

PERFORMANCE SCRUTINY COMMITTEE – 26 MARCH 2015

Report by Carillion on Current Contract Delivery and Proposed Service Improvements

Business Structure and People

In October 2013 Carillion senior executives identified that the contract because of its innovative nature, complexity and breadth required additional resources to drive improved performance. Throughout the spring of 2014 a new senior management team was appointed with new roles being created to strengthen the leadership across the partnership. Phil Stephenson who has 18 years' of experience managing complex contracts was appointed as the new Account Director. Josh Lavis with over 30 years' experience at Director level was appointed as Construction Operations Director and Tim Cooper with 25 years' experience of managing Facilities Management Contracts was appointed as Operations Director for Building Services. To support Carillion's ambition to grow the contract, Michael Salter was appointed as Business Development Director.

In addition to the new Directors, other appointments have been made to strengthen the operational leadership across the Partnership. Adrian Brice and Chris Bonner have been appointed within Construction. Both individuals bring a wealth of experience of both working within Carillion and of working in construction in general. It was also identified that the Catering business required new leadership and Brian Keers was appointed from a national competitor. Brian has 32 years' of experience as a catering professional. We have also appointed our first Development Chef, Sheelin Davis, who has over 20 years of experience in primary school catering and she is now transforming our menus.

During the summer of 2014 it was identified that Capita who undertake Professional Services on behalf of Carillion also needed to make some changes to their team. Under the new leadership of Jonathan Ellis who was appointed in the Autumn of 2014, Capita have recruited 18 new people to work on the contract and importantly, the partnership is now working with Capita experts from across the country advising on Procurement, Design and Architectural best practice.

Integral to the success of the Partnership is the role of the County Council. Throughout summer 2014 it was identified that the County's role as leader of its Corporate Landlord function was an area that required attention. This had been recognised by the Council and work is being carried out on the role of the Corporate Landlord within the County Council and also to improve the clarity of the roles and responsibilities between Carillion and the Council.

The benefits of these people changes are that the Partnership now has a much stronger, more dynamic team of people. There are very strong linkages into both Carillion and Capita centres of Excellence and the overall performance is improving. Communication continues to Improve and innovation is being introduced into the contract.

Food with Thought

Introduction:

Carillion's Food with Thought is Oxfordshire's largest provider of Primary School catering within the education sector; Carillion prepare over 14000 freshly cooked, nutritious meals for Oxfordshire's school children each day across 139 schools. By working collaboratively with the Council's officers, Carillion have focused on retaining schools and improving meal uptake, including the implementation of the Universal Infant Free School Meal (UIFSM) initiative, throughout 2014.

The Carillion business strategy is for Food with Thought to become not only the largest provider of school meals delivery in Oxfordshire but also the best. Carillion's strategy for achieving this 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
- Clear communication and service promotion
- The use of fresh local produce
- Improve Health & Safety for schools and staff
- Training FwT staff to be the best

There is a belief this strategy will enhance the reputation of the County Council and Carillion, and set the Partnership apart from the competition as the best in Oxfordshire.

Service Delivery - 2014:

Throughout 2014 the Food with Thought service continued to develop and grow. By focusing on meal quality and improving the menus, FwT increased meal uptake from 38% in July 2012 (service commencement) to 45% in July 2014, an increase of 4,600 pupils using the service over 2 years. The service also expanded with the implementation of the Universal Infant Free School Meal programme.

The programme was announced on the 17th September 2013 requiring all schools to provide key stage 1 pupils with a hot free school meal. The FwT team, working collaboratively with Carillion colleagues in Design and Construction and the County Council, undertook the design, specification, competitively tendered and delivered a full programme of kitchen upgrade works to 103 kitchen facilities across the Council's Maintained Schools Estate by the planned implementation in September 2014. This programme included the creation of a temporary 'Central Production Kitchen' which provided a cold meal service to the schools whose work was not planned for completion until January 2015. The programme was considered a resounding success by all involved with uptake increasing from an average of 11100 meals/day (April – June) to 14300 (October – December) an increase of 30%

2014

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Sep	Oct	Nov	Dec
Average daily meals served	12045	12359	11648	9692	13521	10037	10054	12408	14034	14444	14421

In addition to the main programme of works, through October and November 2014, Carillion produced bids on behalf of the Council for additional Capital funding from the Department of Education. A total of 6 projects were identified that met the bid criteria. On the 20th January 2015 the Department of Education notified the Council that their bid for 4 of these projects had been successful, with a total value of £756,597. These projects will be delivered by Carillion in 2015.

