

- Chief Executive
- Legal I Marriott - agreed
- Finance
- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION **YES/NO** (*If 'No' complete Suggested Next Steps*)

SUGGESTED NEXT STEPS :

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

Cabinet - 15th June 2006

Countywide Bus Shelter Maintenance and Advertising Contract

Report of the Strategic Director for Environment and Economy

Recommendation

That Cabinet authorises the Strategic Director for Environment and Economy, on terms satisfactory to the Strategic Director for Performance and Development, to award:-

1. A Countywide contract for the cleaning, maintenance and repair of bus shelters and street furniture.
2. A Countywide contract for advertising on bus shelters and other free standing plinths in return for a revenue payment to the County Council.

1. Introduction

- 1.1 The provision of bus shelters at bus stops is a key measure in providing an acceptable waiting environment for intending bus passengers. The vast majority of bus passengers do not have a car available for their journey and many, such as the elderly, people with small children and people with mobility impairment will suffer disproportionately from waiting in the open during bad weather.
- 1.2 Warwickshire's Local Transport Plan 2006 (LTP) seeks to promote social inclusion, improve accessibility and encourage reduced reliance on the car by promoting improved public transport services. The LTP adopts a 'whole journey' approach and considers not only the service but also seeks to improve access to the service, of which the waiting time and waiting environment are critical.
- 1.3 The County Council has implemented Quality Bus Corridors (QBCs) under the LTP 2000. Additional QBCs are included in the LTP 2006 for implementation by 2011. An essential element of the QBCs is the provision of high quality bus shelters. The County Council is required to report in its LTP Annual Progress Report against a number of targets for investment including the number of QBCs introduced. The County Council has been able to report increases in passengers on these corridors of over 30% with the exception of one service.

- 1.4 The capital cost of purchasing and installing bus shelters is provided from the LTP Settlement and through S106 agreements.
- 1.5 The revenue needed for the cleaning, maintenance and repair of the County Council's bus shelters has been secured through:-
 - (i) Temporary agreements funded from developer contributions.
 - (ii) Temporary agreements that yield revenue from bus shelter advertising.
 - (iii) Use of highway maintenance revenue funding.

These agreements have been arranged on an 'ad hoc' basis as individual QBC schemes have been introduced.

- 1.6 The developer contributions are a time limited resource. It is, therefore, necessary to ensure the County Council secures an alternative source of revenue to avoid a further revenue pressure on the County Council's budgets.
- 1.7 A sustainable approach to the cleaning, maintenance and repair of the County Council's bus shelter will ensure the financial viability of future QBC schemes.

2. Progress Review

- 2.1 A competitive tendering process had been started for a Countywide Contract for the Maintenance, Supply and Advertising use of bus shelters, as reported to Cabinet on 8th September 2005. In April 2004 a notice was placed in the European Journal to seek expressions of interest for the cleaning, maintenance and repair of bus shelters, in the County, funded from advertising revenue. In response, two expressions of interest were received. There was one from Adshel and the other from Lojics Resource Services (LRS Ltd). The latter withdrew their expression of interest, as they do not have arrangements to raise advertising revenue or sell advertising space. The County Council also received a letter from J C Decaux confirming their intention not to bid for the contract. J C Decaux and Adshel, are the two main companies in the UK, which offer a service, whereby the revenue raised through the sale of advertising funds the cleaning and maintenance of bus shelters.
- 2.2 Cabinet, at its meeting on 8th September 2005, resolved to authorise the Director of Planning, Transport and Economic Strategy to award a Countywide contract for the maintenance, supply and advertising use of bus shelters and street furniture on terms satisfactory to the County Solicitor and Assistant Chief Executive.
- 2.3 The contract was sent out to tender to Adshel in December 2005 but Adshel declined to submit a tender. They stated that they were 'not set up to undertake the cleaning and maintenance of bus shelters manufactured or supplied by third parties'. This was a significant problem as the County Council owns several types of bus shelter that would have been included in the agreement.

- 2.4 As no tender was received, the County Council was entitled to open negotiations with J C Decaux in February 2006. However, J C Decaux responded with a letter stating 'the proposed contract does not supply enough commercial opportunity' and thus declined to enter further negotiations.

3. Proposed Next Step

- 3.1 The two main companies specialising in selling advertising to fund bus shelter maintenance have declined to tender or show interest in the contract. It has become clear that there is presently no commercial interest in a Countywide Contract for the maintenance, supply and advertising use of bus shelters in its present form. It is therefore, proposed to split the initial contract into two, discrete, contracts:-
- (i) A Countywide Bus Shelter Cleaning, Maintenance and Repair Contract.
 - (ii) A Countywide Bus Shelter Advertising Contract to provide the revenue to fund the above contract.
- 3.2 The Bus Shelter Cleaning, Maintenance and Repair Contract would be reviewed regularly to ensure costs were not exceeding the revenue being generated from the Countywide Bus Shelter Advertising Contract. If, due to unexpected and serious vandalism, that situation arose, then bus shelters experiencing serious and repeat vandalism may have to be removed.

4. A Countywide Bus Shelter Cleaning, Maintenance and Repair Contract

- 4.1 A Countywide Bus Shelter Cleaning, Maintenance and Repair Contract would ensure regular cleaning, regular maintenance and prompt repair for most current and future bus shelter that the County Council owns. Only bus shelters under the ownership of the County Council would be included in the agreement.
- 4.2 It is envisaged that the County Council would pay the successful tenderer a fixed price for the regular cleaning and maintenance on a 'per shelter' basis. Costs incurred by the successful tenderer due to the repair of bus shelters, for example because of vandalism, would be charged to the County Council as and when they occur.
- 4.3 It is proposed to award a contract for an initial period of five years. The proposed contract would include:-
- (i) Regular cleaning of Shelters.
 - (ii) Removal of graffiti and fly-posters.
 - (iii) Removal of broken glass.
 - (iv) Glazing repairs.
 - (v) Illumination fault repairs.

4.4 The estimated value of the contract over five years is £200,000.

5. A Countywide Bus Shelter Advertising Contract

5.1 The Countywide Bus Shelter Cleaning, Maintenance and Repair Contract will require revenue funding from the County Council. It is envisaged that a revenue income could be secured from a Countywide Bus Shelter Advertising Contract.

5.2 A Countywide Bus Shelter Advertising Contract would ensure a regular supply of revenue from the 24 current advertising bus shelters that the County Council owns. It is anticipated that additional advertising bus shelters and advertising plinths would be added in the future.

5.3 It is envisaged that the successful tenderer would pay the County Council on a 'per advertising shelter' and 'per advertising plinth' basis.

5.4 It is proposed to award a contract for an initial period of five years.

5.5 It is expected that the income to the County Council from advertising will exceed the cost of the maintenance contract.

6. Two Agreements Working Together

6.1 The aim is that the two contracts work together to secure cleaning, maintenance and repair of bus shelters across the County. The Countywide Bus Shelter Advertising Contract will enable the County Council to use areas and sites which have significant potential for generating advertising revenue, such as the Coleshill Parkway Bus Interchange and Stratford-upon-Avon Park and Ride site to provide funds to subsidise the repair and maintenance of shelters in town centres, residential areas and rural areas.

6.2 There may also be opportunities to extend the advertising concession to a selected number of free-standing displays on signs and plinths. These would yield additional revenue for the scheme without incurring the higher repair and maintenance costs associated with shelters.

6.3 The selection of appropriate sites for free standing plinths needs to be undertaken carefully and take into account environmental issues and to ensure the plinths are acceptable within the street scene. Furthermore they would need to comply with the requirements of the relevant Highways and Planning legislation and regulations.

6.4 There are currently five key bus shelter agreements in the County, namely:-

- (i) Warwick District Council has an agreement with Adshel in respect of bus shelters in its area.
- (ii) Nuneaton and Bedworth Borough Council has an agreement with J C Decaux in respect of bus shelters in Nuneaton and Bedworth, which has been retained by them.

- (iii) In the Warwick/Leamington Spa area the County Council has a temporary agreement with Adshel in respect of the bus shelters on QBC Route 66.
 - (iv) In Rugby the County Council has a temporary agreement with Adshel in respect of bus shelters in the town centre and QBC Route 4.
 - (v) In the Nuneaton the County Council has a temporary agreement with Queensbury in respect of the bus shelters on QBC Route 5/5A.
- 6.5 It is envisaged that agreements iii, iv and v will be terminated once the two new contracts commence.
- 6.6 The proposed arrangement for two contracts is advantageous because it would provide a more transparent arrangement for the County Council. It would be clear how much revenue the advertising is generating and how much the maintenance is costing. Although the County Council would take responsibility for the revenue risk, the transparent relationship between the two agreements would mean that any significant revenue risk could be managed by regular monitoring of the repair costs. If, due to unexpected and serious vandalism, a revenue problem was anticipated, bus shelters experiencing serious and repeat vandalism could be removed.

7. Bus Shelters in Rural Locations

- 7.1 The County Council has a limited budget to make grants to Parish Councils for the erection of bus shelters. As part of the grant conditions, the Parish Council is required to take responsibility for any future maintenance of the shelter including cleaning, wear and tear, accident and any deliberate damage.
- 7.2 It is proposed to continue this arrangement alongside the two Countywide agreements for the following reasons:-
- (i) The choice of shelter is made by Parish Councils as a significant number require a shelter that is in keeping with the surrounding area e.g. wooden or stone shelters. The Countywide agreements will only be viable for a contractor if there are a very limited number of modern, standard types, similar to those on Routes 66, 4 and 5/5A.
 - (ii) The number of shelters that can be maintained as part of the Countywide Cleaning, Maintenance and Repair Agreement is limited by the amount of revenue generated from the Countywide Bus Shelter Advertising Contract. Therefore, priority will need to be given to shelters on QBCs which are designated in the LTP. These will include some rural shelters.

8. Recommendation

- 8.1 An increase in the numbers of bus passengers is an important LTP target and the provision of bus shelters at bus stops is a key measure in providing an acceptable waiting environment for intending bus passengers.
- 8.2 A Countywide Bus Shelter Advertising contract would permit advertising on bus shelters and free standing plinths in return for a revenue payment to the County Council. The revenue payment would provide the revenue required to operate a second contract for the cleaning and maintenance and repair of the County Council's bus shelters. This arrangement would enable more shelters to be provided within the county to the benefit of a greater number of Warwickshire residents. It would also enable the current 'ad hoc' arrangements to be rationalised and maximise the use of advertising revenue.
- 8.3 Therefore, it is recommended that:-
- (i) A Countywide Contract be let for the Cleaning, Maintenance and Repair of bus shelters and street furniture.
 - (ii) A Countywide contract be let for advertising on bus shelters and other free standing plinths in return for a revenue payment to the County Council.

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30th May 2006