

Meeting:	Executive
Meeting date:	18/04/2024
Report of:	Claire Foale Assistant Director Policy and Strategy
Portfolio of:	Cllr Katie Lomas
	Executive Member for Finance, Performance, Major Projects, Human Rights, Equality, and Inclusion

# **Decision Report:** Advertising Contract

# **Subject of Report**

- 1. Prior to the ending of the current bus shelter advertising contract, the council conducted an independent market appraisal to understand the value of place-based advertising across the city.
- The market appraisal provided sufficient information for the Council to negotiate a new 15-year (plus a 1-year option to extend) concession contract with its incumbent partner, J C Decaux UK Limited ("JC Decaux"), to provide and maintain bus shelters with either no advertising, paper adverts or digital adverts, and digital Free-Standing Units, subject to the necessary planning consents. The market appraisal is commercial in confidence.
- 3. In tandem, the council has developed an advertising policy and supporting guidance which aims to restrict high fat, salt or sugar (HFSS) adverts being displayed across the city.

## **Benefits and Challenges**

4. Outdoor advertising in York currently raises around £179k for the Council through a combination of bus shelter adverts, car-parks and park and ride, roundabout and boundary signs. The independent Market Appraisal demonstrated there is the potential

to increase advertising revenue across a range of formats across the city, with a potential value of "anywhere from £456,000 to £479,000 per annum, an uplift of circa £290k per annum." This estimate is subject to caveats including planning consent, market demand and capacity to grow the offer.

- 5. The end of the current bus shelter advertising concession contract provides an opportunity for York to benefit from a range of value-added advertising installations which could include air quality monitors, GDPR compliant device counters via publicly available wifi and dedicated digital advertising space for council events, civic promotion and messaging (subject to planning consents). In addition, the new concession contract sets out clear sustainability expectations including community biodiversity projects facilitated by JC Decaux UK, together with restricting the display of high fat, sugar and salt adverts across the advertising on renewal and retenders.
- 6. JC Decaux UK has a commitment to be net zero by 2030 with sustainability measures in place, such as their energy usage is from 100% renewable energy source (solar, wind, hydro) certified by EDF.
- 7. There is a challenge resulting in the move from paper advertising to digital advertising. This is demanded by the market and is prevalent in other heritage and conservation areas, however for York this represents a unique challenge to continue to ensure the character of the city remains intact.
- 8. Each installation with digital advertising (whether bus shelter or free-standing units) will require planning permission. Furthermore, the digital advertising screens will include auto dim technology, and be turned off between 12pm-5am whilst being compliant to the luminance levels stipulated by the planning authority.

# **Policy Basis for Decision**

9. **Equalities:** The design specification of the bus shelters and free-standing units includes features to better support different communities, including seating across all bus shelters, avoiding blocking visibility, wider walk around widths and energy efficient lighting.

- 10. **Affordability**: The new advertising contract supports the Council's Mid Term Financial Strategy and savings plan. This includes making an annual donation (both monetary and employee volunteering) to York's Community Fund.
- 11. Climate: The new contract responds to the Council's ambition to be net zero by 2030. Air quality measures have been added to bus shelters in key locations together with sustainable measures incorporated within the design and maintenance of the refurbished bus shelters and new digital free-standing units. Direct award of the new concession contract will minimise emissions associated with demolition, disposal and replacement of the existing shelters and advertising infrastructure. Opportunities for bus shelters and advertising infrastructure to support the ambition for York to be Climate Ready by 2030 should be considered in their design.
- 12. **Health**: There is a strong body of evidence that suggests restricting advertising to avoid high fat, sugar and salt products better supports resident's healthy weight. The council has refreshed the advertising policy to incorporate high fat, salt and sugar policy developed by Public Health and partners. Incorporating the council's advertising policy into the new advertising contract, and all place-based advertising contracts going forward, is aligned to both the Council Plan's commitment to reduce health inequalities and provide the best start for children and young people, and the Joint Health and Wellbeing Strategy 2022-2032.

# **Financial Strategy Implications**

- 13. The current financial strategy already assumes a total of £500k additional income from advertising, of which £125k was expected in 2023/24 with the balance of £375k expected in 2024/25.
- 14. The new bus shelter and digital Free-Standing Unit contract, subject to contract and planning for digital advertising, will include an upfront payment commitment of the first years rent. It is anticipated that the increased rent to the Council will be of at least 20%. More than the current income the Council receives.

