



# Cabinet

CITY  
EXEMPT  
CVE4.22.23

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**Cabinet Member:**

**Assistant Mayor & Cabinet Member for Culture & Visitor Economy**

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**Director:**

**Interim Strategic Director of Neighbourhoods**

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**Report Title:**

**Award of Christmas Market Concessions 2022-25 (CVE4.22.23)**

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**Date:**

**22 July 2022**

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**Report No:**

**CL.08.22**

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**Decision Type**

**Cabinet Key Decision**

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## **1.0 Executive Summary**

- 1.1 In previous years the cost of delivering the Christmas Market in the city has been borne by the City Council, for 2022/23 a decision was taken to go through a procurement process and issue a tender, to identify and commission an overarching, high quality and experienced operator to procure, manage and deliver all aspects of the Christmas Market/Event, with the primary intention to remove the financial burden on the Council but that also had the potential to grow the event offer further in subsequent years.

- 1.2 This report seeks approval to award two concession contracts, relating to Christmas Market Concessions 2022-2025, following that successful tender process.

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## **2.0 Recommendation:**

- 2.1 For the reasons set out in the report, it is recommended that
- (i) Authority be granted to award contracts to the highest scoring bidder(s) as described in this report, for the delivery of the 2022 Christmas Market and associated facilities.

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## **3.0 Information:**

- 3.1 Both 2020 and 2021 were challenging years for local, national and international tourism due to the Covid-19 pandemic.
- 3.2 The Culture Liverpool Events programme generates significant economic impact for the city; 47% of the city's business rates are raised from the culture and hospitality sector which is wholly dependent on visitors and footfall.
- 3.3 In 2018, the overall Culture Liverpool event programme attracted more than 2.2 million visitors to the city and boosted the local economy by an estimated £85M, as per the independent event economic impact reports provided by The Growth Platform in 2017.
- 3.4 The Culture Liverpool Event Programme supports the ambition of the Liverpool Plan to be 'the most exciting city in the UK' and the Mayor's triple lock pledge to provide value for local people and equality for all.
- 3.5 Christmas offerings have become a staple event in the Culture Liverpool calendar and have incrementally grown since 2017 in terms of the audience numbers they attract and the quality of the offer.
- 3.6 The Council has outsourced the Christmas market offering in the City for commercial return since 2017. Prior to this the Council has previously funded the Christmas Market at an annual cost of circa £100K. The Christmas market has subsequently been outsourced on a cost saving / income

generating basis. There was a financial need for change of direction for the management of the Christmas market moving from the Council to a third party provider who will have sole responsibility for the setup, operation, derig and commercial risk. The main strategic change is that no costs will be incurred by the Council and that all costs and associated risks will be the responsibility of the provider.

3.7 The Christmas Concession Locations are:

- Pier Head - Ice-rink and small vintage fairground rides
- St Georges Plateau - Christmas Market and vintage fairground rides

3.8 Both locations whilst being festive will be in keeping with the architectural locations and the importance of St Georges Hall, William Brown St, Pier Head and the public realm will be animated with infrastructure of an appropriate standard and quality to animate and highlight these important spaces to City visitors. The Council will therefore no longer incur any cost but the city will still benefit from the cultural rewards that these festive offerings will provide.

3.9 Control measures that will be in place include, the specific exclusion of scream rides and the volume of stores selling alcohol will be proportionate to the overall offer.

3.10 An open, below threshold, concession tender exercise with two lots was advertised via Contracts Finder, ProContract and the Council website on 10<sup>th</sup> May 2022, with a submission deadline of 6<sup>th</sup> June 2022. We received two submissions for this tender. The bids were evaluated by Culture Liverpool and a moderation meeting was held with Procurement on the 9<sup>th</sup> June 2022, when scores were agreed and finalised. Both Clarke Events and Arena Structures were identified as the highest scoring bidders on each lot across quality, social value and pricing criteria. See 2.11 below.

