

## **21<sup>st</sup> October Budget Scrutiny – Public Realm**

### **Media Activities on the Public Highway**

More local authorities are looking to introduce or maximise income through advertising. Some are looking to achieve this by hiring out some of their public spaces and parks, however the majority are looking at the public realm.

### **Current Work and Contracts**

At present there are a number of contracts and initiatives within various parts of the Council, managing existing works or exploring initiatives or potential schemes. These include:

- JC Decaux (JCD) currently have 60 sites. We get around £21k p/a for all of them but have to pay £10 per site every time we put one of our own ads up, which we do every two weeks. This means we actually only get about £6k p/a in total. This contract expires 31 August 2021.

JC Decaux want to convert 20 sites to digital on one side, keeping the static Council advertisements on the other side. They would pay LBH £5,000 p/a for each site. The potential for greater income through re-negotiation of these particular sites exists.

- Bay Media – the current lamp column banners are booked by campaign, on an ad hoc basis at a cost of around £10,000 per campaign. No income is received as there is currently no planning permission for the lamp post banners to carry commercial advertising.
- Communications commissioned Fortuna to review and identify several sites in January 2014. So far these sites have not been taken forward but it would give us a good start and some examples are shown later in this paper.
- Wildstone are working on proposals for an advertising site at Vince Court by Old Street with the potential for £100k income p/a. This is currently with procurement.
- Regeneration are currently preparing a tender for a four year contract to provide sponsorship agency services. The purpose of this is to appoint a specialist company to procure additional sources of revenue through sponsorship of various council activities such as Make Hackney Sparkle, Bike around the Borough, Hackney House, Hackney Half Marathon etc. As the potential sponsors sourced through agencies are likely to be interested in advertising space, as well as brand association and experiential activities, it may make sense to use the sponsorship agency to drive advertising revenues as well. Most sponsorship agencies also include marketing and PR departments and therefore could be well placed to maximise revenues through the advertising hoardings.

## **Potential Opportunities**

**Digital Screens** - The big ticket items are large digital screen adverts which are a challenge in planning terms. We could engage a specialist firm, as did Camden with Wildstone, to undertake an audit of the borough to look for suitable sites owned by us (this very much concentrates on high footfall, and obviously some of this is on the TLRN, where our ability to take income gets tricky. This will need early discussion with our planning colleagues to narrow down where there may be suitable sites and what would make them acceptable, and with legal on any ramifications with JCD.

If large screens are not achievable then could smaller screens be used, which maybe more appropriate in certain areas.

**Current Contracts – JC Decaux and Bay Media** - Also we should take this opportunity to push for a re-negotiation of these contract and also look towards the potential of increasing the number of sites within the borough, on our highways.

## **The Challenges**

Issues around the overall challenge include:

- The content of adverts (we could aim to use the same guidelines as TfL but probably also exclude payday lenders, for example);
- Around aesthetics and the extent of the commercialisation of the public realm
- The model for any contract – just let the sites as landlord, or have a “middle agency” who know the market like we don’t and can get us more but then take a cut, and a contract with someone who then manages the actual rental of the sites;
- Getting the design and the planning side right;
- Not our area of expertise, and need capacity to push it forward.

## **Example of another Authority**

A programme, similar to Camden – which is aiming for £2.5m additional annual income in 2017/18, could consist of the following:

<b>Advertising Activity</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Large digital screens (new media)	£0	£0	£1,500,00 (Camden)
Renegotiate current J C Decaux contract	£0	£0	£TBC
Environmental Operations (Recycling, Waste and Cleansing vehicles and new media)		£180,000	£180,000
Bay Media (expanded contract for lamp column banners)			£80,000 Camden
<b>Total:</b>			

## **The Next Steps**

A working group has already been convened by the AD Public Realm comprising of officers from Streetscene, Finance and Resources, Communications, Regeneration and Planning, to discuss a more joined up approach. One option is for this to be taken forward, on a corporate basis, co-ordinated by Regeneration with a view to deliver, over 2016/17:

- Setting out the full range of opportunities for commercialisation and also the constraints on such an approach.
- To lead a discussion on the how far the commercialisation of the public realm can go and its impacts on place and aesthetics.
- As part of an invest to save process, commission a specialist company to provide a full range of fully costed and achievable proposals for implementation in 2017/8 and 2018/19.
- To set out a full implementation plan and associated income generation and associated governance and member involvement.

## **Examples of potential sites**

a) Dalston Lane





b) A.12 – Eastway





C – Mare Street – Keltan House

