

**REPORT OF THE LEADER OF THE COUNCIL****ADVERTISING AND SPONSORSHIP PROGRESS REPORT****Purpose of the Report**

1. To provide an update on progress made in income generation through advertising and sponsorship over the last 12 months.

**Information and Advice**

2. The Communications and Marketing Strategy 2014/16, which was approved by Policy Committee in October 2014, highlighted income generation as one of its key drivers with more than £500,000 generated following effective marketing campaigns that drive service take-up.
3. Advertising and sponsorship is one strand of this income generation activity. This is where Council assets, ranging from products such as the Life series of publications and festival brochures to roundabouts and lamp-post banners, are sold to potential advertisers or sponsors.
4. Income generation targets set out in this report relate to the Communications and Marketing team. If the asset is owned by the team, then 100% of the income is used to contribute to the target. If the asset is owned by another service, then the service receives 90% of the income with the remaining 10% going towards the Communications and Marketing target.
5. In November 2013, Members approved the following targets for Communications and Marketing as part of the 2014/15 budget proposals:
  - Year 1 (2014/15) - £24,000
  - Year 2 (2015/16) - £48,000
  - Year 3 (2016/17) - £72,000
6. The actual amount of income generated will in reality be higher as these are targets for the Communications and Marketing team which receives, in some cases, just a tenth of the total income.
7. All potential advertising and sponsorship opportunities are regularly reviewed against the Advertising and Sponsorship Policy. This policy includes a list of clear standards and clarifies what is likely to be deemed as unacceptable types of advertising.

## What has been achieved?

8. A total of **£35,000** was generated in year 1, 2014-15, which exceeded the target of £24,000 by £11,000. The bulk of this revenue was generated through advertising sales in the 'Life' publications (£22,750), and lamp-post banners (£10,500).
9. During year 2, 2015/16 a total of **£35,743** was generated against a target of £48,000. The following table illustrates which assets generated the income:

Asset	Income 2015/16
County Life	£3,648
Family Life	£5,487
Your Life	£9,355
What's On (printed publication)	£1,045
Lamp-post banners [135 across all of the districts]	£12,830
Roundabouts	£898*
Robin Hood Festival brochure	£1,075
Registrations birth folder	£1,040
Others (including email bulletins , 6 sheets in recycling centres)	£365
<b>Total</b>	<b>£35,743</b>

\*Total income from roundabout sponsorship for 2015/16 was £8,986. As the owner of the asset Highways received 90% of this income (**£8,088**).

10. The income generated from the activity outlined above has contributed to offsetting some of the costs for the overall delivery of the associated service (e.g. materials and production).
11. The three 'Life' publications have contributed **£18,490** towards the overall target, and helped to offset their production costs.
12. **YOUR LIFE** – generated **£9,355** through advertising from Ashfield Homes, Award Marketing, Mcarthy and Stone, Veolia, Better Broadband and South Notts CCG.
13. **FAMILY LIFE** – generated **£5,487** through the sale of advertising to Mid Counties Co Operative, Newark Civil War Centre, National Water Sports Centre and free childcare places for two year olds.
14. **COUNTY LIFE** – the third edition raised **£3,648** in advertising revenue. Advertising was sold to Fire Service and the Language Shop. This was a significant reduction from revenue raised from the previous year. Whereas Family Life and Your Life are more attractive to commercial advertisers who want to reach a target audience – previous advertisers in County Life have been the public sector (who want to reach all Nottinghamshire residents), this year however they all reported that they were unable to invest in advertising due to budget cuts.

15. **LAMP-POST BANNERS** – a total of **£12,830** has been generated through the sale of banner sites within the planning constraints of ‘deemed consent’ which allows the display of non-commercial information that is of public interest. This included a series of advertisements for Nottinghamshire County Cricket Club. The first year of the contract will be reviewed in June 2016.
16. **SPONSORSHIP** – In February 2015, a four-year contract began with a company to manage the sponsorship of roundabouts. The contract guarantees a minimum income of **£68,000** over the life of the contract with actual income for the Council estimated at **£312,487**. At the end of first year planning permission has been secured in three districts and sponsorship schemes put in place with SI Mechanical Limited, Megastorage Limited, and weONLYmot Limited. However in four of the other districts planning permission has not been granted and it has seriously impaired progress of the scheme. In the first year of the contract the Council’s 70% of revenue from sales is a total of **£8,986**. For both advertising on lamppost banners and sponsorship of roundabouts the company managing the projects (with support from the Council) have worked closely with the planning departments in each of the districts in an attempt to understand and resolve their concerns. Whilst some progress has been made on this, this remains problematic and a significant risk for future growth.
17. The Communications and Marketing team manage a database of potential advertisers and has developed and extended this over the year to include a range of new businesses and organisations to approach for advertising sales.
18. The work completed to date has been based on best practice and informed by the experiences of other councils. The Council participates in the ‘Cross Council Revenue Group’ which attracts pioneering councils from around the country to share knowledge and experience and presentations from leading suppliers.

