

North Tyneside Council

Report to Cabinet

Date: 9 July 2012

ITEM 7(i)(ii)(b)
Title: Advertising and
Sponsorship
Opportunities for North
Tyneside Council

Portfolio(s): **Community and
Regulatory Services**

Cabinet Member(s): **Cllr George Westwater**

Report from Directorate: **Community Services**

Report Author: **Paul Gowans, Head of Cultural and
Customer Services** Tel: (0191) 6437401

Wards affected: **All**

PART 1

1.1 Purpose:

The purpose of this report is to seek Cabinet's approval to adopt an Advertising and Sponsorship Protocol for North Tyneside Council.

1.2 Recommendation(s):

It is recommended that Cabinet approve the adoption of the advertising and sponsorship protocol attached as Appendix 1.

1.3 Forward plan:

This report appears on the Forward Plan for the period 1 July 2012 to 31 October 2012.

1.4 Council plan and policy framework

This report relates to Priority 4.1 of the Council Strategic Plan 2012/15.

1.5 Information:

1.5.1 Background information

The Council currently has no corporate approach to advertising and sponsorship, nor does it have a protocol to provide guidance when letting advertising space or obtaining sponsorship. Although some income from advertising is generated by different Directorates, this is predominantly on an ad-hoc basis, resulting in potentially missed opportunities to offer co-ordinated packages for potential advertisers and/or sponsors.

The technical package for Theme B of the Change, Efficiency and Improvement (CEI) programme envisages the appointment of a partner to deliver Engineering, Property, Consumer Protection and Planning services for the Council.

The bulk of opportunities for advertising within North Tyneside Council lie within these services as they mainly incorporate property related transactions in particular from property rentals for roundabouts and billboards from which the Council generates income. The Council is however legally constrained from deriving profit from any other advertising activity and in relation to other advertising activity (such as advertising in publications) is only entitled to recover its costs. The technical package preferred provider will not be subject to such constraints and can enter into commercial agreements with advertisers and sponsors. It is proposed that the contract with the preferred provider will guarantee an income to the Council in this regard.

A protocol regarding the Council's approach to advertising and sponsorship has therefore been drawn up for consideration by Cabinet. If approved, the preferred bidder would be obliged to ensure all advertising and sponsorship achieved is in line with the Council's protocol to ensure that the advertising and sponsorship activity complies with applicable legislation and standards set by the Council.

The report summarises current income generated through property related advertising, advertising undertaken on a cost recovery basis, and sponsorship activity in North Tyneside (and elsewhere) and proposes the approval of an Advertising and Sponsorship Protocol.

1.5.2 Current Advertising and Sponsorship in North Tyneside

The Council currently generates income and engages with advertisers and sponsors in the following ways

Billboards

The Strategic Property Team manage advertising on billboards at 5 locations with a total annual income of £20,100.

Roundabouts

Environmental Services manage advertising on roundabouts; there are 111 useable sites in the scheme at present. Currently 43 of these boards are booked out and last year the total income received from the scheme was £24,750.

Council Publications

Widening Horizons:

The Council's Communications Team has established a contract with a specialist sponsorship, marketing and advertising company to secure future advertising in the Council's Widening Horizons magazine and, potentially on the Council's website. The specialist company forecast that a viable income from the advertising in the residents magazine is £10,000 per edition and we are therefore working towards achieving income of £40,000 over the 2012/13 financial year. This contract is in place until May 2013. There is a target in the Council Budget of £81,250 from advertising from Widening Horizons. Advertising income achieved in 2011/12 was £23,000.

Visitor Guide:

The Council's Tourism Team produce an annual visitor guide and sell advertising to local businesses. In 2011/12 this generated an income of £10,000 which covered the cost of publication.

Sponsorship

Within Cultural and Customer Services annual sponsorship of approximately £40,000 has been generated for the following events:

- Mouth of the Tyne Festival (2012) – circa £30,000 sponsorship;
- Fireworks (2011) - £2,000;
- Road Race (2012) - £1,000 (plus all bottled water);
- Wallsend Festival (2012) - £1,000; and
- Christmas Market (2011) - £5,000 in-kind for electrical / lighting.

