

# Cheshire East Council

## Portfolio Holder Decision

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**Date of Meeting:** 10<sup>th</sup> July 2017  
**Report of:** Peter Bates, Chief Operating Officer  
**Subject/Title:** Roundabout sponsorship trial  
**Portfolio Holder:** Cllr David Brown

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### 1 Report Summary

- 1.1 Ansa Environmental Services Ltd, on behalf of Cheshire East Council, deliver our streetscape and parks services. In undertaking services on behalf of the Council, Ansa are asked, where appropriate, to take a more commercial approach to service delivery reducing costs and enhancing the assets that they maintain on the councils behalf. As part of this approach, Ansa has undertaken a market research exercise into potential revenue generation through highway roundabout sponsorship.
- 1.2 The outcome of the exercise concluded that there is already considerable demand from businesses within Cheshire East to promote their products and the quality/location of current roundabout infrastructure is viewed as a valuable platform for potential sponsors.
- 1.3 A significant number of Councils (see appendix 1), on a national basis, operate similar schemes and are now taking advantage of the revenue generating opportunities available from their existing infrastructure (see sample images below).

### 2 Recommendation

- 2.1 That the Portfolio Holder approves the proposed pilot for roundabout sponsorship.
- 2.2 Authorise the Corporate manager Commissioning Waste and Environmental Services to take all necessary actions to engage Ansa Environmental Services Ltd under the Council's existing management contract to carry out a 12-month pilot roundabout sponsorship trial.

- 2.3 To Authorise the Corporate manager Commissioning Waste and Environmental Services in consultation with the Chief Operating Officer and Director of Legal Services, following a full and careful evaluation of the pilot project outcomes, to extend the scheme as part of the activities undertaken through the Council's Management Contract for Waste and Environmental Services with Ansa .

### **3 Other Options Considered**

- 3.1 To continue to maintain roundabouts in the borough solely through Council tax funding.

