

Cheltenham Borough Council
Cabinet – 10th February 2015
Corporate Advertising & Sponsorship

Accountable member	Councillor Andrew McKinlay, Cabinet Member Development and Safety
Accountable officer	Mark Sheldon, Director of Resources
Accountable scrutiny committee	Overview & Scrutiny Committee
Ward(s) affected	All
Key Decision	No
Executive summary	The report recommends an amendment to the Corporate Advertising & Sponsorship policy and the engagement of an advertising agency to develop and manage advertising opportunities for council assets. .
Recommendations	<ol style="list-style-type: none"> 1. The approval of an amendment to the Advertising & Sponsorship policy to include a clause to explicitly prohibit agreements with organisations involved in business of a sexual nature. 2. The approval of an amendment to the Advertising & Sponsorship policy to include a clause to explicitly prohibit agreements with organisations whose advertising content is of a sexual nature. 3. Cabinet delegates authority to the Director of Resources to tender for and select a specialist marketing agency to source and generate advertising and sponsorship opportunities for the council, in line with the terms set out in the amended Advertising & Sponsorship policy. 4. Cabinet notes the comments on the corporate and community plan implications and environmental implications and requests that they be taken into account and addressed, as far as possible, within the procurement process.
Financial implications	<p>The council currently budgets to receive £17.5k from advertising and sponsorship arrangements already in place. There is scope to increase this revenue stream by working with an external agency. The contract is likely to involve an income sharing arrangement with an external agency but will not incur any additional cost to the council.</p> <p>Contact officer: Nina Philippidis, Accountant nina.philippidis@cheltenham.gov.uk, 01242 264121</p>

Legal implications	<p>Any advertising will need to comply with the Advertising Standards Agency and the Code Of Recommended Practice On Local Authority Publicity and the Council's Advertising and Sponsorship policy. Revenue generated will be used to offset the cost of related services. The Council will need to comply with the council's contract rule when procuring a suitable advertising supplier.</p> <p>Contact officer: Sarah Halliwell, Senior Legal Assistant Sarah.Halliwell@tewkesbury.gov.uk, 01684 272692</p>
HR implications (including learning and organisational development)	<p>No direct HR implications as a result of the content of this report</p> <p>Contact officer: Julie McCarthy HR Manager, GO Shared Services julie.mccarthy@cheltenham.gov.uk, 01242 264355</p>
Key risks	<p>The council is at risk from not having an explicit clause in its corporate advertising and sponsorship policy, prohibiting relationships with organisations or content of sexual nature. This allows for inconsistencies in the understanding of the policy and the potential for arrangements to be made by an agency that are not corporately acceptable.</p>
Corporate and community plan Implications	<p>Additional advertising and sponsorship opportunities will help towards the cost of maintaining the council's assets.</p> <p>Installation of lamp post banners is currently undertaken by a local company; this is positive for the local economy and also supports a clean and well-maintained environment as proximity enables maintenance and repair issues to be quickly remedied.</p> <p>The impact of advertising and sponsorship on the built environment will also need to be monitored to ensure that any relaxation of the criteria does not have a negative impact on the aesthetics of the town.</p> <p>The tendering process will need to be managed to ensure engaging a marketing agency does not have a negative effect on the council's stated objectives.</p>
Environmental and climate change implications	<p>Installation of lamp post banners is currently undertaken by a local company, which delivers a direct benefit in terms of reducing emissions from business travel. The company itself also has a strong green policy and has implemented measures such as switching to greener materials supplies, using recycled packaging materials and eco-solvent biodegradable inks, recycling printer cartridges, plastics, wood, paper and cardboard, donating waste vinyl and acrylic to local schools and investing in efficient plant and machinery and low energy IT equipment.</p> <p>The tendering process will need to be managed to ensure these existing environmental benefits are not compromised or lost in the process of engaging a marketing agency.</p> <p>Contact officer: Gill.Morris@cheltenham.gov.uk, 01242 264229</p>
Property/Asset Implications	<p>There is potential to use CBC assets to generate additional income, however the terms will need to be flexible to ensure that it does not fetter other more important strategic and more profitable uses.</p> <p>Contact officer: David.Roberts @cheltenham.gov.uk, 01242 264151</p>

Background

In July 2012 Cabinet agreed to four Corporate Advertising & Sponsorship recommendations that covered;

- The approval of the introduction of the Advertising & Sponsorship policy and procedures.
- Management of revenue from advertising and sponsorship
- The Cabinet Member Development and Safety approval of the list of council assets appropriate for advertising and sponsorship opportunities, developed by the Advertising & Sponsorship Task Group.
- Delegated authority to the Director of Resources to tender for and select a specialist marketing agency to source and generate opportunities for the council.

In the intervening period the task group have been focused on developing the most appropriate, detailed and lucrative proposition.

1. Recent activity

- 1.1** Market testing with a number of marketing agencies and feedback from CBC planning, conservation and enforcement officers, other local authorities and Gloucestershire Highways Department, has been considered, to help develop the proposition and list of assets.
- 1.2** The market testing feedback has aided development of the requirements of a meaningful contract with a marketing agency that will be financially beneficial to all involved. (Appendix A)
- 1.3** CBC has put together a group of key performance indicators against which we will be able to instigate contract break options, if necessary. (Appendix B)
- 1.4** The asset list has been split into two phases, phase 1 assets being deemed the most straightforward, which allows CBC to bed in the process, with an agency initially. The contract will allow for additional assets to be included as appropriate. (Appendix C)
- 1.5** The creation of the Cheltenham Trust has impacted a number of assets which has enabled officers to review the management of the banner sites presenting an opportunity to potentially simplify and increase revenue, utilising local knowledge and ability to respond quickly and efficiently. (Appendix D)
- 1.6** The proposition has been presented to the Cabinet Member Development and Safety. He is happy with the proposal and has approved the list of assets to be included but requested we amend the policy to protect CBC from agreements with organisations whose business and/or advertising content is of a sexual nature. (Appendix E)
- 1.7** An expression of interest advert being developed and published by Procurement officers.

2. Next steps

- 2.1** Produce documents to send out to tenderers
- 2.2** Assess tenders
- 2.3** Award contract

Report author	Contact officer: Jane Stovell jane.stovell@cheltenham.gov.uk, 01242 264367
Appendices	<ul style="list-style-type: none">A. Market Testing FeedbackB. Key Performance IndicatorsC. Phase 1 Asset ListD. Banner ProposalE. Corporate Advertising & Sponsorship policy and procedure detailing additional information under clause 5.1

Appendix A

Market testing feedback

Key messages for approach to contract are –

- Revenue model to be mix of guaranteed sum + % of profit after costs
- Contract duration to be long enough to recoup initial costs (4-5 years with option to extend)
- Initial proposition should include the most lucrative and straightforward assets, with the option to add assets to contract, as relationship develops, see below.
- Contract to include performance measures and option to terminate if not met
- Risks to successful contract –
 - Lack of stakeholder engagement
 - Planning conditions not concluded
 - Availability of asset information
 - Unrealistic expectation regarding revenue levels

Appendix B

Key performance indicators for contract with an agency

1. Level of advertising (percentage) secured across portfolio of sites
2. Revenue generated against estimate
3. Timeliness of installation and removal
4. Response time for unplanned maintenance and repairs
5. Response time for sales/customer queries
6. Number of complaints
7. *Percentage of repeat sponsors/advertisers and who they are – For information only*
8. *Banners: percentage of advertising secured against capacity (within recognised constraints, eg no of days per year of permitted advertising, type of advertising allowed) – For information only*
9. *Occupancy rate by site – For information only*

Note: customer satisfaction is not included as a specific KPI because the combination of KPIs 3-6 should give a good indication. The council will contact a number of advertisers periodically for feedback on their experience.

Information provided by points 7-9 will be used for analysis rather than performance measurement.

Actual targets to be measured against will be included in tender documents

Appendix C

List of Assets (phase 1)

Asset	Location
Open space & gardens	Benhall Open Space
	Cox's Meadow Open Space
	Glenfall Way Highway Verge
	Centrepiece
	Honeybourne Way/Chelt Walk
	<i>Gloucester Road Open Space</i>
	<i>Honeybourne Line Open Space</i>
	<i>Windyridge Road Open Space</i>
	Roundabouts
Montpellier Walk Roundabout	
Shurdington Road / Up Hatherley Way Roundabout	
Pittville Circus	
Up Hatherley Way / Cold Pool Lane Roundabout	
Race course / Evesham Road Roundabout	
Grovefield Way / Park & Ride Roundabout	
Coronation Square	
Gordon Lamp Island / Lansdown Road	
Cirencester Road / Cudnall Street	
Tewkesbury Road / Princess Elizabeth Way / Kingsditch Lane	
Benhall Road / Gloucester Road / Princess Elizabeth Way	
Arle Court / A40 Gloucester Road / Fiddlers Green Lane	
Cirencester Road / Bradley Road Junction	
Prestbury Rd/Wellington Rd/Albert Rd	
The Reddings/Grovefield Rd	
Honeybourne Way/Waitrose	
Montpellier St/Parabola Rd	
Manor Rd/Rutherford Way	
Car Parks	
	Sherbourne Place Car Park
	High Street Car Park
	Bath Terrace Car Park
	Chelt Walk Car Park
	Commercial Street Car Park
	Coronation Square
	West End
Street light banner sites	c200 across CBC

