

## **The Vale of Glamorgan Council**

### **Cabinet Meeting: 25 April, 2016**

#### **Report of the Leader**

### **Reshaping Services – Income Generation Project Update**

#### **Purpose of the Report**

1. To provide an update to Cabinet on the Income Generation project of the Reshaping Service Programme.
2. To seek approval to implement online advertising on the Vale of Glamorgan Council Website and associated microsites.

#### **Recommendations**

1. That Cabinet note the contents of this report.
2. That Cabinet approve the appointment of the Council Advertising Network via direct award to implement online advertising on the Vale of Glamorgan Council Website and associated microsites.
3. That the Head of Legal Services be authorised to execute the contract with the Council Advertising Network.
4. That, subject to recommendation two above, Cabinet approves the website advertising protocol contained in [Appendix A](#).

#### **Reasons for the Recommendations**

1. To provide members with an update on the project.
- 2.&3. To enable the appointment of this supplier to provide advertising on the Council's website and other associated microsites in order to generate revenue for the Authority.
4. To ensure website advertising is undertaken consistently in line with agreed processes.

#### **Background**

3. The Council has established the Reshaping Services Transformational Change Programme to reshape the Council to enable it to meet the future needs of citizens of the Vale of Glamorgan within the context of unprecedented financial challenges. The programme contains Corporate Projects, one of which relates to identifying income

generation opportunities as it is recognised that increasing revenue is one way of meeting the financial challenges facing the Council.

## Relevant Issues and Options

4. A Reshaping Services project team has been established to identify and develop income generation opportunities. The project sponsor is the Head of Finance and the project manager is a Business Improvement Partner within the Policy & Performance team.
5. The project has sought to identify a range of income generation opportunities to contribute towards the income target that has been set for 2016/17. Income generation opportunities were identified by service areas in the baseline assessments completed in October 2014 and from further research, including discussion with other authorities. Service areas are progressing many of these opportunities within their own areas. However, the benefit of establishing a corporate project is in being able to explore further opportunities that exist corporately to generate income. The first such scheme proposed for Cabinet's approval is the introduction of advertising on the Council's website and associated microsites.

## Website Advertising

6. A growing number of public sector organisations are using their website space to obtain an income from advertising. It is proposed that advertising space be offered on the Vale of Glamorgan Council's English language website and associated microsites.
7. In 2014/15 the Vale of Glamorgan Council English language website averaged 38,571 visits per week. This demonstrates the potential these platforms have for external organisations to advertise their products and services. Our website is accessed by a wide range of users that includes: house buyers, new parents, carers, car owners, businesses, retirees and job seekers. As a result advertisers have been keen to work with Local Authorities to develop a service which can benefit both parties.
8. In looking at the opportunities for advertising on the Council's website it is important that the Council should maintain a degree of control over what can be advertised. To address this, a website advertising protocol has been drafted and can be found at [Appendix A](#), for Cabinet Members' approval. In line with the protocol, all adverts will be controlled by the Authority and no advert will appear without the prior approval of the Council, in line with the protocol at [Appendix A](#). The Communications Manager will be responsible for managing the contract and the authorisation of the advertising content.
9. There are few companies who offer this level of support to Councils with regard to on-line advertising. A number of advertising agencies/hosting companies were considered but discounted due to the lack of public sector specific business they currently manage and the potential reputational risk to the authority. It is proposed, therefore, that the Council works with the Council Advertising Network (CAN) which offers advertising services aimed at the public sector market and who currently works with over 50 local authorities. Previous advertising campaigns issued by CAN include: Tesco, Sky, eBay, American Express, University of Law, ASDA, The Open University, Vauxhall, Talk Talk, National Express, British Gas, Waitrose, Emirates and Eurotunnel. [Appendix B](#) shows how an advert would look on the Vale of Glamorgan website's homepage. It is not considered to compromise the usability of the website and follows a standard layout used on many sites.

10. It is proposed that a contract be awarded for three years, with an initial break clause at six months. Should the Council successfully implement web advertising and the revenue stream be significant enough, consideration will be given to alternative suppliers in the future and to managing this process in house. However, on balance, a managed arrangement by a public sector specialist is proposed to be the most appropriate course of action to take at the current time.
11. In line with channel shift priorities, software would also be introduced to automatically guide customers through the website and could assist in promoting online facilities. CAN estimates this could result in savings due to reduced transaction costs as further online payments are made with a corresponding reduction in telephone and postal contacts.
12. 20% of the ad content schedule is allocated to the Authority and can be used for in-house campaigns, for example, to promote council objectives or the work of the third sector. These will still be hosted via the CAN Ad Server at no additional cost.

### **Resource Implications (Financial and Employment)**

13. The project has sought to identify a range of income generation opportunities to contribute towards the Reshaping Services Income Project's £60k target for 2016/17.
14. The amount of income from this initiative is dependent on the 'click through rate'. A 15% licence fee is deducted from the gross revenue and the remainder is split 50:50 between the Council and CAN. Based on the average number of website views, CAN have projected that income for the Council will range between £2,929 and £16,737 per year. Risk is limited as all costs are deducted from the revenue received, requiring no financial outlay from the Council.
15. There is also an initial set up cost of £1,000 in the first year that will be deducted from the revenue received in year one.
16. The income generation project is an on-going project and will continue to identify and progress further opportunities to meet the savings target.

### **Sustainability and Climate Change Implications**

17. There are no specific sustainability and climate change implications associated with this report.

### **Legal Implications (to Include Human Rights Implications)**

18. It is proposed that a contract is awarded to the Council Advertising Network to provide advertising through the Vale of Glamorgan website and associated microsites. As outlined in the body of the report, it is proposed that this contract be entered into by direct award due to the specialist nature of the Council Advertising Network. This is in line with the Council's constitution and follows consideration by the Head of Finance and Head of Legal Services in line with the Council's Financial Regulations and Contract Procedure Rules.

### **Crime and Disorder Implications**

19. There are no specific crime and disorder implications associated with this report.

### **Equal Opportunities Implications (to include Welsh Language issues)**

20. An Equality Impact Assessment Scoping exercise was completed and determined that a full Equality Impact Assessment was not required.

21. The proposed website advertising will currently only appear on the Council's English Language site as the advertising content is managed by an external company and is not currently available in the Welsh Language. However, consideration will be given in the future to the potential for provision of Welsh Language advertisements.

### **Corporate/Service Objectives**

22. This project forms part of the Reshaping Services transformational change programme and as such contributes to the Council's Corporate Plan 2016-2020.

### **Policy Framework and Budget**

23. This is a matter for Executive decision.

### **Consultation (including Ward Member Consultation)**

24. Due to the corporate nature of this report, no specific Ward Member consultation has been undertaken.

### **Relevant Scrutiny Committee**

25. Corporate Resources

### **Background Papers**

Reshaping Services Programme Update, Cabinet, 14th December 2015

[http://www.valeofglamorgan.gov.uk/en/our\\_council/council/minutes,\\_agendas\\_and\\_reports/reports/cabinet/2015/15-12-14/Reshaping-Services-Programme-Update.aspx](http://www.valeofglamorgan.gov.uk/en/our_council/council/minutes,_agendas_and_reports/reports/cabinet/2015/15-12-14/Reshaping-Services-Programme-Update.aspx)

### **Contact Officer**

Tom Bowring – Operational Manager, Performance and Policy

### **Officers Consulted**

Managing Director  
Head of Legal Services  
Head of Performance and Development  
Head of Strategic ICT

### **Responsible Officer:**

Carys Lord – Head of Finance