

**BRISTOL CITY COUNCIL
CABINET
7th June 2016**

REPORT TITLE: Bristol Harbour Festival Tender 2017- 2020/22

Ward(s) affected by this report: City-wide

Strategic Director: Barra Mac Ruairi - Strategic Director of Place

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Purpose of the report:

Bristol Harbour Festival is delivered on behalf of Bristol City Council (BCC) by an external contractor, the contract ends in 2016. We need approval to go out to tender for an external contractor for delivery of the Festival from 2017 – 2020 (with option to extend +2 years to 2022).

RECOMMENDATION for the Mayor's approval:

- To go out to tender for the Bristol Harbour Festival 2017-2020 contract with the option to extend by +2 years (max 6 year contract), with maintained annual investment of £160,000.

1. Background

1.1 Bristol is an extremely diverse city with over 435,000 people. It is the largest city in the South West of England with a vibrant cultural scene and rich heritage, with iconic heritage assets such as the historic harbour, the Cathedral & St Mary Redcliffe Church, the Clifton Suspension Bridge, SS Great Britain and many other cultural attractions based in and around Bristol city centre and harbourside.

1.2 Bristol Harbour Festival is the city's flagship free family event and cultural celebration. Running for over 40 years it has now become Bristol Council's largest event in Bristol's annual events programme, it celebrates Bristol's Harbourside with a programme of arts and cultural activity. It provides local businesses, communities, cultural organisations and artists an opportunity to come together and participate in a large scale celebration of the city.

- 1.3 The event attracts over 250,000 people to the city-centre over 3 days and delivers over £9 million in inward investment.
- 1.4 It takes place over a two mile stretch of Bristol's waterfront and surrounding parks and venues.
- 1.5 Approximately 65-80% local people attend, as well as drawing people to the city from the region, nationally and internationally.
- 1.6 The event is managed on behalf of BCC by an external contractor currently with an investment of £160,000 per annum from BCC (BCC retains £3000 of this investment for evaluation). The actual cost of the event is circa £450,000 (including the contractor management fee), the remainder is brought in by the contractor in fees and sponsorship.
- 1.7 Costs to operate the Festival are increasing and investment from BCC has remained the same in the past 5 years.
- 1.8 The contract is managed by BCC Culture - Arts & Events Team.
- 1.9 A contractor is required to deliver a safe and successful event and retain and develop the festival's artistic and cultural content.

2. Purpose of report

- 2.1 Bristol Harbour Festival is delivered on behalf of BCC by an external contractor, the contract ends in 2016. Approval is sought for a new tender to appoint a contractor for delivery of the Festival from 2017 – 2020 (with option to extend +2 years to 2022).
- 2.2 To provide background and context to the event.

3. Development of the Festival

- 3.1 The Contractor will manage all aspects of production of a Bristol Harbour Festival in 2017, 2018, 2019 and 2020. Bristol City Council wishes to appoint a contractor who can maintain the Festivals success and achievements to date as well as develop and grow the festival within its aims. As part of the tendering process, we are encouraging the bidders to detail ways in which they propose to support the development of the festival to ensure it showcases Bristol and offers opportunities for people to get involved.
- 3.2 Three key areas we are looking at as part of the on-going development of the festival are alcohol management, improving accessibility and developing the event to be as representative of Bristol's diverse population as possible.
- 3.3 The contractor will also be required to look at measures to reduce Bristol City Council investment over the term of the contract.

4. Vision

A celebration of Bristol

5. Bristol Harbour Festival aims

- To showcase Bristol's talent and heritage.
- To be accessible to Bristol's diverse communities.
- To Showcase Bristol as an attractive place to live or visit.
- To boost Bristol's economy.
- To be economically and environmentally sustainable

6. Social Value

6.1 Bristol Harbour Festival is an important part of the cultural provision in the city and provides many positive social benefits for the people of Bristol. In 2015 the festival employed 32 local contractors and suppliers, 75 bands, 45 dance acts and 20 circus/street performance acts and over 170 groups and organisations involved in the fringe events including the Grain Barge, BBC Radio at SS Great Britain. This amounts to approximately 1500 performers, of which a minimum of 60% were local this does not include contracted staff, partners and in kind support which is estimated at over 500 local people. In addition, there were 100 traders (food concessions and market stalls) operating at the Festival, 60% of which were local businesses.

6.2 The festival will continue to provide opportunities for people to actively participate in the festival and will ensure minimum of 60% of groups, individuals, organisations and businesses involved in the festival are from the local and regional area.

6.3 The festivals will be further developed as a catalyst to:

- Ensure there is an on-going reflection, dialogue and openness with community partners, individuals and organisations across Bristol.
- Promote community skills and learning, increase employment and volunteering opportunities as well as support local residents and businesses.
- Provide a community showcase for individuals, performers, artists and organisations.
- Provide an opportunity for local businesses and information services to participate.
- Connect Bristol's residents to the work of the council.
- Offer a free fun day out which is entertaining and promotes participation and learning.
- Improve cohesion through an understanding of different communities & backgrounds.
- Promote local ownership and sense of belonging to Bristol.

7. Environmental impact

- 7.2 Environmental sustainability is a key aim for the Bristol Harbour Festival and forms part of the contract management. The Festival has made significant improvements in recycling in recent years to the extent that 100% of event waste was diverted away from landfill in 2015 and as such has been credited by EMAS auditors as a “quality sustainable festival”. This has been achieved despite a significant increase in the amount of waste generated by the Festival (14.56 tonnes in 2006 to 28.76 tonnes in 2015).
- 7.3 The festivals environmental policy and the ISO2012 standard is the driving force for sustainability developments. In 2015 the event exceeded 50% recycling rate and saw a reduction in imported generators by 20% and a fuel efficient carbon offset from the power contractor.
- 7.4 The work on environmental sustainability will be jeopardised after the successful year in 2015 of 54% of waste being recycled if core budget is reduced. Costs are increased by sorting & recycling waste as well as the levels of waste increasing (FIG on the 2006 and 2015 weights) and will continue to go up. BCC investment is required to support this level of success in diverting waste from landfill.
- 7.5 In 2016 the Festival will be trialling a new waste management initiative to further encourage responsible disposal of waste. Large scale waste deposit compounds will be sited in peak areas of the site to take the pressure off bins which are not always visible in a crowded event site. These compounds have been used at other Festivals with very positive results.
- 7.6 The new contract includes a 50% weight recycling target through the segregation of waste and requirements from the contractor include a commitment to the Councils Environmental Policy and the delivery of an environmental plan that identifies the environmental impacts and how these will be mitigated to ensure this work is continued.
- 7.7 Developments this year with First Bus and other local transport providers will also ensure further improvements in sustainable transport available to and from the festival.

8. Alcohol Consumption

- 8.1 Consumption of alcohol has increased across the site and contributed to anti-social behaviour and an increase of litter at the event. This is an ongoing issue in terms of reputational risk to Bristol City Council, as well as a safety issue with the Police and other Emergency services and is a deterrent to some families and communities who we aim to attract to the event.
- 8.2 The increase is due to increased availability from the multinational supermarket chains that have opened across the city centre (Tesco,

Sainsbury's, Morison's etc.) and subsequently there have been changes to audience behaviour and visitor experience of the event.

- 8.3 This is a national issue and the festival team and current contractor have come up against a number of challenges to contain this issue in an open, free to access site.
- 8.4 As part of our Green Festival policy, no glass is sold on the festival sites from any of the festival bars, however, recycling data shows that in 2006 1.6 tonnes of glass was collected on the site and there has been an increase from 2006 as in 2015 11.75 tonnes were collected from the event. This demonstrates that visitors are bringing large volumes of shop bought alcoholic beverages in cans and bottles onto the site.
- 8.5 In recognition of the concerns relating to alcohol consumption and associated problems, Bristol City Council's Licensing Service in conjunction with Police colleagues have been actively seeking the cooperation of major supermarkets and off licences in and around the Harbour Festival area. An incremental proportionate approach is being taken with a view to securing voluntary arrangements to reduce the quantities of alcohol that can be purchased in a single transaction. Examples include:
- Maximum quantity of 4 cans person.
 - Removing the availability of slabs of beer which are frequently on offer.
 - No multi buy offers.
 - No glass bottles.
- 8.6 Negotiations with all major chains are ongoing and we are not in a position yet to advise what their response will be. We will advise once the picture becomes clear.

9. Accessibility

- 9.1 The equalities team have endorsed the Arts and Events Teams recommendations for improvements needed around accessibility. The Festival is working towards Attitude is Everything's Gold standard on their Charter of Best Practice and the contractor will be required to develop and implement a festival accessibility action plan.

10. Value for Money

- 10.1 The investment from BCC demonstrates excellent value for money as whilst costs for the event have increased the council's investment in the event has stayed the same since 2012.
- 10.2 Continued investment maintains BCC as major investor in its own event, so less reliance on commercial activity & ability to maintain the content and 'feel' of the festival as we would like without undermining ability to deliver.
- 10.3 A 4 year contract (with the option to extend by+2 years) will help to ensure that contractor is able to develop long-term relationships/deals with suppliers, maintain investment from sponsors and to BCC for stability and reduction in officer time. This approach has been recommended by BCC procurement team and following feedback from an open market session.
- 10.4 As a way for BCC to see a return on investment it makes into Bristol Harbour Festival, there will be a contractual arrangement whereby the contractor pays back to Bristol City Council a percentage share of excess income achieved over and above targeted income as described in the agreed budget. This will be detailed within the contract.

11. Key Performance Indicators (KPI's)

- 11.1 The contract will contain Key Performance Indicators with associated milestones which will be monitored as part of the on-going contract management. These and the associated penalties are detailed in the embargoed documents which members are able to view but are exempt under paragraph 3 of Schedule 12A (LGA 1972) information relating to financial or business affairs of any person (including the Council) .
- 11.2 The longer contract (4 year with option to extend by 2) and assessment at year 3 gives BCC a third more information on KPIs than the original 3+1+1 option which would have been reviewed at year 2 e.g. income generated, quality of festival, to decide whether to extend or not, long enough to re-tender if necessary knowing contractor will be in place for following year or give the contractor more incentive to boost targets if necessary to reach KPIs.

12. Raising the profile of Bristol

- 12.1 Working with Destination Bristol to raise the profile of Bristol by widely promoting the event as the biggest free arts cultural festival in the South West region.
- 12.2 In 2015 80% of visitors who completed the public survey have a BS post code, 20% are from outside Bristol and abroad. 82% were very satisfied with the event, 84% would attend future Bristol Harbour Festival's and 71% are more likely to recommend Bristol as a place to visit.

13. Economic impact

- 13.1 In 2010 Destination Bristol estimated that the economic impact of the Festival based on market research carried out at the event. It was estimated that for each 100,000 attendees at the Festival, the event generated approximately 11,440 overnight stays.
- 13.2 For every 100,000 attending the event, overnight staying visitors spent £550,000 in the city that would not have been generated if the event had not occurred. The total amount spent by attendees at the festival was £3.96 million per 100,000 per day.
- 13.3 Over 250,000 people attended in 2015 and it is estimated more than 12 million was brought into Bristol's economy.

Consultation and scrutiny input:

a. Internal consultation:

Laura Durham – Procurement – ongoing consultation in development of tender. Recommendation from procurement to award a 4 year contract with option to extend by +2 years

Tian Ze Hao – Finance

Kate Fryer – Legal

Mark Williams – HR

Adrian Randall - Property

b. External consultation:

Liaising with other Local Authorities and organisers on how they manage similar size contracts and events (Gloucester Tall Ships, Liverpool, Edinburgh Hogmany & Christmas Lights)

Other options considered:

Harbour Festival was previously run in-house by the Arts & Events Team with all costs incurred by BCC. Since 2012 the event has been run by an external contractor, this was part of the decision made during the restructure with a reduction of the Arts & Event Team making it unfeasible to deliver in-house. The delivery of the event by a contractor also limits risk to BCC of incurring additional costs outside of the baseline budget.

