

Commissioning and Procurement Executive Committee – 10 October 2023

Subject:	Re-tender of the summer and winter events offer in the Old Market Square 2024-2028		
Corporate Director:	Colin Parr - Communities, Environment and Resident Services		
Portfolio Holder:	Councillor Pavlos Kotsonis - Leisure and Culture		
Report author and contact details:	Stephen Chartres, Performance and Improvement Manager Stephen.chartres@nottinghamcity.gov.uk		
Other colleagues who have provided input:	Patrick Loy, Head of Events and Tourism Maria Balchin, Senior Commercial Business Partner Anthony Heath, Senior Solicitor, Contracts and Commercial Holly Fisher, Lead Procurement Officer, Products		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <input type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision		<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	
Significant impact on communities living or working in two or more wards in the City		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Type of expenditure: <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital			
Total value of the decision: £4.5m (based on total estimated turnover for the two events)			
Wards affected: All			
Date of consultation with Portfolio Holder: 28 September 2023			
Relevant Council Plan Key Outcome: <div style="display: flex; justify-content: space-between;"> <div> Green, Clean and Connected Communities Keeping Nottingham Working Carbon Neutral by 2028 Safer Nottingham Child-Friendly Nottingham Living Well in our Communities Keeping Nottingham Moving Improve the City Centre Better Housing Serving People Well </div> <div style="text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> </div> </div>			
Summary of issues (including benefits to citizens/service users): <p>The current contract for the provision of Nottingham's winter (Winter Wonderland) and summer (Nottingham Beach) event offers in the Old Market Square will end after Christmas 2023. This report therefore seeks authority to re-tender the contract for the next five years.</p> <p>These events play an important role in enhancing the City's shopping experience, events calendar, status and reputation whilst distinguishing the city Centre as a unique place to visit and spend time.</p> <p>The Old Market Square is an exceptional commercial location and by tendering this unique opportunity will ensure that Nottingham continues to attract the best winter and summer offer and experience for the city whilst maximising its best value for Nottingham's residents.</p>			
Exempt information: An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to finance an business affairs and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.			

It is not in the public interest to disclose this 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.

Recommendations:

1. To authorise the Head of Events and Tourism to undertake a tender process to secure a provider to deliver winter event offers and summer event offers to take place in the Old Market Square during the period 2024-28. These are to be undertaken via separate tender exercises.
2. That delegated authority be given to the Head of Events and Tourism to:
 - (a) appoint a preferred supplier for each offer following the tender process;
 - (b) enter into a contract for each offer for a maximum period of 5 years.

2. Reasons for recommendations

- 2.1 The current contract for the provision of Nottingham's winter (Winter Wonderland) and summer (Nottingham Beach) event offers in the Old Market Square will end after Christmas 2023. The re-tendering of this concession contract is required to comply with financial and procurement regulations.
- 2.2 The event offers for Winter and Summer in Old Market Square are now fundamentally different both in content and in commercial value to the Council to enable us to do these as separate tender slots. This will allow the opportunity to fully test the market in terms of creativity and innovation for the potential offers and encourage a wide range of a supplier to submit tenders. There will be opportunity however for any individual supplier to submit for both opportunities.

3. Background

- 3.1 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. A two-year contract extension was renegotiated in 2020 to take account of the disruption caused by the Covid 19 Pandemic.

4. Other options considered in making recommendations

- 4.1 In recommending approval to undertake a formal tender process to secure a provider for the event the following other options have been considered and rejected:
- 4.2 **Continue with the current provider delivering these events** - This would be in breach of current procurement regulations in relation to this concession as the current contract expires at the end of 2023. This also doesn't give the opportunity to test whether the current arrangements provides best value to the Council and residents.
- 4.3 **Cease having a concession for a Winter and Summer events offer in Old Market Square from 2024** - This would result in a loss of income to the Council as revenue is currently received from these two events. These are both popular attractions as part of Nottingham's annual events and entertainment programme and creates

positive recognition, economic and social benefit for the city. This would be lost or put at risk if these were discontinued.

- 4.4 **Deliver the event in-house** – this would result in potential costs and risks to the Council. The event would still require supplier contracts, the securing of infrastructure and a significant investment and resource requirement which there is no budget or capacity within the current team to undertake. This option is therefore not considered to represent best value. The approach to secure an external provider reflects the Council's risk appetite and approach in staging large events to reduce the financial risks and move towards a cost neutral, commercial income events model.

