

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

**Reference Number:**

**3767**

**Author:**

**Donna Cresswell-Duly**

**Department:**

**Commercial and Operations**

**Contact:**

**Donna Cresswell-Duly**

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**Subject:**

**Sport and Leisure Service - Gov Radio Advertising Service**

**Total Value:**

**Nil (Type: Nil)**

**Decision Being Taken:**

**1- To grant a dispensation in accordance with Financial Regulation 3.29 from the requirement to carry out a quotation process under Contract Procedure Rule 5.1.1**

**2- To award a contract to Gov Radio for up to 3 years (+1) to provide a radio advertising service**

**3- To delegate authority to Director of Sport and Culture to sign the contract**

**Reasons for the Decision(s)** The Sport and Leisure Service operate 8 Leisure Centres and attract more than 2.5 million visits each year. The proposed appointment of Gov Radio presents an opportunity to communicate with customers from a new Radio platform while customers are in our Leisure Centres so that we may improve communications to increase income, increase customer retention and improve their overall experience in the Centre. This may include updates on new product launches, promotional offers, timetable changes or operational updates. Gov Radio would transmit music and content via audio systems through the Leisure Centres, broadcasting in reception areas, cafes and vending areas, corridors, changing rooms and w.c.s.

Gov Radio is funded through the sale of non-conflicting radio commercials to local businesses. This advertising is capped to 10 minutes out of every hour thereby ensuring the channel would be focused on the Council's Active Nottingham service. Gov Radio is responsible for sourcing all advertising, and is sold independent of the Council. The Council will have full veto on all advertisers.

Gov Radio is a specialist provider in the sport and leisure sector offering a model of delivery that is cost neutral. That is to say that the Council would not incur any costs to install and maintain equipment to operate the broadcasting. Nor would it incur costs associated with the creation of the Active Nottingham broadcasting or advertisements such as voice-overs, script-writing or any licensing requirements. For further details are in the supporting information document in the exempt appendix.

**Other Options Considered:** Do nothing - this isn't a viable option as this opportunity is cost neutral and provides an opportunity to operate more commercially in order to deliver the MTFP. To obtain three quotes - Gov Radio are a specialist provider within the Sport and Leisure sector. Gov Radio operate in more 800 Leisure Centres in UK. References have been provided. Therefore these options were rejected.

**Background Papers:** None

**Published Works:** None

**Affected Wards:** Citywide

**Colleague / Councillor Interests:** None

**Any Information Exempt from publication:** Yes

**Dispensation from Financial Regulations:** Yes

**Exempt Information:**

**Description of what is exempt:**

Commercially sensitive data in the 'Supporting Information' document relating to the contract value.

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 public interest in maintaining the exemption outweighs the public interest in disclosing the information because this is commercially sensitive information and could place company at a competitive disadvantage. The information was provided by the company in good faith.

**Documents exempt from publication:**

Supporting information to delegated decision.docx

**Consultations:**

Date: 24/05/2019  
Other: Ruby Bhattal - Head of Marketing  
Approval to proceed

Those not consulted are not directly affected by the decision.

**Crime and Disorder Implications:**

There are not considered to be any situational, social or rule/law enforcement implications.

**Equality:**

EIA not required. Reasons: This decision does not relate to a new policy, service or function.

**Social Value Considerations:**

None. Does not exceed the OJEU threshold for a concession contract.

**Decision Type:**

Portfolio Holder

**Subject to Call In:**

Yes

Call In Expiry date:

21/01/2020

Advice Sought:

Legal, Finance, Procurement

Legal Advice:

The City Council is proposing to award a contract to a provider to supply broadcast radio services at its leisure centres. As the City Council will not be paying for those services and the provider will receive the income from advertising the contract is a contract for concession services. However the financial threshold for the purposes of the Concession Contracts Regulations 2016 is £4,551,413 and therefore it is permissible to make a direct award to Gov.Radio. While the value of the decision is nil it is appropriate to seek a dispensation on the basis of the likely value of the opportunity granted to Gov.Radio. The report author needs to be satisfied that the agreement with Gov.Radio provides best value to the City Council. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 10/12/2019.

Finance Advice:

This decision seeks approval to award a contract to Gov Radio to broadcast radio services. Gov Radio will install the broadcasting equipment and will be responsible for the maintenance. This arrangement will be cost neutral to the Council, though Gov Radio's broadcasts will include information on the Council's Active Nottingham service, with a view to retaining current customers by improving their overall experience such as highlighting new product launches and promotional offers etc. The medium term financial plan (MTFP) includes a budgeted income target of £7.230m, and this contract will support the delivery of this target.

Advice provided by Maria Balchin (Finance Analyst) on 03/12/2019.

Procurement Advice:

This report seeks approval, using clause 3.29 of the financial procedure rules on grounds of operational issues for a value below key decision level, to dispense with the requirement under clause 5.1.1 under the contract procedure rules to seek three quotes.

Having discussed the detail of the contract with the service area, the value of the decision is nil (as there is no overall cost to the Authority), but it is appropriate to seek a dispensation on the basis of the likely value of the opportunity granted to Gov.Radio.

Due to the value involved, the specific market conditions and the overall risk to the authority, procurement supports this proposal.

Advice provided by Rosalie Parkin (Category Manager) on 27/11/2019.

Signatures

David Trimble (Portfolio Holder for Leisure, Culture and IT)

SIGNED and Dated: 13/01/2020

Andy Vaughan (Corporate Director Commercial and Operations)

SIGNED and Dated: 13/01/2020

Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations

SIGNED and Dated: 12/12/2019

Chief Finance Officer's Comments: