



House of Commons
Administration Committee

Catering and Retail Services in the House of Commons: Response to the Committee's First Report of Session 2010–12

First Special Report of Session
2010–12

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The Reports of the Committee, the formal minutes relating to that report, oral evidence taken and some or all written evidence are available in a printed volume.

Additional written evidence may be published on the internet only.

Committee staff

The current staff of the Committee are David Weir (Clerk), Dawn Brown (Committee Assistant) and Liz Parratt (Media Officer).

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First Special Report

The Administration Committee published its First Report of Session 2010-12 on *Catering and Retail Services* as HC 560 on 10 May 2011. The response to this Report was received from the House of Commons Commission on 10 October 2011. It is set out below.

Response

Introduction

The Commission is grateful to the Administration Committee for its thorough and helpful work on catering services. The Commission was able to accept most of the Committee's recommendations when it considered the report before the summer recess, and agreed that officials of the House Service should discuss with the Committee the small number of areas where it had reservations. It is pleased that it proved possible to reach an agreed view with the Committee on almost all the remaining issues. This provides a firm basis for continuing both to provide the services needed by Members, staff and others and to make significant further reductions in the catering subsidy.

The responses to the following recommendations, which will have a direct impact on users of the catering services or affect the way Catering and Retail Services is structured, are from the Commission:

Rec 5: Members' Dining Room pricing.

Rec 6: Continued benchmarking of prices to keep them broadly in line with those of government departments and UK devolved parliaments/assemblies.

Rec 8: Maintaining food standards.

Rec 17: Designation of the Churchill Room for events and banqueting use during the daytime.

Rec 19: Possible new use for the Adjournment.

Rec 23: Closure of the Members' Tea Room on non-sitting Fridays.

Rec 29: Bellamy's Cafeteria to open only between 12 noon and 3 pm.

Rec 30: Closure of the Portcullis Cafeteria at 7 Millbank in the evenings.

Rec 31: Closure of the 6th floor cafeteria at 7 Millbank but retention of the room as a meeting space.

Rec 32: Closure of the table service area of Moncrieff's.

Rec 38: Pugin Room to close at 10 pm Monday to Thursday.

Rec 47: Keeping room hire fees for banqueting rooms broadly in line with external competitors.

Rec 50: Exploration of the possibility of a joint catering service with the House of Lords.

Recommendations 1–4, 7, 9–16, 18, 21, 24, 26–28, 33–37, 39, 40, 42, 43, 49 and 50 are primarily matters for the Management Board, whose responses have been endorsed by the Commission. They reflect the Commission’s overall policy of providing catering and retail services more efficiently, reducing the need for subsidy and generating additional income.

The responses to recommendations 20, 22, 25, 41, 44–6 and 48 and relevant parts of recommendations 32 and 38 convey Mr Speaker’s decisions on access to various catering facilities and on use of Westminster Hall.

For convenience the responses are presented in the single document below.

Although it is recognised in the responses that there are areas of continuing work, the net effect of these measures and measures already taken will be to reduce the catering subsidy by an estimated 50% (or £3 million) compared to the 2010/11 baseline by the start of 2014/15.

Committee Recommendation 1

While the peculiar nature of the parliamentary timetable and security demands mean that it is highly unlikely that staffing costs could be reduced to commercial levels, we consider that the current level of staffing cost and management cost to income is excessive and represents an unacceptably high cost to the taxpayer, especially at a time of spending constraint in all public services. We urge the Commission and the Board of Management to take positive steps in the near future to address this issue and recommend that progress be made by 31 December 2011 and a report made back to this Committee by 31 March 2012 on whether a process to outsource the service should commence. (Paragraph 56)

The Commission and the Management Board are committed to tackling this issue, as reflected in the proposals brought before the Committee.

Staff costs in the catering service have been reduced by £215,000 through the recent voluntary exit scheme. Further staff reductions will follow as service reductions and closures are implemented. For remaining staff the pace of change will be dependent on the progress of a corporate programme to review terms and conditions of employment in the House and working patterns (the HR PPP Programme). In particular, the business patterns in CRS need to be matched by more flexible deployment of staff resources. Given the size of the workforce, this will need to be supported by appropriate labour scheduling software.

In March 2011, the Commission agreed that Market Testing would be one of the work strands to be developed within the Corporate Savings Programme.

A project manager has been appointed to lead the work on Market Testing, which is expected to take up to 3 years to complete. The project will:

- identify the scope of services that could possibly be outsourced;
- establish the potential for in-house efficiency improvement in areas liable to be tested;
- agree those services to be taken forward for market testing; and

- oversee the market testing process itself, including potentially the outsourcing of certain services.

