



County Hall
Cardiff
CF10 4UW
Tel: (029) 2087 2000

Neuadd y Sir
Caerdydd
CF10 4UW
Ffôn: (029) 2087 2000

AGENDA

Pwyllgor PWYLLGOR CRAFFU'R ECONOMI A DIWYLLIANT

Dyddiad ac amser y cyfarfod DYDD MERCHER, 31 MAI 2023, 4.30 PM

Lleoliad YB 4, NEUADD Y SIR, CYFARFOD AML-LEOLIAD

Aelodaeth Cynghorydd Wong (Cadeirydd)
Y Cynghorwyr Berman, Brown-Reckless, Cunnah, Henshaw, Jenkins,
Lloyd Jones, Naughton a/ac Thomson

Tua
Amser.

- 1 Ymddiheuriadau am Absenoldeb**
Derbyn ymddiheuriadau am absenoldeb.
- 2 Datgan Buddiannau**
I'w wneud ar ddechrau'r eitem agenda dan sylw, yn unol â Chod Ymddygiad yr Aelodau.
- 3 Cofnodion (Tudalennau 5 - 10)**
Cymeradwyo cofnodion y cyfarfod blaenorol fel rhai cywir.
- 4 Neuadd Dewi Sant - Y Camau Nesaf (Tudalennau 11 - 116)**
Nid yw Atodiadau 2 – 5 i'r adroddiad hwn i'w cyhoeddi am eu bod yn cynnwys gwybodaeth wedi ei heithrio yn unol â'r disgrifiad a geir ym mharagraffau 14 a 16 Atodlen 12A Deddf Llywodraeth Leol 1972. Yn holl amgylchiadau'r achos, ystyrir bod budd y cyhoedd o gynnal yr eithriad yn bwysicach na budd y cyhoedd o ddatgelu'r wybodaeth.
- 5 Materion Brys (os o gwbl)**
- 6 Dyddiad y cyfarfod nesaf.**
I'w gadarnhau.

Davina Fiore

Cyfarwyddwr Llywodraethu a Gwasanaethau Cyfreithiol

Dyddiad: Dydd Iau, 25 Mai 2023

Cyswllt: Andrea Redmond, 02920 872434, a.redmond@caerdydd.gov.uk

GWE-DARLLEDU

Caiff y cyfarfod hwn ei ffilmio i'w ddarlledu'n fyw a/neu yn olynol trwy wefan y Cyngor. Caiff yr holl gyfarfod ei ffilmio, heblaw am eitemau eithriedig neu gyfrinachol, a bydd y ffilm ar gael ar y wefan am 12 mis. Cedwir copi o'r recordiad yn unol â pholisi cadw data'r Cyngor.

Gall aelodau'r wasg a'r cyhoedd hefyd ffilmio neu recordio'r cyfarfod hwn

Os ydych yn ymddangos gerbron y pwyllgor ystyrir eich bod wedi cydsynio i gael eich ffilmio. Trwy fynd i mewn i gorff y Siambr neu'r ystafell gyfarfod rydych hefyd yn cydsynio i gael eich ffilmio ac i ddefnydd posibl o'r delweddau a'r recordiadau sain hynny ar gyfer gwe-ddarlledu, gwybodaeth gyhoeddus, sylw i'r wasg a/neu ddibenion hyfforddi.

Os oes gennych gwestiynau ynghylch gwe-ddarlledu cyfarfodydd, cysylltwch â'r Gwasanaethau Democrataidd ar 02920 872020 neu e-bost [Gwasanethau Democrataidd](#)

ECONOMY & CULTURE SCRUTINY COMMITTEE

25 APRIL 2023

Present: Councillor Wong(Chairperson)
Councillors Berman, Henshaw, Jenkins, Lloyd Jones and Naughton

74 : APOLOGIES FOR ABSENCE

Apologies had been received from Cllrs Brown-Reckless, Cunnah and Thomson. Apologies had also been received from Zack Hellard, Youth Council Representative.

75 : DECLARATIONS OF INTEREST

Cllr Lloyd Jones declared a personal interest as Chair of the Penrhys Pilgrimage Project.

76 : MINUTES

The minutes of the meetings held on 28 February 2023 and 21 March 2023 were agreed as a correct record and signed by the Chairperson.

