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| Title | Catering Audit |
| For further information about this report please contact | Mark Croston – 01926 456231 mark.croston@warwickdc.gov.uk |
| Service Area | Cultural Services |
| Wards of the District directly affected | All |
| Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006 | N/A |
| Date and meeting when issue was last considered and relevant minute number | |
| Background Papers | |

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| Contrary to the policy framework: | No |
| Contrary to the budgetary framework: | No |
| Key Decision? | No |
| Included within the Forward Plan? (If yes include reference number) | No |

Officer/Councillor Approval

With regard to officer approval all reports *must* be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).

| Officer Approval | Date | Name |
|-------------------------|-------------|-----------------------------------|
| Relevant Director | 13/08/09 | Andrew Jones |
| Chief Executive | | |
| CMT | | |
| Section 151 Officer | | |
| Legal | 13/08/09 | John Gregory |
| Finance | 13/08/09 | Marcus Miskinis & Melanie Gillman |
| Portfolio Holder(s) | 13/08/09 | Sue Gallagher |

Consultation Undertaken

Please insert details of any consultation undertaken with regard to this report.

N/A

Final Decision? No

Suggested next steps (if not final decision please set out below)

Report to Executive – December 2009

1. SUMMARY

- 1.1 This report sets out the current position of the council's catering agreements, the timetable for renewing these agreements and identifies a range of issues related to the future of catering provision at Council owned locations.

2. RECOMMENDATION

- 2.1 That members of Overview and Scrutiny consider the report and the timetable detailed in Appendix 1, considers the options set out in Section 3 and comments on the scope of the report on Management of Catering that will be reported to the Executive in December 2009.

3. REASONS FOR THE RECOMMENDATION

- 3.1 In order to maximise the return to the Council from its Catering Leases and Agreements, it is considered an appropriate time to produce a forward plan of when and how agreements are going to be renewed in line with current procurement procedures, to assess those agreements and consider whether they present any further opportunities for generating income for the Council in light of the current financial position.
- 3.2 A report will be taken to Executive in December setting out recommendations for the future provision of catering within Council facilities. As there are several ways in which future catering agreements could be procured or provided, views are sought on what the report to Executive should focus on and members' views on the future direction of catering provision.
- 3.3 The options considered appropriate by officers at this time are:
1. Package all Catering opportunities together and extend existing agreements set to expire until such time agreements end simultaneously
 2. Package certain facilities together by either area (Leamington, Warwick, and Kenilworth) or type (All cafes together, all function catering together, and all leisure centre cafes together)
 3. Consider managing all catering functions in house and establishing a Catering Unit to achieve economies of scale across all sites
 4. Consider managing some functions in house by extending current provision to achieve economies of scale (we already manage Royal Spa Centre Catering in house) and let other agreements by testing the market
 5. Consider providing vending across all sites separately from other catering provision and procuring a separate vending agreement to achieve better value for the council. This could include providing for vending at new locations to increase income and profit.
 6. Consider how meetings are catered for across all sites and if this should be a separate package or if it should be bolted onto the catering lease within the building that a café / catering facility operates.

3.4 Members views are sought on which of the packages are preferred and if there are other issues which members would like to be included within the scope of the report to executive.

4. **ALTERNATIVE OPTION CONSIDERED**

4.1 The alternative is not to seek the views of Overview and Scrutiny which was rejected as a specific request had been made by members to understand the current position and future proposals..

5 **POLICY FRAMEWORK**

6.1 The Council's Corporate Strategy places Culture as one of its Strategic priorities:

Participation and attendance in the Council's cultural offering. Improving the catering provision at cultural facilities is a factor in attracting users to the facilities and thus increasing levels of participation.

