

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Executive Member for Highways and Waste
<b>Date:</b>	3 March 2025
<b>Title:</b>	Future Ownership and Maintenance of Bus Shelters - Expansion
<b>Report From:</b>	Director of Universal Services

**Contact name:** Aida Miralles

**Email:** Aida.Miralles@hants.gov.uk

### Purpose of this Report

1. This reports confirms that following the [Future Ownership and Maintenance of Bus Shelters Decision Day report](#), approved by the Executive Lead Member for Universal Services in September 2023, Hampshire County Council signed a contract with Clear Channel in July 2024 for advertising on the bus shelters in Rushmoor, Hart and Gosport for the next 10 years with an option of extending a further 5 years. The contract also included the option to expand the remit to cover other borough and district areas as necessary.
2. This report seeks the necessary authority to expand these arrangements to the Winchester City District Council area, and delegated authority to admit other areas within Hampshire where the district or borough council makes such a request and it can be demonstrated that the arrangement will be at least cost neutral to Hampshire County Council. This will help enable the efficient management and maintenance of bus shelters across Hampshire and ensure that shelters currently owned and maintained by district and borough councils do not have to be removed from the public highway.

### Recommendations

3. That the Executive Member for Highways and Waste gives approval for the County Council's assumption of ownership and maintenance liability for publicly owned bus shelters in Winchester City District, on the basis that liability will be at least cost neutral to the County Council through income generation, and that the County Council's contractual arrangements with Clear Channel be expanded in accordance with the terms of the contract to permit existing shelters owned by Clear Channel in Winchester City District to remain on the public highway.
4. That the Executive Member for Highways and Waste gives approval to spend up to £50,000 per annum on the maintenance of publicly owned bus shelters in

Winchester City District, to be funded from advertising revenue generated from the Clear Channel contract.

5. That the Executive Member for Highways and Waste delegates authority to the Director of Universal Services, in consultation with the Executive Member for Highways and Waste and the Head of Legal, to:
  - i. Approve the County Council's assumption of ownership and maintenance liability for publicly owned bus shelters in additional district and boroughs, where it can be demonstrated that liability will be at least cost neutral to the County Council through income generation, and
  - ii. Expand the County Council's contractual arrangements with Clear Channel, in accordance with the terms of the contract, to permit existing shelters owned by Clear Channel to remain on the public highway.

## Executive Summary

6. The advertising contract signed between the County Council and Clear Channel in July 2024 currently includes the districts of Rushmoor, Hart and Gosport. Projected income generation for these arrangements is outlined in the finance section of this report. In time, these areas will benefit from new and innovative bus shelters, starting in Rushmoor in early 2025, and in Hart and Gosport in the second half of 2025 and early 2026.
7. The new shelters will provide an innovative infrastructure, with some featuring eco-friendly 'living' roofs. This is an attractive feature that can reduce flooding by absorbing rainwater and filter pollutants to improve air quality. Some other shelters would have solar panels, with all the new shelters being constructed from 99 per cent recyclable materials and will use ultra-low power LED smart lighting. This will contribute to Hampshire County Council's H2050 carbon neutral requirements.
8. Other benefits of the contract with Clear Channel are that Hampshire County Council will be able to use 10% of the advertising screen to promote internal campaigns free of charge.
9. Clear Channel has also offered a one-off payment on a social value project that will be delivered on behalf of Hampshire County Council with a charity named **Trees for Cities**. This one-off investment of £105,000 is a social value contribution to implement 'edible playgrounds' at selected schools in the three contracts areas, Rushmoor, Hart, and Gosport. 'Edible playgrounds' offer a lively, engaging, multi-sensory way to teach children about growing and eating healthy food. Learning in an outdoor environment helps improve mental health by boosting mood, confidence, and self-esteem. The scheme also enables teachers to enrich lessons in subjects such as maths, science, spelling, and art through hands-on experience in the garden. This project is currently being scoped, with the intention that it should be complete by early 2026.
10. Although initial arrangements only included these three districts and boroughs, the total potential contract value allowed for within the procurement exercise included all of Hampshire to allow flexibility to the County Council. As a result, further districts or borough council areas could be added in future by completing a variation to be added into the Clear Channel contract. Winchester

City Council has recently confirmed that it will not renew its Clear Channel contract for the advertising shelters and will also relinquish responsibility on some of the shelters it owns. Subject to approval of the recommendations in this report, this means that 56 shelters will pass into the ownership of Hampshire County Council (or else be removed from the highway), and 19 Clear Channel advertising shelters will be added to Hampshire County Council's contract with Clear Channel by way of variation in accordance with the terms of the contract. The alternative would be to remove these shelters from the public highway.

11. Subject to the approval of this report, the County Council will start contractual arrangements with Clear Channel directly for the 19 advertising shelters across Winchester, by adding a variation into the current contractual arrangement, which will bring further income generation to the County Council. Separately, the County Council will also now own and start to maintain 56 new shelters across Winchester, with a maintenance cost that will be covered by the income generated from the advertising shelters.

### **Contextual information**

12. In September 2023, the Executive Lead Member for Universal Services gave approval for the County Council to assume ownership of publicly owned bus shelters in three districts and boroughs, and to establish a contract to advertise on bus shelters with Clear Channel from which the County Council could draw income to cover the cost of shelter maintenance. As set out in the September 2023 [Decision Day report](#), 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. 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 for all bus shelters ceded by districts and borough in Hampshire, providing that advertising income allows the maintenance to be undertaken on at least a cost neutral basis.
13. The above will improve the contractual arrangements and financial management of the shelters, giving the County Council an opportunity to make improvements to the service by generating income. This can be run more efficiently across the larger county area than in any one district, and economies of scale can help improve outcomes for the public.
14. Following the authorisation of Executive Lead Member for Universal Services report in September 2023, the Council entered into contractual arrangements with Clear Channel for the advertising shelters across Rushmoor, Hart and Gosport which was signed in July 2024. These contractual arrangements allow Clear Channel to own, maintain and manage the bus shelters, with no cost for the Council and in exchange for a share of the income.