5. **Consideration of Risk**

- 5.1 There a number of risks associated with now following a formal concession process route for providing these events

Risk : Low contract amounts offered in the tender process, resulting in the income target previously received, not being achieved from these events

Mitigation: A full and open tender process will be undertaken to maximise best value for the Council

Risk: Limited interest from suppliers to tender for the concession contract.

Mitigation: The approach being proposed of splitting the Summer and Winter tender opportunities is designed to encourage the widest interest from potential suppliers

Risk: Delay in the procurement process and awarding of contract

Mitigation: A project team has been set up to complete the process. A forward plan has been developed which highlights key dependencies and dates for completion to minimise delay in the process.

6. **Best Value Considerations**

- 6.1 Operating a concession and testing the market through an open tender process to deliver a Summer and Winter offer for the City is considered best value. The overall approach minimises risk to the Council, provides the potential for maximising income and encourages the opportunity for creativity and innovation for the events offer

7. **Finance colleague comments (including implications and value for money/VAT)**

- 7.1 This advice is exempt from publication and is contained within an exempt appendix

Maria Balchin, Senior Commercial Business Partner (CERS) – 27/09/23

8. **Legal colleague comments**

- 8.1 This report seeks authority to undertake a compliant procurement exercise before awarding contracts for the Winter and Summer events held in Old Market Square. On that basis, the report offers no significant legal issues.
- 8.2 It is hoped that the Council can use, and build on, work externally commissioned for another concession arrangement in order to create suitable contracts for the Winter and Summer events. The work by the client department to allow for this work to be undertaken by Legal Services needs to start as soon as possible; the later the client works starts, the higher the risk that circumstances will require the use of external law

firms at a cost to the client/Council. The client has been advised of the work that needs to be undertaken and it is recommended that the work is complete by mid-October 2023 at the latest in order to give Legal Services the best opportunity to create the required documentation in house.

- 8.3 It is noted that the two events are being tendered for separately. The justification for this is that the two events are fundamentally different in both value and content and will allow the Council to fully test the market for these two events and it is a reasonable position for the Council to pursue separate bids, rather than joint bids, due to the change in the market over recent years and in pursuit of Best Value.

Anthony Heath, Senior Solicitor, Contracts and Commercial – 22/09/23

9. Procurement Colleague comments

- 9.1 The request to award a concession agreement for the provision of the Winter and Summer events held in Old Market Square for a period of five years does not pose any procurement risk to the council.
- 9.2 The request complies with both the Council's contract procedure rules and Concession Contract Regulations.

Holly Fisher, Lead Procurement Officer, Products - 13/09/23.

10. Crime and Disorder Implications (If Applicable)

- 10.1 Community Protection will be consulted on the tender brief. Included in the specification is a requirement for ensuring safety and security of the site and the public.

11. Social value considerations (If Applicable)

- 11.1 Built into the contract specification and an expectation within the tender response will be for the supplier to demonstrate how the offer will deliver social value for the residents of Nottingham. Specifically, this will included delivering and event programme which:
- Is high profile and populist;
 - encourage the residents of Nottingham to visit and enjoy their City Centre by offering a variety of fun activities for them to engage in;
 - provides positive activities for children and young people during the weekends and school holidays;
 - Becomes a destination event driving visitors to Nottingham during the summer and Christmas period, contributing to the visitor economy and in particular increasing local employment and trade in our shops, leisure businesses, cultural attractions and hotels.

12. Public Health Considerations

- 12.1 Public Health welcome the opportunity to work with the Events Team to explore how public health needs can be met in relation to public outdoor events commissioned by

Nottingham City Council, aiming to enhance planning for a health promoting environment.

- 12.2 With specific reference to the OMS Summer and Winter Events offer procurement, we would welcome the opportunity for contribution to Public Health outcomes to be considered as part of the tender brief and evaluation process.

Nancy Cordy, Head of Strategy & Service Improvement, Public Health - 26/09/23

13 Equality Impact Assessment (EIA)

- 13.1 An EIA is not required at this stage to approve the tender process. However, Equalities considerations will be built into tender specification and evaluated as part of the tender selection process.

14 Data Protection Impact Assessment (DPIA)

- 14.1 A DPIA is not required because there are no data protection implications for in undertaking the tendering process and for delivery of the Winter and Summer events offer in the Old Market Square.

15 Carbon Impact Assessment (CIA)

- 15.1 There are no Carbon Impact Assessment implications for undertaking the tender process. However, Carbon Impact and environmental considerations will be built into tender specification and evaluated as part of the tender selection process.