Food Quality – Local Produce

The underlying principle for the development of the FwT meal service is: 'Fresh Food – Fresh Thinking' promoting healthy eating. In April 2014 FwT moved away from a single national supplier for produce to the use of local suppliers and fresh produce, in particular meat (previously this had been supplied frozen) and fruit & vegetables. In June 2014, *British Meats* in East Challow and *Roots of Oxford* began supplying FwT. This change has had a number of significant benefits for the schools:

- Healthy Eating has a significant impact on pupil performance
- Meeting the objectives of the school food plan and the government food standards
- Greater variety of different fruits, vegetables, grains, pulses or types meat and fish
- Deliveries come from Oxfordshire rather than from Reading thus reducing the distances travelled
- Money is spent with small suppliers to the benefit of the local economy rather than a national supplier
- FwT has greater control over product quality and can more easily resolve quality and supply issues

Roots of Oxford ensure the freshest produce; their policy is to hold the minimum stock maintaining the freshness of all their produce on delivery. At the ends of each working day Roots give any unconsumed supplies to the Oxford Food Bank supporting Carillion's sustainable communities promise.

The reaction from both pupils and cooks has been overwhelmingly positive and helped to increase meal uptake. FwT will continue to look for opportunities to work with local producers and suppliers.

Food Quality – Menus

In addition to the use of local suppliers, FwT changed the menu cycle from two menu changes a year to three. This allows greater seasonality of produce, particularly the vegetables. The first of the new menus was introduced in October and met with a mixed reception. There was a feeling that some of the new dishes were too radical for primary school pupils, such as Thai Green Curry. A menu review took place after the first three-weekly cycle and the subsequent revisions have been generally well received by the schools and pupils.

New Development Chef

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 developing primary schools services, whose expertise is evident in the new Spring Menu which will be launched in March 2015.

The DC will focus on menu development, working closely with the school staff, chefs, parents and suppliers to create improved menus. The DC will ensure that FwT achieve the Food for Life Bronze award across all our schools. A summary of the DC role is set out below:

- Development of innovative, exciting and compliant primary and secondary menus
- Source 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, FwT are adding a new post to their structure by recruiting a Craft Trainer. The Craft Trainer will work with the Development Chef to improve the skills of the front line catering team.

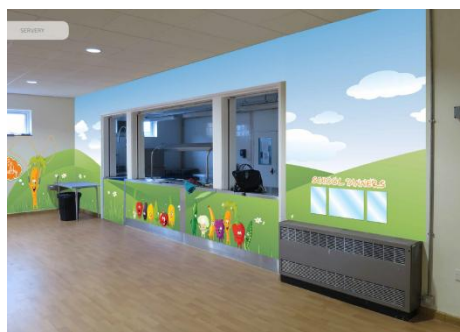
Communications

In 2014 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 a FwT website (www.foodwiththought.org.uk) and a FwT 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 FwT 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 FwT service and provide a channel for fast and efficient feedback.

FwT Branding

Carillion has invested in two new creative FwT brands for Primary and Secondary Schools in Oxfordshire. The branding offers two contrasting styles to suit its audience. A vibrant colourful design featuring; fruit and veg 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 2014 (April – December) 73 ‘ServExcel’ surveys were carried out, these surveys allow us to gather feedback from our schools.

Area	Excellent	Good	OK	Poor	v. Poor
Catering Delivery	17%	29%	42%	13%	0%
NPS	46%				

As well as obtaining feedback from schools, FwT have developed a Pupil ‘ServExcel’ in October 2014. A simple card is completed by the pupils, below is a summary of the results:

	Great	Good	OK	Poor
Choice	3	13	19	3
Food Quality	5	14	17	7
Service	10	18	10	3
Cleanliness	13	11	11	8
Value	8	11	17	8
Overall Enjoyment	14	16	8	4
Totals	50	70	63	30
%	23.5	32.9	29.6	14.1

‘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 FwT staff turnover in 2014 was 19%. This is below the industry average for 2013 of 20%.

