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# NORTH AYRSHIRE COUNCIL

21 March 2023

## Cabinet

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<b>Title:</b>	<b>Advertising and Sponsorship Framework</b>
<b>Purpose:</b>	To seek Cabinet approval of the proposed Advertising and Sponsorship Framework for council assets.
<b>Recommendation:</b>	<p>That Cabinet:</p> <ul style="list-style-type: none"><li>i. approves the proposed Advertising and Sponsorship Framework attached at Appendix 1; and</li><li>ii. notes advertising opportunities will be progressed on Council assets in line with the principles of the Framework, including the expansion of the existing roundabout advertising scheme and the progression of advertising on the Council's refuse collection vehicles and wider vehicle fleet; and</li><li>iii. agrees that officers will investigate and introduce further advertising opportunities as appropriate and in line with the principles of the proposed Framework; and</li><li>iv. agrees that delegated authority be provided to the Executive Director (Place) to exercise any necessary functions in relation to implementation of the Advertising and Sponsorship Framework.</li></ul>

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## 1. Executive Summary

- 1.1 Cabinet approved a Roundabout Advertising pilot in 2019 to test the viability of offering advertising space to help the promotion and recognition of businesses. The roundabout initiative has proved to be extremely successful with all but one available location being taken by local businesses within a week of becoming available.
- 1.2 The opportunity to expand the scheme to include additional roundabouts together with other Council assets, such as our vehicle fleet, has been investigated. It has been identified that such opportunities could be progressed which would provide cost effective local advertising facilities for businesses which would assist in increasing their business profile, help their recovery strategies from the pandemic and support the Community Wealth Building approach, particularly the 'Land and Assets' pillar. There are also opportunities for businesses to contribute to making the area more attractive and colourful and improving their local environment, through the sponsorship of planting schemes at floral beds.
- 1.3 A key consideration in offering advertising opportunities on Council assets is ensuring any arrangements are ethical, consistent and aligned to the Council's principles and

priorities. A draft Advertising and Sponsorship Framework has been developed and attached as Appendix 1. This Framework would govern future advertising initiatives.

## **2. Background**

- 2.1 As businesses emerge from the pandemic, opportunities for cost-effective approaches to advertising have become a key element of recovery strategies. The demand for local advertising and sponsorship opportunities has been high and clearly demonstrated through the rapid take up of advertising on roundabouts and the early interest in other opportunities. With the additional impacts of the current global and local economic position, the provision of opportunities at reasonable cost for businesses to promote their brand, services and products has become ever more critical.
- 2.2 The proposed Advertising and Sponsorship Framework at Appendix 1 is designed to:
- provide a reference point for decision making on new sponsorship and advertising opportunities;
  - set out sound principles in terms of the approach to sponsorship and advertising on Council assets;
  - provide robust safeguards to uphold the Council's reputation and corporate identity, and protect the Council;
  - outline and agree the areas for exploration and appraisal of new sponsorship and advertising opportunities.
- 2.3 Through the Roundabout Advertising pilot, agreed by Cabinet in 2019, officers have been working with a private sector partner to help businesses promote themselves through advertising on roundabouts. This provides an opportunity for businesses to gather more support, custom and brand awareness, through advertising to the tens of thousands of people passing through the North Ayrshire roundabouts each year, appealing to residents, tourists, and businesses alike. The success of this pilot has exceeded expectation.
- 2.4 In the initial phase, 29 locations were approved by Cabinet for potential use. This list was refined after the procurement of an advertising partner, who identified from their experience that some of the proposed locations were unlikely to be economically viable. Of the original 29 locations, 24 were subsequently granted Planning permission, with 23 advertising locations being sold within one working week of becoming available. This is an indication that the demand for the opportunity is high and is seen as contributing to local economic recovery in a direct way. Local businesses that have committed to the initiative include restaurants, taxi firms, social care providers, retail, professional services and other service outlets. The high level of demand and business involvement has demonstrated the potential for an immediate extension of provision across suitable locations in the rest of North Ayrshire. As advertising agreements are renegotiated and extended, evidence of business benefits will be collected.
- 2.5 Given the success of this pilot, it is proposed that officers identify further suitable roundabout locations across North Ayrshire for implementation.
- 2.6 A further opportunity building on our approach to date has been identified around utilising refuse collection vehicles, for advertising. Intelligence from other local authorities has identified an opportunity to offer advertising space to businesses on

these vehicles. Working with a private sector partner, at no cost, this would be a 100% performance related contract with an agreed share of revenue. It is proposed that the 28 refuse collection vehicles in the waste fleet would be included. These vehicles are highly visible throughout the area and visit every house on a weekly basis. With the ongoing home working practices continuing as a result of the pandemic, visibility is ever increasing as more people are at home during the day.