Boundary signs	Golden Valley Bypass A40
	Tewkesbury Road
	Evesham Road A39
	London Road A40
	Cirencester Road A417
	Leckhampton Road
	Shurdington Road A46

Appendix D

Lamp Post Banner Advertising Content Proposal

Background

From feedback received as part of our market testing, and discussion with other Authorities, banner advertising has been identified as one of the most lucrative marketing opportunities. We currently underutilise this advertising space.

In the past there has been the understanding by both Gloucestershire Highways Department & Cheltenham Borough Council that banner advertising content should be restricted to public interest events only, i.e. Cheltenham Festivals, and no commercial advertising will be accepted (Street Advertising discussions c2001). Since then we have relaxed the criteria to include some commercial content, but only if related to local events, i.e. Racing Post advertising during Race Week.

Proposal

As part of the Advertising project, we have the opportunity to expand on both the extent of banner advertising and content criteria, with the aim of increasing the level of revenue generated.

Having spoken to the interested groups – GCC Highways Dept, CBC Planning & Enforcement teams – and consulting the CBC Corporate Advertising & Sponsorship Policy, there is no legislation or agreements in place to prevent us from expanding on the current content criteria. However we still want to ensure Cheltenham maintains a level of ‘good taste’.

We propose that we relax the criteria, to allow commercial advertising, in line with the Advertising Standards Authority, CBC Advertising & Sponsorship Policy and Planning Requirements, on a number of our banner sites, whilst maintaining an exclusion zone within the central area, within which we will continue with current arrangements.

The relaxation of content criteria would extend for the period of the agency advertising contract, after which time we can review feedback and revenue generated, in order to determine our long term strategy.

APPENDIX E



Corporate Advertising & Sponsorship Policy

1. Introduction

- 1.1 The purpose of the policy is to set out the terms upon which advertising and sponsorship may be sought and accepted by Cheltenham Borough Council (the "council").
- 1.2 The council is committed to developing appropriate advertising and sponsorship opportunities, to support its core activities either directly or indirectly. It will encourage commercial relationships which do not conflict with the delivery of its strategic goals.
- 1.3 The policy aims to provide a clear steer as to appropriate advertisers and sponsors, and forms of advertising that are acceptable to the council, without being overly prescriptive.
- 1.4 The policy relates to advertising and sponsorship opportunities connected to the council's physical sites (e.g. buildings/gardens/roundabouts etc), publications, website, services, events and other activities for which is it formally responsible.

2. Definition

- 2.1 For the purposes of the policy, advertising is defined as:

"An agreement between the council and the advertiser, whereby the council receives money from an organisation or individual in consideration for which the advertiser gains publicity in the form of an advertisement on council controlled physical sites, publications, website, services, appropriate events, campaigns or initiatives."

- 2.2 Sponsorship is defined as:

"An agreement between the council and the sponsor, where by the council receives either money or a benefit in kind for a physical site, publication, event, campaign or initiative from an organisation or individual in consideration of which the sponsor gains publicity or other benefits."

3. Objectives

- To ensure the council maximises opportunities to obtain commercial sponsorship and advertising for its physical sites, publications, website, services, appropriate events, campaigns or initiatives.
- To ensure the council's position and reputation are adequately protected in sponsorship/advertising agreements.
- To ensure the council adopts a consistent and professional approach towards sponsorship and advertising.
- To ensure best value is obtained and provided in sponsorship and advertising arrangements.

- To protect members and officers from allegations of inappropriate dealings or relationships with sponsors and advertisers.

