

<b>Cabinet</b>	 <b>TOWER HAMLETS</b>
27 February 2019	
<b>Report of:</b> Debbie Jones, Corporate Director Children's Services	<b>Classification:</b> Unrestricted
<b>Recommendations for the future delivery of Contract Services – resolving the deficit position</b>	

<b>Lead Member</b>	Councillor Candida Ronald, Lead Member for Resources and the Voluntary Sector
<b>Originating Officer(s)</b>	Ronke Martins-Taylor, Divisional Director Youth and Commissioning
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Forward Plan Notice Published</b>	Yes
<b>Reason for Key Decision</b>	Financial Threshold - reduce service budget deficit
<b>Strategic Plan Priority / Outcome</b>	A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.

## Executive Summary

**1.1** In 2017/18 Contract Services provided an average of 27,000 meals a day to pupils in Tower Hamlets. In primary schools where all meals are free the average take up is one of the highest in the country exceeding 90%. Few local authorities achieve this level of take up. The Primary School meal service also has the Soil Association's Gold Food for Life Award which is the highest accolade in its accreditation scheme and provides an independent endorsement that Tower Hamlets pupils are receiving healthy and freshly cooked meals. It is service that the council is rightly proud of and this report makes recommendations for the future development of the Primary School meals service to ensure it continues to provide a high quality meals/customer service, is commercially viable and sustainable.

1.1.2 However, since 2014/2015 Contract Services has had a history of service issues which have resulted in the Service having financial pressures arising from underpricing coupled with high overheads; an inefficient Service structure; and a lack of consistent leadership to drive forward improvements. As a result, the Service is predicting a 2018/19 year end deficit of £1.4 million. Officers are required to ensure that all Services deliver in line with their operating budgets and this report, which is presented in 3 parts, proposes a number of key recommendations and options that are intended to bring the Service to a break-even position in future years:

### **1.2 PART 1 – Building a more commercially viable and sustainable Primary School meals service**

1.2.1 There is a need to ensure that action is taken to encourage Primary Schools to retain Contract Services as their preferred school meals provider as this area of work generates a profit for the Service. The proposed business model set out in the recommendations, below, are intended to ensure that in future Contract Services is able to maintain maximum economies of scale by having sufficient numbers of schools in contract. The business

model also seeks to retain future service viability and quality in service delivery. Therefore, the following recommendations are proposed:

**Recommendation 1:** Invest and introduce new commercial strategies, similar to Birmingham's City Council's "City Serve", to Contract Services Primary School's school meals catering contracts (Proposed investment over 3 years to still be costed).

**Recommendation 2:** Introduce changes to the Primary Schools' school meals Service Level Agreements to reflect new charges for:  
a) heavy kitchen equipment renewal (Capital Assets);  
b) kitchen equipment repair and maintenance;  
(Potential annual income - **£139,200**).

**Recommendation 3:** Moving the Service to holding the Food for Life SOIL Association "Silver" standard for Primary School meals rather than the "Gold" standard currently held (potential cost reduction- **£342,075**).

**Recommendation 4:** A full restructure of Contract Catering Services would be required to reflect the changing needs of the service and to meet the demands of a newly rebranded Primary Schools meals service. (The cost of restructure cannot be quantified at this stage).

### 1.3 PART 2 – Resolving the deficit position

1.3.1 The financial pressures associated with both Secondary School catering and Cleaning contracts is such that action must be taken to robustly address the potential for future deficit positions. Alternative options have been considered and are set out in the report but both areas of work continue to be significant loss leaders for the Service. Therefore, the following action is recommended:

**Recommendation 5:** Consult with Secondary schools on a variety of alternative options for service delivery.

**Recommendation 6:** Consult with Schools on alternative options for cleaning services provision.

**Recommendation 7:** In light of the outcome of the consultations in recommendations 5 and 6, implement a full restructure of Contract Services to reflect the changes to both Secondary School catering and cleaning contracts, following consultation with Mayor and Lead member.

### 1.4 PART 3 – Future work: Analysis of Adult Welfare Meals provision; and analysis of Education transported meals provision

1.4.1 The operating costs of running the CPU (Central Production Unit) for the delivery of Welfare Meals and for the daily production and Education transport of Primary/nursery meals is very costly. Further work is required collectively by Adult and Contract Services to assess alternative delivery options and the future operation/function of the CPU. The following recommendation is proposed:

**Recommendation 8:** In partnership with Adult Services undertake further work collectively to assess alternative delivery options and the future operation/function of the CPU. The findings of this work will be the subject of a future report to Cabinet.

1.4.2 The proposed recommendations made in Parts 1, 2 and 3 of this report have the potential to enable Contract Services to deliver a break even budget position in future years.

1.4.3 In summary the total Contract Services potential cost reduction arising from the implementation of these recommendations is projected to be **£1,679,954**.

1.4.4 The implementation of the proposed recommendations for Contract Services will be a substantial piece of work; however, a draft outline timetable for Parts 1, 2 and 3 and for the work that needs to be completed is presented. The intention is that if approved these recommendations will be implemented during 2019/20.

## **Recommendations**

The Mayor in Cabinet is recommended to:

- Support the investment requirements associated with **Recommendation 1** which is intended to improve customer relationships with schools and to retain sufficient numbers of them buying school catering services in order to maximise economies of scale;
- Accept the recommendations set out in this report in order to ensure that Contract Services achieves a balanced budget position in future;
- To note the content of the full Equalities Impact Assessment on Contact Services.

## **2. REASONS FOR THE DECISIONS**

If the proposed recommendations set out in this report are not approved for implementation then the 2018/19 budget deficit for Contract Services, which is projected to be £1.4 million, will continue to increase and be replicated in future years.

The council is obliged as a best value authority under Section 3 of the Local Government Act (1999) to “make arrangement to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness”.

### **2.1 ALTERNATIVE OPTIONS**

‘Do nothing’: This option is not recommended as it would result in the Service continuing to have annual budget deficits. The 2018/19 budget deficit for Contract

Services is projected to be £1.4 million. Officers are mindful, in making the proposed recommendations, that the council is obliged, as a best value authority, under Section 3 of the Local Government Act (1999) to “make arrangement to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness”.

The option to ‘do nothing’ is not recommended.

### 3. DETAILS OF THE REPORT

#### 3.1 The Service Context

Contract Service provides traded delivery within Tower Hamlets Children’s Services Directorate of the following:

**Catering services** are provided in:

- 62 Primary Schools
- 7 Secondary Schools
- Special Schools
- 11 Early Years Centres and pupil referral units
- 160 daily welfare meals are provided to adults on behalf of clients in Tower Hamlets. In addition 30 meals a day are delivered to 3 day Centres, 16 are provided to adults in Hackney and 10 meals are provided to Appian Court - Age Concern. (Total - 216 delivered meals).
- 1800 transported meals are delivered daily to 19 Primary, Special, and Early Years Centres.

