

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 24 January 2023

TITLE	Meals Service and Supplies		
Ward(s)	Citywide		
Author: Sharon Radnedge	Job title: Commercial Manager – Parks & Green Spaces		
Cabinet lead: Councillor Ellie King, Cabinet Member for Public Health, Communities and Bristol One City	Executive Director lead: Stephen Peacock, Executive Director Growth and Regeneration		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member Decision forum: Cabinet			
Purpose of Report:			
<ol style="list-style-type: none"> To seek approval to procure a new Dynamic Purchasing System for the provision of food, beverage, and catering supplies for up to 4 years, valued at £3.8 million (as detailed in appendix A.) 			
Evidence Base:			
<ul style="list-style-type: none"> Bristol City Council (BCC) is currently undertaking a review of its various catering contracts. There are currently a number of contracts that exist across the organisation. The aim is to take a strategic view of the current contracts to identify the greatest opportunity for savings and value for money through a corporate contract. The previous Food Supply Contract was originally procured in 2018. It was set up as a DPS agreement to supply a range of commodities for several council services. The contract was awarded for 4 years, then extended to May 2023. The services who use the contract are the Cafes and Kiosks in Parks & Green Spaces, Bristol Schools and Community Meals Service, Residential and Day Services directly provided by Adult Social Care There is a need to seek an interim arrangement to ensure these services can continue to operate and will give time for corporate catering decisions to be made and tendered. Suppliers have indicated (through soft market testing) that a short-term length would result in higher prices and that a longer-term contract, with the understanding that a review is taking place, would be preferable. This approach has been endorsed by relevant Portfolio Holders. The Dynamic Purchasing System (DPS) has no contractual obligation to spend and therefore allow us to move to a corporate contract at any time. The new DPS system will allow additional categories to be included, which will help ensure the services have all the supplies required for a catering provision under one contract. Full breakdown of the categories is in Appendix A. Due to various factors outside of our control, for example, Brexit and the pandemic, the Wholesale Catering industry is currently struggling to meet the demand. This means that to secure quality stock at competitive prices, we need to act quickly. We have been working with Procurement to find a compliant route to market, which can meet the demands of the industry. We currently believe the route to be another DPS arrangement. The total spend requested will not be a committed value, and any expenditure through this contract will be based on the demands of the service and will be included in the current and future budgets. There is little to 			

no financial risk to the council as the spend will be for income generating activities. Currently the Catering Business is covering its cost and making a surplus each year. The income and expenditure are monitored daily by the Catering manager to ensure that costs are monitored, and profit margins are achieved. This is further monitored on a weekly basis by the Commercial Manager who is responsible for reporting monthly to Finance Business Partner.

- The risk if this not being approved would seriously inhibit the business' ability to trade and generate profit, with the potential of costing the council rather than bringing in income or in the worst case stop the business from trading.

Cabinet Member / Officer Recommendations:

That Cabinet:

1. Authorises the Executive Director Growth and Regeneration in consultation with the Cabinet Member Public Health, Communities and Bristol One City to take all steps required to procure and award a 4 year contract for food, beverage and catering supplies from 1st June 2023 as outlined in this report.
2. Notes there is the intention to review the operation, of food, beverage and catering outlets in parks.
3. Agrees that by no later than May 2023 an outline business case for the review of operating models for Parks' food and beverage and catering outlets, including alternative delivery models will be presented to cabinet for a decision.

Corporate Strategy alignment:

This contract aligned with the themes of the corporate strategy in the following ways:

1. Development and delivery of a quality services with Food and Beverages in line with the Gold Food City award and having the values of the Bristol Eating Better Gold award standards.
2. Environmental sustainability by using the procurement process to maximise our positive environmental impacts and mitigate negative ones
3. Equality and inclusion by ensuring our Food and beverage offer meets the needs of Bristol's diverse communities
4. World Class Employment by ensuring our Catering teams delivering the Food and Beverages have the highest levels and standards of employment providing Real Living Wage and ensure the workforce reflects the population
5. Good governance – we are financially competent and resilient, offering good value
6. for money on the food and beverage offers, whilst maintaining competitive margins to deliver contribution revenue to BCC
7. Economy and Skills – food and beverage sales in Parks and green spaces are a strand of income generation and provides economic growth from within the service that is inclusive and resilient

