

CABINET MEETING – 12 OCTOBER 2021

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Procurement of Concession Contract for Large Digital Media Advertising Screens.

Author(s):

Executive Director of City Development

Purpose of Report:

To seek Cabinet approval to procure and award a concession contract for the provision of Large Digital Media Advertising (LDMA) screens in the City.

Description of Decision:

Cabinet is recommended to:

- a) approve the procurement of a concession contract for the funding, purchase, installation, maintenance, and management of advertising for LDMA screens in the City on the terms as set out in this report; and
- b) authorise the Executive Director City Development, in consultation with the Portfolio Holder for Dynamic City and the Executive Director of Corporate Services, to take all necessary steps to enter into a concession contract with the successful operator for 5 years.

Is the decision consistent with the Budget/Policy Framework? *Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

Investment in LDMA screens will provide a valuable communication channel for the Council and potentially other partners to be able to share important messages with residents and visitors to Sunderland, not least in times of major events or where more urgent public health or public safety lines need to be communicated. More generally, they will create a notable welcome to Sunderland at key points geographically, signifying the Council and its partners' joint vision for a dynamic and vibrant place.

Alternative options to be considered and recommended to be rejected:

The option not to undertake a procurement was rejected as the benefits outlined in the report would not be realised.

Impacts analysed;

Equality Privacy Sustainability Crime and Disorder

Is the Decision consistent with the Council's co-operative values? Yes	
Is this a "Key Decision" as defined in the Constitution?	Yes
Is it included in the 28-day Notice of Decisions?	Yes

PROCUREMENT OF A CONCESSION CONTRACT FOR LARGE DIGITAL MEDIA ADVERTISING SCREENS

Report of Executive Director City Development

1.0 Purpose of Report:

- 1.1 To seek Cabinet approval to procure and award a concession contract for the provision of Large Digital Media Advertising (LDMA) screens in the City.

2. Description of Decision (Recommendations)

- 2.1 Cabinet is recommended to:

a) approve the procurement of a concession contract for the purchase, installation, maintenance, and management of advertising for LDMA screens in the City on the terms set out in this report; and

b) authorise the Executive Director City Development, in consultation with the Portfolio Holder for Dynamic City and the Executive Director of Corporate Services, to take all necessary steps to enter into a concession contract with the successful operator for 5 years.

3. Background

- 3.1 The Council shares in the ownership of an existing LDMA screen attached to St Mary's Car Park with the maintenance and advertising content being operated and managed by Smart Outdoor, a local firm specialising in digital technology and marketing. The Council shares in the net advertising revenue generated through this arrangement.
- 3.2 The success of this screen in terms of promoting the city, displaying key public health messages, and advertising local businesses has been significant and increasing the number of LDMA screens across the city will extend these benefits.

4.0 Proposal

- 4.1 As a consequence, it is proposed that the Council undertakes a competitive procurement process to enter into a co-investment concession contract with a partner for the funding, purchase, installation, maintenance of LDMA screens and the management of the associated advertising at various locations across Council-owned sites in the city. The proposed term of the concession contract is 5 years.
- 4.2 The Council will work with the successful tenderer to identify viable advertising sites and opportunities within the Council's portfolio of sites to develop and expand an LDMA screens portfolio in the city.
- 4.2 Under the proposed model, the Council will co-invest in the initial purchase and set-up costs for the LDMA screen at each site and receive a share of all advertising revenue generated by the successful contractor after taking into account the costs associated with operating the LDMA screens.

5.0 Reasons for the Decision

- 5.1** Investment in LDMA screens will provide a valuable communication channel for the Council and potentially other partners to be able to share important messages with residents and visitors to Sunderland, not least in times of major events or where more urgent public health or public safety lines need to be communicated. More generally, they will create a notable welcome to Sunderland at key points geographically, signifying the Council and its partners' joint vision for a dynamic and vibrant place.

6.0 Alternative options considered:

- 6.1 The option not to undertake a procurement was rejected as the benefits outlined in the report would not be realised.

6.0 Impact Analysis

- 6.1 The following issues have been considered: -

- (a) **Equalities** – No equality or diversity implications have been identified.
- (b) **Privacy Impact Assessment (PIA)** – No privacy issues have been identified.
- (c) **Sustainability** – No sustainability implications have been identified.
- (d) **Reduction of Crime and Disorder** – None.

7.0 Other Relevant Considerations

- i. **Financial Implications** – The costs of the Council's proposed capital investment will be met from the provision for the City Gateways Large Screen Advertising scheme within the approved capital programme. In addition, the Council will receive a revenue income stream from the net advertising income generated by the LDMA screens.
- ii. **Legal Implications** -The proposed procurement process for the award of the concession contract will be undertaken in accordance with the requirements of the Council's Procurement Procedure Rules.
- iii. **Procurement** – Corporate Procurement have been consulted on the proposals. A Procurement Scoping Strategy report will be prepared by the Corporate Procurement team which will consider all routes to market and recommend a preferred procurement approach.