

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	OPERATIONAL MANAGEMENT COMMITTEE	19 JANUARY 2016	4

BUS SHELTERS

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The report covers the provision and management of bus shelters throughout the borough. It outlines three categories of shelters and how they are provided and managed.

The report seeks a decision whether members wish to continue providing and maintain those bus shelters under its direct responsibility and also makes recommendations regarding shelters provided by Adshel/Clear Channel and LCC.

RECOMMENDATIONS

1. It is recommended that members decide whether they wish the council to continue providing and maintaining the 68 bus shelters the council is currently directly responsible for and in doing so wish to commission a more detailed assessment of the merits, current condition, impact and cost of removal and possible alternative arrangements of each shelter.
2. If members wish to confirm their commitment to the ongoing provision of such shelters, members are asked to decide whether to recommend the proposed capital bid for additional/replacement of Bus Shelters for consideration by the Budget Working Group.
3. That the council seek an extension to the existing agreement with Adshel/Clear Channel for a further 5 years on the same/similar terms and that as part of this renegotiation ask Adshel/Clear Channel to review all 66 existing shelters in light of current bus routes and seek the provision of additional shelters where possible.
4. That Lancashire County Council be formally advised of the concerns of the borough council in relation to the lack of proper maintenance of shelters it has erected and that LCC be asked to put in place immediate arrangements to repair and maintain these shelters.

CORPORATE PRIORITIES

To Promote the Enhancement of The Natural & Built Environment (Place)		To Encourage Cohesive Communities (People)	
To Promote a Thriving Economy (Prosperity)	√	To Meet Expectations of our Customers (Performance)	√

SUMMARY OF PREVIOUS DECISIONS

Operational Management Committee 24th November 2015

It was RESOLVED to:

2. To note that the Bus Shelters Capital bid is an agreement in principal pending the findings of a detailed report on all bus shelter provision in the borough that will be presented to the next meeting of the committee.

Operational Management Committee – 15th September 2015

The Committee RESOLVED to:

1. Note the intention to utilise the sum of £7,780 secured from the development of the approved residential development at Highbury Road East for the purposes of providing 2 bus shelters on Leach Lane, St Annes.
2. Request approval by the Chief Financial Officer, in consultation with the Chair of the Finance and Democracy Committee, for a fully-funded revenue budget increase in the sum of £7,780 to provide for a payment of this amount to LCC for the provision and installation of the works as described within the report, to be funded by the use of a portion of a S106 developer contribution for this purpose in the total sum of £20,000 which has been previously received by Fylde Council.

BACKGROUND

1. The council has power to provide and maintain bus shelters under the Localism Act 2011 and the Local Government (Miscellaneous Provisions) Act 1953. The county council has the same power. The borough council's powers cannot be exercised without the consent of the county council where the shelter is within a highway or on land abutting a highway. This is a discretionary power not a mandatory duty.
2. There are three categories of bus shelter in the borough:
 - Shelters where the council has direct ownership and responsibility for maintenance
 - Shelters provided and managed by Adshel/Clear Channel under an agreement with the council
 - Shelters that have been provided by Lancashire County Council

Shelters where the council has direct ownership and responsibility for maintenance

3. The borough council has direct responsibility for 68 shelters and has a budget for their repair and maintenance. Around half of the shelters are cleaned twice per year directly by Operational Services and the cleaning of others is devolved to a number of parish councils who are paid an allowance of £70 per annum per shelter to undertake this.
4. The total annual budget for repair and maintenance of all 68 shelters is currently £9,000 which equates to an average of £132 per shelter per annum. This is to cover the cost of planned maintenance and reactive repairs (painting, replacement of glass/damaged panels, etc.). The budget was previously much lower and has been reviewed as part of recent budget right sizing. None of these 68 shelters have mains electricity.
5. There is an expectation that as soon a problem or any damage is incurred to any of these shelters that repairs are undertaken quickly and efficiently.
6. The council has received several requests from residents for additional shelters to serve bus stops which currently do not have one. As a result the committee considered a [£30,000 capital bid for additional/replacement bus shelters](#) at its last meeting. Committee noted that '*the Bus Shelters*

Capital bid is an agreement in principal pending the findings of a detailed report on all bus shelter provision in the borough that will be presented to the next meeting of the committee’.

7. Principal to this decision is whether members wish to continue to provide and maintain bus shelters and where considered necessary fund additional shelters.
8. The 68 shelters currently owned and maintained by the council are distributed across the borough in locations that will have been considered important to provide shelter for people waiting for a bus. Alternatively as the provision of bus shelters is not a mandatory duty on the council members may wish review their ongoing provision.
9. If the capital bid was approved and used to provide additional bus shelters then appropriate additional revenue budget should be also provided to ensure proper maintenance is undertaken. If on the other hand the budget was used to replace several of the older shelters then no additional revenue budget would be required. The revenue budget implications are set out in the capital bid considered on the last agenda.

