



AGENDA ITEM: 5(f)

CABINET: 14 September 2010

Report of: Executive Manager Regeneration and Estates

Relevant Portfolio Holder: Councillor A Owens

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**SUBJECT: SPONSORSHIP OF ROUNDABOUTS AND OTHER PARTS OF THE
HIGHWAY INFRASTRUCTURE**

Borough wide interest

1.0 PURPOSE OF THE REPORT

1.1 To advise Cabinet of an existing Lancashire County Council (LCC) scheme for businesses to sponsor traffic islands, and of the potential for opportunities for businesses in West Lancashire to sponsor other parts of the highway infrastructure and to seek authorisation to enter into the scheme with LCC.

2.0 RECOMMENDATIONS

2.1 That the LCC scheme for the sponsorship of roundabouts and other highway infrastructure and the opportunity to secure enhanced landscaping maintenance and other environmental improvements on such sites be noted.

2.2 That it be noted that LCC is to submit applications for advertisement consent on the 12 roundabouts listed in Appendix A.

2.3 That subject to Planning Committee approval at 2.2 above, and if in the event of local companies agreeing to sponsor the roundabouts referred to, the Executive Manager Regeneration and Estates be authorised to:

- (i) Enter into a partnership agreement with LCC to use sponsorship income to provide enhanced maintenance/improvements on the sites, the details of which would be determined by the income generated by each scheme.

- (ii) Request LCC to secure additional sponsorship deals for other parts of the highway infrastructure in the Borough, notably gateway sites and subways, under a similar partnership agreement.
 - (iii) Approach the Highways Agency and major companies in the Pimbo and Gillibrands Employment Areas to consider the sponsorship of subways under the M58 motorway and the long term maintenance of the approved works and progress discussions with Lathom and Our Lady Queen of Peace R. C. High Schools regarding the subway that leads to the two schools.
- 2.4 That delegated authority be given to the Executive Manager Regeneration and Estates in consultation with the relevant Portfolio Holder to enter into all necessary agreements and to take forward individual schemes.
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3.0 BACKGROUND

- 3.1 Lancashire County Council, as the local highway authority, has a duty to maintain adopted highways and footpaths to safe and serviceable standards in West Lancashire. This includes ensuring that they are free from nuisance, danger, obstructions, interference and encroachments. This Council is responsible for grass cutting along with flower bed, tree and shrub maintenance on highways and footways under an agreement with LCC. This Council is also responsible for litter picking, scheduled road and footpath sweeping and weed removal on highways and footpaths in the Borough.
- 3.2 In the past, local authorities have accepted only a very limited amount of commercial advertising on highways e.g. on bus shelters. Since 2004, however, LCC has, in association with a private company, promoted the limited sponsorship of roundabouts and other parts of the highway e.g. main road junctions and gateway sites. An increasing number of other local highway authorities in England are also involved in similar sponsorship schemes. The current agreement is with Market Force Ltd (MFL), which operates on a national basis with over 70 local authorities, including Blackpool, Cambridge and Kent.
- 3.3 The issue of advertising on this Council's land was considered on an informal basis (Cabinet briefing) in 2005/2006 but it was decided not to pursue the matter further at that time.
- 3.4 Currently, five of the twelve Councils in Lancashire have a partnership arrangement with LCC - Preston, Chorley, Pendle, Rossendale and South Ribble.
- 3.5 Through a legal agreement with LCC, MFL has the right to supply, install and maintain sponsorship signs within the curtilage of the public highway. The company is responsible for approaching and recruiting all sponsors and for

arranging the submission of applications for advertisement consent. Interested companies sign up to agreements for a minimum of 12 months and advertise on signs sized 1200mm x 500mm or 1500mm x 500mm. The right hand side of these signs incorporates LCC and district/borough Council logos. All signs are maintained by MFL, cleaned at least quarterly for the duration of the agreement and generally kept in good and proper condition including any repairs or replacement. No more than one sponsor can be associated with any one sign.

