

## “All Council Catering” Commissioning Review – Model Description Canvas

### Model A: Transformed in-house

#### Description:

The transformed in-house model looks to change how existing catering provision is delivered, by making incremental changes as part of an evolving implementation plan. It looks to propose a range of options that can be explored further all of which to a greater extent will future proof catering services against the challenges it faces, as well as meet the criteria in terms of financial benefits, sustainability and deliverability.

Greater detail is provided in the various sub-options to illustrate what opportunities exist within this model.

#### Features:

There are common features that exist across the various sub-options:

- Better use of existing resources by looking to rationalise existing provision
- Development of commercial opportunities to increase income
- Changes to the existing school meals product with a view to increasing uptake of paid meals
- Review of operational practices in Social Services provision
- Changes to management and staffing structures
- Rationalisation where possible of business support activities
- Increased visibility of financial performance

#### Rationale:

- Cross-cutting review looks to address how resources can be better utilised. This option satisfies those questions
- Existing provision in Social Services can be realigned to meet the needs of all consumers
- Working together as part of an integrated service will deliver stronger outcomes
- Scope for financial savings incrementally as the new structure embeds
- Strong offer in terms of meeting the agreed criteria for future options

#### Benefits:

- Provides greater scope for continuous improvement
- Outcomes are not limited to financial benefits
- Improves management collectively and to future proof the service in light of future challenges

#### Drawbacks:

- Risk that service does not transform to a degree which will not meet the aims of a future catering service
- Risk that governance is not clearly defined when services are integrated
- Little resource currently to implement changes as desired from the chosen sub-options

#### Strategic Fit:

- Seeks to integrate services and optimise the use of resources
- Meets three generic aims of Sustainable Swansea
- Option demonstrates the desired outcomes of the commissioning process

#### Match to review outcomes:

- Ensures the wellbeing of service users by enhancing the resilience and flexibility of the catering function
- Provides greater scope for a holistic approach to linking catering to other outcomes i.e safeguarding
- Greater control over menu preparation and purchasing, allowing for enhanced monitoring of nutritional benefits.

**Sub-options:**

Whilst this model seeks to integrate services to obtain the best use of resources for delivering catering, several sub-options have been identified. It is anticipated that these sub-options will be reviewed in detail as part of an implementation plan of the transformed in-house model. These sub-options include:

- A1: Integrated catering services function encompassing school meals, social services and staff catering.
- A2: Management responsibility for staff catering and vending to be transferred under a corporate landlord function
- A3: All of integrated catering services management responsibility transferred under a corporate landlord function
- A4: Exploration of a collaboration with the Can Cook social enterprise currently in development to pilot meals delivery within social services settings
- A5: To cease the staff catering provision at Civic Centre, Guildhall and Pipehouse Wharf.

**Further information on each of these sub-options is included in a separate template.**

**Financial Impact:**

- Increasing uptake of the paid element of school meals will ensure that the future meal cost to parents can remain constant
- Increases in uptake of paid meals can further eliminate the cost of free school meal provision
- Potential to utilise resources better, resulting in savings in administration, food and staffing costs
- Reduction of unit costs in Social Services
- Implementation of online payments will help reduce the level of outstanding debt for paid meals, thus realising a saving for the Council who currently fund the deficit
- Savings through reduction in associated administration for income collection and meal reconciliation
- Income generation through the development of commercial opportunities
- Greater control over the level of uptake resulting in change in financial performance

**Deliverability:**

Regardless of which sub-option that catering services evaluates as the direction of travel, this model seeks to integrate social services and school meal provision

Initially, the transition will look to establish a new management structure for the integrated service with changes to day to day operations unaffected. The implementation will look to review operational processes and establish a common approach where possible. Given the impact on staff will be limited in the short term, this model is deemed as deliverable.

Budget make-up as well as staffing implications have been discussed and outcomes deemed acceptable to pursue this model further

**Sustainability:**

The proposed changes as part of this option will future proof the service given the challenges identified as part of this review. Within the benefits of this option, the greater level of management control will be key, given the financial pressures evident from increasing food costs, and operational pressures from an ageing workforce.

## “All Council Catering” Commissioning Review – Model Description Canvas

### Model B: Local Authority Trading Company (LATC)

#### Model Description:

This model proposes the spin out of an integrated catering service into a Local Authority Trading Company (LATC) wholly owned by the council.