Employment & Apprenticeships

With the introduction of the Universal Infant Free School Meal (UIFSM) initiative in September 2014, 100 new jobs were created in FwT across Oxfordshire. Through the summer of 2014 FwT implemented a recruitment drive through Job Centre Plus and recruitment specialists, Maximus. 92 of the vacancies were filled for the September 2014 implementation; this was a critical aspect in the successful launch of UIFSM. It is worth highlighting that 48 of those people (52%) were unemployed immediately before to their appointment, with 55% of these having been unemployed for more than 12 months prior to joining FwT. This recruitment has had a positive impact on reducing long-term unemployment in Oxfordshire and demonstrates Carillion’s positive community focus and ability to deliver a broad variety of local benefits.

Number of Schools

FwT supply catering services to 139 Primary schools. Of these schools 29 have contracts direct with Carillion as Academies, the remainder buyback the service through Oxfordshire County Council.

In 2014, 15 primary schools joined Food with Thought.

33 Primary Schools left FwT in 2014. The main reasons for the schools moving outside the FwT service were:

- Poor local service performance
- 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 FwT was successful in securing its first secondary school contract at Chiltern Edge School. The school has 520 pupils, which is a relatively small for a secondary school. The contract commenced in August 2014 after an intensive four week mobilisation period, which included a TUPE transfer of the existing catering staff. A mobilisation of this size and complexity including TUPE would normally be 12 weeks.

FwT provides a fully comprehensive service which includes breakfast, mid-morning break and lunch. FwT also provide catering for school events when required.

The FwT 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' feel which is appealing to teenagers

FwT are seeking to secure more secondary schools as part of our solution in Oxfordshire.

Corporate Cleaning and Caretaking

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

Customer Satisfaction and Engagement

On the County Corporate Estate, Carillion undertook 43 'ServExcel' surveys in 2014, achieving an average score of 69%. This was below the target score of 75%. The end user identified the following reasons:

- Response to queries was slow
- Poor communication

This level of customer satisfaction is disappointing and Carillion are working hard to make improvement. Carillion implemented an improvement plan to tackle the problematic areas. The plan includes organising additional cleans outside of normal working hours and making changes to cleaning routines, minimising disruption to the building occupants. Regular cross-service communication meetings have been held to ensure any maintenance issues were resolved before they became critical. The improvements made have resulted in a ServExcel score for 2015 (to date) of 90% based on 8 surveys to the most problematic sites.

In addition to customer satisfaction surveys, Carillion completed 737 cleaning audits throughout the year across all 147 Oxfordshire County Council buildings. The results from the cleaning audits demonstrate a high quality service, with an average score of 91% throughout 2014. This rating exceeded the target score of at least 85% set by the County Council.

Cleaning Compliance

Providing a safe and environmentally friendly workplace is important. Carillion are pleased to report that every County building is now fully compliant with the Control of Substances Hazardous to Health (COSHH) regulations, with each site undergoing a strict COSHH assessment conducted by an independent specialist.

Since the commencement of the contract, Carillion has invested significantly to improve the cleaning service and facilities across the corporate estate. The use of chemicals in cleaning has been reduced across all sites and a safer approach to storing chemicals has been adopted. Cleaning cupboards are continuously reviewed by Cleaning Supervisors to ensure they 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.

Staff Training

The procedures that have been put in place by Carillion ensure all staff are safe in the workplace, with the minimal amount of chemicals needed to maintain high cleaning standards. In addition to improving site compliance, Carillion have invested in staff Health & Safety training over the last three years. Each member of staff has undertaken an induction which includes training on Health & Safety. More recently additional training has taken place to update staff on Control of Substances Hazardous to Health (COSHH) regulations and manual handling in the workplace. Carillion Cleaning Supervisors carry out additional training as required.

