

**Report of the Cabinet Member for Service Transformation & Business Operations**

**Cabinet – Monday 17<sup>th</sup> August 2017**

**“ALL COUNCIL CATERING” COMMISSIONING REVIEW  
GATEWAY 2 REPORT**

<b>Purpose:</b>	This report outlines the background to the “All Council Catering” Commissioning Review and sets out the findings and recommendations from the Options Appraisal
<b>Policy Framework:</b>	Sustainable Swansea – Fit for the Future
<b>Consultation:</b>	Finance Legal Access to Services Services in Scope
<b>Recommendation(s):</b>	It is recommended that:  a) The preferred option is approved b) The post of Business Development Officer is created c) Commercial opportunities are approved for implementation d) Cabinet endorse the view that the staff catering service should be cost neutral e) Cabinet recognises the financial risk associated with Secondary School dropout and known budget pressures. f) Cabinet recognises the change in financial position from this review g) Further work is commissioned to review the internal controls in place to support this business model
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## 1 SUMMARY

- 1.1 This report is to seek approval to proceed with the recommended options outlined by the Catering review project team and to provide evidence that the review has completed all relevant tasks as part of the commissioning process.
- 1.2 The preferred option as an output of the review is included in **Appendix A** and is written in a style of a business plan, as one of the recommendations of the project team is to adopt a more commercial ethos for catering services going forward.
- 1.3 This report will also address an overview of the review findings to date as well as outline some of the comparison and performance information.

## 2 BACKGROUND

### Commissioning Review approach

- 2.1 Cabinet will recall that “Catering” was one of the areas initially in scope in the first tranche of commissioning reviews, but for various reasons failed to progress at the time. It has now been added to the “cross-cutting themes” for the next phase but has still adopted the standard commissioning process and principles.
- 2.2 Given that the scope of the review covers many catering functions across a number of service areas, the cross-cutting approach has adopted the principles of service integration, collaboration & rationalisation as well as a common theme of commercialism by looking at all parts of our catering systems, processes, people & strategies.
- 2.3 As such, a different approach to the management and leadership of this review was agreed. Two leads from the Transformation Team have acted as delivery leads, whilst the Director of Place acted as review lead. The lead Cabinet member is Cllr Clive Lloyd, Deputy Leader & Cabinet member for Transformation & Business Operations
- 2.4 To support the Transformation Team in delivering this review, a business intelligence group was established to supply the requisite information, guidance and support at each stage.
- 2.5 The Transformation Team have used their remit in terms of business improvement to adopt the above mentioned principles to present a radical preferred option as an output of the review

### Scope of the review

- 2.6 The scoping template can be found in **Appendix B** and covers 3 broad areas: social services catering, school meals catering & commercial catering.
- 2.7 The rationale for the review included in the template, offers a great insight in to why the cross-cutting approach was required to achieve the best outputs of this review.

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2.8 The review team has looked at all aspects of catering services at an operational level, as it was evident from the service assessment that this is where a number of opportunities exist for continuous improvement. Findings from the comparison exercise have also re-enforced the focus needed here.

Out of scope

2.9 Corporate Management Team (CMT) have previously recognised that some functions within scope of the review may fall outside of any recommendations:

Function / service	Reason
Mansion House	A review of the Mansion House is ongoing with potentially some investment for remedial works, with a view to commercialise the building. It is envisaged that any future plans for catering will be picked up as part of the business case.
Outdoor Education Centres	This was one of the first commissioning reviews and significant savings have been achieved as part of their implementation plan. A staffing review and a more commercial ethos has covered catering within.
Cultural services portfolio	Specifications as part of the tender exercise currently under way for our Leisure Centres, Outdoor Leisure facilities and visitor attractions include catering functions as part of management and operations of these sites. Outcomes to be achieved mirror what has been outlined in this review.

2.10 It is likely that if approved, the preferred option could pick up any opportunities from these facilities within its business plan, particularly the Mansion House as the vision for the preferred option is strongly weighted towards commercialisation.

Savings targets

2.11 No savings targets were allocated as part of the review, and more detail on proposed changes to budgets are provided within the financial appraisal.

Influences & challenges facing the review

2.12 The review has identified a number of influences and challenges during the review and are listed below to provide context.