- 3.6 The income derived from the sponsorship is split between MFL, LCC and the participating Councils. There is currently no legal agreement between LCC and the participating Council, only between LCC & MFL. If this Council is to participate in this scheme it will be necessary to formalise the position to be clear on exactly what terms the Council accepts the monies and what additional maintenance responsibilities it would be required to take on board. MFL receive a percentage of the gross income, with the balance normally being split evenly (50/50) between LCC and the participating Council. However, in cases where additional benefits can be demonstrated, a higher percentage of the net income may be offered to Councils. Also, although the legal agreements generally refer to raising funds for higher standards of landscape maintenance e.g. additional grass cuts, there is also scope to promote other environmental improvements e.g. additional planting or artwork.
- 3.7 Although the current sponsorship arrangements mainly relate to roundabout sites, there is scope to secure deals on other parts of the highway infrastructure.
- 3.8 Independently of the LCC scheme, businesses in West Lancashire regularly enquire about the possibility of displaying advertisements on highway land, or sponsoring highway features, such as traffic islands. Generally, companies have been discouraged from pursuing the preparation of formal proposals as there is currently no scheme in place to facilitate sponsorship of this type.
- 3.9 Recently, Lathom /Our Lady Queen of Peace High Schools have requested permission to undertake artwork on the subway which leads to the two schools.
- 3.10 As a separate but linked issue, the condition and effectiveness of some parts of the Borough's footway and cycleway infrastructure discourages the movement of pedestrians and cyclists to reach places of employment, particularly via some subways in Skelmersdale.

4.0 CURRENT POSITION

- 4.1 LCC wishes to operate the scheme in West Lancashire and MFL has provided a list of 12 potentially suitable roundabouts, all of which are acceptable to LCC as the local highway authority. The sites are mostly in Skelmersdale, but there is also one each in Aughton and Burscough (see

Appendix A). Development Control officers have examined these proposals and have raised no objections in principle in terms of the siting, materials, number and design of the signs. However, all proposals would be subject to formal applications for advertisement consent.

- 4.2 If advertisement consent is granted, MFL would seek to secure agreements with local businesses for sponsorship schemes. This would include determining the level of income and the standard of enhanced maintenance for each site.
- 4.3 The possibility of allowing the sponsorship of roundabouts also provides an opportunity to consider whether this Council should promote more wide-ranging opportunities for businesses to sponsor other parts of the highway infrastructure e.g. subways in Skelmersdale.

5.0 ISSUES

- 5.1 The provision of advanced directional signs and other off-site advertisements on or adjacent to main roads is designed to improve the trading position of businesses. In the past, this Council has generally resisted applications to site such advertisements on the basis that the proliferation of signage would be detrimental to visual amenity. Also, in many cases, signs on or adjacent to highways can be a distraction to road users, thus increasing the risk of accidents. However, by participating in the MFL scheme, the County Council and the authorities listed in 3.4 above have taken the view that the small scale sponsorship of parts of the highway may be acceptable, subject to a number of constraints e.g. a limitation on sign size, no illumination, and the consideration of the localised impact of the particular proposal on visual amenity and road safety.
- 5.2 There are potentially a number of benefits of this Council entering into a partnership arrangement with LCC for highway sponsorship. These include:

- additional revenue opportunities:

The income generated from sponsorship will be used to undertake improvements to the highway infrastructure, either by a higher standard of maintenance or by enhancements. The level of additional works undertaken will be determined by the amount of income secured on each site.

The amount of income generated from a site will vary according to its locational advantages. However, as an example, 18 sites in one local authority currently generate a gross income of £36,000, which equates to approximately £2,000 per site per annum. This produces a net annual income of around £23,000, which is split between the authority and LCC (although in the first year, the costs of making applications for advertisement consent and the manufacture of the signs has to be taken out). Similarly, another local authority has recently agreed terms for 3 sites

at approximately £2,500 per site per annum. At this rate, if all 12 sites in this Borough were to be taken up, this could potentially generate a gross income of £30,000 per annum. Based on a 50/50 split of the LCC income, this Council could receive a net income of around £9,750 per annum for improved maintenance of the sites.

