

REPORT OF SERVICE DIRECTOR, ENVIRONMENT, TRANSPORT & PROPERTY**OPERATIONAL REPORT - SCHOOLS AND ACADEMIES, CATERING AND FACILITIES MANAGEMENT SERVICES****Purpose of the Report**

1. This report provides the period 12 monthly performance reports for the Schools and Academies Catering and Facilities Management Services ending 31st March 2016.

Information and Advice

2. The Place Department provides a range of Catering & Facilities Management services sold to schools and other customers across the County largely on a bought-back basis together with employee dining.

Performance Reports**School Catering**

3. The Schools Catering Service served an average 45,522 meals per day over the 12 month period representing an increase of 5.3% on 2014/15 in total meal numbers.
4. Overall cumulative uptake for the year is now 64.1% in primaries and 52.7% in academies/secondary schools sector. This compares to 56.1% and 50.3% in the previous year respectively.
5. Take-up of Universal Infant Free School Meals (UIFSM) for 2015/16 is 79.9% compared to 79.0% in the previous year. This 0.9% increase represents an increase of 38,259 meals served during the year or on a 39 week basis, 981 additional meals served per week. It should be noted that figures for Nottinghamshire are based on the assumption that every entitled pupil attends school every day; which in reality is very rarely the case.
6. Other pupil premium free school meals are recorded at a 74.9% take-up.
7. There was a surplus of £421k at the end of the financial year, compared to a budgeted surplus of £195k. The difference being a £123k carry forward for Cypad which had a delay in its roll out, and £72k for food invoices that were not processed in time due to late arrival.
8. Discussions with Highways at Bilsthorpe Depot are now complete with regard to C&FM catering remaining in place after the Highways transition has taken place. Bilsthorpe accounts closed with a profit of £400. The new contract will be on a cost plus basis.

9. Adult Day Centres are showing an additional saving of £2049 over forecast. This is a year-end figure. C&FM are no longer responsible for any Adult Day Centres. They will therefore not appear in 2016/17 budgets
10. The new school menus were introduced after Easter and is promoting our dairy produce. Initial work is already underway for the next menu change.
11. The Cypad Kitchen Manager project is now entering its major roll out phase at the end of April – all 260 primary schools will be live by the end of the July school closure which is a major achievement for the operational managers who are leading and coordinating this project. This will achieve major operational efficiencies for the business and streamline our internal communications capacity and effectiveness.
12. Queen Elizabeth Academy has been retained on a 3 year contract which involves the investment of returns in a newly designed second dining area, planned to be operational in September 2016. In addition we will also lose Sutton Academy at the end of the summer term.

Leamington, Wainwright, Fairfield and Chetwynd Road have left the catering contract at the end of March 2016. Becket, Magnus and St Edmund Campion contracts will come to an end in July 2016.
13. A number of schools are considering the type of contract they have with School Catering – looking to have individual stand alone contracts rather than the current cross-subsidised contract, especially as schools plan to transfer to academy, but even amongst schools not converting. This means that the schools remaining in the cross subsidised contract tend to be less viable making the services for schools contract increasingly challenging.

Overall Performance

Financial

	Budget to date (£000's)	Actual (£000's)	Variance (£000's)	Revised Annual Budget (£000's)	Forecast Outturns (£000's)
Turnover	20,866	21,208	342	20,866	0
Direct Costs	18,402	18,507	(105)	18,402	0
Indirect costs	1,431	1,422	9	1,431	0
Overhead and Support Costs	839	858	(19)	839	0
Net Surplus - Deficit	195	421	226	195	0

Meal Numbers

Meal Numbers (000's)	Actual to date	Budget	Variance
Primary - Free Meals	891	895	(4)
Primary - Paid Meals	2,063	2,008	55
Universal Infant Free Meals	3,420	3,362	58
Secondary & SLA	2,482	2,441	41
Specials	49	50	(1)
Total	8,905	8,756	149

Facilities Management (FM) Services

14. The overall position is a deficit of £416,773 against a budgeted deficit of £490K. The actual deficit has been funded as follows:

Funded from	
Cleaning Reserves	£205,682
Landscape Reserves	£73,113
Catering Reserves	£101,000
budget for unplanned insurance costs	£36,978
Total	£ 416,773

The reduced deficit position is mainly due to higher than anticipated contract and additional cleaning income and lower than expected direct costs – particularly labour and subcontractors.

