

Catering Services Savings Options Implications Notes

Budget Title / Ref:	Civic Catering Option 1: Close staff restaurants
Savings (£): Financial Year: Comment:	<p>£142,000 2015/16</p> <p>Redeploy 18 displaced staff within catering although most other sites operate on 38 week not 52 week contracts. Depending on the detail of individual contracts, offers of school term time only posts may not be considered as suitable alternative employment and may result in redundancies. No facilities would be available for employees to chill, heat, and eat food. There would be no facilities/services available to the authority when holding events linked to hospitality arrangements i.e. Civic Sunday, Pride in your Place, Mayors Inauguration. Specifically in Ty Penallta as this building is considered the flagship of the authority. May result in greater costs being incurred for the authority by purchasing a replacement function service from outside catering bodies</p> <p>The corporate catering function were one of the main contributors in gaining the Gold Corporate Health Standard. There is a potential effect on staff moral of all council employees in having an established service removed</p> <p>There would be no water/refreshments to meeting rooms. Loss of facility for staff to be catered for when bringing in their own lunches i.e. cleaning of tables, vending service.</p> <p>Increase of food being eaten at desks, increase staff facilities being required i.e. specifically in Ty Penallta where only two fridges are available for the whole building to store food items.</p>
<u>Cost to Implement</u>	
Staff Costs:	Redeployment/redundancy of 18 staff. Full redundancy costs would be approximately £77,000. In cases of redeployment should the employee be redeployed to a lower grade than that of their substantive role protection of salary applies for an 18 month period, up to a maximum of 2 grades.
Resource Costs:	There would be some one-off costs associated with decommissioning kitchens.
Additional Costs:	None
<u>Timeframe to Implement</u>	
Consultation: Statutory Process:	Staff and Union consultation. N/A

<u>Risks of Implementation</u>	
Not Achieving -	
Savings: Timeframe:	Low The timing of any savings will need to be considered in the light of any funding requirement associated with redeployment and redundancy processes.
<u>HR Implications:</u>	
Redundancy: Redeployment: Redirected Resource:	18 staff As above Catering for functions, meetings, events would need to be sourced externally. Eating facilities would not be available for staff.
<u>Other Options/Issues:</u>	
	See Civic Catering Options 2 & 4.

Budget Title / Ref:	Civic Catering Option 2: Remove hot lunch provision at Penallta House
Savings (£): Financial Year: Comment:	<p>£13,000 2015/16 Penallta House</p> <ul style="list-style-type: none"> Decrease in kitchen hours of 30hrs maximum achieving approximately £26k of saving. <p>The current budget for staffing at this site is £140k - making the overall saving of 21%</p> <p>It should be noted that the greatest sales in Penallta House is on the hot meal daily special selections with income received in for hot meals in 2013-14 of £32,298 net of VAT. Removing these options would result in loss of income having a negative effect on trading and on proposed savings hence only £13,000 has been identified above.</p> <p>Pontllanfraith House Traditional hot meals are the most popular items in Pontllanfraith House. The current staffing budget is £35k. It is projected that sales would increase on the deli bar items which would need existing staff levels therefore there would be no saving if hot lunch options were removed.</p>
<u>Cost to Implement</u>	
Staff Costs:	Redeploy/reduce 30hours. It would be difficult to quantify related costs at this point because of the various options that could be

Resource Costs: Additional Costs:	utilised in achieving the reduction in hours. None
<u>Timeframe to Implement</u>	
Consultation: Statutory Process:	Staff and Union consultation. N/A
<u>Risks of Implementation</u>	
Not Achieving -	
Savings: Timeframe:	Low The timing of any savings will need to be considered in the light of any funding requirement associated with redeployment and redundancy processes.
<u>HR Implications:</u>	
Redundancy: Redeployment: Redirected Resource:	30 hours 30 hours
<u>Other Options/Issues:</u>	See Civic Catering Options 1 & 4

Budget Title / Ref:	Civic Catering Option 3: Increase staff restaurant prices
Savings (£): Financial Year: Comment:	£12,000 2015/16 Increase Staff Restaurant meal prices by 5%. Staff Restaurant prices were increased by 5% in 2014/15. Price increases can impact upon meal numbers and therefore overall income.
<u>Cost to Implement</u>	
Staff Costs: Resource Costs: Additional Costs:	None None None
<u>Timeframe to Implement</u>	
Consultation: Statutory Process:	None Not applicable

<u>Risks of Implementation</u>	
Not Achieving - Savings:	Medium - income generation can be subject to variation and will be monitored closely. It is difficult to predict the impact of successive annual price increases.
Timeframe:	Low
<u>HR Implications:</u>	
Redundancy:	None
Redeployment:	None
Redirected Resource:	None
<u>Other Options/Issues:</u>	

Budget Title / Ref:	Civic Catering Option 4: Franchise Out Civic Catering
Savings (£):	£142,000
Financial Year:	2015/16
Comment:	To include Penallta House and Pontllanfraith House This would involve Caerphilly County Borough Council tendering the existing service provision and entering into a franchise agreement with a nominated company. This option assumes that it would be possible to enter into an agreement that resulted in no cost to the Council. The franchise company would have the right to control a large portion of the operational and strategic decision making, which might including setting prices for goods or services, determining location decor, and mandating employee uniform requirements.
<u>Cost to Implement</u>	
Staff Costs:	TUPE would apply.
Resource Costs:	This option assumes no cost to the Council, but that may not be achievable and there may be franchise fees. Approximately £10k procurement fee – to tender the contract (this

Additional Costs:	<p>fee includes the evaluation and monitoring of the contract for the agreed period the contract would be awarded for).</p> <p>A monitoring officer would need to be appointed to ensure compliance to the contract agreement and all food Hygiene and Health and Safety requirements are met.</p>
<u>Timeframe to Implement</u>	
Consultation: Statutory Process:	<p>Staff and trade unions. TUPE and procurement processes.</p>
<u>Risks of Implementation</u>	
Not Achieving -	
Savings: Timeframe:	<p>Subject to Procurement process. Subject to Procurement process and TUPE transfer of staff.</p>
<u>HR Implications: TUPE transfer of staff.</u>	
Redundancy: Redeployment: Redirected Resource:	<p>This option may not automatically mean that there would be no redundancies but should any be identified they would likely be minimal</p>
<u>Other Options/Issues:</u>	<p>Consideration could be given to grouping other similar catering provisions within the authority in the tender specification to make the contract more appealing to external companies i.e. Llancaiach Fawr Manor House, Cwmcarn Scenic Drive, Winding House, Tourist Information Centre, Cwm Darren Park, Libraries and any other similar catering provision.</p>