If other sites were put forward by MFL or local businesses in the future, this income could be greater. For example, if 20 sites were approved at £2,500 per site, the WLBC net annual income could increase to around £16,250. In addition, there is scope to develop other forms of sponsorship of other parts of the highway infrastructure e.g. subways (see 5.4. and 5.5 below)

- improved maintenance of visually important sites:

A higher standard of maintenance of sites on the Borough's main road network will help improve their appearance. This will be particularly beneficial on important gateways into the Borough, or the approaches to major employment areas. This will present a more positive image of the Borough and will complement the work undertaken through the West Lancashire Inspire project.

- partnerships with local businesses:

The sponsorship of roundabouts will help raise the profile of local companies. In addition, the approaches to some schools could be improved. This will help develop partnership working with such companies/schools and encourage additional employer engagement opportunities.

- 5.3 There is also a need to improve connectivity for pedestrians and cyclists between residential areas and the major sources of employment, particularly for residents of the Borough who do not have access to a car or a frequent bus/train service. This is especially important in Skelmersdale, where car ownership is relatively low and where many pedestrian/cycle routes into the main employment areas, including a number of subways, are in poor condition, thus deterring their use.
- 5.4 There is scope to upgrade subways throughout Skelmersdale by permitting advertising on the structures. This could take the form of conventional signage such as hoardings. A more radical approach would be to invite some of the major companies in the Pimbo and Gillibrands Employment Areas to sponsor a subway by recladding them in materials which display their corporate identity or products.
- 5.5 In addition, there is scope to upgrade approaches to some schools by the provision of artwork in subways. The subways at present tend to be the subject of vandalism in the form of graffiti and it is anticipated that the introduction of artwork may well deter such vandalism.

- 5.6 The Highways Agency is responsible for the maintenance of the motorway system, including the structural maintenance of subways. WLBC is, however, responsible for street cleaning. Following informal contact with representatives of the Highways Agency, there appears to be scope for such advertisements in three subways under the M58. A similar response has been received from LCC as the body responsible for maintaining all of the other subways in the town. Although MFL does not currently promote or manage the sponsorship of subways, the company has indicated that it is prepared to consider this matter further and this would need to be formally explored.
- 5.7 With regard to maintenance issues, the Highways Agency and LCC would retain their respective responsibilities for structural matters. It is anticipated that the maintenance of the interior of the subways, together with any adjoining areas of hard/soft landscaping, would be taken on board by the sponsoring company, the details of which would have to be formally agreed as part of any legal agreement.
- 5.8 It would be necessary for the participating companies to provide adequate public liability insurance cover for the works to be carried out.
- 5.9 Given the scale of capital costs required to undertake major improvements such as recladding, it may not be possible to secure an income in the short term from the sponsorship of these structures. However, as some of the sites generate high maintenance costs due to vandalism, graffiti, fly tipping and other anti social behaviour, the transfer of this maintenance liability to the sponsoring company would bring about substantial savings to the Council. In the longer term, however, (perhaps after 5 years), there may be scope to generate some income.
- 5.10 In addition, companies which are primarily accessed via main roads such as the M58 motorway e.g. Pilkingtons, may also be interested in advertising on highways approaching their sites. For such sites, advertising revenue could be generated under the terms of the MFL scheme.
- 5.11 For subways on the approaches to schools, it would be necessary to reach agreement with the relevant schools to maintain artwork to a satisfactory standard, at no expense to WLBC or LCC.

6.0 PROPOSALS

- 6.1 Subject to the grant of consents to provide advertisements on the 12 roundabouts listed in Appendix A, and to local companies agreeing to sponsor these sites, WLBC enters into a partnership arrangement with LCC for their enhanced maintenance.
- 6.2 LCC be requested to extend the current scheme to include the provision of advertisements/artwork on other parts of the highway infrastructure in West Lancashire, particularly Gateway sites and subways.

