

**Report of Maria Akers**

**Report to: Chief Officer Parks and Countryside**

**Date: 10.8.18**

**Subject: Purchase of a bespoke mobile catering unit for Lotherton Hall**

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|--|---|--|
| Are specific electoral wards affected?<br>If yes, name(s) of ward(s): Harewood   | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| Are there implications for equality and diversity and cohesion and integration?  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| Is the decision eligible for call-in?  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information?<br>If relevant, access to information procedure rule number:<br>Appendix number: | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |

**Summary of main issues**

1. Lotherton operates a successful café with a turnover of just over £500K in 2017/18.
2. This figure includes £40K of takings generated in 'pop-up' facilities in a converted loose box, an informal take-away in a gazebo in the gardens and a hired-in temporary catering unit used through the Christmas Experience event.
3. The pop-up catering is essential on busy days to relieve pressure on the café.
4. The current ad-hoc arrangements limit the food and beverages that the site is able to safely offer. The hire costs of the temporary catering unit for Christmas were £6,000.
5. The site proposed the purchase of a mobile catering trailer to expand the number of days trading and the range of food to increase gross income by £23,000.
6. The site proposed the purchase of a new build, fitted 'Shepherd's Hut'; a vehicle that is in keeping with the historic location but with modern amenities.
7. The Financial Strategy Group approved capital expenditure of £18,000.
8. The 'Shepherd's Hut' is of a bespoke design, chosen to be in keeping with the historic location.

## **Recommendations**

1. The Chief Officer for Parks and Countryside is requested to use the authority set out in Contract Procedure Rule (CPR) 1.3 to waive Contracts Procedure Rules 3.1.6, 3.1.13, 8.1 and 8.2 to award a contract to Tudor Catering Trailers Ltd, Weston-Super-Mare to the value of £17,257 for a bespoke 'Shepherd's Hut' for use at Lotherton Hall.

## **1. Purpose of this report**

- 1.1 To request the Chief Officer of Parks and Countryside to note the contents of this report and to approve to waive contracts procedure rules 3.1.6, 3.1.13, 8.1 and 8.2 to award a contract to Tudor Catering Trailers Ltd, Weston-Super-Mare for the value of £17,257 for a bespoke 'Shepherd's Hut' for use at Lotherton Hall.

## **2. Background information**

- 2.1 Lotherton Hall is a visitor attraction managed by Leeds City Council through a Management Board made up of officers from City Development and Communities and Environment. Since 2011 the site has successfully developed and grown as a visitor attraction with a significant reduction in net cost to the authority.
- 2.2 For a number of years Lotherton has operated additional catering points on busy weekends and for events. Initially this comprised a catering point in the formal gardens for the key summer events; an ad-hoc arrangement consisting of a gazebo, folding tables and portable equipment. This was subsequently added to by converting one of the loose boxes to be able to sell hot and cold drinks and wrapped snacks.
- 2.3 The catering offer was expanded again for the Christmas event in 2017 and two additional catering points were operated to relieve pressure on the café; one in the converted loose box and the other from a hired-in purpose built catering trailer in the Elf Village. This generated an annual gross income of just over £40K.
- 2.4 The site proposed a business case under Invest to Save for the purchase of a catering trailer. FSG approved the spend as capital investment.

## **3. Main issues**

- 3.1 The additional catering points have become vital to meet the needs of increased visitor numbers, particularly during school holidays and special event days.
- 3.2 The current arrangements severely limit the range of food and drink that the site is able to sell and are time-consuming to set up. The catering van for Christmas is hired in at a cost of £6,000.
- 3.3 Investment in the catering trailer will present the opportunity to have the extra facility in the gardens on an additional 56 days (and replace the hire vehicle for a further 31 days).
- 3.4 The service has identified a suitable 'vintage' looking trailer to the value of £17,257 (+VAT) from Tudor Catering Trailers Ltd, Weston-Super-Mare.
- 3.5 Considering all of the above the purchase of the catering trailer represents the best value to the authority.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 No consultation required.

