

# AMBITIOUS SCRUTINY

## Briefing Note

16<sup>th</sup> March 2015



## EDUCATION CATERING SERVICE: LOCAL AUTHORITY TRADING COMPANY – CATER<sup>ed</sup> Limited

### Background

Cabinet agreed in June 2014 that the Education Catering Service, in partnership with maintained schools and academies and the Council, be created as a Local Authority Trading Company building on the existing excellent relationships with schools and the service to enable the delivery of a sustainable school food service to school across the City.

It was agreed that the new company would be built around the Council co-operative principles with schools committing their individual budgets for school food and kitchen estate maintenance to provide fair access to services for all and for the benefit of all.

### CATER<sup>ed</sup> Limited

The company was established as a company limited by share and was registered at Companies House on 15 December 2014 (Company Number: 09355912). The company is 51% Council owned and 49% School owned.

Schools and academies have separately become members of a separate company The Schools Shareholder Company (Company Number: 09404328) in order that The Schools Shareholder Company can represent the schools as a Shareholder in CATER<sup>ed</sup> Limited.

### CATER<sup>ed</sup> Limited Board

The Board was configured and met for its inaugural meeting on 27 January 2015. The Board as set out in the agreed Articles of Association is made up of 8 school representatives, 2 Council officers, one managing director with the potential for two extraordinary non-voting directors.

### Staff Consultation

Regular Staff Consultation events have been held in July 2014, December 2014 and March 2015 with briefings to Lead Reps as appropriate. There have been no significant issues raised by staff or Trade Unions.

The company has been granted access to the LGPS by Peninsula Pensions as a Schedule 2 (Part 2) Employer which has resolved any outstanding issues regarding any pensions' shortfall.

### Support services for CATER<sup>ed</sup> Limited

It was agreed that back office support functions would be purchased by the company initially for the first year of operation – to 31 December 2015 and then 3 months-notice on either side to terminate arrangements on 31 March 2016.

It has proven difficult for the Council to identify actual services and associated costs for each service area and this has resulted in an overarching service recharge figure being agreed for the initial period. It will be the intention for CATER<sup>ed</sup> Limited to commence negotiations

immediately with the individual areas to identify the work streams required and appropriate for the future and to agree future costs. Decisions on how those services can best be provided in the future will then be taken to ensure efficiencies and cost controls.

At the time of writing, banking arrangements are being finalised with Barclays Bank which will enable VAT Registration and Payroll functions to be completed.

### **Community Meals**

The Council is in the process of agreeing the contract with CATER<sup>ed</sup> Limited for the continued provision of community meals.

### **TUPE and “go live” date**

Staff were issued with Formal Consultation Documents and letters detailing TUPE arrangements earlier this month and ahead of the March consultation briefing.

It is intended that subject to the Executive Decision being signed off by the Lead Member on 18 March 2015 that all staff will transfer under TUPE and that CATER<sup>ed</sup> Limited will be fully live on 01 April 2015.

Brad Pearce  
Managing Director  
CATER<sup>ed</sup> Limited