

Commissioning and Procurement Executive Committee – 09 January 2024

Subject:	Tender for the supply and maintenance of bus shelters and free-standing units with and without an advertising concession		
Corporate Director:	Sajeeda Rose - Growth and City Development		
Portfolio Holder:	Cllr Angela Kandola - Highways, Transport and Planning		
Report author and contact details:	James Howe, Public Transport Operations Team Leader james.howe@nottinghamcity.gov.uk 07960 199 657		
Other colleagues who have provided input:	Sarah O'Bradaigh, Senior Solicitor Paul Rogers, Finance Officer Holly Fisher, Procurement Officer		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes
			<input type="checkbox"/> No
Reasons:	<input type="checkbox"/> Expenditure	<input checked="" type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
			<input checked="" type="checkbox"/> Revenue
			<input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Type of expenditure:	<input checked="" type="checkbox"/> Revenue	<input type="checkbox"/> Capital	
Total value of the decision: £6m (anticipated income over a 15-year contract)			
Wards affected: All			
Date of consultation with Portfolio Holder: 23 November 2023			
Relevant Council Plan Key Outcome:			
Green, Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input checked="" type="checkbox"/>		
Carbon Neutral by 2028	<input checked="" type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Living Well in our Communities	<input type="checkbox"/>		
Keeping Nottingham Moving	<input checked="" type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
Nottingham City Council currently has a 25-year contract that was let in 1999, for the supply and maintenance of street furniture with and without advertising, which is due to expire on 31 st December 2024.			
Street furniture in the terms of this contract is specifically bus shelters and Council information panels (CIPs), otherwise termed as Free-Standing Units (FSUs); these will be referenced as FSUs in this report.			
The Council's street furniture estate comprises of the following:			
<ul style="list-style-type: none"> • 213 advertising bus shelters; • 619 non-advertising bus shelters; • 27 free standing units, which are located in the city centre. 			

The incumbent is contracted to supply and maintain the full estate and manage the analogue (paper) advertising aspect. The Council is not involved in the commercial aspect of selling advertising space on these advertising panels.

As per the existing contract, the Council does receive an Advertising Fee. This is off set against the cost to the Council for the on-going supply and maintenance of the bus shelters, resulting in the existing contract being cost neutral overall.

Nottingham has a comprehensive, high quality public transport network that is supported by high quality infrastructure, which includes excellent passenger waiting facilities, such as bus shelters. These waiting facilities help citizens to complete their public transport journey in a safer and more comfortable manner, and consultation has identified this is important to them.

None of the current advertising panels used within the estate are digital. The use of digital advertising panels has become more prevalent across the Out of Home Media industry in recent years with technology advancing and becoming less costly. Digitising an estate provides more opportunity for income generation as other local authorities have found in recent years when re-tendering for similar contracts. It provides for a more flexible and dynamic approach for advertisers and removes the laborious nature of physically posting new adverts and the associated costs that come with that.

A procurement process is necessary to tender for a new contract for the supply and maintenance of bus shelters and FSUs with and without an advertising concession. A new advertising concession will allow for the provision of digital advertising panels where appropriate which will make this a more attractive opportunity for potential providers. This in turn should provide more income generation for the Council and thereby helping to alleviate budget pressures.

The procurement approach and the preferred financial performance model for the bus shelter and FSUs contract are being discussed and reviewed to confirm the most advantageous position to provide best value for the Council, while improving and enhancing the public transport passenger experience and encouraging public transport use.

Exempt information: None

Recommendations:

- 1** To approve commencement of a tender process for a 15-year contract for the supply and maintenance of bus shelters with and without an advertising concession throughout Nottingham and of free-standing council information units with advertising panels within the city centre.
- 2** To delegate approval to the Corporate Director for Growth and City Development, in consultation with the Corporate Director for Finance and Resources, of the preferred procurement strategy, financial performance model and finalised tender documents, and to enter a contract with preferred supplier/s.

1. Reasons for recommendations

- 1.1** The decision was made not to extend the contract with the incumbent as this would not be commercially beneficial to the Council and would not allow for the existing street furniture to be upgraded to provide digital advertising panels. The tender for the street furniture and the advertising concession will allow for an improved financial outcome for the Council in addition to providing an opportunity to upgrade passenger waiting facilities and have more aesthetically pleasing sleek and slimmer advertising assets in the city centre.

- 1.2 The procurement approach and financial performance model which will feed into the tender specification are being developed. Delegating final project approval for the tender and the appointment of the supplier/s to the Corporate Director for Growth and City Development, in consultation with the Corporate Director for Finance and Resources, will ensure there is suitable project assurance in place and timely approvals to keep the project on track and to programme while maintaining governance. A timely appointment of the supplier/s well ahead of the contract with the incumbent expiring is important as it will allow for any exit agreement to be commenced and managed with the incumbent, if required.
- 1.3 The table below identifies the key project timelines; approvals will be factored into each stage.

Activity	When
Agree preferred financial performance model	By January 2024
Agree preferred procurement strategy	By January 2024
Release tender documents	January - March 2024
Appointment of supplier/s	June 2024
Incumbent contract end date	31 st December 2024
New contract start date	1 st January 2025

2. **Background (including outcomes of consultation)**

- 2.1 The Council manages and is part of a Greater Nottingham Enhanced Partnership with Nottinghamshire County Council and local bus operators that is underpinned by a 10-year Bus Service Improvement Plan (BSIP) for the period 2022 to 2032. This Plan is borne out of the National Bus Strategy, which lays out the Government's ambition to increase the number of bus passenger journeys in England outside of London as part of the Levelling Up agenda by making buses more frequent, reliable, easier to understand and use, better co-ordinated and cheaper.
- 2.2 Key objectives of the Enhanced Partnership include the provision of high-quality bus stop infrastructure, to include waiting facilities such as bus shelters. Using BSIP funding from central government, several improvements continue to be made to public transport provision to further encourage modal shift and public transport patronage growth overall. Areas of improvement targeted include having even better bus priority to help ensure buses are reliable and punctual and a variety of integrated bus and tram operator ticketing initiatives. With some government funding support, bus operators are also investing in greener fleets. Maintaining a high-quality level of passenger waiting facility complements the other improvements being made and further helps Nottingham to achieve its target of being a carbon neutral city by 2028.
- 2.3 The Council has a street furniture estate comprising of 213 advertising bus shelters, 619 non-advertising bus shelters and 27 FSUs, which are the double-sided advertising panels solely located in the city centre. The existing contract gives the provider an exclusive right to display advertising material of 6 sheet sizing (plus or minus 25%) on highways, maintainable at public expense as defined in the Highways Act 1980; for the avoidance of doubt, highways include without limitation pavements and pedestrian areas. The FSUs included in this contract are separate from similar looking units located around the city centre which are provided by telecoms companies and are wholly private assets.

- 2.4 A review of bus shelter numbers and locations is being undertaken to see whether any may be surplus to requirements (located at a bus stop that are no longer served by a bus service). This is being completed by physical surveys and by reviewing passenger boarding data received from local bus operators.
- 2.5 The 213 advertising shelters are in high profile locations from the city centre and along the main arterial routes including the main bus corridors and the outer ring road. All the advertising is paper based and these commercial advertising shelters generate an income for the incumbent and the Council. However, the Council pays the incumbent for the on-going supply and maintenance of the bus shelters, resulting in the existing contract being cost neutral overall. The new contract will address this arrangement, resulting in an opportunity for greater income generation and a net income to the Council overall.
- 2.6 The 619 non-advertising shelters are those that do not have any commercial advertising generating an income. However, 38 of these do have panels fitted and are used by the Council to run campaigns organised by Communications and Marketing or to promote public transport. Two of the 27 FSUs have bus stop maps posted on one side and Marketing & Communications have use of one side of 11 FSUs for Council promotions. The incumbent manages the other available sides of the 27 FSUs for commercial advertising.
- 2.7 The appointment of the supplier/s and the subsequent new contract provides an opportunity to upgrade the street furniture estate to include digital advertising where appropriate, from both the Council and supplier/s perspectives and to increase the revenue generation from the digital assets and an increased income for the Council. Countering the increased revenue generation opportunity is the fact that the non-advertising as well as advertising bus shelters are close to being 25 years old and will need to be replaced or potentially refurbished. Despite this, an increased net income across assets should be achievable.
- 2.8 With the development of technology, digital advertising panels are becoming more widely used by advertising media providers and this is providing more commercial opportunities for local authorities as digital panels allow for more flexible options for the advertising clients and posting costs are removed from the process.
- 2.9 Commercially, the primary goal is to seek as high a net income overall on the contract as possible whilst having high-quality waiting facilities for passengers that contain the basic set of fundamental requirements of appropriate level of cover, seating and lighting. The more capital investment involved in requesting various add-ons will only reduce the overall net income to the Council. Suppliers will be asked to provide costs for optional add-on features, including options to improve the natural environment, for consideration and inclusion as and when required or when future grant funding is secured.
- 2.10 There is growing awareness of the potential to generate income from the development of outdoor advertising/ media opportunity, allowing publicly owned land and other assets to be used by third parties for the purposes of displaying adverts. Any arrangements established will be equitable and sustainable, represent best value, and be compatible with established industry practice and the Council's own advertising content policy.
- 2.11 Street furniture has advanced with regards to design, technology and to be more environmentally friendly over recent years. Companies now supply and utilise more digitised assets to replace or complement the paper-based advertising assets. As with other industries, the market has seen increasing focus being given

