

MUNICIPAL YEAR 2018/2019 REPORT NO. 18.106

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION OF:
Cllr Ahmet Oykener - Cabinet
Member for Property and Assets

REPORT OF:
Executive Director of Place

Agenda – Part: 1

KD Num: 4779

Subject: Contract award for the management of the London Borough of Enfield Film Office

Wards: All

Contact officers:

Wesley Pemberton 0208 379 4637
Commercial Development Officer
Wesley.Pemberton@enfield.gov.uk

Jessie Lea 0208 379 4004
Head of Strategic Property Services
Jessie.Lea@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The Council has undertaken a procurement process, to award a contract for the management of the Enfield Film Office.
- 1.2. The tender process, was completed and reached preferred bidder stage in November 2018.
- 1.3. The proposed arrangement is for a 3 (+2) years contract to be awarded, to manage the Authorities film office, which has the potential to deliver a net income to the Council (see part 2 for details).

2. RECOMMENDATIONS

It is recommended that the Executive Director for Place:

- 2.1 Approves the award of a contract, to manage the Authorities film office, to Bidder A for the period of 3 (+2) years.
- 2.2 Approves the contract terms more particularly described in the Part 2 Report

3. BACKGROUND

- 3.1 Prior to 2015, the Council employed the services of a filming agent, to operate the Borough's film service known as Film Enfield. The agent sought and managed filming opportunities which generated revenue for the Borough. The service was brought back in house and operated by Strategic Property Services (SPS) when the agent ceased operating in 2015.
- 3.2 Film Enfield is responsible for assisting the film industry to scout locations, liaises with internal departments to arrange the use of corporate assets and open spaces to allow filming to take place, issues licenses to film and manages all resulting payments.
- 3.3 SPS has achieved a regular income for the Council, despite the role forming only part of a single officers workload. For 2017/18 the service had a gross income of £13.5k. Officer costs for 2017/18 were approx. £12.5k and so the net income for Film Enfield was approx. £1k.
- 3.4 Of London's 32 borough film services, 18 are currently contracted to industry specialists. In June 2018, Director of Property & Economy, agreed for a tender process to be undertaken in line with Contract Procedure Rules (CPR's) to appoint an industry specialist to manage to the service for the Authority. The tender process was undertaken by Commercial Services, along with support from SPS and following consultation with Corporate Procurement.
- 3.5 The contract will ensure LBE continues to have a film service that supports the responsible management of film production within the borough and minimises any negative, disruptive impacts to our communities and businesses. The contract is designed to maximise the potential income to the Council from filming fees whilst achieving social value outcomes through creating opportunities for residents to gain training and work experience on film sets.
- 3.6 In order to maximise filming opportunities, the service demands an expertise that combines industry intelligence with an understanding of working practises of both screen industries, local authorities and other relevant public agencies.
- 3.7 Between October and November 2018, a formal open tender process was completed. A three year term with the option to extend for a further two years, subject to performance and review, was advertised to be awarded to the successful bidder. Under the contract the Bidder would be responsible for all associated costs for running the service. The management of the contract would be undertaken by SPS officers, currently responsible for the running of Enfield Film Office.
- 3.8 The tender process was conducted via the London Tenders Portal. As part of the formal process, interested parties were provided the following documents:
 - Invitation to Tender

- Method Statement Questions
- Pricing Schedule
- Draft Contract
- Key Performance Indicators
- Draft license to occupy

3.9 Two experienced providers submitted tender bids, which were both compliant. The bids were evaluated for price and quality in a 50/50 ratio respectively. The 50/50 ratio was set to ensure that bidders demonstrated their commitment to providing a high quality service and service growth, in addition to bidding a competitive price.

3.10 The pricing schedule was split into three sections and confirmed that the location fees and film service fees were to be shared between the Council and the Provider. The revenue share was capped between 45%-65%, and the pricing schedule set out the score which would be awarded for each percentage point of the Council share within this range. The following scores were awarded by an evaluation panel comprising of officers from Commercial and Strategic Property Services, along with consultation from Corporate Communication:

Pricing Criteria	Weighting % (Total 50%)	Bidder A Score	Bidder B Score
1. Cost of Providing Service	10%	10%	4.5%
2. Revenue Share	30%	30%	27%
3. Viability of Business Model	10%	10%	7.7%

3.11 For the quality scores bidders were required to provide written submissions which included:

- Details of service start up, IT solutions, resources, service delivery and estimated levels of income generation.
- Examples of industry and contract experience – including set up and development of similar types and size contract as the tender
- Estimated contract income
- Details of relevant contract experience
- Organisational details, including staffing levels and CVs
- Deliverable community benefits
- Audited accounts for the last two years

3.12 Method statements submitted for the quality evaluation, were scored as shown in the table below:

Area	Key	Weighting % (Total 50%)	Bidder A Score	Bidder B Score
Service Requirements		20%	19.1%	17.7%
Quality Standards		12%	11.2%	11.2%
Health & Safety		4%	4%	4%
Social Value and Community Benefits		6%	4.7%	4.6%
Service Development		8%	6.2%	6.2%

3.13 The final tender scores are as follows:

Bidder	Price Score	Quality Score	Total Score
Bidder A	50%	45.2%	95.2%
Bidder B	43.9%	39.2%	83.1%

3.14 Both submissions were of a high quality although Bidder A scored slightly higher as follows:

- Bidder A better demonstrated how they would market the service, including arranging professional photographs for all assets within location portfolio.
- Bidder A provided a more detailed response as to how it would maximise requests for filming, including liaising with individual service leads.
- Bidder A complaints procedure is quicker and less bureaucratic.
- Bidder A estimated a significantly greater contract income compared to Bidder B.
- Bidder A committed double the investment in providing the service compared to Bidder B.

