

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 07 November 2023

TITLE	Corporate Catering Review Project		
Ward(s)	City Wide		
Author: David Martin	Job title: Director – Property, Assets & Infrastructure		
Cabinet lead: Cllr Craig Cheney - Designated Deputy Mayor with responsibility for Finance, Governance & Performance	Executive Director lead: Interim Executive Director Growth and Regeneration John Smith		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member Decision forum: Cabinet			
Purpose of Report: To update Cabinet in relation to contracts which have been extended, and to inform Cabinet of the services / functions in scope of the review, and the emerging plan.			
Evidence Base: The as-is situation			
<ol style="list-style-type: none"> 1. In June Cabinet provided collective approval across the four transformation programmes including for the Property Programme under which this project is to be delivered. In particular, Cabinet: <ul style="list-style-type: none"> ○ Decision 11. Authorised Executive Director – Growth & Regeneration in consultation with Cabinet member for responsibility for Finance, Governance & Performance, and the Director of Finance (S151 Officer) to take all steps required to extend (or recontract) for all/any café/catering/food supplies contracts within the provision of existing budgets in short term whilst strategic review and procurement is underway to maintain stability. ○ Decision 12. Authorised the Executive Director – Growth & Regeneration and the Director of Finance (S151 Officer) in consultation with Cabinet member for responsibility for Finance, Governance & Performance to approve the business cases related to the catering contracts and changes to service delivery models. ○ Decision 13. Authorised the Executive Director – Growth & Regeneration in consultation with Cabinet member for responsibility for Finance, Governance & Performance, and Director of Finance (S151 Officer) to take all steps required to implement a centralised approach to food/café/catering provision including procuring and awarding contracts over the key decision threshold before end of the FY 23/24 (subject to presentation and approval of business case), and ○ Decision 14. Noted that a further report will be brought back to Cabinet for information by no later than October 2023 to (a) inform Cabinet of details of the contracts extended or direct awarded (in relation to decision 11), and (b) inform Cabinet of the plans and scope of the proposal (in relation to decision 12 and 13). ○ Decision 15. Authorised the Executive Director: Growth & Regeneration , in consultation with the Deputy Mayor for Finance, Governance and Performance, Director: Finance and Director: Legal & Democratic Services to take all steps required to negotiate the terms of and enter into all necessary 			

legal agreements to move to a partnership model for the delivery of parks cafes, which may include the transfer of employees to third party provider(s)

2. In July the Programme Board duly approved the Project Mandate and the development of the Outline Business Case

Project Overview

3. BCC has several wide-ranging services which relate to food, catering and events. Some of these are a core part of service provision (e.g. Community Meals, or School Milk), whereas others are intended to enhance the service offer and generate a commercial income (e.g. Cafes in Parks, cafes and conferencing in Museums and event spaces and café in City Hall).
4. At present there is no single consistent delivery model used. For example, Parks Cafes deliver via an in-house model in contrast to other parts of the Council such as the Cash Hall café, Central Library, and Museums cafes which have contracted food provision services out.
5. Although some join up has already occurred, there are still numerous separate contracts in place, with these being procured, negotiated and managed separately by different services with different terms and commercial arrangements. At the point of Mandate approval, a number of contracts were being considered for extension or required extension or replacement imminently.
6. It is likely there are roles doing similar activities in different parts of the Council where a more joined-up approach will realise efficiencies. Calculation of finances (profit/loss) also differs making it hard to compare and evaluate performance.
7. There are limited commercial expertise /capabilities within the Council and roles don't have dedicated time to maximise commercial income and promote the spaces the Council has available – often work is conducted alongside the 'day job', rather than as the priority. Ultimately this inhibits potential income.
8. Diminishing budgets, rising costs, and lack of ongoing capital investment availability make maintaining separate operations, particularly those run in-house, much more difficult, and a fundamental change in approach is now required.

Benefits and risks of moving towards a partnership model

9. Building a partnership arrangement will achieve several anticipated benefits, however there are also risks to mitigate and manage.
10. Benefits
 - a. Access to more specialist hospitality expertise that can better meet local needs and understand market trends, to maximise experience and value for customers.
 - b. Reduced direct costs, providing better value for money (and more flexibility) for taxpayers.
 - c. Supports Bristol Council's corporate strategy ambition to move to a less complex, simplified Council.
 - d. Reduced support and effort required from wider support services (HR, IT, Finance, procurement etc).
 - e. Management time freed up to focus on core service delivery.
 - f. External hospitality providers are likely to have more flexibility to:
 - invest capital and develop the business to support continued /expanded return;
 - respond and adapt more quickly to changing market demands to reduce costs more quickly where necessary;
 - take advantage of opportunities as they arise, as well as respond to changing service

- needs/demands to maximise income opportunities;
- implement appropriate staffing arrangements that best meet needs of the business (which is more difficult to navigate as an in-house provider).

