

Notice of NON KEY Executive Decision

information

Subject Heading:	Lamp Post Banner Advertising
Decision Maker:	Andrew Blake-Herbert Chief Executive
Cabinet Member:	Ray Morgon, Leader of the Council
ELT Lead:	Marcus Chrysostomou Head of Communications and Engagement team
Report Author and contact details:	Lorna Waters Commercial and Marketing Manager Lorna.waters@havering.gov.uk 07831 777563
Policy context:	The decision is to be made in line with the procurement policy and guideline
Financial summary:	This is a five year contract to generate income from advertising on Lamp posts throughout Havering. The current contract expired in 2014 and has been running on. The income generated has been based on a formula of £100 per lamppost banner sold or 21 per cent of the banners revenue whichever is greater. In real terms 2023/24 this generated a net income of aprox. £10k
Relevant Overview & Scrutiny Sub Committee:	N/A
Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non key Decision

Non-key Executive Decision

The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents X

Place - A great place to live, work and enjoy X

Resources - A well run Council that delivers for People and Place. X

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons set out in this report, the Chief Executive is recommended to agree to the commencement of a procurement process for a concession contract for the supply, installation and maintenance of lamp post banners used for advertising within the borough for the duration of 5 years estimated to generate income of £75,000 over the life of the contract.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 of the Council's Constitution

3.3.3 Scheme – Powers common to all Strategic Directors

1. General

1.1. To take any steps necessary for proper management and administration of allocated portfolios.

4. Contracts

4. 1 To approve commencement of a tendering process for all contracts below a total contract value £1,000,000

STATEMENT OF THE REASONS FOR THE DECISION

Advertising on Lamp Post Banners generates income for the Council and it also adds vibrancy and colour to our high streets.

This type of advertising is accessible to local businesses and also used by national media agencies to support larger company's advertising campaigns. The information displayed on these banners can be informative to local residents.

There are currently 240 Lamp posts equipped with fixings available to use for advertising banners. The new contract would ensure that equipment used for advertising is supplied, installed and maintained by the provider at no cost to the Council, although the lamp posts will remain owned and maintained by the Council. The provider will work within all health and safety guidelines when installing banners. The provider is also responsible for any damage caused by their equipment and is fully responsible for its removal.

The previous contract has been running since 2009. The current contract does not have a guaranteed minimum income clause although officers will seek to incorporate a minimum income guarantee to the terms of the new contract.

Non-key Executive Decision

All advertising must comply with the Council's current advertising policy. All advertising partners are aware of this and all adverts are checked for compliance.

The potential income to the concessionaire would be £1,800,000. This would be reached if all 240 Lampposts were sold at full price for 52 weeks of the year for 5 years.

Tenders will be assessed on price, quality and market experience.

Appendices including, quality questions and a pricing schedule will be attached to the Invitation to tender document (ITT).

The responses to the questions in the appendices along with the prices submitted in the pricing schedule will be used to evaluate the responses received under the criteria and weighting system (see example below).

Following compliance checks, each tender will be evaluated and scored against the evaluation criteria and weightings and bidders will be ranked in line with their scores. Please see an example of the evaluation weightings:

Criteria	Criteria Weighting
Quality	30%
Price	70%
Total	100%

OTHER OPTIONS CONSIDERED AND REJECTED

Supplying lamp post banner advertising in house is not viable as we do not have the equipment or resources and it would not be best value to the Council to employ people or buy equipment to do this. Removing the option for businesses to advertise on our lampposts would see a loss of income. Therefore, these options were considered and rejected.

PRE-DECISION CONSULTATION

No formal consultation is required in respect of the recommendations in this report although it is noted that Planning approval may be required for advertising arrangements which the concessionaire would be required to arrange.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Lorna Waters

Designation: Commercial and Marketing Manager

Signature: 

Date: 29/04/24

Part B - Assessment of implications and risks

Non-key Executive Decision

LEGAL IMPLICATIONS AND RISKS

The Council is a contracting authority which has the power to procure a concession contract. The tender arrangements are consistent with the constitutional rules set out in the Contract Procedure Rules.

The Council also has the power to award contracts through Section 111 of the Local Government Act 1972, which allows the Council to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions, or through its general power of competence under Section 1 of the Localism Act 2011 to do anything that individuals generally may do. There are limitations on the general power of competence, but the limitations do not apply to this decision.

This report seeks authority to procure a concession contract. As per the Concession Contracts Regulations 2016 (CCR), a concession contract is a contract for the supply of works or services to the Council where the consideration for the contract consists of either the contractor's right to exploit the services with or without payment from the Council; and where the concessionaire takes some risk.

The value of a concession contract shall be the total turnover of the concessionaire generated over the duration of the contract, net of value added tax, as estimated by the contracting authority or utility, in consideration for the works and services which are the object of the concession contract and for the supplies incidental to such works and services.

The value of the procurement is below the threshold in the CCR of £5,372,609. Therefore, the procurement process is not subject to the full CCR regime. Nevertheless, the procurement has to abide by the Council's Contract Procedure Rules (CPR).

The procurement process may progress in accordance with the above powers.

FINANCIAL IMPLICATIONS AND RISKS

The amount of income the contract will deliver to the Council will depend on the outcome of the tender and the performance of the contract over its life. The current contract delivers approximately £10k per year which is credited against income targets held within the communications budget. It is likely the new contract will deliver income over and above this. Depending on the outcome of the tender exercise and the subsequent performance of the contract it is estimated that income could potentially range from £5k per year to £75k per year with approx. £30k per year being a realistic estimate. Further details will be provided as part of decision making processes at contract award stage. Any income over and above the existing target will serve to meet savings within the MTFS.

All maintenance and installations costs are consumed by the supplier. There is no capital expenditure for the Council associated to this contract.

Non-key Executive Decision

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no HR implications or risks to the Council.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

Under Section 149.(1) Equality Act 2010 a public authority must, in the exercise of its functions, have due regard to the need to— (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment. The council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The Council will embrace the Environment and Climate Agenda both strategically and globally through its development of footprint reduction initiatives, Climate Action plans and externally delivered services. The Council will strive to minimise negative impacts and optimising positive opportunities delivering our Climate change action plan.

Companies tendering for this contract will have to demonstrate their values align with the Councils Climate Change Action Plan.

APPENDICES

None

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Proposal NOT agreed because

Non-key Executive Decision

Details of decision maker



Signed

Name: Andrew Blake-Herbert

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date: 29/10/2024

Lodging this notice

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____