

PERFORMANCE SCRUTINY COMMITTEE –

Report by Carillion on Current Contract Delivery and Proposed Service Improvements

Introduction

With regards to the April 2015 – Sept 2016 performance against the key success criteria for the partnership, there have been ongoing achievements against some, and the need for ongoing further developments to deliver against others.

Among the highlights

- Property savings of £1.6m medium Term
- Budget savings of £550,000 PA – Achieved through staffing efficiency
- Reduce Energy Consumption - 4 years into the contract is 15.5% Energy and 16.3% Carbon.
- Increase co-location – Work ongoing within the strategic asset group
- Capital savings on projects – highest level of capital projects for partnership delivered in year.

In addition there were ongoing improvements and developments across all service streams during the year and improvements regarding contract management and performance. We have jointly reviewed with our E&E colleagues the Key Performance Indicators for the contract in order to ensure they are relevant and aligned to those service streams.

The key people changes made in 2014/15 were now imbedded in the contract and this strengthened the resource to provide expertise within the Partnership management team. This strengthened the Carillion operating team in both Capital Projects and Facilities Management services.

Included in this report is details of key deliverables within the year that include:

- The need to continue the development of the data base information to support better decision making for property, whilst also reducing the compliance risk.
- The expanding population across the county meant there was a large number of school capital projects needed.
- Within the FM services, the operating structure and catering service continuous improvement and development in order to adjust to the movement of schools moving into academies and the changes in funding.
- A need to continually improve the processes to manage Risk, Health and safety, which are key success criteria of the contract.
- Expand the partnership through Framework agreement, during the 2015/16 year 5 capital projects were either delivered or signed to the framework agreement.

Business Structure and People

Following the extensive changes made in 2014 to the structure and leadership of the contract 2015/16 has been relatively stable, allowing the new leadership lead time to concentrate of service and operational improvements. At the end of 2015 Jeremy Dicks was appointed Account Director for the partnership, with Phil Stephenson moving a more strategic role with Carillion, while maintaining his role in the partnership board. Jeremy joins the Partnership from Sodexo where he spend 16 years as a business sector Managing Director.

We repositioned the helpdesk facility into our new customer experience centre and call centre. This has ensure that we can deliver a helpdesk service from the same location 7 days week and for all our of hours services. This involved migrating 3 roles to a wider team.

Planning also started with integrating our Capital projects and minor works team to link in with Carillion's Projects team. This provides greater level of resource and expertise leveraged from the wider Carillion business to support the varying levels of volume and activity of projects work to be able to improve our Design and build process into the future.

Sam Henry has joined as Communications manager and Andrew Stanley has been engaged to strengthen the Strategic Asset Team. Both come with of experience with Oxfordshire County council and local authorities.

Strategic asset Management and Estates Management

We presented the Strategic Asset Management Plan 2015 that sets out a 5 year forward view of the principles to be applied to the ownership and management of the Councils property, whether held for operational, community or investment reasons. This is an external facing document that shows the council is open for business and how it wishes to work with the wider public sector.

Currently the commissioned follow on work has more of an internal and service change focus, and will be supported through specific projects and the Asset Utilisation Programme. We are preparing proposals to develop a stronger asset challenge process that will have an eye on the need to prepare for the Right to Contest 2014 legislation, under which a third party can seek to acquire local government property, and promote discussion on the best use of property as an asset perspective.

During the year we have delivered between 30 and 34 service related business cases of which 28 were School Basic Needs Schemes. The others include those for Children's Centres, Bicester Park and Ride, Oxford Household Waste Recycling Centre and Bicester Health & Wellbeing Centre.

Two significant pieces of work on the corporate office estate have been presented. One involved a Strategic Options Appraisal for the shape of the corporate office estate some 5 years ahead and the other specific short and medium term recommendations for Speedwell House as a piece of real estate.

We have also delivered one of two business cases for change on the corporate estate to meet the Medium Term Financial Plan. The other case was delivered in May 2016 with the end result being the release of the leasehold Kingsgate and Unipart Houses to save between £3 and 4m.

Innovation/Added Value has been attained through engagement in:

- the Central Library at the Westgate Centre where we were able to maximise the consideration from the developer by maintaining the requirement to satisfy S123 and obtain best value for OCC (£1 million obtained plus other benefits)
- value enhancement of some 35.7 hectares of land at Tank Farm, Chipping Norton is underway bringing agricultural land into the Local Development Plan allocation for mixed use and housing development that will begin the path of value improvement from circa £700,000 to around £10m
- Land at Rockhill Farm for an Extra Care Home facility has been brought forward and bids are now being sought via the Homes & Communities Agency Developer Partner Panel
- We were able to re-engineer a service proposal to build a new facility to replace Howard House by option appraising an alternative existing building or repurposing an existing in hand building to show better value for money by reducing capital requirements from £4.02m to £1.3m
- Exploring and resolving the strategic direction of travel for surplus land derived from the closure of Northfield Hostel in Blackbird Leys and the nearby Special School that is located adjacent to Oxford United's Kassam stadium
- Finally, while being asked to look at the re-provision of salt barns for the Highways Service and in order to meet environmental legislation we have been reviewing the strategy for the Depots.

In our General Property Management service we have introduced a property accounts manager and this has supported the improvement of data in the solutions upon which business cases are prepared. It has also improved the quality of regular budget forecasting and the resolution of inconsistencies in data input and coding.

The Disposals Programme provided a start of year target of £2.573m that was subsequently reforecast in November 2015 to £2.44m. Unfortunately, one purchaser pulled out reducing this to £2.36m. Total in year receipts amounted

to £2.11m. However, the shortfall of £0.31m will be exceeded as a result of increased values in respect of a slipped sale and is expected to deliver first quarter 16/17.

Acquisitions of land for new roads, junctions and widening continues. This enables the County Council to implement its highway infrastructure strategy to support planned housing and employment growth across the Science Vale area. By working in collaboration with landowners, we have completed 29 land acquisitions and agreed terms on a further 3 sites, enabling construction to commence on the new A34 Chilton Slip roads and improvements at Hagbourne Hill.

Asset Valuations were an area for improvement. All programmed valuations for this (15/16) year are complete with transactional valuations (where there has been a physical or legal change to an asset) concluded by July 2016. This has identified the need for a process improvement in the way that data is held by others and this has been accepted. The difficulty has been compounded this year as the category to be valued is schools which represent the largest single category of assets to be valued in the rolling programme. This work is ongoing.

Our Planning service promoted numerous sites for allocation into the SHLAA (strategic housing land availability assessment) in all districts. The promotion of Tank Farm for a local plan allocation via attendance at Public Inquiry and collaborating with other landowners at north Eynsham for a local plan allocation in respect of Evenlode Farm are examples of this work.

The investment made in rating appeals work is coming to fruition with savings in respect of fire stations totalling in excess of £110,000.

In the Information Management area we have completed the data cleanse of information transferred from K2 and uploaded GIA's (gross internal areas). This is enabling more accurate evaluation of property costs more robust adjustment of commercial values under the property and facilities contract as well as aiding reporting for both OCC's and central government Transformation Agenda.

Condition surveys remain up to date and a programme of refresh is being rolled out next year to maintain an up to date log.

We are also pleased to see that £127,000 of surveyor's fees paid by third parties and in respect of 15/16 work delivered on behalf of the County Council is showing a positive contribution to reducing OCC overheads.

Design and Construction

As expected 2015 proved to be an extremely busy and challenging period, the partnership were tasked with delivering the largest basic need (school expansions to meet demographic growth) demand to date, projects to enable further asset utilisation and rationalisation, Bicester park & ride and works to commence the delivery of 4 facilities to support and look after vulnerable young people in looked after care. A particular project worthy of note being Didcot GWP junior school, which was constructed in a record 12 months to accommodate 420 pupils in a new facility for September 2016. Where required, the basic need on all 19 school projects was accommodated by a combination of completed buildings and a number were require to execute “Plan B” mitigation. The “Plan B” process is where we identify an alternative provision in advance of the new academic year that utilises either temporary classrooms or existing school capacity to accommodate the additional pupils until the new accommodation is completed.

CAPITAL PROGRAMME		2013	2014	2015	2016 (est)
Schools Summary	Projects completed on time	3	8	9	5
	Projects completed with Plan B enacted	2	2	10	7
	Projects completed late	4	2	0	0
	Subtotal	9	12	19	12
Non Schools Summary	Projects completed on time		2	1	3
	Projects completed late				3
	Subtotal		2	1	6
TOTAL		9	14	20	18

We worked closely with a number of head teachers to facilitate plans and out of the 31 projects we only required 3 temporary classroom to be installed. One of which being as a direct result of Roman artefacts being found during the initial stages of construction.

