

# **SCRUTINY COMMITTEE**

## **TASK GROUP REPORT NO. 2**

### **FUNCTIONS, EVENTS AND** **CATERING**

**DECEMBER 1999**

# **REPORT OF THE FUNCTIONS, EVENTS AND CATERING SCRUTINY TASK GROUP**

**Membership:** Councillors Carthew; Cornwell (ex-officio); Daglish (Chairman); Flemington; Stanier; M. Woodriff.

**Professional Adviser:** Martin McDonald, Best Value and Business Planning Manager

## **1. THE BRIEF**

***‘To investigate the use of the Council’s assets for functions, events and catering.’***

## **2. INTRODUCTION**

Earlier this year, the DETR issued a Section 14 notice terminating the DSO staff and civic catering contract.

Shortly after this decision, the Council’s new committee structure resulted in the establishment of a Scrutiny Committee. The new Committee therefore included Staff and Civic Catering in the list of service delivery areas to be investigated.

It also decided that this particular Task Group could usefully extend its remit to encompass functions and events at civic halls.

## **3. METHODOLOGY**

The Task Group met on five occasions between July and December 1999 and, as part of the information-gathering process, interviewed, in confidence, a wide cross-section of interested parties. We also received copies of reports and other useful documentation (**Appendix A**).

Best Value and Business Planning officers undertook a comprehensive survey of users - generating almost 100 responses.

We should like to place on record our thanks to everyone for their valuable contribution.

Any meaningful review should, of course, include staff and civic catering. We were, therefore, keen to negotiate a delay to the DETR review deadline so that the contract could be included as part of a wider debate.

Despite determined efforts by officers, the DETR insisted that the tendering process be implemented and on 11 October, the Resources Committee approved a new tender specification.

In terms of timing, the DETR decision was unfortunate, but we felt that our review would not be complete without addressing the key issue of catering.

## **4. THE FINDINGS**

### **4.1 Staff Catering**

The DSO has reported a trading deficit for the last two years, but has been able to off-set some of its losses by generating income from functions catering at York House. It should, however, be noted that functions catering is not a contractual obligation and is not recognised as such by the DETR.

The precarious finances of the DSO prompted the Task Group to question the continuing need for staff catering facilities at York House and the Civic Centre.

Out of a total workforce of c. 3,450 – excluding teaching staff - some 500 employees (15%) are located in the Twickenham complex of civic offices. This is the largest single concentration of employees throughout the borough. On balance, therefore, we felt that the Council should continue to provide staff catering facilities at York House – but in a different form. We also felt that a trolley service at the Civic Centre should continue to be available.

Demand for freshly prepared hot meals in the staff canteen is declining and this led us to conclude that they should cease in favour of light meals, sandwiches, salads, soups etc. This would, in our view, reflect modern eating habits and make the facility attractive to a wider audience thereby helping to reduce the current subsidy.

The new tender specification reflected this thinking. It also made provision for reduced opening hours for staff dining.

Tenders were returned in November but, of the four bidders, including the Council's Catering DSO, none was willing to tender on the reduced specification. In fact, the DSO tendered on the basis of delivering a service that equates approximately to the service currently provided.

After careful deliberation, the DSO tender was approved by a delegated panel of members and officers (one Councillor having dissented, but not opposed). Until the Secretary of State's decision as to whether the contract can be awarded to the DSO, the DETR have indicated that, notwithstanding the Section 14 notice, the current arrangements can continue.

We were disappointed that no contractor was prepared to tender on the basis of the new specification but remain convinced that this is the right direction in which to proceed. **We would therefore expect the situation to be reviewed at the earliest opportunity.**

## 4.2 Staff Social Club

As part of the re-tendering exercise, contractors were also invited to tender for a catering facility at the Staff Social Club, located next to Clarendon Hall.

Given the range and quality of alternative food and drinks outlets in Twickenham, and the fact that there are excellent function facilities available at York House itself, a majority of the Task Group members were not entirely convinced that there is a continuing need for a licensed Staff and Social Club.

Since this area is an integral part of the Staff and Civic Catering Contract, we recognise that we cannot make a firm recommendation at this stage. Again, however, **we would expect the situation to be reviewed at the earliest opportunity.**

## 4.3 Functions Catering

The financial analysis for functions catering, overall, shows a continuing loss-making situation.

Functions catering, if marketed and managed effectively, can be profitable but we are not convinced that the Council is making the most of its position as a catering facilitator. In our view a more robust marketing stance is called for.

Under the current arrangements, hirers are allowed to organise their own catering. We believe that this concession should end.

**Functions catering for Council, civic, and private hire should be provided exclusively from an authorised list of caterers approved and controlled by the Council.** This means that all customers requiring catering would have to use a supplier from the list and that a 'per head' charge would be made. The supplier, in turn, would have access to the Council's kitchen facilities.

Charges would reflect whether the caterer was applying for a liquor licence, and would cover the facilities management costs of providing facilities, as well as management of the approved list.

Any such arrangement would have to ensure that the list includes caterers who can meet the requirements of *all* hirers.

This approach would involve some risk. Conversely, if we have enough faith in our product (the quality of the venues and the service we provide), we should be prepared to take that risk in favour of generating more income.

We accept that self-catering facilities may need to be continued for private functions at the Council's smaller venues.

## 4.4 York House

York House is the 'flagship' of our public venues and accounts for some 70% of the total income for functions etc. We therefore spent some time investigating the use of the building, and the way in which it is marketed.

### 4.4.1 Bookings

Access to facilities is not customer focused, being managed by a number of departments based at different locations i.e. caretaking, security and facilities management are under Construction & Property Services; cleaning is under Best Value and Business Planning; bookings and marketing are under Leisure Services and Personnel respectively.

This has led to a complicated set of internal Service Level Agreements (SLAs).

There are at least three ways of booking the facilities at York House: via Leisure Services – for external lettings of the halls and for weddings in the Terrace Room; via the Post Room – for internal bookings; via the Caretaking Staff – for ad-hoc immediate use. Potential customers also have to deal with different contacts in order to see the facilities first-hand.

The arrangements are in no way a criticism of the dedication and commitment of the staff who provide this service. However, we believe that a more consolidated customer-focused approach - under one central source - would enhance the Council's policy of 'access for all' whilst maximising potential business opportunities. It would also enable the Council to compete more effectively with other local organisations e.g. Kew Gardens, Pembroke Lodge, local hotels etc.

We also felt that there is potential to increase the income of York House through its promotion as a conference centre.

### 4.4.2 Access for Council business

York House is the main venue for committee and Council meetings – both formal and ad-hoc.

If the Council is to maximise its full income potential from York House lettings, it will be necessary, on occasions, to use other Council venues for meetings not open to the public i.e. **income-generating hirers should be given priority and, within reason, full-paying customers should be given priority over discounted ones.**

### 4.4.3 Refurbishment

The quality and up-keep of York House facilities will have a major influence on the Council's ability to capture a significant share of the local market for events and functions.

The up-grading of the kitchen facilities would be a priority.

A report in 1989 by consultant architects Donald Insall and Partners, suggested a full reinstatement of the former Winter Garden (currently the staff canteen).

**The Task Group recommend that the above report be re-visited by officers with a view to establishing what is feasible in the current financial climate.**

In our view, it would be highly desirable to revert the canteen to the Winter Garden and refurbish the area to create a multi-purpose seating area for receptions, informal meetings, staff relaxation, and a dining area. It could then be marketed as a facility to the public at weekends and evenings. This would enhance facilities overall at York House and complement any planned refurbishment of the Winter Garden.

We are advised, however, that although some of the refurbishment costs could be off-set against hire charges, the majority of costs would have to be met from *outside* the staff and civic catering contract.

