

**REPORT OF SERVICE DIRECTOR, TRANSPORT, PROPERTY &
ENVIRONMENT****OPERATIONAL REPORT – CATERING & FACILITIES MANAGEMENT****Purpose of the Report**

1. This report provides the end of year performance summary for the Catering & Facilities Management Group for the financial year 2014/2015.

Information and Advice

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

Schools and Academies Catering

3. This past year has been one of the most challenging years for schools catering. September 2014 saw the introduction of the Universal Infant Free School Meals initiative (UIFSM) with an entitlement for free meals for all key stage 1 pupils. As Members are aware £1.7m capital funding was allocated to Nottinghamshire to support their introduction. Over 100 projects were identified involving supplying additional cooking equipment to full kitchen refurbishments. Work was largely completed to the timescales set and delivered to budget.
4. Both food and labour direct costs were tightly controlled and on target. Improved income levels in the secondary and academy sector delivered a financial return of £345k to enable them to reinvest into their individual services; this was a significant increase both on target and the level of returns made in 2013/14. Overall turnover for the service was £20,274k (2013/2014 £16,640k). As a result of improving performance the surplus for the year was £541k (2013/14 £233k). As for the returns to schools this funding is transferred into reserves to allow the ongoing investment into improving the service.
5. Buyback levels for schools and academies overall remains satisfactory for 2014/15 but do continue, as previously reported, to be the highest business risk for the future. Losses are mitigated with the transfer of direct costs therefore impact at this stage is financially minimal.
6. As a result of the UIFSM a further 9,000 meals per day are being served within Primary Schools. Based on an estimate of an 85% take-up performance does vary from site to site and ranges from 70% to 95% however averages for the two terms of operation at 75%. Work continues with individual establishments to encourage further increases where meal numbers remain below the targets set. Total meal take up for the year at 54.4% was ahead of target.

Building Cleaning, Caretaking and Grounds Maintenance

7. An overall positive performance this year with improvements in the turnover of the grounds maintenance services £2,194k (2013/14 £1,955k). A number of Schools/Academies have returned to the Landscape Service during the year as the business continues to work towards a financially viable alternative to the many private contractors operating within the market place. Customer satisfaction levels within this business are particularly high with the Queen Elizabeth Academy the latest customer to write in praising the quality of the service being delivered.
8. The Landscapes business continues to support the Authorities apprenticeship partnership scheme. Two young placements complement their apprenticeship Year during 2014/15 and plans are in place to continue this programme with two more placements offered opportunities within the business for 2015/16.
9. Some losses were experienced in building cleaning and as a result turnover has reduced to £11,792k (2013/2014 £13,518k) however still representing a considerable trading operation. A number of Academies have started to let cleaning tenders during the year and although this has become a significant challenge to the business, some successes in the tendering process have been achieved. An area of growth has seen a number of Primary and Nursery Schools requesting a directly managed caretaking service to support the cleaning programme already being delivered by the business.
10. Overall, an improvement in the quality of financial management information has led to continuous improvement relating to income collection control and expenditure management. The result has seen a contribution exceeding its original budget target by £245k.
11. As is the case for the catering service, maintaining existing levels of buy-back remains a challenging process. Extra efforts this year were targeted at securing buy backs for 2015/16 by local managers who met with a variety of schools/academies who had previously been receiving their services elsewhere. As a result the new financial year is commencing from a largely positive position.

County Offices Facilities Management

12. Work continued over the last year in support of office moves, developing and implementing fire evacuation plans and ensuring roles and responsibilities are fully understood by C&FM staff and users of the buildings. This work will remain a clear priority for 2015/16.
13. Additionally the savings target set for 2014/15 of £200k was achieved by a combination of revising services and the on-going work in reducing the operating costs of the existing estate. Examples included a review of supplier costs relating to waste, pest control and sanitary provision to ensure that the County Council is receiving best value service provision from its local supplier partners.

Operational Support and Developments

14. Training of the 2,500 staff remained a clear priority and in 2014/15 this included a range of courses including;
 - 221 training in safeguarding children,
 - 654 staff Food safety level 2
 - 272 Manual Handling
 - 237 Control of Substances
 - 33 Cleaning Buffer uses

- 1416 other items of training were delivered covering, bus station premises management, H&S Manual updates, fire safety awareness, avoiding slips trips and falls, driver awareness and general cleaning.

15. Throughout the Year the Building Cleaning Service successfully maintained its ISO9001 Quality Certification following two external audits in April and September. The audits were carried out by the British Standards Institute. Additional work is taking place to work towards implementation of this certification across all three business areas during the 2015/16 financial year.
16. Catering & Facilities Management also maintained its OHSAS 18001 Certification (Health and Safety) across all three business units. Once again this certification was achieved following two successful audits undertaken by the British Standards Institute.
17. Schools Catering achieved Gold Food for Life which recognises the progress made to buy organic and serve fresh locally sourced ingredients ensuring, as a large caterer in Nottinghamshire, we are supporting the local economy pro-actively. Produce selection has been key to this success supporting small and medium sized enterprises in production and distribution. Nottinghamshire is one of a handful of local authorities to achieve this accolade and the only School Caterer managing this for all our primary and secondary schools in our contract.
18. Recently the Building Cleaning Service submitted an application to the Association of Building Cleaning Direct Service Providers who was holding their inaugural Cleaner of the Year Award. The submission focussed on Collette Riley, a mobile cleaner undertaking exceptionally high standards of work across the Broxtowe area. The business is delighted to report that Collette won a 2nd place award in this prestige event.
19. An extensive customer satisfaction survey was carried out with results shared at the last committee.

Summary

20. Delivering services remains a challenge as the market place changes. Cost of service is of much higher importance in schools and academies now that they are looking for new and innovative solutions to their challenges. The growth in academy status schools and the groups/trusts that are being created are proving much more difficult to engage with from the Local Authority. They are being offered a huge number of options and are looking for one provider for each of their academies within their group despite, in a number of cases, being pleased with and having received good monetary returns from C&FM in the past.

Despite this significant challenge, the business units remain in a healthy state returning high levels of customer buy back once again and impressive customer satisfaction levels.

Other Options Considered

21. None – report for noting only.

Reasons for Recommendation

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

Statutory and Policy Implications

23. 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

24. The financial implications are set out in the body of the report.

RECOMMENDATION

That the Committee notes the contents of this report.

Jas Hundal
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Constitutional Comments

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

Financial Comments

This report is for noting only no Financial Comments are required.

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