

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise, Strategic Planning & Infrastructure
DATE	13 March 2014
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Sponsorship of Roundabouts
REPORT NUMBER:	EPI/14/033

1. PURPOSE OF REPORT

The purpose of this report is to advise the Committee that the sponsorship of roundabouts contract between Aberdeen City Council and an external marketing agent will terminate on 31 March 2014 and what arrangements are being put in place to ensure continuity of delivery. This report also advises the Committee of certain exemptions granted in respect of the Standing Orders relating to Contracts and Procurement.

2. RECOMMENDATION(S)

It is recommended that the Committee

- a) approve bringing the sponsorship of roundabouts in-house for a period of one year commencing on 1 April 2014;
- b) instructs officers to report back within that period to evidence the comparison between internal and external delivery and to recommend how such sponsorship should be delivered in future;
- c) notes the exemptions granted in respect of the Standing Orders relating to Contracts and Procurement as reported herein.

3. FINANCIAL IMPLICATIONS

The service has challenging targets to meet for income generation in 2014/15. By not paying a third party we will be able to keep 100% of the income by not having to pay any commission. Based on current levels of sponsorship this would equate to an additional £50,000 in 2014/15.

4. OTHER IMPLICATIONS

Exemption from the Standing Orders relating to Contracts and Procurement has been granted in February 2014 under Standing Order

1(6)(b) by the Chief Executive and Heads of Legal, Finance and Procurement in relation to sponsorship of roundabouts.
There are no other implications as the Marketing and Design Team will use existing resources to manage this service.

5. BACKGROUND/MAIN ISSUES

A contract was awarded to an external marketing agency for Council Sponsorship in May 2011. The contract was for them to sell sponsorship/advertising on Council owned assets, with the main asset being roundabouts.

Due in part to various issues arising in relation to identifying new assets and getting the relevant procedures and permissions put in place, it was mutually agreed by both parties to terminate this contract on 22 February 2013, with a Minute of Agreement subsequently being entered into allowing the service provider to continue selling sponsorship on roundabouts. A further Minute of Agreement was entered into, commencing on 1 September 2013 allowing the sale of sponsorship of roundabouts until 31 March 2014. Exemption from the said Standing Orders having been obtained to allow this.

Following an initial appraisal of alternatives in late 2013, relevant notice was served in order to terminate the Minute of Agreement on 31 March 2014, to bring the service in-house. The timing of this decision reflected the renewal dates of a number of annual contracts with sponsors and optimized the income the Council would receive.

The intention is to identify Council owned assets suitable for sponsorship/advertising and to identify, establish and implement all the necessary procedures and permissions to enable all of the opportunities for advertising to be marketed and sold. Should the scale of the task be over complex or beyond the capacity or capability of in-house resources, a new procurement would be undertaken. In the meantime the marketing of the roundabouts will continue and be undertaken by the Marketing and Design Team, who have been managing the contracts with the marketing agency since 2011.

6. IMPACT

Corporate - the ability to reach income levels as set out in the 5 year Corporate Business Plan and the Marketing and Design Service Plan by maximising income generated by not paying a percentage to an external third party.

Public – none.

7. MANAGEMENT OF RISK

The Marketing and Design team will be at risk of not being able to meet the income generation targets set for the 2014/15 financial year, if the sale of sponsorship on roundabouts is not brought in-house.

8. BACKGROUND PAPERS

Minute of Agreement dated 12 May 2011

Minute of Agreement dated 28 March 2013

Minute of Agreement dated 12 November 2013

Memo for Request under Standing Order 1(6)(b) dated 18 September 2013

Memo for Request under Standing Order 1(6)(b) dated 14 February 2014

9. REPORT AUTHOR DETAILS

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