



Hampshire County Council Catering Services (HC3S)

www.hc3s

Children and Young People Select Committee

12 January 2023





Key Facts & Figures



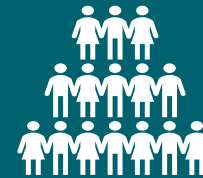
£36.9 million
annual turnover



10.5 million primary
school meals
served in 2021/22



1,651
colleagues



824 FTE





What we do

School Meals

- ❖ Primary Schools
- ❖ Special Schools
- ❖ Nurseries
- ❖ SLA Catering Support: pooled fund for equipment servicing, repair & replacement
- ❖ Secondary Schools

Catering at Commercial Sites

- Sir Harold Hillier Gardens
- EII HQ coffee shop and restaurant
- HQ Civic catering
- Fareham library
- Calshot Activity Centre residential

Annual turnover: £1.6 million

Professional Food and Food Safety Skills Training

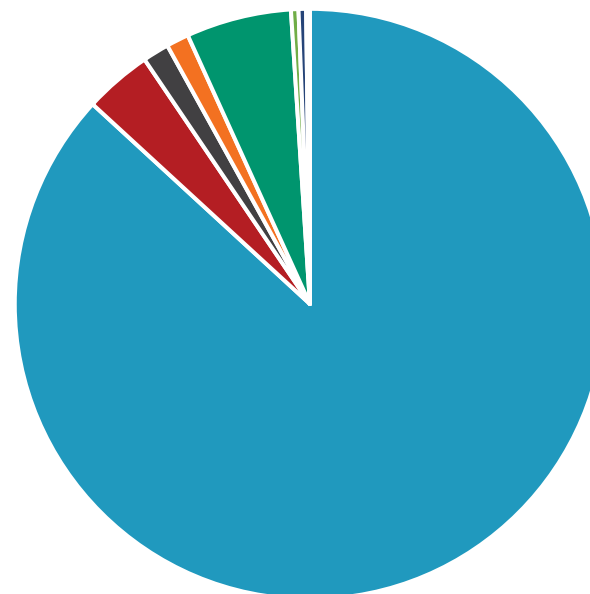
- HC3S
- Adults Health and Care
- Countryside Service

School Customers

HC3S's main market is education catering predominantly in primary schools, whilst continuing to grow the secondary school business.

HC3S School Customers

- Hampshire Primary (422)
- Hampshire Secondary (18)
- Dorset (7)
- BCP (6)
- Wiltshire (28)
- Southampton (2)
- Portsmouth (2)
- Surrey (1)



486 school customers



82% of Hampshire's schools



10.5 million school meals p.a.

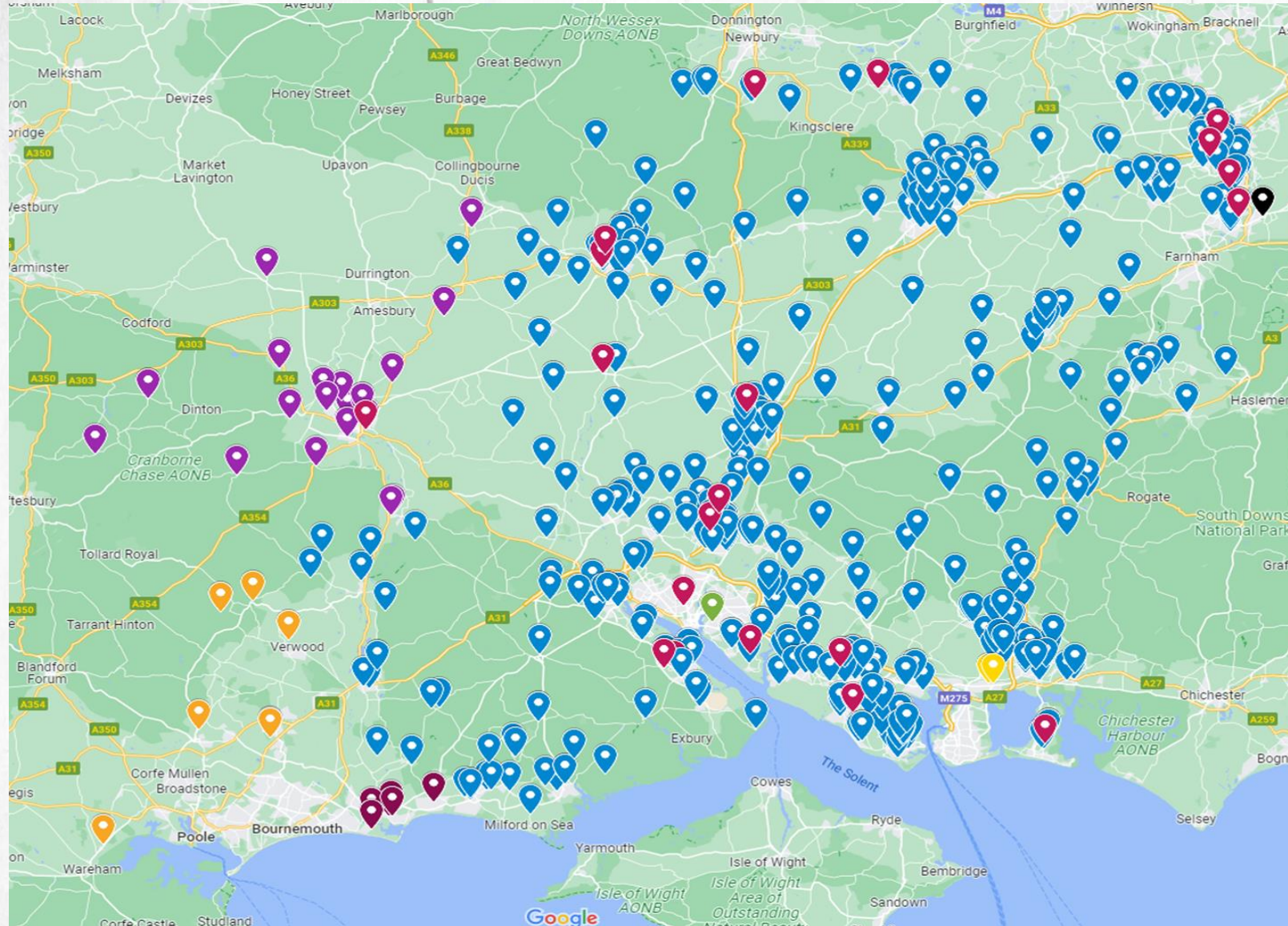


Meals provided for 38 school associated nurseries

A further 44 schools take the HC3S Single Site SLA for catering equipment servicing and 64 opt in for FSM eligibility checking only



HC3S School Locations



Key:

- Blue – Hampshire
- Purple – Wiltshire
- Orange – Dorset
- Maroon – BCP
- Green – Southampton
- Yellow – Portsmouth
- Black – Surrey
- Red - Secondary

Current primary school meal uptake

The figures shown below relate to the primary school meal uptake in Hampshire for April to December 2022.

| | Paid Meals | Income based free school meals (FSM) | Universal Infant Free School Meals (UIFSM) | Total |
|---------------------------|------------|--------------------------------------|--|---------------|
| Number of eligible pupils | 46,595 | 17,785 | 33,447 | 97,827 |
| Average daily meals | 15,185 | 11,390 | 23,941 | 50,516 |
| Average daily uptake | 32.6% | 64.0% | 71.6% | 51.6% |

Our current primary school 3-week menu

A non-meat and meat option served every day

Non-meat option shown first

Red meat (beef) reduced to twice every 3 weeks

Full vegan lifestyle menu is available

Assessing future demand

Plus 2,022 individual special diets (allergens)

WEEK 1 MONDAY
Mashed potatoes
or salad

WEEK 2 MONDAY
WEEK STARTING :
November 7
November 28
January 2
January 23
February 20
March 13
Our primary school menus comply with the Government's food and nutrition standards, meeting an average of 530 calories for each meal.
Vegan Bolognese
Pork sausage roll with diced potatoes