77 : PHYSICAL ACTIVITY AND SPORT STRATEGY - IMPLEMENTATION
PROGRESS UPDATE

Members were advised that this item was to examine progress in delivering year one of the Physical Activity and Sport Strategy, with an opportunity to explore the role the Council can play in supporting delivery.

The Chairperson welcomed Cllr Burke - Cabinet Member for Culture, Parks & Events; Steve Morris – Operational Manager – Sports, Leisure and Development; Jon Maidment – Operational Manager – Parks & Cardiff Harbour Authority; Chris Hadfield – Operational Manager – Leisure; Laura Williams – Assistant Director, Sport Physical Activity and Health, Sport Cardiff/ Cardiff Metropolitan University and Lauren Idowu – Senior Health Promotion Specialist, Public Health Wales

Cllr Burke was invited to make a statement after which Members were provided with a presentation from Laura Williams and Lauren Idowu.

The Chairperson invited questions, comments, and observations from Members.

Members acknowledged that Years 2-5 of the Physical Activity and Sport Strategy will be influenced by available data and will specifically target the growing inequalities between population groups and areas. Members were advised that an Equalities Impact Assessment has been conducted and is treated as a dynamic document that is updated as work is implemented. Members appreciated this approach and have requested a copy of the most recent version, understanding that it will evolve as the work progresses.

Members noted that Year 1 of the strategy has made significant progress, with only 3 out of 24 actions unlikely to be completed this year. Members noted the following progress:

- Good governance, leadership, and partnership working have been established, with active involvement at the leadership group level to drive system change.
- Effective partnership working in the place-based pilots has resulted in stronger co-production of actions that address barriers to activity within specific areas and population groups.
- Recruitment of Physical Activity and Sport Activators for the place-based pilot areas is underway, complementing existing community staff.
- There is an intention to recruit additional Physical Activity and Sport Activators for other areas, contingent on securing funding.

Members were informed about the ongoing work with community partners to conduct focus groups and record video stories in May 2023. These activities aim to identify blockers to physical activity for specific population groups, including BAME communities, in the pilot place-based areas. Members expressed interest in receiving feedback on the findings from this work as they are keen to understand if there are ways the Council could provide support in removing these blockers and contribute to addressing physical inactivity.

Members acknowledged the importance of trained staff in supporting individuals on their journey towards increased physical activity.

Members were pleased to hear that community work and volunteering placements are integral to relevant Cardiff Metropolitan University degree courses, benefiting both communities with on-the-ground activities and coaches, as well as students gaining experience with diverse population groups.

Regarding the creation of active people and active environments, Members noted the recognition given to individual and non-competitive physical activities including Yoga, Pilates and Zumba. Members were advised that it will be up to local communities to decide whether these activities will be included in the place-based pilots. Work is being done to audit places and spaces to identify opportunities for people to be active, utilising the 'creating healthier spaces' toolkit.

Members stressed the Council's important role in creating spaces and places that support physical activity, such as ensuring good design of play areas like Maltings Park in Splott and suggested providing sufficient seating in parks to accommodate those with limited mobility.

Members sought clarification on how the impact of the Physical Activity and Sport Strategy would be measured. They were informed that high-level indicators would be used, with the understanding that they only offer a partial picture and lack detailed information at the community level. In addition to these indicators, methods such as 'ripple-effect mapping' and a 'progress and learning template' would be employed to provide qualitative data and feedback, identify blockers and system levers, and capture the impact of the work on individuals and communities.

Members considered it was important to track improvements in the pilot areas over time, ensuring they benefit all communities and population groups by reducing inactivity. Members were advised that alongside high-level indicators, local indicators based on issues identified by local communities will be used to focus on progress in addressing specific blockers and system levers.

AGREED: that the Chairperson, on behalf of the Committee, writes to the Cabinet Member conveying the observations of the Committee when discussing the way forward.

78 : GLL CONTRACT MONITORING

Members were advised that this item was to undertake monitoring scrutiny of the Council's contract with GLL to run 8 Leisure Centres in Cardiff. This item enabled Members to evaluate the progress made in delivering the contract, including recovery from the impact of the pandemic on participation and usage rates and finances, the capital programme, and whether there are any changes to the Council's commitments or to risks to the Council.