- 2.7 The introduction of advertising on refuse collection vehicles will be carefully managed to ensure the ongoing 'Right Stuff Right Bin' and other recycling information would not be compromised.
- 2.8 The roll out across the full North Ayrshire Council wider vehicle fleet will also be progressed and modelled on different levels of commercial interest and viability, but the principles established through the proposed advertising on refuse collection vehicles will provide valuable learning. A full review of market potential and vehicle suitability will be carried out to inform further expansion opportunities.
- 2.9 Benefits of advertising on refuse collection vehicles include:
- Opportunities for businesses to raise their profile and reputation with local people and communities;
  - Supporting local businesses, people and contributing to the local economy;
  - Pursuing opportunities for securing best value and reinvestment in local sustainable waste services and the development of future services and opportunities;
  - Supporting the Council's 'Keep it Local' campaign by promoting local businesses'
  - Continuing to facilitate local waste campaigns such as 'Right Stuff, Right Bin' and other recycling initiatives.
- 2.10 It is anticipated that advertising on refuse collection vehicles will go live in summer 2023 with advertising on the wider Council fleet to follow. A North Ayrshire Council web page and targeted social media campaign will be developed to position and promote advertising opportunities at a reasonable cost for businesses. The Council's Business Advisors will also be briefed and provided with promotional materials to further facilitate local business involvement. The principles set out within the Advertising and Sponsorship Framework at Appendix 1 will be applied.
- 2.11 It is proposed that future and implementation of projects within the Advertising and Sponsorship Framework will be agreed by the Executive Director (Place), or the Head of Service (Neighbourhood Services), by Delegated Authority where the value and associated risk is assessed as low by a robust business case.

### **3 Proposals**

- 3.1 It is proposed that Cabinet:
- approves the proposed Advertising and Sponsorship Framework attached at Appendix 1; and
  - notes advertising opportunities will be progressed on Council assets in line with the principles of the Framework, including the expansion of the existing roundabout advertising scheme and the progression of advertising on the

- Council's refuse collection vehicles and wider vehicle fleet; and
- agrees that officers will investigate and introduce further advertising opportunities as appropriate and in line with the principles of the proposed Framework; and
- agrees that delegated authority be provided to the Executive Director (Place) to exercise any necessary functions in relation to implementation of the Advertising and Sponsorship Framework

## **4 Implications/Socio-Economic Duty**

### **Financial**

- 4.1 Advertising on Refuse Collection Vehicles and the full North Ayrshire Council fleet will generate anticipated income of £100,000 as agreed at the Council meeting on 15 February 2023.

### **Human Resources**

- 4.2 Delivery models will be identified through a robust business case and will be either in partnership with a private sector provider or in house through existing resources.

### **Legal**

- 4.3 Regulatory considerations and the adherence to the Local Government (Scotland) Act 2003 will be adhered to in furthering and implementing the proposals under the Framework.

### **Equality/Socio-economic**

- 4.4 This proposal will provide promotional opportunities for local businesses, and other businesses, which in turn will help sustain local employment and contribute to the Council's socio-economic duty.

### **Climate Change and Carbon**

- 4.5 This proposal will indirectly increase the visibility of waste services and environmental messaging thereby supporting our environmental and sustainability aspirations.

### **Key Priorities**

- 4.6 The proposals support the Council Plan strategic priority to create a growing, inclusive and enterprising economy by providing new opportunities for businesses to promote their organisation. The use of Council assets in this way supports the priority to be an efficient Council that maximises resources and provides value for money.

### **Community Wealth Building**

- 4.7 This proposal supports Community Wealth Building by providing opportunities to

support businesses through additional promotional opportunities and, aligned to the 'Land and Assets' pillar, will identify and implement new, sustainable approaches to the utilisation of Council assets.

## **5 Consultation**

- 5.1 Consultation with officers attending the Cross-Council Municipalisation Group from Democratic Services (Legal), Finance (Procurement, Insurance), Economic Development & Regeneration (Business Support), Commercial Services (Transport) has taken place. In addition, the Policy Advisory Panel (PAP) was consulted in the preparation of this report.

RUSSELL McCUTCHEON  
Executive Director (Place)

For further information please contact **Thomas Reaney, Head of Neighbourhood Services**, on **01294 324890**.

## **Background Papers**

Appendix 1 Advertising and Sponsorship Framework

## **North Ayrshire Council**

### **Advertising & Sponsorship Framework**

#### **Introduction**

This Framework outlines guiding principles that will be followed in providing advertising and sponsorship opportunities on council assets.

