

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. This means that the total revenue generated for the whole Council will be much higher than the targets contained in this report.
5. In September 2013, Policy Committee approved the principle that income generation opportunities would be prioritised according to four criteria:
 - a. The strength of potential to generate income and savings
 - b. Any budget required to deliver income generation
 - c. The cost/impact of the human resources required to deliver income generation
 - d. The potential to protect or enhance the Council's reputation (managing risk)
6. The assets, which include publications, the website, lamp-post banners, roundabout sponsorship, digital TV screens and email bulletins, have been reviewed regularly for income generation opportunities in accordance with 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.

7. 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
8. The actual amount of income generated will in reality be significantly higher as these are targets for the Communications and Marketing team which receives, in some cases, just a tenth of the total income. This will become increasingly apparent as more service assets are added to the portfolio.

What has been achieved?

9. A total of **£35,000** was generated in 2014-15, which exceeds the target of £24,000 by £11,000. The following table illustrates which assets generated the income.

Asset	Income 2014/15
County Life	£13,500
Family Life	£6,000
Your Life	£3,250
Lamp-post banners [135 across all of the districts]	£10,500
Robin Hood Festival brochure	£750
Others (including email bulletins, digital screens)	£1,000
Total	£35,000

10. The three 'Life' publications have contributed **£22.750** towards the overall target, and helped to offset their production costs.
11. **COUNTY LIFE** – the second edition raised **£13,500** in advertising revenue – an increase of nearly £2,000 over the previous edition. Advertising was sold to Fire, Police, NHS, the Language Shop along with funded campaigns, including the roll out of broadband and the offer of free childcare places to two-year-olds.
12. **FAMILY LIFE** – generated **£6,000** through the sale of advertising to the Nottingham Hospitals Charity, Nottingham Contemporary Art Gallery, and Holme Pierrepont Country Park.
13. **YOUR LIFE** – generated **£3,250** through advertising from the NHS, Nottingham Hospitals Charity, Ashfield Homes and A.W.Lymn Funeral Services.
14. Feedback from advertisers in all the publications has been positive, both on the service provided and the final products. This has resulted in repeat bookings and relationship building that will support increased sales in future publications.

15. **LAMP-POST BANNERS** – a total of **£10,500** has been generated through the sale of some of the 135 banner sites within the planning constraints of ‘deemed consent’ which allows the display of non-commercial information that is of public interest. An increase in income would be dependent on securing planning permission from the district councils. To help support the planning process the current banner suppliers have presented to each of the planning authorities how advertising promotes economic growth with a unique advertising opportunity for local businesses. The three-year contract with the current suppliers is due to end in June 2015 and negotiations are currently under way.
16. **OTHER CHANNELS** – more than **£1,750** has also been generated through selling advertising on other channels, including the Robin Hood Festival brochure, digital screens in libraries and bus stations, and the ‘emailme’ system. These channels have revenue growth potential that will be explored further over the coming year.
17. A media pack (Appendix A) details the Council’s complete advertising and sponsorship opportunities along with rate cards and artwork specifications. The media pack is available on the Council’s website at www.nottinghamshire.gov.uk/advertise and has been sent to local businesses and organisations using a newly created ‘emailme’ bulletin.
18. **SPONSORSHIP** – significant progress has also been made over the past 12 months. In February 2015, a four-year contract began with a company that will 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**. The success of the scheme is dependent on securing planning permission. Fifteen test applications were submitted in January 2015 in advance of further applications from the total of 70 sites.
19. It is important to recognise that the developing of income streams requires significant resource, time and expertise from teams across the Council. This work is also being conducted in a very competitive environment as many public sector organisations are looking to attract the same sponsors and advertisers.
20. The work completed to date has been based on best practice and informed by the experiences of other councils. In March 2015, the Council hosted the biannual meeting of 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

21. 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 ie how that resource would be deployed if it was not selling advertising or sponsorship. This needs to be kept under review to make sure that income generated is not outweighed by the cost of generating the income in the first place.
22. The Communications and Marketing team also supports service take-up through effective promotion which generates significantly more income than advertising and sponsorship. One example of this is the Earth and Fire Event which in 2014 increased visitor numbers by 45% year on year and generated **£39,835** through sales.

23. In addition, it should be recognised that marketing activity to achieve 'cost avoidance' can deliver an even greater return on investment. For example, the authority saves £24,450 each year for each child that is placed with a council-recruited foster carer as opposed to using an independent foster agency. Last year, 45 foster carers were recruited, saving the Council an estimated **£1.1m each year** (assuming that one child is placed with each carer for over the year).
24. These examples highlight the need for the Communications and Marketing team to balance use of resource to achieve the greatest returns for the Council.
25. It is important to note that the Communications and Marketing team does not have any designated capacity with regards to selling advertising or forming sponsorship packages. Also this is a specialised role. To date all the work achieved has been resourced by the Communications and Marketing team. This may not however become sustainable as the offers extend and as the team has increasing priorities to support service take-up and savings, and therefore needs to be kept under review.
26. As part of the maximisation of advertising income going forward, the authority will need to consider all options for selling platforms including:
- In house (the Communications and Marketing team).
 - External suppliers who sell assets on the authority's behalf in return for a management fee (this is likely to range between 55% and 80%).
 - A combination of in-house and contracted suppliers/other commercial arrangements
 - Working in partnership with other public sector bodies.

Next steps

27. Further opportunities to sell lamp-post banners and digital screens in libraries are being explored. In addition, the wider events offer is to be reviewed and considered for possible sponsorship opportunities, with a package created for those selected and included in the media pack (Appendix A) that details the advertising and sponsorship opportunities.
28. A tender process for web advertising has been completed and customer reaction to this is currently under way. A number of options are being considered to ensure that the customer experience is not overly compromised and is proportionate to the income potential.
29. The Council's emailme system, which has more than 40,000 subscribers, has now been added to the media pack with the potential for targeted advertising to different audiences. Further packages will be designed and bundled with other advertising opportunities.
30. A sponsorship package has been developed for the 2015 Robin Hood Festival and will be promoted to local businesses and organisations, any funding secured will help offset the running costs of the festival.
31. Consideration needs to be given to the potential transfer of assets though alternative delivery models. This would represent a risk to the Council's ability to sell advertising and sponsorship depending on the scope of the contract. For example, how the Council can receive income from its roundabouts is a key consideration for the Highways joint venture.

32. The Communications and Marketing team will continue to explore new and innovative ways to generate income through participation in the national Cross Council Revenue Group.

Reason/s for Recommendation/s

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

Statutory and Policy Implications

34. 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

35. The £48,000 income target in 2015-16 for the Communications and Marketing team will come from income generated from its own assets and a 10% commission from assets owned by other areas of the Council. 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

36. 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) Schedules an annual update report on income generation through advertising and sponsorship

Councillor Alan Rhodes
Leader of the Council

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Constitutional Comments (KK 19.03.15)

37. Policy Committee is the appropriate body to consider the content of this report.

Financial Comments (SES 24.03.15)

38. 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.