

**15 September 2014****Agenda Item: 8****REPORT OF SERVICE DIRECTOR, TRANSPORT, PROPERTY &  
ENVIRONMENT****PERFORMANCE REPORT - CATERING & FACILITIES MANAGEMENT  
SERVICES****Purpose of the Report**

1. This report provides information to the Committee on the performance of the Environment & Resources Department Facilities Management Services Period 4, 31 July 2014

**Information and Advice**

2. The Environment & Resources Department provides a range of FM services across the County Council to schools and academies; County Hall, Trent Bridge House, Newark, Retford & Mansfield Bus Stations other County offices, libraries, and country parks.
3. As previously reported Facilities Management includes Building Cleaning, Grounds Maintenance, Site Caretaking & Security, meeting room servicing and general portering duties.
4. Income for the service includes trading account income from schools and other departments and from an FM budget held centrally to provide accommodation and office service requirements across the County.

**Summary of Performance – Appendix 1****Facilities Management – Building Cleaning and Landscape  
Services – Traded Services**

5. Overall contribution for Building Cleaning is below target as a result of some yearly front end expenditure on equipment and a reduction in turnover of £400k as a result of a number of large academies moving to self-managed provision. It is anticipated that this will be balanced during the course of the financial year and targets achieved. Landscapes turnover is up this year and with continued tight control on expenditure this will assist in offsetting the overall contribution outcomes for the service areas.

6. We have also received notice from a further 3 sites who intend to retender their cleaning contracts, this could represent a further reduction in turnover during the course of the year. Some of the losses have been offset by a number of gains and increased service provision such as site management duties previously managed by schools themselves.
7. The Building Cleaning Service continues to assist CFCS and ASCHPP reducing the operational costs in Children's Centres, Youths Clubs and other County Council managed premises.
8. This year the service has adopted a two year pricing strategy towards the increased costs of pricing implementation strategy on the basis of balancing customer cost increases, allowing changes to the service provision rather than pass on the full increased costs of the service directly onto customers in one year.

### **Office Facilities Management**

9. The outline business cases submitted in autumn 2013 required a 2014/15 reduction in building operating costs of £300k, there is a further £200k required in 2015/16 and a final £100k in 2016/2017 making a total reduction requirement of £600k over the 3 financial periods. The 2014/15 has been met through a reduction in cleaning hours, surplus property requirements and better housekeeping of facilities contracts. A review of overall service expenditure in County Offices continues in an effort to identify other savings potential to contribute to the current financial position of the County Council.
10. Accreditation has been retained for both the ISO 18001 (Occupational Health & Safety Systems) and ISO 9001 Quality Assurance standard for Building Cleaning. Following a recent exercise it is anticipated that the quality system accreditation (ISO 9001) will be extended to cover the catering service and landscape service in the early part of 2015.
11. The County Hall & Trent Bridge House Catering facility is operating marginally above target on food costs, largely as a result of reduced turnover however this still represents an improvement in control on 2013/14 and is offset by an underspend on labour costs.

### **Other Options Considered**

12. None -Report for information.

### **Reason/s for Recommendation/s**

13. The monitoring of performance of the facilities management services supports the aspirations of the County Council to secure good quality affordable services.

## **Statutory and Policy Implications**

14. 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**

The monitoring of service performance will ensure that the spend on facilities management services will be used efficiently and effectively.

### **Human Resources Implications**

### **Human Rights Implications**

### **Implications in relation to the NHS Constitution**

### **Public Sector Equality Duty implications**

### **Safeguarding of Children and Vulnerable Adults Implications**

### **Implications for Service Users**

### **Implications for Sustainability and the Environment**

### **Ways of Working Implications**

## **RECOMMENDATION/S**

- 1) That the Committee notes the contents of this report and that financial performance across Facilities Management is meeting the financial targets set for this period

**Kevin McKay**

**Group Manager Catering & Facilities Management.**

**For any enquiries about this report please contact: Kevin McKay**

Group Manager – Catering & Facilities Management

### **Constitutional Comments**

Personnel Committee has authority to consider the matters set out in this report by virtue of its terms of reference

### **Financial Comments**

The contents of this report are duly noted; there are no direct financial implications

### **Background Papers and Published Documents**

- None

### **Electoral Division(s) and Member(s) Affected**

- All Nottinghamshire

## Facilities Management Committee report

### Facilities Management - Building Cleaning and Caretaking, Grounds Maintenance FINANCIAL

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements
Labour costs as % of turnover - Landscape services	Aim to Minimise	<p><b>Actual</b> 38.39%</p> <p><b>Target</b> 39.97%</p> <p>✓</p>		
Labour costs as % of turnover - Building Cleaning	Aim to Minimise	<p><b>Actual</b> 82.68%</p> <p><b>Target</b> 81%</p> <p>✓</p>		

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements
Turnover - Landscape Services	Aim to Maximise	<p><b>Actual</b> £771,000</p> <p><b>Target</b> £728,000</p> <p>✓</p>	<p>Target (Months)</p>	

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements
Contribution - Building Cleaning	Aim to Maximise	<p><b>Actual</b> £364,000</p> <p><b>Target</b> £459,000</p> <p>✗</p>	<p>Target (Months)</p>	Early year purchasing of equipment / material a is skewing the first 4 period results which will be addressed during the financial year.

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements
Turnover - Building Cleaning	Aim to Maximise	<p><b>Actual</b></p> <p>£3,985,000</p> <p><b>Target</b></p> <p>£4,022,000</p> <p>✓</p>	<p>Target (Months)</p>	
Contribution - Landscape Services	Aim to Maximise	<p><b>Actual</b></p> <p>£251,000</p> <p><b>Target</b></p> <p>£144,000</p> <p>✓</p>	<p>Target (Months)</p>	
Surplus/deficit – Facilities Management - School	Aim to Maximise	<p><b>Actual</b></p> <p>£37,000</p> <p><b>Target</b></p> <p>£40,000</p> <p>⚠</p>	<p>Target (Months)</p>	Early year purchasing is reducing overall surplus at Period 4 but will be compensated for later in the year.

## Facilities Management - Building Cleaning and Caretaking, Grounds Maintenance PERFORMANCE

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements									
Buy Back Levels - Building Cleaning	Aim to Maximise	<div><div>Actual</div><div>76</div><div>Target</div><div>75</div><div></div></div>	<table><thead><tr><th>Year</th><th>Actual</th><th>Target</th></tr></thead><tbody><tr><td>2012/13</td><td>78</td><td>75</td></tr><tr><td>2013/14</td><td>76</td><td>75</td></tr></tbody></table>	Year	Actual	Target	2012/13	78	75	2013/14	76	75	Minor changes have happened during the year with an net estimated loss of turnover of £400k but overall buyback levels remain satisfactory
Year	Actual	Target											
2012/13	78	75											
2013/14	76	75											


Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements									
Buy Back Levels -Grounds Maintenance	Aim to Maximise	<div><div>Actual</div><div>61%</div><div>Target</div><div>60%</div><div></div></div>	<table><thead><tr><th>Year</th><th>Actual</th><th>Target</th></tr></thead><tbody><tr><td>2012/13</td><td>63%</td><td>60%</td></tr><tr><td>2013/14</td><td>61%</td><td>60%</td></tr></tbody></table>	Year	Actual	Target	2012/13	63%	60%	2013/14	61%	60%	This continues to be the most challenging and competitive area however buy back levels remain within target levels
Year	Actual	Target											
2012/13	63%	60%											
2013/14	61%	60%											




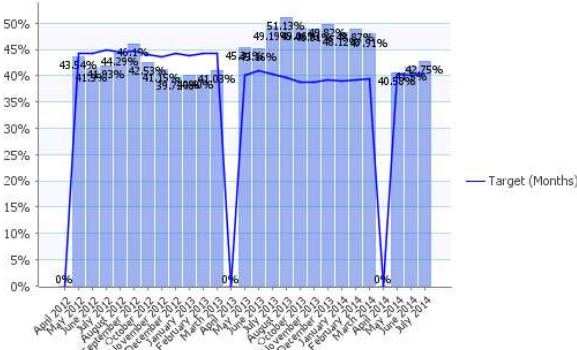

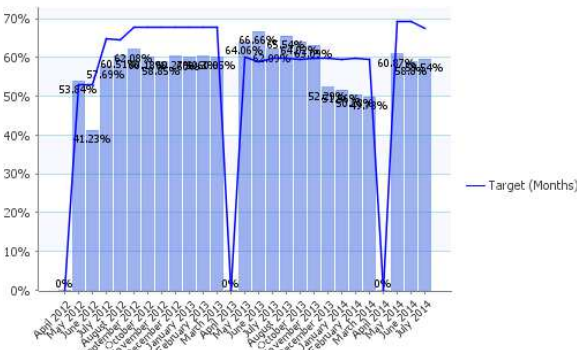
**Facilities Management - Building Cleaning and Caretaking, Grounds Maintenance**  
**EXTERNALLY ASSESSED QUALITY STANDARDS**

