

Division(s):

## **CABINET – 18 OCTOBER 2011**

### **FOOD WITH THOUGHT/QUEST CLEANING SERVICES STRATEGY PAPER**

#### **Report by Director for Environment and Economy**

#### **Introduction**

1. The purpose of this paper is to inform the decision on the inclusion of the cleaning and catering services provided by Quest Cleaning Services (QCS) and Food with Thought (FwT) within the scope of the proposed integrated Property & Facilities external services contract. The contract will provide a Total Facilities Management service including the delivery of all hard and soft FM services, as well as professional and construction services.

#### ***Procurement Status***

2. To help inform advice to the Cabinet, participants were asked to submit commercially confidential papers demonstrating the benefits of the inclusion of catering and cleaning services within the scope of the Property and Facilities contract. Their collective positions have informed the summary and recommendations contained within this paper to enable a policy decision to be made.

#### **Summary Position**

#### **QCS**

3. Cleaning is a fundamental component of an integrated Facilities Management (FM) contract, the inclusion of the services provided by QCS within the contract would bring the following benefits:
  - The ability to deliver the Property & Facilities service within the financial constraints of the Medium Term Financial Plan.
  - Risk transfer – providing a fixed price with cost certainty for the council
  - An improved performance management culture and reporting and contract management regime
  - Increased measurement of customer satisfaction and level of stakeholder engagement through a dedicated client contract management team.
  - Increased training, improved supervision, and more automation and standardisation of processes
  - A marketing strategy to grow the service within the Council and in the open market with a profit share with the Council.

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- Provision of new equipment, replaced every two years, to minimise health and safety risk and raise consistency of the service.
  - A focus on environmental performance by reducing the use of chemicals, waste water and minimisation of waste to landfill with recycling targets
4. The exclusion of services provided by QCS from the Contract would fundamentally jeopardise the Council's ability to provide a truly integrated and cost effective Total Facilities Management service.

### FwT

5. Inclusion of the service provided by FwT in the scope of contract is less critical for an integrated FM contract, although it complements the service through the potential for increased capacity by multi-skilling and combined management. The current operating model has delivered success for the council over the recent years, summarised as follows:
- Achieved its Council set business plan.
  - A significant market share in the provision of primary school meals in Oxfordshire
  - A strong brand and reputation within the schools
  - Achieved nutritional standards above minimum guidelines
  - A dedicated training facility that has trained 50% of supervisors
  - Investment in school kitchens to ensure they meet current health and safety standards
  - Improved meal take up
  - Meal price is currently £2.10, adjusted annually.

### School Meals Feedback

6. In the preparation of this report a questionnaire was issued to schools. The response rate from the survey was low but consistent with other surveys taken. The findings of the survey show support for the current service and the food quality with positive comment on the potential length of the contract between FwT and schools should the service remain with FwT.
7. The inclusion of Food with Thought in the contract would bring the following benefits to the Council:-
- Future investment – A clear Council approved investment plan to enable improvement in the service.
  - Risk transfer – Participants would accept the risk for operating costs, kitchen maintenance, health and safety and a fixed price for free school meals, ensuring a more resilient service in the future.
  - Maintaining and Improving Service and Quality – Individual menus for each school. Skills training for front line staff. Healthy options. Engagement with head teachers, parents and pupils. A greater proportion of fresh ingredients. Improved point of sale marketing.

- Contract Growth – Target increased meal uptake from the current 33%.
- The Contract would include: -
  - Council approval of school meal price
  - Potential for meal price to be determined via benchmarking, fixed for 2 to 3 years.
  - Rigorous contract management including the application of operational performance indicators.
  - Guaranteed nutritional levels which at least meet the existing standards.

### **Links with Corporate Priorities**

8. The Proposals in the report support the following corporate policies and priorities:

Value for money. The proposals will ensure that the service help to achieve the Councils value for money objectives.

Customer Focus. The proposals will ensure that customers are central to the way the service will be delivered and measured to ensure continuous improvement.

Efficient and effective. The proposal will ensure the service is delivered in the most efficient and effective manner, removing duplication and by ensuring smart systems and new technology are adopted.

### **Financial and Staff Implications**

9. The financial and staff implications are being considered by the Project Team including Michael Salter, Property and Facilities Service Manager, Nina Warren HR and Rob Finlayson Finance, all reporting to a project board chaired by the Director of Environment and Economy.
10. If FwT/QCS were excluded from the contract it would impact on the financial structure of the offer and might adversely impact on the commercial appeal of the contract for the participants'.

### **Conclusion**

11. Inclusion of FwT within the contract scope provides a sustainable solution for retaining quality school meal service at an affordable price, whilst reducing the financial risks that currently sit with the Council.
12. The exclusion of the services will restrict the ability to realise a truly integrated Total Facilities Management Service across the Property and Facilities Contract.

**RECOMMENDATION**

- 13. The Cabinet is RECOMMENDED to include the current catering and cleaning services provided by Food with Thought and QCS within the scope of the Property and Facilities Contract.**

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Background papers:

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