

# Decision Pathway – Report



**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 04 July 2023

<b>TITLE</b>	<b>Parks and Green Spaces – Concessions Contracts</b>		
<b>Ward(s)</b>	Citywide		
<b>Author:</b> Jonathan James	<b>Job title:</b> Head of Service for Natural & Marine Environment		
<b>Cabinet lead:</b> Councillor Ellie King, Cabinet Member for Public Health, Communities and Bristol One City and Councillor Craig Cheney, Deputy Mayor with responsibility for Finance, Governance and Performance	<b>Executive Director lead:</b> John Smith, Interim Executive Director Growth and Regeneration		
<b>Proposal origin:</b> BCC Staff			
<b>Decision maker:</b> Cabinet Member <b>Decision forum:</b> Cabinet			
<b>Purpose of Report:</b>  To seek approval to commence the procurement process for all concession pitches across parks and the city docks estates for 1 April 2024 – 31 March 2027, valued at £3.3m.			
<b>Evidence Base:</b> <ol style="list-style-type: none"><li>1. Bristol City Council (BCC) is currently conducting a review of its diverse catering contracts, which are spread across the organization. The objective is to adopt a strategic perspective to determine the potential for cost savings and value for money by means of a corporate contract. However, since these contracts are designed for smaller local operators, this tender falls outside the purview of the broader corporate review.</li><li>2. There are currently 25<sup>1</sup> concession pitches let across the city docks and parks estates, bringing in a combined income of c.£164k. Each pitch is let as a separate lot and the concessionaire will put forward a financial bid based on the business plan for their operation. Our evaluation ensures that we are looking for a business that meets the aims and values of the City Council and not just focusing on price.</li><li>3. The estimated annual contract value of the concessions is £1.1 million. This evaluation is based on the assumption that the pitch fee provided during the tender process will be calculated as a percentage of the concessionaires' estimated turnover. In accordance with procurement regulations for tendering concessions, the income generated for the concessionaires determines the value of the contract.</li><li>4. The current contracts were originally procured in 2018 and let from 1 April 2019. To allow the market to stabilize after the pandemic and the resulting increase in living expenses, the contracts were extended for 12 months in 2022 and 2023.</li><li>5. The income generated from these concessions supports the ongoing maintenance and management of the city's parks and harbourside.</li><li>6. We are optimistic that the upcoming round of concessions will yield increased income for Parks and the harbourside. Nevertheless, due to existing market challenges, the financial forecasts in the report are based on maintaining the current income levels. As part of the procurement process, a review of minimum pitch fees will be undertaken to ensure the council achieves the best value possible.</li><li>7. Concession pitches offer an opportunity to local businesses; members of the local community; and start-ups,</li></ol>			

<sup>1</sup> This number is variable, and the exact number let may be slightly more or less than this.

as well as more established mobile businesses.

8. Having a concession operating supports other local businesses – they can provide a different offer (e.g., Ice Cream van will support existing café); encourage footfall; provide a presence which deters anti-social behaviour; and provides a service for park users.
9. The evaluation criteria used to select the successful concessionaires will consider the quality of the offer, the proposed business model, where the concessionaires will buy their supplies, how they will fit into the local area/community and their approach to staffing. Bristol now has several concessions operating and providing a successful offer.
10. We have a mixture of coffee/café/ice cream concessions including concessionaires offering food from different cultures e.g., Thai food. We also consider non-food concessions such as flowers and bike repairs.
11. The current intention is to let individual three-year contracts for each concession. The procurement route would be either via a process complying with the Concession Contracts Regulations 2016 or the council's internal procurement rules applicable to concessions, depending on contract value. These contracts may be let via a framework.
12. Should any contract for any concession be terminated early, the intention would be to advertise the following Autumn and let that concession for the remaining duration of the existing three-year contracts that remain in place e.g. If let from 2025 the concessionaire will be offered a 2-year contract.

#### **Cabinet Member / Officer Recommendations:**

That Cabinet:

1. Authorises the Executive Director Growth and Regeneration in consultation with the Cabinet Member Public Health, Communities and Bristol One City to take all steps required to procure and award all individual concession contracts from 1 April 2024 – 31 March 2027 in line with the procurement routes outlined in this report and the associated legal commentary.
2. Notes there is the intention to review the operation of food and beverage outlets in parks.
3. Authorises the Head of Strategic Procurement & Supplier Relations to approve appropriate procurement routes to market where these are not yet fully defined in this report, or if changes to procurement routes are subsequently required

#### **Corporate Strategy alignment:**

This contract aligned with the themes of the corporate strategy in the following ways:

1. Development and delivery of a quality services with Food and Beverages in line with the Gold Food City award and having the values of the Bristol Eating Better Gold award standards.
2. Environmental sustainability by using the procurement process to maximise our positive environmental impacts and mitigate negative ones.
3. Equality and inclusion by ensuring our Food and beverage offer meets the needs of Bristol's diverse communities.
4. World Class Employment by ensuring our Catering teams delivering the Food and Beverages have the highest levels and standards of employment providing Real Living Wage and ensure the workforce reflects the population.
5. Good governance – we are financially competent and resilient, offering good value for money on the food and beverage offers, whilst maintaining competitive margins to deliver contribution revenue to BCC.
6. Economy and Skills – food and beverage sales in Parks and green spaces are a strand of income generation and provides economic growth from within the service that is inclusive and resilient.

#### **City Benefits:**

1. Provides competitively priced parks and green space locations for Food and Beverage options for citizens
2. Tender process ensures a good quality food and beverage offering, all aligning with the Bristol Eating Better Gold Standard, which links into the Gold Food City award- so ensuring all Food & Beverage arrangements align to the public health, social value commitments and policy.
3. Maintains business continuity in across City Docks and Parks and Green spaces estates.
4. The ability to maintain business operations to generate revenue assists BCC to meet financial targets and fund the Parks Service. Concessions pitches operating in parks bring in much needed revenue for the Council

to be re-invested back into the city's parks and green spaces.

5. They offer an opportunity for start-ups and diversification from the events sector. In addition, it supports local operators to build upon their business within their own community.

**Consultation Details:**

1. We will carry out some market engagement within each of the areas where we have a pitch currently to check this is the right offer for the location.
2. We are in contact with all concession operators and will continue to make sure they are fully informed of the process and how to apply.

**Background Documents:**

Good food and catering procurement:

<https://bristolintranet.moderngov.co.uk/ieDecisionDetails.aspx?ID=313>

<https://bristolintranet.moderngov.co.uk/ieListDocuments.aspx?CId=135&MID=2563>

Corporate strategy: [Corporate Strategy 2022-27 \(bristol.gov.uk\)](https://bristol.gov.uk/corporate-strategy-2022-27)

<b>Revenue Cost</b>	£	<b>Source of Revenue Funding</b>	Insert specific service budget name
<b>Capital Cost</b>	£	<b>Source of Capital Funding</b>	e.g., grant/ prudential borrowing etc.
<b>One off cost</b> <input type="checkbox"/>	<b>Ongoing cost</b> <input type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <input checked="" type="checkbox"/>

**Required information to be completed by Financial/Legal/ICT/ HR partners:**

**1. Finance Advice:**

Parks and City Docks, let around 25 small concession pitches across their estates to a variety of different businesses, which fall outside of the broader corporate catering contract.

The concession pitches generate annual income to the Council of approximately £0.164m for reinvestment into the maintenance and management of the city's parks and harbourside.

The report is seeking approval to re-procure the concession pitches across Parks and City Docks from April 2024 to March 2027 (three financial years). The Parks service have estimated, based on approximate industry values and service experience, that the £0.164m income generated represents around 15% of all the operator's turnover, resulting in an evaluated annual contract value of circa £1.1m, and thus £3.3m across three financial years.

The Parks service must ensure that the tendering process follows procurement rules and legal guidance, whilst maintaining competitive margins to deliver revenue and value for money. Any risk of pitches not being taken-up, will be re-advertised and let for the remaining duration of the contract, but will reduce the revenue for the first year.

It is advised that the evaluation criteria ensures that Price has a minimum 50% weighting.

**Finance Business Partner:** Kayode Olagundoye, Finance Business Partner - Growth and Regeneration – 21 June 2023.

**2. Legal Advice:** Whenever the Council procures goods, works, or services, these must be procured in compliance with any applicable procurement regulations and/or the council's procurement rules.

The relevant officers will need to ensure appropriate advice is obtained from the Council's legal team to ensure this obligation is met. If the value of any of the concession contracts is over the relevant threshold, the applicable procurement regulations will be the Concession Contracts Regulations 2016. If the value is under this threshold, it is likely that the council's internal procurement rules in relation to concessions will need to be complied with.

**Legal Team Leader:** Sinead Willis, Team Manager Commercial and Governance 31 May 2023

<b>3. Implications on IT:</b> I can see no implications on IT in regard to this activity		
<b>IT Team Leader:</b> Alex Simpson – Senior Solutions Architect – 28 April 2023		
<b>4. HR Advice:</b> There are no internal HR implications related to this project		
<b>HR Partner:</b> Celia Williams HR Business Partner – Growth & Regeneration 25 May 2023		
<b>EDM Sign-off</b>	John Smith, Interim Executive Director Growth and Regeneration	26 April 2023
<b>Cabinet Member sign-off</b>	Councillor Craig Cheney, Deputy Mayor with responsibility for Finance, Governance and Performance	10 May 2023
	Councillor Ellie King, Cabinet Member for Public Health, Communities and Bristol One City	11 May 2023
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	5 June 2023

<b>Appendix A – Further essential background / detail on the proposal</b>	<b>NO</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>NO</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>YES</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>YES</b>
<b>Appendix G – Financial Advice (</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Exempt Information</b>	<b>No</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>
<b>Appendix L – Procurement</b>	<b>NO</b>