

REPORT OF SERVICE DIRECTOR, ENVIRONMENT, TRANSPORT & PROPERTY**OPERATIONAL REPORT - SCHOOLS AND ACADEMIES, CATERING AND FACILITIES MANAGEMENT SERVICES****Information and Advice****1. Purpose of Report**

This briefing report sets out the performance of the Environment & Resources Department Catering & Facilities Management (C&FM) Trading Services for Period 10 ended 31st January 2017.

2. Information and Advice

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

3. Performance Reports

A review of structures is underway as C&FM repositions itself with a view to the future. options are currently being appraised and information collection has started

3.1 Building Cleaning & FM Services

Building Cleaning & Facilities Management colleagues continue to appraise contracts in line with policy decisions made in 2016 – particularly in staffing reduction and applying the 5% increase in contracts for 2017/18 buyback. Managers are now being encouraged to analyse differentials with regard to how individual contracts are implemented.

First indications are that this will improve the position in 2017/18.

The increase in superannuation has had a negative impact on the forecast balanced budget for 2017/18. The forecast is now an over spend of £307K. This overspend will be offset by surpluses in the catering service.

CFM submitted a tender for the Nottinghamshire Fire Stations cleaning and landscaping services, and are pleased to inform Members that we have been successful in winning this contract and in retaining the business. This was an innovative bid to ensure the contract breaks even and can hold the price for the Fire Service. The tender was 60-70% weighted towards cost.

This is a 3 year contract from April 1st 2018 with a potential extension of a further 2 years.

3.2 Schools Catering

The Schools Catering Service served an average 43,601 meals per day over the 10 month period, a decrease of 3.9% on the same period for 2015/16 in total meal numbers, in most part, due to a teachers strike day in July 2016 and the loss of 3 Secondary and 8 Primary schools over the last year.

Overall cumulative uptake for the period is now 59.9% in primaries and 56.5% in secondary school sector. This compares to 61.1% and 52.0% in the previous year respectively.

Take-up of Universal Infant Free School Meals (UIFSM) for April – January 2017 is currently 76.6% compared to 79.8% 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.

Other pupil premium free school meals are recorded at a 75.3% take-up.

Price increases linked to the the value of the pound from Brakes and some meat products procured via Maloneys have impacted on food costs from December 2016 onwards.

Retaining business with schools and academies is proving challenging. The reduction of school budgets and focus on Academy status is pushing the market towards self-management and private contractors. Companies are offering a school meal price of £2.00 The standard NCC offer at £2.29 includes the cost of catering equipment and staff sickness for instance. The £2.00 cost submitted does not include these elements. This is not made clear to the schools at the point of bidding. NCC are reviewing the catering offer

CFM are currently working on the submission of a substantial tender for four secondary schools, one of which is in Derbyshire. The Catering team have discussed this with colleagues in Derbyshire.

CFM has successfully qualified for the Pre-Qualification stage for the Two Counties Trust tender – however no decision on our progression is expected until April. This covers four large secondary schools. Two of these schools are in Nottinghamshire for which NCC have the contract.

Larkfields Junior School are taking the service in house.

Funding for the first 15 kitchen ventilation projects has received approval. This will replace the existing systems. They are major projects requiring the kitchen to be completely stripped and food provided from alternative sites. Landlords consent has been sought and project management processes are already in place. We will continue to update Members on progress.

CFM are meeting with CRM (Customer Relationship Management) vendors and will be moving forward with this project to map, monitor and manage the interface with customers and with our management teams. This will completely redefine our real-time business intelligence across our service areas; in particular schools catering.

Continuing Cypad development is looking to include total incomes from schools and include a facility to display hospitality catering. This will aid staffing requirements and therefore efficiencies. It also provides management with an instant overview of the

business. We are also currently testing the Cypad audit and inspection application within our building cleaning service area.