There was 43% increase in the volume of projects undertaken from the previous year representing a 21% increase in turnover. This presented many challenges for our staff and supply chain, however with the support of our client, officers, teaching staff and head teachers we have sought to deliver on time and to budget and to ensure that clear lines of communication are maintained when there have been issues to resolve and mitigation plans to enact.



Henley Badgemore New hall and kitchen

School engagement assemblies featured on a large number of our projects teaching pupil about construction, the challenges of building in a live school environment and the importance of safety. These were very successful and well received and gave us a better understanding of our client's needs.

Safety is top of our priorities and Carillion places this before anything else. We are pleased to report that our safety statistics and performance improved on the previous year (See Health and Safety section). The majority of our sites are signed up to the Industry standard Considerate Contractors Scheme. On projects where we have an impact on the local community we undertook letter drops informing residents of our intended actions and members of our staff met with individual householders in order to facilitate any concerns.



New Build at Windmill School

Of the 31 school projects undertaken during the period April 2015 to August 2016, eleven were constructed using modular building where the majority of the building is constructed in an offsite factory environment. This approach not only minimises the time we spent on site thereby reducing the disruption that inevitably occurs to individual schools, but also seeks to standardise design and give consistent quality. These projects were not without their own issues and valuable lessons have been learnt for future projects.



Bartholomew Academy Science Block

School Basic Need Programme



Oxfordshire County Council has a statutory duty to ensure sufficient school places, whether through academies, free schools, or maintained schools, described as the "basic need". The most acute need at present is in the primary sector, with an increase in secondary provision required from 2017/18

Basic Need Projects

Project	Teaching Space Completed	Scheme	Project Completion Commentary	Pupil Places accommodated by	
				Sept	Project
Henley Badgemore	Aug-15	Hall, Classrooms, Kitchen	Completed Project	90	90
Charlton Ph 3	Aug-15	3 Classrooms	Completed Project	90	90
John Hampden	Sep-15	2 Classrooms	Completed Project	60	60
Watchfield	Sep-15	4 classrooms	Completed Project	105	105
Queensway phase 1	Sep-15	2 classroom refurbishment	Completed Project.	60	60
William Morris	Aug-15	1 classroom	Completed Project.	30	30
Windmill	Sep-15	3 Classrooms, Hall extension and MUGA	Completed Project overran 3 weeks, school able to accommodate pupils	210	210
Hanwell Fields	Oct-15	3 classrooms	Completed Project - Classrooms Handed over end Sept School had space to accommodate pupils	90	90
Eynsham Bartholomew	Nov-15	Science/Maths Block	Completed Project - school able to timetable early weeks of school term	150	150
Bardwell	Oct-15	new 6th form block	Completed Project	0	0
Wolvercote	Apr-16	3 classrooms and MUGA	Provision of a temp classroom - delay due to Archaeological find and resequencing of works	90	105
Hook Norton	Aug-16 (forecast)	2 classrooms + early years	BN met by provision of Class space in existing Community Room	30	105
St Michael	Oct-16 (forecast)	1 classroom	Temp classroom to meet Basic Need - required listed building consent, not factored in during early programming	30	60
Hill View	Aug-16 (forecast)	6 classrooms + studio	Utilising existing building for Basic Need	15	105
Faringdon Junior	Aug-16 (forecast)	3 classrooms and lifts	Basic Need met with existing Temp on site - delayed due to sub structure issues	30	90
Frank Wise	Apr-16	new 6th form block	Project delayed due to sub-contractor going into liquidation.	8	8
Queensway phase 2	Oct-16 (forecast)	2 classrooms	Completed Project.	60	60

16 schemes were required to be delivered to provide pupil places for September 2015 at a combined value of £23m. 9 schemes were completed for September 2015 with contingency arrangements were put in place for 5 schemes which were delivered later with the agreement of the schools. The basic need has been met with contingency arrangements in place. This phase of the Basic Need Programme will eventually deliver 1,313 places once all

projects have completed. There are 6 schools to be completed for September 2016 with contingency arrangements in place on 4 schools to meet the basic need and to be completed after September 2016. This phase of the Basic Need Programme will eventually deliver 2253 pupil places.

Projects outside of Basic Needs

Firtree	July 15	Provision of ICT/Library	Completed Project
Larkrise	Aug 15	2 classrooms to replace temps	Completed Project
Edward Field	Aug 16	Double modular unit	Completed Project
Longfields	Aug 16	6 modular classrooms and internal remodel	Modular classrooms completed for Aug 15 and remodel works for Dec 16 (104 Pupil places)
Mabel Pritchard	Dec 16	New classroom	School can accommodate for one term 8 pupil places
John Watson	Aug 17	New building	No BN requirement. Enabling works completed over summer holiday 16 delivering 32 Pupil places
St Francis	March 17	New building	BN no longer required for Sept 16 (105 pupil places)
St James	March 17	New building	Temp classrooms placed on site (105 pupil places)
William Fletcher	Dec 16	New building	Existing nursery refurbished to accommodate BN as planned and new build to be completed by Dec 16 60 pupil places
Didcot GWP	Aug 16	New building	Completed building 420 pupil places

It has been recognised by Carillion that there is still much work to be done to improve the time lines of the design element of all major capital projects. Carillion have enforced major change within the partnership through the last 12 months of this year with substantial changes made in design and construction, much is still to be done with more emphasis on standardise designs, two stage tender process for modular construction, with construction route decision early in stage 1 to determine design grid, early constructor input and changes to the supply chain.

In addition to the basic need projects a number of new schools required as a result of housing development pressures are currently on site funded by s106 contributions. The table below summarises the status of these projects. These projects will provide an additional 2,145 pupil places at a combined investment of £45m.

Project	Date	Status	Scheme	Comment	Pupil No
Didcot GWP	Sep-16	On site	2FE Primary	On programme to be completed for Sept 16 intake	420
NW Bicester	Oct-16	On site	1FE Primary	Delay incurred due to developer issues and subject to an EOT	210
Longford Park	Oct-16	On site	1.5FE Primary	Delay incurred due to developer issues and subject to an EOT	315

Repair & Maintenance / Minor Works

Over 300 repair and maintenance projects were completed across the County's estate in the financial year, 2015/16 and a further 330 projects were commissioned to be completed within 2016. These involve carrying out a range of services such as window replacements, curtain walling, heating system replacements and roofing works. In addition, Carillion successfully delivered the School Structural Maintenance Program to year end position, with all but one of the schemes delivered ahead of program and completed before February 2016. During this time we also worked with OCC Officers to publish a 5 year programme and priority report to help inform schools of their projected maintenance requirements and liabilities should they convert to Academy.

Some challenges during 2015/16 was to assist with enabling works for basic need provision, which was achieved at St Michaels and Queensway respectively. Throughout the 2015 school summer holiday, Carillion completed the kitchen upgrade projects in order to meet the UIFSM requirements. During the 2016 schools summer holiday Carillion completed 13 project.

During 2015/16 the Minor works team was remodelled in order to be more reactive and reflective to OCC's project pipeline. This involved appointing new project managers who are now responsible for end to end ownership of the projects. This has proved to be very affective and offers the end-user customer a more focused delivery. A particular project of note being the refurbishment of County Hall, delivered during May to July 2016. This involved close cooperation within the partnership and the occupants.

Carillion places enormous importance on managing construction sites in a safe and considerate manner, taking into account concerns of the client and community in which the operation is taking place. During February 2015, the contract was audited by the Considerate Construction Scheme and the Badgemore Primary School project which is undergoing a phase extension to the existing building achieved an overall score of 37/50, which is described as 'very good – excellent'.

Maintenance Service

The Carillion maintenance teams focus is maintenance and servicing of the County Council Estate including all the building services. The most critical aspect of this service is providing a compliant and safe working environment for County Council employees, building users, pupils and visitors.

Planned Preventative Maintenance performance

The PPM rolling compliance score for 2015 finished at 94%. This average score was 98% but the annual total was depleted by sub 90 scores in June & August. This was a result of a period of sickness within the engineer team and recruitment to replace leavers. The position was recovered in September and October and the February score was 100%.

Reactive maintenance

In 2015 Carillion responded to 6771 reactive maintenance requests additional to the estates PPM. That equates to 565 separate requests a month or 28 for every working day.

As a direct result of utilising a team of multi skilled trades, we achieved a first time fix rate of 78% against an Oxfordshire target of 75%.

