
Report to:	Cabinet	Date of Meeting:	7 April 2016
Subject:	Website and Intranet Advertising	Wards Affected:	All Wards
Report of:	Head of Strategic Support		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

This report seeks Cabinet approval for a proposal to introduce advertising to the Council's website via the Council Advertising Network for a 1 year pilot.

Recommendation(s)

Cabinet is asked to:

1. agree the principle of allowing external advertising on the Council's website and intranet
2. agree the proposal to work with the CAN for 1 year to pilot income-generating advertising on the Council's website
3. note that the pilot will be monitored on a regular basis with a report produced after 1 year with findings and proposals for the future.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	x		
2	Jobs and Prosperity		x	
3	Environmental Sustainability		x	
4	Health and Well-Being	x		
5	Children and Young People		x	
6	Creating Safe Communities		x	
7	Creating Inclusive Communities		x	
8	Improving the Quality of Council Services and Strengthening Local Democracy	x		

Reasons for the Recommendation:

The Council is constantly seeking ways to make efficiencies, identify savings and create additional income. Analysis shows that an increasing number of local authorities are currently pursuing revenue generation through their websites and this is growing year on year.

Officers have spoken to other local authorities who have implemented advertising on their websites who confirm that there have been no complaints from local residents, that the content has been suitable and that projected revenue targets have been met. Councils currently using the service include:

Wokingham, Hackney, Bolsover, West Dorset, Northamptonshire, Weymouth & Portland, COSLA (association of Scottish Authorities), North Dorset, Christchurch, North East Derbyshire, East Dorset, Purbeck, Birmingham, Derby, Norfolk, Blaenau Gwent, Stratford, Carlisle, Mid Suffolk, Monmouthshire, North East Lincolnshire, Buckinghamshire.

The Communications Team recommend a 12 month pilot of the use of advertising on the website and intranet as a way to generate additional income for the Council. Website advertising is a recognised way of generating income but can be resource-heavy. The Communications team has advertised the opportunity on the CHEST and received one response from CAN Digital Solutions.

CAN is offering Sefton Council a 50% share of all revenues generated from advertising in year one. This offers value for money as:

- Requires minimal resources to effectively manage the activity, by providing simple tools to veto any adverts before they appear.
- The Communications team recognise they do not have the access and same national level contacts that CAN will have which will make the sales job much more efficient through accessing the large national corporates.
- There is no contractual commitment to display adverts, so the Council could stop advertisements appearing at any time.

The Council will review this arrangement in 3 and then 6 months from pilot commencement. The duration of the contract will be 12 months with a 1 month notice period.

Alternative Options Considered and Rejected:

The Council has sought alternative providers via the CHEST, CAN was the only provider to respond. Other councils that are using the service have also been consulted. These local authorities have conducted their own research and also been unable to identify an alternative solution that provided the same level of service or match the level of income.

The Council could consider delivering this opportunity in house, however, councils that have undertaken an in-house approach report that the income generated did not exceed the salary costs of specialist advertising officers.

By awarding a contract to CAN, the Council will retain full control over the advertising that appears on our sites. No investment is required and the Council will not be charged for the service.

There is an option to do nothing, however this would mean we are unable to generate any income from advertising on our website or intranet.

What will it cost and how will it be financed?

(A) Revenue Costs

There is no additional cost associated with the initiative. The Council has been offered a 50% share of all advertising revenues in year one estimated to be £20,000. This income will assist in achieving budgeted income targets.

(B) Capital Costs

Not applicable

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Financial	
Legal This report does not raise significant legal issues. The proposed pilot can be categorised as a services concession which is currently not subject to the formal requirements of the Public Contracts regulations.	
Human Resources Minimal resource will be required to implement and maintain and so the resource requirement can be managed within existing resources.	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact of the Proposals on Service Delivery:

If agreed the placement of advertisements within the site will be coordinated to make sure they do not compromise the prime purpose and functionality of the website.

What consultations have taken place on the proposals and when?