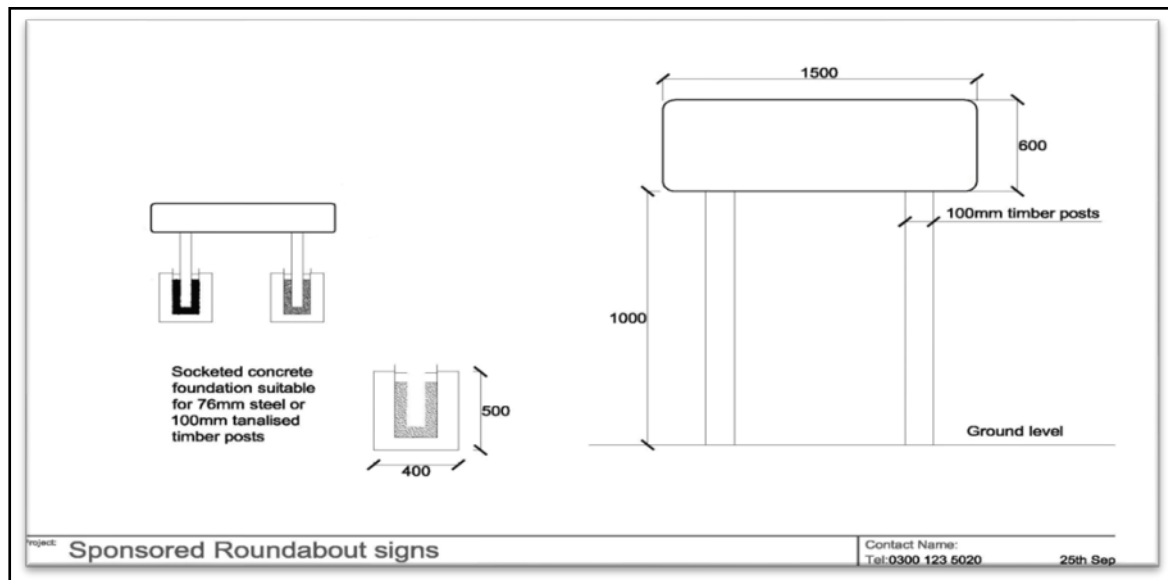
### **4 Reasons for Recommendation**

- 4.1 This proposal seeks to reduce the Council's management fee by releasing value from the boroughs roundabouts by providing sponsorship opportunities to local businesses.
- 4.2 This pilot enables Ansa to fulfil a core aim of their creation, namely to take a commercial approach to service delivery that will mean they can deliver more for less.
- 4.3 The feasibility study showed there is potential to generate income from roundabout sponsorship. Market testing has identified 48 potential business sponsors and therefore there is strong evidence for the success of this proposal.

### **5 Background/Chronology**

- 5.1 Ansa Environmental Services carried out a feasibility study looking at the potential of raising revenue, for the Council, by securing sponsorship on selected roundabouts across the borough.
- 5.2 It is proposed that during the trial period, to offer selected roundabouts to companies via a sealed bid process to allow all prospects the opportunity to bid. The trial will be promoted on: The Chest North West Procurement Portal / Cheshire East website and Ansa website to ensure open and transparency of opportunity. All potential sponsors will then be vetted against a set of criteria to ensure they are suitable sponsors.
- 5.3 All sponsorship agreements will be limited to twelve months in order to allow CEC to consider the future viability of sponsorship before committing to any long-term arrangements. There is an aim of placing sponsorship signage on 20 roundabouts across the borough. Each trial will be for a period of 12 months.
- 5.4 A sponsorship agreement will be drafted to ensure CEC/Ansa can terminate the agreement at any time if the company/message is deemed inappropriate.

- 5.5 Advertising consent applications will be submitted – see section 6 for Wards affected, with the intention of securing 20 sponsored roundabouts during the trial.
- 5.6 Subject to planning approval, there will be a period of sales activity culminating in sponsorship signage potentially starting to appear on CE roundabouts from September 2017 onwards.



- 5.7 Cheshire East Highways have developed a draft sign template for use on the roundabouts. A working group will be established to produce the final design for the signs. This group will ensure the design of the sign, including its shape and face design, will not be out of place on roundabouts across Cheshire East. A quotation for the services of a design agency to support this work has been requested. Signs may be varied in shape, e.g. oval / rectangle and size depending on the location and size of the roundabout being considered.
- 5.8 Each sign will carry the sponsor's logo, short strapline and contact details (web address or contact number). The sign will also carry a short message from Cheshire East Council. Any sites awaiting formal sponsorship agreements can be utilised by CEC to promote Cheshire East events/initiatives. Cheshire East Business rates have advised that the Valuation Office will calculate the business rates once the signs are in place. An estimated cost has been used for the feasibility study.
- 5.9 All potential sponsors will be vetted through the procedure outlined in appendix 2. Cheshire East Highways will carry out a full safety audit prior to installation of any signs.
- 5.10 Roundabouts will be maintained to the same level they are currently.

5.11 A survey of local authorities has been carried out to gain an understanding of the impact roundabout sponsorship has had. Please refer to appendix 1. As it can be seen from the results of the survey, the introduction of sponsorship signs on roundabouts has had no impact upon accidents recorded or complaints received from members of the public.