## Finance

*Current districts: Rushmoor, Hart and Gosport*

15. The advertising contract signed with Clear Channel in July 2024 for advertising on bus shelters in Rushmoor, Hart, and Gosport will bring income generation to the Council, contributing to SP25 savings approved by Cabinet in October 2023. Clear Channel will commercially manage, own and maintain these shelters for the next 10 years with an option to the County Council of having another 5-year extension on the contract. There are no maintenance costs on these Clear Channel shelters for the County Council.
16. Income predictions for the next 3 years, have been included in the table below for the 151 new advertising shelters across Rushmoor (37) Hart (54) and Gosport (60). The table includes a range of potential income, with the upper level representing the maximum income that can be expected in the most favourable future circumstances. Therefore, the anticipated contribution to SP25 savings is based upon the middle of the range shown.

Income/Costs	2024/25		2025/26		2026/27	
	Lower	Upper	Lower	Upper	Lower	Upper
Predicted Cost	£72,050	£72,050	£83,491	£83,491	£84,932	£84,932
Predicted Income	£75,500	£109,122	£265,390	£573,836	£318,082	£749,867
Surplus	£3,450	£37,072	£181,899	£490,345	£233,150	£664,935

17. Although the Clear Channel advertising shelters bring income and do not have any cost to the County Council, there are other shelters that the County has taken ownership of from the district and borough councils. These shelters will now be owned by Hampshire County Council and this will have a maintenance cost that the Council will cover with its share of the advertising revenue from the Clear Channel shelters.
18. Of the three district and borough councils of Hart, Gosport, and Rushmoor, only the latter has transferred ownership of publicly owned shelters from the Borough to the County Council, but all three have ceded a contractual relationship with Clear Channel relating to shelters owned by the latter. The publicly owned shelters transferred from Rushmoor Borough Council to Hampshire County Council number 41, and in addition to this, the County Council assumed ownership of 90 further shelters following a county wide audit that found this number of shelters outside the ownership of any local authority. The maintenance costs for the total 131 new shelters in the County Council's ownership consists of the annual maintenance cost per shelter plus a contingency to cover any potential damage/broken shelters, calculated at £550 per shelter per annum. There is also a small employee budget included in the costs for the contract management of the new shelters.
19. An inflationary allowance has been included in the calculations of 3% for income and 2% for maintenance).

### *New district: Winchester*

20. Winchester City Council has recently confirmed that it will not renew its Clear Channel contract for the advertising shelters, and will also relinquish responsibility on some of the shelters it owns. Subject to approval of the recommendations in this report, this means that 56 shelters will pass into the ownership of Hampshire County Council (or else be removed from the highway), and 19 Clear Channel advertising shelters will be added to Hampshire County Council's contract with Clear Channel by way of variation in accordance with the terms of the contract. The alternative would be to remove these shelters from the public highway.
21. The table below shows the predicted income generation from the Clear Channel shelters and the expected maintenance costs for the Council owned shelters.

Income/Costs	2025/26	2026/27
Predicted Cost	£31,416	£32,032
Predicted Income	£38,855	£40,024
Surplus	£7,439	£7,992

22. There are further options to increase the income that will be explored once the contract has been finalised, including adding digital screens in some of the shelters and increasing the numbers of advertising shelters where possible.

### **Legal**

23. The County Council's contract with Clear Channel, entered into in July 2024, allows for district and borough areas to be added and includes the value of these additional Hampshire areas within the contract total. This provides the flexibility to add further areas into the current legal agreement, instead of having to do a new procurement each time.
24. It is proposed that any further areas across Hampshire to be added into the legal contract will be implemented via a variation with Clear Channel. This would only occur after a delegated decision has been taken by the Director of Universal Services, in consultation with the Executive Member for Highways and Transport and the Head of Legal, on the basis that the relevant district/borough council has agreed to the approach and it can be demonstrated that the cost to Hampshire County Council will be at least cost neutral.

### **Next Steps**

25. Subject to approval of this report, Hampshire County Council will start the contractual arrangements to add Winchester into the bus shelters' income generation pipeline with Clear Channel.
26. Further conversations will take place between Hampshire County Council and Winchester City Council to ensure a smooth transition, taking into consideration any potential planning applications that some of the shelters could require to change from paper panels to digital panels.

## **Consultation and Equalities**

27. The Clear Channel contract stipulates that advertising on bus shelters will align with the national advertising guidance policy, and also with the County Council's values. The Terms & Conditions included in the contractual arrangements with Clear Chanel ensure that advertising and displays are appropriate.
28. Consultation and engagement have been undertaken with the relevant districts and borough councils included on the current contracts and others that are currently showing interest.
29. An equality impact assessment has been completed which shows that the impact of this decision is neutral.

## **Climate Change Impact Assessments**

30. 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.
31. 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**

32. The approval of the authority to expand the schemes across Hampshire will enable additional areas to be added. This in turn will safeguard the existing complement of bus shelters, using economies of scale and advertising income generation to cover the costs of maintaining the Council owned shelters.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	Yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	Yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	Yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	Yes

**Section 100 D - Local Government Act 1972 - background documents**

**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.)**

Document

Location

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:**

An impact assessment has found that the proposals would have a neutral impact on people with protected characteristics. The Clear Channel contract stipulates that advertising on bus shelters will align with the national advertising guidance policy, and also with the County Council's values. The Terms & Conditions included in the contractual arrangements with Clear Channel ensure that advertising and displays are appropriate.