

Capital Scheme No:
Parent Scheme No: 13069

DCR Clearance No.
18985

Design & Cost Report

REPORT OF Chief Commercial Services Officer, City Services
REPORT TO Executive Board

SUBJECT: Development of Primary School Catering Counter and Service Provision:

Electoral Wards Affected:	Specific Implications For:
	Ethnic Minorities <input type="checkbox"/>
	Women <input type="checkbox"/>
	Disabled People <input type="checkbox"/>

Executive Function Eligible for Call In Not eligible for Call In
(details contained within the report)

EXECUTIVE SUMMARY

This report seeks an injection into the Capital Programme and Authority to Spend up to £500k to refurbish primary school dining counter and service facilities run by the Catering Services.

It is intended the funding would be available on a 50 / 50 matched basis with primary schools, each of which has received around £1,200 a year for 3 years for school catering, from the Schools Standard Fund in revenue. Thus the leverage from the Catering Services contribution would yield a £500,000 investment in primary school dining facilities.

1.0 BACKGROUND

- 1.1 The Catering Service provides catering in 216 of the City's 238 primary and special schools.
All contracts are won through competitive tender and the market for the service is always subject to some volatility (around 10% considering re-tendering at any particular given time.)
Economies of scale, particularly relating to technical food specialism, sales and distribution are important in the service.
- 1.2 School catering has come under extensive national scrutiny over the last year, as a result of the Jamie Oliver series on Channel 4. Leeds Catering Service has fared extremely well under this scrutiny. With a 90% share of primary school catering in an open market, this is the largest catering market share in the country.

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- 1.3 The spend per head on plated food, at 61p, is 20% higher even than the new government guidelines proposed for April 07. The service is acknowledged by community dieticians and partners in Education Leeds as having a real focus on public welfare rather than commercial return.
- 1.4 However many schools and independent consultants working in the market acknowledge that what private competition brings is initial investment in service infrastructure and the branding of the service which often influences pupil take up. Historically such developments have not had funding provision within the Catering Agency.
- 1.5 The School Meals Review Panel set up by the Government last year in its report "Turning the Tables: Transforming School Food" stressed the importance of "a civilised eating environment" and the importance of the dining room amenities in attracting take up of the service.
- 1.7 In September 2006 a new menu will be introduced in Primary Schools, focussing on freshly prepared, seasonal and, where possible locally sourced food. A new internet site will be available to inform parents about the school meal service. Substantial funds will have been made available to encourage take up of free school meals and to train catering staff in fresh food preparation. The next 18 months are a timely window therefore to refurbish service and counter provision in primary schools. In addition upgrading current facilities will assist in greater food safety management (eg in disposal of leftovers, new cutlery units etc.) Subsequent to this redevelopment, equipment will be upgraded on an 8 year rolling programme, funded out of revenue.

2.0 DESIGN PROPOSALS / SCHEME DESCRIPTION

- 2.1 These capital resources will be used for the upgrading of servery facilities e.g. development of a salad bar facility, to ensure that the primary school kitchen service is adequate to meet the requirement set out in the new Government standards for school lunches.
- 2.2 The nature of the upgrade of facilities will vary depending upon the requirements of individual schools.

3.0 CONSULTATIONS

- 3.1 Community dieticians and the Leeds Healthy School Programme, run by Education Leeds will be fully consulted on the programme, as will a number of School Councils and the Youth and Health Forum.
- 3.2 The School Meal Steering Group chaired by Education Leeds have also been consulted about the proposals. This forum includes Headteachers and Governors.
- 3.3 The Executive Member for City Services and the Schools Standards Steering Group in Education Leeds have been consulted about the scheme.

4.0 COMMUNITY SAFETY

- 4.1 These proposals do not have any implications under Section 17 of the Crime and Disorder Act 1998.

5.0 PROGRAMME

5.1 It is anticipated that the roll out would commence during July 2006 and continue through to the end of July 2007. It is expected that 60% of spend will occur during 2006/07 and the remaining spend would be incurred during 2007/08.

6.0. SCHEME DESIGN ESTIMATE

6.1 The £500k investment, £250k directly from schools, equates to around £2.4k per school and this will be used to purchase the equipment required to upgrade the servery facilities in primary schools.

7.0 CAPITAL FUNDING AND CASHFLOW

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2006 £000's	FORECAST				
			2006/07 £000's	2007/08 £000's	2008/09 £000's	2009/10 £000's	2010 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2006 £000's	FORECAST				
			2006/07 £000's	2007/08 £000's	2008/09 £000's	2009/10 £000's	2010 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	500.0		300.0	200.0			
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	500.0	0.0	300.0	200.0	0.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2006 £000's	FORECAST				
			2005/06 £000's	2006/07 £000's	2007/08 £000's	2008/09 £000's	2009 on £000's
Unsupported Borrowing	250.0		150.0	100.0			
Contribution from Schools	250.0		150.0	100.0			
Total Funding	500.0	0.0	300.0	200.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

8.0 REVENUE EFFECTS

8.1 The revenue implications of this borrowing (£250k) have been incorporated into Catering Services revenue budget.

9.0 RISK ASSESSMENTS

- 9.1 There is the risk that schools refuse to match fund programme. This will be at the discretion of the schools but every indication is that schools would be excited by the proposal. A number have match invested in pilot schemes. Schools will themselves be under pressure regarding proposed Ofsted inspection of their catering facilities.
- 9.2 If no match funding is forthcoming from individual schools then the proposed spend by Catering Services at the school concerned will not happen.

10.0 COMPLIANCE WITH COUNCIL POLICIES

- 10.1 This project complies with Council Policies, Strategies and Initiatives, and the Council's Corporate Plan. In particular Health and Safety, environmental matters, equal opportunities and customer care issues have all been carefully considered in the development of the proposals.

11.0 COUNCIL CONSTITUTION

- 11.1 This scheme constitutes a Major decision and will be subject to Call In.

12.0 RECOMMENDATIONS

- 12.1 Executive Board is requested to:

1. Approve the Project Brief as presented.
2. Give Authority to Spend of £500k and
3. Approve an injection of £500k into the Capital Programme with £250k being financed from Unsupported Borrowing and £250k contribution from Primary Schools.

<i>(to the nearest £)</i>	On Land	CPRH (1)
	On Construction	CPRH (3)
£500,000	On Furniture & equipment	CPRH (5)
	On Internal Fees	CPRH (6)
	On Other Costs	CPRH (7)

£500,000 TOTAL