## 6 Wards Affected and Local Ward Members

Ward	Councillor(s)	Roundabout
Alderley Edge	Craig Browne	A34/Melrose Way/Pendleton Way/Alderley Road
Bollington	Amanda Stott & James Nicholas	A523/B5090
Broken Cross & Upton/Macclesfield West & Ivy	Liz Durham, Martin Hardy, Alift Harewood and Nick Mannion	A537/Ivy Road
Broken Cross & Upton/Macclesfield Central/Macclesfield West & Ivy	Liz Durham, Martin Hardy, Alift Harewood, Nick Mannion, Beverley Dooley, Janet Jackson	A537 Cumberland St/B5087 Macclesfield
Bunbury	Michael Jones	A51 (Nantwich by-pass)/B5074 (Barony Rd) Reaseheath roundabout
Chelford	George Walton	Chelford roundabout A537/A536 A34 Melrose Way/Congleton Rd, Nether Alderley
Congleton West	George Hayes, Gordon Baxendale & Paul Bates	A34 (Newcastle Rd)/A534 (Sandbach Rd)/A54 (Holmes Chapel Rd)/West Rd West Rd/Clayton by-pass/Davenport St/Obelisk Way
		Clayton by-pass/Barn Rd/Springfield Drive (Tesco Superstore/McDonalds)
Crewe Central	Irene Faseyi	A532/A5019/ (Municipal Buildings roundabout) A5019/Lyon St (Tesco roundabout) A5019/A5078/Mill St/High Street
Crewe East	Clair Chapman, David Newton & Suzanne Brookfield	A534/A532 Weston Rd(Crewe train station/B&Q roundabout) A532/A5020 University Way(Stuart Graham Honda garage roundabout) Crewe Rd/Crewe Green Rd/Electra Way/(MMU roundabout)
Handforth	Barry Burkhill & Dennis Mahon	A34/Coppice Way (Marks & Spencer/Total Fitness roundabout)
Haslington	John Hammond & David Marren	B5472/Old Park Road (Crewe Hall roundabout)
		A534/Crewe Green Rd/University Way

Ward	Councillor(s)	Roundabout



Knutsford	Hayley Wells-Bradshaw, Stewart Gardiner & Tony Dean	A537 Chelford Rd/Goughs Lane (Booths Hall roundabout)
Macclesfield Central/Macclesfield West & Ivy	Beverley Dooley, Janet Jackson, Alift Harewood & Nick Mannion	A537 Cumberland Street/Oxford Road
Macclesfield Central/Tytherington	Beverley Dooley, Janet Jackson, Ainsley Arnold & Sam Gardiner	A537 Cumberland Street/Westminster Road
Macclesfield Central	Beverley Dooley & Janet Jackson	A537 Cumberland Street/Churchill Way
Macclesfield Central/Hurdsfield/Tytherington	Beverley Dooley, Janet Jackson, Ainsley Arnold, Sam Gardiner, Stephen Carter	A537/A523 (Tesco roundabout)
Macclesfield Hurdsfield/Tytherington	Ainsley Arnold, Sam Gardiner, Stephen Carter	A523 Brocklehurst Way (McDonalds roundabout)
Middlewich	Bernice Walmsley	Pochin Way/A54
Middlewich	Bernice Walmsley, Michael Parsons, Simon McGrory	Pochin Way/A54
Nantwich North & West	Arthur Moran & Penny Butterill	Middlewich Rd/Whitehouse Lane (Sainsbury's roundabout)
		A530/A51 (Nantwich bypass)/Middlewich Rd (Alvaston roundabout)
Nantwich South & Stapeley	Andrew Martin & Peter Groves	A51 Newcastle Rd/A500/Cheerbrook Rd (Cheerbrook roundabout)
Prestbury	Paul Findlow	A523/B5091 Bollington
Sandbach Town, Sandbach Heath & East	Barry Moran & Sam Corcoran	A533/Crewe Rd (Glass House Roundabout)
		A533/A534 (Waitrose roundabout)
Wilmslow Dean Row	Toni Fox	A34/A538 (Ford garage roundabout)
		A34/Dean Row
Wilmslow East	Rod Menlove	A34/A538 (Wilmslow High School roundabout)
Wilmslow West & Chorley	Gary Barton & Ellie Brooks	A538 (Waters roundabout)
Wistaston, Willaston & Rope	Jacqueline Weatherill & Margaret Simon	A534 (Crewe Rd)/A51 (Nantwich bypass/Park Rd (The Peacock roundabout)

## **7 Implications of Recommendation**

### **7.1 Policy Implications**

- 7.1.1 All permanent installations will be done in accordance with the Council's Policies and in particular Planning, Highways and Advertising
- 7.1.2 A clear advertising policy will be developed over the trial year stipulating what advertising will be acceptable to the Council. (see appendix 2 for policy during trial period).

### **7.2 Legal Implications**

- 7.2.1 The Council will have to be mindful of relevant legislation concerning highways and planning. In particular, no signage should be placed on a Cheshire East roundabout without advertising planning permission and a full safety audit delivered by Cheshire East Highways.
- 7.2.2 Ansa, as the council's agents, will manage the trial under their existing management contract with the Council. Under the provisions of the contract, a contract change control notice between the two parties will be put in place detailing the Council's specification and Ansa's method statement costs and revenue estimates for this trial to be undertaken.
- 7.2.3 The template sponsorship agreement, which will be entered into for each site, will include the right to terminate at any time if the message is deemed inappropriate. It will also need to ensure that no rights over the highways owned land, which may inadvertently give rise to a business tenancy, is granted to any third parties.
- 7.2.4 The Council's legal and other services will provide support to the trial and its future development.

### **7.3 Financial Implications**

- 7.3.1 This scheme is seeking to generate additional savings from the borough's roundabouts to offset maintenance costs and reduce service delivery costs to the Council through the corporate client commissioning environment revenue budget.
- 7.3.2 As part of the management fee setting process, as described in Ansa's Contract with the Council, an estimate of income from roundabouts will be agreed in the service delivery plan and the management fee adjusted accordingly. Where roundabouts are sponsored but not maintained by Ansa such as in Congleton, where

this service is devolved to the Town Council, income gained will be used to offset grant management costs from corporate client commissioning environment revenue budget, for this devolved service.

7.3.3 Initial costs will be incurred by Ansa and then recovered from future revenue generation.

7.3.4 Potential three year revenue costs and income forecast, assuming income levels are realised to the values identified from the Market Research exercise (advertising on 20 roundabouts):

	Existing Roundabout Maintenance costs / annum	Cost of implementing scheme including 1 <sup>st</sup> year ad consent	Estimate Income generation	Net benefit to Council through Management fee reduction
Year 1	£30,000	£104,000	£132,000	£28,000
Year 2	£30,000	£68,000	£132,000	£64,000
Year 3	£30,000	£68,000	£132,000	£64,000
Total	£90,000	£240,000	£396,000	£156,000

7.3.5 In addition to the above income, CEC will also generate some indirect revenue through their in-house services, these being:

	Year 1	Year 2	Year 3
Increased Planning fee income	£15,000		
Increased Highways income	£11,000		
Increased Business Rates income	£4,000 est	£4,000 est	£4,000 est
<b>Total additional income</b>	<b>£30,000 est</b>	<b>£4,000 est</b>	<b>£4,000 est</b>

7.3.6 The guide price for the trail is £6,600 per annum per roundabout. The market will then decide what the roundabouts are worth through the sealed bid process. Ansa/CEC have the option not to accept a bid for a roundabout if an acceptable price is not achieved. If a roundabout does not reach an acceptable bid value Ansa will then consider what further marketing should be undertaken to promote the roundabout.

## 7.4 Equality Implications

7.4.1 Roundabouts are not accessible to the public and hence signage will not present a physical barrier. Applicants for signage will be assessed to ensure they comply with equality and diversity requirements as part of the advertising policy assesment.

## 7.5 Rural Community Implications

7.5.1 None

## **7.6 Human Resources Implications**

- 7.6.1 The trial will require planning and highways input that has been costed into the proposal.

## **7.7 Public Health Implications**

- 7.7.1 None

## **7.8 Implications for Children and Young People**

- 7.8.1 None

## **7.9 Other Implications (Please Specify)**

- 7.9.1 None

## **8 Risk Management**

- 8.1 The following risks have been identified:

- Sponsors cannot be found for each approved roundabout,
- Sponsors are not willing to pay the full amount needed to generate a profit,
- There is a down-turn in the market, resulting in roundabouts not being sponsored or re-sponsored,
- Costs of signs increase, thereby increasing the cost of sponsorship.

