

Report to:	Cabinet	Date: 15 October 2025
Subject:	Prestwich Village Regeneration Scheme: Procurement of a Third-Party Operator for Phase 1A (Travel Hub)	
Report of	Leader and Cabinet Member for Strategic Growth	

Summary

- 1.1 Cabinet approved capital funding to deliver the Prestwich Travel Hub facility on Fairfax Road on the 16th July 2024. Permission to appoint a main contractor to deliver the project was secured from Cabinet on the 4th December 2024. Following consideration of available options for managing the Travel Hub once built; officers now seek approval for a recommended operating model and strategy for procurement to acquire a Travel Hub operator.
- 1.2 Following consideration of appropriate options, officers recommend the procurement of an external travel hub operator to manage the Prestwich Village Travel Hub. Subject to further soft market testing, the Council will need to enter into at least a three-year management agreement. Over this period, it is estimated that the contract will exceed £500,000 which constitutes a Key Decision.
- 1.3 The report outlines estimated costs of the two available operating models for management of the Prestwich Travel Hub. These include the use of an external third-party operator or the management of the hub internally within the Council structures.
- 1.4 The report outlines that the use of an external operator represents better value for money to the Council. This is because the operation of off-street car parking facilities of the scale proposed at Prestwich is not currently a core function of the Council. The Authority does not currently operate similar facilities and as such, will need to invest in the relevant staffing and infrastructure to deliver this new model. Given that private sector external operators operate numerous similar facilities at greater scale, external advice suggests that they are able to secure a lower unit cost of operation and a more responsive service.
- 1.5 Officers recommend a two-stage process for acquisition of a travel hub operator. This would entail a process of initial soft market testing by way of an Expression of Interest to ascertain level of interest and compare commercial management models in further detail. The process will also identify the most effective procurement route to market which will likely include use of a recognised procurement framework.
- 1.6 The Prestwich Travel Hub building will be owned by Bury Council as a commercial asset. Under the current Council structure, this asset will be

managed via the Land & Property Service within the Place Directorate alongside the wider commercial portfolio.

- 1.7 The Prestwich Travel Hub is under construction and completion of the building is expected July 2026. It is essential that an operator for the facility is sourced in the next 4 months to enable them to contribute to the final car park and facilities specification and prevent abortive activity.
- 1.8 Upon completion of a procurement process to acquire an external operator, officers will bring a further report before Cabinet to approve the appointment.

Recommendation(s)

It is recommended that Cabinet:

- 2.1 Approves the recommended operations management model for the Prestwich Travel Hub. This is the use of an external, specialist travel hub operator.
- 2.2 Approves the undertaking of a two-stage procurement process for appointment of an external operator for the Travel Hub covering an initial soft market testing process followed by an external competitive procurement in-keeping with the Council's Contract Procedure Rules. This will likely include the use of a relevant procurement Framework.
- 2.3 Approves the management of the Prestwich Travel Hub asset within the Bury Council Commercial Asset Portfolio by the Land & Property Service, with support from Parking Services.
- 2.4 Approves the Director of Regeneration & Project Delivery in consultation with the Council's Procurement service to agree the preferred route to market.

Reasons for recommendation(s)

- 3.1 That Members note the advice that the use of a third-party external operator for the Prestwich Travel Hub represents the best value for money for the Council for the reasons outlined in the body of the report.
- 3.2 Procurement of a travel hub operator to be carried out under a competitive process governed by the Public Contract Regulations 2015 (PCR 2015) and Procurement Act 2023. It is common practice to access compliant procurement frameworks to streamline the procurement process.
- 3.3 A travel hub operator should be appointed as soon as possible in the construction delivery process to enable them to contribute to final stage design. A delay in procuring the operator risks delays to the construction delivery programme or abortive work. It is crucial that there is also influence to the final operational requirements and to avoid unnecessary additional costs.
- 3.4 Commercial assets are currently the responsibility of the Council's Land & Property Service, and it is appropriate that the Prestwich Travel Hub be added to this management portfolio.

Alternative options considered and rejected

- 4.1 Officers have considered the financial and operational implications of managing the Prestwich Travel Hub 'in-house' within the Parking Services team of the Council. This option represented a higher cost than the use of an external operator.
- 4.2 The Parking Services team currently has no experience of managing travel hub type facilities and has limited opportunities to secure economies of scale in the supply chain/operationally compared to external parties.