### **Recommendation and Reasons**

#### Executive are invited to:

- 1. Note the independent market appraisal and the potential revenue opportunities from place-based advertising:
  - Understanding the potential value of advertising opportunities across the council's estate and assets to realise maximum revenues, recognising that by doing so there will be a necessary change from analogue to digital advertising, to keep up with market demand and recognise increased revenue opportunities.
- 2. Approve the direct award of a new 15-year (plus a possible 1-year extension) bus shelter advertising and digital free standing unit concession contract to JC Decaux and delegate authority to negotiate and conclude the new concession contract (and the provisions of any subsequent modifications and/or extensions thereto) to the Director of Governance in consultation with the Head of Procurement and the Director of Public Health:
  - The bus shelter and digital information board contract expired on 31 December 2023 and is now on a 12-month extension as per the current contract mechanism. By approving the new contract, the council will more quickly benefit from the increased revenue with the supplier being able to more quickly digitise subject to planning approvals.
  - 75% of Out Of Home advertising revenue comes from Digital and as such Paper advertising alone is no longer sustainable for the future operational running of a Bus Shelter and Free-Standing Unit contract.
  - If direct award is not support, the Council would need to run a new tender awarded prior to 1 January 2025.
- Pursuant to Rule 26.1 of the Council's Contract Procedure Rules ("CPRs"), approve a waiver of Rules 11.4 and 11.7 of the Council's CPRs in relation to the direct award of the new concession contract to JC Decaux UK.
  - Most of the bus shelters in York are currently the property of JCDecaux, who both purchase, install and maintain them.

The risks of not continuing the concession contract are set out in the report and can be summarised as, all current bus shelters would be dismantled by JCDecaux in January 2025 with new ones needed to be sourced, installed and maintained introducing a substantial additional cost to the Council in both capacity and, potentially capital expenditure and ongoing operational expenditure if a new supplier is not found through a competitive tender.

- 4. Approve the council's advertising policy which will be embedded into the bus shelter, and all place-based advertising contracts with adverts displayed on council owned or operated land:
  - The new advertising contract allows greater controls over the types of advertising that is displayed. The council's advertising policy is designed to restrict high fat, salt and sugar products being displayed to residents to help promote better health and wellbeing.

## **Background**

- 5. The Financial Strategy 2023/24 2027/28 approved by Council in February 2023 notes additional income from advertising contracts of £125k in 2023/24 and £375k in 2024/25.
- 6. The council currently generates revenue from advertising from busshelters and other formats (boundary signs, roundabouts, car parks), totalling around £179k per year.
- 7. The bus shelter contract is with JC Decaux and the other format contract is with Community Partnerships. This report only considers the bus shelter contract, noting not all bus shelters are managed through this contract.
- 8. To understand the potential value of advertising contracts, the council commissioned an independent market appraisal to better understand income generation opportunities from small and large format out of home media, with options that are deliverable and with 'the estimated value of their recommendations'.
- 9. The Advertising and sponsorship income generation feasibility study and audit report (the market appraisal) was produced independently and identifies several possible new and or enhanced revenue streams for the council from commercial

advertising and sponsorship. Council income from place-based advertising could be increased to around £456k-£478k per annum (subject to planning consents) through a combination of:

- Re-tendering the bus-shelter concession contract to include free-standing digital advertising and information units
- Tendering new large format out of home advertising displays (billboards), primarily digital, with both rental and percentage share income.
- Add to the commercial value of sponsored roundabouts and boundary signs along with advertising displays in car parks and park & rides, either through engagement with the current supplier or through a tender exercise.
- 10. In addition, an independent report issued in March 2024 by <sup>1</sup>KPMG and Outsmart explored sustainability comparisons between advertising channels and noted:
  - Per impression out of home emits less carbon than all other media measured
  - Out of home is 3.3% of advertising power consultation and less than 3.5% of advertising carbon footprint
  - Control over the supply chain and end to end operations means out of home advertising media owners directly improve sustainability more easily than other advertising channels
  - Out of home is a more sustainable advertising platform for brands than other media types.

## Bus shelter and free-standing digital unit contract

- 11. The Financial Strategy 2023/24 2027/28 approved by Council in February 2024 notes additional income from advertising contracts of £125k in 2023/24 and £375k in 2024/25.
- 12. JCDecaux UK currently holds the concession contract for providing and maintaining bus shelters across the council's geography. Although they are not the only provider of bus shelters, they own 142 bus shelters (of which 80 including paper advertising). The

OOH is just 3.3% of UK Advertising's Power Consumption & under 3.5% of its Carbon Footprint - New Report (outsmart.org.uk)

- concession contract was extended for 12 months in December 2023 to allow the negotiation of a new concession contract to take place.
- 13. A new 15-year concession contract has been negotiated with JC Decaux UK to provide and maintain the majority of bus shelters and digital Free-Standing Unit advertising across the council's geography on council-owned land. This includes future development opportunities. There are other bus shelters managed outside of this concession contract, which do not feature advertising.
- 14. Subject to planning consents, the concession contract makes provision for internally illuminated and digital advertising and non-advertising bus shelters, together with free standing digital units.
- 15. If digital advertising is not supported, the independent market appraisal has made clear the market will not be interested in entering into a new contract as it will no longer be commercially viable.
- 16. As a result, this could expose the Council to having to develop and maintain its own Bus Shelter estate at an initial fee of around £1.4m in Capex (asset, foundations, installation, power connection) as well as an ongoing annual operational costs of around £200k taking into account electricity costs, business rates and associated cleaning and maintenance costs.
- 17. The new concession contract will provide the council with an annual revenue comprised of a minimum guarantee and profit share. Subject to contract and planning for digital advertising, the Council will see an increase of at least 20% in income from the previous concession contract. To alleviate pressure in this year's budget, the contract will also make provision for an upfront payment of the minimum guarantee.
- 18. The value of the proposed concession which is subject to contract and planning for digital advertising is based on both the resident population and the high number and high value of the visitor economy which is extremely attractive to advertisers, benefiting the council indirectly through increased revenue.
- 19. The proposed concession contract has been negotiated on a single tender basis. This is because the market appraisal report sets out the likely revenues which was derived through

- consultation with providers and negating the requirement for a competitive tender.
- 20. The addition of digital adverts is a market requirement. Digital advertising both increases revenue to the council and provides the council with the opportunity of advertising its own information, with complete autonomy to promote council messaging and events, at the time the council wants, and to the audience that's most appropriate.
- 21. The construction and maintenance of bus shelters has changed since the existing contract was negotiated in 1996. JC Decaux UK's commitment to be net zero will work in unison with the council's own commitment to reach net zero by 2030. Sustainability measures are included within the new concession contract. These include:
  - a. Lighting should be LED
  - b. Energy from 100% renewable sources certified via private meter connection (solar on-site has been discounted due to the variable conditions, with only 18% energy at most which cannot power the full unit, leading to reliance on grid provision.)
  - c. 100% electric fleet for maintenance crews.
  - d. Rainwater collated for cleaning where feasible.
  - e. Recycled or upcycled production and maintenance.
  - f. Community biodiversity initiatives.
  - g. Monitor and minimise embedded carbon, contributing to the council's annual emission reporting.
- 22. In addition, following discussion with Planning, illuminated panels will have restricted luminance levels as set by the Planning Authority, to reduce both visual impact and keep emissions low. This is similar to the current illuminated advertising panels that are set by the Planning Authority.
- 23. Maintenance of the bus shelters is included in the new concession contract. Response times remain the same, with a slight enhancement residents and officers will now be able to report issues via an app developed by JC Decaux UK which enables JC Decaux UK to arrange timely responses to faults reported. Response times of maintenance issues are listed below:
  - a. all items shall be cleaned at least once a fortnight throughout the year including sides and clear roofs;

- b. graffiti and fly posters shall be removed within one working day of JC Decaux UK becoming aware or being notified;
- c. offensive graffiti shall be removed within four (4) Normal Working Hours of the JC Decaux UK becoming aware or being notified;
- d. routine repairs shall be carried out within two working days of the JC Decaux becoming aware or being notified of the fault;
- e. Brandsabotage/Brandalism on notification the JC Decaux shall replace within a day.
- 24. The design of the bus shelters includes provision to include air quality sensors for the council's Air Quality Team to consider, free public Wi-Fi, together with sustainability measures above. The Yorkshire Rose has been added to be consistent with street furniture installed across the city, which is currently included on the wayfinding signage across the city centre. The new design is subject to internal approval following consultation with disabled community groups.
- 25. The design includes requirements such as ensuring advertising improves visibility for approaching buses.
- 26. Given the length of time of the new concession contract (ie. 15 years), JC Decaux UK will support community activity and build a relationship with the city. This includes making an annual donation (both monetary and employee volunteering) to York's Community Fund together with facilitating tree-planting and community-led biodiversity activities.
- 27. All bus shelters are, and will remain, the property of JC Decaux UK, who both purchase, install and maintain them. The risks of not continuing the concession contract are set out in the report and can be summarised as, all current bus shelters would be dismantled by JC Decaux UK and new ones needed to be sourced and installed, introducing additional cost to the council in both capacity and, potentially both capital and ongoing operational expenditure if a new supplier is not found through a competitive tender, and increasing waste and embodied carbon.
- 28. Executive are therefore invited to endorse the direct award of a new 15-year concession contract to JC Decaux UK (with an option to extend by up to 1-year) and delegate authority to negotiate and conclude the contract (and the provisions of any subsequent

