



## **SPONSORSHIP OPPORTUNITY**

### **SUMMARY**

1. There is an opportunity for the Council to raise sponsorship income on highway infrastructure by partnering Immediate Solutions. Immediate Solutions is a company who work exclusively with the public sector to maximise sponsorship revenue.

### **RECOMMENDATION**

- 2.1 That Cabinet agree to waive Contract Procedure Rules and elect to work with Immediate Solutions to pursue sponsorship opportunities on highway infrastructure.
- 2.2 To authorise the Director of Corporate Services, in conjunction with the Director of Regeneration and Community and the Director of Corporate Resources, to negotiate and complete a contract with Immediate Solutions.

### **REASON FOR RECOMMENDATION**

3. To raise sponsorship money for the Council and to maximise the potential for lamppost banner sponsorship



## **SPONSORSHIP OPPORTUNITY**

### **SUPPORTING INFORMATION**

- 1.1 Derby City Council could generate a significant income from sponsorship on highway infrastructure. Whilst the Council could develop sponsorship opportunities independently, there are a number of companies who specialise in partnership working with local authorities who are best able to maximise the income potential.
- 1.2 Two leading companies are Immediate Solutions and Bay Media. Of the two, Immediate Solutions offer greater experience in a wider range of products. Bay Media specialise in lamppost banners but will extend their role if required. Immediate Solutions have a more comprehensive range of clients, working with over 60 local authorities, compared to Bay Media who work with over 20. Initial discussions also suggest that Immediate solutions will offer a greater return to the Council.
- 1.3 Immediate Solutions is a company who appear to be market leaders in the range of sponsorship opportunities they commonly offer to local authorities. This report gives a brief summary of the company and recommends that they be chosen as our partners to take this initiative forward.

#### **The Company**

- 1.4 Immediate Solutions was established in 1995 and work exclusively with the public sector to generate income from sponsorship opportunities. They seek sponsorship from local and national companies and can also offer opportunities for civic messages at certain times of the year. The company work on an open book approach with local authorities. After deducting initial costs, the profit is divided equally between Immediate Solutions and the local authority.
- 1.5 Immediate Solutions currently work with over 60 local authorities. Six local authorities have provided testimonials.

#### **Sponsorship opportunities**

- 1.6 Immediate Solutions typically provide sponsorship opportunities on boundary signs, lamppost banners and roundabouts. They also have sponsorship expertise in other areas such as on traffic signals, school crossing patrol signs, Park and Ride, bridges and in web site design.

- 1.7 Parks presently organise sponsorship of roundabouts in Derby. Currently 26 roundabouts are sponsored on 12 month contracts. We receive around £40,000 in sponsorship. The revenue from sponsorship of roundabouts is crucial for maintaining Parks current level of services. It is believed Immediate Solutions would increase this annual sum and at the same time release Council staff time for other projects.
- 1.8 It is recommended that initially Immediate Solutions be invited to offer sponsorship on boundary signs, lamppost banners and roundabouts.
- 1.9 Typically DCC could expect to receive, after deduction of installation costs:
- £3000 per annum from each boundary sign
  - £3000/4000 per annum from each sponsored roundabout
  - £750 per annum from each lamppost banner
- 1.10 We would receive regular financial reports from Immediate Solutions who would operate on an open book basis.

### **Procurement**

- 1.11 The potential deal with Immediate Solutions or any other company is not caught by the full E.C Procurement regime. However under the Councils own Contract Procedure Rules there would be a requirement to seek other tenders unless Cabinet waived this requirement. There would need to be good reason not to go out to tender. There are two reasons for Cabinet to waive this requirement:
1. Immediate Solutions are the most common choice for local authorities in this field of sponsorship. They offer a wide range of items to sponsor. The testimonials we have received confirm they are very professional and excellent partners.
  2. To best take advantage of sponsorship on street lighting we need to co-ordinate with the street lighting PFI at an early stage. Lighting columns which would take banners may need modification. They would therefore need to be identified before they are erected. The timetable for the PFI aims to start work in July. Opportunities may be missed if a sponsorship company was not liaising with the Balfour Beatty before July. A tendering process would take around 4 months from when a decision was made. We would then need to agree the terms of the contract and complete the documentation. It would not be possible to achieve this by July.

### **Terms of a sponsorship agreement**

- 1.12 Immediate Solutions would seek a 7 year contract with DCC. Contract procedure rules determine a fixed period of no longer than three years with an option to extend for a further two years. This position will be considered when negotiating with Immediate Solutions.
- 1.13 The advertisement content of banners and signs is subject to control under the Advertisement Regulations within Town & Country Planning legislation. It is

important that any contract places the responsibility of complying with legislation, particularly applying for each individual sign, on the company. It will also be necessary to ensure that a contract does not fetter the Council's discretion in deciding each application on its merits.

#### **OTHER OPTIONS CONSIDERED**

- 2.1 Not to seek sponsorship of highway infrastructure and therefore miss an opportunity to increase income
- 2.2 To seek sponsorship ourselves, thereby avoiding sharing income. However, the Council does not have the expertise or the staff resources to carry out the work as effectively as a specialised company.
- 2.3 To tender the contract. This would result in a delay and could affect the opportunities for banner advertising on lampposts

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**Background papers:** None  
**List of appendices:** Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial**

1. The Council would receive an annual income from sponsorship

**Legal**

2. A contract would need to be agreed and completed with Immediate Solutions. Advertisements will be subject to normal legal requirements within the Advertisement Regulations.

**Personnel**

3. There are no personnel implications arising from this report

**Equalities impact**

4. There are no equalities implications from this report

**Corporate priorities**

- 5.1 The proposal predominantly comes under the Council's Objective of creating job opportunities.
- 5.2 It will also raise money to assist the Council meet any of its corporate objectives and priorities for change.