Report Author and Contact Details:

Name: Elliott Bennett
Position: Regeneration and Development Officer
Department: Place
E-mail: e.bennett@bury.gov.uk

Name: Robert Summerfield
Position: Director of Regeneration and Project Delivery
Department: Place
E-mail: r.summerfield@bury.gov.uk

Background

- 5.1 The Prestwich Travel Hub represents the first phase of development of the Prestwich Village Regeneration scheme. The facility will provide over 300 car parking spaces, facilitating wider development of Prestwich town centre. This development will include over 200 homes, new public realm, retail, markets and community facilities. The Travel Hub is under construction following successful design and planning activities and will be completed July 2026.
- 5.2 The facility is being delivered via the Prestwich Regeneration LLP Joint Venture (JV) vehicle, with the construction project under supervision by the Council's JV partner Muse Places LLP.
- 5.3 The Council has two options for the operational management of the Prestwich Travel Hub. These are:
 - 1. To appoint an external party to manage the travel hub on behalf of the Council, utilising specialist skills and experience and the external supply chain.
 - 2. To manage the travel hub in-house within the Parking Services team.

Use of an external operator

- 5.4 Numerous external travel hub/car parking operators exist within the regional marketplace, with some already operating within the private sector in Bury. Such operators operate on the basis of management agreements or leases with an expected term of 3 to 5 years being the norm.
- 5.5 The Council has carried out high level financial modelling of direct operating costs and overheads for running the Prestwich Travel Hub with the support of an external parking consultant. This work has facilitated a direct comparison between external and in-house operational costs which are outlined in Table 1 below.

Table 1: Estimated operational costs: Prestwich Travel Hub

Cost Description	External Operator £000's	Bury Council £000's	Notes
Direct Labour	120	266	<i>Bury Council operating model requires 5 FTE</i>
Rates	21	21	
Insurance	7	7	
Maintenance (building)	7	7	
Maintenance (systems)	7	7	
Maintenance (planned/preventative)	12	12	
Energy	20	20	
Cleaning	5	5	
Cash/card transaction costs	13	13	
Sundry expenses (e.g. tickets)	5	5	
Overheads	24	42	<i>Based on 10% (national average) consolidated estimated cost</i>
Operator Management Fee	25	0	
Surface water drainage	9	9	
Asset management cost (to the Council)	16	0	
Emergency response	0	50	
Total	291	464	

- 5.6 There is a £173k annual difference in operational costs in favour of an external provider based on this modelling activity. Overhead figures are based on industry averages to facilitate direct comparison. In practice, Council overhead burden is likely to be higher once apportionment is finalised.
- 5.7 The biggest difference between an internal and outsourced model is that of direct labour cost. This is because, to safely operate the facility the Council will need to invest in both additional operational (Parking Services) and security response staff to enable a 24-hour response. The Council does not currently operate any similar facilities and will therefore have to invest in the infrastructure from scratch. As external operators already hold this infrastructure at scale, they are able to offer a reduced unit cost in terms of

direct labour as this resource is able to be apportioned over a greater number of facilities.

- 5.8 All costs associated with an external car park operator will be recovered from car parking income collected in the Prestwich Travel Hub, with surplus income assigned to the Highways (Parking) Service. This would also be the case for internal operation, however the cost differential between the two models indicates that an outsourced facility would provide a greater surplus of income to the Authority and therefore represents better value for money.
- 5.9 As direct management of the travel hub would be new to the Council, officers have considered wider operational implications of and in-house versus an external operations model. This has identified the following points:
- The Council would need to recruit multiple staff to manage the travel hub facility (most likely 5 FTE). Recent experience in recruitment has suggested that it may be challenging to recruit appropriately skilled staff to operate the facility.
 - The day-to-day management of the Travel Hub would require resources to be available twenty-four hours per day, seven days per week. At present the Council cannot provide sufficient resilience to respond to this requirement without significant additional personnel (as described and costed in Table 1).
 - An established travel hub operator is likely to have a mature supply chain in place and will be able to more cost-effectively respond to operational requirements and one-off incidents common in travel hub facilities.
 - The Council will be able to vary management requirements for the hub more effectively with the use of an external operator. Such requirements are often required in line with operational conditions e.g. less/more security if needed at specific times and external operators are likely to be able to respond more quickly, with limited additional overhead implications to the Council.
 - An external travel hub operator would take on all required facilities management and safety requirements for the facility reducing operational risk to the Council and the associated insurance/other requirements.
 - Travel hub facilities often attract anti-social behaviour which may necessitate a specialist response. An external specialist provider may be better placed to respond to these incidents than a council service.
 - The travel hub will eventually designate and manage a number of spaces for residential purposes upon completion of the wider Prestwich Village development. This is activity that the Council currently has limited experience in delivering.
 - The short-medium term nature of any management arrangement would facilitate returning the travel hub to Council control should resources/skills become available to operate such or if the Council decided to invest in additional, similar facilities in other areas of the borough.
- 5.10 Expertise in oversight of management contract/leasing arrangements of third parties is present in the Council's Land & Property section. As such, officer

resources exist currently to oversee an external travel hub operator. All such agreements are subject to strict performance criteria and KPIs and can be ended where performance or value for money fall below desirable levels.

- 5.11 On the basis of appraisal of the above points and the overall cost differential between external and in-house operation of the travel hub, it is recommended that the Council procure a specialist external party to operate the facility.

Procurement of external travel hub operator

- 5.12 The Council has already secured external advice from a parking consultant as part of the design of the travel hub operational requirements and wider Prestwich Village Regeneration scheme. As the facility is under construction, it has been advised to carry out a soft market testing exercise to establish market interest, operator requirements and which specific commercial model would be most suitable for the Prestwich facility.
- 5.13 Soft market testing will be carried out through an Expression of Interest process and be supported by an established industry expert to ensure that the procurement scope/technical specification is effective, represents value for money and is aligned with wider development aspirations for the Prestwich Village Regeneration scheme. It will also identify available procurement frameworks which will streamline the procurement process and add value.
- 5.14 Use of procurement frameworks is generally preferred by the Council. These are compliant with the PCR 2015 / Procurement Act 2023 and include pre-agreed beneficial terms and legal protections. The use of frameworks can offer lower unit costs or beneficial rates as these are generally competitively procured offering greater demand into the marketplace. Pre-procured frameworks can significantly reduce procurement timescales and reduce required officer resources, both of which are important factors.
- 5.15 The Council's Procurement service will support the scheme and be involved throughout the procurement process including the evaluation of the available frameworks and supporting the correct scope for the project.
- 5.16 The alternative route to market will be an open tender which will take longer to complete. However, this route will also be evaluated and the best solution for the intended purpose implemented.
- 5.17 Early appointment of an external operator will enable them to add benefit and add their design requirements into the scheme at an early stage. Note: provision has been made within the approved £14 million capital cost envelope for the delivery of the Travel Hub for appropriate fit out requirements.
- 5.18 Approval for the preferred route to market will be sought from the Director of Regeneration & Project Delivery in consultation with the Council's Procurement service.

- 5.19 The agreed procurement strategy and route to market will be compliant with the PCR 2015 and the Procurement Act 2023 which came into force on 24th February 2025.

Timescale

- 5.20 The procurement process to select and appoint a third-party operator will commence in accordance with the wider construction delivery timescale of the Prestwich Travel Hub and will be in place before the facility is due to open.
- 5.21 The soft market engagement will commence post Cabinet meeting, pending approval of this report.
- 5.22 Indicative timescales for the procurement process are:
- Soft market engagement and route to market approval (2-3 months).
 - Tender document (1-2 months).
 - Tender release and evaluation (2-3 months).
 - Award and mobilisation (1-2 months).
- 5.23 Subject to approval of the recommendations in this report, early preparatory work has begun to discuss the procurement process and scope/specification of the tender brief. This is to ensure momentum and timescales are met.
- 5.24 It is expected that the procurement process from start (soft market testing) exercise to finish (appointment of third-party operator and contract mobilisation) will take no longer than 4-6 months, including further Cabinet approval.
- 5.25 The delivery of the Prestwich Travel Hub commenced on site 24th March 2025 with expected completion in July 2026. The operator procurement is aligned with this timeline.