It will be established as part of a five year business plan which initially see a transformed in-house model to make incremental changes to catering services in a “transition” phase. The implementation phase at year 4 will see the creation of the trading company with all of the integrated catering service transferring into the new structure.

The components and features within the business plan would remain the same as what is proposed within the transformed in-house model i.e pursuit of commercial opportunities, revised school meals offer, revised staffing structure etc

As part of this model, there are options to review the ownership structure by potentially having the company jointly owned by Primary & Secondary Schools, thus taking the option of a co-operative

#### Features:

- A Board of Directors made up of council staff, elected members and head teachers responsible for all governance and performance, which will report to a newly formed shareholder committee.
- A robust vision and strategy for catering services within a five year business plan
- A strong marketing and branding presence as part of the revised school meals offering
- Development of a training needs analysis to develop commercial and marketing skills as well those needed to manage a company
- A three year transition phase to transform the existing model ready for implementation
- A two year implementation phase with the set up of a trading company in 2020
- Development of additional income streams through pursuit of commercial opportunities

#### Rationale:

- All profits made by the company can be reinvested into the catering service, allowing to focus on service improvements i.e. kitchen improvements, investment in appliances
- Performance management is likely to improve with whole stakeholder representation through the Board of Directors.
- More efficient vehicle to establish commercial opportunities and to trade with the private sector
- Allows for further exploration of sub options listed below and to seek further outcomes from implementing such options
- If the co-operative example is followed then it places more ownership of the service at the heart of schools
- All parties more likely to work together to ensure cost effective and efficient services

#### Benefits:

- The ability to generate profits by maximising income
- Creation of a separate legal entity to the Council reinforces the changes to the way the service is run
- Creates a new identity for the service, and will develop the relationship with schools further to increase uptake.
- Choice available to source ancillary

#### Drawbacks:

- Financial risk to the Authority if the trading company becomes insolvent or faces financial difficulty
- Legal risk due to our obligations to provide a free school meal in light of operational pressures
- Significant time and resource will need to be applied to set up the trading company, something which the Council

<p>services</p>	<p>does not have significant experience of doing</p> <ul style="list-style-type: none"> <li>• Displacement and uncertainty created amongst workforce subject to a TUPE transfer to the new company</li> <li>• If the co-operative option is explored then it will be difficult to achieve if there is no consensus in how the service is performing or whether there are differences in interests</li> </ul>
<p><b>Strategic Fit:</b></p> <ul style="list-style-type: none"> <li>• Continues to evidence financial sustainability and generate surpluses to the Authority</li> <li>• Synergy between meal uptake and pupil attainment – this option supports the development of the catering service.</li> <li>• Develops commercial opportunities for new services in our communities, safeguarding vulnerable people</li> </ul>	<p><b>Match to review outcomes:</b></p> <ul style="list-style-type: none"> <li>• More likely to ensure the profitability of this catering operation</li> <li>• To add value building on existing provision</li> <li>• To provide choice and alignment to consumer needs in a modern environment</li> </ul>
<p><b>Financial Impact:</b></p> <ul style="list-style-type: none"> <li>• Significant staff time and cost associated with implementing the change to the new structure</li> <li>• Unclear whether the trading company will have access to funding streams outside the legal structure of a local authority.</li> <li>• Freedom to explore additional commercial opportunities</li> <li>• Freedom to retain profits to re-invest into the service</li> <li>• Trading company will be liable for corporation tax</li> </ul>	
<p><b>Deliverability:</b></p> <p>Set up of the trading company is dependent on several factors:</p> <ul style="list-style-type: none"> <li>• The service meeting it's need to transform as per Model A in the initial transition phase (year 1-3)</li> <li>• The Council having the support network to help the set-up and implementation of the trading company in 2020</li> <li>• The agreement of key stakeholders to form the Board of Directors</li> <li>• Successful TUPE transfer of staff to the new legal entity</li> </ul> <p>Given the three year transition period that could be implemented, this option is a feasible one given the extent of opportunities available as well as the current financial make up of the service.</p> <p>If the co-operative approach is explored, given that there is evidence of Secondary schools opting out of the current SLA and others potentially reviewing how they source catering, significant sales expertise would be required to establish continued brand loyalty in the school meals service</p> <p>With schools the largest stakeholder group, it is likely that they would be put off by Social services catering being included in the model given it's lack of profitability currently which could potentially dilute and jeopardise the schools catering provision.</p>	

**Sustainability:**

The service will be reliant on paid meal income in order to sustain the level of income required to maintain budget independence. Given that paid meal income is strongly aligned to secondary schools, the continued risk of schools potentially seeking alternative catering provision is a concern in the transition period.