Demand for School Meals	<p>National trends show that demand for school meals free and paid is decreasing. This is due to a number of factors such as affordability of alternatives i.e lunchboxes, availability of menu choices, perceptions over price and quality, and changing social trends.</p> <p>The service is reliant on paid meal income, currently £4.7m to offset the cost of free school meals.</p>
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	<p>APSE benchmarking data shows that Swansea is currently below the meal uptake percentage average for a similar Local Authority.</p> <p>Therefore, increasing meal uptake has been highlighted as a key objective for the preferred option</p>
Competition	<p>Some secondary schools allow pupils outside of school premises during break and lunch times which brings our service into direct competition with the external market place. Often a preferred choice for pupils are sugary options available outside the school gates which coupled with the healthy eating legislation schools need to abide to, we struggle to compete.</p>
Food poverty	<p>The Authority has committed to tackling food poverty by dedicating resource to set up a Community Interest Company (CIC) based on a similar model devised in Liverpool to provide cookery training, source fresh food, provide employment opportunities and tackle food poverty (<a href="http://www.cancook.co.uk/cancook-cic/">http://www.cancook.co.uk/cancook-cic/</a>)</p> <p>As the review has progressed, opportunities have been developed to explore how the social enterprise could pilot meals delivery within our catering settings or become a provider of cooked meal products. These are explained further within the options.</p>
Social habits	<p>A significant influence of this review is how social trends have developed in recent years with the development of a “coffee and cake” culture, the move from a canteen/restaurant type environment to a café, as well as a greater shift in customers consuming products to go rather than within a catering setting.</p> <p>The review has developed opportunities to transform existing staff catering provision taking into account the changes in social habits.</p>
Complex needs	<p>Changes to legislation emphasise the need for service providers in social care to adopt the key principles of choice &amp; independence and this is no different for catering services.</p> <p>Options have been developed in this review to take into account the different needs of residents and day services users who have varying needs across a range of client groups.</p>

Secondary School buy back

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- 2.13 With catering budgets delegated to schools, there is increasing evidence that schools are seeking other options with regards to how they service catering provision.
- 2.14 With increasing autonomy and more challenging school governors panels, Secondary Schools are looking to save money where possible on ancillary services.
- 2.15 The review has identified one Swansea Secondary school already left the School Meals SLA and others awaiting the outcome of that transition before deciding next steps. The reasons for this school leaving were:
- Ability to generate surpluses to be reinvested into the school
  - To employ a Catering Manager to transform existing provision
  - To improve the quality and presentation of existing products and develop new product lines
  - To align provision to future trends i.e. café not a canteen
  - To improve pupil attainment by meeting the needs of their pupils
  - Successful examples in other Local Authorities.

Outcomes identified at Stage 1/2

- 2.16 The following outcomes were identified at Stage 1 / 2:

<i>Outcome</i>	<i>Corporate Priority link</i>
<b>SOCIAL SERVICES &amp; SCHOOL MEALS</b>	
1. To meet the continuous need for healthy and nutritious meal provision as part of a balanced diet	Tackling Poverty Improving Pupil Attainment Safeguarding Vulnerable People
2. To assist with the development of social skills and provide opportunities for social interaction amongst service users and residents	Improving Pupil Attainment Building Sustainable Communities
3. To ensure the wellbeing of service users and consumers, and to safeguard vulnerable individuals with complex needs	Safeguarding Vulnerable People
4. To give consumer choice and independence in meal provision and meet a range of dietary requirements	Tackling Poverty Safeguarding Vulnerable People
5. To ensure holistic approaches are followed to link catering provision with other desired outcomes. i.e physical activity, safeguarding	As above
<b>COMMERCIAL CATERING</b>	
1. To ensure profitability of each operation	Vibrant city & economy
2. To add value to each respective site as an overall product/service offering	Vibrant city & economy

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3. To provide choice and alignment to consumer needs in a modern café style environment	Vibrant city & economy
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Emerging Key Issues