City Benefits:

1. Provides competitively priced parks and green space locations for Food and Beverage options for citizens
2. Part of our core Parks Café offer via good quality food and beverage offering, all aligning with the Bristol Eating Better Gold Standard, which links into the Gold Food City award- so ensuring all Food & Beverage arrangements align to the public health, social value commitments and policy.
3. Food and Beverage product selection will include sustainable development goals for environmental impact in line with the one city climate strategy
4. The food and Beverage provision by the catering team ensures delivery of world class employment to drive a workforce that reflect the population, in a workplace that is healthy and inclusive and offer more opportunities and jobs with real living wage.
5. Maintains business continuity in Parks and Green space catering venues during a period of significant change including operational restrictions, budget reductions and ongoing restructure of teams enabling a seamless

continuation of service.

6. The ability to maintain business operations to generate revenue assists BCC to meet financial targets and fund the Parks Service.

Consultation Details: None

Background Documents: [Corporate Strategy 2022-27 \(bristol.gov.uk\)](https://www.bristol.gov.uk/corporate-strategy-2022-27)

Revenue Cost	£3,800,000	Source of Revenue Funding	Cafes and Kiosks in Parks & Green Spaces, Meals Service for Adult Care and Trading with Schools expenditure budgets
Capital Cost	£	Source of Capital Funding	e.g., grant/ prudential borrowing etc.
One off cost <input type="checkbox"/>	Ongoing cost <input checked="" type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input checked="" type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: Finance Advice:

- a. The report is seeking to renew the use of a Dynamic Purchasing System (DPS) contract for the provision of food, beverage and catering supplies for up to 4 years, valued at £3.8m.
- b. The DPS offers a more efficient vehicle for procurement. It is used in other departments and will allow for better cross departmental work, increased choice of suppliers and a reduction on time spent on procurement.
- c. A strategic review of catering contracts is underway to seek further savings and efficiencies. There is no contractual obligation with the DPS to spend and it will allow a move to a corporate contract at any time, if that is the desired outcome of the review.
- d. The estimated spend per annum across the catering services in the contract is £0.95m. Over the four-year contract, this has an expected value of £3.8m. The spending on all purchases will be demand led, subject to market conditions, price inflation and align to Bristol's Eating Better strategy.
- e. The total value of the DPS allows for some growth over the four-year period, for example a new Café or Kiosk site. The largest user of the contract would be Parks Cafes and Kiosks. In 2021-22 Parks spent £0.53m on catering supplies (which would total £2.12m over four-years). The new DPS has been calculated on Parks spending £0.72m on supplies (which totals £2.88m over four-years) allowing for Café growth (Castle Parks new café launched at the end 2022) and inflation in the years ahead.
- f. The funding of the DPS spending on catering supplies would be from the sales income generated.
- g. Income and expenditure must be monitored very closely across the services using the contract and regularly reported to ensure value for money, contract compliance and financial regulation / procedures are met.
- h. This report does not constitute a request to increase budgets or approved spending, and the delegation route will have to be followed for all contracts let under this DPS route, with contract awards over £0.5m still requiring Cabinet approval.
- i. For the avoidance of doubt, there are no new financial implications affecting the Councils General fund budget.

Finance Business Partner: : Kayode Olagundoye, Interim Finance Business Partner, Growth and Regeneration, 11th January 2023.

2. Legal Advice: The procurement process must be conducted in line with the 2015 Procurement Regulations and the Councils own procurement rules. Legal services will advise and assist officers regarding the conduct of the procurement process and the resulting contractual arrangements.

Legal Team Leader: Husinara Jones, Team Manager/Solicitor 06 Jan 23

3. Implications on IT: I can see no implications on IT regarding this activity

IT Team Leader: Alex Simpson – Senior Solutions Architect 18 November 2022

4. HR Advice: There are no HR implications evident		
HR Partner: Celia Williams HR Business Partner – Growth & Regeneration 7 November 2022		
EDM Sign-off	Stephen Peacock, Executive Director Growth and Regeneration	23 November 2022
Cabinet Member sign-off	Cllr Ellie King, Cabinet Member for Public Health, Communities and Bristol One City	1 December 2022
For Key Decisions - Mayor's Office sign-off	Mayor's Office	19 th December 2022

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	No
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO