

Report to Director of Education & Skills

February 2021

Closure of the Martlets restaurant at County Hall, Chichester

Report by Assistant Director – School Organisation, Resources & School Services

Electoral division: N/A

Summary

Martlets restaurant has provided a catering facility for staff and Members using the County Hall campus over many years. In recent years the income generated has not covered the costs of operating the facility and an annual deficit of some £50k has needed to be covered from other catering budgets. The building would require investment to both improve the facility and provide a safe and appropriate catering kitchen area for the future.

Following the closure of Martlets in late March 2020, due to Government regulations to control Covid-19, it has not been possible to plan to re-open Martlets or have the customer throughput to generate sufficient income to cover costs. Furthermore, the expected change in long term work practices and the wide availability of alternative catering options in Chichester, together with on-site staff kitchen areas in the County Hall buildings, suggest there would be little adverse impact if the facility was to close. The impact on future arrangements for catering at meetings attended by county councillors once 'in person' meetings resume is being considered separately by the Governance Committee.

Recommendation

- (1) The Director of Education and Skills is asked to approve the permanent closure of Martlets restaurant with immediate effect.
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Proposal

1 Background and context

- 1.1 Martlets closed temporarily on 24 March 2020 due to the Government mandating that all non-essential catering facilities such as restaurants, including staff restaurants, should be closed.
- 1.2 Government Covid-19 guidance would allow a limited take away opening of Martlets. The Head of Catering Services had considered the potential for Martlets to re-open on a much-reduced basis offering take away services only but there has not been a need, or commercial viability, to re-open due to lack

of footfall in the County Hall buildings as the majority of the 1,500 staff who are based at County Hall are working from home.

- 1.3 During its closure the staff who work at the Martlets have remained employed and were initially offered for short term redeployment opportunities within the Council. Currently the 5 staff remain on an emergency cover rota for the County Council's Special School catering operation. Three have been placed in temporary roles in similar work areas and two remain unplaced at present but have both helped out with various ad-hoc emergency tasks such as making up food parcels for the school meal service.
- 1.4 Concerns about the viability of the Martlets restaurant have been raised in recent years, together with the need to consider if significant capital investment was required to update and improve the facilities.
- 1.5 Following a staff survey undertaken in July 2019, a programme of improvements based on staff feedback was initiated by the catering team. The changes were in reaction to the staff feedback and it was hoped that by making these changes income would improve and go some way towards bringing the operation to a break-even point. Improvement in income generation was seen, but not at the required rate to keep up with rising inflation and staff costs and address the income deficit that over the past few years has been in the region of £40-50k pa.
- 1.6 Decisions on the catering facilities in the other County Council buildings of Centenary House, Durrington, County Hall North, Horsham and Durban House, Bognor Regis are not required as they are the responsibility of the external providers who will determine their viability on a commercial basis.

2 Proposal details

- 2.1 In view of the continued impact of Covid-19 and with no likely return of staff to County Hall to the number attending pre-Covid, it is proposed that the Martlets restaurant is closed. The Property Services Team can consider whether the best option is then to re-purpose the building to meet other needs or to demolish and make the area available for other use.

3 Other options considered

- 3.1 With the prolonged closure of Martlets, the following options were considered:
 - i. to repurpose as a large meeting room, managed by Facilities Management. This was considered as it would create greater flexibility for face to face meetings. This option was not progressed further as the need for additional meeting space is not required due to the continued preference for staff to work from home wherever possible;
 - ii. to open, but on limited terms for takeaway refreshments only and with some option for a meeting space in the restaurant. This option was not progressed due to the National Lockdown measures and the expectation that even with some relaxation in Lockdown, the staff attendance at County Hall was unlikely to be sufficient to cover the staff or services costs of opening and staff were likely to visit off-site facilities in Chichester which would bring income to local businesses;

4 Consultation, engagement and advice

- 4.1 The County Council has continued its message to staff that, wherever possible, and unless business critical, they should work at home instead of attending the County Hall campus. There is no requirement to provide catering facilities in the workplace, and therefore it is not considered necessary to consult staff who work at County Hall on the facility closing.
- 4.2 On 15 October 2020, the Head of Catering Services met with all the Martlets staff via an online meeting to update them on the continued closure and the implications. With the help and support of HR, individual meetings were held with all staff to discuss concerns and potential temporary alternative employment. A further update was given by management in January to advise staff of the anticipated timeline for a decision. Unison were updated at the JCC on 9th February.
- 4.3 If redeployment of the staff were not possible, the estimated redundancy and pension costs for the 5 permanent employees would be in the order of £107k made up of £46k (redundancy) and £61k (pension).
- 4.4 Once the decision is taken the appropriate formal staff consultation process for those 5 staff employed at the Martlets would then be undertaken.
- 4.5 Alternative options for Member catering at meetings are currently being explored by the [Governance Committee](#), including through consultation with all elected Members.

5 Finance

Revenue consequences

- 5.1 The Martlets restaurant is budgeted to make a surplus of £65k a year. However, in 2019/20 the restaurant made a small deficit of £5k, and in the current financial year a deficit of £189k is being forecast due to the impact of the Covid-19 pandemic.
- 5.2 The proposed closure of the Martlets would see the current revenue budget being removed from the beginning of 2021/22.

	Current Year 2020/21 £m	Year 2 2021/22 £m	Year 3 2022/23 £m	Year 4 2023/24 £m
Revenue budget	-0.065	-0.065	-0.065	-0.065
Change from Proposal	0.000	0.065	0.065	0.065
Remaining budget	-0.065	0.000	0.000	0.000

- 5.3 No budget has been set aside within the Education directorate for redundancy costs as it is planned for these costs to be charged centrally against the Covid grant funding that the County Council has received.

- 5.4 The proposed closure is economically prudent for the County Council as it removes an annual deficit of typically some £50k for a service area that staff are not currently or not expected to use in sufficient numbers to make profitable. The proposed closure would further benefit the Catering Service as the budget surpluses made elsewhere have been used historically to offset the deficit created by Martlets.
- 5.5 In the expectation that Martlets staff can be redeployed to other roles with the County Council it will ensure staff are retained and used to fill current and future employment needs.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Current staff may not be redeployed	Assumptions over redundancy and pension costs have been made and a funding source identified although every effort will be made to secure alternative employment for the staff affected.

7 Policy alignment and compliance

- 7.1 Legal Implications – none.
- 7.2 Equality Duty and Human Rights Assessment – Appropriate staff consultation and support for alternative employment will be undertaken in accordance with the County Council HR procedures.
- 7.3 Climate Change - Not Applicable
- 7.4 Crime and Disorder – Not Applicable
- 7.5 Public Health – Not Applicable
- 7.6 Social Value – Not Applicable

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Background papers

None