Work	170,570
Other (Woodhill House, Special Functions, etc)	464,090
TOTAL	7,919,843

The draft three year budget - 2006-2009 is attached as Appendix 3.

The Service also manages the repair, and replacement of catering equipment for each of the Council schools, and takes the lead in design and specification for refurbishment of existing facilities with the Council's Property Section.

The annual repair allocation is £45,000 and the annual Capital Allocation for this work is £75,000. Expenditure has exceeded these allocations over the past years, due to the age of the existing equipment and an increase of £30,000 has been requested for the capital allocation 2006.

5. PERFORMANCE & QUALITY STANDARDS

The Service is required to meet the budgeted financial targets as set out in the Council's budget for the year.

The quality standards are set out in the Service Level Agreement, which is subject to annual review. This review will evaluate the performance of the Service against the Indicators detailed in Appendix 5 of the Agreement.

The Service also monitors complaints from pupils and parents and comments from customer surveys.



6. STRATEGIC DEVELOPMENT

6.1 Service targets

The service has identified the following priorities and included targets where applicable.

1. Continue to develop the service in line with “Hungry for Success” requirements and make the best use of the funding available.
2. Continue to support the re-furbishment of the Council’s catering facilities ensuring that they are “fit for purpose” through the following programmes: -

PPP projects

Capital funding for dining room refurbishment and replacement of temporary buildings

Kitchen ventilation improvements

Target - to secure £400,000 of funding in 2006-07 and similar sums in 2007-2011 to improve service counters and refurbish dining rooms.

3. Sustain and review annually the “free fruit” scheme to P1/P2 pupils
4. Continue to work with Education & Recreation and others to eliminate stigma through the introduction of “Smartcard” schemes to Academies.

Target - to complete “pilot” study at Peterhead by March 2006

Target - to implement at Portlethen by May 2006

Target - to implement schemes in all Academies by September 2007

5. Progress the introduction of incentive schemes for the purposes of changing the eating behaviour of school pupils and improving uptake of healthy options.

Target - carry out pilots in three secondary schools of *Swapit* healthy options incentive scheme by March 2006.

Target - to pilot an incentive scheme in fifteen primary schools by 28th February 2006.

Target - evaluate the outcome of the pilots by May 2006. Prepare a programme to extend across all schools by June 2006 and roll out to all schools by August 2006.

6. Replace the SAVE management system with a better system for producing management and financial information.
Target - December 2006 subject to final recommendations from Corporate Working Group.
7. Review staffing levels annually through a model agreed with the trade unions.
Target - first review completed by August 2006. Annual review thereafter by 31st July each year.
8. Continue efforts to increase the customer numbers.
Target - increase the “number of customers” and “total income” each by 1% each year using 2004/05 as a baseline.
9. Introduce into Primary Schools, new tuck shops offering a range of healthier food and drink lines.
Target - introduce new tuck shops into 94 schools by March 2007 and all primary schools by March 2008.
10. Introduce a Service Level Agreement with Education & Recreation for the operation and control of all vending machines within schools.
Target - 31st August, 2006.
11. To have all soft drinks adhering to Scottish Executive guidance standards.
Target - 31st December, 2006.
12. Work with partners to expand breakfast club provision throughout Aberdeenshire primary schools.
Target - subject to partner agreement, an additional three clubs in each year up until 2011.
13. Conduct a programme of checks on quality, quantity and compositional standards on purchased produce.
Target - to create a programme by 31st August in each of the next five years that targets checks on produce which has to meet specific contract specifications or statutory standards.
14. Conduct an annual review of compositional standards and specifications of produce.
Target - complete review by 31st August in each of the next five years.

15. Conduct annual user surveys and evaluate feedback to drive service improvement.

Target - survey users at least twice per year over the next five years on the 'winter' and 'summer' menus and the quality of their dining room experience.

16. Benchmark the service through the APSE performance network on school catering and use their trend analysis of meal charges, meal uptake, productivity and key cost indicators to drive forward improvement.

Target - supply benchmarking information to APSE in each of the next five years and use the published information on the family group into which the Council fits to identify and implement service improvements.

6.2 The Marketing Plan

1. Use of incentive schemes and other mechanisms to promote:-
 - a) Increases in uptake in Primary/Special schools using a whole-school approach.
 - b) Meal uptake and healthy eating options.
 - c) Existing free fruit scheme and availability of seasonal products such as fruit and vegetables.
2. Frequent communication to parents through: -
 - a) Local media – press releases/food-based articles.
 - b) Local radio – interviews and discussion forums.
 - c) Television – invitations to media to cover special promotions and campaigns.
 - d) Invitations to parents to sample school meals.
3. Termly communication with all Head Teachers – to update on HFS activity.
4. Regular updating of “School Meals” pages on council’s website and the inclusion of features via the intranet (ARCADIA).
5. Termly revision of Primary/Special menus to promote special options and theme options.

6. Publishing product and price lists for secondary pupils, highlighting changes that have been made.
7. Publishing in autumn each year, an Annual Catering Report showing financial performance and other benchmarking measures plus news and features of both achievements and future plans.

