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## ADDITIONAL CIRCULATION



To: Councillor Laing, Convener; Councillor Thomson, Vice Convener; Councillors Boulton, Cameron, Carle, Cooney, Crockett, Lesley Dunbar, Greig, Kiddie, Malik, May, McCaig, Noble, Jennifer Stewart, Stuart, Taylor, Townson and Young; and Mr S Duncan, Reverend E McKenna, Mr A Nicoll, Mr M Paul, Mrs A Tree, Ms S Wildi and Mrs I Wischik.

Town House,  
ABERDEEN 18 November 2013

## EDUCATION, CULTURE AND SPORT COMMITTEE

The undernoted item is circulated in connection with the meeting of the **EDUCATION, CULTURE AND SPORT COMMITTEE** to be held here in the Town House on **THURSDAY, 21 NOVEMBER 2013 at 2pm.**

JANE G. MACEACHRAN  
HEAD OF LEGAL AND DEMOCRATIC SERVICES

## **BUSINESS**

### 7 **CULTURE**

#### 7.2 **Belmont Media Centre** (Pages 1 - 4)

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If you require any further information about this agenda, please contact Rebecka Coull, tel. (52)2869 or email [rcoull@aberdeencity.gov.uk](mailto:rcoull@aberdeencity.gov.uk)

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## ABERDEEN CITY COUNCIL

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COMMITTEE	<b>Education, Culture and Sport Committee</b>
DATE	<b>21<sup>st</sup> November 2013</b>
DIRECTOR	<b>Gayle Gorman</b>
TITLE OF REPORT	<b>Invitation to Tender for the Lease and Operational Contract for the Belmont Media Centre</b>
REPORT NUMBER:	<b>ECS/13/078</b>

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### **1. PURPOSE OF REPORT**

This report provides Committee with an update on the Competition Commissions findings and seeks approval to issue the Invitation to Tender for the Lease and Operational Contract for the Belmont Media Centre and approval of the total estimated expenditure.

### **2. RECOMMENDATION(S)**

It is recommended that Committee:

- a) Notes the information regarding the Competition Commissions findings
- b) Approves issuing of the Invitation to Tender for the Lease and Operational Contract for the Belmont Media Centre
- c) Approves the total estimated expenditure

### **3. FINANCIAL IMPLICATIONS**

The Invitation to Tender (ITT) incorporates the Lease and Operational Contract for the Belmont Media Centre for a period of ten years. This would include an annual payment for services of up to £75,000 and peppercorn rental terms.

### **4. OTHER IMPLICATIONS**

This tender process is being proposed as a means of ensuring the operation and development of the Belmont Media Centre continues without disruption. Should the ITT not be issued and/or the process successfully concluded, officers would have to consider alternative means of ensuring this continuation.

## **5. BACKGROUND/MAIN ISSUES**

The Belmont Picturehouse is a council owned venue located on Belmont Street which incorporates three cinema screens, a café/bar and meeting rooms.

The venue is currently operated by City Screen (Aberdeen), a subsidiary of City Screen. The operating agreement with the Council commenced in May 2011 for ten years and an annual payment for services of up to £75,000 is provided. This payment is granted towards the education programme and ensuring the city has a diverse independent film offer.

### **5.1 Competition Commission Inquiry**

In Dec 2012 (concluded Feb 2013) Cineworld Group PLC acquired City Screen's Picturehouse chain. This included City Screen (Aberdeen). The Office of Fair Trading investigated Cineworld's acquisition in order to determine whether it resulted in a 'substantial lessening of competition'. The findings of this investigation, published in May 2013, found against Cineworld and the case was referred to the Competition Commission (CC).

The preliminary inquiry findings were released in August 2013. These findings indicated that they should 'divest' of three cinemas including one in Aberdeen.

Officers worked with City Screen to develop remedies, however the final report (received week beginning Oct 7) indicated that these were not accepted and a 'divestiture' must take place within six months. In the case of Aberdeen, ACC have been informed that City Screen has chosen to 'divest' the Belmont Media Centre. The contractual nature of the agreement between City Screen and ACC means this would not be a 'sale' but instead the termination of the existing contractual agreement. On this basis, in order to maintain the operation and programming of the venue, ACC are required to seek an alternative operator to take over the running of the cinema from 1<sup>st</sup> April 2014.

### **5.2 Invitation to Tender (Accelerated Restricted Procedure)**

In order to find a new operator for the Belmont Media Centre, it is proposed that an Invitation To Tender for the Lease and Operational Contract is issued. A Pre-Qualification Questionnaire exercise has been concluded and several parties, all of whom meet the requisite standards, have come forward. This report seeks the Committees approval to issue the ITT to these parties. In order to ensure that the process can be concluded within the restricted timescale, and in accordance with procurement legislation, it will be an accelerated restricted tender process with the aim of having a contractual commencement date of no later than April 1<sup>st</sup> 2014. This will ensure that the operation of the Belmont Media Centre continues without disruption.

## **6. IMPACT**

This report relates to 'Aberdeen – the Smarter City', in particular to:

- We will improve access to and increase participation in arts and culture by providing opportunities for citizens and visitors to experience a broad range of high quality arts and cultural activities
- We aspire to be recognised as a City of Culture, a place of excellence for culture and arts by promoting Aberdeen as a cultural centre hosting high quality and diverse cultural events for the whole community and beyond

The report is also aligned to the city's Cultural Strategy, 'Vibrant Aberdeen' which includes the key objectives of:

- Establishing a cohesive cultural sector
- Increasing community engagement in cultural activity
- Improving the city's cultural profile
- Increasing investment in culture
- Effectively monitoring and evaluating the impact of culture

## **7. MANAGEMENT OF RISK**

As City Screen are terminating the existing arrangement with effect from 31<sup>st</sup> March 2014, in accordance with the Competition Commissions ruling, the Council is required to find an alternative operator. Officers have taken legal advice and in order to ensure compliance with procurement regulations, propose an Accelerated Restricted Procedure. In the event that a suitable alternative operator cannot be identified in this process, the timeframes allow for alternative options to be explored and presented to Committee in early course.

## **8. BACKGROUND PAPERS**

None.

## **9. REPORT AUTHOR DETAILS**

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