

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE - 31 JANUARY 2006

ONSITE SERVICES BEST VALUE REVIEW

Report by Executive Director of Educational and Social Services

1. PURPOSE OF THE REPORT

- 1.1 To advise Members of the Education Committee of the outcome from the Best Value Review of Onsite Services.

2. BACKGROUND

- 2.1. Onsite services provide a range of direct, front line services including previous defined Compulsory Competitive Tendering contract areas.
- 2.2. The services include school catering, cleaning, janitors and school crossing patrollers. Domestic and Catering services for Social Services locations, Cleaning, Caretaking, and Catering for Corporate Office accommodation, cleaning of Police stations and additional meeting and function catering.
- 2.3. Since Onsite's inception in 1998 the strategic approach through annual business plans have been to fully adopt Best Value arrangements and develop a continuous improvement culture working closely with Client departments and providing customer focused services.
- 2.4. A significant number of areas of service have also been subject to service reviews and previous tendering exercises, including recent Voluntary Competitive Tendering including Meals on Wheels and the Council's Public Private Partnership project.
- 2.5. In addition the schools catering service has been subject to significant review and change over the past 3 years following the Scottish Executives Hungry for Success Initiative, which has changed the focus of the service to be a key factor in providing the wider Education and Health Agenda.

3. THE COMMUNITY PLAN

- 3.1. Onsite delivers services that contribute directly or indirectly to the delivery of a number of key corporate and community planning objectives. As a division of Educational and Social Services the unit plays a significant role in the lives of both elderly and young people. Caretaking, janitorial, cleaning and school crossing services are all critical to the provision of education, whilst the ground breaking emphasis Onsite has placed on the

nutritional value of its school meals makes a major contribution to the ability of East Ayrshire's children to make the most of their educational opportunities.

- 3.2. **Education and learning** - Direct impact on the educational environment and opportunities in schools
- 3.3. **The Local Economy** - As a significant employer of people in every community of East Ayrshire, and through employee development and training, the unit makes a significant contribution in fostering employment and skills associated with economic growth. This feeds into the work of Community Learning and Life Long Learning.
- 3.4. **Health** - Through its cutting edge approach to nutritional standards onsite's school meals service are a key player in the drive to address both health inequalities and the general comparatively poor health prevalent in the West of Scotland.

Best Value

- 3.5. In a Best Value environment the communities of East Ayrshire needs to derive maximum synergy from its service providers, including the Council but also other public and non statutory bodies. To this end Onsite's suite of services should seek to work effectively with other services, and also with those provided by other agencies to the benefit of all East Ayrshire citizens.
- 3.6. New powers enshrined in the Local Government in Scotland Act 2003 present opportunities to deliver services more widely both within and outwith the public sector. Some of these opportunities have already been identified and acted upon but others will require changes in the way that services are organised and delivered. This raises some fundamental questions of relevance to the future of Onsite and its relationship with the rest of the Authority.
- 3.7. A central question raised in the review is; does the Council recognise onsite's services as a key component of the Community Pan and in parenthesis does it require onsite to be more than an efficient provider of Catering, Cleaning, Janitorial and School Crossing services.

4. SCOPE OF REVIEW

- 4.1. This Best Value Review has considered the overall position of onsite in relation to the strategy, structure and arrangements for the services that are provided.
- 4.2. Due to the nature and structure of onsite with 14 different service areas, under previous CCT contract specifications or non statutory defined

service areas, the focus has been on how these services are provided by onsite and arranged within the Council.

- 4.3. Performance information has been provided in relation to individual services however this has been presented in the context of onsite management arrangements.

5. REVIEW PROCESS

- 5.1. In undertaking this review the existing service has been subjected to key challenging questions that have reviewed the basis of onsite.

- The case for providing Catering, Cleaning, Janitorial and School Crossing services.
- That the services can demonstrate Best Value.
- That the services can demonstrate effectiveness within the Best Value framework.
- Other ways of providing these services.

- 5.2. In answering these questions the four Cs have been reviewed with evidence gathered on;

- Consult – responses from stakeholder consultation exercises
- Compare – evidence of benchmarking and performance monitoring
- Compete – a review of previous and existing areas of competition
- Challenge – identification of existing arrangements to challenge services

- 5.3. Through the review a number of recommendations have been identified to take the service forward, however a number of these recommendations will require further detailed review in relation to any implementation.

6. MAIN FINDINGS OF REVIEW

- 6.1. The core services onsite provide including catering, cleaning, caretaking and school crossing are based on legislative requirements or directly support the provision of legislative requirements.

- 6.2. The delivery of these services has a significant impact on the working arrangements and lives of people in East Ayrshire through Education, Health, Care Services and in the use of all Council buildings.

- 6.3. As the Head of Service is a member of the Educational and Social Services Senior Management Team this has resulted in significant changes to the strategy of onsite and greater integration of the services with core Educational, Social and Health Agendas.