2016 Design and Construct Forward Plan

Although there was some good progress and a large number of projects delivered during the year this has impacted this current year. The design and project management have different challenges, with an increased variety of requirements to circumnavigate prior to starting work on site. These are being dealt with in a proactive manner and resolution achieved however the design process has caused some delays in current projects.

We have taken the learning and as a result, we are entering into a phase where we are changing our delivery model to emulate the successful direct delivery. We are introducing a direct delivery model using a multi trade procurement & delivery route with the assistance of Carillion Projects. This will involve an increase in staff, client engagement and improved control of a timely delivery. The positive effect of this will become apparent from the autumn 2016 onwards.

For the first time we are building brand new schools, with three projects being undertaken successfully at Didcot, Bicester and Banbury. These school projects were commenced in the autumn last year and are due for completion for September 2016. In addition we are securing work direct from Academy Trusts and look forward to commencing two Academy Direct school projects later this year.

Health and Safety

From the mobilisation of the contract Carillion recognised inherent issues with direct employed staff working in Catering and Cleaning services receiving injuries and significant time off work due to their nature. These behavioral and cultural issues led to a very poor health and safety performance in 2014. George Weedon was appointed to the Contract and has been working for 18 months in the IMS Manager role. Once the true scale of the problem was identified, it was clear that understanding the areas of greatest risk was essential and that a behavioral change plan was required.

A summary of the stats in 2014 are as follows:

- 16 lost time incidents with 177 lost days
- 7 RIDDOR reportable accidents
- The All Accident Frequency Rate peaked at 15.42 against a Carillion target of 4
- The Lost Time Incident Frequency Rate was 2.53 against a Carillion target of 0.56

The behavioural change plan was implemented in 2015 to reduce the number of accidents on the contract which deliver excellent results and these have been maintained through 2016. We are extremely focused on ensuring employees work safely.

1. In early 2015 a conference was held with all management and supervisors to listen to concerns of the staff and where they would like to see improvement. This opportunity was also taken to emphasis the responsibility management had to ensure the safety of its staff and compliance with Carillion's Management System.
2. Thorough analysis was undertaken to pinpoint problematic areas and why the contract was suffering from such a high LTI frequency rate.
3. The contract carried out numerous safety stand down's.
4. New operation manuals were introduced early 2015. New training and awareness on all risk assessments and newly created procedures was undertaken through autumn 2015 and 2016. 45 new risk assessments were produced and communicated to all staff during this period.
5. New PPE and site equipment was issued across the contract.
6. Face to face meetings with staff via site and performance audits helped implement culture change.
7. Performance was regularly measured using data collected and trends were identified which raised the need to create new safety stand downs.



At the end of 2015 it was clear that the behavioural change plan had been very successful. This behavioural change could be seen from all members of staff including supervisors and managers. An indication of safety improvements are as follows:

- The contract has recorded 2 Lost Time Incidents which is a reduction of 87.5%
- A total of 2 days have been lost which is a reduction of 98.8%
- Zero RIDDOR reportable accidents have been recorded which is a reduction of 100%
- The All Accident Frequency Rate has been reduced from 15.42 to 2.63 which is a reduction of 83.9%
- The Lost Time Incident Frequency Rate has been reduced from 3.24 to 0.11 which is a reduction of 96.6%

This change in health and safety culture has led to a number of positive outcomes

1. Fewer people going home from work injured
2. Less lost time so greater profitability
3. Greater customer service and continuity of services
4. Increased morale across the team as they feel that Carillion cares for them
5. Increased "Your Say" results and general engagement

The new health and safety performance of the contract won a Carillion internal Managing Directors Health and Safety award in the people category.

During 2016 we had achieved over 2million hours worked by employee without a long term incident which resulted in an employee being off sick for more than 3 days. George Weedon also led 6 compliance workshops for schools.

Energy Services

Oxfordshire County Council wishes to reduce its energy consumption so as to:

- *Maintain energy costs as close to 2010/11 levels, as far as is cost effective;*
- *Reduce carbon emissions across its estate by 3% a year;*
- *Improve the energy efficiency of its residual estate by 25% over the life of the Property and Facilities contract with Carillion.*

Carillion Energy's main focus has been to plan, regulate and monitor the OCC's energy and carbon usage across the corporate and maintained schools estate. The team have been actively improving efficiency by proposing and installing some of the latest innovative energy saving measures, evaluating energy use and putting in place new compliance policies and changes where needed.

Over the past 12 months (2015/16) the energy team have been coordinating all aspects of energy management, from reduction of carbon dioxide, energy (kWh) and sustainable development by:

- Encouraging the use of energy/renewable/sustainable energy resources within the estate
- Developing solutions for low cost / no cost behavioral change management;
- Raising the profile of energy conservation.

Progress

Throughout the past 12 months, Carillion and the OCC, collectively, have developed a new structure for delivering energy saving projects, from an outset of requirement for funding which flows through the capital governance process set by the OCC and enabling projects to achieve the council set payback and assessment criteria.

Areas of improvement:

- Developing, coordinating and implementing projects to save both cost, energy and carbon
- Step change to upgrading the internal bureau system and reporting.
- Implementing strategies and policies to reduce energy consumption
- Advice on buying energy and helping with contract negotiations
- Providing technical and practical advice
- Competitive tendering evaluation / liaising and negotiating with contractors

Areas of further improvement required:

- Keeping up to date on legislative and compliance changes
- Offering of training on energy efficiency
- Developing promotional activities to publicize particular schemes

Achievements and Developments - 2015/16

Bureau

- All corporate invoices have been paid to the suppliers, accurately and on-time
- Validation of invoices has been completed each month. This process will gain greater efficiencies once Systems Link (new internal database) is operational
- All queries from validation and site are been monitored until completion.

- Reporting has been formatted and built in-line with contractual schedules and is issued periodically to the client.
- This year the Energy Bureau activities, which were outsourced and headed up by our London office has been taken back in-house. A new invoice validation system will be installed, improving access to consumption data and reporting methods.

AMR (Automatic Meter Reads)

Carillion and OCC have been installing Automatic Meter Readers (AMR) on their Electricity, Gas and Water meters since 2011. To date over 95% of the corporate estates consumption is collected via AMR. Changes in the government legislation on metering will give us further free AMR meters in the coming years saving the Council the cost of installing these meters. Some suppliers are now offering free AMR on the remaining electricity meters on both the corporate and schools estate. The project plan is to obtain close to 100% on the corporate estate during 2016/17.

Monitoring & Targeting (M&T)

All consumption data at meter and site level was analysed each month to assess potential energy waste. Reports and notifications were sent to affected sites.

During 2015/16 switch off campaigns were undertaken at Christmas, New Year and Easter via the OCC intranet.

Behavioural Change (BC)

Visits have been made to two fire stations to gain an understanding of how the buildings and run and the effect of the site activities on energy consumption. Trials on changes to heating settings and controls are being undertaken in September 2016 at a fire station with the view to roll out to all if successful.

During 15/16, OCC have now put a member of their staff on the behavioural change project to work alongside Carillion and influence staff behaviours. The scope of activities are being reviewed alongside the Councils new energy strategy, which had also been developed in 15/16. While this change process takes place, Carillion continue to deliver as per the signed off behavioural change action plan.

Measurement & Verification reporting

2015/16 end of year reporting was completed and sent out in August 2016. Carillion have a contractual reduction target of 25% Energy (corporate estate only) and 30% carbon (corporate & schools) against 2010/11 consumption over the 10 year partnership agreement.

This year the energy and carbon reduction, 4 years into the contract is 15.5% Energy and 16.3% Carbon. A savings exceeding the targeted benchmark.

LED Lighting Schools and Corporate

During 15/16, the Carillion energy team have practically completed on three large phases of LED lighting installs. The three phases, passed all internal OCC governance and were delivered on time and to the programmed schedule. The team has received positive comments from individual council end-users and teachers regarding their new, brighter and more efficient lighting. Phase 4 is currently being benchmarked for 16/17

Phase 1	Financial Savings	CO ₂ Savings	kWh Savings	Payback (Yrs)
Phase 2	£20,499	101	177,961	6
Phase 3(a)	£27,569	132.6	275,688	6.1
Phase 3(b)	£12,589	52.66	109,466	6.9
	£40,435	160.2	351,605	6.3

Post practical completion, the Carillion energy manager attends to record any comments from head teachers / OCC end-users and will carry out a full hand-over so that they are aware of the workings within each building.

Although it has been around for a few years, it's only recently that "suitable" LEDs have come down in price enough to make a real impact on the market, encouraging many companies to invest in switching to a greener, safer and more energy efficient lighting model while achieving huge savings in their energy bills.

