

Report of: Communications and marketing team

Report to: Deputy Chief Executive, Strategy and Resources

Date: 9 March 2015

Subject: Council corporate advertising with Made in Leeds TV

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		

Summary of main issues

1. This waiver report seeks approval to enter into a communications contract with Made in Leeds TV, without going out to competitive tender. The Deputy Chief Executive, Strategy and Resources is recommended to approve the waiver of the following Contracts Procedure Rule: Contracts Procedure Rules No. 8.1 and 8.2 (Intermediate Value Procurements).
2. The aim of the communications contract is test the new local tv station whilst providing support through an initial advertising contract to ascertain its effectiveness as an advertising medium in delivering council messages and impacting on priorities. The amount involved is relatively small compared to annual expenditure with other tried and tested advertisers within the region, and reflects the unknown nature of the audience and reach of the station before initial viewing figures become available.
3. It is envisaged that this initial contract will be a one-off, to test the channel's reach and impact on audiences the council is wishing to target including traditional harder to reach audiences, with the findings of such being used for discussions on a case-by-case basis with directorates and budget holders in future when making decisions about advertising spend and channels, including the wider marketing mix.

Recommendations

4. The Deputy Chief Executive, Strategy and Resources is recommended to approve the waiver of the following Contracts Procedure Rule: Contracts Procedure Rule No. 8.1 and 8.2: Intermediate Value Procurements.

1 Purpose of this report

- 1.1 The report seeks approval to enter into a communications contract with Made in Leeds TV, without going out to competitive tender. No other such provider of the type exists, therefore it is not possible to go through the usual competitive tendering process.

2 Background information

- 2.1 The Coalition Agreement set out the government's response to promote a strong and diverse local media industry, central to the delivery of which was the aim of creating a new local television market.
- 2.2 In Summer 2011 the government consulted on the 65 locations which had the potential to receive a local TV service, seeking views on which should be licensed first and sharing these with Ofcom. In addition, Ofcom considered a range of criteria including spectrum coverage and population size, as well as levels of interest from potential operators and the public, geographic spread and diversity of communities across the nations and regions of the UK.
- 2.3 Leeds was named as one of the first 20 pioneer areas which would benefit from the scheme in December 2011, subject to the necessary legislation passing through Parliament and the awarding of a contract to the successful bidder.
- 2.4 As part of the licence fee settlement in October 2010, the BBC agreed to provide capital funding of up to £25million for local TV services, and an additional £15million to acquire local TV content.
- 2.5 Additionally, local TV will have the opportunity to reach all other localities through internet protocol services (IPTV) facilitated through the government's superfast broadband strategy, predicting reach of 90% of the population by 2015.
- 2.6 Made in Leeds were the successful bidder for the Leeds local TV, in addition to three other stations in Tyne and Wear, Bristol and Cardiff.
- 2.7 Additionally, Made In TV, the parent company of all four Made In local TV stations, located their company headquarters in Leeds with a commitment to the local economy of jobs and apprenticeships.
- 2.8 Although the local TV station for Leeds broadcasts under the name of Made in Leeds, the actual reach is wider across West, North, East and South Yorkshire (though South Yorkshire also receives coverage in part through local TV in Sheffield operated by a different company)

3 Main issues

Reason for Contracts Procedure Rules Waiver

- 3.1 Local TV is a growing medium which for the most part has been untested, with the first of the local TV stations beginning broadcast in November 2013 (Estuary TV,
Waiver Report PUBLISH V1.0

Grimsby) and with Made in Leeds TV coming on board a year later in November 2014.

- 3.2 The use of local TV has the potential for numerous applications and to be a cost-effective means of reaching a wide range of audiences in Leeds directly in their own homes.
- 3.3 Because Made in Leeds TV is a new channel, no broadcast data on audience size and demographics is available during these first few months, and as such the council is benefitting from a preferential rate for advertising as potential audience sizes and reach cannot be ascertained at this stage until the first RAJAR audience figures are calculated.
- 3.4 As previously stated, Made in Leeds TV is the only local television broadcaster of its kind covering the Leeds area.
- 3.5 It is proposed that the initial £15k investment is used as widely as possible on a range of council priorities and campaigns, specifically chosen to ascertain the effectiveness of this advertising medium (such as targeting campaigns which are not featured through other mechanisms to best be able to demonstrate impact), with outcomes specified. Following this initial investment and test of the channel, it is suggested that a model for payment would be based on other Council communications arrangements whereby the relevant Marketing Manager within the Corporate Communications Team would submit a brief aligned to the campaigns and then negotiate the most cost effective / highest impact and return on investment approach with all advertisers, including Made in Leeds TV. This initial investment would allow the relevant managers to make an informed decision as to potential impact and outcome of any future advertising with Made in Leeds TV.