3.1.1 Currently, 21 schools in the borough are not using the council’s catering services and are either managing their services in-house or have employed a catering contractor.

**Hospitality Catering Services** are provided at the Professional Development Centre Café and the Mulberry Town Hall Café.

**Cleaning services** are provided in 28 schools (27 from April 2019). Other schools either manage their own cleaning services or use external cleaning contractors.

**Staffing:** Contract services employs more than 600 staff by head count. The Service employees are some of the lowest paid workers in the council who undertake essential catering and cleaning functions. The number of staff employed in Cleaning services, Secondary Schools, Welfare Services and the CPU for transported meals is detailed in **Appendix 1**.

3.1.2 Contract Services has had a long history of Service issues including financial pressures dating back to 2014/15. This has resulted in the Service having financial pressures arising from an inefficient working structure, chronic underpricing, high overheads, and a lack of consistent leadership to drive forward improvements. The Service is predicting a 2018/19 year end deficit of £1.4 million.

## **3.2 PART 1 – Building a more commercially viable and sustainable Primary School meals service**

3.2.1 **PART 1** of this report includes recommendations that are intended to secure the future viability of the Primary School meals service and persuade Primary Schools not to opt out of having Contract Services as their provider of school meals.

3.2.2 In September 2018, a visit was undertaken to Birmingham City Council's "City Serve", which is a multi-award winning local authority schools' catering provider. They provide all aspects of catering management and support services for an in-house school meals service. They offer tailor made support to schools and have created a package of competitively priced services that suits the budget and ethos of each school.

3.2.3 "City Serve" has been transformed from a deficit position in 2014 to a £2.5 million surplus in 2018. However, it is acknowledged that they operate at significant scale through delivery of meals to 258 schools in Birmingham and the West Midlands. Despite this there are key lessons that Contract Services can learn from the approach to delivery including the following which are most applicable to Contract Catering Services operations:

- Amendment to Service Level Agreements to introduce full cost recovery;
- Introduced a package of varied costed menus for schools to select from but which reflect SOIL Association standards;
- Rebranded and marketed the service incorporating private sector style modelling including a separate website and increased social media engagement;
- Invested an additional £2m over 4 years to bring the service up to catering industry sector standards;
- Restructured the staff/management team;
- Reinvested in staff training;
- Introduced a Development Chef Team to support menu development, raise culinary/presentation standards across the catering team and to increase pupil engagement/education in cooking skills and healthy eating.

3.2.4 Contract Catering Services already delivers a high quality meal service with an excellent take-up exceeding **90%** in most primary schools, this compares with the UK average of **61%** (*APSE Education Catering 2016-17, Issue 1*) and due to this established high take up there is a very strong and positive school meals culture in Tower Hamlets. With this in mind the following recommendation is proposed:

3.2.5 **RECOMMENDATION 1:** Introduce relevant commercial strategies of the Birmingham's City Serve concept to Contract Services catering contracts.

3.2.6 This has the potential to be highly successful given that the existing meal contract provision in Primary Schools is already profitable. Further investment in development could attract new business; deter existing schools from leaving; and encourage schools/early year's centres that have opted out to return (a scenario already experienced in Birmingham).

3.2.7 Should this recommendation not be supported then there is a risk that more schools/early years settings will opt out of Contract Services providing school meals; economies of scales will reduce efficiencies and increased labour and food costs will erode the profit position of Primary School provision.

3.2.8 In 2017/18 Primary Schools made a profit of £334,106. In particular, larger primary schools make a healthy profit which helps to offset smaller less profitable schools. However, it is essential that Contract Services retain significant numbers of schools in order to achieve economies of scale in all aspects of the business.

3.2.9 The optimal approach to encouraging schools to stay in contract with Contract Services would be to maintain the current meal price at £2.30. Exceeding this price presents risks in terms of increasing numbers of schools opting out of contract in order to achieve cheaper catering provision elsewhere.

3.2.10 As Academies and Trusts look to get back a financial return from their catering service they are opting out of their catering being delivered by Contract Services.

3.2.11 Recently, four Primary Schools have left Contract Catering Services in favor of Principals, an independent school catering company that provides a school meal for £2.10.

3.2.12 As a result, it is proposed to maintain the Primary school meal price in Tower Hamlets at £2.30 for 2019-2020 to encourage schools to retain Contract Services as their preferred school meals provider.

3.2.13 In order to offset further costs and overhead charges in the Primary sector it is further proposed that there is a comprehensive revision of Service Level Agreements that would result in the following recommendations:

3.2.14 **RECOMMENDATION 2:** introduce new Service Level Agreement charges in all Primary schools. This will include an annual charge for:

- a) **New heavy equipment purchase:** This includes items such as ovens, fridges, freezers, services counters, sinks, tabling and dishwashers (Capital Assets)
- b) **New kitchen equipment repair and maintenance** including/Gas & PAT testing and ventilation and extraction cleaning (canopy & filters, not deep ductwork)

3.2.15 Contract Services would provide an all-inclusive service which would procure best value and recognised quality new equipment suitable for commercial kitchens. They would continue to manage repairs and maintenance in a timely manner that does not impact on service delivery. The service would also include an annual review of expenditure and collation of compliant Gas & PAT testing certificates for schools facilities and Health & Safety records.

3.2.16 Contract Service would continue to purchase and replenish where needed all light equipment for school dining halls and kitchens. This includes items such as trolleys, Slicers, blenders, pots, pans, cutlery, utensils, plates and trays.

3.2.17 Charging for heavy equipment would be in line with the industry sector practice and the council would no longer be funding school kitchen assets which are the property of the school not the council. It is recommended that a £2,400 annual fee is charged to primary schools with full production kitchens and this would be invoiced for £218 over 11 months (August excluded).

3.2.18 Under this recommendation Contract services would generate £139,200 for 58 Primary schools in contract and this would cover some of the expenditure contributing to the deficit position.

3.2.19 The SLA annual charge for equipment and maintenance would be more acceptable to schools rather than a blanket increase in meal prices which may be seen as uncompetitive when compared with the wider open market provision. Increasing meals prices would negatively impact schools with higher meal numbers and this may be viewed as an unfair cost.

### **3.3 Soil Association Food for Life Award Appraisal**

3.3.1 Contract Service currently holds the highest SOIL Association Food for Life Award which is GOLD. “Food for Life Served Here” Award is an independent award scheme that means caterers can guarantee that menus meet certain standards. Menus include meals cooked from scratch, using sustainable fish, free range eggs and ingredients that can be traced back to the farm. To achieve at a higher award level, caterers must also be taking steps to make healthy eating easier for customers. Caterers are encouraged to use locally sourced and ethical ingredients, to support the local economy and protect the environment for the future. The standards caterers have to meet are created with public health and the UN’s Sustainable Development Goals in mind.

