

Business Planning / MTFs Options 2019/20 – 2023/24

Ref: P404b

Title of Option:	Strategic Property Unit – New Income Proposal		
Priority:	P4/PX	Responsible Officer:	Steve Carr
Affected Service(s):	Housing, Regeneration & Planning	Contact / Lead:	Bill Ogden

Description of Option:

- *What is the proposal in essence? What is its **scope**? What will **change**?*
- *What will be the impact on the Council's objectives and outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes, and Borough Plan Evidence Packs)*
- **How does this option ensure the Council is still able to meet statutory requirements?**
- *How will the proposal deliver the benefits outlined?*

[Proposals will be mapped to the new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

This proposal comprises an opportunity to achieve new income potential from the introduction of outdoor media, beginning with regularisation of existing media/advertising on our estate:

1. There is significant income potential to be achieved from Outdoor Media advertising across the Council's commercial estate, including development sites and highway land. At present there is only one lease of an advertising billboard in the commercial portfolio. The income potential from Outdoor Media is well proven and many London Boroughs are achieving valuable income from this. It is therefore proposed initially to instruct a specialist consultant to undertake an assessment of the Council's landholdings to identify suitable sites for Outdoor Media installations and in doing so to identify existing illegal advertising on Council property where action can be taken to regularise. The initial Stage 1 assessment is estimated at a cost of £15k. Thereafter, subject to planning consent and Member agreement, it is estimated that net income in 2019/20 would be not less than £100k, increasing significantly over future years. It is not possible at this stage to accurately forecast future income flows until an initial assessment has been completed, but it is not unusual for Boroughs to achieve many times this per annum depending on their location and appetite of advertisers.
2. In Summary, we estimate that in 2019/20 a total gross new income of £115k could be achieved from Outdoor Media given an outlay of £15k, giving a net new income flow of £100k per annum.
3. We would thus offer up £100,000 income to be set against the ongoing budget deficit of the SPU team that has arisen from the carrying cost of the supernumerary posts which were deleted in anticipation of the HDV.
4. Note – this exercise cannot be scaled-up without further resource allocation to the property function. We will address this wider issue of income generation and cost cover in the Commercial Property Review exercise that is intended to go to Corporate Board in September and will influence the restructure programme of the Housing, Regeneration and Planning Directorate.

2. Financial benefits analysis					
Saving / Cost	2019/20	2020/21	2021/22	2022/23	2023/24
<i>All savings / costs shown on an incremental basis</i>	£000s	£000s	£000s	£000s	£000s
A. Gross saving	-450				
B. Revenue implementation cost (One Off Pressure)					
C. Ongoing revenue cost	150				
D. Net Saving (A+B+C)	-300	0	0	0	0
E. Saving(s) already included in MTFS 2018/23	-250				
F. New net additional saving (D minus E)	-50	0	0	0	0

Impact / non-financial benefits and disbenefits
<p>What is the likely impact on customers and how will negative impacts be mitigated or managed? <i>List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes)</i></p>
<p>Any cases of illegal advertising on Council land would be subject to action to regularise either through formal agreements or in some cases removal</p>
<p>What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? <i>List both positive and negative impacts.</i></p>
<p>Suggested early discussion with Cabinet Member on Outdoor Media proposals to secure support and agree guidelines</p>
<p>How does this option ensure the Council is able to meet statutory requirements?</p>
<p>Outdoor Media companies would be responsible for securing appropriate planning and building regulation consents as appropriate</p>

Risks and Mitigation			
<i>What are the main risks associated with this option and how could they be mitigated?</i>			
Risk	Impact H/M/L	Probability H/M/L	Mitigation
Outdoor Media installations require planning consent	M	M	Discussion with Planners at early stage. Seek alternative sites
Outdoor Media content not compliant with council policy	M	L	Ensure that licences and Heads of terms incorporate council policy and are reviewed by Comms and Procurement teams
Outdoor Media proposals may be politically sensitive	M	M	Early discussion with Cabinet Member and agree guidelines for advertising content