In developing the approach to offering advertising and sponsorship opportunities, Cabinet approved a Roundabout Advertising pilot in 2019 as a first step to provide promotion and recognition opportunities for local businesses and to deliver best value for the Council.

As part of ongoing efforts to drive forward this approach, further advertising and sponsorship opportunities have emerged that can provide businesses cost-effective and local opportunities to increase their business profile and contribute to their recovery strategies. For North Ayrshire Council there is the potential to establish innovative and sustainable business models that can support businesses and provide best value through maximisation of our assets and resources.

The Advertising and Sponsorship Framework is designed to provide a framework for an approach to new advertising and sponsorship opportunities that is ethical, consistent and aligned to the Council's principles and priorities.

#### **Operation & Governance**

When potential opportunities are identified the Business Development Manager (Place) will work with appropriate council services and develop a robust Business Case.

Once this Business Case is complete, if viable and associated risk is determined as low, approval will be sought for implementation within the Advertising and Sponsorship Framework from the Executive Director (Place), or the Head of Neighbourhood Services, by Delegated Authority.

#### **Principles**

Advertising is defined in this commercial context as an agreement between North Ayrshire Council (or its partner) and an advertiser, whereby the Council receives direct or indirect payment from an advertiser (being a business or organisation) for an advertisement on Council assets including outdoor, public realm, broadcast, publications or electronic media to promote a product (or service) to potential and current customers.

Sponsorship differs from advertising and can be defined in this context as an agreement between the Council and the sponsor, where the Council receives payment for association and support of a local asset where the sponsor benefits from potential recognition and publicity.

In implementing advertising and sponsorship, North Ayrshire Council will:

Be consistent:

1. Establish a consistent approach and set of standards
2. Provide a framework of controls
3. Ensure compliance with legislation, advertising industry codes and other Council policies and guidelines

Protect reputations:

4. Safeguard the corporate identity, image and reputation of the Council
5. Ensure compliance with all legal and other obligations
6. Align with strategic vision and priorities to contribute to key outcomes

Boost opportunities:

7. Secure best value and maximise opportunities
8. Support development of positive commercial relationships with private sector partners

## **Safeguards**

Clear safeguards will be applied to policy and practices to assure control, compliance, protection and to minimise potential risk in the implementation and management of all North Ayrshire Council's commercial advertising and sponsorship initiatives. This Framework is fully aligned to the duty to promote Best Value contained in the Local Government in Scotland Act 2003.

All North Ayrshire Council advertising and sponsorship initiatives will have controls and disclaimers in place to uphold the Council's reputation and corporate identity, avoid implied endorsement and protect the Council.

All advertising and sponsorship agreements and publicity will include a statement that North Ayrshire Council's functions will continue to be conducted fully and impartially, notwithstanding the existence of an advertisement or sponsorship arrangement. Acceptance of advertising or sponsorship does not imply any endorsement of the advertiser's or sponsor's products or services by the Council.

The principles of fairness and impartiality will be upheld through an approach that ensures that businesses that comply with legislation, advertising industry codes and all appropriate Council policies and guidelines can pursue an opportunity.

Clarity of promotion, messaging, branding and advertising will be important. This will ensure there is no confusion between Council branding and business advertisements. Professionalism and skills will be paramount with responsibilities under the guidelines laid down by the Advertising Standards Authority reinforced.

In addition, North Ayrshire Council retains the right to refuse advertising or sponsorship on the grounds that, in the Council's sole opinion, it is inappropriate, it conflicts with services already provided by the organisation or it is incompatible with the Council's values and strategic priorities. The Council reserves the right to terminate arrangements including the removal of non-compliant advertising at any time.

## **Approval**

North Ayrshire Council have adopted a Control of Advertisement Policy. This document provides control and advice on advertisements requiring a planning application and express consent. Full details on submitting a planning application for outdoor advertising is available online via the North Ayrshire Council website at <https://www.north-ayrshire.gov.uk/planning-and-building-standards/advertisement-consent.aspx>.