WEEK 3 MONDAY
WEEK STARTING :
November 14
December 5
January 9
Daily selection of alternative desserts; fresh fruit, yoghurt
CHOOSE FROM
Vegan Cheese and onion slice with crinkle cut wedges
Burger with potato wedges
ON THE SIDE

THURSDAY
CHOOSE FROM
Vegan Quorn chicken pieces in a Yorkshire pudding
Roast chicken with Yorkshire pudding
ON THE SIDE
Roast potatoes, vegetable of the day and gravy
TO FINISH
Chocolate brownie

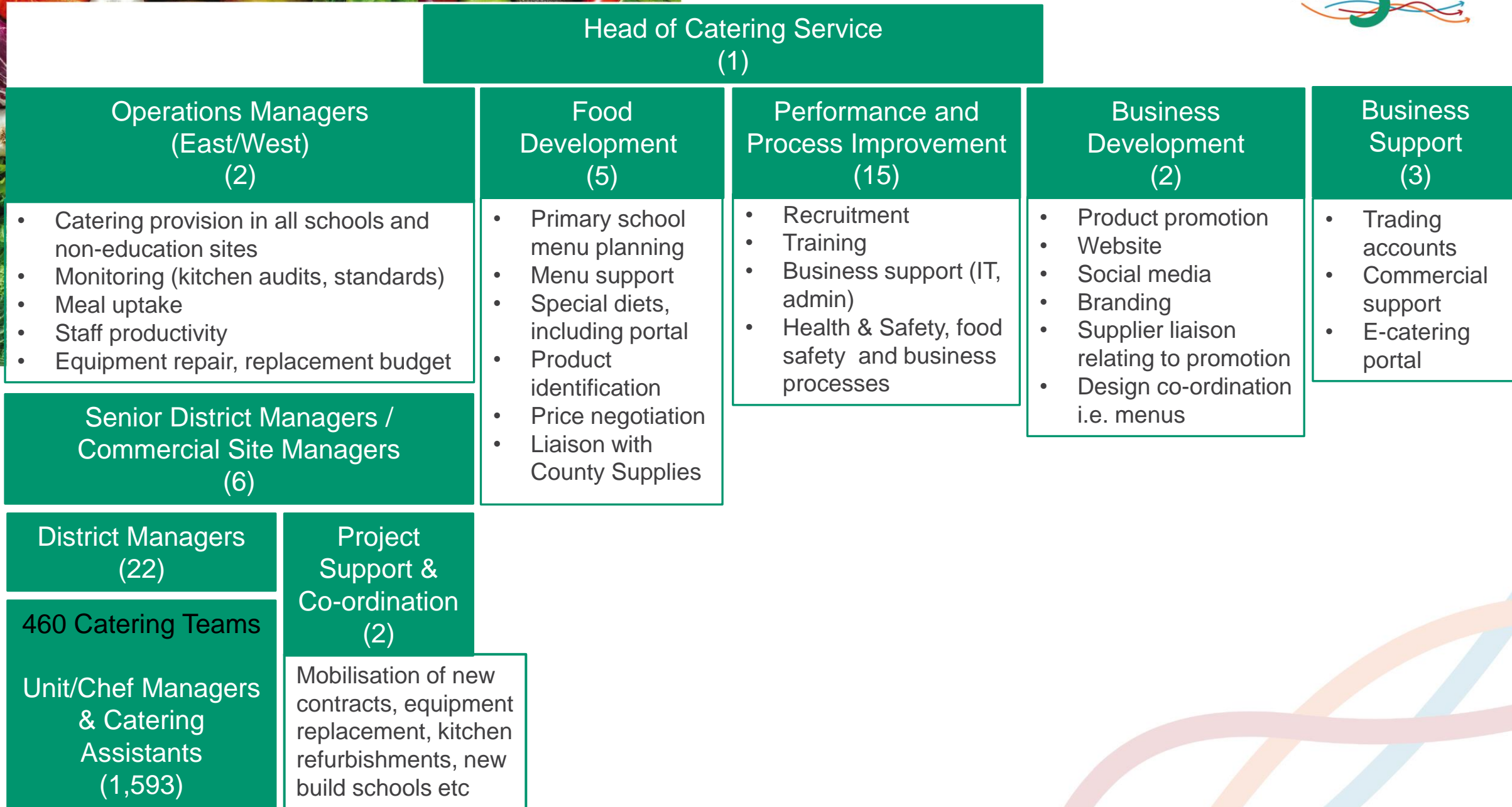
FRIDAY
CHOOSE FROM
Vegan Macaroni cheese with Somerset cheddar
Baked fish fingers and chips
ON THE SIDE
Vegetable of the day or salad
TO FINISH
A choice of desserts

THURSDAY
CHOOSE FROM
Vegan Vegetable goujons
Sliced pork and Yorkshire pudding
ON THE SIDE
Roast potatoes, vegetable of the day and gravy
TO FINISH
Fruit crumble and custard

FRIDAY
CHOOSE FROM
Vegan Sweet potato and lentil curry with a blend of brown and white rice
Baked fish fingers with chips
ON THE SIDE
Vegetable of the day or salad
TO FINISH
A choice of desserts

DOWNLOAD OUR CALENDAR AND PICTURE MENU RESOURCES HERE www.hants.gov.uk/hc3s

Our Team: 1,651 staff (824 FTE)



Key Performance Indicators

| KPI | 2021/22 Actual | 2022/23 Target | 2023/24 Forecast |
|-----|----------------|----------------|------------------|
|-----|----------------|----------------|------------------|

Primary Schools

| | | | |
|----------------------------------|--------|--------|--------|
| Meals per hour (MPH) | 11.9 | 12 | 12 |
| Cost per meal | £0.87 | £0.90 | £0.88 |
| Daily Meal Equivalent | 50,740 | 51,977 | 51,477 |
| Percentage uptake | 52% | 53% | 54% |
| Labour as a percentage of income | 57% | 60% | 59% |

Secondary Schools

| | | | |
|-----------------------------------|---------|---------|---------|
| Food cost as percentage of income | 43% | 46% | 46% |
| Average daily contract sales | £16,953 | £19,361 | £21,717 |
| Percentage pupil uptake | 31% | 48% | 51% |
| Spend per pupil per day | £1.01 | £1.29 | £1.47 |

Commercial Sites

| | | | |
|-----------------------------------|-----|-----|-----|
| Food cost as percentage of income | 27% | 34% | 40% |
|-----------------------------------|-----|-----|-----|

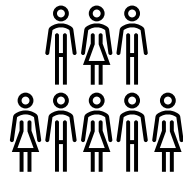


Challenging Market Conditions




Food Cost

- Rising prices impacting on business surplus: every additional 1p per meal costs £100,000 p.a.
- HC3S food purchase prices increased by 5% from September 2022 (£400,000 cost p.a. compared to annual food inflation of 14.6%.



Recruitment

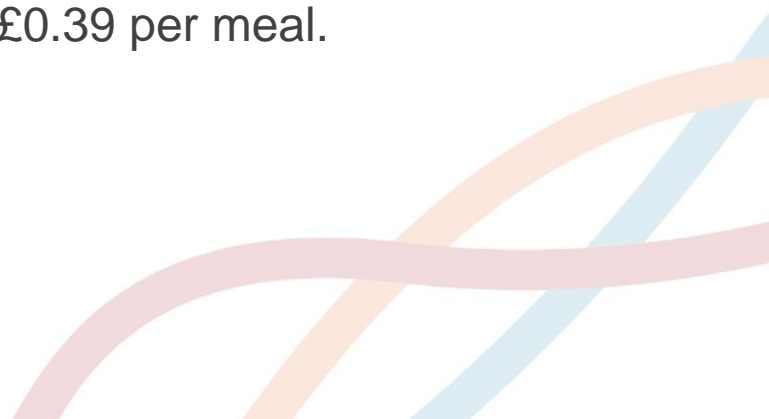
- Challenging recruitment market: competition on pay rates from supermarkets and hospitality.
- Vacancy rate 10% - 12% (150-180 vacancies) and 25% annual turnover. Impacting on service delivery.
- 'Refer a Friend' payment increased to £250 to encourage staff to find new colleagues.
- New Starter Programme introduced in April 2022 to fully induct staff before entering kitchens and retain through sense of belonging from day one.



Universal Infant Free School Meals (UIFSM): Government Funding

£

UIFSM Funding

- Introduced in 2014 funded at £2.30 per meal.
 - Government funding currently at £2.41 per meal (4.8% increase in 8 years).
 - HC3S cost / price per meal is £2.80.
 - Funding level is not sustainable due to pay and food inflation.
 - National Living Wage increased by 41.8% and food inflation 7.8% in same period.
 - Cost pressure for schools as subsidising the funding by £0.39 per meal.
- 



Medium Term Priorities to 2025

Financial Resilience

- Return to surplus to recover losses of previous years by growing meal numbers and controlling food costs
- Work with commercial site clients to maximise return

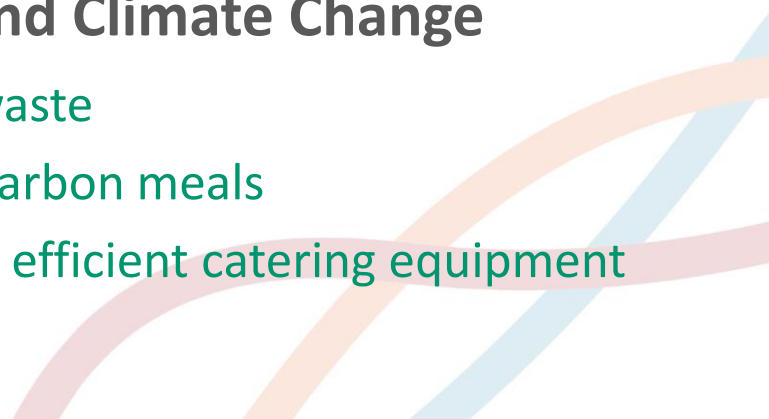
Digital Leadership

- Increase technical knowledge and ability of workforce
- Continue to investigate opportunities to streamline processes
- Development of e-catering portal to integrate with multiple school systems

People

- Maximise recruitment opportunities
- Constantly review kitchen operations to reduce resource reliance
- Promote internal training to develop and retain staff
- Assess response to New Starter Programme to see if improved induction is helping to retain staff

Sustainability and Climate Change

- Reducing food waste
 - Promoting low carbon meals
 - Installing energy efficient catering equipment
- 

National Awards 2022/23

- ✓ LACA Primary School of the Year: **Endeavour Primary School**
- ✓ LACA Secondary School of the Year: **Hamble School**



- ✓ VegPower School Caterer's Challenge winners: **Endeavour Primary School**
- ✓ Tilda Caterer's Challenge winners: **Endeavour Primary School**
- ✓ VegPower School Hall of Fame – runners up: **Anstey Junior School**



Hampshire Libraries

Children and Young People Select Committee New Services Briefing – Hampshire Library Service

12 January 2023

Phil Bowden, Shelley George, Sharon Stewart-Smith



www.hants.gov.library    

Overview

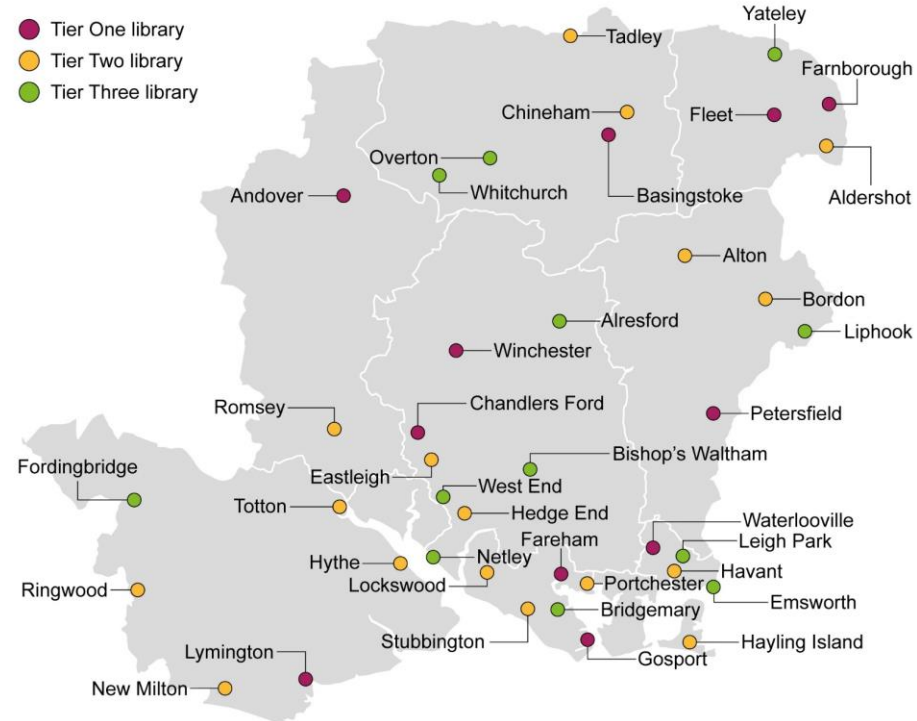
- 40 Public Libraries
- Home Library Service
- School Library Service
- Learning in Libraries
- Headcount of 421 (241 FTE)
- c. 40,000 volunteer hours per year

Hampshire
Libraries



Geography

Location of Hampshire Libraries



| | No. of libraries |
|--------------|------------------|
| Tier 1 | 11 |
| Tier 2 | 17 |
| Tier 3 | 12 |
| TOTAL | 40 |

Legislation

Statutory requirement (Law) set out in The Public Libraries and Museums Act 1964:

- Provide a '**comprehensive and efficient**' Library Service, taking account of '**local community needs**' (including future need) and '**available resources**'.
- Lend books and other printed materials free of charge for those who live, work or study in the area.
- Keep adequate stock of books.
- Have facilities available for the borrowing of, or reference to, books and other printed matter and other materials, sufficient in number, range and quality to meet both the general requirement and any special requirements of both adults and children.
- Encourage both adults and children to make full use of the library service, providing advice and support about how to use and access services, information and resources.

Risk of challenge:

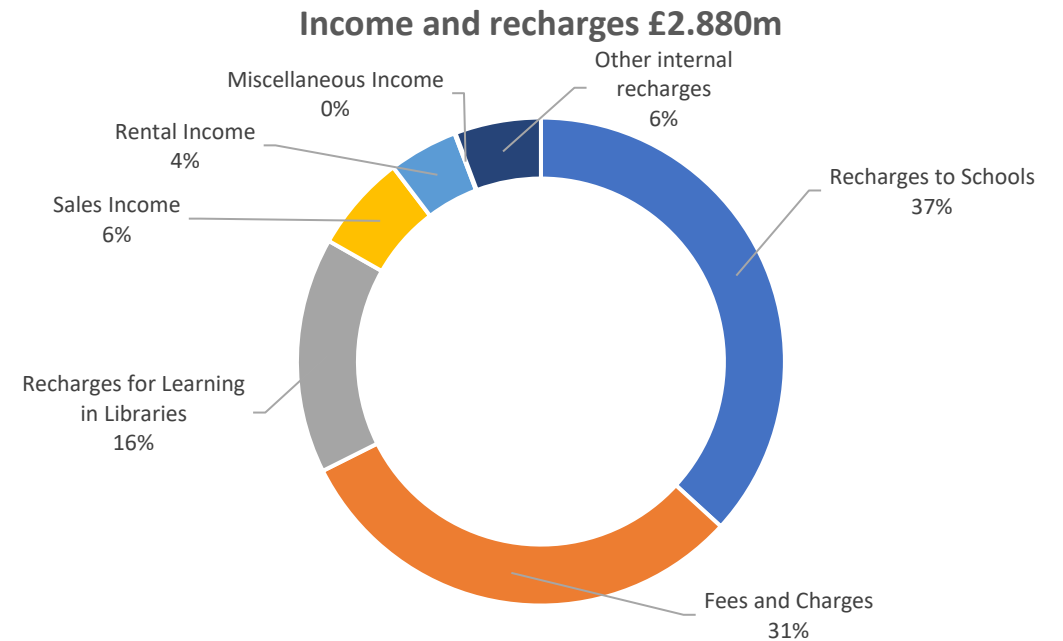
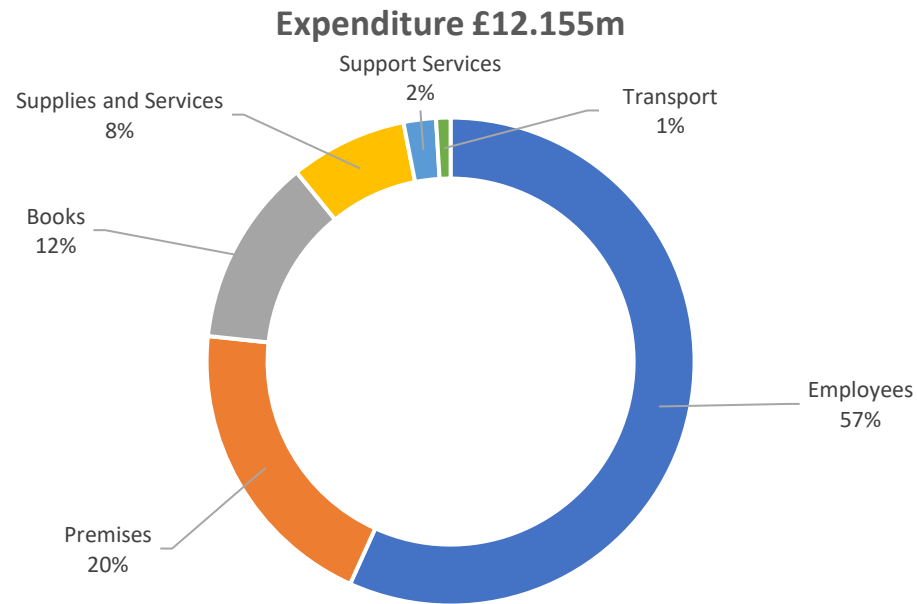
1. Judicial review of Authority's decision;
OR
2. A letter from any Hampshire resident to the DCMS.

Successful challenges elsewhere linked to:

- Failure to properly consider community need.
- Failure to properly consider/address equalities impacts.

Finance

The 2022/23 net cash limit for the Library Service is £9.275m, comprising:



Finance – savings journey since 2010

- **Overall net expenditure reduced by 63%**, from £25.25m in 2010/11 to £9.28m in 2023/24
- **Staffing reduced by 50%** –Staffing expenditure down by 61%
- **No. of physical library buildings reduced by 26%**, from 54 to 40 – lowest number per 1000/population in the country (CIPFA 2021/22)
- **Opening hours reduced by 46%** from 2,240 p/w to 1,216 p/w including removal of all evening and Sunday hours
- **Removal of entire Mobile Library Service** and all targeted outreach
- **Stock** and collections reduced. Budget expenditure reduced by 59%

Reduced breadth and depth of offer

Significantly reduced offer to rural and isolated communities

Less staff availability and capacity to support vulnerable (and all) customers

Business continuity – more unplanned closures

Less ability to flex and respond to key national policy issues – e.g. Cost of Living

Footfall driven down – spiral of decline

Performance

CIPFA Public Library statistics 2020/21 (ranked against other County Council services):

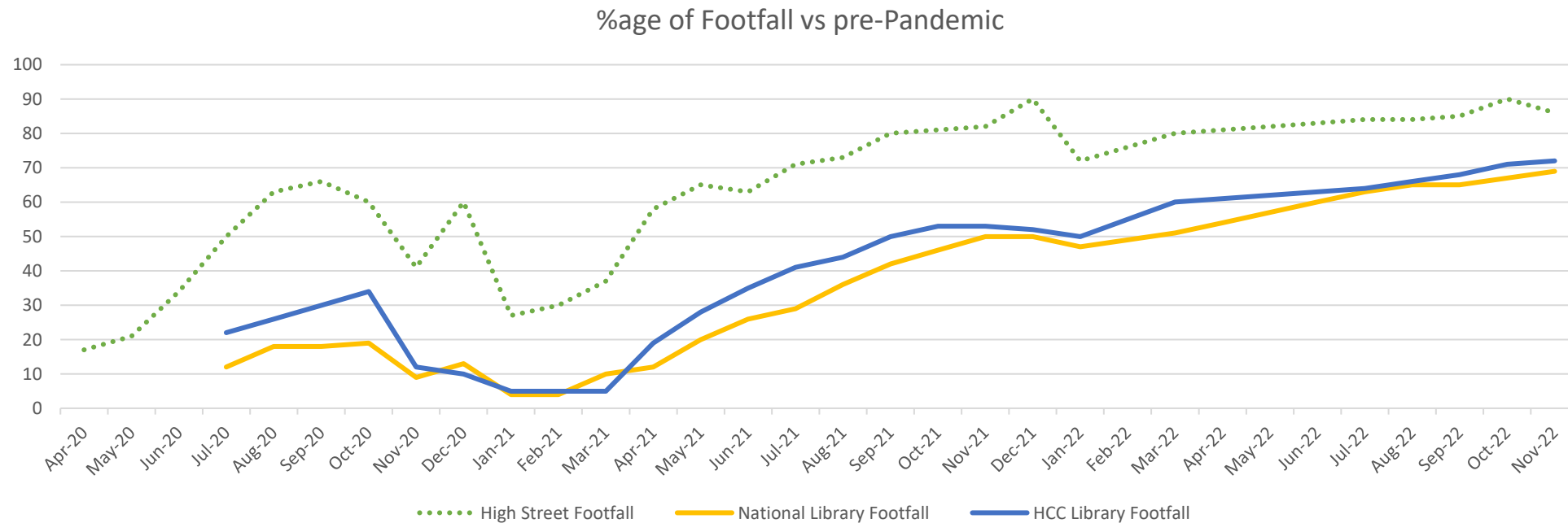
Service provision

| Measure | HCC rank | HCC figure |
|---|----------|------------|
| Population | 3 | 1,382,500 |
| Number of visits | 1 | 586,063 |
| Total book stock | 1 | 1,415,799 |
| Total book issues | 1 | 1,771,757 |
| Adult fiction and non-fiction issues | 2 | 956,644 |
| Children's fiction and non-fiction issues | 1 | 815,113 |
| eBook issues | 1 | 568,816 |
| Audio issues | 1 | 500,043 |

Efficiency

| Measure | HCC rank | HCC figure |
|--|----------|------------|
| Total revenue expenditure per 1,000 population (£) | 12 | 9,509 |
| Number of staff per 1,000 population | 12 | 0.17 |
| Population per service point | 20 | 31,420 |

Performance



However, total book issues (physical and digital) in Dec 2022 have now reached 95% vs Dec 2019.



Vision

Priority one:

Promoting reading

- i. **Providing a service for everyone** - championing reading for pleasure.
- ii. **Developing children's literacy, particularly within the Early Years (ages 0-5)** - giving children the best start in life.
- iii. **Investing in Hampshire's Digital Library** - reflecting increasing use of electronic books and offering greater choice to readers.