Given that paid meal uptake is below the comparator average, and financial sustainability is currently being achieved, there is scope to increase income through various initiatives. The development of commercial income streams also makes this an attractive option.

If the co-operative option is explored, it would be sustainable operationally as all parties will work collectively to ensure that services are efficient and cost effective. It will also ensure that profits from the service will be retained for investment in the service by controlling dividends.

Given the changing landscape of school autonomy, delegated budgets, greater governor scrutiny and competition for catering services it is debatable whether schools will commit to this model which by its nature will require a commitment over several years.

## “All Council Catering” Commissioning Review – Model Description Canvas

**Model C:** Outsourcing

**In-summary:** Potential outsourcing of all or a range of current in-house catering functions

### Model Description:

Development of a specification to outsource all operational and managerial functions of Catering services to the private sector. The requirements for this model would look to meet the challenges facing catering services and to:

- To increase take up of school meals
- Seek additional savings that cannot be achieved in the existing model
- Increase customer satisfaction of the school meals service
- Provide an efficient and cost effective operation for Social services catering
- Ability to add value to school meals that cannot be achieved as easily with other models:
  - Cashless catering
  - Use of local supply chains
  - Offer a wider choice of menus
  - Meet the needs of a range of dietary requirements

Part of this option includes the possibility of including staff catering alongside existing tendered contracts

### Features:

- Full tendering exercise
- All FSM delegation bought back to form the value of the contract plus any paid meal income
- Scope to vary the contract terms i.e. percentage rebates of paid income
- Removal of administration and management responsibility
- TUPE transfer of staff to provider
- Schools would retain option to buy-in to SLA – therefore reserving the right to make their own arrangements for catering

### Rationale:

- Successful examples of outsourced catering services in Newport & Anglesey.
- Options for provider to commit to investment in the service
- Potential increased savings through life of the contract due to growing differential between Local Authority and contractor rates of pay
- To deliver better outcomes and performance within the requirements of the contract as highlighted above

### Benefits:

- Greater scope for investment from provider in catering services than in the existing model
- Significant cashable savings generated over the whole life of contract
- Potential income stream attributable through rebates
- Evidence of providers ability to increase school meal take up
- Easier to achieve the style of provision that meets the needs of staff

### Drawbacks:

- Potential for staff terms and conditions to change after the commencement of contract
- High turnover of staff evident in first year of contract
- Increasing pay gap between Council employees and those employed by the contractor
- Contractor driven by different outcomes i.e. profitability over choice and quality
- Little evidence of outsourced catering in Social Services in isolation
- Lost income from staff catering contract where changes could've been delivered in-house

**Strategic Fit:**

- Links between increased meal uptake and pupil attainment

**Match to review outcomes:**

- Potential risk to not meeting nutritional standards and following holistic approaches to developing meal provision as private sector has other drivers
- Contract would have the ability to offer greater choice and independence in meal provision

**Financial Impact:**

- Cost of procurement evident to source a provider and manage the contract
- Contractual rebates provider achieves not shown as part of income figures, skewing margins evident to customer
- Any financial benefit would need to achieve a share of turnover or share of profits arrangement
- Management fee likely to be charged to cover additional responsibilities, which would negate financial benefits of outsourcing to some extent
- If existing profit margins are better than that paid to us by the provider we lose the ability to generate profits to offset FSM cost
- FSM cost will remain to the Authority as this will form part of the contract value

**Deliverability:**

The service has previously reviewed the option to outsource the School meals function and can revisit lessons learnt from that review. Outsourcing the school meals function in isolation is deliverable, as almost all aspects of the service will be transferred to the contractor. A new remit would be required to monitor the performance of the contract.