The Chairperson welcomed Jason Curtis – GLL's National Membership Manager and Head of Service; Joanne Smith – General Manager, Llanishen Leisure Centre – GLL and Sarah Stork – Cardiff Council's Leisure Client Services Manager. Remaining from the previous item were Cllr Burke - Cabinet Member for Culture, Parks & Events; Steve Morris – Operational Manager – Sports, Leisure and Development; Jon Maidment – Operational Manager – Parks & Cardiff Harbour Authority and Chris Hadfield – Operational Manager – Leisure.

Cllr Burke was invited to make a statement, after which Jason Curtis and Joanne Smith gave their presentation. Members were asked for their comments, observations, and questions.

Members noted the positive direction of memberships and usage, although they acknowledged that these have not yet returned to pre-COVID levels overall.

Members heard about the ongoing efforts to increase footfall and noted that partnership working, particularly with NHS and GP exercise referral schemes, is crucial.

Members noted that GLL is reviewing the product mix and marketing of individual leisure centres to target specific groups, such as families and older people, rather than solely focusing on students, as seen with the example of Maindy Leisure Centre.

Members heard about the improved income for main and junior categories, with Health and Fitness showing a slower recovery but still demonstrating a positive trend. Members also heard about the measures taken to save energy and reduce utility costs, including the proposed installation of solar panels in 2023-2024, subject to securing funding.

Discussing pool temperatures, Members were pleased to hear that systems are in place to manage unusual peaks in demand for pool spaces during heatwaves.

Members were provided with information on the medium-term financial forecast and noted that GLL is actively exploring ways to increase future income by introducing

new products. Members were assured that the examples mentioned in the presentation were just examples and that no specific centres or areas have been proposed yet.

Members were pleased to hear that GLL has confirmed that these future products will not displace key user groups but will instead aim to enhance under-utilised areas.

Members sought clarification on whether GLL is considering any partial or full closures to secure financial savings. They were pleased to hear the assurances that there are no plans for partial or full closures. Instead, GLL aims to raise income and make slight program adjustments to save expenditure rather than closing facilities.

Discussing Pentwyn Leisure Centre, Members were advised that GLL is working with local community groups and activities to increase usage of available rooms and spaces. Members were further advised that a report to Cabinet on the proposed way forward for Pentwyn Leisure Centre is scheduled for June 2023, and would include proposals on the pool.

Members acknowledged the progress made against improvement actions resulting from Internal Audit and Audit Wales reviews. Members heard that in response to Audit Wales's Recommendation 5 - Follow-Up Review October 2022, the Council has appointed external consultants to produce an options appraisal report. This report will outline contingency service delivery options in the event of contract failure.

AGREED: that the Chairperson, on behalf of the Committee, writes to the Cabinet Member conveying the observations of the Committee when discussing the way forward.

79 : COMMUNITY SPORT IN CARDIFF CABINET RESPONSE - IMPLEMENTATION OF AGREED RECOMMENDATIONS - PROGRESS UPDATE

Members were advised that this item was to scrutinise progress in implementing recommendations from the previous Committee's Inquiry into Community Sport Regional Partnerships, which were agreed by Cabinet. A progress update was provided at Appendix A to the report.

The Chairperson welcomed Cllr Burke - Cabinet Member for Culture, Parks & Events; Steve Morris – Operational Manager – Sports, Leisure and Development; Jon Maidment – Operational Manager – Parks & Cardiff Harbour Authority and Chris Hadfield – Operational Manager – Leisure for this item.

Cllr Burke was invited to make a statement after which Members were asked for their comments, observations, and questions.

Members noted that progress had been made on all the recommendations put forth by the previous Committee through their 'Community Sport in Cardiff' Inquiry in January 2022. As a result, Members were satisfied in considering these recommendations as completed.

Regarding the proposed Regional Sports Partnership, Members acknowledged the assertion made by officers that they are advocating strongly to ensure that Cardiff is

not disadvantaged in this process. They noted that discussions regarding the roadmap and timeline for implementation are imminent.

AGREED: that the Chairperson, on behalf of the Committee, writes to the Cabinet Member conveying the observations of the Committee when discussing the way forward.

80 : COMMITTEE BUSINESS REPORT

Members noted the current position regarding correspondence.

Members noted the information provided by the Principal Scrutiny Officer regarding the Museum of Cardiff and RLDP task groups.

Members were asked for expressions of interest in participating in a scrutiny about Flatholm, including a visit. Cllrs Berman and Jenkins expressed an interest.