Priority two:

Supporting healthy, creative communities

- i. **Establishing council - run libraries as 'community hubs'** - bringing individuals, communities and services together, thereby making better use of available public funds and improving outcomes for people.
- ii. **Taking the Library Service into communities** - engaging with residents in the most deprived areas, where use of library services is lowest, and partnering with voluntary and community sector organisations.
- iii. **Delivering a programme of learning and activities that meet the needs of library users** - promoting literacy, health, wellbeing and digital skills.



Priority three:

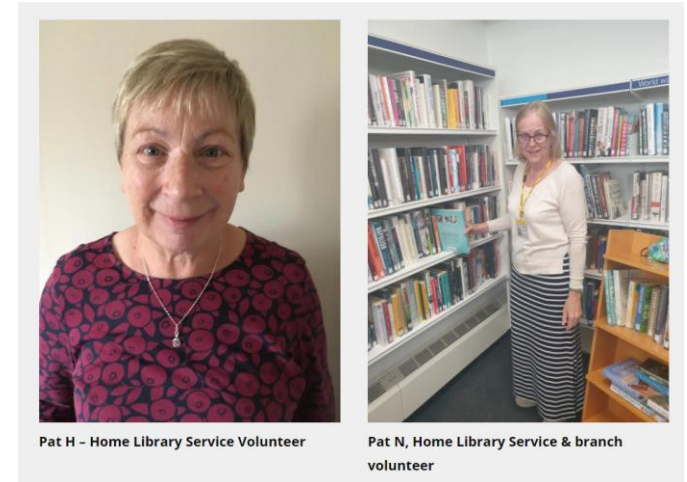
Investing in digital services

- i. **Providing access to technology, prioritising those at risk of digital exclusion** - working with partners to help people access information, opportunities and services online.

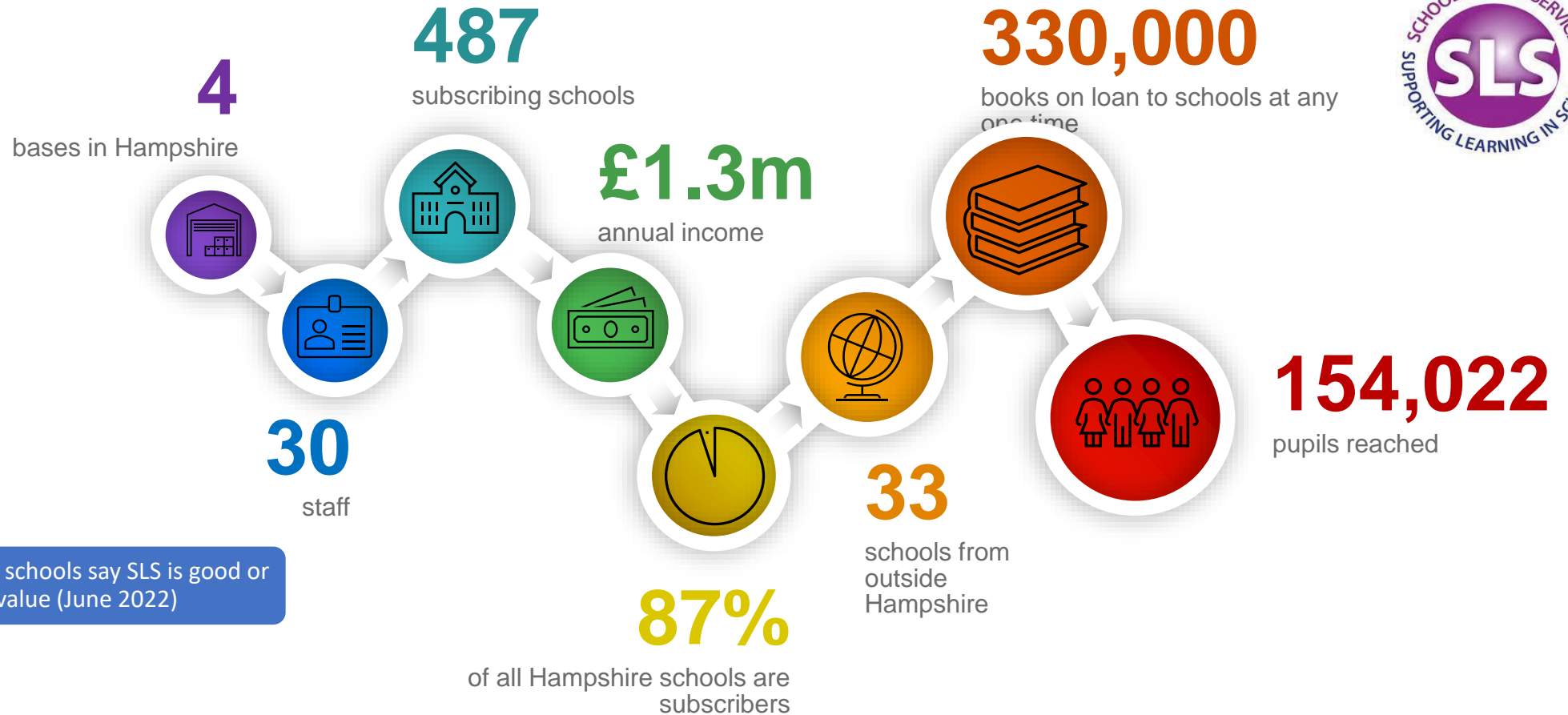


Home Library Service

- For those who can't get to the library due to ill-health, disability or caring responsibilities.
- 4,550 Home Library Service visits in 21/22.
- 8,000+ Volunteer Hours during year.
- The Reminiscence collection was relaunched during Dementia Action Week in May 2022.
- Volunteers Week (June) we celebrated our HLS volunteers, wrote to thank them all personally.
- Shortlisted for national award during 2021.



Hampshire School Library Service

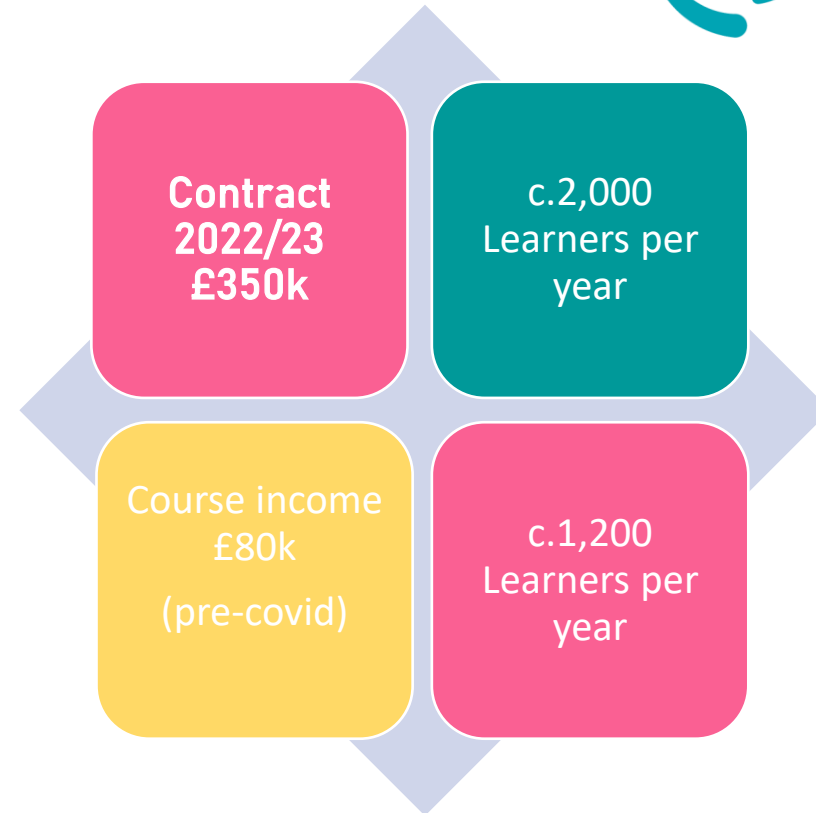


99% of subscribing schools say SLS is good or excellent value (June 2022)

Learning in Libraries



Hampshire Learns
Skills & Participation



This week our Online Sewing for Happiness group learnt the skills and techniques needed to make garments out of stretch jersey fabric by producing these brilliant samples!