to environmental policy and known suppliers have clear carbon neutral policies and plans in place, to cover from production through to operations.

2.12 The contract will allow for the provision of high-quality bus stop infrastructure and waiting facilities to continue, whilst providing an opportunity to produce outcomes to help the Council meet its Carbon Neutral 2028 ambitions. We anticipate that the new bus shelters will provide a safer waiting area promoting independence and encouraging use of public transport.

2.13 Under the existing contract, the incumbent is contracted to supply, maintain and manage the advertising aspect for the full estate of bus shelters and FSUs. Following devolution and the forming of the new combined authority, the responsibility of the bus shelters may transfer to the new authority. The procurement and the new contract arrangements will ensure that the costs and income relevant to the Council and the new authority can be separated transparently.

Consultation

2.14 Full consideration will be given to the consultation outcomes identified below in the tender specification of the bus shelter requirements, to achieve best value.

2.15 **DfT National Travel Attitudes Study Wave 8.** The National Travel Attitudes Study was an online and telephone survey which gathered responses from 2,018 individuals aged 16 and over in England between March and April 2023 and followed on from the National Travel Survey. The focus was on perceptions of safety when walking, cycling and using public transport.

2.16 The key headline figures that are appropriate to this project are listed below and highlight the requirement for good lighting to improve personal safety at bus stop;

- at least 76% of males and 61% of females said that they feel unsafe “never” or “hardly ever” across all phases of a public transport journey;
- 79% of females feel safer with good lighting at stops and on streets and 60% of these females’ rate poor lighting as a factor that makes them feel less safe when walking to a bus or rail stop;
- a stop or station being poorly lit is the second highest reason for people feeling unsafe when waiting for public transport whether at a stop or station with a response of 42% of all respondents, the highest being drunken and disorderly people.

2.17 **Nottingham City Council Bus and Tram User Survey 2023 – Public Consultation.** This survey, led by Public Transport and Marketing & Communications officers, was published online and gathered 2,512 responses from Nottingham residents between July and August 2023. The Survey gave Nottingham’s residents an opportunity to have their say on the public transport network across the City, giving them a chance to advise on what they like about the public transport network and to feedback on what areas could be improved.

2.18 The key headline figures that are appropriate to this project are:

- 80% of respondents said that they felt “very safe” or “fairly safe” when travelling on one of Nottingham’s buses or trams;

- 94% of respondents felt “very safe”, “fairly safe” or “neutral” when waiting at a bus or tram stop, with only 6% feeling “fairly unsafe” or “very unsafe”;
- 1,102 respondents would like to see better lighting at bus shelters and 1,062 respondents would like more seats.

2.19 The Survey respondents were given the opportunity to provide the reasoning for their responses. The common theme for feeling unsafe was feeling exposed at bus stops because of the lack of or poor lighting, no CCTV and bus stops without shelters.

2.20 The responses for a similar Council survey undertaken in 2020 included 65% of respondents replying that they felt “very safe” or “fairly safe” waiting at a bus or tram stop and 13% felt “fairly unsafe” or “very unsafe”. In comparison to the 2020 Survey, passengers are feeling safer when waiting at a bus or tram stop.

2.21 The survey asked how passenger waiting areas, bus shelters in particular, could be improved. Respondents were able to select multiple options and the improvements are prioritised based on the number of selections: CCTV at shelters (1,433), more lighting (1,102), more seats (1,062), green roof shelters (869) and more digital information (799). Other project appropriate responses included – up to date information at stops, bus shelters that protect users from the weather, more comfortable seats, better maintenance of shelters, better placed stops and larger bus shelters at busy stops. Lighting, seats and public transport information are more important to people than technological advancements like Wi-Fi and charging stations.

2.22 The improvements to bus shelters identified from the survey will be taken into consideration during the tender stage. While the provision and size of shelters, seating and lighting will be reviewed as part of the tender specification and will be prioritised ahead of other features, the inclusion of green roofs on the shelters does require more investigation regarding the suitability and value for money of this provision. Similar, the inclusion of CCTV within bus shelters is unlikely to be progressed at this stage.

2.23 **Nottingham City Council Consultation on a Procurement for Street Furniture with Advertising Concession – Stakeholder Consultation.** Many key NCC colleagues and stakeholders including Nottingham University Hospitals, Trent Barton, NCT, CT4N along with the University of Nottingham, Nottingham Trent University and Bilborough Sixth Form College, have been advised of the procurement opportunity and were invited to provide comments on the tender process and requirements for the street furniture. It was highlighted that the primary goal is to have a high-quality waiting facility for passengers that contains a basic set of fundamental requirements – seating, appropriate level of cover and lighting – as well as to optimise the commercial opportunity to the Council in terms of revenue generation from commercial advertising.

2.24 The headline requests included enhancing the biodiversity offer such as green or wildflower meadow roofs, LED lighting, solar panels where possible and options for appropriate seating and shelter options, ensuring visibility and appropriate coverage, and the continuation of a high standard of maintenance and cleaning. The bus shelters should be passively safe to avoid vehicle collisions that may result in serious or fatal casualties and digital images should be appropriate for the location and should not obstruct visibility on highways and particularly at junctions. A review of the FSUs should be carried out as this project provides an opportunity to consider the appropriateness of their location. Social value considerations

should also be considered, especially regarding the manufacturing materials and their environmental impact. The option to include Wi-Fi at city centre shelters and/or via FSUs for city centre wide coverage was identified in the consultation and will also be further investigated.

3. **Other options considered in making recommendations**

3.1 Other options considered are detailed in appendix 1, summarised below:

Option 1. The option to extend the existing JCDecaux contract was rejected.

Option 2. The option to complete a joint procurement exercise and have a joint contract with Nottinghamshire County Council for the provision of bus shelters and FSUs was rejected.

Option 3. The option to have separate contracts for the supply of shelters and maintenance from the advertising element was rejected.

Option 4. The option to do nothing was rejected.

4. **Consideration of Risk**

4.1 Global supply chain issues and instability in prices could feed into uncertainty around materials, costs and availability to the supplier and may have an impact on the new contract or contracts, especially if the incumbent does not win the tender. Increased costs to any supplier would naturally negatively impact on the commercial offer provided to the Council under this tender.

4.2 If a new supplier/s wins the tender, then this will lead to a greater level of disruption to the public and businesses as any mobilisation plan would involve the incumbent having to remove their assets on a phased basis, with the new supplier/s required to install their new assets soon after. Both suppliers would have to work together to avoid bus passengers not having a bus shelter for any great length of time.

4.3 There is a risk of either supplier wanting to undertake a mobilisation plan that works best for them. For example, the incumbent will prefer to leave advertising sites in the ground longer than non-advertising sites to maintain an income stream, whereas the new supplier would look to resolve the advertising locations first to start generating income quicker.

4.4 The current contract with the incumbent does not contain a detailed exit plan should they be required to remove their assets out of the ground post contract expiry. A detailed exit plan has been requested from the incumbent and is expected for review prior to the new tender being released.