- modifications and/or extensions thereto) to the Director of Governance and their delegated officers.
- 29. The council will develop the other place-based advertising opportunities identified in the report when appropriate, with Executive subsequently invited to endorse any future contracts.

### **Advertising policy**

- 30. The council's Public Health team have been working on a number of policies and guidance which promotes a healthy food environment in York; this is in line with the city's 'Healthy Lives, Healthy Weight Strategy, and the 'Local Government Declaration on Health Weight' which the council signed in 2019.
- 31. There is strong evidence that the promotion and advertising of food products which are high in fat, sugar and salt (HFSS) drives higher consumption of these products (hence the billions spent globally on this type of marketing). The UK population now get over 50% of their calories from this type of ultra processed food.
- 32. The number of children living with an unhealthy weight has been increasing in York and nationally, as evidenced by the National Child Measurement Programme. In 2007-08, 29.8% of year six children were overweight or obese, and the most recent data in 2022-23 shows that has risen to 32.5%. Approximately 1 in 4 reception-aged children, 1 in 3 year six children and 2 in 3 adults in York are not living with a healthy weight.
- 33. Whilst obesity and its consequences cost society more than the budget of the police, fire and criminal justice services combined, public health promotion efforts to try and tackle it often focussing around communications with the public encouraging healthier diets and increased physical activity are dwarfed by the power of advertising. The global marketing budget of one HFSS product Coca-Cola in 2022 (\$4.2bn) was similar in size to the entire public health grant in England (£3.5bn), and junk food marketing in general is estimated to be worth 30 times the amount the UK government spends on promoting healthy eating.
- 34. Children and young people have been shown to have a high degree of exposure to HFSS advertising, to be more susceptible than adults to its effects, and that children with higher levels of HFSS advertising exposure have measurably higher calorie intake.

- 35. This has led public health experts and a strong body of research evidence to suggest that tackling the advertising and marketing environment is a valid and necessary policy to supporting a healthy weight in our population. One of the areas which the council can influence is the types of adverts that are shared on council land. This has informed a refresh of the council's advertising policy (Annex A) informed by HFSS guidance (Annex B) developed by York's Public Health team.
- 36. The new policy implements an evidence-based model used by Transport for London and now several other local authorities to shape the types of products the council will allow to be advertised through its new contract.
- 37. An initial evaluation of the policy as implemented in London, carried out by The London School of Hygiene and Tropical Medicine, was published in February 2022. It found that the policy contributed to households buying up to 1,000 fewer calories of energy from unhealthy foods each week and a reduction in sugar purchases per week of up to 81% from products such as chocolate and confectionary. A second independent evaluation from the University of Sheffield's School of Health and Related Research was published in July 2022. It estimated that the policy was associated with 94,867 fewer cases of obesity, among other health benefits, and projected savings for the NHS of over £200 million.
- 38. In summary, the proposed advertising policy bans the marketing of HFSS products on any council-controlled or tendered advertising material. HFSS products are easily identifiable to advertisers through use of a national database held by the Food Standards Agency (the Nutrient Profiling Model).
- 39. The impact of the HFSS guidance (Annex B), in terms of advertising income to the council, was explored in the report (Annex A), which concluded any income effect was likely to be negligible, with the food industry having recognised that policies like this are becoming usual practice and adjusting their portfolios and adapting their approach accordingly.
- 40. The advertising policy has been embedded into the contract. Executive are invited to approve the refreshed council advertising policy, including measures on restricting HFSS advertising as set out in the HFSS guidance (Annex B).

41. The advertising policy will be reviewed over the duration of the contract and updated for Executive future considerations when appropriate.