CFM are working to develop our communications with customers and potential markets. This will include a monthly frontline newsletter; the refreshing of the brand image and also market research to support future strategies. This will initially be launched within schools catering.

New staffing regimes are being introduced from January 2017 as schools change the style of contract with ourselves. This facilitates our ability to be more responsive to variations in income and employee absence; ultimately to improve productivity and efficiency. Overarching projects are underway in C&FM to ensure that we will compete effectively against private contractors.

School Catering

Overall Performance

Financial

	Budget to date (£000's)	Actual (£000's)	Variance (£000's)	Revised Annual Budget (£000's)	Forecast Outturns (£000's)
Turnover	16,340	16,462	122	20,530	20,530
Direct Costs	14,349	13,720	629	18,001	17,625
Indirect costs	1,363	1,264	99	1,652	1,652
Overhead and Support Costs	705	728	23	874	850
Net Surplus - Deficit	(99)	774	873	0	403

Meal Numbers

Meal Numbers (000's)	Budget to date	Actual	Variance
Primary - Free Meals	620	627	7
Primary - Paid Meals	1,508	1,509	1
Universal Infant Free Meals	2,607	2,640	33
Secondary & SLA	1,883	1,900	17
Specials	39	40	1
Total	6,657	6,716	22

Building Cleaning FM

Overall Performance

Financial

	Budget to date (£000's)	Actual (£000's)	Variance (£000's)	Revised Annual Budget (£000's)	Forecast Outturn (£000's)
Turnover	11,449	11,424	-25	13,635	13,635
Direct Costs	10,136	10,099	37	12,200	12,200
Indirect costs	833	795	39	1,000	1,000
Overhead and Support Costs	659	642	17	791	791
Net Surplus - Deficit	(179)	(112)	67	(357)	(357)

4. County Hall & Trent Bridge House Catering and FM

A presentation was delivered in January 2017 by SSE enterprise energy solutions, in conjunction with NCC colleagues in both IT and Energy. The presentation was in regard to saving energy by managing all ICT devices and ICT assets within the Local Authority Estate. Substantial savings can be made by monitoring and optimising the usage of ICT equipment. The solution will let customers see whether a change in ICT usage policy uses more or less energy. For example, if the times of access to the system are changed to reflect business hours, policies can be adapted to give staff easy access to devices while managing and reducing the energy running costs. Computers can be turned off remotely if they are not accessed for a certain period of time; or switched off automatically between, for instance 6.30pm and 6.30am.

4.1 Energy saving & staff comfort project - TBH

As part of the 5-year Creating the Energy for Change (CTECH) project, a team from the University of Nottingham, University College London, and the Centre for Sustainable Energy have, in partnership with the Facilities Management and Energy teams at NCC, been developing a trial deployment at Trent Bridge House. We are now in the middle of this deployment.

Our goal is two-fold – first to reduce energy use in the building, lowering costs and carbon emissions, and secondly to help address thermal comfort issues amongst staff. Our approach relies on involving staff as part of the solution, using a combination of information displays, workshops, and behavioural change. We see considerable potential at TBH for making savings, for example by encouraging energy use away from the ‘red band’ hours of late afternoon; penalty charges from which, make up approximately 10% of our current electricity bill (over £100K per annum).

The catering team are planning a minor refurbishment of the Coffee shop in County Hall to improve access for guests and employees with reduced mobility.

4.2 Clasp update

Both the Riverside & H Block bridges have been partially removed, with the main concrete footings commencing demolition from 7th March onward.

Some delays were caused by additional notifications to the HSE relating to asbestos originally not highlighted. One notification was in the link bridge & the second related to the re-routing of gas works. The contractor is on target to complete the demolition for May 2017 as planned.

It is proposed that we mount the Clasp Plaque onto the County Hall wall (see photograph attached)

5. General

C&FM are considering a new Customer Relationship Management System (CRM) across our service areas that will enhance the real time business information available to us. We see this operating in partnership with the Cypad project.

CRM is a term that refers to practices, strategies and technologies used to manage and analyse customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and

driving sales growth. CRM systems are designed to compile information on customers across different channels or points of contact between the customer and C&FM.

We are also currently undertaking a full appraisal of our marketing and merchandising in line with competitor practices.

5.1 Car parking

The facilities team continue to be a 'presence' both at the entrance to County hall & the spaces around the site. Updated signage & line marking has improved the defined areas where staff & visitors alike can park. At around the 8am mark the site is generally full for staff. Additional parking is available at the Nottingham Forest site.

The Chief Executive and Corporate Director Place spent a morning with the parking team how the team managed the interim arrangements. Facilities teams were commended for their hard work in challenging circumstances.

Parking issues have eased at Lawn View House with the introduction of uniformed monitoring.

5.2 Door Access

Hardware rollout per building started 30th January 2017 and is now complete for Prospect House. This building was utilised as the initial test site and functioned perfectly. With the exception of Trent Bridge House and County Hall, all buildings are now complete, or in the process of having the hardware installed. New cards are also being issued. All staff will have a new card or a temporary card if they have commenced employment since the last photography session. The new card will also encompass the existing print facility. Hardware implementation at Trent Bridge House is planned to commence 21st March 2017. Security during implementation, will be managed by Facilities Management colleagues and new cards will be collected by employees on both Friday 17th March and Monday 20th March.

A series of frequently asked questions is available to all relevant employees.

Trent Bridge House and County Hall will be the final buildings to be completed for two reasons:

1. They are the largest projects and require the most dedicated input.
2. We envisage that all potential issues will have been addressed as part of the smaller implementations, so ensuring minimal disruption and maximum efficiency.

The general roll out has been successful to date with a number of IT issues being rectified as and when they came to light. All buildings will be able to adjust the access rights for members of staff, therefore retaining control. The final roll out to County Hall will be approximately May. This means that all returning and new Councillors will commence the term with a new security access card.

5.3 Confidential Waste

A full appraisal for county offices & care homes was undertaken to confirm current practice and to establish a generic procedure going forward. A progress update was submitted to the Information Management Group (IMG) for their meeting on January 18th 2017 and as a

result, the Information Management Group (IMG) have approved a Confidential Waste procedure. It is now available via the new NCC intranet site. The Facilities team is currently reviewing the above appraisal on a site by site basis and will publish further advice in due course.

5.4 Smarter Working

CFM are working with Smarter Working (SM) colleagues on a number of initiatives which include redefining seating at LVH. For us this will have the added benefit of encouraging schools catering colleagues to spend more quality time with frontline employees which together with mobile working solutions will result in them being office bound less often. This naturally feeds into the resolution of car parking issues.

CFM are also working with SW to redefine county office responsibilities between ourselves and corporate colleagues throughout the estate.

Digital mail - the scanning of mail for the teams within the Lawn View House pilot will commence on 21st March 2017. All that will change is that mail will be received in digital format and should still be processed in the usual way. A series of Frequently Asked Questions is in place to assist colleagues.

A full evaluation will take place during the pilot in order to build a business case for wider implementation of the system.

6. Sickness monitoring

Catering & Facilities Management are continuing to focus on sickness absence. Monthly clinics are now in place whereby Area Managers across our services are being asked to report the current figures and the actions in place now and in the future; to reduce the level in line with Nottinghamshire County Council targets. All support staff have now undergone training in professional notetaking to enable concise and accurate recording of all procedural meetings in order to support this initiative.

7. Reasons for Recommendation

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

8. Statutory and Policy Implications

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.

9. Financial Implications

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

RECOMMENDATION

That the Committee notes the contents of this report.

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Environment, Transport & Property

For any enquiries about this report please contact: John Hughes
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12. Constitutional Comments

This report is for noting only no Constitutional Comments are required

13. Financial Comments

The financial implications are set out in the report