

Roger Eakhurst, Assistant Director

Lancashire County Commercial Group
Catering Services

“Managing a successful catering service in
challenging times!”

Purpose and Scope:

- Provide 'Best Value' to the school communities of Lancashire
- Improve the quality of food and service
- Deliver the new standards for school food
- Maximise take up and increase service productivity
- Improve front line jobs
- Provide a return to the authority

Purpose and Scope:

- One 2 One trading relationship with schools

Benefit not Burden:

- Keeping prices affordable for customers
- Mutual benefit from reduced charges if schools support service growth
- Staff benefit from increased hours
- Communities benefit from increased economic activity

Catering Services: Purpose and Scope

- Business to Business and Consumer Markets
- £19m turnover (schools) + £1.2m (staff and civic)
- 565 individual school Service Level Agreements
- Joint sovereignty on meal price
- Serving over 50,000 pupils and students daily with lunches, breaks and breakfasts (+ 1,500 adults)
- 1,600 front line staff

Current Management Structure

- Business Development Manager (Secondary Schools)
- 2 x Senior Operations Managers (Primary Schools)
- 1 x Staff and Civic Catering Manager
- 14 x Operations Managers

Supported by

- Catering Skills Team (3.5)
- Premises Maintenance and Projects Team (2.5)
- Food Procurement, Menu Development and Nutrition (2 and bit)

Lancashire Milk from 169 Lancashire Farms!



Strategic Direction

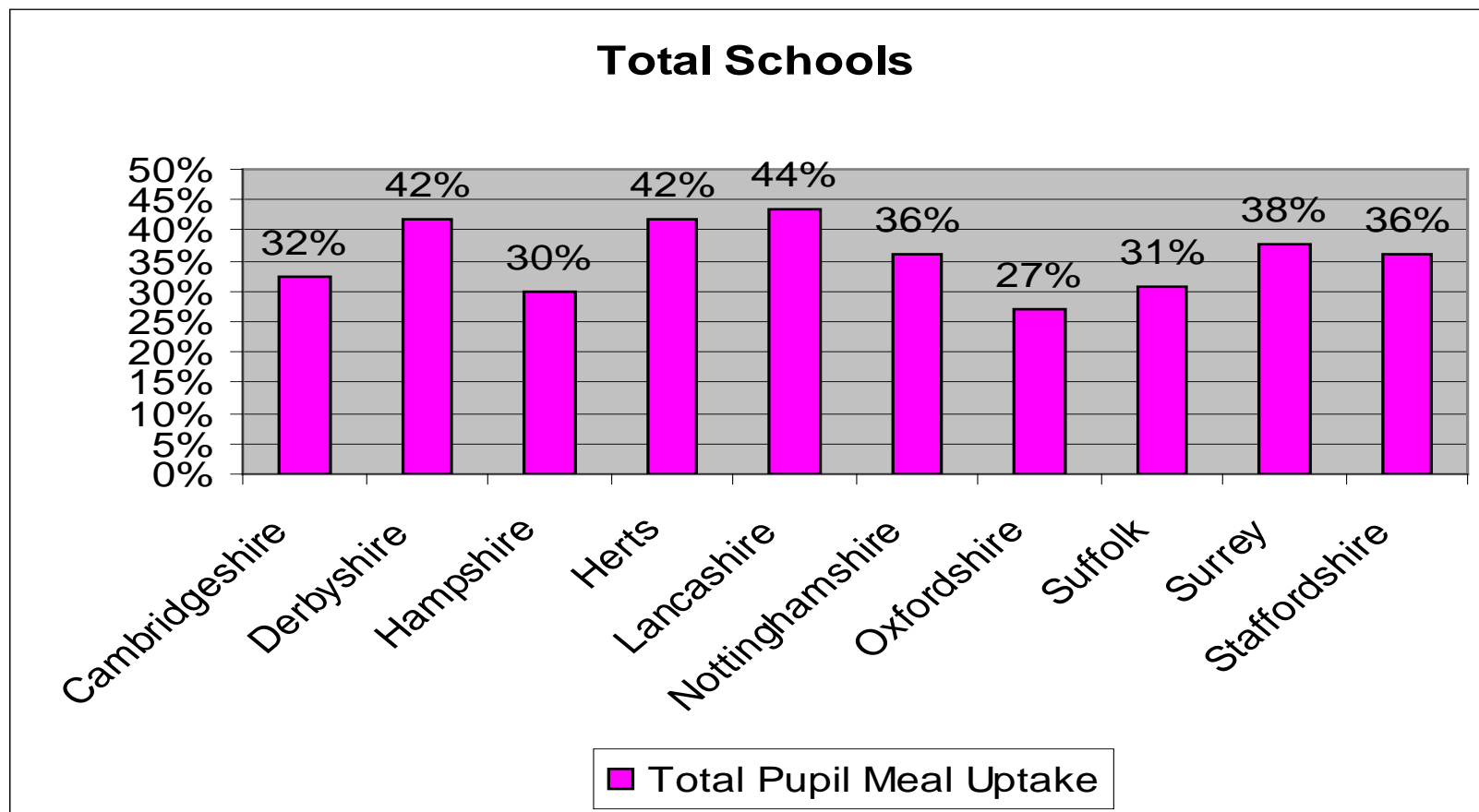
	Current Products	Product
Development	<p>Market Penetration</p> <p>Service improvement plans directed towards maintaining and increasing market share. Sales productivity aimed at maintaining value for money, generating contribution and supporting differentiation.</p>	<p>Product Development</p> <p>Incremental improvement in existing food products is directed at supporting market penetration strategy.</p> <p>Supporting continuation of ‘pester power’ and ‘parent will pay’ strategy.</p>
Current Markets	<p>Market Development</p> <p>Training services / sales developed for new markets associated with Schools e.g. Children’s Centre’s – Cookery Clubs. Sales of training service to neighbours to offset overhead.</p> <p>Sales of CPT / LCCS food contracts to self managed schools and other authorities.</p> <p>Sales of project management services to Building and Development.</p>	<p>Diversification</p>
New Markets		