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements
Retain Occupational Health & Safety Advisory Services (OHSAS)18001 accreditation - Facilities Management	Aim to Maximise	<b>Actual</b> Yes <b>Target</b> Yes 		


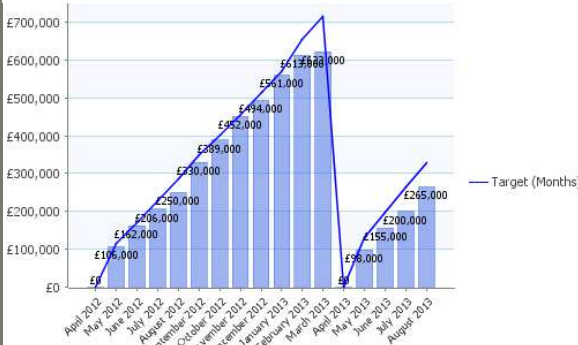
**Facilities Management - West Bridgford Campus**  
**EXTERNALLY ASSESSED QUALITY STANDARDS**

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements
Retain Occupational Health & Safety Advisory Services (OHSAS)18001 accreditation - Facilities Management - West Bridgford campus	Aim to Maximise	<b>Actual</b> Yes <b>Target</b> Yes 		

## Facilities Management - West Bridgford Campus; Catering West Bridgford FINANCIAL

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements
Food costs as % of turnover - Facilities Management - West Bridgford Campus Catering	Aim to Minimise	<p><b>Actual</b> 42.75%</p> <p><b>Target</b> 40.31%</p> 		This variance represents less than £4k expenditure and is compensated for in labour costs underspend.
Labour costs as % of turnover - Facilities Managment - West Bridgford Campus Catering	Aim to Minimise	<p><b>Actual</b> 59.54%</p> <p><b>Target</b> 67.44%</p> 		

## Facilities Management - West Bridgford Campus; Security and Building Cleaning FINANCIAL

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements																																				
Direct Costs- Facilities Management - West Bridgford Campus - Security & Building Cleaning	Aim to Minimise	<div><div>Actual</div><div>£265,000</div><div>Target</div><div>£330,000</div><div></div></div>	 <table><caption>Monthly Actual Costs (Estimated from Chart)</caption><thead><tr><th>Month</th><th>Actual Cost (£)</th></tr></thead><tbody><tr><td>April 2012</td><td>£106,000</td></tr><tr><td>May 2012</td><td>£142,000</td></tr><tr><td>June 2012</td><td>£206,000</td></tr><tr><td>July 2012</td><td>£250,000</td></tr><tr><td>August 2012</td><td>£299,000</td></tr><tr><td>September 2012</td><td>£330,000</td></tr><tr><td>October 2012</td><td>£389,000</td></tr><tr><td>November 2012</td><td>£452,000</td></tr><tr><td>December 2012</td><td>£494,000</td></tr><tr><td>January 2013</td><td>£561,000</td></tr><tr><td>February 2013</td><td>£570,000</td></tr><tr><td>March 2013</td><td>£650,000</td></tr><tr><td>April 2013</td><td>£0</td></tr><tr><td>May 2013</td><td>£98,000</td></tr><tr><td>June 2013</td><td>£155,000</td></tr><tr><td>July 2013</td><td>£200,000</td></tr><tr><td>August 2013</td><td>£265,000</td></tr></tbody></table>	Month	Actual Cost (£)	April 2012	£106,000	May 2012	£142,000	June 2012	£206,000	July 2012	£250,000	August 2012	£299,000	September 2012	£330,000	October 2012	£389,000	November 2012	£452,000	December 2012	£494,000	January 2013	£561,000	February 2013	£570,000	March 2013	£650,000	April 2013	£0	May 2013	£98,000	June 2013	£155,000	July 2013	£200,000	August 2013	£265,000	
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## Facilities Management - Overall

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements
Turnover - Overall Group Performance – Trading	Aim to Maximise	<p><b>Actual</b> £10,509,000</p> <p><b>Target</b> £10,312,000</p> <p>✓</p>	<p>Target (Months)</p>	
Contribution - Overall Group Performance- Trading	Aim to Maximise	<p><b>Actual</b> £1,099,000</p> <p><b>Target</b> £1,096,000</p> <p>✓</p>	<p>Target (Months)</p>	