3.15 Bidder A committed to providing social value to the local community within Enfield. This commitment includes maximising opportunities to work with productions and relevant organisations delivering employment, internships, apprenticeships and training opportunities for local residents, including undertaking set visits, shadowing, training, work placements on film sets, studios and production companies. These opportunities are delivered due to the Bidder A's reputation and contacts within the film industry.

3.16 Commercial Services will oversee the agreement and signing of the contract before handing the implementation and management of the contract back to Strategic Property Services.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 The Enfield Film Office could continue to be run in house. The service currently uses manual systems to process filming applications, has no web presence, no marketing and no portfolio of assets. As a result, production companies are largely unaware of the opportunities available within Enfield and have difficulty accessing them effectively when they do arise.

4.2 For the service to be fully developed, it would require a full time officer resource as well as an IT system, website, online portfolio and marketing strategy, which is estimated would have a minimum annual cost of approx. £45k. The Authority would therefore, not maximise the potential income for the service by continuing to run the service in house.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Bidder A offered the most economically advantageous proposal, including a significantly higher resources commitment to the contract and achieved the highest score in the bid evaluation.
- 5.2 For further detail, see part 2.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 See Part 2 report.

6.2 Legal Implications

- 6.2.1 The Council has the general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals generally may generally do provided it is not prohibited by legislation. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way.
- 6.2.2 The Council must comply with its contract procedure rules (CPR).
- 6.2.3 The Council must comply with its obligations with regards to obtaining best value under the Local Government (Best Value Principles) Act 1999.
- 6.2.4 All legal agreements arising from the matters described in this report must be approved by the Director for Governance and Law.

6.3 Property Implications

- 6.3.1 The procurement of this contract has been undertaken as a joint project between the commercial and property teams. Property Services supports the maximisation of income for use of the Council's assets through meanwhile/temporary uses such as licences for filming. This contract, to provide filming services, will be managed in-house by the Strategic Property Services team.
- 6.3.2 All uses of Council-owned premises for filming purposes will be properly legally documented through a form of temporary Licence agreement and ensure Health & Safety and Corporate Landlord Policy compliance, with appropriate risk assessments being undertaken by the film production company prior to use. Any costs that are required to be applied to the Council's asset (e.g. vacant or dilapidated properties), to ensure H&S, Corporate Landlord Compliance or enabling works prior to filming, will be borne by the production company.
- 6.3.3 The Council retains ultimate key holding and security responsibility for assets that are utilised for filming purposes. Any company utilising or accessing a Council-owned asset under a filming Licence agreement will need to demonstrate sufficient and appropriate levels of insurance are in place to protect the Council from any security breaches during or related to their occupation of the asset.

6.4 Procurement Implications

- 6.4.1 All procurement must be carried out in line with the contract procedure rules. Must follow Public contract Regulations 2015 and UK and EU Regulations.

6.5 HR Implications

- 6.5.1 This report outlines an external contract tender process with no plans to onboard the employees of the successful bidder. At this time this is not a TUPE situation.
- 6.5.2 There are no posts being created or deleted as part of this restructure.
- 6.5.3 There are no employees at risk as a result of this tender process. Support for the current contract forms only part of the workload for a single employee and it is envisaged that, once the contract has been signed and agreed, the implementation and ongoing management of the contract will continue to be undertaken by Strategic Property Services.

7. KEY RISKS

- 7.1 Income is dependent on the implementation of Service Level Agreements (SLA's) between Bidder A and a number of LBE departments. The SLAs will be agreed between Bidder A and LBE departments, ahead of the contract commencement date. The performance of the service, in line with the agreed SLA's, will be reported to the LBE Contract Manager within contract meetings and monthly performance reports.
- 7.2 Supplier having insufficient implementation time. Bidder A submitted a strong mobilisation plan response with sufficient resource commitment so there should be no reduction in service with the commencement of the new contract.
- 7.3 Maintaining quality service standards. Service standards and KPI's will be monitored by the Council on a monthly basis, by way of performance reports and contract meetings. Poor supplier performance would be formally raised with an opportunity provided to rectify. The contract has a termination clause stating '*Without affecting any other right or remedy available to it, the Council may terminate this Contract at any time by giving 6 months' written notice to the Supplier.*' If the supplier fails to rectify poor performance, this clause can be activated to terminate the contract.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

- 8.1.1 The community benefits of the contract will assist the creation of an enterprising environment, as it will include arranging work experience within the film industry, for local young people, which will enable them to achieve their potential.

8.2 Sustain strong and healthy communities

- 8.2.1 The increased income from filming within the Borough will assist the sustainable economic growth for the Authority, as well as creating a boost to the local economy by an increase in local businesses from the film industry.

8.3 Build our local economy to create a thriving place

- 8.3.1 The additional spend within the local economy by the film industry, will assist in developing a strong and competitive local economy and vibrant town centres that benefit all residents.

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1 Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report. However it should be noted that projects or work stream deriving from this may be subject to a separate Equalities Impact Assessment. Therefore any projects or work stream will be assessed independently on its need to undertake an EQIA to ensure that the council meets the Public Sector Duty of the Equality Act 2010

10. PERFORMANCE AND DATA IMPLICATIONS

- 10.1 Management of the contract will be undertaken by Strategic Property Services. The contractor will be required to supply quarterly reports and attend contract meetings, to demonstrate the contract performance in line with the key performance indicators, which formed part of the invitation to tender.

11. PUBLIC HEALTH IMPLICATIONS

- 11.1 This contract will generate revenue for the Council which will allow financial support for services that will support the health and wellbeing of the Enfield population.

Background Papers

None