

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 26 MAY 2015

GATEWAY SPONSORSHIP

REPORT BY THE HEAD OF TECHNICAL AND PROPERTY SERVICES

ABSTRACT

The Report reviews the trial Gateway Sponsorship contract which commenced in April 2013 for a two year period and suggests options for the Committee's consideration.

1. RECOMMENDATIONS

1.1 It is recommended that the Committee:

- (i) agrees to homologate the decision by the Forfar local Members in consultation with the Strategic Director - Communities to approve the upgrading of the roundabout at Glamis Road Forfar;
- (ii) agrees to no longer use a marketing company to seek commercial sponsorship of gateways;
- (iii) agrees to develop gateway improvements as part of other community engagement to develop the communities' expectations with the communities and delivered by the communities in line with the proposals for Pride in Place and use exemplar projects such as Forfar in Flower and Easthaven 800.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

2.1 This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- Angus is a good place to live in, work and visit
- Individuals are involved in their communities
- Our communities are safe, secure and vibrant
- Our natural and built environment is protected and enjoyed

3. BACKGROUND

3.1 Circa 2010/2011, the condition and maintenance of the gateways to some of our towns and wider areas was a concern to Members and community groups. As the budget situation deteriorated the maintenance of these areas has been reduced as budgets were focused on higher priorities. Some of our communities sought improvements but at that time made little contribution to such proposals.

3.2 The introduction of sponsorship to provide a funding stream to maintain the gateways was seen as having potential, and had been used elsewhere. The proposals were developed and reported to Committee. The outcome of Report 181/12 presented to Infrastructure Services Committee on 28 February 2012 was minuted as:

The Report identified potential sites for sponsorship arrangements, described the approach taken by other authorities and recommended that the Council procure the services of a Marketing Agent to undertake the whole process of managing sponsorship and landscape maintenance on the Council's behalf.

The Committee agreed:-

(i) to note the contents of the Report;

(ii) to pursue Option 1, as detailed in the Report to employ a specialist to take over all aspects of the project;

- 3.3 Officers with the roads division subsequently developed a collaborative contract with Dundee City Council which was awarded to Community Partners Ltd ('the marketing company') after Public Contracts Scotland advert & subsequent tender. The contract commenced in April 2013 as a two year trial contract.
- 3.4 The main principles of the contract for Angus were that the company marketed 13 gateway sites (mainly roundabouts) and on achieving sponsorship, they then provide signage and maintenance of the site at their costs. Any net revenue income was then shared between the Council and the marketing company. The marketing company therefore had to 'sell' sponsorship to generate any income.
- 3.5 At the time of tendering, it was anticipated that the Council would make relatively minor savings in the maintenance of the sites if sold and a small income to cover the costs of administrating the contract. It was hoped that the standard of maintenance would be improved.
- 3.6 The marketing company assessed the commercial value of the sponsorship/advertising at the various sites which is based on a mix of:
- Traffic volumes;
 - Number of other sites/advertising opportunities in the area;
 - Commercial viability;
 - The economic market in the area.

PILOT OUTCOMES

- 3.7 The values of these sites were considered by the marketing company to be comparable with other forms of advertising given the number of people seeing the sites each day. The sponsorship costs varied with costs reducing with longer sponsorship contracts/more than one sign. There were some concerns over cost expressed by potential sponsors.
- 3.8 The marketing company 'sold' 2 (one in Arbroath; one in Montrose) of the original sites and a further additional site in Montrose, giving 3 sites sold out of a total of 14.
- 3.9 The income to the Council was higher than anticipated due to the pricing at commercial value of the sites.
- 3.10 The take up of sponsorship was limited. The marketing company has suggested that the limited 'advertising' space on the signs has dampened sales of potential sites. Changing the project from sponsorship to 'advertising' generates some concerns over driver distraction and requires individual advertising consent. The District Valuer is also re-examining whether the sites would attract a ratable value, and whilst this was investigated at the launch of the project, it is understood that the matter is being revisited nationally.
- 3.11 The Council staff input into administration of the contract has been as expected and the additional income has been re-used within Roads towards other horticultural issues which are underfunded. Savings in Parks have been retained within the service.
- 3.12 Overall the trial has been a marginal success but the take up has been limited compared to other areas running similar projects, notably Aberdeen City.

