

## Report to the Cabinet

Meeting to be held on Thursday, 16 May 2019

### Report of the Head of Service - Public and Integrated Transport

#### Part I

Electoral Divisions affected:  
Clitheroe; Lancaster Rural  
North; Nelson East; Preston  
City;

### Transport Information Centres - Expressions of Interest Progress Report (Appendix 'A' refers)

Contact for further information:

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#### Executive Summary

At its meeting on 8 February 2018, Full Council approved the closing of transport information centres at Preston Bus Station, Nelson and Clitheroe Interchanges and Carnforth Railway Station, subject to consultation, with the outcome to the consultation to be presented to Cabinet for final approval. On 9 August 2018, Cabinet noted that during the consultation, a number of expressions of interest were received from interested parties to take over the management of some or all of the transport information centres and resolved that officers investigate these and to provide a further update to Cabinet.

This report presents an update on the progress of the assessment undertaken and recommendation to proceed further. An equality analysis is attached at Appendix 'A'.

#### Recommendation

Cabinet is asked to:

- (i) Note the outcomes of the exploration activity undertaken and suitability of the expressions of interest;
- (ii) Approve the ceasing of provision of transport information at Preston Bus Station and Nelson Interchange and commence the staff consultation process;
- (iii) Authorise officers to support the transfer of the services provided at Carnforth Information Centre and Clitheroe Information Centre to each Community Group identified. The Council will maintain the services in the meantime.
- (iv) Approve the negotiation of termination of property interests at Carnforth Information Centre and Clitheroe Information Centre.

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| (v) Approve the termination of the ticket retail agreements with the train operating company, Northern. |
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## **Background and Advice**

At its meeting on 8 February 2018, Full Council approved the closing of transport information centres at Preston Bus Station, Nelson and Clitheroe Interchanges and Carnforth Railway Station, subject to consultation, with the outcome to the consultation to be presented to Cabinet for final approval.

The results of the consultation were reported to Cabinet on 9 August 2018. During the consultation process, some organisations and an individual expressed interest in taking over all or part of the services provided at the information centres, in the event of ratification of the decision to close. Cabinet authorised officers to investigate these expressions of interest and for the service to continue to be maintained in the interim.

An application pack was sent to those who had expressed interest to help them make an initial submission and allow officers to undertake a basic assessment of the merit of each submission. The written material, process and assessment criteria were based upon those used by the Council previously in similar scenarios.

Initial submissions were received from interested parties as follows:

### Community Groups

- Community Rail Lancashire (Clitheroe) for Clitheroe Transport Information Centre
- Leeds-Morecambe Line for Carnforth Information Centre

### Commercial Organisation

- TPS Bus/Tanzogo for all information centres

### Individual

- An individual to operate Nelson Information Centre

### Continuation of the ticket information centres by the interested parties

There is no 'transfer of service' in the true sense because:

- The Council currently has an agreement with the train operating company, Northern, to retail tickets at the Transport Information Centres for which a commission is received. The Council is unable to transfer this arrangement to a third party and will be required to cease this agreement. Any third party taking on the service will be required to negotiate their own agreement directly with Northern;
- there will be no transfer of buildings or equipment, just a lease/licence of space within the existing premises from the landlord (which is not the

Council) which the interested party taking over the Information Centre will need to negotiate themselves;

- The service will cease to be publicly funded with the Council no longer having any future involvement and/or responsibility albeit there may be some costs for terminating the Council's occupation, these costs are not known at this stage.

The information provision is the only other part of the service that is identifiable. Staff at the Transport Information Centres are specialists, trained and experienced in retailing of tickets as well as providing transport and local information. The Council's transfer offer to an interested party that is a commercial entity in nature could result in state aid implications to commercial entities.

As there is no "transfer of service" The Community Right to Challenge (The Community Right to Challenge (Expressions of Interest and Excluded Services) (England) Regulations 2012 ("CRC") does not apply.

### **Employment/Transfer of Undertakings (Protection of Employment) (TUPE)**

Closure of any of the transport information centres would result in redundancy for some or all of 7 staff currently providing the service.

In the event of a potential transfer, where there was some overlap in operation or 'takeover' of the service with the service being the same or similar, then TUPE would be expected to apply, i.e. employment rights and liabilities would transfer to the new provider.

### **Assessment**

With consideration of the items above, initial assessment of applications by officers concluded,

- **A viable application was received from Community Group Community Rail Lancashire (Clitheroe) in relation to Clitheroe Transport Information Centre.** Application provided a comprehensive and well thought out proposal outlining the objectives and vision of the group to maintain the existing service and having taken full consideration of the staffing commitments and risks. In addition the group outlined clearly intended steps for a potential takeover as well as to develop the service further, to identify additional revenue streams and expand current service provision through online tools/complementary services such as continental rail ticketing. The application also outlined the group's objectives to support major employers through the service supported. In addition, the group demonstrated strong evidence of community benefit through extensive work undertaken and further plans to work with vulnerable groups and schools to provide employment support/experience and dementia awareness.
- **A viable application from Community Group Leeds-Morecambe Line for Carnforth Transport Information Centre.** Application provided a

comprehensive and well thought out proposal outlining the objectives and plans of the group to maintain the existing service. The application took full consideration of the risks and staffing commitments required to sustain the service and demonstrated strong community benefit proposals evidenced by award winning community skills and experience. The application outlined clear steps intended for a potential service takeover to maintain the current service and to develop the service further with new initiatives.