The Committee will be kept advised of progress and consulted as appropriate.

Committee Recommendation 2

HR and finance costs attached to the House's Catering and Retail Service appear to be three times the average expected in the commercial sector. We recommend that steps be taken by the Department of Facilities to find efficiencies in that area. (Paragraph 57)

The Director of Finance has commissioned Deloitte to carry out a review of accounts payable and accounts receivable, including those activities in support of CRS. The purpose of the review is to identify opportunities to improve efficiency and effectiveness through addressing process problems and by taking mundane, repetitive and frustrating tasks out of work routines. The review has commenced and is due to be completed by the end of September.

Departmental HR staff were centralised into the new Department of HR & Change with effect from June 2011 and budgets transferred from the Department of Facilities for the cost of HR staff supporting CRS. The Department of HR & Change is carrying out a job matching exercise to ensure that the House has the skills required to provide an efficient and effective HR service and to minimise duplication and maximise use of resources.

Committee Recommendation 3

We recommend that the Department of Facilities seek to save £110,000 a year by absorbing light cleaning duties into Catering and Retail staff duties. (Paragraph 58)

The Department of Facilities made this suggestion in the context of the Savings Programme and will implement it, although there will be challenges in implementation.

Agreement on changes to CRS staff contracts will require formal consultation and significant HR support. This will need to be taken forward as part of the wider review of resource requirements in CRS.

The Director of Accommodation & Logistics Services will review the cleaning contract specification with CRS management and the 3rd party contractor to ensure that the service delivery is aligned to current day business needs and to identify tasks that could be carried out by catering staff.

Committee Recommendation 4

We recommend that steps be taken incrementally to even out disparities identified in gross profit levels in outlets that are similar in style of provision and purpose. (Paragraph 60)

Standardised gross profit targets have been set for the 2011/12 CRS trading budget and finance staff are challenging line management and chefs about any significant variances to target.

ICT improvements are though required to provide the necessary data analysis and business interrogation tools. The funding and prioritisation of projects to enhance the ICT systems

supporting CRS business activities will be reviewed within the bicameral Facilities ICT Programme.

Committee Recommendation 5

We recommend that the Members' Dining Room offer a mixture of fixed price and a la carte prices. (Paragraph 65)

This recommendation relates to evening pricing only.

Prices in other parts of the CRS business were linked to relevant external benchmarks. However, the unique nature of the Members' Dining room made it difficult to identify a relevant comparator, and the price was set at £15. Following representation from Members and the Committee, a lower price of £10 was introduced for Members wanting one course only.

Since the introduction of the 2-tier set pricing structure, average spends have increased by around £3.50 in comparison to the previous year, generating additional income of around £15,000 in the 5 months of the year after prices increased.

Some a la carte prices options will now be introduced to sit alongside the fixed price tariffs. There will also be a review of the buffet service. Revenues will be carefully monitored.

Committee Recommendation 6

We recommend that the Catering and Retail Service monitor the impact of price increases on footfall in staff cafeterias and identify means of reclaiming some of the trade from staff that has clearly been lost as a result of prices increasing. We recommend that, until the new patterns of trading have become clear, the Commission consider no short-term further increases in those cafeterias above the rate of inflation. (Paragraph 71)

CRS monitors footfall in staff cafeterias, but the factors driving footfall are complex, particularly in the present economic conditions. Following the price increases, cafeteria transactions were 7.5% lower in 2010/11 than they were over the same months in 2009/10. However, as noted in the Committee's report, the decrease is primarily in the number of staff buying sandwiches, snacks and treats. This mirrors trends experienced elsewhere in workplace restaurants, where in the face of pay restraint and rising inflation, the staff restaurant main meal is still perceived to offer excellent value for money.

No price increases have been made since last August (except VAT). However, food and drink price inflation is well above RPI and at some point in the year this will need to be reflected in selling prices. CRS will continue to benchmark the prices charged by other staff restaurant operators, who are facing the same inflationary pressures, and maintain the current policy of keeping HoC pricing broadly in line with pricing in Government Departments and the devolved UK parliaments/assemblies.

Committee Recommendation 7

We recommend that the Catering and Retail Service introduce a staff loyalty or discount scheme to benefit the lower-paid staff of Members and the House, with the specific intention

of encouraging back customers who appear to have been lost as a result of price increases. (Paragraph 74)

CRS will implement customer loyalty schemes, discounting and other promotional offers as necessary to maintain footfall and deliver the agreed savings, and will consult with the Committee on means of delivering benefit to lower paid staff.

