



Mayor and Cabinet

Provision of Bus Shelters and On-street Advertising Contract Extension

Date: 13 March 2024

Key decision: Yes

Class: Part 1

Ward(s) affected: All

Contributors: Director of Public Realm, Head of Public Realm Improvement and Delivery

Outline and recommendations

The council currently has a fifteen-year contract with JC Decaux to provide and maintain bus shelters, street furniture and on-street advertising from 12 October 2015 to 11 October 2030 with an option to extend for a further period of five years until 2035.

Recently inflation in the cost of living has put significant pressure of the Highways budget to maintain planned and reactive repairs of the borough's roads and pavements. Income from the JCDecaux contract forms part of the core Highways budget.

The report asks for permission to extend the current contract subject to officers including terms to include stronger provisions and controls regarding the advertising of products that are potentially detrimental to the health and wellbeing of residents. This includes negotiating a ban on advertising of items that are additionally damaging to our environment such as single use e-cigarettes, and products with high carbon emissions.

It also seeks to obtain delegated permission for the Executive Director of Place to agree and sign off a revised contract specification between the council and JC Decaux.

Alongside the value of the contract extension the report also sets out the proposed replacement of some existing units with digital advertising panels.

Timeline of engagement and decision-making

n/a

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1. Summary

- 1.1. Request to agree to extend the JC Decaux advertising contract subject to renegotiation of the specification by officers.

2. Recommendations

It is recommended that Mayor and Cabinet:

- 2.1. Approve a five-year extension from 2030-35 to the Bus Shelters, Street Furniture and On-street Advertising Contract with JC Decaux, following confirmation from Planning that the digital advertising displays comply with Planning Approval and the Council's Lighting Policy requiring applicants to protect local character, residential amenity and the wider public, biodiversity and wildlife from light pollution and nuisance.

3. Policy Context

- 3.1. Improving the quality of bus services is key to the council's transport strategy and supports many of the goals and objectives of the council's Local Implementation Plan (LIP). Bus stop design and location is recognised as a crucial element in the drive to improve the quality of public transport and bus services.
- 3.2. On 21 January 1991 the London Borough of Lewisham entered into a long-term contract with JC Decaux UK Ltd, (JCD) the contract was for the supply of:
 - Bus shelter advertising panels
 - Street advertising
 - Variable information signage
 - Public Automated Conveniences (APCs)
 - Toilets
 - Car Parks advertising
 - Free advertising space provided to the council within the above advertising.
- 3.3. This contract came to an end in February 2015.
- 3.4. At this time an options appraisal was undertaken. The preferred option was for the council to re-procure the provision of Bus Shelters, Street Furniture and On Street Advertising only.
- 3.5. Following this process the current contract for the provision of Bus Shelters and On-Street Advertising was awarded to JCD starting 15 October 2015.
- 3.6. The contract was for an initial fifteen years with an option for a five-year extension.
- 3.7. As part of this contract JCD refurbish the bus shelters and panels every five years, upgrading locations with the most modern and energy efficient units.
- 3.8. The contract does not give automatic permission for JCD to install advertisement units. Advertisements are controlled by the Town and Country Planning (Control of Advertisements) (England) Regulations 2007. Illuminated advertisements on highways require advertisement consent where the issues of highways safety and amenity are fully assessed and conditions applied as necessary to mitigate any impacts in accordance.
- 3.9. Provisions in the current contract place restrictions on advertising including prohibitions on types of product and the way they are advertised. The contract includes a provision that the council can object to any advertisement and upon notification the contractor must remove the content withing 24-hours (see Appendix 5).

4. Background

- 4.1. The contract for the provision of Bus Shelters and On-Street Advertising requires JCD, to design, supply, install, refurbish and upgrade, clean and maintain bus shelters and street

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furniture.

- 4.2. In the borough JCD manage and maintain 129 bus shelters and 42 street furniture advertising panels and 12 digital screens. These are the low-level 'portrait' advertising boards and screens, large advertising hoardings and screens in locations other than those directly on the public highway are not part of the contract upon which this report is based.
- 4.3. The contract grants JCD the right to advertise on bus shelters and street furniture subject to them gaining planning approvals from Lewisham's Planning Service, which generates revenue to maintain and upgrade bus shelters and provide the council with a guaranteed income.