6.3 Training and Development

All staff will receive on-site Induction as the first level of training.

For staff who have not been trained in basic Food Safety, arrangements will be made with the corporate training unit for them to attend the R.E.H.I.S Elementary (1 Day) Food Hygiene course within six months of appointment.

All cooking staff will attend a Foundation Course (1 Day) in Nutrition and this will take place on In-Service days through to November 2006.

Supervisory staff will attend the Council run R.E.H.I.S Intermediate (4 Day) Food Hygiene course.

Training in basic cookery will be developed for staff on an in-house basis.

The service is introducing the Council's Employee Development and Review Scheme (EDRS) for all frontline staff. This will enable all staff to have a review every three years and have a personal training plan.

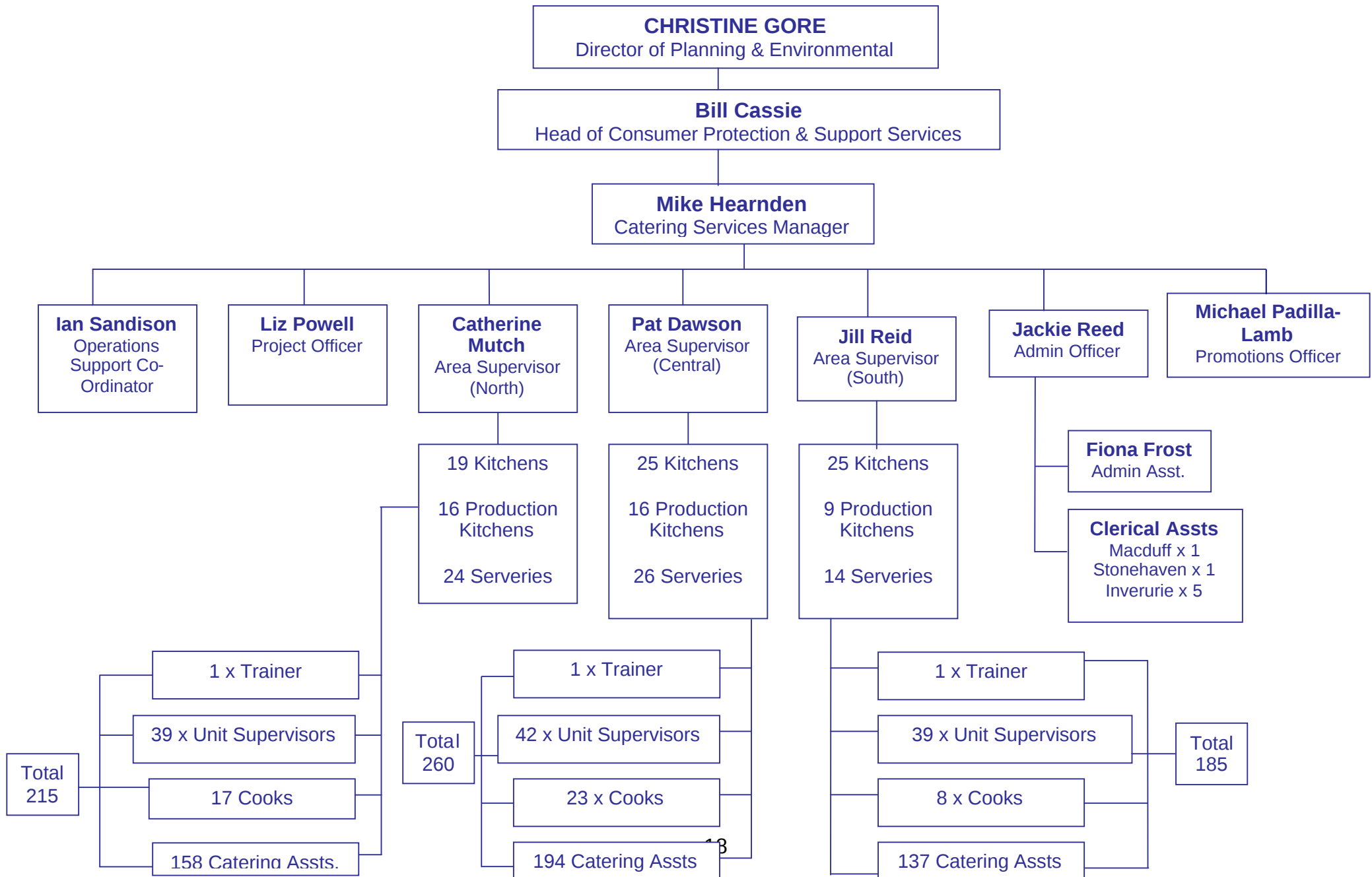
Further training developments include "manual handling" training using in-house trained "key handlers". This will commence in January 2006 and all staff will attend 2 hour basic modules relevant to their own service activity. All existing staff will be trained by December 2006. Thereafter, all new starts will receive manual handling training within six months of starting.

Another 2-hour module will be developed in-house, to deliver customer care/nutrition awareness and this will be delivered using area trainers. This programme will commence in February 2006 and will take ten months to deliver to all existing staff and new recruits will receive training within six months of appointment.

