

Request for Greater London Returning Officer (GLRO) Decision – GLRO 21-04

Title: Approval of additional covid-19 related expenditure for support services, equipment and additional venue hire costs at the Count Centres and City Hall for the 2021 Mayor of London and London Assembly Elections.

Executive Summary:

Due to the COVID-19 virus, the Government legislated to postpone the Mayoral and London Assembly elections that were due to take place on 7 May 2020. The Mayor of London and London Assembly Elections will now take place on Thursday 6 May 2021.

Alexandra Palace ExCel and Olympia have been secured to serve as Count Centres for the elections. A decision is required to procure additional space at ExCel, as well as extending the agreed hire period at all three current venues. A decision is also sought to approve additional facilities management and event production related expenditure to support their fit-out, set-up and operation including security, catering and collateral materials. The total production-related costs will increase from up to £325,000 to £490,000; and the extra cost of venues hire for 2021 will be up to £689,300 comprising:

- cost to re-hire Alexandra Palace £214,300;
- cost of additional accommodation at ExCel £225,000; and
- estimated cost of extending hire at the venues for 2 additional days £250,000.

Decision:

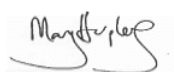
The Greater London Returning Officer (GLRO) is asked to approve:

1. Expenditure of up to:
 - a) £250,000 to enable the extension of the short-term rental agreements giving two additional days at Alexandra Palace, ExCel London and Olympia for their use as Count Centres for the 2021 Mayor of London and London Assembly Elections. Currently, Alexandra Palace is only available to extend the hire agreement to midday Sunday 09 May 2021 due to a provisional booking there;
 - b) £116,800 to cover venue hire at Alexandra palace and £97,500 for the cost of the cancellation fee paid for the hire of Alexandra Palace;
 - c) £225,000 on the short-term hire of additional accommodation at ExCel during this period; and
 - d) an additional £165,000 on Facilities Management (FM) and production services including venue production costs, which covers consultancy, fit-out, set-up, security, catering, hotel booking and supporting FM supplies and services to the Count Centres and City Hall while ensuring the venues are COVID-19 secure (the original GLRO decision 20-04 approved FM and production costs were £325k – new total expenditure is therefore £490,000); and
2. the extension of the contract with FM production company, Adfield Harvey, (noted at decision 1d) above) until 30 June 2021;
3. production sunk costs of £58,000; and
4. continuing application of the exemptions from the GLA's Contracts and Funding Code that were approved by the GLRO under cover of GLRO 20-4.

Greater London Returning Officer

The above request has my approval.

Signature



Date

13 November 2020

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE GLRO

Decision Required – Supporting Report

1. Introduction and Background

- 1.1 The Mayor of London and London Assembly Elections due to take place on 7 May 2020 were postponed by Government in response to the COVID-19 virus. The new date is Thursday 6 May 2021.
- 1.2 The three venues booked previously for the Count are Alexandra Palace, Olympia and ExCel. All three venues have been retained for the 2021 dates. The venue hire fees were authorised in GLRO 20-04 and contracted for the postponed 2020 dates, after discussions the venues, Olympia and ExCel have agreed to carry over existing payments made for venue hire without forfeit.
- 1.3 Alexandra Palace charged 65% (£97,500) cancellation fee of the venue hire fee for the postponed of the election and refunded the rest of the payment.
- 1.4 Further resilience is required in the planning and delivery for the Elections in 2021 due to the continuing uncertainty brought about by COVID-19 and the possible unexpected impact it may have on contracted venues and services.
- 1.5 Additional space is requested at ExCel in 2021 to accommodate a higher number of expected by-elections. Securing additional space within ExCel would also further mitigate against the impact of another Count Centre venue becoming unavailable.
- 1.6 Greater flexibility is required for the 2021 Election Count due to extended and spaced working patterns to ensure a COVID-19 secure environment, this flexibility will also mitigate against an unexpected delay in the count process. It is requested to add that the venues reserve an extra two days on the 9 and 10 May 2021. Additional venue hires fees of £250,000 would be applicable to confirm these dates with the venues.
- 1.7 In 2016 a FM production company (Adfield Harvey), experienced at working with the venues and their suppliers, were appointed to provide the necessary logistical support. This worked well and they were appointed for the 2020 elections (as approved by the GLRO under cover of GLRO 20-04). Whilst work commenced with Adfield Harvey under the contract for the 2020 elections following the postponement of the elections until 2021 it has become necessary to extend that contract and incur additional expenditure on the same. The FM production company will also play a significant role in the planning and implementation of COVID-19 secure layouts in each venue. There will be additional costs associated COVID-19 secure planning for the venue layouts, additional safety infrastructure will also be required.
- 1.8 The same costs agreed for the postponed May 2020 Elections, have been agreed with the venues for May 2021.
- 1.9 The total costs already paid to Olympia and ExCel is set out in the table below as authorised in GLRO 20-04 and to note that the total cost for Alexandra Palace to be paid will be £214,300.