Shelters provided and managed by Adshel/Clear Channel under an agreement with the council

10. The Council has a contract with Adshel Ltd (now owned by Clear Channel UK Ltd) dated 11 May 2000. The contract runs for 16 years and expires in May 2016. It is a continuation of a previous 10 year contract from 1989. Adshel provides, operates, maintains, cleans and repairs the shelters and pays for all electricity consumed along with periodic electrical inspections. There are minimum response times set in the agreement for Adshel to respond to any repairs or problems being reported to them.
11. There are currently 66 shelters in the schedule covered by the current agreement, which is considered to represent a good arrangement for Fylde as any damage which is reported to Adshel is quickly and efficiently attended to and repaired. The agreement provides for a nominal consideration to Fylde Borough Council of £1 per annum with provision for Adshel to terminate if it is no longer in its opinion commercially viable, and for the Council to terminate if Adshel becomes insolvent.
12. A similar arrangement existed at Wyre until 2012 when Adshel gave Wyre Council notice that they were terminating the agreement as they did not consider the contract commercially viable.
13. Council officers have approached alternative advertising companies to establish whether they would be interested in tendering for the contract in competition with Adshel. J C Decaux and Primesight are the only two alternative companies active in this sector, and both have declined the opportunity to tender. This is unsurprising as Adshel has the right to remove the shelters at the end of the contract so any new provider could face a very high initial capital outlay.
14. It is estimated that the cost to provide 66 new bus shelters in these locations is between £250,000 and £330,000 (based on the costings provided in the recent capital bid). The cost of illuminated advertisement shelters would be considerably higher.

Shelters that have been provided by Lancashire County Council

15. There are also currently 24 bus shelters installed by LCC in recent years on certain bus routes that LCC have wished to improve and promote. Some of these were provided as part of S.106 agreements and planning conditions. The position of the borough council is that as no provision for ongoing maintenance has been made these assets remain the responsibility of either LCC or the developer that commissioned their installation.
16. LCC has expected the borough council to pick up the maintenance of these shelters and point out that all other districts in Lancashire have taken on the ongoing maintenance of such shelters. LCC recommend an allowance of around £500 per shelter per annum should be made to cover the annual cost of repair and maintenance of a typical bus shelter.

17. A number of these shelters are now in a poor condition due to a lack of maintenance and repair. There is no budget provision at Fylde to consider taking on the maintenance of these additional shelters. It is expected that the number of shelters provided through S.106 agreements and planning conditions will increase in the next few years as a number of planning permissions are implemented.

Conclusions/Recommendations

18. It is recommended that members decide whether they wish to continue providing and maintaining the 68 bus shelters the council is currently directly responsible for. If members wish to confirm their commitment to the ongoing provision of such shelters, members are asked to decide whether to recommend the proposed capital bid for additional/replacement Bus Shelters for consideration by the Budget Working Group.
19. If alternatively members wish to consider ending the provision and maintenance of some or all of the 68 bus shelters under the council's direct responsibility then it is recommended that a more detailed assessment of each of shelter is undertaken to assess their merits, current condition, impact and cost of removal and possible alternative arrangements for provision (e.g. devolving to Town/Parish councils).
20. It is recommended that the council seek an extension to the existing agreement with Adshel/Clear Channel for a further 5 years on the same/similar terms and that as part of this renegotiation ask Adshel/Clear Channel to review all 66 existing shelters in light of current bus routes and seek the provision of additional shelters where possible.
21. It is recommended that Lancashire County Council be formally advised of the concerns of the borough council in relation to shelters it has provided and that LCC be asked to put in place immediate arrangements to repair and maintain these shelters.

Legal and Policy Considerations

22. The contract with Adshel/Clear Channel would normally be a small, mid-range or large contract for the purposes of the council's Contracts Procedure Rules, depending on the estimated value of the works and services to be provided to the council under it. As such, it would be required to be opened to competition by the invitation of tenders or quotations.
23. However, where those procedures cannot be followed because there would be no genuine competition, the rules characterise the contract as an exempt contract. In those circumstances, the procedure to be followed is the "qualified informal procedure". Under this procedure, there is no need to invite tenders or quotations, but the relevant director must be satisfied that the arrangements made secure the best available terms to the council.
24. As detailed above, there would be no genuine competition for this contract because none of the players in the market would be interested in competing for it. The contract is therefore an exempt contract. The Director of Development Services considers that awarding the contract to Adshel, as set out in this report, would secure the best available terms to the council.

IMPLICATIONS	
Finance	The provision of bus shelters is not a mandatory service and the council does not provide a bus service, it also has no direct influence over bus routes or operators in the borough. The current financial environment for local authorities is challenging with the Councils spending power forecast to reduce over the next four years by over 14%. The Council will need to review the provision of all discretionary services to reduce cost or increase income in order to address the reduced spending power.
Legal	The recommendation is to extend the existing agreement with Adshel/Clear to manage the 66 bus shelters which will require legal agreement
Community Safety	No implications
Human Rights and Equalities	No implications
Sustainability and Environmental Impact	No implications
Health & Safety and Risk Management	No implications

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LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Operational Management Committee Minutes	2015/16	www.fylde.gov.uk