**We also recommend an investigation into the refurbishment of other venues used for public functions as, in some cases, this may involve only a modest investment.**

#### **4.4.4 Car Parking**

Parking can be a problem for major functions at York House. **We therefore recommend that officers investigate the possible opening-up of the underground car park for public use on such occasions – and, if it is feasible, what sort of charges would be appropriate.**

### **4.5 An integrated approach**

Although the user survey indicated a good level of customer satisfaction, the lettings figures suggest that facilities are commercially under-utilised. We feel that this can best be remedied by integrating the bookings, marketing, catering, cleaning and security functions, under one source.

**We are recommending the appointment of an Events/Functions Manager to co-ordinate, client manage and promote all premises and facilities – including all aspects of catering using, as necessary, external contractors.**

Although this recommendation is aimed principally at income generation, the Council would maintain its policy of offering discounted rates to charitable organisations and community groups. **However, the current discounted rates for borough residents in respect of weddings seems to be based on out-dated practice and should, in our view, cease.**

It is proposed that the new service be led by the Best Value and Business Planning Unit as it has the skills and expertise to support this function. A start date of June 2000 is suggested.

We would expect to see on-going reports to the Resources Committee on business plans etc. and the performance of this arrangement against profitability and 'best value' criteria.

It is appreciated that a centralised approach is potentially controversial but we believe that the current, fragmented arrangements, prevent the Council from maximising the potential use – and, therefore, income – of its public venues.

#### 4.6 Outsourcing option

The successful marketing of the Council's public venues may depend quite heavily on the ability to enter into a planned programme of refurbishment. **If that investment is not available from Council funding, we believe that serious consideration should be given to outsourcing the entire activity of promoting, marketing and managing public halls in return for a refurbishment pay-back.**

### 5. SUMMARY OF MAIN RECOMMENDATIONS

- A new approach to staff catering at York House (4.1) [Resources Committee]
- Review of Staff Social Club facility (4.2) [Resources Committee]
- Exclusive list of catering suppliers for larger private functions (4.3) [Leisure Services and Resources Committees].
- Priority booking system for fee-paying customers (4.4.2) [**Resources Committee**].
- Review of refurbishment and investment for public halls (4.4.3) [**Leisure Services and Resources Committees**].
- Public access to underground car park at York House (4.4.4) [**Resources Committee**].
- New post of Events Manager to be responsible for centralisation/management of all bookings, catering, facilities management, and marketing activity (4.5) [**Leisure Services and Resources Committees**].
- Abolition of residents' discount for weddings (4.5) [**Resources Committee**].
- Outsourcing option to be considered as part of future investment strategy (4.6) [**Resources Committee**].

Signed ..... Councillor Mike Daglish (Chairman)

..... Councillor Nick Carthew

..... Councillor Maria Flemington

..... Councillor Eleanor Stanier

..... Councillor Maureen Woodriff

December 1999.



# APPENDIX A

## **Background papers:**

Publicity leaflet – ‘Getting Married at York House.’

Publicity leaflet – ‘Halls for Hire.’

New tender specification for Staff and Civic Catering.

Civic Facilities Management – Service Standards Manual.

1992 review of Town Hall Keeping at York House and the Civic Centre.

Extract from Leisure Services Service Plan 1999/2000.

Statistical and financial data from Head of Leisure Services.

Minutes of two meetings of ‘Weddings at York House’ Working Party.

Proposal from Asst. Head of Construction & Property Services on future of York House.

Memorandum from Postal & Support Services on booking systems for York House.

1989 report by architects Donald Insall & Partners on refurbishment of York House.

Various Service Level Agreements.

Questionnaire for Users of Public Halls – and interim results.

## **Witnesses:**

Councillor Anne Summers, Chairman of Leisure Services Committee.

John Wright, Head of Leisure Services.

Dennis Hope, Senior Premises Officer.

Penny Spurr, Catering Contracts Officer.

Peter Stenning, Catering Manager, York House.

Rodney Mason, Assistant Head, Construction & Property Services.

Janet Pattenden, Senior Lettings Officer, Leisure Services.

Judi McCormack, Senior Admin Officer, Personnel.

David Neaves, Head of Operations, Environmental & Operational Services.

Ted Rothery, Vice-Chairman, Staff Social Club.