

EAST AYRSHIRE COUNCIL

CABINET – 18 JUNE 2008

ONSITE SERVICE PLAN

Report by the Executive Director of Educational and Social Services

1 PURPOSE

- 1.1** The purpose of the report is to submit the Onsite Service Plan for 2008/2009 for the consideration and approval of this Cabinet. A copy of the full Service Plan is provided at the Members Information Point for reference.

2 BACKGROUND

- 2.1** Onsite provides Catering, Cleaning, Janitorial and School Crossing Patrol services across East Ayrshire for our main customer departments:
- Educational and Social Services
 - Neighbourhood Services
 - Corporate Support
- 2.2** As part of The Educational and Social Services Department's Facilities Management section, onsite operate as a budget holding section for its core services with Service Level Agreements with the above customer departments in all areas of business activity.
- 2.3** The unit employs around 950 staff across 9 Internal Service Level Agreements (SLA's). Each activity has particular implications and customer requirements, which result in varying operational and developmental objectives. In addition there is an external SLA with Strathclyde Police.
- 2.4** Onsite Cleaning provides services in 207 premises of which Janitor and Cleaning Services are provided in 45 primary schools, 9 secondary schools, 4 other council offices with other Educational and public facilities operating only cleaning services. Onsite Catering is provided in 76 locations including 65 Education Establishments, 7 social services units, 2 staff canteens, plus an additional 29 Lunch Clubs and Day Care Centres. School crossing staff operate at 64 locations across East Ayrshire.

3 INTRODUCTION

- 3.1** The approach taken in compiling the Service Plan is to detail;
- areas of continuous improvement and how they are to be achieved;
 - budgetary and work load projections;
 - an explanation of current financial and operational performance;
 - progress towards onsite's long-term goals.
- 3.2** The Service Plan focuses on the business management processes needed to operate a successful service and provides management, members and our work force representatives with a sound basis for determining future strategy while monitoring and controlling present performance.
- 3.3** The Trade Unions through the Manual Convenor of Shop Stewards have accepted the approach taken in the development of the Service Plan and its fundamental objectives and assumptions.

4 THE SERVICE PLAN DOCUMENTATION

4.1 The Service Plan document is available at the Member's Information Point. In line with the principles of Best Value, the Service Plan has been produced in a systematic manner to ensure every service area within onsite has clear measurable objectives. Business objectives have been identified, and operational and financial targets have been set for the forthcoming financial year and beyond.

4.2 The following sections provide a summary of the Service Plan and an indication of key achievements and future targets analysed in more detail within the full Service Plan.

4.3 Introduction and Guiding Management Principles

This section of the Service Plan outlines the general areas of service onsite delivers, sets out the mission statement, values and guiding actions and principles to which the service operates, in line with Best Value and the Community Plan.

4.4 Financial Performance from Previous Year

Provides a summary of the last two year's financial performance with income and expenditure areas showing on budget performance.

During 2006/2007 the financial arrangements for onsite were changed and 2007/2008 has been the first full year operating to the current Service Level arrangements. Income and cost of service delivery are contained within the onsite Services budgets and financial structure.

In 2007/2008 onsite's financial position reflected expenditure on budget with an under spend of £2,870. A overspend in Catering was the result of additional equipment costs, as during the transfer of budgets to onsite no budget was identified for this. The cost however was covered within the overall onsite budget with efficiencies identified in Cleaning and Janitorial services.

Previous Years Financial Performance

Service Division	Annual	Actual	Variance
	Estimate	2007-08	(Favourable)/
	2007-08	2007-08	Adverse
	£	£	£
CATERING SERVICE	2,375,940	2,621,550	245,610
CLEANING SERVICE	4,536,370	4,295,550	(240,820)
SCHOOL CROSSING	283,690	276,030	(7,660)
TOTAL	7,196,000	7,193,130	(2,870)

The Service continues to have rigorous management controls on labour and material expenditure and seeks out ways to develop and continually improve its financial position.

4.5 Financial Forecasts for Future Years

This section breaks down the budget estimates for 2008/2009 and areas of expected income, with an outline of the next 3 years budget plan and associated assumptions.

With the support of the Finance Service detailed budget estimates have been prepared in line with the Council's accounting practices.

	Actual	Annual	Annual	Annual
	2007/08	Estimate	Estimate	Estimate
	£	£	£	£
INCOME	(2,504,230)	(2,507,050)	(2,603,120)	(2,703,290)
EMPLOYEE COSTS	7,917,770	8,059,490	8,260,980	8,467,500
SUPPLIES & SERVICES	1,704,410	1,659,210	1,708,990	1,760,260
TRANSPORT COSTS	75,160	72,720	74,900	77,150
TOTAL	7,193,110	7,284,370	7,441,750	7,601,620

The financial projections within the Business Plan are based on the current levels of service costs, an identified proportion of efficiency

savings, estimated cash and credit income, and recharge levels in line with Service Level Agreements.

Performance will be monitored rigorously by a number of internal and external procedures, including reporting to the Council's Governance and Scrutiny Committee and the Management Information System, which has been developed by onsite.

4.6 Workload Forecasts

This section of the Business Plan details service volumes with meal numbers, cleaning floor areas and other key performance indicators including trend graphs showing historic and projected figures with objective commentary on the figures.

Key areas of Workload and Performance Measurement are reported:

- Continue to provide over 9000 school meal customers per day.
- School meal income increased to over £7000 per day.
- Lunch Club Meals reduced slightly to 34,000 meals in 2007-2008
- Special Catering Income has increased by over 15% each year for the last three years with in 2007 £191,000.
- Cleaning m²/day has decreased by 16,293m² / day to 265,655 m²
- A consistent and professional Janitor service has been maintained throughout schools and corporate offices including out of hours emergency call out and providing a service to support community letting.

4.7 Targets, Performance Indicators and Ratios

As part of onsite's ongoing management arrangements a range of performance indicators are produced with annual totals and averages of key results areas shown within the Service Plan covering financial, operational, benchmarking, customer satisfaction and staff issues.

Onsite continue to benchmark its services against other local authority providers through the Association of Public Service Excellence Performance Network. A number of areas continue to provide best in class service performance

1 st Quartile Performance Areas - Cleaning	EAC	Best	Average
Square Metres cleaned per hour (Secondary)	0.95	0.95	0.76
Square meters cleaned per hour (Primary)	0.81	0.98	0.70
Cost per FTE front line employee	£12,700	£11,428	£13,838

1 st Quartile Performance Areas - Catering	EAC	Best	Average
Paid Meal uptake (primary schools)	46.72%	74.72%	40.14%
QA and stakeholder consultation process	72	72	44.64
Special School meals served per hour	9.75	9.87	6.16

In relation to personnel management a number of key areas continue to show positive progress, the onsite bi-annual employee survey continues to see improvement in all areas. Training continues to be a priority with particular focus on ILM training for all cleaning supervisors and REHIS Intermediate Food Hygiene training for all Catering Managers.

Absence continues to be an area of focus and significant work has been undertaken in the Active Health Partners Pilot and working closely with Occupational Health on long term sick employees.

4.8 Business Issues – Assumptions & Risks; Threats & Opportunities

Outlines the main external influences on onsite as a provider of catering, cleaning and FM services. The Policy Environment includes Best Value, the Schools (Health Promotion and Nutrition) (Scotland) Act 2007, Single Outcome Agreement and the Community Plan, PPP, Single Status. The Commercial Environment includes market research on Contract Catering and Cleaning markets.

4.9 Business Strategy and Projections

Identifies the Strategic issues that will allow onsite to move the services forward including:

- Future trading principles
- Service Strengths
- Threats and Opportunities including
 - Significant Trading Status
 - Council efficiencies and Best Value
 - Rationalisation and Joint Working
- 3 Year development plan
 - Facilities Management
 - Sustainability and the Environment
 - Education and Health
 - Function Catering
- Continuous Improvement

4.10 Operational Issues for Action

Identifies the key operational areas that require action and resources to deliver the strategic vision of the unit, these include:

- Reviewing Service Level Agreements and Customer Charters, to seek efficiencies and service improvement
- Continue to work within the department to clarify the Facilities Management service within the context of the Council's Asset Management approach.
- Focusing on Training and staff development through IIP accreditation.

- Identifying opportunities to further develop Information Technology and Management Information Systems
- Maintaining strong Financial Management arrangements
- Further develop the principles of Hungry for Success in line with the Schools (Health Promotion and Nutrition) (Scotland) Act 2007.
- Focus on the specific key Service Success Factors for individual services and
- Maintain a strong emphasis on Health and Safety and employee development in all areas of service.

5 CONCLUSION

The Service Plan sets out clear targets for service development and achieving good performance. Through financial and operational monitoring it will achieve its objectives for the Council and at the same time embrace and adopt the principles of Best Value and the Community Plan.

6 FINANCIAL IMPLICATIONS

6.1 The Business Plan commits onsite to delivering the current levels of service within an overall net budget of £7.28 m. A total cost of £9.79 m offset by £2.51 m of income and recharges.

6.2 The unit's status has been reconfigured towards the general services budget and mainstreamed into the Department of Educational and Social Services. It is no longer regarded as a significant trading service and its management accounts will be accurately maintained and subjected to rigorous ongoing examination throughout the year reflecting the importance of maintaining new financial disciplines for these services.

7 POLICY/LEGAL IMPLICATIONS

7.1 The Business Plan takes account of its legal and contractual obligations in terms of operational matters and also the Best Value framework and Local Government in Scotland Act 2003.

8 COMMUNITY PLANNING IMPLICATIONS

8.1 onsite's range of services and business planning priorities are linked to the community plan.

8.2 Through its Service Plan and operational strategies onsite will continually seek opportunities at all times to enhance the policies of the Council.

9 RISK IMPLICATIONS

9.1 Catering, Cleaning, Janitorial and School Crossing present significant Health, Safety and operational risks that are managed by management processes inbuilt into the day to day work of front line staff, and by high level monitoring procedures.

10 RECOMMENDATION

10.1 The Cabinet is requested to approve the Service Plan for 2008/2009 for onsite Services.

Graham R Short
Executive Director of Educational and Social Services

RG/AK
4 June 2008

LIST OF BACKGROUND PAPERS

1. Business Plan (copy provided in the Members Information Point)

Members requiring further information should contact Robin Gourlay, Head of Facilities Management (01563 576089)

Implementation Officer – Robin Gourlay, Head of Facilities Management