- 8.2 The following mitigations are in place

- A full market research exercise has been conducted,
- Pricing structure has been developed around market testing,
- A pilot is being conducted and results will be assessed prior to full rollout.

## **9 Contact Information**

Contact details for this report are as follows:

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**Email:** [ralph.kemp@cheshireeast.gov.uk](mailto:ralph.kemp@cheshireeast.gov.uk)

## Appendix 1 Roundabout survey. Local authorities. 2017

Council name	How long have you had advertising on roundabouts ?	Any accidents due to roundabout advertising?	If yes, how many	Did you require planning permission?	If yes, do you require planning permission each time the sign message is changed?	Have you had any complaints re roundabout advertising?	If yes, how many	If yes, what the nature of the complaints ?	If yes, what action has the council taken
Sheffield City Council	5 years	none		Advertising consent	No valid for 5 years	none			
Cornwall	4 years	none		No- agreed with planning Authority (also CC) not needed because only advertise CC services					
CWaC	10 years	none		no	The final decision is with Highways to approve the signage, ensuring it follows legislation and presents no distraction to drivers.	none			
Cheltenham B C	Officer not sure of start date but a number of years	none that the officer is aware of		Advertising consent	No, valid for five years. In some cases this has expired but from the officers understanding from the council's planning team advertising consent is not generally re applied for, unless signage is changed in some way, because the principle has already been established.	none that the officer is aware of			
London Borough of Bexley	13 years	none		yes	No - permission was given for the size of sign rather than the advertise.	yes	1	Generating income through advertising	Responded to the complaint explaining need to generate income.

<b>Council name</b>	<b>How long have you had advertising on roundabouts ?</b>	<b>Any accidents due to roundabout advertising?</b>	<b>If yes, how many</b>	<b>Did you require planning permission?</b>	<b>If yes, do you require planning permission each time the sign message is changed?</b>	<b>Have you had any complaints re roundabout advertising?</b>	<b>If yes, how many</b>	<b>If yes, nature of the complaints ?</b>	<b>If yes, what action has the council taken</b>
Trafford Council	9 years	not aware of any		yes	No - permission was gained for each location, with a generic sign design, not for specific sign content.	yes	2	Residents who did not like advertising near their homes	Explanatory email to residents regarding the requirement to generate income to continue to provide services to residents.
Wrexham CBC	10 years	none		yes	No - not changing the size or position of the sign just changing the sponsor	none			
Transport for London		none reported			Full road safety audit carried out prior to permission given				
London Borough of Bromley	10 years +	none		yes		none			
Surrey County Council	9+ years	We are not aware of any incidents		Managed by Boroughs / Districts		no			
Norfolk County Council	5+ years	No		Yes	No	Yes	Very few	Concerns about safety /distraction s	None - no evidence of increase in accidents observed.

## **Appendix 2 – Draft Advertising Policy**

### **Suitability of roundabout sponsors**

Applicants for advertising space during the trial period will be assessed for suitability to ensure they comply with the Council's values and objectives and meet the requirements of equality and diversity.

*Some Specific categories of organisations, products or services, which may NOT advertise or be advertised on Cheshire East's roundabouts, would include but not be limited to:*

#### ***Types of organisations***

- *Political organisations*
- *Companies operating in the alcohol or tobacco industries*
- *Companies operating in the sex industries*

#### ***Types of products, services and related industries***

- *Tobacco*
- *Alcohol*
- *Gambling*
- *Pornography*
- *Adult content*

In order to ensure that new sponsors are reputable clients, Ansa will ensure that Cheshire East Council have no on-going or historical issues with the organisation. This will include checks with the following teams:

- Trading standards
- Business rates

Assessments of applicants will be made on a case-by-case basis over the 12-month trial period overseen by the head of Communications in consultation with the portfolio holder.

Information gained, and lessons learned during this trial period, will be used by the Council's corporate communications team to develop a wider advertising policy for the Council.