- **Application for all centres from a commercial entity.** The overall business case and financial information for a proposal to maintain the service was significantly limited and failed to outline clear objectives or plans to maintain the service or satisfy the requirement to demonstrate community benefit. The proposal did not take consideration of the risk assessment required within the application and under staffing considerations and seeks to negotiate the pension arrangements for staff under TUPE.
- **Application for Nelson transport information centre from an individual.** The overall business case and financial information in relation to maintaining the service was significantly limited and unable to outline clear objectives or plans to maintain the service. The proposal did not take consideration of the risks required within the application and sought incentives requiring some level of financial commitment from the council in order to support the application.

## **Recommendation**

Based on these considerations, it is recommended that the county council proceeds to cease the services provided by the council in line with Cabinet resolutions but supports the transition of current operations to two Community Rail Partnership groups for Clitheroe and Carnforth Transport Information Centres.

The council will be required to terminate the leases and retail agreements currently in place and support a TUPE transfer of staff. It is the intention of the groups interested in providing services at Carnforth and Clitheroe to be in a position to take over the service within three to six months from the date of Cabinet decision. It is anticipated that the council will maintain services up to a period of 6 months from the date of the decision.

In the event that a service transfer is not successful, the council would cease the service. This would result in redundancy of posts, however staff would have access to the council's redeployment process.

## **Implications**

The two Community Rail Partnership submissions for Clitheroe and Carnforth Transport Information Centres will be required to conclude satisfactorily the following items to be able to take over the office(s):

- Negotiate a fresh retail agreement with Northern Rail

- Negotiate a fresh lease agreement with Carnforth Station Trust Limited (Carnforth) and Ribble Valley Borough Council (Clitheroe)
- Lancashire County Council TUPE stipulations

Subject to the agreement of the above, it is the intention of the groups interested in providing services at Carnforth and Clitheroe to be in a position to take over the service within three to six months.

### **Financial**

The saving agreed by Full Council in February 2018 totalled £156,000, with £78,000 removed from the budget in 2018/19 and £78,000 in 2019/20. The delivery of this saving had already been delayed whilst expressions of interest were considered, with the forecast timescales for achievement of the saving revised to assume transfer or closure of the facilities partway through 2019/20. The exact timescales for delivery of the saving will depend upon when the sites are closed or transferred, however any additional pressure caused by the delay will be managed within the public and integrated transport budget.

### **Legal**

The operation of the Transport Information Centres is supported by a number of legal agreements including; lease of Carnforth station; arrangement for occupation of Clitheroe Information Centre; Northern Rail retail agency agreement for the sale of train tickets; utility contracts. These agreements will need to be terminated and the section below "Property Asset Management" further details any implications.

### **Equality and Cohesion**

An Equality Analysis is attached at Appendix 'A'.

The proposal may make travel by public transport more difficult for older people and for people with disabilities because other sources of information and tickets are perceived to be less understandable. Some older and disabled people may be less likely to use digital alternatives to obtain travel information or tickets. Whilst there are no statistics available about usage of the Information Centres by people with protected characteristics both the response rate to the consultation and some of the consultation responses do suggest a disproportionate adverse impact on these groups should the Travel Information Centres cease.

### **Personnel**

Closing the information centres would mean staff redundancies. Total number of staff affected would be up to 7 individuals, 6.5 full time equivalent. Contractual notice periods would be applied and affected staff would be given access to the council's redeployment process during their notice period.

If it is identified that alternative interested parties can take over the management/ownership of the information centres, this could mitigate against redundancies as

staff may transfer to the new employer under Transfer of Undertakings (Protection of Employment) Regulations 2006.

### **Property Asset Management**

**Carnforth Railway Station** – Leasehold interest with Carnforth Station Trust Limited. The council is currently holding over on a lease for a term of ten years from 3rd December 2002. Clause 8 (a) of the lease prevents assignment and underletting of part of the premises. Clause 8 (b) prevents assignment and underletting of the whole of the premises without the licence in writing of the Landlord. Notice will need to be given to terminate this lease. Dilapidations are not expected for Carnforth given recent works and an outstanding claim the county council has against the landlord for loss of earnings.

**Clitheroe Interchange** – Leasehold - The freehold interest is registered to Ribble Valley Borough Council. There has been a lease referred to but this documentation has not been identified. Any proposal to either close the office or assign to another provider will need to be negotiated with Ribble Valley Borough Council. Negotiations will need to be entered into with Ribble Valley Borough Council to terminate county council occupation here, there may be costs to this and or notice needed. The council will be liable for potential holding and dilapidation costs at the end of any agreement.

### **Procurement**

The majority of county council staff travel is currently provided through Carnforth Transport information centre (Carnforth Connect). Should the decision be taken to transfer the staff travel element of Carnforth to another provider a procurement exercise may be required for this particular element of the service. This would need to be reviewed in line with the county council's obligation under European Union Procurement Regulations and its own internal Standing Orders as it would be feasible for any of the Expression of Interest organisations to successfully tender for this element of the service. Should there be a requirement for a procurement exercise, consideration of the timescales to conduct this would need to be taken into account and a separate report detailing the procurement approach would be submitted to Cabinet for approval.

A further option may be to retain the staff travel element of the service in-house which would negate the need for any procurement exercise to take place.

### **List of Background Papers**

Paper	Date	Contact/Tel
None		

Reason for inclusion in Part II, if appropriate

N/A