- 6.4. The delivery of services has in many aspects moved away from previous CCT arrangements and has integrated with key Corporate objectives for example in Health Promoting Schools, SHAW, integrated services to children and employee development. However there still remains organisational aspects of the client / contractor split, particularly in relation to financial and budgetary arrangements, which are no longer necessary under the Local Government (Scotland) Act 2003.
- 6.5. The services onsite provide are subject to a wide range of regular consultation with high levels of overall satisfaction. The Pupil annual survey identified a 92% satisfaction level in Primary Schools and an 88% satisfaction level in Secondary Schools. Through the Best Value Review an additional survey asked all Head Teachers and Heads of Establishments their views on all onsite services. The average score for each service was Cleaning 78%, Catering 86%, Janitorial 87%, School Crossing 84%.
- 6.6. Onsite operate a number of performance management systems that demonstrate ongoing improvement in key performance indicators and have external benchmarking arrangements through the APSE performance network. These comparisons identify some key strengths although a number of areas have been identified as opportunities for improvement.
- 6.7. Onsite has been subject to a number of Tender exercises in 2005 which have demonstrated competitiveness in both price and quality, although in some specific operational support arrangements further improvements have been identified.
- 6.8. The Council's Best Value arrangements in using the self evaluation EFQM model has been wholly adopted by onsite, having integrated this into the units annual business planning process. In addition in 2005 the service achieved Investors in People demonstrating good practice through external scrutiny.
- 6.9. Onsite Services have demonstrated successful service delivery over the past 5 years, regular consultation and working with customers have ensured ongoing improvements in service delivery and working arrangements.

7. OUTCOMES OF THE REVIEW

- 7.1. The Review has identified 13 key recommendations in relation to onsite and the services onsite provide. 6 recommendations relate to three key themes of strategy, financial arrangements and management structures of onsite and are summarized below.
- 7.2. Ongoing service improvements are achievable with the existing 'contractual' style service arrangement although to achieve significant

change in service delivery, quality and value for money the move towards an integrated Facilities Management service and greater partnership working with Health, Education and other Council services is recommended. Proposals include:

- Supporting Community Schools through 52 weeks and the provision of free meals to children who are entitled throughout the year.
- A co-coordinated schools helpdesk for onsite and property issues.
- The extended use of school kitchens by the school and community.
- The development of extended opening and community initiatives
- Links with the curriculum in enterprise, business, health & diet
- Closer collaboration and coordination with other 'contract' services
- Monitoring the performance of FM within the PPP environment

7.3. These improvements are best achieved through joint working with existing Council departments and retaining control in house to allow greater opportunity to continually improve the quality of service and cost effectiveness whilst providing sufficient flexibility to develop the service in line with the changing needs of the communities we serve.

7.4. The financial arrangements related to onsite's status as a Significant Trading Operation, the existence of client led budget monitoring and the whole cost of service being split across various budget holders all lead to difficulties in providing significant service and value for money improvement.

7.5. Benchmarking evidence does suggest that the onsite department overhead allocation is low, while the Central allocation is larger than similar service providers in similar Authorities. The current onsite management and support structure has achieved the consistent delivery of services since 1998 however to move the department forward and achieve a desirable step change required to provide greater efficiencies and deliver a wider agenda within the Council aligned with the Community Plan, then key areas will require a refocus of resources.

- Business developments and Partnership working
- Marketing and Customer relationship management
- Quality control and performance management

7.6. In addition to the above wider issues 7 recommendations focus on service specific areas have also been identified that would improve the quality and value for money of services.

- Management Arrangements to improve long term absence levels
- Marketing and promotion of school meals to improve paid uptake
- Improved administrative support for personnel and training
- Health and Safety and Food Hygiene arrangements

- 52 week working and working arrangements

7.7. A Service Improvement Plan is included in the Best Value Review and further detailed reports for approval will be presented on specific improvements to the Education Committee at a future date. In addition detailed actions focusing on the specific service areas will be included within the Onsite Business Plan for 2006.

8. FINANCIAL/LEGAL/POLICY ISSUES

8.1. Financial – proposed changes to the management and administration structure would require a reallocation of existing budgets to drive improvements in absence management, business development, and productivity which would result in net efficiency gains and savings.

8.2. Policy – the proposed changes would result in closer alignment of onsite's service delivery with the Council's Community Plan and further integration with Core Council services.

8.3. Legal – changes to the financial arrangements for a Significant Trading Operation would impact on the statutory financial returns.

9. RECOMMENDATIONS

9.1. Members of the Committee are invited to:

- i) Approve the Best Value Review of Onsite Services
- ii) Otherwise note the content of the report.

John Mulgrew
Executive Director of Educational and Social Services

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12 January 2006

LIST OF BACKGROUND PAPERS - .

For further information contact John Mulgrew, Executive Director of Educational and Social Services (01563 576017) or Robin Gourlay, Head of Service : Onsite (01563 555710).

Implementation Officer: Robin Gourlay, Head of Service: Onsite