The Chief Finance Officer (FD 3305/16) and the Head of Regulation and Compliance (LD 3305/16) have been consulted and any comments have been incorporated into the report.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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Background Papers:

There are no background papers available for inspection

1. Introduction

- 1.1** Research has demonstrated that Councils across the country have increasingly been looking to use their assets and websites to advertise national and local products and services. These include Halton, Birmingham, Derby and Norfolk.
- 1.2** The Council has recently made a number of improvements to www.sefton.gov.uk based on customer feedback and best practice. The Sefton Council website is visited over 174,000 times per month. This makes it a stand out method for local and national organisations to promote themselves to the people of Sefton and an opportunity to generate income by selling advertising space using the Council website and intranet.
- 1.3** It is estimated that approximately £20,000 income could be generated per annum for the website / intranet advertising. This requires little or no resource on Sefton's behalf and no associated set up costs. The additional income will provide a part solution to assist in the achievement of budgeted income targets, in particular the requirement for the Corporate Communications team to generate an additional £100,000 in line with the agreed 16/17 saving.
- 1.4** The Council could utilise up to 20% of the advertising space to promote Council campaigns such as fostering, registering to vote, the Local Offer or use this space to deliver key messages from partners or local charities.
- 1.5** Cabinet is asked to agree the principle of allowing external advertising on the Council's website and intranet.

2. How Would this Work?

A Maximising the Opportunity

- 2.1** The Council could consider delivering this opportunity in house, however, councils that have undertaken an in-house approach report that the income generated did not exceed the salary costs of specialist advertising officers.
- 2.2** Research has identified CAN Digital Solutions as the potential partner for a pilot. This company's primary objective is to offer Local Authorities greater buying power in the advertising market by working collectively, one element of which is via advertising national companies on Local Authority websites.
- 2.3** Income is generated based on the number of Page Impressions (otherwise known as views) a single site receives – this is based on the number of times the page the advert sits on requested to load via the user, rather than relying on people clicking on the adverts themselves.
- 2.4** It is felt that this approach is more effective for Local Authorities as evidence shows people usually come to Council websites to carry out a direct action and are unlikely to then click on an advert. This ensures the transactional integrity of our site, as CAN is not basing our share of revenue on a click-through rate (CTR).

- 2.5 Ordinarily, Ad Agencies pay for adverts on this basis were websites have a large number of page impressions (usually between 15-20 Million Pls). Individually it is unlikely that Local Authorities would be able to offer enough page impressions to attract companies.
- 2.6 However CAN has attracted companies by Local Authorities clubbing together and offering a collective number of page impressions (CAN currently have 50 Million+ Pls shortly to increase to 70 Million+ with the introduction of The Met Office). Each Local Authority in the network receives their equal share based on the number of page impressions their website gets.
- 2.7 The Council will retain 20% of the advertising space to use for Sefton campaigns such as fostering or by local charities and businesses.
- 2.8 Cabinet is asked to agree the proposal to work with the CAN for 1 year to pilot income-generating advertising on the Council's website.

B Set Up, Coordination & Advert Approval

- 2.9 There is no work required from the Local Authority in terms of looking for advertisers and all adverts are held on their servers. However a small amount of coding is required to the relevant sites.
- 2.10 If agreed the placement of advertisements within the site will be coordinated by the Communications team to make sure they do not compromise the prime purpose and functionality of the website. CAN will supply a Category Approval List (CAL) for the Council to complete. The CAL relates to programmatic advertising (a process whereby automated Ads are served to the site via a 'bidding process') – In order for Sefton to retain the highest level of control, the CAL is required to be completed before ANY Ads are displayed. This is a simple approve/veto exercise and ensures that any Ad content related to a specific category is either approved and therefore displayed or vetoed and subsequently blocked. CAN do not work with or procure any content to be associated with content deemed unsuitable examples include (but not limited to): Adult content; Violence and Gambling/Payday loans.
- 2.11 As well as Programmatic Advertising, CAN also have an in-house dedicated Ad Sales team. They will look to sell space to companies that would have synergy with these areas / audiences, for example:
- Free Home Insulation Pages / British Gas
 - Stop Smoking Pages / Glaxo Smithkline
 - Public Health Pages / Yakult
- 2.12 All advertisements would be subject to approval before they are placed on the Council's web site. The Council would reserve the right to refuse to promote or to remove any individual advertisement, which, in the opinion of the Council is considered inappropriate. The reputational risk is further mitigated through the offer of 100% content control. There are no limitations on the number of veto's. Vetoes can be retrospective, with councils offered the opportunity to remove any advert at any time. If the Council does not agree to the advertisers on the white

list (the list is controlled by the local authority having direct access to a portal where adverts can be vetoed from appearing on their web site) this may impact on the amount of revenue received.

2.13 All adverts would adhere to the codes of conduct laid down by the Advertising Standards Authority and must not conflict with the Council's aims and priorities. The Advertising Standards Authority's Code includes provisions that marketing communications:

- must be legal, decent, honest and truthful
- must not bring advertising into disrepute, in addition must not bring the Council into disrepute
- must conform to the Code
- must respect the principles of fair competition.
- Advertising will also be subject to the Code of Practice on Local Government Publicity and the requirements of the Financial Services Authority.

2.14 If the pilot is approved

- the promotion of any advertisement on the Council's website should not be seen as an official endorsement or recommendation of that advertiser's products or services
- the Council is not responsible for the quality or reliability of the product or services offered within any advertisement
- the Council would never knowingly run an advertisement that is misleading, offensive, untrue or fraudulent
- the Council would not support or endorse any company or organisation advertising on its website
- the Council would not accept responsibility for errors, omissions or for any consequences arising when visiting third party websites when following advertising link.

2.15 The Council would retain the right to refuse advertising on the grounds that, in the Council's opinion, it is inappropriate, or it conflicts with services already provided by the organisation i.e. the Council ultimately decide which companies are seen.

2.16 IT Security issues have been raised with the Client team who confirm that this proposal does not provide a route into our data. The Council will be pulling images from a secure server onto our website. The CAN proposal provides IL3 level security where the standard for Local authorities is IL2 so they are offering a higher level of security.

C Visiting Council website or intranet

- 2.17 Annex A shows a mock-up of the website should this proposal proceed.
- 2.18 Behavioural targeting, cookies and privacy - Cookies are small text files which identify a computer to a server. They are widely used on the internet to make websites work, or work more efficiently. CAN **will not** use cookies to store any personally identifiable information or make any attempt to find out the identities of people visiting the website.
- 2.19 Visitors to the Council website or intranet will still have the choice whether or not to click through.

Annex A

Should the Council proceed with website advertising the changes to the website would be minimal. A mock-up of the website options are shown below, note the unobtrusive leaderboard advertisement that this proposal refers to

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Sefton Council

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ABCDEFGHIJKLMNOPQRSTUVWXYZ

Home Residents Business Around Sefton I want to

Sefton Home

Popular Services

- Sefton Directory**
Local services and activities for residents
- Libraries**
Borrow, renew or reserve items
- Parking**
Parking, roads and travel information
- Planning & Building Control**
Planning applications and local plan
- Schools & Learning**
School terms dates, admissions, community learning
- Sefton Maps**
Property information on a map
- Sport & Leisure**
Leisure centres, activities, offers and timetables
- Adults & Older People**
Health and well-being information and support
- Councillors & Decisions**
Your local Councillor details, decisions and elections

Do It Now

- Find bin collection dates
- Apply for benefit
- Join a gym
- Pay Council tax
- Arrange bulky item collection
- Make a payment
- Apply for a job
- Register to foster

View all >

Be prepared for Winter and severe weather
Find out more... >

Find my nearest...

Find nearby schools, libraries, leisure centres, parks, recycling centres, hospitals, doctors and dentists. Get details of your local councillors and MP.

Enter your postcode:

Postcode

I Agree to the terms and conditions

Brighton le Sands

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