

**MEETING****CHILDREN, EDUCATION, LIBRARIES & SAFEGUARDING COMMITTEE****DATE AND TIME****WEDNESDAY 18TH NOVEMBER, 2015****AT 7.00 PM****VENUE****HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BQ**

Dear Councillors,

Please find enclosed additional papers relating to public questions received for this meeting.

Item No	Title of Report	Pages
5.	PUBLIC QUESTIONS AND COMMENTS (IF ANY)	1 - 6

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Question Number	Item Number	Raised by	Question Raised	Answer
1	7	John Dix	Who was the catering expert on the evaluation panel?	The Council's Catering Services Manager provided input to the evaluation through the senior service managers.
2	7	John Dix	Please can you confirm that the contract is for seven years and if so why are the financial details for the last three years of the contract omitted?	Yes, the contract is for seven years. The financial details provided in the report and business case relate to the implications of the contract over the MTFS period.
3	7	John Dix	Is there an option to extend the contract beyond 7 years and if so for how long?	Yes, for up to three years.
4	7	John Dix	Is the strategic partnering proposal similar to a framework contract given the direct contractual relationship lies between the contractor and schools?	The strategic partnering proposal is not a framework contract, as the Barnet schools were named in the OJEU Contract Notice and have been part of the procurement process. Schools will be able to make use of a standard form of contract to purchase services to the agreed service specifications.
5	7	John Dix	Is Cambridge Education making an up front payment to the council and if so how much is it?	The amount of upfront investment proposed by the bidder is commercially confidential to the bidder. Information that cannot be published, because it relates to the financial or business affairs of the bidder and it is not in the public interest to publish it, is contained in the Exempt Appendix B.
6	7	John Dix	What is the breakdown of savings and additional revenue generated by each service line?	This information is commercially confidential to the bidder. Information that cannot be published, because it relates to the financial or business affairs of the bidder and it is not in the public

				interest to publish it, is contained in the Exempt Appendix B and Exempt Background Paper.
7	7	John Dix	In the original business case the cumulative financial benefit 2016-2020 (excluding part year 2015/16) was £6,636,000 excluding SEN transport brokerage. In the latest business case the cumulative financial benefit is £5,400,000 including SEN transport brokerage. Please can you clarify in what area the anticipated savings have fallen short?	The £6,636k was the forecast savings profile for a joint venture, including an anticipated level of income over and above the MTFS savings target. The original MTFS savings profile required a cumulate total of £4,930k (excluding SEN transport). The revised profile requires a cumulative total of £4,460k (excluding SEN transport), which is delivered by the final tender. The £5,400k is the revised profile including SEN transport savings. Anticipated income over and above the MTFS target has not been considered in the evaluation, as it is not guaranteed.
8	7	John Dix	In the initial business case dated 28 November 2014, £963,086 of profit was forecast to come from catering trade outside the borough. Has the offer confirmed that profit target, is the sum guaranteed, and if not how much profit have they guaranteed for catering trade outside the borough?	The details of how the bidder intends to deliver the savings are commercially confidential to the bidder. Information that cannot be published, because it relates to the financial or business affairs of the bidder and it is not in the public interest to publish it, is contained in the Exempt Appendix B and Exempt Background Paper.
9	7	John Dix	What is the anticipated level of gainshare and will it apply to new business generated by the catering sub-contractor?	The anticipated level of profit to be subject to gain share and the detailed arrangements of the gain share are commercially confidential to the bidder. Information that cannot be published, because it relates to the financial or business affairs of the bidder and it is not in the public interest to publish it, is contained in the Exempt Appendix B.