3.3.2 Achieving the Gold award is very expensive. The key cost associated with the Gold award arises from the procurement of organic food therefore the following is recommended:

3.3.3 **RECOMMENDATION 3:** Moving the Service to holding the Food for Life SOIL Association “Silver” standard for Primary School meals rather than the “Gold” standard currently held:

Initial calculations show that £0.08 per meal could be saved in food costs with this shift as the Silver award relies on the use of Farm Assured food products. The main cost reduction would be in the purchase of organic produce which currently has to be 15% of total food expenditure. **Appendix 2** highlights the benefits of Organic food.

3.3.4 Approximate savings of **£342,075** could be achieved by moving Contract Services from the SOIL Association Food for Life Gold Award to the Silver Award. This is based on £0.08 per meal for 4,275,937 meals served in 2017/18.

3.3.5 Silver Food for Life Award is still a worthy accreditation achieving high standards of quality and freshness for school meals. 5% of food purchased still has to be organic and the criteria for achieving the Silver standard is the same but fewer points are required. **Appendix 3** gives details on the Silver Food for Life award.

3.3.6 **RECOMMENDATION 4:** A full restructure of Contract Services would be required to reflect the changing needs of the service and to meet the demands of a newly rebranded Primary Schools meals service.

## **PART 2 – Resolving the deficit position**

**3.4 PART 2** of this report sets out recommendations that are intended to reduce the Service deficit. The financial pressures/deficit positions associated with both Secondary School Catering provision and management of School Cleaning contracts is such that robust action must be taken to address the situation.

### **3.4.1 Catering Provision in Secondary Schools**

From October 2018 Contract Services will have Service Level Agreements (SLAs) in place with only seven Secondary Schools as set out in the table below:

Secondary Schools	2017/18 deficit position
Bow School	£29,570,
Central Foundation Girls' School	£208,933
Morpeth School	£93,420
Raine's Foundation School	£62,302
Stepney Green Maths, Computing and Science College (Academy)	£145,820
St Paul's Way Trust School (Academy)	£51,187
Ian Mikardo High School (Academy)	£7,100
<b>Total Deficit</b>	<b>£598,332</b>

3.4.2 In 2017/18 Contract Services delivered school meals in 11 Secondary Schools. Contract Services had a year-end deficit in 2017/18 of £1,803,066. The 11 Secondary Schools accounted for 54.9% (£990,378) of the total deficit position for Contract Services 2017/18. Four Secondary Schools have since withdrawn from the contract and the remaining 7 Secondary Schools are still loss making. In 2017/18 the 7 Secondary Schools accounted for 33% (£598,332) of that year's deficit as detailed in the table above.

3.4.3 The Academy schools receive funding directly from the government and it should no longer be the responsibility of Tower Hamlets LA to subsidise services/overspends for these schools.

#### 3.4.4 Secondary Schools Appraisal

3.4.5 A large proportion of this deficit is attributed to overstaffing and long term hourly contracts that are no longer suited to the needs of the service. A staff restructure would partially address this problem but would not address the other key issue which is to increase turnover. The take up of school meals by pupils in these schools is approximately 35% which is very low when compared with the industry average of 55% (*APSE Education Catering 2016-17, Issue 1*). In order to attract pupils to use the school catering service, a more commercially attractive and varied food offer is required. Currently, the menu offered, whilst healthy and nutritious, lacks variety and the traditional two course meal is not what young adults want on a daily basis. An example of a modern secondary school menu is detailed in **Appendix 4** and is more typical of the offer provided by Private Sector catering contractors.

3.4.6 In order to increase turnover in Secondary Schools and reduce the deficit, further investment would be required as follows;

- Investment in new marketing and rebranding of the service
- Employment of a development/training Chef to support menu development
- Investment in staff training to raise culinary skills and standards



- Employment of an experienced Secondary School Commercial Operations Manager
- Purchase of new servery counter displays and cooking equipment
- Transitioning to individual Profit & Loss cost plus contract accounting system - enabling schools to benefit from a profit share but also be responsible for a deficit outturn

3.4.7 In addition to the above a restructure of Secondary School catering staff would be required with its associated costs.

3.4.8 In general Secondary Schools want an independent approach to their school catering provision and for this reason most have moved away from local authority group contract arrangements as they are restrictive and can lack the innovation and investment required to deliver profitable and differentiated services. In Surrey for example, there are 52 Secondary schools and only 2 remain with the local authority. Over 25 have switched contracts in the last 12 years. External school caterers are able to invest in marketing, can engage in profit sharing with schools; and can employ specialists to develop their offer.

3.4.9 The financial pressure associated with Secondary Schools is such that action must be taken to robustly address the full deficit position as soon as possible. The above alternative options have been considered but, with only seven Secondary schools currently receiving Contract Catering Services, the investment required could outweigh the possible return. Given that Secondary Schools continue to be a significant loss leader for Contract Services the following action is recommended:

**3.4.10 RECOMMENDATION 5** - Consult with Secondary schools on a variety of alternative options for service delivery. The losses in Secondary Schools are such that it is no longer viable to provide the Service under the current delivery model. Other approaches by Contract Services to recover the deficit position would involve introducing significant investment in order to bring innovation and refresh the Secondary School food offer and would necessitate a major staff restructure. However, there is no guarantee that such investment or restructure would yield the intended results and reduce the deficit.

3.4.11 It is therefore proposed to consult with schools on a variety of alternative options for service delivery available to them. Any decision made by Secondary Schools would need to be undertaken in full consultation with the relevant Secondary Head Teachers. The process involved will be as follows:

- Undertake a full consultation with each of the seven relevant Secondary Schools so that they fully understand the deficit position and to engage them with the recommended approaches that might best suit them as follows:
  - A combination of the school managing their catering provision in-house with Contract Services providing external professional management support via an annual SLA Agreement. This arrangement is currently successfully provided to Swanlea Secondary School.
  - Schools managing the catering provision in-house (self-management of catering operations and employees would transfer to school's payroll);

- Tendering or outsourcing school meal catering to external providers and for employees TUPE will apply. It is recommended that to ease the transition the council should support schools by offering to procure a specialist catering Consultant(s) to manage a group tender process. Schools would work collectively on a group specification which would be led by a catering specialist. Schools will have ownership of the contract and service delivery requirements.
- Contract Services will continue to manage School Catering provision under the current SLA Agreement 2019/20 until full transition to new contracts are completed. As with Primary school provision schools will be invoiced for £2,400 charged at £218 per month (August excluded) for the following:
  - New heavy equipment purchase:** This includes items such as ovens, fridges, freezers, services counters, sinks, tabling and dishwashers (Capital Assets)
  - New kitchen equipment repair and maintenance** including/Gas & PAT testing and ventilation and extraction cleaning (canopy & filters, not deep ductwork)

3.4.12 In order to support the delivery of **Recommendation 5** Contract Services, Central Procurement and Human Resources would need to offer professional support to schools to enable them to transition to their preferred option. However each department may need to charge for this additional work via SLA agreements and these costs would need to be covered.

