



HOUSE OF LORDS SERVICES COMMITTEE

Agenda

The Committee will meet on Thursday 16 January at 1pm in Committee Room 2

1. Apologies
2. Matters arising from the minutes of the previous meeting (minutes previously agreed by correspondence)
3. House of Lords Decant Project: Proposed location of Chamber, Committees and Catering functions (S/20-21/1) [RESTRICTED]
4. Fire Safety training module (S/20-21/2) [RESTRICTED]
5. Oral update on the West Front Scaffolding (Cast Iron Roofs Programme)
6. Proposed changes to the House of Lords Terrace (S/20-21/3) [RESTRICTED]
7. Annual review from Catering and Retail Services (S/20-21/4) [UNRESTRICTED]
8. Update on Catering and Retail Services operation of The Woolsack (S/20-21/5) [RESTRICTED]
9. New Palace Yard Project: Delivery Impacts (S/20-21/6) [RESTRICTED]

Circulated for information:

Forward Work Programme (S/20-21/7) [UNRESTRICTED]

Services Committee notices (S/20-21/8) [RESTRICTED]

Members are reminded that they should declare any relevant interests.

Members are free to discuss the contents of papers with their colleagues, unless the paper is marked 'Highly Restricted'. Papers marked unrestricted are proactively published.

Gabby Longdin
Clerk

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HOUSE OF LORDS SERVICES COMMITTEE**Annual review from Catering and Retail Services**

Paper from Stephen Perkins, Head of the Catering and Retail Service

Purpose

1. This paper sets out an annual review of activity within the Catering and Retail Service (CRS) for the financial year 2018/19. It details both financial and operational performance, as well as a look forward to business objectives in the forthcoming year.
2. This paper was prepared for the Committee's November meeting which was cancelled.

Decision for the Committee

3. CRS would welcome the Committee's feedback on this annual review.

Background information on the Catering & Retail Service

4. CRS provides a range of catering, event management, meeting room hospitality and retail services for Members and their guests, staff, MPs, Members' and MPs' staff, police and security officers, journalists and contractors working on the parliamentary estate, and visitors to the Houses of Parliament. In total CRS operates eight outlets offering a diverse range of facilities that include self-service cafeterias, casual dining and fine dining restaurants, bars and a retail shop. CRS is also responsible for managing an extensive banqueting and events business which delivers over 900 events per annum catering for over 93,000 guests. CRS employs 160 people, including permanent and variable hours staff, to provide these services.
5. The CRS team caters for over 350,000 transactions annually, with over 1,500 customers using the service from 7.30am until late at night on a typical sitting day. Additionally, the House of Lords retail team processes over 17,000 transactions each year.

Financial performance

6. Financial performance in CRS saw an annual turnover of £5.1m in 2018/19, which was 12% more than the previous year (2016/17). Overall the net subsidy for CRS was £1.24m, which was £115k more than the outturn (the revised budget submitted in September, mid-way through the year) but £102k less than last year. The breakdown of each operating outlet is shown in annex A.
7. Financial performance was significantly impacted overall due to the closure of catering outlets for a period of 3 weeks during the Conference recess in Autumn 2018 to allow for Fire Safety Improvement Works in the Palace of Westminster. The works meant that the River Restaurant and Gift Shop were closed, and scheduled banqueting events cancelled. Plans to open the Peers Dining Room to the public during this recess (as in previous years) were also cancelled.

8. Overall, all the factors above had a negative impact on the CRS subsidy of over £235k, compared to the original financial plan for the year.

Operational performance and initiatives

9. In July 2018 CRS took over the operation of The Woolsack (previously known as the Sports & Social Club Bar). We are pleased to report that in the financial year 2018/19 the revenue in The Woolsack saw an increase of £56K (equivalent to 30%) against forecast. The overall result is a net profit of £68K, which has directly reduced the overall CRS subsidy for 2018/19.
10. Further to the Services Committee approval in September 2017 for CRS to proceed with facilitating non-sponsored banqueting events from March 2018, we are pleased to report that CRS has held 32 non sponsored events in the financial year 2018/19, adding an additional £95K revenue to the banqueting and events operation. In July 2019 the Committee agreed to permanently allow non-sponsored banqueting events.
11. Work continued in 2018/19 on the implementation of a new Stock Management System within CRS. The system went live in both Houses in April 2019.
12. Since December 2017 the Committee has been considering changes to the Long Room and Bishops' Bar with the aim of addressing overcrowding and health and safety issues. Work continued on proposals throughout 2018/19, which included undertaking a Members survey, and a trial of changes in the Long Room. After a trial period, a new agreed service started in the Long Room in September 2019. A trial of changes to the Bishops' Bar is currently underway and will be reviewed and a report will be presented before the Committee in March 2020.
13. Cross training (training staff across multiple service areas) within CRS continues to be key to delivering our core services. As the challenges of recruitment and filling vacancies in a suitable amount of time remain due to the security clearance and HR processes, it has become imperative to ensure a flexible and robust workforce. Flexible working practices and rotas have been designed and implemented for business needs, resulting in more efficient working patterns, and improved financial accountability and service to Members, as well as improved staff development opportunities.
14. During the reporting year CRS retained its top status of 5 (out of 5) for food hygiene, awarded by Westminster City Council in November 2017. CRS undertook regular independent food hygiene auditing from our appointed contractor (Red Box) to ensure compliance with food hygiene regulations. Actions arising from these audits have been completed and the report was also presented to the Parliamentary Safety Assurance Board for scrutiny.
15. In October 2018 a number of key environmental initiatives took place to reduce the presence of single use plastics within Parliament. All plastic containers and cutlery were replaced with compostable alternatives, single use plastic bottles of water were removed from sale and a 25p levy was introduced for beverages served in disposable cups. CRS has also introduced the sale of a reusable hot beverage cup and a 10p discount is applied for customers using this or bringing their own reusable cup. The feedback and data gained from these initiatives has been wholly positive.

16. The uncertainty around House business at various points during the year made predicting required levels of CRS services difficult, especially during the passage of the European Union (Withdrawal) Bill. CRS supported Members during late sittings with increased opening hours in both the Long Room and River Restaurant. CRS rotas and scheduling were adjusted accordingly to incorporate the additional service times required.

Objectives for the future

17. CRS will continue to look for ways to improve efficiency and value for money, while delivering a quality service to meet the expectations of Members.
18. CRS will continue to monitor and react to Parliamentary events that may affect the ability of CRS to deliver its financial and operational objectives. As mentioned previously, projects such as the Fire Safety Improvement Works, that significantly impacted operations in Autumn 2018 are still ongoing and will be considered when assessing CRS functionality.
19. CRS will continue to develop and maximise the revenue stream for banqueting and events with the introduction of non-sponsored events. Although forecasted to increase revenue in the financial plans for 19/20 against 18/19, the uncertainty of the business of the House and cancellations may impact the year end outcome.
20. Further sessions of public dining in the Peers' Dining Room will be implemented whenever possible, building on the successful results already achieved. CRS will also work towards additional commercial opportunities that will have a positive impact while the House is in recess. CRS will continue to work closely with the Management Board and Services Committee to ensure that sensible income generation opportunities are managed in the correct manner.
21. As part of ongoing efforts to create catering facilities that are compliant, accessible and fit for purpose, CRS will work with the Department of Facilities to address refurbishment needs within catering venues, including the River Restaurant Bar and the Lords Terrace. A project for refurbishment of the River Restaurant to improve access within the restaurant and the standard of dining facilities has already taken place, receiving positive feedback.
22. CRS will continue to work alongside the House of Commons catering services and the Parliamentary Digital Service to deliver effective technology throughout CRS venues. This ensures that catering in both Houses benefit from updates in technology and innovations to ensure maximum efficiency and improvements for Members, staff and guests. For example, we are looking at digitising (previously) paper-based concepts such as the display of menus and promotions within our staff restaurant outlets and electronic customer survey terminals, providing immediate 'live' data from our customers.
23. CRS will continue to support the Parliamentary Environmental Policy through focussing on supply chain activities, promoting seasonality on menus and developing effective food waste management initiatives. Working in liaison with the House of Commons Catering Service and the Environmental team, CRS received accreditation in August 2018, through the Sustainable Restaurant Association and entered into their 'Food Made Good' scheme. CRS will be looking to increase its rating from 2 stars to the maximum of 3.
24. CRS employs a high overall percentage of staff within the Administration. As such, it is vitally important to have a forward-looking approach to themes on Inclusion & Diversity and an effective and structured plan by which to engage with staff on these matters. Further to the

publication of the Ellenbogen report, CRS will form an appropriate action plan to build on and enhance current processes already in place, along with identifiable new actions.