### LOT 1 St Georges Hall area - Christmas Markets / Festive Offer

	<b>Weighting</b>	<b>Clarke Events</b>
<b>Quality</b>	70%	53.5%
<b>Social Value</b>	10%	10%
<b>Price</b>	20%	20%
<b>Total</b>	100%	83.5%
<b>Rank</b>		1

### LOT 2 Liverpool Pier Head - Ice Rink & Festive offer

	<b>Weighting</b>	<b>Arena Structures</b>
<b>Quality</b>	70%	54.5%
<b>Social Value</b>	10%	10%
<b>Price</b>	20%	20%
<b>Total</b>	70%	84.5%
<b>Rank</b>		1

3.11 Full financial appraisals of both companies where carried out by Finance colleagues. Please see Section 7.6 below

3.12 Income will be generated over the duration of the contract, on a 3year +1year term basis

3.13 The Christmas Concession Locations are:

- Pier Head - Ice-rink and small vintage fairground rides
  - St Georges Plateau - Christmas Market and vintage fairground rides
- 3.14 The Christmas offering on the public realms stated above, will complement the surroundings they are within.
- 3.15 The Christmas offerings have become a core, cultural event in the city's calendar, delivering a free and fully accessible way for communities to enjoy a festive experience.
- 3.16 Christmas offerings are an important economic driver for the city, bringing audiences into the city centre from within a 90-minute travel time radius, creating domestic tourism, retail and hospitality opportunities from mid-November to 23rd December.
- 3.17 Taking into account the year-on-year increase in terms of the festive audience combined with an audience behaviour that leans more towards outdoor events since Covid 19, it is assumed a larger audience than previous years will be achieved
- 3.18 Implementation will have a number of specified control measures in place and will be supported by a detailed project plan from the providers. In addition, there are a number of control measures in place in regard to the Christmas offering. These are:
- Site Build will not commence at St Georges Plateau until after the Service of Remembrance has taken place.
  - The proportion of stalls selling alcohol and food and drink will be proportionate to the overall number of stalls in attendance.
  - A variety of local artisan makers, bakers and crafters will be engaged with, to add a local 'Love Liverpool' offering within the Christmas Market.
- 3.19 Culture Liverpool will work closely with both of the Market / Ice-rink Operators to cross promote and maximise the destination benefit of the festive activity.

- 3.20 Taking into account the year-on-year increase in terms of the festive audience, it is assumed a significantly larger audience than previous years will be achieved.

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**4.0 Commissioner Review:**

- 4.1 The recommendation is not subject to Commissioner Review.

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**5.0 Financial Implications:**

- 5.1 It is anticipated any event on this scale would deliver significant economic benefit to the city hospitality and retail sector
- 5.2 There are no anticipated costs for the council in delivering the event over the period of the contract. A bond will be required to be paid by both providers, to be held on account, and would be used to fund any costs incurred by the council in closing down the site if the event had to be cancelled for any reason.

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**6.0 Legal and Governance Implications:**

- 6.1 The Council has power under s.1 of the Localism Act, the general power of competence, to deliver this event and enter into contracts with third party organisations. The restrictions on the power do not apply in this case. The Council has no legal duty to hold or host the event, but it has the legal power to do so pursuant to sections 144 and 145 of the Local Government Act 1972 which deal respectively with encouraging visitors to the City for recreation and with the provision of entertainments. The reports sets out the rationale for Christmas Markets and how it supports the Council's priorities and, in particular, events which promotes the Council's public sector equality duty by, for example, seeking to foster good relations between those in protected groups and others.
- 6.2 This contract has been procured as a concession (i.e. a contract whereby the operator has the right to exploit the services and is subject to the risk of market forces without a subsidy to compensate them for any losses they make), but is below the threshold above which the Concession Contracts Regulations 2016 apply and therefore the procurement exercise only needs to

comply with the Council's contracts standing orders. However, the Council must ensure it is entering into a detailed concession agreement to include protections in terms of event cancellation or delay, performance standards and use and protection of the site.

6.3 Part of the intended event site consists of land owned by the Council as highway. As such, pursuant to sections 115B and 115C of the Highways Act 1980 the Council has the power to erect structures on the land for the benefit of the public and for the purposes of entertainment and refreshments. Furthermore, by virtue of section 1 of the Local Government (Contracts) Act 1997, the Council has the power to enter into contracts for the provision of assets and/or services to facilitate the exercise of its functions.

6.4 Although there is a mandatory licensing scheme for third parties to have the same powers as the Council to place structures on the highway pursuant to section 115E of the Act, in this case, it is considered that the market is being delivered on the Council's behalf (and indeed was procured by it) and hence that the Council is able to rely on its statutory powers as referenced above.