Examples of other outsourced school meal services evidence a council subsidy forming the value of the contract in addition to FSM monies and paid income. Given that the service operates at cost neutral currently without any general fund subsidy, the service would require to review the value of the contract in terms of net benefits to the council financially, with a view towards rebates on paid meals to secure a positive net financial change on the contract. However, this would limit the attractiveness of such an opportunity to a provider.

A different view can be taken however, by including social services provision as part of the financial appraisal, as this service is currently subsidised by the council. Therefore a view could be taken to eliminate this subsidy from the contract.

However, given the complex costing structures in Social Services catering currently, this would require careful scoping of options and contract negotiation.

**Sustainability:**

There is evidence to suggest that catering contracts with the private sector are long term, with Newport extending their six year contract by another 3 years. The main reason for this is the cumulative saving over the term of the contract has been significant and the performance of the contractor is deemed to be more than acceptable, as it has increased take up and is able to offer a quality cost effective service.

The contract has also transferred the majority of financial risk by working closely with the Council to eliminate council subsidies to FSM provision

Finally, it is debatable in the current context of school buy back whether the current SLA price offers value for money, as each school could effectively source their own catering contract

cheaper than the value of the current SLA. This will become more of a factor in years to come. Swansea schools are also aiming to learn lessons from Morriston Comprehensive School who have launched their own catering venture by employing a catering manager, opting out of the SLA and taking on the day to day management of staff.



## “All Council Catering” Commissioning Review – Option Description Canvas

**Sub-option A1:** Integrated catering services function under a single in-house managed structure

**In summary:** Combining Education, Social Services & Staff Catering provision

### Description:

This option looks 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 to include tendered sites managed by other services currently

### Features:

- A single managed in-house catering function
- Development of commercial opportunities for staff catering provision contained within
- Development of commercial opportunities for specific Social Services Day services sites – Swansea Vale Resource Centre, Cwmbwrla Day Centre, Fforestfach Day Service & Victoria Park Kiosk
- Review of management & staffing structure
- Rationalisation of business support
- Revised operational processes in alignment across both areas i.e. menu preparation, ordering & purchasing
- Revised billing & financial procedures including implementation of no debt policy for school meals
- Rollout of online payments for school meals
- Changes to existing school meals “product” with a view to increase take up of paid meals:
  - Re-brand of existing Captain Jack brand / identity
  - Better online presence
  - Use of social media
  - Holistic communications with schools & parents
  - Revised pricing strategy
- Production of a catering strategy supported with action plans, changes in culture and focus on financial returns.

### Rationale:

- Better use of resources between service areas
- Efficiencies from centralisation of menu preparation
- Greater scrutiny of inventory control and volumes of food orders
- Improved resilience for sickness and absence across the service
- Allows scope for wider review of staffing and business support
- Improved management information to assist with service assessments
- Potential to generate significant savings cumulatively through reduction in food & staffing costs and increasing and diversifying income streams

### Benefits:

- Provides greater scope for continuous improvement
- Outcomes are not limited to financial benefits
- Improves management collectively and to future proof the service in light of future challenges

### Drawbacks:

- Savings not realised in short term
- Significant differences in business operations that will take time to align
- Changes will not increase paid school meal uptake in isolation
- True cost recovery needs to be established i.e. accommodation costs.

**Deliverability:**

The impact of this option is most likely to affect day to day operations and line management responsibility. Initially, the transition will look to establish a new management structure for the integrated service. The implementation will look to review operational processes and establish a common approach where possible. Evidence gathered as part of the review to date has shown that a common approach to operations across both service areas is achievable.

**Sustainability:**

The proposed changes as part of this option will future proof the service given the challenges identified as part of this review. Within the benefits of this model, the greater level of management control will be key, given the financial pressures evident from increasing food costs, and operational pressures from an ageing workforce.

## “All Council Catering” Commissioning Review – Option Description Canvas

**Sub-option A2:** Integrated catering services function to be established, but without staff catering provision which will transfer to a corporate landlord function

**In summary:** Existing staff catering provision to be managed under Facilities Management portfolio

### **Option Description:**

This sub-option is available as part of the “transformed in-house” model and looks to retain the option of an integrated catering service. Thus, combining the current social services and school meals catering functions as identified.

