

ABERDEEN CITY COUNCIL

COMMITTEE	Corporate Policy and Performance
DATE	21 January 2010
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Catering Services Review
REPORT NUMBER:	EPI/10/027

1. PURPOSE OF REPORT

The purpose of the report to provide the Committee with:

- (i) A briefing on the outcomes of the best value review of Catering Services that was carried out on following instruction in March 2009.
- (ii) Detail of the recommendations made following the consultancy work undertaken as part of the review by the Association for Public Service Excellence (APSE).

2. RECOMMENDATION(S)

It is recommended that the Corporate Policy and Performance Committee:

- (i) Note that based on the evidence gathered as part of the review process there are no commercial or other grounds to justify any early consideration of out-sourcing these services.
- (iii) Agree that the detailed use of information gathered for and by the review to develop clear strategies and service improvement plans, would represent a more effective use of available council resources at this time.
- (ii) Instruct officer to develop a comprehensive action plan dealing with the organisational and strategic issues from the recommendation and to report back to this Committee in two cycles time.

3. FINANCIAL IMPLICATIONS

Further areas for potential saving are being identified by catering services. These include the potential to make use of spare capacity within pupil transport vehicles to deliver meals to schools which do not have cooking kitchens on site, rather than use taxi delivery. Also staffing levels are being checked to ensure that there is not an over allocation of staff hours within school kitchens if either uptakes of meals or the school role is reducing.

4. SERVICE & COMMUNITY IMPACT

The review of catering services provided within Aberdeen City Council premises has demonstrated significant links to the health issues within the Aberdeen City Profile in the Single Outcome Agreement 2009 - 2010.

The actions resulting from the Catering Services Review must take cognisance of the anti Poverty Strategy with regard to the provision of healthy eating and free school meals in designated areas of deprivation.

The outcomes and in particular the promotion and support for healthy eating will link to further plans within the curriculum in schools and policies supporting children.

5. OTHER IMPLICATIONS

None

6. REPORT

6.1 Background

6.1.1 As part of the redesign of Facilities Management the former Resources Management Committee requested that a review be undertaken of all catering carried out within Aberdeen City Council premises. This included school catering, social services catering and civic/other catering services. The scope of the review did not include those catering services currently (or planned to be) subject to external provision such as meals on wheels or Council venues with public catering facilities, other than the Beach Ballroom.

6.1.2 The Best Value Consultancy within the Association for Public Service Excellence (APSE) was commissioned to undertake the review.

6.1.3 The review sought to measure both the direct service delivery and the systems, procedures and structures which support the current 'internal' catering services against national benchmarks/best practice as well as the Council's wider duty of best value in relation to the delivery of these services. Accordingly, in addition to 'comparative' measures on process, cost and service delivery, the review consulted widely with delivery staff, corporate and strategic stakeholders, health agencies, head teachers, parents and pupils, care managers, residential and day centre customers, trade unions and other stakeholders on 'satisfaction' levels with the current and aspirations for the future organisation and delivery of these services.

6.2 Review

6.2.1 A significant part of any 'best value review' is the challenge process. This concentrated on how well the current services are delivered, financial and contractual arrangements, management and support structures, an assessment of 'added value' from the service, procurement, environmental and other related issues. The main areas that were looked at were:

- Current service delivery
- Food standards
- Food Hygiene, Health and Safety
- Catering staff
- Overview of catering facilities
- Marketing and promotion
- Service Support structures
- Financial reporting
- Systems and procedures
- Assessment of 'Added Value' work by services
- Review of Food Procurement and Sustainability
- Review of Free Meal Uptakes

6.2.2 At the outset of the review, particular emphasis was placed on Consultation with stakeholders, from Corporate and partner agencies, to front line service users. This was achieved by direct one to one and telephone interviews, discussions during site visits, focus groups with pupils, by the distribution of questionnaires to Head Teachers and parents and the completion of 'clip board' surveys on behalf of their residents by care staff.

6.3 Performance Comparisons

6.3.1 The review sought to:

- Consider all available performance data and Accounts supplied by the Council
- Draw comparisons with APSE 'Performance Networks' data for Education and 'Other' Catering
- Consider any other source data available for benchmarking purposes.

6.3.2 Education Catering

Comparative data has been taken from the Association for Public Service Excellence (APSE) Performance Networks programme for Education Catering, to which the Authority has subscribed for a number of years. A thorough audit of data submissions made over the last three years was undertaken to validate and ensure consistency in the most recent return for the year ending March 2009 and against which both regional and national comparisons on financial performance and efficiency have been made for the review. This includes comparison with outcomes from up to 20 other Scottish Authorities who submitted data for that year.

Tables across the full range of indicators for this service will be available within our final report, from which the following highlights have been drawn from available data.

PI No.	PI Description	Scottish Ave	'Top Quartile' (Where relevant)	Aberdeen
1a)	Price (parental charge) per Primary Meal	£1.58	N/A	£1.70
1b)	Secondary Free Meal Allowance	£1.70	N/A	£1.95
4	Free Meal Uptake (Primary only)	79.8%	83.2%	85.6%
6a	Free Meal Uptake (Secondary)	53.5%	59.0%	46.8%
8	Paid Meal Uptake (Primary Only)	38.6%	42.0%	67.2%
10a	Paid Meal Uptake (Secondary)	33.6%	40.1%	32.1%
12	Total Cost Per Meal (Inc. CECs)	£2.70	N/A	£2.41
17b)	Primary Food Only Costs per Meal	£0.74	N/A	£0.52
31b	Subsidy per Meal (Excluding Free Meal Costs)	£1.18	N/A	£1.13
16b	Overhead Ratio	18.2%	N/A	9.5%
13	Meals served per Staff Hr.	7.16	7.96	TBC
23	QA and Stakeholder Consultation	43	53	35
24	HR and People Mgt.	41	65	50

From reference to previous years and other accounting data, the following observations provide an accurate statement of performance in this service:

- The higher than national average prices charged in Aberdeen do not appear to be a negative driver on service uptakes and support the maintenance of a below average 'subsidy' in this service.
- Primary paid and free meal uptakes compare well with Scottish averages and have shown a consistent rise over the last three years.
- The national fall in Secondary meal uptakes is a particular issue requiring attention in Aberdeen
- All 'key cost' indicators in Aberdeen are competitive with current Scottish outcomes.
- Consistent with the wider observations made in this review, it is clear that 'Off site' management and support resources fall well below the levels present in most education catering service structures and appropriate to the sustainable delivery cost and service outcomes.

6.3.3 Civic and Other Catering

Aberdeen does not currently subscribe (or make data returns) to APSEs Performance Networks programme for Civic and Other Catering and data for national comparison purposed is therefore limited. Further, by the very specific trading nature of these types of catering outlet, direct comparators

are often not available. From bespoke data from information held, the consultants and the PN 'Other catering' programme, it can be noted that:

- Average spends and Gross Profit percentages achieved at the Beach Ballroom are consistent with effective commercial venues in the general category of function / event catering.
- Core staffing arrangements are in keeping with effective event catering operations. External 'commercial' organisations may however secure temporary or 'event' staff on conditions below those appropriate to the fair employment practices applied by the Council.
- Average spends and uptakes with the Town House and Kittybrewster are consistent with the menu offer, locations and current markets being served. In this respect, a recommendation was made that a wider review of Council policy (involving consultation with all entitled users of Council facilities) be considered in the future. A review of staffing levels is currently being undertaken to identify potential cost savings.
- This review did find evidence of the core commercial disciplines (within operational management) that are appropriate to the effective management of performance in this sector. There is also awareness that in the longer term, enhanced financial outcomes are unlikely to be found without material change in the environments and markets currently being served.