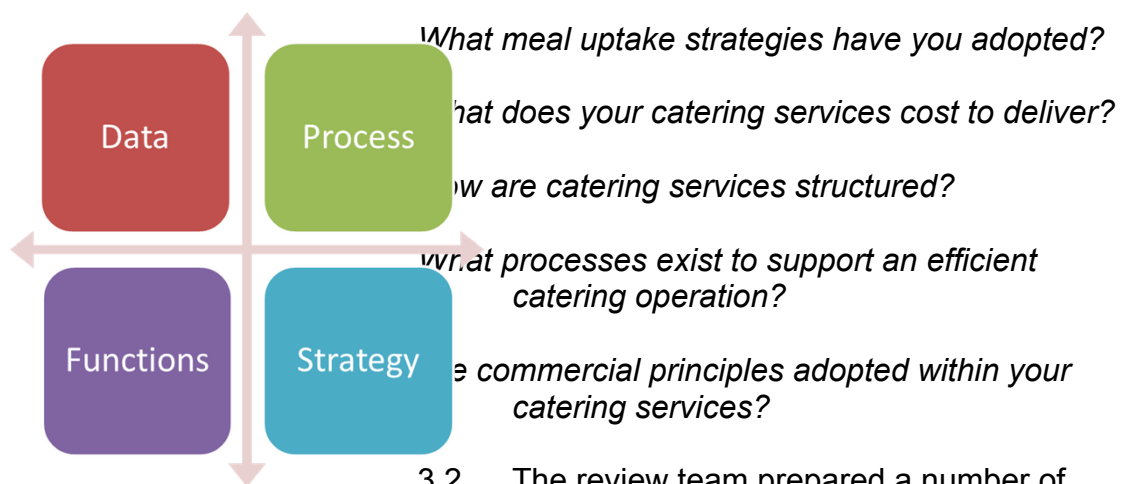
2.17 The issues identified below are a summary of the emerging issues identified, and were all evidenced as part of the service assessment within the 1<sup>st</sup> Gateway report:

- Paper based administration processes not operating under lean principles, issues magnified by the scale of the school meals service
- Complex end to end business processes evident for income collection of paid meals and subsequent debt recovery procedures
- Communications and promotional aspects of the school meals service can be reviewed with a view to increase meal uptake
- The availability of management information is a concern, in particular headline performance metrics evidenced by the difficulty to collate information in stage two.
- There has been little development in digital technology to modernise the service
- Business support functions are duplicated with administration functions present in both School Meals catering & Social Services catering
- Evidence of spend in Social Services catering outside of bulk buying purchasing arrangements

**3. COMPARISON & PERFORMANCE**

Approach

3.1 The approach to information gathering adopted the standard four pillars of benchmarking but also looked to address some fundamental questions:



3.2 The review team prepared a number of questions under each of these pillars of benchmarking and are available in **Appendix C**

3.3 It was important to collect information from a wide range of sources, therefore contact was made with other Local Authorities, Colleges, Universities and local private companies to gather a detailed assessment of approaches to deliver catering functions. Site visits were also undertaken where necessary to understand catering operations which have adopted a commercial approach.

Quantitative data

3.4 The review team has been working with APSE and LACA (Lead Association for Catering in Education) to collate high level data to understand:

- Cost per meal (Primary, Secondary)
- School numbers
- Employee numbers (Posts, FTE)
- Meals produced
- Income collected (Free School Meals & Paid)
- Food costs
- Staff costs
- Unit costs

3.5 At time of writing, a completed set of financial information has been difficult to collate with some Authorities reluctant to provide such level of detail due to commercial sensitivity, however they have supported the review by providing qualitative data for some of the other questions that the review has addressed.

3.6 In summary however, the following observations were made in respect of quantitative data:

- Our paid meal uptake figures are currently below the average for similar comparators (APSE group C5):

<b>Paid for meals</b>	<b>Swansea</b>	<b>Average</b>
Primary (absence adjusted)	37.97%	42.34%
Secondary (absence adjusted)	38.36%	42.59%

- Free school meal uptake figures vary significantly between Primary's & Secondary's and compared against the average for similar comparators (APSE group C5):

<b>Free school meals</b>	<b>Swansea</b>	<b>Average</b>
Primary (absence adjusted)	82.93%	79.84%
Secondary (absence adjusted)	58.73%	74.58%

- The service performs above average in terms of unit costs:

<b>Total cost per lunchtime meal</b>	<b>Swansea</b>	<b>Average</b>
Primary (including CEC)	£2.08	£2.39
Secondary (including CEC)	£2.19	£2.61

