

Cabinet

28 September 2016



Title	Catering provision at Staines Community Centre		
Purpose of the report	To make a Key Decision		
Report Author	Janice Lowin		
Cabinet Member	Councillor Maureen Attewell	Confidential	Yes
Corporate Priority	Value for money Council		
Cabinet Values	Community		
Recommendations	Cabinet is asked to agree to the change of service provision of the Café at Community Centre from a Contractor run café to a Volunteer run snack service		

1. Key issues

- 1.1 The catering services at Staines Community Centre have been provided by Myers Catering Ltd since 2007. This contract expired on 31 December 2012 and has been extended on two occasions due to previous procurement exercises not finding a successful new contractor. The existing extension is until 30 September 2016 pending completion of the procurement of the new contract due to start 1 October 2016.
- 1.2 Spelthorne Borough Council have been subsidising the café £500 per month since April 2016 as Myers Catering (recently renamed as South East Catering Contractors) have not been able to make a profit on the service. This has been agreed as a short term measure in order to appoint a new contractor. SBC also currently pay for all utilities and all maintenance/ replacement of kitchen equipment. Myers originally paid 50% of utilities but this has been negotiated down.
- 1.3 The specification of the Catering contract was reviewed and amended in order to attract more interested parties. This included an option to manage the lets of the building outside of normal Centre operating hours (as is currently the case). It is estimated income generated for rentals is approx. £10k (after caretakers salary)
- 1.4 Prior to Myers providing the catering, The Council ran the café in house which cost approximately £50k per year.
- 1.5 The Net operating budget for Staines Community Centre for 2016/17 is £41,800. The maintenance budget sits within Asset Management and last year's spend was £26,500 out of which £12,000 related to maintenance within the Kitchen

- 1.6 The Council received 8 Expressions of Interest for the catering provision at Staines Community Centre but only received 1 tender submission, from South East Catering Contractors (formerly Myers Catering, the existing provider). The tender submission did not contain all the relevant documentation so was an immediate fail. Within the documents, there was no reference as to how they would turn the café round from operating with the current £500 per month subsidy to operating with no subsidy.
- 1.7 Staines Community Centre is generally used by the more active over 50's, with Fordbridge and Greeno offering activities aimed for those who are less able and require support. There are very few individuals attending Staines who use Spelride as the majority are able make their own way there.
- 1.8 The café is popular with members of the Centre, however, this is mostly for hot drinks and snacks. Recent figures from the Café show main lunches has dropped to an average of 18 per day with an average spend per customer of £2.31 to £2.35. As a comparison Greeno & Fordbridge average 25 to 46 meals per day.
- 1.9 Staines has over 50 different places to eat suiting all tastes and prices, with more and more opening all the time. The Harvester for example, just a short walk from the Centre, offers a lunchtime meal with unlimited salad bar for £4.45. The Café at Staines Community Centre charges £6 for a main meal.
- 1.10 Staines Community Centre has had to run differently to the other Centres since having a contractor run the café. This includes not being able to hold parties/events during the day (due to the café being open to everyone) which can exclude those unable to attend in the evenings.
- 1.11 Feedback from those who expressed an interest in the tender has been sought and to date the responses indicate that the Café would be best run as a small community café.
- 1.12 Surrey County Council are looking at withdrawing funding from Older People's Services over the next 3 years. For Centres and Meals on Wheels this is almost £100k so this needs to be considered in making decisions about our services.
- 1.13 There is a political impact with making changes to Older People's services.

2. Options analysis and proposal

- 2.1 Discuss with South East Catering Consultants (current caterer) the possibility of continuing. This is very likely to incur a cost to SBC and they have not met our tender requirements. With the current subsidy it would be £11,800 per year with maintenance on top. Much of the large equipment is now old and likely to need replacing over the next few years. 2015-16 maintenance costs for the kitchen were approximately £12k.
An initial discussion with South East Catering Consultants has indicated that they are currently unsure whether they would wish to continue or not.
- 2.2 Take catering back in house.
This would require TUPE for all staff who are currently paid significantly higher than SBC's kitchen staff at other centres. There would be surplus staff so there would be some redundancy costs (approx. £10k). A deputy centre manager would be required to assist running of the Centre (as in Greeno & Fordbridge). Maintenance costs would still apply.