25. CRS will continue to be involved in the plan for Restoration and Renewal within the Palace of Westminster. CRS senior management have already attended workshops and provided input into shaping the provision of catering facilities, either as part of a decant project to alternative premises or as a renewed facility within the Palace of Westminster.

Restoration and Renewal

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

Stephen Perkins
Head of CRS
November 2019

Annex A: 2018/19 Financial Summary

The table below highlights the 2018-19 operating performance of each outlet. (Please note the Long Room's income and expenditure comes under the Peers' Dining Room outlet heading).

Catering and Retail Services YTD Profit and Loss Summary by Outlet									
	Turnover	Cost of Sales	Gross Profit	Other Income	Staff Costs	Trading Overheads	House Overheads	Net Contribution	2017-18
Peers' Dining Room	649,847	208,251	441,596	0	1,064,898	88,493	67,463	-779,257	-801,640
Barry Room	248,022	81,077	166,945	0	401,419	27,719	8,369	-270,563	-260,814
Woolsack	239,983	84,425	155,558	0	71,728	11,484	3,738	68,608	0
River Restaurant	409,806	241,342	168,464	943	536,668	36,848	9,035	-413,144	-442,667
Bishops' Bar	66,983	27,824	39,159	62	112,694	3,188	373	-77,034	-76,922
Peers' Guest Room	62,501	24,822	37,680	0	35,606	6,915	342	-5,182	-3,341
Lords' Bar	169,833	60,618	109,215	4	91,738	5,079	342	12,061	-14,178
CRS Admin	2,225	0	2,225	0	655,646	34,381	45,388	-733,190	-673,578
Millbank House	197,262	111,738	85,524	899	166,360	23,543	7,981	-111,461	-135,686
Outlet subtotals	2,046,462	840,096	1,206,366	1,908	3,136,757	237,649	143,032	-2,309,163	-2,408,826
Banqueting/Functions	2,588,021	553,176	2,034,845	451,885	1,402,705	140,396	63,801	879,828	867,391
Shop	497,866	274,783	223,083	61,104	87,382	9,889	1,648	185,268	195,338
BQT and retail subtotal	3,085,886	827,959	2,257,927	512,989	1,490,086	150,285	65,450	1,065,097	1,062,729
Grand Totals	5,132,348	1,668,055	3,464,294	514,897	4,626,843	387,933	208,481	-1,244,066	-1,346,098

Trading overheads include operational expenses such as uniforms, stationery, linen, cleaning material and light equipment.
House overheads include cleaning services, ICT equipment, staff training, office equipment and supplies.

HOUSE OF LORDS SERVICES COMMITTEE

Forward Work Programme

Please find attached the Committee's forward work programme. The programme consists of papers for decision, regular update papers, and those requested by the Committee.

Date	Agenda
16 January	- House of Lords Decant Project– Proposed location of Chamber, Committees and Catering functions - Fire safety training module - Oral update on Cast Iron Roofs Programme - Proposed changes to the House of Lords Terrace - CRS annual update - Woolsack update - New Palace Yard Project: Delivery Impacts
13 February	- House of Lords Decant Project – Member accommodation and Support Services and Public Realm - Estates Works update - Mechanical, Electrical, Public Health and Facility Safety – Victoria Tower survey results - Fire Safety Improvement Works 2020 works programme including Fire safety alarm testing - Photography permissions - Website upgrade demonstration
19 March	- House of Lords Decant Project (TBC) - Review of Bishops' Bar trial - Results of the Members Survey - Fielden House - Travel Office Update - CCTV on the Estate
30 April	Estates Works Update

To be considered at a future meeting:

- PDS location – 6 month review
- Cast Iron Roofs Programme update
- Archives Accommodation Programme (AAP)

Gabby Longdin
Clerk
January 2020