Work is currently ongoing with the Council's Training unit to prepare modules for Supervisory staff on management and personnel matters and relevant Council policies e.g. Work Performance, Absence, Diversity awareness.

The training plan/schedule is shown at Appendix 2.

APPENDIX 1 - PLANNING & ENVIRONMENTAL SERVICES - CATERING SECTION



APPENDIX 2 - TRAINING PLAN/SCHEDULE

Requirement	No of Staff Involved	No's Trained as at 1/11/05	Annual Training Needs	Method to Provide Training and by whom/ frequency/cost	Total Cost £	Funded From
REHIS, Food Hygiene, Elementary	640	530	50	Periodic courses arranged at £110 per head, via Corporate Training section	£5500 per annum	Catering Budget
Intermediate REHIS Food Hygiene	118	30	88 backlog 5 new	Approx 8 courses per annum at £180 per head, provided by PES with average 2 persons/course	£3860 per annum	Catering Budget
Basic Cookery C& G 706/1 or equivalent	140	120	6			Catering Budget
Nutrition (Foundation) REHIS (Equivalent)	118	19	94 backlog 10 new	Programme of 5 courses (20) at £55 per head on In-Service days through to November 2006	£5500	Hungry For Success
Nutrition Awareness 24 modules	500	0	500 backlog 45 new	Training programme still to be devised and delivered at £20 per head by in-house catering trainers	£10,000 £900 per ann.	Hungry for Success
EDRS	120	0	120 (2006) 10 new	2 hr after work by Corp.Training Section Cost – (2*7) per head + travel exp	£1680	Catering Budget
Supervisory						Catering Budget

APPENDIX 3 – THREE YEAR BUDGET

(To be finalised in Feb 2006)

CATERING

	ACTUAL	ORIGINAL BUDGET	REVISED BUDGET	FORECAST	BASE BUDGET	BASE BUDGET	BASE BUDGET
	2004/05	2005/06	2005/06	2005/06	2006/07	2007/08	2008/09
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff Costs							
Wages	3715	3854	3854	3865	4040	4161	4286
Misc Allowances	181	154	154	213	169	174	179
Superannuation	484	458	458	458	507	522	538
National Insurance	117	117	117	121	125	129	133
Overtime	4	2	2	2	2	2	2
Other Staff Costs	21	14	14	23	16	16	16
Hired Agency Staff	24	16	16	22	23	23	23
	4546	4615	4615	4704	4882	5027	5177
Administration Costs							
Other Admin	81	81	81	81	82	83	84
Insurance	13	13	13	13	15	15	15
Allocation of Consumer Protection	6	19	19	19	20	21	22
Allocation of Internal Admin & Mgmt	192	200	200	200	201	203	205
Allocation of Operational Buildings	10	14	14	14	14	14	14
	303	327	327	327	332	336	340
Transport Costs							
Internal Transport Costs	16	15	15	15	14	14	14
Delivery - Transport Charges	112	115	115	201	118	119	120
Travel & Subsistence	54	44	44	60	52	53	54
	182	174	174	276	184	186	188
Supplies & Services							
Purchase of Equipment - General	242	35	105	172	100	36	36
Protective Uniform	0	9	9	9	9	9	9
Purchase of Materials	63	53	53	53	54	55	56
Catering Provisions - General	2353	2414	2414	2562	2564	2641	2719
Provision of Free Fruit	132	94	94	74	0	0	0
Meals Bought In	36	34	34	34	35	35	35
	2827	2639	2709	2904	2762	2776	2855
Capital Financing Costs							
Interest on Stock Balances	3	4	4	4	4	4	4
Interest on Revenue Balances	-2	0	0	-5	0	0	0
Capital Charges	5	4	4	4	5	5	5
	6	8	8	3	9	9	9
Gross Expenditure	7864	7763	7833	8214	8169	8334	8596
Income							
Pupil/Student Meals - Cash Income	-4608	-4729	-4729	-4846	-4991	-5141	-5325
Free-Meals Pupil Secondary	-161	-178	-178	-161	-169	-174	-177
Free Meals Adult	-111	-135	-135	-111	-116	-120	-122
Free Meals Pupil Primary	-333	-370	-370	-370	-347	-360	-365
Subsidy All	-1532	-1686	-1686	-1809	-1847	-1885	-1913
Contract Income - Free Fruit	-132	-94	-94	-147	0	0	0
Meals on Wheels	-158	-136	-136	-136	-138	-140	-142
Luncheon Clubs	-13	-15	-15	-15	-15	-15	-15
Other Income/Rebates	-56	-64	-134	-134	-36	-37	-38
Milk Subsidy	-13	-15	-15	-15	-13	-13	-13
Woodhill House Catering Income	-302	-285	-285	-350	-361	-366	-371
Woodhill House Catering Subsidy	-93	-94	-94	-45	0	0	0
Contract Variations	-407	0	0	-106	-159	-161	-163
Total Income	-7920	-7801	-7871	-8245	-8192	-8412	-8644
Net Expenditure	-56	-38	-38	-31	-23	-78	-75