

OVERVIEW AND SCRUTINY COMMITTEE – SERVICES

10 June 2024

- * Councillor James Walsh (Chairperson)
- * Councillor Bilal Akhtar (Vice-Chairperson)

* The Mayor, Councillor Sallie Barker MBE	Councillor Maddy Redpath
Councillor Geoff Davis	* Councillor Joanne Shaw
Councillor James Jones	Councillor Katie Steel
Councillor Steven Lee	* Councillor Jane Tyson
* Councillor Sandy Lowry	Councillor Catherine Young

*Present

Councillors Catherine Houston (Lead Councillor for Commercial Services), Julia McShane (Leader of the Council and Lead Councillor for Housing) and Howard Smith were also in attendance, with Councillor George Potter (Lead Councillor for Environment and Climate Change) in remote attendance.

OSS1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

The Committee was advised of apologies from Councillors Geoff Davis, James Jones, Katie Steel, and Catherine Young. There were no substitutes.

OSS2 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of Disclosable Pecuniary Interests.

In relation to item 3, G Live Contract Award, Councillor Jane Tyson disclosed a non-pecuniary interest due to running a group at G Live and indicated it would not affect her objectivity in relation to the matter.

OSS3 G LIVE CONTRACT AWARD

The Chairperson welcomed the Lead Councillor for Commercial Services, Councillor Houston, the Assistant Director, Commercial Services, and Mr. Julian Russell, Consultant.

The Assistant Director, Commercial Services, introduced the item. He indicated

that the G Live contract was one of the Council's largest and most high profile contracts. The meeting was advised that the report submitted to the Committee summarised the outcome of the procurement process and made recommendations to the Executive on a type of contract for the next phase of G Live. The Assistant Director, Commercial Services, informed the meeting that the exempt appendix to the Committee's report contained a detailed technical breakdown and summary of the procurement process for the project.

Mr. Russell gave a presentation outlining the G Live contract procurement process, its outcomes, and the recommendation being made to the Council's Executive. As part of this presentation the meeting was given a brief history of G Live, followed by summaries of the minimum requirements of the procurement process, the operator market, the scoring of submissions, and the conclusion of the process. The Committee was informed that the recommendation to the Executive would be appoint Trafalgar Entertainment Group as the operators of G Live for a twenty-five-year contract.

Mr. Russell advised the meeting that under the proposed new contract arrangements the Council would receive a guaranteed annual rent of £240,000 increasing in line with RPI over the twenty-five-year term. He highlighted the additional annual gain share that would be paid to the Council should profit exceed a certain level, and over £5m of capital investment in G Live by Trafalgar Theatres over the contract term to protect the asset and improve audience experiences. In addition, the Committee was advised that under the new contract terms the Creative Learning & Education function at G Live would be strengthened, asset management risk transferred to the operator and, in return for relinquishing some sovereignty of the venue's programme, there would be an improvement in revenue contribution of approximately £500,000 per annum for the Council.

The Lead Councillor for Commercial Services praised officers, Mr. Russell, the operators participating in the invitation to negotiate, and members of an overview and scrutiny working group for their involvement in the project.

The Chairman referred to the designation of financial information within the appendix of the report submitted to the Committee as exempt due to its commercial sensitivity.

The Committee,

RESOLVED: That, under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the consideration of information contained within the Appendix to the report on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act; namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Committee questioned elements of the exempt information; namely, the commercial scores of both tenderers, net present value, the fixed rent to be received, the projected profit share, and the capital expenditure spend.

Following consideration of the exempt information and readmittance of the public to the meeting, the Committee members raised further queries:

- In response to a question about possible restrictions to prevent the operator leaving mid-contract, the Committee was advised that the obligations of both partners were detailed within the lease and that there was a force majeure clause within the contract.
- In answer to a query about the relative merits of a fifteen or a twenty-five-year contract period, the Committee was informed that evidence suggested the advantages of securing the longer-term strategic partnership, alongside the importance of building in mechanisms to constantly evaluate the operator's running of the venue.
- In reply to questions, the G Live was defined as a multi-use entertainment conference venue, and assurances were offered that a successful, commercially resilient venue was not achieved by cutting back and doing less, rather G Live under the new contract arrangements would do more for more people, more often.
- A member of the Committee proposed the merit in providing secure storage for e-bikes and installing swift nesting boxes at the venue. The Assistant Director, Commercial Services, indicated he would raise the suggestions with the operator.

- A Councillor suggested the value in signage outside the G Live to show what was on that evening and noted the wider benefits to the local economy of not changing G Live to an arena-style model with fewer events. The meeting was informed that the procurement process had resulted in a venue that would be exceptionally busy seven days a week all day. Mr. Russell indicated that Trafalgar Theatres had put forward a very agile and fluid model to run the venue, including the capability of putting on their own shows or more community engagement activity or youth projects.
- The Committee was advised that the typical life of a venue such as the G Live was fifty years.
- In response to a suggestion from a Councillor, the Assistant Director, Commercial Services, undertook to look to add both information on sustainability targets and actions over the period of the contract to the report submitted to the Executive.

The Chairperson advised the meeting of the officer recommendations that were to go forward to the Executive for decision and praised the result of the procurement process as presented in the report submitted to the Committee.

The Chairperson thanked the Lead Councillor for Commercial Services, the Assistant Director, Commercial Services, and Mr. Russell for attending and answering questions.

The meeting finished at 8.18 pm

Signed

Date

Chairman