4. CURRENT POSITION

- 4.1 The contract with the marketing company has now come to an end and a review of the situation and outcomes of the pilot needs to inform future proposals.
- 4.2 The sites that have been sponsored contractually do not expire at the same time, as they took some time to establish, and can continue as is, and continue to generate income.

- 4.3 In the period since the Committee decisions to employ a marketing company, there has been limited community interest in the proposals to look after roundabouts through Carnoustie Development Group (CDP) and Forfar in Flower.
- 4.4 Early in the project the CDP has raised issues regarding the costs and has proposed an alternative arrangement whereby the Council pays the Group 50% of the current maintenance costs for the roundabouts in Carnoustie; the Group then provides sponsorship signage and arranges the maintenance – essentially CDP replace the marketing company but keep the income.
- 4.5 Forfar in Flower have expressed an interest in maintaining the roundabouts. As a separate project, Forfar in Flower undertook wild flower planting at the Zoar entrance to Forfar and planting at Lawson Avenue roundabout along with a number of other projects in small areas of land at the entrance to Lochside Leisure and two sites on Dundee Road. These projects along with the Botanist Garden have enhanced the area. The Group has submitted plans to upgrade the roundabout on Glamis Road, Forfar near Angus House for which it has secured sponsorship to meet its own costs. The Group is looking at plans to potentially expand to further sites.
- 4.6 The Strategic Director – Communities, in consultation with local elected members has approved the proposals for the Glamis Road roundabout to allow the works to commence in this year's growing season and Committee is asked to homologate this decision.
- 4.7 Prior to the commencement of the pilot there was a desire within the Brechin community to upgrade the roundabouts at the Trinity/Edzell (B956/A90) junctions but these have not progressed.
- 4.8 We have also seen community projects such as Easthaven 800 make significant environmental improvements in their local area.
- 4.9 It is understood that Dundee City Council will be continuing with the project.

5. PROPOSALS

- 5.1 There are a number of potential options which are not mutually exclusive:
1. Do nothing- allow the existing sponsorships to continue until they expire but do not re-tender the marketing contract;
 2. Develop other gateway improvements as part of other community engagement to develop the communities' expectations with the community and delivered by the community in line with the proposals for Pride and Place and use exemplar projects such as Forfar in Flower and Easthaven 800
 3. Retender the contract with or without modifications to reflect the current situation;
 4. Take sponsorship in-house, with the marketing costs and risks etc falling to the Council. The best method of resourcing this activity would need to be considered.
- 5.2 The recommendation would be Option 1 and 2. It is considered that the Forfar in Flower and Easthaven 800 has demonstrated their ability to undertake such projects with success and that this success could be a catalyst for other communities meeting their own desires/expectations. The removal of several of the potential sites means that the contract external or in-house is likely to be uneconomic.
- 5.3 The recommended options would establish whether community proposals are realistic; would ensure that communities feel engaged as well as potentially deliver the outcomes; whilst allowing the existing sponsors to come to conclusion over time.

6 FINANCIAL IMPLICATIONS

- 6.1 There are limited financial implications as a result of the recommendations of this report and these can be contained within existing budgets.. The previous income from sponsorship was not included in the Roads revenue budget and therefore there will be no impact as and when the existing sponsorship expires.

6.2 There are minor savings from the communities' involvement in projects but these are offset in assistance in kind from officer input and traffic management.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

Report 181/12 - Sponsorship of Town Gateways-Infrastructure Services Committee - 28 February 2012

REPORT AUTHOR: Ian Cochrane, Head of Technical and Property Services

EMAIL DETAILS: CommunitiesBusinessSupport@angus.gov.uk