

**Date Issued: 8 December 2022**

**Item: Bus Shelter Advertising Concession**

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**This paper will be published once the decision has been made.**

## **1 Summary**

- 1.1 At its meeting on 6 October 2022, the Committee approved unbudgeted Financial Authority and Procurement Authority in the sums set out in the exempt appendix to this paper, for the proposed extension of the Bus Shelter advertising contract.
- 1.2 This paper provides the Committee with an overview of the final negotiated position, with a view to gaining approval to proceed.
- 1.3 The use of Chair's Action is considered appropriate as a decision to progress an extension to the concession is required before the date of the next meeting of the Committee on 8 March 2023.
- 1.4 The members of the Committee are asked to consider the proposal and provide Anne McMeel, as Chair, with their views on or before 5.00pm on Monday 12 December 2022. The contents of this paper and the exercise of Chair's action will be reported to the next scheduled meeting of the Committee.
- 1.5 A confidential appendix to this paper contains supplementary information that is exempt from publication. The information is exempt by virtue of paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL and information which is legally privileged.

## **2 Recommendation**

- 2.1 **The Chair of the Committee, in consultation with available members, is asked to note the paper and the supplementary information in the exempt appendix and approve unbudgeted Financial Authority and Procurement Authority in the sums set out in the exempt appendix to this paper, for the proposed extension of the Bus Shelter advertising contract as described in this paper, in place of the Authorities given by the Committee on 6 October 2022.**

## **3 Background**

- 3.1 The Bus Shelters advertising contract covers advertising across all of TfL's around 4,900 advertising bus shelters. This contract was last tendered in 2014 and is currently due to expire at the end of December 2023. The basis of the contract is a minimum guarantee (MG) payment plus a percentage of all gross revenues generated above the MG.
- 3.2 As described to the Committee, at its meeting on 6 October 2022, our long-term strategy is to let a combined Bus Shelter and Rail contract from March 2025 when our current Rail contract expires. This will give us a stronger presence in the marketplace, allowing us to generate the optimum returns for TfL in the current Out of Home advertising market.
- 3.3 To achieve this, we need to extend our current Bus Shelter advertising contract for a period of 15 months, from end of December 2023 to end of March 2025, to allow for co-termination of these two contracts.

## **4 Commercial Considerations**

- 4.1 The commercial considerations regarding the extension of the Bus Shelter advertising contract, along with the proposals for the contract, are set out in the appendix to this paper.

### **List of appendices to this report:**

An appendix containing exempt supplemental information.

### **List of Background Papers:**

Finance Committee paper on Bus Shelter Advertising Concession, 6 October 2022

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