# **Consultation Analysis**

- 42. An internal group including Communications, Planning, Regeneration and Highways was convened to inform the development of the market appraisal and contract. The contract has been finalised through consultation with Procurement and Legal.
- 43. The design of the bus shelters will be tested with disabled community groups prior to contract approval.
- 44. An independent consultation with key stakeholders was conducted by Fortuna who produced the market appraisal. Responses from key stakeholders covering conservation and the city are included against the advertising 'opportunities' in the *Advertising and sponsorship income generation feasibility study and audit report*.
- 45. The budget consultation focus groups conducted throughout December 2023 and January 2024 highlighted that residents are comfortable raising additional income from tourists. Although indirectly, because the revenue share of the contract is predicated on York's high value, high volume visitor economy, the council can attract a higher income than other places.

## **Options Analysis and Evidential Basis**

There are only two options presented today:

 Accept the recommendations above and progress the direct award of the new concession contract with JCDecaux UK, embedding the refreshed advertising policy, recognising that by doing so, digital advertising will be introduced to public spaces leading to an increased revenue to the council;

Or

2. Reject the recommendations and ask officers to run a competitive tender exploring whether any provider would be prepared to only

feature paper adverts. This presents a considerable risk, as the market appraisal notes, the market has changed over the last 20 or so years and digital is now an expected part of the offer. In addition, by doing so, it would create an additional capacity requirement to both run the tender process at an additional cost and time to the council, and then arrange for the dismantle of existing bus shelters, and installation of new ones with a new provider, leading to disruption to the public and highways network.

# **Organisational Impact and Implications**

#### **Financial**

The current level of income generated by place-based advertising is c£179k and, as outlined elsewhere in the report, a budget saving of £125k was approved for 2023/24.

This new contract will provide the council with an annual revenue comprised of a minimum guarantee and profit share. Subject to contract and planning for digital advertising, the Council will see an increase of at least 20% in income from the previous concession contract. This is to alleviate pressure in this year's budget.

In addition, the bus shelter contract mitigates additional council expenditure by providing the bus shelters and bus shelter maintenance (see financial risks).

#### **Human Resources**

Should there be additional resources required to undertake aspects of these projects, consideration should be taken to assess and possibly reprioritise existing resources or seek short term additional capacity. All options will be considered in line with the current financial climate and HR processes.

## Legal

**Power**: The Council has power under the general power of competence under section 1(1) of Localism Act 2011 to raise income through outdoor advertising.

**Specific Legislation**: Outdoor advertising is subject to a legal control system predominantly contained in the Town and Country Planning

(Control of Advertisements) (England) Regulations 2007, SI 2007/783. Consents would need to be in place. Where a local authority seeks planning consent from itself there is a mechanism in place to maintain probity.

**Guidance**: Following an Office of Fair-Trading investigation, non-statutory guidance was issued in 2012 entitled "Street furniture advertising: Recommendations to Local Authorities". This focuses on ways Local Authorities might procure street furniture advertising in future to encourage greater competition. It highlights the risks of long duration contracts and recommends Local Authorities separate out contracts for installing and maintaining street furniture from contracts to advertise on that street furniture. It also recommends that Local Authorities tender out contracts which come to the end of their current term, rather than simply renegotiating an extension with the incumbent provider for reasons of transparency and encouraging new entrants.

**CPRs:** Under Rule 26.1 of the Council's CPRs, except where the Procurement Regs apply, the Executive has the power to waive any requirements within these CPRs for specific projects upon request.

**Contract Implications:** The new concession contract has been negotiated with JC Decaux with advice and input from Legal Services.

If the Executive decide not to procced with the proposed concession contract with JC Decaux UK, this will mean the current contract with JC Decaux will expire on 31<sup>st</sup> December 2024 and the Council would have to commission a new concession contract on the open market with advice from the Commercial Procurement team (see **Procurement** below) and a new contract drafted with advice from Legal Services in readiness for the new concession contract to start from 1 January 2025. As all the bus shelters and equipment under the current concession contract belong to JC Decaux, any re-procurement would also necessitate the additional costs of procuring and installing new bus shelters and equipment, as well as potential TUPE and pension implications in relation to the relevant transfer of any JC Decaux UK staff to the Council or any replacement provider, all of which would need to be addressed in any new contract(s) drafted by Legal Services.

#### **Procurement**

The contract has resulted in the requirement for a waiver. It is important to note, a waiver request is submitted for consideration to waive the council's Contract Procedure Rules, and potentially waive and breach

the Public Contract Regulations 2015 (cost depending) and not seek competition or test the market. Justifications have been provided that meet the waiver grounds detailed within the Contract Procedure Rules.