- Costs for running kitchen approx. £10k
 - Deputy Manager costs approx. £33,200.
 - Income generated from room rental approx. £10k
 - Increase budget £33,200 required.
- 2.3 Close café. Use the café area as a space for room rental and/or activities. Activities upstairs are currently at capacity. By using downstairs more classes could run. Once established this could generate income of up to £3k net (although it would take time to get tutors and build up classes). Part time centre assistant (grade 1, 20 hrs per week) required to carry out basic tasks to assist in the running of the centre. Their absences would be covered by Independent Living staff or casual member of staff.
- Part time Centre assistant approx. £11,100 including on costs.
 - Income generated from room rental approx. £10k
 - Increase annual operating budget £1,100 required
- 2.4 Close the café and install vending machines. This would allow for some refreshments but also allow classes to be run downstairs.
- Part time centre assistant (as above) approx. £11,100 including on costs.
 - Income generated from room rental approx. £10k
 - Increase annual operating budget £11,100 required
- 2.5 Run a Volunteer snack service 10am – 1.30pm. Outside of these hours, classes and/or events could be run in the café area. The Centre has 25 volunteers willing to help with a service that would run in the same way as the tea bars at Greeno & Fordbridge. Drinks and snacks (sandwiches, cakes, crisps) to be sold at a significantly cheaper price than current selling prices. Fordbridge and Greeno Centres sell hot drinks for 50p – 60p per cup. Current prices at the café in Staines Community Centre are £1.17- 1.98 for members (including the 10% member discount). Volunteers at the Centres can be very influential so this option would ease transition for the users of the café.
- Part time centre assistant (as above) approx. £11,100 including on costs
 - Income generated from room rental approx. £10k
 - Budget for food/drink purchase approx. £3k
 - Income from café approx. £9k.
- Volunteers run the tea bars at The Fordbridge and Greeno Centres so Staines would operate in the same manner. All food would be either pre-packed or prepared and packed at the Fordbridge Centre who currently have a 5 star rating so there would be a low level risk with regards to food hygiene. The Manager of the Centre is trained so would ensure food hygiene standards are achieved in the same way as the other Centres. A small £10 float to be kept in the till to provide change with further petty cash held in the safe upstairs should more be required. Banking would continue in the same way.
- 2.6 Should the decision be made to stop serving hot meals at Staines Community Centre, options are being explored for the people who currently use this service. These options include working with other companies in Staines to explore offering a discount on hot meals at other restaurants/cafes in time for the change of service at the café. This is being taken forward through the

Business Improvement District Steering Group. Greeno and Fordbridge will continue to offer hot meals and a membership of the Centre entitles individuals to attend any of our centres.

- 2.7 **Preferred option is 2.5, volunteer café from 10am – 1.30pm.** This provides some refreshment provision, at cheaper than the current prices, whilst generating a small income stream to the Council. It would also allow for an increase in activities which are currently at capacity. There is potential to generate further income through renting out the building outside of Centre opening hours. By selecting this option, it shows the public that we are continuing to provide services but doing so in a more cost effective way and they will be paying less for their hot drinks/biscuits.