Employee Engagement

To help understand where improvements can be made across the Corporate Cleaning Service, Carillion held a series of staff workshops across the County in 2014. The workshops provided the cleaning staff with a platform to question senior managers in Carillion and allowed the management team an opportunity to communicate with employees.

Staff Turnover

The staff turnover within cleaning for 2014 is 17.03%.

In 2014 Carillion recruited two additional Cleaning Supervisors. These new Supervisors have played an important role in improving staff training, employee engagement, and the quality of the service.

Carillion have worked with a number of third sector organisations including MIND providing employment opportunities and back to work trials within the cleaning service. In 2014 two candidates from MIND have been offered back to work trials resulting in one being offered permanent employment for the first time in 31 years, the second candidate is still under consideration and their status is to be confirmed.

Design and Construction

Throughout the last 18 months, the Partnership has been extremely busy with a significant increase in the volume of construction and maintenance work delivered across the estate. This increase is forecast to continue throughout 2015 – 16 as the large Schools Basic Needs Programme is delivered throughout the summer in 2015.

Capital Delivery

In 2013-14 (Sept-Aug), Carillion undertook 12 major projects, of which, ten were completed on time, with two completed with a 'Plan B' enacted. The 'Plan B' utilises temporary classrooms or existing school facilities and is implemented when the basic need is unable to be met in time for the new building. The percentage of Basic Need projects completed on time increased by 30% year on year for 2014.

Basic Need Summary	Sep 13	Sep 14	Sep 15 projected
Projects completed on time	3	8	14
Projects completed on time with Plan B enacted	2	2	1
Project completed late	4	2	0
Total	9	12	15

Although the 2014 programme was broadly delivered successfully, it is accepted that lessons need to be learned for future years. Of particular importance is the need to communicate proactively with schools at all stages of construction. For all our schemes in 2015 we will be communicating much more regularly. It is also recognised that engagement with the children and teachers needs to be more proactive. We will now be engaging with all children through Safety Awareness Assemblies before major schemes start and then at key stages throughout their build. It is also recognised that all parties need to work together to ensure that if there is any programme slippage, it is reduced wherever possible by people working together and being clear on any potential risks.



Repair & Maintenance

Over 200 repair and maintenance projects were completed across the County's estate in the year 2014/15 which involved carrying out a range of services such as window replacements, heating repairs and replacements and roofing repairs. In addition, Carillion successfully delivered the School Structural Maintenance Program ahead of schedule, with 100% of the activities completed before December 2014. This included ensuring all boiler systems were operational ahead of the cold weather.

A significant challenge during 2014 was delivering the Universal Infant Free School Meal Upgrade (UIFSM) Programme. Throughout the summer holiday, Carillion delivered 103 school kitchen upgrade projects concurrently in order to enable the existing kitchens to deliver the increased number of meals. This was the County's largest schools kitchen improvement initiative and everyone is particularly proud to say the programme was delivered on time and to budget, allowing the kitchens to be ready to produce the increased number of meals.

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'.

2015 Forward Plan

This year will be the busiest and most challenging yet for the Partnership, with an increased variety and volume of work activity. In addition to meeting the Basic Need programme of works, the Partnership will be undertaking work for School Academies and work generated via planning agreements (section 106) with housing developers. At the height of the summer in July, there will be approximately 22 major projects running concurrently delivering property improvements throughout the County's estate.

In January 2015, the Department for Education announced that Carillion and the Partnership had been successful with four out of six bids for additional capital funding, with a total value of £ 756,597. The additional funding will upgrade kitchen and dining facilities of four schools, with all works due to be completed by August 2015.

There are 9 projects being delivered in the Non-Schools (Corporate) Estate over the next 2 years, these include new build and refurbishment of existing buildings across a range of services in the Council including – Fire, Children Services, Highways and Environment & Economy directorate.

The Partnership will be delivering a number of major construction initiatives during 2015 which will improve our performance and perception.

1. Enhanced Interaction with Schools

Carillion have been successful in engaging with schools, undertaking several education activities with children and teachers. Site Safety at School assemblies take place at all schools where a construction project is underway. The assembly highlights the dangers of a live construction site and the importance of wearing the correct PPE.

