

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD1507

Title: TfL posting costs, 1 April 2016 - 31 March 2017

Executive Summary:

To assist the GLA in running cost-effective marketing communications campaigns, Transport for London (TfL) provides the GLA with a package of value-in-kind inventory/media space, which comprises posters on the London Underground, print advertising in the Metro newspaper, digital advertising on Journey Planner, leaflets in London Underground stations, bus shelter posters, external advertising on buses and carriage cards on the DLR. There are posting and distribution costs associated with the leaflets, bus shelter posters and external bus advertising and the GLA is required to pay Transport Trading Limited.

Decision:

The Executive Director approves:

- Expenditure of up to £88,050 towards posting and distribution costs of the Transport for London inventory and media space in 2016/17; and
- A related exemption from the requirements of the GLA's Contracts & Funding Code which normally requires the GLA to undertake a formal tender process for services with a value between £10,000 and £150,000.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Martin Clarke

Position: Executive Director Resources

Signature:



Date:

5.5.16

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The GLA runs marketing communications campaigns to help ensure Londoners are aware of the work of the Mayor of London, London Assembly and City Hall so that they are able to access the associated benefits. Examples of campaigns include Team London, so Londoners know how to access volunteering opportunities via the Team London website and Gigs, so young Londoners can enter the Mayor's annual busking competition and Londoners can vote for their favourites.
- 1.2 In order to assist the GLA in running cost-effective marketing communications campaigns, TfL provides the GLA with a package of value-in-kind inventory/media space, which comprises posters on the London Underground, print advertising in the Metro newspaper, digital advertising on TfL's Journey Planner, leaflets in London Underground stations, bus shelter posters, external advertising on buses (bus wraps and mega rears) and carriage cards on the DLR. The GLA receives a very small proportion of TfL's media inventory, most of which is sold commercially. Use of the inventory ensures GLA marketing campaigns are cost-effective and helps the GLA inform Londoners about City Hall's work so they can access the benefits. Images of the Mayor and London Assembly only usually feature on the advertising for the annual State of London debate and twice-yearly People's Question Time events, where Londoners can ask the Mayor / London Assembly questions in person.
- 1.3 This advertising space is extremely valuable to the GLA and reaches many Londoners. The GLA is only required to pay Transport Trading Limited the following posting costs for the bus shelter posters, external advertising on buses (bus wraps and mega rears) and leaflets, as the advertising space itself is provided free of charge:
- Posting costs:
- Bus shelter posters - £7,000 per posting (x4) (£28,000 per year)
 - Bus wraps - £9,000 per posting (x5) (£45,000 per year)
 - Bus mega rears - £1,600 per posting (x5) (£8,000 per year)
 - Leaflets - £470 per posting (x15) (£7,050 per year)
 - Total cost to GLA: £88,050
- 1.4 £88,050 will be paid to Transport Trading Limited in 2016-17 initially from the Marketing Team budget. These costs will be reimbursed to the Marketing Team by each project team that utilises the TfL inventory.
- 1.5 Officers acknowledge that under section 4.1 of the GLA's Contracts and Funding Code (the Code) contracts for services between £10,000 and £150,000 should be procured by seeking a call-off from a suitable framework where possible, or undertaking a formal tender process. However, section 5 of the Code also provides that an exemption from this requirement may be approved where there is a complete absence of competition. The media value of the leaflets, bus shelter posters and external advertising on buses is considerably higher than the production costs, when compared to buying the same services through a media agency for each posting. For example, the bus shelter posters reach 74% of Londoners. Therefore we are delivering considerable value for money and reaching a greater percentage of Londoners through using TfL's media space inventory and paying only the posting costs.
- 1.6 Here, as TfL owns the media space inventory and works directly with their "posting" supplier, Transport Trading Limited is the only supplier able to provide the services in question.

1.7 Accordingly, an exemption from the requirements of section 4.1 of the Code is sought under this DD.

2. Objectives and expected outcomes

2.1 The objective is to enable the GLA to utilise the value-in-kind inventory/media space from TfL to complement its marketing campaigns. For 2016-17 the costs totalling £88,050 will be paid via the 2016-17 Marketing Team budget, and later reimbursed by policy/events budgets, to ensure payment to Transport Trading Limited is swift and efficient.

3. Equality comments

3.1 The construction of all GLA marketing campaigns take into consideration the audience for which the campaign is aimed at. In every case, materials are assessed to ensure they are fully accessible and in line with the public sector equality duty.

4. Other considerations

a) Key risks and issues

4.1 The risk of not organising payment in this way is reduced efficiency as the GLA would be required to raise separate purchase orders for every project, which is time consuming and not a good use of resource.

b) Links to Mayoral strategies and priorities

4.2 Resources' objectives in the GLA business plan 2015-17 include:
- deliver value for money and provide for effective corporate services

4.3 This financial arrangement will ensure resources are used efficiently and the GLA demonstrates value for money for Londoners.

c) Impact assessments and consultations

4.4 This arrangement worked well in 2015/16 for the GLA policy teams so will be replicated again in 2016/17.

5. Financial comments

5.1 The GLA's expenditure of up to £88,050 towards posting and distribution costs of the Transport for London inventory and media space in 2016-17 will be contained within the Authority's revenue budget for 2016-17. These costs will initially be accounted for within the Marketing Teams budget (External Affairs Directorate) and costs will then be recharged out to individual Directorates who utilise these services on a call off basis.

5.2 Each project for which these services are to be utilised will be subject to the Authority's decision-making process. All appropriate budget adjustments will be made.

6. Legal comments

6.1 Sections 1 to 4 of this report indicate that:

- 6.1.1 the decision requested of the assistant director, in accordance with the GLA's Contracts and Funding Code (the Code), falls within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the discharge of its general functions; and
- 6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people;
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
 - consult with appropriate bodies.
- 6.2 Section 4 of the Code requires the GLA to undertaking a formal tender process in respect of the services required or call-off the services required from an accessible framework. However, the director may approve an exemption from this requirement under section 5 of the Code upon certain specified grounds. One of those grounds is a complete absence of competition. Officers have indicated in section 1 of this report that this ground applies, and that the proposed contract affords value for money.

On this basis the director may approve the proposed exemption if satisfied with the content of this report.

7. Planned delivery approach and next steps

| Activity | Timeline |
|---------------------------------------------------------------------------|------------|
| Procurement of contract [for externally delivered projects] | n/a |
| Announcement [if applicable] | n/a |
| Delivery Start Date [for project proposals] | April 2016 |
| Final evaluation start and finish (self/external) [delete as applicable]: | March 2017 |
| Delivery End Date [for project proposals] | March 2017 |
| Project Closure: [for project proposals] | March 2017 |

Appendices and supporting papers:

None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Kelly McMorrnan Barnard has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

Assistant Director:

Emma Strain has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. J. Allen

Date

5.5.16