### 3.5 Cleaning Services Provision

3.5.1 The number of schools buying Contract cleaning services has reduced from 40 to 28 (27 from April 2019) as schools seek to find cheaper alternatives. This equates to a **30%** drop in the last two years. Most schools in the borough either manage their own cleaning services or use external cleaning contractors.

#### 3.5.2 Cleaning Services Appraisal

3.5.3 Due to the loss of school cleaning contracts the economies of scale associated with cleaning services has now significantly diminished. This service is also hampered by high staffing and on-costs which accounts for over **90%** of the total running costs of cleaning services. When compared with the external catering sector, the local authority is at a disadvantage as there is hardly any leeway to make this service more profitable or efficient. In addition to this, management costs have not increased annually to reflect the true cost of delivery.

3.5.4 Contract cleaning services had an over spend of £139,726 in 2017/18 and for 2018/2019 the deficit is profiled to be £296,005. This rise is due mainly to the increased cost of labour following the two year GLPC 2018/20 pay increase above the living wage allowance for salaries in London. This has amounting to an additional 9.77% in 2018 and a further 6.15% rise in 2019.

3.5.5 In order to offset the current deficit an average increase in the annual management fees of £11,000 per school would need to be levied from April 2019. A substantial increase in the management fee would be rejected by schools and make the service uncompetitive

when compared with the external contract cleaning companies therefore, the following is proposed:

### 3.5.6 **RECOMMENDATION 6** - Consult with Schools on alternative options for cleaning service provision:

The losses in Contract Cleaning are such that it is no longer viable to provide the Service under the current delivery model. The high overheads mean that there is limited ability to make efficiencies in the service. It is therefore proposed to consult with schools on a variety of alternative more economical options for service delivery available to them. The process involved will be as follows:

- Full consultation with schools on the alternatives to delivering cleaning services under the current model;
- Further consultation on options available to schools which will include the following:
  - Schools management of cleaning provision in-house (self-management of cleaning operations and employees will transfer to school's payroll – this model will eliminate the management fee charged by Contract Services and has already been adopted in a number of schools);
  - Tender or outsourcing to external cleaning providers (employees will be subject to TUPE). It is recommended that to ease the transition the council should support schools by offering to procure specialist Cleaning Consultant(s) to manage a group tender process which would potentially result in a more economically favourable contract.
  - Contract Services will continue to manage the cleaning contract under the current SLA until full transition to new contracts is completed; the SLA 2019/20 charges will rise in April 2019 to reflect the increase in staff salaries agreed by the GLPC 2 year pay deal 2018-2020. This will represent an increase of between £5000 - £10,000 per year for school cleaning SLA charges.

**3.5.7 RECOMMENDATION 7:** In light of the outcome of the consultations in recommendations 5 and 6, implement a full restructure of Contract Services to reflect the changes to both Secondary School catering and cleaning contracts, following consultation with the Mayor and Lead member.

3.5.8 In order to support the delivery of **Recommendations 5 and 6** Contract Services, Central Procurement and Human Resources would offer full support to schools to enable them to transition to their preferred option. The transition period will take a minimum of 6-9 months and therefore a reduction in the deficit will not be realized until the latter part of the year.

### **3.6 PART 3** – Future work: Analysis of Adult Welfare Meals provision; and analysis of Education transported meals provision

3.6.1 The operating costs of running the CPU for the delivery of Welfare Meals and for the daily production and transport of Education Primary/Early Years settings' meals are very costly. Further work is required collectively by Adults and Contract Services to assess alternative delivery options and to determine the future operation/function of the CPU. The following appraisal has been undertaken so far.

### 3.6.2 Adult Welfare Meal Provision Appraisal

3.6.3 In Tower Hamlets 160 daily meals are served to adults including 30 meals a day to 3 day centres; and in Hackney 16 daily meals are served to adults. In addition 10 meals are provided to Appian Court - Age Concern (Total - 216 delivered meals).

3.6.4 Adult Welfare Meal provision is very costly; demand for meals is declining and numbers are 15% down in 2018 compared with 2017 with only 160 meals on wheels a day being served on average. The key reasons for the decline are as follows:

- Demographic profile changes in the borough and an increase in Asian families who are culturally less likely to access such services preferring to use family support networks rather than welfare services
- Declining Jewish community in the borough who regularly made use of the service
- Fewer referrals from hospitals and Adult Social Care
- Criteria for eligibility has become more stringent
- Personalised budgets allow clients to seek alternative suppliers or arrangements

3.6.5 The Adult service budget for the payment to Contract Services for the provision of adult welfare meal provision is £543,000 in 2018/19. It should be noted that the Adult's service currently charge a flat rate of £2.60 per meal to service users, which is budgeted to generate income of approximately £130,000 in 2018/19. This results in Adult services providing a subsidy for the provision of welfare meals of £413,000.

3.6.6 Following a meeting with Adult Services it was agreed that the current expenditure on Welfare Meals is unsustainable given that the cost of an average Welfare meal is now **£11.45**. A project has been commissioned by Adult services to undertake a review of the Welfare Meals service. This review will investigate multiple options of service provision and make recommendations on a more effective delivery model. The review is expected to be completed in March 2019 and will include potential impacts of any change on the existing service users.

3.6.7 The desk top review has progressed forward and will form a key part of the future service appraisal. There is now a better understanding of the service users and the current the review is being undertaken corporately to ensure that it will include key stakeholders and will guarantee that the options take into account any wider influences or national trends. **Appendix 5** provides an overview of meals on wheels data and customer profiles. The initial review has found that 65% of service users have meals as part of a wider care package provision and creates scope for a more joined up approach.

### 3.7 CPU and Education transported School Meals Appraisal

3.7.1 1800 transported meals are delivered daily to 19 Primary, Special and Early Years Centres from the Toby Lane Catering Production Unit (CPU) centre.

3.7.2 The fixed and variable operational costs of running the CPU and transporting meals is costly. The cost of transporting meals to primary schools/Early Years settings and day centres in 2017/18 was £182,408 (Vehicles £45,840 and Staff £136,568). The cost of transport is absorbed by Contract Services and schools/Early Years settings receive meals at the same price as schools with full production kitchen overheads.

3.7.3 Consideration has been given to charging a transport recharge to schools. However, a fixed annual charge would be proportionally very high particularly to Early Years settings which have low meal numbers. Charging on a per meal basis would be fairer but equally would be a cost that these schools could choose not to have and opt out of the meals service entirely. Therefore introducing a charge would need to be weighed against any loss in contracts and meal take up thereby reducing economies of scale and further increasing the proportional costs of transported meals.

