

## RECORD OF EXECUTIVE DECISION

Monday, 15 March 2010

**Decision No:** (CAB 09/10 2632)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Cabinet Member for Leisure, Culture and Heritage
SUBJECT:	Southampton Guildhall - Management Contract Extension
AUTHOR:	Nigel Greene

### THE DECISION

- (i) To delegate authority to the Solicitor to the Council, following consultation with the Executive Director for Neighbourhoods and the Cabinet Member for Leisure, Culture and Heritage, to finalise and enter into a contract and any other associated documentation to extend the current Southampton Guildhall Management Contract with Live Nation (Music) UK Limited; formerly Clear Channel Entertainment (Music) Limited; for a further 15 years to the maximum Term permitted in the Contract of 25 years to 10 February 2028.

### REASONS FOR THE DECISION

1. Extending the Contract will deliver external capital investment in the Guildhall toilets, provide new opportunities for additional subsidy reductions and deliver the same or better level of customer service. It will also avoid unbudgeted public procurement costs.
2. Cabinet approval is required in spring 2010 in order to get the legal formalities in place around August 2010. This timetable is intended to avoid the small, but potential risk, of Live Nation changing its mind at a later date about agreeing to extend the Contract, which would then leave insufficient time for the Council to undertake a public procurement process.
3. Not extending the Contract will result in closure of the Guildhall in February 2013 or trigger a public procurement process.
4. Southampton Guildhall is the focal point of the soon to be refurbished Guildhall Square and is a key partner in the Cultural Quarter. With the New Arts Complex expected to open at some point in the future, it is essential that the Guildhall remains open to the public and contributes to the Cultural Quarter identity with a vibrant and inclusive programme of events.
5. If the Contract is extended, in line with their original tender proposals, Live Nation will provide a document setting out new and renewed commitments to be appended to the Contract. This will include commitments to; undertake

capital improvements to refurbish the toilets; will increase participation; will continue the social events; will work with schools, universities and local communities to further encourage community usage of the venues and will continue to use their international buying power to bring a wide range of entertainment to the city.

#### **DETAILS OF ANY ALTERNATIVE OPTIONS**

1. **Option 1 – Do nothing.** Let the Contract expire and close the Guildhall on 13 February 2013. This option would deliver significant revenue budget savings for the Council but would leave an empty, inactive Guildhall at the heart of the newly refurbished Guildhall Square and Cultural Quarter.
2. **Option 2 – Do nothing let the Contract expire and take the service back in-house from 11 February 2013.** This will trigger significant unbudgeted TUPE/Pension liabilities for the Council plus other significant unbudgeted one-off transfer costs.
3. **Option 3 – Re-negotiate the terms as part of the agreement to extend the contract.** Legal Services has advised that re-negotiating the terms to the extent that there is a “material deviation” from the original bargain would mean that it would need to be regarded as effectively, a new contract and therefore a new contract which would need to be the subject of a public procurement process under the Public Contracts Regulations 2006.
4. **Option 4 – Procurement.** If there is a lack of political support to extend the Contract, Cabinet will need to consider a future Cabinet Report to approve a formal public procurement process before the end of August 2010.

#### **OTHER RELEVANT MATTERS CONCERNING THE DECISION**

None.

#### **CONFLICTS OF INTEREST**

None.

#### **CONFIRMED AS A TRUE RECORD**

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 15<sup>th</sup> March 2010

Decision Maker:  
The Cabinet

Proper Officer:  
Judy Cordell

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*