

Report to	Cabinet 12 April 2017	Item
Report of	Chief finance officer (Section 151 Officer)	8
Subject	Procurement for income generation for Norwich City Council by advertising in its three multi storey car parks	

KEY DECISION

Purpose

To consider the award of the contract for income generation for Norwich City Council by advertising in its three multi storey car parks

Recommendation

To award the contract for the management of internal advertising space in the council's three multi-storey car parks to Colin Huggins and Donna Titcombe in a business partnership known as Raymar Leisure, trading as Digital Signage Company.

Corporate and service priorities

The report helps to meet the corporate priority value for money services

Financial implications

The council will receive a guaranteed fixed income fee of £212, 800. Whilst this fee is spread across the five year period of the contract, annual income totals are set at rising increments during this time.

If there is any net income for the year (that is: income which is over and above *double* the guaranteed fixed income fee), the council will also receive an overage of 25% of that amount.

Loss in the region of £125-150k over a five year period (via NPS, who currently manage the sale of advertisement posters in the three MSCP's).

Ward/s: Multiple Wards

Cabinet member: Councillor Stonard - Resources and business liaison

Contact officers

Kyle Jameson, Benefits Realisation Officer	01603 213151
David Rogers, Client Property and Parking Manager	01603 212463
Andy Watt, Head of city development services	01603 212691

Background documents

None

Report

Background

1. The 'income theme' strand of the transformation programme has been investigating the possibilities of generating income from advertising and sponsorship.
2. Opportunities have been identified from previously commissioned reports, best practice, case studies and research.
3. The procurement exercise focussed on immediate advertising income opportunities provided by the vehicles and associated footfall passing through the council's three multi-storey car parks (MSCPs).
4. NPS currently manage the sale of advertisement posters in these three MSCP's, with income over a five year period likely to be in the region of £125-150k.
5. Research has been conducted to help determine available opportunities, possible partners and current practices. Initial informal and without prejudice discussions have also taken place with operators to better understand the market.
6. The Authority is currently in contract with a company to oversee the bus shelter advertising contract. They were contacted and invited to the informal discussions but no response was received.

Options

7. Having a contract for internal MSCP advertising specifically would help to obtain maximum income for the Authority by utilising contractors' key skills, knowledge, expertise and contacts.
8. It is recommended that the council appoint a contractor to manage the entire process of installing, maintaining, selling, removing etc. advertising displays in the MSCPs. Therefore requiring little to no resource or investment by the council whilst still receiving a share of the income.
9. A contract period of five years with the option of a five year extension (at the council's discretion) is recommended to allow a long enough period to warrant the potential required investment by a contractor, whilst providing the council the opportunity to change arrangements after five years.
10. A guaranteed fixed income fee p.a. was required from the contractor to ensure that the council receives a regular income. This also ensures that the income received exceeds the income currently generated by our arrangement with NPS.

Conclusion and tender exercise

11. A full procurement exercise was undertaken and one tender response was received from Colin Huggins and Donna Titcombe in a business partnership known as Raymar Leisure, trading as Digital Signage Company.
12. The tender response was evaluated against a two stage process. Stage one was on a pass/fail basis that suppliers had to pass to proceed to Stage two. Raymar

Leisure, trading as Digital Signage Company passed this stage as they provided evidence of the requested insurances and an adequate health and safety policy.

13. As Raymar Leisure, trading as Digital Signage Company were the only respondents to the ITT, they automatically scored 100% of the pricing marks in Stage 2.
14. They propose to pay the council a guaranteed fixed income of £212,800 over the five year period. As well as an overage of 25% of any net income for the year, over and above double the agreed income fee.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	12/04/2017
Director / Head of service	Justine Hartley
Report subject:	Procurement for income generation for NCC by advertising in its three multi storey car parks
Date assessed:	27/02/2017
Description:	Procurement for income generation for NCC by advertising in its three multi storey car parks

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Awarding the contract will increase income generated by this activity by at least £15,000 in year one, rising to an additional £25,000 from year three.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The contract guarantees the council a fixed income for the next five years, reducing the risk of reduced income levels due to advertising market conditions.

Recommendations from impact assessment	
Positive	
Positive financial and risk management outcomes for the council from awarding the contract.	
Negative	
Neutral	
Issues	