## **4.2 Equality and diversity / cohesion and integration**

4.2.1 There are no diversity considerations for this purchase.

## **4.3 Council policies and best council plan**

4.3.1 The Vision for Leeds 2011 to 2030 is to be the best city in the UK by 2030. It has specific aims that the economy will be prosperous and sustainable and that all Leeds' communities will be successful, where there are high quality buildings, places and green spaces, which are clean, looked after and respect the City's heritage.

4.3.2 Purchase of this equipment will enable Leeds City Council to sustain existing revenue streams from the additional catering at Lotherton and generate an additional £23,000 gross income (representing a net saving of £13,840).

## **4.4 Resources and value for money**

4.4.1 Hire costs versus purchase costs have been investigated and outright purchase offers better value.

## **4.5 Legal implications, access to information, and call-in**

4.5.1 The decisions taken within this report constitute a significant operational decision and as such the decision is not eligible for call in.

## **4.6 Risk management**

4.6.1 This purchase will be managed directly by the Parks and Countryside service.

## **5. Conclusions**

5.1 The purchase of a new catering trailer will enable the expansion of additional catering facilities with a net increase in income to the authority.

5.2 Outright purchase offers better value than hiring the equipment.

## **6. Recommendations**

6.1.1 The Chief Officer for Parks and Countryside is requested to use the authority set out in Contract Procedure Rule (CPR) 1.3 to waive Contracts Procedure Rules 3.1.6, 3.1.13, 8.1 and 8.2 to award a contract to Tudor Catering Trailers Ltd, Weston-Super-Mare to the value of £17,257 for a bespoke 'Shepherd's Hut' for use at Lotherton Hall.

## **7. Background documents<sup>1</sup>**

7.1 Report to Finance Strategy Group.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.



## Hire Costs

The catering trailer was hired in for the Christmas event at a cost of just under £6,000 and whilst the trailer was well equipped lack of experience with the equipment resulted in some difficulties in operation which limited income.

## The Proposal

Having investigated and priced various options, the preferred option is to purchase a purpose-built mobile catering unit, which will incorporate equipment specific to the requirements of the site. The type of unit is known as a 'Shepherd's Hut' – a vehicle traditional in appearance but built onto a modern road-worthy trailer for easy transportation. The traditional appearance has been chosen to reflect the 'vintage' nature of many of our events. The best price quoted is just under £18,000(including fitting out with catering equipment)



## Potential Income

A purpose built catering vehicle offers the opportunity to earn additional income by introducing an additional catering offer on key days that is able to offer a better range of products increasing the spend per head.

At future 'Christmas experience' events there would be a saving of the £6,000 per annum hire cost.

Headline Weekends would be served by a better range of products with the potential to increase spend, delivered in a safer more convenient way.

The table below shows a conservative estimate of new income through introducing the catering unit; the shaded figures show the uplift only from the existing catering points.

### Potential Additional Income from "Shepherd's Hut"

| Event                | Days | Location    | Use             | Income per day | Total Income | Costs  | Net     |
|----------------------|------|-------------|-----------------|----------------|--------------|--------|---------|
| Easter Weekends      | 6    | Gardens     | Teas & Coffees  | £ 200          | £ 1,200      | £ 480  | £ 720   |
| St. Georges Weekend  | 2    | Gardens     | Teas & Coffees  | £ 200          | £ 400        | £ 160  | £ 240   |
| Food Festival        | 3    | Playground  | Teas & Coffees  | £ 400          | £ 1,200      | £ 480  | £ 720   |
| Fairy-tale Week      | 9    | Gardens     | Teas & Coffees  | £ 200          | £ 1,800      | £ 720  | £ 1,080 |
| Yorkshire Day        | 1    | Gardens     | Teas & Coffees  | £ 400          | £ 400        | £ 120  | £ 280   |
| Headline Weekends    | 6    | Gardens     | Snacks & Drinks | £ 200          | £ 1,200      | £ 480  | £ 720   |
| Add Summer Weekends  | 12   | Gardens     | Teas & Coffees  | £ 200          | £ 2,400      | £ 960  | £ 1,440 |
| Autumn Harvest       | 1    | Orchard     | Teas & Coffees  | £ 300          | £ 300        | £ 120  | £ 180   |
| Scarecrow            | 16   | Elf Village | Food & drinks   | £ 300          | £ 4,800      | £1,920 | £ 2,880 |
| Christmas Experience | 31   | Elf Village | Food & drinks   | £ 300          | £ 9,300      | £3,720 | £ 5,580 |
|                      | 87   |             |                 |                | £23,000      | £9,160 | £13,840 |

