



Presentation to Organisational Change, Overview and Scrutiny Committee

Alternative Delivery Models Facilities Services (Catering & Cleaning)

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Current Provision

Catering Service:

Approximately 346 permanent and relief staff providing a catering service to

- » School Meals: 67 Primary, 12 High and 2 Special Schools
- » Breakfast Clubs (45)
- » Pupil Referral Units (4)
- » Elderly Persons Homes & Day Centre
- » County Hall: Bistro, Staff Shop, Hospitality for meetings



Current Provision (cont)

Cleaning:

Approximately 140 permanent and relief staff providing a cleaning service to:

- › Authority owned premises (Circa 90)
- › External businesses (4)
- › School support



Approach

- » Progression to Feasibility Study to consider Alternative Delivery Models (ADM).
- » Feasibility Study undertaken to identify an ADM where Facilities can deliver quality catering and cleaning services that are sustainable, commercial, efficient, and financially viable.
- » 14 July 2015: Cabinet considers whether to progress to Business Case which will highlight detail, including governance, compliance, financial and employee status, with commercial direction for growth and development.



Strategic Objectives

To provide a modern, efficient and profitable catering and cleaning service in a delivery model which;

- » Reduces, and eventually removes the need for financial subsidy from the Local Authority.
- » Meets the needs, wants and expectations of all clients, consumers and customers.
- » Promotes growth, development and sustainability.
- » Supports social responsibilities of the Local Authority.
- » Adheres to legislative and regulatory requirements.



The Catering & Cleaning TECKAL

The TECKAL Company / Model will:

- » Remain wholly owned by the Authority, maintaining social responsibility.
- » Maintain service provision within the public sector, whilst supporting expansion into the private sector.
- » Be empowered to work commercially, with the ability to trade up to 20% of service turnover.
- » Protect staff through TUPE Transfer
- » Retain procurement frameworks providing ability to purchase competitively.



Considerations for Change

“If you focus on results, you will never change. If you focus on change, you will get results”

Jack Dixon (Author)

» No change will limit growth, diversification and restrict income generation.

» Change must:

- » Meet statutory and legal requirements
- » Provide new opportunities to trade
- » Support Flintshire’s Social responsibility
- » Be financially successful – reducing/eliminating the subsidy



Making it Stack Up

- » The TECKAL Company will be viable if;
 - » Key Risks can be successfully mitigated.
 - » Understands Clients and the Decision Making Unit.
 - » Completes Market Research to identify competitors and their products.
 - » Ensures the new business is competitive with product, price, place and promotion.
 - » Promotes the Unique Selling Factors.
 - » Accepts the need to evolve.

Key Risks & Mitigation

KEY RISKS	MITIGATION
FCC Financial Contribution	Agree for transition and stabilisation of the ADM.
Capital Development	Establish responsibility and agree progression with the Authority – changes may impact the financial contribution.
Support Costs	Assume support for 3 year period from FCC, seek external options/new internal package.
Utility Costs	Seek to maintain the current arrangement with catering sites, or include with the service delivery costs.
Federation of Schools	Improve communications, better understanding of pupils numbers and growth, create a package to suit a Federation.
Potential future closure of assets	Consider ability to expand ie private EPH Services etc.

Key Risks & Mitigation

KEY RISKS	MITIGATION
Rationalisation of Building Stock	Mobile cleaning, transportation of schools meals, increase commercial activity.
Proposed growth may not be achieved	Maximise promotional and marketing activity, improve Client Relationship Management and consider new products and services.
Leadership and commercial skills may need development	Identify training needs and procure specialist advice as appropriate.
Lack of Buy-in from Staff and Trade Unions	Effective and timely communication, with application and understanding of TUPE.



The New Offer

The Core Offer

- » Education and Social Catering Services.
- » Cleaning in County Offices, Libraries, Depots and Enterprise Units

The Extended Offer

- » Branded, commercial catering services to Leisure Services, Theatre Clwyd, and County Offices.
- » Mobile Cleaning to bring flexibility and access to new areas.

The New Offer

- » Catering for private and commercial functions and events.
- » Cleaning housing voids and commercial properties, and key holding services.

Finance

	Period Start	01-Apr-15	01-Apr-16	01-Apr-17	01-Apr-18	01-Apr-19
	Period End	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
	Year count	1	2	3	4	5
		£	£	£	£	£
INCOME AND EXPENDITURE ACCOUNT						
INCOME						
FCC Subsidy		1,146,477	918,019	764,409	764,409	764,409
Income		5,437,028	5,437,028	5,437,028	5,437,028	5,437,028
New Income		105,000	195,000	275,000	275,000	275,000
Total Income		6,688,505	6,550,047	6,476,437	6,476,437	6,476,437
EXPENDITURE						
Direct Staff		3,484,766	3,484,766	3,484,766	3,484,766	3,484,766
Other Staff Costs		292,512	263,260	236,934	236,934	236,934
Support Services		198,038	178,832	161,548	161,548	161,548
Premises (Indirect costs)		61,509	61,509	61,509	61,509	61,509
Cleaning Materials		166,437	166,437	166,437	166,437	166,437
Provisions		1,898,896	1,821,896	1,791,896	1,791,896	1,791,896
Training		25,000	25,000	25,000	25,000	25,000
Marketing & PR		20,000	20,000	20,000	20,000	20,000
Head Office Overheads		541,347	528,347	528,347	528,347	528,347
Total costs		6,688,505	6,550,047	6,476,437	6,476,437	6,476,437
Surplus before tax		-	-	-	-	-
Taxation		-	-	-	-	-
Total profit/loss for the year after tax		-	-	-	-	-
Retained profit/loss brought forward		-	-	-	-	-
Year on year profit/loss position		-	-	-	-	-

END



The Next Steps

- » Current Status : Emerging proposal that is considered feasible but needs to be considered formally by Cabinet after completion of Business Plan
- » Feasibility presented to Cabinet: 14 July 2015
- » Business plan: complete by December, if approved
 - » April 2016: Period of 12 months to progress for transition to TECKAL
 - » September 2016: Target for moving the service to a TECKAL
- » Shadow running September 2016 to April 2017
- » Go Live April 2017



Thank You

Any questions?