Below are installs from phase 2



All lighting projects have replaced old and / or inefficient lighting fittings and tubes from a selected benchmark of council buildings with new LED direct replacement tubes or complete replacement fittings selected on the basis of most suitable for use and cost effectiveness criteria. The outcome will result in more efficient use of energy resulting in lower operating costs.

The installation completed quietly and efficiently with no disturbance to staff and the running of the site.

** David Reed, Stock Support Services Librarian*

As a school, we fully appreciated having the lighting project and subsequent application for Salix funding completed by Carillion Energy. It is always important to have confidence in the technical knowledge provided and we were very grateful to be able to draw on Carillion's expertise in this area.

**Angela M Smith, School Business Manager, Barley Hill School Oxford*

Sabien Boiler Controls



During 15/16, Carillion energy installed intelligent boiler load optimisation controls across 15 corporate properties. This system was fitted to each boiler and constantly measures and analyses the temperature profile of each boiler in real time via digital sensors fitted to each boiler flow and return pipework. The programme was delivered by the end of October 2015, “estimating” a 9.37% financial savings (£10,146) and over 130 tonnes of CO₂ annually.

Results indicate that all sites have made reductions in excess of the predicted 9%. Total savings from October to end of March prove to be 15%. The project is on-track to payback within 4 years.

PV – Ground Mounted

The OCC need to encourage the increased use of Solar Photovoltaic (PV), a technology which converts natural sunlight directly into electricity, where viability allows. The OCC estate is powered predominantly through fossil fuel generation (oil, gas and grid connected electricity), therefore; allowing for the generation of electricity through a ground-mount solar array, on the proposed, workable sites will produce no direct emissions of climate warming and will generate additional revenue back to the OCC.

Carillion have proposed to carry out a feasibility report to understand the current accessibility and viability for ground-mount PV on a selected number of OCC *closed landfill sites*. The report will provide consideration for asset life, maintenance, detailed / shared ownership, usage, storage options and life cycle financial benefits to the OCC.

The report will integrate into the long term Energy Management Strategy for OCC. It will provide an overview of the potential for this redundant space, whilst; contributing to their energy resilience and energy and CO₂ reduction.

The Capital & Asset Programme Board agreed in August 2016 to investigate in full the opportunity for PV on closed landfill. This piece of work fits in with their direction of travel and the energy strategy going to CCMT/Cabinet.

PV - Corporate Buildings (Roof Top)

Throughout 2015, Carillion energy have developed a PV (Photovoltaics) opportunity scheme for 10 corporate buildings. Due to structural restrictions, non-inclusive technical calculations and the sudden digression in the government’s feed-in-tariff (FiT’s), the 10 building proposal was narrowed to 4 opportunist buildings only.

Location	Array Size	Capital Install Cost	Borrowing Cost @4.5%	Total Costs	Payback Q1 2016	tCO ₂ Saving - 20 YEARS	Total Benefit 20 YEARS - Based on Q1	Nett Benefit 20 YEARS - Based on Q1	Nett Benefit 20 YEARS - (Total Costs) - (O&M) - Based on Q1
Library HQ	45.5kW	£ 59,693	£ 10,005	£ 69,698	10.7	537	£ 148,445	£ 78,747	£ 68,147
Rewley Road Fire Station	30.42kW	£ 49,084	£ 8,227	£ 57,311	11.1	381	£ 117,156	£ 59,845	£ 49,245
Samuelson House	27.04kW	£ 36,498	£ 6,118	£ 42,616	9.9	310	£ 98,544	£ 55,928	£ 45,328
Oxford Fire & Rescue	20.5kW	£ 33,218	£ 5,568	£ 38,786	10.9	229	£ 81,272	£ 42,486	£ 31,886
Totals	123.46kW	£ 178,493	£ 29,918	£ 208,411	10.7 (avg)	1457	£ 445,417	£ 237,006	£ 194,606

Both options; **capital purchase** and **no cost options** has been presented, identifying the benefits of both.

Carillion await a decision on the above.

Heat Model - Corporate Buildings: (Biomass, Heat Pump, Gas-Fired Boiler)

Carillion have been working on a "heat model" for the OCC. This provides the OCC with the option to upgrade / change-out old inefficient boilers for the latest innovative heating solutions at no up-front capital investment.

Carillion continue to develop the heat model with the aim to present all workings early 2016

DEC: (Display Energy Certificates)

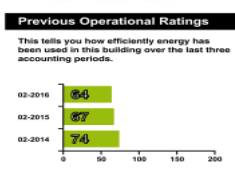
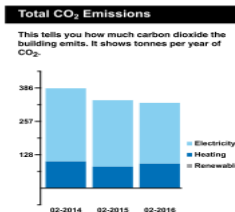
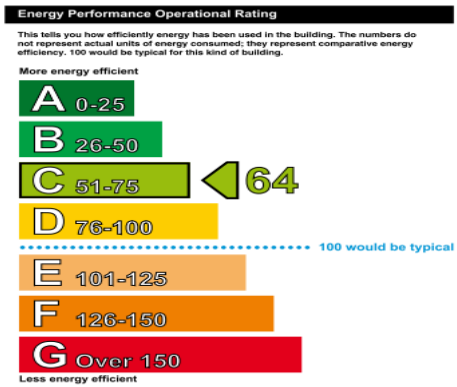
A legal requirement for buildings occupied by a public authority, exceeding 500m² (which was reduced to 250m² in July 2015) which have significant public use. A DEC shows the energy performance of a building by using an A-G rating system. Carillion Energy has successfully maintained the data of those maintained schools requiring new DEC's and DEC renewals. Carillion Energy carry out all surveys and deliver the final provision of DEC certificates to sites. To date, all the council buildings (schools & corporate) are fully compliant and there are no breaches of compliance.

Display Energy Certificate **How efficiently is this building being used?**

Oxfordshire County Council
Oxfordshire County Council
Central Library, 2 Westgate
OXFORD
OX1 1DJ

Certificate Reference Number:
9639-1002-0278-0700-5905

This certificate indicates how much energy is being used to operate this building. The operational rating is based on meter readings of all the energy actually used in the building. It is compared to a benchmark that represents performance indicative of all buildings of this type. There is more advice on how to interpret this information on the Government's website www.communities.gov.uk/epbd.



Technical Information

This tells you technical information about how energy is used in this building. Consumption data based on estimates.

Main heating fuel: Natural Gas
Building environment: Air Conditioning
Total useful floor area (m²): 6289
Asset Rating: Not available

	Heating	Electricity
Annual Energy Use (kWh/m ² /year)	75	68
Typical Energy Use (kWh/m ² /year)	191	82
Energy from renewables	0.0%	0.0%

Administrative Information

This is a Display Energy Certificate as defined in SI 2007/991 as amended.

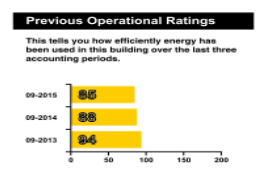
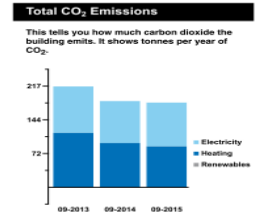
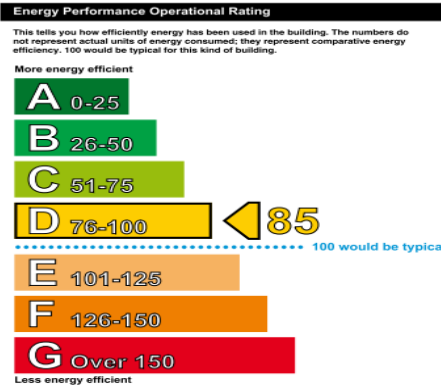
Assessment Software: SystemLink, CRTToolKit, v3.6
Property Reference: 686297030000
Assessor Name: Christopher Naick
Assessor Number: STR0007689
Accreditation Scheme: Strima Certification Ltd
Employer/Trading Name: Schol Sustainability
Employer/Trading Address: 18th Floor, Centre Tower, Whitgift Centre, SURREY, CR9 0AU
Issue Date: 01-02-2016
Nominated Date: 01-02-2016
Valid Until: 31-01-2017
Related Party Disclosure: Not related to the occupier.
Recommendations for improving the energy efficiency of the building are contained in the accompanying Advisory Report.

Display Energy Certificate **How efficiently is this building being used?**

Oxfordshire County Council
A BLOCK
Larkmead School
Faringdon Road
ABINGDON
OX14 1RF

Certificate Reference Number:
0498-9407-6910-9890-3713

This certificate indicates how much energy is being used to operate this building. The operational rating is based on meter readings of all the energy actually used in the building. It is compared to a benchmark that represents performance indicative of all buildings of this type. There is more advice on how to interpret this information on the Government's website www.communities.gov.uk/epbd.