Partners





countysupplies
making buying easy



Children and Young People Select Committee
12th January 2023

County Supplies

www.hants.gov.uk/countysupplies

Our Vision and Values

'Delivering best value for our customers'

County Supplies is a self-funding, non-profit making business unit.

We strive to be the supplier of choice for common use goods and services;
delivering a modern and enterprising service;
with the commitment and flexibility to meet the needs of our customers;
and continue to have a positive impact on the community of Hampshire.

Strategic Aims

Financial

- Provide good quality, value-for-money products and services
- We look constantly for opportunities to retain and grow our customer base
- Maintain and develop our knowledge of the mature and competitive market in which we operate
- Continue to work collaboratively with public sector partners where it adds value, increases purchasing power and delivers economies of scale.

Non Financial:

- We continue to review our business operations, to help to deliver efficiencies and improve our overall performance
- Exploit the benefits of the County Council's Smarter Working Programme
- We are committed to a sustainable future by helping our customers to buy sustainably, working collaboratively with suppliers and reducing our impact on the environment
- Continue to invest in the professional and personal development of our staff, whilst ensuring their wellbeing and enhancing their commercial skills to drive our long-term success.

| What we do

Purchasing

- Contracting and buying for stock
- Frameworks agreements for direct supply goods
- Site specific service contracts

Main purchasing categories:

- food
- furniture
- hardware / janitorial
- stationery
- technology
- cleaning and catering services

County Supplies Operations

County Supplies Logistics

- Mail collection and delivery
- Recorded mail service
- Stores goods including rapid delivery service (emergency)
- Movement of school meals
- Distributions
- Ad hoc movement of items (e.g. pupil records, curriculum boxes, IT equipment, musical instruments)

Warehouse

- Picking and packing across 3,000 products
- Goods inwards, stock management and storage

Business Development and Marketing

- Customer liaison and retention
- Publicity and marketing campaigns
- Customer analysis
- Events and conferences

Customer Services

- First point of contact for customer support
- Customer account management

Facts and Figures 2021/22



£11.9 million
TOTAL ANNUAL INCOME



£9.7 million
STORES TURNOVER
FROM 3,000 STOCK
LINES



£1.2 million
INCOME FROM £47.1M
DIRECT SUPPLY
CONTRACTS



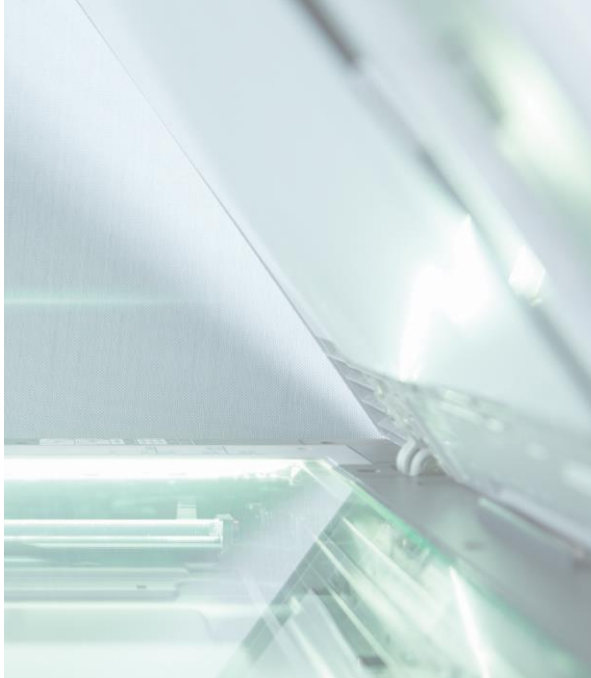
£190,000
CATALOGUE
ADVERTISING SALES
INCOME



£47.1 million
annual customer spend through our
portfolio of direct supply
framework agreements and contracts

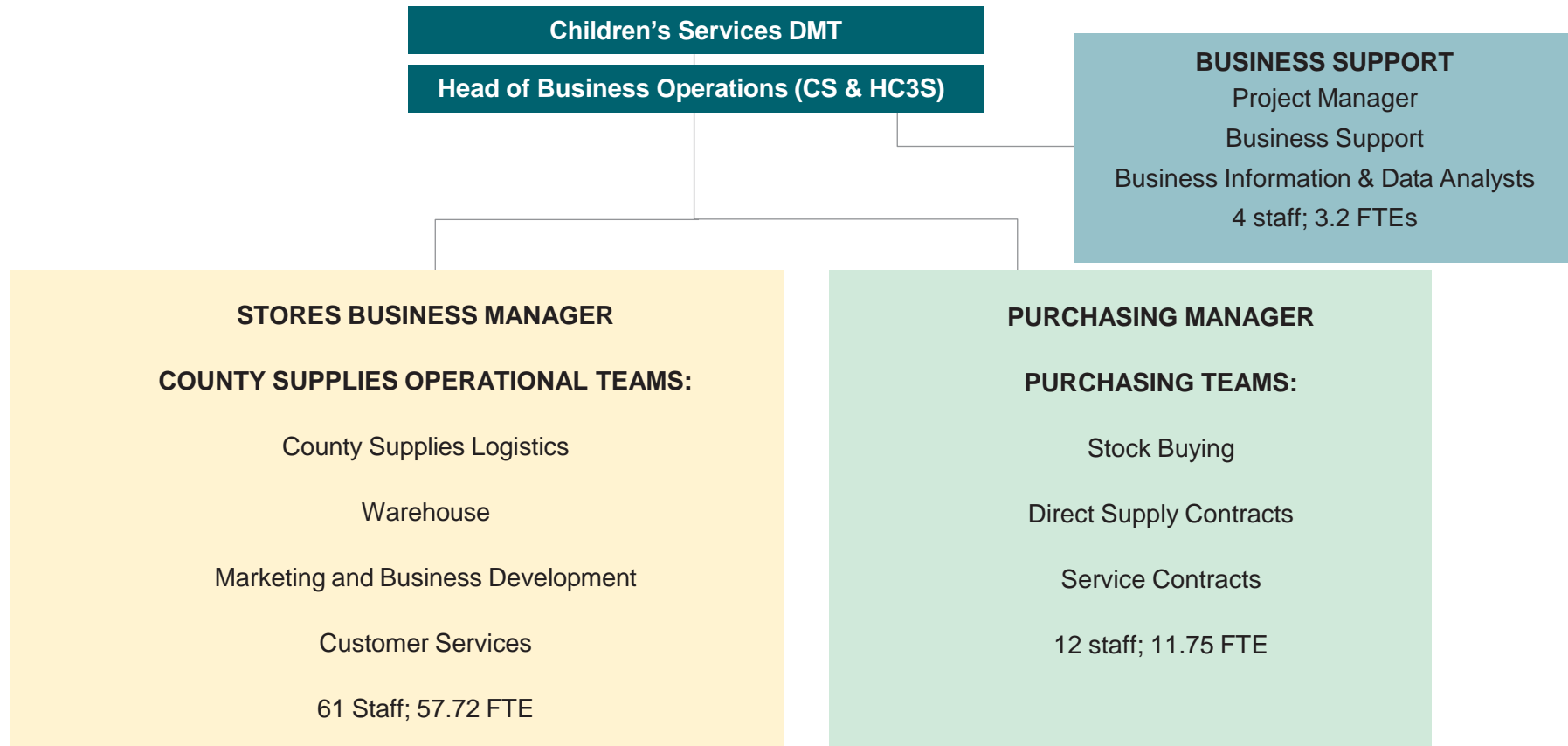


£275,000 p.a.
Contribution to
corporate support
services



Our Team:

78 team members; 73.17 full time equivalents (FTE)



Recent Achievements



Managing Multi-Functional Devices (MFDs)

Our fleet of MFDs (photocopiers) has increased to 5,236 machines.

