

## **CABINET**

<b>DATE</b>	28 May 2020
<b>REPORT OF</b>	Councillor Stewart Swinburn, Portfolio Holder for Environment and Transport
<b>RESPONSIBLE OFFICER</b>	Clive Tritton, Interim Director of Economy and Growth
<b>SUBJECT</b>	Future Arrangements for the Sponsorship of Council Assets
<b>STATUS</b>	Open
<b>FORWARD PLAN REF NO.</b>	CB 04/20/02

### **CONTRIBUTION TO OUR AIMS**

Procurement of arrangements for the Sponsorship of Council Assets contributes towards the strategic aim of all people in North East Lincolnshire enjoy and benefit from a strong economy by giving local businesses the opportunity to promote their offer through sponsorship.

### **EXECUTIVE SUMMARY**

The Council's current contract for the Sponsorship of its Assets (currently known as Sponsorship of Relevant Initiatives) is due to end on the 26<sup>th</sup> November 2020, and there are no further extensions available. In order for the Council to remain compliant with the Council's Contract Procedure Rules and ensure continuity of service, the replacement arrangement(s) need to be in place by the 26<sup>th</sup> November 2020.

The replacement arrangements will comply with the Public Contract Regulations 2015, The Concessions Contract Regulations 2016 (where applicable), Council's Contract Procedure Rules and ensure that the Council achieves its duty of Best Value.

The current contract generates approximately £40,000 income per year for the Council, although this is variable depending on the number of sponsorship opportunities sold. It is hoped that the annual income generated under the new contract will increase.

### **RECOMMENDATIONS**

It is recommended that the Cabinet:

1. Authorises the Director of Economy and Growth in consultation with the Portfolio Holder for Environment and Transport to commence a procurement exercise for the sponsorship of assets as set out in this report;
2. Authorises the Interim Director of Economy and Growth in consultation with the Portfolio Holder for Environment and Transport to award such contract;
3. Authorises the Chief Legal and Monitoring Officer to execute all documentation in connection with the award.

## **REASONS FOR DECISION**

The decision allows the council to commence a procurement exercise for the sponsorship of its assets, and for the council to award a contract before the 26<sup>th</sup> November 2020, allowing continuity of service.

### **1. BACKGROUND AND ISSUES**

- 1.1 The Council's current contract for the Sponsorship of its Assets is due to end on the 26<sup>th</sup> November 2020 and there are no further extensions available. In order to remain compliant with the Councils Contract Procedure Rules and ensure continuity of service, the replacement arrangement(s) need to be in place by the 27<sup>th</sup> November 2020.
- 1.2 The assets the Council currently receives sponsorship income from are roundabouts, landscaped areas, town boundary signs and village boundary signs. The intention is that the replacement arrangement will allow for additional opportunities to be explored in order to increase income.
- 1.3 The intention is that the replacement arrangement will allow local companies the opportunity to promote their offer through sponsorship of Council assets.
- 1.4 The replacement arrangement will enable to the Council to maintain service provision and continue the generation of income from sponsorship of its assets.
- 1.5 A formal Invitation to Tender and award criteria will be developed, and the procurement will be undertaken in line with the Public Contract Regulations 2015, The Concessions Contract Regulations 2016 (where applicable), the Council's Contract Procedure Rules, and ensure the replacement contract represents value for money for the Council.
- 1.6 A project team has been established in readiness to undertake the procurement which consists of officers from the Communications Team, Commissioning and Strategic Support Unit and Procurement. Advice and support will be sought from Legal Services in relation to development of the terms and conditions and formation of the contract, and from Finance in relation to the sharing of income.

### **2. RISKS AND OPPORTUNITIES**

- 2.1 The replacement arrangement(s) will look to address the following risks:
  - a) There will be a need to ensure any Business Rates due from the advertising are factored into the pricing structure of the contract.
- 2.2 The replacement arrangement(s) will look to take advantage of the following opportunities:
  - a) Access to a large pool of potential sponsors;
  - b) A managed service for the selling of sponsorship;
  - c) Increased sponsorship opportunities; and,

d) Increased income generation.

### **3. OTHER OPTIONS CONSIDERED**

- 3.1 Do nothing. This option would leave the Council with no contract in place, and non-compliant with the Council's Contract Procedure Rules.
- 3.2 Bring the service back in-house. This option would be resource intensive because it would require the Council to establish a list of potential sponsors, manage relationships with sponsors, produce sponsorship and collect income.

### **4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

- 4.1 The new contract will offer income generation opportunities for the Council and also potentially allow sponsorship opportunities for the Council itself as part of the contract. Attractive roundabout and related boundary sponsorship also enhances the appearance of the borough to residents and visitors. All sponsorship will be agreed with highway planners to ensure they are in keeping with the required regulations, while also exploring and developing innovative opportunities as part of the contract.

### **5. FINANCIAL CONSIDERATIONS**

- 5.1 The award of the contract is expected to deliver value for money and supports the Council's Financial Strategy by attracting additional income on an on-going basis.

### **6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

The recommendation supports the Council's environmental policy by:

- Recognising and realising the economic and social benefits of improving the street scene

### **7. CONSULTATION WITH SCRUTINY**

- 7.1 No scrutiny consultation is proposed on this matter.

### **8. FINANCIAL IMPLICATIONS**

- 8.1 The procurement exercise aims to obtain sponsorship income for the Council and make best use of its assets. The financial impact will be evaluated as part of the tender evaluation process.

### **9. LEGAL IMPLICATIONS**

- 9.1 The procurement of a contract for the sponsorship of Council assets is consistent with the stated aims and objectives of the Council underpinning its strategic objectives of Stronger Economy, Stronger Communities.
- 9.2 The procurement exercise will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's

Contract Procedure Rules and the Public Contracts Regulations 2015, and supported by relevant officers.

9.3 The delegations sought are consistent with an exercise of this nature.

**10. HUMAN RESOURCES IMPLICATIONS**

10.1 There are no direct HR implications

**11. WARD IMPLICATIONS**

This will have an impact on all wards.

**12. BACKGROUND PAPERS**

There are no background papers.

**13. CONTACT OFFICER(S)**

Iain Lovell, Assistant Director, Communications (5960)

**Councillor Stewart Swinburn**  
**Portfolio Holder for Environment and Transport**