

Birmingham City Council

Report to Cabinet

25th July 2023



Subject: **P0891: OPERATION OF THE FRANKFURT CHRISTMAS MARKET**

Report of: Craig Cooper, Strategic Director – City Operations

Relevant Cabinet Member: Councillor John Cotton, Leader of the Council

Relevant O &S Chair(s): Councillor Albert Bore, Co-ordinating
Councillor Jack Deakin – Finance & Resources

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Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, Ladywood Ward		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 010622/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 This report sets out the detail to obtain approval to commence negotiations for a 5 year agreement with FRANKFURT CHRISTMAS MARKET LTD (FCM) the delivery partner of Frankfurt City Council, as represented by TOURISMUS und CONGRESS GmbH FRANKFURT, to operate a Frankfurt Christmas Market from 2023. The placing of market stalls and any associated structures on the public highway will be covered by a consent issued by the highway authority.

- 1.2 The Research Solution was commissioned in 2021 by West Midlands Growth Company on behalf of Birmingham City Council to undertake an evaluation of the previous Birmingham Frankfurt Christmas Market and its economic impact on the City- Appendix 4 This report provides analysis in response to a face to face questionnaire undertaken by a team of fully trained market research interviewers who completed a total of 500 questionnaires from 26th November to 21st December 2021, representing in excess of 1427 visitors.
- 1.3 The Birmingham Frankfurt Christmas Market did not take place in 2020 due to Covid-19 restrictions in place during the year. Appendix 4 looks at responses from visitors and residents to the market and their opinions on the main reason for visiting, how they found out about the market, had they visited previously along with their satisfaction on the range and quality of goods on offer as well as the food and drink available at the market.

2 Recommendations

That Cabinet:

- 2.1 Approve the strategy and the commencement of activity for the provision of the Birmingham Frankfurt Christmas Market in accordance with the requirements and approach outlined in the Procurement Strategy (Appendix 1).
- 2.2 Delegates the award of a contract to the Strategic Director – City Operations (or their delegate), in conjunction with the Assistant Director, Procurement (or their delegate), the Interim Director of Finance (or their delegate) and the City Solicitor and Monitoring Officer (or their delegate)
- 2.3 Approve the granting of consent for the placing of market stalls and any associated structures on the public highway.
- 2.4 Authorise the City Solicitor and Monitoring Officer to prepare, execute and complete the necessary documents to implement the above recommendations.

3 Background

- 3.1 The previous Birmingham Frankfurt Christmas Market was held during November and December 2022, at Victoria Square, extending down New Street. Victoria Square is a pedestrianised public square in the centre of Birmingham, bordered by the Birmingham City Council House. New Street extends from the southern edge of Victoria Square and runs eastwards past New Street Station and up to the Rotunda and Bullring.
- 3.2 A Frankfurt-Birmingham economic and cultural collaboration document was first signed in 1966 and was to encourage and facilitate co-operation between agencies and institutions within the two cities, notably within the fields of business, education, culture, sport and among civic organisations. See Appendix 2.

- 3.3 Frankfurt-Birmingham economic and cultural collaboration document was re-signed in 2016 celebrating 50 years of collaboration and affirming the document. The hosting and supporting of the annual Frankfurt Christmas Market is referred within the document. See Appendix 3.
- 3.4 The Birmingham Frankfurt Christmas Market has been held annually since 2001 and has grown steadily since the inaugural Market comprised of only five stalls at Victoria Square.
- 3.5 The Birmingham Frankfurt Christmas Market is historically held every November to December (e.g., Thursday 3rd November to Friday 23rd December in 2022). In addition, the construction of the market takes approximately 12 days, and the deconstruction takes 6 days. In the future the market will be held for approximately 7 weeks during November and December with the construction and deconstruction periods remaining similar. Historically, the market stalls have numbered between 80 to 120, comprising a mix of prepared food sales, alcoholic beverage sales and retail sales. The precise number and mix of stalls are agreed annually between Birmingham City Council and Frankfurt Christmas Market Ltd taking into account the prevailing circumstances and the market generally operates between 10:00 and 21:30 each day.
- 3.6 Frankfurt Christmas Market Ltd and the Royal British Legion have a collaboration approach to the Poppy Appeal, Armistice Day on the 11th November and Remembrance Sunday. In 2019 and again in 2021 Frankfurt Christmas Market Ltd took part in meetings with the Royal British Legion to confirm and agree the protocols that Frankfurt Christmas Market Ltd would follow. The arrangement with the Royal British Legion has three elements (1) Observing the 2-minute silence on the 11th, (2) opening late on Remembrance Sunday, (3) supporting the Poppy Appeal.
- 3.7 In recent years Frankfurt Christmas Market Ltd has directly contracted a range of services from the Council, incurring the following costs to the Council:
- Waste Management Services £65,000
 - Security £200,000
 - Infrastructure £50,000
 - Hostile Vehicle Mitigation £7,000
- 3.8 Frankfurt Christmas Market Ltd supports local suppliers as far as possible to supply products and services that do not compromise the authenticity of a traditional German market and has employed permanent staff in Birmingham and directly employs over 200 local staff annually on a seasonal basis.
- 3.9 Frankfurt-Birmingham Collaboration:

- **Sport** – there has been the ‘Eurpod’ initiative which has seen sports exchanges between schools, including schools from disadvantaged areas.
- **Education** – there have been school programmes and University exchanges. This has included workshops for children at Library of Birmingham organised as part of German Week and has included a relationship between the University of Birmingham and Frankfurt’s Goethe University, which amongst a number of interests organised a City Conference themed: Sport, Physical Activity and Grassroots Engagement.
- **Culture** – we have supported exchanges in film (including, Flatpack Film Festival), literature (Birmingham Literature Festival) and music (including participation in bilateral concerts involving the Bournville Youth Choir and Frankfurt Cathedral Choir).
- **Business** – Both cities have engaged with the British-German Chamber of Commerce at business, trade and investment related events.
- **Civic** – The Mayor of Frankfurt and Lord Mayor have been on reciprocal visits in the context of the relationship. To celebrate the 50th anniversary, Frankfurt dressed one of their city trams with images of Birmingham. This year Birmingham is planning to reciprocate by dressing a Birmingham tram with images of Frankfurt and invite the Mayor of Frankfurt for its unveiling.
- The German Market is the flagship of the relationship so the above illustrates how any deviation from the collaboration document with Frankfurt with regards to the German Market may have implications for the wider relationship.

4 Options considered and Recommended Proposal

- 4.1 A number of options have been considered in order to maintain the hosting of the Birmingham Frankfurt Christmas Market and these are detailed within the attached Procurement Strategy- Appendix 1.

5 Consultation

The proposed agreement meets the City’s key priorities contained within the Council’s Corporate Plan. There has been no external consultation on the contents of the report.

The Deputy Leader and Cabinet Member for Finance and Resources have been consulted on the report and are supportive of it progressing for a decision.

6 Risk Management

- 6.1 The City has no financial exposure with the proposed Procurement Strategy.

7 Compliance Issues

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

Frankfurt Christmas Market Ltd ("the Company") supports the five Be Bold outcomes:-

A Bold Prosperous Birmingham

The economic impact report on the 2021 Birmingham Frankfurt Christmas Market ("FCM") shows that 74% of people questioned would not have visited Birmingham on the day that they did if the FCM had not taken place. 86% of visitors said that they would return next year with 5% undecided. 48% of visitors were from the West Midlands with 52% from outside the West Midlands. The 2021 event was very well-received with over nine in ten respondents rating Birmingham as a great place to visit, the food and drink other than at the market, shopping in Birmingham as good/very good.

The average spend by all visitors to the Frankfurt Christmas Market was approximately £71.74 per person per night. Day visitors spent on average £58.19 per person per day and visitors staying overnight in Birmingham using commercial accommodation spent on average £123.50 per person per night.

The expenditure generated by the Birmingham Frankfurt Christmas Market was sufficient to support 7,140 jobs – 5,370 directly and 1,770 indirectly – of which 5,255 FTE jobs were additional.

In total, expenditure amounted to £351,369,536

In previous years, the Company directly contracted services from the Council, covering Waste Management, Highways, Events and services from Acivico.

The Company actively pursues a policy of using local suppliers for services and products that do not impact the authenticity of the market. See Appendix 4.

A Bold Inclusive Birmingham

The FCM will create a vibrant and attractive event for millions of visitors from across the globe, and around the UK in an accessible Birmingham central location. The FCM is a great source of civic pride, showcasing to the public, the range of German stall holders and the diversity of their products.

A Bold Safe Birmingham

The event will be delivered with public safety at the forefront, with the expertise of crowd management specialists, barriers stopping vehicular entry, on site medics, enforcement officers monitoring anti-social behaviour, and managed in collaboration with emergency services in particular the policy.

