

REPORT TO: POLICY AND RESOURCES COMMITTEE – 28 SEPTEMBER 2020

REPORT ON: TAYSIDE MEAL CENTRE

REPORT BY: EXECUTIVE DIRECTORS OF CORPORATE SERVICES AND CHILDREN AND FAMILIES

REPORT NO: 257-2020

1.0 PURPOSE OF REPORT

The purpose of this report is to update Committee on the work to implement the Tayside Meal Centre which, following delays resulting from the Coronavirus pandemic, will now be operational in January 2021. The report also details the recently clarified workforce implications and the requirement for voluntary severance costs to be met to conclude the implementation of Tayside Meal Centre.

2.0 RECOMMENDATIONS

- Note the updated position in the development and implementation of the Tayside Meal Centre and that the new service model will be operational in January 2021, resulting in annual budgeted savings to the Council.
- Note the recently clarified estimate of voluntary severance costs to conclude changes to the staffing model.
- Agree the contribution of £190,000 to support voluntary severance costs to conclude the implementation of the Tayside Meal Centre

3.0 FINANCIAL IMPLICATIONS

The estimated voluntary severance cost which will require to be incurred by the Council is £190,000. This cost is to be funded from the Council's Change Fund.

The voluntary severance costs are higher than anticipated and the funding of these entirely from surpluses within Tayside Contracts is no longer deliverable in practice due to the impact of Covid 19 on trading operations.

4.0 BACKGROUND

Article IV of the minute of the Policy and Resources Committee held on 28 October 2019 provides background to the development of a Tayside Meal Centre.

The main advantages of the Tayside Meal Centre were noted as:-

- A viable solution to meeting the required additional ELC meal provision
- Financial savings
- Improved food safety, meal quality and meal choice.

Following a decision by Perth and Kinross Council not to proceed as part of the Tayside Meal Centre, Article III of the minute of the Policy and Resources Committee held on 28 January 2020 agreed that Dundee City Council would continue to proceed along with Angus Council with the implementation of the Tayside Meal Centre.

In preparing the original business case and the updated business case following the withdrawal of Perth and Kinross Council, the working assumption was that voluntary severance costs would be substantially managed through turnover and vacancy management, along with early retirement, costs of which would be met by the additional anticipated surpluses generated by Tayside Contracts beyond budgeted levels. In practice, and although still only an estimate, the

level of voluntary severance costs has not been able to be managed down to a level where Tayside Contracts can fund these in full and the ability to cover this from surpluses has also been diminished due to the impact of Covid 19.

5.0 Current Position

Tayside Contracts are now at the final stages of implementing the Tayside Meal Centre and despite unavoidable delay in construction works due to the Covid 19 pandemic, it is planned that the revised service model will be operational in January 2021.

As work has progressed the precise detail of the workforce implications has become clear and it is now identified that there will be approximately 20 employees who work supporting Dundee City Council who wish to accept voluntary/early retirement. Based on sharing these costs with Tayside Contracts, Dundee City Council's share would be £190,000

Tayside Contracts have implemented actions to minimise these severance costs through workforce planning measures.

To finalise the delivery of the Tayside Meal Centre and start to release the annual budgeted savings that will flow from the revised service model, this element of workforce planning requires to be concluded.

Concluding the implementation of the Tayside Meal Centre and providing the required funding will enable the continued provision of meals to all the Council's primary and secondary schools and the Early Years provision.

Angus Council is also being asked to fund their share of voluntary service costs for employees working in the Angus area.

6.0 **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

7.0 **CONSULTATIONS**

The Council Management Team were consulted in the preparation of this report.

7.0 **BACKGROUND PAPERS**

None

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23 SEPTEMBER 2020

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23 SEPTEMBER 2020