Priorities

- To increase involvement by younger people
- To increase involvement by older people
- To ensure culture caters for the whole community

Targets

- To increase the number of under 18's participating in targeted sports activities run by WDC by 1% year on year
- To increase the number of over 50's participating

7. **BACKGROUND**

7.1 The Council has catering facilities provided in the following locations:

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|---------------------------------|------------------------------|
| St. Nicholas Park Cafe | The Restaurant in the Park |
| The Aviary Café | Jephson Gardens |
| Victoria Park Cafe | Royal Pump Rooms Cafe |
| Royal Pump Rooms Assembly Rooms | Newbold Comyn Leisure Centre |
| Abbey Fields Swimming Pool Cafe | Riverside House Cafe |
| Royal Spa Centre | Town Hall Catering |

7.2 The catering on offer is a mix of freshly cooked food to order, freshly made drinks and over the counter offer of confectionery and snacks. Additionally there is vending provided at some venues which complements the over the counter service on offer. The Royal Spa Centre operates a licensed bar,full catering service, and serves alcohol during performances and events.

7.3 The above services are provided through a combination of in-house provision, management and lease agreements as set out in Appendix 1. There is currently no formal agreement for the provision of catering at The Town Hall.

7.4 The letting of catering concessions within leisure facilities generally offers little financial return. The provision of catering however is often integral to the experience on offer at the amenity and provides ancillary services such as WCs and a resting place.

- 7.5 However, the District does have 'marquee' / high footfall catering facilities that are profitable and offer good business opportunities. However, over recent years new facilities have been developed and some catering outlets are now competing against others in the vicinity, thus affecting profitability and increasing overheads. Equally, the private sector has increased its presence which particularly affects business at The Royal Pump Rooms, Jephson Gardens and Victoria Park. We also allow other service providers at some locations (outside Jephson Gate opposite The Royal Spa Centre, Warwick Boats) the opportunity to sell soft drinks, ices and snacks, without pre agreed compensation - which once again affect the value of our catering outlets in that location.
- 7.6 The Council does not currently have resources in place to manage in house and externalised catering operations. We directly manage in-house catering at The Royal Spa Centre which makes a steady profit of around £50,000 p.a. However, the reletting of new contracts/agreements will require dedicated resource, in order to maximise the return to the Council and to achieve Best Value in the marketplace. Managing more services in house should also be considered, especially if there are economies of scale achievable in doing so. However, as detailed above this is currently unresourced.
- 7.7 Appendix 1 sets out the timetable showing when existing agreements expire and need to be re-let in order to comply with procurement timescales. Each agreement could be let individually, as part of a package of agreements that expire near to each other, or some agreements could be extended to enable the council to package all the agreements at the same time.
- 7.8 Under each agreement, the Council has several obligations that require the council to incur cost. Repairs and maintenance, rates and utilities are amongst the costs the council contributes to the operation of some of our catering facilities. This would need to be considered when negotiating/letting future agreements.
- 7.9 The future of leisure provision is being considered as part of the Culture Trust project, which falls within the Councils BIP Programme. Any future catering agreements should consider any potential future leisure developments, closures and/or reduction in service.

Timetable for Procurement of Catering Agreements

| | Renewal date | Proposed date to Advertise | Proposed date to Award Contract |
|--|--------------------------|----------------------------|---------------------------------|
| St. Nicholas Park Cafe | 31/07/10 | 1/2/10 | 1/6/10 |
| Royal Pump Rooms – Cafe | 31/12/12 | 5/9/10 | 1/10/11 |
| Royal Pump Rooms – Assembly Rooms | 31/12/12 | 5/9/10 | 1/10/11 |
| The Restaurant in The Park & The Aviary, Jephson Gardens | 31/12/12 | 5/9/10 | 1/10/11 |
| Abbey Field Swimming Pool | 10/02/13 | 1/7/11 | 1/12/12 |
| Newbold Comyn Leisure Centre | 14/06/14 | 1/11/13 | 1/4/14 |
| Victoria Park Cafe | 21/04/16 | 1/8/15 | 1/2/16 |
| Riverside House Cafe | 2 months notice required | n/a | n/a |
| Town Hall Catering | n/a | n/a | n/a |
| Royal Spa Centre | In house | n/a | n/a |