81 : URGENT ITEMS (IF ANY)

None received.

82 : DATE OF NEXT MEETING

Wednesday 17 May 2023 at 4.30pm

The meeting terminated at 7.05 pm

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**CYNGOR CAERDYDD
CARDIFF COUNCIL**

ECONOMY & CULTURE SCRUTINY COMMITTEE

31 MAY 2023

ST DAVID'S HALL: NEXT STEPS

Appendices 2-5 are not for publication as they contain exempt information of the description contained in paragraphs 14 and 16 of Part 4 of Schedule 12A of the Local Government Act 1972. It is viewed that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Purpose of the Report

1. To provide background information to Members to aid their scrutiny of key documents relating to the proposed property transfer of St David's Hall, including the Voluntary Ex-Ante Transparency Notice (VEAT notice).
2. Members should note that **Appendices 2-5** are exempt from publication. Members are requested to keep this information confidential, in line with their responsibilities as set out in the Members' Code of Conduct.

Scope of Scrutiny

3. During this scrutiny, Members have the opportunity to explore:
 - i. The VEAT notice attached at Appendix 1
 - ii. The information in Confidential Appendices 2-4
 - iii. The service delivery, financial, legal, property and HR implications
 - iv. Whether there are any risks to the Council
 - v. The timeline and next steps.

Structure of papers

4. Attached to this cover report are the following appendices:
 - i. Appendix 1 – draft VEAT notice
 - ii. Confidential Appendix 2 – draft Lease
 - iii. Confidential Appendix 3 – draft Memorandum of Understanding

- iv. Confidential Appendix 4 – draft briefing note including King’s Counsel note and overview of next steps
- v. Confidential Appendix 5 – draft Business Agreement.

Structure of the meeting

5. The Chair will move that this item be considered in two parts: an open session, where Members will be able to ask questions on the papers that are in the public domain, namely this cover report and the VEAT notice attached at **Appendix 1**; and a closed session, where members of the public will be excluded, where Members can ask questions that pertain to Confidential **Appendices 2-5**.
6. Members will hear from Councillor Burke (Cabinet Member – Culture, Parks and Events). Neil Hanratty (Director of Economic Development), Ruth Cayford (Operational Manager –Creative Industries and Culture), Chris Barnett (OM Major Projects), Donna Jones (Assistant Director – County Estates) and representatives from the Council’s legal advisors – Bevan Brittan LLP – will also attend the meeting. Members will be able to ask questions of the panel.
7. Members will then be able to decide what comments, observations or recommendations they wish to pass on to the Cabinet for their consideration prior to the final decision report to Cabinet regarding St David’s Hall, scheduled for July 2023.

Background

8. At their meeting on 15 December 2022, Cabinet considered a report titled ‘*St David’s Hall*’¹ that set out that:
 - i. the funding available for St David’s Hall does not meet operating or maintenance costs, the situation is worsening, and the Council cannot afford the scale of capital investment required
 - ii. there is a budgeted operating subsidy of £688,700 per annum, which is regularly exceeded, with subsidy levels £1m+

¹ Available [here](#)

- iii. the 2021 Condition Survey identified several issues and recent updated government guidance in relation to Reinforced Autoclaved Aerated Concrete (RAAC) planks, used in St David's Hall's roof, escalates the need for remedial works.
9. The December 2022 report to Cabinet stated that the Council was considering an unsolicited offer from AMG to take over operation of St David's Hall without subsidy and to take away all of the building's risks and liabilities from the Council. The report stated that AMG has given a firm commitment to work to enhance the venue's reputation as the National Concert Hall of Wales by continuing to maintain and develop the classical music programme to protect the classical series. This would be alongside the introduction of AMG's Academy music venue.
10. The December 2022 report to Cabinet set out that, if the Council is minded to proceed with the proposed contract, the Council intends to publish a VEAT notice (Voluntary Ex-Ante Transparency Notice) to advise the market of the offer that has been made, to enable other suppliers to challenge the decision.
11. At this Committee's meeting on 12 December 2022, Members confirmed that there will be a future report to Cabinet, which will include the findings of the consultation and an assessment of best value of the AMG offer, to enable Cabinet to take a decision on the way forward. This report is scheduled for July 2023.
12. At their meeting on 15 December 2022, Cabinet decided to agree in principle an offer from AMG Ltd, to take over the running of St David's Hall.