Committee Recommendation 8

We reject any proposal to reduce subsidy by lowering the quality standards required for foodstuffs purchased by the House of Commons, particularly in respect of animal welfare standards. (Paragraph 77)

Quality standards will not be relaxed. Customers using the catering outlets in the House of Commons rightfully expect a high quality of produce, sourced from farms and suppliers that demonstrate high environmental and animal welfare standards. The Commission accepts that maintaining these standards will cost around £125,000 pa, to be offset elsewhere in the Savings Programme.

Committee Recommendation 9

The management of the service needs to respond more quickly and effectively to complaints about poor service, and to manage poor service out of the system. We recommend more comprehensive customer service training be provided and that members of staff be enabled to spend some time in the commercial sector to update and broaden customer service skills. We support enhancement of the existing 'mystery shopper' programme to enable the gathering of more customer data about the quality of service offered across the Estate. (Paragraph 80)

Departmental Learning & Development (L&D) staff were centralised under the new Department of HR & Change with effect from June 2011. Learning & development needs are being mapped for 2011/12 and various approaches to the development of customer service skills in CRS are being researched, including secondments, mentoring and coaching.

The Department of Facilities has recently been assessed as a '4-star service organisation' by the British Quality Foundation. A programme of continuous improvement has been established to build on this achievement across the whole of Facilities, not just CRS. The mystery shopper programme will be enhanced, and continue.

Committee Recommendation 10

We agree with the Executive Chef that much could be done more actively to promote the service and what is on offer in individual cafeterias on different days via dedicated intranet pages under the Chef's own control. We recommend that these be provided to him. (Paragraph 81)

CRS and the Web Centre team are working together to improve the accessibility and content of information about catering services, including the provision of web pages under the Executive Chef's control.

Committee Recommendation 11

We recommend that the Catering and Retail Service review product signage and labelling in each outlet to ensure that customers may make better informed decisions on the basis of price. Improved signage and labelling would also enable the department to tell its own 'good news stories' on the use of fresh seasonal ingredients, healthy cooking techniques and sustainable, organic or Fairtrade produce. (Paragraph 82)

An additional task of reviewing product signage and labelling has been added to the Department of Facilities Business Plan for 2011/12. There is a need for more understanding of marketing and the management of printed material within the CRS team. This has been registered as a staff Learning & Development requirement.

Progress will be reported back to the Committee.

Committee Recommendation 12

We recommend that a made-to-order sandwich service be introduced in Portcullis House, on a trial basis if need be to test demand. Such a service might be provided within an enlarged Debate cafeteria, with a separate queuing system, and some additional tables and seating both within and outside the Debate. This could be done by reducing the space presently occupied by the Members Centre and by restricting that centre to use by Members, as was always intended, and not as an overspill space for additional Members' staff. The sandwich service and a premium coffee bar could be placed in the additional space gained without any need to disrupt or reconfigure the existing Debate service. (Paragraph 84)

CRS will develop options for the provision of a made-to-order sandwich service in the Portcullis House Atrium, potentially by enlarging the Debate cafeteria.

Committee Recommendation 13

We recommend that the Catering and Retail Service investigate with HMRC whether VAT exemptions should apply to relevant takeaway food items sold on the Estate, and pass on any saving to those who purchase takeaway items. (Paragraph 85)

HMRC guidance clearly states that cold take-away foods (principally sandwiches, fresh fruit, milk cartons, etc) sold by the catering service can be zero-rated for VAT if they are to be consumed off the premises. For the House of Commons, 'premises' would include the seating areas within the Portcullis House Atrium, the Terrace and outside Bellamy's Restaurant as well as the seating areas within all CRS venues.

Implementation would therefore require changes to the Electronic Point of Sale system to handle the dual tax rates on the products concerned. The cost of system changes will be established before a final decision is made on whether to proceed.

Committee Recommendation 14

We recommend that the Catering and Retail Service identify means to reduce staffing levels in the Members' Dining Room without entirely removing the table service valued by many Members. We recommend that the service seek to capture more of the untapped demand among the Members for whom the room exists by offering a wider range of simpler, lighter,

inexpensive options as well as a few main courses and the buffet currently provided, and we welcome the positive response the Catering and Retail Service has already made to this suggestion. (Paragraph 97)

The House-wide voluntary exit scheme has already delivered 3 post reductions in this venue, with replacement staff employed on zero hours contracts. CRS will develop options for further staff reductions, in consultation with the Committee.

CRS will continue to work to tailor the menu offer to meet Member requirements within the existing budgets. However, there is evidence that some Members are not deterred from using the room by the menu or style of service, but more by the overall ambience. CRS will probe this further, either through the mystery shopper project or through some other market research (eg structured interviews of Members), and consult with the Committee on their findings.