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<b>Food only cost per lunchtime meal</b>	<b>Swansea</b>	<b>Average</b>
Primary and special schools	£0.64	£0.72

- The service is above average in terms of direct costs associated with food production (cost of sales) compared to overall cost

<b>Direct costs as a percentage of total costs</b>	<b>Swansea</b>	<b>Average</b>
Primary & Special schools	88.89%	82.65%
Secondary schools	90.70%	85.05%
All	89.56%	83.04%

- Catering services enjoys a significant share of paid meal income which complements the cost of free school meals in how the service is funded. This is compared to other Local Authorities in Wales where a general fund subsidy is required in addition to FSM funding and paid meal income to meet the cost of the service.
- Several examples in APSE data show school meals services generating significant surpluses on paid meals to offset the cost of FSM.
- Our low unit costs in comparison allows the service to keep the cost of school meals relatively low. It lies in the middle quartile for school meal prices with £2.20 being the mean and median figure.
- Primary & Secondary meal prices are split in other Local Authorities with the mean at £2.43 and median £2.40 thus placing Swansea below average with only Caerphilly cheaper for Secondary meals at £2.15
- A small sample of quantitative data has been collected for Social services catering, which is insufficient to use for comparison purposes.

### Qualitative data

3.7 The review team were successful in gathering a significant amount of detail regarding catering operations and strategy, and it is this information which has proved more of use when identifying and evaluating options.

3.8 In summary, comparisons made have resulted in the team collating the following findings:

Functions	<ul style="list-style-type: none"> <li>• Most Local Authority catering services are managed within an Education directorate with commercial catering functions managed separately under Estates / Facilities Management and/or Leisure.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Social services catering is managed separately and colleagues consulted had little or no knowledge and visibility of provision</li> <li>• Some catering functions have direct control over ancillary services such as kitchen management &amp; compliance and debt recovery.</li> <li>• Different models of service delivery exist with outsourced Catering examples in Newport and Anglesey. The Vale of Glamorgan are planning to set up a wholly owned trading company in year 3 of a 5 year business plan</li> <li>• There was no common trends in respect of business support with some aspects delivered within the catering service, and some provided corporately.</li> <li>• Staffing provision is determined via a template and rationale which is standard across Local Authorities.</li> <li>• Food supplies &amp; services are available via an all wales framework, however not all Authorities are opted into these arrangements.</li> <li>• Operating models other than in-house are evident in local commercial catering functions with examples and benefits realised from PFI and outsourced contracts.</li> <li>• Outsourced catering contracts tend to form part of wider soft facilities managed service contracts</li> </ul> <p>Recommendations from our own catering providers internally have recommended longer term contracts, better partnership working, utilising local supply chains for equipment and food as well as consolidating services for commissioning as options for consideration.</p>
Processes	<ul style="list-style-type: none"> <li>• Issues around communications were listed as a common themes with little co-ordination between the Council as service provider, schools as customers and parents/pupils as consumers</li> <li>• Ordering and purchasing processes are either delegated to cooks at each location or operate within a centralised model</li> <li>• ICT solutions have been implemented to modernise the service and support standardised processes for meal reconciliation and ordering &amp; purchasing. Additional functionality is also evident to support nutritional analysis, stock control and financial management.</li> <li>• No Local Authority consulted has adopted online payments in primary schools</li> <li>• There were no common trends in respect of business support with some aspects delivered within the catering service, and some provided corporately.</li> </ul>
Strategy	<ul style="list-style-type: none"> <li>• It is evident that other catering services adopt a split pricing policy for Primary &amp; Secondary school meals</li> </ul>

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	<ul style="list-style-type: none"> <li>• A number of Local Authorities have applied for Appetite for Life standards with a view to use as a promotional tool in marketing and communications material.</li> <li>• Several councils have introduced a no debt policy with catering services billing schools directly for the number of meals produced. Schools are responsible for reconciling all paid meals.</li> <li>• Staffing reviews have been undertaken in light of budget cuts, workforce planning and the age profile of the current workforce.</li> <li>• Local supply chains are used for food supplies and equipment and not all-Wales frameworks.</li> </ul>
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### Commercial Catering

3.9 Recommendations from the Gateway 1 review have looked to address the continued subsidy of staff catering in the Council. Therefore, a key element of the benchmarking exercise has been to understand how commercial catering is delivered in other organisations.