2. Enhanced Site and Community Engagement

Door drops to residents in the local community will be conducted to inform them of the current works in their area and what is being done to minimise disruption to them. Face to face interaction will also be carried out by Site Construction Managers to allow them the opportunity to meet with residents face to face and gain feedback and comments on if/how improvements can be made to activities.

3. Introduction of Modular Construction

During 2015 Carillion will be building a number of schools using the new and innovative modular technology. There are a number of benefits to using this approach:

- It will reduce time and disruption on site
- It will allow expandability if the school has a requirement to grow in the future



An example of the innovative modular construction
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- The buildings have greater sound insulation than traditional methods
- The buildings can be reused if there is a requirement to move classrooms
- They will be cheaper to construct
- There is less disruption to the environment and community
- They are more robust and durable

Corporate and Social Responsibility

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. To date, 95% of employees working on the contract are from Oxfordshire. There is a commitment to continually ensure a high of employees are residents of Oxfordshire.

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	£14,879,659.06
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Carillion are committed to paying all small and medium sized enterprises (SME's) within 30 days of month end.

Working with SME's

Throughout 2014, Carillion and Capita have continued to support SME's by offering coaching to business managers. In October, the Property and Facilities Partnership held a supply chain conference at Unipart House which 26 of our local suppliers attended.

SME's were given exclusive mentoring and support on how to improve the day to day running of their business. This included various topics from advice on improving cash flow to insights in to how they could align with Carillion's proven Health and Safety regime. The conference gave Carillion the opportunity to outline their continued support to sustainable communities and invite new businesses to join them in offering similar opportunities throughout county.



Carillion's Construction Team deliver a Site Safety at School assembly at Radnamore Primary School

Engaging with Schools

As part of their growing engagement with schools across the County, Carillion provide interactive 'Site Safety at School' assemblies, which help children and teachers understand the dangers associated with a live construction site and how to avoid these hazards. The Construction Team, led by a Construction Manager, present to the pupils and teachers to illustrate how to identify different safety signage and the importance of wearing the correct personal protective equipment (PPE) whilst on site.

Throughout the assembly, the pupils are fully engaged with learning. They are invited to dress up in PPE before being shown the live construction site at their school. This allows the pupils to experience the activities and sounds of a real time construction whilst also enabling them to implement what they have just learnt.

The response to the assemblies has been excellent and Carillion will roll the scheme out to schools across the County, particularly where actively involved in construction.

Apprentices and Work Experience

The Oxfordshire Property and Facilities Partnership are committed to offering young adults opportunities in the construction industry. At the start of the contract in July 2012, we committed to offering 90 work experience placements over the duration of the contract. In the first three years of the contract, 33 placements have been filled by 14-16 year old pupils from schools across Oxfordshire.

Back to Work Trials and Homeless Placements

Over the last 18 months, Carillion have provided 60 work placements to adults, including 'Back to Work Trials' and homelessness placements. The placements included 2 cleaning and 1 catering position through the back to work trials. Following the introduction of the Universal Infant Free School Meal (UIFSM) initiative in September 2014, 48 people were employed for catering work from unemployment, which was 52% of the total amount recruited. 55% of those were unemployed for over 12 months. In addition, Carillion offered 2 work trials to MIND candidates at the end of 2014, of which one has been appointed, with the second person's status to be confirmed. In the upcoming months, further work trials to be offered to candidates via MIND, Aspire & Oxfordshire County Council.

MOD Mentoring and Support

Throughout October, Phil Stephenson, Contract Director for Carillion, undertook a mentoring and coaching session with MoD staff at Dalton Barracks in Abingdon. The aim of these sessions was to provide guidance on how staff coming out of the MoD could transfer their skills into commercial companies such as Carillion. Phil offered interview advice to the participants and a taster day at the Partnership for one of the MoD team, which included a day work-shadowing Phil himself. This is an on-going mentoring programme that Carillion are looking to expand throughout Oxfordshire.