Income overall £13K favourable.

Direct costs overall £70K favourable.

Indirect costs overall £7K favourable.

Overheads £17K adverse.

15. An external ISO 9001 audit was carried out in Building Cleaning in late April 2016. This has resulted in all minor non-conformities being closed out and no new or additional issues found. For the first time in nine years, C&FM Building Cleaning has an audit related clean bill of health reflected by zero non conformities.

Facilities Services 2016/17 Buy-Back Update

16. It has been a challenging period of time for the service as Schools/Academies and also non-school customers review their tightening budget positions.

17. The Landscape Services business is projected to lose approximately 9% of its turnover this year as customers consider alternative providers. However, the most significant cause of turnover reduction with Landscape Services has been the result of existing customers reducing their current work schedules in order to reduce service costs and a number of sites who are undergoing development works where green space maintenance has been reduced.

18. The Building Cleaning Services is projected to see its turnover reduce by approximately 6% as customers face similar challenges and consider service level reductions to meet their budgetary requirements. This service has continued to see further requests from Schools to supply their Site Management/Caretaking provision and as a result new posts have been created for a number of Schools which include Ashlea Special School, Mapperley Plains and Mount C/E. A new Caretaking/Cleaning service will be provided for St Oswald's School in Finningley.

19. Facilities Services is therefore undergoing a review of its direct costs in order to look to re position its financial standing aligned to the turnover reductions.

20. This Service continues to see the development of new business through providing residential house clearances, cleans and landscapes work to support requirements from Adult/Social Care. This area of work continues to increase and evolve with an agreed SLA in place now with Adult and Social Care. In 2015/16 this new business opportunity raised in excess of £15k and is likely to increase further in 2016/17.

21. The Service is also bidding for The Torch Academy Cleaning Contract (Toothill, Birklands and Meden Schools) and has entered into a partnership bid arrangement with Nottingham City Council in order to try and secure this large contract. The partnership is aiming to share/pool management and business support services in order to provide a tender of high quality which also attempts to be as competitive as possible.
22. Despite these challenges Catering and Facilities Management collectively concluded the 2015/16 financial year with a profit after bearing corporate support services costs of in excess of £1m.
23. In addition, planned savings in the FM budgets for county offices are on course to be delivered.
24. 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 operating in both County Hall and Trent Bridge House. The most advanced stages of the project are at Lawn View House and Sir John Robinson Way. Work is underway to consolidate operational budgets.
25. It is pleasing to announce that for the second consecutive year, NCC has won an award at the Association of Building Cleaning Provider's Cleaner of the Year campaign. Teresa Wheatcroft is our Cleaner in Charge at Southwell Library and does an excellent job there. Not only is Teresa an outstanding cleaning operative delivering very high standards of work; she continually offers additional help to members of the Library Team who cannot praise her highly enough. We therefore submitted an application on behalf of Teresa which was supported with a testimonial from Nicola Ellis the Southwell Library Manager. Auditors then visited the site and were impressed not only with the cleanliness of the building, but also the interaction between Teresa and the Library staff. The Library itself at Southwell was also highly praised. Teresa was subsequently invited to the British Cleaning Show, held in Manchester where she was presented with her second place award. This was a tremendous personal achievement for Teresa and also for the Service which has now won national awards two years running. It also reflects the quality of the Library in Southwell.