Budget Consultation 2023-24

13. A question on the future management of St David's Hall was included in the consultation on the 2023/24 Budget Proposals. The Budget 2023/24 report to Cabinet, in March 2023, highlighted that the budget consultation found that, in response to a question seeking views on a new partner to run St David's Hall, the responses received were 59% in support and 26% against².

² Budget Consultation report available [here](#)

Soft Marketing Exercise

14. In April 2023, a soft marketing exercise, inviting offers from experienced and qualified theatre, arts and venue services organisations interested in leasing and operating St David's Hall, commenced. This was an additional process aimed at ensuring best value is achieved.

15. The press release³ issued at the time stated:

Cabinet Member for Culture, Parks and Events, Cllr Jennifer Burke said: "This additional process provides a further opportunity for parties interested in becoming custodian of St David's Hall, protecting and delivering the classical music programme, and working with the Council to ensure the Hall's sustainable long-term future, the opportunity to come forward with proposals so that they can be assessed against the existing offer from AMG."

16. The press release set out that any offers proposed during the process must be submitted on acceptance of the following key conditions:

- i. The Council will require the transfer of all risk on maintenance of the building and asset including the requirements set out in a Condition Survey by the tenant.*
- ii. The Council will not be making any subsidy payment / contributions to the organisation in respect of the venue and its ongoing operation.*
- iii. The Council requires the organisation to take on full responsibility for all liabilities and obligations arising from the application of TUPE.*
- iv. The Council is seeking a covenant from the operator to deliver a classical programme of no less than 80 days per annum, for the full term of the lease.*
- v. The Council requires the operator to agree to a keep open clause at all times imposed under a lease.*
- vi. The Council will be prepared to grant a lease for a term of 45 years in respect of the venue.*

17. The soft marketing exercise has concluded; no bids were received that would take on the building liability and also the classical commitments.

³ Available [here](#)

Previous Scrutiny

18. In December 2022, this Committee undertook pre-decision scrutiny of the report to Cabinet titled '*St David's Hall*'. Members heard from Cllr Burke (Cabinet Member – Culture, Parks and Events), council officers, and Ceri Williams from Cardiff Civic Society. Members also received copies of representations made to the Committee by 22 members of the public, via the Scrutiny Viewpoints mailbox.

19. At the meeting, Members explored the proposals, focusing specifically on funding, process proposed, negotiations to date, consultation, and confidential information. Following this scrutiny, the Chair wrote a public and a confidential letter⁴ to Cllr Burke, denoting the Committee's comments, observations and recommendations. Members made two requests for information and four recommendations, as follows:

- *A written response to provide details of when the Council approached the Welsh Government, what the initial approach covered, and the response received*
- *A written response to clarify whether AMG will be Living Wage Employer*
- *Members recommend that the VEAT Notice be published for 28 days, rather than the legal minimum of 10 days*
- *Members recommend that the Council source specialist entertainment legal advice to guide the finalising of the proposed contract and guard the interests of the Council and our citizens*
- *Members recommend that the Sandy Brown report, attached as Appendix G to Confidential Appendix 4 of the report to Cabinet, be released into the public domain.*
- *Members recommend that the future report to Cabinet be brought to the Economy & Culture Scrutiny Committee and the Policy Review and Performance Scrutiny Committee, either in separate meetings or in a joint meeting, to be resolved by discussion between the Scrutiny Committee Chairs.*

20. Cllr Burke responded to this letter⁵, accepting all the recommendations; the Sandy Brown report was released into the public domain the day after the scrutiny committee meeting.

⁴ The confidential letter has previously been circulated to Members and the public letter is available [here](#)

⁵ Available [here](#)

Way Forward

21. Councillor Burke (Cabinet Member – Culture, Parks and Events) will be invited to make a statement. Neil Hanratty (Director of Economic Development), Ruth Cayford (Operational Manager –Creative Industries and Culture), Chris Barnett (Operational Manager – Major Projects) and Donna Jones (Assistant Director – County Estates) will attend, along with representatives from the Council’s legal advisors – Bevan Brittan LLP – and all witnesses will be available to answer Members’ questions.

22. All Members are reminded of the need to maintain confidentiality regarding the information provided in **Appendices 2-5**. Members will be invited to agree the meeting go into closed session to enable discussion of this information.