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## **7.0 Risk and Mitigation**

7.1 **Event Infrastructure and Resources** – Covid-19 has had a devastating impact on the events sector, with many specialist companies going out of business. A surge in the return of public events has created significant demand in an environment of reduced supply. The successful contractors will need to move quickly if they are to secure the infrastructure and quality stall holders required to deliver the Christmas festive offer.

7.2 **Covid-19** - To mitigate for risk around potential future Covid variants requiring Public Health intervention and guidelines, the event footprint is predominantly outdoors and has the ability for access to be controlled if needed.

7.3 **Safety** - Standard Operating Procedure requires all events to undertake a robust planning process with independent Health and Safety sign off, as well as Joint Agency and Safety Advisory Group sign off.

- 7.4 **Operational Failure Pre Christmas** – Should either of the suppliers cease to operate prior to site mobilisation / site build, the council would be unable to identify an alternative supplier in the timescale for the 2022 Christmas period and the event would be cancelled. The council would however undertake a new procurement process to identify an alternative supplier(s) for the 2023 – 2025 operation as necessary.
- 7.5 **Operational Failure Mid Delivery** – Should either of the suppliers cease to operate mid delivery, and the council were subsequently left with the responsibility for de-rigging the site, the council would utilise the increased bond payment of £20K required from the successful bidders which is expected to be sufficient to fully fund all the costs associated with closure of the site. We would then undertake a new procurement process to identify a supplier(s) for the 2023 – 2025 operation
- 7.6 **Financial Appraisal** – have been undertaken by LCC Finance Department,

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## 8.0 **Environment and Climate Change Implications:**

8.1 All major events and projects are now subject to an Environmental Risk Assessment to ensure that their impact on the environment is limited as far as is reasonably practicable in accordance with the mayor's triple lock pledge. Some examples of what the successful bidders have committed to in their tender submission include the below. These are examples of best industry practice that is prevalent in this industry currently. These are not contractual elements however, there is an expectation now by festival and event attendees that good practice with regards to environmental sustainability will be evident. Whilst we cannot measure these elements, we will be monitoring this throughout the tenure of the contracts.

- Reduce waste packaging
- Reduce the use of diesel on their generators
- Replace lighting with LED's
- Reduce the use of outdoor heating
- Robust cleansing plan in place throughout the market

- The use of bio-degradable packaging
- 8.2 Suppliers are committed to removing single use plastics from within their offer e.g. Biodegradable food trays, cutlery and takeaway consumables, there will be no plastic bags permitted etc
- 8.3 The use of physical marketing materials will be minimised where possible, using digital marketing assets as priority. Where physical marketing assets are required, they will be fully recyclable materials or assets that can be re-used for future events, therefore creating little to no waste through the event.
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**9.0 Corporate Parenting, Community and Public Health Benefit (as applicable):**

- 9.1 The Christmas offerings support the local creative and event sector directly through opportunity and employment. Post-event evaluations will capture key information regarding participation, attendance, quality and economic impact.
- 9.2 By attracting domestic and national audiences to the city, the hospitality sector and visitor economy is supported through employment and sectoral growth.
- 9.3 Key operational staff within the Christmas offerings will be sourced from the local area where possible. Both operators will be signposted to the Liverpool In Works Team.
- 9.4 Service providers for both operators have historically used local providers in their delivery of these events. Both operators have been operating for several years in Liverpool.
- 9.5 There will be a number of chalets provided to Community Groups, artisan producers and local artists.
- 9.6 There will be a performance space created for local choirs, schools etc to perform within the market space.
- 9.7 There will discount applied to concession groups, schools, OAP's, NHS workers, Armed Forces as well as hospice days.
- 9.8 £1,000 worth of vouchers to spend within the market will be donated to the Lord Mayors Charity.