Committee Recommendation 15

With the caveat that acceptable reciprocal use of Lords facilities should first be negotiated, we agree that all Peers should be able to use the Members' Dining Room at lunch times, and are open to the suggestion that that access should be extended in the evenings, too, perhaps with a limit on the number of Peers who may use the Room at that time. (Paragraph 98)

The Commission believes that this may prove to be a contentious matter amongst Members, and would wish to understand the reciprocity arrangements before proceeding further. Discussions will be held with the House of Lords about this.

Committee Recommendation 16

We recognise that changing times, healthier lifestyles and stricter working practices have reduced formal lunching, and that the four main Dining Rooms which currently offer full table service lunches on the House of Commons Estate collectively suffer from significant under-occupancy. We acknowledge that the Catering and Retail Service has proposed reducing their number to three in order to reduce the cost of providing that service. (Paragraph 105)

Noted.

Committee Recommendation 17

We believe that offering a wider range of food styles and less formal service in the Churchill Room would help to raise revenues while also reducing costs to some degree. We reiterate the nine-year old suggestion of our predecessor Committee that the Churchill Room might provide a lighter, quicker, cheaper style of service at lunch time and a waiter service in the evenings, possibly including a carvery service. (Paragraph 106)

The Commission notes that, following further discussion, the Administration Committee has agreed with the proposal that the Churchill Room be used for events and banqueting at lunchtime. The complement will be reduced to a small core team supplemented by staff employed on zero-based hours contracts.

The case for retaining the restaurant service on a Monday, Tuesday and Thursday evening, is stronger (the Churchill Room is closed on Wednesday evenings). CRS will put service proposals to the Administration Committee for consideration.

Committee Recommendation 18

We recognise that remodelling the Adjournment would provide more space for the type of food offer made to all parliamentary pass holders in the cafeterias that are already overcrowded and most popular, but would be reluctant to lose the lighter, more modern style of food and service that has been achieved in that location. (Paragraph 107)

Given the over-supply of table-service dining facilities for all except rare occasions of very high demand, a scheme has been developed for the possible conversion of the Adjournment into a sandwich, deli and coffee bar. This would reduce pressure on the Debate self-service restaurant, which suffers long queues at peak times. Plans for this option will be reviewed alongside the options developed in response to the Committee's proposal set out in recommendation 12 above, and will be brought before the Committee for consideration.

Committee Recommendation 19

More can be done to vary the food styles on offer. At present, customers may broadly choose between cafeteria food or high-quality dining. There is a gap for the provision of mid-level, high street type offers such as pizza, pasta, Thai, Indian, Chinese or sushi, and we recommend that the Catering and Retail Service produce proposals outlining what might be achieved in that respect. (Paragraph 108)

CRS will develop options to vary the food styles on offer for consideration by the Committee in the autumn of 2011.

The venue most suited to providing a new mid-level, high street equivalent offer is likely to be the Adjournment. This is compatible with recent developments to promote it as a venue for all day dining and informal meeting use.

Committee Recommendation 20

We suggest that widening access to the underused Dining Rooms might also help raise more revenue and is an alternative to simply reducing the variety and quality of what is on offer. To that end, we recommend that members of the Press Gallery be granted access to the Adjournment with the right to entertain three guests (and that the success of that be reviewed 12 months from the date of the Commission's response to this Report), that all Peers be granted access to the Adjournment, the Strangers' Dining Room and the Churchill Room, without guests on sitting Monday and Tuesday evenings but with up to three guests at other times, and that full pass holders be granted access to the Churchill Room and Adjournment Restaurant at lunch time. (Paragraph 110)

It is agreed that widening access to underused dining rooms might help raise more revenue. These recommendations are therefore agreed provided that, in the case of Peers, acceptable reciprocal use of Lords' facilities is first negotiated.

Committee Recommendation 21

We recommend that an integrated booking system for the Dining Rooms be introduced as soon as possible, in order that customers turned away from one may be advised which others have tables available. (Paragraph 111)

An ICT project to deliver an integrated booking system for dining rooms has been initiated within the Facilities ICT Programme and market research has commenced. Once detailed business requirements have been defined, an appropriate contract will be let.

Committee Recommendation 22

We recommend that Members retain full booking rights for the Churchill Room and Adjournment, and that other user groups may book tables on a first-come, first-served basis no more than two working days before dining. We acknowledge that this may mean Members who seek to book late or turn up without a booking may be turned away. This is an inevitable consequence of widening access, and the Strangers' and Members' Dining Rooms will continue to be available primarily to Members as at present. (Paragraph 112)

The part of the recommendation about extending access to all staff on a late-notice bookable basis is accepted, but not the part about restricting full booking rights to Members only. It is understood that, following further discussion, the Committee has agreed that the existing rights of others should continue. Currently, Peers who are former MPs and Officers of the House hold full booking rights. This will continue whilst the impact of extending late-notice bookings to all staff is assessed. These arrangements will be implemented on a trial basis for the first year.

Committee Recommendation 23

We agree that it makes sense to close the Members' Tea Room on non-sitting Fridays, and recommend that the Catering and Retail Service close it earlier than 2013–14, as is presently proposed. (Paragraph 115)

The Commission also agrees. Implementation could be immediate, but it is noted that savings will require changes to staff contracts of employment, which may take longer. Staff consultation will therefore commence right away.

Committee Recommendation 24

We oppose any proposal to reduce the service offered in the Members' Tea Room. (Paragraph 116)

No reductions will be made to the level of service in the Members' Tea Room, and the cost of the service will be kept under review.

Committee Recommendation 25

We see no reason why the Members-only area of the Terrace cafeteria should not be opened to all users on days when the House does not sit, including recesses and non-sitting Fridays. (Paragraph 118)

This recommendation is accepted.

Committee Recommendation 26

We suggest that Members themselves be mindful, particularly at Tuesday and Wednesday lunch times, that sitting in the 'public' section while Members-only seating remains unused may be depriving someone else of somewhere to eat. (Paragraph 118)

The Commission welcomes the Committee making this point, and agrees.

Committee Recommendation 27

We recommend that the Catering and Retail Service make an estimated saving of £81,000 a year by introducing self-clearing to the Terrace and Debate cafeterias. We see no reason why this should not be done long before the planned start date of 2013–14. (Paragraph 119)

The Commission agrees, noting that the clearing systems will need careful design, convenient positioning and effective communication to customers. The Commission notes that a number of recommendations require reductions in the staff complement amongst staff groups that have low levels of staff turnover and limited options for re-deployment. The date of 2013–14 is therefore accepted as the target date for full achievement of the reduction, but savings should start to flow through from 2011 onwards.

Committee Recommendation 28

We recommend that consideration be given to closing the Debate in the evenings owing to the much-reduced demand at that time of day and the availability of sufficient capacity in the Terrace cafeteria to absorb that custom. (Paragraph 123)

It would be desirable to set the operating hours for the Debate so that it could be staffed by a single shift, which would yield significant savings. However, this proposal is likely to be contentious among customers. CRS will assess detailed usage records, gather customer reaction to the proposal and report findings to the Administration Committee in the autumn.

Committee Recommendation 29

We agree that the Bellamy's Cafeteria should open only between 12 noon and 3 pm in order to reduce the costs of staffing an all-day service by approximately £54,000 a year. (Paragraph 125)

The Commission agrees: this recommendation endorses a proposal put forward in the Savings Programme. It is noted that this is one of a number of proposals reducing the staffing requirement in the cafeterias. This should be easier to achieve amongst chef grades, due to the level of staff turnover and number of chefs employed on fixed term contracts. However, turnover is low in the other affected groups and may require calls for further voluntary exit in selected groups.

Committee Recommendation 30

We see no reason to retain the evening service at the Portcullis Cafeteria in 7 Millbank given the small number of transactions carried out there each evening, and we note that staff in the building have previously been advised that they would lose the service if it was not used. We support the proposal to save £10,000 a year by closing it at 5.30 pm. (Paragraph 129)

The closure of the evening service in 7 Millbank was proposed by CRS as part of the Savings Programme. The Commission agrees that the cost of this little-used service cannot be justified in the current climate, despite customer resistance to the proposed closure.

Committee Recommendation 31

The case that 7 Millbank cannot support two full-scale cafeterias is a compelling one and savings can clearly be made there. We support the Catering and Retail Service's proposal to close the 6th floor cafeteria, which will save an estimated £58,000 a year. (Paragraph 131)

The Commission is aware that this suggestion has proved very unpopular with staff based in 7 Millbank, who value the amenity of having a light and bright area for informal meetings, lunches and coffee. However, there is clear evidence that there is an over-supply of catering facilities in 7 Millbank for much of the day. The catering facilities will be removed from the 6th floor, but the room itself retained as a meeting space, with the installation of good quality vending equipment. This will ensure the retention of additional meeting space in a building where there is high demand for meeting rooms.

Committee Recommendation 32

The Catering and Retail Service has proposed closing the table service area of Moncrieffs as a savings measure, and we agree that it should do so, with the proviso that members of the Gallery should instead be able to dine in the Adjournment. (Paragraph 134)

CRS put forward, as part of the Savings Programme, a proposal to close both the table service and the self-service restaurant in Moncrieff's in order to use the space for other purposes. However, due to access constraints the space is not well-placed for use for banqueting or events and the scope for other uses for the space is limited.

The Commission therefore believes that only the table service restaurant should be closed, thus realising a smaller saving, but that the self-service venue be retained for the present. The utilisation and cost of this service will be kept under review.

Committee Recommendation 33

We recommend that Moncrieff's cafebar be renamed Annie's Bar and promoted actively by the Catering and Retail Service to Members' staff and staff of the House as an alternative to the bar lost last year when the nursery was constructed in 1 Parliament Street. We recommend that closing time in the bar return to matching the rise of the House for a trial period of six months, from 10 October 2011, to see whether demand for an evening service exists in that location. (Paragraph 141)

The Commission is happy to support the proposal to rename Moncrieff's cafebar and CRS will actively promote it as an alternative to the bar lost last year, on the assumption that no additional expenditure is required to change the ambiance of the area and that the layout and furnishing remains suitable for all-day use as well as evening bar trade. It will be called simply 'Annie's', to avoid it being seen primarily as a drinking establishment.

Some minor costs would be incurred in the re-branding exercise.

CRS will amend the closing time of the bar to match the rising of the House or 11.00 pm, (whichever is earlier), for a trial period of six months from 10 October and will monitor usage of the service.

Committee Recommendation 34

We note the various proposals the Catering and Retail Service has made on altering the service provided in Moncrieffs. We are not yet minded to agree that the approach proposed is the correct one, and ask the service to return to us with alternative proposals on the basis outlined in paragraph 140. (Paragraph 142)

CRS has already, on an experimental basis, catered for several evening functions in Moncrieff's as suggested by the Administration Committee in its report (paragraph 140). The Commission understands that these events have been successful and believes that they should continue on a trial basis, with a report to the Administration Committee early in 2012.

The use of Moncrieff's (and Bellamy's) for Members' Dining Clubs and All-Party Group events will only deliver savings if the space consequently freed up in the banqueting rooms can be re-sold to full-tariff new business. This is challenging in the current market, and will be kept under review by the Income Generation Strand of the Savings Programme, in consultation with the Administration Committee.

Committee Recommendation 35

We are not convinced that the souvenir shop is the ideal location for a new coffee bar, but see the force of arguments that there is latent demand for such facilities and would support the creation of more of them, either within existing facilities or in new locations, including in the Palace of Westminster itself. (Paragraph 145)

The Commission notes that the Despatch Box is one of the few CRS venues to deliver a net contribution after full cost allocation. This is partly due to its superb location, with high footfall throughout the day.

It is difficult to identify a similarly well-located space within the Palace with space for communal seating, and other buildings are unlikely to have the required footfall. As an interim measure CRS will install an espresso coffee machine in the Strangers' Bar and better promote the availability of the coffee machine in the Members' Smoking Room. Potential locations for a Despatch-Box style coffee bar and seating area will also be explored. Options will be brought to the Administration Committee by the end of 2011/12.

Committee Recommendation 36

Removal of the gift shop in favour of a coffee bar would require replacement of the gift shop elsewhere. The end of the Line of Route in Westminster Hall is the best possible location for a gift shop. (Paragraph 146)

The development of retail (souvenir) sales is being taken forward by the Income Generation Strand of the next phase of the Savings Programme. The Commission agrees that the end of the Line of Route in Westminster Hall is the best location for a gift shop.

Committee Recommendation 37

We note the Catering and Retail Service suggestion that installing an espresso coffee machine in the Strangers' Bar could raise footfall there during the quieter daytime hours, and we recommend that that be done regardless of whether the souvenir shop is converted to a coffee bar. Provision of an espresso machine in the Smoking Room might serve the same function. (Paragraph 147)

A coffee machine will be installed in Strangers' Bar in October on a trial basis, following which recommendations will be put forward for a more permanent arrangement. The coffee machine in the Members' Smoking Room will be better advertised so that Members' are made more aware of the facility.

Committee Recommendation 38

We reject the proposal that the Pugin Room should become only a bar. The present range of service should continue to be provided. We note the service's proposal to reduce opening hours because of comparatively slack business before lunch time and later in the evenings. We recommend as an alternative that access to the Pugin Room be granted until midday to all Peers and staff of the House for a trial period of a year to enable the service to test whether demand may rise to fill the slacker early hours. Given the minimal transactions recorded after 10 pm even when the House is sitting, we see no reason why the Room should not close at no later than 10 pm on any night. (Paragraph 149)

The Commission accepts the recommendation that the Pugin Room should not become only a bar.