Proposed Campaigns

- 3.6 The suggested campaigns / messages may be subject to change as priorities change, however in terms of priority campaigns, the following have been identified for the initial investment:
 - Money information
 - Debt Awareness
 - Winter Warmth
 - Bowel cancer awareness
 - Children's oral health

 - Local democracy
 - Register to Vote
 - This Girl Can
 - Domestic violence

Consequences if the proposed action is not approved

- 3.7 The proposed contract will allow Leeds City Council to test the effectiveness of the medium for advertising and other messages within a low-risk environment and at a significantly reduced rate during the initial audience reach gathering process, whilst provide initial support towards the local TV station.
- 3.8 We will be able to potentially target every householder in Leeds and the wider city region, including traditional difficult to reach audiences such as the elderly, disabled and those in more deprived areas of the city.

4.1 Council Policies and City Priorities

- 4.1.1 The proposal to work with Made in Leeds TV aims to support the priorities and headline indicators set out within the City Priorities Plan and Vision for Leeds. The range of public messages to be promoted, which have been included in the specification of requirements, meet a number of priorities, for example:
- raising awareness of symptoms of bowel cancer and increasing the number of adults who seek early diagnosis, thus improving prognosis and survival rates
 - raise awareness of the council's Winter Warmth scheme aimed to benefit those who struggle to heat their homes during winter months and suffer health complications
 - increasing awareness of the council's money information and debt awareness services, and decrease the number of vulnerable people using payday lenders and other high-cost alternatives
 - reducing domestic violence
 - increasing the numbers of people registered to vote in the forthcoming local and national elections
 - reducing health inequalities amongst the most deprived by promoting health checks and interventions.

4.2 Resources and Value for Money

- 4.2.1 Made in Leeds TV will be contracted to deliver communications campaigns which are cost effective and have impact. Given the early stages of the company in its delivery the communications team, with their experience of procuring communication packages, have been able to negotiate excellent value for money in this test phase and whilst audience figures and data are being gathered by the station.

4.3 Legal Implications, Access to Information and Call In

- 4.3.1 This report is not subject to Call In and there are no grounds for treating the contents of this report as confidential with the Council's Access to Information Rules.

- 4.3.2 The value of this contract is £15,000. In approving this waiver without subjecting the contract to competition, there is a risk of challenge to the Council from other potential providers that have not been given the chance to tender for this opportunity. It is suggested, due to the matters set out at section 3 above, that the risk of challenge is low in this instance, given there are no other providers of local television within Leeds.
- 4.3.3 Although there is no overriding legal obstacle preventing the waiver of CPR 8.1 and 8.2, the above comments should be noted. In making their final decision, the Deputy Chief Executive (Strategy and Resources) should be satisfied that the course of action chosen represents best value for money.

4.4 Risk Management

- 4.4.1 Through developing contract arrangements with Made in Leeds TV, the council is aiming to demonstrate its support for the local TV station in a way which means we will also expect to see impact and results for our investment. As set out at 4.3 above, the risk of challenge from other advertisers challenging the decision to enter a contract with Made in Leeds TV without seeking competition is considered to be low and unlikely to occur, given there are no other direct competitive providers.

5 Conclusions

- 5.1 The proposal to enter into a contract with Made in Leeds TV is being viewed as a one-off pilot to test and evaluate the effectiveness and impact of the channel in reaching audiences, including those traditionally harder to reach. The effectiveness of the pilot in delivering council messages will be evaluated, and any further advertising will follow team policies and procedures when planning a campaign, considering the whole range of advertisers and the marketing mix, and identifying channels best suited to delivering messages and securing value for money.

4 Recommendations

4.1 The Chief Officer of Communities is recommended to:

- 1) approve the waiver of the following Contracts Procedure Rules in relation to intermediate value procurements:
 - Contracts Procedure Rule No. 8.1: which specifies that where no appropriate ISP, Exclusive Supplier, existing provider, or Approved Framework exists, competition is required for procurements valued over £10,000 but at or below £100,000.
 - Contracts Procedure Rule No. 8.2: which specifies that at least three written tenders will be invited.
- 2) award a contract to made in Leeds TV in the sum of up to £15,000.

Signed by: _____

Position: _____

Date: _____