

## REPORT TO CABINET

Title: **LIGHT COLUMN BANNER ADVERTISING PROCUREMENT**

Date: 28 January 2010

Member Reporting: Councillors Burbage, Leader of the Council, Mrs Quick, Lead Member for Childrens Services & Rayner, Lead Member for Highways & Streetcare

Contact Officer(s): Jonathan Adams, 01628 792945 & Stephen Brown, 01628 796770

Wards affected: All

### 1. SUMMARY

- 1.1 A detailed review of the potential for the Council to increase income generation through advertising is currently being undertaken, with the support of specialist consultancy advice.
- 1.2 There is the potential to generate an annual income of between £25,000 and £30,000 through advertising on light columns. There is potential for this income to increase as economic conditions improve.
- 1.3 The approach identified to achieve this level of income is through the award of a contract to a supplier to install and operate advertising equipment, as well as manage and sell advertising, using the Council's light columns.
- 1.4 Our legal team has confirmed that, because the contract will generate income for the Council, European procurement regulations do not apply. They have also confirmed that the Council's contract rules are applicable and accordingly a competitive process should be run to identify and appoint suppliers to ensure best value.

### 2. RECOMMENDATION

- a. **That the Strategic Director of Environment in consultation with the reporting Lead Members be authorised to proceed with the procurement of a supplier for the installation and operation of advertising equipment/structures for the Council's light column assets, with a view to becoming operational in May 2010.**
- b. **That a press release be issued at an appropriate time.**

What will be different for residents as a result of this decision?
The Council will benefit from an increase in the income generated from banner advertising on light columns, supporting the Council's commitment to residents to set low levels of Council Tax.

### **3. SUPPORTING INFORMATION**

#### **3.1 Background**

- 3.1.1 During 2009 the Royal Borough undertook a series of light column banner advertising pilots in Ascot, Windsor and Maidenhead. All schemes were installed at no cost to the borough, however no revenue income was generated.
- 3.1.2 In Ascot, ten banners were installed in the High Street for a three-week campaign, which ran in late June and early July (see Appendix 1). In Windsor thirty banners were installed for four weeks in various locations close to the town centre and outside selected schools. In Maidenhead eighteen banners installed for four weeks on major roads around the town centre.
- 3.1.3 A review of the potential to generate income through street banner advertising on light columns has confirmed that the light columns within pedestrian areas, main town centre roads, approach roads to town centres, exterior car parks in town centres will be attractive to the advertising market.
- 3.1.4 The approach to realising this income potential is to identify an appropriate supplier to provide a managed service for the installation and operation of the banner advertising equipment, through undertaking a competitive procurement. Income would be provided to the Council either as a flat annual fee or as a percentage of the advertising income being generated by the suppliers.
- 3.1.5 The following light column advertising types have been identified as being available, with the potential within the current economic climate to generate annual revenues of between £25,000 and £30,000:
- Hanging fabric/PVC banners.
  - Illuminated square panels.
  - 6-sheet advertisements attached to light columns.
- 3.1.6 Each of these media types generates differing revenues per fortnight or year, and as there are several advertising systems & sizes offered by suppliers, a precise indication of 'definite' annual revenues is not viable until returned tenders have been evaluated.
- 3.1.7 Detailed consideration will be given to the locations to be used for banner advertising on light columns. The procurement will require suppliers to submit proposals in relation to this, in line with the requirements defined within the tender documentation.
- 3.1.8 The potential exists during the procurement to negotiate provisions within the contract, which enable the Council to use the light column banner equipment for marketing or promotional activities at cost price, as shown in the example from Hammersmith and Fulham in Appendix 1. This could either be in the form of a guaranteed number of banners for a number of weeks in a year or alternatively for when banner advertising space has not been sold, which reduces the risk of losing income through using banners when there is demand from the market place.

## 4. OPTIONS AVAILABLE AND RISK ASSESSMENT

### 4.1 Options

	Option	Comments	Financial Implications
1.	Do nothing	An opportunity for the Council to generate additional income would not be realised.	Revenue
2.	Undertake a procurement to identify suppliers to install advertising equipment and sell advertising for the Council's light columns.	Contributes to the council's objectives to deliver value for money for residents.	Revenue

### 4.2 Risk assessment

- 4.2.1 There is a risk that residents will object to the increase in advertising media. Feedback received as a result of the street banner pilots undertaken in Maidenhead, Windsor and Ascot has generally been positive. The conditions of the contracts with suppliers will mitigate risks associated with inappropriate advertising.
- 4.2.2 Detailed liaison will take place with the Planning and Highways departments to ensure statutory requirements are met and proposals fit with Council policy.
- 4.2.3 Other local authorities that have undertaken similar procurements have followed European procurement procedures; however based on the fact that contract will generate income for the Council the legal team has advised that EU procurement rules do not apply in this instance.
- 4.2.4 A review has been undertaken of the provisions of the existing contract in respect of bus shelter advertising, which expires in October 2012 and could impact on the street banner procurement. There is a risk that the supplier interprets a clause within this contract as granting them exclusive rights to advertising on public highways; however the wording in the contract is not specific to anything other than bus shelters and community information panels. The contract has now been operating for 18 years with only bus shelters in consideration and the supplier has not commented on the street banner pilots undertaken last year.
- 4.2.5 There are risks associated with the performance of the supplier. These risks will be mitigated through the contract documentation, which will include robust KPI's so that the Council can effectively performance manage suppliers.
- 4.2.6 The contract documentation will also require suppliers to be responsible for operational costs such as installation, obtaining planning consents, non-domestic business rates and electricity supplies.

- 4.2.7 Not all light columns within the borough are capable of supporting the load of a banner. Accordingly all light columns proposed to be used for banners will be checked before installation.

## **5 CONSULTATIONS CARRIED OUT**

- 5.1 It is proposed that this should be a Borough made project and Parishes, Town Councils and Ward Members will be consulted to bring forward projects in villages and other areas across the Borough.

## **6 COMMENTS FROM THE OVERVIEW AND SCRUTINY PANEL**

- 6.1 To be reported verbally to Cabinet following the Planning & Environment Overview & Scrutiny Panel on Monday 25<sup>th</sup> January.


## **7 IMPLICATIONS**

- 7.1 The following implications have been addressed where indicated below.

<b>Financial</b>	<b>Legal</b>	<b>Human Rights Act</b>	<b>Planning</b>	<b>Sustainable Development</b>	<b>Diversity &amp; Equality</b>
✓	✓	N/A	✓	N/A	✓

## Appendix 1

### Examples of light column banner adverts

Location	Visual
<b>Ascot 2009</b>	



**Hammersmith and Fulham**