6.3.4 Social Care Catering

There is no current basis for viable cost and efficiency comparisons in this service area. The only direct catering cost identified within individual Centre Accounts is that of food, for which each centre does however set an annual budget. Accordingly, there is a heavy reliance upon sound practices and good housekeeping by catering and care staff (in relation to controlling food waste) and the effective allocation of staff hours, and this was evidenced in the site visits to centres undertaken as part of the review.

6.4 Option Appraisal and Recommendations

- 6.4.1 On the basis of the evidence gathered for this review, APSE were of the opinion that there are no commercial or other ground to justify any consideration of out-sourcing these services at this time. Indeed, in the current climate, there is little evidence that the 'external market' is likely to offer, maintain or react to the level of competitiveness or flexibility of outcome found in and required by the service areas or customer groups covered by this review.

However they identified and it was acknowledged by Council officers that there are a number of strategic, organisational and service delivery issues which require detailed consideration and analysis by the Authority, to inform effective service delivery and structural decisions in the future.

In this respect, from the information gathered for and by this review to support and inform the establishment of a Service Improvement Planning

framework for ongoing development and detailed action planning by the Authority, they believe represents the best option to provide:

- The most 'flexible' route to securing and delivering 'best value' during a period of significant structural change within the Authority
- The most effective use of available council resources.
- The balance of evidence gathered through consultation with service users

6.4.2 APSE were also asked to consider the potential benefits of consolidating the Council's catering interests / activity under a single Catering Management structure. In this respect, they considered the following to be relevant:

- In the three distinct areas of catering covered by this review, each has its own distinct market / customer base and whilst core 'catering' and commercial skills apply to each, the type and level of engagement with those customers and measurement of service 'outcomes' differs significantly between them.
- In Social Services, staff involved in the delivery of food to residents often have a wider 'care' role making their direct line management by other than care professionals, inappropriate.
- The need for and type of marketing appropriate to each group requires completely different skill sets at all levels within each service.

There are however skills and importantly, processes, systems and procedures within each service area, that are common to the safe and effective delivery of any catering service, and where these represent good or best practice within the Authority, they should be shared and accessible to each service area in the interests of economy and efficiency.

Notably, this should apply to 'performance management' quality assurance, food hygiene and health and safety systems and procedures, and the existence of a single reference and advisory point within the Council's catering establishment for these and other benchmark processes, would not require the consolidation of line management responsibilities.

Notwithstanding the need (otherwise identified within this report) for a review of management and support service resources within education catering, it is in this area (as part of the Facilities Management Structure) that we see the greatest potential for such a service to be developed.

6.5 Service Improvement Planning

6.5.1 Inherent in any approval of this recommendation is the need to commence detailed 'Service Improvement Planning' at both a 'Strategic' and 'Operational' level.

To aid in that process, APSE have carried forward key observations / recommendations made throughout their report under these two key headings. Under each, they have identified a number of 'Key Areas for

Improvement'. Some of these inevitably appear under both the Strategic and Operational Headings and where this is the case, it can be assumed that Strategic / political policies and priorities are needed to drive or will be informed by operational considerations in that area.

Each of these key areas for improvement needs to be set out in a clear activity plan for each individual catering service areas, against which tasks, timeframes, targets and measurement of outcomes can be planned and implemented. The development of these activity plans will take a few weeks to finalise as it involves a number of services and individuals and will therefore require a further report. However, in the first instance an indication of the services involved and the potential timescales is set out in Appendix 1 with comments on sub-actions.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