Future Opportunities

- 6.1 The Council will keep operator arrangements under regular review in line with contract timescales. As such, the use of an external operator for the Travel Hub facility will be considered against internal operation on a regular basis.
- 6.2 The decision to use external resources is particularly sensitive to scale. As the Prestwich Travel Hub will be the only off-street facility of its nature and economies of scale suggest that the unit cost of operation is better suited at present to the private sector. Should the Council invest in additional, similar facilities this may mean that internal operation becomes better value for money. Regular review of the contract will enable the Council to alter its approach should this become the case.

Social Value

- 6.1 The Prestwich Village Regeneration scheme has a Social Value Vision Statement/Strategy that quantifies the overall Social Value that it has the potential

to bring to the local community in terms of new jobs, additional local spend - as well as the broader social, economic and environmental value benefits. This was previously established alongside Bury Council's Social Value Strategy.

- 6.2 The delivery of the Travel Hub has its own Social Value action plan in line with the above Social Value Strategy.
- 6.3 The procurement of an external operator will include specific Social Value benefits commensurate with the scale of the procurement and aligned to the overall Social Value Strategy of the wider Prestwich Village Regeneration programme.

Links with the Corporate Priorities:

- 6.1 The redevelopment of Prestwich Village supports delivery of the 'Let's Do It!' strategy and the four principles that underpin it as they all have a correlation to how the Council will design the future of our towns:

Local Neighbourhoods: Delivery will support the Council fulfil the aims of the neighbourhood delivery model, making the borough a safe place to live, putting the borough on track for carbon neutrality and building houses that are homes.

In summary, the overall redevelopment scheme will:

- Provide a new community hub that will re-provide a modern-day library, adult learning provision, community space and health related services which will be a true connection to the community and integrated public service teams in the village centre.
- Build new homes will endeavour to meet the eco-homes standard and be high quality, carbon neutral and affordable.
- Promote active travel – provision of a travel hub and walking and cycling routes that will connect people with local amenities. Design a new village centre that will include 'secure by design' principles to allow people to feel safe and secure.

Enterprise to drive economic growth and inclusion: The scheme will:

- Create more flexible and innovative/digital workspaces for local entrepreneurs to grow.
- Modern retail space to encourage more new and independent businesses to open and remain in Prestwich.
- Invest in the physical infrastructure and work with key stakeholders such as Transport for Greater Manchester to enable local people to access employment and training opportunities to contribute to the growth of the local economy.

Delivering Together: The scheme will:

- Make sure that everyone's voice is heard via community engagement/consultation at various stages of the development of the Scheme and through a variety of media platforms, including a dedicated website.
- Develop new buildings which will promote the use of them as community assets i.e. community hub, market hall and public realm which will in turn, support community involvement and organisations and connect people to them.
- Provide the opportunity to drive digital inclusion through the use of the latest technology in the new buildings.
- Provide better transport connectivity through its design and involvement of the Active Travel agenda.

A Strength-Based Approach: The scheme will:

- Promote community wealth building and community capacity as community groups have and will continue to be encouraged to be part of the community engagement/consultation processes.
- Build on previous links to development the scheme that have been made with Bury VCFA.
- Provide flexible community space in the community hub and outdoor space for events that will promote community inclusion within the village.
- Recognise the importance of population health due to the likely relocation of the existing NHS services into the community hub building, as well as providing the opportunity to increase health provision in the village.

Equality Impact and Considerations:

- 7.1 A full Equality Impact Assessment has been completed, and it has been concluded that there will be a neutral effect on all groups of people with protected characteristics.
- 7.2 The approvals are to seek agreement for a procurement exercise to appoint a third-party operator for the Travel Hub that will be conducted in accordance with the PCR 2015 and the Procurement Act 2023 that came into force on 24th February 2025. This will ensure that a fair, open and transparent process is undertaken.
- 7.3 The agreement for which procurement route to market and which council service is having the client role is an internal matter that would not affect groups of people with protected characteristics.