11. Risks to manage:

- a. Current hospitality sector/market which is constrained post-Covid.
- b. Availability of viable suppliers who can deliver the financial, environmental, public health and social value benefits BCC wants to achieve now and in the future.
- c. Fit of the supplier/s in terms of commitment to BCC social values regarding, for example, climate change, buying locally, using local suppliers, buying sustainably etc.
- d. Reduced control over service provision.
- e. Appropriate provision of time to manage contracts and accounts successfully: Contract and supplier relationship management will need to be costed.

What is being undertaken?

12. A project team has been funded to work with all services with food and catering related contracts and in-house services to develop a future model and associated specification to go to tender for a more combined contracted arrangement. This may result in a single catering partner, or multiple depending on the model chosen and route to market selected.
13. The work is being led by the Corporate Landlord function to ensure the approach and supplier(s) procured is/are focused on the core principle of maximising use of Council assets across the estate, whilst taking account of specific service needs. This includes centralising associated budgets and ensuring a fit for purpose supplier relationship management/contract management model is in place.
14. A specification is being developed to secure a contract for the delivery of Parks cafes, and potentially other food-related services (See scope below) with the expectation of transitioning to a new contracted arrangement/ arrangements. This will include a process of engagement and consultation with affected internal staff in accordance with HR protocol.
15. Decisions will be subject to a business case being presented to the Property Programme Board to ensure new approach is fit for purpose and fully justified.

Contract Extensions

16. When the Mandate was approved there was also a need to secure interim contractual arrangements to ensure these services can continue to operate and remain stable whilst the cross-council contract/s are agreed and tendered.
17. The following contracts have been extended:

Supplier	Domain	Duration	Max Value
Parsnip & Mash	Fully managed Civic Events (Lord Mayor's Mansion House/ City Hall/ Pavilion)	01/01/2024 – 30/06/2025 + 6 mths if necessary.	£200K
Café Gusto Ltd	Cafes at Cash Hall, Library and Create Centre	01/01/2024 – 30/06/2025 + 6 mths if necessary.	£262.5K
Pegasus	City Hall / Temple Street low volume catering (Meetings etc)	01/01/2024 – 30/06/2025 + 6 mths if necessary.	£100K
Levy Restaurants	MShed/ BMAG catering and hire	01/11/2023 – 30/04/2025 + 6 mths if necessary.	£3m

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Notice periods in all contracts can be exercised should we be in a position to effect the transition to a new provider sooner than expected / depending on the preferred take-on approach of the new provider/s. Provider preferences for the take-on / implementation approach are to be explored as part of Soft Market Testing currently scheduled to take place from 17 October.

Scope of contracts to be covered in go-to-market

18. The work has been divided into two separate sections: Scope A – the procurement/ tender exercise, and Scope B – the new management mode for contract management.

19. Under Scope A, the following are included:
 - a. Bristol Museum and Café, MShed, Central Library Café, City Hall (Cash Hall) Café, Create Centre Café, and the 9 Parks Cafés
 - b. Catered Events/ Functions across the entire BCC Estate including but not limited to the Pavilion, City Hall, Lord Mayors Mansion House, Museum sites and so on.
 - c. Room booking / hire for commercial reasons e.g. library spaces, meeting rooms in City Hall, etc
 - d. Future potential inclusion of additional offerings including, for example on the MShed Rooftop and catering provision at other in-house sites.
 - e. In discussion with the various Stakeholders, we have refined the arguments for removing Redfield Lodge and the ASC Cafes from Scope A on the basis of complexity, the need for specialised provision by limited providers, little or no opportunity for increased revenue or profit, and the possibility of significant negative consequences in the event of service failure.
 - f. School Meal provision could potentially be included later, however the current School Meals contract runs to Oct '25 with extension to Oct '26, and we will interrogate whether the same arguments for exclusion apply.
 - g. There remains a possibility that additional food-related provision required for other services could potentially be integrated at a later date as the current contracts and arrangements fall due.

