

20 January 2016**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 8 monthly performance reports for the Schools and Academies Catering and Facilities Management Services for the period ending 30th November 2015.

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.

Performance ReportsSchool Catering

3. The Schools Catering Service served an average 44,578 meals per day over the 8 month period representing an increase of 10.2% on 2014/15 in total meal numbers.
4. Overall cumulative uptake for the year is now 63.3% in primaries and 51.1% in academies/secondary schools sector. This compares to 63.4% and 48.5% in the previous year respectively.
5. Take-up of Universal Infant Free School Meals (UIFSM) for 2015/16 is 79.3% compared to 78.4% in the previous year. Anecdotal evidence suggests that actual national levels currently range between 75% and 90%. 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 free school meals are recorded at a 76.5% take-up.
7. Expenditure on both food and wages remain within budget forecasts for the year to date and projected contributions are expected to be achieved.
8. The School Catering has received a letter of notice for the catering services at Wainwright, Queen Elizabeth and Leamington (School Partnership Trust) for the

current contract to terminate on the 31st March 2016. Tendering strategy in this respect is currently being undertaken. Financial modelling for the tender took place in December with completion and submission scheduled for early January 2016.

9. After discussions with Highways at Bilsthorpe Depot, it has been confirmed that the current employee catering operated by C&FM will continue at Bilsthorpe Depot when the joint venture becomes operational.
10. Two of the most significant C&FM contracts are currently out to tender – i.e. fresh meat and dairy/greengrocery. A third; frozen products, has recently been awarded to Brakes. The value of these contracts is in the region of £7.6M. All contracts include emphasis on sourcing local produce.
11. Spring menu development for schools catering is already underway. Photography took place in December 2015. Menu and materials delivery logistics are now well established. The theme is focused on dairy produce. In terms of future concepts, marketing is through digital presentation of menus rather than paper format. This represents savings in production, distribution and wastage.

Overall Performance

Financial

	Budget to date (£000's)	Actual (£000's)	Variance (£000's)	Revised Annual Budget (£000's)	Forecast Outturns (£000's)
Turnover	13,091	13,163	72	20,866	20,866
Direct Costs	11,570	11,698	(128)	18,159	18,159
Indirect costs	942	883	59	1,374	1,374
Overhead and Support Costs	559	559	0	839	839
Net Surplus - Deficit	21	24	3	195	195

Meal Numbers

Meal Numbers (000's)	Actual to date	Budget	Variance
Primary - Free Meals	562	562	0
Primary - Paid Meals	1,263	1,248	15
Universal Infant Free Meals	2,126	2,117	9
Secondary	1,515	1,505	10
Specials	31	31	0
Total	5,497	5,463	34

Facilities Management (FM) Services

12. Operating performance for both the traded building cleaning service and grounds maintenance services started the first part of the year on target.
13. 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. This was based on 2 year plan with a 3% increase in prices for 2015/16 and 2016/17, with an underlying assumption that front-line wages will have a 3% increase. The actual figure is 5% with effect from November 2015 which has increased operating costs of the business. The shortfall will be funded from trading reserves at the end of the financial year.
14. It is pleasing to report to the Committee that good operating performance is being achieved and a number of customer compliments have recently been received.
15. The levels of buyback for 2015/16 remain encouraging with a number of losses being offset by a number of gains.
16. The financial performance is ahead of target despite the fact that in the first quarter the business performance tends to be slow but this year the turnover is high. The actual results are expected to improve further due the fact that it would result in lower sub-contracted costs during the remainder of the summer/autumn and because of better performance in the first quarter.
17. 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, satisfactory results are predicted.
18. In addition, planned savings in the FM budgets for county offices are on course to be delivered.
19. i-clean were commissioned to provide an overview of our building cleaning regimes within major county offices. The results were received in mid-December and the outcomes will be included in the next update report.
20. 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. This is most advanced at Lawn View House.
21. It should be noted that Chilwell School has given formal notice to terminate their contract for building cleaning and landscape services on the 31st March 2016. Work is underway to remodel our offer and retain the contract. This is being viewed as an early opportunity to test the City/County joint tendering model.
22. Feedback from the Services for Schools event has been largely positive. Pricing models are now being developed for 2016/2017.
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)	Revised Annual Budget (£000's)	Forecast Outturn (£000's)
Turnover	9,081	9,085	4	13,625	13,625
Direct Costs	8,116	8,115	1	12,230	12,230
Indirect costs	720	745	(25)	1,090	1,090
Overhead and Support Costs	530	530	0	795	795
Net Surplus - Deficit	(285)	(305)	(20)	(490)	(490)

County Hall Facilities Management

24. In response to comments made at the previous Committee meetings a number of actions have been undertaken and improvements planned at County Hall and Trent Bridge House. Members of the Committee will be updated as appropriate.

Training and Development

25. Training over 2500 employees dispersed over nearly operational 400 units across the county remains both a priority and a challenge. Eight NCC/Lenovo tablets were deployed across schools catering training. The electronic kitchen manager project (Cypad) will facilitate our training requirements across all school kitchens. Cypad also has the ability to encompass our inspection and audit requirements with report capability.

26. 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.

27. 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.

28. The Committee is aware that the Schools Catering Service has achieved and continues to hold the Gold Food for Life Award.

29. The City/County project continues since the change of project personnel at City. An initial project meeting took place 14.12.15 with City colleagues. A number of workshops have now been set up for the remainder of December 2015 and January 2016. A full progress report will follow.

30. C&FM senior management are planning two ½ day sessions in February 2016 designed to refocus attention on specific areas of accountability i.e. Procurement, HR, Business Support, Communications and Health & Safety.

31. All C&FM managers have now been issued with tablet devices to improve efficiency; specifically mobile working.

Other Options Considered

32. None – report for noting only

Reasons for Recommendation

33. 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

34. 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

35. 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

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

Financial Comments

37. The financial implications are set out in the report.