Venue	Total paid
ExCel	£235,000
Olympia	£166,500

City Hall	Free of Charge
Alexandra Palace cancellation fee	£97,500
Total Venue Hire paid to date- budget of £587,550 agreed as part of GLRO 20-04	£499,000

2020 abortive/sunk production costs	£47,000
2020 security consultant costs	£11,000
Total production and security cost paid to date	£58,000
Revised estimated Production Costs for 2021	£490,000

- 1.10 The sunk costs incurred for event production and security planning for the May 2020 elections were £58,000. These costs will be incurred again and form part of the total FM production budget for the May 2021 dates. The cancellation fee for hire of Alexandra Palace was £97,500 and this cost will be incurred as part of the venue hire cost.

2. Objectives and expected outcomes

- 2.1 To re-book space and extend the hire period for the three Count Centres Alexandra Place, Olympia and ExCel for the new dates and expand the total area hired at ExCel for the 2021 Count.
- 2.2 If required the ability to extend the hire period at all three count venues from the original contracted end time of 22:00 on Saturday 8 May 2021, to 22:00 on Monday 10 May 2021 where available. Additional time is required for contingency in the delivery and get-out, allowing contractors the additional time likely required when following social distancing.
- 2.3 The expansion in space is to provide further contingency in the expectation of a higher number of by-elections, also providing further resilience against COVID-19 and in the eventuality that one of the venues becomes unavailable.
- 2.4 By-elections for the Boroughs would be counted at the same location; and with the relevant share of the additional hire fee to be recharged to the Borough.
- 2.5 The continued rental of count centre venues does not need to be advertised as an OJEU tender as transactions for the rental of existing buildings are exempt from the Public Contract Regulations 2015. As noted in GLRO 20-04 however, it is good practice to follow the GLA Contracts and Funding Code to ensure transparency and value for money. Officers are of the opinion that the continuing application of the exemption approved under cover of GLRO 20-04 is justified as only these three venues continue to meet the Authority's requirements.
- 2.6 The extension of the GLA's contract with Adfield Harvey as the FM production company until 30 June 2021 is also required. Adfield Harvey were previously appointed as the FM production company during both the 2016 and (as noted at section 1.7 above) postponed 2020 elections. Adfield Harvey are already authorised to work at all three venues and gained a great deal of practical experience during the last election, to be directly applied in 2021. The rationale for the continued use of Adfield Harvey and continuing application of the exemption approved previously remains the same as that articulated in GLRO 20-04 under cover of which the GLRO approved the award to it of the contract for the original 2020 elections. FM production costs are variable based on a schedule of rates,

dependant on the duration of the hire period and the level of support provided, the estimate for works in 2020 was £325,000.

2.7 The FM event production costs will include:

- a) a fee from the production company for providing advice and consultancy regarding the venues, set-up and logistics;
- b) charges for the furniture, energy, equipment, hotel booking and services such as security and catering that are required at all the venues, including City Hall. These will be procured in a variety of ways depending on which is the most advantageous. This will include purchasing:
 - directly from the venues;
 - via the venues' preferred or approved suppliers;
 - through the event production company; and/or
 - directly by the Greater London Authority.

2.8 The final costs for this will only be known after the election when final accounts are submitted. They are likely to be higher than 2016 and 2020 estimates as some services are people-based, and labour costs have increased since the previous approval was signed for the 2020 elections. Much of the furniture and equipment costs will be dependent on the requirements set out by the e-counting contractor's proposal for setting up the count centres. There will be additional FM production expenditure to ensure count layouts are COVID-19 secure.

2.9 The continued use of the same venues will ensure value for money because the hire cost already paid would not be refundable to the venues. Excel and Olympia have agreed to carry over existing payments made for the venues hire and Alexandra Palace only charged 65% cancellation fee rather than 100% when the election was postponed to 2021. Adfield Harvey is familiar with all three count centres and have already complete part of the production work which will be transferrable from 2020 to 2021. The amount of resources that needs to be allocated to change the venues and appoint a new production company will be substantial. There is no monetary figure for the resource allocation but resource will need to be moved from other critical works to be able to find new count centres and new production company and with such short amount of time it will not be cost effective nor feasible to go to the market.

2.10 Taking into account all of the above and the lessons learned in 2016 it is estimated that the FM event production spend will be circa £490,000 - (2016 fees + circa 10% to allow for lessons learned, inflationary uplifts over the five-year period) and the cost for making the count centres COVID-19 secure.

2.11 A further approval will be sought should the combined estimated expenditure on the additional hire requirements of the venues exceed £1,188,300 and the FM production costs exceed £548,000 (includes £58,000 of production sunk costs).

3. Other considerations

a) Key risks and issues

3.1 The key risk associated with the Count Centres is that one becomes unavailable due to circumstances outside of our control. The use of three venues offers some resilience against this and avoids the unnecessary risks that use of a single site can bring. Hiring additional space in ExCel for 2021 further mitigates against this risk.

- 3.2 As all three venues are commercial entities, they are currently taking bookings in 2021 for various events. To minimise the risk of losing the additional space or period of tenure requested, in one or more of the venues to another hirer, it is important not to delay a decision on extending the existing venue hire contracts.
- 3.3 The key risk of planning the set-up and logistics of the count centres without engaging a production company is that the GLA would not leverage added value from the extra essential services that can only be provided by the venues or their approved suppliers such as power, catering, security and access to additional space or extra free time. The GLA does not have the resources in-house to carry out the necessary detailed planning, procurement and delivery of all the hired furniture and equipment, services and logistics that are necessary to provide fully functional venues that are fit for purpose in the timeframes required.
- 3.4 There is a risk that the FM production management company is unavailable due to other commitments if the decision to extend the contract is not confirmed. Additionally, during this unprecedented time for the events industry, there is a risk that the FM production company could cease trading during this period. This would impact greatly on the GLA's ability to deliver the elections.
- 3.5 There is a risk around the ability of the GLA's catering contractor to support the elections at City Hall, due to disruption caused by COVID-19. This would make the provision of food and beverages more costly to procure and complicated to arrange. There will be additional cost to procure catering and hospitality for Friday 7th and Saturday 8th May separate to the production figure stated. It is also possible catering and hospitality will not be available at City Hall due to unforeseen consequences of the Covid-19 pandemic.
- 3.6 The traditional set up for the Declaration of the results at City Hall will not be possible due to the requirement to provide a Covid-19 secure building and having a socially distanced Declaration. This will also reduce the number of people allowed to attend the Declaration at City Hall.
- 3.7 The Authority's retained health and safety consultants will be used to draw up and monitor risk assessments and method statements for using these venues. The Constituency Returning Officers will also be able to carry out their own risk assessments for their spaces within the venue should they feel it necessary.
- 3.8 Continuing impact of COVID-19 is unknown and could impact further the ability to deliver the election counts as planned.

b) Impact assessments and consultation

- 3.9 All venues are fully accessible to all visitors to the count centres. The venues are of a sufficient size to ensure that this accessibility is maintained when the e-counting equipment is put in place.
- 3.10 The venues will be set-up as COVID-19 secure environments.

4. Financial Comments

- 4.1 GLRO approval is being sought for agreeing a further budget and expenditure of up to £600,750 for additional venue hire charges of up to £250,000 for the three venues required as Count Centres to be available on the 9 May and 10 May 2021 in addition to the days already secured for Mayoral and London Assembly Elections. This also consists of up to £225,000 expenditure for the short-term hire

of additional space at ExCel and £125,750 for Alexandra Palace re-hire of venue and cancellation fee that is above what was agreed under GLRO 20-04.