### **Health and Wellbeing**

Public Health fully supports the implementation of the new advertising policy and associated HFSS policy and guidance. The inclusion in this contract negotiation of the HFSS policy drawn up by CYC and reviewed by Fortuna will improve the long-term health impacts and nutritional benefits of food advertised to York residents and will therefore be a net health gain for the city.

#### **Environment and Climate action**

Direct award of the new concession contract will minimise emissions associated with demolition, disposal and replacement of the existing shelters and advertising infrastructure that remain fit for purpose. Carbon emissions savings could also be achieved by replacing paper-based signs with energy efficient digital signs. However, the move to digital advertising will increase the energy usage, and therefore, measures to reduce energy usage should follow the energy hierarchy:

- Lean minimise usage through LED lighting and smart controls;
- Clean use of onsite renewable generation should be considered;
- Green use of grid electricity should be from renewable sources.

Opportunities for bus shelters and advertising infrastructure to support the ambition for York to be Climate Ready by 2030 should be considered in their design.

## **Affordability**

The council will have 10% of all advertising time, allowing it to provide messages direct to specific groups, including carers, or low income groups, to promote council services that could better support.

There was a concern expressed in the government's EIA that by promoting non HFSS products, people on lower income will no longer have the same choice of food products, potentially making choices more expensive. The government propose mitigating this by providing more information about healthy food choices, and that the cost of products is not changing which is at the discretion of the food and drink industry.

Advertising HFSS products can still be promoted on non-council advertising channels as appropriate.

### **Equalities and Human Rights**

The Council recognises, and needs to take into account its Public Sector Equality Duty under Section 149 of the Equality Act 2010 (to have due regard to the need to eliminate discrimination, harassment, victimisation and any other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it in the exercise of a public authority's functions).

In addition to the benefits in the policy section of this report, the Equalities Impact Assessment shows potential positive impacts on several protected characteristics.

### **Data Protection and Privacy**

Data protection impact assessments (DPIAs) are an essential part of our accountability obligations and is a legal requirement for any type of processing under UK data protection and privacy legislation. Failure to carry out a DPIA when required may leave the council open to enforcement action, including monetary penalties or fines.

DPIAs helps us to assess and demonstrate how we comply with all of our data protection obligations. It does not have to eradicate all risks but should help to minimise and determine whether the level of risk is acceptable in the circumstances, considering the benefits of what the council wants to achieve.

The DPIA screening questions were completed for this report and as there is no personal data being processed for the options set out in this report, there is no requirement to complete a DPIA. This will be reviewed where required following the decision on this report.

**Communications** There are no Communications service implications of this report over any media management requirements.

**Economy** No impact

## **Risks and Mitigations**

The opportunities for income uplift through advertising revenue, are not insignificant, which go some way towards mitigating the risks outlined below:

Market acceptance risk The Out of Home Advertising market is no longer developing 100% paper advertising given the increasing move to Digital which now represents 75% of revenue. As such, there is a risk that if digital advertising is not supported, the market will not be interested in entering into a new 15yr term for the development of paper display shelters as the contract will no longer be commercially viable.

Financial risks relate to a) retention of the current level of income, and b) failure to realise the opportunities for increased income as described. c) If the contract does not go forward, this could expose the Council to having to develop and maintain its own Bus Shelter estate at an initial fee of around £1.4m in Capex (asset, foundations, installation, power connection) as well as an ongoing annual operational costs of around £250k-£300k taking into account electricity costs, business rates and associated cleaning and maintenance costs.

**Installation risks** relate to whether as a Planning Authority, and constraints imposed by conservation areas, the ability to switch from paper to digital is possible, with the risk that revenue is compromised.

**Reputationally** although the digital advertising units have been tested and are designed to be no more obtrusive than existing bus shelter advertising units, residents might not support them and will make representations through Planning. Resident engagement will take place once the installation plan has been completed.

## Wards Impacted

ALL

## **Contact details**

For further information please contact the authors of this Decision Report.

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### **Background papers**

Executive February 2024 Financial Strategy 23/24-27/28 Savings Agenda for Council on Thursday, 22 February 2024, 6.30 pm (york.gov.uk)

Healthy Lives Healthy Weight Strategy <u>Healthy-Weight-Healthy-Lives-Strategy.pdf</u> (healthyork.org)

#### Annexes

**Annex A** Council Advertising Policy

Annex B High Fat, Salt, Sugar (HFSS) Guidance

**Annex C** Equalities Impact Assessment