3.7.4 An alternative model of delivery and used by most local authorities who do not have CPU centres is for Primary Schools with kitchens to service those without. A taxi service contract would be required and further analysis undertaken to assess which schools could viably accommodate the production of additional meals (most schools are however at production capacity as meals numbers are very high in Tower Hamlets). If there are kitchens that could accommodate extra capacity, additional equipment would need to be purchased and staffing resourced.

3.7.5 It is recommended that a review of Education transported meals is considered together with the options and decisions made for the future of Welfare Meals. Should Welfare meals discontinue then 50% of the CPU would be redundant and consideration should be given to the long term future viability of the CPU due to overall running costs and the on-going deficit position.

3.7.6 **RECOMMENDATION 8:** In partnership with Adult Services undertake further work collectively to assess alternative delivery options and the future operation/function of the CPU. The findings of this work will be the subject of a future report to Cabinet.

3.7.7 Work will be undertaken with Adult Services in Tower Hamlets to look at alternative delivery options for both welfare meals and day centre provision. In addition to this consultation will be undertaken with the London Borough of Hackney's Adults Services so that they are fully engaged in any proposed changes to service delivery. The outcome of the consultation with Adult Services will be reported back to via a full report which will set out preferred options.

3.7.8 Work will be undertaken to look at alternative delivery options for Education transported meal provision in order to reduce the deficit. Further analysis of potential fixed and ongoing costs relating to Primary Schools providing transported meals will be analysed and reported back to via a full report setting out preferred options.

### **3.8 Conclusion**

3.8.1 The Recommendations set out in this report would all have an impact on Contract Services staffing structure should they proceed. Any Early Retirement/Voluntary Redundancy (ER/VR) costs arising from the recommendations would need to be costed as part of the council's Medium Term Financial Strategy.

3.8.2 The implementation of these recommendations for Contract Services would be a substantial piece of work; however, a draft outline timetable for the work that needs to be completed is presented as **Appendix 6**. The outline timetable is set out in months however; some of the actions can be undertaken simultaneously.

3.8.3 The overall timeline for the implementation of these recommendations is a minimum 6-9 month period from the point of approval being received.

3.8.4 It should be noted that any potential savings arising from the recommendations listed in this report would, in the first instance, be offset by the increase in 2018 and 2019 salaries across the Service. In addition, the recommendations do not take into account any additional costs that might accrue in order to support the transition of schools that are having a recommended change of service delivery (i.e. changes to secondary school meal provision or cleaning services); or the costs associated with the review of Welfare Meals that will need to be undertaken by Adult Services and Contract Services. There would also be redundancy/restructuring costs associated with some of these recommendations that will need to be costed. None-the-less, these recommendations do provide the council with opportunities to consider a deficit reduction strategy for Contract Services.

3.8.5 A summary of potential savings to Contracts Services are arising from the recommendations are set out in the table set out on the next page:

<b>Summary of estimated cost reductions delivered through the implementation of recommendations</b>		
<b>Recommendations</b>	<b>Potential cost reduction based on 2017/18 final overspend amount</b>	<b>Assumptions</b>
<b><u>PART 1 – Building a more commercially viable and sustainable Primary School meals service</u></b>		
<b>Recommendation 1:</b> Introduce relevant commercial strategies of the Birmingham's City Serve concept to Contract Services Primary/Nursery School catering contracts.	<i>To be costed</i>	<i>(Estimated investment phased over 3 years not included in the saving figure)</i>
<b>Recommendation 2:</b> Primary Schools Service Level Agreement annual charge for new heavy equipment and kitchen repairs and maintenance	<b>£139,200</b>	<b>Potential annual SLA Income to offset costs</b>
<b>Recommendation 3:</b> Food For Life SOIL Association Standard (Silver) for Primary Meals	<b>£342,075</b>	<b>Based on 8p per primary meal served in 2017/18 (4,275,937)</b>
<b><u>PART 2 – Resolving the deficit position</u></b>		
<b>Recommendation 5:</b> Consult with Secondary schools on a variety of alternative options for service delivery	<b>£598,332</b>	<b>The full cost was £990,378 but 4 schools have left the contract and this will be the outstanding deficit</b>
<b>Recommendation 6:</b> Consult with Schools on alternative options for cleaning services	<b>£296,005</b>	<b>Based on Nov 2018 Projections</b>
<b><u>PART 3 – Future analysis of Welfare Services and transported School and Lunch Club meals that requires further work to develop viable alternative options</u></b>		
<b>Recommendation 8:</b> Consider options for Welfare Meals & day Centre provision and alternative Education transported meal provision	<b>£121,934 (Welfare)</b> <b>£182,408 (Education)</b>	<b>Based on Nov 2018 projections but does not include additional £413,000 subsidy from Adult Services</b> <b>2017/18 Education transport cost/saving only. Additional savings would be made if the CPU were to close</b>
<b>Recommendation 4, 7, &amp; 8:</b> A full restructure of Contract Services will be required to reflect the decisions made in the report	<i>N/A</i>	<i>A restructure cost has not been quantified at this stage</i>
<b>Total Contract Services potential savings</b> (Excludes Recommendation 1 potential investment)	<b>£1,679,954</b>	<b>Excludes £413,000 subsidy from Adult Services</b>

If these recommendations are accepted then it would be possible, for the first time, for Contract Services to achieve substantial savings which would make significant inroads to resolving the Service's deficit and ensure that the future viability of the school meal catering offer.

## **4 EQUALITIES IMPLICATIONS**

### **4.1 Recommendations 5 and 6;**

4.1.1 The recommendations made in this report for the changes for school cleaning services and secondary school catering provision will not impact on staff employment based in schools. If, upon consultation, schools choose to buy in to an external provider, staff would be transferred under TUPE to the commissioned provider. If schools choose to take the services in house, contract services staff would have a transfer of management. Either way, no job losses are envisaged.

4.1.2 As a result of performing the equalities analysis, the recommendations made in this report for the proposed changes to cleaning services and secondary school catering provision do not appear to have any adverse effects on people who share Protected Characteristics and no further actions are recommended at this stage.

### **4.1.3 Recommendation 8;**

With regards to the future of Welfare Meal provision and Education transported meals from the CPU, a full equalities impact report including the impact on employees will be completed as part of the review of service users and options appraisal.

## **5. OTHER STATUTORY IMPLICATIONS**

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.

### **5.1.1 Best Value Implications**

The council is obliged as a best value authority under Section 3 of the Local Government Act (1999) to "make arrangements to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness". MAB are requested to accept the recommendations set out in this report in order to ensure that Contract Services achieves a balanced budget position in future and also achieves greater efficiency and effectiveness.



## 5.1.2 Consultations

Schools who currently have both contracted cleaning and catering services are aware of this report regarding the future of Contract Services and that changes are possible. Should the proposals in this report be agreed regarding changes to Secondary school catering and cleaning contracts, a series of group and individual meetings will take place with the affected schools so that they are fully engaged on future options available to them. The council will provide full support during this transition phase, the aim being to ultimately preserve the strong relationships with our schools.