65.7% of these were leased by external customers (e.g. borough and district councils, colleges and universities).



Contract Savings

Achieved **savings of £978,000 a year** through our collaborative portfolio of framework agreements. Benefitting all our customers including County Council departments, schools and external customers.



Food Contract Portfolio

Recently retendered our Dry, Chilled & Frozen Food framework agreement achieving a **price increase of only 5% compared to food inflation of over 16%**.

The contract is also used by **at least 6 other local authorities** in the region, accounting for over **20% of the £19 million** annual contract value .



HC3S School Meals

In 2021/22 County Supplies Logistics moved **199,398 school meals** from production kitchens to servery kitchens across Hampshire.



Supporting the Local Resilience Forum (LRF)

Worked in partnership with Emergency Planning and the LRF to run the personal protective equipment (PPE) store **providing essential support** in the storage and distribution of PPE throughout the pandemic. The centre was successfully decommissioned in October 2022.



Managing PPE Strategic Reserve

County Supplies continues to **store and manage the** County Council's **PPE Strategic Reserve stock** at its Bar End warehouse until the end of each item's useful life.

Transport and Distribution Review Outcomes

Recent merger of HTM courier service with County Supplies delivery service



8

VEHICLE REDUCTION
FROM CSL FLEET



6.26

REDUCTION IN GRADE C
FULL TIME STAFF



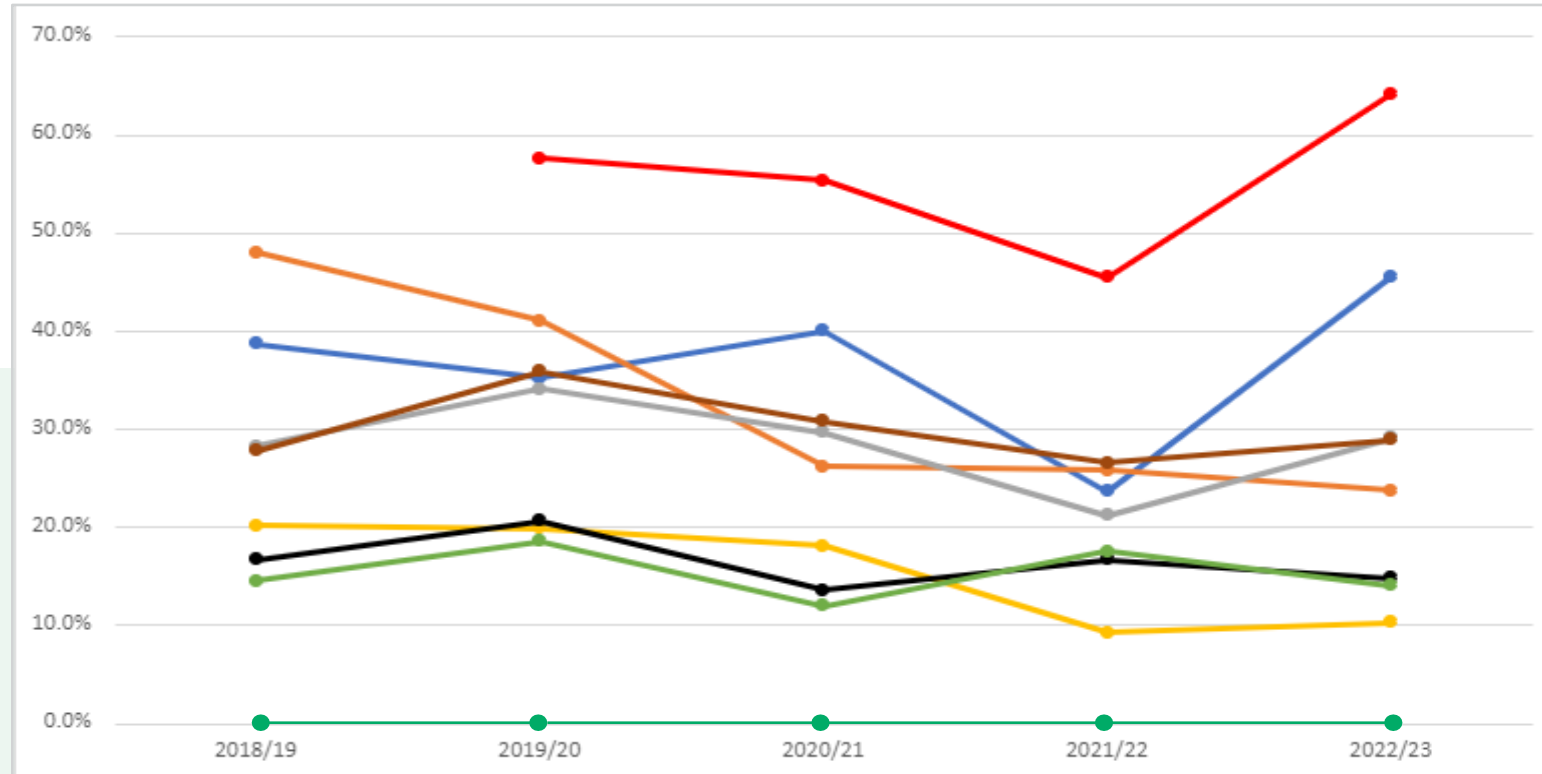
223,417

REDUCTION IN MILES
IN YEAR 1

Saving over **£230,000** p.a.

Price Competitiveness

Price Competitiveness Trend 2018-2023

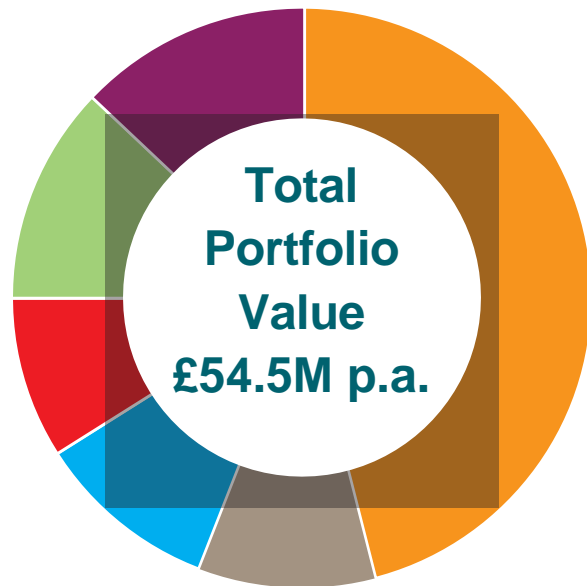


- GLS (Findel)
- The Consortium
- Kent
- YPO
- ESPO
- Amazon
- Herts Fullstop
- Average
- County Supplies

Contracting Portfolio Overview

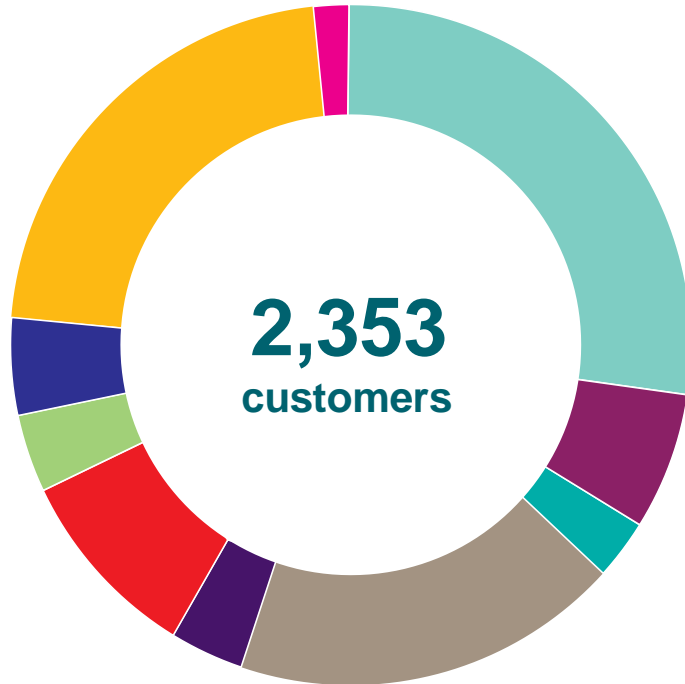
County Supplies manages a broad portfolio of contracts across six distinct categories of goods and services.

