

HOUSE OF LORDS SERVICES COMMITTEE**Update on Catering and Retail Services (CRS) operation of The Woolsack**

Paper from Stephen Perkins, Head of Catering and Retail Services

Purpose

1. This paper provides an update on the operation of The Woolsack (previously known as the Sports and Social Club Bar), since Catering and Retail Services (CRS) took over the management of the venue in July 2018.
2. At its meeting in June 2018, the Committee endorsed the new operating model for the bar and it was agreed that CRS would report on the progress of the model after 12 months in operation.
3. This paper was prepared for the Committee's November meeting which was cancelled.

Decision for the Committee

4. The Committee is invited to note the update on CRS operation of the Woolsack.

Background

5. It was decided that the bar would be closed over the 2018 Summer recess to allow for a refurbishment of the space to take place, reopening on 3 September, when the House returned. Refurbishment included a full deep clean, renewing and replacing carpets, new bar seating and furniture, plus painting of all areas, upgrades to the toilet facilities and improved wi-fi to enable contactless payments.

Operational model of the Bar

6. The opening hours of the Bar are Monday-Thursday noon-10pm, and noon-9.30pm on Fridays. This is aligned with the River Restaurant Bar opening hours.
7. The prices in The Woolsack were aligned with the River Restaurant Bar from the first day of operating under CRS. Some changes were made to the product lines available due to contractual arrangements with our current supplier (different to the supplier for Crown Entertainment Limited).
8. Staff of the Sports and Social Club Bar had the right to become employees of the Administration on their current terms and conditions of employment, as of 21 July 2018. All 6 members of bar staff transferred to CRS, but not the previous Bar Manager and 2 supervisors who were eligible to TUPE across but chose not to.
9. In 2018 CRS recruited a Bars Manager, with responsibility for both The Woolsack and River Restaurant Bar operations. The Bars Manager role was filled by an internal applicant who had previous supervisory experience within CRS. A supervisor was also recruited, with the position filled by a member of CRS returning from a career break. Both appointments of

experienced CRS personnel have ensured consistency in maintaining the high operational standards set across all CRS venues.

10. All transferring staff attended induction sessions, along with the relevant mandatory and specialist CRS training.
11. In the 12 months that CRS have been operating The Woolsack, the staffing structure has been regularly reviewed in order to achieve the most efficient and cost-effective staff compliment. Initially the structure relied heavily on the use of variable hours staff, who also hold other jobs outside Parliament. This caused issues with effective rota management when variable hours staff were not available or had commitments with their other employment. As a solution, CRS employed a permanent full-time member of bar staff in June 2019, to increase flexibility and consistency within the team and reduce reliance on the use of variable hours staff.
12. In line with the CRS flexible working policy, we have also been able to deploy staff from other CRS outlets to work in The Woolsack when required, either during busy periods to cover absence or as cross training opportunities.

Security and access requirements

13. Access and security requirements are aligned with that of the River Restaurant Bar, where one full passholder can bring up to a maximum of two guests, and on Thursday evenings (which is the busiest night) we carry out additional monitoring by ensuring passholders with guests sign a book to access to the Bar.
14. An incident log is maintained to record any disruptive behaviour or incidents, and this is reported to senior CRS management for action and review. To date, since CRS took over the management of the bar, there has been one incident of unacceptable behaviour and this was dealt with swiftly by the Duty Manager and the Parliamentary Security team without further issue.
15. More prominent promotion of best practices such as “Challenge 25” has been implemented and new systems introduced to record the number of customers that have been refused service, for example for being underage.
16. Monitoring of customer numbers takes place during peak trading times to ensure fire safety limits are not breached.

Marketing and innovations

17. The purpose of changing the name to The Woolsack was not only to create a new identity for the bar under the management of CRS but also to differentiate the bar from the activities of The Sports and Social Club, which is a separate entity and managed by an independent committee. Many of the club’s activities still take place in the bar (such as Pool and Darts competitions) and a positive working relationship has been forged between club committee members and CRS management.
18. New signage has been produced, which is in keeping with other signage for CRS venues and features a Woolsack logo. The bar now has a presence on the intranet alongside other CRS venues and has featured in Fortnight Focus and Red Carpet News.

19. Additional changes have been made to the operating style of the bar (aligned with the service provided in the River Restaurant Bar) which are befitting of a professional and reputable bar operation. This includes free drinking water available on the bar at all times, the removal of shot glasses and removal of such associated drinks, resulting in a smaller, streamlined range of popular drinks.
20. A food menu has been introduced, where previously no provision existed. A lunchtime offer of freshly made crusty rolls or sandwiches, have proved popular with customers. In November 2018 a bar snack menu was introduced on Thursday and Friday evenings, including popular items such as nachos, mozzarella sticks and honey roasted cocktail sausages. Food orders are produced in the River Restaurant kitchen, delivered to the bar and served in compostable, disposable packaging.
21. In February 2019 a coffee machine was introduced to allow for hot beverages to be served and accompanying bakery items such as cakes and biscuits. With appropriate marketing both on the intranet and via posters/table talkers, customers are encouraged to use the bar during quieter periods (noon until 5pm) as an informal meeting place. The Woolsack offers a viable alternative to alleviate pressure on meeting rooms and staff using restaurant space as meeting points.
22. During the 12 months of operating the product range has been reviewed regularly, sales data has been analysed along with customer feedback which has helped to shape an appropriate range of food and beverages. This has included reacting to strong market trends – such as the increase in demand for variations of craft Gin, where the available selection has been increased from 1 to 5 choices. In July 2019, working in conjunction with CRS suppliers, a draught House of Lords lager was introduced. Initial feedback and sales are positive.

Finance

23. CRS operates the bar as a separate cost centre for income and expenditure, like all other catering outlets, and generates a monthly profit and loss account for the Management Board. The profit and loss accounts are attached (Annex A).

Restoration and Renewal

24. This paper has no impact on Restoration and Renewal.

Stephen Perkins
Head of CRS
November 2019

Annex A

The Woolsack Profit and loss account

Positive sales figures since the bar reopened under CRS management, has seen an increase of £69.5K (equivalent to 24%) against budget. From total sales of £357K, beverage sales contribute £345K and food sales £11K. The overall result is a net profit of £103K, which has directly reduced the overall CRS subsidy for 2018/19. As a comparison to the Lords' bar in the financial year 18/19, which the Lords' bar achieved sales of £169k and a net profit of £12k.

	August 2018 to July 2019		
	ACTUAL	BUDGET	Budget Difference
Sales			
Food Sales	11,049	7,522	3,527
Food Cost of Sales	4,202	3,499	703
Gross Profit	6,847	4,023	2,824
Gross Profit %	62.0%	53.5%	
Liquor Sales	345,957	279,903	66,054
Liquor Cost of Sales	119,326	106,334	12,992
Gross Profit	226,631	173,569	53,062
Gross Profit %	65.5%	62.0%	
Total Sales	357,006	287,425	69,581
Total Cost of Sales	123,528	109,833	13,695
Gross Profit	233,477	177,592	55,885
	65.4%	61.8%	
Total Wages	116,246	113,392	2,854
Total Trading Overheads	7,638	14,013	-6,375
Total House Overheads	6,141	7,841	-1,700
Net Profit / Loss	103,452	42,346	61,106