

Approval to extend, procure and award new ice cream / refreshment concession licences.

Date: 02/12/2024

Report of: Commercial Officer

Report to: Director of Communities, Housing and Environment

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The Council has concession sites on green spaces across the city. Licences to trade are awarded to traders for ice cream, hot drinks and fast-food through competitive procurement arrangements.

Licences are granted for an initial period of 12 months, with 3 further periods of 12 months available on extensions, subject to performance. Those who do not perform satisfactorily or breach the terms of their licence agreement are not invited to extend and the pitch is offered back to the market.

For those sites where no option to extend exists or where traders have declined to exercise the option, these will be subject to an open competitive procurement exercise via Yortender along with several other sites that have been identified as suitable to host a trader.

The payment terms of the new licences are 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.

The overall value of the income received through this process (including extensions) has the potential to be over £500k overall.

Recommendations

a) The Director of Communities, Housing and Environment is recommended:

- to extend the concessions licences detailed in Appendix A for a further 12 months. The licences will commence on 1st April 2025 and end on 31st March 2026. The total value of the extensions is £428,221.46.
- to give authority to procure and award licences in connection with scheme 92736 to those pitches as identified in Appendix A. The licences will commence on 1st April

2025 and end on 31st March 2026 with options to extend (3 x 12 months). It is estimated that the total income received from the new licences could be up to £96k.

- to approve the evaluation methodology in line with Contracts Procedure Rule 3.1.9.

What is this report about?

- 1 The report requests approval to extend concession licences for 12 months in line with signed agreements and within overall licence periods.
- 2 For concession licences that are due to expire on 31st March 2025 and for new sites that have been identified, approval is requested to competitively tender the opportunities through advertising on the council's electronic tendering website Yortender and award new licences to the successful bidders. The licence period is 12 months with options to extend for a further 12 months on up to three occasions, subject to performance.
- 3 It is proposed that the tender evaluation methodology will be based on the quality/price separated approach. Traders will be required to meet the minimum threshold in their quality submission. Submissions reaching the minimum thresholds will then be evaluated on price only with a licence being awarded to one Trader for each site that has submitted the highest price. Tenderers can bid for one or more site.

What impact will this proposal have?

- 4 The decision will result in income being received into the Council which forms part of the net managed budget of the Climate, Energy and Green Spaces service. An open competitive tender exercise via Yortender ensures there is a fair and transparent process in awarding licences for concession sites.
- 5 There are arrangements in place to ensure that performance against the conditions of the licences and any impact on wards is closely monitored.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 6 The income generated from the licences contributes towards the maintenance of the city's parks and green spaces which have health and wellbeing benefits for park users.
- 7 The procurement exercise considers the carbon impact of the vehicles, the pricing and dietary requirements of the customer base, waste management and recyclable / recycled materials.
- 8 Sites are being reviewed with regard to electric charging points which will allow traders to transition to electric vehicles in the future.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 9 Members have been consulted on pitch locations and there is engagement with relevant stakeholders throughout the year as appropriate.
- 10 Colleagues in Procurement Commercial Services and Legal Services have been consulted on the procurement activity and licensing arrangements.

What are the resource implications?

- 11 The process for extending, procuring, awarding and managing licences is well established and the opportunities are advertised via the Council's tendering process. There are no additional resources required as part of this decision.
- 12 The tendering process ensures that the Council complies with procurement obligations around openness and transparency, and provides a robust system for securing best value as tenders will be evaluated on a minimum quality threshold and price.
- 13 Licences that have been extended have been increased in line with the terms of the signed agreements.

What are the key risks and how are they being managed?

- 14 There is a risk that the sites being tendered achieve less income than anticipated, creating a budgetary pressure. Providing options to extend existing licences reduces the overall income risk and the tendering exercise ensures that best value is achieved for the Council.
- 15 Licence agreements include clauses relating to litter, nuisance, disturbance, emissions and damage, and these risks are managed as part of the contract management arrangements.

What are the legal implications?

- 16 The decision has been classified as a Key Decision as the overall sum of the income received through this process (including extensions) has the potential to be in excess of £500k in total. The decision was added to the list of forthcoming decisions on 29th October 2024.
- 17 The appendix attached to this report is restricted as confidential (Access to Information Rule 10.4.3). This is on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council.
- 18 It is considered that the public interest in maintaining this information as exempt outweighs the public interest in disclosing the information, as disclosure may prejudice the outcome of the procurement process. The details of the tender proposals within the appendix also contain the financial details/business affairs of individual companies.

Options, timescales and measuring success

What other options were considered?

- 19 All licences have been reviewed to determine whether extension is in the best interest of the Council.

How will success be measured?

- 20 Success will be measured through monitoring performance against the licence conditions.

What is the timetable and who will be responsible for implementation?

- 21 Licence extensions and awards will be implemented on 1st April 2025.

Appendices

22 Appendix A – Confidential information relating to sites, financial information and traders' details.

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Background papers

- None