It will close at 10.00 pm Monday to Thursday, due to low usage after this time. This will deliver a small saving of £2k–£3k. It will also be open to all staff of the House until midday, on a trial basis to be reviewed after a year. Together with the Strangers' Bar (see point 37 above), this will provide some much-needed informal meeting space in the Palace.

A facility to enable Members to book traditional afternoon tea in the Pugin Room will be introduced. Prices will be on a more commercial footing and will be at a minimum charge to help reduce loss of income and make more efficient use of this prime venue.

In their recommendations on use of the Members' Dining Room, the Committee noted that access to Commons facilities should only be further extended to Peers if acceptable reciprocal use of Lords' facilities is first negotiated. This is agreed (see response to Recommendation 41), and applies to the Pugin Room as to other facilities.

Committee Recommendation 39

We recommend that more visible and more informative signage be erected in Westminster Hall to ensure that visitors are more aware that there is a cafeteria there, at the end of their tours, and that they are welcome to enter it. (Paragraph 150)

The Parliamentary Estates Directorate will take forward proposals to install more visible and informative signing for the Jubilee Cafeteria off Westminster Hall.

Committee Recommendation 40

We recommend that the security officer based at the entrance to the Terrace be tasked with ensuring that those on the Terrace have the right to be there, by challenging at the door and by ensuring that patrolling officers monitor users of the Terrace regularly. We further recommend that the Strangers' bar staff be encouraged more vigorously to challenge those who do not have that right, including guests of Members or of staff who are or may be present in the bar without their host. (Paragraph 156)

Bar staff have been reminded that guests may only be served if accompanied at the bar by their host. Controlling access to the Terrace, which is a private area, should be the responsibility of all pass holders. An *ad hoc* security patrol to prevent breaches of rules is in place and the option to increase the frequency of these patrols, particularly during the evenings, is being examined.

Committee Recommendation 41

We recommend that access to Strangers' Bar be allowed at any time for Members and up to three guests. Officers of the House and Peers should have access without guests on Mondays and Tuesdays, and with up to three guests for the remainder of the week. Other staff of the House, staff of Members and members of the Press Gallery should have access to the bar and the Terrace on non-sitting Fridays and recess days. (Paragraph 157)

This recommendation would have the impact of withdrawing the right of senior House staff to take guests into Strangers' Bar on Mondays and Tuesdays, and more junior House staff, i.e. those employed at Band B, would no longer be able to use the bar except on non-sitting Fridays and recess days. This recommendation is therefore not agreed.

HoC staff, Members' staff and members of the Press already have access to the Strangers' Bar on non-sitting Fridays and during recesses. The Committee's recommendation reflects no change in this respect.

In its recommendations on use of the Members' Dining Room, the Committee noted that access to Commons facilities should only be further extended to Peers if acceptable reciprocal use of Lords facilities is first negotiated. This is interpreted as applying to all such recommendations, including this one.

Committee Recommendation 42

We recommend that the Catering and Retail Service offer options on how to run the Smoking Room (which might usefully be given a new name) with the minimum staffing necessary in order to reduce the costs of the service, and taking into account our previous recommendation on the possibility of introducing a premium coffee service. We recommend that Members be able to entertain up to three guests in the neighbouring Chess Room. (Paragraph 158)

Options will be brought forward by October for the running of the Smoking Room, and options for giving it a new name. Opening hours of the Members Smoking Room are already set in a pattern that allows the venue to be operated by just 1 staff member, but CRS will examine whether this could be reduced further to a part-time post on the basis of a changed business requirement.

A premium coffee service is already available in the Smoking Room, but CRS will examine the feasibility and cost of remodelling the bar counter to bring the coffee machine into customers' view.

Committee Recommendation 43

We fully support moves to raise additional revenue by widening the sale of souvenirs, and in particular moves to sell a full range of souvenirs through the Parliamentary Bookshop. We also suggest that the name of the shop be changed to reflect such wider use. (Paragraph 163)

An internal report on the role and governance of the Parliamentary Bookshop has been commissioned by the Director General of Chamber & Committee Services and the Director General of Facilities. It has been completed and is being considered.

This work will be taken forward in the Income Generation Strand of the Savings Programme. Regular reports will be made to the Committee as work progresses.