4. General Principles

- 4.1 The council will actively seek opportunities to work with both local and national organisations by identifying sponsorship and advertising opportunities of mutual benefit which are in keeping with its strategic priorities and core values.
- 4.2 The council will not put itself in a position where it might be said that a sponsor or advertiser has, or might be thought to:
- have influenced the council or its officers in carrying out its statutory functions.
 - be in order to gain favourable terms from the council in any business or other agreement.
 - align the council with any organisation which conducted itself in a manner which conflicts with the council's values.
- 4.3 The policy is not designed to be an exhaustive list of rules regarding advertising behaviour, the starting point is that all advertising falls within the guidelines laid out by the Advertising Standards Authority (ASA) www.asa.org.uk and the Code of Recommended Practice on Local Authority Publicity www.communities.gov.uk/publications/localgovernment/coderecommended
- 4.4 In line with the codes referred to above, advertisements should be:
- Legal, decent, honest and truthful.
 - Created with a sense of responsibility to consumers and society.
 - In line with the principles of fair competition generally accepted in business.
- 4.5 The council does not take a 'white listing' approach (which is when specific permitted advertising is defined), but rather follows a 'black listing' approach which is when the basic assumption is that advertising is permitted unless it falls into a number of prohibited categories, as defined below.
- 4.6 The basic approach taken by the council is to maximise the number of advertisements and advertisers which are permitted and encouraged to advertise using the council's assets and minimise the number that are prevented from doing so by any policy controls or restrictions.
- 4.7 Although there are some specific categories of products and services which may not be promoted using council assets, as defined below, most products and services may be promoted.
- 4.8 The council reserves the right to remove advertising without reference to the advertiser.
- 4.9 The council will agree with the sponsor/advertiser the nature and content of the publicity and will retain the right to approve all advertising material.
- 4.10 The council reserves the right develop a partnership working arrangement for the delivery of advertisement and sponsorship opportunities. It must comply with the council's procurement policy should it wish to proceed down this route.

5. Prohibited advertisers/sponsors

- 5.1 The council will not enter into agreements for sponsorship or advertisements from:

- Organisations not complying with the council's Advertising policy or the Advertising Standards Authority Code of Practice
 - Organisations in financial or legal conflict with the council
 - Organisations with a political purpose, including pressure groups and trade unions
 - Organisations involved in the production and sale of weaponry including firearms
 - Organisations involved in the production of tobacco and cigarettes
 - **Organisations involved in business of a sexual nature**
 - **Organisations whose advertising content is of a sexual nature**
 - **Organisations whose business and/or advertising content could be deemed to cause upset or embarrassment to the council, its Members or members of the public**
 - Organisations involved in discrimination, victimisation, harassment or other unlawful conduct that is prohibited under the Equality Act 2010 against people on the grounds of age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex, sexual orientation, marriage and civil partnership.
- 5.2 The above list is not exhaustive, and the council retains the absolute right to decline sponsorship and/or advertising from any organisation, group or individual or in respect of particular products which the council in its sole discretion considers inappropriate.

6. Procedures

- 6.1 Before seeking advertising or sponsorship, officers must consider the council's Corporate Advertising and Sponsorship policy and consult with the officer responsible for advertising and sponsorship within the Resources Division.
- 6.2 Sponsorship bids above £30,000 must be approved by the Director of Resources in association with the appropriate Cabinet Member, and all bids must comply at all times with the council's procurement policy, which may require the advertising of a sponsorship opportunity to potential sponsors.
- 6.3 All advertising and sponsorship opportunities will be progressed in accordance with the Development Control team and relevant planning legislation.
- 6.4 The council will maintain a central advertising and sponsorship register. The register will be controlled and maintained by the Commissioning Division. It will be the responsibility of the Corporate Governance, Risk & Compliance Officer to enter advertising and sponsorship opportunities and completed agreements on this register.
- 6.5 Sponsorship agreements must be referred to One Legal for review, prior to signing.

7. Approvals

- 7.1 Advertising and sponsorship valued at £1,000 or under (and relating to only one financial year or event) can be agreed by the relevant cost centre manager (unless there are any special circumstances which make a second authorisation desirable e.g. if the issue might be politically sensitive, or the sponsor has requested unusual conditions).
- 7.2 Advertising and sponsorship agreements for deals valued between £1,001 and £30,000 (or covering more than one financial year with an aggregate total of between £1,001 and

£30,000) must be agreed and countersigned by the relevant service Director. The relevant Cabinet Member should also be informed of all deals valued between £10,000 and £30,000.

- 7.3 Deals valued at over £30,000 should not be agreed without consultation with the relevant Cabinet member and should be signed by the relevant Director.

8. Disclaimer

- 8.1 Acceptance of advertising or sponsorship does not imply endorsement of products and services by Cheltenham Borough Council. In order to make this clear all publications, or other media, with advertising or sponsorship should carry the following disclaimer:

“Whilst every effort has been made to ensure the accuracy of the content of the advertisements contained in this publication, Cheltenham Borough Council cannot accept any liability for errors or omissions contained in any of the advertisements provided by an advertiser. Cheltenham Borough Council does not accept any liability for any information or claims made by the advertisement or by the advertisers. Any inclusion of Cheltenham Borough Council’s name on a publication should not be taken as an endorsement by Cheltenham Borough Council.”