Environmental Impact and Considerations:

- 8.1 One of the scheme's objectives is to deliver a sustainable development. As noted in the report to the 12 July 2023 Cabinet, delivering sustainable

developments is now a primary goal for the Prestwich Regeneration LLP. It has adopted Muse's Sustainability Strategy which includes a Sustainable Development Brief and Sustainable Action Plan which will be utilised on the Scheme – both making up the Sustainable Development Strategy.

- 8.2 The Planning and Regeneration Statement submitted as part of the hybrid planning application provides summary detail on the environmental impact of the Scheme, including carbon emissions and biodiversity. It states that:

“The scheme will be low and net zero carbon by design – sustainability and carbon reduction are fundamental to the proposals. Proposed measures include new energy and water efficient buildings to minimise carbon in operation, the use of sustainable building materials to reduce upfront embodied carbon, photovoltaic panels and air source heat pumps.”

“The proposals for Prestwich Village will secure a significant increase in biodiversity when compared with what is on the site at the moment. The proposals will uplift biodiversity by more than 40%. This will be supported by significant levels of new tree planting, open spaces and public spaces where people and nature can thrive.”

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Delivery/timescale for carrying out the tender process.	Cabinet approval will enable the procurement process to be undertaken in a timely manner which will lead to a preferred third-party operator quickly being selected.
Lack of third-party operator interest which could be a resource implication for the Council.	The soft market testing exercise will determine interest. There's also confidence in the market that there will be enough interest.
Financial – the cost of having a third-party operator could be challenging.	The approved funding strategy (as per the Cabinet report 16 th July 2024) accounts for the costs.
Reputational – loss of confidence in the Council to procure the third-party operator.	Cabinet approval of tender exercise and delegated powers of approval, alongside support from the JV to bring in a parking expert to support the specification and support from the Council's procurement service.
Operational – the Travel Hub may not be operational without a third-party operator procured and appointed.	The timely undertaking of the procurement process post Cabinet approval will enable the third-party operator to be selected and appointed.

Risk / opportunity	Mitigation
	The operator will have the correct level of resource and expertise.

Legal Implications:

- 9.1 The client department have confirmed Procurement advice is being sought to ensure it is compliant with the Procurement Act. Legal will be consulted in relation to the terms and conditions, if required.

Financial Implications:

- 10.1 Whilst there are no financial implications at this stage, until the procurement process has completed and the award of a contract. The external car park operator costs will be recovered from car parking income collected from the Prestwich Travel Hub.

Appendices:

No appendices are required for this report.

Background papers:

16th July 2024 Cabinet paper: Prestwich Village Regeneration Scheme: Delivery of Phase 1A (Travel Hub) – Legal Structure and Funding Approval (Parts A and B).
<https://councildecisions.bury.gov.uk/documents/s40414/Prestwich%20Village%20Regeneration%20Cabinet%20Report%20July%202024%20Part%20A.pdf>

4th December 2024 Cabinet paper: Prestwich Village Regeneration Scheme: Delivery of Phase 1A (Travel Hub) – Main Works Package (Parts A and B).
<https://councildecisions.bury.gov.uk/documents/s42400/Prestwich%20-%20Phase%201A%20Travel%20Hub%20works%20contract%20Part%20A%20final.pdf>

Prestwich Village Social Value Statement and Prestwich Village Construction Social Value Action Plan.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
Prestwich Regeneration LLP	The Joint Venture company that comprises of Bury Council and Muse Places Ltd that has been established to deliver the Prestwich Village Regeneration scheme.

Term	Meaning
Framework	<p>Frameworks help public sector buyers to procure goods and services from a list of pre-approved suppliers, with agreed terms and conditions and legal protections.</p> <p>Frameworks are often divided into 'Lots' by product or service type, and sometimes by region.</p>
Open tender	A form of procurement that allows any qualified supplier in the market to bid.
Soft market testing	Process of engaging with potential suppliers before you begin buying goods or services for your organisation.
Third-party operator	The outsourcing of a function to an outside company/organisation to ensure (in this case) the efficient management/operation of the Travel Hub for the Council (as the client).
FTE	Full-time equivalent – a unit of measurement used to measure the amount of workforce required. 1 FTE = 37 hours per week.
Social Value	The positive impact the procurement of services/goods has on the economic, social and environmental wellbeing of a local community or area that exceeds financial benefits.
KPIs	Key Performance Indicators.