Risk management / assessment:

FIGURE 1

The risks associated with the implementation of the Harbour Festival Tender <i>decision</i>:							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	No contractors apply to run the event	High	Medium	<p>Option to extend contract by up to 2 years means it is an attractive prospect for contractors, including the viability of attracting sponsors and negotiating longer-term supplier contracts on favourable rates</p> <p>A bidders day was held and feedback was it would be preferable to have a more secure contract eg 3 or 4+2 rather than single year extensions.</p> <p>Procurement have recommended 4+2 with the evaluation of whether to extend on year 3, giving BCC 3 years worth of KPI data to assess on and either start re-tender process with contractor still in place to deliver yr 4, or offer the current contractor extra incentive to improve KPI figures in yr 4.</p>	Low	Low	
2	Bidders busy with events leaving them at a disadvantage when submitting tender	High	Medium	<p>Bidders day held in April where attendees advised of proposed timetable subject to cabinet approval.</p> <p>Extended period for bidders to apply including over the next event date to allow bidders to visit the event.</p>	Low	Low	
3	Contractor does not raise enough money to deliver event	High	Low	<p>The event has been managed successfully by the current contractor demonstrating the feasibility of an experienced contractor being able to manage this</p> <p>The contract is overseen by the Arts & Events Teams to ensure milestones are met</p> <p>Recommendation of the four year with +2 option to extend gives greater negotiation and viability of securing better supplier deals and sponsorship</p> <p>The tender process will ensure an experienced contractor is engaged</p>	Low	Low	

FIGURE 2

The risks associated with not implementing the of the Harbour Festival Tender *decision*:

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	Harbour Festival does not run, loss of 40 year + flagship event and reputational effect on BCC	High	High	Harbour Festival would need to be re-considered	High	High	
2	Decision to cancel or delay on decision until later cabinet date Results in delay to tender process and unrealistic timescale for bidders to apply or meaningful planning to start to ensure cost savings and development of festival with new contractor.	High	Med	Decision pathway agreed, Cabinet decision early June. Tender timeline drawn up and paperwork will be ready to go live after June Cabinet to ensure reasonable time for bidders over main events season	Med	Med	

Public sector equality duties:

Before making a decision, section 149 of the Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

- i) eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.*
- ii) advance equality of opportunity between persons who share a relevant protected characteristic and those do not share it. This involves having due regard, in particular, to the need to:*
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic.*
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);*
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.*
- iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to tackle prejudice and promote understanding.*

Public sector equality implications:

Equality implications and requirements are considered as part of the tender development process and the bids will be assessed against them as part of the scoring process.

Eco impact assessment

Environmental implications and requirements are considered as part of the tender development process and the bids will be assessed against them as part of the scoring process.

Resource and legal implications:

Finance

a. Financial (revenue) implications:

The proposed baseline contract value is up to £640,000 over 4 years plus £320,000 if extended for an additional 2 years (circa £160,000 pa subsidy / contribution from the Council – TOTAL £960,000 for 6 years) which is consistent with the current contract. The cost of the contract and the outcomes will be met within the existing culture and events budget and this should present no any additional cost pressures to the Council.

The new contract should explore further cost saving and profit sharing opportunities through the competitive tendering process to drive better value for money for the Council, reducing the level of subsidies required to a minimum over the contract period.

Advice given by Tian Ze Hao Finance Business Partner
Date 28/01/2016

b. Financial (capital) implications:

None

Advice given by Tian Ze Hao Finance Business Partner
Date 28/01/2016

Comments from the Corporate Capital Programme Board:
N/A

c. Legal implications:

The Council should ensure that the procurement of the harbour festival contract complies with the Public Contracts Regulations 2015, as well as its own procurement rules.

Advice given by Kate Fryer, Solicitor
Date 24 February 2016

d. Land / property implications:

The redline perimeter of the Festival event area may be affected by the Council's current Event Space review, therefore the tender should not include a defined event area which the Council is unable to amend following the review or future appraisal.

Advice given by Adrian Randall, Service Manager Facilities Management
Date 26 February 2016

e. Human resources implications:

There are no HR implications in relation to the Council's workforce as the service is already commissioned from an external provider.

Advice given by Mark Williams, HR Business Partner - Place
Date 25 February 2016

Appendices:

Bristol Harbour Festival Tender Specification
Equalities Impact Assessment
Invitation to Tender

(Please note these documents are not for publication by virtue of category 3, part 1 of Schedule 12(A) to the Local Government Act 1972, as amended by section 1 of the Local Authorities (Access to Information) order 2006.

Access to information (background papers):

None