

COMMITTEE:	CABINET
DATE:	10TH APRIL 2003
SUBJECT:	CATERING OPTIONS APPRAISAL
REPORT OF:	DIRECTOR OF TOURISM & LEISURE
Ward(s):	All
Purpose:	To present to Members an options appraisal of the Council's Catering Operation and seek agreement to pursue the recommended priority options.
Contact:	Diane Bagley, Head of Sport, Recreation & Leisure, Telephone 01323 415402 or internally on extension 5402.
Recommendations:	That Cabinet approves as part of the Best Value Review, a procurement process which, in the first instance, invites tenders for: (a) (b) The whole current catering operation linked to investment in the new facilities (c) and / or The whole current catering operation and / or Separate contracts for the Devonshire Park Centre and the seafront Catering

1.0	<u>Background</u>	

1.1	At this Cabinet's meeting on 9 th January 2003 it was agreed that an options appraisal for the provision of Seafront Catering should be completed.	
1.2	The options appraisal has been undertaken by L&R Consulting with Council officers.	
1.3	The appraisal has covered all of Coastline Caterers operations. These are Devonshire Park Centre, Events and outside catering, seafront catering and cafes (the Sovereign Centre and Strollers Café, are currently subject to separate tender arrangements). The appraisal has also considered the position with regard to the Seafront development opportunities that are referred to in the Seafront Strategy and relate to catering.	
2.0	The Process Adopted	
2.1	The Appraisal process carried out by L&R Consulting has been set in the financial and market context of both Eastbourne and its Coastline Caterers' operations and the wider commercial catering market place.	
	A general market overview has been carried out and the effects of Compulsory Competitive Tendering and Best Value on public sector catering scrutinised.	
	The national scene for contract catering companies was appraised and Seafront development issues relating to current and potential sites were considered.	
2.2	A financial appraisal of Coastline Caterers trading performance was carried out by Council officers. This provided a helpful perspective on the influence of weather and events, including conferences, on trading and therefore the Council's risk.	
3.0	<u>Options and Appraisal</u>	
3.1	A list of all the practicable actions has been drawn up and 11 options identified, these are detailed in the attached table 1 .	

3.2	The options have been assessed against subjective and objective measures to identify the best options and the order in which they might be pursued. Scores were given to financial risk and possible gain, and market appeal to give a priority order. These are detailed in table 2 .	
3.3	It is recommended that options given a score of 1 are pursued by the Council. These are:	
	1a	Tender the whole of Coastline Caterers' Operation for 2004/05 linked to an investment programme
	1b	Tender the whole of Coastline Caterers' Operation for 2004/05
	1c	Tender separate management contracts for (I) Devonshire Park Centre and (ii) Seafront Catering
	It would be possible to embrace all three options within one tendering process.	
4.0	<u>Financial and Staffing Implications</u>	
4.1	It is proposed that the priority options are carried through by Council officers. There will be no additional costs other than staff time at the outset, but specialist support may be required for survey and condition reports as tenders are prepared.	
5.0	<u>Summary</u>	
5.1	The Options Appraisal has been carried out by L&R Consulting and the principles adopted are consistent with good practice in Options Appraisal. It is recommended that Cabinet approve Council Officers to pursue a procurement process that invites tenders for one or all of the options given a priority order of 1 as detailed in the report and the recommendations.	
Diane Bagley		
Head of Sport, Recreation & Leisure		

<p>Background Papers:</p> <p>The Background Papers used in compiling this report were as follows:</p> <p>Civic Budget 2002-2003 Update – Cabinet 5th September 2002</p> <p>Seafront Catering Outsourcing – Cabinet 9th January 2003</p> <p>L&R Catering Options Appraisal – Summary Report</p> <p>To inspect or obtain copies of background papers please refer to the contact officer listed above.</p>	