

## LONDON BOROUGH OF CROYDON

To: All Members of Council  
Croydon Council website  
Access Croydon & Town Hall Reception

### **PUBLIC NOTICE OF KEY DECISIONS MADE BY CABINET MEMBER FOR FINANCE & RESOURCES ON 31 JULY 2020**

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

In accordance with the Scrutiny and Overview Procedure Rules, the following decisions may be implemented from **1300 hours on 10 August 2020** unless referred to the Scrutiny and Overview Committee (ie after 13.00 hours on the 6th working day following the day on which the decision was taken). The call-in procedure is appended to this notice.

The following apply to the decision below:

**Reasons for these decisions:** As set out in the Part A report.

**Other options considered and rejected:** As set out in the Part A report.

**Details of conflicts of interest declared by the decision maker:** None

**Note of dispensation granted by the Head of Paid Service in relation to a declared conflict of interest by that decision maker:** None

The Leader of the Council has delegated to the decision maker the power to make the Key Decisions noted out below:

### **Decision Title: DIGITAL OUT OF HOME ADVERTISING CONCESSION CONTRACT AWARD**

**Key Decision No: 4120FR**

Having carefully read and considered the Part A report, and associated confidential Part B report, and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the reports, the Cabinet Member for Finance & Resources in consultation with the Leader of the Council

**Details of decision:**

**RESOLVED:** To

- 1 Approve the award of a concession contract for the delivery of digital out of home advertising services for a term of ten years, to the contractor named, and for the contract price specified in the Part B report;

- 2 Note the name of the successful contractor and contract value will be released once the contract award is agreed and implemented; and
- 3 Note the Chair of CCB has approved a waiver in respect of a departure from the 40% cost/ 60% quality ratio required under the Tenders and Contracts Regulations.

**Signed:** Council Solicitor and Monitoring Officer

**Notice Date:** 03 August 2020

## Scrutiny Referral/Call-in Procedure

1. The decisions may be implemented **1300 hours on 10 August 2020** (the 6th working day following the day on which the decision was taken) unless referred to the Scrutiny and Overview Committee.
2. The Council Solicitor shall refer the matter to the Scrutiny and Overview Committee if so requested by:-
  - i) the Chair and Vice Chair of the Scrutiny and Overview Committee and 1 member of that Committee; or for education matters the Chair, Vice Chair and 1 member of that Committee; or
  - ii) 20% of Council Members (14)
3. The referral shall be made on the approved pro-forma (*attached*) which should be submitted electronically or on paper to Victoria Lower by the deadline stated in this notice. Verification of signatures may be by individual e-mail, fax or by post. A decision may only be subject to the referral process once.
4. The Call-In referral shall be completed giving:
  - i) The grounds for the referral
  - ii) The outcome desired
  - iii) Information required to assist the Scrutiny and Overview Committee to consider the referral
  - iv) The date and the signatures of the Councillors requesting the Call-In
5. The decision taker and the relevant Chief Officer(s) shall be notified of the referral who shall suspend implementation of the decision. The Chair of the Scrutiny & Overview Committee shall also be notified.
6. The referral shall be considered at the next scheduled meeting of the Scrutiny & Overview Committee unless, in view of the Council Solicitor, this would cause undue delay. In such cases the Council Solicitor will consult with the decision taker and the Chair of Scrutiny and Overview to agree a date for an additional meeting. The Scrutiny & Overview Committee may only decide to consider a maximum of 3 referrals at any one meeting.
7. At the Scrutiny & Overview Committee meeting the referral will be considered by the Committee which shall determine how much time the Committee will give to the call in and how the item will be dealt with including whether or not it wishes to review the decision. If having considered the decision there are still concerns about the decision then the Committee may refer it back to Cabinet for reconsideration, setting out in writing the nature of the concerns. The Cabinet shall then reconsider the decision, amending the decision or not, before making a final decision.
8. The Scrutiny and Overview Committee may refer the decision to the Council if it considers that the decision is outside of the budget and policy framework of the Council. In such circumstances, the provisions of Rule 7 of the Budget & Policy Framework Procedure Rules (Part 4C of the Constitution) apply. The Council

may decide to take no further action in which case the decision may be implemented. If the Council objects to Cabinet's decision it can nullify the decision if it is outside the Policy Framework and/or inconsistent with the Budget.

9. If the Scrutiny and Overview Committee decides that no further action is necessary then the decision may be implemented.
10. If the Council determines that the decision was within the policy framework and consistent with the budget, the Council will refer any decision to which it objects together with its views on the decision, to the Cabinet. The Cabinet shall choose whether to either amend, withdraw or implement the original decision within 10 working days or at the next meeting of the Cabinet of the referral from the Council.
11. The responses of the decision-taker and the Council shall be notified to all Members of the Scrutiny and Overview Committee once the Cabinet or Council has considered the matter and made a determination.
12. If either the Council or the Scrutiny and Overview Committee fails to meet in accordance with the Council calendar or in accordance with paragraph 6 above, then the decision may be implemented on the next working day after the meeting was scheduled or arranged to take place.
13. **URGENCY:** The referral procedure shall not apply in respect of urgent decisions. A decision will be urgent if any delay likely to be caused by the referral process would seriously prejudice the Council's or the public's interests. The record of the decision and the notice by which it is made public shall state if the decision is urgent and therefore not subject to the referral process. The Chair of the Scrutiny and Overview Committee must agree that the decision proposed cannot be reasonably deferred and that it is urgent. In the absence of the Chair, the Deputy Chair's consent shall be required. In the absence of both the Chair and Deputy Chair, the Mayor's consent shall be required. Any such urgent decisions must be reported at least annually in a report to Council from the Leader including the reasons for urgency.

**Signed:** Council Solicitor and Monitoring Officer

**Notice Date:** 03 August 2020

**Contact Officers:** [victoria.lower@croydon.gov.uk](mailto:victoria.lower@croydon.gov.uk) and [cliona.may@croydon.gov.uk](mailto:cliona.may@croydon.gov.uk)

**PROFORMA**

**REFERRAL OF A KEY DECISION TO THE  
SCRUTINY AND OVERVIEW COMMITTEE**

For the attention of: Victoria Lower, Democratic Services & Scrutiny  
e-mail to  
[Victoria.lower@croydon.gov.uk](mailto:Victoria.lower@croydon.gov.uk) and [cliona.may@croydon.gov.uk](mailto:cliona.may@croydon.gov.uk)

Meeting:  
Meeting Date:  
Agenda Item No:

**Reasons for referral:**

- i) The decision is outside of the Policy Framework
- ii) The decision is inconsistent with the budget
- iii) The decision is inconsistent with another Council Policy
- iv) Other: Please specify:

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**The outcome desired:**

**Information required to assist the Scrutiny and Overview Committee to consider  
the referral:**

Signed:

Date:

Member of \_\_\_\_\_ Committee

<b>REPORT TO:</b>	<b>Cabinet Member for Finance and Resource</b>
<b>SUBJECT:</b>	<b>Digital out of home advertising concession contract award</b>
<b>LEAD OFFICER:</b>	<b>Strategic – Neil Williams, Chief Digital Officer Operational – Opama Khan, Head of Digital Place</b>
<b>CABINET MEMBER:</b>	<b>Councillor Simon Hall, Cabinet Member For Finance and Resources</b>
<b>WARDS:</b>	<b>'ALL'</b>
<p><b>CORPORATE PRIORITY/POLICY CONTEXT/ A DIGITAL COUNCIL</b></p> <p>Croydon has ambitious plans to digitally transform the borough in order to deliver the services and infrastructure our residents need to thrive and live happy, healthy lives.</p> <p>Croydon's Digital Strategy sets out the ambition to develop Croydon as a Digital Borough and aspires to maximise opportunities for digital design, data and technology to enhance economic growth, quality of life, sustainability and individual opportunity in Croydon.</p> <p>Croydon's aspirations are for its residents, visitors, students and businesses to enjoy faster broadband connectivity, a digitally enhanced public realm, through initiatives including digital wayfinding information, apps that bring the community together, and smart technology solutions that help reduce energy consumption, lower emissions, improve public safety and help make Croydon a more attractive place to be.</p> <p>Croydon's smart city objectives focus on innovative technology-enabled solutions and initiatives to deliver the following outcomes across the borough:</p> <ul style="list-style-type: none"> <li>• Improve quality of life and wellbeing by improving residents' experience of living in Croydon, including more efficient mobility, health related information and wayfinding</li> <li>• Support growth through job creation and attracting investment through the creation of an environment for innovation and creativity</li> <li>• Support and enable environmental sustainability by improving air quality, and monitoring environmental, pedestrian and traffic flows</li> <li>• Enable a safe and secure city by reducing crime, increasing security, reducing risks, improving emergency response</li> <li>• Enhance efficiency by reducing costs of infrastructure and service provision through the collection of specific data</li> </ul>	

## **FINANCIAL IMPACT**

The resulting 10 year contract is estimated to generate a net income to the Council over the contract term. An income target is included in the budget of Croydon Digital Service for digital advertising.

## **KEY DECISION REFERENCE NO.: 4120FR**

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

The Leader of the Council has delegated to the nominated Cabinet Member (decision ref 4320LR) the power to make the decisions set out in the recommendations below.

### **1. RECOMMENDATIONS**

- 1.1 The Cabinet Member for Finance and Resources in consultation with the Leader of the Council is recommended by the Contracts and Commissioning Board to approve the award of a concession contract for the delivery of digital out of home advertising services for a term of ten years, to the contractor named, and for the contract price specified in Part B.
- 1.2 The Cabinet Member for Finance and Resources is asked to note that:
  - 1.2.1 The name of the successful contractor and contract value will be released once the contract award is agreed and implemented.
  - 1.2.2 The Chair of CCB has approved a waiver in respect of a departure from the 40% cost/ 60% quality ratio required under the Tenders and Contracts Regulations

### **2. EXECUTIVE SUMMARY**

- 2.1 This report sets out the process and outcome of the tender conducted in relation to the procurement strategy for Out of Home Media – Street Furniture, Bus Shelters and associated advertising. The strategy was approved by the Contract and Commissioning Board on 6<sup>th</sup> December 2018 (ref CCB1435/18-19).
- 2.2 This report confirms the procurement process followed and recommends a contract award to the preferred supplier following a process conducted under the Concession Contract Regulations 2016.
- 2.3 The concession contract term will be for a total of ten years. The proposed 10 year concession length will begin from the point advertising sites become

operational and start to produce revenue – the overall contract length will be longer to cover the implementation period.

- 2.4 The contents of this report has been endorsed by the Contracts and Commissioning Board

<b>CCB ref. number</b>	<b>CCB Approval Date</b>
<b>CCB1594/20-21</b>	<b>28/97/2020</b>

### **3. DETAIL**

- 3.1 In accordance with the agreed procurement strategy, a tender procedure was conducted under Concession Contract Regulations 2016. A tender was originally published in 2018 using the Council electronic tenders portal. That tender was abandoned in order to include digital advertising and smart city requirements and a subsequent tender was conducted in early 2020.
- 3.2 Following a complete new set of requirements being prepared to include digital advertising and smart city requirements, a second tender was issued on 28 January 2020 for the small form Digital Out of Home requirement.
- 3.3 Note that under the Concession Contract Regulations 2016 concession contracts are awarded on the basis of objective criteria that identify an overall economic advantage for the contracting authority or utility as opposed to a basis of price or cost using a best price-quality ratio. A balanced ratio of 50/50 was therefore used to assist the evaluation team to determine the tender with the most economic advantage.

#### **Tender scope**

- 3.4 The services of a new Concessionaire (“Operator”) for the Authority’s bus shelters, street furniture, and associated advertising on advertising columns, bus shelters, information panels, Wayfinding and a deployment of smart city technology at identified sites.

The operators are required to:

- Install (and/or refurbish) the estate of shelters and sites
- Maintain and clean the installations
- Maximise revenue from advertising
- Deploy and maintain a smart city technology network of sensors for air quality, footfall, traffic flow and noise

The Council is seeking commercially:

- A minimum guaranteed annual fee
- A share of revenue created from the advertising
- A further fee per site if we expand the number of advertising sites



In line with the Digital Strategy, bidders were required to help us optimise digital advertising across the borough to leverage council-owned street furniture for improving street safety, monitoring air quality, footfall and other non-personal data, and explore the provision of free Wi-Fi, wayfinding and local Information.

The tender outcome is anticipated to achieve those aims.

### Responses to the ITT

Expression of interest	21
On time tenders submitted:	3
Late submissions:	n/a
Opt Outs:	5

- 3.5 Five companies declined to bid citing that requirements were either not related to their business or they considered themselves unable to be competitive.

Three tenders were received by the closing date of 10 March 2020. One tender was subsequently withdrawn.

### Evaluation

- 3.6 A panel of subject matter experts comprising The Chief Digital Officer, Head of Digital place, Finance Lead CDS, Category Manager for Digital Services and a subject matter expert, from an external partner providing advertising consultancy services to support the tender, evaluated the tenders against published requirements. Legal colleagues provided advice on contract clarifications and issues.

### Effect of the Pandemic

- 3.7 The government imposed lockdown in response to the pandemic meant that the economic landscape changed massively and bidders were invited to online clarification meetings and were specifically asked to address how the pandemic was affecting their ability to conduct their services and how it may affect their bids.

### 3.8 Summary of Preferred Bidder Commercial Offer

- The highest guaranteed annual fee.
- A revenue share percentage was double that of the other bidder and comparable to the withdrawn/non-compliant bidder

### 3.9 Summary of Preferred Bidder Technical Offer

Bus shelters and advertising sites with digital panels and smart city technology including:

- Digital advertising.
- Wi-Fi hot spot.
- USB charging ports.
- Emergency phone.
- Information screens – displaying real time information: time, digital temperature, air quality, bus arriving schedule, and emergency text messages as needed.

The following technologies will be installed on each bus shelter, which will monitor the immediate surrounding area of the Bus Shelter for:

- Air quality.
- Noise pollution.
- Pedestrian footfall.
- Traffic flow.

A dashboard will be provided to the council incorporating this data, for real time viewing and report generation

### 3.10 Tender Evaluation Method

The following evaluation criteria, were used to evaluate the tenders in order to help identify the bidder offering the most economic advantage.

Quality            50%  
Cost                50% (with 40% allocated to the guaranteed annual amount 10% of price allocated to Revenue Share

The council's standard 60/40 scoring criteria was replaced by a 50/50 split due to the nature of this concession with a focus on both maximising revenue for the council and bringing smart city technology based the Council's digital strategy.

Quality criteria was further broken down as follows. Bidders were required to answer method statements for each requirement.

<b>Area</b>		<b>% Sub-Criteria Weighting</b>
1	Service Delivery, Maximising Revenue and Transparent Accounting	20%
2	Mobilisation, Implementation and exit Plan	10%
3	Social Value	10%

4	Innovation	10%
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### 3.11 Price evaluation method

Price Scores were awarded on the basis of:

- Awarding the Supplier with the highest combination of guaranteed offer and revenue share allocated the maximum score of 50%.
- Awarding scores to the other Suppliers on a pro/rata basis based on percentage variation.

### 3.12 Results

#### Quality and pricing results table (weighted scores)

One bidder's bid was non-compliant (details in the Part B report), so only two bids were considered.

These are the scores based on the compliant bids received:

	cost score	quality score	Total %	Rank
<b>COMBINED</b>				
Bidder C	19.23	16.75	35.98	2
Bidder A	50.00	18.50	68.50	1

### 3.13 Recommendation

Having met the requirements and providing an offer with the most economic advantage, that bidder A be contracted to provide the Digital out of Home advertising concession contract for a term of 10 years.

### 3.14 Social Value

The preferred bidder provided a social value proposal which offered economic benefit to Croydon residents and businesses details are set out in Part B.

## 4. CONSULTATION

4.1 Internal engagement with a number of council services was undertaken to build up the functional requirements of the tender. Subject matter experts from the following services were consulted:

- Planning & Place Making
- Strategic Transport

- Transport Logistics
- Pollution
- Community Safety
- Public Protection
- Growth Zone
- Regeneration
- Economic Development
- Employment Delivery
- Assets & Involvement
- Active Lifestyles
- Finance
- Legal
- Croydon Digital Services
- Council Members including Cabinet Member for Finance & Resources and Cabinet Member for Economy & Jobs

4.2 A market engagement event exercise was held with engage directly with DOOH operators and discuss the potential development and scope of the requirements.

4.3 Other local authorities were consulted in the development of the functional requirements, as well as the contract schedules and implementation plan (including resources required).

## 5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

### 5.1 Revenue and Capital consequences of report recommendations

Financial consequences are set out in the Part B report.

### 5.2 The effect of the decision.

The resulting 10 year contract will generate a net income to the Council over the contract term. An income target is included in the budget of Croydon Digital Service (which sits within Resources directorate) for digital advertising

### 5.3 Risk

The risks outlined in the strategy plan have been updated.

Option No.	Option	Main benefits/ risks	Decision
1	Do nothing	<ul style="list-style-type: none"> <li>• The Council would be without a supplier for street furniture and bus shelters</li> <li>• The Council would be without an income stream</li> </ul>	Not advised.

		from the Concession	
<b>2</b>	Deliver in-house	<ul style="list-style-type: none"> <li>The Council does not have the internal capacity to deliver the necessary requirements.</li> <li>The Council would be without an income stream from the Concession</li> </ul>	Not advised. A tender was undertaken to mitigate the risk
<b>3</b>	Extend the contract with the current supplier	<ul style="list-style-type: none"> <li>This would mean not capitalising on the current market conditions where there are a number of suppliers competing for similar opportunities</li> <li>Reduces the risk of operational continuity</li> </ul>	Not advised except for a short term extension to cover any transition period
<b>4</b>	Tender the Concessionaire opportunity via the market	<ul style="list-style-type: none"> <li>Tender the Concession to suppliers</li> <li>This will give the Council most economic advantage through being an open market offer</li> </ul>	The recommended option has been followed

#### 5.4 Options

Procurement options were set out at pre-tender strategy stage with the recommended approach. The approved option was an Open concession tender and there has been no departure from this.