Committee Recommendation 44

It is neither feasible or desirable to open the Strangers' Dining Room to the public at times when the House is sitting. We are, however, not opposed in principle, and so long as any concerns raised by the Serjeant at Arms about security can be overcome, to opening the Strangers' and other facilities to the public on non-sitting days, including weekends and recesses, if all costs can be covered and the service offered profitably. (Paragraph 169)

Detailed proposals for implementing this recommendation will be taken forward in the Income Generation Strand of the Savings Programme. A procedure for weekend goods deliveries will need to be developed with the new Off-Site Goods Consolidation Centre (OSCC). Reports will be made to the Committee as work progresses.

Committee Recommendation 45

Again, so long as any security concern is dealt with, we believe that allowing public access to the Terrace Pavilion for an afternoon tea service for those who have taken tours would raise revenue for the House and contribute in a minor way to the strategic goal of promoting public knowledge and understanding of the work and role of Parliament through the provision of information and access. (Paragraph 170)

Public access for afternoon tea in the Terrace Pavilion for those who have taken tours will be implemented. This work will be taken forward in the Income Generation Strand of the Savings Programme. Regular reports will be made to the Committee as work progresses.

Committee Recommendation 46

Our private sector witnesses unanimously argued that demand for such a prime location would be considerable. Westminster Hall is, of course, a space shared with the House of Lords, and is part of a royal Palace, so considerable negotiation would be required for such a proposal to be put into effect. Once again, though, from the point of view of both revenue and wider public access to a national asset, we support in principle the idea of hiring out Westminster Hall on a limited number of occasions and for events in keeping with the historic character of the location. (Paragraph 173)

Work will be taken forward in the Income Generation Strand of the Savings Programme to develop the proposal put forward by CRS to hire out Westminster Hall for a limited number of events, in keeping with the character of the location. Regular reports will be made to the Committee as work progresses.

As Westminster Hall is a shared space, any decision on the use of the Hall for such purposes will have to be agreed with other interested parties, and a proportion of the proceeds from this income stream would go to the House of Lords. The basis for cost sharing will be agreed before such events are booked and should include the Lords carrying a share of any risk inherent in the activity.

Committee Recommendation 47

We accept in principle that banqueting room hire fees should be brought into line with commercial rates and that fees should be charged for all rooms used for banqueting. (Paragraph 174)

Room hire fees for banqueting rooms were raised significantly last year and will be kept under review by CRS to ensure that they are broadly in line with external competitors.

CRS has prepared recommendations to extend the banqueting regulations and room hire fees for other rooms used for catered events (Atlee Suite, Macmillan Room, Jubilee Room, Conference Room E, etc) and these are ready to put before the Committee for consideration.

Committee Recommendation 48

We have recommended elsewhere that banqueting restrictions be loosened so that members of the public may sponsor and host events at times when the House is not sitting. Regardless of whether that is agreed to, we believe that the current restrictions on Peers should be lifted. We agree, again so long as suitable reciprocal access is offered by the Lords, that all Members of the House of Lords should be able to host events in the House of Commons at off-peak times, and recommend that the Catering and Retail Service identify the times at which this policy might usefully apply. (Paragraph 175)

The CRS will identify the most appropriate off-peak times at which Members of the House of Lords would be able to host events in the House of Commons.

Informal discussions have been opened with colleagues in the House of Lords, but they, like the Commons CRS, are trying to maximise usage of their catering facilities and reduce operating costs.

Committee Recommendation 49

We recommend that the Catering and Retail Service's proposal to save an estimated £116,000 annually through closer co-operation and more joint procurement with the House of Lords be pursued. (Paragraph 179)

There is already much joint procurement with the House of Lords. CRS has proposed, as part of the Savings Programme, that savings be sought through more joint procurement with the House of Lords and has appointed an additional member of staff to develop this

work in close collaboration with procurement staff in the Commons Commercial Services Directorate and the House of Lords. The post is funded for 12–18 months to complete this project.

The opening of the new Off-Site Goods Consolidation Centre has also provided an opportunity to engineer procurement savings from the supply chain, subject to agreed variations to supply contracts and greater consolidation of purchasing. This may increase the £116,000 already included in the Savings Programme.

Committee Recommendation 50

We recommend that the House of Commons Commission and the House Management Board begin discussions with their counterparts in the House of Lords on the feasibility of providing a joint catering service for the two Houses. (Paragraph 182)

Given HoL agreement, such a catering service could be established as a joint department (like PICT); or it could be delivered by one House to both (like Estates); or it could be outsourced, with each House acting as a customer (like the Metropolitan Police contract). And in any of these options it might be beneficial to combine catering with other facilities services, such as cleaning and reception staff.

These options will be developed through the Market Testing Strand of the Savings Programme.