5. Proposals

- 5.1. It is proposed to extend the current contract for five years when it expires in 2030 in order to secure advertising income from across the estate until 2035. JC Decaux have proposed to replace eight of the existing scrolling advertising units with new digital LED panels. In order for this to be commercially viable for the contractor, and to recoup the investment across the anticipated lifetime of the units, the contractor requires an additional guarantee of operation. The extension of five years provides the extra earning capacity to make their installation financially worthwhile for the contractor. The change to digital panels will also result in a 73% increase in income for the council. In order for JC Decaux to invest, and the council to benefit from this income, we need to exercise the option to extend now for the additional five years to give the contractor certainty on their investment.
- 5.2. Following agreement to extend officers will seek to strengthening those areas that prohibit and control the advertisement of specific products including high fat, salt and sugar foods (HFFS), products such as e-cigarettes and high carbon emitters. At the same time hours of operation will be reviewed with a view to reducing the amount of time digital screens are in operation.
- 5.3. JCD have secured planning consents from the Planning Service to upgrade eight sites to digital screens in two key locations along TfL red routes in the borough. The upgrades deliver a potential 15 additional screens.
- 5.4. The existing sites to be upgraded to digital screens are all situated on TfL red routes on the public highway and are listed below:
 - Outside Catford Bridge Tavern, Catford Road, SE6 4RE x 2
 - Outside Civic Offices, Catford Road SE6 4RU
 - Outside Broadway Theatre, Catford Road SE6 4RU
 - Outside Primark, Lewisham High Street SE13 7JL
 - Outside 252, Lewisham High Street SE13 6JU
 - Outside 262/274, Lewisham High Street SE13 6AD
 - Outside Lewisham Shopping Centre Entrance, Molesworth Street SE13 7EP.
- 5.5. A map of the sites for proposed digital screens is appended to this report at Appendix 2
- 5.6. Given appropriate approval has already been granted this report does not seek permission to install digital screens but to agree an extension of the contract, the payment mechanisms associated with the different advertising units, and for a renegotiation of the contract specification.
- 5.7. The upgrades will result in additional income for the council, detailed in the Part 2 Report.
- 5.8. As part of the contract extension we will seek to obtain a regular report from JCD detailing the types of product being advertised in the borough, including frequencies.

6. Financial implications

- 6.1. Financial implications are commercially sensitive and can be viewed in the Part 2 report.

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7. Legal implications

- 7.1. The Council's Constitution contains requirements about how to procure and manage contracts. These are in the Contract Procedure Rules (Constitution Part IV), some of which are requirements based on the Public Contracts Regulations 2015 and the Concession Contracts Regulations 2016 with which the council must comply. Those requirements were complied with when the contract was awarded.
- 7.2. The current contract was procured on the basis of a 15 year contract with the option to extend for 5 years. The recommendation in the report is to extend the contract with the extension period. This is a 'Permitted Extension' under the Contract Procedure Rules, being one which was clearly provided for in the original procurement and contract documents (as set out in Rule 17 of the Contracts Procedure Rules).
- 7.3. The report sets out the reasons why this extension is proposed.

8. Equalities implications

- 8.1. The aims of the council's equality and diversity objectives were included as part of the original contract documentation and formed part of the criteria used during the original procurement and tender evaluation.
- 8.2. The council has stipulated that advertisements would not depict political, religious, racist, sexually explicit or other subject matter which may reasonably be considered to be contentious or breach any legislation including the Equalities Act 2010.
- 8.3. The proposed extension of the on-street advertising contract with JC Decaux, along with the replacement of some of the existing scrolling units with digital advertising panels is not considered to have a detrimental or adverse impact on any of the protected equality groups or categories recognised by the council.

9. Climate change and environmental implications

- 9.1. All locations are on TfL red routes which are currently lit throughout the hours of darkness to a predetermined level of luminance in order to ensure carriage- and foot-ways are safe for drivers and pedestrians and to ensure the areas feel safe as part of the night-time economy.
- 9.2. The proposed screens are modern energy efficient LED units meaning there are no heat or ultraviolet emissions. The units consume less electricity than traditional backlit or LCD displays as LED lighting provides more light at lower power. This also increases lux levels at bus stops increasing safety and the feeling of safety.
- 9.3. Current scrolling screens that are replaced by digital alternatives will no longer require the two-weekly physical servicing to update and replace the six-sheet paper rolls. This equates to 24 visits per screen per annum.
- 9.4. As part of the planning approval process for advertising screens each unit is fitted with sensors to control brightness at all times; this ensures levels are no more than 300CD/M² (candelas per square metre) during the hours of darkness.
- 9.5. Given the high level of luminance from street lighting in the two locations, and that the proposed screen brightness is regulated down in the evenings their impact in regard to increasing lux levels is considered to be negligible.
- 9.6. The council's environmental objectives were included in the original contract specification documentation and formed part of the criteria used in the tender evaluation for the original award.
- 9.7. New digital screens use more energy than existing static backlit panels. Energy consumption per screen operating for 18 hours per day is 4,062 Kwh/year. Energy consumption of the existing backlit panels is 1,040 Kwh/year operating for 11.5 hours per day.
- 9.8. All electricity used at bus shelters and any current or proposed digital advertising will be from 100% renewable sources in line with the councils Net Zero Carbon aspirations. JCD as an

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organisation moved to 100% renewable energy in 2022.