APSE Report – Aberdeen Catering Review Prepared December 2009

APPENDIX 1

Key Improvement Areas	Involvement	Provisional Timescale to Develop Plans	Comments
Investment Planning	Education, Culture and Sport Enterprise, Planning and Infrastructure Social Care and Well Being	By 30 April 2010	Linked to: <ul style="list-style-type: none"> • School Estates • Property Strategy • Corporate Asset Management • Free School Meals
Performance Management – Systems and Procedures	Education, Culture and Sport Enterprise, Planning and Infrastructure Social Care and well Being Corporate Governance	By 28 February 2010	Linked to: <ul style="list-style-type: none"> • Corporate Governance • Identify Management Information Requirement
Policy Direction / Clarification	Education, Culture and Sport Enterprise, Planning and Infrastructure Social Care and well Being NHS HMIE Health Focus Groups	By 31 May 2010	Linked to: <ul style="list-style-type: none"> • Partner services to ensure the healthy eating agenda forms part of policy and that existing policies are taken on board as part of food preparation • Will require Heads of Service in post.
Communications / Leadership	Education, Culture and Sport Enterprise, Planning and Infrastructure Social Care and well Being Corporate Governance Office of Chief Executive (Corporate Communications) HR	By 28 February 2010	Linked to: <ul style="list-style-type: none"> • Communication plan linking back to policy and direction • Improved links between front line staff and senior management

Key Improvement Areas	Involvement	Provisional Timescale to Develop Plans	Comments
Structures and Resources	Education, Culture and Sport Enterprise, Planning and Infrastructure Social Care and well Being Corporate Governance	By 31 May b2010	Linked to: <ul style="list-style-type: none"> • Provide a single point of contact • Linkage to IT policy and roll out of eProcurement
Added Value	Education Catering (Facilities) Civic and Other Catering Social Care Catering	By 30 April 2010	Linked to: <ul style="list-style-type: none"> • Policy Development • Promotion and Marketing • Communication
Food Procurement	Education Catering (Facilities) Civic and Other Catering Social Care Catering CPU	By 31 March 2010	<ul style="list-style-type: none"> • Procurement Support to Social Service and 'Other' Catering Outlets • PECOS system roll out
Access to Catering Advisory Service	Education Catering (Facilities) Civic and Other Catering Social Care Catering	By 30 April 2010 with task completion by end of 2010	Linked to: <ul style="list-style-type: none"> • Policy and structural change at Head of Service level and manager level below. Thereafter will require to address: <ul style="list-style-type: none"> • Systems and Procedures • QA • Food Hygiene • Health and Safety • Training • Menu Planning
Menu Planning	Education Catering (Facilities) Civic and Other Catering Social Care Catering	Education Catering will have rolled out this action for after Easter school holidays.	<ul style="list-style-type: none"> • Standard menu to be introduced in all primary schools for trial during summer cycle (April to October)

Key Improvement Areas	Involvement	Provisional Timescale to Develop Plans	Comments
Employment Conditions and Staff Training	Education Catering (Facilities) Civic and Other Catering Social Care Catering HR		<ul style="list-style-type: none"> • Training Plans • TU Consultation • CPD
Marketing and Promotion	Education Catering (Facilities) Civic and Other Catering Social Care Catering Corporate Communications	By 31 May 2010	<ul style="list-style-type: none"> • Marketing Plans • Customer Consultation
Service Level Agreements	Education Catering (Facilities) Education, Culture and Sport	By 31 March 2010 with SLAs in place for new 2010/11 school year.	<ul style="list-style-type: none"> • Review and update School Catering SLAs
Quality Assurance Procedures	Education Catering (Facilities) Civic and Other Catering Social Care Catering	By 30 June 2010	<ul style="list-style-type: none"> • Extend current QA registration to all primary school catering • Train staff in documentation
Service Development (based on Head Teacher Feedback)	Education Catering (Facilities) Education, Culture and Sport	By 31 May 2010 with SLAs in place for new 2010/11 school year.	<ul style="list-style-type: none"> • Greater engagement between schools and catering service • Whole school approach
Management Resources and Support Structures	Education Catering (Facilities) Civic and Other Catering Social Care Catering	By 31 May 2010	<ul style="list-style-type: none"> • Roles and Responsibilities • Support Services resources • Staff and TU Consultation • Agree Support Network across Services
Identify potential benefits from centralised food production for Corporate Dining Centres	Civic and Other Catering Education, Culture and Sport	By 31 March 2010	

