

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

1880

Author:

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Department:

Resources

Contact:

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Subject:

Advertising on the Council's website

Total Value:

Exempt (Type: Revenue)

Decision Being Taken:

Nottingham City Council's Web Team is seeking exception from Contract Procurement Rule 5.1.2 to allow it to make a direct award to CapacityGrid in order to join the Council Advertising Network (CAN), a collective of local authorities providing advertising on their websites and intranets. The Council Advertising Network is the only provider of this specialist service that has been identified.

Reasons for the Decision(s)

NCC's Web Team would like to pilot the use of advertising on the website and intranet as a way to generate additional income for the Council.

By awarding a contract to CapacityGrid, the council will retain full control over the advertising that appears on our sites. No investment is required and the Council will not be charged for the service. See attached exempt document for estimated income to the council in year one, which is likely to increase in subsequent years. These figures are based on current statistics of 850,000 Website page views and 300,000 Intranet page views per month.

CAN is offering Nottingham City Council a 50% share of all revenues generated from advertising in year one. The remaining 50% of revenue will be absorb by CAN in return for their costs in providing adverts and delivery of the service.

This offers better value for money than previous advertising on the website by:

- Providing a greater income than what was previously achieved with Google ads (Income from google ads approximately £24,000 PA).**
- Requires less resources to effectively manage the service, by providing simple tools to veto any adverts before they appeared.**
- Ensures that adverts will not promote similar services provided by our competitors.**
- There is no contractual commitment to display adverts, so we could stop advertisements appearing at any time.**

Marketing and Communications have been consulted on this proposal and support it. We agreed the need to manage and co-ordinate all advertising revenue opportunities through the Commercial Development Team in the Communications and Marketing service to ensure we manage this corporately and mitigate any potential clashes e.g. competitors of sponsors being able to access advertising platforms whilst a partnership is live. A small management fee will need to be applied but other than that the income can go to the platform owner. We will together review this arrangement in 3 and then 6 months from implementation.

Communications and Marketing service also considered whether they could manage this without the use of CAN. At the present time they cannot, and the issue is not constrained to capacity. Communications and Marketing recognise they do not have the access and same national level contacts that CAN will have which will make the sales job much more efficient through accessing the large national corporates.

The duration of the initial contract will be 12 months, with the option for the Council to extend the contract for a 2 further years.

Other Options Considered:

Despite extensive research the Web Team has been unable to find a similar service to that offered by CAN. Other councils that are using the service, (Wokingham, Hackney and Brent Council's) have also been consulted. These local authorities have conducted their own research and also been unable to identify an alternative solution that provided the same level of service or match the level of income.

Councils currently using the service include:
 Wokingham, Hackney, Bolsover, West Dorset, Northamptonshire, Weymouth & Portland, COSLA (association of Scottish Authorities), North Dorset, Christchurch, North East Derbyshire, East Dorset, Purbeck, Birmingham, Derby, Norfolk, Blaenau Gwent, Stratford, Carlisle, Mid Suffolk, Monmouthshire, North East Lincolnshire, Buckinghamshire

Previously Google adverts had been used on the Council's website. These were subsequently removed as effective monitoring tools where not available to veto inappropriate adverts from appearing on our website. Additionally adverts often promoted competitors for our own services. For example our leisure centre, skip hire and building control pages promoted our local providers of similar services. Due to the large number of unique advertisers, suitable controls could not be provided by Google to veto inappropriate adverts, without the Council investing significant resources.

There is an option to do nothing, however this would mean we are unable to generate any income from advertising on our website or intranet.

Background Papers:

Published Works:

Affected Wards:

Citywide

Colleague / Councillor Interests:

Dispensation from Financial Regulations:

Yes

Exempt Information:

Description of what is exempt:

The CAN - Nottingham City Council Proposal v3.doc

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The CAN - Nottingham City Council Proposal v3.doc should be made exempt from publication as it contains commercially sensitive information in accordance with Regulation 43 of the Public Contract Regulations 2006

Documents exempt from publication:

CAN - Nottingham City Council proposal v3.doc

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

N/A

Equality:

EIA not required. Reasons: N/A

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

18/03/2015

Advice Sought:

Legal, Finance, Procurement

Legal Advice:

This report does not raise significant legal issues. The proposed contract can be categorised as a services concession which is currently not subject to the UK procurement regs. It is understood from discussions with the report author that the selected provided is the only organisation which the advertising team has been able to identify which provides the level of control over the content of adverts which is required by the City Council. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 05/02/2015.

Finance Advice:

This proposal is that a dispensation under Financial Regulation 3.29 is sought so that contract is awarded to CapacityGrid in order to join the Council Advertising Network (CAN). CAN has been identified as the only provider of this specialist service.

As part of this arrangement CAN is offering Nottingham City Council a 50% share of all revenues generated from advertising with the remaining 50% of revenue being used by CAN in return for their costs in providing adverts and delivery of the service.

There are no additional budget resources required for this proposal as there will be no cost to Nottingham City Council.

This will be a pilot exercise in the use of advertising on the website and intranet as a way to generate additional income for the Council.

Advice provided by Steve Hales (Finance Analyst) on 05/02/2015.

Procurement Advice:

On discussion with the service area, I understand that reasonable efforts have been made to assess the market and alternative solutions, taking into consideration the specific requirements regarding control over content. A dispensation under Financial Regulation 3.29 is supported on this occasion for operational reasons, on the basis that the report author has satisfied himself that adequate market research has been undertaken. Advice provided by Rosalie Parkin (Category Manager) on 03/02/2015.

Signatures

Graham Chapman (PH for Resources and Neighbourhood Regeneration)
SIGNED and Dated: 10/03/2015
Glen O'Connell (Acting Corporate Director of Resources)
SIGNED and Dated: 06/03/2015
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 25/02/2015
Chief Financial Officer's Comments: