

HAMPSHIRE COUNTY COUNCIL

Decision Report

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| Decision Maker: | Executive Lead Member for Universal Services |
| Date: | 18 September 2023 |
| Title: | Future Ownership and Maintenance of Bus Shelters |
| Report From: | Director of Universal Services |

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Purpose of this Report

1. This report highlights that Hampshire County Council, as the Highway Authority, proposes to accept responsibility for the provision and maintenance of bus shelters in areas where district and borough councils have confirmed they no longer intend to maintain shelters that have hitherto been their responsibility, and which in the absence of maintenance arrangements would have to be removed from the public highway for safety purposes.
2. Initially this will apply to the Rushmoor, Gosport and Hart Borough/District Council areas. This will increase the portfolio of bus shelter assets that the County Council will manage, with the expectation that income can be secured from advertising to cover all maintenance and associated costs.
3. This report also seeks approval to procure, spend and enter contractual arrangements with a third-party provider to secure additional income through advertising on bus shelters to ensure the continued provision of this essential infrastructure.

Recommendations

4. That the Executive Lead Member for Universal Services notes the imminent expiry of third-party management arrangements for bus shelters for Rushmoor, Gosport and Hart borough/district councils and gives approval for the County Council as Highway Authority to accept the responsibility of maintenance for these shelters for the use of the travelling public.
5. That the Executive Lead Member for Universal Services delegates authority to the Director of Universal Services in consultation with the Head of Legal Services to make arrangements via contracts, licences, or otherwise for the transfer of ownership and maintenance liability for bus shelters from district and borough councils and to permit the continued presence of third party bus shelters on the public highway.
6. That the Executive Lead Member for Universal Services gives authority to procure, spend and enter into contractual arrangements with a third-party provider for the provision and maintenance of bus shelters in key areas across

Hampshire up to a value of £50,000 per annum, and to use any share of advertising revenue generated to offset maintenance costs for any bus shelters that the Highway Authority remains responsible for.

Executive Summary

7. The proposals within this report are to accept responsibility for the provision and maintenance of bus shelters where district and borough councils have an expired contractual agreement with third parties and have confirmed their intention no longer to proceed with those contractual arrangements.
8. The County Council has the option of not assuming responsibility for bus shelters the district and borough councils no longer wish to maintain, but the shelters in question would then need to be removed from the public highway. However, given the importance of these shelters to bus services and the travelling public, it is proposed that the County Council accepts the provision and maintenance responsibility, and seeks to explore arrangements with third parties for advertising on the shelters.
9. Improving the contractual arrangements and financial management of the shelters gives the County Council an opportunity to make improvements to the service by generating income. This can be ran more efficiently across the larger county area than in any one district, and economies of scale can help improve outcomes for the public.
10. External research has been undertaken, including engagement with other local authorities such as Devon County Council and Plymouth City Council, to better understand their approach (and success) in developing advertising income from their bus shelters. This research suggests that there is a likely income stream from advertising that will potentially cover maintenance costs in full. Currently, there is no budget specifically allocated to cover the maintenance of shelters and therefore costs will need to be met from within existing budgets until the additional income from advertising is secured.

Contextual information

11. Across the County there are 9,000 bus stops, of which 2,197 have bus shelters. There are three models of ownership as indicated below.
12. Out of the 2,197 bus shelters 1,672 are owned and maintained by district, borough, city, town and parish councils (further details provided in the table below).
13. 86 shelters are owned and maintained by Hampshire County Council. In most cases, these are shelters where historic ownership was unclear and therefore it was in the public interest for the County Council to accept ownership to ensure the continued provision of these shelters. The January 2021 decision report on the “Framework Agreement for Bus Stop and Bus Shelter Infrastructure” provides further details of the audit planned across Hampshire to analyse the Health & Safety measures of all shelters and identify if any of them were outside public ownership.

14. The remaining 439 bus shelters are owned and maintained by Clear Channel UK Limited Agency, a third-party organisation who generate income from some of these shelters through advertising. Clear Channel have entered into individual contractual arrangements with several other local authorities in Hampshire. These contracts enable them to install, manage and maintain these 439 bus shelters across Hampshire. These shelters comprise 340 shelters with advertising panels and 99 shelters without advertising (further details are included in the table below).
15. The table below provides the details of the total number of bus shelters across all local authorities in Hampshire, including the current contractual agreement status. Column 1 indicates the number of bus shelters owned by each district/borough. Column 2 indicates the numbers in each district/borough area owned by Clear Channel, either with or without current advertising arrangements. Column 3 indicates the agreement status between Clear Channel and the district/borough for the presence of the shelters on the public highway and the right to advertise.

| 1 | | 2 | | 3 |
|-------------------------------------|------------------------------|---|---|---------------------------------------|
| <i>Local Council owned shelters</i> | | <i>Clear Channel owned Shelters</i> | | <i>Clear Channel Agreement Status</i> |
| <i>Local Council</i> | <i>No. of Owned Shelters</i> | <i>No. of Clear Channel Advertising</i> | <i>No. of Clear Channel Non-Advertising</i> | <i>Contract Status</i> |
| Winchester City Council | 233 | 19 | 4 | Live |
| Test Valley BC | 186 | 0 | 0 | No agreement in place |
| Basingstoke & Deane BC | 251 | 47 | 54 | Live |
| Hart DC | 29 | 46 | 8 | Contract expired |
| Hampshire CC | 86 | 12 | 0 | Contract expired |
| Rushmoor BC | 41 | 37 | 0 | Contract expired |
| Eastleigh BC | 177 | 44 | 2 | Contract expired |
| Havant BC | 205 | 45 | 2 | Contract expired |
| Ringwood TC | 0 | 4 | 0 | Contract expired |
| Totton TC | 0 | 28 | 7 | Contract expired |
| Hythe & Dibden PC | 0 | 1 | 3 | Contract expired |
| Marchwood PC | 0 | 0 | 9 | No contract |
| Fawley PC | 0 | 7 | 0 | No contract |
| Fareham BC | 158 | 0 | 0 | No agreement in place |
| Gosport BC | 117 | 50 | 10 | Contract expired |
| East Hampshire DC | 166 | 0 | 0 | No agreement in place |
| New Forest DC | 109 | 0 | 0 | No agreement in place |
| Total | 1758 | 340 | 99 | |

Note: the 86 bus shelters that Hampshire County Council owns across Hampshire are in Basingstoke & Deane, Test Valley, East Hampshire, New Forest, Gosport, Hart, Winchester and Fareham.

16. Rushmoor Borough Council has indicated that it wants to relinquish responsibility for all bus shelters in its area. This includes the 41 shelters that Rushmoor owns and manages and the 37 which have historically been managed through a contractual agreement with Clear Channel. If approved,

Hampshire County Council will own and maintain the 41 Rushmoor shelters. However, the other 37 shelters will continue to be maintained by third-party contractual arrangements, albeit the contract would be with the County Council rather than with Rushmoor Borough Council. Gosport Borough Council has also indicated that it wishes to cease its existing third-party agreement covering 60 shelters in the Borough. This gives the County Council the option to accept responsibility for these and explore the potential for new agreements with third-party providers that seek to cover the maintenance costs for these shelters and secure additional income from a share of the advertising revenue.

17. Hart District Council has also indicated that it wishes to cease its existing third-party agreement covering 54 shelters in the district. This will also be an option for the County Council to accept responsibility and explore potential new agreements with third-parties.
18. The County Council, as the Highway Authority, has a statutory obligation to ensure that all infrastructure on the public highway is safe and maintained to an adequate standard.
19. An almost three-fold increase in bus shelters would provide Hampshire County Council with an opportunity to secure a moderate amount of advertising revenue, to contribute towards the ongoing maintenance costs.
20. There is also the potential that other local authorities in Hampshire will relinquish their bus shelter arrangements when existing contracts expire over the next 1-3 years. Therefore, should the proposals in this report be approved, it is likely that the portfolio of bus shelters that the County Council is responsible for will grow further with new advertising opportunities. This will provide Hampshire County Council with an opportunity to provide an economy of scale across the whole county.

Finance

21. Of the total 192 bus shelters proposed to be taken on by the County Council, 41 have been directly maintained by the District and Borough Councils (all 41 within Rushmoor Borough Council), with the remaining 151 shelters (37 in Rushmoor, 60 in Gosport and 54 in Hart) all maintained via a third-party arrangement.
22. The intention is that the 151 shelters maintained via a third-party arrangement would continue to be managed in this way, with the County Council taking on the direct maintenance of the 41 shelters in Rushmoor to add to the 86 shelters already directly managed by the County Council. There could potentially be minimal maintenance costs for these shelters whilst the new contractual arrangements are set up.
23. The annual cost of maintaining each bus shelter is projected at an average cost of £350. Therefore, the additional cost of maintaining the 41 shelters is projected at £14,350 per annum, increasing the total annual expenditure on what would be 127 bus shelters directly maintained by the County Council to £44,450.