### **Resources and delivery model**

19. All income generated to date through advertising and sponsorship has been done within existing resource although it should be recognised that there is an opportunity cost i.e. how that resource would be deployed if it was not selling advertising or sponsorship.
20. The Communications and Marketing team does not have any designated capacity with regards to selling advertising or sponsorship packages. This specialised work is carried out in addition to the team’s priorities to support service take-up and savings.
21. The Communications and Marketing team supports service take-up through effective promotion which generates significantly more income than advertising and sponsorship. One example of this is the Services for Schools project which the team took ownership of its promotion and marketing in 2015. Services for Schools is a major area of business for the Council, generating in excess of **£50 million**. In addition, marketing activity to achieve ‘cost avoidance’ can deliver an even greater return on investment (e.g. Fostering and Adoption).
22. In April 2016 the Council’s new Commercial Development Unit launched, at time of writing this report it is unclear what support will required by the Communications and Marketing

team in the marketing and promotion of the pilot services, but as a corporate priority this could require significant resource.

23. These examples highlight the need for the Communications and Marketing team to balance use of resource to achieve the greatest returns for the Council.
24. As part of the maximisation of advertising income going forward, the authority will need to consider all options for selling platforms including the use of external suppliers and working in partnership with other public sector bodies.

## **Risks**

25. One of the key factors in the 2015/16 target not being met was the reduced advertising budgets available to public sector organisations. Many of the Council's assets are attractive advertising platforms for other public sectors organisations but with their budgets cut they are unable to invest in this advertising. Future projections for most public organisations suggest this trend is set to continue over the coming years.
26. The other key factor that contributed to the target not being reached was the challenges in regard to securing planning permission for advertising and sponsorship on lamppost banners and roundabouts from district planning teams. Whilst the Council's suppliers have worked closely with each of the districts planning departments there remains reservations and resistance from districts which is inhibiting the development and roll-out of the projects.
27. Where the Council has entered an alternative model for delivery of its services, this has the potential risk of loss of access to the asset and not being able to use it for advertising and sponsorship. For any new venture, access to the asset and any income revenue share needs to be agreed and confirmed in contract prior to the launch of the new service.
28. Resource for delivery of all advertising and sponsorship activity is limited within the current in-house provision and has been further reduced with the recent Communications and Marketing restructure which resulted in a reduction of 1 FTE Marketing Officer (a role which is core to the delivery of the project).
29. Securing advertising and sponsorship is being conducted in a very competitive environment as many public and private sector organisations are looking to attract the same sponsors and advertisers.

## **Next steps**

30. To build on the good work achieved to date, including selling advertising in the Councils publications and email bulletins, selling lamppost banner advertising (under 'deemed consent'), working to secure a sponsor for the 2016 Robin Hood Festival, and developing 'bundles' of advertising across the different channels.
31. To work with the Council's supplier for lamppost banners and roundabout sponsorship to develop the relationship with the district councils planning departments to secure advertising planning permission. To present to the districts a successful campaign that

demonstrates how the scheme has helped improve the visual appearance of the local environment whilst providing a unique promotional opportunity for local businesses. To gather and provide additional evidence to the district councils from local businesses, community groups and elected Members who recognise the positive benefits of the scheme.

32. Continually review and identify new Council assets and opportunities for income generation through advertising or sponsorship. The following are examples that are currently being scoped or piloted:

- Developing a digital screen and poster network across council owned buildings.
- Advertising on Council vehicles (currently being piloted).
- Printing advertisements on Council mail for bulk distributions.

33. Attend training delivered by a recognised national organisation – to bring knowledge and new skills into the team on the specialist subject of attracting and securing sponsorship.

34. The Communications and Marketing team to continually review all advertising and sponsorship activity alongside its core work to determine allocation of resources, ensuring staff resource provides the best rate of return for the Council.

#### **Reason/s for Recommendation/s**

35. To maximise income from Council-owned assets through advertising and sponsorship.

#### **Statutory and Policy Implications**

36. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

#### **Financial Implications**

37. The expected total of £35,743 will come from income generated from the Communications and Marketing teams own assets and a 10% commission from assets owned by other areas of the Council. The shortfall of £12,257 from the £48,000 target will be accommodated within monitoring of the Communications and Marketing team budget. Currently projects and work related to income generation has been done without additional resource - any additional investment needed to achieve the proposed income generation targets will be confirmed depending on the chosen model of delivery.

#### **Equalities Implications**

38. An Equality Impact Assessment has been produced (background paper).

#### **RECOMMENDATION/S**

It is recommended that Policy Committee

- 1) Notes the progress made to date to generate income from advertising and sponsorship.
- 2) Approves the next steps outlined to generate further income
- 3) Agrees that a report be presented to Policy Committee in 12 months time to review progress and approve future priorities and targets.

**Councillor Alan Rhodes**  
**Leader of the Council**

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### **Constitutional Comments (SMG 5/4/16)**

39. The proposals sent out in this report fall within the remit of this Committee.

### **Financial Comments (SES 5/4/16)**

40. The financial implications are set out in the report.

### **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Advertising and Sponsorship Policy  
Equality Impact Assessment

### **Electoral Division(s) and Member(s) Affected**

All.