

## Catering Agreement at the Queen Elizabeth II Conference Centre

### Contract Extension between:

- A) Compass Contract Services (U.K.) Limited ("**CSP**"); and
- B) Department for Levelling Up, Housing and Communities ("**DLUHC**") (formerly the Ministry of Housing, Communities & Local Government, which was also formerly known as Department for Communities & Local Government (DCLG)) acting in the capacity of contracting entity for and on behalf of the Queen Elizabeth II Conference Centre.

### Background:

- 1) The details contained in this document provide an agreed **Contract** variation for extending the **Contract** term and making various other variations to the Contract.
- 2) All reference in the Contract to DCLG shall be read and construed as being references DLUHC.

### Contract and Variations:

Contract Title	Catering Concession at the Queen Elizabeth II Conference Centre
Contract Reference	CPD004/102/05 hereafter, the "Contract".
Contract Extension Reference	<p>Clause 2.2. The Contract provides an option for DCLG to offer to the CSP an extension of the Contract Term from 31 January 2019 up to a further 2 years in duration.</p> <p>An additional 11-month extension was added to the contract beyond the initial 2-year extension in order to provide catering up until the proposed alternative use and occupation of the QEII Centre in 2022.</p>
Insertions/variations:	<p>1.) The following is hereby inserted into the Contract in Clause 2.2 below the text above:</p> <p><i>"Subject to Clause 2.2.1 the DLUHC extends the Contract Term for a further 36-months beyond the previous extension (expressed to expire on the 31<sup>st</sup> December 2021) to the 31<sup>st</sup> of December 2024 in order to provide catering up until the proposed re-occupation of the QEII centre in 2024."</i></p> <p><i>Clause 2.2.1 is inserted below Clause 2.1 and reads as follows: DLUHC may terminate this Contract subject to providing written 6 months' notice to CSP"</i></p>

2.) The following clause hereby inserted into Clause A25 of Schedule 2 as a new clause A25.5

*“A25.5 The DLUHC may be liable to repay amounts of the Capital Contribution or Further Capital Contribution to the CSP pursuant to the terms of Clause 7 of Schedule III of this Contract”*

DLUHC

Department for Levelling Up, Housing and Communities

CSP

Compass Contract Services (UK) Limited t/a as “Leith’s”  
Parklands Court  
24 Parklands  
Birmingham Great Park  
Rubery  
Birmingham  
B45 9PZ

Place of Delivery

Queen Elizabeth II Conference Centre (QEIIICC)  
Broad Sanctuary  
Westminster  
London  
SW1P 3EE

Current Contract Agreement

Term  
2021

01<sup>st</sup> February 2014 to 31<sup>st</sup> December

Effective Date of this  
Extension & Variation

01<sup>st</sup> January 2022

Term of this Extension

01<sup>st</sup> January 2022 to 31<sup>st</sup> December 2024.

Level of royalty/  
concession and  
commercial terms  
for the extension period

As per current Contract: Royalty Payment – **REDACTED** of total food and beverage revenue. Other income sales - **REDACTED** royalty payment on other income items e.g. equipment sold and hired to continue as per the existing contract.

Additional **REDACTED** of food and beverage revenue for marketing and **REDACTED** of food and beverage revenue for yearly investment to continue as per existing contract.

Where there is a material change in the use of the QEIIICC which results in a drop in the combined room hire and food and beverage revenue by more than **REDACTED** on a rolling 12 month period (compared with the preceding 12 months) calculated during the Contract Term then the CSP and QEII (on

behalf of and DCLG) shall meet to discuss and agree (acting reasonably and in good faith) any changes to the Royalty Payment (or other financial arrangements) required. If the parties fail to agree any such changes pursuant to this paragraph (4), the matter shall be resolved in accordance with Clause A.26 (Dispute Resolution) of the Contract.

## Capital Investment

Insert the following New **Clause 7 to Schedule III** which shall read as follows–

### ***“7. Capital Investment***

*For the purpose of this Clause 7 of Schedule III, the following definitions shall apply:*

***“2022 Capital Contribution”*** means **REDACTED** payable by CSP to DULHC in accordance with Clause 7.1 of Schedule III.

***“Additional Revenue”*** means the amount by which the Total Revenue over the period of 2 years and 9 months ending the 31<sup>st</sup> of December 2024 exceeds **REDACTED**. For example, if Total Revenue over the period is **REDACTED** then the Addition Revenue is **REDACTED**.

***“Further Capital Contribution”*** means an amount up to **REDACTED** which may become payable (in four individual equal tranches) in whole or in part by CSP in accordance with the Clause 7.2 of this Schedule III.

7. 1 CSP will be pay the 2022 Capital Contribution to DLUHC by no later than 31<sup>st</sup> January 2022.

7.2 Subject to certain Total Revenue (and Additional Revenue) thresholds being met, as set out below, the CSP may be the Further Capital Contribution to the Agency. The Further Capital Contribution is split into 4 equal tranches of **REDACTED**, with each **REDACTED** becoming payable on the achievement of the Total Revenue (and Additional Revenue) thresholds details below:

- a) Total Revenue across the 2 years 9 months ending 31<sup>st</sup> December 2024 are, or are projected to be, greater than **REDACTED**.
- b) The CSP shall be liable to pay DLUHC one of each of the four tranches of **REDACTED**

*when Additional Revenue meets or exceeds the following amounts: Additional Revenue of **REDACTED**; Additional Revenue of **REDACTED**; Additional Revenue of **REDACTED**; and additional Revenue of **REDACTED** respectively.*

- c) DLUHC shall be paid each tranche either when both parties agree to a revised forecast taking the revenue to the next level on the defined scale or when the revenue level is actually achieved – whichever is the earlier.*

*7.3 DLUHC shall repay the 2022 Capital Contribution to CSP within 28 days of request by CSP if either: i) the Contract is terminated early for any reason prior to the 31<sup>st</sup> of December 2024; or ii) or the Centre closes for a period due to the COVID-19 pandemic.*

*7.4 DLUHC shall repay any Further Capital Contribution received in the event that:*  
*a) the Additional Revenue forecasted for each respective tranche is not realised, at which point the respective tranche shall be repaid;*  
*or*  
*b) if the Contract is terminated early for any reason any*  
*Further Capital Contribution tranche received for Additional Revenue not achieved by the date of termination shall be repaid.*

*7.5 Any repayment to be made under Clause 7.3 of this Schedule III for early termination of the Contract or a closure period due to COVID shall be calculated on a pro-rata basis. For example, if the Contract is terminated 18 months prior to the 31<sup>st</sup> December 2024 (18 months early), DLUHC shall be liable to repay to CSP **REDACTED** of the 2022 Capital Contribution.*

*7.6 Any repayment of any amounts under this Clause 7 of this Schedule III by the DLUHC shall be made to the CSP within 28 days of invoice by the CSP.”*

## Terms and Conditions of this Contract

All other Terms and conditions of Contract shall remain unchanged.

Signature

By appending their signatures below, the signatories hereby confirm that they are respectively empowered, and both DLUHC and the CSP agree that this document reflects the full and binding agreement for this variation No 4 to the Contract.

Signed for and behalf of DLUHC

Signed for on behalf of the CSP

Name:.....**REDACTED**.....  
(Print)

Name:.....**REDACTED**.....  
(Print)

Title: **REDACTED**

Title:.....**REDACTED**.....

Signed: **REDACTED**

Signed: **REDACTED**

Date: .....10/01/2022.....

Date: .....10/01/2022.....