Technical Information

This tells you technical information about how energy is used in this building. Consumption data based on estimates.

Main heating fuel: Natural Gas
Building environment: Heating and Natural Ventilation
Total useful floor area (m²): 4413
Asset Rating: Not available

	Heating	Electricity
Annual Energy Use (kWh/m ² /year)	103	39
Typical Energy Use (kWh/m ² /year)	138	40
Energy from renewables	0.0%	0.0%

Administrative Information

This is a Display Energy Certificate as defined in SI 2007/991 as amended.

Assessment Software: SystemLink, CRTToolKit, v3.6
Property Reference: 38664870001
Assessor Name: Christopher Naick
Assessor Number: STR0007689
Accreditation Scheme: Strima Certification Ltd
Employer/Trading Name: Schol Sustainability
Employer/Trading Address: 18th Floor, Centre Tower, Whitgift Centre, SURREY, CR9 0AU
Issue Date: 05-09-2015
Nominated Date: 15-09-2015
Valid Until: 14-09-2016
Related Party Disclosure: Not related to the occupier.
Recommendations for improving the energy efficiency of the building are contained in the accompanying Advisory Report.

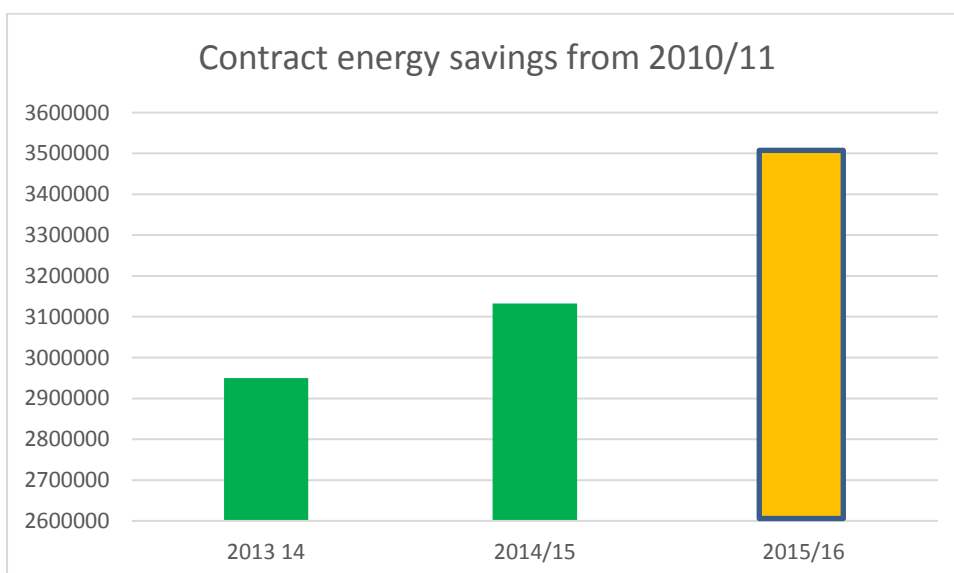
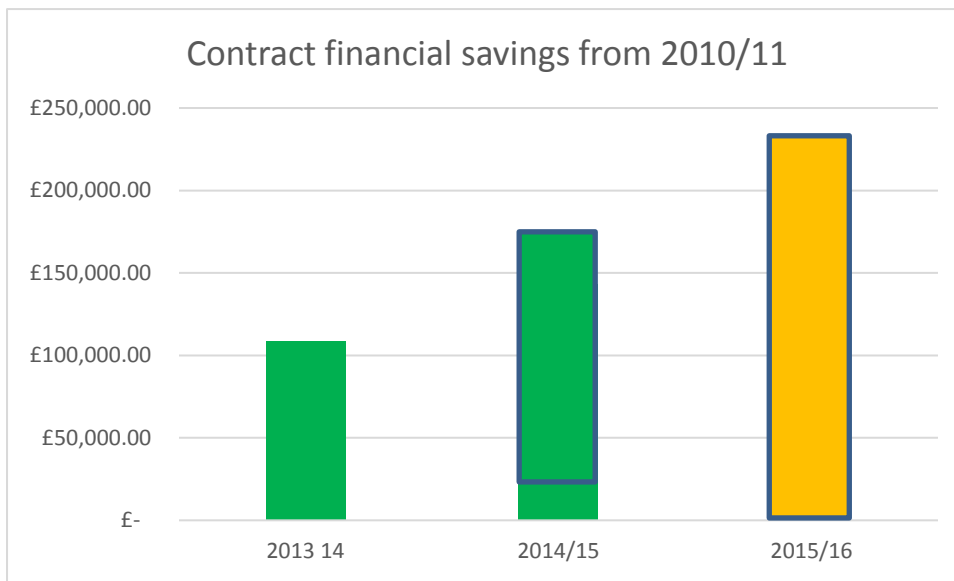
Energy Strategy

Carillion, in collaboration with the OCC, have been developing an energy strategy (2015 – 2020). The strategy is been developed using principles defined in ISO 50001 Energy Management System. These are supported by a 5 year action plan and associated work programmes which have been designed to meet the council’s priorities and in particular meeting their financial challenge.

The objective is to explore opportunities for a continual improvement of energy performance, including energy efficiency, energy use and consumption leveraging the councils energy spend and assets to provide additional support to the councils wider programmes around smart cities and a low carbon economy for Oxfordshire.

Contract Results

- 2014/15 Contract year 3 13.9% kWh saving / £152K financial savings
- 2015/16 Contract year 4 Not yet reported (*expected May 2016 – orange bar chart is a represented estimate for 15/16*)



Future Energy Market

The price of electricity could double over the next two decades, according to forecasts published by the National Grid - *company responsible for keeping Britain's lights on*.

The current price of wholesale electricity is below £50 per megawatt hour but could soar to over £100 by 2035 under a "high case" example used in the Grid's [UK Future Energy Scenarios report](#).

The cost of electricity has already risen 20% since 2009

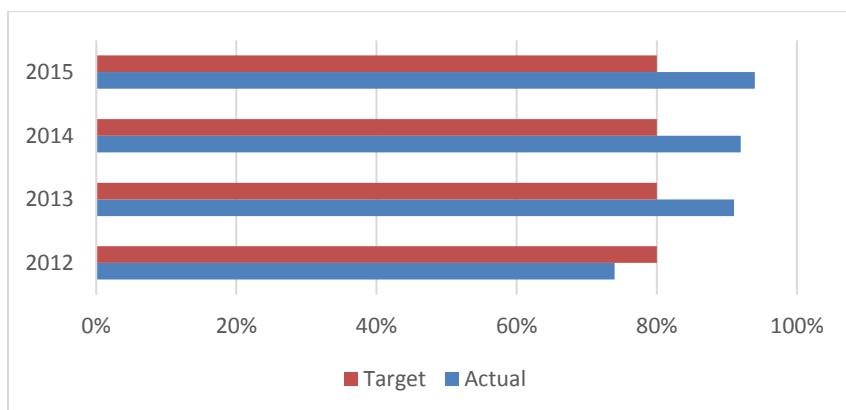
Corporate Cleaning and Caretaking

The Carillion Cleaning & Caretaking Service's main focus is the County Council Corporate Estate which consists of 146 buildings. In addition Carillion provide a cleaning service to 24 of the counties Primary Schools. The most critical aspect of this service is providing a clean and safe working environment for County Council employees, building users and visitors ensuring high levels of customer satisfaction are achieved.

Cleaning checks

In 2015 Carillion completed 761 cleaning audits (up from 737 in 2014) across the Oxfordshire County Council corporate buildings. The results from the cleaning audits demonstrate a high quality service, with an average score of 94% throughout 2015, up 3% on last year. This rating comfortably exceeded the contractual target score of 85% set by the County Council. The increased occupancy level of County Hall has proved a challenge but the cleaning audit scores have been maintained over 95% for the first half of 2016.

Average Cleaning audit performance 2012 -2015



Cleaning Compliance

All sites are issues with a 'site file' that contains all the relevant safety data required, including risk assessments, data on chemicals (COSHH) and safety notices. These files have recently been updated and are reviewed regularly to ensure that all data is current.

There have been a number of initiatives put in to place to ensure that Carillion maintain the standard of service delivered to sites and end users. The introduction of a flow cleaning in the larger sites, has helped maintain our service improvement glide path. It has contributed to a better service and offers a more varied work routine for the cleaning team.