- 4.2 The additional hire charges for the venues are broken down as per the table below:

Venue	Additional hire cost
Alexandra Palace for 2 extra days	£70,000
Alexandra Palace re-hire and cancellation fees (increase from what was agreed under GLRO 20-04)	£125,750
ExCel for 2 extra days	£110,000
ExCel (extra space)	£225,000
Olympia for 2 extra days	£70,000
City Hall (Free of Charge)	-
Total	£600,750

- 4.3 Approval is also being sought for up to £490,000 for FM production and security costs and sunk costs totalling £58,000 incurred in preparing for the 2020 Elections (see table under paragraph 1.9 above). This is an increase of £223,000 from £325,000 approved under GLRO 20-04. A significant proportion of the FM production costs is based on the 2016 Elections and 2021 estimate costs for the below venue production costs, which covers consultancy, fit-out, set-up, security, catering, hotel booking, equipment hires, document archiving and supporting FM supplies and services to the Count Centres and City Hall while ensuring the venues are COVID-19 secure and some contingency,
- 4.4 This brings the total budget and expenditure approval for Elections support services, equipment and additional venue hire costs at the Count Centres and City Hall for the 2021 Elections to up to £1,736,300 (original venue costs of £587,550 approved under GRLO 20-04 plus the new budget required for additional space and venue hire of up to £600,750 and revised FM production costs of up to £490,000). The budget of £1,736,300 also takes account of the value of spend to date including sunk/ abortive costs of £58,000, Alexandra Palace cancelation fees of £97,500 and some contingency budget.
- 4.5 The expenditure will be funded by the 2020-21 and 2021-22 Elections Budget and the cost will be accounted for in the year they are delivered.

5. Legal Comments

- 5.1 By s 29 of the Greater London Authority Act 1999 (the “Act”), the Greater London Returning Officer (GLRO) is the person appointed as the proper officer for the purposes of a s 35 (2C) of the Representation of the People Act (RotPA) 1981 (returning officer at elections of the Mayor and London members). The Mayor and Assembly have appointed the Chief Officer the GLRO as part of her terms and conditions of employment under s 70(2) of the Act.
- 5.2 The GLRO is the returning officer for the Mayoral and London Member elections, and constituency returning officers are the returning officers for the election of a Constituency Member of the Assembly. The Authority must, under section 36(4B) of RotPA, pay for all expenditure properly incurred by a returning officer in relation to the holding of an Authority election, in so far as it does not, in cases where there is a scale fixed by the Authority, exceed that scale.

- 5.3 The Authority's Scheme of Delegation enables the GLRO to incur expenditure for the purposes of the preparation or conduct of any anticipated election as she considers necessary or expedient for that purpose. She is also able to authorise entry into contracts, licences or other instruments, in connection with an anticipated election in accordance with the Authority's Contracts and Funding Code (the "Code") and Financial Regulations.
- 5.4 Officers have indicated in sections 2.4 and 2.5 that the grounds on which the GLRO approved exemptions from the GLA's Contracts and Funding Code under cover of GLRO 20-04 continue to apply and the proposals represent value for money. On that basis the GLRO may approve the continued application of the exemptions if satisfied with the content of this report
- 5.5 Should the GLRO be minded making the decisions sought officers must ensure that appropriate agreements are entered into an executed by the GLA and Alexandra Palace, ExCel London and Olympia and the GLA's contract with Adfield Harvey is varied before placing any reliance on the supplies and services concerned.

6. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract	August 2020
Delivery Start Date	August 2020
Delivery End Date	30 June 2021

Appendices and supporting papers:

GLRO 20-04

Single Source Justification for the award of contract to Adfield Harvey.

Public access to information

Although the GLRO is not subject to the Freedom of Information Act 2000 (FOI Act), the information in this form will be published on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it will be deferred until a specific date. Deferral periods will be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: Deferral is sought to protect the commercial interests of the Authority. Premature release of the information contained in the Decision Form could undermine obtaining the best value during negotiations with the venues and production company.

Until what date: (a date is required if deferring) 30 April 2021

Part 2 Confidentiality: Only the facts or advice whose publication may be prejudicial or commercially sensitive should be in the separate Part 2 form, together with the legal rationale for non-publication.

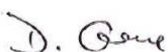
Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:	
	Drafting officer to confirm the following (✓)
Drafting officer: Ali Raeiskarimi has drafted this report in accordance with GLA procedures and confirms that the <u>Finance and Legal</u> teams have commented on this proposal as required, and this decision reflects their comments.	✓
The Deputy GLRO has reviewed the request and is satisfied that it is correct and can be referred to the GLRO for approval	✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date

27 October 2020