### Capital Cost

| Expenditure required on this scheme | TOTAL<br>£000's | FORECAST          |                   |                   |                   |                   |
|-------------------------------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                     |                 | 2018/19<br>£000's | 2019/20<br>£000's | 2020/21<br>£000's | 2021/22<br>£000's | onwards<br>£000's |
| Equipment                           | 18.0            | 18.0              |                   |                   |                   |                   |
| OTHER COSTS                         | 0.0             |                   |                   |                   |                   |                   |
| <b>TOTALS</b>                       | <b>18.0</b>     | <b>18.0</b>       | <b>0.0</b>        | <b>0.0</b>        | <b>0.0</b>        | <b>0.0</b>        |

| Total overall Funding Available | TOTAL<br>£000's | FORECAST          |                   |                   |                   |                   |
|---------------------------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                 |                 | 2018/19<br>£000's | 2019/20<br>£000's | 2020/21<br>£000's | 2021/22<br>£000's | onwards<br>£000's |
| Invest to Save Funding          | 18.0            | 18.0              |                   |                   |                   |                   |
|                                 |                 |                   |                   |                   |                   |                   |
| <b>Total Funding</b>            | <b>18.0</b>     | <b>18.0</b>       | <b>0.0</b>        | <b>0.0</b>        | <b>0.0</b>        | <b>0.0</b>        |

### Revenue Business Case

|                      | 2018/19<br>£000s | 2020/21<br>£000s | 2021/22<br>£000s | 2022/23<br>£000s | TOTAL<br>£000s |
|----------------------|------------------|------------------|------------------|------------------|----------------|
| <b>Revenue Costs</b> |                  |                  |                  |                  |                |
| Staff/cost of sales  | 3,720            | 9,160            | 9,160            | 9,160            | 9,160          |
| <b>Total Costs</b>   | <b>3,720</b>     | <b>9,160</b>     | <b>9,160</b>     | <b>9,160</b>     | <b>9,160</b>   |

|                     |  |               |                |                |                |                |
|---------------------|--|---------------|----------------|----------------|----------------|----------------|
| Income generation   |  | -9,300        | -23,000        | -23,000        | -23,000        | -23,000        |
| <b>Total Income</b> |  | <b>-9,300</b> | <b>-23,000</b> | <b>-23,000</b> | <b>-23,000</b> | <b>-23,000</b> |
| <b>Net Savings</b>  |  | <b>-5,580</b> | <b>-13,840</b> | <b>-13,840</b> | <b>-13,840</b> | <b>-13,840</b> |

The estimated cost of purchase is £18,000 (including fit out). A request is being made to fund this from the Council's 'Invest to Save' reserve and therefore no financing costs have been included in the table above. If the scheme were to utilise unsupported borrowing instead, the financing cost would be £3.9k p.a. based on a 5 year asset life and 3% interest charge p.a.

### **Directorate Comments**

The business case has been submitted by Kris Nenedic, Parks Operations Manager for Parks & Countryside.

The directorate included within the published 2018/19 budget a 'stretched income target of £156k for Lotherton Hall. The purchase of this 'Shepherd Hut' will assist the service to generate additional income streams to contribute towards the estates budgets income.