## **Promotion and income realisation**

Roundabouts accepted for the trial will be promoted via the Cheshire East web site, the Ansa website and The Chest North West Procurement Portal.

The trial roundabouts will be offered for sponsorship via a sealed bid process to allow bidders to determine the market value of the offer. The bid documentation will clearly state that Ansa / Council are not bound to accept any offer and reserves the right to employ a Best and Final Offer stage (BAFO). Allowing, if needed, a second round of bids such as initial bids falling below the proposed income target or in the event of two bidders bidding the same price

If the bids received on any roundabout remain below the proposed income target for that roundabout, the roundabout will be withdrawn from the bidding process or . further marketing activity will then be undertaken by Ansa with the aim of reaching the proposed income target for that roundabout.



### Appendix 3 - Roundabout images

1/ 17/0828C Pochin Way / A54 Middlewich





2/ 17/0824M Chelford Roundabout A537 / A536. Chelford





3/ 17/0830M Coppice Way / Marks and Spencer / Total Fitness Roundabout. Handforth



5/ 17/0836M A34 / A538 Ford Garage Roundabout. Wilmslow





6/ 17/0839M A34 / Melrose Way / Pendleton Way / Alderley Rd. Alderley Edge





7/ 17/0880M A34 / A538 / Holly Rd N / (Wilmslow High School Roundabout. Wilmslow





**8/ 17/0881M A34 / Dean Row. Wilmslow**









10/ 17/0886M A538 (Waters Roundabout). Wilmslow









12/ 17/0891M A537 / Cumberland St / Oxford Rd. Macclesfield





13/ 17/0893M A537 / Cumberland St / B5087. Macclesfield





14/ 17/0894M A537 Cumberland St / Westminster Rd (Sainsbury Roundabout). Macclesfield





15/ 17/0895M A537 Cumberland St / Churchill Way. Macclesfield





16/ 17/0898M A537 / A523 (Tesco Roundabout). Macclesfield





17/ 17/0899M A523 / Brocklehurst Way (McDonalds Roundabout). Macclesfield





18/ 17/0900C A533 / Crewe Rd (Glass House Roundabout). Sandbach





19/ 17/0902C A533 / A534 (Waitrose Roundabout). Sandbach





20/ 17/0903N A532 / A5019 Municipal Buildings Roundabout. Crewe





21/ 17/0904M A523 / B5090. Bollington



22/ 17/0905M A523 / B5091. Bollington









24/ 17/0909N A5019 / A5078 / Mill St / High St. Crewe





25/ 17/0205N A534 / A532 / Weston Rd (Crewe Railway Station / B&Q /Crewe Fire Station). Crewe





26 17/0906N. A532 / A5020 / University Way (Stuart Graham Honda Garage Roundabout). Crewe





27/ 17/0907N Old Park Rd / Weston Rd. Crewe





28/ 17/0933N Crewe Rd / Crewe Green Rd / Electra Way (MMU Roundabout). Crewe

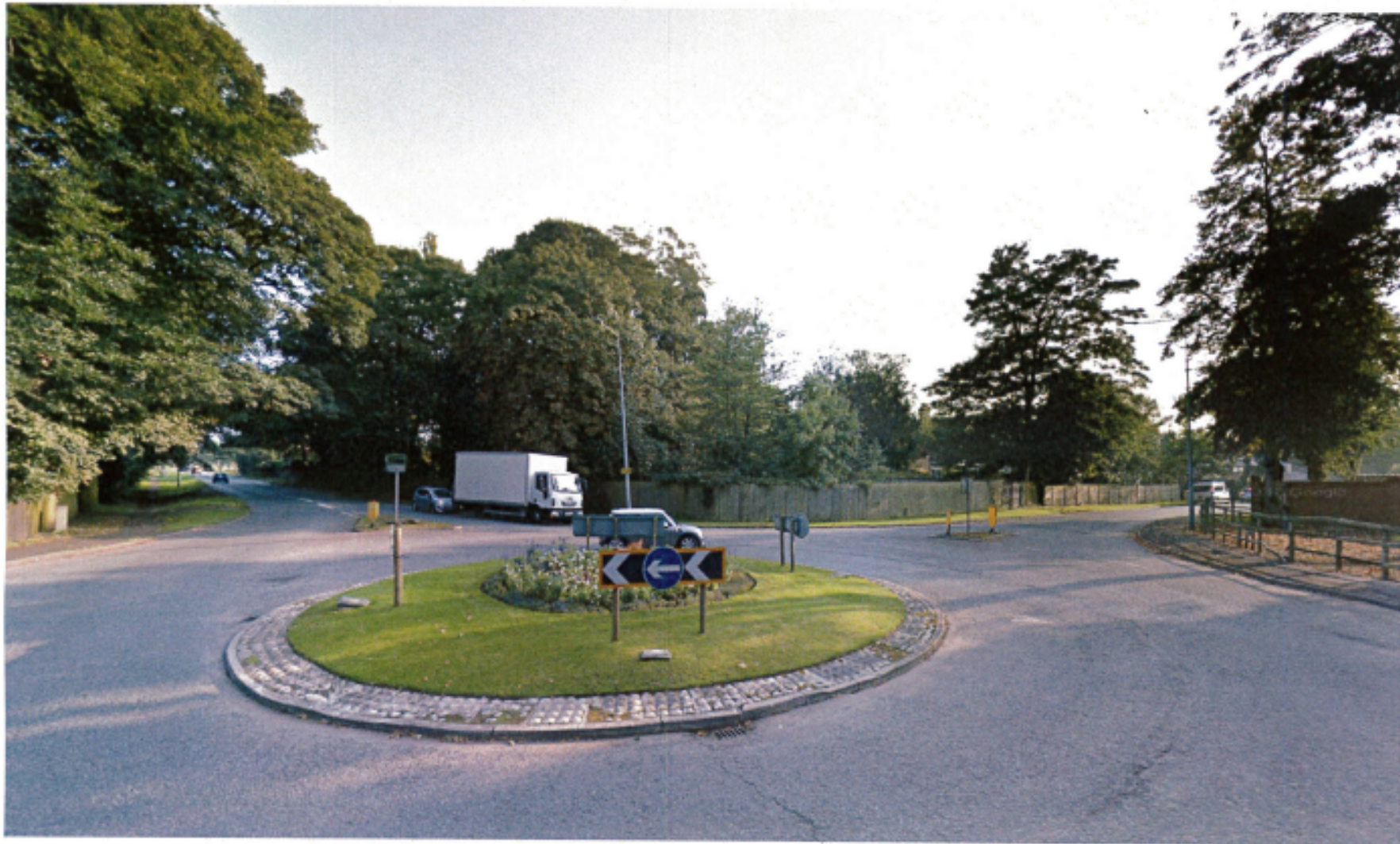








32/ 17/0940M A537 / Chelford Rd / Goughs lane (Booths hall Roundabout). Knutsford





33/ 17/0944N Middlewich Rd / Whitehouse lane (Sainsbury's Roundabout). Nantwich



**34/ 17/0945N A534 (Crewe Rd) / A51 (Nantwich Bypass) / Park Rd (The Peacock Roundabout). Nantwich**







**35/ 17/0947N A530 / A51 (Nantwich Bypass) / Middlewich Rd (Alvaston Roundabout). Nantwich**



36/  
17/  
095

ON A51 (Newcastle Rd) / A500 / Cheerbrook Rd (Cheerbrook Roundabout). Nantwich





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46



A51 (Nantwich Bypass) / B5074 (Barony Rd) Reaseheath Roundabout. Nantwich



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tle Rd) / A534 (Sandbach Rd) / A54 (Holmes Chapel Rd). Congleton



39/ 17/0948C West Rd/ Clayton Bypass / Davenport St / Obelisk Way. Congleton





40/ 17/0953C Clayton Bypass / barn Rd / Springfield Drive (Tesco / McDonalds Roundabout. Congleton