Overall Financial Performance

	Budget to date (£000's)	Actual (£000's)	Variance (£000's)	Revised Annual Budget (£000's)	Forecast Outturn (£000's)
Turnover	13,625	13,638	13	13,625	0
Direct Costs	12,230	12,160	70	12,230	0
Indirect costs	1,090	1,083	7	1,090	0
Overhead and Support Costs	795	812	(17)	795	0
Net Surplus - Deficit	(490)	(417)	73	(490)	0

County Hall & Trent Bridge House Catering & Facilities Management

26. In response to comments at previous Committee meetings, a number of improvements have taken place at County Hall and Trent Bridge House.

Highlights of performance are:

- Income is up by £4K on the previous year.
- Overall food cost percentage for the year is 44.9% against 48.4% for the previous year –a favourable reduction in our cost of sales of 4.5%.
- The overall labour percentage is 51.5 % which is an improvement on the figure of 53.6% of the previous financial year.

Riverview:

- A reduction in food costs against the 2014/2015 financial year.
- Income is up by approximately £100 per day.
- Awarded 5* status following Environmental Health Officer visit in January 2016.
- Introduction of hot items in the County Hall coffee shop venue has resulted in sales of approximately £260 - £300 per day.

Porthole:

- New marketing / electronic signage is planned – awaiting costs.
- New bean to cup vending is being costed in terms of return on investment.
- Regular management/supervision taking place.
- Income is rising.

General:

- Facilities Management – County Hall now have new uniforms in keeping with their front of house presence. A new Facilities Management desk area will be positioned adjacent to reception including new signage. Customer care and intervention training has already taken place. Full Security Industry Authority training for FM staff is planned this year.
- It is planned to extend the Cypad programme to the West Bridgford catering and FM operations.
- Both Senior Facilities Officers will also be more visible in their front of house roles. We are also looking at the feasibility of upgrading the current CCTV system.
- Options are being appraised to reposition the seating arrangements that currently service both the Committee Rooms and the Registrars facility.
- A full review is also underway in relation to personal emergency evacuation plans for all areas/floors of both County Hall and Trent Bridge House. Call Point training for Fire Marshalls and Wardens has already taken place in both buildings. This includes coordination after evacuation has taken place.
- West Bridgford FM is showing a year end saving of £25,699 which is slightly above forecast. With tighter controls and additional sales, County Hall & Trent Bridge House catering ended the financial year £15K away from a break-even point. It would not be unrealistic to expect a breakeven result at the conclusion of the current financial year.

Training and Development

27. Training over 2500 employees dispersed over 400 operational units throughout the county remains both a priority and a challenge. The electronic Kitchen Manager project (Cypad) is now being rolled out, initially in Primary School kitchens and will facilitate our training requirement in time across all school kitchens. It also has the ability to encompass our inspection and audit requirements with report capability sent directly and electronically to the customer.
28. There are a number of ongoing training modules and courses which cover areas such as safeguarding children, food safety, control of substances, FM services, health and safety and Prevent.
29. The services continue to achieve ISO 9001 and OHSAS 18001 accreditations. This is currently receiving particular focus from C&FM into 2016 with full senior management involvement.
30. The Schools Catering Service has retained its Food for Life Partnership - Gold at its recent audit.
31. The City/County joint initiative project continues with colleagues at Nottingham City.
32. Asbestos awareness sessions are also scheduled for colleagues with nominated property responsibilities, beginning May 2016.
33. C&FM managers have now attended the BSC e-recruitment workshops during February and are now utilising this functionality in recruitment which is being supported by the C&FM business support colleagues.
34. All C&FM managers based at Lawn View House have undergone Lync telephony training and received new numbers. This will enhance their ability to work flexibly via tablets.

Other Options Considered

35. None – report for noting only.

Reasons for Recommendation

36. 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

37. 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

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

RECOMMENDATION

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

Jas Hundal
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For any enquiries about this report please contact: Shane Grayson
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Constitutional Comments

39. This report is for noting only no Constitutional Comments are required

Financial Comments

40. The financial implications are set out in the report