

Appendix 1

LTS review and outlook for 2019/20**Professional & Business Services (PBS) Overview****Reflecting on last year's performance**

Last year we added our Service Level Agreements to LTS online, allowing customers to renew and purchase additional services online. As well as contributing to the digital agenda this has had a huge positive impact across the team and customers as the SLA is more transparent, refined and easier to understand and more importantly, purchase. In addition, we introduced cost effective packages, which combined the most common products purchased by our schools together with some new ones. This has provided customers a wider choice to meet their school needs ie: Bronze, Silver & Gold services and plus services which incorporate excellent software to help support schools in managing GDPR evidence. These new services brought an additional income with 162 packages sold a total of £98,000.

Challenges

Historically the SLA has been purchased on an annual basis, which has meant customer retention although challenging has been our priority and we proactively visit schools, provide briefing sessions and demonstrate new products. Budgets continue to be stretched within our education sector and to assist our customers we have introduced a loyalty discount for customers that buy into a multiple year SLA and so far we have had 59 schools buy into a 3 year deal.

Cloud Management Information Systems (MIS) remain a challenge in particular the target market is Multi Academy Trusts as there is a need for trust wide analysis of key data. As a result, LEAMIS have lost contracts with some schools to cloud systems.

Looking forward to this year

The 2019/2020 service level agreement will see Professional and Business Services (PBS) diversify and expand our portfolio to offer cost effective products and services to schools and academies, which will include new digital cloud services to enhance teaching and learning, parental engagement, reduce paper costs, reduce impact on the environment, meet the digital agenda and help improve better outcomes for pupils in Leicestershire.

PBS will continue to work in partnership with trusted suppliers, negotiate preferential rates to help reduce costs to schools and improve the customer journey by offering customers a one stop shop. We will introduce a Budget Management Service to enhance the School Financial Services SLA and grow our customer base by selling products and services to the nursery sector, which will include private establishments.

LTS Catering Overview

Reflecting on last year's performance

School Food had a very exciting and productive year in 18/19. Our mission was to keep the contracts we had and from this platform grow and diversify our products and services further and seek to gain out of county business. To date we have secured 55% of our customers signing up for our new 3-year deals. As part of the new 3 year package we are offering profit share incentives and online payment facility/classroom menu selection which has supported our drive to increase meal uptake and customer satisfaction.

Through recommendation we have gained 12 new Leicester City contracts, 3 schools in Cambridgeshire, one in Derby City and one Derbyshire CC and secured contracts for a further 16 city schools and a school in Birmingham (to date) that will all go live on or before the Autumn Term. We have set up our own sandwich, deli and buffet production unit in the old school building, Birkett House and the benefits of this project will be realised in this coming year's income. We enrolled a further 18 apprentices from within our service onto the training scheme. This supports our continual succession planning and growth strategy.

Challenges

With 910 catering staff the impact of the National Living Wage for School Food was significant last year and will impact us further this coming year by around £400K. Food prices rose significantly last year and the impact of exiting the EU may put more pressure on our resource management. That said we managed to hold the cost price of the school meal at the previous year's figure through retendering all contracts and a creative use of ingredients on our menu whilst still retaining our quality Food for Life catering mark. The emergence of larger Multi Academy Trusts potentially brings challenges - as they consider putting whole trusts out to competition - but to us this should also be seen as an opportunity.

Looking forward to this year

Our retention programme for county school contracts continues along with our drive to grow our portfolio outside of the county. More city schools will inevitably join us and in other counties where we have secured a foothold we are tendering for contracts to grow organically around these new contracts. There may also be a potential to negotiate a deal with other Councils.

We are currently assessing if we can take our school meals to gold Food for Life status which will further endorse our commitment to provide the best quality school meals to the children of Leicestershire and beyond. Our production unit at Birkett House is now operational giving us a great opportunity to expand the product range and offer to attract new markets and customers across the county.

Leicester-Shire Schools Music Service

Reflecting on last year's performance

Leicester-Shire Schools Music Service has had a very exciting year in 2018 we celebrated 70 years of music-making with the young people of Leicester and Leicestershire. We commissioned an ambitious large-scale project, working collaboratively with our partners the Philharmonia Orchestra as one of many projects set up to celebrate our 70th anniversary. The commissioned piece 'Legend of the Sky' was performed by over 500 Leicestershire children at the Music for Youth Schools Prom on November 6th, 2018 at the Royal Albert Hall, London.

We have developed and diversified our musical offer including new showcase opportunities for special schools including an amazing 'Big Sing' of a newly commissioned work 'Where the River Flows' for performance at The Curve Theatre in partnership with The Curve Theatre and Sinfonia Viva

We continue to offer a range of performance opportunities including annual concerts each term at the De Montfort Hall and have won national recognition for our work with children and young people in Leicestershire, including a nomination for an Outstanding SEND resource award at the 2019 Music Teacher Awards for Excellence

Our work in developing music technology and new genres of music such as whole class turntablism has been featured in the national press and presented at national conferences in November and May of this year.