The turnover split across these contracts is presented below.



- **Food:** 46% £24.8 million
- **Furniture:** 10% £5.5 million
- **Hardware:** 10% £5.5 million
- **Stationery:** 9% £5.3 million
- **Technology:** 12% £6.4 million
- **Cleaning and Catering Services:** 13% £7.0m

Our Customers



County Supplies Customers

- **Primary Schools:** 658 customers (27%)
- **Secondary Schools:** 158 customers (7%)
- **Special Schools:** 70 customers (3%)
- **Nursery/Pre-Schools/Children's Centres:** 432 customers (19%)
- **Further and Higher Education:** 78 customers (3%)
- **HCC Depts:** 225 customers (10%)
- **Social Care:** 80 customers (3%)
- **Unitary/District/Parish Councils:** 113 customers (5%)
- **Voluntary & Community Organisations:** 495 customers (21%)
- **Other:** 44 customers (2%)



2,353 customers
from across
education, local
authorities, police,
fire and third sector
organisations



100% of Hampshire,
Portsmouth and
Southampton schools
and academies are our
core customer group



66% of total stock
sales is from our core
customer group



Education customers
account for **59%** of
our customer base
and **77%** of all stock
sales in 2020/21

Customer Insight

Sales by Customer Category

| | Sales value | % |
|---------------------|-------------------|-------------|
| Education | £7,571,150 | 77.1% |
| Adult Care Home | £934,148 | 9.5% |
| HC3S | £391,974 | 4.0% |
| Voluntary Sector | £206,149 | 2.1% |
| Police | £126,971 | 1.3% |
| All Other Customers | £211,250 | 2.2% |
| Adult Day Services | £184,408 | 1.9% |
| FM | £74,087 | 0.8% |
| Fire | £52,417 | 0.5% |
| Children's – Other | £41,214 | 0.4% |
| Children's Home | £21,493 | 0.2% |
| | £9,815,261 | 100% |

Recent Business Development Target: Isle of Wight Schools



38 schools

CURRENTLY BUYING
FROM COUNTY
SUPPLIES,
49 SCHOOLS IN
TOTAL



+52%

INCREASE IN
SALES YEAR TO
DATE



+22.3%

INCREASE IN
INCOME
GENERATED
YEAR TO DATE

Conferences and Events



300

DELEGATES
ATTENDED THE
HAMPSHIRE
PRIMARY
HEADTEACHERS
CONFERENCES
2022



320

DELEGATES
ATTENDED THE
SCHOOL
ADMINISTRATIVE
OFFICER
CONFERENCE 2022



72

HCC SERVICES AND
CONTRACTED
SUPPLIERS
EXHIBITED - SOLD
OUT

Key Performance Indicators

| KPI – financial | 2021/22 Actual | 2022/23 Forecast | 2023/24 Target |
|----------------------------------|------------------------------|-------------------------------|-------------------------------|
| Income | £11.9m | £12.5m | £13.0m |
| Surplus | £472,662 | £344,000 | £302,000 |
| Purchasing Turnover (Stores) | £7.5m (issue value £9.7m) | £7.8m (issue value £10.3m) | £8.1m (issue value £10.6m) |
| Purchasing Turnover (Non-Stores) | £40.4m (income £1.1m) | £47.1m (income £1.1m) | £48.0m (income £1.2m) |

| KPI – customer service levels | 2021/22 Actual | 2022/23 Forecast | 2023/24 Target |
|---|----------------|------------------|----------------|
| Stores Service Level: top 400 lines | 98% | 98% | 98% |
| Stores Deliveries: parcels delivered on specified day | 94% | 97% | >99% |
| Stores Deliveries: parcels delivered within 1 day | 99% | 98% | 99% |



Climate Change and Sustainability – recent achievements



Fleet

- All vehicles meet Euro Cat 6 Emissions – **improved fuel efficiency by 6%**.
- All delivery fleet vehicles run on hydrotreated vegetable oil (HVO) – **90% net annual reduction in Co2 emissions**.



Building upgrades

- Increased our **energy efficiency** by fitting solar panels to generate our own energy, upgraded our heating system and installed new windows.



Packaging, Waste and Recycling

- In 2021/22, if it couldn't be reused, we **recycled 11.3 tonnes of cardboard and 6.5 tonnes of shrink wrap**.



Procurement

- **64% of contracts include strong sustainability KPIs** for suppliers, which equals **5% of the award criteria**.
- **20% of all stock lines** have sustainable credentials.



Printing

County Supplies annual catalogue **print run reduced by 4%** for 2023/24 edition and by **32 pages per copy**.



Climate Change Programme

- Leading on the Product Lifecycle Workstream.
- Engaging and supporting the Food and Travel and Transport Workstreams.
- HWRC re-use programme.

Climate Change and Sustainability

Service Priorities and Quantifiable Targets

By the end of 2023

- Achieve further savings by reducing duplicated deliveries by up to 20%.
- E-commerce platform embedded and further 10% reduction in printed catalogue production.
- County Supplies Logistics fleet reduced by a further 2 vehicles.
- 78% of contracts let by County Supplies will focus on strong sustainable KPIs for suppliers.

By the end of 2025

- 100% of contracts let by County Supplies will focus on strong sustainable KPIs for suppliers.
- At least 10% of our delivery fleet to be electric vehicles.
- Advertising space to be sold on the e-commerce platform and further 10% reduction in printed catalogue production.



Major Projects 2022/23

E-Commerce

- Current web shop is over 12 years old, is out of support and uses old technology.
- New solution procured. The successful contractor is '24/7'.
- The new solution will provide a modern, secure and engaging online ordering platform for all customers.
- Project aims:
 - Improve the customer journey
 - Innovate our digital offer
 - Increase our market share
 - Assist with maintaining our financial self-sustainability.
- County Supplies is leading the project implementation supported by IT and SAP colleagues, with a target go-live of July 2023.



Traded Services Online

Project vision:

To provide a modern digital solution which enables existing and new customers to navigate to one place to access all traded services and provide improved customer insight and customer relationship management.

- ❑ County Supplies leading on this cross-cutting project for the County Council's traded services.
- ❑ Initially focused on services to schools.
- ❑ Future phases may extend to other customer groups.
- ❑ Key benefits:
 - Improved web presence
 - Greater visibility of all traded services in one place
 - Consistent digital offer and customer account
 - Secure customer login to access all purchased services and content
 - Improved customer insight
 - Assist with upselling and cross-selling
 - Customer self-service.
- ❑ 18 traded services, across 4 directorates, in phase 1
- ❑ Target go-live: April 2023.

Key Business Risks and Mitigation

- Highly competitive marketplace – focus on price and customer service
- Outdated online shop front – e-commerce project
- Increasing costs (due to inflation, on-going Brexit impacts, post-pandemic raw material / product shortages, labour shortages) – continuous focus on efficiency, effective buying arrangements and price negotiation

Medium Term Priorities to 2025



E-Commerce, Phase II



Succession and People Planning



Further Digital Improvements



Maintaining and Growing Our Customer Base



Maintaining our Focus on Continuous Improvement



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