

**Manchester City Council
Report for Information**

Report to: Ethical Procurement Sub Group – 21 February 2019

Subject: Small Format Advertising – Council Influence on Adverts
Displayed on Council Assets

Report of: Strategic Director - Development

Summary

This reports provides a summary of the council's position to ensure that inappropriate content is not displayed through the advertising estate. The report also summarises how the council intends to engage the market through the procurement process in order to find the appropriate supplier to operate the small format advertising estate.

Recommendations

The sub group are asked to note the council's position on managing appropriate content through the advertising estate and to note the procurement process to be undertaken in order to find a supplier.

Wards Affected: Ancoats & Beswick, Cheetham, Deansgate and Piccadilly Wards

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Background documents (available for public inspection): None

1.0 Introduction

- 1.1 Following the discussions at Resource and Governance Scrutiny Committee held on 6 December 2018 the Strategic Director – Development was asked to provide assurance that the council would not be supportive of any advertising that celebrated inappropriate conduct and what the Council could do through the procurement process to influence advertisers who wish to use Council owned land.
- 1.2 The current Small Format Advertising contract is due to end in October 2019 and is currently managed by JC Decaux. Over the last year work has been undertaken to understand the market in order for the Council to be in the best position to receive bids that meet the cities requirements. In order to move forward with an agreed approach this paper will set out the council's position which aims to assure members of the appropriate nature of advertisements and to provide the Council with the best opportunity to effectively use the advertising estate to generate income.
- 1.3 The Council will be going to market for a new advertising supplier, therefore, it was felt that this would be an appropriate time to set out the council's position and seek to assure members before moving forward with the procurement process.

2.0 Background

- 2.1 The small format advertising contract currently covers 99 sites across the city centre, owned and maintained by JC Decaux. It should be noted that this represents a small part of the advertising space within the city centre. The Council has no influence on what can be displayed on screens or boards on private land or other platforms that have approved planning permission on the adopted highway such as the BT Inlink stations.
- 2.2 The Council is seeking to have the estate digitised and looking for an innovative advertising partner in order to provide a platform which can offer more than a simple advertising platform but can also link in with the cities smart cities ambitions.
- 2.3 The advertising estate has now been brought into Strategic Development to be part of the investment estate portfolio in order to be managed more effectively. It is anticipated that the new arrangement will bring in significant income from April 2020. This is due to the time it will take to roll out the new equipment and for the provider to start generating income.

3.0 Guidelines and Contractual Obligations

- 3.1 The advertising industry is regulated by the Advertising Standards Agency (ASA) and the Committee of Advertising Practice (CAP). They set out Advertising Codes for guidance to the industry on how to ensure that the way they advertise is legal, decent, honest and truthful and consumer confidence is maintained. The code is an overarching framework that details what

advertisers are able to produce. Any advertisement can be required to be amended or withdrawn. Advertisers that breach the code can be subject to sanctions, such as the withholding of advertising space or withdrawing trading privileges.

3.2 Within the specification and the subsequent contract with the supplier it will be stipulated that any advertisement that is displayed, will be in line with the regulations. This will be monitored through a key performance indicator requesting 100% compliance.

3.3 Further to this the Council will set a number of criteria which will be agreed by the supplier in order for them to look to control the type of advertisements. These will be as follows:

1. the Advertisement must comply with the CAP Code or any guidelines, decisions, directions or recommendations issued by the ASA;
2. the Advertisement must comply with the law or incites someone to break the law;
3. the Advertisement must not be in advocacy of, or opposition to, any politically, environmentally or socially controversial subjects or issues;
4. the Advertisement must not infringe on any trademark, copyright or patent rights of another company;
5. the Advertisement must not relate to films which have not been granted permission for public exhibition or which do not show the British Board of Film Classification certificate;
6. the Advertisement must not promote the disparagement of any person or class of persons;
7. the Advertisement must not promote or incite illegal, violent or socially undesirable acts;
8. No Advertisements for products with high sugar content within 75m of any educational establishment for children under 16 years old;
9. No Advertisement relates to tobacco products and e-cigarettes within 75m of any educational establishment for children under 18 years old;
10. the Advertisement must not promote weapons, gambling or illegal drugs;
11. the Advertisement must not promote financial organisations and loan advancers with punitive interest rates, 'cash for gold' or similar pawn broker type agents;
12. the Advertisement must not promote the availability of adult or sexually orientated entertainment materials;
13. the Advertisement must not be displayed if it is likely to cause widespread or serious offence to members of the public, on account of the nature of the product or service being advertised, the wording or design of the Advertisement or by way of inference;
14. the Advertisement must not depict men, women or children in a sexual manner or displays nude or semi-nude figures in an overtly sexual context (for example, while the use of underdressed people in most underwear advertising may be seen as an appropriate context, gratuitous use of an overtly sexual nature will be unacceptable);

15. the Advertisement must not refer to indecency or obscenity or use obscene or distasteful language;
16. the Advertisement must not depict direct or immediate violence to anyone shown in the advertisement;
17. the Advertisement must not condone or provoke anti-social behaviour;
18. the Advertisement must not contain negative references to Manchester City Council Services or those services provided or regulated by the Authority, organisations associated with the Authority or Greater Manchester Local Authorities;
19. the Advertisement may not adversely affect in any way the interests of the site owner; and
20. the Advertisement relates to a political party or parties or a political cause.

3.4 It is felt that this criteria will ensure that the Council is not seen to be promoting anything that would be out of line with its ethos. This will be monitored through contract management and will be a non-negotiable element of the negotiation that will take place with suppliers through the procurement process. These criteria will be in addition to any voluntary measures adopted by the successful provider.

3.5 The solution should provide comfort that these types of stipulated advertisements will not appear within the Council's estate, but does not stop them appearing elsewhere in the city. It also should be noted that any restrictions will have an impact on the income that the Council can generate from the contract.

4.0 Procurement

4.1 In order to secure the best deal for the city from a supplier, the Council will enter into a competitive dialogue process, this procurement route is felt to be the best way to reach a mutually beneficial relationship with a supplier. It provides flexibility through an iterative process, giving the authority the opportunity to engage formally with the market prior to finalising the tender documentation. The Council is looking to maximise the return from the advertising estate, as the current contract is currently not generating any revenue. The new arrangement will include a fixed fee and a return on a percentage of the gross revenue. Allowing the council to budget based on fixed income whilst incentivising the supplier to generate as much revenue as possible through our advertising estate.

5.0 Recommendations

5.1 Recommendations appear at the front of this report.