20. The need and ability to accelerate the transition of the Parks Cafés has lead to this being ringfenced as a separate procurement activity. (Scope A1) This will enable us to adopt a partnership in this area to support income growth and will result in the TUPE transfer of BCC staff to a provider.

The separation of this element allows us to focus on delivering it in advance of the other work preventing a long, drawn-out process for the staff involved, as well as enabling a targeted procurement which can factor in specific community focused offers. We will, however, be exploring whether a Parks Cafe partnership could subsequently be extended to include the other requirements or whether it would be better to contract for the remainder (Scope A2) separately as part of the Outline Business Case.

21. The scope for a centralised One City approach will be developed and returned to Cabinet.

Emerging Plan

22. The indicative earliest expected timeline is shown below.

Parks Cafes

- Obtain OBC Approval at Programme Board – 6 December
- Develop detailed specification (Parks Cafés) – November 2023
- Tender period - 18 Dec 2023 to 9 Feb 2024
- FBC approval – 2 Feb 2024
- Post tender processes - to 29 March 2024
- Award and standstill – April 2024
- Contract readiness - April 2024
- TUPE processes – April to June 2024

- Contract commencement and Staff Transfer - July 2024 (Earliest estimate)

Timeline for Scope A2 Scope B still being developed. Best Case Estimate below.

Scope A2 - Event/Function/ in-premises catering/ venue hire requirements

- *Develop detailed specification – 12 April 2024*
- *Tender – 15 Apr to 14 June 2024*
- *Obtain FBC approval – 6 June 2024*
- *Post tender processes – to 9 August 2024*
- *Award and standstill – 6 September 2024*
- *Contract May 2024 – 13 September 2024*

Cabinet Member / Officer Recommendations:

That Cabinet:

1. Notes the contracts which have been extended as set out in this report.
2. Endorses the latest timeline, plans and scope of the work as outlined in this report, including:
 - a. The timeline for Parks Café solution with new contact awarding April 2024
 - b. The timeline for Events/Functions/In-premises catering / venue hire with new contracts commencing September 2024

Corporate Strategy alignment:

This work aligns to the corporate strategy in the following ways:

Alignment to Council themes:

- *Theme 7 -Effective development organisation - ED02 One Council / ED05 Good Governance - BCC is larger than most of its counterparts and it is not always efficient or effective. This work will help reduce the size of non-core service delivery and maximise efficiency / consistency of our food / catering processes and contracts and ensure these are managed effectively to maximise value for money and enable these services to be more flexible/adaptable and resilient.*

Alignment to Council building blocks:

- Development and delivery by working in partnership with best suited supplier(s) to deliver quality services
- Environmental sustainability by using the procurement process to maximise our positive environmental impacts and mitigate negative ones
- Equality and inclusion by ensuring our food/beverage offer meets the needs of Bristol’s diverse communities
- World Class Employment by ensuring our partner offers the highest levels and standards of employment providing Real Living Wage as standard and ensure the workforce reflects the population

City Benefits:

- Ensures continued viable provision of food/catering /conferences/events to the public at competitive prices at various central locations for citizens
- The ability to maintain business operations to generate revenue assists BCC to meet financial targets and fund the relevant services

- Ensures all Food & Beverage arrangements align to the environmental, public health, social value commitments and policy including those set out in the One City Food Equality Strategy and the emerging One City Good Food Framework.
- Ensures value for money from Council tax-payer funds by taking a joined-up approach
- Keeping the cafes open will enhance the experience of the visiting public to key destinations sites M-shed, BMAG, Create Centre, Bristol Archives and the Central Library whilst generating income for Bristol City Council.
- The cafés within City Hall and Create will give the staff and their visitors somewhere to meet within the building in a relaxed atmosphere which will improve their performance giving the citizens of Bristol a better service.
- Continuing catered functions, conferences and events produces valuable income for the Council as well as providing an offer to organisations and business and the public wishing to make sure of the spaces. This can also help build Bristol’s reputation and culture and bring visitors.

