

**Open Report on behalf of Debbie Barnes OBE, Chief Executive**

Report to:	<b>Councillor M J Hill OBE, Leader of the Council, Executive Councillor for Resources, Communications and Commissioning</b>
Date:	<b>30 May – 13 June 2023</b>
Subject:	<b>Approval to procure a contract for the print and distribution of the County News residents' magazine</b>
Decision Reference:	<b>I029437</b>
Key decision?	<b>Yes</b>

**Summary:**

The Council's contract for the print and distribution of the County News resident's magazine is due to expire on the 18 December 2023. This report sets out the proposed course of action which includes the procurement of a new contract and delegation of the necessary decisions.

**Recommendation(s):**

That the Leader of the Council:

- 1) Approves the procurement of a new contract for the printing and distribution of the County News magazine to the residents of Lincolnshire.
- 2) Delegates to the Chief Executive authority to determine the final form of the new contract and approve the entering into of the contract.

**Alternatives Considered:**

**1. Utilising a framework agreement**

Crown Commercial Service's (CCS) RM6170 Print Management Services framework was considered and rejected as the framework is aimed towards operational print services such as brochures and leaflets rather than a resident's magazine which will be printed and distributed three times a year. The framework does not include the distribution element of the requirement.

**2. Print in house and contract for the distribution only.**

This option was rejected due to the lack of resource and quality of print machinery within the Council.

### **3. Publish Online Only**

This option was considered and rejected as whilst electronic newsletters are used by the council, we would only be able to reach a small proportion of residents as we would be reliant on them to voluntarily sign-up. We also regularly have feedback from residents that they find it frustrating when information and contacts for the council are only available online. With a significant older population in Lincolnshire who choose not to engage with organisations digitally, and magazines offering a more visually appealing way of accessing information, there is still very much a place for a printed publication from the council.

### **Reasons for Recommendation:**

The course of action proposed is compliant with the Public Contract Regulations and offers a tried and tested, and efficient route to procurement. The restricted process proposed is a 2-stage process which allows the Council to assess the capacity and capability of the suppliers who bid against published selection criteria. This ensures only the suppliers with the experience and capability required to deliver our requirements are invited to bid for the contract.

### **1. Background**

1. The Council currently prints and distributes an estimated 354,375 copies of the County News magazine to Lincolnshire's residents three times each year. Each edition contains 24 pages and is distributed across all seven of the county's district council areas.
2. The Council's current contract for print and distribution is with The National Leaflet Company (TNLC) and expires on 18th December 2023 with no further options to extend.
3. This contract was procured in 2018 alongside a separate contract for the design of the County News publication (not a subject of this report) which was awarded to Neil Lamont and Associates. The approach of running the design and print/distribution contracts concurrently has been successful and it is proposed to continue with this arrangement.
4. The Council has a good relationship with TNLC, and having a single provider for both print and distribution functions has worked well: there are no issues with the interaction between printer and distributor and contract management of a single contract is simple and effective. TNLC consistently meet our deadlines for print including provision of final quality proofs and layouts for final sign off, and a good turnaround for delivery of the magazine to our requirements.
5. TNLC manage the delivery element of the contract and this is currently by a combination of Royal Mail and distribution teams to ensure boundary matching where postcodes overlap into neighbouring Counties. The boundary matching element continues to be a key requirement in the new contract.
6. At the current price of 21.4p per copy (including print and distribution), County News represents the best value way we can distribute information about key

council services to as close to 100% of residents as possible. Although electronic newsletters are also used by the organisation, we would be able to reach only a small proportion of residents in this way as this method relies on voluntary sign-up to electronic communications. Currently 77,604 people overall are signed up to one or more of the Council's electronic newsletters. Lincoln Castle is the largest at 22,245 subscribers at a cost of just over £500 per month. Not all of these subscribers are Lincolnshire residents, and they generally only receive information about one area of council services. They must actively subscribe and re-subscribe to receive the newsletters.

