

Name of meeting: Cabinet
 Date: 29th August 2018

Title of report: Catering Service Capital Plan – Proposed allocation of funding for the Compliance Essential Works 5 year and 18/19 – 20/21 2 year baseline programmes

Purpose of report: This report will identify potential gas ventilation works and reinvestment schemes to be funded from the Catering Service Capital baseline section of the Capital Plan, approved by Council on 11th July 2018. Members will be asked to consider and approve the 5 year £1m self-financed budget to bring school kitchen gas installations up to current compliance standards.

In addition a 2 year self-investment programme of £200k per annum to support contract renewal business retention.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key Decision - Is it in the Council's Forward Plan (key decisions and private report)?	Yes
The Decision - Is it eligible for "call in" by Scrutiny ?	Yes
Date signed off by Director & name July 2018	Karl Battersby
Date signed off by the Service Director - Finance, IT and Transactional Services July 2018	Eamonn Croston
Date signed off by the Service Director - Legal, Governance and Commissioning July 2018	Julie Muscroft
Cabinet member portfolio	Cllr Graham Turner Cllr Musarrat Khan Cllr Masood Ahmed

Electoral wards affected: All
 Ward councillors consulted: No
 Public or private: Public

1. Summary

- 1.1 This report identifies potential gas ventilation works and investment schemes which it is proposed be funded from the Catering Service Capital baseline section of the Capital Plan which was approved by Council on 11th July 2018.
- 1.2 Members are asked to consider and approve the 5 year £1m budget to bring school kitchen gas installations up to current compliance standards.
- 1.3 Members are also asked to consider a 2 year investment programme and to authorise delegated powers for officers to manage the programmes within their respective budget envelopes.
- 1.4 This report also seeks Members' approval for officers to report retrospectively on an annual basis on amendments and virements authorised by them using delegated powers.

2. Information required to take a decision

(a) Background

- 2.1 KNH Property Services (formerly Kirklees Building Services) annually maintain approximately 136 commercial gas catering installations through the authority. They highlighted 85 school kitchens in 2016 that required some form of upgrading or refurbishment to bring them in line with current gas health and safety legislation.
- 2.2 KNH Property Services have informed the Catering service that a number of areas require a programme for improvement, the key areas are as follows;
 - Ventilation and extraction systems
 - Gas interlock systems
 - Monitoring of Co2 levels
 - Presence of unsupervised burners

The service is being proactive in achieving a rolling programme of improvement work to upgrade the gas installations in school kitchens. Appropriate control measures are in place to mitigate risk in line with legislation. HSE guidance requires for there to be a plan to bring commercial gas installations up to current standard where reasonably practicable along with suitable control measures.

- 2.3 The provision of kitchen maintenance and equipment is included as part of the Service Level Agreement (SLA) for maintained schools.
- 2.4 After a successful capital bid, the February 2018 Rollover Capital Plan approved by Council on 14th February 2018 included a service funded capital provision for the gas compliance programme to the total of £1m with expected spending to be at £200k per annum over 5 years commencing in 2018/19. This report also outlines the proposals for the annual baseline allocation for the next 2 years in addition to the gas compliance programme.

- 2.5 As previously stated the five year Capital Plan 2018/19 and 2022/23 was approved by Council on 14th February 2018 and allocated £1m to the Catering baseline for gas compliance essential works. The programme priorities are detailed in

Appendix A.

- 2.6 The programme is summarised below:

Approximately 15 schools yr 1	£200k
Approximately 15 schools yr 2	£200k
Approximately 15 schools yr 3	£200k
Approximately 15 schools Yr 4	£200k
Approximately 15 schools yr 5	£200k
Total	£1m

- 2.7 PRP undertook a full feasibility study of schools kitchens in order to prioritise works in order of risk to formulate a schedule of work over the 5 year timescale and priorities in order of 1 to 4.

- 2.8 Alongside of the gas compliance £1m budget, Council also approved the allocation of £200k per annum to the Catering Capital baseline for new furniture and equipment crucial for high school development and aiding business retention in a competitive market.