Legal Implications

23. The Scrutiny Committee is empowered to enquire, consider, review, and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

24. The Scrutiny Committee is empowered to enquire, consider, review, and recommend but not to make policy decisions. As the recommendations in this

report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

The Committee is recommended to:

- i) Consider the information in this report, its appendices, and the information presented at the meeting
- ii) Determine whether they would like to make any comments, observations or recommendations to the Cabinet on this matter, and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

DAVINA FIORE

Director of Governance & Legal Services

24 May 2023

Mae'r dudalen hon yn wag yn fwriadol

DRAFT: 25 May 2023

Voluntary ex ante transparency notice¹

Directive 2014/23/EC

Directive 2014/24/EU

Directive 2014/25/EU

Directive 2009/81/EC

SECTION I: CONTRACTING AUTHORITY

I.1) Name and addresses²

Official name: Cardiff Council		National registration number (if known):	
Postal address: County Hall, Atlantic Wharf			
Town: Cardiff	NUTS code: UKL22	Postal code: CF10 4UW	Country: United Kingdom
Contact points(s): [ENTER DETAILS]		Telephone:	
Email: [ENTER DETAILS]		Fax:	
Internet Address:(if applicable) Main address: www.cardiff.gov.uk Address of the buyer profile (URL): https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA0422			

I.2) Joint procurement

The contract involves joint procurement
In the case of joint procurement involving different countries, state applicable national procurement law:

The contract is awarded by a central purchasing body

I.4) Type of the contracting authority (in the case of a notice published by a contracting authority)

Ministry or any other national or federal authority, including their regional or local subdivisions
 National or federal agency/office
 Regional or local authority
 Regional or local agency/office
 Body governed by public law
 European institution/agency or international organisation
 Other type:

I.5) Main activity (in the case of a notice published by a contracting authority)

¹ This notice aims at providing voluntary prior transparency as referred to in Article 2d(4) of Directives 9/665/EEC and 92/13/EEC on remedies, and Article 60(4) of Directive 2009/81/EC
² Use as many times as necessary

- General public services
- Defence
- Public order and safety
- Environment
- Economic and financial affairs
- Health
- Housing and community amenities
- Social protection
- Recreation, culture and religion
- Education
- Other activity:

Section II: Object

II.1) Scope of the procurement

II.1.1) Title: St David's Hall	Reference number: (if applicable)
II.1.2) Main CPV code: 92000000 Recreational, cultural and sporting services	
Supplementary CPV code: [] [] [] []	
II.1.3) Type of contract () Works () Supplies (X) Services	
II.1.4) Short description: 1000 characters <p>This notice relates to a proposed arrangement between the Cardiff Council ("the Council") and Academy Music Group ("AMG") in respect of St David's Hall ("the Venue") in Cardiff city centre</p> <p>The proposed arrangement will involve the grant of a 45 year lease of the Council's freehold land in relation to the Venue. This lease will enable AMG, as tenant to operate the building as an independent commercial enterprise in accordance with its terms.</p> <p>In addition, the Council will enter into a Business Sale Agreement ("BSA") with AMG which will transfer to AMG, for nil value the "book" of existing planned events (and existing ticket proceeds) and the assets of ancillary business at the Venue as well as the benefit of relevant consents etc, and would provide for the TUPE transfer of Venue staff.</p> <p>The Council has structured the contractual arrangements as a land transaction, which is exempt from the Public Contracts Regulations 2015 (as amended) and Concession Contracts Regulations 2016.</p>	
II.1.6) Information about lots This contract is divided into lots yes [] no [X]	
II.1.7) Total value of the procurement (excluding VAT) Value: £[TBC] Currency: GBP	

II.2) Description

II.2.1) Title:	(if applicable)	Lot No:
II.2.2) Additional CPV code(s) Main CPV code: 92300000 Entertainment services 92312100 Theatrical producers', singer groups', bands' and orchestras' entertainment services		

92312120 Singer group entertainment services
92312130 Band entertainment services
92312140 Orchestral entertainment services

45000000 Construction Work
55120000 Hotel meeting and conference services
55130000 Other hotel services
55520000 Catering services
55330000 Cafeteria services
55400000 Beverage-serving services
55410000 Bar management services
55500000 Canteen and catering services
70220000 Non-residential property renting or leasing services
70332000 Non-residential property services
70330000 Property management services of real estate on a fee or contract basis
70332200 Commercial property management services
79993000 Building and facilities management services
79993100 Facilities management services
90911200 Building-cleaning services
75241000 Public security services
79710000 Security services

79950000 Exhibition, fair and congress organisation services
79951000 Seminar organisation services
79952000 Event services
79952100 Cultural event organisation services
79953000 Festival organisation services
79956000 Fair and exhibition organisation services

Supplementary CPV code: [][][][]

II.2.3) Place of performance

NUTS code: UKL22

Main site or place of performance: St David's Hall, Cardiff, CF10 1AH.

