

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

4272

Author:

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Department:

Resident Services

Contact:

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Subject:

Winter Wonderland & Nottingham Beach Events Contract

Total Value:

Value of Decision is exempt (Type: Revenue)

Decision Being Taken:

1. To agree a variation to the contract to permit the cancelled 2020 events to be run in 2021.
2. To approve the extension of the agreement for a further 2 year period for events to be run until the completion of the 2023 Winter Wonderland.

Reasons for the Decision(s)

The contract to stage both the Nottingham Beach and Winter Wonderland events was let on a 5-year contract term in 2016 to Mellors Group Events. Winter Wonderland 2020 was to have been the final event to be staged under the current agreement. Due to Covid-19, neither the Nottingham Beach nor Winter Wonderland events were able to be staged in 2020. When submitting the tender in 2015 the operator based their investment decisions on a 5-year contract term, whereas only 4 years of events have been able to be held. During the 5-years of the contract term, the Mellors summer and winter offers have developed both in terms of event experience and in regards to the financial return the Council has received. The proposal therefore is to vary the contract to allow for the carry over of the 2020 events to 2021.

Within the existing contract the Council has the option to extend the contract period for further period up to a maximum aggregate extension of two years. It is therefore proposed that the contract is extended following the completion of the original term (which will be 2021 under a variation) for the two permitted years.

The original DDM 2246 signed in November 2015 gave approval for the Director of Sport & Culture to procure and subsequently to enter into a contract to award the contract that included the option to extend for a further 2-years. However as delegated decision 2246 did not specifically identify a process or delegate the authority for a contract extension to be awarded approval is now sought to extend this contract via an additional DDM.

Other Options Considered:

Cancel contract and cease both events
Cancelling future iterations of Winter Wonderland and Nottingham Beach would result in lost income to the Council and so this option was rejected

Variation only no extension
Whilst the ability to re-tender an event opportunity for 2021 is not realistic due to timescale and market conditions, it would be feasible to agree to the variation of contract year 2020, but then not extend the contract for a further 2 years and re-tender the opportunity and so this option was rejected

Given the current public realm developments taking place around the City which may realise future procurement opportunities and recognising that events sector is still in the early stages of recovery following the Pandemic, strategically the city would be in a stronger position to re-tender in preparation for events in 2024 and beyond.

Variation and re-tender the contract for another 5-year term to cover the period from Summer 2022 to Christmas 2025 inclusive.
At the current time this is not considered to be a viable option to go to market with a new tender opportunity. The events and entertainment sector has been one of the hardest hit due to the Covid-19 pandemic, and therefore the ability to further monetise the value of the contract, whilst continuing the development and innovation of both events will be severely limited. It is for this reason this option is rejected

Background Papers:

None

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| Published Works: | Delegated Decision 2246 - Summer and Christmas Events Offer - November 2015 |
| Affected Wards: | Citywide |
| Colleague / Councillor Interests: | None |
| Any Information Exempt from publication: | Yes |
| Exempt Information: | |
| Description of what is exempt: | The briefing paper to support the decision and the value of the decision are exempt |
| | An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972 |
| 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information). | The public interest in maintaining the exemption outweighs the public interest in disclosing the information because The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the exempt information contains commercial and financial information which if made available to the public may jeopardise the procurement and tendering process and or enable potential suppliers access to commercially sensitive information relating to the procurement. |
| Documents exempt from publication: | EXEMPT FINANCIAL VALUE OF DECISION.docx, Briefing Winter Wonderland contract extension updated 250521.docx |
| Consultations: | Those not consulted are not directly affected by the decision. |
| Crime and Disorder Implications: | There are no Crime & Disorder implications as this is an extension to an existing contract |
| Equality: | EIA not required. Reasons: This is a continuation of an existing service with no changes being made |

Social Value Considerations: None

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 21/07/2021

Advice Sought: Legal, Finance, Procurement, Equality and Diversity

Legal Advice:

This report is asking for two decisions to be taken (1) to make an amendment to the original contract; and (2) to extend the original contract.

With regard to the amendment, the original contract terms was for a period which was due to end upon completion of the Winter Wonderland 2020. Due to COVID and the uncertainties around imposed restrictions (including stay at home restrictions, tier systems and social distancing guidance) it was not possible to operate the events for the 2020 period. It is proposed therefore to effectively pause the contract for 2020 and roll those events into 2021. Under the Public Contracts Regulations 2015 (as amended) it is permissible to modify a contract where there are unforeseen circumstances, but the nature of the contract must not change and the value of the modification must not exceed 50% of the original contract value. On this occasion it is considered that the conditions are met and so the first decision can be supported.

Under the original contract there is a right to extend for up to a further two years. There are no legal concerns arising from the decision to extend in accordance with the contract and therefore the second decision can be supported.

Advice provided by Naomi Vass (Senior Solicitor) on 12/06/2021.

Finance Advice:

The Medium Term Financial Plan (MTFP) approved by Council in March 2021 includes an income target in respect of the Old Market Square in the Events team, and delivery of this contract will contribute towards this target. The current contract was approved under delegated decision number 2246, and continuation of it has been deemed to offer the best value to the Council as the Events & Entertainment sector attempts to recover following the impact of the Covid-19 pandemic, as outlined in the report.

Advice provided by Maria Balchin (Finance Analyst) on 17/06/2021.

Procurement Advice:

The proposed amendment does not pose any risk as the PCRs allow for a contract to modified in the unforeseen circumstances, as long as the material scope of the contract is unchanged the value of the amendmnet does not exceed 50% of the initial contract value.

There is the option to extend the contract for a further two years, at the discretion of the Council, and so this is also compliant. Advice provided by Holly Fisher (Lead Procurement Officer (Products)) on 15/06/2021.

**Equality and Diversity
Advice:**

There are no direct equalities implications arising from the proposal, provided that any equalities requirements continue to be met via the terms of the contract. The Public Sector Equality Duty and its aims cannot be delegated, therefore, any decisions relating to services that are contracted should be made on the basis that any equalities or accessibility requirements are integrated and included in the contract as required, in order to ensure that there are mechanisms to monitor against relevant equality outcomes and that events are accessible to and inclusive of people with a range of different protected characteristics. Advice provided by Hannah Watkins (Equalities Manager) on 08/06/2021.

Signatures

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| Eunice Campbell-Clark (Portfolio Holder Leisure, Culture and Schools) |
| SIGNED and Dated: 13/07/2021 |
| David Murray (Interim Corporate Director Resident Services) |
| SIGNED and Dated: 05/07/2021 |