

Finance and Resources Committee

10.00am, Thursday, 7 October 2021

Edinburgh Catering Services - Other Catering– Update

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
 - 1.1.1 approve the removal of catering services in East Neighbourhood Locality Office (ENLOC) and Wester Hailes Healthy Living Centre (WHHLC); and
 - 1.1.2 agree a review of catering services in commercial buildings commensurate with the approaches around returning staff to office working.

Paul Lawrence

Executive Director of Place

Christopher Ross, Catering Operations Manager

E-mail: Christopher.Ross2@edinburgh.gov.uk | Tel: 0131 529 3171

Edinburgh Catering Services - Other Catering– Update

2. Executive Summary

- 2.1 Due to the COVID-19 pandemic and the move to home working, Edinburgh Catering Services - Other Catering has been unable to trade during 2020/2021 financial year.
- 2.2 With the potential move to a hybrid working model, this will inevitably put pressure on the services ability to trade profitably. With a reduced headcount in the building, the service will have to adapt a staffing model to ensure a reduced offer is provided in a cost-efficient manner.
- 2.3 All Other Catering staff are currently assigned to the School estate, working within school kitchens. Waverley Court has remained operational but only as a kitchen producing school and nursery meals.

3. Background

- 3.1 At Governance, Risk and Best Value on [20 March 2018](#), a briefing note on Edinburgh Catering Services was requested, including the current situation and an update on the action plan to turn around the catering service. The catering service failed to achieve its statutory obligation to breakeven over the three-year period concerned (Budget years 2015-18).
- 3.2 By budget year 2018/2019, the Catering Service had made good progress and had minimised subsidies across the Other Catering and planned to be on track to deliver cost neutral service by 2019/2020.
- 3.3 A [report](#) was provided to Finance and Resources Committee on Thursday 4 March 2021, requesting the STO (Other Catering) is de-badged – the final outturn for other catering in budget year 2020/2021 was a £479k cost pressure, it has subsequently been debadged.

4. Main report

- 4.1 The impact of COVID-19 has had a significant impact on the Other Catering Services ability to trade profitably, in budget year 2020/2021 the service generated virtually no income.
- 4.2 The continued closure of Waverley Court and City Chambers is currently resulting in an approximate monthly income loss of £77k. Some limited civic events have taken place in the City Chambers and this is currently being serviced through the operational kitchen within Waverley Court, as these events are civic there is limited opportunity for commercial profit to be achieved.
- 4.3 The two smaller commercial catering outlets in ENLOC and WHHLC have also been closed during the pandemic and were not trading efficiently pre-pandemic. It would be the services opinion that these close on a permanent basis and colleagues from these buildings (2) are permanently redeployed in School Catering.
- 4.4 With a proposed return to the offices on a hybrid basis, the services at Waverley Court and City Chambers would struggle to trade efficiently with the current annual staff costs for these buildings at £550k. The service estimates, that given limited head count in Waverly Court and City Chambers, this would generate circa. £20k per trading month, not covering the running rate of the staffing cost.
- 4.5 Colleagues within Other Catering are currently re-deployed in the school meal service, some have already explored making this a full-time arrangement and moving to sessional contracts. It would suggest that if a hybrid working model is continued it would not be viable for all Other Catering staff to return to the commercial catering estate.
- 4.6 It is suggested that if a phased return to buildings is progressed that some colleagues return to Waverley Court and City Chambers to provide a limited service commensurate with the volumes of staff within the building. Civic events would be catered for by the existing team within Waverley Court to reduce any cost pressure on the service.
- 4.7 The existing kitchens within City Chambers and Waverley Court could be utilised to aid the services response to the growing uptake of school meals because of Universal Free School Meal initiative 2022.

5. Next steps

- 5.1 If approved, a review of the service will under taken when a full understanding of the impact of new ways of working are confirmed.
- 5.2 A confirmation of the permanent closure of the café's within WHHLC and ENLOC are confirmed, with the potential of external let or community let to be explored.

6. Financial Impact

- 6.1 The deficit in 2020/2021 due to the pandemic was £479k. This deficit is included in the Council's revenue expenditure monitoring forecasts reported to Finance and Resources Committee on a regular basis throughout 2020/2021.
- 6.2 If the recommendations of this report are approved, a cost re-alignment will be undertaken for 2021/2022 to reflect a potential permanent redeployment of some Other Catering employees and an updated revenue forecast based on any known return dates to office working.

7. Stakeholder/Community Impact

- 7.1 None.

8. Background reading/external references

- 8.1 [Edinburgh Catering Services](#) - Governance, Risk and Best Value Committee, 31 October 2017.
- 8.2 [Corporate Catering Service](#) - Governance, Risk and Best Value Committee, 20 March 2018.
- 8.3 [Edinburgh Catering Services](#) – Finance and Resource Committee, March 2021. 2021

9. Appendices

- 9.1 None.