II.2.4) Description of the procurement:

(nature and quality of works, supplies or services) 1000 characters

The lease contains (amongst other common requirements) an obligation on AMG to keep the Venue open (except in limited circumstances set out in the lease) and in a state and condition as to be safe and operational in line with industry standards and as required by all statutory and licensing requirements.

The lease will involve the Council placing a legally enforceable obligation on AMG to rectify "defects" (estimated value of £[38m]) during the term of the lease.

The lease will also require AMG to make the Venue available to third parties to book for up to 90 days per annum. Where required the Council will place a legally enforceable obligation on AMG to make the Venue available which will also involve AMG providing the associated staff and accommodation/Venue services (as set out in II.2.2.) to support the events. The Council will not be required to pay AMG for these accommodation/Venue services.

II.2.11) Information about options

Options [] yes [X] no Description of options: 400 characters

II.2.13) Information about European Union funds

The procurement is related to a project and/or programme financed by European Union funds

[] yes [X] no

Identification of the project:

II.2.14) Additional information: 400 characters

The estimated value in II.1.7 and V.2.4 refers to the lower end value of the lease, incidental/ancillary services and the projected gross operator income over the term of the lease but this could be up to £[TBC].

Section IV: Procedure**IV.1) Description****IV.1.1) Type of procedure** (please complete Annex D)

- Negotiated procedure without prior publication (in accordance with Article 32 of Directive 2014/24/EU)
- Negotiated procedure without prior call for competition (in accordance with Article 50 of Directive 2014/25/EU)
- Negotiated procedure without publication of a contract notice (in accordance with Article 28 of Directive 2009/81/EC)
- Award of a concession without prior publication of a concession notice (in accordance with Article 31(4) and (5) of Directive 2014/23/EU)
- Award of a contract without prior publication of a call for competition in the Official Journal of the European Union in the cases listed below (please complete point 2 of the Annex D)

IV.2) Administrative information**IV.2.1) Previous publication concerning this procedure** (if applicable)

Notice number in the OJ S:

Section V: Award of contract/concession

Contract No: Lot No: (if applicable) Title:

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract/concession award decision: (dd/mm/yyyy)

V.2.2) Information about tenders

The contract has been awarded to a group of economic operators yes no

V.2.3) Name and address of the contractor/concessionaire (please repeat as many times as needed) Academy Music Group (company number 003463738)

Official name: **National registration number** (if applicable):

Postal address: 211 Stockwell Road

Town: London **NUTS code:** **Postal code:** SW9 9SL **Country:** UK

E-mail: **Telephone:**

Internet address: (URL) **Fax:**

The contractor/concessionaire will be an SME yes no (SME – as defined in Commission Recommendation 2003/361/EC)

V.2.4) Information on value of the contract/lot/concession (excluding VAT)

Initial estimated total value of the contract/lot/concession (if applicable):

Total value of the contract/lot/concession: [£ insert details]

Section VI: Complementary information**VI.3) Additional information (if applicable):** *1000 characters***VI.4) Procedures for review**