Volunteering in the Local Community

Carillion and Capita host regular volunteering days in the local community. Each staff member is allocated a number of paid volunteering days to be taken over the year. In 2014, Carillion and Capita donated over 300 hours to volunteering activities. These included working at Hill End Outdoor Education Centre helping with painting and gardening.



Staff from across the contract took part in a volunteering exercise at Hill End Outdoor Education Centre.

PSC8

Category	Sub Category	Expectation over 10 years	Expectation over 2.5 years	Total to End March 2015	How it has been achieved
Young People	Work Experience for 14 - 16 year olds	90 children	22.5	22	2015 Programme has 7 children working in the business per month
	Engagement with Schools	593 hours	148.25	204 hours	All Capital and Major Projects now have a School Assembly Awareness sessions at the start and middle of schemes to increase Health and Safety and Construction awareness
Long term Unemployed	Work experience including Back to Work Trials	180 people	45 people	60 people	Before appointing for any new role we automatically at the start of the process examine whether there is the potential to appoint a long term unemployed person. The Universal Infant Free School Meal (UIFSM) programme allowed us to trial and then ultimately recruit up to 50 people through this process
	New Employment as Back to Work Trials	2 people	2 people	58 people	We recruit from a selection of organisations who work in the third sector such as MIND and Aspire
Local Small and Medium Enterprises	SME Development Workshops	48 workshops	12	13	All Capital and Major Projects now commence with a Development Workshop whereby Carillion managers outline to the tier 2 suppliers how they can develop their approach to Health and Safety, Quality, Communication, and Schools Engagement - these workshops have been positively received by all parties
	Local Supply Chain Surgeries	2 day workshop	2 day workshop	2 day workshop	1 held at Kassam Stadium where Carillion staff engaged with suppliers to help them apply to become Carillion Supply Chain Partners
	Meet the Buyer Event	10 Events	2 Events	2 Events	Last Event held in September 2014 - 54 suppliers attended - we talked about how to improve Health and Safety as well as future work opportunities
	Business Surgeries for start-up or third sector e.g. Finance, H&S, HR, Sustainability	60 surgeries	15 events	15 events	One to one surgeries took place to cover Health and Safety, Human Resources and how to paid more predictably at the event in Unipart House

Maintaining Commitment to Sustainability Communities

Action	Frequency	Objective	Start Date
To provide regular volunteering opportunities to all staff	Monthly	<ul style="list-style-type: none"> Maintain our ongoing commitment to help projects in the local community Improve relations amongst staff outside of normal working environment 	March 2015
To provide mentoring / coaching in the local communities	Every 4 months (3x year)	<ul style="list-style-type: none"> Provide guidance to communities on how to apply current skills to the workplace 	April 2015
To host 'Meet the Buyer' event for SME in Oxford	Every 4 months (3x year)	<ul style="list-style-type: none"> Introduce local businesses and suppliers to the Partnership, identifying opportunities for working relationships 	April 2015
Apprenticeships	Ongoing	<ul style="list-style-type: none"> Work with the business to bring apprentices into the business – this is across the broader supply chain as well as Carillion and Capita 	May 2015
SME Development Workshops	Ongoing	<ul style="list-style-type: none"> Work with the business to drive SME development workshops on matters such as Health and Safety, Finance, Human Resources etc. 	March 2015

Communication

Communication is an area of the contract that has fallen below the standards required and is recognised as being in need of improvement. This is particularly so in schools where there are many individual stakeholders. A new Member Liaison and Communications Lead have been recruited to deal solely with communications. A new communications plan has been put in place to address the issue of engagement with stakeholders. The plan will come in to effect immediately.

Objective: To Improve Member Communications

Action	Frequency	Objective	Start Date
To re-launch and better promote 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. 	March 2015
To host 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 	April 2015
To organise Member Photo opportunities across estates	Monthly	<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 	March 2015
To produce a dedicated 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 with Thought Service Project development updates to inform Members of latest news/actions to prevent escalation 	March 2015
To produce a 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 	April 2015