- 9.9. JCD are certificated to the British Standards Institute ISO14001 (resource use, waste management and pollution) and ISO50001 (energy performance) standards.
- 9.10. Differing units across the contract refresh at different rates dependent on the agreed planning consents. As a general rule illuminated units with a rotating screen (six-sheet advertising boards) refresh every 60 seconds; digital display screens refresh every ten seconds, and illuminated fixed panel units do not refresh.
- 9.11. The council's adopted Lighting Policy (DM Policy 27) covering digital advertising displays states that: the council will require applicants to protect local character, residential amenity and the wider public, biodiversity and wildlife from light pollution and nuisance, by: a) taking appropriate measures in lighting design and installation to control the level of illumination, glare, spillage of light, angle and hours of operation, b) using energy efficient and solar powered lighting for energy conservation where feasible, c) providing sensitive lighting for footpaths, cycling paths and public parking areas in the development with particular consideration of the potential adverse impact on biodiversity, d) preventing the adverse impact of light pollution at all stages of development, from building demolition and construction to occupation.
- 9.12. Planning applications for advertising displays have and will be refused where they do not comply with the council's lighting and other planning policies, including DM Policy 27. Applications have and will be approved, including the additional JCD displays, where the levels of luminance and consideration of the impact on light pollution, biodiversity and wildlife are considered acceptable and in line with the council policy.
- 9.13. A low carbon advertising briefing for Members is planned to take place this year, with input from the Planning Service. This will address the potential to include a low carbon planning policy in future iterations of the Local Plan. This supports the Council Motion of March 2022 'Carbon Advertising'.
- 9.14. As part of the contract renegotiation the council will work with JCD to reduce advertising of products that promote the production of carbon. In addition we will seek to limit the operational hours of screens in order to cut energy consumption and the carbon footprint of the contract.

10. Crime and disorder implications

- 10.1. There are no specific crime and disorder implications resulting from the extension of this contract, or the proposed additional screens.
- 10.2. As Lewisham improves its night-time economy offer and the number of people travelling in the evenings and at night time increases safety at our public transport hubs is vital. Backlit units and digital screens located at TfL bus stops add to background lighting at street level increasing the sense of security and safety for people waiting for or alighting public transport.

11. Health and wellbeing implications

- 11.1. We have a voluntary agreement with JCD that controls the advertising of certain products and restricts advertising of others.
- 11.2. Investment and maintenance of the highway infrastructure has an indirect impact on health as a result of the positive impact on the economic and environmental living conditions of the borough. Providing high quality public realm, improving access for all and delivering infrastructure for sustainable and active modes of travel contribute to encouraging people to walk and cycle more and will provide positive conditions for growth and improved health.
- 11.3. There is no evidence to show that Out of Home advertising itself is detrimental to health and wellbeing. However, the nature of the advertisements can be impactful. As a consequence, and as part of the original contract procurement, the council agreed with JCD that all advertising should be in line with the agreed standards.

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- 11.4. A 2022 trailblazer scheme in partnership with Lewisham's Public Health team restricted the advertising of High Fats, Salt and Sugar (HFSS) products, especially in proximity to the borough's schools. The scheme was developed based on the Healthier Food Advertising Policy Toolkit published by Sustain (see Appendix 3).
- 11.5. The council is keen to take an assertive stance in regard to the advertising of e-cigarettes and the promotion of vaping. In October 2023 JC Decaux were asked to remove adverts for disposable vapes in line with clause 9.3 of the existing contract specification which requires the 'discontinuance of an advertisement should the council, within reasonable opinion, object'. Via renegotiation we will seek to remove any potential for vapes, e-cigarettes or smoking substitutes to be advertised in the borough via a specific provision in the contract.
- 11.6. The UK advertising industry is self-regulated using a set of Advertising Codes overseen by the Advertising Standards Authority. The codes ensure that consumers are not misled, harmed or offended by advertisements. Out of Home advertising is significantly more rigorously regulated than advertisements on social media sites or in apps and games available on devices such as tablets and mobile phones.
- 11.7. In line with the original contract specification fifteen percent of advertisement space is available to the council's Communications team to use for corporate campaigns and advertising.
- 11.8. To date the Planning Service has not received any challenges or representation from residents or action groups against any of the advertising panels or screens that are part of the contract.

12. Social Value Implications

- 12.1. There are no specific social value implications resulting from the extension of this contract.
- 12.2. Provisions in the current contract place restrictions and prohibitions on advertising as detailed above.

13. Background papers

- 13.1. Current JC Decaux Contract documentation.

14. Report author(s) and contact

- 14.1. James Guckian, Transport Programme Manager
- 14.2. Joe Turner, Head of Public Realm Improvement and Delivery
- 14.3. Comments for and on behalf of the Executive Director for Corporate Resources - Shola Ojo
- 14.4. Comments for and on behalf of the Director of Law, Governance and HR - Mia Agnew

15. Appendices

- 15.1. Appendix 1: JC Decaux income forecast (commercially sensitive)
- 15.2. Appendix 2: Map of proposed sites to be switched from static to digital screens
- 15.3. Appendix 3: Healthier Food Advertising Policy Toolkit
- 15.4. Appendix 4: Digital Screens Planning Advertising Consents
- 15.5. Appendix 5: Existing Contract Terms and Conditions (commercially sensitive)

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16. Approval

I approve the extension as per the details set out in this report

Signed:

A handwritten signature in black ink, appearing to read 'Nazeya Hussain', written over a horizontal line.

Name: Nazeya Hussain, Executive Director of Place

Date: 01 March 2024

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