- 6.3 In the case of three subways under the M58 motorway, the Highways Agency and major companies in the Pimbo and Gillibrands Employment Areas be approached to consider the sponsorship of these subways and the long-term maintenance of the approved works.

7.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 7.1 The sponsorship of traffic islands will strengthen the image of the participating businesses and the improved maintenance of important sites in the Borough's transport network will enhance their appearance. This will bring about economic and environmental benefits for the Borough.
- 7.2 The provision of artwork in subways on the approaches to schools will help enhance the image of the school for the benefit of pupils, staff and parents.

8.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 8.1 If WLBC enters into a partnership arrangement with LCC, MFL would promote suitable sites, secure the required consents and implement and maintain the signs. Officers would ensure that any additional ground maintenance costs would be covered by the sponsorship revenue.
- 8.2 If the scope of sponsorship were to be expanded to subways and other parts of the highway infrastructure, it would firstly be necessary for officers of WLBC to engage with LCC to discuss the scope of the scheme and terms and conditions, including the administration of the scheme, negotiating and drafting legal agreements, and securing long term maintenance agreements to meet the requirements of LCC and the Highways Agency (as appropriate). In the longer term, the involvement of WLBC staff and other resources should be minimal.
- 8.3 Such a partnership arrangement would also provide opportunities to use any surplus income with other funding sources e.g. section 106 contributions from employment generating development, which could be used to deliver a range of economic and environmental improvements in the Borough.

9.0 RISK ASSESSMENT

- 9.1 By not pursuing the sponsorship of traffic islands and other highway infrastructure, there is a risk of not securing an additional income stream (albeit relatively small) and of not taking an opportunity to reduce the Council's maintenance liabilities. In addition, non-participation would result in a missed opportunity to secure environmental improvements at key points in the highway system and potential partnership agreements with local businesses and schools.

- 9.2 Officers will ensure that the income received from MFL and other participating companies exceeds the cost of any works, usually additional grounds maintenance, so that there will be no financial burden to WLBC.
- 9.3 As the legal agreements are between LLC, MFL and the participating companies, there is limited scope for WLBC to seek remedy to a problem on the approved sites. Legal Services have advised that there is no formal agreement setting out the position between WLBC and LCC. If WLBC agrees to enter into a partnership arrangement with LCC, it would be necessary to pursue this matter further and formally document any agreements reached.
- 9.4 By requiring participating companies to provide adequate public liability insurance cover for the works, the risk of claims being made against WLBC would be minimised.

10.0 CONCLUSIONS

- 10.1 Although the sponsorship of Council owned land has not been pursued in the past, the subsequent setting up of a County wide scheme will enable WLBC to become involved in such activities with minimal resource implications.
- 10.2 In addition, the extension of the current scheme to cover subways and other parts of the highway infrastructure presents an opportunity to generate additional income; reduce some maintenance liabilities; and secure a range of economic and environmental improvements in the Borough.

Background Documents

There are no background documents (as defined in Section 100D (5) of the Local Government Act 1972) have been relied on to a material extent in preparing this Report.

Equality Impact Assessment

There is no evidence from an initial assessment of an adverse impact on equality in relation to the equality target groups.

Appendices

Appendix A – List of proposed roundabout junctions

Appendix A

List of proposed roundabout junctions

Ashurst Road/Ashley Road/Ashmead Road, Ashurst

Digmoor Road//Gillibrands Road/Abbeywood, Digmoor

Houghtons Road/Ashurst Road/Northway, Birch Green

Glenburn Road/Vale Lane/Cobbs Clough Lane, Stanley

Neverstitch Road/School Lane/Stanford Road, Stanley

Neverstitch Road/School Lane/Staveley Road, Stanley

Neverstitch Road/Railway Road/Ormskirk Road, Old Skelmersdale

Railway Road/Gillibrands Road, Gillibrands

Railway Road/Whitehey Road, Gillibrands

Gillibrands Road/Whiteledge Road, Gillibrands

Northway/Turnpike Road/Winifred Lane, Aughton

Pippin Street/Tollgate Road, Burscough