Objective: To Improve Communications with Schools

Action	Frequency	Objective	Start Date
To produce a 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 With Thought Update 	April 2015
To deliver the 'Caring For Your School Building' Conference in Oxford	Bespoke Event	<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 	May 2015
To produce a 'Service Scope Awareness Pack' - to be delivered to each Headteacher within Oxford	Bespoke Marketing Activity	<ul style="list-style-type: none"> To raise greater awareness of our services and to ensure our helpline number is within easy reach for schools. 	April 2015
To produce bespoke leaflet and E shots for every Oxford school in relation to their specific school maintenance statutory requirements.	As and when required.	<ul style="list-style-type: none"> To assist each school with understanding their specific school maintenance statutory requirements within a series of comms 	Ongoing
FWT 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 	March 2015
Directors from Carillion will attend evening School Stakeholder Meetings such as Oxfordshire Governors Association to engage first hand with influential members of the local schools community	Monthly	<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 	March 2015
Appoint more front line Carillion managers to proactively engage with schools which will improve communication and the flow of information	Permanent Resources	<ul style="list-style-type: none"> Appoint 2 Account Managers whose primary role is to develop relationships with schools Increase the number of Service Delivery Managers in Food With Thought to better manage our kitchens and improve communications with the Schools 	May 2015

Risk and Resilience

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

The decision to allow 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 the 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 which may place pupils and teachers at risk.

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. There is also an expectation that the Council will promote growth and use of the contract by the Participating Bodies and specifically District Councils.

Following a lengthy period of mobilisation, the overall profitability of the contract is broadly in line with tendered expectations and it should be noted that this is an open book contract which the council can audit if required.

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 4 March 2015, the Group reported its preliminary results for 2014 which included annual revenue of some £4.1 billion. Contract selectivity has always been a key part of our strategy for maintaining margin discipline and this was particularly important through the economic downturn when markets have been challenging. In 2014 we maintained our total group margin at 5.6 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 2014 reduced to £177.3 million (31 December 2013: £215.2 million), despite investing £38.5 million in business acquisitions. Therefore, with £1.3 billion of available funding to the Group, Carillion has a very strong balance sheet to support its strategy for growth. Work winning has also remained strong with £5.1 billion of new orders and probable orders in 2014 and we entered 2015 with record revenue visibility of 85% for 2015. We expect the improvement in market conditions that we began to see in 2014 to continue in 2015, and we also believe we are well positioned for the medium term, which will enable us to continue to deliver high levels of service for existing and new clients. Further details of our 2014 results can be found in the attached Fact Sheet.

Future Improvements and Growth

The Partnership is looking forward to 2015 with a lot of excitement and expectation. The key improvements to be introduced are as follows:

Communication with Schools

- Proactive engagement with schools through paper, e mail and social media
- Appointment of new Account Managers and Service Delivery Managers to increase face to face engagement
- Increased engagement from all Directors and managers on the contract through both face to face and through stakeholder meetings
- Increased School Assembly engagement sessions to highlight the work we are doing, Health and Safety and property matters

Increased Information Sharing

- Share the status of the Capital Construction Programme on a monthly basis
- An increased number of face to face customer service conversations to talk about a customer's performance
- Transparency about the status of schools in the Council's Maintenance Programme
- Share the property-related risks associated with schools undertaking and managing maintenance activities themselves or within an Academy

Innovative Lower Cost Capital Schemes

- Implement modular construction solutions which will reduce construction time
- Implement standardised design based on a programme of works which will drive down costs
- Joined up Procurement – Carillion to combine the purchasing across all its new school build programmes to drive down costs
- Offer an "Energy Plus" Capital option for all Capital works which will help to reduce energy costs and carbon consumption

Corporate Landlord Function

- Manage the Property Assets of the Council in a proactive manner, sharing schools estate condition information to ensure the schools have a clear understanding of forthcoming works
- Reduce the costs of the current Property Estate through rationalising the space it uses
- Optimise the revenue generating opportunities within the Property Estate in light of the Authority's increasing budget pressures
- Working collaboratively with other Oxfordshire public bodies to reduce costs and share property where possible

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 2015 to expand the Partnership outside the County Council and work with other public bodies such as the District Councils

and bodies such as the Police. The Partnership has a key role in delivering Oxfordshire County Councils Local Enterprise Partnership's strategic goals of building homes and creating jobs.