



DECISION OF THE DIRECTOR OF DEVELOPMENT AND ENVIRONMENT

DECISION NO 16/17 DE 189

SUBJECT: Concession Agreement – Advertising banners

Background

The council currently sells advertising space on roundabouts via the in house Graphics service.

South Gloucestershire Council has a concession agreement with Bommel UK to sell advertising space both using banners on streetlight columns and on roundabouts.

An agreement has been negotiated with Bommel UK to exploit opportunities to sell street lighting advertising in North Somerset, on broadly the same terms as South Glos. The agreement also includes provision for selling roundabout advertising, although it is intended that this will only be used for roundabouts that Graphics have been unable to exploit.

Decision

Approve Concession Agreement to Bommel UK for an initial four year period with an option to extend for a further two years.

Reasons

The proposed agreement would operate as follows:

1. NSC Highways work with Bommel UK to identify suitable sites for advertising.
2. Bommel UK apply for planning consent.
- 3.
4. Bommel UK sell advertising space to interested organisations.
5. NSC receive 62% of the gross income.
6. Bommel UK are responsible for creating, installing and maintaining the advertising banners
7. All Bommel UK's costs are funded from their 38% of the income.

Bommel UK are currently generating income for South Glos Council of c £74k per annum from banner and roundabout advertising. The contract has been very successful and Bommel UK's performance and commercial approach have been excellent.

Bommel UK are projecting income for NSC of £15k in Year One and £25k per annum for subsequent years. This is lower than South Glos because Graphics manage roundabout sponsorship which already generates additional income.

There is little or no financial risk to the council in this agreement, because Bommel UK are responsible for all costs and the council receive 62% of gross income (ie before costs).

Other Alternatives Considered

The option to extend the Graphics service to cover banners was considered and rejected for the following reasons:

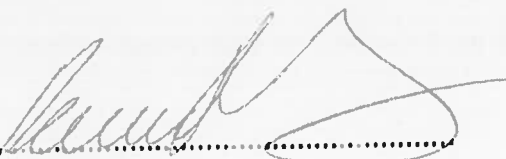
- The banners are secured to street lights using specialist equipment therefore the installation is very different from roundabouts
- Bommel UK have established relationships with potential advertisers
- This contract offers a financially risk free approach to exploiting a new area of income generation.

Financial Implications

Bommel UK have estimated income to the council of £15k in Year 1 and £25k in subsequent years. This is a conservative estimate based on the sites that have been agreed to date, and could increase if suitable additional sites are identified.

Implications for Future Years

The agreement is for an initial period of 4 years with an option to extend for a further 2 years.

Signed... 

Dated... 26/9/16