3. Financial implications

- 3.1 Annual operating budget for Staines Community Centre for 2016/17 is £41,800
- 3.2 To continue with Myers annual costs to SBC would be a minimum of £11,800. Annual budget £53,600. Maintenance costs would continue. There would be no costs for redundancy as staff would continue
- 3.3 Spelthorne to run the catering:
- Costs for running kitchen approx. £10k
- Deputy Manager costs approx. £33,200.
- Income generated from room rental approx. £10k
Annual budget increase by £33,200 to £75,000
Redundancy costs approx. £10,000 (only some of the staff would be made redundant, others would be transferred to SBC by TUPE).
Maintenance costs would continue.
- 3.4 Close or stop serving hot food at the cafe, there would be some one-off costs:
- Redundancy costs approx. £15,000 (all catering staff made redundant). The contract makes Spelthorne liable for redundancy costs should Spelthorne BC make the decision to terminate contracts
- Some equipment need to be moved as it would no longer be required. The cost of this including a deep clean and minor repairs would be approx. £2,000
Total one-off costs of £17,000 would apply to the following 3 options
- 3.5 Close the Café and have no refreshments,
- Part time Centre assistant approx. £11,100 including on costs.
- Income generated from room rental approx. £10k
- Income from activities (from year 2) approx. £3,000
- Maintenance costs should reduce
Year 1 annual operating budget increase by £1,100 to £42,900
Year 2 onwards decrease in budget by £1,900 to £38,800 (once activities at capacity)
One off costs (as point 3.3) approx £17,000
- 3.6 Close the café and have a vending machine service
- Part time centre assistant approx. £11,100 including on costs.
- Income generated from room rental approx. £10k
Increase annual operating budget by £11,100 to £52,900
One off costs (as point 3.3) approx. £17,000

- 3.7 Volunteer run café service.
- Part time centre assistant approx. £11,100 including on costs
 - Income generated from room rental approx. £10k
 - Budget for food/drink purchase approx. £3k
 - Income from café approx. £9k
- Decrease in budget by £4,900 to £36,900
 One off costs (as point 3.3) approx. £17,000

Summary of costs

Option	Continue with Myers (3.1)	SBC to run cafe (3.2)	Close café No refreshments (3.4)	Close café Vending machines (3.5)	Volunteer run cafe (3.6)
Annual budget difference	£11,800	£33,200	£1,100 (Yr 1) -£1,900 (Yr 2)	£11,100	-£4,900
New annual budget	£53,600	£75,000	£42,900 (Yr 1) £39,900 (Yr 2)	£52,900	£36,900
Total one off costs	0	£10,000*	£17,000**	£17,000**	£17,000**

*Redundancy costs for some staff only

**Redundancy costs for all catering staff and equipment moving/building repairs

4. Other considerations

- 4.1 If SBC take back room rentals, this would need to be managed through customer services to be consistent with other centres, and would require taking on the current caretaker through TUPE.
- 4.2 Cleaning is currently carried out by Myers as part of their contract. Staines Community Centre cannot be added to the existing cleaning contract for Knowle Green, the Depot, Fordbridge and Greeno so a short term contract would need to be arranged until it can be incorporated into the larger contract which is due to be tendered for in 2017. Quotes were obtained about a year ago and these were comparable to the prices that we currently pay Myers so there should be no additional budget required for this.
- 4.3 Members using the centre are generally like Myers and the staff working there and may be unhappy with the café closing. This would have to be managed carefully and the rationale behind the decision explained clearly.
- 4.4 A discussion would be required between the current contractor and SBC regarding redundancy payments but this would need to be indemnified. 12 weeks' notice will be required to make staff redundant.
- 4.5 The Business Improvement District Steering Group are exploring options of a 'taster' card to offer discount at local restaurants.
- 4.6 Cllr Maureen Attewell (Portfolio Holder) and Cllr Colin Davies are both fully supportive of the proposals to have a volunteer run café.

4.7 A 12 month review will take place.

5. Timetable for implementation

5.1 Set out a timetable, if required, showing when the proposal in the report will be implemented.

Date	Action
28 September 16	Cabinet decision
w/c 3 October 16	Meeting with current catering contractor (South East Caterers) informing of way forward (volunteer snack service)
October 16 – January 17	12 week redundancy notice to staff
October 16	Recruitment starts for Centre assistant
December 16 – January 17	Organisation, recruiting & training of volunteers
31 January 2017	Contract with South East Caterers expires
1 – 3 February 2017	Deep clean/make good downstairs area
6 February 2017	Volunteer café opens
February 2018	Review

Background papers: None

Appendices: None