

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2783

Author:

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Department:

Communities

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Subject:

Commercial Opportunity for Neighbourhood Services Catering

Total Value:

Exempt (Type: Capital and Revenue)

Decision Being Taken:

To delegate authority to the Corporate Director Commercial and Operations to enter into an agreement with Gedling Borough Council (GBC) to enable Nottingham City Council (NCC) to operate the new café at the Gedling Country Park Visitor Centre as a concession and share the revenue generated on an equal basis after expenses.

Reasons for the Decision(s)

NCC's commercial catering service is designed to provide customer focused and commercially viable catering services across the city. It commenced with the Loxley House take over in November 2014 with considerable expansion and success already made to date, projecting a revenue income generation for the 2016-17 financial year of £1m .

It provides a great variety of delicious hot and cold options, meal deals, speciality menus, hospitality and event catering and special promotions. The business model has been replicated across further city sites including the Harvey Harden Sports Village, Nottingham Tennis Centre, Bulwell Riverside and Mary Potter joint service centres, Nottingham Central Library, Byron House and more recently Woodthorpe Park.

The Cafe at Gedling Country Park and all park catering concessions will be operated by Nottingham City Council Commercial Catering team, part of the Neighbourhood Services Directorate. The arrangement is one of mutual partnership and gain, with GBC investing capital in the catering café and fit out, requiring no capital investment by NCC but utilising its commercial specialism as professional caterers. The café will contribute to the excellent park facility for GBC residents and from Nottingham and the wider conurbation. In addition NCC will also provide the in-house cleaning service at the facility and will have exclusive rights to operate catering concessions across the whole park area. The park is already attracting significant footfall following its initial development and GBC is ambitious in its proposals to create an active destination for a large number of visitors per annum, working with local community organisation to maximise visitor numbers.

This agreement will secure a revenue income stream for both NCC and GBC through a concession contract between both organisations. Operating surplus will be shared equally between both organisations to enable re-investment back into the provision of council services for respective local residents of each authority.

The commercial catering service will work with GBC to actively add value to the partnership, seeking where possible to employ staff and apprentices from the local community. Both organisations are committed to supporting the further development of the events and catering programme for the park and maximising the catering offer to mutual benefit.

Other Options Considered:

**Option 1 . Do nothing
The opportunity to secure additional income into the authority would be lost, this may also impact on the economies of scale with purchases and management overheads as Neighbourhood Services continues its period of expansion with catering venues.
Option 2 . Partner with Gedling Borough Council
This is a unique opportunity to operate this facility and enter into a formal partnership with Gedling Borough Council for mutual benefit at this venue on the outskirts of the city.**

Background Papers:

None

Published Works:	None
Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Any Information Exempt from publication:	Yes
Exempt Information:	
Description of what is exempt:	Financial model and finance advice
	An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972
3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).	The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it contains commercially sensitive information relating to the financial or business affairs of the council and would prejudice the negotiation of future contracts.
Documents exempt from publication:	Finance Comments - DDM Gedling.docx, Cashflow Analysis Gedling Revised CW.xlsx
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	None directly related to this decision
Equality:	EIA not required. Reasons: The proposed café operation does not present any equality impact as the venue will provide a universal service to all park users.
Decision Type:	Portfolio Holder

Subject to Call In:	Yes
Call In Expiry date:	27/03/2017
Advice Sought:	Legal, Finance
Legal Advice:	Legal advice has been given confirming the Council's ability to enter into this arrangement. The legal services team will provide support in concluding the documentation with Gedling Borough Council. This decision includes approval of funding for new posts. It is understood that the expansion to workforce and recruitment to posts will be dealt with under separate delegated authority in consultation with HR. Advice provided by Joanne Haslam (senior solicitor) on 10/03/2017.
Finance Advice:	This advice is exempt from publication and is contained within an exempt appendix
Signatures	Nicola Heaton (Portfolio Holder for Community Services)
	SIGNED and Dated: 15/03/2017
	Andrew Vaughan (Corporate Director Commercial and Operations)
	SIGNED and Dated: 14/03/2017