

23 September 2015**Agenda Item: 8****REPORT OF SERVICE DIRECTOR, TRANSPORT, PROPERTY &
ENVIRONMENT.****OPERATIONAL REPORT - SCHOOLS AND ACADEMIES CATERING AND
FACILITIES MANAGEMENT SERVICES****Purpose of the Report**

1. This report provides the four monthly performance reports for the Schools and Academies Catering and Facilities Management Services for the period ending 31 July 2015.

Information and Advice

2. The Environment & Resources Department provides a range of Catering & Facilities Management services to schools and other customers across the County largely on a bought back basis.

Performance ReportsSchool Catering

3. The Schools Catering Service served an average 42,953 meals per day over the 4 month period representing an increase of 24.0% on 2014/15 in total meal numbers.
4. Overall cumulative uptake for the year is now 59.6% in primaries and 45.2% in academies/secondary schools sector.
5. Take up of Universal Infant Free School Meals for the Summer Term 2015 is 76.2%. Following national guidance plans were made on the assumption of the likely figure of 85%.
6. Anecdotal evidence suggests that actual national levels range between 75% and 90%. The calculations for Nottinghamshire are based on the assumption that every entitled pupil attends school every day; which in reality is very rarely the case.
7. Other free school meals are recorded at a 71.0% take-up. It should be noted that traditionally the summer term has the lowest uptake figures of the year.
8. Expenditure on both food and wages remain within budget forecasts for the year to date and projected contributions will be achieved.

9. The School Catering has received a letter of notice for the catering services at Wainwright, Queen Elizabeth and Leamington (School Trust Partnership Trust) for the current contract to terminate on the 31st March 2016. A tendering strategy in this respect is currently being developed within the remit of collaborative partnership working.
10. On a positive note a press release was issued in August detailing the students from Tuxford Academy food forum visit to a pig farm and an abattoir to see at first-hand where the food on their school menu originates.
11. The aim of the visit was both educational and informative and showed the high animal welfare standards that are in place. Their teacher stated that the students “had shown a very mature and grown up attitude at the abattoir and they had the option to leave the room at any point”.
12. Comments from one of the students aged 13 years: “I think after this visit I’ll be eating less meat. I’m happy that the animals have had a very good life before they come to the abattoir.” Another student of the same school said: “It was a really interesting visit and it showed me the excellent quality of meat used in our school dinners.” and “After today I’ll continue to eat meat as it’s an excellent source of protein for a teenager.”
13. Another fourteen year old, who is a vegan, found the visit “quite shocking” but said that she could see the slaughter process was done as humanely as possible.
14. The students also visited Spittlemoor Farm at Bothamsall, where farmer John Walker explained how the pigs were reared. As well as holding newly born piglets, the students also had an hour long visit round the farm site on a trailer. He said: “The welfare of all the animals on the farm is the utmost importance and as members of the Red Tractor Farm Assurance scheme we set high standards.

Overall Performance

Financial

	Budget to date (£000's)	Actual (£000's)	Variance (£000's)	Original Annual Budget (£000's)
Turnover	6,844	6,783	-61	20,764
Direct Costs	5,863	5,817	46	18,063
Contribution	981	966	-15	2,425
Indirect costs	486	437	49	1,297
Profit	495	529	34	1,128
Overhead and Support Costs	333	333	0	999
Net Surplus - Deficit	162	196	34	129

Meal Numbers

Meal Numbers (000's)	Actual to date	Budget	Variance
Primary - Free Meals	305	329	24
Primary - Paid Meals	648	655	7
Universal Infant Free Meals	1,130	1,109	-21
Secondary	740	748	8
Specials	8	16	8
Total	2,832	2,857	25

N.B Minus means adverse variances.

*Personnel Committee Operational Catering Report JH 2015 (SG).doc
I drive – Service Directors – Strategic and Env Services*

Facilities Management (FM) Services

15. Operating performance for both the traded building cleaning service and grounds maintenance services has started the first part of the year on target. Changes to internal costs for insurance and corporate charges have put additional financial pressure onto the business for 2015/16 and an overall business deficit is forecast.
16. The Committee will recall that the pricing strategy for the FM Services is phased over the medium-term in order to safeguard buy-back levels but ultimately to achieve a break-even position.
17. It is pleasing to report to the Committee that good operating performance is being achieved on a number of fronts.
18. Firstly, the levels of buyback for 2015/16 are extremely encouraging with a number of losses being offset by a number of gains.
19. Secondly, the financial performance is ahead of the target despite the fact that in the first quarter the business performance tends to be slow but this year the turnover is high. As a matter the actual results are expected to improve further due the fact that it would result in lower sub-contracted costs during the rest of the summer because of better performance in the first quarter.
20. Thirdly, there is a tighter control over costs and as a result operating margins are higher than was predicted at the beginning of the year. All being well in the remainder of the year, good results are predicted.
21. In addition, planned savings in the FM budgets for county offices are on course to be delivered.
22. Work is also underway with the improvement programmes, smarter ways of working, and corporate business support teams to review operating regimes within county offices and in developing a service delivery model across the county office estate that is in line with the resource hub approached operating in both County Hall and Trent Bridge House.
23. *Attached* appendices i and ii show the performance of all the services in graphs.

Overall Financial Performance

	Budget to date (£000's)	Actual (£000's)	Variance (£000's)	Original Annual Budget (£000's)
Turnover	4,525	4,497	-28	13,639
Direct Costs	4,056	3,960	96	12,214
Contribution	468	537	69	1,425
Indirect costs	330	323	7	990
Profit	138	213	75	435
Overhead and Support Costs	315	313	2	944
Net Surplus - Deficit	-176	-99	77	-509

Training and Development

24. Training over 2500 employees dispersed over nearly operational 400 units across the county remains both a priority and a challenge. Eight NCC/Lenovo tablets have been deployed across schools catering training
25. There are a number of training modules and courses which cover areas such as safeguarding children, food safety, control of substances, FM services, and health and safety.
26. The services have also maintained and ISO 9001 and OHSAS 18001 accreditations.
27. The Committee is aware that the Schools Catering Service has achieved the Gold Food for Life Award.

Other Options Considered

28. None – report for noting only

Reasons for Recommendation

29. The monitoring of performance of the Catering & Facility Management service supports the aspirations of the County Council to secure good quality affordable services.

Statutory and Policy Implications

30. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

31. The financial implications are contained within the body of the report.

RECOMMENDATION

- 1) That the Committee notes the contents of this report

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Constitutional Comments

This report is for noting only no Constitutional Comments are required

Financial Comments

The financial implications are set out in the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

Electoral Divisions and Members Affected

- All