



<b>Meeting:</b>	Executive Decision-Making Session
<b>Meeting date:</b>	2 December 2025
<b>Report of:</b>	Garry Taylor Director of City Development
<b>Portfolio of:</b>	Cllr Katie Lomas Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

## **Decision Report: Advertising/Bus Shelter Contract**

### **Subject of Report**

1. The Council has had a concession contract in place for a concessionaire to provide and maintain bus shelters with either no advertising, paper adverts or Free-Standing Units (**FSUs**) since 15 July 1999. This contract ended on 31 December 2024.
2. Following the expiry of the 1999 concession contract, the incumbent supplier was required to remove and repossess the illuminated information panels and the columns and the advertising bus shelters (referred to as the “**Equipment**” in the 1999 concession contract) and the non-advertising bus shelters (referred to as the “**Other Equipment**” in the 1999 concession contract) and to make good the sites in readiness for the Council’s new supplier within a reasonable period of time after the expiry of the previous contract on 31 December 2024.
3. The Council therefore entered into a Service Level Agreement (“**SLA**”) with the incumbent supplier on 10 January 2025. It set out the terms under which the parties agreed for the incumbent supplier to repossess and remove all items of Equipment and Other Equipment and make good the sites in readiness for the Council’s new supplier. It was agreed that the SLA would be for twelve-months, expiring on 31 December 2025. This would allow

for a compliant procurement process to be completed for the new concession contract, as well as allow for the smooth transition from the incumbent supplier to the Council's new supplier.

4. Since the Executive's approval in May 2024, officers have worked through the risks identified to the Executive. Despite the best efforts of all parties involved, however, a further extension of the SLA is required, to allow for the installation plan to be completed. A longstop date of 31 October 2026 has been negotiated with both the incumbent and the new supplier.
5. This report seeks approval to enter a new SLA with the incumbent supplier for a further 10-months, commencing on 1 January 2026 and expiring on 31 October 2026, to ensure ongoing maintenance of the shelters and a smooth removal and installation of the new shelters. This will minimise the impact on residents.

## **Benefits and Challenges**

6. An independent market appraisal to understand the value of place-based advertising across the city concluded that the end of the bus shelter advertising concession contract (dated 15 July 1999) on 31 December 2024 provided an opportunity for York to reshape the specification, to maximise the opportunity to the Council, whilst recognising the market shift from paper to digital.
7. The Executive approved initiating the competitive procurement process on 9 May 2024. This led ultimately to the appointment of a new supplier, with an installation plan to be negotiated between the incumbent and new supplier.
8. The Council entered into an SLA with the incumbent supplier on 10 January 2025. This was in line with the original concession contract. It set out the terms under which the parties agreed for the incumbent supplier to repossess and remove all items of Equipment and Other Equipment and make good the Sites in readiness for the Council's new supplier.
9. It was agreed that the SLA would be for a 12-months, expiring on 31 December 2025.
10. The Executive were originally made aware of the installation risks in May 2024, at the time of approving the initiation of the

procurement process. These risks and associated challenges remain. Installation initially stalled as negotiations continued with planning, highways and conservation teams to support a shift from paper to digital whilst retaining the unique character of the city.

11. Further, a small number of shelter removals by the incumbent supplier took place during summer 2025. The removal of these shelters led to some concerns from residents, noting the detrimental impact on vulnerable groups who would be exposed to adverse weather. These removals demonstrated the likely impact on residents of a full-scale unmanaged removal process and has reinforced the value of a managed and measured removal and installation plan.

## **Policy Basis for Decision**

12. Entering into a new SLA with an expiry date of 31 October 2026 will allow the incumbent to continue to maintain and provide the existing bus shelters and will ensure residents are not disadvantaged by their removal.
13. The delivery of the new shelters, and subsequent installation, is staggered to allow for a managed and measured process, meaning residents are not disadvantaged and continue to benefit from the existing bus shelters.
14. The basis for the new contract, and the policy benefits it will bring, are set out in the May 2024 Executive report.

## **Financial Strategy Implications**

15. The financial strategy assumes a total of £500k additional income for the Council from bus shelter advertising per annum. In 2025/26 there will be no additional income, and this has been assumed in current financial monitors. In future years, starting in late 2026/27, £500k could be achieved per annum but will be dependent on the level of digital advertising installed.
16. It is recognised that there will be further budget pressures in 2026/27, and this will be reported through the regular budget

monitoring reports during the year. The budget pressure will need to be managed across the department.

17. The proposed further SLA will introduce an additional pressure, as a monthly fee of £15,000 to cover servicing and maintenance of the existing bus shelters applies.
18. The terms of the new SLA, from 1 January 2025 to 31 October 2026 are generally the same as the previous year, although unlike the original SLA there is no 'sliding scale' of monthly payments.
19. The delays to the installation plan have introduced a pressure on the financial strategy that could be offset over the duration of the new supplier's contract.