5. **Best Value Considerations**

5.1 The procurement of the new street furniture contract intends to seek out Best Value with the cost and quality of the product. Confirming the procurement specification and income generation requirements are met, whilst ensuring the longevity of the product and ensuring social value to benefit the citizens of Nottingham along with meeting environmental concerns will be key considerations during tender evaluation.

- 5.2 Best Value was a key consideration to the review and recommendations to reject the other options available to the Council, as outlined in section 3.
- 5.3 Discussions will be had with the supplier/s to maximise the commercial opportunity for the Council whilst ensuring that the Council retain access to advertising space for non-commercial advertising of statutory duties and emergency communications.

6. Finance colleague comments (including implications and value for money/VAT)

- 6.1 The Decision to go to Tender for the Supply and Maintenance of Bus Shelter and Free Standing Units for 15 year intending to start on 1 January 2025 is supported as there is anticipated revenue generation of £6m over the length of the contract.
- 6.2 The current contract Nottingham City Council have with JCDecaux is due to expire on 31 December 2024, with the income from Advertising paying for the upkeep bus shelters. The upgrade to digital signage will give an increased amount of income, over the previous contract as detailed above.
- 6.3 The Tender will be subject to legal and procurement requirements as detailed below. Any changes to Budget will be reflected in the forecast and budget for the service and reviewed regularly for any changes.

Paul Rogers, Finance Business Partner - 04 October 2023

7. Legal colleague comments

- 7.1 Given the total estimated value of the contract, a procurement exercise for the new contract(s) will need to be undertaken to comply with the Council's Contract Procedure Rule 18.65 and the Public Contract Regulations 2015 (PCR)/the Concession Contracts Regulations 2016 (CCN), as applicable. Depending on the circumstances, one regulatory scheme – either the PCR or the CCN – may take precedence overall and a single contract may be awarded.
- 7.2 Alternatively, separate contracts may need to be awarded. In determining the appropriate regulatory scheme which will apply and whether to award a single contract or separate contracts, regard will need to be had to regulation 20 of the CCN which deals with mixed contracts.

Sarah O'Bradaigh, Senior Solicitor - 31 October 2023

8. Procurement colleague comments

- 8.1 The request to undertake a procurement exercise for the provision of Bus Shelters and Free Standing Units with and without Advertising complies with the Council's contract procedure rules and the Concession Contract Regulations.
- 8.2 The aspect of the contract with the highest financial considerations, the marketing income, is the deciding factor in the tender exercise being completed under the procedures and regulations within the Concession Contract Regulations 2016.
- 8.3 This contract requirement will be supported by procurement to ensure the final contract offers best value and remains compliant.

Holly Fisher, Lead Procurement Officer (Products) - 09 October 2023

9. Crime and Disorder Implications (If Applicable)

9.1 The improved lighting at bus shelters should assist to increase the safety of public transport users and the perception of feeling safe while waiting at a bus stop. The greater visibility at bus shelters should discourage crime and disorder.

10. Social value considerations (If Applicable)

10.1 Social value will be considered and applied during the procurement stage. There is a clear focus on supporting carbon neutral goals from product design, manufacturing, construction and delivery, through to operational processes.

10.2 Options for supporting local spend and reducing environmental impact will be included as part of the tender and product specification.

10.3 Advertising space will be retained for NCC for non-commercial advertising of statutory duties and for emergency communications.

10.4 The ongoing provision of quality bus shelters will aid to encourage and increase public transport use to assist to meet with Carbon Neutral 2028 ambitions.

11. Regard to the NHS Constitution (If Applicable)

11.1 Not applicable.

12. Equality Impact Assessment (EIA)

12.1 Attached as appendix 2, and due regard will be given to any implications identified in it.

13. Data Protection Impact Assessment (DPIA)

13.1 Following correspondence with Information Compliance, it has been agreed that as the current proposals do not include the installation of CCTV or video monitoring, a DPIA is not necessary. If the scope of works changes to involve the collection of personal data, contact will be made with Information Compliance to progress the DPIA ahead of any proposals being implemented.

14. Carbon Impact Assessment (CIA)

14.1 Attached as Appendix 3, and due regard will be given to any implications identified in it. The CIA will continue to be updated as the project progresses.

15. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

15.1 None.

16. Published documents referred to in this report

16.1 None.