A Bold Healthy Birmingham

The 2021 the FCM was hosted in a Covid safe manner. This was attained by reducing the number of stalls and spacing them further apart, providing free Covid tests for staff (brought in from Germany so as not to place a strain on NHS resources), and a raft of Covid measures.

In 2021 the Company sought advice from Environmental Health in implementing 'Natasha's Law' which is allergen labelling legislation unique to the UK.

The Company has built and provides an on-site Medical Unit. This is equipped and staffed during the market by the paramedic and first aid staff contracted for the market. The Company also contracts for the provision of an ambulance during the market so as not to detract from West Midlands Ambulance Service.

Alcohol-free beer and alcohol-free Glühwein are available as part of the overall work to promote responsible drinking. Challenge 25 is strictly enforced on all alcohol stalls, along with the one person, one drink rule when purchasing alcohol.

The Company has a covered area for organisations promoting health initiatives, e.g. blood donation.

A Bold Green Birmingham

The diesel generators used are modern generators with a high efficiency rating and low emissions. They do not run 24 hours a day but rather are turned on in the morning prior to the market opening (on a staggered programme so that they are only turned on as needed) and switched off overnight once cleaning has been completed. One of the generators in Victoria Square is not in regular use but is a backup that can be switched to if the main generator went off. During the market, the generators are serviced by the Company on a regular basis to ensure that the highest level of efficiency is maintained throughout.

The Company has consistently demonstrated a commitment to greening the market where possible. Some examples of this include using real glasses and mugs (not plastic) since its inception, banned plastic bags in favour of paper bags, switched to LED lighting, is phasing out single use plastic where possible, donates foodstuffs to charity, recycles Christmas trees and encourages visitors to use public transport. In 2021 almost 60% of visitors used some form of public transport.

7.2 Legal Implications

- 7.2.1 Under Section 1 of the Localism Act 2011, the Council has the power to enter the arrangements set out in this report, which are within the remit and limits of the general power of competence in Sections 2 and 4 of the Localism Act 2011

- 7.2.2 The legal powers to stage activities and events of this nature are contained with Section 145 of the Local Government Act 1972.

7.3 Financial Implications

- 7.3.1 It is anticipated that as a result of the negotiations the event will be operated by FCM Ltd who will cover all associated event costs as identified in para 3.7 and provide a rental contribution to the City for the first five years of the agreement. This will be followed by a review of the rental agreement for the remaining years of the contract.

7.4 Procurement Implications

- 7.4.1 The procurement implications are contained within the Procurement Strategy (Appendix 1) and give full details of the procurement approach and considerations.
- 7.4.2 An indicative timetable has been developed to ensure that a contractual arrangement is in place by September 2023, for commencement of a market in November 2023.
- 7.4.3 The proposed timetable is set out below in Table 1:

Table 1: Indicative Procurement Timetable

Cabinet Approval (Strategy)	25 th July 2023
Negotiations including finalising contract terms	2 nd Aug – 31 st Aug 2023
Delegated Contract Award	4th Sep 2023
Contract Mobilisation	September - October 2023
Contract Start	November 2023

7.5 Human Resources Implications

- 7.5.1 There are no direct human resource implications. The agreement will be contract managed by the existing Events Commissioning Manager.

7.6 Social Value

The proposed agreement will ensure that Frankfurt Christmas Market Ltd make social value commitments that align to the Council's Social Value Policies, as well as a significant positive impact to the local economy and local employment throughout the operation of the market.

7.7 Public Sector Equality Duty

There is no negative impact to the Public Sector Equality Duty.

7.8 Environmental and Sustainability Implications

- 7.8.1 The contractor will be required to be familiar with the Council's aims for a Sustainable Birmingham and will ensure that whilst operating the market it uses working methods, equipment, materials and consumables which minimise the

environmental impact. An Environmental and Sustainability Assessment is attached- Appendix 6.

8 Background Documents

- 8.1 Appendix 1 Procurement Strategy
- 8.2 Appendix 2 Collaboration document 1966
- 8.3 Appendix 3 Collaboration document 2016
- 8.4 Appendix 4 Birmingham Frankfurt Christmas Market Visitor Survey and EIA
- 8.5 Appendix 5 Birmingham Christmas Market – Summary of Positive Impacts and Community Engagement
- 8.6 Appendix 6 Environmental and Sustainability Assessment
- 8.7 Appendix 7 Equality Impact Needs Assessment