Challenges

Increasing budget constraints in schools brings challenges to us. We need to be more flexible about the kind of services that we offer. Challenges arising from DFE and Arts Council England feedback include to ensure 'the diversity of the area where we operate is not just reflected in the delivery, but also through the membership of the hub partnerships and decision making therefore the hub should continue to develop strategies to diversify its income to decrease reliance on the core grant'.

Looking forward to this year

There is an opportunity to extend and develop our commercial offer to schools and the community by developing a quality traded offer to include the arts and culture, professional development, adult services, corporate team building through music/arts, summer schools, residential, adult music groups etc.

Hospitality and leisure overview

Reflecting on last year's performance

The Hospitality and Leisure Service has continued to grow during 2018/19 and is known for quality services. Beaumanor was recognised as one of the top eight restaurants in Leicestershire by the Leicester Mercury. Sales have increased by 23% overall in the Hall particular success have been the Winter Fayre with income of £28,000 during a two day period. Events such as the Burleigh's Gin picnic in the park and the outdoor theatre gives a

diversity to ensure we continue to move into different market segments. There has also been a 10% increase in sales in the Activity Centre by providing activities for younger children with “Tree Tots” right through to corporate adult team building sessions. We feel Beaumanor is in a strong position to grow and develop further.

The Medieval Festival at Bosworth was an excellent example of partnership working with catering income of £17,000. Excellent feedback from customers leading to an increase in Christmas lunches.

The Century Theatre transferred to LTS in September 2018 and was commended in the Tourist Awards – Best Team category!

The Food Court continues to go from strength to strength having doubled their daily income to an average of £4,000 per day. Working closely with the environment and public health teams in reducing the use of plastics and promoting healthy options. The sale of an alternative coffee cup has been a big contributory factor to the environmental agenda.

Challenges

We are currently changing the business model at Beaumanor and creating one team across the Hall and the Park. This will take time to bed in and show a growth in income. Labour and food costs continue to present a challenge in all areas of the business. With the transfer of the Development Head Chef to Beaumanor menus and stock will be reviewed to reduce cost. All staff rotas are closely monitored and only putting staff on rota when the business requires will ensure that labour costs are kept under control.

Promotion of the business across all areas continues to be a challenge and being able to react quickly to a change or an addition being the biggest difficulty! However, we are working closely with Communications and forming an over-arching group to agree a strategy to support requirements across the business.

Looking forward to this year

Joint management of Beaumanor, building/developing joint events and activities will provide greater opportunities for growth. The appointment of the catering manager at County Hall will develop that service, looking at efficiencies and opportunities for income growth. The implementation of the new menus and pricing structure at County Hall will further improve the service to the customer. Further reduction in the use of plastics with the introduction of salad boxes for sale for customers will continue to support the environmental strategy.

Following the refurbishment and the provision of the external canopies and heaters at Tithe we look forward to welcoming an increase/different customers ie. Dog walkers. The development of our own theatre productions and “piggy backing” on successful events at Beaumanor will provide an opportunity for a growth in income and customers at Century Theatre.

Each area is undergoing a re-branding exercise which when launched will promote the business making potential customers aware of who we are and importantly where we are!

Human Resources and Health and Safety Overview

Reflecting on last year's performance

The last 12 months have been challenging for both the Human Resources and Health and Safety service with several customers seeking alternative providers in the market. From the information that we have this is due to price and not the quality of the service we provide.

However, both teams have worked closely together and have been able to retain more than 85% of its customer base within the education sector. In addition, we continue to provide services for Charnwood Borough Council, Leicestershire CAB and have expanded into other service areas such as Leicestershire's Space Centre and a local children's residential centre. Our target for 2018/19 was £84,000 and our out turn figure was £214,000.

Extensive work has been undertaken over the last year in evaluating our pricing structure and we now have in place an effective costing model to inform our tendering processes. There are several factors that contribute to our costing process and we believe that this will enable us to continue to generate an income for the Council. A key contributor to this is the high-quality service that is being provided by our staff who are dedicated to providing an excellent customer service.

Challenges

The markets within the education sector have remained stable; however further growth in this area is now proving to be a challenge. One of the reasons is that we already hold the largest market share for our services in this sector, but with the growth of multi academy trusts, for some, it is now more cost effective for them to hire their own staff. Our expansion into other sectors is progressing slowly; and we wish to continue to build on this, so a specific strategic plan has been developed to take us forward. This includes the provision of a learning and development service and work has already started to explore the opportunities this could bring.

Looking forward to this year

As part of our plan a number of activities have already been identified. We are, for example, putting together for an event in September for City Schools and Academies and other voluntary sector organisations. As well as promoting the key aspects of the service which we currently offer, for HR, we will be focusing on marketing mediation, workforce planning and for both Human Resources and Health and Safety our consultancy service which covers such areas as performance management, organisational change, assistance with recruitment, and audits.