Since the commencement of the contract, Carillion has invested significantly to improve the cleaning service and facilities across the corporate estate. During 2015 we reduced the reliance on traditional cleaning chemicals across all sites, this provides a noticeable environmental improvement and a safer approach to storing chemicals. Cleaning cupboards are continuously reviewed by Cleaning Supervisors to ensure they meet the Carillion standard, are safe and organised with each chemical clearly labelled. Health & Safety notices and information sheets on chemicals are displayed within the buildings to inform the cleaning team of any new materials or changes.

Staff

One of the bigger challenges for the cleaning team is recruitment in the outer lying reaches of the county. Modest transport links and pockets of low unemployment, contribute to real difficulty in identifying suitable candidates. This is particularly apparent during holiday periods and if we encounter staff absences through major sickness. To

address this during the 2015 year Carillion have steadily increased and retained a number of staff that can be mobile if required, cover multiple sites and support where there are challenges.

Carillion are pleased to report the contract restructure completed in 2014 has been followed up by the development plan in 2015. All the new team of mobile supervisors are in post and equipped with laptops and smart phones. With the improved communications, they are much better able to support our site based workforce.

Staff Training

In September 2015 we enrolled two of the team to complete the NVQ level 3 in Facilities Management to further develop their skills. In November 2015 we also put the other supervisors on a Carillion leadership Supervisor training programme, to help structure their development as part of Carillion's commitment to developing our future leaders.

During 2015 the structure of the cleaning management and supervisory team went through a restructure. We introduced the role of Operations Manager, supported by a deputy and five mobile area cleaning supervisors (MACS). This structure allows for an improvement in the service provided by having supervisors who are able to meet with the staff on a more regular basis and support in areas where there may be a shortfall. This has supported the increase in customer satisfaction levels.

Based on the recognition within Carillion of the "best practise" in place in Oxfordshire, the team Deputy Manager has been seconded into the Carillion Centre of Excellence in February 2016 to share best practice. The plan is to replicate the OCC partnership service style, systems and processes across all the Carillion FM businesses. This is a great reflection on the team and the way that Carillion operates in Oxfordshire.

Additional services

The new more mobile cleaning team are able to react quickly to unplanned and emergency events to ensure that building users are able to continue with minimal disruption.

Recently the river Cherwell flooded adjacent to the Mill Arts Centre in Banbury which resulted in the building being closed. The mobile cleaning team were able to help secure the building, initiate a clean up the considerable mess and damage caused by the water and put in dehumidifiers to speed getting the building open.

The team have also co-ordinated with other OCC Departments to effect a number of site wide environmental clean ups. Following Police intervention, the team cleared large quantities of rubbish, gas cylinders, nappies and needles from a site that was used by unauthorised persons. While not a core service, this is part of the partnership approach.

School Catering

Carillion is Oxfordshire's largest provider of Primary School catering within the education sector; Carillion prepare over 12000 freshly cooked, nutritious meals for Oxfordshire's school children each day across 112 schools.

During 2015/16 we rebranded and refreshed our catering offer concept with 'Food & More'. This is Carillion's national catering brand and at the end of 2015 it superseded the familiar Food with Thought, which was a brand confined to the OCC contract. Food & More caters in over 200 primary and secondary schools across the country and by bringing together our national businesses, we are able to draw on the strengths and expertise of those teams, whilst still retaining that local level of service and menu tastes that is so important to our current portfolio of schools.

Carillion have invested a lot of time and resource including a dedicated nutritionist and craft trainer to improving the quality of meals in schools, adding to our pool of experience and know-how. With all of these additions and improvements, we decided it was the right time to make one further tweak to the offering – and unify the service under the Food & More brand.



Carillion's strategy for achieving the best food and service for the children is simple, and focuses on the following objectives:

- Effective working with schools to increase meal take up
- A service that focuses on the customers' needs
- Balanced nutritional menu with choice.
- Clear communication and service promotion
- The use of fresh local produce
- Improve Health & Safety for schools and staff
- Training F&M staff to be the best

Food Quality – Local Produce

In 2015 the catering operation built on the hard work of 2014 by continuing to champion local suppliers of meat and fruit & vegetables. This commitment to healthy freshly cooked meals using local produce was further enhanced by the award of the Food for Life Bronze Catering Mark in August.



The Catering Mark is independently audited by the Soil Association and more importantly it is independent confirmation that:

- Food & More meals contain no undesirable additives or trans fats

- At least 75% of dishes are freshly prepared from unprocessed ingredients
- Meat is from farms which satisfy UK welfare standards
- Eggs are from free range hens
- Menus are seasonal and in-season produce is highlighted
- Catering staff are supported with skills training in fresh food preparation and the Catering Mark
- Free drinking water is prominently available
- No fish is served from the (MSC) 'fish to avoid' list
- Information is on display about food provenance
- All suppliers have been verified to ensure they apply appropriate food safety standards
- Caterers in schools and academies can demonstrate their compliance with national standards or guidelines on food and nutrition
- Menus provide for all dietary and cultural needs

Service Delivery - 2015:

Throughout 2015 the Food & More service continued to develop and grow. By focusing on meal quality and improving the menus, Food & More increased meal uptake from 38% in July 2012 (service commencement) to 51.3% in June 2016.

The Universal Infant School Meals programme was announced on the 17th September 2013 requiring all schools to provide Key Stage 1 pupils with a hot free school meal. This required a programme of kitchen improvement and upgrade works to 103 kitchen facilities across the Council’s Maintained Schools. This programme was extended into 2015 with a small number of additional kitchen builds and upgrades to serveries. This has enabled fresh food to be prepared and cooked on the premises of over 100 schools across Oxfordshire.

2015											
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Sep	Oct	Nov	Dec
Average daily meals served	12620	12371	12240	12140	11554	11856	11648	11115	11218	11845	12194
2016											
Month	Jan	Feb	Mar	Apr	May	Jun					
Average daily meals served	11448	11156	12423	11679	11675	11768					

Food Quality – Menus

As well as ensuring the greater use of local suppliers, in 2015 Food & More has implemented its brand standard 3 menu cycles per year. The School Food Standards requirement is only 2 but our preference for 3 allows greater seasonality of produce, particularly the vegetables. At the launch of each new menu feedback is gathered from the schools which informs Food & More if any subtle amendments are needed to the menus. This allows a degree of flexibility and involvement of Food & More schools to refine the standard menus to their local needs.

Development Chef and Nutritionist

To support the continuous improvement of the service and the on-going development of the menu, Carillion created a new role of Development Chef (DC) in January 2015. The DC has considerable experience of primary schools services, and her involvement helped secure the Catering Mark Bronze Food for Life.

The DC focuses on menu development, working closely with the nutritionist, school staff, parents and suppliers to create improved menus. The DC ensures that F&M maintain the Food for Life Bronze award and will hopefully secure the Silver award in 2016.



A summary of the Development Chef role is set out below:

- Development of innovative, exciting and compliant primary and secondary menus
- Source and evaluate new products and local suppliers
- Deliver food and nutrition based assemblies, parents evenings, governors meetings or PTA events
- Training the cooks and supervisors through food preparation master classes
- Funky Fruit Workshops for children to see, touch and taste fruit and vegetables they wouldn't necessarily come across
- Cookery workshops for parents and pupils

To support the above initiatives, F&M added a new post to their structure by recruiting a Craft Trainer in September 2015. The Craft Trainer works with the Development Chef to improve the general catering skills of the front line catering team.

A full time nutritionist was recruited in 2015 to support the role of the Development Chef in ensuring all the menus are nutritionally analysed and compliant with the Food School Standards. The support team of Development Chef, Nutritionist and Craft Trainer attend school assemblies and school councils to promote healthy eating. Menus to support the school curriculum are compiled and communicated to schools which request additional material for their sites.

Communications

In 2015 Carillion introduced a number of initiatives to improve communication and the promotion of the service with school staff, parents and pupils. This included the launch of the F&M website (www.foodandmore.uk.com) and the F&M Facebook page. The future plans include the launch of a Twitter feed to improve communication with secondary school pupils.

Comments received from parents have highlighted misunderstandings about menu compliance, healthy eating, local suppliers and allergens. Consequently F&M has begun to work with a specialist consultancy to develop and implement a social media strategy so the team can communicate directly with pupils and parents, to reinforce the key benefits of the F&M service and provide a channel for fast and efficient feedback.

F&M Branding

Carillion has invested in two new creative F&M brands for Primary and Secondary Schools in Oxfordshire. The branding offers two contrasting styles to suit the audience. A vibrant colourful design featuring; fruit and vegetable characters for the Primary Schools and a young adult themed chalk board design for the Secondary Schools. The branding runs through all the menu boards, counter signage, servery design and promotional and marketing collateral.