Where this option is different, it proposes the current staff catering provision to be transferred to Facilities Management and also for them to manage a centralised vending contract as part of the development of commercial opportunities.

### **Features:**

In addition to the integrated service, this option features:

- Transfer of managerial responsibility for staff catering provision to facilities management
- Establishment of a centralised vending contract for the Authority across all services and managed by facilities management
- Options for staff catering provision to be commissioned collectively alongside other tendered sites.

### **Rationale:**

- Offers a more natural fit alongside corporate landlord functions for a commercial service
- Existing catering arrangements within facilities management realise a net income stream to the Authority
- Allows the integrated service to concentrate fully on continuous improvement as part of school meal and social services provision
- Transfer of responsibility would allow for closer line management of staff catering operations in its current form.

### **Benefits:**

- Scope to realise significant savings from current staff catering arrangements to ensure financial sustainability
- Lessons learnt from incumbent provider
- Better fit for pursuit of commercial opportunities

Additional benefits within rationale above

### **Drawbacks:**

- Corporate landlord function does not manage an in-house catering function currently
- Limited scope to make savings from staff catering in current in-house model
- Uncertainty amongst current workforce may impact adversely on service delivery
- Business case developed for commercial opportunities does not support this option

### **Deliverability:**

Implementation would initially retain the current model of delivery but transfer the managerial responsibility for the service. The service would be reviewed further with a view to commission both the staff catering and current tendered operation in Civic Centre (Coastline café) prior to March 2018.

The canteen within the Civic Centre, which forms the majority of the commercial income for staff catering, is within scope of the roll out of agile working in the Civic Centre. There is a strong case for control of the operation there to align with planning for staff accommodation in the building.

The existing business case to change the environment for a revised service requires Facilities Management as a key stakeholder, with further conversation with the company responsible for the existing office refurbishment. This adds to any justification of this option.

**Sustainability:**

The staff catering in-house operation as it is, remains unsustainable financially, and in light of competing resources for council priorities is difficult to justify a continued general fund subsidy.

Sustainability can be judged on the robustness of the commercial business case that has been completed to develop the staff catering function in light of opportunities that have arisen in the review. This option is likely to in the future, evaluate the options of an outsourced contract as part of tendered operations as well as cessation of service.

Use of accommodation within the Civic and Guildhall are likely to significantly change over the new few years and therefore planning for catering in the building will go hand in hand with this. Strategically therefore, there is a strong case for management of the service to align with the corporate landlord function.

## “All Council Catering” Commissioning Review – Option Description Canvas

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

**In-summary:** Transfer of all in-house managed catering services to Facilities Management

### Option Description:

This sub-option is available as part of the “transformed in-house” model and looks to build on the structure of the integrated catering service and enhance it by including all current in-house provision under the management of a corporate landlord function

The service would therefore comprise the following elements:

- School meals provision
- Social services residential & day service provision
- Staff catering functions at Civic Centre, Guildhall & Pipehouse Wharf
- Coastline cafe
- Centralised vending contracts
- Development of commercial opportunities
- Catering & kitchen support service (management & compliance)

### Features:

In addition to the integrated service, this option features:

- Revised management structure for all aspects of the service
- Continuation of a review of vending arrangements Authority wide with a view to establish a centralised vending contract that adds value and realises an income stream for the Authority.
- Options for staff catering provision to be reviewed collectively alongside other tendered sites.
- A management and compliance service to be included within the structure and the catering SLA as one SLA arrangement for catering with schools

### Rationale:

- Optimises the use of resources for all current in-house catering to alleviate weaknesses highlighted in the service assessment
- Seeks to achieve financial sustainability collectively
- Offers a more natural fit alongside corporate landlord functions for a commercial service
- Existing catering arrangements within facilities management realise a net income stream to the Authority
- Allows integrated services to concentrate fully on continuous improvement as part of school meal and social services provision
- Gives critical mass to the service to realise commercial opportunities and work together to add value to existing catering provision
- Allows school meal and social services to draw on elements of commerciality evident as part of the new structure.
- To design a long-term catering strategy to realise opportunities internal and external to the council’s future plans as part of the transformation agenda.
- Aligns commercial catering provision to management of accommodation strategy which will be a factor in future service planning

### Benefits:

- Scope to realise significant savings from current catering arrangements to ensure financial sustainability
- Lessons learnt from incumbent provider responsible for elements of civic

### Drawbacks:

- Corporate landlord function does not manage an in-house catering function currently
- Limited scope to make savings from staff catering in current in-house model

catering

- Best placed to deliver commercial opportunities as many of the pre-requisites will involve FM as a key stakeholder.