## 6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 Contract Services has a net budget of nil i.e. gross expenditure budgets of £16.842m and an income budget of £16.842m. An annual overspend of £1.4m is being reported based on Period 8 budget management report.

6.2 The cost of introducing relevant commercial strategies similar to Birmingham Council's (Recommendation 1) is yet to be quantified.

6.3 Recommendation 2 projects potential income of £139K by charging primary schools for heavy kitchen equipment and repairs but further analysis needs to be undertaken to understand the unintended consequences of implementing this policy.

6.4 Recommendation 3 (Moving to the Food for Life SOIL Association Standard –Silver) appears to be a feasible option and if appropriately implemented, will achieve cost reductions of £342K.

6.5 The projected cost reductions of £598K and £296K if Recommendations 5 & 6 are implemented are based on the reported overspend on the respective services in 2017/18. The cost reduction to be achieved by implementing both recommendations may be lower if the impact of the salary increases arising from the GLPC salary review is factored in.

6.6 The £122K and £182K potential cost reduction reported against Recommendations 8 will be revised following the outcome of the welfare and education transported meals consultation that ends in April 2019. The amount quoted above are merely the service overspend as at November 2018 and does not include the £413K subsidy (see paragraph 3.6.5) provided by Adults Services. Additional cost reduction is likely to be realized if the decision is made to close the CPU.

6.7 The ER/VR and restructure cost arising from Recommendations 4, 7 & 8 are yet to be quantified and included in the MTFS. Once a decision is made to proceed, detailed costing of these costs would be undertaken.

6.8 It should be noted that the recommendations are not mutually exclusive so once a decision is made, more work will be undertaken to understand the impact of one or more of the recommendations on the overall viability of the service.

## 7. COMMENTS OF LEGAL SERVICES

7.1 The Council has a legal duty to provide school meals only to those who are entitled to request a free school meal under the law. Therefore, the Council is entitled to alter the

provision of school meals in the manner suggested in this report provided that it maintains the ability to provide free school meals as prescribed.

- 7.2 However, the Council is entitled under the law to determine the mode of delivery of these meals, not just from an in-house service.
- 7.3 When considering entering a period of restructure the Council will need to abide by its legal duties in respect of any potentially affected employees and ensure that any necessary consultation takes place. However, this will not be able to be commenced until the detail of any necessary changes has begun to take shape.
- 7.4 The Council will have a duty to provide access to a service where the recipient has been assessed as having a need for such service. Therefore, the Council may need to provide some sort of food related service to meet a particular need. However, in such circumstances the Council is free to determine the mode of how that need will be met. This means that the Council is free to consider the changes referred to in recommendation 8.
- 7.5 There is no legal duty on the Council to provide an internal cleaning service. However, it is appropriate that schools are cleaned for the proper provision of education. However, the Council is free to determine how this is to be delivered.
- 7.6 However, any decision on the mode of provision of any of its statutory obligations referred to in this report must represent Best Value to the Council in terms of economy efficiency and effectiveness.
- 7.7 Where the decision is taken for any School to purchase the services from a third party, the School is bound by the same legal provisions in respect of procurement as the Council. Therefore, any service should be subject to competition in the same way as a service might be purchased by the Council.
- 7.8 Any decisions made for services under Part 3 of this report may impact on persons who have a protected characteristic for the purposes of the Equality Act 2010. Therefore, consultation with affected stakeholders should take place whilst any decisions are at a formative stage in order for the Council to gain a proper understanding of the impact and take this into consideration when determining the appropriate course of action.

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### **Linked Report**

- NONE

### **Appendices**

- **Appendix 1 - Staff Employed in Contract Services**
- **Appendix 2 - Organic Food is different**
- **Appendix 3 - Silver Soil Association Food for Life Award**
- **Appendix 4 - Sample Secondary School Menu**
- **Appendix 5 – Adult Care – Meals on Wheels data**
- **Appendix 6 - Outline timetable – Contract Services**

**Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- NONE

**Officer contact details for documents:**

Or state N/A

## Appendix 1- Staff Employed in Contract Services

### School Cleaning Contracts

28 Schools = 89 permanent staff

1 x Manager

1 x Assistant

1 x casual Driver

**Total Staff = 92**

### Secondary Schools Contracts

School	Staff
Bow	10
Central Foundation	22
Morpeth	12
Raines	7
Stepney Green	14
St Pauls Way	15
Ian Mikardo	1
<b>Total Staff</b>	<b>81</b>

### Welfare Meals on Wheels

#### Kitchen Staff

5 permanent and 1 Agency – weekday

5 staff on additional hours or casual – weekends, BH and Xmas

#### Drivers

9 Weekday permanent staff

8 Weekend permanent staff

13 Casual drivers to cover leave and absence both weekends and weekdays

1 Weekday permanent administration supervisor

3 Weekend permanent Supervisors (2 do one weekend per month and 1 does 2 weekends per month)

1 admin Assistant

**Total Staff = 45**

### CPU – Education Transported Meals

#### Kitchen Staff

2 permanent weekday, full-time

9 permanent weekday, term-time only

#### Drivers

10 weekday permanent term time only

## Appendix 2 - Organic food is different

### Why choose organic?

Organic means working with nature. It means higher levels of animal welfare, lower levels of pesticides, no manufactured herbicides or artificial fertilisers and more environmentally sustainable management of the land and natural environment, which means more wildlife. Buying Organic promotes a better world.

Organic food comes from trusted sources. All organic farms and food companies are inspected at least once a year and the standards for organic food are laid down in European law.

### What makes organic different?

#### How we farm really does affect the quality of the food we eat.

Ground breaking research in the British Journal of Nutrition, has found significant nutritional differences between organic and non-organic farming.

In 2014, the team at Newcastle University found organic crops are up to 60% higher in a number of key antioxidants than conventionally-grown ones.

A new study, released in the British Journal of Nutrition, has also shown that both organic milk and meat contain around 50% more beneficial omega-3 fatty acids than conventionally produced products.

The studies are the largest systematic review of their kind, and were led by Newcastle University and an international team of experts.

### Good things happen when you go organic

- organic milk and meat contain around 50% more omega-3 fatty acids than non-organic.
- organic meat had slightly lower concentrations of two saturated fats
- organic milk and dairy contains slightly higher concentrations of iron, Vitamin E and some carotenoids
- organically produced crops (cereals, fruit and vegetables) up to 68% more antioxidants than non-organic.
- organic fruit and veg contain lower concentrations of pesticides and the toxic heavy metal cadmium.

“This research confirms what many people have always thought was true - what you feed farm animals and how you treat them affects the quality of the food. The hard work organic farmers put into caring for their animals pays off in the quality of the food they produce - giving real value for money”.