Operational Property Service (OPS) & Facilities Management (FM) overview

Reflecting on last years performance

The last year has seen significant growth in contribution from traded “Soft FM” and “Hard FM” services; “Soft FM” achieved a contribution of £194k, 19% above the target budget of £164k. Hard FM achieved a contribution of £82k against a target of £16K. The team have tendered bids for 29 new contracts and achieved a 66% success rate by winning 19 of the tenders submitted. The team were successful in securing a 3 year cleaning contract for Civic facilities in Worcestershire.

The contribution from “Traded Premises Officers” also grew considerably, achieving a £62k contribution against a budget of £12k.

The number of visitors to our country parks increased, resulting in the income generated from parking at Country parks rising by 13% at Beacon Hill and 9% across all car parks.

Challenges in 2018-19

We need to support those areas which did not perform as well against budget as we had hoped and action is planned in both Sites Development and Central Print.

Looking forward 2019-20

We will be transferring the “Adaptations Technician Team” from the “Adults and Community department” into OPS and combining with the building maintenance service, this will support efficiencies and benefits from economies of scale, by consolidating resources and combining skills from both teams. Monthly performance review meetings are scheduled to closely monitor progress with quotations, pipeline projects, orders and completed works. The shape and skills of the teams will be reviewed to ensure they support commercial growth and business development.

A financial review of the “Central Print Service” is near completion, this will inform a new operating model and pricing structure, enabling the team to focus on work that achieves the best return for time and effort expended. This may result in outsourcing some jobs currently undertaken in-house, or by not undertaking work that is more time consuming and less profitable. The use of “Print -Smith” software now provides more visibility and more accurate forecasting.

A review of all OPS traded services, marketing material is planned to be undertaken during the first half of 2019-20.

Research and insight overview

Commercial research and insight support has been provided across a number of service areas, alongside more general support for commercial development. For example a suite of Google Analytics dashboards has been developed to provide insights into online behaviour, including referral sources, searches and popular pages. The dashboards cover the Leicestershire Traded Services website and a number of additional websites related to commercial activity such as Beaumanor Hall and Celebrate in Leicestershire. Additional insights into individual customer behaviour have been made available as Tableau

dashboards using data from SLA Online, including website activity by individual service areas and online payments.

In addition to using existing data to access commercial intelligence, primary research has been undertaken to gather further insights, for example online satisfaction surveys and face-to-face interviews. Some of this work has fed into specific research reports to support the enhancement of existing trading activities including Services to Schools, Highways Services and Business Intelligence. The reports also include competitor analysis and additional industry intelligence. Ad-hoc research support has been provided as required, including briefings on company structures, social housing provision and customer intelligence to support new business and account management. The Commercial Services Yammer Group is also now regularly updated with relevant news and links to support commercial development across the council.

Marketing

Reflection

We secured significant media coverage last year with 23 articles on LTS, and 155 articles across Heritage, Leisure and Country Parks. This included national coverage on BBC Radio 4 and exposure in to the trade publication world. We continued with digital improvements, successfully delivering digital campaigns on specialist websites and through social media. We engaged our internal audience through introducing 'A Commercial Group' which gives staff across all departments the opportunity to share ideas and best practice for commercial development. We continued with direct email marketing, sharing information about our services with out of county schools to help give us more tangible results. Creative achievements include the successful rebrand of Beaumanor and 'Eat on the Go' from LTS Catering. We've continued to cross-promote all of our events across our leisure facility portfolio including the Countryside Show, attracting 4,000 visitors and the Century Theatre having sell-out performances like the Nutcracker and Cinderella. Our attendance at targeted trade conference and exhibitions resulted in familiarisation with the council and positive brand recognition. Our digital-first approach has allowed us to scrutinise who our audience is, where they're operating and how they like to receive information. Using data and intelligence has informed the marketing and shaped the developments of the services we offer. This is particularly true of Beaumanor Hall where the culture shift and intel has resulted in multiple sell-out events, some generating up to £28k.

Looking forward

In 2019/20 we'll be looking at furthering the opportunities that email marketing brings. New software will allow us to set up automated reminders that will encourage sales and drive growth. We'll also be looking to continue to work collaboratively to help make cost savings and provide a better, more valuable experience for our customers. We'll be developing specifically the Leicestershire School Music Service, the Country Parks programme and the Century Theatre. We'll ensure insight underpins our activity and suggested changes. We plan to immerse ourselves further into sector specific publications, data and information that

will tell us more about our audiences and competitors, so we can maintain good relationships and remain relevant in the associated markets. We'll continue to challenge results to evaluate and scrutinise how effective we have been in our marketing efforts. We'll also be adding to our portfolio folder with the intention to look at industry relevant awards which will deliver positive recognition and brand reputation. From the offset we'll be looking to continue our positive media relationship. We'll be seeking out PR opportunities, packaging stories and shattering content to ensure the best use of our media connections and resource available.