1.5.3 What other local authorities are doing

The amount of advertising and sponsorship income generated by Local Authorities is clearly influenced by the area of land covered, the size of the population concerned and the approach(es) taken to generating this income. The table below provides an indication of what other Local Authorities across the country have achieved.

Locality	Population	Income from outdoor advertising	Income per head of population	Area (km ²)
Salford	221,300	£345,000	£1.56	97
Leeds	798,800	£800,000	£1.03	552
Birmingham	1,036,900	£1,000,000	£0.96	267
North Tyneside	198,500	£136,000	£0.69	82
Coventry	309,800	£199,865	£0.64	99
Epping Forest	124,700	£19,520	£0.16	339

1.5.4 Opportunities in North Tyneside

As explained, the technical package for Theme B of the CEI programme proposes to incorporate a guaranteed advertising income in North Tyneside. Potential opportunities are listed below.

Cultural and Customer Services

The service area manages the majority of the most high profile, visible and visited buildings, sites and events in the Borough which generate footfall of 5.423 million per year as set out below.

Building/Site/Event	Annual Visits	Cumulative Annual Visits
6 Sports and Leisure Centres – Waves, Tynemouth Pool, the Lakeside Centre, Hadrian Leisure Centre, the Parks and Marden Bridge	1.5 m	1.5 m
15 Libraries, 5 Community Centres, 2 Tourist Information Centres and 2 mobile libraries	1.1 m	2.6 m
3 Museums/Heritage sites – Segedunum, St Mary's Lighthouse, Stephenson Railway Museum	1.5 m	4.1 m
12 Parks, Visitor numbers are only recorded at Rising Sun Country Park and Wallsend Parks and show that at these locations alone there were 1.1m visits	1.1 m	5.2 m

Customer Service First Centres in Wallsend, Whitley Bay, Killingworth and North Shields	0.086 m	5.286 m
Mouth of the Tyne festival	0.09 m	5.376 m
Heritage Open Day locations	0.017 m	5.393 m
2 Christmas Markets (North Shields and Whitley Bay)	0.03 m	5.423 m
Firework display	0.013 m	5.436 m

The service grouping also manages 55 Play Sites (including a Water Park and 5 Skate Parks) and delivers an exciting programme of activities and events throughout the year in various locations across the borough.

The play site provision generates considerable footfall year round and a range of advertising and sponsorship opportunities.

Billboards/Roundabouts/Street Furniture and other Council Property

An opportunity exists to increase the amount of advertising on, and income derived from, billboards and various other land and building assets (offices, open spaces, car parks, roundabouts) across the Borough. This could include advertising from bridges (in appropriate vandal proof installations) and on lamp posts, CCTV columns, bins, bus shelters, planters, boundary signs, etc. Such arrangements would be dealt with as property transactions as the advertiser would be taking a licence over the space, which incorporates advertising rights.

Vehicles

Council vehicles and those of partner organisations could be used to offer advertising opportunities. Sponsorship opportunities with respect to vehicles could include supplying maintenance packages or vehicles in return for advertising opportunities.

Printed media

Individual services within the Council produce a range of information leaflets, brochures, posters, flyers etc. These together with tickets, membership cards and other items could be an opportunity for advertisers to reach a wide range of households across the borough.

Website

The Council website received over 5.7m hits in 2011 which is potentially of interest to advertisers.

1.5.5 Advertising and Sponsorship protocol

In anticipation of appointment of a preferred bidder for the technical package of Theme B of the CEI programme, a protocol setting out the Council's proposed approach to advertising and sponsorship has been produced for consideration by Cabinet.

The technical package partner will source the advertising and sponsorship income. Specific proposals for developing advertising and sponsorship opportunities would need to be approved by the Council in accordance with the contractual arrangements, and a protocol would provide guidance in this respect.

A protocol will oblige Council partners to ensure all advertising and sponsorship achieved is in line with the protocol. Advertising and sponsorship will be required to be in line with the Advertising Standards Authority guidelines.

