

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 10 monthly performance reports for the Schools and Academies Catering and Facilities Management Services ending 31st January 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 45,388 meals per day over the 10 month period representing an increase of 7.4% on 2014/15 in total meal numbers or an increase of 810 meals.
4. Overall cumulative uptake for the year is now 63.9% in primaries and 52.0% in academies/secondary schools sector. This compares to 56.5% and 49.4% in the previous year respectively.
5. Take-up of Universal Infant Free School Meals (UIFSM) for 2015/16 is 79.8% compared to 79.0% in the previous year. 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 75.0% 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 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. The tendering process in this respect was undertaken and the results are as follows. Leamington and Wainwright will go to the Chartwells Company with Queen Elizabeth remaining with us.

9. 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.
10. Two of the most significant C&FM contracts were put 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. It is pleasing to report that all three have now been awarded and the savings are as follows - with two of the three being awarded to local suppliers.
Fresh Meat circa £67K saving per annum.
Dairy/Greengrocery circa £191K per annum.
Frozen circa £65K per annum
This exercise will yield savings of approximately £323K, whilst maintaining quality and was managed through our procurement process.
11. Spring menus for schools catering are now complete. Product distribution will now take place. The theme is focused on dairy produce. In terms of future concepts, we plan to develop marketing through digital channels rather than paper format and to incorporate social media. This represents savings in production, distribution and wastage together with instant communication. This is currently being investigated in partnership with our colleagues in marketing.
12. We have operational concerns at loss of business – to self-management – of Fairfield, Chetwynd Road, Sunnyside, Greenwood and now Arno Vale. However we are currently in the process of submitting a tender for the schools catering in the South Nottingham Catholic Academy Trust.

Overall Performance

Financial

	Budget to date (£000's)	Actual (£000's)	Variance (£000's)	Revised Annual Budget (£000's)	Forecast Outturns (£000's)
Turnover	16,819	17,052	233	20,866	21,166
Direct Costs	14,770	14,811	(41)	18,159	18,209
Indirect costs	1,164	1,089	75	1,374	1,374
Overhead and Support Costs	699	699	0	839	839
Net Surplus - Deficit	186	452	266	195	445

Meal Numbers

Meal Numbers (000's)	Actual to date	Budget	Variance
Primary - Free Meals	718	716	2
Primary - Paid Meals	1,652	1,616	36
Universal Infant Free Meals	2,741	2,705	36
Secondary	1,991	1,958	33
Specials	40	40	0
Total	7,140	7,035	105

Facilities Management (FM) Services

13. Operating performance for both the traded building cleaning service and grounds maintenance services started the first part of the year on target and are currently favourable by £43K. We are in the process of moving from Authority vehicles to private – in terms of Area District Management transport. This will realise savings of approximately £50K.
14. 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 Resources at the end of the financial year.
15. It is pleasing to report to the Committee that good operating performance is being achieved and customer compliments continue to come in.
16. The levels of buyback for 2016/17 at this point in time are as follows.
 - Cleaning contract losses 6
 - Cleaning contract gains 3
 - Landscape losses 3
 - Landscape gains 2Both cleaning and landscape teams are working hard to retain contracts and attract new business.
17. Closing towards year end; budget forecasting and soft service spending is on track at the moment – that is to say per budget/required savings. We are also planning an external window clean for all the large outlying FM buildings before the end of the financial year
18. 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.
19. In addition, planned savings in the FM budgets for county offices are on course to be delivered.
20. i-clean were commissioned to provide an overview of our building cleaning operations within major county offices. The results were received in mid-December. A summary of the results are attached to this report as **Appendix iii**.
21. 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. This is most advanced at Lawn View House.
22. *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	11,351	11,325	(27)	13,625	13,625
Direct Costs	10,176	10,089	87	12,230	12,230
Indirect costs	900	916	(16)	1,090	1,090
Overhead and Support Costs	663	663	0	795	795
Net Surplus - Deficit	(388)	(343)	45	(490)	(490)

County Hall & Trent Bridge House Facilities Management

23. In response to comments at the previous Committee meetings, a number of actions have been undertaken and improvements planned at County Hall and Trent Bridge House. A briefing note outlining these improvements was circulated to Members of the Committee and as a result I can report the following results:

Riverview:

Income is up by approximately £100 per day.

Increased management visibility.

Awarded 5* status following Environmental Health Officer visit in January 2016.

Introduction of freshly made omelettes – Monday to Thursday.

Introduction of hot items in the County Hall coffee shop venue has resulted in approximately £250 per week additional income.

Porthole:

New marketing / signage is imminent.

New bean to cup vending will be introduced during March 2016.

Regular management/supervision taking place.

Income is rising.

New uniforms have been ordered for all three catering venues.

General

Facilities Management now have new uniforms in keeping with their front of house presence. A new Facilities Management desk area will be positioned next to reception including new signage. Customer care and intervention training has already taken place. We will be commencing full Security Industry Authority training for FM members in the near future. The Facilities Management team will have the word Security displayed on their uniforms.

Both Senior Facilities Officers will also be more visible in their front of house roles. Grab rails have been installed in both ladies and gents ground floor toilet cubicles. We are also looking at the feasibility of upgrading the current CCTV system.

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.

Training and Development

24. Training over 2500 employees dispersed over 400 operational units throughout the county remains both a priority and a challenge; therefore eight NCC/Lenovo tablets

were deployed across schools catering training and this ability to train online and within the kitchen environment contributes to our smarter working initiatives. In time the electronic kitchen manager project (Cypad) will facilitate our total training requirement across all school kitchens. It also has the ability to encompass our inspection and audit requirements with report capability. In partnership with Nottingham City colleagues, we are looking at expanding the Kitchen Manager product across their estate – procured by the City; therefore facilitating one dashboard view of the respective businesses – to include building cleaning operations.

25. There are a number of ongoing 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 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.
27. The Committee is aware that the Schools Catering Service has achieved and continues to hold the Gold Food for Life Award.
28. The City/County joint initiative project continues since the change of personnel at City. An initial project meeting took place 14.12.15 with City colleagues. A number of workshops then commenced in December 2015 and January 2016 with a view to developing a joint bid and tender solution. We are currently looking at specific catering and building cleaning tenders which are due for submission in March 2016. A full year end progress update will follow at the next Personnel Committee. City colleagues have briefed Corporate Directors at both County and City on progress.
29. C&FM senior management are planning two ½ day sessions for schools catering colleagues in March 2016; designed to refocus attention on specific areas of accountability i.e. Procurement, HR, Business Support, Communications, Systems & Quality and Health & Safety.
Asbestos awareness sessions are also scheduled for colleagues with nominated property responsibilities, during April 2016.
30. C&FM managers have now attended electronic recruitment workshops which took place during February. This is being monitored and managed by Catering & Facilities Management Business Support colleagues in LVH.
31. All C&FM managers based at Lawn View House are due to undergo Lync telephony training and receive new numbers. This will enhance their ability to work flexibly via tablets.

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
Service Director
Environment, Transport & Property

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