



Derby City Council

**URGENT LEADER OF THE COUNCIL
CABINET MEMBER MEETING
18 December 2012**

ITEM 4

Report of the Strategic Director of
Neighbourhoods

Derby LIVE Catering Services

SUMMARY

- 1.1 Currently, catering services at the Assembly Rooms and Guildhall Theatre are outsourced to commercial caterer Kudos Catering (UK) Ltd.
- 1.2 The initial 2 year term of this contract ends on the 9 January 2013 with the option to extend the contract for a further 16 months.
- 1.3 An extension to the contract was offered to and accepted by Kudos. However, on 4 December 2012, Kudos informed Derby LIVE that they would no longer be accepting the extension and will be exiting the contract on 9 January 2013.
- 1.4 From 10 January 2013 Derby LIVE will be unable to offer the necessary catering services to support the programme of performances, events, festivals and conferences at the Assembly Rooms and Guildhall Theatre.

RECOMMENDATION

- 2.1 To bring Derby LIVE's catering services at the Assembly Rooms and Guildhall Theatre in-house.
- 2.2 To waive contract procurement rules so as to allow Derby LIVE to immediately source the range of food, beverages and catering supplies required, where existing frameworks and suppliers are not in place and prior to a full procurement exercise being undertaken.
- 2.3 To provide vacancy control approval for Derby LIVE to recruit any casual and agency catering staff required to operate the catering services in-house.

REASONS FOR RECOMMENDATION

- 3.1 The provision of catering services is essential to the successful operation of the programme of events, performances, festivals and conferences at the Assembly Rooms and Guildhall Theatre. Bringing the catering services in house is the only option for ensuring the continuity of this service from 10 January 2013.

- 3.2 It is anticipated that a range of food and drink, and supplies and services will be required at short notice for which existing contracts and suppliers may not be in place.
- 3.3 Additional casual and agency staff will be required on an ad hoc basis to work on the Assembly Rooms and Guildhall Theatre's bars, functions and dinners.

SUPPORTING INFORMATION

- 4.1 Following the end of the pantomime on the 6 January there is a 10 day period without any events in the Assembly Room Great Hall, there are also limited events in the Darwin Suite and Guildhall Theatre. This provides Derby LIVE with a valuable window of opportunity in which to oversee the exit of the existing contractor and to launch the service in house.

OTHER OPTIONS CONSIDERED

- 5.1 Discontinuing Derby LIVE's catering provision; however this was rejected as it is a fundament component of the operation of the Assembly Rooms and Guildhall Theatre and would undermine the operating business model.
- 5.2 Undertaking a tender process to secure a new external catering provider. This was rejected due to the timescales involved in procurement procedures.
- 5.3 Offering the contract on a temporary basis to another catering company already providing services to the Council. This was rejected because there is insufficient time to draw up the specification and complete negotiations. Also, with a four month maintenance close-down of the Great Hall planned for summer 2013 it is unlikely to present an attractive commercial proposition.

This report has been approved by the following officers:

Legal officer	Stuart Leslie, Director of Legal & Democratic Services
Financial officer	Mazer Hussain, Group Accountant -Neighbourhoods
Human Resources officer	Elaine Inns , HR Team Leader
Service Director(s)	Claire Davenport, Director of Leisure and Culture
Other(s)	Surinder Kahlon. Procurement

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Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 The current budgeted net contribution to the Council from Derby LIVE's catering services is £52,445 per annum based on a turnover in the region of £350,000. It is anticipated that this level of contribution would continue to be delivered by the in-house operation.
- 1.2 Contract Procedures 6.1 states 'waivers to the rules may in exceptional circumstances be granted by Cabinet or, in cases of urgency by the relevant Director and either the chief Legal Officer or the Head of Procurement'.

Legal

- 2.1 TUPE regulations will apply so Kudos employees who currently deliver the service will transfer into the employment of the Council on 10 Jan 2012.
- 2.2 The Director of Derby LIVE is already the Premises Supervisor at the Assembly Rooms and a Personal Licence Holder able to authorise the sale of alcohol.

Personnel

- 3.1 Currently the catering contract is delivered by three full time contracted members of staff and a pool of casual staff. It is anticipated that TUPE regulations would apply to the three full time contracted staff, so they will transfer over to the Council's employment.
- 3.2 Derby LIVE would need to establish a pool of casual catering staff and use agency staff as required by the needs of the service.

Equalities Impact

- 4.1 There is no equalities impact contained within this report.

Health and Safety

- 5.1 All necessary risk assessments, method statements and food hygiene procedures relevant to the preparation of food and the management of bars and catering premises will be put in place.

Environmental Sustainability

- 6.1 There are no environment sustainability impacts contained in this report.

Asset Management

- 7.1 There are no asset management implications in this report.

Risk Management

- 8.1 There are risks involved in the short timescale available to bring the service in house. However, Derby LIVE has a track record of successfully responding to such challenges and a number of staff with considerable experience of running a catering operation.
- 8.2 There are risks connected to the processing of cash from the catering operation and Derby LIVE will work with internal audit to ensure that robust systems and procedures are put in place to mitigate these risks.

Corporate objectives and priorities for change

- 9.1 Bringing Derby LIVE's catering provision in-house will ensure that a good quality service is provided by a skilled and motivated workforce.