

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Commercial Revenue Committee

**Date:** 17/04/2023

**Subject:** Digital Advertising Hoarding Overview

**Report author:** Joanna McCormick – Assistant Director – Procurement and Commercial

**Responsible Director:** Director of Finance - Sukvinder Kalsi

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## SUMMARY

Hammersmith and Fulham Council own a number of digital advertising hoardings around the Borough. These sites have been leased to various media providers. The leases held between H&F and media providers outline the length of the term and the rental agreement along with other necessary stipulations. This report gives an overview of all current digital advertising sites and seeks approval for future planned sites.

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## RECOMMENDATIONS

1. To note that Appendices 1, 2, 3, 4 and 5 are exempt from disclosure on the grounds that they contain information relating to the financial or business affairs of a particular person (including the authority holding that information) under Paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
  2. To note the lease status and marketing position of current advertising sites.
  3. To approve the provisional sites for H&F to progress with as outlined in Appendices 2 and 3.
  4. To agree delegated authority to the Strategic Director for the Economy for these proposed sites to proceed with leasing.
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**Wards Affected:** (All)

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<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Building shared prosperity	When leases are agreed with marketing partners it benefits the borough and ultimately our residents
Creating a compassionate council	Creating advertising spaces can enable the council to manage issues that affect residents more innovatively.
Doing things with local residents, not to them	Enables the Council as digital advertising landlords to influence advertising and income generation against resident priorities through innovation and commercial approaches.
Being ruthlessly financially efficient	Digital advertising creates many income generating opportunities within a successful market with little expenditure for the council.
Taking pride in H&F	Ensuring advertising hoardings have green walls, where possible, to provide natural and vibrant structures within the community.
Rising to the challenge of the climate and ecological emergency	Ensuring that we as a landlords highlight the council's commitment to climate and ecological emergency in our digital advertising leases. Whilst developing an approach for the council to reduce promotion within high-carbon products and services at its sites including advertising sites.

## **Financial Impact**

Comments on the financial performance and implications for the councils advertising hoarding sites for both the General Fund and the Housing Revenue Account (HRA) are held in the exempt appendix 5.

*Alex Pygram, Head of Finance, Corporate Services, 2<sup>nd</sup> February 2023*

*Madhav Acharya, Finance Manager, The Economy (HRA) and Danny Rochford, Head of Finance (The Economy and HRA), 20<sup>th</sup> February 2023*

*Verified by Andre Mark, Head of Finance (Strategic planning and investment), 8<sup>th</sup> March 2023*

## **Legal Implications**

This report seeks approval for the provision of additional advertising hoardings in the borough by entering into leases in each case with a lessee/outdoor advertising company mirroring arrangements at existing sites. Since these arrangements are

primarily land transactions, they fall outside the Public Contracts Regulations 2015 and Concession Contracts Regulations 2016. Therefore, there is no statutory obligation to follow the competition requirements under the Regulations before the Council enters into the leases for the additional sites.

*Angela Hogan, Chief Solicitor (Contracts and Procurement) 7<sup>th</sup> February 2023*

## **Background Papers Used in Preparing This Report**

**None**

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## **DETAILED ANALYSIS**

### **Proposals and Analysis of Options**

1. The council presently has a number of active, proposed, and agreed advertising sites. H&F plan to continue with current leases and grow the advertising hoarding portfolio over the next 12 months.
2. Digital Advertising sites generate income for LBHF via payment agreements over a fixed term lease.
3. Out of home media has encountered a number of market pressures in recent years, this has had a major impact on income generation for H&F. The decrease in income is due to Covid19, internet advertising and reduction in footfall for high street shopping.
4. H&F Climate Change team are looking into the environmental impact of hoardings and producing an advertising policy for the council to adopt. Primarily focusing on restrictions on advertising fossil fuel-derived products. This will have an unknown impact on income generation. For context and reference following consultants' advice, a restriction on sugar related advertising resulted in a 20% reduction in income for another local authority. The potential impact of a new advertising policy will be outlined when the policy is brought forward.
5. Media providers will be asked to sign our West London Alliance Low Carbon Charter, requiring media providers to support H&F initiatives to tackle climate change. This charter does not carry a fee to providers. This programme is enabling H&F to be ruthlessly financially efficient whilst ensuring we are rising to the challenge of the climate and ecological emergency.
6. Digital advertising consultants have reviewed potential sites around the Borough for development and have identified the sites outlined in Exempt Appendix 2, 3 and 4.
7. Advertisement Consent would be required for each digital advert. The council as a Local Planning Authority is required to determine Advertisement Consent applications in the interests of amenity and public safety, including highway safety. Tenants and leaseholders would be notified by Housing in advance of any Advertisement Consent application being submitted for a digital advert on

HRA land. Planning would carry out a public consultation on each Advertisement Consent application received. Any applications with a recommendation for approval from Planning Officers would need to be reported to the Planning Applications & Development Control Committee for their determination.

<b>Site and fund (GF/HRA)</b>	<b>HRA/GF site</b>	<b>Leaseholder name on lease</b>	<b>Lease end date</b>
<b>Existing sites</b>			
Hammersmith Twin Towers (South of A4 Hammersmith Flyover)	GF	Global	29/06/2027
Hammersmith Twin Towers (North of A4 Hammersmith Flyover)	GF	Global	29/06/2027
245 Hammersmith Road (outside L'Oréal)	GF	Ocean	01/11/2021
Woodstock Grove (facing Holland Park Roundabout) - GF joint site with TfL	GF	JCDecaux	06/04/2024
Walham Green Court -	HRA	Daylite LED Media	05/07/2034
Barton House	HRA	Daylite LED Media	01/12/2037
Linacre Court (facing A4 Talgarth Road) -	HRA	JCDecaux	01/06/2026
Falkland House, Edith Villas (facing A4 West Cromwell Rd)	HRA	Outdoor Media Management / UK Billboards	30/04/2028
<b>Void sites</b>			
Bentworth Park (facing A40 Westway)	GF	N/A	To be removed 2023
Imperial Road (Paper & Paste)	GF	Clear Channel	To be removed March 2023

GF – General Fund

HRA – Housing Revenue Account

## **Risk Management Implications**

8. The report gives an overview of all current digital advertising sites and seeks approval for future planned sites to generate additional income for the Council. This is in line with the objective of being ruthlessly financially efficient.

*David Hughes, Director of Audit, Fraud, Risk and Insurance, 17 February 2023*

## **Climate and Ecological Emergency Implications**

9. Commercial team are currently working with Legal and the Climate team to establish a Fossil Fuel Advertising Policy, which will limit advertising of fossil fuel-derived products and services.

*Hinesh Mehta, Head of Climate Change, 30/01/2023*

## **Property**

10. This report seeks approval for the provision of additional advertising hoardings in the borough by entering into leases in each case with a lessee/outdoor advertising company mirroring arrangements at existing sites.

Work to mobilise the sites will be led by the Council's Commercial and Procurement function but supported with advice and expert input from the Council's Corporate Property Service.

Records of assets and their arrangements will be maintained on the Council's Corporate Property database. The Council's Corporate Property Service will support the Council's Commercial and Procurement function to use the system effectively.

*Jonathan Skaife, Acting Head of Corporate Property, 08/03/2023.*

## **LIST OF APPENDICES**

- Exempt Appendix 1 – Breakdown of existing sites
- Exempt Appendix 2 - Agreed delegated authority site
- Exempt Appendix 3 – Breakdown of potential new sites – seeking approval
- Exempt Appendix 4 – Map of potential new sites
- Exempt Appendix 5 – Finance comments