## Recommendation and Reasons

### Recommendations

20. The Executive Member is recommended to:
  - a. Approve the new SLA with the incumbent supplier for a period of 10 months commencing on 1 January 2026 and expiring at 23:59:59 GMT on 31 October 2026, to allow the installation plan to be completed.
  - b. Delegate authority to the Director of City Development in consultation with the Director of Governance and the Head of Procurement to negotiate and conclude the proposed SLA in accordance with the terms and conditions of the current concession contract with the incumbent supplier and the Council's Contract Procedure Rules under Appendix 11 of the Council's Constitution (the "**Council's CPRs**").
  - c. Delegate authority to the Director of City Development in consultation with the Director of Governance and the Head of Procurement to negotiate and conclude any further required modifications and/or further extensions to the SLA, if deemed necessary to ensure the successful completion of the installation plan in accordance with the terms and conditions of the current concession contract with the incumbent supplier (**PROVIDED THAT** any modifications and/or further

extensions to the SLA are subject to consultation with the Executive Member before completion).

## Reasons

21. The concession contract with the incumbent supplier dated 15 July 1999 expired on 31 December 2024, and the previous 12-month SLA with the incumbent supplier expires on 31 December 2025. Following Executive Member approval, the current contract mechanism of an SLA will be replicated to cover the completion of the installation plan.
22. The proposed extension to the current SLA is in line with the original concession contract and can be varied subject to agreement with the incumbent provider (please refer to the **Legal Implications** and **Procurement Implications** below).

## Background

23. On 9 May 2024, Executive approved in principle to extend arrangements with the incumbent supplier by a further 12-months from 1 January 2025 to 31 December 2025, to allow for the completion of the formal competitive exercise for the new concession contract and was also allowed for the incumbent to remove the Equipment and Other Equipment to begin preparing sites for the new supplier.
24. As the communications function sat, at that time, under the Director of Governance, authority was delegated to the Director of Governance in consultation with the Head of Procurement to negotiate and conclude the SLA in accordance with the terms and conditions of the current concession contract with the incumbent supplier and the Council's CPRs.
25. The competitive exercise for the new concession contract concluded, the outcome being that the incumbent will not enter into a new concession contract with the Council.
26. The incumbent suppliers contract expired on 31 December 2024. However, clause 21 of the contract (which survives expiry and termination), requires that following expiry of the incumbent contract, the incumbent supplier is required to repossess and remove all the Equipment and Other Equipment and make good the sites upon which they were located within a reasonable period

of time following expiry of the contract. If they fail to do so, the Council may remove and store such Equipment and Other Equipment, reinstate the relevant sites, and recover reasonable costs for doing so from the incumbent supplier.

27. With the above provisions of the incumbent contract in mind, acknowledging the need for a smooth transition from incumbent supplier to the Council's new supplier, and to allow sufficient time for both suppliers to arrange any necessary permits and consents required to carry out this work, the Council and the incumbent supplier agreed to enter into an SLA for a removal programme with a longstop date of 31 December 2025. As part of that SLA, the Council agreed to pay the incumbent supplier a monthly fee of £15,000 + VAT to cover the cleaning and maintenance of the bus shelter estate during the transition to the new supplier; this fee was scheduled to reduce to £10,000 + VAT once 50% of the Equipment and Other Equipment had been removed.
28. The Executive were made aware that on expiry of the current contract on 31 December 2024, the incumbent could technically remove all Equipment and Other Equipment belonging to them, including all the bus shelters. This has the potential to cause significant disruption to the service whilst new shelters with a new provider are installed. The original SLA was arranged to allow for a smooth transition, although the risk of service disruption remained.
29. Dependent on the efficiency of the mobilisation from the new supplier, the incumbent supplier's fee was estimated to range between £90,000 - £150,000. The total fee was dependent on the completion of the bus shelter removal programme by the original longstop date of 31 December 2025.
30. The installation plan has unfortunately been delayed for multiple reasons. This includes the complexity of planning concerns within the historical setting of York, embargo over Christmas period for highways works, and groundwork audits of bus shelters initially installed in the late 1990s.
31. There is now an urgent requirement to replicate the current SLA with incumbent supplier, to ensure bus shelters remain in situ and are maintained and cleaned, pending the completion of the installation plan. The installation plan is underway and is now expected to be delivered prior to 31 October 2026. The fee reduction from the previous SLA however will not be included in

the new SLA. The incumbent supplier has argued, and Council officers acknowledge and accept, that the reasons for this are:

- a. the increases in incumbent supplier's costs associated with changes to minimum wage and national insurance costs, costs of vehicles, travel, incidents of vandalism over the last 12 months.
- b. paper-based advertising becoming much less popular over the last 12 months, meaning the incumbent supplier has been unable to maintain their perceived level of income.
- c. as the installation programme has now slowed, to allow the Council's newly appointed supplier to install shelters as soon as possible after incumbent supplier removes the Equipment and Other Equipment, thereby limiting disruption and inconvenience to the public, this has increased the length of time the incumbent supplier needs to continue maintaining their existing assets, in this changing advertising environment.