10	7	John Dix	Given that the catering sub-contractor will be expected to deliver more than 4.3 million school meals in Barnet annually why did the panel only allocate a weighting of 5% to the provision of this service?	Whilst catering is the highest-volume service within the overall package, the evaluation panel has also had to take into account the potential impact on educational outcomes of other key services, such as those relating to school improvement and supporting children with special educational needs. As the contract is based on maintaining the provision of services as they are currently provided, the panel took the view that the overall approach to the management and development of the services would be the factor that would ultimately affect the maintenance of service quality. It should be noted that, in addition to the overall evaluation score, each individual element of the evaluation had to reach a minimum pass score.
11	7	John Dix	The report constantly refers to the level of profit at risk. If the shortfall in savings exceeds the contractor's anticipated profits will Barnet have the opportunity to seek further redress beyond the contractors anticipated profit?	The contract sets out various remedies for poor performance, ranging from improvement plans to, ultimately, contract termination. The amount at risk is based on the contractor's <u>anticipated</u> profit and remains fixed, regardless of whether income levels allow them to actually achieve that level of profit.
12	7	John Dix	Will there be a direct contractual relationship between Barnet Council and ISS?	No. The Council is proposing to contract with Cambridge Education and ISS will be their sub-contractor. Cambridge Education will manage the performance of ISS.
13	7	John Dix	If the catering sub-contractor fails to deliver the service as specified what contractual redress exists to force them to remedy without impacting on the services provided by the main contractor?	The services contract will be between the Council and Cambridge Education and that contract will contain detailed performance management clauses to deal with performance failure, including part performance and performance failures by key

				sub-contractors. In addition, it is proposed that the schools will enter into direct contracts with Cambridge Education and the key sub-contractor.
14	7	John Dix	Has the catering sub-contractor visited every school within this contract, have they undertaken a facilities audit and are they content that the current kitchen equipment and fabric allows them to deliver the service in full on the financial terms specified?	ISS has visited a number of schools and examined a significant amount of information on the current service to inform their part of the tender submission. Further visits will be carried out as part of their due diligence during the contract close phase.
15	7	John Dix	Does the catering sub-contractor guarantee to continue to meet the Soil Association Food for Life Silver Catering Mark?	Yes.
16	7	John Dix	As part of the risk analysis for changes in government policy (page 34) was the withdrawal UIFSM modelled and is the obligation to mitigate costs with Cambridge Education or ISS?	The potential impact of the withdrawal of UIFSM has been given due consideration during the dialogue process. As the Council's contract would be with Cambridge Education, all responsibilities under the contract rest with them and it is for them to agree suitable arrangements with their sub-contractor.
17	7	John Dix	Please can you explain the breakdown of the £900,000 overhead charges and the extent to which they will be reduced when the service is outsourced.	The overhead charges are a notional split of accommodation and support services charges in order to capture the total cost of delivering the Education and Skills service. The split is broadly accommodation £120k and support services (e.g. IS, HR, Finance, etc.) £782k. In so far as Cambridge Education does not use the Council's services, the contract cost will increase by that amount and we will look to reduce the Council's cost by the corresponding amount. The impact of this is to be cost-neutral. This is because we have already reduced the cost of support services

				through the CSG contract and accommodation costs through consolidating into Barnet House and North London Business Park building 2.
18	7	John Dix	When will the handover of the catering contract take place, when will the stocktake and inventory take place, and as part of the mobilisation plan what contingency plans have been identified to ensure all schools continue to receive a suitable service during the transition period?	We are proposing to time the commencement of the contract to coincide with the last day of term, 1 <sup>st</sup> April 2016, to minimise the risk of disruption. At the point of transfer, services will be provided by the same staff, in the same locations, using the same equipment and service standards as now.
19	7	John Dix	In 2014/15 in house catering service generated an operating surplus of £190,470. The latest business case states that the in house catering surplus has risen by £50,000 to £241,770 per annum. Are you still convinced that it makes sense to hand over this profitable and successful service to a subcontractor who has no direct contractual relationship with the council?	The base budget in relation to the contract assumes the currently budgeted level of surplus for the catering service, before any savings or additional surplus contribute to the MTFS savings profile. The full MTFS savings are guaranteed through the contract with Cambridge Education. It is a matter for them to agree how much of these savings derive from their catering sub-contractor.

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