7. County News is used to publish members' allowances as there is a statutory requirement for this information to be made available county-wide. The magazine provides a convenient and effective way to achieve this as the magazine is delivered to the majority of the residents of Lincolnshire and is available in Council offices and libraries.
8. We are proposing utilising the restricted procedure as we did for the previous contract. This enables us to offer the Council's requirement to the largest possible market, whilst restricting evaluations to only those providers with the capacity and capability to meet the Council's requirements. This procedure also allows us to keep the evaluation and the resources required at a manageable level.
9. The restricted procedure also mitigates the risk of contracting with a supplier who does not have the capacity both in terms of financial stability and the resources required to print over one million copies a year.
10. We are proposing a four-year initial contract term with the option of an additional two year extension period to be executed only at the Council's discretion (subject to good performance etc.) at the expiration of the initial contract term. The contract will provide for a no-fault termination clause on 3 months' notice in the event that the Council wishes to cease production and distribution of County News at any point.
11. It is proposed that the contract payment mechanism should fix core printing rates which include overheads, ink, labour, delivery, and wet proofs for the first 2 years of the contract to allow for some of the current inflationary pressure to subside. Subsequent years will be indexed against CPI.
12. Paper and distribution costs will be subject to an annual review as the costs are more volatile and some elements of these are currently subject to deflationary pressures, for example fuel.
13. The cost of print and distribution for the 2023 calendar year is anticipated to be approximately £205,000 (for three editions). It is difficult to estimate costs for future years but working on the basis of the current CPI value (approximately 10%) tendered rates could be approximately £225,000 for 2024/2025 (and therefore 2025/2026) and assuming a subsequent CPI rate of 3% the maximum term contract of 6 years represents a potential cost of approximately £1.42m excluding VAT. Competing for this requirement via a restricted tender procedure allows for the market to compete to provide the best possible value to the Council for its requirement.

14. The new contract will be contract managed through similar performance measures to the current contract. These will focus on quality standards of the print, a minimum distribution rate of 95% of all households and businesses to have received a copy of County News within the specified timescales and ensuring the printer has an adequate stock of the specified paper and associated print materials at all times.

## **2. Legal Issues:**

### Public Services (Social Value) Act 2012

In January 2013 the Public Services (Social Value) Act 2012 came into force. Under the Act the Council must before starting the process of procuring a contract for services consider two things. Firstly, how what is proposed to be procured might improve the economic social and environmental wellbeing of its area. Secondly, how in conducting the process of procurement it might act with a view to securing that improvement. The Council must only consider matters that are relevant to the services being procured and must consider the extent to which it is proportionate in all the circumstances to take those matters into account. In considering this issue the Council must be aware that it remains bound by procurement legislation which itself through its requirement for transparency, fairness and non-discrimination places limits on what can be done to achieve these outcomes through a procurement.

Social value has been considered. County News allows the Council to communicate with a large number of Lincolnshire residents and to convey information which can impact directly on social economic and environmental wellbeing. The Council will explore through the procurement how to secure improvement in such wellbeing.

Under section 1(7) of the Act the Council must consider whether to undertake any consultation as to the matters referred to above. The service and the value it delivers is well understood. It is unlikely that any wider consultation would be proportionate to the scope of the procurement.

### Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision-making process.

A separate Equality Impact Assessment has not been undertaken. However, the contract supports the Council to enable front line services to be more visible within the community including services that support individuals who may have a protected characteristic such as people with a disability and younger and older people.

#### Joint Strategic Needs Assessment (JSNA) and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health and Wellbeing Strategy (JHWS) in coming to a decision.

The contract supports the Council to ensure front line services are able to maintain contact and provide support, therefore maximising independence and wellbeing which is consistent with the principles underpinning the JSNA and the JHWS.

#### Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the

need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

The decision is not considered to have any implications for the section 17 matters.

### **3. Conclusion**

A tender process utilising the restricted procedure will provide a compliant procurement process whilst mitigating the risk of contracting with a supplier who does not have the capacity both in terms of financial stability and the resources required. A single contract for both print and distribution allows for effective contract management and a smooth transition from the printing of the magazine to the distribution.

### **4. Legal Comments:**

The Council has the power to enter into the contract proposed.

The decision is consistent with the Policy Framework and within the remit of the Leader of the Council, Executive Councillor for Resources, Communications and Commissioning

### **5. Resource Comments:**

The anticipated cost of the new proposal is broadly in line with the current budget envelope, albeit with the possibility of a small cost pressure because of the current prevailing rate of inflation. If this is the case, this would need to be funded through the 2024/25 budget setting process to ensure the budget remains sufficient.

### **6. Consultation**

#### **a) Has Local Member Been Consulted?**

N/A

#### **b) Has Executive Councillor Been Consulted?**

Yes

#### **c) Scrutiny Comments**

The decision will be considered by the Overview and Scrutiny Management Board at its meeting on 25 May 2023 and the comments of the Committee will be reported to the Executive Councillor

#### **d) Risks and Impact Analysis**

See the body of the Report

#### **7. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Leanne Fotherby, who can be contacted on 07798 503508 or [leanne.fotherby@lincolnshire.gov.uk](mailto:leanne.fotherby@lincolnshire.gov.uk).

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