Achievements:

- 10 year growth in Primary Schools = 31.6%
- Current YTD trend – MPD increase of 6.17%
- 10 year increase in productivity = 17%
- Average employee hours increased by 12.6%
- Free meal take up increased from 81.7% to 89.3%
- Secondary School Sales up by 17.3% (03 v 09)

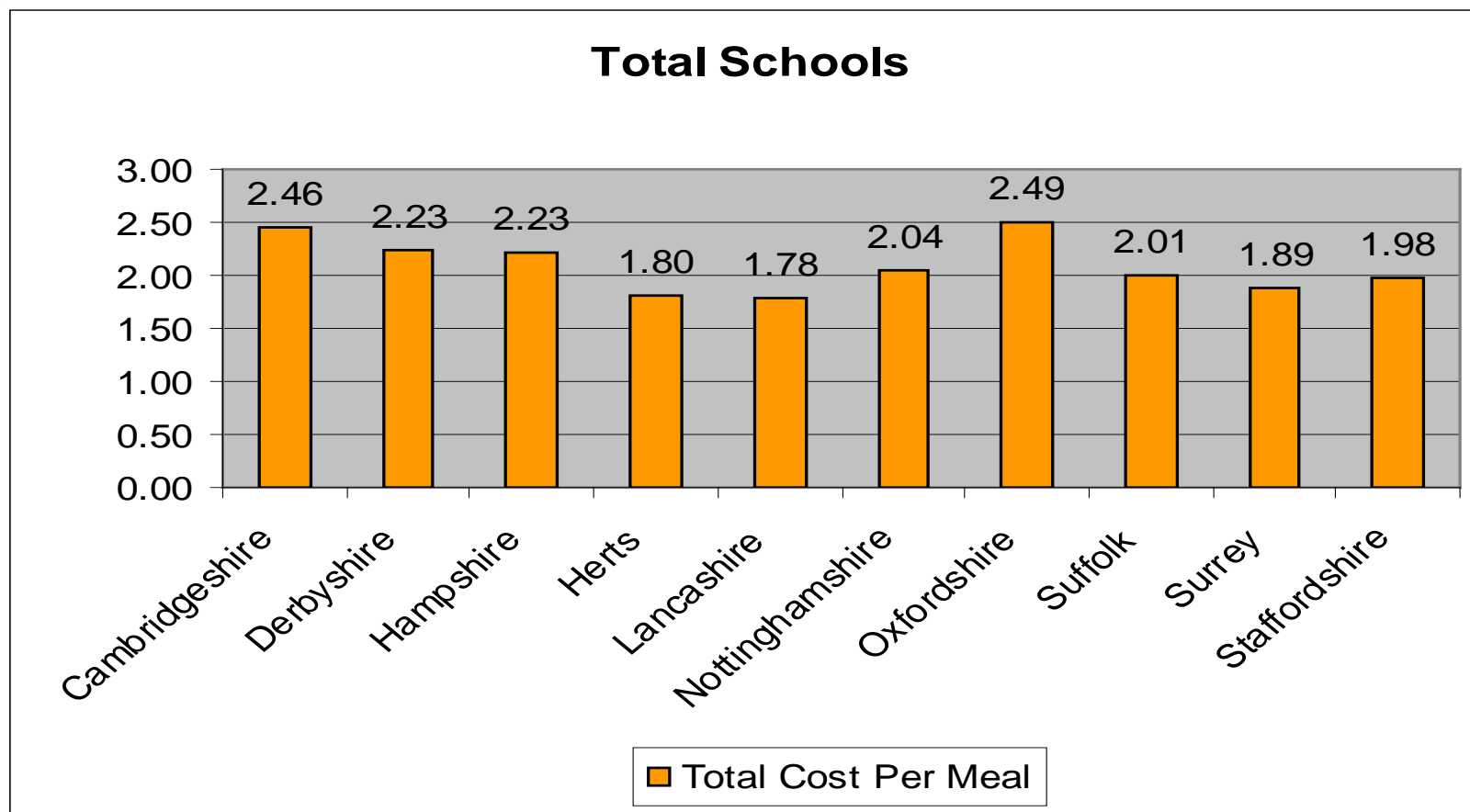
Catering Services: Achievements

- Benchmarking with other Shires 2007/8:



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Catering Services: Achievements

- Awarded FEAST status
- 2 year Professional Catering Skills Training completed / Intensive training for secondary managers last term
- 570 NVQ's delivered
- 72 new kitchens provided by Margaret at schools receiving transported meals – significant growth since 2002
- Successful introduction of nutrient standards and incremental increase in volume of fresh food

Catering Services

But

**What are we doing now to
improve performance?**

Challenges: Growth, Productivity and Margin

- Monitoring individual area performance – 21.2% v 1.9%
- Aggressive management of productivity through sales growth – 5.9% improvement in primary schools (summer term 08 v 09)
- Influence secondary schools to change and support growth (very challenging!)
- Food cost productivity: review product lists / pack sizes / alternative products / compliance with set menus
- Control of purchases - details available on line to managers – do more in command and control mode!
- Retrospective collaboration with other authorities
- Sell support services and overhead to self managed schools

Service Improvement and sales

We had a problem in some schools that needed fixing

According to Albert Einstein the insanity of marketing is “Doing the same thing over and over again and expecting different results”

“All individuals within the organisation (and school) should perform the role of part time marketers”

“If front line staff aren’t excited about what they do for customers, its unlikely that customers will be excited about what is done for them”

Catering Services: Service Improvement

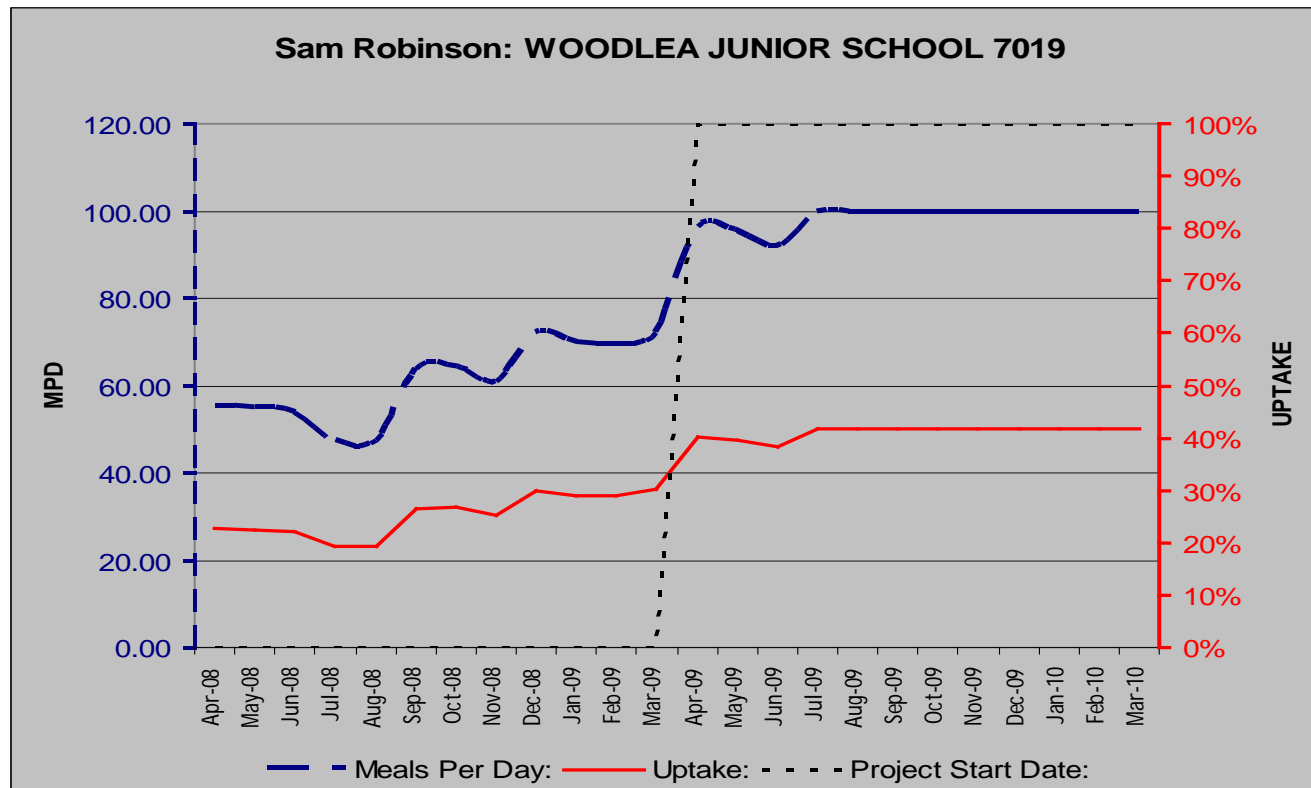
- Developed a joint strategy with Healthy Schools
- Targeting additional 596,000 meal sales by 2011
- Focus on 100 primary schools with lowest uptake
- It's about increasing levels of trust and positive word of mouth
- And changing poor school and service culture
- Using 5 'P's of marketing – emphasis on people

Launch day at Kirkham and Wesham



Service Improvement

- Average 29.8% increase over 16 target schools
- Best results – Leyland Woodlea – 82% increase



Challenges: Managing Performance and HR

- Core Competencies / Behaviours
- New Performance and Development Appraisal Self Assessment Form
- On line absence management and ‘persistent’ attention to individuals
- Attendance panels
- Discipline at work - opportunity or burden? Drain on managers time or welcome freedom to manage?

Challenges: Job Evaluation Costs

- JE outcomes not yet known but imminent!
- Retainer pay lost in 1989 – 20 years of savings but they've been forgotten!
- Current staff in charge grades based on volume SCP 6 – 15
- Potential new grades not volume related
- Currently Pro rata Holiday pay – 17.36 or 21.7 days depending on service (savings since 1994) Threatened increase?

Challenges: Job Evaluation Costs

- Re-modelling unit profiles - Re-structure staff in charge hours (reversing recent trends)
- Review of current staffing formulas – fresher plus or cook servery products?
- Charge to schools – but offer choice?
- Increase % charged to secondary schools (Margaret)
- Staff meals – going (but its only peanuts!)
- Look at the current meal price? £1.85 / £2.10 to £2.00 / £2.25?

To summarise:

A good story so far and more
challenges ahead!

Any questions?