The first primary servery will be used at Bayards Hill School



The new secondary servery installed at Chiltern Edge School



Market Research

Carillion have made significant investment in the challenge to increase the take up of school meals across our schools, this has included market research which has been undertaken by an external agency. This has enabled Carillion to assess the service performance and identify how the service can be improved to increase the uptake of school meals. The market research was undertaken with the support of the schools. 97 (of 140) schools distributed the survey to their pupil's parents, with a response of 1,295 (7%). The results showed that 81% of parents who currently take school meals for their children would recommend them to other parents. Further research is now being undertaken to develop an improvement plan of initiatives.

Customer Satisfaction and Engagement

In 2015 (April – December) 56 'ServExcel' surveys were carried out, these surveys allow us to gather feedback from our schools. This is an area we are constantly striving to improve.

Area	Excellent	Good	OK	Poor	v. Poor
Catering Delivery	15%	57%	18%	06%	04%
NPS	87%				

'ServExcel' is a specialist client and customer feedback system, which will help Carillion report accurately on client and customer feedback, and objectively identify areas that the contract needs to improve.

Staff Turnover

The F&M staff turnover in 2015 was 17.92%, this is down from 2014 (19%) and below the industry average for 2015 of 20%.

Number of Schools

Food & More supply catering services to 112 Primary schools. Of these schools 25 have contracts direct with Carillion as Academies, the remainder buyback the service through Oxfordshire County Council.

24 Primary Schools left F&M in 2015. The main reasons for the schools moving outside the Food & More service were:

- Schools converting to Academies and choosing alternative suppliers
- Cost of buying back the service through the Council compared to direct contracting
- Primary Schools joining an existing Academy cluster and moving to a single provider

In 2014 F&M was successful in securing a secondary school contract at Chiltern Edge School. The school has 520 pupils, which is a relatively small for a secondary school. This made the catering operation a marginal commercial proposition. However through 2015 the service has expanded to include breakfast, mid-morning break and lunch. F&M also provide ad-hoc catering for school events when required.

The F&M Secondary School offer is fundamentally different to our Primary School catering service focusing on the following:

- A retail-based service which encourages healthy eating choices through price based promotions and offers
- Increased menu variety at breakfast and mid-morning break
- The use of branded produce which are compliant with government standards and a 'high street retail' or "carvery" feel which is appealing to teenagers



F&M are seeking to secure more secondary schools as part of our solution in Oxfordshire.

School Chef of the Year

In November 2015 Mandy Walker, the Catering Supervisor from Mill Lane, Chinnor, was the Regional Finalist for the School Chef of the Year (SCOTY) competition. This was the first time that Mandy had undertaken a competition of this level and she rose admirably to the challenge. Based on her experience and obvious talent Mandy coached for the Food & More qualifiers and then she was asked to be a judge for the 2016 competition.

In March 2016, 4 Catering Supervisors took part in a cook off at the Miele kitchens in Abingdon to select the Oxfordshire Food & More SCOTY entrant. Last year's winner Mandy Walker joined the judging team and Carole Laver from Church Cowley St James was the 2016 heat winner. Her presentation of a healthy 2 course meal suitable for an 11 year old won significant praise from the judging team. Carole then progressed to be our Regional Finalist, it was described as a "challenging experience" by Carole, and one that she thoroughly enjoyed and gained valuable experience from.

Corporate Social Responsibility and Community

Further Engagement with Schools

As part of our engagement with schools, the Property and Facilities Partnership (Carillion and Capita) provide interactive 'Site Safety at School' assemblies which is Led by George Weedon. A construction site can represent considerable dangers to young children due to the unfamiliar nature of activities being carried out and their inquisitive minds. Live construction sites are often in very close proximity to operational school areas where children are learning and playing. In some cases, the site entrance is near the main school entrance used by the pupils and the works can generate considerable noise which captures the child's interest. The construction hoardings and fencing often take up some of the play area, causing the children to become curious about the activities being undertaken on the construction site. Sometimes, their sports equipment can make its way over the fencing, increasing the opportunity for the children to try and access the site to retrieve their item.

Solution

The purpose of the 'Site Safety at School' assemblies is to help children and teachers understand the dangers associated with a live construction site. The assemblies will inform and provide training on how to avoid these hazards; mitigating the Health & Safety risks.

Service Delivery

All schools that have projects within the Oxfordshire County Council Capital Programme will have received our interactive 'Site Safety at School' assembly presentation.

The assembly consists of a 45 minute engaging presentation including pupil and teacher interaction followed by a 15 minute site tour, held within in a safe area of the site. The aim of this part of the session is to allow the children to see and experience the daily activities and noises of construction sites, relating back to the presentation content and learning. By taking the children onto the site, it reduces the children's inquisitive nature and desire to return later.

The engagement with schools has been shown to have a great benefit with building relationships with the customers. It is positive PR for the Property and Facilities Partnership, who become the builder with a friendly face willing to invest time and expertise in the schools we are working.

An added benefit for the Partnership is that the 'Site Safety at School' assemblies have supported our application for the Considerate Construction Scheme at several sites.

Armed Forces Recovery to Work Placement Scheme

Recovery Work Attachments (RWA) is a programme in which Carillion is partnering with the Ministry of Defence through the newly formed Recovery Career Services to provide work experience to wounded, injured or sick service personnel.

These illnesses or injuries may be physical or physiological, such as the loss of a limb or post traumatic stress disorder. The work placement forms part of the final stage in the personnel's recovery programme. By this stage, the individual is able and willing to start a new career out of the military but are not always certain what direction to take. Therefore, the programme is to give short-term employment to individuals who are changing careers from the military and want to sample a career path within a company to gain experience before entering the civilian job market or starting on lengthy or costly retraining.

George Weedon is 1 of 10 volunteers within Carillion who assists injured military personnel into work placements on the Oxfordshire County Council contract. He works within a network of other volunteers who equally find

placements for injured soldiers all over the UK. We currently have placed 4 members of the armed forces into project management and trades skill placements.

The individuals will gain experience whilst on placement, which will aid them in making their next steps regarding career decisions. Each individual completing a work placement at Carillion will receive a civilian reference from us and, thus, an opportunity to improve their CV. The placements will allow Carillion to gain the advantages of a more diverse workforce and strategic relationships with the MOD. It will also support our 2020 Sustainability Strategy and helping individuals who have been injured whilst serving for our country will raise employee morale.

Working with Mencap

Carillion have been working locally with Mencap who is the leading voice of learning disability. Everything they do is about valuing and supporting people with a learning disability, and their families and carers. Carillion have successfully worked locally in partnership in Mencap by placing a number of adults seeking employment and experience in work placements on the contract.

In September 2015 Carillion identified 10 locations where we believed we could offer the opportunity of work placements for disadvantaged young adults. Working with MENCAP and Oxfordshire Employment Service 4 young people, mostly with learning difficulties began Supported Internship placements within Food & More kitchens. A 5th joined the Food & More administration team at our OCC partnership office in Cowley. Supported during the internship, these young people have been introduced to the workplace whilst continuing their studies at local colleges. The Food & More catering staff on site fully embraced the scheme whilst integrating the young people into the busy working environment of a primary school kitchen. There have been challenges which have been overcome in joint partnership with Oxfordshire Employment Services and the individual support workers. Progress is monitored and during regular reviews the progress and improvements of the various individuals is monitored and recorded.

Building on the 2015 success of the scheme, Carillion are committed to identifying 15 placements in September 2016 with the hope of placing approximately 10 young people.

Volunteering in the Local Community

Carillion have continued to provide support and volunteering to the local community in 2015. These following volunteering activities have taken place:

1. 3 days with Oxford City College supported by senior management to conduct mock interviews for students
2. OCC Skills Festival where Carillion provided materials, manpower for set up and activity over 2 days
3. Continual engagement with Hill End Outdoor activity centre where painting, gardening and building activities took place.
4. 2 Schools careers day where Carillion and supply chain members engage with upper school children offering career advice and future apprenticeship programmes.
5. Providing materials and installation of a kitchen in the scout hut for 1st Bodicote Scout Group opposite the new Longford park school estate.
6. Active engagement and volunteering activities with the local Oxford based charity Helen & Douglas House.



Supporting Local Employment

At the commencement of the contract, a socio economic target was set for 50% of staff employed in the Property & Facilities Partnership to be from Oxfordshire. In line with last years reported statistics 95% of employees working on the contract are from Oxfordshire. There is a commitment to continually ensure a high proportion of employees are residents of Oxfordshire.

