

REPORT TO: SPECIAL POLICY & RESOURCES COMMITTEE – 12 FEBRUARY 2015

REPORT ON: ADVERTISING ON COUNCIL DIGITAL MEDIA

REPORT BY: CHIEF EXECUTIVE

REPORT NO: 83-2015

1. PURPOSE OF REPORT

This report proposes the Council experiments with an advertising contract on its digital media as a source of revenue generation.

2. RECOMMENDATIONS

The Committee is recommended to:

- 2.1 enter a contract for twelve months with the Council Advertising Network to assess the revenue potential of advertising on council owned digital media.

3. FINANCIAL IMPLICATIONS

No initial investment is required and the council will never be charged for the service. The estimated income to Dundee City Council in the first year would be £27,349* and this will increase in subsequent years. A third of that may be achieved through the intranet on its own.

4. MAIN TEXT

- 4.1. The Council Advertising Network (CAN) has been specifically designed to enable Councils to place its digital media into the online advertising agency market. The Council Advertising Network (CAN) is a collective of local authorities that are working together to increase the income opportunity from carrying advertising on their council websites. It is managed by a company called Capacity Grid who provide various services to local government such as the Knowledge Hub – an online community portal for public sector professionals supported by the Improvement Service.
- 4.2 The council will retain full control over the advertising that appears on the website. No initial investment is required and the council will never be charged for the service. The estimated income to Dundee City Council in the first year would be £27,349 and this will increase in subsequent years. This is *based on a validated 552,109 monthly website impressions and a validated 297,677 monthly intranet impressions. It is a 50% revenue share of the advertising revenue at present although as more councils join the revenue share to councils will increase as the central support costs of the operation remain fixed relative to the size of the network.
- 4.3 The Council can be reassured that only the main and ethical advertising agencies are approached and at any time the council can prevent an individual company appearing on its website (for example if it were in a local dispute). The council will have instant control by simply checking a box beside an advertiser's name.
- 4.4 The adverts appear on a strip on the website page (see appendix 1 for an example). This strip would show a different advert on rotation from the approved list on the network. In theory the council could turn off every advertiser on the list.

- 4.5 The Council would be able to sell 20% of the advertising directly onto the system and it would retain all of this revenue. This would be an incentive to invite local companies to advertise on the council's website and intranet. With approximately 6,000 views each day on the website and 2,000 on the intranet this is an attractive proposition for local firms.
- 4.6 The Council already provides exclusive licences for street level advertising assets and space and this is just the digital equivalent. The Council has in the past included advertising on internal communications like payslips. As an experiment the Council could begin by just placing the advert strip on its intranet.

5. **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

The major issues identified are the reputational risk but the Council Advertising Network specifically addresses the main areas of risk and ultimately at any time the council can check every company on the list and no adverts will appear until the contract ends.

6. **CONSULTATIONS**

The Chief Executive, Director of Corporate Services and Head of Democratic and Legal Services.

7. **BACKGROUND PAPERS**

None.

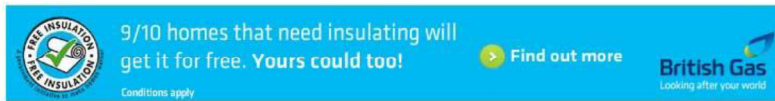
DAVID R MARTIN
CHIEF EXECUTIVE

JANAURY 2015

Appendix 1 (Example of how the advertising strip would look)



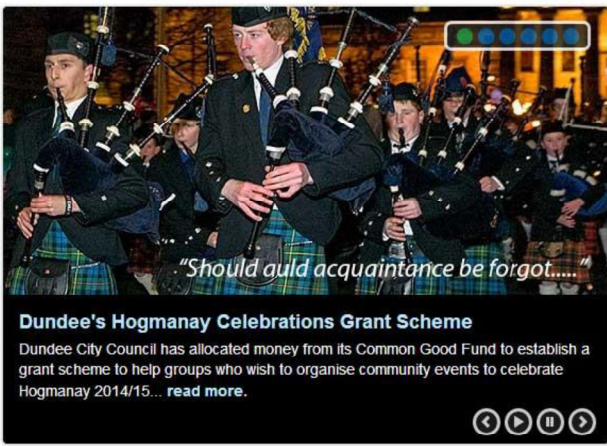
The advertising bar at both the top and bottom of the screen maximises revenue.



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