North Ayrshire Council will not permit advertising or sponsorship that represents a conflict of interest or is likely to cause offence. There should be no real or apparent conflict between the objectives and community goals of the Council and those of the advertiser or sponsor. Care will be taken to ensure any advertising or sponsorship opportunities are cognisant of protected characteristics including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. Political campaign materials will not be permitted in any commercial advertising and sponsorship, in line with Council policy. Content that is not permitted for advertising includes, but is not limited to, content that contains, infers or suggests any of the following:

1. Advocacy of, or opposition to, any politically, environmentally or socially controversial subjects or issues
2. Political advocacy, opposition and publicity (being material which in whole or in part, appears to be designed to effect political support of a political party) or campaigning materials
3. Disparagement or promotion of any person or class of persons
4. Promotion or incitement of illegal, violent or socially undesirable acts
5. Promotion or availability of tobacco, alcohol products, weapons, gambling or illegal drugs
6. Advertising of financial organisations and loan advancers which meet the Financial Standards Authority's definition of High Cost Short Term (HCST)
7. Promotion or availability of services, products, activities or materials with an adult or sexually explicit content advertising that infringes any trademark, copyright, patent rights or consumer protection laws

The Council will not permit advertising or sponsorship arrangements in the following situations:



1. When companies are in live contract negotiations with the Council
2. When companies have a current planning application or planning matter before the Council that may cause a conflict of interest or be subject to or likely to be subject to a dispute with the Council's regulation or planning services or who owe the Council a debt
3. In all scenarios where it is legally permissible, North Ayrshire Council will refuse applications from companies who are in dispute with the Council or where there is pending or active legal action

## **Example Approved Projects**

### Advertising on Roundabouts

North Ayrshire Council is working with a private sector partner to promote businesses through advertising on roundabouts. This provides an opportunity for businesses to gather more support, custom, and brand awareness, through advertising to the tens of thousands of people passing the North Ayrshire roundabouts each year, whilst appealing to residents, tourists, and businesses alike.

In the initial phase 24 locations were granted planning permission and within a week 23 advertising locations were sold. All but one is local companies benefitting from the initiative, including restaurants, taxi firms, social care, retail and service outlets. This high level of demand and business involvement has demonstrated the potential for an immediate expansion of the pilot across North Ayrshire.

This partnership model involving a private sector market leader provides a no cost and minimal risk contract to North Ayrshire Council.

### Sponsorship of Floral Beds

North Ayrshire Council has created an opportunity to businesses to contribute to making the area more attractive and colourful and improving their local environment, by approving the sponsorship of planting schemes at floral beds.

With a small number of floral beds available in the Irvine area, businesses can choose the best and most relevant location for their business. As the sole sponsor of a floral bed, their commitment will be recognised by appropriate signage that will reach a wide and varied audience for a full year.

For businesses, sponsoring floral beds in Irvine is a positive way to promote a company and demonstrate a commitment to the local area.

This will also be expanded across North Ayrshire.

## **Next Steps**

As businesses emerge from the pandemic, opportunities for cost-effective approaches to advertising and sponsorship have become a key element of recovery strategies. The demand for local advertising and sponsorship opportunities has been clearly demonstrated through the rapid uptake of advertising and sponsorship opportunities across North Ayrshire.

Council advertising and sponsorship initiatives can make an important contribution to promote, support and revitalise the North Ayrshire high streets and local economy in the wake of the pandemic and the challenges posed by the recession by providing low-cost marketing and promotional opportunities for local businesses.

This Framework will contribute to North Ayrshire Council's commitment to the 'Keep it Local' campaign and support businesses, primarily local businesses, through this challenging time. Consequently, where advertising and sponsorship approaches have been identified and appraised appropriately, it is essential that the Council can act quickly to implement to ensure that these opportunities are available to local businesses.

There are three basic models for the implementation of advertising and sponsorship approaches that can be considered. A partnership approach with an experienced partner, an internal model delivered by Council staff or a mix of both can all be viable options. Emerging opportunities should be considered on a case by case basis with the partnership approach reducing risk but internal model increasing reward. The latter approach may require the utilisation of existing internal resources such as Business Advisors in direct contact with local organisations and Corporate Communications to target publicity.

## **Potential Opportunities**

At a time when businesses are seeking to recover from recent challenges to the market and economy, there are a range of opportunities emerging that could provide new and low-cost opportunities for businesses to promote their products and services to generate impact whilst maximising best value. Potential advertising and sponsorship opportunities could include:

Large Format Outdoor – Advertisements installed to the land or property assets

Small Format Outdoor – Advertisements freestanding or attached to street furniture or properties

Public Realm – Parts of the area that are available for everyone to see and use without charge 24 hours a day, including parks, roads, roundabouts, street furniture and other assets.

Vehicles – Advertising on the sides and rears of fleet vehicles and other assets

Event – Sponsoring small and large events to maximise participant and media exposure.

Broadcast, publications and electronic platforms – Offer a large and/or targeted audience.

All new advertising and sponsorship opportunities considered will be assessed for legality, deliverability, viability and sustainability through stringent assessment and appraisal via robust business cases.