

**Report of: Commercial Manager – Parks and Countryside**

**Report to: The Chief Officer Parks and Countryside**

**Date: January 08<sup>th</sup> 2018**

**Subject: Extensions to Ice Cream and Fast Food Licenses in Leeds Parks**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): All wards	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4 (3)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

## Summary of main issues

This report considers the current position regarding Ice-cream and fast food concessions within parks and open spaces.

The report recommends that the option to extend the current agreements is exercised for all sites, or multiples of sites where contractual extensions are possible.

Consequently for those sites where no option to extend exists or where traders have declined to exercise the option, these are recommended to be offered to the market along with a number of other sites that have been identified as suitable to host a trader.

### 1 Purpose of this report

- 1.1 This report considers the current position regarding Ice-cream, fast food and cut flower concessions within parks and open spaces.
- 1.2 It recommends that the options to extend the current agreements are exercised for all sites, or multiples of sites where contractual extensions are possible.
- 1.3 It further recommends that where no option to extend agreements exists or for previously identified sites these are offered to the market via a procurement process.

### 2 Background information

- 2.1 Over the last 10 years we have steadily built a cohort of traders for ice cream, hot drinks and fast food concessions who competitively bid via procurement arrangements. Each year on average we have two new traders that engage in the process with these leads coming from general enquiries, advertisement within local and trade press and through the Yortender portal (previously SCMS). This growth demonstrates that the process used to attract traders is securing a broad exposure to potential traders ensuring that each site receives best consideration.
- 2.2 Historically we have granted licenses which are for 12 months, with 3 further periods of 12 months available on extensions, subject to a successful annual performance report. Those who fail to receive a satisfactory performance report or breach the terms of their contract are not invited to extend and the pitch is offered back to the market.
- 2.3 This has been accepted by traders as a fair operating system, with any period of missed opportunity being 4 years at most. This has also improved previous issues relating to aggressive trading tactics (predominantly with ice cream traders) which over the last 6 years has become significantly reduced. It has encouraged bidders to value the security of the tender process and the duration of the potential lease has stimulated bidders' investment in the site and the quality of their facilities and vehicles.
- 2.4 Parks and Countryside and Procurement officers recommend that this system continues for the following reasons:
- It is in the interests of Leeds City Council to keep the legal rights of offering 12 month extensions rather than offering a set 4 year period so that poor performance issues can be addressed and that bidders remain engaged with the process annually rather than every 4 years. This drives quality assurance and allows for new locations or those surrendered to the council to be offered back to the market.
  - The extensions guarantee a 3% increase in annual fee.
  - The risk to disruption in service provision at each site is reduced.
  - There is no guarantee that offering the site to market will increase the income generated placing secured incomes at risk.
- 2.5 The flexibility of these lease arrangements allows for goodwill to be established both from the trader to the park user and the trader to Leeds City Council, creating more committed bonds to working with site based staff. An example of this is the investment by the operator at Roundhay Park where they have installed mains electrical connections removing the use of unit based generators, reducing carbon emission and noise pollution.
- 2.6 Due to the nature of commercial trading some concessions decline the invitation to extend and therefore it has remained necessary to process our tender opportunities each year in order to maximise the income available from the pitch assets.

- 2.7 For those sites where no option to extend exists or where traders have declined to exercise the option, these have been offered to the market along with a number of other sites that have been identified as suitable to host a trader.
- 2.8 The payment terms of the new licences would be the same as those current licences. Individual traders are required to pay an annual deposit of 50% of the licence fee with the balance in 5 monthly instalments.

### 3 Main issues

- 3.1 The sites that are recommended to be extended are:

<b><i>Site</i></b>	<b><i>Expiry</i></b>
Armley Park	31/03/20
Arthington Lane	31/03/21
Burley Park	31/03/21
Cross Flatts Park	31/03/21
Golden Acre	31/03/20
Hanover Square	31/03/21
Horsforth Hall Park	31/03/20
Kirkstall Abbey	31/03/21
Manston Park	31/03/20
Parks Square	31/03/20
Pudsey Park	31/03/19
Roundhay Park	31/03/21
Scatcherd Park	31/03/20
Temple Newsam	31/03/21
Temple Newsam (wall garden)	31/03/20
Wetherby Wilderness CP	31/03/20
Woodhouse Moor	31/03/20
Yeadon Tarn	31/03/21
Middleton Park	31/03/19
Meanwood Park	31/03/19
Springhead Park	31/03/19

All of the traders operating on these sites have been the subject of performance reports as required by Financial Procedure Regulations. No adverse performance issues have been raised that would warrant refusing the offer to extend.