VI.4.1) Review body		
Official name: The Royal Courts of Justice		
Postal address: The Royal Courts of Justice, The Strand		
Town: London	Postal code: WC2A 2LL	Country:
Email:	Telephone:	
Internet address: (URL):	Fax:	
VI.4.2) Body responsible for mediation procedures (if applicable)		
Official name:		
Postal address:		
Town:	Postal code:	Country:
Email:	Telephone:	
Internet address: (URL):	Fax:	
VI.4.3) Review procedure		
Precise information on deadline(s) for review procedures: <i>4000 characters</i>		
<p>In accordance with Regulations 88 – 104 (enforcement of duties through the court) of the Public Contracts Regulations 2015 (as amended) and Regulations 49 – 64 of the Concession Contracts Regulations 2016.</p> <p>Continued from Annex D4:</p> <p>The accommodation/Venue services that AMG may be required to provide are set out in II.2.2 of this notice. Whilst some of the CPV codes referred to above are full-regime services, the Council considers that the majority of the services provided for in this notice fall within the scope of the light-touch regime.</p> <p>The accommodation/Venue services to be provided by AMG amount to approximately 24% of the event days available each year (based on the maximum 90 day period referred to above). The third-party revenue estimated for AMG for these accommodation/Venue services is [£750,000] per annum. The Council considers this to represents a small proportion of the overall transaction and is small in value (in the context of the disposal and would not be required if the Venue was not being disposed of (so are indivisible). In any event the accommodation/Venue services are incidental/ancillary to the main purpose of the proposed arrangements.</p> <p>The lease also contains a turnover rent provision whereby if AMG meets/exceeds a stipulated profit threshold (which the Council has obtained commercial advice on) this will require the payment of a further amount to the Council.</p>		
VI.4.4) Service from which information about the review procedure may be obtained (if		

<i>applicable)</i>		
Official name:		
Postal address:		
Town:	Postal code:	Country:
Email:		Telephone:
Internet address:		Fax:

VI.5) Date of dispatch of this notice: (dd/mm/yyyy)

DRAFT

Annex D4 – Concession
Justification for the award of the concession without prior publication of a concession notice in the Official Journal of the European Union

Directive 2014/23/EU
(please select the relevant option and provide an explanation)

1. Justification for the award of the concession without publication of a concession notice in accordance with Article 31(4) and (5) of Directive 2014/23/EU
 No applications, no tenders or no suitable tenders/applications in response to a prior concession award procedure

The works or services can be provided only by a particular economic operator for the following reason:

- concession aiming at the creation or acquisition of a unique work of art or artistic performance
- absence of competition for technical reasons
- existence of an exclusive right
- protection of intellectual property rights and exclusive rights other than those defined in point (10) of Article 5 of the directive

2. Other justification for the award of the concession without prior publication of a concession notice in the Official Journal of the European Union

The procurement falls outside the scope of application of the directive

3. Explanation

Please explain in a clear and comprehensive manner why the award of the contract without prior publication in the Official Journal of the European Union is lawful, by stating the relevant facts and, as appropriate, the conclusions of law in accordance with the directive: *2500 characters*

The main object of this transaction is the leasing of the Venue to AMG. The transaction also includes works and services aspects/obligations (as set out below) which are inseparably linked and therefore form an indivisible whole. Those components are considered ancillary to the main purpose of the arrangements, which is the disposal of the Venue.

The Council has obtained valuation advice in respect of the proposed disposal and will grant the lease for peppercorn rent. The rent acknowledges and takes into account the building liability and remedial works that AMG will be taking on as tenant of the Venue.

The lease contains (amongst other common requirements) an obligation on AMG to keep the Venue open (except in limited circumstances set out in the lease) and in a state and condition as to be safe and operational in line with industry standards and as required by all statutory and licensing requirements.

The lease will involve the Council placing a legally enforceable obligation on AMG to rectify "defects" (estimated value of £[38m]) during the term of the lease. The "defects" are set out in a condition survey which the Council previously procured which will be appended to the lease. However, the Council will not have any influence over the specification of the works to be provided and these are incidental/ancillary to the main purpose of the proposed arrangements. If AMG does not rectify the "defects" so that the Venue is in a state and condition so as to be safe and operational, the Council will be able to terminate the lease or procure the delivery of those works, the cost of which will be borne by AMG. The lease also anticipates that AMG may voluntarily elect to carry out works at the Venue in accordance with its own requirements in order to make the Venue fit for its intended use.

The lease will require AMG to make the Venue available to third parties to book for up to 90 days per annum. Where required the Council will place a legally enforceable obligation on AMG to make the Venue available which will also involve AMG providing the associated staff and accommodation/Venue services to support the events, i.e. security, operating the bar, cloakroom and security. The Council will not be required to pay AMG for these accommodation/Venue

services.

Continued in VI.4.3.

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Yn rhinwedd paragraff (au) 14, 16 Rhan (nau) 4 a 5 o Atodlen 12A
o Ddeddf Llywodraeth Leol 1972.

Mae'r ddogfen yn gyfyngedig

Mae'r dudalen hon yn wag yn fwriadol

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