- 2.9 A 2 year detailed programme of work funded from the Catering Service annual baseline budget is shown is outlined below:

Kitchen – Ceilings, floors, tabling, décor electrical work, dish washers sterilising units	£75k
Branding – New counters full rebrand highs	£100k
Health and safety work – storage, fire shutters	£50k
Furniture – tables, chairs, replacement programme	100k
Till/ biometrics upgrades	£75k
Total	£400k

- 2.10 Where appropriate, the Catering service works together with Corporate Landlord to co-ordinate with any condition works being undertaken within a school.

(c) Financial Delegations

- 2.11 In order to aid the implementation of the Catering compliance essential works programme, and the Catering capital finance for new furniture Members are requested to delegate authority in accordance with the Council's Financial Procedure Rules 3.14 dated June 2018, to the Service Director - Commercial, Regulatory and Operational Services, to manage the implementation of the identified works within the respective agreed total programme budget.

- 2.12 Delegated powers would include the authority to:

- add new urgent projects to the programme without prior Cabinet approval providing that the total cost of the programme remains within the approved capital allocation set by Council.
- slip or delete projects during the course of the financial year to enable the effective management of the programme concerned.

2.13 All virements, additions and deletions will be reported retrospectively to Cabinet in accordance with Financial Procedure Rules 3.16.

3. Implications for the Council

3.1 Early Intervention and Prevention (EIP)

No impact.

3.2 Economic Resilience (ER)

No impact.

3.3 Improving Outcomes for Children

General improvements in the condition of school kitchens will have a positive impact in that it will contribute to a safe environment for all pupils and staff. The school food plan puts great emphasis on a healthy balanced meal and improving the social element of dining as an integral part of the school day in supporting social skills and academic achievement. The modernisation of dining room will enhance the offer encouraging the maximisation of school meal uptake and business retention.

3.4 Reducing demand of services

No impact.

3.5 Financial implications

The capital investment outlined in this report of £1m for the gas compliance essential works 5 year programme is funded from prudential borrowing. The revenue cost of financing this level of borrowing is £63k per annum for 20 years and is self-funded by the services revenue income. The Catering Service baseline 2 year programme is also funded from prudential borrowing at a revenue financing cost of £25,200 per annum for 20 years schools pay this back as an additional charge to their catering contract.

4. Consultees and their opinions

4.1 Property services KNH – have recommended the programme of work as a statutory requirement for gas in that there should be a programme of improvement, however have confirmed all systems are controlled to mitigate potential risks and are in accordance with legislation.

Schools value the opportunity to invest in their kitchens and dining rooms through the school meal revenue stream.

Corporate landlord – have been fully involved and have endorsed the programme of work.

5. Next steps

- 5.1 Subject to approval of the proposed programmes, officers from the Catering Service will work with Technical Officers in PRP to ensure the Capital Plan the projects concerned are developed, designed, procured and implemented.

6. Officer recommendations and reasons

- 6.1 Members are requested to:

- (a) consider and approve the proposed programmes of works outlined in this report and Appendix A as per the capital allocation approved at Council on 14th February 2018 including the 5 year £1m budget to bring school kitchen gas installations up to current compliance standards as well as the 2 year investment programme .
- (b) consider and approve the proposed delegated powers as outlined in paragraphs 2.11 to 2.13 of this report to manage both of the programmes.

7. Cabinet portfolio holder recommendation

- 7.1 **Cllr Graham Turner** - has endorsed the proposal as a positive measure to support Health and Safety measures and the links to fire safety and the future development of school meal services to support meal uptake and business retention.

Cllr Musarrat Khan - confirmed that she approved of the move from revenue to capital spend to allow the programme of work to be undertaken.

8. Contact officer

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9. Background Papers and History of Decisions

Council 14th February 2018: 5 Year Capital Plan

10. Service Director responsible

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11. Private Attachments

Appendix A – 5 Year Compliance Essential Works - Detailed list of proposed works