Carillion is the largest apprentice trainer and employer in the construction sector, with around 1500 apprentices being trained at any one time across our infrastructure projects and network of 12 Training Centres. We are an Ofsted accredited training provider, offering our apprentices work placements not only within Carillion but through our supply chain and with local businesses. Our efforts ensure that we give learners a broad range of experience and provide support to local businesses who may be unable to commit to taking on an apprentice directly. Specifically to Oxfordshire, we currently employ 5 apprentices in the area.

Local Spend

The latest figures on spend and reinvestment into the local community through local sub-contractors and suppliers is captured in the table below:

Local Spend	£7,535,003
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Communication

Communication is an area of the contract that had fallen below the standards required and was recognised as being in need of improvement. This was particularly so in schools where there are many individual stakeholders. A new Member Liaison and Communications Lead was recruited to deal solely with communications. Our communications plan has been put in place and developed to address the issue of engagement with stakeholders. Through 2015 it is felt that communications have improved generally, but more work is still needed at project specific level, especially during the early phases prior to construction and post construction, both periods when 'little seems to be happening at the project site'.

Member Communications Plan

Task	Frequency	Objective
Member Liaison service	On-going	<ul style="list-style-type: none"> • Ensure Members are clear on who to contact for any Partnership queries. • Ensure all Partnership Member queries are responded to promptly with a high quality response.
Member Action Days	Every 4 months (x3 per year)	<ul style="list-style-type: none"> • Promote achievements and outline challenges • Introduce Members to team behind Partnership (CLH tour) • Q&A session (identify areas for improvement) • Site tour and photo opportunities at selected location
Member Photo opportunities across estates	Ad hoc	<ul style="list-style-type: none"> • Increase interaction with Members by providing regular photo opportunities (e.g. on site, within schools, sustainable communities) • Promote the start/completion of a project or works in schools
Members Newsletter/Update	Bi-Monthly	<ul style="list-style-type: none"> • Provide Members with the latest goods news stories • Include project updates, CSR activities, staff development progress and updates on Food and More Service • Project development updates to inform Members of latest news/actions to prevent escalation
Property Focus magazine	Quarterly	<ul style="list-style-type: none"> • Promote and provide progress updates on the major property projects we are delivering that help to regenerate and grow Oxford

Communications with Schools

Action	Frequency	Objective
Schools newsletter	Bi-Monthly	<ul style="list-style-type: none"> Provide schools with the latest news stories, such as progress on school construction projects as well as highlighting our services and how we can provide essential support to schools. Food and More Update
Deliver School Specific Workshops for Building Managers	Bespoke Events	<ul style="list-style-type: none"> Provide free of charge industry advice and expertise to Head Teachers and Building Managers to help manage and care for their school buildings
Food & More Social Media	Daily / Weekly	<ul style="list-style-type: none"> To provide a social platform for FWT to communicate with schools, parents, pupils. Promote service and benefits To increase uptake of school meals
Directors from Carillion will attend School Stakeholder Meetings such as Oxfordshire Governors Association to engage first hand with influential members of the local schools community	As Required	<ul style="list-style-type: none"> Engage first hand with influential individuals who are involved with and manage the Schools Promote an active culture of positive communication and openness Receive feedback first hand and avoid escalations

Risk and Resilience

Assessment of the risks associated with the contract in light of schools leaving

The National policy which promotes Schools to become Academies is a significant risk, both for the long term viability of this contract and to Oxfordshire County Council in general. The risks generally stem from newly formed Academies who are free to choose alternative service providers for many of the services that have traditionally been delivered by the local authority and therefore Carillion. They can broadly be broken down into a five areas:

Health and Safety

Sometimes, the awareness of the School on their responsibility towards appropriate Health and Safety measures that they need to comply with is not as good as it should be. This can lead to the school appointing an organisation to undertake work on their site which is not health and safety compliant, leading to a risk of danger, both to children and adults. An example would be that a tradesman before drilling in a wall, should undertake an asbestos survey to ensure they are not drilling into the substance. This may not be taking place in all cases.

Compliance

There is a stringent statutory compliance regime which must be adhered to in schools and sometimes, the school may not be familiar with the details or fully understand their responsibilities. An example would be testing of fire extinguishers or Legionella sampling. If this work is not undertaken, a significant risk would materialise that may place pupils and teachers at risk. Furthermore the budget to pay for statutory Compliance testing has now passed to maintained schools direct, however the responsibility to ensure that these tests are carried out remains with the Authority.

Asset Condition

Without a property professional managing the asset, there could be a scenario whereby the condition of the asset is not fully assessed and the maintenance not fully funded. This could lead to an overall degradation in the quality of the building fabric which could place students or teachers at risk. If this occurs across the estate, it could ultimately lead to a position whereby the Local Authorities total asset base significantly reduces its value.

Contract Viability

If the number of Academies increased significantly and they did not choose to use the partnership and their work was not undertaken by Carillion, it may ultimately lead to a position whereby the volume of work being delivered through the contract may be so low that it would render the volumes of work unviable. The rates Carillion tendered were on the basis of a significant volume of work and if this position were to change, the overheads required to deliver the work would be too large for the smaller remaining balance.

Reduced Revenue for OCC

Currently Capital works for the Schools are managed by OCC and this in turn helps to pay for the overhead required by OCC to manage the overall contract. If a number of the schools converted to Academy status, it would increase the revenue pressures already impacting the Council.

Profitability of the contract

It should be noted that Carillion put forward extremely competitive prices at tender stage which have saved the Council significant amounts of money.

It should also be noted that it was Carillion's expectation that the Council would use the contract wherever possible and the volumes of work delivered through the contract would increase as the contract matured.

What is the risk of market failure and what mitigation is in place?

Carillion is a large organisation that works extensively with public organisations across the UK delivering a variety of property and infrastructure related services. It is committed to long term partnering opportunities and understands that a collaborative approach is required to ensure that the goals of client organisations are aligned to its business drivers. The risk of market failure within Carillion is extremely low as it is not only a large, stable organisation, it operates across a number of countries providing additional resilience to any changing market conditions. The text below demonstrates the scale and breadth of Carillion and why it is believed that the risk of market failure is extremely low.

Carillion is a leading integrated support services company, operating across the UK, in the Middle East and Canada with over 42,000 employees and a substantial portfolio of Public Private Partnership projects and extensive construction capabilities. On 3 March 2016, the Group reported its preliminary results for 2014 which included annual revenue of some £4.6 billion. In 2015 total group margin reduced slightly from 5.6 per cent to 5.3 per cent and earnings were in line with expectations. We also delivered a strong cash flow performance, with profit fully cash-backed and net debt reducing which was in line with our expectations. Net debt at 31 December 2015 reduced to £169.8 million (31 December 2014: £177.3 million). The full Annual Report can be found on the company website www.carillionplc.com

Future Improvements and Growth

The Partnership is looking forward to 2016 with a lot of excitement and expectation. The focus for 2016 will be to continue the initiatives which commenced in 2015 and to embed best practice to ensure the best financial, project and operational controls are in place to manage the partnership. Furthermore there needs to be a concerted effort to grow the partnership and make it less reliant on work commissioned from Oxfordshire County Council to maintain its viability, and to increase the customer base of the partnership, be that with former Oxfordshire County Council organisations such as academies or with new clients. This will reduce the risk of the core contract overheads becoming unsustainable and growth will help attract greater talent. The key improvements to be introduced are as follows:

Working with Schools and Academies

- Proactive engagement Academies to develop Academy and Multi Academy Trust focused Services
- Utilisation of Scape Framework to provide TFM services
- Greater level of free workshops and information to Schools and Academies

Innovative Lower Cost Capital Schemes

- Implement where appropriate modular construction solutions which will reduce construction time
- Implement standardised design based on a programme of works which will drive down costs
- Capital Project direct delivery model using a multi trade procurement & delivery route with the assistance of Carillion Projects.
- Joined up Procurement – Carillion to combine the purchasing across all its new school build programmes to drive down costs

Growth of the Partnership

As discussed earlier, the direct value of the contract from the Council itself is forecast to reduce over its lifetime as the Corporate Estate reduces and Schools move to become Academies. In order to mitigate this risk it was always intended that the Partnership would look to grow outside the Council to secure its status and reduce costs. There will be a clear focus on both the Council and Carillion throughout 2016 to expand the Partnership outside the County Council and work with other public bodies. The Partnership has a key role in delivering Oxfordshire County Councils Local Enterprise Partnership's strategic goals of building homes and creating jobs.