

**Minute Extract from the Overview & Scrutiny Committee meeting
held on 23 March 2016**

RECOMMENDATION TO CABINET ON 6 JULY 2016

59/15 SPONSORSHIP OF ROUNDABOUTS

(Link to Council priorities: P1, P2, P3)

Having considered a report in respect of the Sponsorship of Roundabouts at its previous meeting in February 2016, following an extensive discussion, the Committee requested that further information be obtained in respect of the contract that was in place with Marketing Force Ltd who was an external specialist marketing company employed by the Council to manage the sponsorship on several roundabouts within the Borough. In addition the Committee had requested advice on the consequences to the Council should it decide not to implement the contract

Members were reminded that at the meeting in February 2016, there had been two views on proposal of sponsorship of roundabouts. One view was that the sponsorship of roundabouts initiative offered good value in respect of income generation for the maintenance of the roundabouts and the other, was that on principle, the Members did not want advertisements present on roundabouts. The Committee therefore considered a further report in respect of the contract with Marketing Force Limited that had been in place since May 2015.

The Committee was advised by the Green Spaces Manager that the contract awarded to Marketing Force Ltd had been undertaken within the authority provided by the Council's Constitution. Under the Council's Contract Procedure Rules, Heads of Service had delegated authority to award contracts and/or extensions of contract for values exceeding £5,000 but not exceeding £75,000. In addition, under the responsibility of functions within the Council's Constitution, the Strategic Director responsible for Services had delegated authority to administer contracts relating to the provision of Leisure and Cultural Services to ensure cost effectiveness and service standards which included the provision of references to external agencies on the performance of Contractors employed in the provision of Leisure and Cultural services.

In respect of any contract implications, the Committee was advised that even with the current annual income for maintaining the 16 roundabout sites within the contract, there was still a revenue maintenance shortfall of £5,543 per annum. In addition, as the Council needed to find further substantial savings over the next few years, this could lead to the loss of landscaped roundabouts which may be returned to a grassy area as this was the cheapest maintenance option. This would result in a loss of visual and environmental benefit at the currently landscaped roundabouts.

The Committee was also advised that if at any time the maintenance of the roundabouts returned to Surrey County Council as a cost saving exercise, as owners of the roundabouts, the County could apply for advertising consent and potentially seek sponsorship agreements to generate income to help fund their maintenance of the roundabouts within Elmbridge.

In respect of any contract liabilities, the Green Spaces Manager explained that the Framework Agreement in place with Marketing Force Ltd stated that by acceptance of the tender, the Council was not under any legal obligation to place any orders with the contractor. However, the contractor could reasonably argue that the Council had made it clear in seeking a tender submission that certain sites would be available for sponsorship. This could therefore result in Marketing Force Ltd claiming compensation for the estimated income it would have earned, taking in to account the anticipated grant of planning permission for the sites listed by the Council when it tendered the contract. In addition there would also be a loss of income that the Council would incur from early contract termination.

The Chairman acknowledged that at the previous Committee meeting there had been different views on this matter and asked the Members for any further comments or questions.

The Chairman asked what would happen if following consideration of the planning applications for each roundabout they were refused. The Green Spaces Manager advised that Marketing Force Ltd were a specialist in this area and had indicated that, if they did not get planning permission they would appeal the decisions. The Chairman also commented that she had noted that not all roundabouts within the Borough had been listed for sponsorship and in her opinion was a little hit and miss.

One Member asked whether there was any specific size guidance for the signage on the roundabouts. The Green Spaces Manager explained that Surrey County Council had provided guidance notes in respect of the specific dimensions which depended on the actual road speed limit leading to the roundabout. For a 30 mile per hour road, the dimensions for a sign were a maximum width of 810mm x 410mm height and for a 40 mile per hour road it would be a maximum width of 910mm x 460 mm height. There was a specific size for 50 mile per hour roads leading to a roundabout but there were not any within the Borough. As a follow up comment to this question, one Member stated that the number of signs placed on the roundabout could be one for each road that led to the roundabout.

One Member commented that the roundabout located at Monument Hill in Weybridge, which had no landscaping, had four junctions leading off it, which given the size of the roundabout and prospective sign size, could mean that advertisement signs would be located side by side. The Green Spaces Manager explained that Marketing Force Ltd were specialists in identifying viable roundabouts for signage whilst complying with road safety. In respect of the Monument Hill roundabout, Morrisons Supermarket had approached the Council in respect of sponsoring this roundabout.

Whilst acknowledging the legal implications outlined within the report, one Member enquired how the estimated generated income had been established given that planning applications would need to be submitted in respect of each roundabout. The Law Practice Manager advised that the estimated figures were based on an industry average rate of success.

One Member commented that the Framework Agreement stated that the Council was not under any legal obligation to place any orders. In this regard, they enquired

whether the contract could remain in place but with the Council not requesting any orders. The Law Practice Manager advised that she would expect the supplier to pursue the matter based on the list of particular sites provided when the contract was let.

Some Members commented that this had been the third meeting that this matter had been discussed and that the same questions were being asked. Mindful of the current financial pressures the Council was facing, this generation of income was, in their opinion, a suitable approach to adopt.

One Member commented that they were not happy with the recommendation to note the latest position with the roundabout sponsorship in Elmbridge. At the previous meeting, the Member asked that specific figures be provided to the Committee in respect of what implications would be incurred by the Council if the contract was to be cancelled and in his opinion, this had not been provided. The Member further requested that the Committee consider making an amendment to the recommendation in order for Cabinet to reconsider the operation of the contract for advertising on roundabouts with Marketing Force Ltd and the possibility of its cancellation in light of the concerns of Members and residents and the impact on the environment in the Borough.

The Law Practice Manager clarified that the contract had been let under the operational powers of the Head of Service. In terms of any recommendation to Cabinet it might assist, if Members indicated a view on the principle of advertising and sponsorship of the roundabouts rather than the specific contract given that the contract had been let against a background of roundabout sponsorship in the Borough which had been undertaken for a number of years.

One Member commented that as local authorities were receiving reductions in funding from central government and there was an ever growing demand on resources year on year, this Scheme, in their opinion, was a suitable way of securing money which would offset the costs of maintaining the roundabouts and accordingly could not see why there would be a reason not to proceed.

One Member was unsure why some Members had expressed doubts in respect of the contract as the function for the sponsorship of roundabouts had been satisfactorily undertaken for some time. In addition, they had not received any complaints from local residents about the sponsorship of roundabouts.

In light of the discussion, the Committee considered a proposed amendment to the recommendation in order for Cabinet to reconsider the operation of the contract for advertising on roundabouts with Marketing Force Ltd and the possibility of its cancellation in light of the concerns of Members and residents and the impact on the environment in the Borough. Following a show of hands there were seven Members who were in support of the amended recommendation and seven who were not. As there was an equal number of votes for and against the amended recommendation, the Chairman exercised her casting vote and supported the amended recommendation. Accordingly the Overview and Scrutiny Committee

RECOMMENDED: THAT CABINET RECONSIDER THE OPERATION OF THE CONTRACT FOR ADVERTISING ON ROUNDABOUTS WITH MARKETING FORCE LTD AND THE POSSIBILITY OF ITS CANCELLATION IN LIGHT OF THE CONCERNS OF MEMBERS AND RESIDENTS AND THE IMPACT ON THE ENVIRONMENT IN THE BOROUGH.