

REPORT TO: Executive Board
DATE: 26 March 2015
REPORTING OFFICER: Strategic Director, Policy & Resources
PORTFOLIO: Leader's
SUBJECT: Website Advertising Options
WARDS: N/A

1.0 PURPOSE OF THE REPORT

1.1 To outline the possibility of allowing external advertising on the Council website, intranet and other microsites.

2.0 RECOMMENDATION: That

- 1) Executive Board approve of advertising on the Council's website and microsites using the Council Advertising Network;**
- 2) in accordance with Procurement SO 1.8.3(e) (where compliance with Standing Orders is not practicable because the Council's requirements can only be delivered by a particular supplier), Procurement SO 4.1 and 4.2 be waived in respect of the website advertising due to the results of soft market testing carried out as explained below; and**
- 3) a review of the project take place after 12 months.**

3.0 SUPPORTING INFORMATION

3.1 Background

3.1.1 The Council Advertising Network (CAN) provides an opportunity for Local Authorities to have adverts appear on their websites and intranets to generate income. There is no work required from the Local Authority in terms of looking for advertisers. This is all facilitated by CAN.

3.1.2 CAN is managed by Liberta. They are a private company who took over the running of the LGA's knowledge Hub (<https://knowledgehub.local.gov.uk/>). CAN is Liberta's attempt to offer Local Authorities greater buying power by working together in the advertising market.

3.2 How is the income generated?

3.2.1 Income is generated on a page impression basis – this is based on the number of times the page the advert sits on is viewed, rather than relying

on people clicking on the adverts themselves. It is felt that this approach is more beneficial 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.

3.2.2 Companies are only willing to pay for adverts on this basis when websites have a large number of page impressions. Individually it is unlikely that Local Authorities would be able to offer enough page impressions to attract companies. However CAN has managed to attract companies through Local Authorities working together to offer a collective number of page impressions. Each Local Authority in the network receives their equal share based on the number of page impressions their website gets.

3.3 What adverts appear and where would they appear

3.3.1 Every month CAN supply a list for approval from the Local Authority. So the Local Authority has full veto of the adverts that appear. CAN also allow the Local Authority 20% of the advertising space to do with what they wish, for example the Council may want to use this space for HBC campaigns such as fostering. Alternatively the Council could try and sell this space to local companies and receive 100% of the income.

An example of the list can be found below:

Advertiser	Campaign	Placement
Boots PLC	Smoking cessation	Website
The Money Advice Service	Budgeting and debt awareness	Website
British Gas	Free home insulation	Website
BT Consumer	Broadband	Website
COI	Change4Life	Website
DOE Seatbelts	Car Safety	Website
Glaxo Smithkline	Niquitin - Smoking cessation	Website
Post Office	Broadband and Phone	Website
Jersey Tourist Board	Visit Jersey	Website
Powownow	Low cost Teleconferencing	Website
Royal Air Force	Recruitment	Website
Save the Children	Appeal	Website
Tesco	Shop online	Website
Leapfrog	Children's educational	Website
Microsoft	365	Intranet
Nectar UK	Rewards	Website
World Remit	Money transfer	Website
Yakult	Healthy Living	Website
Royal National Lifeboat Institution	Appeal	Website
Sainsbury's UK	Shop online	Website
University of Cumbria	MBA recruitment	Website

3.3.2 CAN are willing to negotiate where the adverts appear, however it is likely they would appear at the top of the website page. A mock-up example can be found below:



3.3.3 Twenty three other local authorities have signed up. Some live examples can be found at:

- www.birmingham.gov.uk
- www.derby.gov.uk
- <http://www.norfolk.gov.uk/>
- <http://www.wokingham.gov.uk/>

3.4 How much income would be generated?

3.4.1 CAN offer an estimated income of around £14,522 per annum for the website, intranet and Brindley microsite. This is based on a 50/50 split of the total revenue, between CAN and the Council.

Halton Borough Council		
Site	Average monthly page impressions	Forecast value of advertising per annum
Website	386,058	£20,576
Intranet	90,341	£7,670
Larger digital estate- Brindley	33,117	£799
Total		£29,045
Revenue share		£14,522

3.4.2 The estimated figures come with the following assumptions from CAN:

- 50% revenue share does not increase
- Less than 10% of campaigns are vetoed

3.4.3 There has to be some caution taken. The Council's page impressions might be lower than CAN's estimation and their figures include the intranet which we may not be able to implement straight away.

3.4.4 However it is also likely that page impressions will grow and, as more Local Authorities join the network, the revenue split will become greater, in favour of Local Authorities.

3.4.5 Although the true income levels will not be available until the adverts have appeared for a suitable timeframe there is no staff time required from the Council so any income would be welcome and a full assessment could be undertaken after a trial period, of say 12 months.

3.5 Procurement/Legal Issues

3.5.1 The only procurement issue was ensuring that the Council complied with fair and open EU Principles of market competition and whether CAN is the only organisation who can offer this service, which is what they claim. A soft market testing exercise has been undertaken, via the chest electronic tendering portal to see if other organisations offer the service. The only expression of interest received by the Council was from CAN.

4.0 POLICY IMPLICATIONS

4.1 The proposal would effectively introduce a policy of allowing external advertising on the Council website, intranet and other microsites, via the Council Advertising Network.

5.0 OTHER IMPLICATIONS

5.1 There may be an impact on the user friendly element of the website which may lead to reputation implications for the organisation.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Although the income levels are relatively small it may contribute to the Council's budget challenge.

7.0 RISK ANALYSIS

7.1 As noted earlier, there is a risk to the Council's website usability and reputation. However the Customer Intelligence Unit will monitor usage statistics of the site and work closely with Marketing & Communications to veto any adverts that are of risk to the organisations reputation. If

there was an issue the Council would not be under any obligation to show any external adverts.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 N/A.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

9.1 None.