- 9.9 Research by the Arts Council of England indicates that Cultural Events offer a sense of hope and ambition to local audiences, facilitating community cohesion, creating a distinct sense of place, and increasing civic pride all of which have been proven to contribute towards improved mental health and well-being.
- 9.10 Research by the Arts Council of England indicates that Creativity and culture have a hugely positive impact on individual and community mental health and well-being. This research indicates that Cultural Events offer a sense of hope and ambition to local audiences, facilitating community cohesion, creating a distinct sense of place, and increasing civic pride all of which have been proven to contribute towards improved mental health and well-being which DCMS research has estimated the enhanced well-being of those attending events to be worth approximately £48.50 per person per activity.
- 9.11 The Christmas offerings will provide a platform for local communities to come together and strengthen key community relationships and partnerships across the city region, by participation, performance and engagement
- 9.12 To mitigate for risk around potential future Covid variants requiring Public Health intervention and guidelines, the event footprint is predominantly outdoors and has the ability for access to be controlled if needed. In addition, the Culture Liverpool events teams have played a pivotal role in the delivery of mass testing across the city, on behalf of Public Health as well as the roll out of the Event pilot on behalf of central government, as such, they have an inherent awareness, skill, experience and training for delivering events in a Covid secure way and can advise the successful suppliers if needed.

1. D.Fujiwara, Quantifying and Valuing the Wellbeing Impacts of Culture and Sport, DCMS 2014. Figures updated to 2021/22 prices using GDP deflators.

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## **10.0 Consultation including consultation with Ward Councillors and Outcome:**

- 10.1 Consultation with Cllr Harry Doyle via weekly Cabinet member meeting. Cllr Doyle is supportive of Christmas Market event presented within this report.

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## **11.0 Reason(s) and Alternate Options Considered:**

11.1 To not approve the award of this contract for the delivery of Christmas festive offering and not progress with the event. This was considered but discounted on the basis that:

- The city's cultural and destination offer with which we use to market the city nationally and internationally to attract local, national and international audiences, would be missing a crucial element in making this a success, thus directly impacting on the wider economic impact and support for the local visitor and hospitality sector, both of which are intrinsically important to both business rates and employment in the city
- There is an expectation that core cities will provide a festive Christmas offering; it is the ambition of Liverpool to have one of the UK's best festive market offerings.
- To not progress with a festive offering, would have a significant impact on the city's ongoing recovery post-pandemic, particularly in the key hospitality and tourism sectors
- Alternative locations have been considered within the city with, Culture Liverpool's extensive experience of previous delivery of similar events have identified the Plateaux and the Pier Head as the preferred locations both Operationally from a crowd capacity point of view and strategically from a Destination Liverpool perspective. The Christmas market forms part of the overall festive offer for the City. Culture Liverpool are part of the overall Christmas Campaign group, which includes Liverpool One, BID, the Council, Albert Dock, ACC Liverpool and Liverpool Theatres. Both of the identified locations work well for all stakeholders involved e.g., Church Street has been a previous location for the Christmas market and is no longer feasible due to crowd congestion at this peak retail time of year.

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**12.0 Public Sector Equality Duty, Equality Implications and Details of Consultation with Service Users:**

- 12.1 The Christmas festive programme supports diversity, race and representation; each location will feature a mix of artists, traders and creatives and there will be a marketing strategy to ensure the festive offering is marketed to a diverse audience and varied demographic.
- 12.2 The public realms used within Christmas offering will be accessible as much as possible; there will be managed points where specific access is required.
- 12.3 The installations, public realm spaces used and marketing materials for the programme will be fully accessible, and the Christmas Markets will be open to all members of the community.
- 12.4 It is understood that cobbles in some areas of the plateau can be an issue for wheelchair users; we have in the 2019 Christmas Market installed wheelchair friendly trackway throughout the market, however this proved inadvertently to cause more slips, trips and falls to service users and generated significant compensation claims against the council
- 12.5 Disability accessibility to be the responsibility of successful bidder including provision of ramps where required. The Council Accessibility Officer will be engaged to undertake an access audit of public realm spaces to ensure best practice and access for all, at least one accessible points of entry will be open, prior to the opening of the events.

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**13.0 Key Decision and Notice Requirements (including urgency):**

**Key Decision – Yes**

**28 Days' Notice – Yes**

**Urgency – N/A**

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**14.0 Implementation Date:**

**29 July 2022**

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**15.0 Contact:**

Tracy Hewlett, Special Projects Officer, Culture Liverpool

**16.0 Background & Previous Reports:**

N/A

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**17.0 Appendices & Attachments:**

**Appendix 1** - Pre-procurement Business Case

**Appendix 2:** CL08.22. Exempt Information