Additional benefits within rationale above

- Uncertainty amongst current workforce may impact adversely on service delivery
- Business case developed for commercial opportunities supports development within existing structure
- 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 make the best use of resources.

**Deliverability:**

Implementation would see the creation of a new hierarchy for the integrated service under facilities management. Aspects of the service would remain distinct such as school meals, social services and staff catering however the service will be managed and operated collectively to optimise resources.

It is likely that the creation of a new hierarchy would require careful planning alongside the review of day to day operations, business support as well as the use of systems and business processes. Given the complexities and various aspects of the school meals operation, this cannot be underestimated.

This option could also consider the implementation of a phased transition to the new model with the new service concentrating on quick wins in the short term such as the integration of social services and school meals catering as well as some of the features listed in the transformed in-house model.

**Sustainability:**

This option will future proof catering functions for the challenges it faces both internally and externally as well as equip it with the ability to explore commercial opportunities.

It optimises the use of resources across the council and offers an element of financial sustainability in light of budget pressures that will be evident in the short to medium term.

Sustainability of this option should be assessed against the status quo of the current in-house operation which remains unsustainable financially, and in light of competing resources for council priorities is difficult to justify a continued general fund subsidy.

Sustainability can also be judged on the robustness of the commercial opportunities listed in the business case which form a critical part of this option.

## **“All Council Catering” Commissioning Review – Option Description Canvas**

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

### **Option Description:**

This option works in synergy with a transformed in-house catering service, through collaboration between Social Services settings and the newly established Food Enterprise set up within Poverty & Prevention..

As an alternative to fresh food preparation in Services, the Food Enterprise can supply settings with freshly prepared, locally sourced, healthy meals appropriate to each facility/Service.

### **Features:**

- A co-produced offer through collaboration between Social Services and the new Food Enterprise
- A single supplier for a wide range of meal products
- Nutritionally balanced, portion controlled, healthy meals which are nutritionist approved to support the health and wellbeing of vulnerable people
- Options for catering with a rotating menu, suitable for care homes/some day service settings, and wholesale products with a commercial resale mark-up for income generation, suitable for day service settings looking to add ranges to their product lines
- Options to devolve some/all responsibility for food preparation to the enterprise (as appropriate to each setting)
- Co-produced menus utilising core ‘COOKED’ products, to ensure service users and families/carers are actively involved in designing a meal offer that meets their needs which is consistent across settings
- From the opening of the enterprise’s ‘Mega Kitchen’ in 18/19, capacity will exist to on-board multiple settings as opportunities arise (e.g. if an incumbent Cook within a RCH takes ER/VR)
- Opportunity to pilot with a limited number of settings to determine ongoing viability as part of an in-house transformed model
- Opportunity to create new income through resale of wholesale ‘COOKED’ convenience products
- A percentage of all meals sold will directly contribute to local community work around food, including free fresh meals for those in need, training, apprenticeships, community support and employment opportunities

At this stage in the development of the Social Enterprise’ business plan the opportunity exists to pilot this initiative within the Social Services catering environment. As the enterprise matures, with the focus on the food supply side of the business, the opportunity may arise to review wider food production methods across the Council and whether utilising Can Cook as a food supplier is a viable option.

### **Rationale:**

- Potential to generate savings through reduction of staffing costs and income generation through resale – possibility of savings on food in some settings but this needs to be explored further to establish the extent
- Potential to create capacity through minimising time spent on back office functions and food preparation
- Consistently high standard food offer across CCoS settings
- Streamlined ordering/invoicing
- Supports the development of a transformed in-house catering function, including the potential to explore an arms-length trading company in the future

- Capacity for detailed Management Information from single supplier – greater intelligence
- Direct link to a community-driven social enterprise that has been incubated by the Council
- Opportunities to link with future developments by the enterprise which will directly benefit Swansea residents, creating new approaches to eliminating food poverty in Swansea

**Benefits:**

- Allows the transformed in-house model choice as to what is the best options for social services catering, and how to meet the needs of service users and residents.
- Future proof the organisation against workforce pressures/investment requirements for equipment
- Directly supports a new way of funding work to tackle poverty in Swansea
- Reduces time spent on back office functions around food, creating capacity/efficiencies within business support function
- Minimises time spent on food preparation as food will be delivered cooked and chilled (both contract and wholesale). This will create capacity in the kitchen for new ventures (e.g. more commercial offers in certain day services)
- Minimise need for ongoing investment in kitchen equipment (beyond storage/regeneration of meals)

**Drawbacks:**

- Short term risk evident that this is a new enterprise to be set up which nothing in place at this stage
- Pilot exercise identified in short term unable to make significant savings for the service
- Will require careful management and communication to implement the pilot offer alongside the existing catering model.
- 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
- Procurement exercise may have to be explored if a decision is taken to engage a supplier of contract/wholesale items
- Unable to switch all settings in one go – full savings not realised in short term

**Deliverability:**

In 17/18, the capacity of the enterprise's kitchen will be relatively limited but will have capacity to deliver a pilot across a small number of CCOS sites which will allow for a thorough analysis of benefits. When the 'mega kitchen' opens in 18/19 the enterprise's capacity will significantly increase to be able to cater for a wider number of services.

This option should be considered as part of a transformed catering offer, not in isolation, in order to maximise the efficiencies available.

**Sustainability:**

The enterprise is new to the market and is overcoming this by working in partnership with a similar business which has been trading successfully in Liverpool for over 10 years. Negotiations are taking place between the enterprise and a number of third sector partners which will allow for significant growth over the next five years which will see the enterprise firmly established in Swansea's food space. This could allow CCOS to benefit from greater efficiency across a growing number of Services, more detailed Management Information, and minimise the effect of fluctuating food prices and the operational pressures of an ageing workforce. However, benefits identified will be dependent on the success of this pilot option.



## “All Council Catering” Commissioning Review – Option Description Canvas

**Option A5:** To cease staff catering provision

**In-summary:** To close our in-house staff catering sites at Civic Centre, Guildhall & Pipehouse Wharf

### Option Description:

This option forms part of the integrated and revised catering model, and looks to cease existing operations across the Council’s staff catering portfolio. This would include:

- Café Tawe Restaurant, Civic Centre
- Café Tawe Kiosk, Guildhall
- Café Tawe Kiosk, Pipehouse Wharf

This option opposes the development of business cases to transform the staff catering financial performance by stopping all staff catering operations under the existing management structure.

### Features:

- Immediate cessation of staff catering service after consultation
- Potential redeployment of staff within the integrated catering service
- Existing canteen space to be utilised as part of the accommodation strategy

### Rationale:

- The existing service has no budget allocation and repeatedly receives a council subsidy to operate. The budget position is exacerbated further when factoring in below the line costs such as utilities and maintenance.
- The business cases in development are deemed to be not robust
- Previous efforts to transform the existing canteen have not been successful in terms of financial performance.
- Investment is required for the pre-requisites listed in the business case which despite projections of payback, is risky when the future of Civic Centre accommodation is uncertain
- Management information available suggests only 10-15% of staff use the facility on a daily basis currently

### Benefits:

- Immediate financial saving from cessation of service
- Space to be utilised as part of the accommodation strategy
- Service can focus resources on larger parts of the business i.e school meals

### Drawbacks:

- Significant impact on staff wellbeing and morale
- Loss of commercial opportunity outlined in business case

### Deliverability:

Implementation would be dependent on a consultation exercise with staff as consumers as well as operational staff within the respective canteens and kiosks. Kitchen appliances can be re-used at alternative sites within the service including schools and social services establishments.

The existing space could quickly form options for the accommodation strategy including additional office or meeting space.

### Sustainability:

It should be questioned the ability of alternative catering provision in each building to cope with additional volumes of staff should the canteen provision cease. The Coastline Café in particular operates at capacity during most lunchtimes.

Longer term, this option should also be questioned in terms with alignment to an agile workforce where catering needs are likely to change.

From a financial perspective, whilst this option offers cumulative savings, it should be assessed against commercial opportunities for the service which could easily be transferred to a new facility as part of the city centre re-development.