- 3.2 The sites that are recommended for tendering are :

Site	Indicative Value £	Product Range
Merrion Street Gardens	2500	Cut Flowers, Hot and Cold Drinks, Crisps, Sweets and wrapped confectionery only.
Rawdon Cemetery	500	Cut Flowers only
Cottingley Cemetary	500	Cut Flowers only
Banstead Park	500	Ice Cream and related products, Hot and Cold Drinks, Crisps,

Site	Indicative Value £	Product Range
		Sweets and wrapped confectionery, Sandwiches and fast food.
Bedquilts Recreation Ground, St Helens Lane	500	Ice Cream and related products, Hot and Cold Drinks, Crisps, Sweets and wrapped confectionery, Sandwiches and fast food.
Bramley Falls Wood Park	500	Ice Cream and related products, Hot and Cold Drinks, Crisps, Sweets and wrapped confectionery, Sandwiches and fast food.
Bramley Park	500	Ice Cream and related products, Hot and Cold Drinks, Crisps, Sweets and wrapped confectionery, Sandwiches and fast food.
Calverley Park	500	Ice Cream and related products, Hot and Cold Drinks, Crisps, Sweets and wrapped confectionery, Sandwiches and fast food.
Chapel Allerton Park	500	Ice Cream and related products, Hot and Cold Drinks, Crisps, Sweets and wrapped confectionery, Sandwiches and fast food.
Churwell Park	500	Ice Cream and related products, Hot and Cold Drinks, Crisps, Sweets and wrapped confectionery, Sandwiches and fast food.
East End Park	500	Ice Cream and related products, Hot and Cold Drinks, Crisps, Sweets and wrapped confectionery, Sandwiches and fast food.
Farnley Hall Park	500	Ice Cream and related products, Hot and Cold Drinks, Crisps, Sweets and wrapped confectionery, Sandwiches and fast food.
Lotherton Hall	20,000	Ice Cream and related products.
Dartmouth Park	1,000	Ice Cream and related products, Hot and Cold Drinks, Crisps, Sweets and wrapped confectionery, Sandwiches and fast food.
Otley Chevin	4,000	Ice Cream and related products, Hot and Cold Drinks, Crisps, Sweets and wrapped confectionery, Sandwiches and fast food.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 Prior to agreeing the original suite of licences the Executive Member for Communities is aware of these licence arrangements and is supportive of the approach and the enhancement to the sites that these traders provide.

4.1.2 The process of securing traders to these sites is now well established and the opportunities are advertised within local press and via the council's electronic tendering procedures. In addition posters are displayed at the subject sites encouraging interest from local traders.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.3 An EDCI screening was undertaken in March 2016.

4.2.4 The screening noted that these types of licences have been in existence for some years and are offered to traders via a competitive tender process with support

from the Procurement Unit using the agreed LCC Procurement Procedure Rules. The licences are advertised via the approved procurement portal Yortender and are commercially advertised so as to ensure the widest possible awareness of the opportunity to bid.

- 4.2.5 The screening identified there were no negative EDCI impacts and no amendments were required to the process.

### **4.3 Council policies and City Priorities**

- 4.3.1 The recommendations in this report will support the council priority to improve the quality of Leeds' parks.

### **4.4 Resources and value for money**

- 4.4.1 15 sites to be offered extensions to existing contracts which include the contractual percentage increase of 3% if agreed.
- 4.4.2 Those sites which do not extend will be automatically added to the open tender.

### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 The Chief Parks and Countryside Officer has authority to undertake this decision under the relevant scheme of delegation. The information contained in this report is in part confidential as it contains commercially sensitive information affecting the businesses of multiple small traders.

### **4.6 Risk Management**

- 4.6.1 There are no significant risks associated with this report, however there are efficiencies identified in the budget that may not be achieved through reduced income if this decision is not approved.
- 4.6.2 Payments from operators are weighted to ensure minimal risk to defaulting payments from sundry debtors based on the traders' ability to generate income.

## **5 Conclusions**

- 5.1 The licences provide a value source of revenue to the council. In addition the provision of the supply of the goods sold by the traders enhances the sites to the benefit of users.
- 5.2 The traders provide valuable presence on the site and are able to contact the council for assistance should they observe any undesirable behaviour.

## **6 Recommendations**

- 6.1 The Chief Parks and Countryside Officer is recommended to note the contents of the report, to approve the decision to extend and go to the market with a competitive tender for ice-cream, fast food and cut flower licences as described.