The proposed advertising and sponsorship protocol is attached as **Appendix 1**.

1.6 Decision options:

Option 1:

Cabinet may approve the recommendation as set out in paragraph 1.2.

Option 2:

Cabinet may decide not to approve the recommendation as set out in paragraph 1.2.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

It is important the Council demonstrates consistency and transparency in its approach to advertising and sponsorship. Adopting this protocol to advertising and sponsorship would mean that the Council would have a corporate approach to advertising and sponsorship. This protocol would be adhered to by the preferred bidder of the technical package when generating income opportunities.

Council partners would be required to ensure all advertising and sponsorship achieved complies with the protocol, ensuring all advertising and sponsorship channelled through Council owned properties, publications, promotional materials or any Council run event are in accordance with the terms of the agreed protocol.

1.8 Appendices:

Appendix 1: Advertising and Sponsorship Protocol.

1.9 Contact officers:

Paul Gowans, Head of Cultural and Customer Services. Tel: (0191) 6437401.

Gayle Taylor, Senior Manager (Major Projects). Tel: (0191) 6437452.

James Roff, Partnerships Manager. Tel: (0191) 6435857.

Sarah Heslop, Legal Services Team Manager, Commercial Team. Tel: (0191) 6435456.

Alison Campbell, Finance Business Manager. Tel: (0191) 6437038.

1.10 Background information:

OFT guidance – Street Furniture Advertising, Guidance to Local Authorities

CLG Code of Practice on Local Authority Publicity

Advertising Standards Authority Committee of Advertising Practice (CAP) code of non-broadcast advertising, sales promotion and direct marketing

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

Costs arising from the adoption of the advertising and sponsorship protocol can be contained within existing budgets. Any proposals arising as a result of applying the advertising and sponsorship protocol that are not contained within existing budgets will be reported to Cabinet or Council as appropriate.

2.2 Legal

The Council is subject to constraints under section 93 of the Local Government Act 2003 in relation to generating income from advertising. Currently the Council may either generate income from a property transaction with advertising rights attached (such through billboard signage and roundabouts) or may recover its costs only from other forms of advertising, such as publications. As private providers are not subject to the same legal constraints it is anticipated that the proposed technical package partner will be able to generate income through advertising, which will reduce the overall costs of the package.

The majority of the Council's current advertising and sponsorship revenue is achieved through roundabout and billboard advertising, by way of a property licence over the space with advertising rights attached. Specialist contracts have been entered into in compliance with EU procurement rules and Contract Standing Orders in relation to magazine advertising. In relation to other publications the Council's advertising arrangements are on the basis of cost recovery only.

The contractual arrangements entered into with the preferred provider will impose obligations on the provider to ensure such activity is undertaken in full compliance with applicable legislation and guidance, and the Council's statutory duties e.g. as Highway Authority.

2.3 Consultation/community engagement

2.3.1. Internal Consultation

Internal consultation has taken place as part of the development of this report and attached protocol with the Communications team, Cultural and Customer Services, Strategic Finance, Legal Services and Risk Management.

2.3.2. External Consultation

Consultation with residents and people who use Council services has highlighted that they feel the Council could generate additional income from advertising. This report and protocol will ensure that this is carried out to set standards agreed by the Council.

2.4 Human rights

There are no direct implications relating to human rights in approving the recommendation of this report.

2.5 Equalities and diversity

There are no direct implications relating to equalities and diversity in approving the recommendation of this report. Approval and implementation of the protocol will provide clear guidance on the standards to be applied in advertising and sponsorship associated with the Council.

2.6 Risk management

There are no direct risk implications in approving the recommendation of this report.

2.7 Crime and disorder

There are no direct implications relating to crime and disorder in approving the recommendation of this report.

2.8 Environment and sustainability

There are no direct implications relating to environment and sustainability in approving the recommendation of this report.

PART 3 - SIGN OFF

- Strategic Director(s)
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Manager for Policy and Partnerships
- Chief Executive