24. Initially it is proposed that this cost will be met from existing budgets, whilst income generating opportunities from advertising are explored, with the expectation that this income would be sufficient to cover the annual maintenance costs and could potentially generate a surplus to be reinvested in improving the bus shelters.
25. The potential income opportunity from taking on responsibility for the bus shelters, including those maintained under third-party arrangements, has been analysed by reference to data from other local authorities. Whilst the actual income achievable by Hampshire County Council will depend on final arrangements and negotiations with third party agencies, the analysis indicates a potential annual income of up to £1,000 per bus shelter with advertising space. This could be based on a fixed fee per shelter, a percentage share of the total revenue, or a combination of the two.
26. As shown in the table above, not all shelters have capacity for advertising, but the 145 shelters with advertising space (46 in Hart, 37 in Rushmoor and 50 in Gosport) could potentially generate an income of up to £145,000 per annum based on the values indicated by this analysis.
27. Should the proposal to take on responsibility for the maintenance of the bus shelters be rejected, there would be some cost involved in removing the bus shelters to ensure public safety and in ensuring that the public highways are safe after the removal. The County Council would seek to recover the costs of removal wherever possible.

Legal

28. The powers to place bus infrastructure, including shelters, on the highway is contained within Section 4 of The Local Government (Miscellaneous Provisions) Act 1953.
29. Section 4 of this Act gives powers to any authority to provide and maintain shelters.
30. The County Council will need to enter into separate agreements with third-party providers to enable them to retain their bus shelters within the highway and any necessary liaison with the districts and borough for the transfer.

Next steps

31. If approved, the County Council will enter into the necessary agreements with third-party agencies to secure the continued provision of bus shelters in the areas detailed within this report.
32. The County Council will then procure an agreement with a third-party agency for the advertising and maintenance of any Council owned shelters.
33. Should the existing third-party agency not be successful in this tendering process, the County Council would expect any existing infrastructure in the areas covered in the tendering process to be removed and replaced by infrastructure which would be owned and maintained by the new supplying agency.

Consultation and Equalities

34. Advertising on bus shelters will be aligned with the County Council's values, which would be included within any Terms & Conditions that would be in place with service providers. The Terms & Conditions included on the new contractual arrangements with a service provider will ensure that advertising and displays are appropriate.
35. Consultation and engagement has been undertaken with Rushmoor, Gosport and Hart Borough/District Councils on this matter and all support the proposed approach.
36. An equality impact assessment has been completed which shows that the impact of this decision is neutral.

Climate Change Impact Assessments & Change Adaptation

37. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
38. The tools employed by the County Council to assess impacts on climate change adaptation and mitigation will be considered where applicable. The maintenance of bus related infrastructure encourages the use of public transport which reduces carbon emissions in comparison to the private car. All maintenance works will be carried out with full consideration of the emissions they produce.

Conclusions

39. The approval of the proposals in this report would ensure the continuation of existing infrastructure for bus services in Hampshire. The proposals align with the direction given by Government through the National Bus Strategy and support the Council's objectives with regards to tackling climate change.
40. The authorisation to enter into a contractual arrangement with third parties, will allow the Council to explore financial options for the provision and maintenance of the public service infrastructure.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

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| Hampshire maintains strong and sustainable economic growth and prosperity: | yes |
| People in Hampshire live safe, healthy and independent lives: | yes |
| People in Hampshire enjoy a rich and diverse environment: | yes |
| People in Hampshire enjoy being part of strong, inclusive communities: | yes |

Other Significant Links

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| Links to previous Member decisions: | |
| <u>Title</u> Framework Agreement for Bus Stop and Bus Shelter Infrastructure-2021-01-14-EMETE Decision Day (hants.gov.uk) | <u>Date</u> 14/01/2021 |
| Direct links to specific legislation or Government Directives | |
| <u>Title</u> | <u>Date</u> |

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| Section 100 D - Local Government Act 1972 - background documents | |
| <p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p> | |
| <u>Document</u> | <u>Location</u> |
| None | |

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic.
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it.
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

The proposal for the future ownership and maintenance of bus shelters is not expected to have an impact on any specific protected characteristics, so this decision has been assessed as having a neutral impact. The changes are internal to the contract arrangements with third parties, although it is expected that a county wide service will in time present opportunities for efficiency and improvements for all service users.

The County Council will not run advertising that could be considered socially or politically contentious or that conflicts with the policies, values or statutory obligations (e.g., equalities legislation) of the County Council.