3.10 Whilst it was evident that catering is delivered in various models of provision across these organisations, some common themes were evident:

- Catering is seen as a service to staff and not necessarily a net income stream
- Provision meets the needs of convenience and choice for consumers
- Catering provision has modernised and focuses on the overall customer experience not necessarily just the food product
- Food supplies are often bought readily prepared and meet a “grab and go” style culture
- Catering compliments existing facilities requirements and ensures staff wellbeing. I.e consideration of space for informal meetings and social interaction.

3.11 A meeting and site visit with one of our comparators proved beneficial as commercial opportunities have been developed in-house. Lessons learnt have influenced how we approach commercial opportunities for our services and are covered in more detail as part of the preferred option.

### Lessons learnt from comparison / benchmarking

3.12 Operations, processes and strategy are the three generic headings in which the review team has learnt the most from comparison and benchmarking, the following aspects will look to be explored further within the preferred option:

- The preferred option should look to increase meal uptake, in particular paid meals.

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- A key focus of the preferred option should review communications & engagement with schools as customers and pupils/parents as consumers. The review has highlighted areas for improvement around this theme.
- A coherent strategy or business plan should be produced that takes a longer term view of the service
- Commercial opportunities should form a significant element of the preferred option, which can focus on commercial return and culture change of staff.
- Greater visibility of financial information should be explored, with billing mechanisms revised i.e removal of client account
- Online payments in primary schools should continue to be rolled out
- A no debt policy has been successful in reducing school meal arrears and administrative issues
- Age profiling is an issue and therefore workforce planning and resource requirements should be reviewed.

#### 4. OPTIONS APPRAISAL

##### Approach

4.1 Given the wide scope of this review and the cross-cutting approach adopted, the options appraisal has required careful planning and evaluation to reach the preferred option. It has also needed to consider the findings of the comparison exercise. The options appraisal therefore has adopted the following principles in addition to standard considerations at this stage:

- The preferred option should look to integrate and rationalise existing services
- The preferred option should focus on the “what” and not the “who”
- The preferred option should adopt a commercial ethos within its cultural development and change

4.2 The approach to identifying options was influenced by the commercial nature of the business which made it extremely important that any preferred options should concentrate on the product as much as the method of delivery. Therefore, the project team put together some detail around the features of such options as well as benefits and drawbacks.

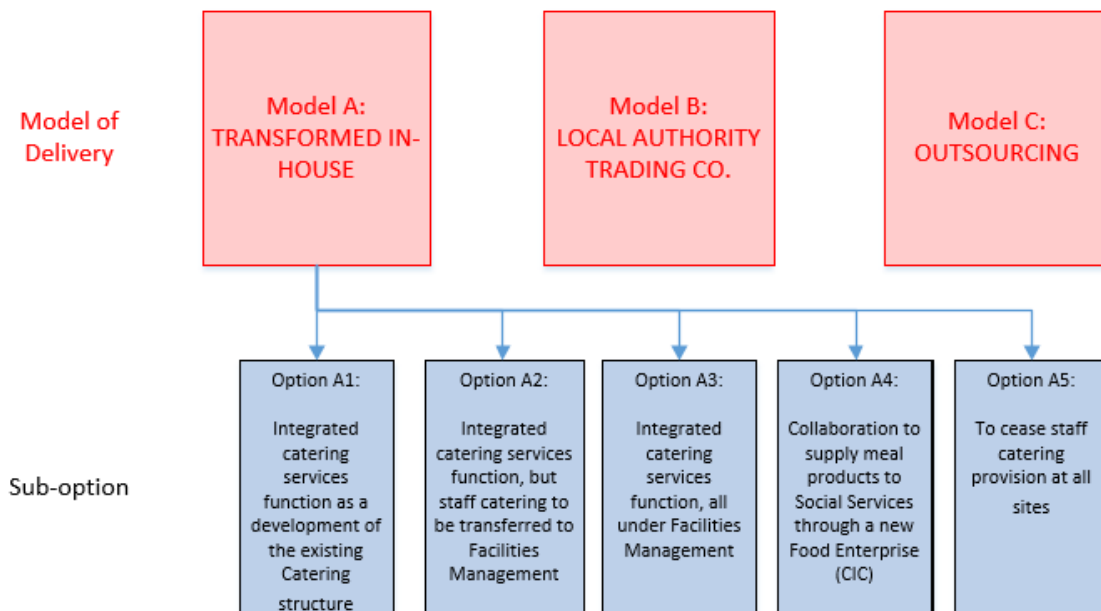
4.3 Focus sessions were then held to discuss the feasibility of these features and to transform them into viable options that could be used for evaluation. The options were then substantiated to include a rationale, assessment of deliverability and sustainability, and a match to outcomes and corporate priorities. These supported the features and benefits and drawbacks to form an **options canvas**.