*Helen Browning CEO of the Soil Association*

### Other important Organic Food Facts

- Almost 300 pesticides can be routinely used in non-organic farming and are often present in non-organic food.
- Hydrogenated fats and controversial artificial food colours and preservatives are banned under organic standards.
- Organic means that it is always Free Range using the very highest standards of animal welfare. Animals are reared without the routine use of drugs, antibiotics & wormers.
- +1 million tonnes of GM crops are imported each year to feed non-organic livestock. Organic animals can't be fed on GM feed.
- Organic is better for the planet as no system of farming does more to reduce greenhouse gas emissions from agriculture and protect natural resources.
- In organic farming systems, animals are reared without the routine use of drugs, antibiotics and wormers common in intensive livestock farming.

Source: Soil Association website

<https://www.soilassociation.org/organic-living/whyorganic/>

## Appendix 3 - Soil Association Food for Life Silver Award




A Food for Life Served Here award in a school means children are eating fresh, local and honest food. The majority of food on the menu will be freshly prepared, it will always be free from undesirable trans fats, sweeteners and additives, be cooked by trained chefs, and use ingredients from sustainable and ethical sources.

If the award is Silver or Gold then more ethical, environmentally friendly and local ingredients are used and steps to make healthy eating easier are rewarded with additional points. The award is inspected annually, during a visit from one of the inspection team.




### Food for Life Served Here

Food for Life Served Here standards are set by an independent Standards Committee, which is made up of industry experts from a wide range of sectors. The standards are created with public health priority and the UN's Sustainable Development Goals in mind.

### Standards for bronze award holders

Ingredients 	Good Practise 	Customer Care 
<ul style="list-style-type: none"> <li>- All eggs are free range</li> <li>- No genetically modified ingredients</li> <li>- No undesirable additives or trans fats</li> <li>- Animal welfare standards are met</li> <li>- No endangered fish</li> </ul>	<ul style="list-style-type: none"> <li>- Minimum 75% dishes are freshly prepared</li> <li>- Training is provided for staff</li> <li>- Free drinking water is available</li> <li>- Nutritional standards for sector are met</li> </ul>	<ul style="list-style-type: none"> <li>- Menus meet dietary and cultural needs of customers</li> <li>- Positive marketing about where ingredients have come from</li> <li>- Seasonal ingredients are used and highlighted</li> </ul>

### Standards for silver and gold award holders

Ingredients 	Good Practise 	Customer Care 
<p>Caterers are awarded points for sourcing higher welfare, ethically produced ingredients, such as Free Range, organic, MSC, Fairtrade, Leaf marque and RSPCA assured</p>	<p>Caterers are awarded points for sourcing local produce, produce from the local region and from the UK</p>	<p>Caterers are awarded points for taking steps to make healthy eating easier for customers, such as by reducing salt and sugar, introducing pulses and vegetables to menus and using wholegrain ingredients.</p>

**Meals served to Food for Life Served Here standards positively impact not only customers eating the meals, but the business they are preparing for, the teams involved in cooking and the local economy.**

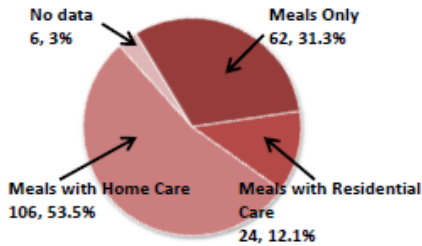
**Source:** *Source: Soil Association website*  
<https://www.soilassociation.org>

## Appendix 4 – Sample of a Secondary School Menu

Daily Breakfast						
	Monday	Tuesday	Wednesday	Thursday	Friday	Selling Price
	Bacon / Sausage Bap	Bacon / Sausage Bap	Bacon / Sausage Bap	Bacon / Sausage Bap	Bacon / Sausage Bap	£ 1.20
	Egg and Cheese Bagel	Egg and Cheese Bagel	Egg and Cheese Bagel	Egg and Cheese Bagel	Egg and Cheese Bagel	£ 1.10
	Toast and Spread	Toast and Spread	Toast and Spread	Toast and Spread	Toast and Spread	£ 0.40
	Beans on Toast	Beans on Toast	Beans on Toast	Beans on Toast	Beans on Toast	£ 0.85
	Bottomless Porridge	Bottomless Porridge	Bottomless Porridge	Bottomless Porridge	Bottomless Porridge	£ 0.50
Morning Break						
	Monday	Tuesday	Wednesday	Thursday	Friday	Selling Price
<b>Hot Wrap (premium)</b>	BBQ Chicken	Falafel and Spicy Slaw	Southern Fried Chicken	Garlic Roasted Vegetables and Tomato Sauce	Chicken Tikka	£ 2.10
<b>Panini 1</b>	Cheddar Cheese and Tomato	Cheddar Cheese and Tomato	Cheddar Cheese and Tomato	Cheddar Cheese and Tomato	Cheddar Cheese and Tomato	£ 1.85
<b>Panini 2</b>	Ham and Cheddar Cheese	Ham and Cheddar Cheese	Ham and Cheddar Cheese	Ham and Cheddar Cheese	Ham and Cheddar Cheese	£ 1.85
<b>Panini 3 (Premium)</b>	Tuna Melt	Roasted Vegetable and Mozzarella	BBQ Sausage	Spicy Chicken	Roasted Onion and Beans	£ 2.10
<b>Snack Pot</b>	Tomato and Basil Pasta Pot	Curried Beans on Toast	Sweet Chilli Noodles	BBQ Beans on Toast	Tuna and Sweetcorn Pasta	£ 1.60
<b>Hot Snack</b>	Baked Hash Browns	Pizza Slice	Nachos and Salsa	Pizza Slice	Bacon Roll	£ 0.80
<b>Tray Bakes</b>	Fruity Flapjack	Chocolate and Banana Brownie	Carrot Cake	Fruity Flapjack	Pea and Vanilla Cake	£ 0.75
A selection of freshly made sandwiches, speciality rolls, salads, desserts and fresh fruit pots						
Lunchtime Snacks – Including a selection of fresh sandwiches, rolls, salads, desserts and fruit pots						
	Monday	Tuesday	Wednesday	Thursday	Friday	Selling Price
<b>Pasta Bar / Jacket Bar</b>	Vegetable Bolognese Tomato and Basil Cold Jacket Topping Pots	Curried Chicken Baked Beans Cold Jacket Topping Pots	Vegetable Arrabiata Tomato and Basil Cold Jacket Topping Pots	Beef Chilli Tomato and Basil Cold Jacket Topping Pots	Baked Beans Tomato and Basil Cold Jacket Topping Pots	£ 1.90
<b>Hot Sandwich</b>	Mediterranean Meatball Sub	Keema Shawarma	Carvery Bap	Chilli Beef Burrito	Fish Finger Wrap	£ 2.20
<b>Street Food Pot</b>	Ninja Noodles	Mac & Cheese	Caribbean Festival	Currynation	Wings Wedges	£ 1.90
<b>Tray Bakes</b>	Fruity Flapjack	Chocolate and Banana Brownie	Carrot Cake	Fruity Flapjack	Pea and Vanilla Cake	£ 0.75
<b>Muffins</b>	Lime and Courgette	Lemon Muffin	Chocolate Muffin	Strawberry Muffin	Banana Muffin	£ 0.90