## **Options Analysis and Evidential Basis**

32. There are two options presented today:

1. Accept the recommendation above and progress with the new SLA to the incumbent supplier for a period of 10-months to allow completion of the installation plan, which is underway.
2. Reject the recommendation at the risk residents are no longer able to benefit from the provision of maintained bus shelters.

## **Organisational Impact and Implications**

33. **Financial**

The new concession contract will provide the Council with an annual revenue comprised a minimum guarantee and profit share. Due to complexity in progressing the installation plan, a budget pressure has been introduced to the current financial strategy for 2025/26 and 2026/27. This will have to be managed across the departments' other

budgets. Additional income from the new bus shelter contract now expected from later in 2026/27. These will be offset by the anticipated income over the duration of the contract period.

The bus shelter contract mitigates additional Council expenditure by providing the bus shelters and bus shelter maintenance (see financial risks).

### 34. **Human Resources**

No additional resources are required to undertake this process.

### 35. **Legal**

**Powers:** The Council has power under the general power of competence under section 1(1) of Localism Act 2011 to raise income through outdoor advertising. By virtue of section 9D of the Local Government Act 2000, any function of the Council is the responsibility of the Executive unless there is a contrary intention expressed in legislation. There is nothing in the Concession Contracts Regulations 2016 or the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, that indicate that a proposed concession contract (or any modification thereto) is not to be a matter for Executive.

**Specific Legislation:** Further to section 4 of Local Government (Miscellaneous Provisions) Act 1953, the Council can provide and maintain bus shelters on highways it is the highway authority for, and on land it owns abutting such highways, and may also enter into and carry into effect any agreement with any other party with respect to the provision and maintenance of shelters. The Council is able to allow a bus shelter provider to advertise on the highway, pursuant to the New Roads and Street Works Act 1991. Outdoor advertising is also subject to a legal control system predominantly contained in the Town and Country Planning (Control of Advertisements) (England) Regulations 2007 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.

### 36. **Procurement**

Any modification to the SLA should be made further to a written agreement between the Council and the incumbent supplier. Legal Services and Commercial Procurement must be consulted with regards to the drafting on any such variation or extension to the current SLA to



ensure compliance with the relevant law and compliance with the Council's CPRs.

### **37. Health and Wellbeing**

The installation plan has created delays to the delivery of the new contract and as a result, the HFSS policy implementation will be delayed.

### **38. Environment and Climate action**

The installation plan has created delays to the delivery of the new contract and as a result, the environment and climate action benefits from the new supplier implementation will be delayed.

### **39. Affordability**

No affordability impacts are expected as bus shelters are provided to residents free of charge. The cost to the Council is covered in the financial implications sector.

### **40. Equalities and Human Rights**

The installation plan has created delays to the delivery of the new contract and as a result, the accessibility benefits from the new supplier implementation will be delayed.

### **41. Data Protection and Privacy**

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.

### **42. Communications**

A communications plan has been developed to support the Installation Plan which will take a staged approach across the city.

### **43. Economy**

No impact.

## Risks and Mitigations

44. The opportunities for income uplift through advertising revenue are significant, which goes 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 new supplier will renegotiate the terms of the contract that mitigate the costs of this extension, as the new contract will no longer be commercially viable.

**Financial risk:** Financial risks relate to a) additional financial pressure on current year's budget as a consequence of delaying the competitive tender continue b) failure to realise the opportunities for increased income as set out in the Executive report in May 2024; and c) If the extended agreement 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 leading to either delays in installation or a renegotiation by the new supplier.

**Reputation** 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. In addition, the test of a small number of bus shelters that were removed in August, has demonstrated the considerable scrutiny and

reputational impact of shelters being removed without replacements ready and in plan.

## Wards Impacted

All.

## Contact details

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

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<b>Report approved:</b>	Yes	
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## Background papers

[Agenda for Executive on Thursday, 18 April 2024, 5.30 pm](#) item 115

[Agenda for Executive on Thursday, 9 May 2024, 5.30 pm](#) item 131

Contract awarded to Clear Channel <https://uk.eu-supply.com/ctm/CMLight/Contract/Details/68419>

The decision to approve an extension for JCDecaux Ltd  
1 January 2025 - 31 December 2025  
<https://democracy.york.gov.uk/documents/s181347/Officer%20Decision.pdf>

## Decision call-ins

[Agenda for Corporate Services, Climate Change and Scrutiny Management Committee \(Calling In\) on Mon...](#) item 5

[Agenda for Corporate Services, Climate Change and Scrutiny  
Management Committee \(Calling In\) on Tue...](#) item 19