Consultation Details:

None

Background Documents:

Generic:

[Corporate Strategy 2022-27 \(bristol.gov.uk\)](http://bristol.gov.uk)

Catering specific:

- [July 2023 – Cabinet – Concessions Contracts](#)
- [June 2023 – Cabinet – Property Programme](#)
- [Jan 2023 – Cabinet – Meals Services and Supplies](#)
- [Aug 2022 -OED – Museum sites 12 month extension](#)
- [July 2022 – Cabinet – Events and Conference Catering Contracts](#)
- [May 2022 – Cabinet - Conferencing, Events and Catering contract for Museum Sites](#)
- [May 2019 – Cabinet – Cross Council catering and concession contracts](#)
- [March 2018 – Good food standards for procurement of food and catering services](#)

Revenue Cost	n/a	Source of Revenue Funding	- Ongoing - Various – current funding sources services specific - One off projects costs – covered within agreed funding June 2023 – Cabinet – Property Programme
Capital Cost	n/a	Source of Capital Funding	n/a
One off cost <input type="checkbox"/>	Ongoing cost <input checked="" type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

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

The report asks cabinet to note that the extension the contracts listed below. This extension is in accordance with Cabinet’s previous decision to permit such extensions in short term subject to these being let within the provision of existing budgets. The following contracts have been extended. Over the period of the extension, including the additional 6 months, these contracts have a maximum potential income of **£3.563m** as per the potential trading

activity assumed in the contracts or an annual total of £1.781m.

However, the actual amount of income received last year was £0.665m and the amount expected in the current financial year is £0.725m. This compares favourably with the income assumed in 2023/24 approved budget for these contracts of £0.713m. The income for the next financial year is expected to be broadly in line with the 23/34 estimates expect for a potential modest increase in activity and prices rising largely in line with inflation.

Supplier	Domain	Maximum Potential Contract Value p.a. £'m	Actual Income Achieved in 22/23 £'m	Estimated Income Forecast in 23/24 £'m	Budgeted Income Approved for 23/24 £'m
Parsnip & Mash	Fully managed Civic Events (Lord Mayor's Mansion House/ City Hall/ Pavilion)	£0.100	£0.081	£0.085	£0.065
Café Gusto Ltd	Cafes at Cash Hall, Library and Create Centre	£0.131	£0.029	£0.017	£0.025
Pegasus	City Hall / Temple Street low volume catering (Meetings etc)	£0.050	£0.012	£0.005	£0.005
Levy Restaurants	MShed/ BMAG catering and hire	£1.500	£0.543	£0.618	£0.618
TOTAL		£1.781	£0.665	£0.725	£0.713

Finance Business Partner: George Grant, Interim Principal Accountant, 30 October 2023

2. Legal Advice:

There are no specific legal implications arising from this report as it provides information for Cabinet to note in relation to the review of corporate catering.

Legal Team Leader: Husinara Jones, Team Manager/Solicitor 18 October 2023

3. Implications on IT:

The Corporate Catering Review have engaged with the Enterprise Architecture team to discover the IT landscape. As a business case develops it should consider this discovery and how this relates to any future contract and how this changes the status quo; for example, the potential costs of decommissioning current Line of Business Systems and secure, legal arrangements for transferring data to a future supplier. It is likely the council would retain levels of accountability for services without directly controlling them, so it is important that any procurement clearly sets expectations and needs for suppliers around issues such as data and cyber security standards, interoperability with necessary council systems and similar considerations.

Should there be any future transfer of staff, IT processes for leavers should be followed and any savings in corporate system licensing costs (e.g. M365) will be returned to the central IT budget.

IT Team Leader: Alex Simpson, Lead Enterprise Architect, 19 October 2023

4. HR Advice:

The proposal to develop a partnership delivery model for catering aligns to the corporate strategy of creating a simplified Council. As this is a cross-cutting proposal, the project should review HR implications for BCC staff who provide in-house catering services, as well as those who are involved in delivery through external providers, with professional HR advice. The Parks Café Solution will be accelerated. The move to a partnership model for the delivery of parks cafes is likely to include the transfer of employees to third party provider, under TUPE regulations. The Council will consult any staff that are in scope, in line with its HR Management of Change Policy and TUPE Guidance.

HR Partner: Celia Williams, HR Business Partner 24 October 2023

EDM Sign-off	John Smith - Interim Executive Director Growth and Regeneration	4 October 2023 (Corporate Property)
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		Programme Board)
Cabinet Member sign-off	Cllr Craig Cheney - Designated Deputy Mayor with responsibility for Finance, Governance & Performance	14 August 2023
Mayor's Office sign-off	Mayor's Office	30 October 2023

Appendix A – Further essential background / detail on the proposal	NO
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 As long as the intention still stands that a full EQIA will be conducted prior to implementation, I can confirm that the comments on the EQIA are still valid. Grace Biddulph , Equality and Inclusion Delivery Manager, 19 October 2023	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
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