##### “Models” & “Options”

4.4 The options originally formed contained many nuances in terms of:

- What catering functions were in scope
- Who managed the respective catering functions
- Slight variations on the delivery model itself

4.5 Therefore, the project team decided to split the options identified into models & options as illustrated below:



4.6 The identified models and options canvasses are provided in **Appendix D** which presents the detail of each identified model & option. In addition to each option identified, it is worth noting that these options would be available regardless of the preferred model of delivery.

#### Commercial business case development

4.7 A focus during the options appraisal stage also has been to develop our commercial opportunities as part of the preferred option. This has predominantly been on our staff catering provision, as the review has identified that this service is not operating at cost neutral currently.

4.8 Additional opportunities are also being explored within our Adult Services establishments at Fforestfach Day Service, CREST, Swansea Vale Resource Centre & Victoria Park Kiosk.

#### Options appraisal workshop

4.10 The project team hosted an options appraisal workshop on Thursday, 25<sup>th</sup> May 2017 in which delegates were asked to discuss each “option” identified as well as score each “model” against a thematic list of questions. The criteria included strategic fit, match to review outcomes, financial impact, deliverability and sustainability.

4.11 In summary, the main points that came from each table discussion were:

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- In looking at a rationalised service, the Council should be mindful of meeting CSSIW expectation with regards to meal provision
- Hard to see the added value of transferring the service to Facilities Management
- The council really needs to improve and focus on marketing its catering services
- Consumers need to be more involved in menu options
- Previous experience of outsourcing means that we should be wary of taking this path

4.12 Details of the scoring exercises, questions, feedback from each table are provided in **Appendix E**

## 5. PREFERRED OPTION

5.1 The preferred option is detailed separately in a 3 year business plan as **Appendix A**. The project team felt this approach was necessary to detail the preferred option as:

- The review has highlighted a more commercial approach is required to manage and operate the service.
- Features within the preferred option will have an impact on the financial make up of the service, therefore there is a focus on this cumulatively.
- Marketing & branding is essential to the service increasing meal uptake and a business plan is useful to illustrate this.
- Changes proposed as part of the preferred option will take some time to implement, therefore business planning and focus on managing implementation is necessary.

5.2 The preferred option of the **Commissioning Review Team is to consolidate the existing school meals and social services catering functions into a single in-house managed service. It also proposes to manage:**

- Centralised vending contracts for the Authority
- Existing staff catering functions at the Civic Centre, Guildhall & Pipehouse Wharf
- The development of commercial opportunities across the revised service structure
- Potential transition of tendered sites managed by other services as part of commercial development opportunities longer term.

5.3 Referring back to the “options” canvasses described in Section 4, this preferred option is strongly aligned to Option A1. The business plan will adopt the majority of the features and will transform incrementally over a 3 year period.

5.4 Our consultation indicated strongly however, that the preferred option for catering should focus on the “what” as much as the “who”, therefore this

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preferred option could encompass aspects of the other sub-options in its evolution.

### Preferred Option Features

- i. A single managed in-house catering function
- ii. Development of commercial opportunities for staff catering provision
- iii. Review of management & staffing structure
- iv. Rationalisation of business support
- v. Revised operational processes in alignment across both areas i.e. menu preparation, ordering & purchasing
- vi. Revised billing & financial procedures for school meals
- vii. Rollout of online payments for school meals
- viii. Changes to existing school meals “product” with a view to increase take up of paid meals:
  - a. Re-brand of existing Captain Jack brand / identity
  - b. Better online presence
  - c. Use of social media
  - d. Holistic communications with schools & parents
  - e. Revised pricing strategy
- ix. Production of a catering strategy supported with action plans, changes in culture and focus on financial returns.

#### Why this delivery model and preferred option? – the rationale

- 5.5 The transformed in-house **model** ticks a number of boxes as part of the evaluation process:
- The cross-cutting approach looks to integrate, rationalise and collaborate with other internal services where possible. This model will act as a pilot of this approach
  - The existing provision in Social Services can be re-aligned to meet the needs of all consumers
  - Working together as part of an integrated service will deliver stronger outcomes
  - Greater scope for financial savings is evident as the new structure embeds
- 5.6 The sub-option chosen is the preferred **option** for operational and management responsibility of the integrated service for the following reasons:
- It improves the efficiency and effectiveness of resources across two service areas
  - Social services provision can realise efficiencies from centralisation of menu preparation and to move away from the de-centralised model currently adopted

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- Greater scrutiny of inventory control and volumes of food orders is achievable from a centralised model to reduce and where possible eliminate waste
- Improved resilience for sickness and absence across the service by sharing staffing resources
- Allows scope for wider review of staffing and business support functions
- Improved management information to assist with assessments of service performance and future planning
- Potential to generate significant savings cumulatively through reduction in food & staffing costs and increasing and diversifying income streams

#### 5.7 Further details of the preferred option:

- Vision & outcomes
- Employment & Staff
- Marketing & Promotion
- Income & Commercial opportunities
- Revised budgets
- Council & School implications

are provided in the business plan

## 6. DISCOUNTED MODELS & OPTIONS

### Outsourcing

6.1 The review team saw examples of outsourcing in 2 Welsh Local Authorities. In both these examples, the contract value was made up of:

- Paid meal income
- Free school meal funding
- A general fund subsidy

6.2 The provider worked with the respective Local Authorities to reduce the general fund top up over the life of the contract. However, the cost of free school meals to each Authority remains and with the ability for paid meal income lost to a provider, this option is not seen as the most beneficial for Swansea at this moment.

6.3 Other reasons for discounting this option include:

- Loss of ability to reduce the cost of free school meals
- Loss of the “Swansea Pound”
- SLA is for a “Council Catering” service – any diversion from this may cause schools to revisit their options
- Increasing pay gap between Council employees and those on long term outsourced contracts
- Providers driven by different outcomes

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## Local Authority Trading Company (LATC)

6.3 There are examples of trading companies wholly owned by the local authority or a co-operative model owned by a mix of schools and local authority. Whilst it was discounted for the purposes of the options appraisal, it remains an option within the preferred option business plan. This is because:

- The commercial side of the business may grow to an extent where an alternative business model is required for legislative and operational reasons
- The business plan focuses on 3 year developments for the service and the service must transform operations and processes to be as efficient and effective as possible in the short term.

6.4 The main reasons for not pursuing a LATC at this stage is because:

- There should be a period of commercial activity first before establishing a LATC
- There is significant financial risk to the Council with the possibility of a trading company becoming insolvent
- There would be significant disruption to staff who would be affected by any TUPE transfer in addition to the HR resource required to implement this change
- The Council has no experience in setting up trading companies
- Of potential state aid implications
- Further work is required to understand whether the Council has the requisite powers to explore a trading model for commercial catering

## Sub-options discounted

6.5 **Option A2:** *“Integrated catering services function, with staff catering & vending provision to be managed within a corporate landlord function”*

**Why?** It was felt that to adopt a commercial ethos as part of the integrated service model, staff catering provision should remain under that management structure as this is a purely commercial aspect of the business. In addition:

- The business cases developed, do not support this option
- Facilities Management do not manage an in-house catering function currently
- Limited scope to make savings from the current model if commercial opportunities are not pursued
- Uncertainty amongst current workforce may impact adversely on service delivery

6.6 Instead, the service will work with Facilities Management colleagues to develop the environment of the staff canteen as outlined in the business plan.



6.7 **Option A3:** *“Integrated catering services function comprising all current in-house provision under the management of a corporate landlord function”*

**Why?** Management of the service comprises catering & cleaning, therefore to transfer catering in isolation may prove difficult. The scenario where cleaning would be solely managed within education is not feasible and does not result in the best use of resources. In addition:

- Facilities Management have other work programmes that are prioritised such as the agile working and office relocation programme, as well as the commercial sales of leased office accommodation.
- Business cases developed for commercial opportunities supports development within the existing structure
- Facilities Management do not manage an in-house catering function currently
- Provider / customer relationship is better served under an Education banner

6.8 **Option A4:** *“Collaboration to supply meal products to Social Services through a newly formed Social enterprise “Can Cook Swansea”*

**Why?** The review has identified that the current food production techniques meet the desired outcomes from the service. In terms of a transition there are a number of operational aspects to be revised first before looking at the food production methods, which by definition is a significant change for the business. In addition:

- Short term risk is evident in that the enterprise is not set up as yet and business planning is in its infancy
- This pilot exercise identified in the short term is unable to generate significant savings for the service
- It will require careful management and communication to implement the pilot offer alongside the existing catering model.
- It may cause uncertainty amongst existing workforce who may see this as a threat
- Other models have moved away from catering provision within older persons day services and focused on specialist provision
- A procurement exercise may have to be explored if a decision is taken to engage a supplier of wholesale items
- Unable to switch all settings in one go – full savings not realised in short term

6.9 **Option A5:** *“To cease staff catering provision and to close our in-house staff catering sites at Civic Centre, Guildhall & Pipehouse Wharf”*

**Why?** This option conflicts directly with the commercial opportunities development that is integral to the preferred option. In addition:

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- It will significantly impact staff morale and wellbeing from the loss of a service that is seen as “part of the job”
- Loss of a new income stream that is achievable
- It opposes the development of the environment and service which is part of the business case for the commercial sales of leased office space

## **7. FINANCIAL IMPLICATIONS**

7.1 The business plan contains a financial appraisal of the preferred option and includes analysis of income streams, changes to planned expenditure, revised budgets as well as a summary of savings from this project.

## **8. LEGAL IMPLICATIONS**

8.1 The business plan makes reference to legal implications of the preferred option.

## **9. CONSULTATION**

9.1 Catering is a classic example of a consumer led service that the Council provides. A key principle outlined at the commencement of the review was to take a consumer led approach to the future outputs of Catering and therefore were keen to gather information as part of robust consultation and stakeholder engagement.

9.2 Including the consultation prior to Gateway 1, the list below summarises the consultation and engagement the review has conducted. More detail on the outputs of these exercises are included in **Appendix F**.

- Stage 1 Stakeholder Workshop (review launch event)
- School Headteacher consultation
- Primary School pupil consultation
- School Business Manager meetings
- Innovation Community Challenge Session
- Trade Union briefings
- Pupil Voice Forum
- 2016 Super Survey
- Sessions in care homes with staff and residents
- Staff Catering Survey
- Parents Survey – School Meals
- Stage 4 Stakeholder Workshop (Options Appraisal)

## **10.0 EQUALITY**

10.1 An Equalities Impact Assessment (EIA) screening form has been completed for the preferred option. At this stage, it is the view of the project team that a full EIA is not required. This is because the business plan has outlined plans to significantly improve outcomes and to provide an improved service to customers, consumers within our school meals service, and service users within our social services establishments. There is no detrimental impact on protected characteristic groups.

**Please do not use headers and footers on the report.**

- 10.2 The preferred option has demonstrated that we have used feedback from the various consultation exercises above to form the key features contained within the transformed in-house model.
- 10.3 Further engagement is taking place with the Access to Services team, and is planned within the implementation plan to understand future requirements as the business model develops.

**Background Papers:** None

**Appendices:**

- Appendix A – Preferred Option Business Plan
- Appendix B – All Council Catering Commissioning Review – Scoping Template
- Appendix C – Benchmarking / Comparison Questions
- Appendix D – Model & Option Canvasses
- Appendix E – Table Feedback and scoring of identified business models
- Appendix F – Consultation & Engagement Summary
- Appendix F1 – Parent Survey Results (Primary)
- Appendix F2 – Parent Survey Results (Secondary)
- Appendix F3 – Headteacher Survey Results
- Appendix F4 – Primary School Pupil Survey
- Appendix F5 – Staff Survey Results