## Appendix 5 Adult Care – Meals on Wheels Data

### Various Packages



### Ethnicity groups

Arab/Middle Eastern	2
Asian (All)	6
Black (All)	20
Mixed (All)	3
White (All)	155
Other	2
Prefer not to say	6
Information not available	4

### Contract Services based at Toby Lane depot



- Dedicated kitchen space
- 5 kitchen staff
- 13 drivers (individuals not positions of FTE)
- 1 dedicated Admin plus shared Contract Services admin resources
- 4 vans, costing approximately £500 pcm each

## Meals on Wheels

**Total number of clients: 198**

### Offering



- Summer and winter menus
- Standard, kosher, halal and soft (pulped) options
- Hot or frozen meals
- Not all clients receive daily meals

### Clients



- An average of 160 meals delivered each day to our 198 LBTH home clients
- Non-client specific meals also delivered to 3 Day Centres
- Appian Court pays full price
- Clients can only receive meals as part of a Care Package



26 out of 198 clients are attending Day Centres

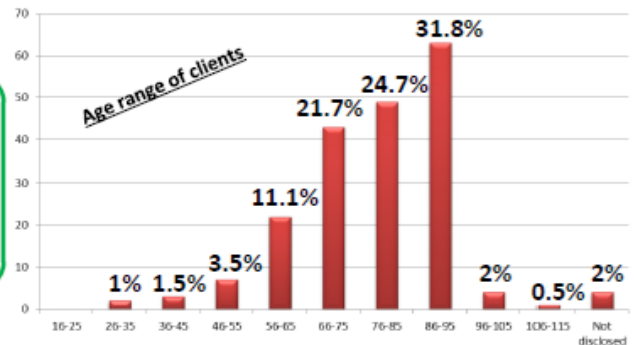
### PSR / Clients' Care Groups

Social Care	120
Mental Health	29
Learning Disability	6
Physical Disability	23
No data	20

### Costs



- £546,832 paid to Contract Services
- Recoups around £142,175 from LBTH home clients
- Unit cost per meal is £10.78
- Heavily subsidised; client pays £2.60 per meal





## Appendix 6 Outline Project Plan – Contract Services

Area of work	Action	Timeline	Comment
<b>Union consultation</b>	a) Initial consultation with union representatives <sup>1</sup>	Start Post Cabinet Decision (27 February 2019)	TU consultative meeting to be used for feedback. The Corporate Director or Children's Services may want to hold a special meeting with TU reps to discuss the proposals.
<b>Recommendation 1</b> Relaunch of rebranded service for Primary/Nursery Schools	This recommendation is not a priority. However, some ideas are recommended to be implemented as soon as possible to retain school contracts and a viable service	September 2019	If budget is agreed procure marketing company to assist with rebranding and marketing and investment requirements
<b>Recommendation 2:</b> Primary Schools changes to Service Level Agreement to include an annual fee to contribute to the purchase of new heavy kitchen equipment and kitchen equipment repair and maintenance	Consultation with schools about how the arrangements would be implemented.  - Changes to Primary School SLA Agreements	Start Post Cabinet Decision (27 February 2019)  Effective from 1 <sup>st</sup> April 2020	Schools will be invoiced over 11 months (excluding August)
<b>Recommendation 3:</b> SOIL Association Standard (Silver)	Move to SOIL Association Silver from Gold	From April 2019 – fully implemented by October Menu 2019	Need to review food purchasing to reflect move away from organic/Gold to Silver standard and fully implement in 2019 Autumn/Winter Menu
<b>Recommendation 5:</b> Consult with Secondary schools on a variety of alternative catering options for service delivery	a) Initial consultation with the 7 schools about the way forward: See <b>Appendix 1</b> for number of staff employed.  <b>Future delivery options for schools:</b> - The school managing the catering provision in-house (self-management of catering operations); - Tendering or outsourcing school meal catering to external providers. It is	Start March 2019 (March 21 <sup>st</sup> or 28 <sup>th</sup> )  April  April/May  12 month group tender process  July 2020 August 2020	Specialist support for tendering the catering contract, will need to be procured with the support of Corporate Procurement  Restructure Report submitted  Procure Specialist Catering Consultant(s)  Schools that want to be part of a group tender will need to consult together on the Catering Specification and

	<p>recommended that to ease the transition the council should fully support schools that select this option by bearing the cost of contract specification given the specialist and technical nature of this task;</p> <ul style="list-style-type: none"> <li>- A combination of the school managing their catering provision in-house with Contract Services providing external professional management support, at a cost</li> </ul>	September 2020	<p>contract terms and conditions.</p> <p>Contract Award Mobilisation</p> <p>New Contract arrangements in place</p>
<p><b>Recommendation 6:</b> Consult with Schools on alternative options for cleaning services provision</p>	<p>Initial consultation with the 28 schools about the way forward. See <b>Appendix 1</b> for number of staff employed.</p> <p>Future delivery options for the schools:</p> <ul style="list-style-type: none"> <li>- Schools management of cleaning provision in-house (self-management of cleaning operations);</li> <li>- Tender or outsourcing to external cleaning providers.</li> </ul> <p>Support for schools that want to bring the cleaning services in-house will be needed so that they understand the implications of taking on this area of work.</p>	<p>Start Post Cabinet Decision (27 February 2019)</p> <p>Start March 2019</p> <p>April</p> <p>April/May</p> <p>12 month group tender process</p> <p>July 2020 New arrangements to be in place by September 2020</p> <p>12 month process with handover completed by July 2020</p>	<p>Restructure Report submitted</p> <p>Procure Specialist Cleaning Consultant(s) for group contract.</p> <p>Schools that want to be part of a group tender will need to consult together on the Cleaning Specification and contract terms and conditions.</p> <p>Mobilisation</p> <p>New Contract arrangements in place</p>
<p><b>Recommendations 8:</b> Review of Welfare Meals recipients, Review of Transported Meals and CPU future options and viability</p>	<p>Options for future delivery options</p> <ul style="list-style-type: none"> <li>- Dependent on initial review of 160 cases</li> <li>- Review of Day Centre users</li> <li>- Review of alternative delivery options for transported meals</li> </ul>	<p>Start January 2019. Report findings to be presented to Cabinet in March 2019</p>	<ul style="list-style-type: none"> <li>• See <b>Appendix 1</b> for number of staff employed by Welfare Services</li> <li>• Adult Services are undertaking a desktop review</li> <li>• Adult Services are intending to increase meal prices to £3.50 per</li> </ul>

			meal as part of their 2019/20 MTFS.
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