

NORTH LINCOLNSHIRE COUNCIL

**CUSTOMER SERVICES, SPORT AND LEISURE
CABINET MEMBER and ASSET MANAGEMENT,
CULTURE AND HOUSING CABINET MEMBER**

**NORMANBY HALL GOLF COURSE AND NORTH LINCOLNSHIRE MUSEUM
CAFE – INTERIM CATERING ARRANGEMENTS**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To agree an interim catering arrangement at Normanby Hall Golf Course and the café at the North Lincolnshire Museum.
- 1.2 The key points are:
- We have been given notice by Cloverleaf Catering Ltd (CCL) that they will stop providing catering services at Normanby Hall Golf Course on 23 August 2013 and the Café at the North Lincolnshire Museum on 2 September 2013.
 - As agreed at the Leisure Services Transformation Board on 19 April Officers are carrying out a review of catering services to deliver profitable catering services. We will not have completed the review in time to meet the 24 August 2013 deadline for the golf course or 2 September deadline for the Café.
 - We need to continue providing a catering service in some form to meet customer expectations. We need to operate within current agreed budgets.

2. BACKGROUND INFORMATION

- 2.1 The council awarded CCL a contract to provide catering services at Normanby Hall Golf Course for period of three years. This began on 24 August 2009. The contract terms allowed for an extension of two additional periods of twelve months each.
- 2.2 CCL chose to take up the first additional period. They declined the second. CCL will cease to provide catering services on 23 August 2013.

- 2.3 The council awarded CCL the contract for the café at the North Lincolnshire Museum for an initial period of 3 years. This began on 3 July 2012. On 21 May 2013 CCL informed us of their intention to cease the catering services at the Museum with effect from 2 September 2013.
- 2.3 CCL is making an unsustainable financial loss on both contracts. They felt that this position was only likely to worsen as a result of difficult trading conditions and other uncontrollable circumstances such as poor weather conditions.
- 2.4 Sport, Leisure and Culture officers are carrying out a catering review which is considering future provision across the section. The review is in its early stages. We will not complete it before the CCL agreement ends. We need to take steps to provide an interim catering service at the golf course and the Museum for a limited period only so as not to prejudice the longer term outcomes
- 2.5 CCL has told us that the hours of operation at the golf course need to be reviewed because of low demand at certain times. We need to change the service specification to reflect periods of greatest demand and identify the core hours that catering staff are required to occupy the premises. We also need to service ad hoc bookings such as club functions and match and society meals.
- 2.6 We have asked CCL to give us a price to continue the service at both venues until we can find a new provider.

3. OPTIONS FOR CONSIDERATION

- 3.1 Option 1 – Do nothing
- 3.2 Option 2 – Provide a council run service
- 3.3 Option 3 – Procure a contractor on a temporary basis
- 3.4 Option 4 – Continue to work with CCL

4. ANALYSIS OF OPTIONS

- 4.1 Option 1 - Do nothing
 - 4.1.1 If we do nothing the service will cease. This will have a major negative impact on golf income at Normanby Hall. The limited catering service provided prior to CCL taking over was cited as a reason for declining membership and green fee numbers.
 - 4.1.2 If we cease the service at the Museum this will have a negative impact on visitor numbers and visitor satisfaction.

4.2 Option 2 –Provide a council run service

4.2.1 We operate a number of live catering sites. It is be possible to provide an extremely limited service using existing resources from other sites. This option could allow us to service society bookings, match meals and other functions. We would struggle to provide a daily core service at both venues. Using staff from other sites would potentially affect the service across the board.

4.2.2 We took a decision to procure an external catering provider at both sites because it represented best value for the council

4.2.3 If we reduce the service too much at the golf course will have a negative impact on visitor numbers, visitor satisfaction and income.

4.3 Option 3 – Procure a contractor on a short term basis

4.3.1 Ideally, we would like to secure the services of a contractor to maintain the catering service at the golf course and the Museum on a short term basis. This option will give us the opportunity to complete the catering review.

4.3.2 CCL was unable to breakeven in delivering the specified services. It is unlikely that we could attract a contractor on a short term agreement on the basis of the existing specification. To make any short term offer attractive we need to amend the specification to reflect current demand. This will involve identifying core hours and other priority activities such as match and society meals at the golf course.

4.3.3 Any changes to the catering service will generate a negative response. This option maintains at least a level of service that will support the core business.

4.3.4 Procurement officers advise that the likely value of a short term contract is such that we need only to seek four quotations from suitably qualified contractors.

4.3.5 We need to begin procurement immediately in order to give us time to advertise, select and appoint. The successful contractor will require time to prepare and complete a handover with CCL.

4.4 Option 4- Continue to work with CCL

4.4.1 We have asked CCL to give us a price for continuing a service. We have evaluated this option and feel it does not offer value for money.

5. **RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

5.1 Financial implications

5.1.1 We receive payment from CCL of 2.5% of gross receipts from catering activities at the golf course. Last year we received payments worth £2,280.

5.1.2 We receive £2000 from CCL from the Museum catering service.

5.1.3 There is a risk that if we cease catering or provide a limited in-house service that the overall subsidy will worsen. Not providing catering could impact on income streams from green fees and memberships. We will incur additional costs in providing in house that income from catering may not cover.

5.1.4 As agreed at the Leisure Transformation Board our aim is to run a profitable catering service. We aim to be in a position to run any interim service within current agreed budgets. We will need to decide whether to accept any bids that require an increased subsidy and determine our service delivery options, including closing the catering services at Normanby Hall Golf Course and North Lincolnshire Museum.

5.2 Staffing implications

5.2.1 We have no directly employed catering staff at Normanby Hall Golf Course or at the North Lincolnshire Museum café.

6. **OUTCOMES OF INTERGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

6.1 Not applicable.

7. **OUTCOMES OF CONSULTATION AND CONFLICTS OF INTEREST DECLARED**

7.1 By way of soft market testing, we have spoken informally to a known contractor. They have expressed an interest in taking on golf course and Museum catering. However, they felt that we would need to change the existing specification for the golf course to make a short term contract worthwhile to any potential operator.

8. **RECOMMENDATIONS**

8.1 That option 3 in this report is supported and implemented.

DIRECTOR OF PLACES

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Background Papers used in the preparation of this report: Letters from CCL.