#### 5.5 Future savings/efficiencies

This will provide income to the council.

Approved by: Ian Geary, Head of Finance Resources and Accountancy

### 6. LEGAL CONSIDERATIONS

6.1 The Director of Law and Governance comments that there are no additional legal considerations arising from this report.

Approved by: Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

### 7. HUMAN RESOURCES IMPACT

7.1 There are no issues arising from this report for LBC employees

Approved by: Gillian Bevan on behalf of the Director of Human Resources

## **8. EQUALITIES IMPACT**

- 8.1 A detailed / full Equality Analysis has not been undertaken for the following reason(s):

The change will not have a disproportionate impact on some protected groups compared to non-protected groups. The availability of slots for the Council provides the opportunity for the Council to promote positive messages for protected groups.

This is a scheme to implement advertising infrastructure. This will give us contract management over a wide range of advertising formats allowing us to control content and ensure there is no discriminatory messaging.

The council already has contract management arrangements in place for some on-street advertising and through this can show the lack of impact on specific groups. It already has protocols in place to look at content that it applies to its own channels.

As part of the transition strategy and identification of new street furniture opportunities, the Council will review and update the initial equality analysis to determine whether more detailed analysis is required, either for specific assets, sites, asset types or more generally.

All advertising must meet the Advertising Standards Authority codes and comply with the Consumer Protection from Unfair Trading Regulations 2008 or the Business Protection from Misleading Marketing Regulations 2008.

The codes and legislation cover a range of issues, for example, misleading advertising, harm or offence, children, privacy, environmental claims, gambling.

*Section 16 of the ASA UK Code of Non-broadcast Advertising and Direct & Promotional Marketing states: Marketing communications must not: portray, condone or encourage gambling behavior that is socially irresponsible or could lead to financial, social or emotional harm... exploit the susceptibilities, aspirations, credulity, inexperience or lack of knowledge of children, young persons or other vulnerable persons.*

Approved by: Yvonne Okiyo, Equalities Manager

## **9. ENVIRONMENTAL IMPACT**

- 9.1 The National Planning Policy Framework (NPPF) places great importance on the design of the build environment and as such, is a key aspect of

sustainable development. Paragraph 63 states that great weight should be given to “outstanding or innovative designs which help raise the standard of design more generally in an area”. In contrast, poor design should be refused where it fails to take opportunities to improve the character and quality of an area.

Poorly placed advertisements can have a negative impact on the appearance of the built and natural environment. Control over outdoor advertisements should be efficient, effective and simple in concept and should be subject to control only in the interests of amenity and public safety, taking account of cumulative impacts. Only advertisements which will clearly have an appreciable impact on a building or their surroundings should be subject to the local planning authority’s detailed assessment. Policy UD5 (advertisements) in the council’s unitary development plan (UDP) suggests that “advertisement hoardings and other forms of advertising will only be approved where they do not harm amenity or conflict with public safety”. The policy states that “in appropriate locations, advertisements can enhance the vitality of an area”, although warns against badly designed and poorly placed advertisements.

## **10. CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 None Identified. Note that the codes covering content of advertising include prohibition of any content which could condone or encourage criminal or anti-social behaviour.

The availability of slots for the Council provides the opportunity for the Council to promote positive messages.

## **11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 11.1 The preferred bid is identified as providing the most economic advantage to the Council. The solution meets requirements and the aspirations to be a digital council.

## **12. OPTIONS CONSIDERED AND REJECTED**

- 12.1 The option to not award a contract is not viable as the current contract will expire without a replacement. Other procurement options were considered in the previously agreed strategy report. No other options were identified for consideration.

## **13. DATA PROTECTION IMPLICATIONS**

- 13.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF ‘PERSONAL DATA’?**

NO

**13.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

NO

Approved by: Neil Williams, Chief Digital Officer

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**CONTACT OFFICER:**

Opama Khan Head of Digital Place  
[Opama.Khan@croydon.gov.uk](mailto:Opama.Khan@croydon.gov.uk)

**BACKGROUND PAPERS:**

None